



2014 - 2015 URBAN RENEWAL DISTRICT ADOPTED BUDGET

BUDGET MESSAGE &
SUPPLEMENTAL INFORMATION





2014-2015 URBAN RENEWAL DISTRICT BUDGET

Members of the Budget Committee

Urban Renewal Agency Members:

Rick Olson (Mayor)
Scott Hill
Kevin Jeffries
Paul May
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

Kent Taylor, City Manager
Marcia Baragary, Finance Director/City Recorder
Candace Haines, City Attorney
Doug Montgomery, Planning Director

McMINNVILLE URBAN RENEWAL DISTRICT

2014 – 2015

BUDGET MESSAGE

April, 2014

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

I am pleased to present the McMinnville Urban Renewal District's Proposed Budget for Fiscal Year (FY) 2014-2015.

This is the first year of the new McMinnville Urban Renewal District, and hence this is the first official budget for the District. The budget accounts for the activities of the District in the coming fiscal year. The McMinnville Urban Renewal District was established in July 2013 to carry out the objectives of the McMinnville Urban Renewal Plan. This plan is a long-term guide to foster economic growth and revitalization within a nearly 175 acre area that includes the historic downtown and neighboring property to the northeast of the downtown area. The Plan will be implemented by the investment of both public and private dollars. Most of the public dollars will come from tax increment financing. Translated this means that the incremental growth of assessed value within the boundaries of the Urban Renewal District will generate property tax revenue to be re-invested within the District. The goal is that, over time, the improvement projects will increase the overall value of property within the District. Public improvements will be used over time to leverage private investment within the District.

The first few years of the new McMinnville Urban Renewal District will generate relatively little revenue, but as the increment of value steadily grows there will be more money available to finance improvements. State law requires that an Urban Renewal District have two funds within the budget – one is what I would describe as an operating fund and the other a debt service fund.

We estimate that next year, net of uncollectable taxes, the District will generate \$53,900 in property tax revenue. That is reflected in

the Proposed Budgets. Expenditure of these funds is budgeted to include repayment of prior expenses, a façade loan/grant program, and printing and publishing expenses. The Proposed Budget is established to allow the necessary flexibility of the Advisory Committee and the District's Board to determine a plan for the expenditures this coming year.

While this first year of the District's budget is pretty routine and not very exciting, the District has enormous potential to benefit McMinnville. Together the Advisory Committee and the Agency Board will carefully consider future projects, how to best leverage private funding, borrowing capacity, and creative ways to collaborate with other local partners, like the McMinnville Downtown District, in the ongoing effort to keep the area within the District vital and livable.

Respectfully submitted,



Kent L. Taylor
Budget Officer
City Manager



Urban Renewal

2014 – 2015 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 would 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. This is the District's first 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 \$26,000 for administration, contract services, repayment of prior project study costs (feasibility study and urban renewal plan), and other expenses related to projects to be undertaken in this fiscal year. Revenue for this account is proposed to come from the proceeds of a short term loan from the City's General Fund. (This loan would not occur until

and unless tax increment revenue adequate to repay this loan have been received.)

The Debt Service Fund includes projected tax increment revenues of \$53,900, 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 \$93,319,144 and payment of taxes on some \$4.2 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

2014 – 2015 Proposed Budget --- Budget Summary

Future Challenges and Opportunities

Near Term –

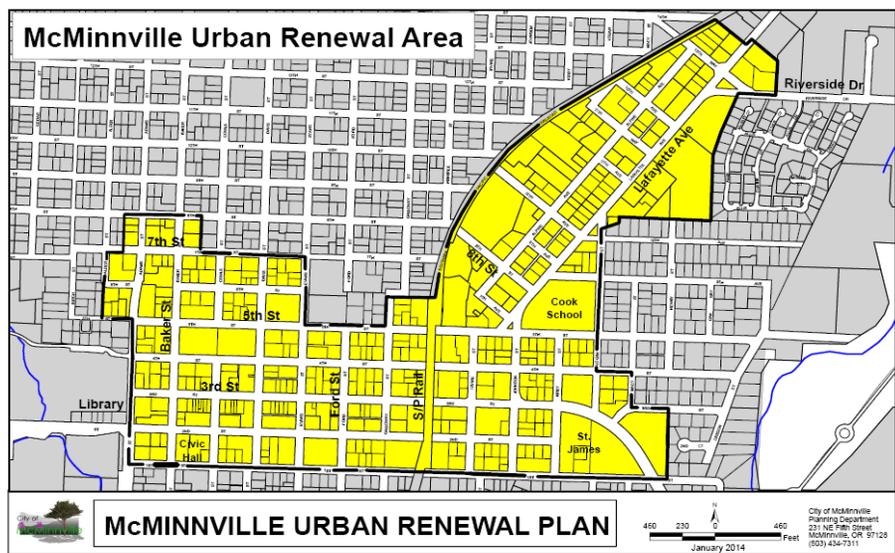
- Prioritize and implement projects that have the ability to adequately “jump start” investment in the district, thereby producing higher tax increment growth rates and quicker revitalization of the district.
- Define and track district growth and investment metrics, and report annually those results to the Agency, advisory committee, and general public.

