



# 2017 - 2018 URBAN RENEWAL DISTRICT PROPOSED BUDGET

BUDGET MESSAGE &  
SUPPLEMENTAL INFORMATION





### Budget Highlights

The McMinnville Urban Renewal Agency (Agency) oversees the administration and implementation of McMinnville's Urban Renewal program. The purpose of the agency is to eliminate blight and encourage new private investment through the use of tax increment financing. (Tax increment financing is a method by which taxes are reallocated; it is not a new or additional tax). The agency is governed by an Urban Renewal Board, comprised of the seven City Council members.

On July 23, 2013, the McMinnville City Council, acting in its capacity as the Urban Renewal Agency's governing body, adopted the McMinnville Urban Renewal Plan (Plan). This plan charts a long-term path designed to foster economic growth and revitalization within a nearly 175 acre area that includes the historic downtown and neighboring lands to the northeast, the NE Gateway District. There are thirteen (13) projects authorized for funding in the Plan with a focus on public infrastructure and development assistance programs as outlined below.

#### MCMINNVILLE URBAN RENEWAL PLAN PROJECTS

1. Alpine Avenue
2. 3<sup>rd</sup> Street Streetscape and District Identity Improvements
3. Adams / Baker Couplet
4. 5<sup>th</sup> Street
5. 1<sup>st</sup> and 2<sup>nd</sup> Street Improvements
6. Lafayette Avenue
7. Downtown Signal Improvements
8. Public Off-Street Parking
9. 2<sup>nd</sup> Street Project
10. Public Infrastructure
11. Planning and Development Assistance Programs
12. Debt Service and Project Administration
13. Property Acquisition

Funding for these improvements will be provided through a combination of private and public resources, with the primary source being tax increment financing.



*Rendering of the Alpine Avenue Street Improvement Project*

Part of the Urban Renewal concept is to issue debt to invest in redevelopment of blighted areas which among other positive impacts, such as job creation and economic development, will increase the assessed/taxable value of properties in the area. The tax revenue from these higher values pays debt obligations and over the long haul leads to more tax revenue available to general government activities when a district "sunset". The McMinnville Urban Renewal Plan has a maximum indebtedness of \$30,000,000, and is expected to be retired by FY 2039-40.

To help guide and direct the Plan's implementation, the Urban Renewal Agency Board established the McMinnville Urban Renewal Advisory Committee. A budget committee has been appointed to review the Urban Renewal District's annual budget.

Consistent with State law, the budget for the McMinnville Urban Renewal program is composed of two funds: the Urban Renewal Fund and the Urban Renewal Debt Service Fund. The Urban Renewal Fund receives revenue from the issuance of debt and expends those funds on projects, administration, and contracts for other services and supplies. The Debt Service Fund accounts for the collection of tax increment (property tax) revenues and the payment of principal and interest on outstanding debt.

# Urban Renewal Fund

In this fiscal year, the Urban Renewal Fund proposes expenditures of \$1,343,979, the majority of which is directed at finishing the construction of the Alpine Avenue Phase I Street Improvement project (\$1,131,103). \$120,000 has also been identified for the Development Assistance Program, a program of loans and grants to encourage new private investment in the plan area. \$25,000 has also been set aside to start the community dialogue and design of the 3<sup>rd</sup> Street Streetscape project, and \$30,000 has been set aside for a parking study. Lastly, \$37,876, is budgeted for project administration, including a transfer to the General Fund for Planning Department staff support.

The Debt Service Fund resources includes a beginning fund balance of \$300,732 and projected tax increment revenues of \$175,510. These resources will be used to pay for annual interest and principal payment of the bank loan acquired in FY 2016-17. The balance of the revenue received is held in the ending fund balance and carried forward for future debt service payments.



*Alpine Avenue Model*

## Future Challenges and Opportunities

### Near Term

- Review and modify as necessary the Urban Renewal Plan's short and longer term project schedule to match current financial forecasts and opportunities presented by the passage of the transportation bond. Priority should be given to projects/programs that address the Plan's adopted goals.

### Longer Term

- Maintain an ability to effectively manage an evolving and growing urban renewal program while balancing other assigned duties with currently available staff.



