

**SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY
BUDGET COMMITTEE MEETING**

Tuesday, May 7, 2013, 5:30 p.m.

Library Meeting Room,
Springfield City Hall
225 Fifth Street
Springfield, Oregon

AGENDA

- | | | |
|---------------------------------|-----------------------------------|------------|
| A.) CALL TO ORDER | Current SEDA Chair, Hillary Wylie | |
| B.) ROLL CALL | Staff | 2 minutes |
| C.) ELECTION OF OFFICERS | Chair | 3 minutes |
| D.) NEW BUSINESS | | |
| 1. Opening Comments | Bob Duey | 5 minutes |
| 2. Budget Message | Jeff Towery & John Tamulonis | 10 minutes |
| 3. Public Comment | | 5 minutes |
| 4. Deliberations | All | 5 minutes |
| 5. Approval of Budget | All | 5 minutes |
| F.) ADJOURN | | |

ATTACHMENTS

- 1.) Springfield Economic Development Agency (SEDA) Proposed Budget
- 2.) Springfield Economic Development Agency (SEDA) Motions Explained



Proposed Budget
For the

SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY

Fiscal Year 2014



MEMORANDUM

SEDA BUDGET COMMITTEE

To: SEDA Budget Committee
From: John Tamulonis, CD Manager and SEDA Staff Liaison
Date: May 2, 2013
Subject: FY2014 Budget Message for Springfield Economic Development Agency

The Springfield Economic Development Agency (SEDA) is the Urban Renewal Agency for the City of Springfield that oversees both the 21-year Glenwood Urban Renewal Plan (GURP) started January 1, 2005 after adoption by City Council and Lane County, and the 19-year Downtown Urban Renewal Plan (DURP) started in January 1, 2008 after adoption by City Council.

The **Glenwood Urban Renewal Plan** (GURP) provides a financial framework for redeveloping the Glenwood area for industrial, commercial and residential uses by correcting blighted conditions and providing public infrastructure and programs to foster redevelopment. The proposed GURP FY2014 budget continues the initial strategies the SEDA Board set in 2005, expands on infrastructure projects to ensure long-term viability of Glenwood's economic development, and provides shorter-term incentives to stimulate major new investments:

1. Industrial development and redevelopment
2. Assessing and fostering new developer interest and opportunities for SEDA to assist with projects in the Glenwood Riverfront Plan area and for public infrastructure systems, and
3. Providing funding for the Environmental Analysis (EA) and planning for the City's proposed improvements to Franklin Boulevard to launch redevelopment and implement the updated Glenwood Refinement Plan along this important corridor.

Local developers have indicated potential private redevelopment projects for Glenwood and the importance of having Franklin Boulevard improved and the updated Refinement Plan in place. Updated land uses and new street networks north of Franklin Boulevard are in place with adoption in late 2012 to meet the community's growth and changes in the economy. SEDA also sees these as key to launching the redevelopment of Glenwood's Riverfront area, targeting public investment in infrastructure, and attracting and leveraging private investments. Industrial development has been slow and mostly awaits an economic upturn or the eventual completion of Phase 2 of the Glenwood Refinement Plan Update for the balance of the Glenwood area.

SEDA has committed funding this and next fiscal year for the Environmental Analysis of proposed improvements to Franklin Boulevard as a 'federalized' project that, once the study is completed, could allow and provide for federal funding opportunities and help projects needing access prior to full Franklin Boulevard improvements. There are two projects currently proposed in Glenwood: a hotel at the west end of Franklin Boulevard and residential housing in the key central mixed-use area.

One of SEDA's interests has been to acquire property and easements to start the public storm water system and protect waterways and wetlands. SEDA purchased three properties near the

Interstate 5 bridges to provide the first portion of a passive public storm water system needed for Glenwood's overall redevelopment. (These westerly properties will also help the I-5 Willamette River construction.) The SEDA Board has, since the outset of the Plan, been interested in modest property investments that help industrial and mixed-use development opportunities. Parcel remnants are now being offered for sale in FY2013 to private developers, and a sale that could enable redevelopment and recover funds for other SEDA investments.

SEDA's estimated actual FY2013 tax increment revenues for GURP are substantially over FY2013 budgeted revenues, with the additional (but not-readily-estimated increase) arising from a major development no longer exempt from property taxes through the Enterprise Zone Program.

