



# 2016 - 2017 URBAN RENEWAL DISTRICT ADOPTED BUDGET

BUDGET MESSAGE &  
SUPPLEMENTAL INFORMATION





## **2016-2017 URBAN RENEWAL DISTRICT BUDGET**

### **Members of the Budget Committee**

#### **Urban Renewal Agency Members:**

Rick Olson (Mayor)  
Remy Drabkin  
Scott Hill  
Kevin Jeffries  
Kellie Menke  
Alan Ruden  
Larry Yoder

#### **Public Members:**

Robert Dodge  
Jerry Hart  
John Mead  
Travis Parker  
Fred Stemmler  
Kris Stubberfield  
Brad Lunt

#### **Urban Renewal Advisory Committee**

Jeb Bladine  
Ed Gormley  
Walt Gowell  
Kelly McDonald  
Wendy Stassens

Rob Stephenson  
Marilyn Worrix  
Kem Carr, ex-officio  
Scott Hill, ex-officio  
Cassie Sollars, ex-officio

#### **City Staff**

Martha Meeker, City Manager  
Marcia Baragary, Finance Director/City Recorder  
David Koch, City Attorney  
Doug Montgomery, Planning Director

**McMINNVILLE URBAN REVEAL DISTRICT**  
**2016 – 2017**  
**BUDGET MESSAGE**

**April, 2016**  
**Honorable Chairperson, Board members and Budget**  
**Committee members of the McMinnville Urban Renewal**  
**Agency**

It is my pleasure to present the McMinnville Urban Renewal District's Proposed Budget for Fiscal Year (FY) 2016-2017. The District was established in July 2013 to carry out the objectives of the McMinnville Urban Renewal Plan to foster economic growth and revitalization within a 175 acre area including historic downtown and neighboring property to the northeast of the downtown area.

The Urban Renewal District is a separate entity from the City, requiring its own budgeting process and, while the budget development process and governance involved may mirror the City's, Urban Renewal requires a distinct governing body and budget committee.

To fulfill this requirement, the Mayor and the six council members of the McMinnville City Council have been designated to act as the McMinnville Urban Renewal Agency Board. The City's Budget Committee has been designated to act as the Agency's Budget Committee.

This is the Urban Renewal District's third year and revenues remain limited with a projected tax increment funding of \$178,500 as the program is still somewhat in its beginning phases. This is based on a \$14.8 million increase in value over the Districts "frozen" 2012-2013 base of \$86,331,273 and a tax rate of \$13.885 per \$1,000.

Projected funding includes a planning factor of 8% for uncollectable taxes.

Urban Renewal will step out with its first major project in the upcoming Fiscal Year as it proposes a \$2 Million expansion of the Alpine

Avenue project. Funding for this project will come from the proceeds of a loan from the City's General Fund, as provided for in the intergovernmental agreement between the two agencies (City and Urban Renewal Agency).

The District continues to show enormous potential to benefit McMinnville and represents a key part of the City's holistic and strategic vision to foster growth and development. The Urban Renewal Agency along with its Advisory Committee remain focused on maximizing this potential by leveraging private funding, borrowing capacity and through collaboration with other local partners like the McMinnville Downtown Association to ensure a vibrant and thriving area.

Respectfully submitted,



Martha A. Meeker  
Budget Officer  
City Manager



# Urban Renewal

## 2016 – 2017 Proposed Budget --- Budget Summary

### Budget Highlights

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. 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 projects identified within the plan are directed at improving and extending existing public infrastructure within the district, providing public amenities, and making the area more attractive for private investment. Funding for these improvements will be provided through a combination of private and public resources, with the primary source being tax increment financing. (Tax increment financing is a method by which taxes are reallocated; it is not a new or additional tax). 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.

In this fiscal year, the Urban Renewal Fund proposes expenditures of \$2,064,330, the majority of which is directed at the design and construction of a nearly two-block section of Alpine Avenue. The balance of the expenditures – some \$64,330 – is for administration, contract services, repayment of prior project study costs (feasibility

study and urban renewal plan), and loan interest. Funding for these expenditures is proposed to come from the proceeds of a loan from the City's General Fund, as provided for in the intergovernmental agreement between the two agencies (City and Urban Renewal Agency).

The Debt Service Fund includes projected tax increment revenues of \$178,500, after taking into account an estimated 8% for uncollectible taxes. This revenue projection is based upon a 2012-13 tax roll "frozen base" for the district of \$86,331,273 and payment of taxes on some \$14.8 million increase in value since that time. Tax increment revenue would be used in this fiscal year to repay the loan from the City, should the loan be realized. The balance of the revenue received is held in the ending fund balance and carried forward for future debt service payments.