*Façade Improvement Project  
– 313 NE Third Street*

## Urban Renewal Cost Summary

	2015-16 Actual	2016-17 Amended Budget	2017-18 Proposed Budget	Budget Variance
<b>Revenue</b>	<b>324,102</b>	<b>2,198,600</b>	<b>399,886</b>	<b>(1,798,714)</b>
Materials & Services	205,132	164,330	237,141	72,811
Capital Outlay	-	1,900,000	1,081,812	(818,188)
Transfer Out	-	-	338,931	
Debt Service	21,347	251,855	-	(251,855)
<b>Total Expenditures</b>	<b>226,479</b>	<b>2,316,185</b>	<b>1,657,884</b>	<b>(997,232)</b>
Net Expenditures	97,623	(117,585)	(1,257,998)	1,140,413

# Urban Renewal Fund

## Historical Highlights

**2011** Work begins on the drafting of a state funded Northeast Gateway Plan and Implementation Strategy.



**2011** Council and other interested parties begin exploration of Tax Increment Financing (TIF) as possible source of funds for improvements in the Northeast Gateway District and downtown McMinnville.

**2012** An Urban Renewal Feasibility Study is initiated to examine the possible creation of an urban renewal district.

**2012** Based upon findings of the Feasibility Study, the Council initiates work on a draft Urban Renewal Plan for a 175-acre area that includes the historic downtown and Northeast Gateway area.

**2013** City Council appoints itself as the “McMinnville Urban Renewal Agency;” and, acting in its capacity as the Agency, adopts the McMinnville Urban Renewal Plan.

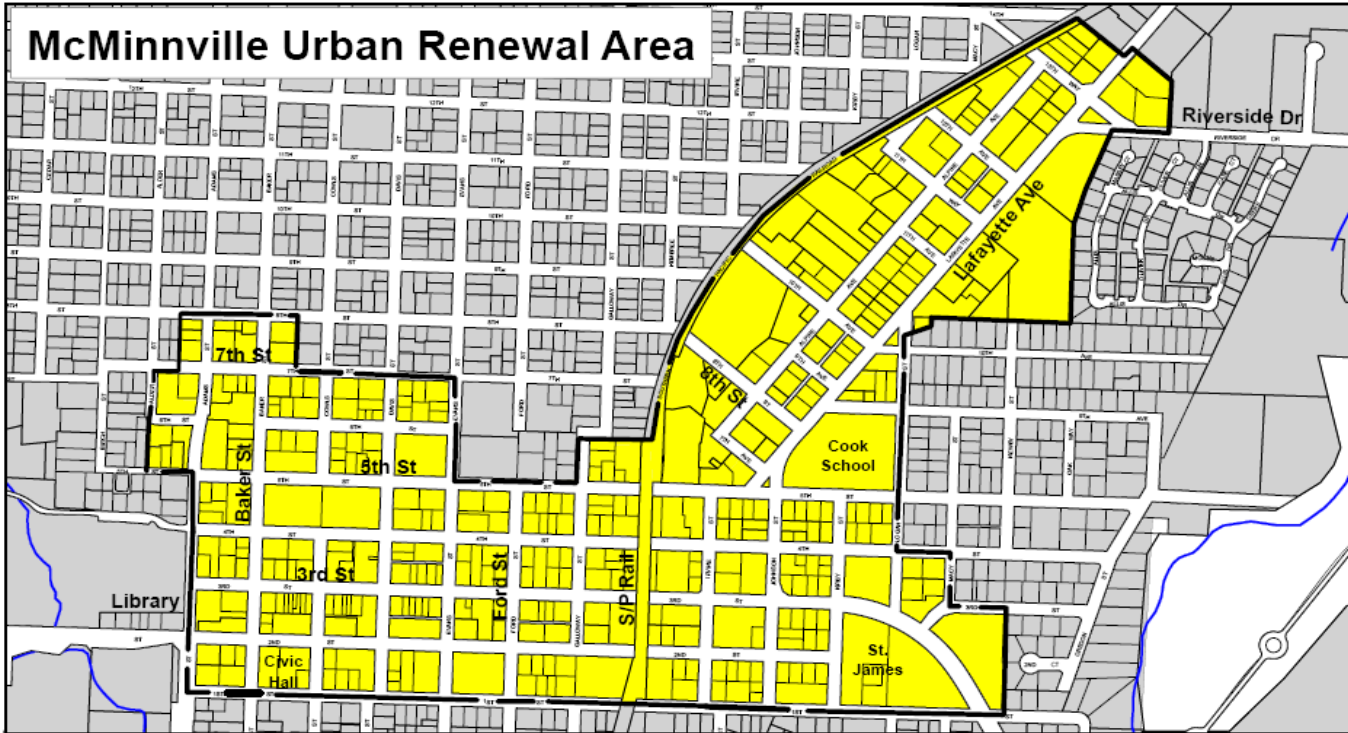
**2014** McMinnville Urban Renewal Advisory Committee (MURAC) appointed to help guide and advise Agency on urban renewal issues.

