

1. 2:00 P.M. Agenda

Documents:

[2025-09-04 Finance Agenda.docx \(1\).Pdf](#)

2. Meeting Material

Documents:

[FAQ-UrbanRenewal-Updated5-23 \(1\).Pdf](#)

[Urban Renewal Flowchart \(1\).Pdf](#)

[LIDs_And_Reimbursement_Districts_Presentation_JPS_OCAA_5-18-23_00844341xB8084.Pdf](#)

[Quiet Water Pump Station Improvements Maps.pdf](#)

[YMC 3.04.010 Code.pdf](#)



CITY OF YACHATS
FINANCE COMMITTEE

441 Hwy 101 N. Commons Civic Meeting Room 1
Yachats, OR 97498

Thursday, September 4, 2025, at 2:00 pm

To Be Held In-Person & Zoom

Join Zoom Meeting

<https://us02web.zoom.us/j/82455077267>

Meeting ID: 824 5507 7267

- I. Meeting Called to Order
- II. Announcements and Correspondence
- III. Citizens' Concerns (limited to items not on the agenda, 5-minute limitation per person)
- IV. New Business
 - a. Urban Renewal District Finding & Discussion
 - i. Bring any information you were able to find on how to start a new URD
 - ii. [League of Oregon Cities URD FAQ](#)
 - iii. [Flowchart](#)
 - b. Process Evaluation Income & Expenses
 - i. Suggested next steps
 - c. Local Improvement District
 - i. [LIDs & Reimbursement Districts](#)
 - d. October meeting move or cancel
- V. Ongoing Business
 - a. Processing reimbursable grants
- VI. Other Business
 - a. From Commission
 - b. From Staff

This meeting is open to the public and all interested persons are invited to attend. This meeting will be audio taped. All items to be considered by the Commission must be submitted to City Hall no later than one week prior to the meeting. Minutes of all public meetings are available for review at City Hall, or on the City website at www.yachatsoregon.org. In accordance with ORS 192.630, City of Yachats will make a good faith effort to provide accommodations for any person desiring to attend a public meeting, if the request is made at least 48 hours in advance of the meeting time. The meeting room is physically accessible to persons with mobility devices; a sign language or foreign language interpreter may be available, with advance notice. Call City Hall at 541-547-3565 or Oregon Relay 1-800-735-2900 (TDD) two days in advance.

POSTED 09/02/25 By: Kimmie Jackson, Recorder

FAQ



FAQ on Urban Renewal

APRIL 2018

Last reviewed by LOC attorneys April 2023

FAQ: Urban Renewal

1. What is “Urban Renewal”?

Urban renewal is a financing mechanism used to improve the economic viability of specified areas. Specifically, ORS Chapter 457 gives cities and counties the authority to activate an urban renewal agency, with the power to propose and act on plans and projects to address “blight” in identified areas.¹ Examples of “blight” include buildings that are unsafe or unfit for occupancy, inadequate infrastructure, or population loss.² The area subject to urban renewal is called the “plan area.”

2. How does My City Determine if Urban Renewal is Necessary?

The best way to determine if urban renewal is right for your city is to engage in preliminary feasibility studies. State law does not require cities or counties to conduct preliminary feasibility studies, but they can greatly help a city determine if blight exists in an area, how large a plan area should be, and what projects will successfully address the blight. Preliminary feasibility studies are often drafted by a technical advisory committee, ideally with input from residents, business owners, and other stakeholders.

3. How Does My City Create an Urban Renewal Agency?

A city or county can activate an urban renewal agency by declaring, via ordinance, that a blighted area exists in the city or county and there is a need for an urban renewal agency to function in the area.³

4. Is an Urban Renewal Agency Part of the City or County?

No. The new urban renewal agency is a separate entity from the city or county that created it. Thus, when the city or county activates an urban renewal agency, it must also establish a governing structure for the agency and appoint a board. An urban renewal agency board can take one of three forms: (1) the governing body of the municipality (*e.g.*, the city council) acts as the agency board; (2) a separate group—appointed by the municipal governing body—acts as the board; or (3) the city housing authority acts as the board.⁴ The urban renewal agency board may also appoint an advisory committee, although state law does not require one.

