



# 2015 - 2016 URBAN RENEWAL DISTRICT ADOPTED BUDGET

BUDGET MESSAGE &  
SUPPLEMENTAL INFORMATION





## **2015-2016 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  
Brad Robison  
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  
Candace Haines, City Attorney  
Doug Montgomery, Planning Director

**McMINNVILLE URBAN REVEWAL DISTRICT**  
**2015 – 2016**  
**BUDGET MESSAGE**

**April, 2015**

**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) 2015-2016. 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 second year and, as expected, revenues remain limited with a projected tax increment funding of \$115,200. This is based on a \$9.3 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.

Proposed expenditures are budgeted for costs associated with the prior development of the feasibility study and urban renewal plan and continued support of the façade grant process.

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

## 2015 – 2016 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.

The Urban Renewal Fund proposes expenditures of \$66,500 for administration, contract services, repayment of prior project study costs (feasibility study and urban renewal plan), loan interest, and other expenses related to projects to be undertaken in the 2015-16 fiscal year. Funding for these expenditures is proposed to come from

the proceeds of a short term 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 \$115,200, 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 \$9.3 million increase in value since that time. Tax increment revenue would be used in this fiscal year to repay the short term 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

2015 – 2016 Proposed Budget --- Budget Summary

## Future Challenges and Opportunities

### Near Term

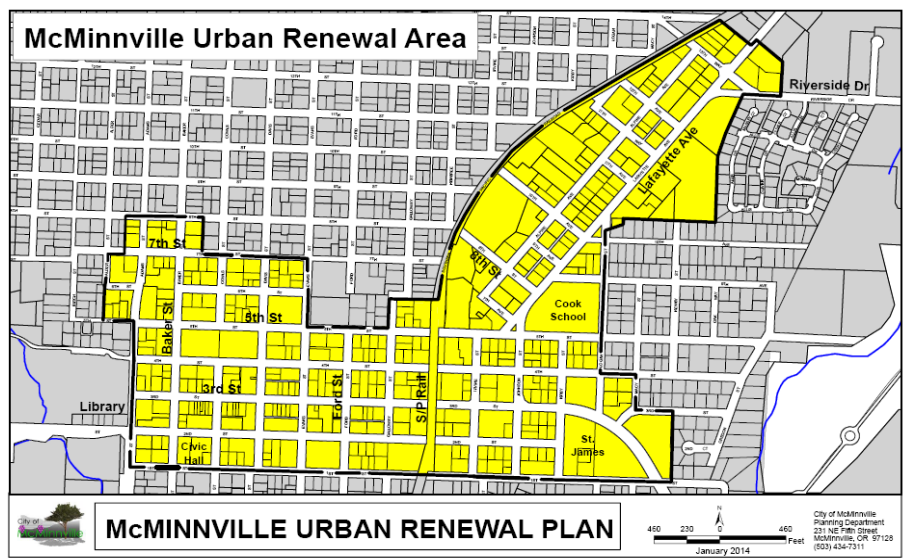
- Review and modify as necessary the Urban Renewal Plan's short and longer term project schedule to match current financial forecasts and opportunities presented by the passage of the transportation bond. Priority should be given to projects/programs that address the Plan's adopted goals.

### 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

	2013-14 Actual	2014-15 Amended Budget	2015-16 Proposed Budget	Budget Variance
<b>Revenue</b>	-	<b>80,100</b>	<b>178,550</b>	<b>98,450</b>
Materials & Services	-	21,000	56,100	35,100
Capital Outlay	-	5,000	5,000	-
Debt Service	-	31,200	66,500	35,300
<b>Total Expenditures</b>	-	<b>57,200</b>	<b>127,600</b>	<b>70,400</b>
Net Expenditures	-	22,900	50,950	(28,050)



**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**

2013 ACTUAL	2014 ACTUAL	2015 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2016 PROPOSED BUDGET	2016 APPROVED BUDGET	2016 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, 2015 carryover from 2014-2015 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	26,000	<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	61,100	61,100	61,100
<b>0</b>	<b>0</b>	<b>26,000</b>	<b><u>TOTAL OTHER FINANCING SOURCE</u></b>	<b>61,100</b>	<b>61,100</b>	<b>61,100</b>
<b>0</b>	<b>0</b>	<b>26,000</b>	<b><u>TOTAL RESOURCES</u></b>	<b>61,100</b>	<b>61,100</b>	<b>61,100</b>



**58 - URBAN RENEWAL FUND**

2013 ACTUAL	2014 ACTUAL	2015 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A			2016 PROPOSED BUDGET	2016 APPROVED BUDGET	2016 ADOPTED BUDGET
<b>REQUIREMENTS</b>								
<b><u>MATERIALS AND SERVICES</u></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	0	<b>7610-05</b>	<b>Insurance - Liability</b>		100	100	100
0	0	500	<b>7660</b>	<b>Materials &amp; Supplies</b>		500	500	500
0	0	10,000	<b>7750</b>	<b>Professional Services</b>		45,000	45,000	45,000
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	100	100		
			Other professional services	1	44,900	44,900		
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>21,000</b>	<b><u>TOTAL MATERIALS AND SERVICES</u></b>			<b>56,100</b>	<b>56,100</b>	<b>56,100</b>
<b><u>CAPITAL OUTLAY</u></b>								
0	0	5,000	<b>8920</b>	<b>Land Improvements</b>		5,000	5,000	5,000
Appropriation is for currently unspecified projects								
<b>0</b>	<b>0</b>	<b>5,000</b>	<b><u>TOTAL CAPITAL OUTLAY</u></b>			<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b><u>CONTINGENCIES</u></b>								
0	0	0	<b>9800</b>	<b>Contingencies</b>		0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL CONTINGENCIES</u></b>			<b>0</b>	<b>0</b>	<b>0</b>
<b><u>ENDING FUND BALANCE</u></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><u>TOTAL ENDING FUND BALANCE</u></b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>0</b>	<b>26,000</b>	<b><u>TOTAL REQUIREMENTS</u></b>			<b>61,100</b>	<b>61,100</b>	<b>61,100</b>