- In the SEDA Glenwood General Fund – FY2013 saw allocated funds for the following projects:
 - Studies (Wetlands and Riparian areas on City-, private, and Lane County-owned areas) to assist the disposition of a portion of the former DAS property near the State Motor Pool on Franklin and the continued lease of City property (through September 2013 with possible extension until 2014) to Hamilton Construction to build the new I-5 Bridge;
 - Preparing for property acquisition through appraisals, environmental studies, and negotiations along the potential Franklin Boulevard right-of way;
 - The Glenwood Refinement Plan Update was funded through SEDA until final adoption and now through the appeal of portions of the Plan. (Phase 2 of the Update of the Refinement Plan for the interior residential areas and industrial areas along I-5/Glenwood Boulevard/Nugget Way/19th & 22nd Avenues will begin at some later date.);
 - Offering shorter-term incentives like paying for up to 100% of the Systems Development Charges (SDCs) for projects conforming to the Glenwood Refinement Plan Update Phase 1 and thus stimulate new investments (no firms have yet used this incentive to make improvements);
 - The Franklin Boulevard EA is underway with staff support and substantial consultant work to assess potential alternative designs, and potential impacts on businesses, residents, and environment using some SEDA funds with funds from several other sources.

For the **Downtown Urban Renewal Plan** (DURP), SEDA's estimated actual FY2013 tax increment revenues dropped slightly from budgeted amounts. These funds combined with other resources allow progress in either completing or beginning work on nearly all the items identified in implementing the Downtown Design Plan (adopted in September 2010) and in providing shorter-term incentives (e.g., paying for SDCs for projects conforming to the Downtown Plan) to stimulate new investments. Additional activities and projects may emerge through contractual activities from the continued work and energy of the Downtown Advisory Committee; the emergence of programs and projects for implementing wayfinding; and for NEDCO and its Main Street Program, Sprout! (a developing year-round farmers market, commissary kitchen, business assistance); and other programs, like façade improvements, for example.

- In the SEDA Downtown General Fund – FY13 saw funds allocated for the following projects:

- Implementing the Downtown Design Plan for initial work on
 - Evaluating Downtown transportation modifications and following up with possible alternative projects as a 'demonstration block' including public street/pedestrian lighting improvements, street/pedestrian treatments, street furniture, etc.;
 - Starting to implement the Parking Study by making signage consistent and placing new signs to improve and eventually enforce parking policies;
 - Providing shorter-term incentives like paying for 50% of the Systems Development Charges (SDCs) for projects conforming to the Downtown Plan and to stimulate new investments (five firms used these to make improvements);
- Sustainable Cities Year project funding for follow-up work for
 - Wayfinding designs and ideas to implement the previous recommendations for improving signage to-and-from and for Downtown destinations and attractions as part of the first implementation of a city-wide wayfinding project.
- In the SEDA Downtown General Fund – FY14 there are preliminary funds allocated for the initial property purchase of a building Downtown for the eventual development of the Mill Plaza--a catalyst project for the approved Downtown Urban Design Plan.

