

# URBAN RENEWAL AGENCY

2025 – 2026

PROPOSED BUDGET

**Vacant 3.5 Acre Industrial Site (Rubber Plant)**  
**Purchased by the McMinnville Urban Renewal Agency for a mixed-use commercial/residential redevelopment project.**



**Identified in 2013 NE Gateway District Plan as a catalyst opportunity site to revitalize the redevelopment of this city center industrial area into a vibrant mixed-use neighborhood.**

# McMINNVILLE URBAN RENEWAL DISTRICT

## 2025 – 2026

### BUDGET MESSAGE

May, 2025

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

I present the McMinnville Urban Renewal District's (District) Proposed Budget for Fiscal Year (FY)2025 – 26. 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.

To fulfill this requirement, the Mayor and 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 twelfth year and property tax revenues are expected to be relatively flat from FY2024-25, with the projected tax increment revenue at \$700,000, which includes 5% for uncollectable taxes.

In this fiscal year, the Urban Renewal Fund proposes expenditures of approximately \$1,111,695 to advance forward the Plan's projects.

- \$265,566 to support the redevelopment of the NW Rubber Site.
- \$150,000 in the Property Assistance Program to incentivize new construction and building improvements in the Urban Renewal District, which includes \$50,000 for housing.
- \$200,000 for the final construction documents of the Third Street Improvement project and work towards a shovel-ready design package.
- \$350,000 to update the Downtown Improvement Plan.
- \$50,000 for Housing incentives and \$40,000 for District Identity Improvements.

Lastly, \$66,200 is budgeted for project administration, including a transfer to the General Fund for Community Development staff support and financial monitoring.

Urban Renewal Debt Service Fund resources in the FY2025-26 budget include an estimated beginning fund balance of \$1,429,339 and projected tax increment revenues of \$700,000. These resources will be used to pay for annual interest and principal payment of the bank loan acquired in FY2016-17, which is \$187,292 per year. The balance of the revenue received is held in the fund balance and carried forward for future debt service payments.

The District continues to show potential. Two projects opened this year and another will begin construction in the upcoming season. The Urban Renewal Agency along with its Advisory Committee remain focused on maximizing this potential by leveraging private funding and collaboration to ensure a vibrant and thriving area.

Respectfully submitted,



Jeffrey R. Towery  
Budget Officer  
City Manager



### 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.

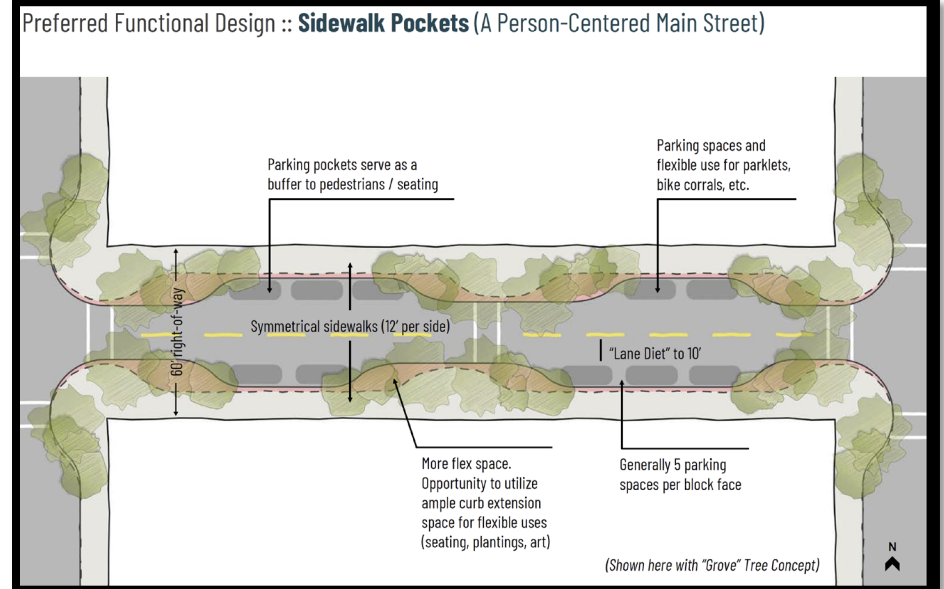
#### MCMINNVILLE URBAN RENEWAL PLAN PROJECTS

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.



