

Cornelius

Oregon's Family Town



CORNELIUS URBAN RENEWAL AGENCY BOARD

MEETING AGENDA

Monday, May 6, 2024

Cornelius City Council Chamber
1355 N Barlow St, Cornelius, Oregon 97113

[TVCTV Live Stream](#)

[Zoom Webinar](#) | Meeting ID: 834 7940 8874 | Passcode: 215546

1. Public Hearings

None

2. Public Comment

Comments are limited to three minutes.

Speaking in Person: Register to speak by filling out a form in the City Council Chamber and provide it to the City Recorder.

Speaking Virtually: Register to speak by contacting the City Recorder via email at recorder@corneliusor.gov no later than 3:00pm on the day of the Board meeting. Provide your name, address, and when possible, the topic of testimony. Those attending virtually will not be able to turn on their camera during the meeting or share their screen; presentation materials may be submitted as written testimony via email or in person at City Hall.

3. Unfinished Business

None

4. New Business

A. Resolution No. 2024-01: Intergovernmental Agreement with City of Cornelius for Property Acquisition: **Peter Brandom, City Manager**

5. Adjournment

Cornelius Urban Renewal Agency Agenda Report

To: Urban Renewal Agency Board
From: Peter Brandom, City Manager
Date: May 6, 2024
Subject: Resolution 2024-01: Intergovernmental Agreement (IGA) with City of Cornelius for the Purchase of the former Estby Site



Requested Urban Renewal Agency Board Action: Approve IGA with City of Cornelius to provide funding from the Urban Renewal Agency to purchase the former Estby property at 1021 and 1037 Baseline for cleanup and redevelopment.

Previous Urban Renewal Board Action: The Urban Renewal Board authorized the purchase of the property in February 2020, Resolution No. 2020-01. The purchase was not completed at that time.

Relevant City Strategic Plan Goal(s): Goal 6: Identify Community and Economic Development Opportunities to Support the Community's Needs.

Background: On April 1, 2019 the Cornelius Urban Renewal Agency was formed through Ordinance 2019-01. The Cornelius Urban Renewal Plan was adopted by the Cornelius City Council and Cornelius Urban Renewal Agency on July 15, 2019. The Urban Renewal Agency has identified numerous properties for strategic acquisition during the implementation of the adopted Cornelius Urban Renewal Plan. One of these concerns the property at 1021 and 1037 Baseline (tax lots 1S304AB00100 & 1S304AB00200), known as the former Estby gas station. The site, currently owned by Mr. Islam El Masry, is an inactive fueling station with the infrastructure still present (fuel dispenser pumps, underground storage tanks (USTs), restrooms, and canopy). The station has not been operational for many years and had a documented release of unknown origin (DEQ LUST File No. 34-06-1375). Therefore the site is considered a "brownfield". The City has expressed to the property owner its interest in purchasing the property for a cleanup and redevelopment. In 2020, the property owner expressed a preliminary interest in working with the City to facilitate the purchase and sale, subject to appropriate site evaluation and due diligence. The Urban Renewal Agency Board and City Council approved a purchase and sale agreement in 2020, but the deal ultimately fell through.

The property is within the City Urban Renewal Area and Town Center, and both the Cornelius Economic Development Commission and City Council have made the cleanup and redevelopment of the property a priority. The City's Urban Renewal Fund has \$500,000 budgeted for fiscal year 2023-2024, and staff believe that there is an opportunity to acquire the property, facilitate its cleanup with grant funding, and return it to the private market for redevelopment. The City has approached the owner of the site and made an offer, which has been signed and is contingent upon City Council approval.

The City has been working with the Oregon Department of Environmental Quality (DEQ) to enter into a Prospective Purchaser's Agreement (PPA), which would protect the City's liability from DEQ or third-party legal action. The Oregon Business Development Department (Business

Oregon) has grant funding available to support the cleanup of the property. The U.S. Environmental Protection Agency has grant funding available to conduct the necessary Phase I and II environmental assessments. Prior assessments, and the fact that the underground storage tanks are empty, indicate to DEQ that cleanup through the grant programs is feasible.