5. Are There any Limits on the Size of an Urban Renewal Area?

Yes. State law limits the amount of acreage and assessed value that may be under the jurisdiction of an urban renewal agency.⁵ For cities with a population greater than 50,000, that limit is fifteen (15) percent, and for cities with a population less than 50,000, that limit is 25 percent. The 15 percent and 25 percent for maximum acreage and assessed value includes both the proposed urban renewal area *and* all other areas in the city already under an urban renewal plan.

¹Article 9 of the Oregon Constitution gives the Legislature authority to provide for urban renewal throughout the state. ORS chapter 457 sets out the state laws that govern urban renewal areas and agencies.

² See ORS 457.010(1) (statutory definition of blight).

³ ORS 457.035.

⁴ ORS 457.045.

⁵ ORS 457.420.

6. What Must be Included in an Urban Renewal Plan?

After being activated by the city or county, an urban renewal agency is tasked with drafting an urban renewal plan.⁶ State law identifies the components that must be included in an urban renewal plan.

Urban renewal plans must include the following components:

- a. A description of each urban renewal project to be undertaken.
- b. An outline of the major project activities planned for the urban renewal area(s).
- c. A map and legal description of the urban renewal area(s).
- d. An explanation of how the plan relates to local objectives.
- e. An indication of proposed land uses, maximum densities, and building requirements for each urban renewal area.
- f. A description of relocation methods for residents or businesses that must move because of urban renewal agency projects.
- g. A description of property to be acquired by the urban renewal agency (if any) and how it will be disposed (*e.g.*, sale or lease), along with a schedule for acquisition and disposition.
- h. If the plan calls for use of tax increment financing, the maximum amount of indebtedness to be issued or incurred.
- i. A description of which changes to the urban renewal plan are to be considered “substantial amendments.”
- j. If the plan calls for the development of a public building (*e.g.*, police station), an explanation of how the building serves or benefits the urban renewal area.

7. How does Urban Renewal Relate to my City’s Comprehensive Plan?

State law mandates that an urban renewal plan conform with a city’s acknowledged comprehensive plan.⁷ However, if a city council certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe respecting which the governor has certified the need for disaster assistance under federal law, the city council may approve an urban renewal plan and project for such area without having the urban renewal plan and project conform to the city’s comprehensive plan.⁸

8. Does the Public have the Right to Participate in Urban Renewal Planning?

Yes. State law requires that an urban renewal agency provides for public involvement in all stages of the development of an urban renewal plan.⁹ Public involvement can take different forms, including the following: meetings between agency staff and elected officials; meetings with business owners and chambers of commerce; public hearings and information sessions for residents; and outreach with other taxing jurisdictions (*e.g.*, school districts and special districts).

⁶ ORS 457.085(2).

⁷ ORS 457.095(3).

⁸ ORS 457.160.

⁹ ORS 457.085(1).

9. How is Urban Renewal Funded?

Urban renewal may be funded in a variety of manners, including, but not necessarily limited to: tax increment financing (TIF), selling property, loans, grants and bonds.

