

RESOLUTION NO. 2020 - 05

A Resolution of the City of McMinnville accepting the Annual Financial Report for the McMinnville Urban Renewal Agency for Fiscal Year Ended June 30th, 2019, per Oregon Revised Statute 457.460.

RECITALS:

The City of McMinnville created an Urban Renewal Area in its downtown core and NE Gateway Area in 2013; and

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 identify and sense of place, and to support local downtown businesses and development of the downtown and the NE Gateway area; and

Per Oregon Revised Statute 457.460, the McMinnville Urban Renewal Agency must prepare and file an annual financial report with the governing body of the municipality no later than January 31 of each year.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MCMINNVILLE, OREGON as follows:

1. That the attached (Exhibit A) Annual Financial Report for the McMinnville Urban Renewal Agency for Fiscal Year Ended June 30th, 2019 is hereby accepted and filed with the City of McMinnville.
2. This Resolution will take effect immediately upon passage.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 14th day of January, 2020 by the following votes:

Ayes: Drabkin, Stassens, Peralta, Menke, Geary, Garvin

Nays: _____

Approved this 14th day of January, 2020.



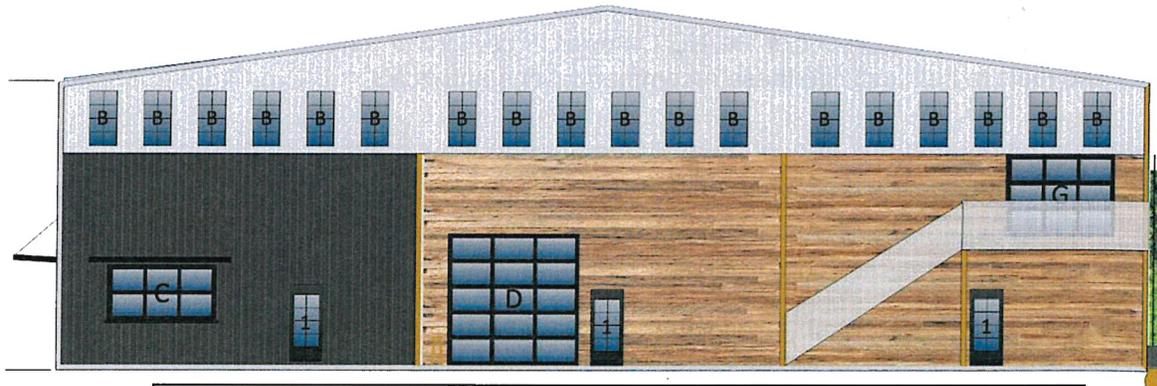
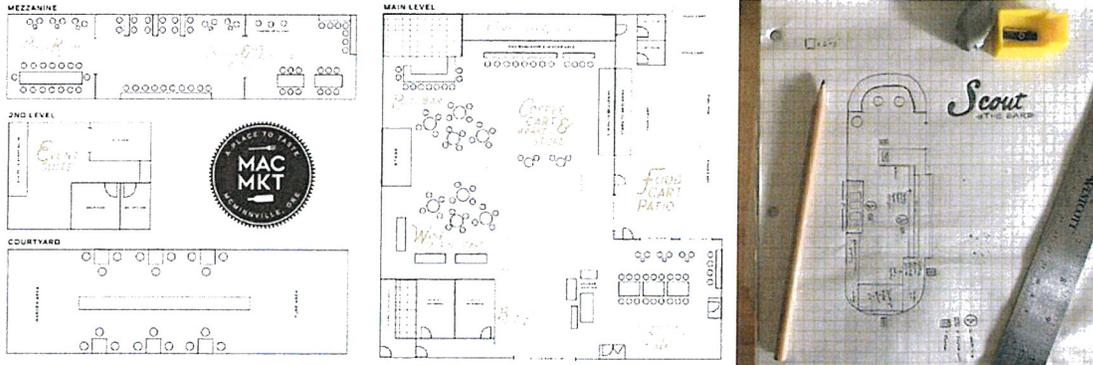
MAYOR

Approved as to form:



CITY ATTORNEY

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30TH, 2019



MAC MKT, the historic rehabilitation of an old warehouse into a vibrant market and community gathering spot in the NE Gateway District.

McMinnville Urban Renewal Agency 2018 – 2019

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, 2019

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.

