



CITY OF MCMINNVILLE

# URBAN RENEWAL AGENCY

MACMKT



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# McMinnville Urban Renewal Agency

FY 2026-2027

## Budget Message

*“Do what you can, with what you have, where you are.”*

— Theodore Roosevelt

### **Budget Highlights**

The McMinnville Urban Renewal Agency (Agency), governed by the City Council acting as the Urban Renewal Agency Board, remains a primary tool for reinvestment in our community. The Agency supports the elimination of blight and encourages private development through tax increment financing (TIF), which reallocates growth in property tax revenues within the district and does not create a new or additional tax.

Activity within the Urban Renewal Area reflects a clear shift from planning to delivery. Construction of the boutique Piquette Hotel is underway, with opening targeted in the second half of FY 2026–27. This project will generate new Transient Lodging Tax (TLT) revenue supporting the General Fund and contribute to tax increment growth within the district.

The Agency operates under the McMinnville Urban Renewal Plan, adopted in 2013, which establishes a long-term framework for investment across approximately 175 acres encompassing the historic downtown and the NE Gateway District.

The Plan authorizes thirteen project categories that guide investment:

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

# McMinnville Urban Renewal Agency

## FY 2026-2027

### **From Planning to Delivery**

The FY 2026-27 budget continues the transition from planning and acquisition into project delivery, advancing work that produces visible outcomes and leverages private investment.

The **RB Rubber Site Redevelopment** remains a central focus, with the Agency continuing to carry the interest obligation associated with acquisition of the property. This acquisition was funded through a wastewater interfund loan with a five-year repayment window, with annual interest costs of \$215,766.

The City is currently advancing a development agreement with its second development partner, Guardian, with the Housing Authority of Yamhill County as the intended end user. This effort follows a reset in negotiations and reflects continued progress toward transitioning the site into active redevelopment.

Interest payments are expected to continue into FY 2027-28 as this work advances, with the project representing one of the most significant redevelopment opportunities within the Urban Renewal Area.

The **Alpine Avenue Improvements** project reflects successful coordination with state partners, securing \$1.5 million in funding to complete paving. FY 2026-27 will focus on design and engineering, with construction anticipated in FY 2027-28. This investment improves connectivity and supports continued development in the NE Gateway area.

The **Third Street Improvement Project** advanced with execution of an Intergovernmental Agreement (IGA) with ODOT in the final quarter of FY 2025-26. FY 2026-27 funding will support continued design advancement beyond the current 30% level, with the goal of positioning the project for future federal BUILD grant funding.

The **Property Assistance Program** continues to provide targeted incentives for redevelopment, building improvements, and housing investment within the Urban Renewal Area. In FY 2026-27, the program includes \$150,000 in funding, leveraging private investment and supporting both small-scale improvements and larger redevelopment efforts.

Ongoing **Downtown planning and placemaking efforts** continue to align infrastructure investment with long-term economic development goals, including district identity improvements that reinforce McMinnville's position as a destination.

Total Urban Renewal Fund expenditures for FY 2026-27 are \$1.535 million.

### **Financial Overview**

The Urban Renewal budget is structured across two funds. The Urban Renewal Fund supports project implementation and administration, while the Urban Renewal Debt Service Fund receives tax increment revenues and funds annual debt obligations.

Debt Service Fund resources for FY 2026-27 include a beginning fund balance of \$1.531 million and projected tax increment revenue of \$745,500. These resources fund annual principal and interest payments of \$403,058, with remaining balances carried forward to meet future obligations.

The Urban Renewal Plan maintains a maximum indebtedness of \$30 million and is projected to sunset in FY 2039-40. Debt continues to be managed conservatively, aligning obligations with revenue growth while maintaining appropriate reserves.

# McMinnville Urban Renewal Agency

## FY 2026-2027

### **Looking Ahead**

The Urban Renewal program is entering a more active phase, with a focus on executing projects and realizing the return on prior investments.

In the near term, priorities include advancing projects that are ready for implementation, transitioning key sites such as the RB Rubber property into active redevelopment, and aligning project timing with financial capacity and market conditions.