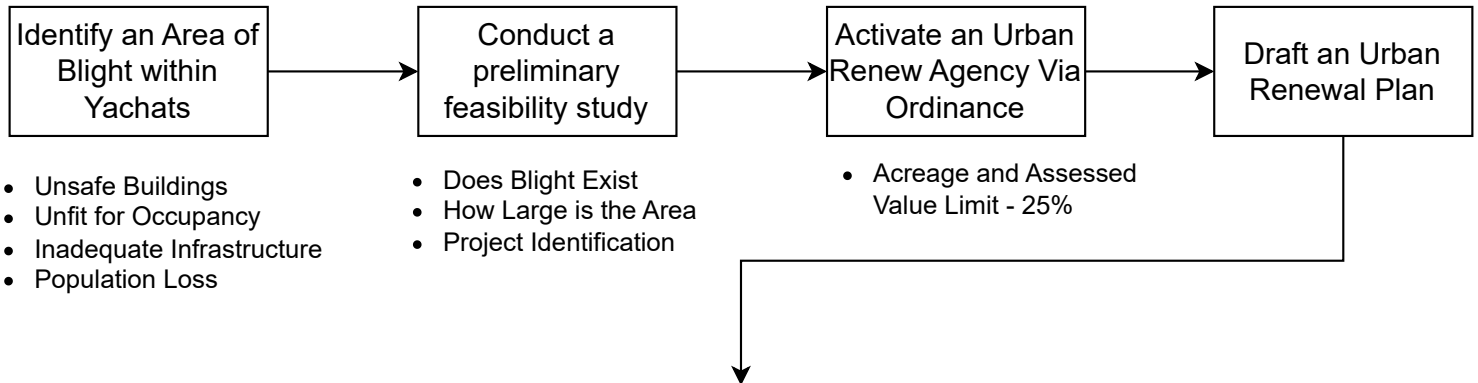
Tax increment financing, perhaps the primary way urban renewal is funded, is used to fund projects within urban renewal areas by earmarking property tax revenue from increases in assessed property value within an urban renewal area. Essentially, the tax increment financing process splits tax revenue from properties within the urban renewal area into two components: base revenue and incremental revenue. Base revenue is the level of property tax revenue available before the urban renewal area is established and is unaffected by urban renewal. Incremental revenue is the revenue that exceeds base revenue and is (ideally) generated by development projects in the urban renewal area. Incremental revenues are allocated to the urban renewal agency to finance urban renewal projects.

10. Where Can I Find More Information on Urban Renewal?

- The Oregon Department of Revenue (DOR) publishes the annual *Oregon Property Tax Statistics*, which contain property tax information for each urban renewal agency and urban renewal plan.
 - DOR Property Tax Statistics: <https://www.oregon.gov/dor/gov-research/Pages/Research-Reports-and-Statistics.aspx>.
- The former Association of Oregon Redevelopment Agencies (AORA), now a part of the Oregon Economic Development Association (OEDA) as an urban renewal committee, advocates for local redevelopment throughout Oregon.
 - OEDA website: <https://oeda.biz/committees/urban-renewal>
- The Legal Research Department at the League of Oregon Cities can assist members with questions about urban renewal in their cities.¹⁰

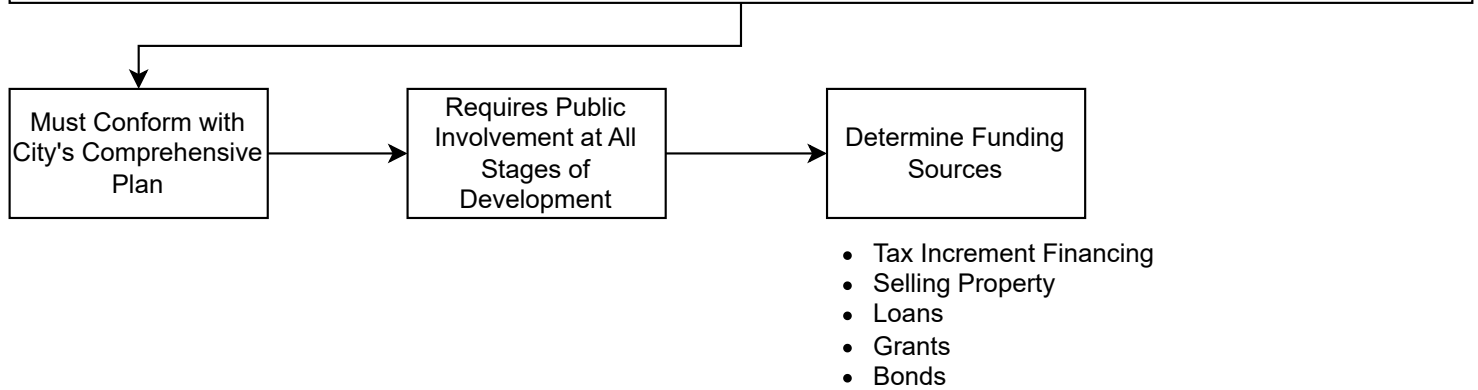
¹⁰ See LOC Municipal Handbook – Chapter 26: Economic Development: https://www.orcities.org/application/files/3016/6636/8249/Chapter_26_-_Economic_Development_EDITED.pdf.

