



MAYOR BRIAN COOPER  
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## FAIRVIEW CITY COUNCIL AGENDA

Fairview City Hall-Council Chambers  
1300 NE Village Street, Fairview, Oregon

**TUESDAY, MAY 21, 2019**

### SPECIAL WORK SESSION

1. CALL TO ORDER 6:00 PM
2. CONSIDER DEVELOPMENT INCENTIVE PROGRAM EXTENSION
3. ADJOURNMENT

Brian Cooper  
Mayor

May 16, 2019  
Date

NEXT COUNCIL MEETING IS JUNE 5, 2019

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for person with disabilities should be made at least 48 hours before the meeting to the [City Recorder](#), 503-674-6224.



# AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
May 21, 2019	Work Session #2	2019-50

**TO:** Mayor and City Council  
**FROM:** Nolan K. Young, City Administrator  
**DATE:** May 19, 2019

**ISSUE:**  
Request for extension of Development Incentive Program.

**BACKGROUND:**

At the City Council meeting on May 15 Les Bick, the developer of Fairview Villa, a 48 unit residential development with under 1000 sq. ft. of ground floor office space (20022 Sandy Boulevard), requested an extension to the end of the year for the city's Development Incentive Program. The extension would only be for those projects that have received land use approval by December 31, 2018. The current requirement is that a building permit application be submitted by June 30, 2019. The City Council has scheduled this work session to decide whether or not to add this issue for consideration at the Council meeting on June 5.

There are currently four mixed-use projects that fall into this category. Exhibit A identifies those four projects, lists the number of residential units, and identifies commercial square footage and estimated value of SDC waivers by category and anticipated annual property tax that the Urban Renewal Agency (URA) would receive as a result of the development. Below is a brief narrative for each of the projects.

- Fairview Villa, 20922 NE Sandy: The primary reason the developer feels he cannot reach the deadline is because he lost his design team when there was a delay in the project because it was not approved by the Planning Commission and had to be appealed to the City Council. He also indicated gaining financing was difficult because the project is not located within an Opportunity Zone.
- Village Place, NW Corner of Village and Market: This developer has indicated that he would be submitting his building permit application by the end of May.
- Fairview Townhomes/Commercial, NW Corner of Halsey and Fairview Parkway: There are some public improvement issues with this development that the delay may assist the city in resolving to the benefit of the Main Streets on Halsey project.
- Halsey Commons, 21219 Halsey: Developer believes he can make the deadline. The extension would help them with completeness of their application.

The City Council has given a one-year Development Incentive Program extension to a development for 84 apartment units and 6,000 sq. ft. of commercial space on the NW corner of Halsey and NE 223<sup>rd</sup>. This extension was granted to benefit the Main Streets on Halsey project by solving floodplain issues. On that project it was agreed that the Utility SDCs would be paid by the URA.

**ALTERNATIVE ACTIONS:**

1. Do not consider approving the request for an extension for any of the projects.
2. Consider an extension on June 5 only for the Fairview Parkway project because it benefits the Main Streets on Halsey project.
3. Consider extending the waiver of Utility SDCs only (do not extend Parks SDC) to the end of the year of the Development Incentive Program requirement that building permit applications be submitted by June 30, 2019 for any project that has received land use approval by December 31, 2018.
4. Consider extending the waiver of Utility and Parks SDCs to the end of the year of the Development Incentive Program requirement that building permit applications be submitted by June 30, 2019 for any project that has received land use approval by December 31, 2018.

**BUDGET IMPLICATIONS:**

We recommend that the URA pay for the Utility SDCs for any approved extensions. The mid-point of the waived SDCs is summarized below for each alternative.

- Alternative #1: \$0
- Alternative #2: \$193,315 in Utility SDCs and \$68,495 in Parks SDCs
- Alternative#3: \$615,496 in Utility SDCs
- Alternative#4: \$615,496 in Utility SDCs and \$258,254 in Parks SDCs

## PENDING DEVELOPMENT INCENTIVE PROJECTS

Project	Address	Residential Units	Commercial Sq. Ft.	Park SDCs	Water SDCs	Sewer SDCs	Storm SDCs	Total Estimated SDC	Estimated Annual Property Taxes
Fairview Villa	20922 NE Sandy	48	800	113,371	61,973	109,056	6,906	292,154	68,490
Village Place	NW Corner of Village & Market	71	6,476	74,231	59,946	92,294	3,425	236,443	36,728
Fairview Parkway	NW Corner of Halsey & Fairview Prkwy.	9	2,775	2,157	72,903	20,448	2,928	101,220	21,299
Halsey Lofts	21219 Halsey	41	13,000	68,495	?	133,822	28,575	243,933	50,678
		121	23,051	\$258,254	\$194,822	\$355,620	\$41,834	\$873,750	\$177,194
	<b>*HIGH ESTIMATE</b>			\$284,079	\$214,304	\$391,182	\$46,017	\$961,125	\$194,914
	<b>*LOW ESTIMATE</b>			\$232,429	\$175,340	\$320,058	\$37,651	\$786,375	\$159,475

10% high and low of estimate