**Springfield Urban Renewal Agency
FY2013-2014 Proposed Budget
All Funds**

Account	FY11 Actual	FY12 Actual	FY13 Adopted	FY14 Proposed
<u>Resources</u>				
Current Taxes	438,753	449,782	799,000	785,000
Delinquent Taxes	14,969	9,635	9,000	9,000
Electric Co-ops In-Lieu-Of-Tax	443	194	200	200
Mckenzie Villag In-Lieu-O	2,882	-	-	-
Interest Income	1,093	355	100	100
Variance in FMV of Investments	(125)	381	-	-
Unsegregated Tax Interest	(235)	(215)	-	-
County Assess Interest	107	128	-	-
Lease Income	15,150	13,850	14,700	59,375
Miscellaneous Receipts	151	1,000	1,000	51,000
XFR From Fund 420	-	-	-	250,000
Proceeds from Comm'l Loan	-	-	400,000	-
Xfr from Fund 429	-	42,068	-	-
Interfund Loan Received	255,500	508,000	1,200,000	1,180,000
Beginning Cash Balance	42,700	44,680	5,724	7,988
Total All Resources	\$ 771,388	\$ 1,069,857	\$ 2,429,724	\$ 2,342,663
<u>Requirements</u>				
Contractual Services	78,724	72,467	505,000	264,000
Attorney Fees	3,623	5,158	25,000	25,000
Computer Equipment	-	974	1,200	1,200
Advertising	3,227	2,360	7,500	7,500
Duplicating Supplies	450	142	1,300	1,300
Travel & Meeting Expenses	357	1,106	1,100	1,100
Government ethics Comm charges	202	260	378	378
Utilities	288	667	250	250
Memberships, Books, Subscrips	778	941	1,050	1,050
Postage & Shipping Charges	1	-	700	700
Office Supplies	1,301	3,273	2,250	2,250
Commuter Trip Reduction	72	-	-	-
Program Expense	5,912	3,715	16,000	16,000
Sustainable Cities	-	41,661	-	-
Employee Development	70	2,415	-	-
Internal Contractual Services	245,834	267,761	166,123	214,085
Operating Budget	\$ 340,839	\$ 402,900	\$ 727,851	\$ 534,813
Franklin NEPA	-	-	-	-
SEDA Property Purchases	-	249,000	832,750	780,000
SEDA Capital Improvements	-	-	-	220,000
Capital Budget	\$ -	\$ 249,000	\$ 832,750	\$ 1,000,000
Operating Reserve	-	-	67,373	22,850
XFR To Fund 229	-	42,068	-	-
SEDA Interfund Loan Principal	382,602	367,390	784,100	777,950
SEDA Interfund Loan Interest	3,267	2,775	17,650	7,050
Non-Departmental Budget	\$ 385,870	\$ 412,233	\$ 869,123	\$ 807,850
Total All Requirements	\$ 726,709	\$ 1,064,133	\$ 2,429,724	\$ 2,342,663

**Springfield Urban Renewal Agency
FY2013-2014 Proposed Budget
SEDA Glenwood General Fund 229**

Account	FY11 Actual	FY12 Actual	FY13 Adopted	FY14 Proposed
<u>Resources</u>				
Current Taxes	264,318	278,961	625,000	645,000
Delinquent Taxes	9,797	6,408	5,000	5,000
Electric Co-ops In-Lieu-Of-Tax	119	117	100	100
Mckenzie Villag In-Lieu-O	2,882	-	-	-
Interest Income	106	233	-	-
Variance in FMV of Investments	(387)	392	-	-
Unsegregated Tax Interest	(158)	(144)	-	-
County Assess Interest	64	79	-	-
Lease Income	15,150	13,850	14,700	15,375
Xfr from Fund 429	-	42,068	-	-
Interfund Loan Received	178,000	472,500	600,000	400,000
Beginning Cash Balance	978	1,832	4,660	3,463
Total All Resources	\$ 470,869	\$ 816,295	\$ 1,249,460	\$ 1,068,938
<u>Requirements</u>				
Contractual Services	29,711	31,906	396,000	151,000
Attorney Fees	1,330	4,344	20,000	20,000
Computer Equipment	-	643	800	800
Advertising	973	747	4,500	4,500
Duplicating Supplies	195	71	1,000	1,000
Travel & Meeting Expenses	227	1,045	850	850
Government ethics Comm charges	101	135	253	253
Memberships, Books, Subscrips	250	315	600	600
Postage & Shipping Charges	-	-	400	400
Office Supplies	516	2,451	1,500	1,500
Commuter Trip Reduction	72	-	-	-
Program Expense	200	774	10,000	10,000
Sustainable Cities	-	19,426	-	-
Employee Development	-	1,208	-	-
Internal Contractual Services	161,348	214,202	103,359	165,619
Operating Budget	\$ 194,923	\$ 277,266	\$ 539,262	\$ 356,522
SEDA Property Purchases	-	249,000	50,000	50,000
Capital Budget	\$ -	\$ 249,000	\$ 50,000	\$ 50,000
Operating Reserve	-	-	45,098	17,416
SEDA Interfund Loan Principal	271,220	282,773	600,100	639,200
SEDA Interfund Loan Interest	2,895	2,597	15,000	5,800
Non-Departmental Budget	\$ 274,115	\$ 285,369	\$ 660,198	\$ 662,416
Total All Requirements	\$ 469,038	\$ 811,635	\$ 1,249,460	\$ 1,068,938