Summary of FAQ on Urban Renewal from the League of Oregon Cities



Urban Renew Plan Components

- Description of each urban renewal project
- Outline of major project activities planned
- Map and legal description of the renewal areas
- Explanation of how the plan relates to local objectives
- Indication of proposed land uses, maximum densities, and building requirements
- Description of relocation methods for residents or businesses that must move
- Description of property to be acquired, including schedule for acquisition and disposition
- If the plan calls for use of tax increment financing, the maximum amount of indebtedness to be issued or incurred
- Description of which changes to the plan are to be considered "substantial amendments"
- If the plan calls for the development of a public building (e.g., police station), an explanation of how the building serves or benefits the urban renewal area



Local Improvement Districts & Reimbursement Districts

Josh Soper, Beery Elsner & Hammond, LLP

Overview

- Both LIDs and reimbursement districts are:
 - Tools for dividing the cost of public improvements among benefitted properties
 - Generally formed using similar processes
 - Districts in the sense of an “area,” not a separate public body
- However, they differ in a few key ways:
 - Initial source of funds and who initiates formation
 - When the benefitted property owners pay
 - Source of authority—statutory or not
 - Whether or not they impose liens

Local Improvement Districts

- Authorized by statute (ORS 223.387-401)
 - But ORS 223.399 authorizes local governments to vary from statutory procedures, and many do
- Local government initiates process (or can be requested by property owners and then initiated by governing body) and provides the initial funds (sometimes via bond)
- The amount allocated to each benefitted property becomes a lien on the property with priority over all other liens (except tax liens)
- Property owners have a specified period of time to pay in full or the option to enter an agreement to make installment payments

Reimbursement Districts

- No statutory authority; authorized by local ordinance
- Developer (which could be a local government) requests formation and provides the initial funds
 - Generally, used when a developer constructs a public improvement needed to serve its property, but which also serves other properties expected to develop in the future
- Does not impose liens on the benefitted properties, but formation resolution is often recorded to provide notice to future owners
- Benefitted property owners pay when (and only if) they develop their property
 - Local government collects payment at time of issuance of building permit (or other permit required to develop the property, such as a connection permit) and remits to original developer
 - Generally, the requirement to pay expires if property does not develop within 10 years, with a possible extension
 - This means reimbursement is not guaranteed
- Commonly referred to as “late comer agreements”

Formation Process*

- Initiation
- Engineer's Report (or Manager's Report, etc.)
- Formation Hearing
- Approval of Formation
- Construction of Improvements
- Post-Construction Report, Hearing, and Resolution
- Payment

*Because processes can vary by jurisdiction, much of the information in this presentation is based on generalities

Engineer's Report

- Prepared by local government staff or a consultant
 - For a reimbursement district, the application submitted by the developer is often essentially a draft Engineer's Report
- Describes the public improvement project; some codes limit which types of improvements qualify
- Sets out the boundaries of the district based on which properties will be benefitted
- Estimates the costs of the improvements
- Describes a proposed formula to distribute costs among the benefitted properties
- Applies the formula to the estimated total cost in order to estimate the cost share for each benefitted property

Engineer's Report – The Formula & Costs

- Formula for distributing costs:
 - Under the LID statutes, the formula is based on the “special or peculiar benefits accruing to the lot;” ordinances often use “just and reasonable”
 - Sometimes, less than 100% of the cost is allocated to benefited properties, e.g. to reflect the portion of the benefit that would accrue to the city as a whole
 - For reimbursement districts, it’s important to consider what portion of the land is developable
- Possible factors:
 - Frontage
 - Square footage
 - Number of utility connections
- Eligible costs are often more limited for reimbursement districts (engineering, construction) vs. LIDs (legal, administrative, construction, engineering, interest, and other financing costs)
- Reimbursement districts generally include an administrative charge for the local government’s services in administering the program and an interest rate for the benefit of the developer

Formation Hearing

- Notice to each owner of property within the proposed district boundary, generally including most of the information in the Engineer's Report
- Remonstrance process
 - Referenced in statute, but not required or created by statute
 - Found in many local government charters or codes for LIDs
 - Generally, if the owners of a specified percentage of the properties within the proposed district object, formation is delayed by a specified period of time
 - Local governments commonly require non-remonstrance agreements in connection with developments where an LID is foreseen as a possibility (e.g. to improve a substandard street in the future). Generally, it is a covenant binding on future owners.