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

	2012-13 Actual	2013-14 Amended Budget	2014-15 Proposed Budget	Budget Variance
Revenue	-	-	80,100	80,100
Materials & Services	-	-	21,000	21,000
Capital Outlay	-	-	5,000	5,000
Debt Service			31,200	31,200
Total Expenditures	-	-	57,200	57,200
Net Expenditures	-	-	22,900	(22,900)



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 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.



URBAN RENEWAL FUND



Budget Document Report

58 - URBAN RENEWAL FUND

2012 ACTUAL	2013 ACTUAL	2014 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2015 PROPOSED BUDGET	2015 APPROVED BUDGET	2015 ADOPTED BUDGET
RESOURCES						
<u>BEGINNING FUND BALANCE</u>						
0	0	0	4090 Beginning Fund Balance Because no tax increment revenues or loan proceeds were received in 2013-14, there was no carry over to fiscal year 2014-15.	0	0	0
0	0	0	<u>TOTAL BEGINNING FUND BALANCE</u>	0	0	0
<u>MISCELLANEOUS</u>						
0	0	0	6310 Interest Estimated interest income earned	0	0	0
0	0	0	<u>TOTAL MISCELLANEOUS</u>	0	0	0
<u>OTHER FINANCING SOURCE</u>						
0	0	0	6840 Inter-Agency Loan Proceeds - City Loan proceeds received from the City as provided for in City/Urban Renewal Agency intergovernmental agreements	26,000	26,000	26,000
0	0	0	<u>TOTAL OTHER FINANCING SOURCE</u>	26,000	26,000	26,000
0	0	0	<u>TOTAL RESOURCES</u>	26,000	26,000	26,000

58 - URBAN RENEWAL FUND

2012 ACTUAL	2013 ACTUAL	2014 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2015 PROPOSED BUDGET	2015 APPROVED BUDGET	2015 ADOPTED BUDGET
<u>REQUIREMENTS</u>						
<u>MATERIALS AND SERVICES</u>						
0	0	0	7520 Public Notices & Printing Legal notices for public meetings; printing of plan documents, and informational materials.	500	500	500
0	0	0	7660 Materials & Supplies	500	500	500
0	0	0	7750 Professional Services Contract services for annual audit, project management, design, legal, and other services related to urban renewal projects and programs.	10,000	10,000	10,000
0	0	0	8225 Facade Rehabilitation Program Program designed to provide funds to eligible property owners and tenants to improve building facades within urban renewal district.	10,000	10,000	10,000
0	0	0	<u>TOTAL MATERIALS AND SERVICES</u>	21,000	21,000	21,000
<u>CAPITAL OUTLAY</u>						
0	0	0	8920 Land Improvements Appropriation is for currently unspecified projects	5,000	5,000	5,000
0	0	0	<u>TOTAL CAPITAL OUTLAY</u>	5,000	5,000	5,000
<u>CONTINGENCIES</u>						
0	0	0	9800 Contingencies	0	0	0
0	0	0	<u>TOTAL CONTINGENCIES</u>	0	0	0
<u>ENDING FUND BALANCE</u>						
0	0	0	9999 Unappropriated Ending Fd Balance 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.	0	0	0
0	0	0	<u>TOTAL ENDING FUND BALANCE</u>	0	0	0
0	0	0	<u>TOTAL REQUIREMENTS</u>	26,000	26,000	26,000

