



Technical Memo No. 3 – URA Plan Revisions

To: Michele Parry, Town Manager
 From: Nicholas Green, President, Catalyst Public Policy Advisors, LLC
 CC: Lakeview URA Board of Directors; Lake County Board of Commissioners
 Date: October 2, 2023

Introduction

This memo updates the URA board and manager on the requested URA Plan and Report revisions. The memo provides background information on the Plan and adoption process and models scenarios with and without the inclusion of Lake County’s 5-acre tax lot (39S20E09D000 lot 201) for the planned Eco Materials Green Cement site including adding one or more public improvements to the proposed Plan.

Background

The Town Council met with Lake County Commissioner Barry Shullanberger on Tuesday, September 19, to discuss options for tax lot 201 and the pros and cons of including the property within the urban renewal Plan Area. Tax lot 201 is publicly owned land. As such, it currently generates no taxes for any jurisdiction. The Lake County Assessor assesses the value of the land at \$20,650. If it were added to the tax roles at its current assessed value, the eight affected tax jurisdictions would split \$381 in total tax receipts (Table 1).

These numbers increase significantly once the property is improved. Scenarios showing a \$10M assessed value (low-end) and \$50M (high-end) for the property are also shown in Table 1. These annual tax receipts would be realized after the five-year Long-term Rural Enterprise Zone tax abatement period and would accrue for fifteen years (the remainder of the Plan’s duration).

Table 1. Tax Scenarios for Eco Materials Site (Tax Lot 201) showing impacts to districts in descending order

		Eco Materials Tax Lot 201		
		Current AV	Estimated AV	
		\$20,650	\$10,000,000	\$50,000,000
Tax Jurisdiction	Millage Rate	Estimated Annual Tax Receipts		
Town of Lakeview	0.0065437	\$135	\$65,437	\$327,185
Lakeview School District 7	0.0045724	\$94	\$45,724	\$228,620
County General Fund	0.0037619	\$78	\$37,619	\$188,095
Health District	0.0020311	\$42	\$20,311	\$101,555
Lake County ESD	0.0006364	\$13	\$6,364	\$31,820
County Library	0.0004546	\$9	\$4,546	\$22,730
County Extension	0.0002392	\$5	\$2,392	\$11,960
Lake Cemetery District	0.0002289	\$5	\$2,289	\$11,445
All	0.0184682	\$381	\$184,682	\$923,410
15-Year Impact (excluding increases in AV)		\$5,715	\$2,770,230	\$13,851,150

As required by ORS 457, Lakeview’s URA Plan and Report have a description of each urban renewal project to be undertaken and their financial impacts on each tax jurisdiction. The proposed programs are:

- 1) Planning and code assistance;
- 2) Land acquisition and due diligence;
- 3) Predevelopment incentives; an
- 4) Infrastructure investment program;
- 5) Land development incentives;
- 6) System development charge payments;
- 7) New construction incentives;
- 8) Renovation incentives;
- 9) Research and development activities, administration, and interest; and
- 10) Manufactured and Modular Home Preservation and Development.

During the September 19 work session, we identified four potential scenarios to address the proposed Eco Materials site. They are described below.

Scenario 1) Inclusion and use for existing programs. If the Eco Materials site is included in the Plan Area, as it presently is, the tax receipts from the site, regardless of their value, can be used for any of the ten programs identified above. No change to the Plan or Report for Scenario 1 is needed as this is the current proposal.

Scenario 2) Inclusion and use for a public building project. Alternatively, the Urban Renewal Board can propose to create one or more public building projects using funds from this site. Including a public building project requires the concurrence of at least three of the four taxing districts estimated to forgo the most property tax revenue as computed in the Report accompanying the proposed Plan. In this case, the proposed project would be reviewed by the governing bodies of the Town of Lakeview, Lakeview School District 7 School Board, the County Board of Commissioners, and the Health District Board of Directors. Each governing body, by Resolution, must concur or non-concur with the inclusion of the proposed project. If at least three of the four taxing districts concur, the proposed Plan may include the public building project. Otherwise, the public building project may not be included in the Plan. If the governing body of a taxing district does not respond within 45 days of receiving the Plan and Report, the taxing district shall be deemed to have concurred in including all public building projects in the Plan. The funding available for this scenario would range from \$2.7M up to \$13.8M depending on the assessed value of the property beginning in Year Six.

Scenario 3) Removal of the site from the Plan Area. The URA board can also remove tax lot 201 from the Plan Area, in which case, the underlying jurisdictions would split the tax proceeds as they usually would for non-included properties.

Scenario 4) Partial remittance of tax proceeds. As agreed upon through an intergovernmental agreement, the URA board could elect to underlevy or remit a portion of the tax proceeds from the site to one or more tax jurisdictions as a post-tax contribution. This would effectively be a grant from the URA to the receiving tax jurisdiction for an agreed-upon amount that would be transferred annually once the tax receipts for the site had been received and remitted to the URA Board by the county assessor.

Options for the Planning Commission and Affected Tax Districts

The Lakeview planning commission has reviewed the Plan and Report, and it has been transmitted to the affected tax jurisdictions as required by ORS 457.089.

The planning commission and affected taxing districts have 45-days to provide written recommendations to the URA Board before the Town Council approves the Plan and adopts it by ordinance. In adopting the Plan, the Town Council can accept, reject, or modify the recommendations of each taxing district.

No district has the authority to veto the inclusion of a given tax lot in a Plan Area, they may only take formal action on including a public building project.

Summary

The Town Council and County Commissioners may confer with each other on these scenarios. If one or more public building projects are included in the Plan and Report (Scenario 2), a revised Plan and Report must be sent to each affected tax jurisdiction, identifying the public building project and its tax impacts. This would also necessitate restarting the 45-day notice window so the affected tax jurisdictions can review the proposed change. Three of the four largest districts would then need to pass resolutions to favor or oppose the project before the Town Council can adopt it.

Alternatively, the Plan may be adopted as submitted by the Town Council, and proceeds from the tax lot can be used for the one or more of the proposed ten programs (Scenario 1). The Town Council can also elect to remove the tax lot if recommended by the County (Scenario 3) or create a hybrid tax receipt schema with partial remittance of tax receipts (Scenario 4). Any of these scenarios can proceed without modifying the adoption timeline.