***Alpine Avenue***



***Alpine Avenue  
Redesign Concept***

# Urban Renewal Fund

2016 – 2017 Proposed Budget --- Budget Summary

## Future Challenges and Opportunities

### Near Term

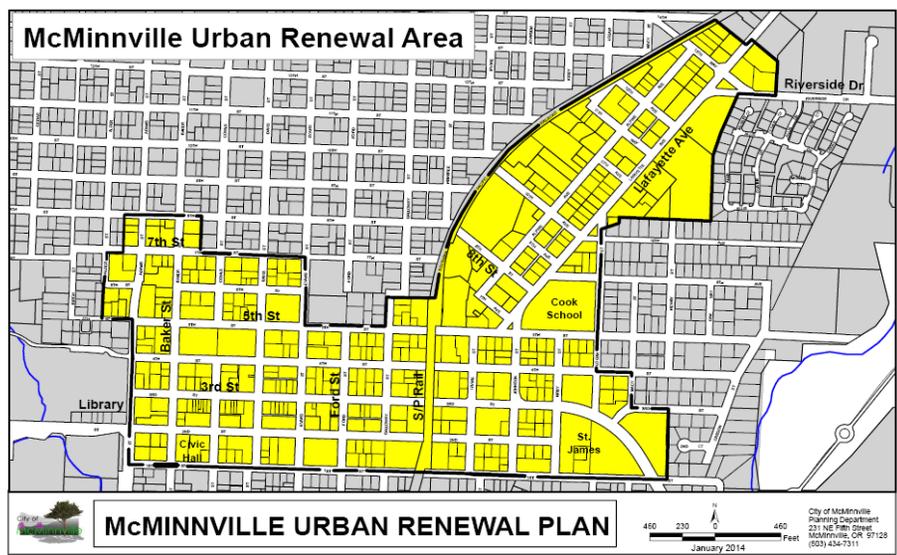
- Review and modify as necessary the Urban Renewal Plan's short and longer term project schedule to match current financial forecasts and opportunities presented by the passage of the transportation bond. Priority should be given to projects/programs that address the Plan's adopted goals.

### Longer Term

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

## Urban Renewal Cost Summary

	2014-15 Actual	2015-16 Amended Budget	2016-17 Proposed Budget	Budget Variance
<b>Revenue</b>	<b>82,213</b>	<b>341,550</b>	<b>2,244,230</b>	<b>1,902,680</b>
Materials & Services	-	219,100	164,330	(54,770)
Capital Outlay	-	5,000	1,900,000	1,895,000
Debt Service	5,000	66,500	251,855	185,355
<b>Total Expenditures</b>	<b>5,000</b>	<b>290,600</b>	<b>2,316,185</b>	<b>2,025,585</b>
Net Expenditures	77,213	50,950	(71,955)	122,905



**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).



# **URBAN RENEWAL FUND**



Budget Document Report

**58 - URBAN RENEWAL FUND**

2014 ACTUAL	2015 ACTUAL	2016 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2017 PROPOSED BUDGET	2017 APPROVED BUDGET	2017 ADOPTED BUDGET																					
<b>RESOURCES</b>																											
<b><u>BEGINNING FUND BALANCE</u></b>																											
0	0	0	<b>4090</b> <b>Beginning Fund Balance</b> Estimated July 1, 2016 carryover from 2015-2016 fiscal year.	0	0	0																					
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL BEGINNING FUND BALANCE</u></b>	<b>0</b>	<b>0</b>	<b>0</b>																					
<b><u>MISCELLANEOUS</u></b>																											
0	0	0	<b>6310</b> <b>Interest</b> Estimated interest income earned	0	0	0																					
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL MISCELLANEOUS</u></b>	<b>0</b>	<b>0</b>	<b>0</b>																					
<b><u>OTHER FINANCING SOURCE</u></b>																											
0	0	224,100	<b>6840</b> <b>Inter-Agency Loan Proceeds - City</b> Loan proceeds received from the City as provided for in City/Urban Renewal Agency intergovernmental agreements	2,064,330	2,064,330	2,064,330																					
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Description</u></th> <th style="text-align: right;"><u>Units</u></th> <th style="text-align: right;"><u>Amt/Unit</u></th> <th style="text-align: right;"><u>Total</u></th> <th colspan="3"></th> </tr> </thead> <tbody> <tr> <td>Capital outlay - Alpine Avenue extension</td> <td style="text-align: right;">1</td> <td style="text-align: right;">2,022,000</td> <td style="text-align: right;">2,022,000</td> <td colspan="3"></td> </tr> <tr> <td>Materials and services</td> <td style="text-align: right;">1</td> <td style="text-align: right;">42,330</td> <td style="text-align: right;">42,330</td> <td colspan="3"></td> </tr> </tbody> </table>							<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>				Capital outlay - Alpine Avenue extension	1	2,022,000	2,022,000				Materials and services	1	42,330	42,330			
<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>																								
Capital outlay - Alpine Avenue extension	1	2,022,000	2,022,000																								
Materials and services	1	42,330	42,330																								
<b>0</b>	<b>0</b>	<b>224,100</b>	<b><u>TOTAL OTHER FINANCING SOURCE</u></b>	<b>2,064,330</b>	<b>2,064,330</b>	<b>2,064,330</b>																					
<b>0</b>	<b>0</b>	<b>224,100</b>	<b><u>TOTAL RESOURCES</u></b>	<b>2,064,330</b>	<b>2,064,330</b>	<b>2,064,330</b>																					

