City Hall
206 N. Main St.
Toledo, Oregon 97391
6:00 p.m.

URBAN RENEWAL AGENCY
Regular Meeting Minutes
August 26, 2026

1. **Call to Order**
   a. Board President Mix called the Toledo Urban Renewal Agency Work Session to order at 6:00 PM on Wednesday, August 26, 2026, at City Hall Council Chambers, 206 N. Main St, Toledo, Oregon. The Pledge of Allegiance was recited by those in attendance. City Manager Huebner noted that for the purposes of this work session, all participants would be referred to by their Urban Renewal Agency titles rather than their City Council titles.

2. **Roll Call**
   a. City Recorder Johnson took roll call and determined a quorum is present.

Seat #	Council Member	Present	Via Zoom	Absent
n/a	President Mix	X		
2	Director Chambers	X		
1	Director Riley	X		X
3	Director Kauffman	X		
4	Director Strom	X		
5	Director Keating	X		
6	Director Burns	X		

   b. City Manager Rich Huebner and City Recorder Paul Johnson
   c. City Manager Huebner confirmed that six of the seven board members were present. He noted that while there was nothing requiring a formal vote that evening, a quorum existed and the board could proceed.

3. **Discussion and Information Items**
   a. Future use of URA funds
      i. City Manager Huebner opened the discussion by providing context on the Urban Renewal Agency (URA) and its governing framework. He reminded the board that while Toledo voters approved the creation of the URA by majority vote, the board of directors has the authority to amend the local plan by majority vote, so long as any amendments remain consistent with Oregon state statute. City Manager Huebner noted that City Attorney Miller was present to help answer questions about allowable uses under ORS, and he invited the board to use the evening as a wide-

ranging brainstorming session on how URA funds are currently being used and how they might be used more effectively going forward.

ii. Current URA Budget Overview

1. City Manager Huebner walked through the adopted URA budget for the current year, which the board had not all received in printed form. He directed staff to print copies for distribution during the meeting. The budget included total revenues of $916,952, of which $396,452 represented a beginning fund balance, with actual projected revenue coming in at approximately $520,000. On the expenditure side, $20,000 was set aside for materials and services (broken out as $5,000 for special purchases and $15,000 for contracts and other services). Capital outlay was budgeted at $683,952, including $75,000 for infrastructure and inflow/infiltration repairs and $608,952 for a broad public improvements category. Additional expenditures included a $100,000 transfer to the public safety remodel fund, $40,000 to the general fund for administrative services, and $73,000 set aside for the business loan program.

iii. Financial Impact & Community Benefit

1. The URA's primary funding source is Tax Incremental Financing (TIF), a revenue-generating mechanism tied to increased property values within the urban renewal district. The current-year budget of $916,952 (including a $396,452 beginning fund balance) reflects years of accumulation alongside ongoing annual increment revenue. The $608,952 public improvements line item is the primary pool from which storefront improvement loans, infrastructure work, public art, abatement activities, and the public safety building investment would all draw. The board's discussion centered on whether the current allocation strategy is achieving the best possible return for Toledo residents and businesses, and why now is the right time to get more strategic, given the relatively new program, a growing backlog of code enforcement issues, and available state and federal matching opportunities. Concrete benefits to residents include improved storefronts, safer infrastructure, economic development, and a cleaner, more attractive downtown. Oversight has been inconsistent, and a central thrust of the evening's conversation was establishing better reporting and vetting mechanisms going forward.

iv. Public Art and Beautification

1. Director Keating introduced a topic that had come up at a recent Charitable Contributions Committee meeting, specifically, whether URA funds could and should be used for public art and beautification projects within the renewal district. He noted the committee had reviewed an application related to maintenance of a downtown mural, and the committee found itself asking whether that type of ongoing beautification work might be better funded through the URA rather than competing with social service non-

profits for the committee's limited $20,000 annual pool.

2. City Manager Huebner and City Attorney Miller both addressed the legal question. City Manager Huebner walked through ORS 457.170, which outlines the URA's broad powers, including rehabilitation and conservation work, installation of streets and site improvements, voluntary repair and rehabilitation programs, and neighborhood development programs. City Attorney Miller noted that the existing local plan already contemplates improvements to the exterior of buildings within the district, which could cover mural maintenance. The board broadly agreed that public art — particularly restoration and maintenance of established works like the Main Street mural, is a legitimate and appropriate use of URA funds, especially given its documented effect on property values and economic activity in the district.
3. Board President Mix made clear that she is personally more comfortable directing beautification-type projects toward URA funds rather than the charitable contributions committee, which she views as intended for nonprofits delivering direct human services. She noted the existing mural has been in place long enough to be considered a historical feature of Toledo and that the URA plan's authorization for exterior building improvements and restoration provides a sound legal basis for funding its upkeep.
4. Director Strom raised the question of Christmas wreaths owned by the city and maintained by the chamber of commerce, estimated at a replacement cost of nearly $10,000. The board discussed whether these could be treated as a capitalizable asset or, potentially, as public art installations for URA funding purposes. No definitive resolution was reached on the wreaths specifically, but the broader conversation reinforced that beautification items with durable, fixed characteristics, and a demonstrable impact on downtown economic activity, warrant further consideration as URA expenditures.

