

North Plains Urban Renewal Agency
Annual Budget FY2016-17

Adopted June 20, 2016

**North Plains Urban Renewal Agency
2016-2017 Annual Budget
Budget Committee**

URA Board:	Term Expires:
Chairperson Teri Lenahan.....	December 31, 2016
David Hatcher.....	December 31, 2016
Robert Kindel.....	December 31, 2016
Charlynn Newton.....	December 31, 2016
Sherrie Simmons.....	December 31, 2018
Scott Whitehead.....	December 31, 2018
Vacant.....	December 31, 2018

Citizen Members:	Term Expires:
Marrina Abeln.....	December 31, 2017
Vernon Epling.....	December 31, 2016
Cindy Hirst.....	December 31, 2017
Lani Miles.....	December 31, 2017
Trista Papen.....	December 31, 2016
Russ Sheldon.....	December 31, 2016
Jim Wieskamp.....	December 31, 2016

Budget Officer
Executive Director Blake Boyles

Document prepared by Finance Manager Rachael Lembo

Budget Message

April 25, 2016

Urban Renewal Board and Budget Committee Members,

The Urban Renewal Agency was created in 2006 to accomplish a series of goals and objectives which were established by the community. Projects of the URA include:

Completed Projects:

- Glencoe road Gateway Improvements: Installation of spires and street furniture
- Purchase of property at 31311 Commercial Street for future economic development

Current Projects:

- Development of the lot at Kaybern and Main Streets for parking
- Mural paintings on tin buildings on Commercial Street
- Economic Opportunities Analysis

Future Projects:

- City center entrance signage

The parking lot and mural projects have both begun and are expected to be completed by June 30, 2016. The new parking will add approximately 25 spaces downtown. The murals will line the front and sides of the grain buildings at Commercial and Main Streets, and will show scenes from North Plains' history. Existing trees were removed to increase visibility of the murals, however in FY2016-17 \$10,000 is budgeted to plant 2-3 trees in new spots downtown.

The Economic Opportunities Analysis (EOA) is expected to begin in FY2015-16 and continue into FY2016-17. It is being funded by both the URA and the City, and is supplemented by a grant from the Oregon Department of Land Conservation and Development (DLCD). The EOA is intended to update the City's economic data, develop a cohesive economic strategy and vision for the community, and better define the City's role in helping to achieve community economic development aspirations through specific policies and implementation measures. In FY2016-17 \$5,700 is budgeted for this.

In FY2016-17 the City will begin work on the city center entrance signage. The City has been working closely with the Chamber of Commerce on this project to understand the needs and desires of the downtown business community. A desirable design is one that will appeal to an individual's curiosity and draw people down to the City Center.

Urban Renewal Agency property tax revenues are expected to increase significantly in FY2016-17, due to an estimated 18 completed homes in the McKay Fields development. The City intends to apply to the Washington County Visitor's Association for a grant to assist with the city center entrance signage. Property rental fees on the Kaybern lot are no longer collected as that space is being developed into parking.

The contingency is budgeted at 10% of total expenditures, rounded.