Approval of Formation

- Can be by resolution, order, or ordinance depending on the local code
- Establishes the district boundaries (benefitted properties), estimated total cost, formula for apportioning costs, and estimated cost for each property
- Can be consistent with the Engineer's Report or the governing body may modify those recommendations based on the hearing
- For LIDs, the estimated cost for each property immediately becomes a lien on that property (to be replaced by the final cost when it is determined).
- For reimbursement districts, there is also generally then an agreement entered between the developer, including provisions for indemnification of the city in regard to formation and administration of the district

Construction of Improvements



- Sometimes, these processes are initiated after construction is already completed. In those cases, the process ends here because the actual costs (rather than estimates) were used in the earlier steps.

Post-Construction Report, Hearing, and Resolution

- Post-Construction Report
 - Based on the cost allocation formula approved at formation
 - Uses the **actual construction costs** rather than an estimate to determine the final amounts allocated to each benefitted property
- Hearing and Resolution
 - Notice sent to the owners of the benefitted properties
 - Establishes the final costs for each property
- Some cities omit this step for reimbursement districts and the fee is based on the estimated cost, not to exceed actual costs

Other Considerations - LIDs

- Oregon Constitution, Art. XI, Section 11b(2)(d) relates to LID assessments under Measure 5. In order to qualify as an LID assessment and not a tax (subject to compression, etc.):
 - The assessment must involve a public capital construction project benefitting specific properties;
 - The cost of the improvement must be assessed against the properties at the completion of the project; and
 - The property owner must be given the option to pay off the assessment in installments over at least 10 years
- ORS 223.405-485 and some local codes provide for reassessment—essentially a “do-over” if the original LID process is invalid or even just questionable
- ORS 223.505 et seq. provides for enforcement of liens and foreclosure sales

Examples and Further Reading

- LID ordinances and cases
 - Hillsboro Municipal Code Subchapter 3.16
 - Gresham Revised Code Article 11.10
 - *Martin v. City of Tigard*, 183 Or App 408 (2002).
 - *Bullock v. City of Ashland*, 241 Or App 378 (2011).
 - *Hill v. City of Portland*, 293 Or App 283 (2018).

- Reimbursement district ordinances and cases
 - Hillsboro Municipal Code Subchapter 3.18
 - Gresham Revised Code Article 11.15
 - *Baker v. City of Woodburn*, 190 Or App 445 (2003).
 - *Kieling v. City Council (Sherwood)*, 239 Or App 441 (2010).

Thank you!