v. Public Safety Building and EOC Grant

1. A significant portion of the discussion touched on the ongoing public safety building project. The board noted that a prior motion had authorized City Manager Huebner to execute a design professional services agreement with Scott Edwards Architecture for an updated design and cost estimate for the Toledo Public Safety Building, a police department and an emergency operations center (EOC) that could double as a community meeting space, at a cost not to exceed $35,200. There was some debate among board members about the scope of that motion and whether it foreclosed consideration of incorporating council chambers or city hall functions into the building.
2. Board President Mix and Director Chambers expressed a clear preference for keeping city hall and council chambers at the current location, at least for the near term, while Director Keating

offered a more nuanced position, that the motion itself did not permanently close the door on future discussions, but that the consensus of the council was fairly clear. City Manager Huebner clarified that the URA plan explicitly allows for improvements to the existing city hall building as well as investment in a public safety building outside the floodplain, giving the board broad flexibility regardless of how the ultimate programming decision is made.

3. City Manager Huebner shared that he and Finance Director Suitter had met that day with administrators of the $1,000,000 FEMA grant the city received for emergency operations. He explained that "emergency operations" can be interpreted broadly to include not just the multipurpose EOC room, but also conference rooms, locker rooms, kitchenette space, and other areas that support personnel during an extended emergency event. By determining the percentage of the building dedicated to emergency operations functions, the city can bill a proportionate share of construction costs, such as electrical wiring, to the grant. This approach would allow the city to utilize the full $1,000,000 grant allocation and demonstrate meaningful matching investment to the legislature in the next funding ask.
4. Director Kauffman raised the question of whether the fire hall, which currently serves as the city's informal emergency operations center, could instead be upgraded to meet official EOC standards, potentially freeing the new police station from that designation. City Manager Huebner acknowledged that option but noted that the fire hall does not currently meet FEMA and Oregon Emergency Management standards for a formal EOC (lacking floor-level data connections, adequate backup power duration, and other requirements), and that the new police station building presents an opportunity to build those functions in from the ground up while maximizing use of the available grant. Director Kauffman suggested that key infrastructure like electrical connections and plumbing could be roughed in during construction even if the full EOC is not immediately activated, a point City Manager Huebner agreed with as consistent with the architect's current direction.

vi. Financial Impact & Community Benefit

1. The $1,000,000 FEMA grant is a one-time federal funding allocation specifically tied to emergency operations center development. It represents a rare opportunity to significantly offset what would otherwise be a major capital expenditure from URA or general funds. By structuring construction billing around the percentage of the building serving EOC functions, the city can apply grant dollars to shared building systems like electrical and plumbing, stretching the grant's reach considerably. The rationale for acting now is twofold: the grant is in hand and requires a defined use, and the city needs to demonstrate responsible

stewardship and matching investment to support future legislative appropriations requests. For Toledo residents, the benefit is a seismically appropriate, out-of-floodplain public safety facility that also serves as a properly designated emergency coordination hub, a resource the city has lacked in any official capacity. The board discussed the importance of demonstrating to the legislature that the city has already secured $1,000,000 in federal funds as leverage for the next funding cycle. Oversight will include percentage-of-use documentation prepared by the architect and grant administrator review.

vii. The $10,000 Forgivable Loan Program, Concerns and Proposed Reforms

1. The board engaged in an extended discussion about the existing $10,000 forgivable loan program, which has been the primary vehicle through which URA funds have been directed to private property improvements. Several board members expressed concern that applications approved in recent years had not genuinely aligned with the program's stated purposes, and that the city had been "fitting applications into the box" rather than rigorously enforcing program criteria. Examples cited included a pressure wash application for a pole building on Industrial Way (not approved), an Italian restaurant that subsequently became a barbershop before even opening, and the Eagles Lodge project, which, while ultimately verified as a legitimate use, illustrated the lack of follow-up verification in place.
2. Director Strom raised concerns about the front-end payment model, arguing that recipients should complete the work first and then be reimbursed, rather than receiving funds upfront. City Manager Huebner acknowledged the concern and proposed a middle-ground option: the city could pay contractors directly on behalf of the applicant, up to the approved loan amount, thereby reducing both the risk of misuse and the liquidity barrier for applicants who cannot float the costs themselves.
3. Director Keating advocated for pausing acceptance of new applications until a revised, more rigorous application process is in place, one with clearer eligibility criteria, a self-vetting checklist, staff recommendations, and a built-in reporting mechanism that would establish the start of the two-year forgiveness clock. Director Kauffman expressed concern that a pause would unfairly discourage legitimate applicants and businesses that are ready to move forward. The board ultimately landed on a practical middle ground: applications can continue to be submitted, but staff will communicate to applicants that the program is being reviewed and that there may be a delay of approximately two months before any applications are reviewed by the board. If a revised application is adopted before an application is reviewed, the applicant may be asked to resubmit on the new form.
4. City Manager Huebner also acknowledged that record-keeping for

prior loans has been problematic. Lien documents from earlier approvals cannot be located in city files, and staff has reached out to the county clerk's office to obtain those records. Several applicants who have been approved for loans are still waiting on checks due to the need to locate and clear prior liens before placing new ones. The board noted this as an urgent administrative matter to resolve.