Respectfully submitted,

Blake Boyles,
Executive Director

URBAN RENEWAL AGENCY 113		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR FY2016-17		
Account	Description	Actual 2013-2014	Actual 2014-2015	Budget	Actuals 3/24/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
OPENING FUND BALANCE		146,617	209,832	308,804	308,804	308,804	386,817	386,817	386,817
REVENUES									
411000	Property Taxes	100,441	140,252	165,855	158,082	165,855	229,373	229,373	229,373
431000	Grants	-	-	-	-	-	140,000	140,000	140,000
462000	Property Rental Fees	7,800	7,200	4,800	4,417	4,417	-	-	-
461000	Interest	906	1,353	1,500	1,280	1,900	2,090	2,090	2,090
493000	Debt Proceeds	185,000	-	-	-	-	-	-	-
TOTAL REVENUES		294,147	148,805	172,155	163,779	172,172	371,463	371,463	371,463
EXPENDITURES									
Urban Renewal Dept									
330000	Professional Services	10,733	4,234	4,500	2,140	4,500	19,000	19,000	19,000
610000	Supplies	113	1,140	500	-	500	500	500	500
Materials and Services		10,846	5,374	5,000	2,140	5,000	19,500	19,500	19,500
770001	Downtown Parking Lot	-	-	30,000	1,429	30,000	-	-	-
770002	Downtown Murals	-	-	15,000	40	15,000	-	-	-
770003	Downtown Entrance	-	-	-	-	-	200,000	200,000	200,000
Capital Outlay		-	-	45,000	1,470	45,000	200,000	200,000	200,000
URBAN RENEWAL DEPT		10,846	5,374	50,000	3,609	50,000	219,500	219,500	219,500 (1)
830000	Debt Service - Kaybern	110,975	-	-	-	-	-	-	-
830000	Debt Service - Comm St	86,503	-	-	-	-	-	-	-
831000	Debt Service - Glencoe	22,608	22,494	22,194	16,172	22,194	21,825	21,825	21,825
830000	Debt Service - GF Loan	-	21,965	21,966	21,965	21,965	21,966	21,966	21,966
Debt Service		220,086	44,459	44,160	38,137	44,159	43,791	43,791	43,791 (1)
TOTAL EXPENDITURES		230,932	49,833	94,160	41,746	94,159	263,291	263,291	263,291
Contingency		-	-	189,774	-	-	26,000	26,000	26,000 (1)

URBAN RENEWAL AGENCY 113 Account Description	HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR FY2016-17		
	Actual 2013-2014	Actual 2014-2015	Budget	Actuals 3/24/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
CHANGE IN FUND BALANCE	63,215	98,972	(111,779)	122,033	78,013	82,172	82,172	82,172
UNAPPROPRIATED: RESERVE FOR FUTURE EXPENDITURE								
ENDING FUND BALANCE	209,832	308,804	197,025	430,837	386,817	468,989	468,989	468,989

(1) Appropriation level

Urban Renewal Agency Purpose

The Urban Renewal Agency was created in 2006 to accomplish a series of goals and objectives which were established by the community. These goals and objectives include the following:

Goal: Promote a Mix of Retail, Commercial and Residential Uses Oriented to Pedestrians.

The Area's location in the Central Business District and the Commercial Street – Glencoe Road corridor makes it an ideal location for a mix of pedestrian-oriented retail and residential development.

Objective: Implement public utility, transportation and streetscape improvements that will make the Area a safe and attractive location for pedestrian-oriented commercial and mixed-use development.

Objective: Facilitate the improvement and redevelopment of existing, under-utilized commercial buildings to expand the range of retail, commercial and residential services.

Objective: Promote the development of housing units, including locations above commercial and office space, to increase the range of housing opportunities in the Area.

Objective: Promote mixed-use development, including office space above ground floor commercial and retail space, to attract a broad range of businesses, increase

employment density, and create a lively downtown commercial community.

Goal: Provide a Broader Level of Goods and Services for North Plains.

Currently, North Plains' residents must travel outside the City for many goods and services that are not available within the community. Redevelopment of the Central Business District and the adjacent Highway Commercial District can increase the diversity of goods and services available at the local level.

Goal: Increase Employment and Business Activity within the Area.

Due to the limited availability of local jobs, many North Plains residents must commute outside of the City for work. Redevelopment of the downtown/commercial core can increase the number and type of jobs that are available locally.

Objective: Create a more attractive development environment for professional and general office space. The Plan can facilitate the development of streetscape improvements and public amenities that would make the downtown/commercial core a more attractive environment for office development.

Objective: Provide opportunities for small businesses and business incubators to locate to the Area by facilitating the

rehabilitation and/or redevelopment of existing commercial space that is currently under-utilized or vacant.

incorporate a work or shop space (“live/work”) units can reduce vehicle trips between work and home.

Objective: Ensure that public facilities and services support increased business activity and employment.

