

MADRAS REDEVELOPMENT COMMISSION
Request for Action

Date Submitted: September 4, 2019
Agenda Date Requested: September 11, 2019
To: Madras Redevelopment Commission
From: Nicholas Snead, Community Development Director
Cc: City Council
Gus Burrell, City Administrator
Subject: **Reconfiguration of the MRC for the HURD.**

TYPE OF ACTION REQUESTED: (Check One)

- | | |
|---|------------------------------------|
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Ordinance |
| <input checked="" type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other |
| <input type="checkbox"/> No Action - Report Only | |

MOTION FOR COMMISSION ACTION:

I move that the MRC (Agency) recommend to the City Council that the MRC be reconfigured to include thirteen member Agency (7 City Councilors and 6 At-Large MRC Commissioners) and revisions to the MRC's By-Laws be made to reflect a thirteen member Agency and require an annual review of the By-Laws by the Agency.

OVERVIEW:

At the August 7, 2019 MRC meeting staff presented a memorandum from the City's urban renewal consultant and reported that the City was preparing to create a second urban renewal district and that the City is only allowed one "Agency" which is comprised of elected or appointed officials that make decisions for the urban renewal district(s) (ORS 457.045). The MRC is the "Agency" for the Madras Urban Renewal District for which the City Council established in 2003 by ordinance. At the June 25, 2019 City Council meeting the City Council took formal action to direct staff to prepare the required Report and Plan to create a Housing Urban Renewal District (HURD) that in effect would create a second urban renewal district for the City of Madras. This Council directive to staff includes the need to determine the composition of the Agency for the City's urban renewal districts.

At the September 11, 2019 joint MRC and City Council meeting, will present the analysis of three (3) options for the reconfiguring the MRC (Agency) and recommend that the City Council that the MRC be reconfigured to include thirteen member Agency (7 City Councilors and 6 At-Large MRC Commissioners) and revisions to the MRC's By-Laws be made to reflect a thirteen member Agency and require an annual review of the By-Laws by the Agency.

ANALYSIS:

Staff recognizes that the MRC has a distinct and unique specialized interest in revitalizing the City's commercial area through the use of urban renewal and that the MRC is a nine (9) member Commission comprised of engaged and committed Commissioners. Staff also recognizes that the MRC was established in 2004 by the City Council comprised of three (3) City Councilors and

six (6) At Large members who, generally speaking, attend and are in engaged in the MRC meetings.

The MRC also in various stages of working with property owners and businesses to assist them in improving their property and business. Additionally, staff recognizes that the City Council is also interested in revitalizing the City's Commercial core and addressing local housing challenges through the use of urban renewal. Staff notes that it has been difficult to fill elected and appointed positions on the City's Council and Commissions.

Based on the Pros/Cons analysis in the table below (pg. 3) staff finds that the Option 1 expands the authority of the MRC to include housing and the HURD. However, the City Council is serious about addressing the local housing issues and Option 1 does not allow them to be directly involved in the HURD planning, financing, and project execution.

Option 2 would remove six (6) At-Large MRC Commissioners who have been very involved in revitalizing the City's commercial areas and as a result wouldn't utilize community engaged members effectively and the public may view such consolidation of urban renewal authority to the City Council with two (2) At-Large members negatively from a citizen involvement perspective.

Option 3 would retain the involvement of the current six (6) At-Large MRC Commissioners and affords the City Council involvement in MURD and HURD debt issuance for commercial and housing urban renewal financing decisions. Option 3 would allow City staff to more effectively support the Agency on MURD and HURD planning, finance, and project development and execution. This option would also create a thirteen (13) member Agency although would require at least seven (7) members of the Agency to be present at meetings for a quorum.

Staff recommends that the MRC (Agency) be reconfigured to include thirteen member Agency (7 City Councilors and 6 At-Large MRC Commissioners). This may create challenges for the Agency to meet quorum requirements. Accordingly, staff also recommends that the MRC By-Laws be revised to reflect the new composition of the Agency. It is also recommended that the By-Laws revised to include an annual review of the By-Laws. If in the future there are challenges to having a quorum for Agency meetings, staff recommends this would allow the Agency to consider annually how to address any related challenges and ensure the Agency is effectively conducting its business.

