



**FAIRVIEW URBAN RENEWAL AGENCY
FAIRVIEW, OREGON
PROPOSED BUDGET
FOR
FISCAL YEAR 2020-21**

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**Fairview Urban Renewal Agency
Fiscal Year 2020-21
BUDGET MESSAGE**

The City of Fairview City Council formed the Fairview Urban Renewal (UR) Agency on June 6, 2018. On November 7, 2018, the Council adopted the UR plan for the new Agency. March 6, 2019 the City of Fairview and the Fairview Urban Renewal Agency signed an Intergovernmental Agreement where the City would provide administrative and financial services to the new Agency. This includes assistance in adopting the annual budget.

Prior to expending any funds, the public agency must first appropriate those funds in accordance with Oregon Budget Law. The following budget message is required by budget law. We will first identify the resources that we expect to be available for the year. The next section will discuss the proposed expenditures. The final section will look at reserves and contingencies. Following this budget message are two five-year tables. The first will identify proposed programs that will be pursued during that five-year period. The second is a five-year projection of revenue and expenditures.

FY 2020-21 Resources:

Total anticipated resources this Fiscal Year are \$3,288,287. The Agency will have three Sources of Revenue: Beginning Fund Balance, Tax Increment Funds (TIF) and Interest Earnings (see Graph #1 on page 6).

1. Beginning Fund Balance (\$3,050,315): 93% of the URA resources this Fiscal Year are found in the Beginning Fund Balance (BFB). Graph # 2, page 6, identifies the source of those funds. The original City bridge loan accounts for 13.6%. The remaining 86.4% is from the September 2019 \$3.4 million bank loan.
2. Tax Increment Funds (\$197,972): TIF revenue is what drives the URA. The Agency receives the annual property tax increase for properties within the Agency boundary. This revenue is used to finance debt that allows the agency to do projects that increase the taxable value in the district. The 85% increase is because a few new developments will be going on the tax rolls. The estimated TIF is \$33,869 less than the \$231,841 in debt payments due this Fiscal Year. This is where the City bridge loan helps us meet that requirement.
3. Interest Earnings (\$40,000).

FY 2020-21 Expenditures:

The proposed Agency budget includes appropriated expenditures of \$3,245,029 (see graph #3 on page 7). These expenditures include the following:

Administrative Services: \$225,563

This includes the following expenditures:

- Consulting Services. \$148,600 (BIP 20-027)
 - UR technical consultant \$3,000
 - Vacant lot development \$78,000
 - Halsey Streetscape and Art \$40,000
 - TGM Grant Match \$12,000
 - Miscellaneous consulting services \$15,600

- Personnel services are budgeted at \$68,000. These services are provided by City employees. The Agency will reimburse the City for the actual hourly costs of those employees who work on the administration, projects, and programs for the Agency.
- Legal Services \$4,000
- Annual Audit \$3,863
- Operating Materials & Services \$1,100

Development Assistance Programs: \$1,520,000

- \$200,000 is being budgeted for the Private Development Grant Program. Grants are to be provided for demolition, site feasibility studies, environmental remediation, tenant business improvements in eligible locations, and infrastructure improvements needed for development. This amount should allow us to assist four (4) to six (6) new commercial developments.
- \$520,000 for the System Development Charge (SDC) Assistance Program where URA will pay the city utility SDCs required for some types of development. This will allow us to assist four (4) to six (6) new developments. Most are mixed use developments extended from the prior Development Incentive Program.
- \$800,000 is proposed for land development for potential new developments along Halsey. This includes purchase and sale of property, open space development, art, parking and other activities on undeveloped or under developed property.

Public Infrastructure Assistance: \$1,240,000

- \$500,000 to assist with construction funding for the NE 223rd Street Railroad pedestrian and bike lane undercrossing. We are still completing the design, so we do not know what the final project cost will be. The URA funds will be used as seed money to pursue any additional funding needed.
- \$500,000 is budgeted for design work on three (3) transportation (streets) projects: 1) Roundabout at Halsey and Fairview Parkway, 2) Intersection and roadway work on NE 223rd at Halsey and northward and 3) PPL Park and Ride.
- \$220,000 for a portion of the costs for new water Well #10. Urban Renewal will be paying for 20% of the costs. The project is spread over two years with URA providing \$220,000 this year and \$300,000 next Fiscal Year.
- Wetland Delineation \$20,000 for City projects.