*Third Street Improvement Project*



# Urban Renewal Fund

## 2025 – 2026 Proposed Budget --- Budget Summary

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 “sunsets”. The McMinnville Urban Renewal Plan has a maximum indebtedness of \$30,000,000, and is expected to be retired by 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.

### ***Maximum Indebtedness:***

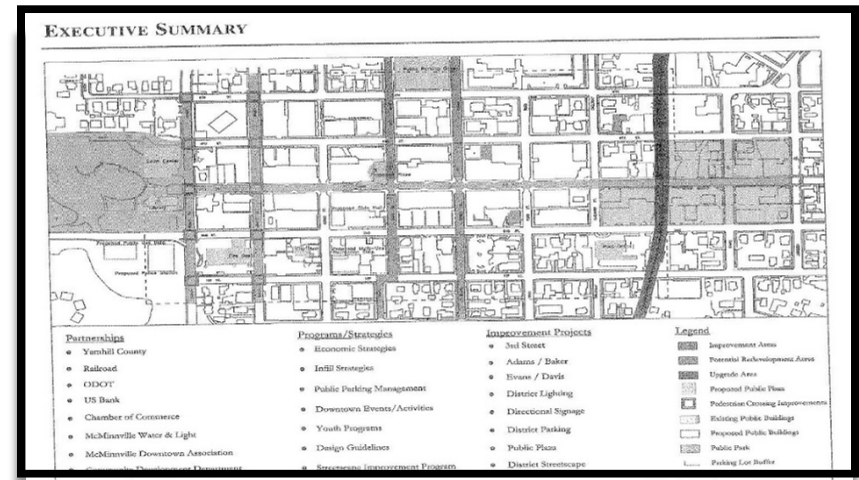
The maximum indebtedness established in 2013 for the McMinnville Urban Renewal Plan is \$30,000,000. The maximum indebtedness is the total amount of funds that can be spent on projects, programs, and administration in the urban renewal area over the life of the urban renewal plan.

	Formal Indebtedness	Other Expenditures	TOTAL INDEBTEDNESS
<b>Authorized Maximum Indebtedness</b>			\$30,000,000
Administration, Projects, Plans		\$1,263,276	
Alpine Avenue (Chase)	\$2,192,300		
Design Work (City of McMinnville)	\$35,000		
<b>TOTAL</b>	<b>\$2,227,300</b>	<b>\$1,263,276</b>	<b>\$3,490,576</b>
<b>REMAINING INDEBTEDNESS</b>			<b>\$26,509,424</b>

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 approximately \$1,111,695 to advance forward the Plan’s projects. \$265,566 to support the redevelopment of the NW Rubber Site (including \$215,766 for the loan payments to purchase the property in Fund 59, \$34,800 for security and utilities, and \$15,000 for consultant services). \$150,000 in the Property Assistance Program to incentivize new construction and building improvements in the Urban Renewal District, including \$50,000 for housing. \$200,000 for the final construction documents of the Third Street Improvement project and work towards a shovel-ready design package. \$350,000 to update the 2000 Downtown Improvement Plan and potential Downtown Urban Renewal Plan update, \$50,000 for Housing incentives, and \$40,000 for District Identity Improvements. Lastly, \$66,200 is budgeted for project administration, including a transfer to the General Fund for Planning Department staff support and financial monitoring.