**2015** Urban Renewal Agency adopts its first budget; realizes TIF revenue of \$80,550 based upon \$6.5 million increment of growth (“frozen base” of \$86.3 million).

**2016** Urban Renewal Agency secures a bank loan for \$2.2 M to support Alpine Avenue project and breaks ground on the street improvement project in March, 2017.



# McMinnville Urban Renewal Area



## McMINNVILLE URBAN RENEWAL PLAN



City of McMinnville  
Planning Department  
231 NE Fifth Street  
McMinnville, OR 97128  
(503) 434-7311

January 2014



# **URBAN RENEWAL FUND**



Budget Document Report

**58 - URBAN RENEWAL FUND**

2015 ACTUAL	2016 ACTUAL	2017 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A			2018 PROPOSED BUDGET	2018 APPROVED BUDGET	2018 ADOPTED BUDGET								
<b>RESOURCES</b>																
<b><u>BEGINNING FUND BALANCE</u></b>																
0	0	0	<b>4090</b>	<b>Beginning Fund Balance</b>		1,175,022	0	0								
						Estimated July 1, 2017 carryover from 2016-2017 fiscal year.										
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL BEGINNING FUND BALANCE</u></b>			<b>1,175,022</b>	<b>0</b>	<b>0</b>								
<b><u>MISCELLANEOUS</u></b>																
0	1	0	<b>6310</b>	<b>Interest</b>		100	0	0								
						Estimated interest income earned										
0	0	0	<b>6310-02</b>	<b>Interest - Loan Proceeds</b>		7,800	0	0								
<b>0</b>	<b>1</b>	<b>0</b>	<b><u>TOTAL MISCELLANEOUS</u></b>			<b>7,900</b>	<b>0</b>	<b>0</b>								
<b><u>OTHER FINANCING SOURCE</u></b>																
0	205,131	2,064,330	<b>6840</b>	<b>Inter-Agency Loan Proceeds - City</b>		0	0	0								
<b>0</b>	<b>205,131</b>	<b>2,064,330</b>	<b><u>TOTAL OTHER FINANCING SOURCE</u></b>			<b>0</b>	<b>0</b>	<b>0</b>								
<b><u>TRANSFERS IN</u></b>																
0	0	0	<b>6900-01</b>	<b>Transfers In - General Fund</b>		212,876	0	0								
						<table border="0"> <thead> <tr> <th>Description</th> <th>Units</th> <th>Amt/Unit</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Urban Renewal current year expenses</td> <td>1</td> <td>212,876</td> <td>212,876</td> </tr> </tbody> </table>			Description	Units	Amt/Unit	Total	Urban Renewal current year expenses	1	212,876	212,876
Description	Units	Amt/Unit	Total													
Urban Renewal current year expenses	1	212,876	212,876													
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL TRANSFERS IN</u></b>			<b>212,876</b>	<b>0</b>	<b>0</b>								
<b>0</b>	<b>205,132</b>	<b>2,064,330</b>	<b><u>TOTAL RESOURCES</u></b>			<b>1,395,798</b>	<b>0</b>	<b>0</b>								