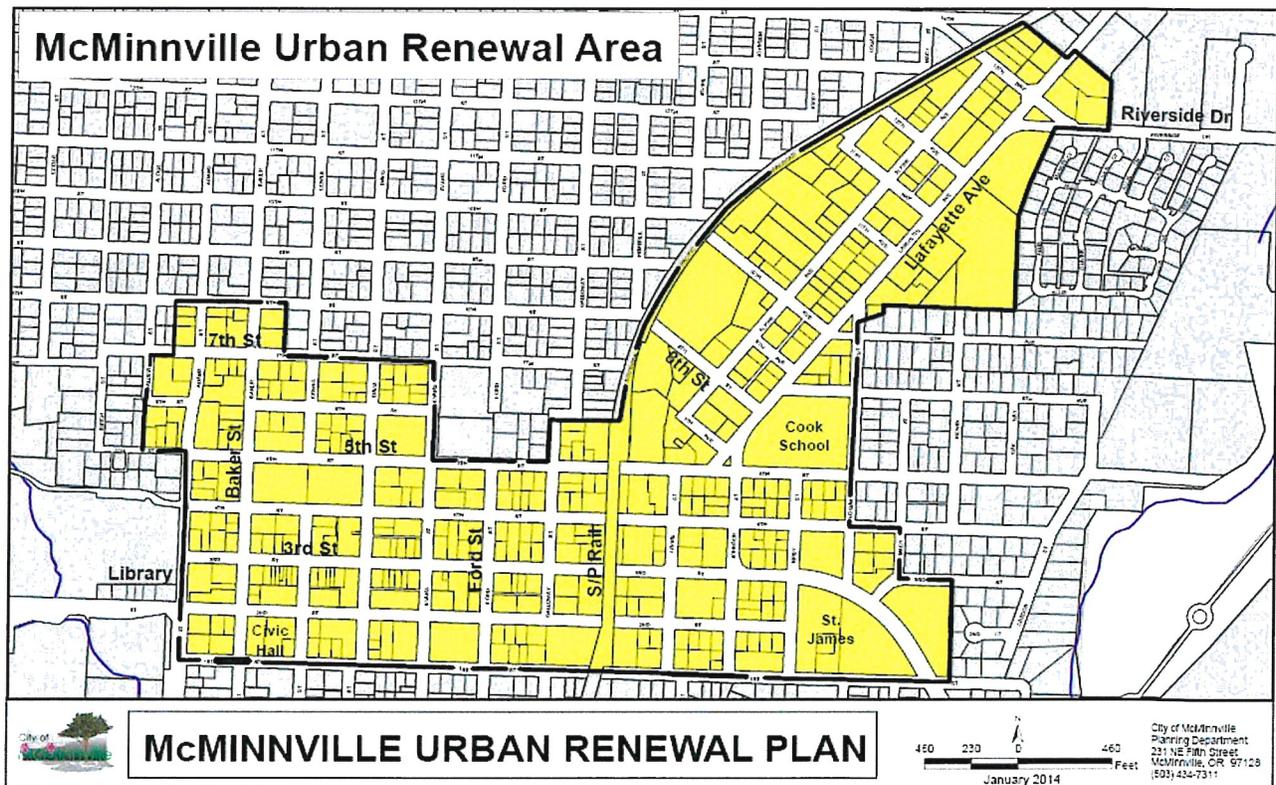
Goal 5. Provide necessary public and private facilities and utilities at levels commensurate with urban development. Public utilities should be extended in a phased manner, and planned and provided in advance of, or concurrent with, development.

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	--	\$256,458	\$256,548
Interagency Loan (City of McMinnville)	\$182,630	--	\$182,630
Interest income	\$7,264	\$4,943	\$12,207
Miscellaneous	\$808	--	\$808
Total resources	\$190,702	\$261,401	\$452,103

Money Expended

ORS 457.460 (b)

	Urban Renewal Fund	Debt Service Fund	Total
Expenditures			
Third Street Streetscape Improvement Project	\$27,672	--	\$27,672
Development Assistance Program	\$128,200	--	\$128,200
Public Offstreet Parking	\$2,675	--	\$2,675
Administration	\$54,603	--	\$54,603
Debt Service	--	\$320,137	\$320,137
Total Expenditures	\$213,150	\$320,137	\$533,287

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
2020	\$146,060	\$41,228	\$187,288
2021	\$149,060	\$38,233	\$187,293
2022	\$152,120	\$35,177	\$187,297
2023	\$155,230	\$32,058	\$187,288
2024	\$158,420	\$28,875	\$187,295
2025 – 2029	\$842,170	\$94,298	\$936,468
2030 – 2032	\$454,240	\$13,995	\$468,235
Total	\$2,057,300	\$283,864	\$2,341,164

FISCAL YEAR 2019-2020

Estimated Revenues

ORS 457.460 (c)

The estimated revenues for fiscal year 2019-2020 are \$719,371

Proposed Budget for Current Fiscal Year 2019-2020

ORS 457.460 (d)

	Urban Renewal Fund	Debt Service Fund	Total
Resources			
Beginning Fund Balance	\$252,344	\$218,139	\$470,483
Property Taxes - Current	--	\$303,350	\$303,350
Property Taxes – Prior	--	\$7,500	\$7,500
Interagency Loan (City of McMinnville)	\$351,831	\$44,590	\$396,421
Interest income	\$1,100	\$6,500	\$7,600
Miscellaneous	\$4,500	--	\$4,500
Total resources	\$609,775	\$580,079	\$1,189,854
Expenditures			
3rd Street Improvements	\$30,000	--	\$30,000
Development Assistance Program	\$245,000	--	\$245,000
Public Offstreet Parking	\$58,000	--	\$58,000
District Identity Improvements	\$35,000	--	\$35,000
Downtown Master Plan	\$25,000	--	\$25,000
Administration	\$81,831	--	\$81,831
Debt service	\$44,590	\$539,119	\$583,709
Contingency	\$90,354	--	\$90,354
Total Expenditures	\$609,775	\$539,119	\$1,148,894
Ending Fund Balance	--	\$40,960	\$40,960

Maximum Indebtedness

ORS 457.460 (e)

	Formal Indebtedness	TOTAL INDEBTEDNESS
Authorized Maximum Indebtedness		\$30,000,000
Alpine Avenue (Chase)	\$2,192,300	
Design Work (City of McMinnville)	\$163,000	
TOTAL	\$2,355,300	
REMAINING INDEBTEDNESS		\$27,644,700

Impact on Taxing Districts

ORS 457.460 (f)

Taxing District	Revenue Foregone Permanent Rate
Yamhill County	\$52,929
Yamhill County Extension Service	\$823
Yamhill County Soil & Water	\$548
McMinnville School District 40	\$85,531
Willamette Regional ESD	\$6,031
City of McMinnville	\$103,391
Chemeketa Library	\$1,645
Chemeketa Community College Before Bonds	\$12,885
TOTAL	\$263,783

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*)