Goal: Improve Access, Safety and Connectivity Throughout the Area.

Transportation improvements will make the Area a more attractive and accessible location for retail, business and recreational activities.

Objective: Provide additional public parking to encourage retail and commercial activity in the central business district.

Objective: Implement street system improvements that will increase traffic circulation and safety.

Objective: Develop sidewalks and bike lanes in conjunction with street improvements to promote multimodal access.

Objective: Promote land uses and design that are efficient in their use of transportation. Mixed use (retail/office/residential) projects can eliminate the need for some trips. For example, a restaurant located within the Area can serve Area residents, patrons and employees with no need for a vehicle trip. Housing units that

Urban Renewal Agency Projects

Transportation

Glencoe Road Widening Enhancements (Complete) -

The provision of a comprehensive system of streetscape enhancements, including landscaping improvements, bike lanes and pedestrian facilities, in conjunction with the widening of Glencoe Road, is a project under the Plan.

Main Street Widening Project, including Railroad Crossing (Complete) - The widening of Main Street, a

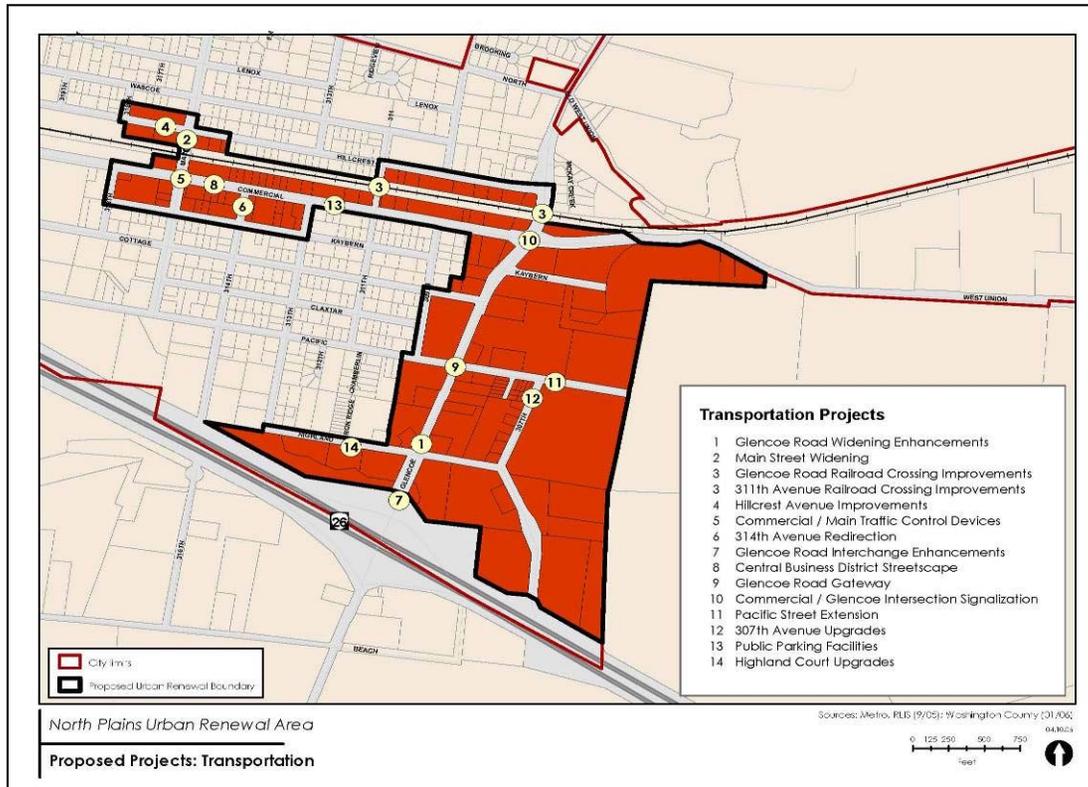
minor collector, is a project under the Plan. The existing Willamette Pacific railroad crossing will be replaced by a new multiuse crossing, and the existing rail spur will be removed as part of this project.