Josh Soper
Of Counsel

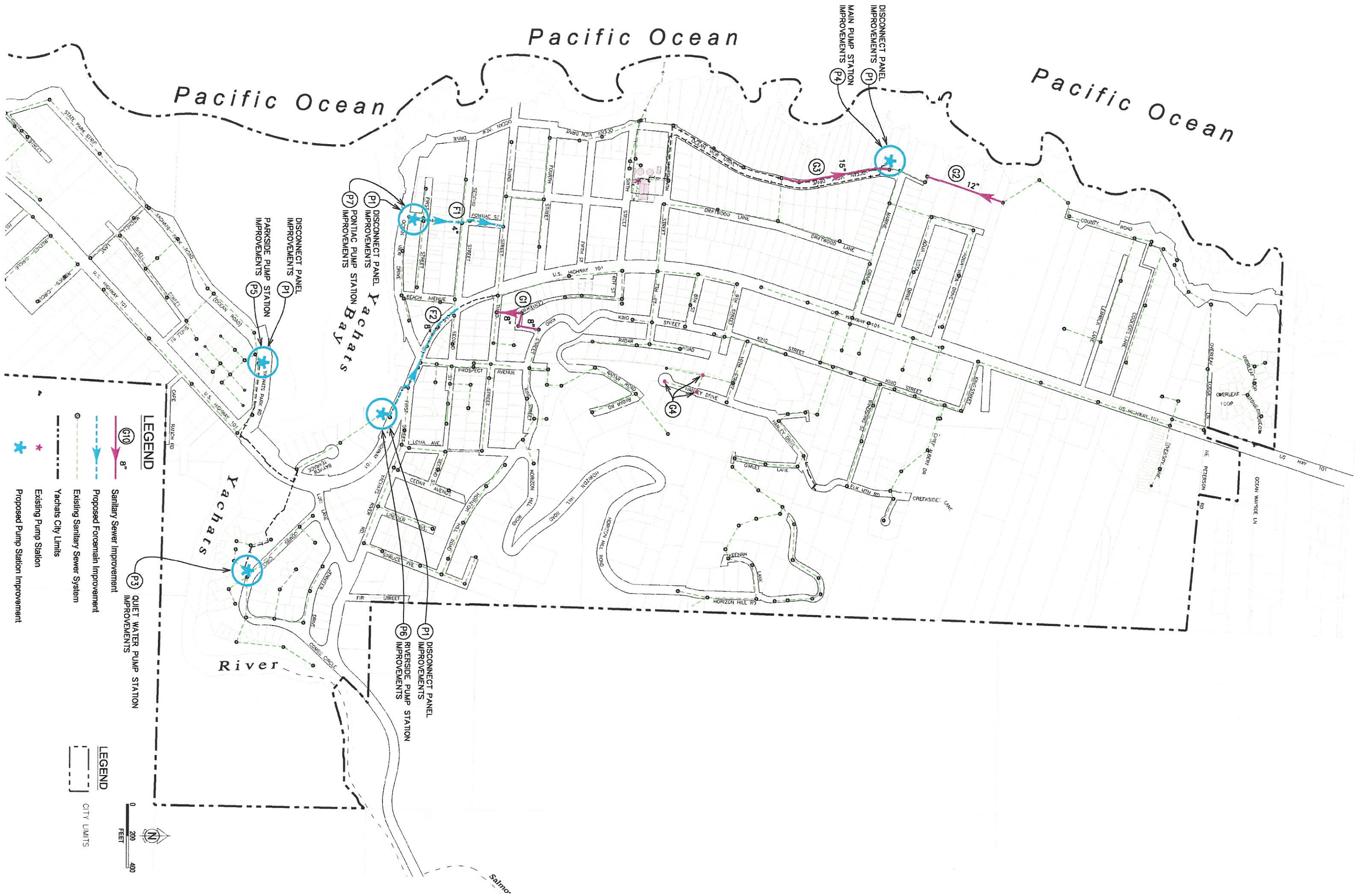
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Pacific Ocean

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River

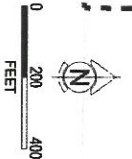
Salmon

LEGEND

- Sanitary Sewer Improvement
- Proposed Forcemain Improvement
- Existing Sanitary Sewer System
- Yachats City Limits
- Existing Pump Station
- Proposed Pump Station Improvement

LEGEND

- P1 DISCONNECT PANEL IMPROVEMENTS
- P2 PONTIAC PUMP STATION IMPROVEMENTS
- P3 QUIET WATER PUMP STATION IMPROVEMENTS
- P4 DISCONNECT PANEL IMPROVEMENTS
- P5 PARKSIDE PUMP STATION IMPROVEMENTS
- P6 RIVERSIDE PUMP STATION IMPROVEMENTS
- P7 DISCONNECT PANEL IMPROVEMENTS



§ 3.04.010. Local improvement plan.