**58 - URBAN RENEWAL FUND**

2014 ACTUAL	2015 ACTUAL	2016 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A			2017 PROPOSED BUDGET	2017 APPROVED BUDGET	2017 ADOPTED BUDGET
<b>REQUIREMENTS</b>								
<b>MATERIALS AND SERVICES</b>								
0	0	500	<b>7520</b>	<b>Public Notices &amp; Printing</b>		500	500	500
Legal notices for public meetings, printing of plan documents, and informational materials.								
0	0	100	<b>7610-05</b>	<b>Insurance - Liability</b>		1,100	1,100	1,100
0	0	500	<b>7660</b>	<b>Materials &amp; Supplies</b>		500	500	500
0	0	45,000	<b>7750</b>	<b>Professional Services</b>		30,230	30,230	30,230
Contract services for annual audit, project management, design, legal, and other services related to urban renewal projects and programs.								
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>		
			Audit fee allocation	1	5,200	5,200		
			Other professional services	1	7,500	7,500		
			Association of Oregon Redevelopment Agencies annual membership	1	250	250		
			Consulting services	1	17,280	17,280		
0	0	0	<b>7750-63</b>	<b>Professional Services - Financing Issuance Cost</b>		22,000	22,000	22,000
0	0	163,000	<b>7770-72</b>	<b>Professional Services - Projects - Alpine Avenue</b>		100,000	100,000	100,000
0	0	10,000	<b>8225</b>	<b>Facade Rehabilitation Program</b>		10,000	10,000	10,000
Program designed to provide funds to eligible property owners and tenants to improve building facades within urban renewal district.								
<b>0</b>	<b>0</b>	<b>219,100</b>	<b>TOTAL MATERIALS AND SERVICES</b>			<b>164,330</b>	<b>164,330</b>	<b>164,330</b>
<b>CAPITAL OUTLAY</b>								
0	0	5,000	<b>8920</b>	<b>Land Improvements</b>		0	0	0
0	0	0	<b>9030-07</b>	<b>Street Improvements - Alpine Avenue</b>		1,900,000	1,900,000	1,900,000
<b>0</b>	<b>0</b>	<b>5,000</b>	<b>TOTAL CAPITAL OUTLAY</b>			<b>1,900,000</b>	<b>1,900,000</b>	<b>1,900,000</b>
<b>CONTINGENCIES</b>								
0	0	0	<b>9800</b>	<b>Contingencies</b>		0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>TOTAL CONTINGENCIES</b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>ENDING FUND BALANCE</b>								
0	0	0	<b>9999</b>	<b>Unappropriated Ending Fd Balance</b>		0	0	0
All funds loaned to Urban Renewal by the City during the fiscal year are anticipated to be spent. As a result, there is no carry forward to the next fiscal year.								
<b>0</b>	<b>0</b>	<b>0</b>	<b>TOTAL ENDING FUND BALANCE</b>			<b>0</b>	<b>0</b>	<b>0</b>

Budget Document Report

**58 - URBAN RENEWAL FUND**

2014 ACTUAL	2015 ACTUAL	2016 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2017 PROPOSED BUDGET	2017 APPROVED BUDGET	2017 ADOPTED BUDGET
0	0	224,100	<b>TOTAL REQUIREMENTS</b>	2,064,330	2,064,330	2,064,330

Budget Document Report

**58 - URBAN RENEWAL FUND**

2014 ACTUAL	2015 ACTUAL	2016 AMENDED BUDGET	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2017 PROPOSED BUDGET	2017 APPROVED BUDGET	2017 ADOPTED BUDGET
0	0	224,100	<b>TOTAL RESOURCES</b>	2,064,330	2,064,330	2,064,330
0	0	224,100	<b>TOTAL REQUIREMENTS</b>	2,064,330	2,064,330	2,064,330