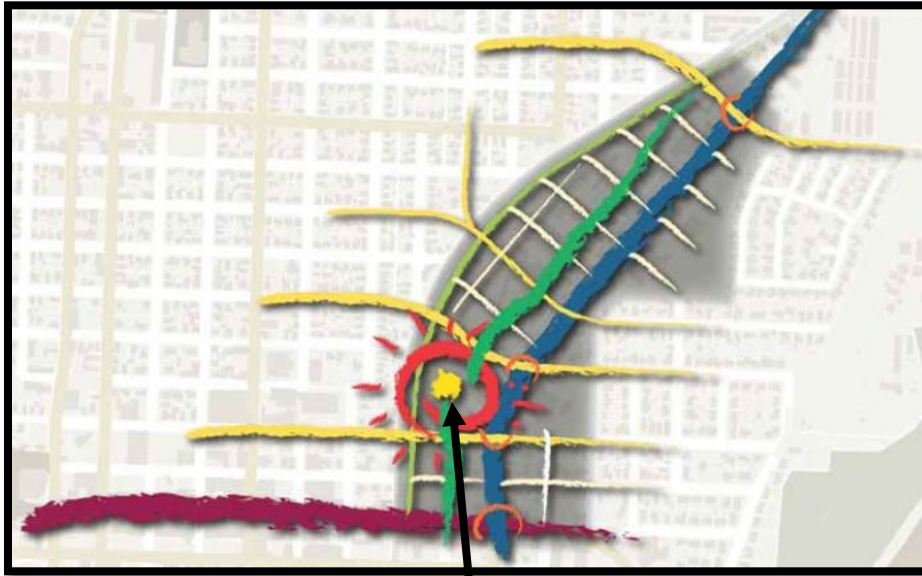


*2000 Downtown Improvement Plan scheduled to be updated in 2025.*



# Urban Renewal Fund

## 2025 – 2026 Proposed Budget --- Budget Summary



*Old rubber plant property identified as an opportunity site in the 2013 NE Gateway District Plan and purchased by Urban Renewal Agency in 2023 for a mixed-use commercial and residential redevelopment project.*

Urban Renewal Debt Service Fund resources in the FY2025-26 budget include an estimated beginning fund balance of \$1,429,339 and projected tax increment revenues of \$700,000. These resources will be used to pay for annual interest and principal payment of the bank loan acquired in FY2016-17, which is \$187,112 per year. The balance of the revenue received is held in the ending fund balance and carried forward for future debt service payments.

### **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. 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.



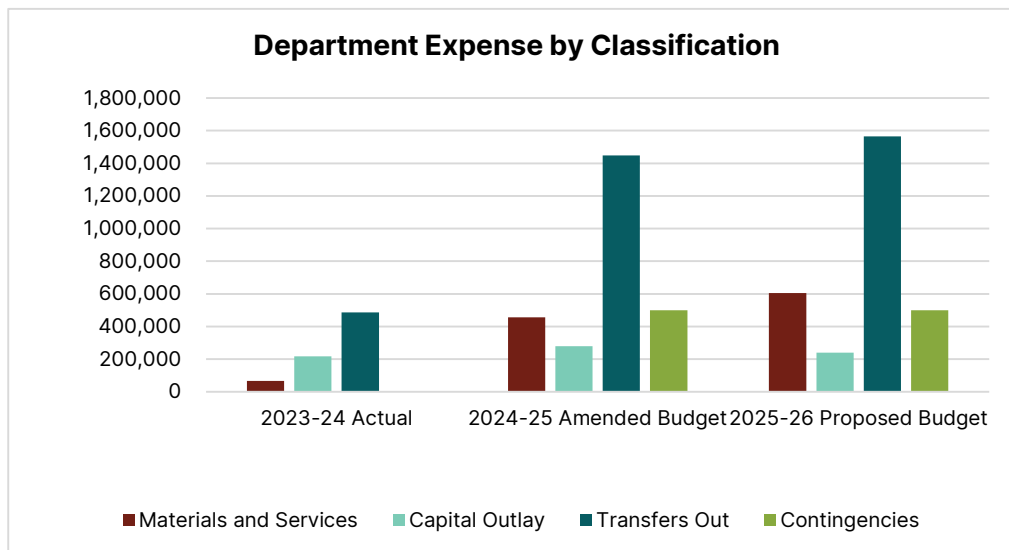
*Rendering of Pebble Dentistry, new construction and business in the NE Gateway District Assisted with Property Assistance Program funds.*