Glencoe Road and 311th Avenue Railroad Crossing Improvements (Glencoe complete) - Improvements to the existing Glencoe Road and 311th Avenue Railroad Crossings are a project under the Plan.

Hillcrest Street Improvements - Improvements to Hillcrest Street, a minor collector, are a project under the Plan. Under existing conditions, the roadway is in substandard condition and unsafe for pedestrians and bicyclists.

Commercial/Main Street Traffic Control Devices - The design and installation of traffic control devices that will improve multimodal safety at the intersection of Commercial Street and Main Street is a project under the Plan.

Highland Court Upgrades (Complete) - Currently, Highland Court is in substandard condition. Upgrades to the existing roadway will increase access to adjacent commercial and residential property.



314th Avenue Redirection (Complete) - Under existing conditions, 314th Avenue is a two-way street. To improve traffic circulation in the Central Business District and increase vision clearance at the intersection of 314th and Commercial Street, 314th Avenue will be converted to a one-way southbound street between Commercial Street and Kaybern Street.

Glencoe Road Interchange Enhancements (Complete) - The provision of streetscape enhancements, including landscaping features, pedestrian amenities and bicycle facilities, in conjunction with the construction of the new Glencoe Road/US 26 Interchange, is a project under the Plan.

Central Business District Streetscape Improvements (in progress) - The North Plains Revitalization Plan identifies landscaping features, street lighting, street furniture and other streetscape improvements that will enhance the physical appearance of the Central Business District (CBD) and attract a broader range of users, including shoppers, tourists and commercial employers. Most of the streetscape improvements will be concentrated on Commercial Street.

Glencoe Road Gateway Improvements (Pacific Complete; Commercial to begin FY2016-17) - The design and construction of formal gateway areas that mark the entrance to the City of North Plains and the Central

Business District are a project under the Plan. The gateway to the City will be located at the intersection of Glencoe Road and Pacific Street. The gateway to the Central Business District will be located at the intersection of Glencoe Road and Commercial Street.

Commercial Street/Glencoe Road Intersection Signalization -

The signalization of the Commercial Street/Glencoe Road intersection is a project under the Plan. Under existing conditions, multimodal safety is compromised by the lack of a traffic signal at this busy intersection.

Pacific Street Extension - Currently, access to undeveloped residential property east of Pacific Street is constrained by the lack of an existing roadway. The extension of Pacific Street from its terminus at 307th Avenue to the North Plains city limits is a project under the Plan.

307th Avenue Upgrades (complete) - Under existing conditions, 307th Avenue is in substandard condition. Upgrades to the existing roadway will improve access to residential and industrial property in the southeast portion of the Area that is currently undeveloped.

Public Parking (in progress) - The design and construction of public parking facilities within the Plan's commercial areas is a project under the Plan.

Public Facilities

Storm Drainage Improvements - The provision of storm drainage improvements throughout the Area, in accordance with the Stormwater Master Plan, is a project under the Plan.

Water System Improvements - The provision of water system improvements throughout the Area, in accordance with the Water Master Plan, is a project under the Plan.

Parks and Open Space

Multi-use Recreational Trail (in progress) - The design and development of a multi-use recreational trail, that provides new opportunities for pedestrians and bicyclists to enjoy the Area's natural amenities and promotes the preservation of environmentally sensitive areas, is a project under the Plan.

