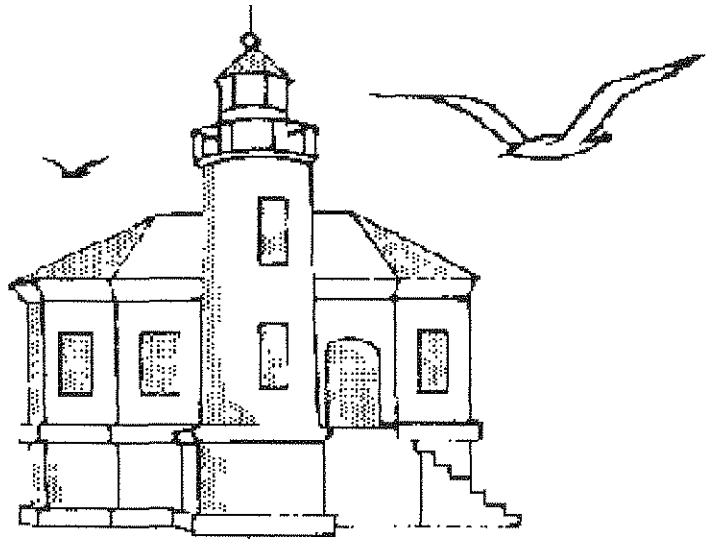


**DATE:** March 23, 2015  
**TO:** Urban Renewal Agency  
Budget Committee  
**FROM:** Christopher Good,  
Urban Renewal Manager  
& Budget Officer



**SUBJECT: FY 2015/16 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 11<sup>th</sup> Street. The combined total proposed fiscal year 2015/16 Urban Renewal budget for Area 1 and Area 2 is \$1,468,300, which is \$48,992 (3.5%) more than last year.

### **URBAN RENEWAL AREA 1**

The total proposed budget for Area 1 is \$1,054,039, which is \$84,492 (8.7%) more than last year. The primary reason for this increase is a slightly higher beginning balance, as less was spent on Urban Renewal projects than was budgeted. Urban Renewal tax revenue is also anticipated to increase by approximately five percent. For FY 2015/16 the proposed budget provides \$426,464 for unidentified capital projects that may arise during the year. One example could be if an investor develops an interest in the Woolen Mill area and wants to cooperate on capital improvements.

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.

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

The total Debt Service budget is \$399,075, including \$196,075 for interest and principal payments, and

\$200,000 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 General Obligation Bond.

## URBAN RENEWAL AREA 2

The total proposed budget for Area 2 is \$414,261, which is \$35,500 (7.9%) 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, 2015, the remaining available indebtedness is projected to be \$5,472,341. 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 and 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 \$240,061, which includes \$179,561 for Parks and Park Grant Matches, and \$60,500 for Miscellaneous Capital Projects.

The total Debt Service budget is \$146,000, including \$121,000 for interest and principal, and \$25,000 listed as Additional Principal, which serves as a reserve for subsequent fiscal year loan payments. This will allow Urban Renewal to pay down on the existing block grant loan during the year. 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.