Over the longer term, focus will shift toward preparing for the eventual sunset of the district and the return of value to the general tax base, maintaining organizational capacity to manage an increasingly active project portfolio, and continuing to evaluate the role of Urban Renewal in supporting housing and economic development.

### **Closing**

The FY 2026-27 budget reflects a program delivering on prior investments. With strategic property acquisition, secured external funding, and visible private development underway, the Urban Renewal Agency is positioned to deliver measurable economic and community benefit.

Respectfully submitted,



Adam D. Garvin

Budget Officer  
City Manager  
City of McMinnville



# McMinnville Urban Renewal Agency

## FY 2026-2027

### Core Services

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. 3rd Street Streetscape and District Identity Improvements
3. Adams / Baker Couplet
4. 5th Street
5. 1st and 2nd Street Improvements
6. Lafayette Avenue
7. Downtown Signal Improvements
8. Public Off-Street Parking
9. 2nd 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.

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 "sunsetts".

# McMinnville Urban Renewal Agency

## FY 2026-2027

The McMinnville Urban Renewal Plan has a maximum indebtedness of \$30,000,000, and is expected to be retired by 2039-40. 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.

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.

## Budget Highlights

In this fiscal year, the Urban Renewal Fund proposes expenditures of approximately \$1,535,000 to advance forward the Plan's projects. \$231,766 to support the redevelopment of the NW Rubber Site (including \$215,766 for the loan payments to purchase the property in Fund 59, \$16,000 for security and utilities). \$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, \$200,000 to start the design and construction documents for Alpine Avenue, Phase 2, \$40,000 for consultant services, and \$40,000 for District Identity Improvements. Lastly, \$70,900 is budgeted for project administration, including a transfer to the General Fund for Planning Department staff support and financial monitoring.

Urban Renewal Debt Service Fund resources in the FY2026-27 budget include a beginning fund balance of \$1,531,253 and projected tax increment revenues of \$745,500.

## Challenges & 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

# McMinnville Urban Renewal Agency

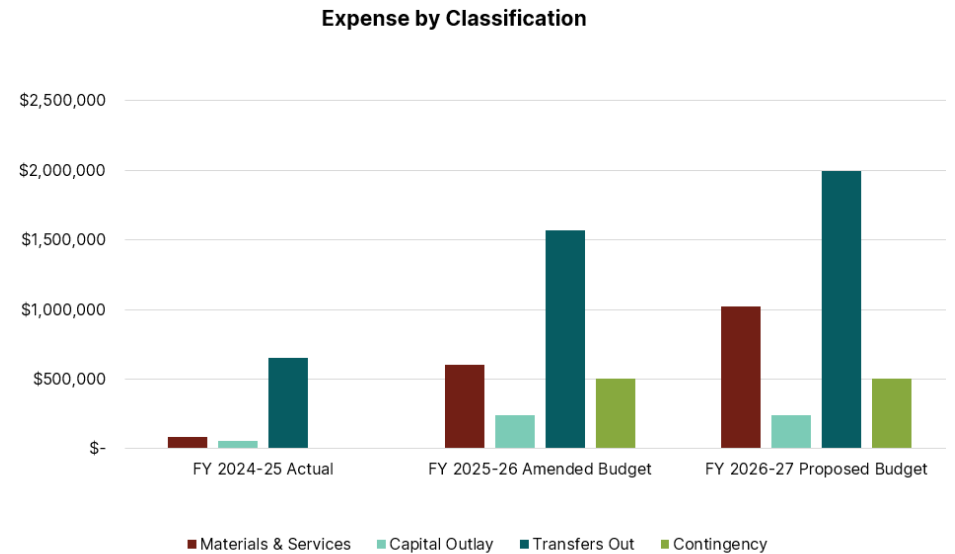
## FY 2026-2027

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.

