



URBAN RENEWAL AGENCY Agenda

520 E. Cascade Avenue - PO Box 39 - Sisters, Or 97759 | ph.: (541) 549-6022 | www.ci.sisters.or.us

Wednesday, June 24, 2020

520 E. Cascade Avenue, Sisters, OR 97759 - Council Chambers

APPROXIMATELY 7:00 PM

- I. **CALL TO ORDER**
- II. **CONSENT AGENDA**
 - A. Minutes
 1. May 13, 2020 - Regular Meeting
 2. June 02, 2019 - Budget Meeting
- III. **AGENCY BUSINESS**
 - A. **Public Hearing and Consideration of Resolution No. URA 2020-01: A RESOLUTION ADOPTING THE BUDGET FOR FISCAL YEAR 2020/21 ESTABLISHING THE TAX INCREMENT AUTHORITY, MAKING APPROPRIATIONS AND COLLECTING 100% OF THE DIVISION OF TAX – J. O’Neill**
 - B. **Public Hearing and Consideration of Resolution No. URA 2020-02: A RESOLUTION OF THE URBAN RENEWAL AGENCY ADOPTING A SUPPLEMENTAL BUDGET AND ESTABLISHING APPROPRIATIONS WITHIN THE 2019/20 BUDGET –J. O’Neill**
- IV. **ADJOURN**

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The meeting location is accessible to persons with disabilities. Requests for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by calling Kerry Prosser, City Recorder, at the number below.

520 E. Cascade Ave. – P.O. Box 39, Sisters, OR 97759 – 541-323-5213

MEMBERS PRESENT:

Chuck Ryan Board Chair
Nancy Connolly Board Member
Andrea Blum Board Member
Richard Esterman Board Member
Michael Preedin Board Member

STAFF PRESENT:

Cory Miskey Agency Manager
Paul Bertagna PW Director
Joe O'Neill Finance Officer
Patrick Davenport CDD Director
Kerry Prosser Agency Recorder
Nicole Mardell Principal Planner

GUESTS:

Elaine Howard Elaine Howard Consulting, LLC.

I. CALL TO ORDER

The meeting was called to order by Board Chair Ryan at 7:12 p.m., and roll call was taken.

Agency Recorder Prosser submitted a letter for the record form Nicholas Veroske. The Board Members received the letter to review before the meeting.

II. CONSENT AGENDA

A. Minutes

1. January 08, 2020-Regular Meeting

Board Member Connolly made a motion to approve the consent agenda. Board Member Preedin seconded the motion. A roll call vote was taken. The motion carried 5-0.

III. AGENCY BUSINESS

A. Discussion of the History & Duration of the Urban Renewal Plan (URP)

Agency Manager Miskey introduced Elaine Howard, our Urban Renewal Agency (URA) consultant who was working with staff on the update of the Urban Renewal Plan (URP). He reviewed the 2019/20 Workplan included creating a new URA strategy. He explained the URP had been in hibernation over the past several years, and staff had been working, with assistance from Ms. Howard, to develop a draft framework for Council to review.

Ms. Howard presented a PowerPoint that reviewed urban renewal basics. She also discussed the duration provision of the current plan. Ms. Howard noted that plans did not usually include a duration provision but were sometimes included because of political will. The current plan did not allow for any projects to begin or additional debt to be incurred after 2023. She noted during the current plan; you had approximately 2.5 million left in spending capacity and under the current duration of the plan, you would not meet the maximum indebtedness limit. She reviewed that if the plan were extended to 2030, the agency would gain capacity of approximately 4.7 million.

Board Member Connolly said, based on our past projects in the URA, why did we use the funds for public projects instead of private projects. Agency Manager Misley replied you could use funds to incentivize private/public partnerships; there were multiple approaches to getting additional development in the URA. One was to partner directly with the private sector and incentivize their projects, and another was to have adequate infrastructure in place to support that development. Agency Manager Misley said the proposed project list had both types but was weighted towards public infrastructure and investment. The bulk of the funding on the proposed list was a couple of projects: Adams Avenue Streetscape and the Locust/US20 roundabout.

Ms. Howard said infrastructure projects were often done to help with capacity and to spur development, and sometimes agencies partner directly with the private sector. She said both were common.

Board Member Preedin said it sounded like there would need to be a lot of thought regarding these projects. He said If the right project came along from a private developer, we should consider it.

