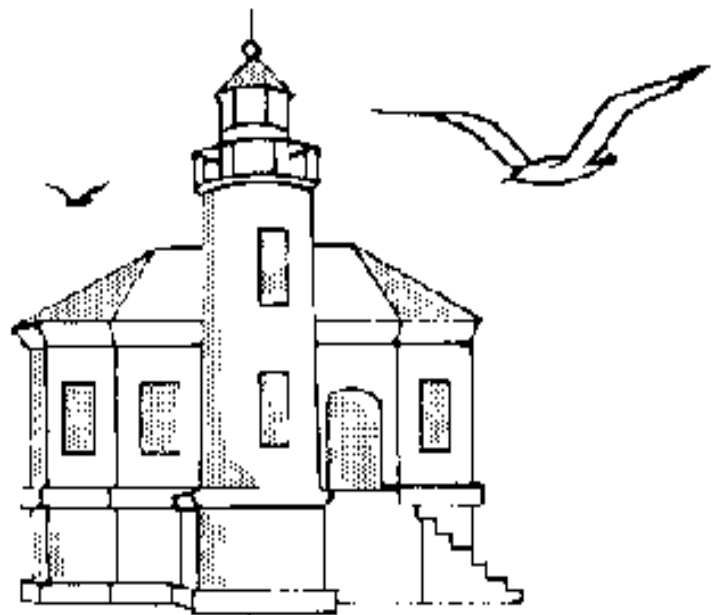


**DATE:** March 28, 2011  
**TO :** Urban Renewal Agency  
Budget Committee  
**FROM:** Matt Winkel,  
Urban Renewal Manager  
& Budget Officer



**SUBJECT: FY 2011-2012 URBAN RENEWAL  
BUDGET MESSAGE**

The City of Bandon has two Urban Renewal Districts. District No. 1 was established in 1987, and encompasses Old Town, the Woolen Mill area, and the South Jetty. District No. 2 was established in 1990, and encompasses City Park and the surrounding residential neighborhoods, Coquille Point, and 11<sup>th</sup> Street. The total proposed fiscal year 2011-2012 budget for District No. 1 and District No. 2 combined is \$2,732,004, which is \$1,094,288 more than last year.

Urban Renewal Plan amendments are being prepared for both Districts. The District No. 1 Plan amendment would extend the District for 20 years, increase the maximum amount of indebtedness, and add projects. The District No. 2 Plan amendment would reexamine the project priorities and possibly add projects. The amendments will be completed after the May 17, 2011 election, since the voters' decision on the proposed local option street tax extension could significantly impact Urban Renewal revenues if the ballot measure is defeated and the Urban Renewal Agency decides to assess the special levy.

## **URBAN RENEWAL DISTRICT NO. 1**

As required by Measure 50 implementing regulations, a substantial amendment was made in 1998 to the Urban Renewal Plan. That amendment set the maximum amount of indebtedness at \$5,375,225 for District No. 1. As of July 1, 2011, the remaining available indebtedness is projected to be \$1,447,008.

The total proposed budget for District No. 1 is \$2,201,740, which is \$1,145,578 more than last year. The four major differences are: 1) a lower share from the division of property

taxes resulting from the expiration of the prior 10-year local option street tax; 2) a smaller beginning balance reflecting expenditures for capital projects undertaken in the prior fiscal year 2010-2011, primarily the First Street sidewalk and utility undergrounding project; 3) addition of an allowance for a special levy which could be imposed if the City's proposed local option street tax extension is not approved by the voters on May 17, 2011; and 4) issuing \$1,000,000 in debt to accommodate undertaking additional projects as soon as possible if the maximum amount of indebtedness is increased .

The proposed MATERIALS & SERVICES budget includes *Consulting Services* for completing the Plan amendment, *Audit, Accounting, and Administrative Services*, and *Other Miscellaneous Expenditures*.

The proposed CAPITAL budget is \$2,061,554, including \$200,000 for improvements to the *South Jetty Park*; \$75,400 as a grant match for the *South Jetty Walkway*; \$401,548 for unspecified *Urban Renewal Capital Projects*; \$1,000,000 in loan proceeds for *Woolen Mill Land Purchase and Development Projects*; and \$250,755 to accommodate additional *Special Levy Capital Projects* which could be undertaken if the May 17, 2011 ballot measure is defeated and the Urban Renewal Agency decides to impose a special levy. \$133,851 continues to be budgeted for the proposed *Old Town Restrooms*, but these funds should not be released unless and until a long-term funding resource can be identified for their maintenance. If such a resource cannot be secured, it would be appropriate to re-program these funds for another Urban Renewal project.