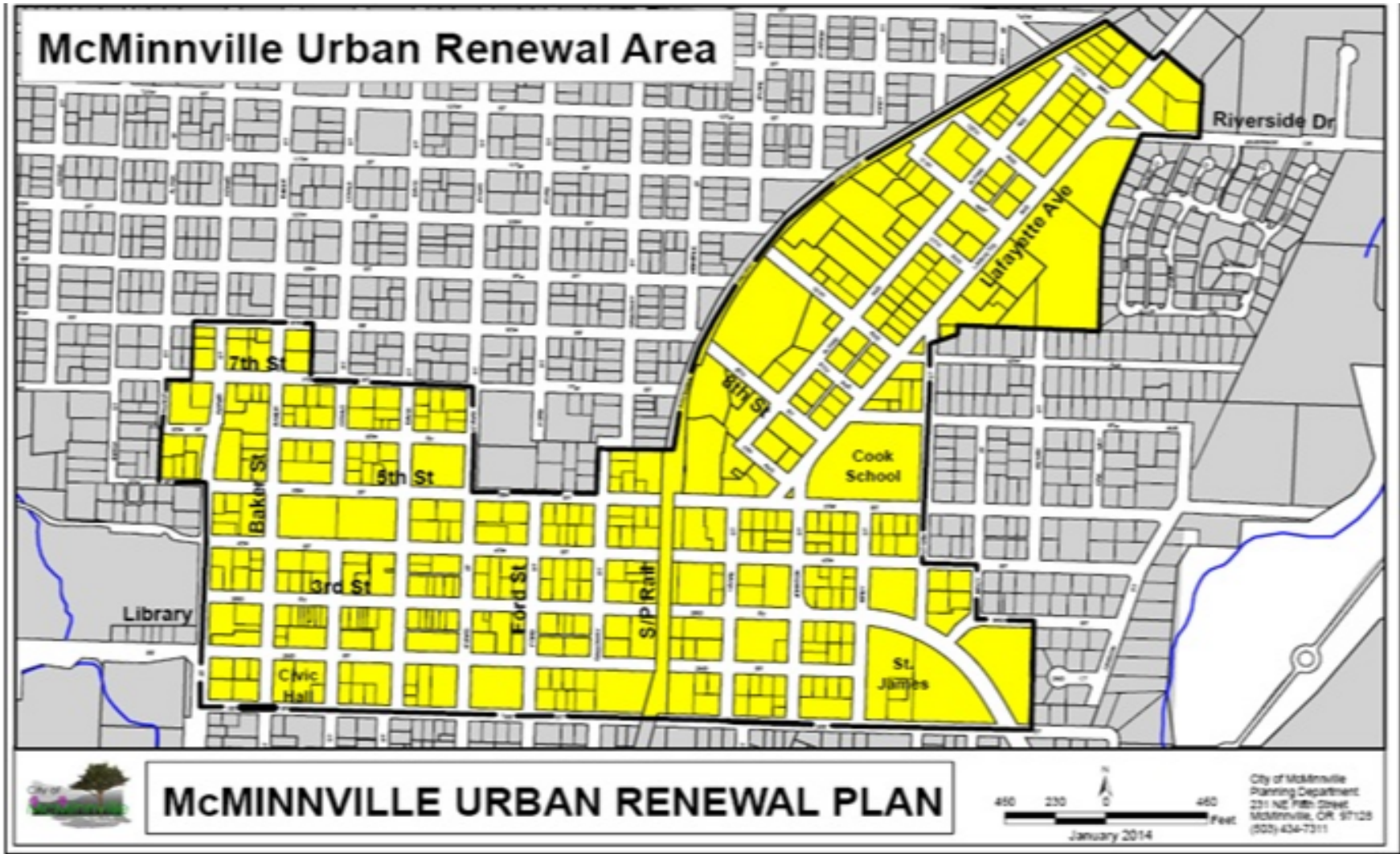
	FY 2024-25 Actual	FY 2025-26 Budget	FY 2026-27 Proposed Budget
<b>Revenues <sup>1</sup></b>	<b>2,271,313</b>	<b>\$3,282,034</b>	<b>\$3,872,810</b>
Property Taxes	684,168	\$700,000	\$745,500
Intergovernmental	288	\$0	\$0
Charges for Services	(300)	\$0	\$0
Miscellaneous	76,210	\$56,014	\$76,014
Transfers In	189,221	\$1,096,681	\$1,520,043
Beginning Fund Balance	1,321,726	\$1,429,339	\$1,531,253
<b>Expenses</b>	<b>791,752</b>	<b>\$3,282,034</b>	<b>\$3,872,810</b>
Materials and Services	82,336	\$605,495	\$1,024,157
Capital Outlay	55,343	\$240,000	\$240,000
Transfers Out	654,074	\$1,565,939	\$1,994,001
Contingencies	0	\$500,000	\$500,000
Ending Fund Balance	0	\$370,600	\$114,652



1) Consolidates both Urban Renewal Funds 58 and 59.

