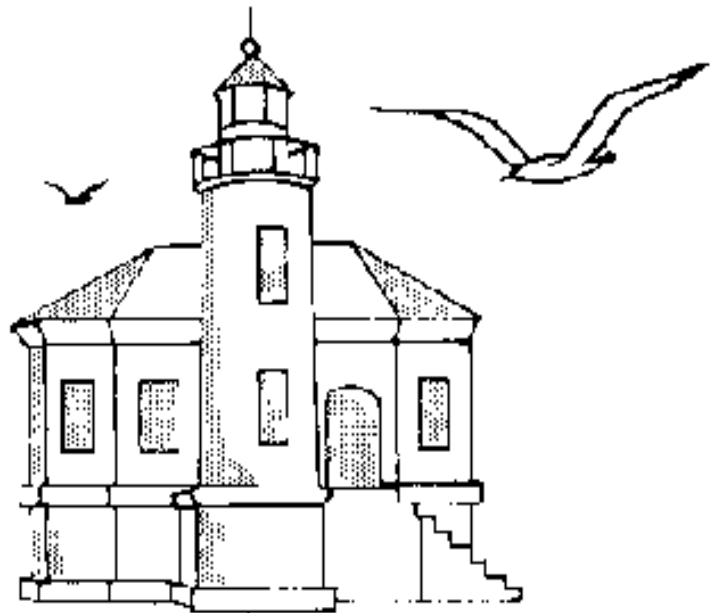


**DATE:** March 25, 2013  
**TO :** Urban Renewal Agency  
Budget Committee  
**FROM:** Matt Winkel,  
Urban Renewal Manager  
& Budget Officer



**SUBJECT: FY 2013-2014 URBAN RENEWAL  
BUDGET MESSAGE**

The City of Bandon has two Urban Renewal Areas. Area 1 was established in 1987, and encompasses Old Town, the Woolen Mill area, and the South Jetty. Area 2 was established in 1990, and encompasses City Park and the surrounding residential neighborhoods, Coquille Point, and 11<sup>th</sup> Street. The combined total proposed fiscal year 2012-2013 Urban Renewal budget for Area 1 and Area 2 is \$2,814,228, which is \$804,095 (40.0%) more than last year.

## **URBAN RENEWAL AREA 1**

The total proposed budget for Area 1 is \$2,382,875, which is \$714,086 (42.8%) more than last year. The primary reasons for this increase are a larger *Beginning Balance* resulting from larger than previously anticipated proceeds of the bond sale for improvements to the Woolen Mill property adjacent to the Face Rock Creamery cheese factory, and the additional debt service on that bond. Some of those improvements were completed last fiscal year and included undergrounding the previous overhead electric and telecommunications lines, realigning 3<sup>rd</sup> Street SE, installing a public parking lot, and constructing public restrooms, with the remainder of the projects to take place after July 1, 2013. No Urban Renewal Special Levy Tax was levied this year since the Local Option Street Tax was re-approved by the voters in 2011 and remains in effect.

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 Area 1. In 2012 another Substantial Amendment was prepared and approved for the Area 1 Plan, which added projects and increased the

maximum amount of indebtedness to \$12,003,980. The increase did not raise property tax rates, but was accomplished by extending the time Area 1 will continue to collect revenues from the overlapping taxing districts by 12 years, from 2021 to 2033. Pursuant to State Statutes, the approval of the required number of overlapping taxing districts providing those revenues was obtained. The additional \$6,628,755 collected from those taxing districts will be utilized to undertake the newly proposed projects. As of July 1, 2013, the remaining available indebtedness is projected to be \$6,941,560.

The proposed MATERIALS & SERVICES budget of \$33,500 is identical to last year and includes *Consulting, Audit, Accounting, and Administrative Services, and Other Miscellaneous Expenditures*.

The proposed CAPITAL budget is \$1,951,123, including \$65,000 for the *Wayside Park at Edison Avenue & First Street SW*, \$151,316 as a grant match for the *South Jetty Pathway*, \$200,000 for improvements to the *South Jetty Park*, \$450,000 for *Purchasing the Old City Shop Property*, \$500,000 for *Woolen Mill Land Purchase and Development Projects*, \$504,807 for other *Urban Renewal Capital Projects*, and \$30,000 for the *Facade & Sign Loan/Grant Program*. Since many of the Woolen Mill improvement projects were under construction while the fiscal year 2013-2014 Budget was being prepared, the exact *Beginning Balance* and resulting amount of funds available for capital projects will not be known until those expenditures have been made.

The total DEBT SERVICE budget is \$398,252, including \$199,126 for loan payments, and an equal amount listed as *Additional Principal* which serves as a reserve for subsequent fiscal year loan payments. These loan payments include principal and interest on the loan for the *Fillmore Avenue Construction & Water Line* project, the 2012 Urban Renewal Bond, and a portion of the *Water Bond* debt.

## URBAN RENEWAL AREA 2

The total proposed budget for Area 2 is \$431,353, which is \$90,009 (26.4%%) more than last year. The primary reason for this increase is a higher *Beginning Balance*, reflecting the carry-forward of several projects that were not completed last year. No Urban Renewal Special Levy Tax was levied this year since the Local Option Street Tax was re-approved by the voters in 2011 and remains in effect.

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 Area 2. As of July 1, 2011, the remaining available indebtedness is projected to be \$4,943,395. In 2012, a Minor Amendment was prepared and approved for the Area 2 Plan. As a "minor amendment" it only added projects but did not increase the maximum amount of indebtedness, so the approval of the overlapping taxing districts was not required.

The proposed MATERIALS & SERVICES budget of \$28,200 is identical to last year and includes *Consulting, Audit, Accounting, and Administrative Services, Bank Trust Fees, and Other Miscellaneous Expenditures*.

The proposed CAPITAL budget is \$259,223, including \$50,000 for *Neighborhood Parks*, \$55,439 as a grant match for the *Bluff Trail Pathway*, \$117,000 as a grant match for the *Park Projects*, and \$36,784 for unspecified *Miscellaneous Capital Projects*,

The total DEBT SERVICE budget is \$143,930, including \$71,930 for loan payments, and \$72,000 listed as *Additional Principal* which serves as a reserve for subsequent fiscal year loan payments. Area 2 is making payments to the City's Capital Improvement Fund (510) for a loan which was used to finance previous capital projects. Payments are also being made on the 2012 refinancing of a prior *League of Oregon Cities Capital Access Program (LOCAP)* loan that was refinanced to reduce interest costs, and a loan from the Block Grant Fund (410), both of which were used to finance the *Barn/Community Center* renovation project.