

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30TH, 2018



McMinnville Urban Renewal Agency

2017 – 2018

This report fulfills the requirements, prescribed in ORS.457.460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.

Annual Financial Report for Fiscal Year Ended June 30th, 2018

MCMINNVILLE URBAN RENEWAL AGENCY

MCMINNVILLE URBAN RENEWAL AREA HISTORY

The City of McMinnville created an Urban Renewal Area (URA) in its downtown core and NE Gateway area in 2013. The purpose of this plan was to assist in implementing the goals of the McMinnville Comprehensive Plan, the Third Street Streetscape Plan, and other planning documents, to help stimulate the economy, create a unique identity and sense of place, and to support local downtown businesses and the development of the NE Gateway area. Urban renewal provides a method to fund projects and tools to help achieve these recommendations and goals.

Goals

To effectively support the McMinnville Comprehensive Plan and other planning documents, the City of McMinnville formulated a series of Goals and Objectives to guide activities funded by, or related to the URA. The Goals and Objectives are listed in the Plan, and the goals are reiterated here:

Goal 1. Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal implementation process.

Goal 2. Encourage the economic growth of the Area as the commercial, cultural, civic, and craft industry center for McMinnville.

Goal 3. Enhance the physical appearance of the district, create a pedestrian environment that encourages the development and redevelopment of active uses such as shopping and entertainment, and support commercial, civic, and craft industrial business activity.

DOWNTOWN COMMERCIAL CORE

The downtown commercial core should be a regional destination as well as the commercial center for the citizens of McMinnville. Its identity should enhance and preserve the qualities of the downtown, including its historic heritage, that make it an economically healthy, attractive, and unique environment for people to live, work, shop, and socialize.

NORTHEAST GATEWAY

The Northeast Gateway area should be a unique destination that reflects the authenticity of historic and current uses within the area – a place where things are crafted, experienced, and enjoyed, and a place for people to live, work, and play.

Goal 4. Encourage development of a transportation network that provides for safe and efficient multi-modal transportation for vehicles, pedestrians, and bicyclists, and encourages the redevelopment and development of parcels within the Area.

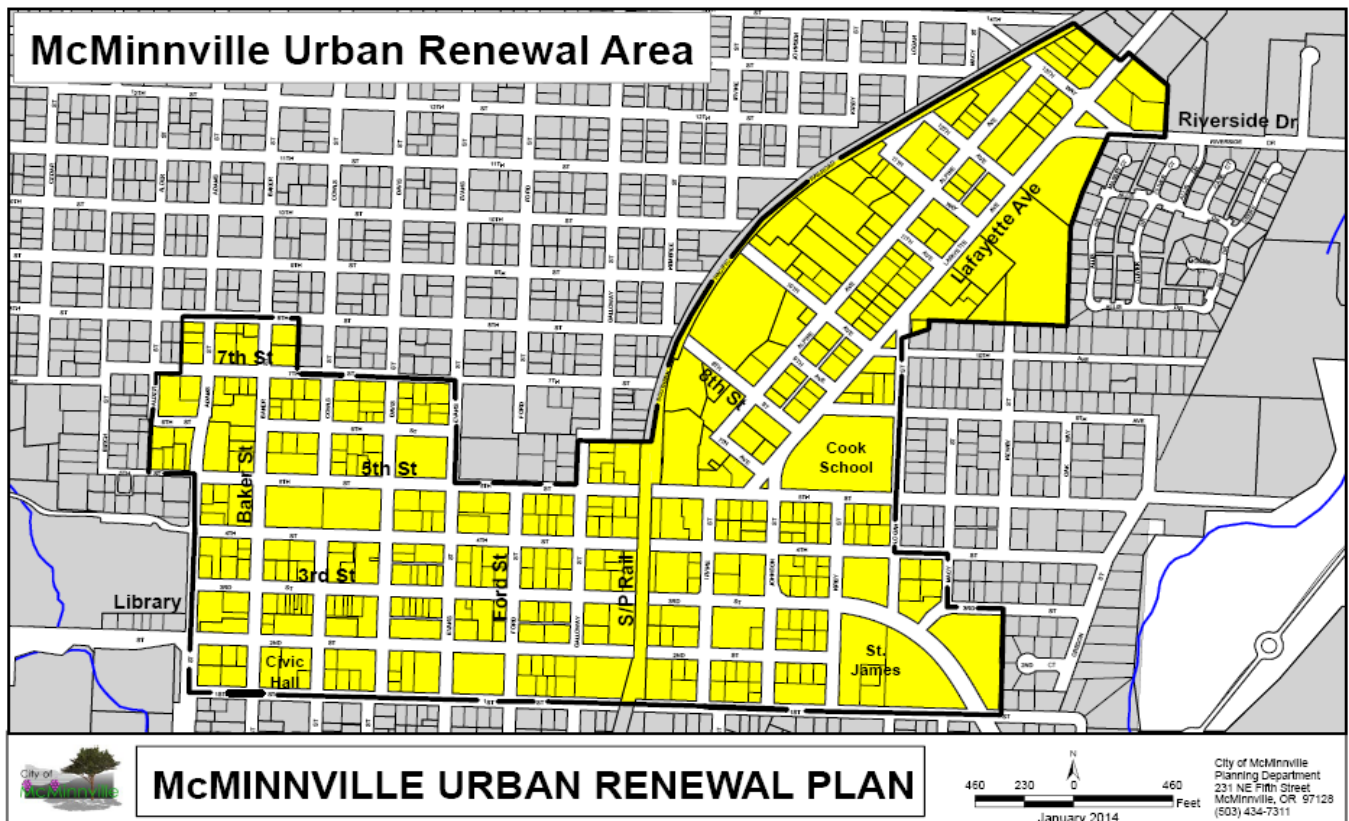
Goal 5. Provide necessary public and private facilities and utilities at levels commensurate with urban development. Public utilities should be extended in a phased manner, and planned and provided in advance of, or concurrent with, development.