Whenever the Council decides to make a local improvement to be financed by assessments to the benefited properties, the Council shall direct the Director of public works or some other qualified person to prepare a local improvement plan for preliminary approval by the Council. The Council shall consider the plan, making such changes as it deems appropriate. Once a plan receives preliminary approval, it shall be filed for public examination in the City Recorder's office and shall contain, at a minimum, the following information:

- A. A description of the local improvement, including drawings and specifications;
 - B. The estimated cost of the local improvement;
 - C. A map showing the boundaries of the district to be assessed;
 - D. A fair method for apportioning the cost of the local improvement among the benefited properties;
 - E. A list of the benefited properties, including for each property, the name and address of the owner, the tax assessor's valuation, the amount of any outstanding assessment, and the share of the estimated cost to be assessed to it; and
 - F. The share of the estimated cost to be paid by the City, if any.
- (Ord. 181 § 1, 1996)

§ 3.04.020. Notice of hearing.

Upon filing of a plan, the City Recorder shall prepare notice of a plan hearing. The notice shall be published once a week for two consecutive weeks in a newspaper of general circulation in the City, the first publication to be not less than 10 days prior to the hearing. A notice shall also be mailed to the owner of each property to be assessed not less than 14 days prior to the hearing. The notice shall provide:

- A. A description of the local improvement;
- B. The estimated cost of the local improvement;
- C. A map showing the boundaries of the district to be assessed;
- D. Each benefited property owner's name and estimated assessment;
- E. The share of the estimated cost to be paid by the City, if any;
- F. That the local improvement plan is available for examination in the City Recorder's office;
- G. The time and place of the plan hearing on objections to the local improvement;
- H. That any written objections, explaining the reasons for the objections, must be filed in the City Recorder's office not later than two days before the day set for the plan hearing;
- I. Except for a sidewalk or an improvement unanimously declared by the Council to be needed at once because of an emergency, action on the local improvement shall be suspended for at least six months if the owners of properties representing at least two-thirds of the property to

be specially assessed for the improvement file written objections.
(Ord. 181 § 2, 1996)

§ 3.04.030. First plan hearing.

The Council shall conduct a first plan hearing at the time and place stated in the notice. The Council shall review all written objections and hear any oral objections. Except for a sidewalk or an improvement unanimously declared by the Council to be needed at once because of an emergency, if the Council receives written objections from owners of properties representing at least two-thirds of the property to be specially assessed for the improvement, further action on the local improvement plan shall be suspended for at least six months. If action on the plan is not suspended, the Council may, within 60 days of the first plan hearing, give final approval of, amend or abandon the local improvement plan. If the plan is amended, the Council shall file the amended plan with the City Recorder and conduct a new first plan hearing on the amended plan after notice is given under Section 3.04.020.

(Ord. 181 § 3, 1996)

§ 3.04.040. Second plan hearing.

If action on the local improvement plan is suspended under Section 3.04.030, the Council may, within 60 days of the first plan hearing, schedule a second plan hearing no sooner than six months after the first plan hearing. The City Recorder shall give notice of the second plan hearing under Section 3.04.020, except that subsection I of Section 3.04.020 shall be omitted from the notice. The Council shall conduct the second plan hearing at the time and place stated in the notice. Objections may be filed prior to the second plan hearing, but filing of objections shall not suspend action on the local improvement plan. The Council may, within 60 days of the second plan hearing, give final approval of, amend or abandon the local improvement plan. If the plan is amended, the Council shall file the amended plan with the City Recorder and conduct a new first plan hearing on the amended plan after notice is given under Section 3.04.020.

(Ord. 181 § 4, 1996)

§ 3.04.050. Construction contract.

Construction of the local improvement may be by the City, another government agency, a private contractor, or any combination thereof. No contract shall be let and construction shall not begin until the local improvement plan receives final approval. With respect to private contracts of more than \$1,000, the Council shall solicit bids and either let the contract to the lowest responsible bidder or reject all bids. If all bids are rejected, the Council may either solicit new bids or abandon the local improvement. All private contractors shall post performance bonds or other security acceptable to the Council and meet any other council requirements.

(Ord. 181 § 5, 1996)

§ 3.04.060. Financing.

The Council may adopt any one or more of the following means of financing the local improvement:

A. Assess the benefited properties, using any reasonable method to:

1. Determine which properties are specially benefited by the local improvement, and
 2. Apportion the assessments among the benefited properties;
- B. Authorize payment by the City of all or part of the cost of the improvement if the local improvement benefits the City in part or as a whole or for such other reasons as the Council deems just;
- C. Obtain federal or state grants, add or increase customer service charges, issue bonds or use any other legal means of finance.
- (Ord. 181 § 6, 1996)

§ 3.04.070. Notice of proposed estimated assessment.

