

**Urban Renewal Agency Board of Directors Agenda
City of North Plains
NORTH PLAINS SENIOR CENTER
31450 NW Commercial
Monday, August 17, 2015
7:00 P.M.
Special Session**

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **CONSENT AGENDA:** *(The items on the Consent Agenda are normally considered in a single motion. Any item may be removed for separate consideration upon request by any member of the Council.)*

A. Approval of Monday, August 17, 2015 Special Session agenda

B. Approval of minutes of 07/20/15 Special Session URA Board of Directors

4. **PUBLIC COMMENT:** *(Persons wishing to speak on matters not on the agenda may be recognized at this time. Speakers must complete a "Public Comment Registration form" on the information table and return it to the City Recorder. You are not required to give your address when speaking to the City Council, only your name. Presentations are limited to five minutes.)*

5. **PUBLIC HEARING:**

None Scheduled

6. **EXECUTIVE SESSION**

Adjourn to Executive Session under Oregon 192.660.2(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

7. **NEW BUSINESS:**

None scheduled

8. **UNFINISHED BUSINESS:**

A. Discussion regarding purchasing options for Vanderzanden Property on Commercial Street

9. **ADJOURNMENT**

North Plains Urban Renewal Agency meetings are accessible for disabled individuals. The Agency will also endeavor to provide services for persons with impaired hearing or vision and other services, if requested, at least 48 hours prior to the meeting. To obtain services, please call City Hall at (503) 647-5555.

**City of North Plains
Urban Renewal Agency (URA) Board of Directors
Monday, July 20, 2015, Special Session
MINUTES**

1. **Call to Order:** Chair Kindel called the meeting to order at 8:00 p.m.

2. **ROLL CALL:**
Directors present:
Chair Robert Kindel, Jr., Directors: David Hatcher, Teri Lenahan, Charlynn Newton, Sandi King, Sherrie Simmons, Scott Whitehead

Staff present: Public Works Director/Interim City Manager Blake Boyles, City Recorder Margaret Reh

3. **CONSENT AGENDA**
 - A. Special Session Agenda Approval-July 20, 2015
 - B. Approval of minutes of 06/15/15 Special Session URA Board of Directors

Motion by Lenahan. Seconded by Simmons to approve the Consent Agenda. The motion was approved unanimously.

4. **PUBLIC COMMENT**
None were forthcoming

5. **PUBLIC HEARING**
None Scheduled

6. **NEW BUSINESS**
None scheduled

7. **UNFINISHED BUSINESS:**
 - A. Discussion regarding purchasing options for Vanderzanden Property on Commercial Street

Blake presented the staff report which included funding options and a report from Finance Manager Rachael Lembo which was included in the Agenda Packet. The City Council had requested staff to report on the estimated financial burden the City would incur if the one acre piece of property on Commercial Street, east of 311th, were purchased and present it to the URA Board. It was determined that the URA has capacity to repay the loan and so does the General Fund. The report showed comparisons of other loans the City currently has.

Discussion ensued regarding the role the City would have in developing property that they may purchase. The Board also discussed the rezoning of the property and the history of the different zoning it has been through.

John Rankin, Land Use Attorney representing the Vanderzanden property, addressed the Council and introduced the land owners to the Board. Rankin presented a history of the property and the zoning changes the property has gone through. He also explained the difficulties the property owners have had in trying to sell the property historically. Discussion ensued regarding various development options-including apartments, condos, and high density single family dwellings. There was also discussion regarding the property being rezoned back to commercial which could allow for commercial development, mixed use or possibly a new city hall building. Being zoned commercial would be more in line with the vision of the community to have commercial area continue and tie Glencoe with Commercial and the downtown area. The existing zoning of R-2.5 has made this piece of property an island on the zoning map. There is a risk, if the City were to take this property on, however Hatcher feels it could be a short-term risk. It could end up being an investment to tie the property in with the original vision.

Rankin stated the asking price for the property is \$495,000 for the property. Rankin stated he had said the property could go to the city for \$475,000 as he stated in an e-mail he sent to Blake Boyles. Discussion ensued regarding fluctuations in the market and issues that arose with prior interested buyers that prevented them from moving forward with the property.

Discussion ensued regarding options the URA can take regarding this property. It can be purchased; it could be rezoned to commercial; rezoned by the property owner with the City waiving the rezoning fee; rezoned if the purchase from the city is imminent; it could be financed by a loan; a down payment with a transfer of ownership-the city could make payments to the owner until there is more money in the URA fund or it could be dropped altogether.

The Board decided they will need a work session to discuss the options that are on the table regarding this property. The URA work session has been scheduled for August 17, 2015 at 7:00 p.m. at the North Plains Senior Center to discuss options and make a decision regarding the direction the URA wants to take with the property.