Goal 6. Promote development of affordable, quality housing in the Area. Promote a residential development pattern that is compact and energy efficient, provides for an urban level of public and private services, and allows unique and innovative development techniques to be employed in residential designs.

Goal 7. Enhance sites and structures of historical, cultural, and/or architectural significance.

Goal 8. Pursue development and redevelopment opportunities that will add economic, civic, educational, craft industry, and cultural opportunities for the citizens of McMinnville, economically strengthen the Area, and attract visitors to the Area.

A full copy of the McMinnville Urban Renewal Plan and Report can be found on the City of McMinnville website at www.ci.mcminnville.or.us



FINANCIAL REPORTING

Money Received

ORS 457.460 (a)

	Urban Renewal Fund	Debt Service Fund	Total
Resources			
Property Taxes - Current	--	\$204,046	\$204,046
Bond/loan proceeds	\$116,952	--	\$116,952
Interest income	\$15,860	\$4,515	\$20,375
Miscellaneous	--	--	--
Total resources	\$132,812	\$208,561	\$341,373

Money Expended

ORS 457.460 (b)

	Urban Renewal Fund	Debt Service Fund	Total
Expenditures			
Alpine Avenue Improvements	\$1,125,150	--	\$1,125,150
Parking Study	\$34,023	--	\$34,023
Façade Improvement Grant	\$29,377	--	\$29,377
District Identity Improvements	\$8,000		\$8,000
Administration	\$32,457	--	\$32,457
Debt Service	--	\$220,595	\$220,595
Reimbursement of UR Planning	--	\$10,000	\$10,000
Total Expenditures	\$1,229,008	\$230,595	\$1,459,602

Long-term obligations

The Agency and the City entered into an intergovernmental agreement for the City to loan \$2,192,300 to the Agency for construction of the Alpine Avenue project. The Agency and City also have an intergovernmental agreement for the Agency to reimburse the City for Urban Renewal planning expenditures and accounts payable. The balance is being repaid over fifteen years as follows:

Fiscal year ending June 30	Principal	Interest	Total
2019	\$110,000	\$43,499	\$153,499
2020	\$146,060	\$41,228	\$187,288
2021	\$149,060	\$38,233	\$187,293
2022	\$152,120	\$35,177	\$187,297
2023 – 2027	\$808,600	\$127,800	\$936,460
2028 – 2032	\$801,400	\$41,426	\$842,826
Total	\$2,167,300	\$327,363	\$2,494,663

FISCAL YEAR 2018-2019

Estimated Revenues

ORS 457.460 (c)

The estimated revenues for fiscal year 2018-2019 are \$529,431

Proposed Budget for Current Fiscal Year 2018-2019

ORS 457.460 (d)

	Urban Renewal Fund	Debt Service Fund	Total
Resources			
Beginning Fund Balance	\$238,320	\$259,425	\$497,745
Property Taxes - Current	--	\$216,200	\$216,200
Property Taxes – Prior	--	\$5,500	\$5,500
Bond/loan proceeds	\$304,231	--	\$304,231
Interest income	--	\$3,500	\$3,500
Miscellaneous	--	--	--
Total resources	\$542,551	\$484,625	\$1,027,176
Expenditures			
3rd Street Improvements	\$30,000	--	\$30,000
Development Assistance Program	\$120,000	--	\$120,000
Public Offstreet Parking	\$62,000	--	\$62,000
District Identity Improvements	\$35,000	--	\$35,000
Reimbursement of UR Planning	--	\$10,000	\$10,000
Administration	\$57,231	--	\$57,231
Debt service	--	\$447,430	\$447,730
Contingency	\$238,320	--	\$238,320
Total Expenditures	\$542,551	\$457,730	\$1,000,281
Ending Fund Balance	--	\$26,895	\$26,895

Impact on Taxing Districts

ORS 457.460 (e)

Taxing District	Revenue Foregone Permanent Rate
Yamhill County	\$42,772
Yamhill County Extension Service	\$522
Yamhill County Soil & Water	\$522
McMinnville School District 40	\$69,091
Willamette Regional ESD	\$4,693
City of McMinnville	\$83,458
Chemeketa Library	\$1,304
Chemeketa Community College Before Bonds	\$10,429
TOTAL	\$212,791

Impacts on school districts

When considering the impact on taxes imposed by overlapping taxing districts, it should be noted that school districts are affected differently than other types of taxing districts. Property taxes were once the primary funding source for K-12 schools, and tax rates varied by district. Today, the State “equalizes” school funding, using a formula that takes into account property tax revenue generated at the school district level and revenue from the State’s coffers generated by the statewide income tax, Oregon Lottery, and intergovernmental revenues. Allocation of State revenues to local school districts comes in the form of “general purpose grants.” The primary driver of the State allocation is the number of students in each district. This means that local property taxes generated by a school district have no direct impact on school funding in that district. Thus, any impacts that an URA might have on local school district property tax revenues would have no direct impact on school funding in that district. (Source: *Best Practices for Urban Renewal Agencies in Oregon*)