# McMinnville Urban Renewal Agency

## FY 2026-2027





# URBAN RENEWAL



Budget Document Report

58 - URBAN RENEWAL FUND

2024	2025	2026	Department : No Department		2027	2027	2027
ACTUAL	ACTUAL	AMENDED BUDGET	Section : 000 - No Section		PROPOSED BUDGET	APPROVED BUDGET	COUNCIL BUDGET ADOPTION
			Program: 000 - No Program				
<b><u>RESOURCES</u></b>							
<b><u>BEGINNING FUND BALANCE</u></b>							
98,654	0	0	4090	Beginning Fund Balance	0	0	0
				Estimated July 1 carryover from prior year			
<b>98,654</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>CHARGES FOR SERVICES</u></b>							
450	-300	0	5800-05	Urban Renewal - Design Assistance Program Fee	0	0	0
<b>450</b>	<b>-300</b>	<b>0</b>	<b><u>TOTAL CHARGES FOR SERVICES</u></b>		<b>0</b>	<b>0</b>	<b>0</b>
<b><u>MISCELLANEOUS</u></b>							
338	104	100	6310	Interest	100	0	0
				Estimated interest income earned			
2,474	0	0	6310-02	Interest - Loan Proceeds	0	0	0
17,225	10,453	14,914	6515	Property Assistance Program Repayment	14,914	0	0
				Scheduled debt service payments from property assistance loan program			
<b>20,037</b>	<b>10,557</b>	<b>15,014</b>	<b><u>TOTAL MISCELLANEOUS</u></b>		<b>15,014</b>	<b>0</b>	<b>0</b>
<b><u>TRANSFERS IN</u></b>							
231,988	189,221	1,096,681	6900-59	Transfers In - Urban Renewal Debt Service	1,520,043	0	0
				Urban Renewal current year expenses	1,520,043		
<b>231,988</b>	<b>189,221</b>	<b>1,096,681</b>	<b><u>TOTAL TRANSFERS IN</u></b>		<b>1,520,043</b>	<b>0</b>	<b>0</b>
<b>351,129</b>	<b>199,478</b>	<b>1,111,695</b>	<b><u>TOTAL RESOURCES</u></b>		<b>1,535,057</b>	<b>0</b>	<b>0</b>

**Budget Document Report**

**58 - URBAN RENEWAL FUND**

2024	2025	2026	Department :	2027	2027	2027
ACTUAL	ACTUAL	AMENDED BUDGET	No Department	PROPOSED BUDGET	APPROVED BUDGET	COUNCIL BUDGET ADOPTION
			Section : 000 - No Section			
			Program: 000 - No Program			
<b><u>REQUIREMENTS</u></b>						
<b><u>MATERIALS AND SERVICES</u></b>						
1,355	1,566	2,000	<b>7520 Public Notices &amp; Printing</b>	2,000	0	0
			Legal notices for public meetings, printing of plan documents, and informational materials.			
146	173	195	<b>7610-05 Insurance - Liability</b>	199	0	0
0	0	0	<b>7610-11 Insurance - Cyber Liability</b>	8	0	0
85	63	250	<b>7660 Materials &amp; Supplies</b>	250	0	0
3,101	7,460	443,800	<b>7750 Professional Services</b>	410,500	0	0
			Contract services for project management, design, legal, and other services related to urban renewal projects and programs.			
			Downtown Master Plan	350,000		
			Consultant Services	40,000		
			NW Rubber Site Security	10,000		
			NW Rubber Site Utilities	6,000		
			Transcriptionist (MURAC)	3,000		
			AORA/OEDA Dues	1,500		
9,217	817	9,250	<b>7750-01 Professional Services - Audit &amp; other city-wide prof svc</b>	11,200	0	0
			Costs shared city-wide for audit, Section 125 plan administrative fees, and other miscellaneous professional service expenses			
0	0	0	<b>7770-72 Professional Services - Projects - Alpine Avenue</b>	450,000	0	0
			Phase 2 Design Services			
0	0	0	<b>7770-80 Professional Services - Projects - 3rd Street Improvements</b>	0	0	0
52,329	72,256	150,000	<b>8225 Property Assistance Program</b>	150,000	0	0
			Program designed to provide assistance to eligible developers and property owners.			
			Property Assistance Loans/Grants	100,000		
			Housing Development	50,000		
<b>66,232</b>	<b>82,336</b>	<b>605,495</b>	<b><u>TOTAL MATERIALS AND SERVICES</u></b>	<b>1,024,157</b>	<b>0</b>	<b>0</b>
<b><u>CAPITAL OUTLAY</u></b>						
86,060	0	0	<b>8930-05 Urban Renewal Projects - Public Offstreet Parking</b>	0	0	0