Budget Document Report

**58 - URBAN RENEWAL FUND**

2013 ACTUAL	2014 ACTUAL	2015 AMENDED BUDGET	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2016 PROPOSED BUDGET	2016 APPROVED BUDGET	2016 ADOPTED BUDGET
0	0	26,000	<b>TOTAL RESOURCES</b>	61,100	61,100	61,100
0	0	26,000	<b>TOTAL REQUIREMENTS</b>	61,100	61,100	61,100



**URBAN RENEWAL DEBT SERVICE FUND**



**59 - URBAN RENEWAL DEBT SERVICE FUND**

2013 ACTUAL	2014 ACTUAL	2015 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2016 PROPOSED BUDGET	2016 APPROVED BUDGET	2016 ADOPTED BUDGET
<b>RESOURCES</b>						
<b><u>BEGINNING FUND BALANCE</u></b>						
0	0	0	<b>4059-05</b> Designated Begin Fd Balance-Urban Renewal - Reserved for Debt Service July 1, 2015 designated carryover from the 2014-2015 fiscal year for future debt service payments.	65,450	65,450	75,750
0	0	0	<b>4090</b> Beginning Fund Balance	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL BEGINNING FUND BALANCE</u></b>	<b>65,450</b>	<b>65,450</b>	<b>75,750</b>
<b><u>PROPERTY TAXES</u></b>						
0	0	53,900	<b>4100-05</b> Property Taxes - Current \$125,200 2015-2016 Estimated Tax increment revenue (\$10,000) Less uncollectible taxes - 8% \$115,200 2015-2016 Total tax increment revenue  Budget Note: Tax increment revenue from Division of Tax estimated at \$13.8850 per \$1,000 of assessed value	115,200	115,200	115,200
0	0	0	<b>4100-10</b> Property Taxes - Prior Collection of delinquent taxes from prior year Division of Tax.	2,000	2,000	2,000
<b>0</b>	<b>0</b>	<b>53,900</b>	<b><u>TOTAL PROPERTY TAXES</u></b>	<b>117,200</b>	<b>117,200</b>	<b>117,200</b>
<b><u>MISCELLANEOUS</u></b>						
0	0	200	<b>6310</b> Interest	250	250	250
<b>0</b>	<b>0</b>	<b>200</b>	<b><u>TOTAL MISCELLANEOUS</u></b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>0</b>	<b>0</b>	<b>54,100</b>	<b><u>TOTAL RESOURCES</u></b>	<b>182,900</b>	<b>182,900</b>	<b>193,200</b>

Budget Document Report

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2013 ACTUAL	2014 ACTUAL	2015 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2016 PROPOSED BUDGET	2016 APPROVED BUDGET	2016 ADOPTED BUDGET												
<b>REQUIREMENTS</b>																		
<b>DEBT SERVICE</b>																		
0	0	31,000	<b>9415-05 Inter-Agency Loan - Principal</b> Repayment of loan as provided for in City/Urban Renewal Agency intergovernmental agreements.	66,100	66,100	66,100												
			<table border="0"> <tr> <td style="padding-left: 20px;"><u>Description</u></td> <td style="padding-left: 20px;"><u>Units</u></td> <td style="padding-left: 20px;"><u>Amt/Unit</u></td> <td style="padding-left: 20px;"><u>Total</u></td> </tr> <tr> <td>Repayment of current year loan from the City</td> <td>1</td> <td>61,100</td> <td>61,100</td> </tr> <tr> <td>Prior year expense reimbursement</td> <td>1</td> <td>5,000</td> <td>5,000</td> </tr> </table>	<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>	Repayment of current year loan from the City	1	61,100	61,100	Prior year expense reimbursement	1	5,000	5,000			
<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>															
Repayment of current year loan from the City	1	61,100	61,100															
Prior year expense reimbursement	1	5,000	5,000															
0	0	200	<b>9415-10 Inter-Agency Loan - Interest</b> Payment of interest on loan as provided for in City/Urban Renewal Agency intergovernmental agreements.	400	400	400												
<b>0</b>	<b>0</b>	<b>31,200</b>	<b><u>TOTAL DEBT SERVICE</u></b>	<b>66,500</b>	<b>66,500</b>	<b>66,500</b>												
<b>ENDING FUND BALANCE</b>																		
0	0	22,900	<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.	116,400	116,400	126,700												
0	0	0	<b>9999 Unappropriated Ending Fd Balance</b>	0	0	0												
<b>0</b>	<b>0</b>	<b>22,900</b>	<b><u>TOTAL ENDING FUND BALANCE</u></b>	<b>116,400</b>	<b>116,400</b>	<b>126,700</b>												
<b>0</b>	<b>0</b>	<b>54,100</b>	<b><u>TOTAL REQUIREMENTS</u></b>	<b>182,900</b>	<b>182,900</b>	<b>193,200</b>												

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2013 ACTUAL	2014 ACTUAL	2015 AMENDED BUDGET	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2016 PROPOSED BUDGET	2016 APPROVED BUDGET	2016 ADOPTED BUDGET
0	0	54,100	<b>TOTAL RESOURCES</b>	182,900	182,900	193,200
0	0	54,100	<b>TOTAL REQUIREMENTS</b>	182,900	182,900	193,200