## Urban Renewal Funds

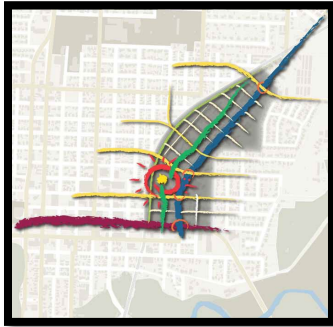
### Fund Cost Summary

	2023-24 Actual	2024-25 Amended Budget	2025-26 Proposed Budget	Budget Variance
Revenue				
Beginning Fund Balance	1,078,161	1,258,026	1,429,339	171,313
Intergovernmental	247	0	0	0
Miscellaneous	79,283	35,714	56,014	20,300
Transfers In	231,988	984,048	1,096,681	112,633
Property Taxes	702,008	720,100	700,000	(20,100)
<b>Revenue Total</b>	<b>2,092,138</b>	<b>2,997,888</b>	<b>3,282,034</b>	<b>284,146</b>
Expenses				
Materials and Services	66,232	457,162	605,495	148,333
Capital Outlay	217,554	280,000	240,000	(40,000)
Transfers Out	486,625	1,448,900	1,565,939	117,039
Contingencies	0	500,000	500,000	0
<b>Expenses Total</b>	<b>770,412</b>	<b>2,686,062</b>	<b>2,911,434</b>	<b>225,372</b>
Ending Fund Balance	1,321,726	311,826	370,600	58,774

Note: Consolidates both Urban Renewal Funds 58 and 59.



**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.

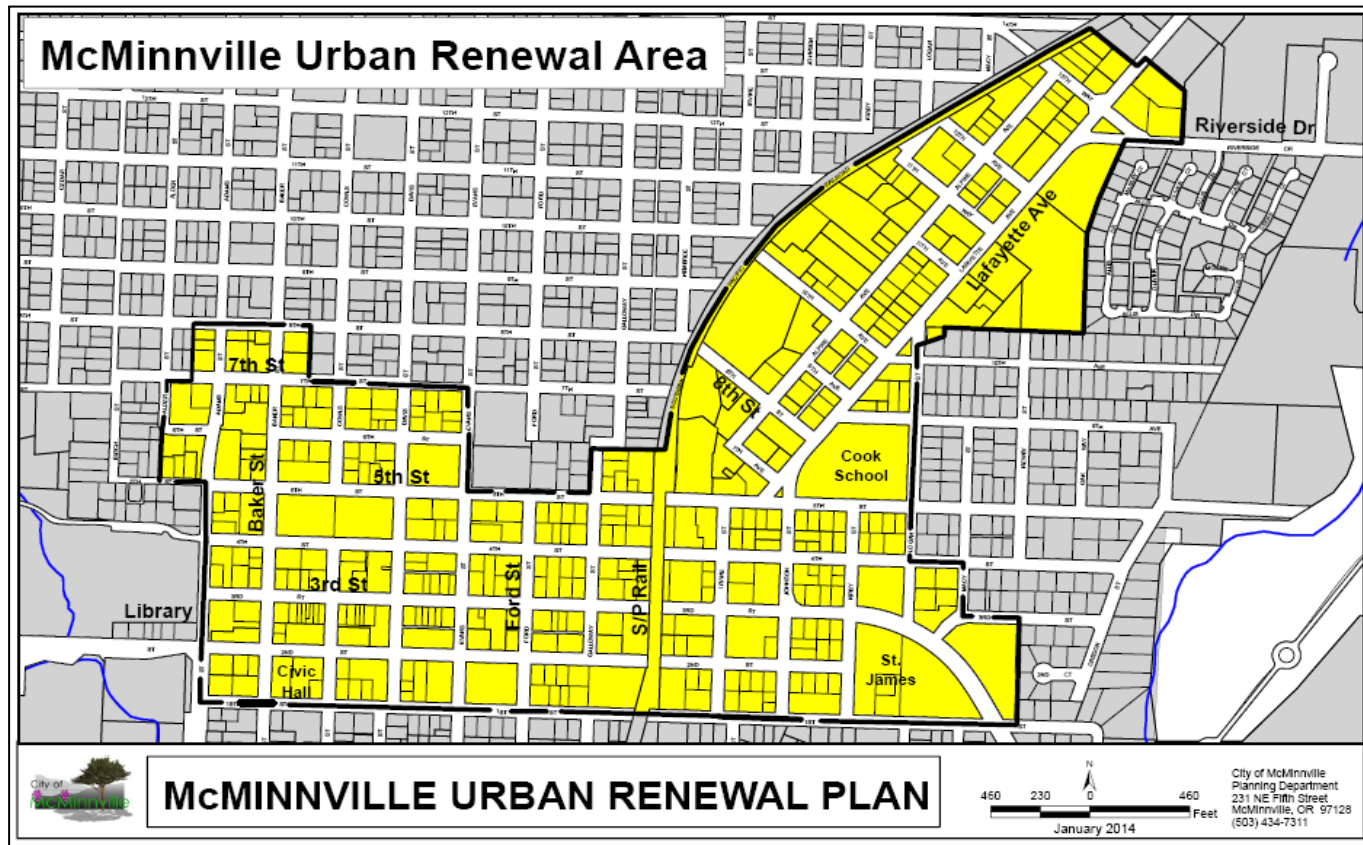
**2015** Urban Renewal Agency adopts its first budget; realizes TIF revenue of \$80,550 based upon \$6.5 million increment of growth (“frozen base” of \$86.3 million).