The proposed IGA is to authorize the use of budgeted Urban Renewal funds to purchase the property. Ultimately, the City intends to offer the remediated property for a public-private partnership with a developer that is willing to meet certain performance and design expectations. In the end the property would be privately owned and subject to property tax obligations, and proceeds from the sale will return funding to the Urban Renewal Fund. This project, once completed, will help in the transformation of downtown Cornelius in alignment with the vision established in the adopted Cornelius Town Center Plan.

Cost: The agreed purchase price is \$325,000. Additional costs will include broker fee, closing costs, with acquisition projected not to exceed \$350,000. Additional project costs, including the payment of DEQ liens on the property are projected to bring the total project cost to the Urban Renewal Agency at or below \$400,000. The FY 2023-2024 Urban Renewal budget includes \$500,000.

Advisory Committee Recommendation: The City's Economic Development Commission ranked this Urban Renewal Plan project is their highest priority.

Staff Recommendation: Approve the proposed IGA with the City to authorize the use of Urban Renewal funds for this project.

Proposed Motion: I make a motion to approve Resolution No. 2024-01, A RESOLUTION OF THE CORNELIUS URBAN RENEWAL AGENCY APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CORNELIUS FOR THE PURCHASE OF THE FORMER ESTBY PROPERTY and this action takes effect immediately.

Exhibit: Resolution 2024-01: Intergovernmental agreement (IGA) with the City of Cornelius for the purchase of the former Estby property

Cornelius Urban Renewal Agency

RESOLUTION

(2024-01)

A RESOLUTION OF THE CORNELIUS URBAN RENEWAL AGENCY BOARD AUTHORIZING THE BOARD CHAIR TO SIGN AN INTERGOVERNMENTAL AGREEMENT (IGA) WITH THE CITY OF CORNELIUS TO PROVIDE FINANCIAL ASSISTANCE TO THE CITY FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 1021 BASELINE STREET (ALSO KNOWN AS THE FORMER ESTBY PROPERTY)

WHEREAS, the City of Cornelius formed the Cornelius Urban Renewal Agency on July 15, 2019 as authorized under ORS 457; and

WHEREAS, the City Council on April 1, 2019 adopted the Cornelius Urban Renewal Plan (Plan) to among other goals address blight within the Urban Rental Agency (URA) boundary; and

WHEREAS, the URA Plan includes the acquisition of private property for redevelopment; and

WHEREAS, the vacant property at 1021 E Baseline, commonly known as 1021 and 1037 Baseline, tax lots 1S304AB00100 and 1S304AB00200 (Property) is within the boundaries of the URA and is considered blighted, and

WHEREAS, the Agency desires to enter into a separate agreement with the City of Cornelius to fund the purchase of the Property to further the goals of the Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CORNELIUS URBAN RENEWAL BOARD AS FOLLOWS:

Section 1 The Cornelius Urban Renewal Agency Board authorizes the Board Chair to sign an IGA with the City, attached as Exhibit A, to provide financial assistance to purchase 1021 Baseline Street, tax lots 1S304AB00100 and 1S304AB00200 (Property) in addition to other assistance as listed therein.

Section 2 This resolution is and shall be effective from the day of its passage.

Resolution adopted by the Cornelius Urban Renewal Agency Board, this 6th day of May, 2024.

Cornelius Urban Renewal Agency Board Chair
John Colgan

ATTEST

City Recorder, City of Cornelius
Ellie Jones, Assistant City Manager and
Interim City Recorder

Date

**INTERGOVERNMENTAL AGREEMENT
FOR THE PROVISION OF DEVELOPMENT SERVICES**

THIS INTERGOVERNMENTAL AGREEMENT (“Agreement”) entered into between the City of Cornelius, an Oregon municipal corporation (“City”), and the Cornelius Urban Renewal Agency, an Oregon quasi-municipal corporation (“Agency”), established under ORS Chapter 457 and duly activated by the City.