Rankin wanted the Board to know that they will be continuing to market the property while the URA are considering their options.

8. ADJOURNMENT

Chair Kindel adjourned the meeting at 8:45 p.m.

Robert Kindel, Jr., URA Chairperson

Margaret L. Reh, City Recorder

Date approved _____

NORTH PLAINS URBAN RENEWAL AGENCY EXECUTIVE SESSION MINUTES

Monday, August 17, 2014 @ 7:00 p.m.

MEETING DATE AND TIME

North Plains Senior Center

LOCATION

THIS MEETING IS CALLED TO ORDER UNDER AUTHORITY OF:		
	192.660(2)(a)	Employment of public officer, staff member or individual (attorney)
	192.660(2)(b)	Discipline of Public Officers and Employees
	192.660(2)(d)	Labor Negotiations
	192.660(2)(e)	Real Property Transactions
	192.660(2)(f)	Exempt Public Records
	192.690(2)(g)	Trade Negotiations
	192.660(2)(h)	Legal Counsel
	192.660(2)(i)	Employee Evaluations
	192.660(2)(j)	Public Investments
PURSUANT TO OREGON REVISED STATUTES, NO INFORMATION FROM THIS SESSION SHALL BE DISCLOSED BY THE NEWS MEDIA.		

In Attendance:

Elected Officials:

URA Board Chair Robert Kindel	Director Hatcher	Director King
Director Lenahan	Director Newton	Director Simmons
Director Whitehead		

Staff: Blake Boyles Margaret Reh

City Attorney:

Consultants:

Media:

Called to Order at: _____ Adjourned at: _____

Specific Issue Discussed: Vanderzanden property options



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: July 20, 2015 (Memo submitted for 7/20/15 URA Meeting)
To: Urban Renewal Agency Board of Directors
From: Interim City Manager Blake Boyles
Subject: Rankin Vanderzanden Property

Request: URA Directors to further discuss the possibility of purchasing a parcel of land in the best interest of the URA.

Background: City Council viewed an appraisal submitted for the Vanderzanden property at the September 15, 2014 Council meeting. The property in question (Tax lots 1N31DA3101 & 1N31DA3102) was once zoned commercial but changed some years back to R-2.5.

Council requested staff to report on the estimated financial burden the City would incur if the one acre piece of property on Commercial Street, east of 311th, were purchased. It was determined that the URA has capacity to repay the loan and so does the General Fund.

Rodney Linz, 42315 NW Woollen Road, Banks, Oregon, son-in-law of Frank Vanderzanden, have been in discussions regarding this property with the City Council and the URA Board. Linz has given a history of the property since the purchase of the property back in 1968 and 1971 to both groups. A hypothetical commercial appraisal for this property had been submitted to the Board previously and is included again in the Agenda Packet for tonight's meeting.

One option is to buy it, change the zoning and then resell it as commercial property. It could be used as an economic development tool as it is centrally located. This property could be critical to expanding the downtown area. Council wants to hear what the Planning Commission has to say about this property and the uses for it. This could be discussed again after further revisions on the Comprehensive Plan have been made.

The URA has approx. \$310k in opening fund balance, therefore a loan would be necessary to purchase this property. While the City's General Fund has sufficient cash to loan, a loan was not budgeted in FY15-16 and could not be made this year. Finance Manager Rachael Lembo obtained a loan proposal from Premier Community Bank

which has a reasonable interest rate. The loan proposal is attached. Also attached is a comparison of debt the URA has incurred since its inception.

Fiscal Impact: To be determined by URA if interested in lot.

Environmental Issues: No environmental issues are associated with this item.

Recommendation: For URA to decide agency needs for area in question.

*Attachments: Loan Proposal from Premier Community Bank
URA Loan Comparison*



June 16, 2015

Urban Renewal Agency
For the City of North Plains
North Plains, Oregon 97133

Dear Ms. Lembo,

Thank you for contacting Premier Community Bank regarding your financing needs for the purchase of the Vanderzanden property located six blocks east of North Plains. We sincerely appreciate your business over the years.

We are happy to present you with the following proposal, which summarizes a potential financing structure and terms. This letter is not a complete, detailed document that covers all of the rights and obligations associated with such a loan, but rather a summary of the terms and conditions for your review and consideration.

- Borrower:** Urban Renewal Agency for the City of North Plains
- Guarantor:** City of North Plains
- Purpose:** Purchase of unimproved land
- Loan Amount:** Up to \$292,500 or 65% of appraised value, whichever is less.
- Collateral:** First position lien security interest in the real property located at the following legal address:

West half of Lot 4 together with Lots 5 through 12, Block 20, North Plains, Washington County, Oregon. For assessment purposes, it is commonly identified as Tax Lots 3101 and 3102 of Section 1DA, Township 1 North, Range 3 West, Washington County, Oregon.
- Term:** 15 years
- Rate:** Three consecutive five year rate terms with fixed interest rates equal to Des Moines Federal Home Loan Bank fixed rate for Intermediate 5-year term advances ("5 year Index") plus 1.03%. The initial five year period will have a fixed rate of 3.20%, if the loan is closed within 60 days. If the closing occurs after 60 days, the then current index will be used.