Budget Document Report

58 - URBAN RENEWAL FUND

2012 ACTUAL	2013 ACTUAL	2014 AMENDED BUDGET	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2015 PROPOSED BUDGET	2015 APPROVED BUDGET	2015 ADOPTED BUDGET
0	0	0	TOTAL RESOURCES	26,000	26,000	26,000
0	0	0	TOTAL REQUIREMENTS	26,000	26,000	26,000



URBAN RENEWAL DEBT SERVICE FUND



59 - URBAN RENEWAL DEBT SERVICE FUND

2012 ACTUAL	2013 ACTUAL	2014 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2015 PROPOSED BUDGET	2015 APPROVED BUDGET	2015 ADOPTED BUDGET
RESOURCES						
<u>BEGINNING FUND BALANCE</u>						
0	0	0	4059-05 Designated Begin Fd Balance-Urban Renewal - Reserved for Debt Service	0	0	0
0	0	0	4090 Beginning Fund Balance Because no tax increment revenues were received in 2013-14, there was no carryover to 2014-15.	0	0	0
0	0	0	<u>TOTAL BEGINNING FUND BALANCE</u>	0	0	0
<u>PROPERTY TAXES</u>						
0	0	0	4100-05 Property Taxes - Current \$58,600 2014-2015 Tax increment revenue (4,700) Less uncollectible taxes - 8% \$53,900 2014-2015 Current tax increment revenue	53,900	53,900	53,900
Budget Note: Tax increment revenue from Division of Tax estimated at \$13.8850 per \$1,000 of assessed value						
0	0	0	4100-10 Property Taxes - Prior Collection of delinquent taxes from prior year Division of Tax; there are no prior year taxes in 2014-2015	0	0	0
0	0	0	<u>TOTAL PROPERTY TAXES</u>	53,900	53,900	53,900
<u>MISCELLANEOUS</u>						
0	0	0	6310 Interest	200	200	200
0	0	0	<u>TOTAL MISCELLANEOUS</u>	200	200	200
0	0	0	<u>TOTAL RESOURCES</u>	54,100	54,100	54,100

59 - URBAN RENEWAL DEBT SERVICE FUND

2012 ACTUAL	2013 ACTUAL	2014 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2015 PROPOSED BUDGET	2015 APPROVED BUDGET	2015 ADOPTED BUDGET																					
REQUIREMENTS																											
DEBT SERVICE																											
0	0	0	9415-05 Inter-Agency Loan - Principal Repayment of Loan as provided for in City/Urban Renewal Agency intergovernmental agreements	31,000	31,000	31,000																					
			<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> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Repayment of current year loan from the City</td> <td style="padding-left: 20px;">1</td> <td style="padding-left: 20px;">26,000</td> <td style="padding-left: 20px;">26,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Prior year expense reimbursement</td> <td style="padding-left: 20px;">1</td> <td style="padding-left: 20px;">5,000</td> <td style="padding-left: 20px;">5,000</td> <td></td> <td></td> <td></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	26,000	26,000				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	26,000	26,000																								
Prior year expense reimbursement	1	5,000	5,000																								
0	0	0	9415-10 Inter-Agency Loan - Interest Payment of interest on Loan as provided for in City/Urban Renewal Agency intergovernmental agreements	200	200	200																					
0	0	0	TOTAL DEBT SERVICE	31,200	31,200	31,200																					
ENDING FUND BALANCE																											
0	0	0	9959-05 Designated Ending Fund Balance - Urban Renewal - Reserved for Debt Service All tax increment dollars carried forward to next fiscal year are designated for future debt service payments.	22,900	22,900	22,900																					
0	0	0	9999 Unappropriated Ending Fd Balance	0	0	0																					
0	0	0	TOTAL ENDING FUND BALANCE	22,900	22,900	22,900																					
0	0	0	TOTAL REQUIREMENTS	54,100	54,100	54,100																					

Budget Document Report

59 - URBAN RENEWAL DEBT SERVICE FUND

2012 ACTUAL	2013 ACTUAL	2014 AMENDED BUDGET	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2015 PROPOSED BUDGET	2015 APPROVED BUDGET	2015 ADOPTED BUDGET
0	0	0	TOTAL RESOURCES	54,100	54,100	54,100
0	0	0	TOTAL REQUIREMENTS	54,100	54,100	54,100