Agency Options	Analysis
<p><u>Option 1:</u> MRC to serve as Agency for MURD & HURD</p>	<p>Pros:</p> <ul style="list-style-type: none"> • MRC has knowledge and experience with urban renewal and tax increment financing and how to work with developers to incentivize new development that can be applied to HURD. • MRC budget can be expanded to include needed HURD budget and segregated funds. • City staff to continue to provide staff support to Agency overseeing MURD & HURD. <p>Cons:</p> <ul style="list-style-type: none"> • City Council does not achieve full participation in the HURD. • Assumes MRC is open to expanding focus to include housing development. • MRC experienced and focused on commercial redevelopment; housing development has different factors affecting development and MRC will need to quickly learn about housing market factors and its role in the market. • MRC will need several briefings on Housing Action Plan and HURD Feasibility Study to understand why and how the HURD will address local housing challenges to be responsive to current plans and projects. • Continued MRC reliance on City Council for lower cost debt issuance to finance MURD projects.
<p><u>Option 2:</u> City Council & 2 At-Large Positions to serve as Agency for MURD & HURD</p>	<p>Pros:</p> <ul style="list-style-type: none"> • Two (2) At-Large members of the public to serve on Agency with either a commercial or housing development expertise. • Consolidates urban renewal authority to City Council. • Consolidates urban renewal debt issuance and urban renewal financing decisions to the City Council (City Council currently issues debt on behalf of the MRC to finance MRC projects). • City staff to continue to provide staff support to Agency overseeing MURD & HURD. <p>Cons:</p> <ul style="list-style-type: none"> • City Council will need to briefing quickly on MURD Plans, current revitalization strategy, and current projects to allow them to be responsive to current projects. • Loss of six (6) Commissioner's knowledge and experience with urban renewal and tax increment financing for commercial development. • Two (2) At-Large members serving on Agency may be viewed as insufficient citizen involvement for the MURD and HURD. • Current At-Large Commissioners likely to be disappointed that they will no longer be involved in efforts to revitalize the City's commercial areas in the MURD.
<p><u>Option 3:</u> MRC & City Council are Agency for MURD & HURD</p>	<p>Pros:</p> <ul style="list-style-type: none"> • Affords current six (6) At-Large Commissioners continued involvement in MURD and expands their focus to include HURD. • Retains MRC knowledge and experience with urban renewal and tax increment financing for commercial redevelopment. • Affords the City Council involvement in MURD and HURD debt issuance for commercial and housing urban renewal financing decisions. • Maximizes citizen involvement in MURD and HURD. • More effective utilization of City staff (Administrator, City Recorder, Public Works Director, Community Development Director, & Finance Director) to support Agency on MURD and HURD planning, finance, and project development and execution. • Provides efficient meeting structure for City staff where Urban Renewal and City Council meetings would occur on the same evenings. • Increase Urban Renewal meetings from one (1) meeting per month to two (2) meetings/month on 2nd & 4th Tuesday of each month. • Allows Agency to make more timely decisions and balance MURD and HURD related agenda items between two monthly meetings. <p>Cons:</p> <ul style="list-style-type: none"> • City Council will need to briefing quickly on MURD Plans, current revitalization strategy, and current projects to allow them to be responsive to current projects. • MRC will need several briefings on Housing Action Plan and HURD Feasibility Study to understand why and how the HURD will address local housing challenges to be responsive to current plans and projects. • Creates a thirteen member Agency (7 City Councilors and 6 At-Large MRC Commissioners) & creates a quorum requirement of 7 members.

**All options will not result in the hiring of additional staff to administer the HURD.*

SUMMARY:

A. General Coordination:

Department Review	Reviewed By	Date	Not Required
City Administrator	Gus Burrell	9/4/19	
City Attorney	Alan Dale		X
Finance	Kristal Hughes	9/4/19	
Police	Tanner Stanfill		X
Public Works	Jeff Hurd		X
City Recorder	Lysa Vattimo	9/4/19	

B. Fiscal Impact:

N/A

C. Funding Source:

N/A

D. Supporting Documentation:

Attachment A: Elaine Howard Memorandum

STAFF RECOMMENDATION:

That the MRC (Agency) recommend to the City Council that the MRC be reconfigured to include thirteen member Agency (7 City Councilors and 6 At-Large MRC Commissioners) and revisions to the MRC's By-Laws be made to reflect a thirteen member Agency and require an annual review of the By-Laws by the Agency.

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MEMO

TO: Nick Snead, Community Development Director

FROM: Elaine Howard

RE: Madras Redevelopment Commission

DATE: July 12, 2019

ORS 457.045 authorizes the governing body of the municipality (Madras City Council) to exercise the powers of the urban renewal statute by appointing a board for the urban renewal agency. A recent legal opinion affirmed there can only be one urban renewal agency in a city. By statute, the urban renewal agency board can be the city council itself or a separate board or commission composed of not less than three members. In Madras, the urban renewal agency is called the Madras Redevelopment Commission (MRC) and it is composed of five members of the public and two members of the City Council itself.

Madras is considering adopting an additional urban renewal area that will have goals different from those of the initial urban renewal area. The City Council must decide whether to continue having the MRC board continue in its present composition or to change the composition of the MRC. Regardless of whether the MRC remains as it is or is changed to reflect a different composition, the MRC must remain a separate entity from the City with separate accounting, budgeting and reporting responsibilities. The Intergovernmental Agreement (IGA) between the City and the MRC will still need to be in force.

If a new Housing Urban Renewal District (HURD) is adopted by the City Council, there will be new responsibilities for budgeting, financial statements and annual reports. Since this will be an urban renewal area that will be unique in its projects and programs, there will be additional decisions to be made on the implementation of the HURD. These additional responsibilities need to be considered when deciding the continued composition of the MRC.

The options for the MRC if the HURD is adopted are listed below:

1. The MRC remains as it is. The members are briefed on the new HURD so that they are prepared with the background to be able to make sound decisions on HURD issues.
2. The MRC is reconstituted by appointing one or more of the members who will have an interest and background in the housing issues represented in the HURD. There may need to be an additional ordinance adopted by the City Council to memorialize the change to the ordinance that established the original MRC board.
3. City Council takes the responsibilities of the MRC through an ordinance that changes the composition of the MRC Board. There will need to be an additional ordinance adopted by the City Council to memorialize the change to the ordinance that established the original MRC board.

- Advisory committees could be formed for one or both separate urban renewal areas. The existing MRC board could become the advisory committee for the existing urban renewal area. These committees would be advisory only, with the MRC having the power to enact the urban renewal areas. They could meet as often as the staff has time to facilitate the meetings. This could be annually before budgeting, quarterly or monthly.

Issues:

- Existing MRC loses its authority to make decisions, becomes advisory only.
- The appointment of one or more advisory committees requires another layer of meetings and administrative responsibilities for staff.