The total DEBT SERVICE budget is \$106,686. \$53,343 is included for making the payments on the loan from the State of Oregon for the *Fillmore Avenue Construction & Water Line* project. The principal balance on that loan as of July 1, 2011 will be \$699,950, with the final payment due in 2031. An equal \$53,343 is included for *Additional Principal* payments or as a reserve for loan payments next fiscal year. Urban Renewal District No. 1 is no longer making payments on the *1993 Sewer Revenue Bond*, since adequate funds were available in fiscal year 2009-2010 to make the final payments on that debt.

## **URBAN RENEWAL DISTRICT NO. 2**

As required by Measure 50 implementing regulations, a substantial amendment was made in 1998 to the Urban Renewal Plan. That amendment set the maximum amount of indebtedness at \$7,314,821 for District No. 2. As of July 1, 2011, the remaining available indebtedness is projected to be \$5,242,408.

The total proposed budget for District No. 2 is \$530,264, which is \$51,290 less than last year. The three major differences are: 1) a lower share from the division of property taxes resulting from the expiration of the prior 10-year local option street tax; 2) a smaller beginning balance reflecting expenditures for capital projects undertaken in the prior fiscal year 2010-2011, primarily paving the *Madison Avenue Pedestrian Pathway/South Jetty Emergency Access* and installing a *Pedestrian Bridge* at the corner of 7<sup>th</sup> Street and Beach

Loop Drive; and 3) addition of an allowance for a special levy which could be imposed if the City's proposed local option street tax extension is not approved by the voters. The proposed MATERIALS & SERVICES budget includes *Consulting Services* for completing the Plan amendment, *Audit, Accounting, and Administrative Services*, and *Other Miscellaneous Expenditures*.

The proposed CAPITAL budget is \$345,099, including \$176,362 for *Capital Projects* and \$156,658 to accommodate additional *Special Levy Capital Projects* which could be undertaken if the May 17, 2011 ballot measure is defeated and the Urban Renewal Agency decides to impose a special levy. These funds could be utilized on a variety of priority City Park improvement projects which have been recommended by the Parks and Recreation Commission.

In the past, an allocation had been carried forward to ensure that adequate funds were available to meet the Urban Renewal Agency's prior commitment to contribute \$600,000 towards the proposed *Community Swimming Pool* if that project is undertaken. When that commitment was made in 2007, it was assumed that securing the remaining money from non-City resources was imminent. Information from other cities indicates that pools such as the one proposed cannot operate on fees generated for their use, and must be subsidized through taxes or some other resource. It is also understood that the Bandon Community Swimming Pool Development Corporation has decided not to seek voter approval for a construction bond or operating levy. Therefore, so Urban Renewal funds can be used for other priority parks and recreation projects being recommended by the Bandon Community Swimming Pool Development Corporation Parks & Recreation Commission, it is recommended that the prior commitment for swimming pool funds be withdrawn at this time. The Urban Renewal Agency could reconsider the matter of swimming pool funding at some time in the future.

The total DEBT SERVICE budget is \$169,644, including \$84,522 for loan payments, and an equal amount which can be used for *Additional Principal* payments or as a reserve for loan payments next fiscal year. District No. 2 is making payments on the amount owed to the Sewer Fund (950), to pay for a share of the *1993 Sewer Revenue Bond* for the *Wastewater Treatment Plant*. The principal balance on that loan as of July 1, 2011 will be \$39,094, with the final payment due in 2013. District No. 2 is also making payments to the City's Capital Improvement Fund (510) for a loan which was used to finance previous capital projects. The principal balance on that loan as of July 1, 2011 will be \$148,206, with the final payment due in 2021. The budget also includes payments on a \$315,000 loan from the *League of Oregon Cities Capital Access Program (LOCAP)*, and a \$200,000 *Block Grant (410) Loan #4*, for completion of the *Barn/Community Center* renovation project. The principal balances as of July 1, 2011 will be \$285,000 on the *LOCAP* loan, with the final payment due in 2023; and \$183,724 on the *Block Grant Loan #4*, with the final payment due in 2018.