Optional Rate: With a commitment from the City of North Plains and the Urban Renewal Agency to keep their primary deposit relationships with Premier Community Bank for the life of this loan, the interest rate would be reduced to the following:

Three consecutive five year rate terms with fixed interest rates equal to Des Moines Federal Home Loan Bank fixed rate for Intermediate 5-year term advances ("5 year Index") plus 0.73%. The initial five year period will have a fixed rate of 2.90%, if the loan is closed within 60 days. If the closing occurs after 60 days, the then current index will be used.

If at any time the primary deposits are not held with Premier Community Bank, the rate would increase to the first rate quoted above, namely the index plus 1.03%.

Rate Floor: A floor rate commensurate with the initial with the initial five year rate will be in effect for the full loan term.

Loan Fee: \$1,462.50 or 0.50% of the final principal loan amount

Amortization: 15 years

Payments: Principal and interest due monthly, remaining principal and interest due at maturity.

Appraisal: An appraisal of the property will be required and the direct cost will fall to the borrower. An appraisal review may also be required in certain circumstances and may also create a fee that would be the responsibility of the borrower.

Title: A title insurance policy will be required affirming and insuring Premier Community Bank's first lien position on the collateral property. An escrow closing may also be required.

Third-Party Costs: Borrower will pay Premier Community Bank's out-of-pocket costs for lien searches, title related fees, appraisals, recording fees and other customary costs.

Again, we are very pleased to propose these financing terms. If any of the terms and conditions contained herein are not acceptable, please let us know so that we can discuss them further.

Please sign this application letter to indicate that you would like us to process your request for financing. Please note that this summary does not contain all of the rights, obligations and/or privileges related to this proposed loan and that the final execution of Premier Community Bank's loan documents will be required. This proposal will expire within 30 days of issuance if no action is taken by the borrower.

Sincerely,



Doreen App
Commercial Loan Officer
(503) 597-5561

ACKNOWLEDGEMENT

Acknowledged and agreed to this ____ day of _____, 2015

By: _____
Rachael Lembo, Finance Manager for URA for City of North Plains

ORS 41.580 (3) (a) NOTICE
UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY THE BANK AFTER OCTOBER 3, 1989 CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE, MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THE BANK TO BE ENFORCEABLE.

City of North Plains
 URA land purchase - loan comparison
 June 10, 2015

	Loaned by	Loan start	Loan end	Loan period	Loan Amount	Interest Rate	Interest	Issuance Costs	Total cost	Cost/\$/yr	Est Annual Cost	Notes
Previous debt:												
Kaybern lot	Premier Bank	2/12/2009	2/1/2014	5	\$ 131,750	4.25%, variable	\$ 28,002		\$ 28,002	\$ 0.043	\$ 6,000	1, 2
Yellow House	Premier Bank	8/2/2012	2/1/2014	1.5	\$ 90,000	4.5%, variable	\$ 5,368		\$ 5,368	\$ 0.040	\$ 13,000	2
Current debt:												
Glencoe Road	LOCAP	3/14/2011	12/1/2030	20	\$ 275,000	3-5.7%	\$ 173,993	\$ 13,039	\$ 187,032	\$ 0.034	\$ 22,000	3
Kaybern/Yellow House	General Fund	1/1/2014	1/1/2024	10	\$ 185,000	3.25%	\$ 34,652	\$ -	\$ 34,652	\$ 0.019	\$ 22,000	
Potential debt:												
new property	Premier Bank			15	\$ 292,500	2.9%, variable	\$ 82,124	\$ 1,463	\$ 83,586	\$ 0.019	\$ 24,000	4

- 1 - small principal payments, balloon payment due after 5 years
- 2 - issuance costs could not be identified
- 3 - no prepayment until Dec 2019
- 4 - three consecutive 5-year loans, interest varies upon renewal

JOHN A. RANKIN, LLC.
Attorney at Law
26715 SW Baker Road
Sherwood, Oregon 97140
(503) 625-9710 / Fax (503) 625-9709
email: john@johnrankin.com

VIA FIRST CLASS MAIL

August 13, 2014

Martha DeBry, City Manager
City Council
City of North Plains
31360 NW Commercial Street
North Plains, OR 97133
Phone: 503-647-5555
FAX: 503-647-2031

**RE: Vanderzanden Property Appraisal with Hypothetical Commercial Zoning
Vanderzanden Asking Price for Possible City Purchase.**

Dear Martha and City Council:

Please find enclosed the City's copy of the original above noted appraisal by R. P. Herman and Associates which you requested based on the City's potential interest in purchasing the Vanderzanden property, for your and the City Council's review and consideration.