**Springfield Urban Renewal Agency
FY2013-2014 Proposed Budget
SEDA Downtown General Fund 230**

Account	FY11 Actual	FY12 Actual	FY13 Adopted	FY14 Proposed
<u>Resources</u>				
Current Taxes	174,435	170,821	174,000	140,000
Delinquent Taxes	5,172	3,226	4,000	4,000
Electric Co-ops In-Lieu-Of-Tax	324	77	100	100
Interest Income	267	122	100	100
Variance in FMV of Investments	(208)	(11)	-	-
Unsegregated Tax Interest	(77)	(71)	-	-
County Assess Interest	43	49	-	-
Lease Income	-	-	-	44,000
Miscellaneous Receipts	151	1,000	1,000	51,000
XFR From Fund 420	-	-	-	250,000
Proceeds from Comm'l Loan	-	-	400,000	-
Interfund Loan Received	77,500	35,500	600,000	780,000
Beginning Cash Balance	843	780	1,064	4,525
Total All Resources	\$ 258,451	\$ 211,494	\$ 1,180,264	\$ 1,273,725
<u>Requirements</u>				
Contractual Services	49,014	40,562	109,000	113,000
Attorney Fees	2,293	814	5,000	5,000
Computer Equipment	-	331	400	400
Advertising	2,254	1,613	3,000	3,000
Duplicating Supplies	255	71	300	300
Travel & Meeting Expenses	130	62	250	250
Government ethics Comm charges	101	125	125	125
Utilities	288	667	250	250
Memberships, Books, Subscrips	528	626	450	450
Postage & Shipping Charges	1	-	300	300
Office Supplies	785	822	750	750
Program Expense	5,712	2,941	6,000	6,000
Sustainable Cities	-	22,235	-	-
Employee Development	70	1,208	-	-
Internal Contractual Services	84,485	53,559	62,764	48,466
Operating Budget	\$ 145,916	\$ 125,634	\$ 188,589	\$ 178,291
SEDA Property Purchases	-	-	782,750	730,000
SEDA Capital Improvements	-	-	-	220,000
Capital Budget	\$ -	\$ -	\$ 782,750	\$ 950,000
Operating Reserve	-	-	22,275	5,434
SEDA Interfund Loan Principal	111,383	84,617	184,000	138,750
SEDA Interfund Loan Interest	372	178	2,650	1,250
Non-Departmental Budget	\$ 111,755	\$ 84,796	\$ 208,925	\$ 145,434
Total All Requirements	\$ 257,671	\$ 210,429	\$ 1,180,264	\$ 1,273,725

Springfield Urban Renewal Agency
 FY2013-2014 Proposed Budget
 SEDA Glenwood Capital Projects Fund 429

Account	FY11 Actual	FY12 Actual	FY13 Adopted	FY14 Proposed
<u>Resources</u>				
Interest Income	720	-	-	-
Variance in FMV of Investments	470	-	-	-
Beginning Cash Balance	40,878	42,068	-	-
Total All Resources	\$ 42,068	\$ 42,068	\$ -	\$ -
<u>Requirements</u>				
Franklin NEPA	-	-	-	-
SEDA Property Purchases	-	-	-	-
Capital Budget	\$ -	\$ -	\$ -	\$ -
XFR To Fund 229	-	42,068	-	-
Non-Departmental Budget	\$ -	\$ 42,068	\$ -	\$ -
Total All Requirements	\$ -	\$ 42,068	\$ -	\$ -

Springfield Urban Renewal Agency
 FY2013-2014 Proposed Budget
 SEDA Downtown Capital Projects Fund 430

Account	FY11 Actual	FY12 Actual	FY13 Adopted	FY14 Proposed
<u>Resources</u>				
Proceeds from Comm'l Loan	-	-	-	-
Total All Resources	\$ -	\$ -	\$ -	\$ -
<u>Requirements</u>				
SEDA Property Purchases	-	-	-	-
Capital Budget	\$ -	\$ -	\$ -	\$ -

NON-DEPARTMENTAL Reserves: Non-Dedicated and Dedicated Budgets

Reserves - Non-Dedicated Balance accounts represent the estimated resources which remain undesignated for current or future appropriation. These accounts provide for cash flow requirements during the fiscal year. This estimate appears in the budget for balancing purposes only. These funds cannot be expended without specific authorization by the SEDA Board.

Reserves - Dedicated Balance accounts represent the estimated resources which have been established as the result of contributions to the specific reserve for future appropriation needs. Dedicated reserves provides for cash flow requirements during the fiscal year. This estimate appears in the budget for balancing purposes only. These funds can only be transferred for expenditure based on authorization by the SEDA Board.