## 58 - URBAN RENEWAL FUND

2015 ACTUAL	2016 ACTUAL	2017 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2018 PROPOSED BUDGET	2018 APPROVED BUDGET	2018 ADOPTED BUDGET
<b>REQUIREMENTS</b>						
<b><u>MATERIALS AND SERVICES</u></b>						
0	942	500	<b>7520 Public Notices &amp; Printing</b> Legal notices for public meetings, printing of plan documents, and informational materials.	1,500	0	0
0	100	1,100	<b>7610-05 Insurance - Liability</b>	200	0	0
0	0	500	<b>7660 Materials &amp; Supplies</b>	2,500	0	0
0	15,230	30,230	<b>7750 Professional Services</b> Contract services for annual audit, project management, design, legal, and other services related to urban renewal projects and programs.	8,650	0	0
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Audit fee allocation	1	2,400	2,400
			AORA Dues	1	250	250
			Transcriptionist	1	1,000	1,000
			Legal Consulting	1	5,000	5,000
0	0	22,000	<b>7750-63 Professional Services - Financing Issuance Cost</b>	0	0	0
0	0	0	<b>7750-65 Professional Services - Parking</b> Parking Study	30,000	0	0
0	181,878	100,000	<b>7770-72 Professional Services - Projects - Alpine Avenue</b>	49,291	0	0
0	0	0	<b>7770-80 Professional Services - Projects - 3rd Street Improvements</b>	25,000	0	0
0	6,982	10,000	<b>8225 Development Assistance Program</b> Program designed to provide assistance to eligible developers and property owners	120,000	0	0
<b>0</b>	<b>205,132</b>	<b>164,330</b>	<b><u>TOTAL MATERIALS AND SERVICES</u></b>	<b>237,141</b>	<b>0</b>	<b>0</b>
<b><u>CAPITAL OUTLAY</u></b>						
0	0	0	<b>8920 Land Improvements</b>	0	0	0
0	0	1,900,000	<b>9030-07 Street Improvements - Alpine Avenue</b>	1,081,812	0	0
<b>0</b>	<b>0</b>	<b>1,900,000</b>	<b><u>TOTAL CAPITAL OUTLAY</u></b>	<b>1,081,812</b>	<b>0</b>	<b>0</b>
<b><u>TRANSFERS OUT</u></b>						
0	0	0	<b>9700-01 Transfers Out - General Fund</b> Plan Administration	25,026	0	0
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Planning personnel services support	1	25,026	25,026
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL TRANSFERS OUT</u></b>	<b>25,026</b>	<b>0</b>	<b>0</b>



Budget Document Report

**58 - URBAN RENEWAL FUND**

2015 ACTUAL	2016 ACTUAL	2017 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2018 PROPOSED BUDGET	2018 APPROVED BUDGET	2018 ADOPTED BUDGET
<b><u>CONTINGENCIES</u></b>						
0	0	0	<b>9800 Contingencies</b>	51,819	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL CONTINGENCIES</u></b>	<b>51,819</b>	<b>0</b>	<b>0</b>
<b><u>ENDING FUND BALANCE</u></b>						
0	0	0	<b>9999 Unappropriated Ending Fd Balance</b> All funds remaining at fiscal year end are proceeds from 2016 loan and are appropriated as contingency.	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL ENDING FUND BALANCE</u></b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>205,132</b>	<b>2,064,330</b>	<b><u>TOTAL REQUIREMENTS</u></b>	<b>1,395,798</b>	<b>0</b>	<b>0</b>

Budget Document Report

**58 - URBAN RENEWAL FUND**

2015 ACTUAL	2016 ACTUAL	2017 AMENDED BUDGET	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2018 PROPOSED BUDGET	2018 APPROVED BUDGET	2018 ADOPTED BUDGET
0	205,132	2,064,330	<b>TOTAL RESOURCES</b>	1,395,798	0	0
0	205,132	2,064,330	<b>TOTAL REQUIREMENTS</b>	1,395,798	0	0