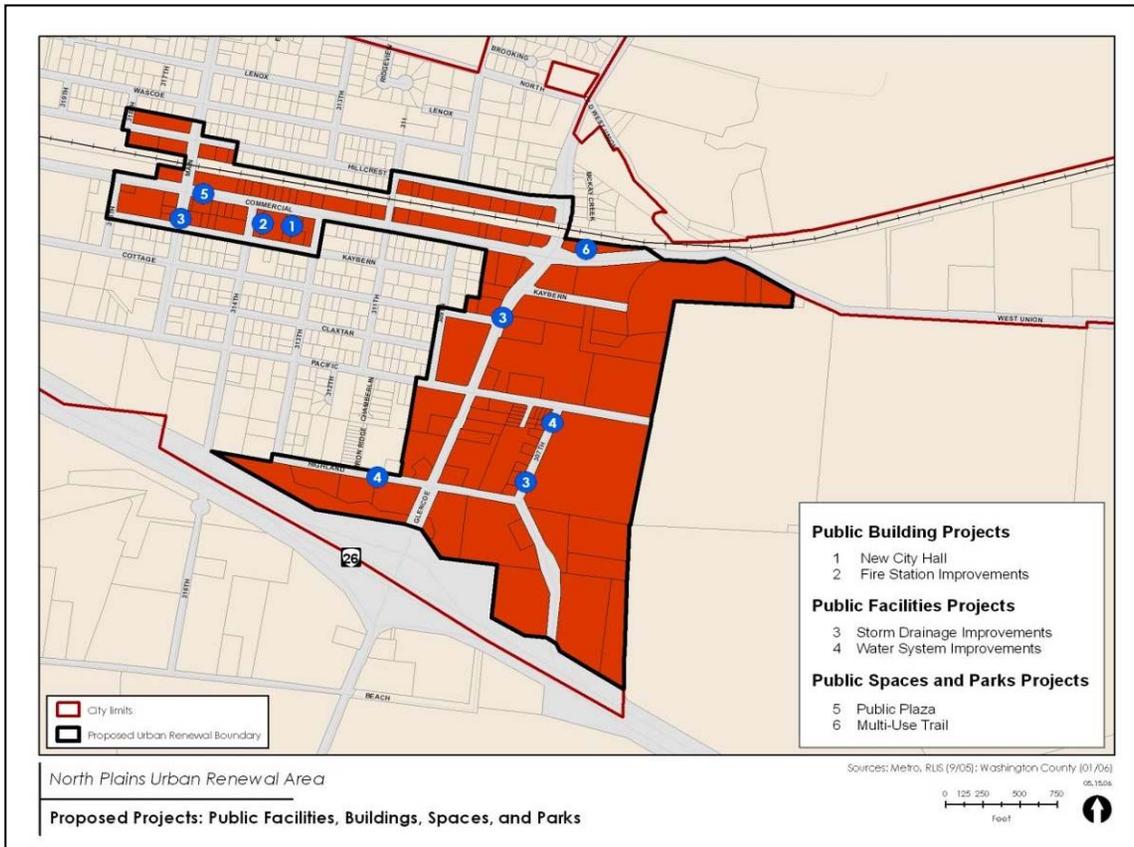
Public Spaces

Public Plaza - The design and development of a public plaza in the Central Business District is a project under the Plan.

Public Buildings

New City Hall - Because such a use is key to the vitality of the Area, the Plan authorizes participation in the development of a new City Hall. The participation in the project shall be proportional to the benefits of the facility to the Area. Anticipated benefits specific to the Area include increased activity that creates commercial and residential development and provision of facilities for administration of the Plan.

Before allocating Agency funds for this project, the Agency shall be required to adopt a minor amendment of the Plan that



states findings of proportionality and benefits to the Area specific to the allocation of funds.

Fire Station Improvements - Building improvements and site improvements to the Washington County Fire District No. 2 Fire Station and station-related traffic control devices are a project under the Plan.

Planning and Development Assistance - Offering the following types of planning and development assistance to support the development, redevelopment and rehabilitation of private property in the Area is a project under the Plan. Detailed rules and regulations for the administration of financial and technical assistance programs will be established by the Agency after adoption of the Plan in order to ensure that urban renewal funds are used in compliance with the Plan and for the agreed-upon Plan purposes. The adoption and amendment of such programs, rules and regulations would not be considered changes to the Plan.