Regarding establishing a final negotiated purchase price, as you know, under the property's current zoned R-2 and with the 15-unit townhouse approval, we have been marketing the property at an asking price of \$495,000. The enclosed appraisal at the hypothetical commercial zoning estimates the value at \$450,000 in order to establish a "superior market position" (page 38) relative to the adjacent property which has recently come on the market AT \$10.59/SF, which means the Vanderzanden property asking price should be \$529,500 (50,000 SF X \$10.59/SF).

The appraisal states on that same page that Comparable 2 and 3 support a value of \$10.00/SF for the Vanderzanden property, which means the asking price under the hypothetical commercial zoning would be \$500,000.

Finally, we have considered the option of obtaining City approval for a narrow lot detached single family development, which could allow for a total of 12 lots, which we understand are currently being valued in the new Polygon NW development in east North Plains at a raw land value of approximately \$50,000/lot, which would make the Vanderzanden property worth approximately \$600,000 with a narrow lot subdivision approval.

From: "Thomas Kruger" <tkruger@westlakeconsultants.com>
Date: Thursday, May 24, 2007 12:28 PM
To: "Karen-Lee" <karen-lee@northplains.org>; <Don@northplains.org>
Cc: "Lee Leighton" <lleighton@westlakeconsultants.com>; <john@johnrankin.com>; "032808" <032808@WESTLAKE.local>
Subject: RE: Final Documents for Vanderzanden Townhomes

Karen & Don,

Thanks for sending the final order and development agreement this way. I have taken a few minutes to review both, and overall they look good. I do have a couple of comments on items that I believe should be clarified before the Final Findings are recorded or the Development Agreement enacted.

The Final Findings refer to both the original 17-unit application and to the revised 15-unit plan that was ultimately approved. Specifically, the comments from the City Engineer are clearly based on the 17-unit plan. He refers to the dead-end alley design that was originally submitted, but which was eliminated with the revised plan, as well as to the wider alley design that we had proposed for a parallel parking lane. Specifically the Engineer's recommended conditions 8, 9 and 10 are based on the first plan and were not updated to reflect the approved layout. He also refers to the narrow 23' wide lots that were originally proposed. This is problematic in that Condition #9 in the Final Findings and the Development Agreement requires compliance with the conditions of approval as recommended by the City Engineer and incorporated into the staff report. Those recommended conditions are not fully appropriate to the actual approved plan.

Section IV of the Final Findings also refers to the 17-unit design in one place. The paragraphs relating to Code Section 18.08.020 on Page 9 state that the approved plan is for 17 units and a several variances, and notes that the units will be in groups of 5 or 6 units. The final approved plan was for 15 units, with only one variance for the number of units in a group, and there are only 5 units in each group. The actual Conditions do not reflect this discrepancy, but it is potentially a source of confusion and should be revised.

Please keep me posted on how these questions will be resolved.

-Tom

From: Karen-Lee [mailto:karen-lee@northplains.org]
Sent: Wednesday, May 23, 2007 2:46 PM
To: Thomas Kruger
Subject: Final Documents for Vanderzanden Townhomes

5-23-07

Hello Tom

Final documents as I promised.

Karen-Lee

CITY OF NORTH PLAINS

CITY COUNCIL AGENDA STATEMENT

COUNCIL AGENDA DATE: January 17, 2006

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Ordinance No. 345 approving change in comprehensive plan designation and zone change for property owned by Frank Vanderzanden.

HISTORY: The city originally received an application for zone change from C-2 to R-5 and change in comprehensive plan designation from Commercial (COMM) to Low/Medium Residential (R-5) on the subject property. The Planning Commission conducted the public hearing and at the end of the hearing recommended to the City Council that the zoning be changed to C-1, General Commercial and the comprehensive plan designation remain Commercial (COMM).

The recommendation was to be considered by the City Council but the applicant amended the request to change the zoning to R-2.5, Multi-Family Residential and the comprehensive plan designation to High Density Residential (R-2.5). The council referred the amended request back to the Planning Commission.

The Planning Commission on December 14, 2005 considered the amended request and recommended the R-2.5 zoning and comprehensive plan designation to the Council with the condition that future development of the property be subject to Design Review.

PROPOSAL: Conduct a public hearing on the amended application.

FISCAL IMPACT: None identified.

POSITIVE IMPACTS: Policy decision.

NEGATIVE IMPACTS: Policy decision.

RECOMMENDATION: It is recommended that the City Council conduct the public hearing and place Ordinance No. 343 on first reading.