Financial Summary of Reserves - All Funds

SEDA Downtown General Fund 230			
Non-Dedicated	\$	5,434	
Subtotal			\$ 5,434
SEDA Glenwood General Fund 229			
Non-Dedicated	\$	17,416	
Subtotal			\$ 17,416
Total Reserves			<u>\$ 22,850</u>

NON-DEPARTMENTAL Interfund Transfers and Loans

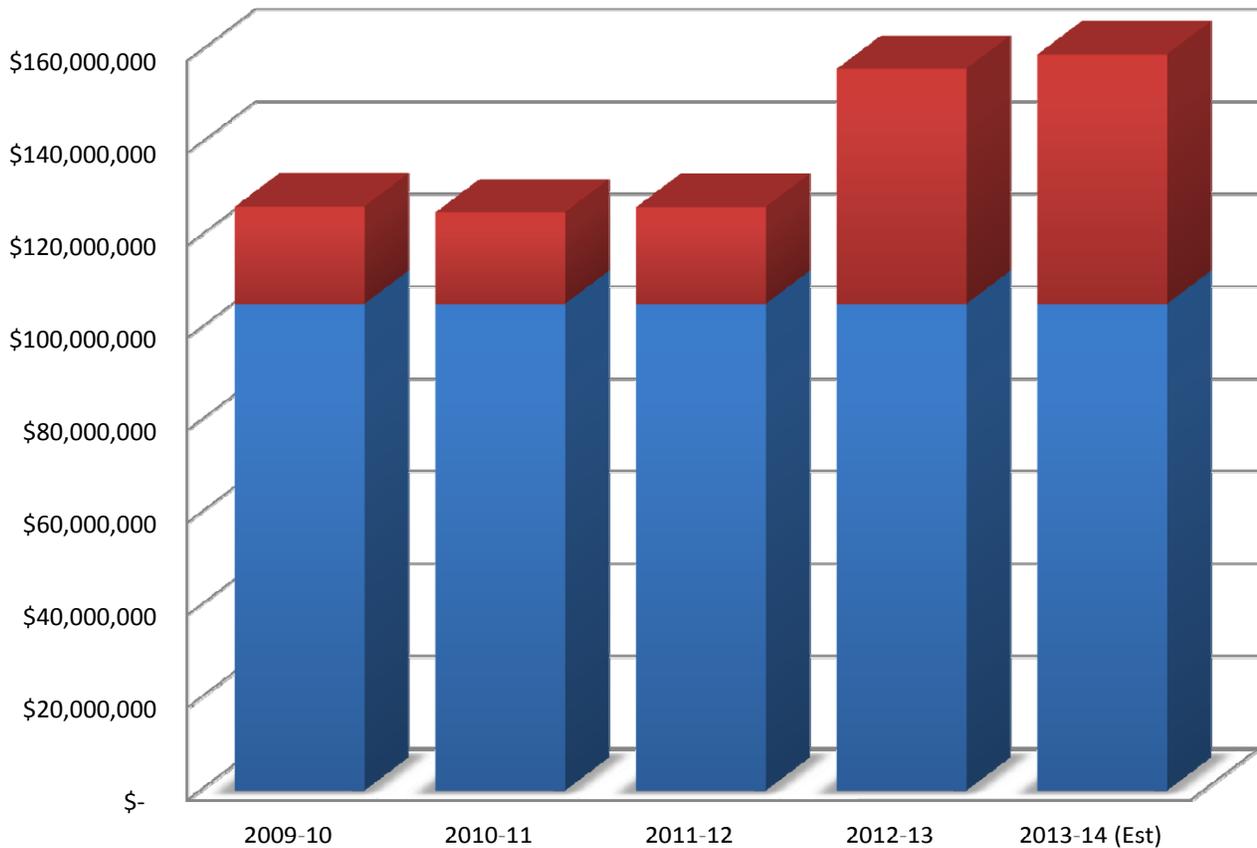
Interfund transfers are authorized by ORS 294.352 and ORS 294.361 and represent transfers of resources between funds for the repayment of costs incurred by one fund on behalf of another, or represent transfer of equity between funds.

Interfund loans are authorized by ORS 294.460 and represent loans made from one fund to another. Oregon Local Budget Law requires that loans appropriated for operating purposes be paid back in the following fiscal year, while capital loans must be repaid within five years.