Debt Service: \$259,466 (BIP 20-024)

- \$27,625 in interest payments on the \$650,000 City General Fund bridge loan. The intent is not to make any principal payments for three to five years.
- \$231,841 in interest for the \$3.46 million bond issued in 2019 (BIP 20-024). The City bridge loan will help fund the payment in FY 2020-21.

Contingency:

The proposed budget includes a contingency of \$43,258 (see graph #4 on page 7). This is the amount remaining after the expected materials and services, development assistance program, public infrastructure

assistance, and debt service expenses have been met. Contingency funds can be appropriated if needed prior to July 1, 2021. If the contingency funds are not needed, they will be included in the FY 2021-22 URA budget's beginning fund balance.

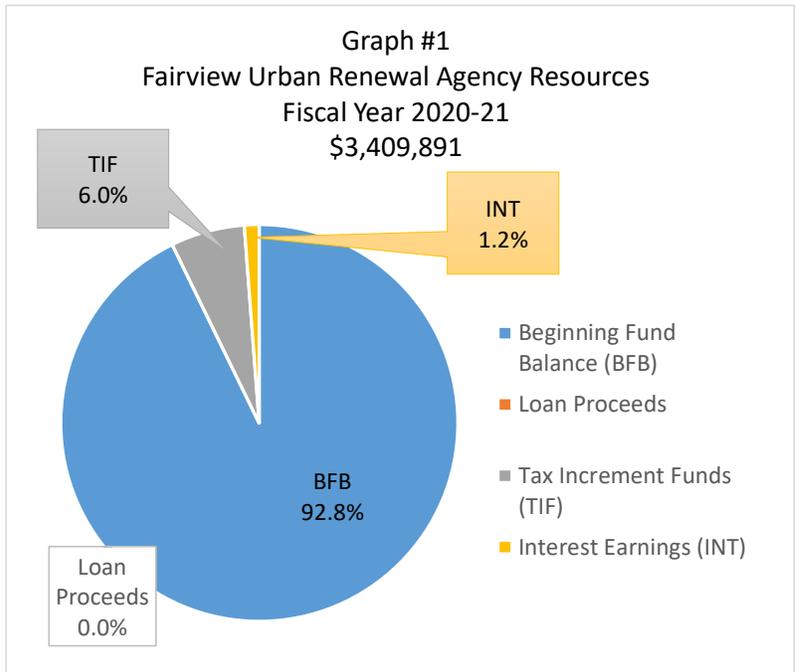
Conclusion

We look forward to working with the Budget Committee on reviewing the FY 2020-21 proposed Urban Renewal Agency budget.