viii. Financial Impact & Community Benefit

1. The $73,000 budgeted for the business loan program in the current year is drawn from URA funds and represents the pool available for $10,000 forgivable loans to property owners within the urban renewal district. These are structured as interest-free forgivable loans with a two-year lien on the property; if the approved work is completed and documented, the loan is forgiven. The program is ongoing and recurring from year to year. The rationale for reform now is that several recent approvals did not clearly align with allowable uses, and the absence of a reporting mechanism means the city cannot confirm funds were used as intended, or release liens in a timely way. The concrete benefit to Toledo residents and businesses is a revitalized downtown streetscape, improved storefronts, and a more attractive environment for new investment. Proposed oversight improvements include a revised application checklist, a staff recommendation step prior to board review, direct contractor payment as an option, and a milestone-based reporting requirement tied to the lien release timeline.

ix. Business Recruitment Loans and Other Potential Uses

1. Director Keating raised the idea of a business recruitment loan, a forgivable or no-interest loan targeted at new businesses willing to occupy vacant storefronts within the URA district for a defined period. He noted that high rents and renovation costs are two significant barriers to new businesses coming to Toledo, and suggested that a loan in the $10,000–$20,000 range, forgivable after a business remains open for a set number of months or years, could help address those barriers. City Attorney Miller confirmed that a version of this concept is already contemplated in the local URA plan, which includes language encouraging the establishment of loan or grant funds for businesses and property owners to encourage new businesses to locate in vacant storefronts. City Manager Huebner noted that to protect the city's interest, payments could be made directly to a landlord on a monthly basis rather than advanced as a lump sum, so that if a business closes early, the city's exposure is limited to the months of actual operation.
2. The board also discussed the example of Advertees, a business that received URA funds to purchase equipment, with a five-year capitalized agreement requiring the business to remain open and the equipment to stay within the URA district. City Manager Huebner confirmed that this approach, while less common, had

been done with a formal agreement rather than a simple grant check, and that it represented a more structured model worth considering for future uses.

x. Infrastructure and Code Enforcement
    1. Director Strom asked whether URA funds could be used for infrastructure improvements such as street work within the district. City Manager Huebner confirmed that infrastructure is an allowable use under the plan and that the budget includes the $75,000 I&I line item as an example. Director Keating noted that the abatement process, where the city takes action on severely deteriorated properties, is another stated use of URA funds, and he expressed a desire to see those funds actively deployed as the city becomes more aggressive on code enforcement. Board President Mix agreed, and City Attorney Miller noted a provision in the URA plan allowing minor boundary amendments to add new parcels within 1% of the existing district area without returning to voters, as long as the new parcels are contiguous with the existing district.
    2. A member of the public, Mr. Barry Brewster, was invited to address the board. Mr. Brewster raised concerns about the electrical capacity on Main Street, noting that his building at 139 South Main Street runs on a single 220-amp panel across three floors. He suggested that URA investment in electrical infrastructure improvements could be a high-priority use of funds. He also reiterated the need for new Christmas wreaths for downtown, shared his experience applying for a $10,000 loan for electrical work on his building, and advocated strongly for the URA to function as a genuine partner with downtown businesses rather than a compliance-enforcement body. He encouraged the board to proactively reach out to Main Street business owners and the Main Street Association to better understand their needs.

xi. Engaging an Urban Renewal Expert and Next Steps
    1. Near the close of discussion, Board President Mix and several directors expressed a desire to bring in an outside urban renewal expert to facilitate a focused work session on program priorities and structure. City Manager Huebner suggested Elaine Howard, who was part of the original consulting team that established Toledo's URA plan and has remained a resource for the city, as a strong candidate to lead that session. Director Strom also suggested reaching out to the League of Oregon Cities for examples of how other communities structure their URA programs and application checklists, so Toledo does not have to start from scratch.
    2. City Manager Huebner committed to gathering the following information before the next meeting: a full list of current active URA loan recipients (including those approved but not yet funded, those with active liens, and those in process); examples of other cities' URA program frameworks and application materials; the

statutory cap on administrative expenditures as a percentage of URA revenue; and a proposal for an updated application form and review process. He also committed to reaching out to Elaine Howard or another qualified facilitator to schedule a facilitated work session, with a target of having an updated program framework ready for board adoption by approximately November 1, 2026.

4. Adjournment

a. President Mix adjourned the meeting at 8:02 p.m.

APPROVE:	ATTEST:
______________________	______________________
President Rod Cross	City Recorder Paul Johnson