Budget Document Report

58 - URBAN RENEWAL FUND

2024	2025	2026	Department : No Department		2027	2027	2027
ACTUAL	ACTUAL	AMENDED BUDGET	Section : 000 - No Section		PROPOSED BUDGET	APPROVED BUDGET	COUNCIL BUDGET ADOPTION
			Program: 000 - No Program				
0	0	40,000	8930-10	Urban Renewal Projects - District Identity Improvements	40,000	0	0
				Rooftop Lighting Wayfinding			
131,495	55,343	200,000	8930-80	Urban Renewal Projects - 3rd Street Improvements	200,000	0	0
<b>217,554</b>	<b>55,343</b>	<b>240,000</b>	<b>TOTAL CAPITAL OUTLAY</b>		<b>240,000</b>	<b>0</b>	<b>0</b>
<b>TRANSFERS OUT</b>							
67,343	61,800	66,200	9700-01	Transfers Out - General Fund	70,900	0	0
				Plan Administration			
				Community Development personnel services support	70,900		
<b>67,343</b>	<b>61,800</b>	<b>66,200</b>	<b>TOTAL TRANSFERS OUT</b>		<b>70,900</b>	<b>0</b>	<b>0</b>
<b>CONTINGENCIES</b>							
0	0	200,000	9800	Contingencies	200,000	0	0
<b>0</b>	<b>0</b>	<b>200,000</b>	<b>TOTAL CONTINGENCIES</b>		<b>200,000</b>	<b>0</b>	<b>0</b>
<b>ENDING FUND BALANCE</b>							
0	0	0	9999	Unappropriated Ending Fd Balance	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>TOTAL ENDING FUND BALANCE</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>351,129</b>	<b>199,478</b>	<b>1,111,695</b>	<b>TOTAL REQUIREMENTS</b>		<b>1,535,057</b>	<b>0</b>	<b>0</b>

**Budget Document Report**

**58 - URBAN RENEWAL FUND**

2024	2025	2026	Department : N/A	2027	2027	2027
ACTUAL	ACTUAL	AMENDED BUDGET	Section : N/A	PROPOSED BUDGET	APPROVED BUDGET	COUNCIL BUDGET ADOPTION
			Program: N/A			
351,129	199,478	1,111,695	<b>TOTAL RESOURCES</b>	1,535,057	0	0
351,129	199,478	1,111,695	<b>TOTAL REQUIREMENTS</b>	1,535,057	0	0