When the Council decides that all or part of the cost of the local improvement shall be assessed to the benefited properties and determines the amount of the proposed estimated assessment to each property, the City Recorder shall file the proposed estimated assessments and send notice to each assessed property owner. The notice shall provide:

- A. The amount of the property owner's proposed estimated assessment;
- B. A date not earlier than 20 days from the date of mailing by which any objection to the proposed estimated assessment must be filed;
- C. That each objection shall state a reason for the objection;
- D. That the Council shall consider the objection and may adopt, correct, modify or revise the estimated assessment.

(Ord. 181 § 7, 1996)

§ 3.04.080. Estimated assessment ordinance.

The Council shall consider all timely filed objections to proposed estimated assessments and may adopt, correct, modify or revise any estimated assessment. The Council shall then determine the amount of estimated assessment to each benefited property and shall, by ordinance, spread the estimated assessments. No estimated assessment may exceed the amount of the proposed estimated assessment.

(Ord. 181 § 8, 1996)

§ 3.04.090. Final assessment.

Upon completion of the local improvement, the Council shall compute the actual cost and determine the final assessments. If the final assessments are less than or equal to the estimated assessments, the Council shall, by ordinance, spread the final assessments, which shall supersede and replace the estimated assessments. Credit shall be given for payments previously made under the estimated assessments. If any credit exceeds the total amount due under the final assessment, the excess shall be refunded to the property owner of record on the date of refund.

(Ord. 181 § 9, 1996)

§ 3.04.100. Notice of proposed deficit assessment.

If the final assessments are more than the estimated assessments, the Council shall direct the City Recorder to prepare and file proposed deficit assessments to the respective properties. The City Recorder shall also send notice to each assessed property owner. The notice shall provide:

- A. The amount of the property owner's proposed deficit assessment;
- B. A date not earlier than 20 days from the date of mailing by which any objection to the proposed deficit assessment must be filed;
- C. That each objection shall state a reason for the objection;
- D. That the Council shall consider the objection and may adopt, correct, modify or revise the deficit assessment.

(Ord. 181 § 10, 1996)

§ 3.04.110. Deficit assessment ordinance.

The Council shall consider all timely filed objections to proposed deficit assessments and may adopt, correct, modify or revise any deficit assessment. The Council shall then determine the amount of deficit assessment to each benefited property and shall, by ordinance, spread the deficit assessments. No deficit assessment may exceed the amount of the proposed deficit assessment. Credit shall be given for payments previously made under the estimated assessment. The deficit assessment combined with any unpaid amounts due under the estimated assessment shall constitute the final assessment to the property.

(Ord. 181 § 11, 1996)

§ 3.04.120. Assessment liens—Installment provisions.

With respect to the recording of liens and the ability of property owners to apply for installment payments on assessments, the provisions in ORS Chapter 223 shall be applied.

(Ord. 181 § 12, 1996)

§ 3.04.130. State law.

In the absence of applicable provisions in this chapter, the provisions of ORS Chapter 223 or other applicable state laws shall govern.

(Ord. 181 § 13, 1996)

§ 3.04.140. Assessments presumed valid—City powers.

All assessments for local improvements shall be presumed valid. Defects in any assessment procedure shall not invalidate the assessments, provided that the assessments are determined to be fair. The City may modify the assessment procedure with respect to any local improvement, provided that concerned parties are given sufficient notice of the modifications and the modified procedure is fair. The City may abandon an assessment proceeding at any time, provided that all paid assessments are refunded. It is not the purpose of this chapter to limit the authority or flexibility of the City, but to grant to the City all powers of any applicable law in making and financing local improvements and in making, modifying and enforcing assessments therefore.

§ 3.04.140

§ 3.04.150

(Ord. 181 § 14, 1996)

§ 3.04.150. Conflicts.

If there are conflicts between this chapter and any other city ordinance or regulation, this chapter shall govern.

(Ord. 181 § 15, 1996)