Rehabilitation/Redevelopment Grant/Loan Program - The Urban Renewal Plan authorizes loans and/or grants for property rehabilitation and redevelopment. Property to be improved may be residential or commercial. Loans may be at or below market rates, and assistance may include direct loans or guarantees of loans made by third parties.

New Development Grant/Loan Program - In addition to providing rehabilitation and redevelopment assistance, the Urban Renewal Plan authorizes loans and/or grants for new development. Property to be improved may be residential or commercial. Loans may be at or below market rates, and assistance may include direct loans or guarantees of loans made by third parties.

Technical Assistance Program - The Urban Renewal Plan authorizes technical assistance in the form of site studies, market studies, feasibility analyses, engineering and design and other activities directly related to development of property in the urban renewal area. An example of such technical assistance may include structural analysis of buildings to promote the rehabilitation of under-utilized buildings.

Commercial Façade Improvement Loans - To create a distinct identity for the North Plains Central Business District and surrounding Highway Commercial Area that is visually appealing and unified, the Urban Renewal Plan authorizes façade improvement loans for commercial development. Improvements will be used to enhance the architectural integrity and character of historic commercial buildings and storefronts in need of a “face lifts.” The City may establish design standards for specific areas and appoint a design review committee to review loan applications and ensure that proposed improvements are consistent with City standards.

How Urban Renewal Projects are Funded

Tax Increment Financing

Tax increment financing consists of using annual tax increment revenues collected by the Agency to make payments on debt incurred by the Agency, usually in the form of tax increment bonds. The proceeds of the bonds are used to pay for the urban renewal projects authorized in the Plan. Debt, including bonds, may be both long-term and short-term, and does not require voter approval.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative increase in the total assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted.

General Description of the Proposed Financing Methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants and any other form of financial assistance from the Federal, State or local governments or other public body;
- Loans, grants, dedications or other contributions from private developers and property owners; and
- Any other source, public or private.

Revenues obtained by the Agency will be used to pay or repay costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

Tax Increment Financing and Maximum Indebtedness

The Urban Renewal Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Commission based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Urban Renewal Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$17,112,306. This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

Prior Indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of North Plains in connection with the preparation of this Plan or prior planning efforts related to the Urban Renewal Plan may be repaid from tax increment revenues from the Area when and if such funds are available.

Impact of Tax Increment Financing on Public Schools

This Plan has been adopted with consideration of information in the Report accompanying the Plan regarding the impact of tax increment financing on the K-12 public school system. Under current law providing for substantial state funding of K-12 schools, the tax increment financing of the Urban Renewal Agency Plan has minimal impacts on the revenues received by the Hillsboro School District.

Duration of Plan

No projects may be commenced and no new indebtedness may be incurred after the twentieth anniversary of the effective date of the Plan (2026). As is common practice in urban renewal plans in Oregon, tax increment revenues may continue to be collected beyond this date. Collection may continue until it is found that deposits in the Agency’s debt service fund are sufficient to fully pay principal and interest on indebtedness issued during the twenty years following the effective date of the Plan, either through direct payment of the indebtedness or by payment of

principal and interest on bonds or notes issued to finance the indebtedness. Tax increment revenues collected after the twentieth anniversary of the Urban Renewal Plan may only be used to retire outstanding debt.

Current Debt

LOCAP Series 2011A - URA (Glencoe), 3-5.7% interest

Fiscal Year	Principal	Interest	Total
2017	10,000	11,825	21,825
2018	10,000	11,388	21,388
2019	10,000	10,950	20,950
2020	10,000	10,513	20,513
2021	15,000	9,966	24,966
2022-26	75,000	38,344	113,344
2027-31	100,000	14,250	114,250
	230,000	107,236	337,236

General Fund Internal Loan, 3.5% interest

Fiscal Year	Principal	Interest	Total
2017	17,007	4,959	21,966
2018	17,559	4,406	21,965
2019	18,130	3,835	21,965
2020	18,719	3,246	21,965
2021	19,327	2,638	21,965
2022-2024	61,834	4,062	65,896
	152,576	23,146	175,722