



DATE: March 24, 2014

TO : Urban Renewal Agency
Budget Committee

FROM: Matt Winkel,
Urban Renewal Manager
& Budget Officer

**SUBJECT: FY 2014-2015 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, the surrounding residential neighborhoods, and 11th Street. The combined total proposed fiscal year 2014-2015 Urban Renewal budget for Area 1 and Area 2 is \$1,419,308, which is \$1,394,920 (49.6%) less than last year.

URBAN RENEWAL AREA 1

The total proposed budget for Area 1 is \$969,547, which is \$1,413,328 (59.3%) less than last year. The primary reasons for this decrease are a much lower *Beginning Balance*, reflecting the prior years' completion of the improvements to the Woolen Mill property adjacent to the Face Rock Creamery cheese factory, and last year's purchase of the old City Shop site from the City. 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. As of July 1, 2014, the remaining available indebtedness is projected to be \$6,283,558.

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 \$545,000, which includes the following projects:

- Parks & Park Grant Match \$ 165,000
- Woolen Mill Land & Development Projects \$ 350,000
- Facade & Sign Loan/Grant Program \$ 30,000

The total DEBT SERVICE budget is \$391,047, including \$196,464 for debt service payments, and \$194,583 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 and the 2012 Urban Renewal Bond.

URBAN RENEWAL AREA 2

The total proposed budget for Area 2 is \$449,761, which is \$18,408 (4.3%) less than 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, 2014, the remaining available indebtedness is projected to be \$5,598,331. In 2012, a Minor Amendment was approved for the Area 2 Plan which added eligible projects, but as a “minor amendment” it did not increase the maximum amount of indebtedness.

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 \$239,636, which includes the following projects:

- *Parks & Park Grant Match* \$ 178,978
- *Miscellaneous Capital Projects* \$ 60,658

The total DEBT SERVICE budget is \$181,925, including \$71,925 for loan payments, and \$110,000 listed as *Additional Principal* which serves as a reserve for subsequent fiscal year loan payments and will also completely retire a loan from the City's Capital Improvement

Fund (510) which was used to finance previous capital projects. Area 2 continues to make payments 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.