Agency Manager Misley reviewed the three components being addressed tonight were the duration of the plan, which impacts the amount of money we had to spend, the project list, and the amount of public outreach needed. He said if Council was not comfortable on providing direct guidance on these options tonight, that was okay, we were not in a rush to move through this project.

Agency Manager Misley reviewed we had three options to consider for the duration:

- Extend the duration indefinitely: under that scenario, we would use all of our maximum indebtedness.
- Leave as is and have two more fiscal years to spend funds, which would be a tight timeframe.
- Extend until 2030: 10 years would allow us to complete our project list.

Agency Manager Misley noted local taxing districts did not like indefinite plans; they would like to know when they would get the additional taxing increment back into their budgets.

Council gave staff direction to move forward on extending the duration to 2030.

- B. Discussion of Updated Project List
- C. Review of Outreach & Timeline for Updates

Agency Manager Misley thought we could have the plan updated by August. As the URA Board, you could unilaterally extend the duration and update the project list. He noted certain types of projects, and an expansion of the URA boundary would need to be approved by the taxing districts. Based on the project capacity of 4.7 million, the list was focused on key public investment projects. There were not any projects on the proposed list that we would have to go back to the taxing districts for approval, and staff only put projects on the list that had a high probability of accomplishment.

Ms. Howard said the question on projects would take more interaction and input from the Board, which could be accomplished at the next meeting. The Board would need to decide how much public input they wanted on the projects or if they were comfortable making those decisions as an agency.

Agency Manager Misley said staff had begun to engage with the taxing districts, and over the next few weeks, we could have conversations with them and get more input on the project list. Agency Manager Misley thought after Council had revised the project list, staff could look at going out for additional public input.

Board Member Blum asked how much flexibility we had with the project list. Ms. Howard said the URA could make amendments to the URP and project list up to a certain amount by resolution. She said at this time, you had the flexibility to replace projects.

Board Member Preedin thought flexibility should be afforded to future Boards but did not see a need to change the language. He said the one project he already supported was the roundabout, and if there was any chance in the next year that we needed funds from the URA for that project he thought we should move forward.

Board Member Esterman liked the flexibility for future Boards.

The Board gave staff direction to move forward on revisiting the project list at the next meeting and reaching out to the taxing districts for additional input.

Board Chair Ryan asked that we keep the URA moving forward, and if there were any projects we needed to move on, we should utilize this tool.

IV. ADJOURN-8:09 PM

Kerry Prosser, Agency Recorder

Chuck Ryan, Board Chair

MEETING MINUTES
SISTERS URBAN RENEWAL AGENCY BUDGET COMMITTEE
520 E. CASCADE AVENUE
JUNE 02, 2020

URA BUDGET COMMITTEE PRESENT:

Dave Moyer	Board Chair
Gary Ross	Committee Member
Andrea Blum	Committee Member
Richard Esterman	Committee Member
Nancy Connolly	Committee Member
Chuck Ryan	Committee Member
Bill Hall	Committee Member
Michael Preedin	Committee Member
Vacant	
Vacant	

STAFF PRESENT:

Cory Misley	Agency Manager
Joe O'Neill	Finance Officer
Paul Bertagna	PW Director
Kerry Prosser	Agency Recorder
Kim Keeton	Acct. Tech

I. CALL TO ORDER

The meeting was called to order by Chair Moyer at 4:00 p.m.

II. ELECTION OF CHAIR

Committee Member Connolly nominated Dave Moyer for the position of Urban Renewal Agency Budget Committee Chair. Committee Member Blum seconded the motion. The motion carried 8-0.

III. BUDGET MESSAGE

Agency Manager Misley reviewed the budget message. He noted there were not any significant capital expenditures as we were currently updating the project list. He said there might be a supplemental budget later in the year if a project from the list was elevated.

IV. PUBLIC COMMENT - None

V. BUDGET PRESENTATION

A. Debt Service Fund

Finance Officer O'Neill explained that the City made regular debt service payments and could pay down 10% of the principal value of the loan once a year.

B. Project Fund

Director O'Neill noted there was not much activity in this fund; there were funds set aside for staff time, contracting, and the auditor. Agency Recorder Misley anticipated more staff time would be used in FY 2020/21 on project development. He said most of the proposed URA projects paralleled City projects.