**URBAN RENEWAL DEBT SERVICE FUND**



Budget Document Report

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2014 ACTUAL	2015 ACTUAL	2016 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2017 PROPOSED BUDGET	2017 APPROVED BUDGET	2017 ADOPTED BUDGET
<b>RESOURCES</b>						
<b><u>BEGINNING FUND BALANCE</u></b>						
0	0	75,750	<b>4059-05</b> <b>Designated Begin Fd Balance-Urban Renewal - Reserved for Debt Service</b> July 1, 2016 designated carryover from the 2015-2016 fiscal year for future debt service payments.	165,485	165,485	148,125
0	0	0	<b>4090</b> <b>Beginning Fund Balance</b>	0	0	0
<b>0</b>	<b>0</b>	<b>75,750</b>	<b><u>TOTAL BEGINNING FUND BALANCE</u></b>	<b>165,485</b>	<b>165,485</b>	<b>148,125</b>
<b><u>PROPERTY TAXES</u></b>						
0	82,030	115,200	<b>4100-05</b> <b>Property Taxes - Current</b> \$144,425 2016-2017 Estimated Tax increment revenue (\$11,555) Less uncollectible taxes - 8% \$132,870 2016-2017 Total tax increment revenue	178,500	178,500	132,870
0	0	2,000	<b>4100-10</b> <b>Property Taxes - Prior</b> Collection of delinquent taxes from prior year Division of Tax.	1,000	1,000	1,000
<b>0</b>	<b>82,030</b>	<b>117,200</b>	<b><u>TOTAL PROPERTY TAXES</u></b>	<b>179,500</b>	<b>179,500</b>	<b>133,870</b>
<b><u>MISCELLANEOUS</u></b>						
0	183	250	<b>6310</b> <b>Interest</b>	400	400	400
<b>0</b>	<b>183</b>	<b>250</b>	<b><u>TOTAL MISCELLANEOUS</u></b>	<b>400</b>	<b>400</b>	<b>400</b>
<b>0</b>	<b>82,213</b>	<b>193,200</b>	<b><u>TOTAL RESOURCES</u></b>	<b>345,385</b>	<b>345,385</b>	<b>282,395</b>

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2014 ACTUAL	2015 ACTUAL	2016 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2017 PROPOSED BUDGET	2017 APPROVED BUDGET	2017 ADOPTED BUDGET
<b>REQUIREMENTS</b>						
<b>DEBT SERVICE</b>						
0	5,000	66,100	<b>9415-05 Inter-Agency Loan - Principal</b> Repayment of loan as provided for in City/Urban Renewal Agency intergovernmental agreements.	201,730	201,730	201,730
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Repayment of prior year expense	1	5,000	5,000
			Repayment of current year loan from the City	1	42,330	42,330
			Repayment of Alpine Ave extension project loan	1	100,000	100,000
			Repayment of 1/3 Alpine Ave loan for Engineering costs	1	54,400	54,400
0	0	400	<b>9415-10 Inter-Agency Loan - Interest</b> Payment of interest on loan as provided for in City/Urban Renewal Agency intergovernmental agreements.	50,125	50,125	50,125
<b>0</b>	<b>5,000</b>	<b>66,500</b>	<b>TOTAL DEBT SERVICE</b>	<b>251,855</b>	<b>251,855</b>	<b>251,855</b>
<b>ENDING FUND BALANCE</b>						
0	0	126,700	<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.	93,530	93,530	30,540
0	77,213	0	<b>9999 Unappropriated Ending Fd Balance</b>	0	0	0
<b>0</b>	<b>77,213</b>	<b>126,700</b>	<b>TOTAL ENDING FUND BALANCE</b>	<b>93,530</b>	<b>93,530</b>	<b>30,540</b>
<b>0</b>	<b>82,213</b>	<b>193,200</b>	<b>TOTAL REQUIREMENTS</b>	<b>345,385</b>	<b>345,385</b>	<b>282,395</b>

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2014 ACTUAL	2015 ACTUAL	2016 AMENDED BUDGET	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2017 PROPOSED BUDGET	2017 APPROVED BUDGET	2017 ADOPTED BUDGET
0	82,213	193,200	<b>TOTAL RESOURCES</b>	345,385	345,385	282,395
0	82,213	193,200	<b>TOTAL REQUIREMENTS</b>	345,385	345,385	282,395