**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.



**2018** Urban Renewal Agency cuts the ribbon on the Alpine Avenue Street Improvement Project and loans \$100,000 to the Atticus Hotel project, a new 36 room boutique hotel on the corner of Fourth and Ford.









# **URBAN RENEWAL FUND**



## Budget Document Report

## 58 - URBAN RENEWAL FUND

2023 ACTUAL	2024 ACTUAL	2025 AMENDED BUDGET	Department : N/A Section : N/A Program : N/A				2026 PROPOSED BUDGET	2026 APPROVED BUDGET	2026 ADOPTED BUDGET
RESOURCES									
BEGINNING FUND BALANCE									
109,140	98,654	0	4090	Beginning Fund Balance			0	0	0
Estimated July 1 carryover from prior year									
109,140	98,654	0	TOTAL BEGINNING FUND BALANCE				0	0	0
CHARGES FOR SERVICES									
0	450	0	5800-05	Urban Renewal - Design Assistance Program Fee			0	0	0
0	450	0	TOTAL CHARGES FOR SERVICES				0	0	0
MISCELLANEOUS									
1	338	0	6310	Interest			100	0	0
Estimated interest income earned									
12,267	2,474	0	6310-02	Interest - Loan Proceeds			0	0	0
24,893	17,225	14,914	6515	Property Assistance Program Repayment			14,914	0	0
Scheduled debt service payments from property assistance loan program									
37,161	20,037	14,914	TOTAL MISCELLANEOUS				15,014	0	0
TRANSFERS IN									
88,821	231,988	984,048	6900-59	Transfers In - Urban Renewal Debt Service			1,096,681	0	0
DescriptionUnitsAmt/UnitTotal									
Urban Renewal current year expenses11,096,6811,096,681									
88,821	231,988	984,048	TOTAL TRANSFERS IN				1,096,681	0	0
235,122	351,129	998,962	TOTAL RESOURCES				1,111,695	0	0

## Budget Document Report

## 58 - URBAN RENEWAL FUND

2023 ACTUAL	2024 ACTUAL	2025 AMENDED BUDGET	Department : N/A Section : N/A Program : N/A			2026 PROPOSED BUDGET	2026 APPROVED BUDGET	2026 ADOPTED BUDGET
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**REQUIREMENTS****MATERIALS AND SERVICES**

1,972	1,355	2,000	<b>7520</b>	<b>Public Notices &amp; Printing</b>		2,000	0	0
				Legal notices for public meetings, printing of plan documents, and informational materials.				
353	146	162	<b>7610-05</b>	<b>Insurance - Liability</b>		195	0	0
0	85	0	<b>7660</b>	<b>Materials &amp; Supplies</b>		250	0	0
490	3,101	214,000	<b>7750</b>	<b>Professional Services</b>		443,800	0	0
				Contract services for 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>
Transcriptionist (MURAC)	1	3,000	3,000
AORA/OEDA Dues	1	1,000	1,000
Downtown Master Plan	1	350,000	350,000
Consultant Services	1	40,000	40,000
NW Rubber Site Security	1	28,800	28,800
NW Rubber Site - Utilities	1	6,000	6,000
Leland Consulting - NW Rubber	1	15,000	15,000