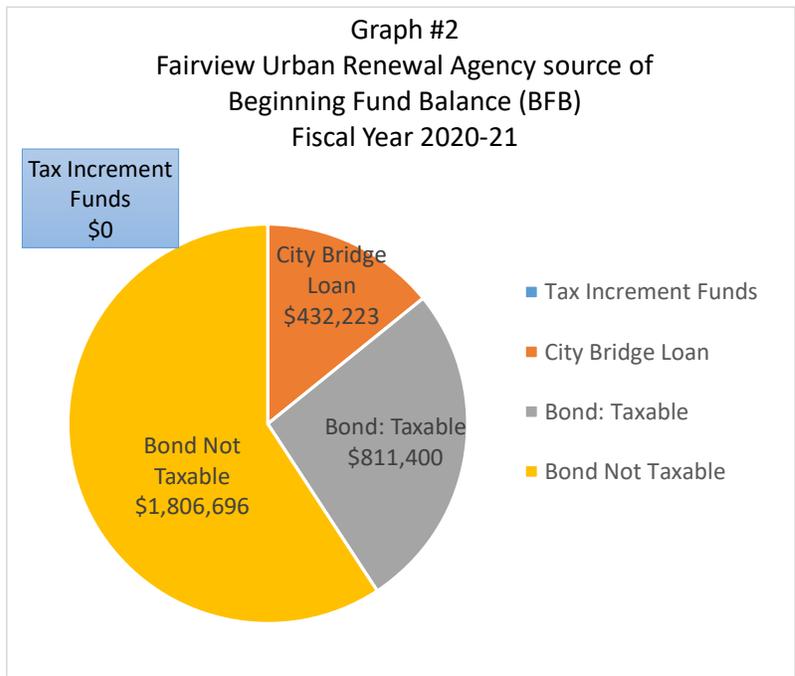
Respectfully Submitted,



Nolan K Young
City Administrator

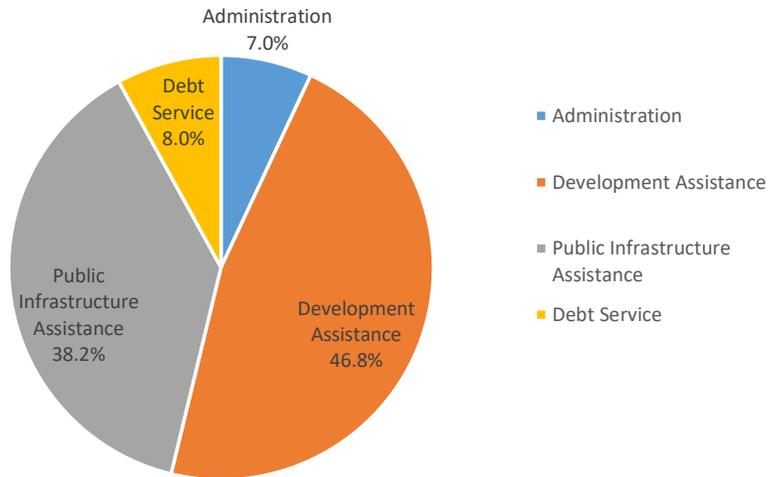


Beginning Fund Balance (BFB)	\$3,050,315	92.8%
Loan Proceeds	\$0	0.0%
Tax Increment Funds (TIF)	\$197,972	6.0%
Interest Earnings (INT)	\$40,000	1.2%



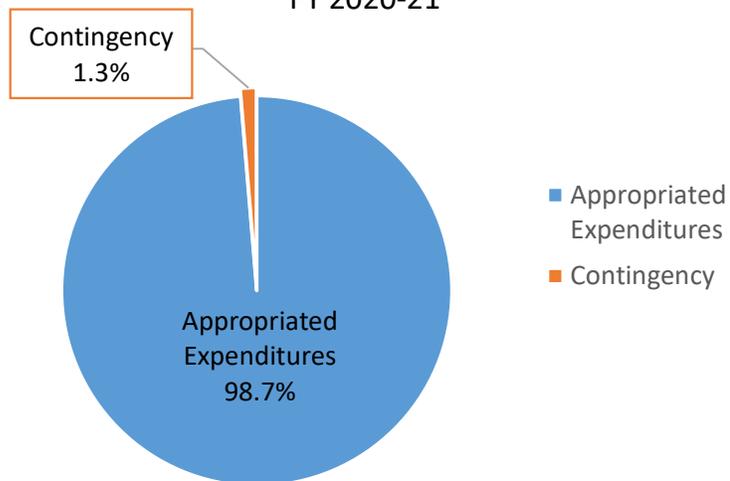
Tax Increment Funds	\$0	0.0%
City Bridge Loan	\$432,223	14.2%
Bond: Taxable	\$811,400	26.6%
Bond Not Taxable	\$1,806,696	59.2%

Graph #3
Fairview Urban Renewal Agency Expenditures Fiscal
Year 2020-21 **\$3,245,029**



Administration	\$225,563	7.0%
Development Assistance	\$1,520,000	46.8%
Public Infrastructure Assistance	\$1,240,000	38.2%
Debt Service	\$259,466	8.0%
	\$3,245,029	100.0%