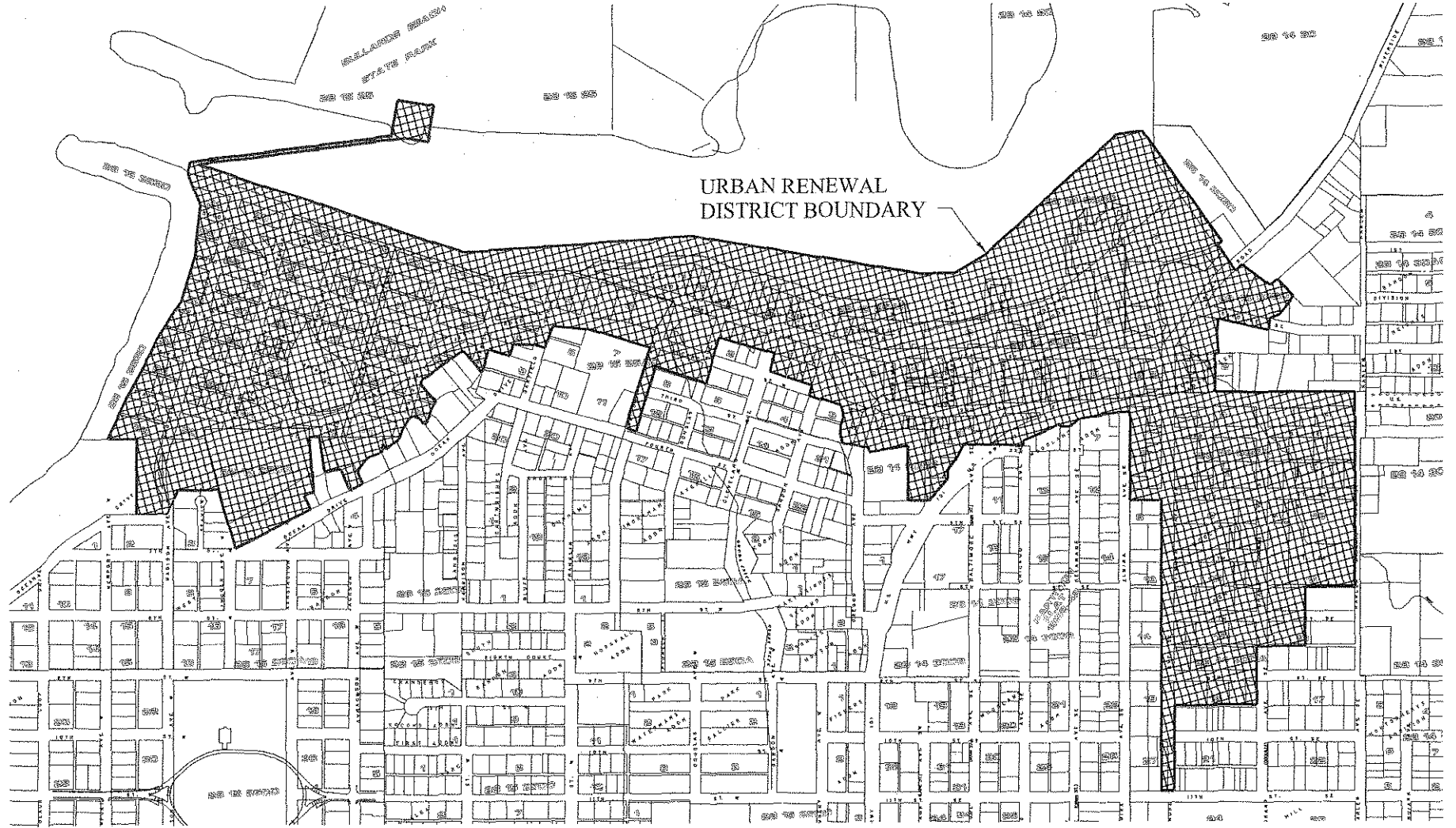
## FUTURE OUTLOOK

The Urban Renewal Areas will continue to see Capital Improvements to make Bandon more attractive to potential investors. We hope to improve on the flagship Face Rock Creamery project with additional new investments to create a campus of upscale, boutique style retail to serve our residents and visitors. We plan to continue projects in the City Park and surrounding areas, improving the quality of life for the people we serve. The Urban Renewal Districts were established to stimulate economic development through private investment. In FY 2015/16 we hope and plan to continue their success in this regard.

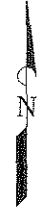
**CITY OF BANDON  
CAPITAL IMPROVEMENT PLAN**

YEAR	RTG	PROJECT	DEPT	COST	\$ EXT FUNDING	SOURCE	\$ INT FUNDING	SOURCE
14-15	carry over	Parks & Park Grant Match	UR # 1 UR # 2	\$1,593,978	\$1,250,000	Grants	\$165,000 \$178,978	560-50-775 570-50-877
14-15	completed	Woolen Mill Land & Development	UR # 1	\$350,000			\$350,000	560-50-853
15-16	4	Parks & Park Grant Match	UR # 1 UR # 2	\$1,594,561	\$1,250,000	Grants	\$165,000 \$179,561	250-50-855 560-50-775 570-50-877