8,400	9,217	9,000	<b>7750-01</b>	<b>Professional Services - Audit &amp; other city-wide prof svc</b>		9,250	0	0
				Costs shared city-wide for audit, Section 125 plan administrative fees, and other miscellaneous professional service expenses				
7,756	0	0	<b>7770-80</b>	<b>Professional Services - Projects - 3rd Street Improvements</b>		0	0	0
0	0	0	<b>7775-05</b>	<b>Professional Services - UR Projects - Public Offstreet Parking</b>		0	0	0
0	0	0	<b>7775-10</b>	<b>Professional Services - UR Projects - District Identity Improvements</b>		0	0	0
50,000	52,329	232,000	<b>8225</b>	<b>Property Assistance Program</b>		150,000	0	0
				Program designed to provide assistance to eligible developers and property owners.				

<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
Housing Development	1	50,000	50,000
Property Assistance Loans/Grants	1	100,000	100,000

<b>68,970</b>	<b>66,232</b>	<b>457,162</b>	<b><u>TOTAL MATERIALS AND SERVICES</u></b>			<b>605,495</b>	<b>0</b>	<b>0</b>
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**CAPITAL OUTLAY**

0	0	0	<b>8920</b>	<b>Land Improvements</b>		0	0	0
15,000	86,060	0	<b>8930-05</b>	<b>Urban Renewal Projects - Public Offstreet Parking</b>		0	0	0
0	0	40,000	<b>8930-10</b>	<b>Urban Renewal Projects - District Identity Improvements</b>		40,000	0	0
				Rooftop Lighting Wayfinding				



## Budget Document Report

## 58 - URBAN RENEWAL FUND

2023 ACTUAL	2024 ACTUAL	2025 AMENDED BUDGET	Department : N/A Section : N/A Program : N/A				2026 PROPOSED BUDGET	2026 APPROVED BUDGET	2026 ADOPTED BUDGET		
0	131,495	240,000	8930-80	Urban Renewal Projects - 3rd Street Improvements				200,000	0	0	
15,000	217,554	280,000	TOTAL CAPITAL OUTLAY				240,000	0	0		
TRANSFERS OUT											
52,498	67,343	61,800	9700-01	Transfers Out - General Fund				66,200	0	0	
			Plan Administration								
			Description	Units	Amt/Unit	Total					
			Community Development personnel services support				1	66,200	66,200		
0	0	0	9700-59	Transfers Out - Urban Renewal Debt Service				0	0	0	
52,498	67,343	61,800	TOTAL TRANSFERS OUT				66,200	0	0		
CONTINGENCIES											
0	0	200,000	9800	Contingencies				200,000	0	0	
0	0	200,000	TOTAL CONTINGENCIES				200,000	0	0		
ENDING FUND BALANCE											
98,654	0	0	9999	Unappropriated Ending Fd Balance				0	0	0	
98,654	0	0	TOTAL ENDING FUND BALANCE				0	0	0		
235,122	351,129	998,962	TOTAL REQUIREMENTS				1,111,695	0	0		

Budget Document Report

**58 - URBAN RENEWAL FUND**

2023 ACTUAL	2024 ACTUAL	2025 AMENDED BUDGET	Department : <b>N/A</b> Section : <b>N/A</b> Program : <b>N/A</b>	2026 PROPOSED BUDGET	2026 APPROVED BUDGET	2026 ADOPTED BUDGET
235,122	351,129	998,962	<b>TOTAL RESOURCES</b>	1,111,695	0	0
235,122	351,129	998,962	<b>TOTAL REQUIREMENTS</b>	1,111,695	0	0