Graph #4
Fairview Urban Renewal Agency use of Resources
FY 2020-21



Appropriated Expenditures	\$3,245,029	98.7%
Contingency	\$43,258	1.3%

URBAN RENEWAL PROGRAM EXPENDITURES

A FIVE YEAR PLAN

Account Number	Project Description	Project Cost (FY 2020-25)	FISCAL YEAR						
			2019-20 (Status)	2020-21	2021-22	2022-23	2023-24	2024-25	
	Private Development Grants	800,000	Budget =	\$300,000	\$200,000	\$100,000	\$300,000	\$100,000	\$100,000
Estimated =			\$67,000						
Status =			1 Grant proceeding						
	Utility SDC Assistance	2,470,000	Budget =	\$820,000	\$520,000	\$450,000	\$500,000	\$500,000	\$500,000
Estimated =			\$300,000						
Status =			\$0						
	Property Re-Development	1,178,000	Budget =	\$0	\$878,000	\$300,000			
Estimated =									
Status =									
	NE 223rd Railroad Unercrossing	500,000	Budget =	\$500,000	\$500,000				
Estimated =			\$125,000						
Status =			Design						
	Water System Well #10	520,000	Budget =		\$220,000	\$300,000			
Estimated =									
Status =									
	Water Reservoir #1 Rehab.	0	Budget =		\$0				
Estimated =									
Status =			Complted						
	Halsey/Fairview Pkway Roundabout	880,000	Budget =	\$80,000	\$200,000		\$600,000		
Estimated =			\$40,000						
Status =			To be Completed						
	Halsey/NE 223rd Flood Plain/Fairview Creek bypass	180,000	Budget =	\$180,000	\$0				
Estimated =			\$60,000						
Status =			To be Completed						
	Wet Land Delineation North of Salish Ponds	20,000	Budget =	\$0	\$20,000				
Estimated =			\$0						
Status =									
	Park-N-Ride	1,100,000	Budget =		\$100,000		\$1,000,000		
Estimated =									
Status =									
	Street and Pedestrian Improvements on NE 223	1,200,000	Budget =		\$200,000	\$0	\$1,000,000		
Estimated =									
Status =									
	Streetscape on Halsey	2,200,000	Budget =				\$2,200,000		
Estimated =									
Status =									
		0	Budget =						
Estimated =									
Status =									
	TOTALS For Fiscal Years =	\$11,048,000		\$2,472,000	\$2,838,000	\$1,150,000	\$5,600,000	\$600,000	\$600,000

Urban Renewal Agency Budget
Five Year Projections

		<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>
REVENUE						
	BFB	3,050,315	43,258	12,203	1,079,254	1,517,403
	TIF	197,972	370,251	876,103	1,091,480	1,311,012
	Interest	40,000	20,000	2,000	60,000	
	City Loans	-	-	-	-	-
	Bond Proceeds	0	-	6,000,000		-
	Program Income		800,000			
Total Revenue		3,288,287	1,233,509	6,890,306	2,230,734	2,828,415
EXPENDITURES						
Materials \$ Services						
	Contract Services	148,600	30,000	30,000	30,000	30,000
	Personnel Services	68,000	70,040	72,141	74,305	76,535
	Legal	4,000	4,000	4,000	4,000	4,000
	Audit	3,863	3,700	3,811	3,925	4,043
	Operating M & S	1,100	1,100	1,100	1,100	1,100
	Grants	200,000	100,000	300,000	100,000	100,000
	SDC Assistance	520,000	450,000	500,000	500,000	500,000
	sub-total	945,563	658,840	911,052	713,331	715,678
Capital						
	Streets	1,000,000	0	4,900,000		
	Water	220,000	3,000	0	0	0
	Sewer	0	0	0	0	0
	Storm Water	20,000				
	Land Development	800,000	300,000			
	sub-total	2,040,000	303,000	4,900,000	0	0
	City Loan Payback	27,625	27,625	27,625	650,000	0
	Bond Payments	231,841	231,841	231,841	713,297	713,297
	Debt Sub-Total	259,466	259,466	259,466	1,363,297	713,297
Total Expenditures		3,245,029	1,221,306	5,811,052	713,331	715,678
Surplus		\$43,258	\$12,203	\$1,079,254	\$1,517,403	\$2,112,737

**GENERAL INFORMATION FORM
FY 2020-21**

FUND/ FUND NUMBER
AGENCY DIRECTOR
DIRECTOR DIRECT PHONE NUMBER
DIRECTOR EMAIL:
EMPLOYEE = 0

Urban Renewal Agency
Nolan K Young
503-674-6221
youngn@ci.fairview.or.us

DESCRIPTION OF PURPOSE/FUNCTION: This budget is for the fiscal activity of the Fairview Urban Renewal Agency. It will be directed towards accomplishing the activities identified in the urban renewal plan that was adopted by the Urban Renewal Agency Board on November 7, 2018.