VI. DISCUSSIONS AND MOTIONS

MEETING MINUTES
SISTERS URBAN RENEWAL AGENCY BUDGET COMMITTEE
520 E. CASCADE AVENUE
JUNE 02,2020

Committee Member Ryan asked if we wanted to fund the Locust/US20 Roundabout with URA funds would Oregon Department of Transportation (ODOT) reimburse the City. Agency Manager Misley responded ODOT was not open to reimbursements, they had a strict funding structure, and you could not jump the line and buy projects. He said if we had 100% of the funds, they would move forward on the project. He noted it was not uncommon for URA's to spend funds on infrastructure; it made sense to have a multitude of public entities contribute to this project.

The Board discussed how the URA could help fund the Locust/US20 Roundabout.

Agency Manager Misley said there were two options to make our case on funding this project: The Legislature or the Oregon Transportation Committee. Chair Moyer explained that because there had not been any deaths at the intersection, it was a low priority for the State. Committee Member Blum noted the legislature had made big changes in how resources were allocated in 2017 and we had lost regional flexibility on projects.

Committee Member Blum moved to approve property taxes for the Sisters Urban Renewal Agency to be derived through the division of tax in the amount of \$280,000. Committee Member Preedin seconded the motion. The motion carried 8-0

Committee Member Blum moved to approve the Sisters Urban Renewal Agency budget for the Fiscal Year 2020/21 in the amount of \$853,522 Committee Member Preedin seconded the motion. The motion carried 8-0.

VII. ADJOURN

Budget Chair Moyer adjourned the meeting at 4:30 p.m.

Kerry Prosser, Agency Recorder

Chuck Ryan, Mayor



Agenda Item Summary

Meeting Date: June 24, 2020

Staff: Joseph O'Neill

Type: Regular Agency Meeting

Dept: Finance

Subject: FY 2020/21 Budget Adoption and Levying Taxes

Action Requested: Conduct a public hearing and consider the approval of Resolution No. URA 2020-01: A RESOLUTION ADOPTING THE BUDGET FOR FISCAL YEAR 2020/21, ESTABLISHING THE TAX INCREMENT AUTHORITY, MAKING APPROPRIATIONS AND COLLECTING 100% OF THE DIVISION OF TAX.

Background:

On June 2, 2020, the Sisters Urban Renewal Agency Budget Committee held a meeting to receive public comment and review the proposed fiscal year 2020/21 budget. The Budget Committee approved the budget with no changes.

Financial Impact:

Authorize appropriations of \$853,522 for fiscal year 2020/21.

Attachment(s):

Resolution No. URA 2020-01

URA Budget Message

RESOLUTION URA 2020-01

**A RESOLUTION ADOPTING THE FISCAL YEAR 2020/21 BUDGET, MAKING APPROPRIATIONS,
DECLARING THE TAX INCREMENT, AND COLLECTING THE MAXIMUM AMOUNT OF THE
DIVISION OF TAX.**

ADOPTING THE BUDGET

BE IT RESOLVED that the Sisters Urban Renewal Agency Board hereby adopts the budget for fiscal year 2020/21 in the total amount of \$853,522*. This budget is now on file at 520 E. Cascade Ave., in Sisters, Oregon.

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts shown below are hereby appropriated for the fiscal year beginning July 1, 2020 for the following purposes:

Urban Renewal Debt Service Fund

Debt Service	\$ 142,061
Total	\$ 142,061

Urban Renewal Project Fund

Materials & Services	\$ 28,200
Operating Contingency	68,567
Total	\$ 96,767

Total Appropriations, All Funds.....	\$ 238,828
Total Unappropriated Reserve amounts, All Funds.....	614,694

TOTAL ADOPTED BUDGET **\$ 853,522***

*(*amounts with asterisks must match)*

DECLARING TAX INCREMENT

BE IT RESOLVED that the Sisters Urban Renewal Agency Board hereby elects to certify to the county assessor a request for the Sisters Urban Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX of the Oregon Constitution and ORS Chapter 457.

The above resolution statements were approved and declared adopted on this 24th day of June 2020.

Charles Ryan, Board Chair

Nancy Connolly, Board Member

Michael Preedin, Board Member

Richard Esterman, Board Member

Andrea Blum, Board Member

ATTEST:

Kerry Prosser, City Recorder



Sisters Urban Renewal Agency Budget FY 2020/21

Budget Message

Executive Director's Budget Message
Proposed Budget FY 2020/21
May 25, 2020

Members of the Sisters Urban Renewal Agency Budget Committee:

With this letter, I present a balanced Sisters Urban Renewal Agency (URA) budget for the Fiscal Year (FY) 2020/21. We are proposing to approach this FY as a transition as we look to establish a long-term URA strategy. Later in this document, you will see that the utilization of URA funds has been minimal since FY 2014/15. At the same time, Sisters has continued to grow and present challenges to problem-solve, fund, and ultimately resolve. There is a strong downtown core; however, the URA can play a significant role in furthering downtown investment and growth. That could manifest in many ways ranging from alleviating constraints and congestion on US 20; adding capacity to other essential infrastructure; constructing downtown streetscape and safety improvements; offsetting land and development costs for key, qualified projects; boosting workforce housing; and, delivering essential downtown amenities; and a variety of other ways.