## **URBAN RENEWAL DEBT SERVICE FUND**





## Budget Document Report

## 59 - URBAN RENEWAL DEBT SERVICE FUND

2023 ACTUAL	2024 ACTUAL	2025 AMENDED BUDGET	Department : N/A Section : N/A Program : N/A		2026 PROPOSED BUDGET	2026 APPROVED BUDGET	2026 ADOPTED BUDGET
RESOURCES							
BEGINNING FUND BALANCE							
582,480	979,506	1,258,026	4090	Beginning Fund Balance	1,429,339	0	0
582,480	979,506	1,258,026	TOTAL BEGINNING FUND BALANCE		1,429,339	0	0
PROPERTY TAXES							
643,830	692,063	711,000	4100-05	Property Taxes - Current Estimated tax increment revenue	690,000	0	0
9,159	9,945	9,100	4100-10	Property Taxes - Prior Collection of delinquent taxes from prior year Division of Tax.	10,000	0	0
652,989	702,008	720,100	TOTAL PROPERTY TAXES		700,000	0	0
INTERGOVERNMENTAL							
354	247	0	5010-01	Yamhill County - Other County Distributions Miscellaneous revenue from Yamhill County included with property tax distributions	0	0	0
354	247	0	TOTAL INTERGOVERNMENTAL		0	0	0
MISCELLANEOUS							
18,644	57,568	20,000	6310	Interest	40,000	0	0
1,148	1,679	800	6310-01	Interest - Property taxes Share of interest collected on delinquent taxes at Yamhill County	1,000	0	0
19,792	59,246	20,800	TOTAL MISCELLANEOUS		41,000	0	0
TRANSFERS IN							
0	0	0	6900-58	Transfers In - Urban Renewal	0	0	0
0	0	0	TOTAL TRANSFERS IN		0	0	0
1,255,615	1,741,008	1,998,926	TOTAL RESOURCES		2,170,339	0	0

## Budget Document Report

## 59 - URBAN RENEWAL DEBT SERVICE FUND

2023 ACTUAL	2024 ACTUAL	2025 AMENDED BUDGET	Department : N/A Section : N/A Program : N/A				2026 PROPOSED BUDGET	2026 APPROVED BUDGET	2026 ADOPTED BUDGET
REQUIREMENTS									
MATERIALS AND SERVICES									
0	0	0	7750-25	Professional Services - County charges			0	0	0
0	0	0	TOTAL MATERIALS AND SERVICES				0	0	0
TRANSFERS OUT									
88,821	231,988	984,048	9700-58	Transfers Out - Urban Renewal			1,096,681	0	0
				Description	Units	Amt/Unit	Total		
				Urban Renewal current year expenses	1	1,096,681	1,096,681		
187,288	187,295	403,052	9701-01	Transfers Out - Interfund Debt - General Fund			403,058	0	0
				Description	Units	Amt/Unit	Total		
				Bank loan payment - Principal	1	164,980	164,980		
				Bank loan payment - Interest	1	22,312	22,312		
				Payment on 2024 Admin/UR NE Gateway property purchase	1	215,766	215,766		
276,108	419,283	1,387,100	TOTAL TRANSFERS OUT				1,499,739	0	0
CONTINGENCIES									
0	0	300,000	9800	Contingencies			300,000	0	0
0	0	300,000	TOTAL CONTINGENCIES				300,000	0	0
ENDING FUND BALANCE									
979,506	1,321,726	311,826	9999	Unappropriated Ending Fd Balance			370,600	0	0
979,506	1,321,726	311,826	TOTAL ENDING FUND BALANCE				370,600	0	0
1,255,614	1,741,009	1,998,926	TOTAL REQUIREMENTS				2,170,339	0	0

## Budget Document Report

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2023 ACTUAL	2024 ACTUAL	2025 AMENDED BUDGET	Department : <b>N/A</b> Section : <b>N/A</b> Program : <b>N/A</b>	2026 PROPOSED BUDGET	2026 APPROVED BUDGET	2026 ADOPTED BUDGET
1,255,615	1,741,008	1,998,926	<b>TOTAL RESOURCES</b>	2,170,339	0	0
1,255,614	1,741,008	1,998,926	<b>TOTAL REQUIREMENTS</b>	2,170,339	0	0