- Administrative services include legal fees, audit and personnel services for administration of the agency and its programs and projects provided by employees for the City of Fairview. The Agency reimburses the City for the values of those services that are estimated at \$68,000 in FY 2020-21.
- The Agency has three (3) programs to benefit and stimulate private development (BIP 20-026): 1) Private Development Grant program: We have budgeted \$200,000 for this program to allow us to assist with new developments and development of businesses in current commercial space, 2) SDC assistance program (\$520,000) and 3) Land Development that includes purchase and sale of property, open space development, art, parking and other activities that take undeveloped or under developed property and support removal of blight and new private development.

DESCRIPTION OF MAJOR DIFFERENCE(S) BETWEEN FY 2020-21 AND FY 2018-19: This is the third budget for the Agency. Major aspects of the proposed budget are as follows:

- A major portion of the \$3.46 million loan obtained in September 2019 is unspent (\$2,618,096) and shows up in the anticipated \$3,288,287 Beginning Fund Balance (BFB). The remaining BFB is from a portion of the \$650,000 bridge loan from the City of Fairview.
- \$200,000 is budgeted for the Private Development Grant program. This should allow us to assist four (4) to six (6) new commercial developments.
- The SDC assistance program has \$520,000 proposed. This will allow us to assist four (4) to six (6) new developments. Most are mixed use developments extended from the prior Development Incentive Program.
- \$500,000 to provide seed money for the construction of the pedestrian/bicycle Railroad undercrossing on NE 223rd Street.
- \$500,000 is budget for design work on three (3) transportation (streets) projects: 1) roundabout at Halsey and Fairview Parkway, 2) intersection and roadway work on NE 223rd at Halsey and northward and 2) PPL Park and Ride.
- \$220,000 for a portion of the costs for new water Well #10.
- \$878,000 is for consulting services and land development for potential new developments along Halsey.

**Fairview Urban Renewal Agency
FISCAL YEAR 2020-21
Proposed Budget**

Account Number	Line Item Name	2017-2018 Actuals	2018-2019 Actuals	2019-2020 Adopted Budget Amended	2020-2021 Proposed Budget
300-01-4995000	BEGINNING FUND BALANCE	-	-	395,696	3,050,315
300-01-4361100	INTEREST- LGIP	-	3,925	13,000	40,000
300-01-4370100	CITY BRIDGE LOAN REVENUE	-	650,000	-	-
300-01-4390120	TIF REVENUE	-	-	76,226	197,972
300-01-4393300	BOND PROCEEDS - URA	-	-	3,400,000	-
RESOURCES TOTAL:		-	653,925	3,884,922	3,288,287
300-00-6300100	CONTRACT SERVICES	-	109,212	39,000	148,600
300-00-6300109	INTERAGENCY CONTRIBUTIONS	-	-	20,000	-
300-00-6330100	AUDIT & ACCOUNTING	-	-	3,750	3,863
300-00-6330200	LEGAL	-	1,274	4,000	4,000
300-00-6330600	PERSONNEL SERVICES	-	-	66,000	68,000
300-00-6490100	URA GRANTS	-	-	300,000	200,000
300-00-6490105	PRIVATE DEVELOPMENT ASSISTANCE	-	-	-	800,000
300-00-6490200	URA SDC ASSISTANCE	-	-	820,000	520,000
300-00-6540100	PUBLICATIONS	-	407	-	-
300-00-6550100	PRINTING	-	-	-	600
300-00-6590100	BANK FEES	-	-	-	-
300-00-6610200	OPERATING MATERIALS & SUPPLIES	-	-	-	500
MATERIALS AND SERVICES TOTAL		-	110,893	1,252,750	1,745,563
300-00-6730124	STREET PROJECTS	-	-	580,000	1,000,000
300-00-6730211	WATER PROJECTS	-	-	-	220,000
300-00-6730213	STORMWATER PROJECTS	-	-	180,000	20,000
CAPITAL OUTLAY TOTAL		-	-	760,000	1,240,000
300-00-6470400	URA BOND PRINCIPAL	-	-	-	131,000
300-00-6470401	URA BOND INTEREST	-	-	105,120	100,841
300-00-6470501	CITY LOAN INTEREST	-	8,779	27,625	27,625
DEBT SERVICE TOTAL		-	8,779	132,745	259,466
300-00-6910000	CONTINGENCY	-	-	1,739,427	43,258
OTHER TOTAL		-	-	1,739,427	43,258
TOTAL URA EXPENSES		-	119,673	3,884,922	3,288,287
FAIRVIEW URA TOTAL		-	534,253	-	-