**URBAN RENEWAL DEBT SERVICE FUND**



Budget Document Report

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2015 ACTUAL	2016 ACTUAL	2017 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2018 PROPOSED BUDGET	2018 APPROVED BUDGET	2018 ADOPTED BUDGET
<b>RESOURCES</b>						
<b><u>BEGINNING FUND BALANCE</u></b>						
0	77,213	148,125	<b>4059-05</b> Designated Begin Fd Balance-Urban Renewal - Reserved for Debt Service July 1, 2017 designated carryover from the 2016-2017 fiscal year for future debt service payments.	300,732	0	0
0	0	0	<b>4090</b> Beginning Fund Balance	0	0	0
<b>0</b>	<b>77,213</b>	<b>148,125</b>	<b><u>TOTAL BEGINNING FUND BALANCE</u></b>	<b>300,732</b>	<b>0</b>	<b>0</b>
<b><u>PROPERTY TAXES</u></b>						
82,030	116,830	132,870	<b>4100-05</b> Property Taxes - Current \$190,775 2017-2018 Estimated Tax increment revenue (\$15,265) Less uncollectible taxes - 8% \$175,510 2017-2018 Total tax increment revenue	175,510	0	0
0	1,536	1,000	<b>4100-10</b> Property Taxes - Prior Collection of delinquent taxes from prior year Division of Tax.	1,200	0	0
<b>82,030</b>	<b>118,366</b>	<b>133,870</b>	<b><u>TOTAL PROPERTY TAXES</u></b>	<b>176,710</b>	<b>0</b>	<b>0</b>
<b><u>MISCELLANEOUS</u></b>						
183	604	400	<b>6310</b> Interest	2,400	0	0
<b>183</b>	<b>604</b>	<b>400</b>	<b><u>TOTAL MISCELLANEOUS</u></b>	<b>2,400</b>	<b>0</b>	<b>0</b>
<b><u>OTHER FINANCING SOURCE</u></b>						
0	0	0	<b>6840</b> Inter-Agency Loan Proceeds - City	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL OTHER FINANCING SOURCE</u></b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>82,213</b>	<b>196,183</b>	<b>282,395</b>	<b><u>TOTAL RESOURCES</u></b>	<b>479,842</b>	<b>0</b>	<b>0</b>

Budget Document Report

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2015 ACTUAL	2016 ACTUAL	2017 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2018 PROPOSED BUDGET	2018 APPROVED BUDGET	2018 ADOPTED BUDGET
<b>REQUIREMENTS</b>						
<b>DEBT SERVICE</b>						
5,000	21,347	201,730	<b>9415-05 Inter-Agency Loan - Principal</b> Payments to the City/General Fund are budgeted as Transfers Out beginning in 2016-17	0	0	0
0	0	50,125	<b>9415-10 Inter-Agency Loan - Interest</b>	0	0	0
<b>5,000</b>	<b>21,347</b>	<b>251,855</b>	<b>TOTAL DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TRANSFERS OUT</b>						
0	0	0	<b>9700-01 Transfers Out - General Fund</b>	313,905	0	0
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Repayment of prior year expenses	1	10,000	10,000
			Bank loan payment - Principal	1	33,667	33,667
			Bank loan payment - Interest	1	57,362	57,362
			Repayment of current year expenses	1	212,876	212,876
<b>0</b>	<b>0</b>	<b>0</b>	<b>TOTAL TRANSFERS OUT</b>	<b>313,905</b>	<b>0</b>	<b>0</b>
<b>ENDING FUND BALANCE</b>						
0	173,291	30,540	<b>9959-05 Designated Ending Fund Balance - Urban Renewal - Reserved for Debt Service</b> All tax increment dollars carried forward to next fiscal year are designated for future debt service payments.	165,937	0	0
77,213	1,545	0	<b>9999 Unappropriated Ending Fd Balance</b>	0	0	0
<b>77,213</b>	<b>174,836</b>	<b>30,540</b>	<b>TOTAL ENDING FUND BALANCE</b>	<b>165,937</b>	<b>0</b>	<b>0</b>
<b>82,213</b>	<b>196,183</b>	<b>282,395</b>	<b>TOTAL REQUIREMENTS</b>	<b>479,842</b>	<b>0</b>	<b>0</b>

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2015 ACTUAL	2016 ACTUAL	2017 AMENDED BUDGET	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2018 PROPOSED BUDGET	2018 APPROVED BUDGET	2018 ADOPTED BUDGET
82,213	196,183	282,395	<b>TOTAL RESOURCES</b>	479,842	0	0
82,213	196,183	282,395	<b>TOTAL REQUIREMENTS</b>	479,842	0	0