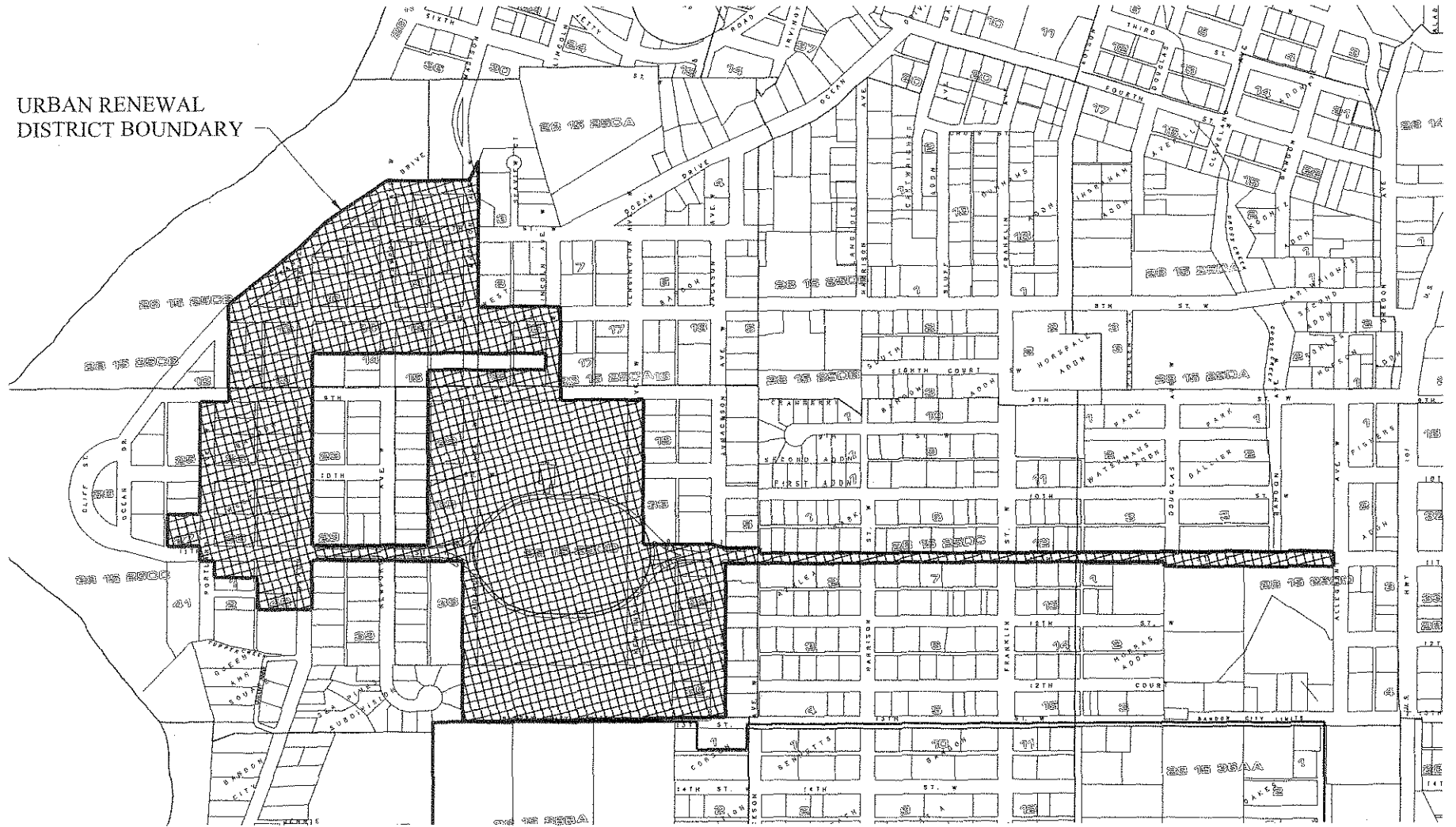
RATINGS: 1 = URGENT; 2 = PRIORITY; 3 = NECESSARY; 4 = CONTINGENT



**URBAN RENEWAL  
DISTRICT NO. 1**



URBAN RENEWAL  
DISTRICT BOUNDARY



URBAN RENEWAL  
DISTRICT NO. 2