# URBAN RENEWAL DEBT SERVICE



Budget Document Report

59 - URBAN RENEWAL DEBT SERVICE FUND

2024	2025	2026	Department : No Department		2027	2027	2027
ACTUAL	ACTUAL	AMENDED BUDGET	Section : 000 - No Section		PROPOSED BUDGET	APPROVED BUDGET	COUNCIL BUDGET ADOPTION
			Program: 000 - No Program				
<b><u>RESOURCES</u></b>							
<b><u>BEGINNING FUND BALANCE</u></b>							
979,506	1,321,726	1,429,339	4090	Beginning Fund Balance	1,531,253	0	0
<b>979,506</b>	<b>1,321,726</b>	<b>1,429,339</b>	<b><u>TOTAL BEGINNING FUND BALANCE</u></b>		<b>1,531,253</b>	<b>0</b>	<b>0</b>
<b><u>PROPERTY TAXES</u></b>							
692,063	671,067	690,000	4100-05	Property Taxes - Current	734,000	0	0
				Estimated tax increment revenue			
9,945	13,101	10,000	4100-10	Property Taxes - Prior	11,500	0	0
				Collection of delinquent taxes from prior year Division of Tax.			
<b>702,008</b>	<b>684,168</b>	<b>700,000</b>	<b><u>TOTAL PROPERTY TAXES</u></b>		<b>745,500</b>	<b>0</b>	<b>0</b>
<b><u>INTERGOVERNMENTAL</u></b>							
247	288	0	5010-01	Yamhill County - Other County Distributions	0	0	0
				Miscellaneous revenue from Yamhill County included with property tax distributions			
<b>247</b>	<b>288</b>	<b>0</b>	<b><u>TOTAL INTERGOVERNMENTAL</u></b>		<b>0</b>	<b>0</b>	<b>0</b>
<b><u>MISCELLANEOUS</u></b>							
57,568	63,719	40,000	6310	Interest	60,000	0	0
1,679	1,934	1,000	6310-01	Interest - Property taxes	1,000	0	0
				Share of interest collected on delinquent taxes at Yamhill County			
<b>59,246</b>	<b>65,653</b>	<b>41,000</b>	<b><u>TOTAL MISCELLANEOUS</u></b>		<b>61,000</b>	<b>0</b>	<b>0</b>
<b>1,741,008</b>	<b>2,071,835</b>	<b>2,170,339</b>	<b><u>TOTAL RESOURCES</u></b>		<b>2,337,753</b>	<b>0</b>	<b>0</b>

**Budget Document Report**

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2024	2025	2026	Department : No Department			2027	2027	2027
ACTUAL	ACTUAL	AMENDED BUDGET	Section : 000 - No Section			PROPOSED BUDGET	APPROVED BUDGET	COUNCIL BUDGET ADOPTION
			Program: 000 - No Program					
<b><u>REQUIREMENTS</u></b>								
<b><u>MATERIALS AND SERVICES</u></b>								
0	0	0	7750-25	Professional Services - County charges		0	0	0
0	0	0	<b><u>TOTAL MATERIALS AND SERVICES</u></b>			0	0	0
<b><u>TRANSFERS OUT</u></b>								
231,988	189,221	1,096,681	9700-58	Transfers Out - Urban Renewal		1,520,043	0	0
				Urban Renewal current year expenses	1,520,043			
187,295	403,052	403,058	9701-01	Transfers Out - Interfund Debt - General Fund		403,058	0	0
				Urban Renewal NE Gateway property	215,766			
				Bank loan payment - principal	164,980			
				Bank loan payment - interest	22,312			
419,283	592,274	1,499,739	<b><u>TOTAL TRANSFERS OUT</u></b>			1,923,101	0	0
<b><u>CONTINGENCIES</u></b>								
0	0	300,000	9800	Contingencies		300,000	0	0
0	0	300,000	<b><u>TOTAL CONTINGENCIES</u></b>			300,000	0	0
<b><u>ENDING FUND BALANCE</u></b>								
1,321,726	1,479,561	370,600	9999	Unappropriated Ending Fd Balance		114,652	0	0
1,321,726	1,479,561	370,600	<b><u>TOTAL ENDING FUND BALANCE</u></b>			114,652	0	0
1,741,008	2,071,835	2,170,339	<b><u>TOTAL REQUIREMENTS</u></b>			2,337,753	0	0

**Budget Document Report**

**59 - URBAN RENEWAL DEBT SERVICE FUND**

2024	2025	2026	Department : N/A	2027	2027	2027
ACTUAL	ACTUAL	AMENDED BUDGET	Section : N/A	PROPOSED BUDGET	APPROVED BUDGET	COUNCIL BUDGET ADOPTION
			Program: N/A			
1,741,008	2,071,835	2,170,339	<b><u>TOTAL RESOURCES</u></b>	2,337,753	0	0
1,741,008	2,071,835	2,170,339	<b><u>TOTAL REQUIREMENTS</u></b>	2,337,753	0	0