RECITALS

1. The Agency is a public body, corporate and politic, duly activated by the City, exercising its powers to engage in urban renewal activities in the Urban Renewal Area as authorized under ORS 457 (Urban Renewal), the City of Cornelius Municipal Code and the Cornelius Urban Renewal Plan (“Plan”).
2. The Agency is in the process of undertaking economic development activities to carry out objectives and projects of the Plan, including development of underdeveloped or blighted areas.
3. Goals for such economic development activities include creating conditions that are attractive to the growth of existing businesses, attract new businesses to create new jobs, and increase asset value in the Urban Renewal Area (Area) by pursuing and providing for purchase, resale, and development and redevelopment of property that is blighted, underdeveloped, or vacant. Goals are defined within the areas of transportation, developer incentives, and creating community.
4. This City is in the process of purchasing property located at 1021 E Baseline, commonly known as 1021 and 1037 Baseline, tax lots 1S304AB00100 and 1S304AB00200 (Property), which Property is currently not being used and is in a prime area of the Urban Renewal Area and which the City desires acquire, rehabilitate, and market the Property is also identified in the Plan under Section 6. C.
5. The City has entered into a Purchase and Sale Agreement for the Property executed on April 19, 2024 (Agreement) to facilitate the Project.
6. In addition to using underdeveloped land, the Project will advance development of a blighted property at a key intersection in the Town Center by purchasing, cleaning up, and returning the property to the private marketplace for future commercial or mixed-use commercial and residential use, thereby creating conditions that are attractive to the growth of existing businesses and that attract new businesses and create jobs in the City.
7. The Agency desires to provide financial assistance to the City for the Project as doing so furthers the goals and programs of the Plan.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

Article 1: Funding.

Section 1.1. Funding from the Agency. The Agency agrees to provide the following funding for the Project:

- 1.1.1 Reimbursement for Purchase. The Agency shall reimburse the City for the cost to purchase the Property up to a maximum amount of \$350,000.
- 1.1.2 Reimbursement for Staff Time. The Agency shall reimburse the City for reasonable costs of services provided by the City (e.g. staff time) for the Project. The City shall provide sufficient documentation and detail of services provided to the Agency for the Project.
- 1.1.3 Reimbursement for Project Costs. The Agency shall reimburse the City for the feasibility, development, design, and construction costs that City has or will expend on the Project. The City shall provide sufficient documentation and detail of costs to the Agency for the Project.

Section 1.2. Funding from the City. The City will be responsible for all other costs associated with the Project and the Property.

Article 2: Development of the Property.

Section 2.1. City's use of the Property. City agrees to develop and use the Property consistent with the goals and programs in the Plan, either on its own, in a partnership or other similar relationship with a developer, management company, or other similar entity.

Section 2.2. Conditions on Sale or Lease of Property. Any sublease of the Property shall include an obligation to use the Property for the purposes designated in the Plan. Any such obligations by a purchaser or lessee shall be covenants and conditions running with the land in the sublease agreement.

Article 3: Modification. This Agreement may not be altered, modified, supplemented, or amended in any manner whatsoever except by mutual Agreement of the parties in writing. Any such alteration, modification, supplementation, or amendment, if made, shall be effective only in the specific instance and for the specific purpose given, and shall be valid and binding only if signed by the parties.

Article 4: Waiver. No provision of this Agreement may be waived except in writing by the party granting a waiver of compliance with this Agreement. A waiver of a provision of this Agreement shall not constitute a waiver of any other provision, whether similar or not, nor shall any one waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of such provision of any other provision.

Article 5: Severability. The parties agree that if any term or provision of the Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

Article 6: Entire Agreement. This Agreement sets forth the entire understanding between the parties with respect to the subject matter of this Agreement, and supersedes any and all prior understandings and agreements, whether written or oral, between the parties with respect to such subject matter.

Article 7: Non-Agency Relationship. Nothing in this Agreement is to be interpreted as creating or constituting an agency relationship between the parties. Each party remains separate and neither assumes the debts or obligations of the other by entering into this Agreement. Each party is solely responsible for carrying out its duties and functions in accordance with all applicable laws and regulations.

IN WITNESS WHEREOF, the execution of which having been first duly authorized according to law.

CITY OF CORNELIUS

City Manager

Date

THE CORNELIUS URBAN RENEWAL AGENCY

Agency Chair

Date