The need to leverage URA as a tool in Sisters is clear. The current URA Plan is slated to expire in 2023. Moving multiple critical projects forward will take longer than a couple of years. City staff have been vetting possible long-term strategies and working with Elaine Howard (URA consultant) to present options to the Council and community partners. We anticipate moving through this process over the next few months and result in (among other things) a new expiration, associated capacity of funds available, and an updated project list. Since we do not have that solidified, this proposed budget does not include key project development or construction expenditures. With that said, projects may arise throughout this FY that the URA could play a significant role in funding. Staff may bring back a supplemental budget request if the right opportunity presents itself.

As the community has shown, there is a healthy desire to strive for new initiatives and projects outlined in the Sisters Country Vision. These projects come with a price. Strategically managing the URA is a key puzzle piece in delivering on community needs and wants over this decade.

Review of FY 2019/20 URA Work Plan:

Objectives that were accomplished include:

- Develop an Urban Renewal Agency long-term strategy (*Council Goal)
- Build fundamental institutional knowledge among staff

Objectives that are still being considered:

- Identify opportunities as a short-term tool for key projects

Objectives reviewed and determined would not be moved forward include: N/A

Objectives for FY 2020/21 URA Work Plan:

- Create new opportunities (programs) for URA to further its goals and objectives
- Create a matrix to evaluate vacant land for strategic property acquisition



Sisters Urban Renewal Agency Budget FY 2020/21

Budget Message

URA Overview

The URA was established in 2003 and is a legally separate entity from the City of Sisters. The Sisters City Council serves as the Board of Directors for the URA and is financially accountable for its operations. The URA has one Urban Renewal District covering much of the downtown Sisters commercial core, and improvements are contemplated in the Sisters Downtown Urban Renewal Plan. Per Oregon budget law, the URA prepares its own budget, and the Board of Directors approves its annual appropriations.

Urban renewal agencies are designed to borrow money and make expenditures in conjunction with the implementation of the URA Plan. Increased property tax values that occur over time or with new development generate incremental tax revenue, which is used to repay debt and implement the Plan. The Plan is intended to promote the development of downtown as the commercial and cultural center of the Sisters community. The Plan identifies a number of projects to improve sidewalks, streetscape, building, and other physical improvements as specified in the Plan. It will also assist property owners in the rehabilitation, development, or redevelopment of their properties. As mentioned above, the City is working on updating this Plan: tentatively looking forward over a 10-year time horizon to access funds and deliver key support and projects for downtown growth.

Assessed Value & Property Tax Information

When an urban renewal district is first created, the assessed value within the district boundaries is established as the "frozen tax base." If the urban renewal efforts are successful, the value of the District will grow above the frozen base amount. That increase is called the "incremental" or "excess" value. Overlapping jurisdictions (city, county, special districts, bonds, etc.) continue to receive property tax revenue on the frozen base while the urban renewal agency receives property tax revenue related to the incremental value. This is called the "division of tax" method of raising revenue in an urban renewal district. The amount of tax increment revenue a district collects is determined under Measure 50. The amount of tax increments a district may collect is affected by the increase in assessed valuation on properties in a district above the frozen base valuation. A ten-year history, current and proposed property tax revenues in the District are below:

FY	Excess Assessed Value	Increase From Prior Year	%age Increase	Levied Taxes	Budget	Actual Received
10/11	11,679,396	2,598,540	29%	177,215	129,000	164,181
11/12	9,230,009	(2,449,387)	-21%	135,411	163,000	127,154
12/13	13,440,074	4,210,065	46%	192,572	124,600	181,985
13/14	13,120,277	(319,797)	-2%	188,351	177,200	179,480
14/15	8,601,495	(4,518,782)	-34%	124,563	181,000	121,081
15/16	10,849,315	2,247,820	26%	157,139	120,000	154,001
16/17	11,391,781	542,466	5%	165,631	160,000	194,908
17/18	13,848,977	2,457,196	22%	201,808	190,000	225,279
18/19	15,880,427	2,031,450	15%	231,425	224,000	280,580
19/20	19,916,145	4,035,718	25%	289,542	275,000	*
20/21	20,800,972	884,827	4%	301,184	285,000	**

* projected

** proposed



Sisters Urban Renewal Agency Budget FY 2020/21

Budget Message

Projects and initiatives that Sisters URA funds have been used for in the past years:

Maximum Indebtedness		
Adopted 2003	\$ 9,889,199	
FY 07/08	(700,000)	East Cascade Improvements
FY 09/10	(100,000)	Hood & Elm/Ash Improvements
FY 12/13	(72,279)	Main, Pine, Larch Bike/Ped Path
	(3,450)	Village Green Parking-Engineering
FY 13/14	(140,777)	Fir Street Improvements
	(229,000)	Façade Grants
	(217,678)	Fir Street Park
	(263,148)	Cascade Avenue Improvements
	(13,000)	Community Amphitheater Design
FY 14/15	(30,000)	Small Projects Improvement Grants
	(100,000)	Small Business Improvement Grants
	(131,375)	Village Green Restrooms
	(120,000)	Village Green Parking
	(30,000)	Chamber Building ADA/Landscaping
FY 18/19	<u>(67,824)</u>	Adams Ave. Streetscape Design
Balance Available	\$ 7,670,668	

Summary

As Sisters continues to experience strong growth, local governmental organizations must respond by looking creatively at the entire toolbox to stay proactive to meet demands and deliver amenities. The Sisters URA is a critical tool towards furthering development within downtown that in a town of our size has implications for all of the Sisters Country community. As with any tool, we need to recognize its value while using it thoughtfully. FY 2019/20 and 2020/21 are intended to be a transition in the URA looking to a date certain in the future and creating a realistic yet ambitious and fresh project list to deliver on. There is a tremendous amount of work ahead if we are to use the URA as it was (and is) intended while addressing the most critical, relevant projects. The alternative of not proceeding proactively may have negative ramifications for the long-term livability and growth.

Respectfully submitted,

Cory Misley
Budget Officer / Executive Director

RESOLUTION NO. 2020-02

**A RESOLUTION OF THE CITY OF SISTERS URBAN RENEWAL AGENCY
ADOPTING A SUPPLEMENTAL BUDGET AND ESTABLISHING
APPROPRIATIONS WITHIN THE FY 2019/20 BUDGET.**

WHEREAS, the City of Sisters Urban Renewal Agency will have unexpected and unbudgeted resources and expenditures for FY 2019/20.

RESOLUTION ADOPTING THE SUPPLEMENTAL BUDGET

BE IT RESOLVED that the Board of the City of Sisters Urban Renewal Agency hereby adopts the supplemental budget for fiscal year 2019/20. This budget is now on file at 520 E. Cascade Ave., in Sisters, Oregon.

RESOLUTION MAKING APPROPRIATIONS

BE IT RESOLVED that the following adjustments to appropriation categories are authorized by supplemental budget:

Debt Service Fund

Principal	\$	700
Reserve for Future Expenditures		(700)

Project Fund

Capital Outlay	\$	2,100
Operating Contingency		(2,100)

SECTION THREE: This resolution is hereby approved and adopted by the Sisters City Council on this 24th day of June 2020.

Chuck Ryan, Board Chair

Nancy Connolly, Board Member

Richard Esterman, Board Member

Michael Preedin, Board Member

Andrea Blum, Board Member

ATTEST:

Kerry Prosser, City Recorder

**City of Sisters
Urban Renewal Agency
Supplemental Budget Worksheet
FY 2019/20**

FUND CATEGORY	ACCOUNT #	REVENUE / EXPENSE DESCRIPTION	REASON	ADOPTED BUDGET	PROPOSED SUPPL.	REVISED BUDGET
DEBT SERVICE FUND						
Debt Service	20-5-00-815	Principal	Additional principal payment	141,550	700	142,250
Expenditures	20-5-00-410	Reserve for Future Expenditures	Adjust contingency for reason above	438,304	(700)	437,604
PROJECT FUND						
Capital Outlay	21-5-00-906	Capital Outlay	Remaining payment for Adams Avenue design project	0	2,100	2,100
Expenditures	21-5-00-400	Operating Contingency	Adjust reserve for reason above	43,592	(2,100)	41,492