Financial Summary of Transfers and Loans - All Funds

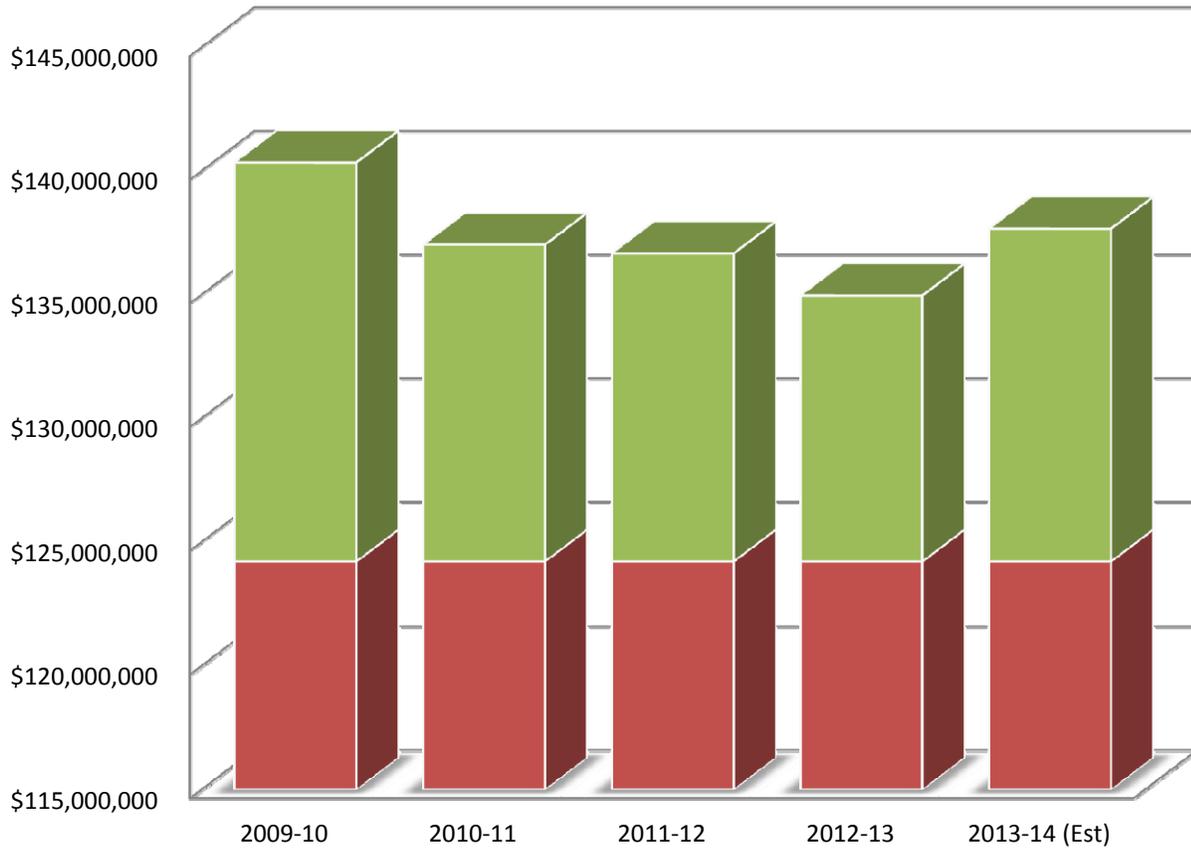
From SEDA Glenwood General Fund			
To City of Springfield (Loan Principal)	\$	639,200	
To City of Springfield (Loan Interest)		5,800	
Subtotal			\$ 645,000
From SEDA Downtown General Fund			
To City of Springfield (Loan Principal)	\$	138,750	
To City of Springfield (Loan Interest)		1,250	
Subtotal			\$ 140,000
Total Interfund Transfers and Loans			<u>\$ 785,000</u>

Glenwood URA Assessed Valuation



Glenwood					
	2009-10	2010-11	2011-12	2012-13	2013-14 (Est)
Taxable Value	126,431,659	125,198,398	126,354,435	156,265,285	159,390,591
Frozen Value	\$ 105,384,196	\$ 105,384,196	\$ 105,384,196	\$ 105,384,196	\$ 105,384,196
Marginal Increase	\$ 21,047,463	\$ 19,814,202	\$ 20,970,239	\$ 50,881,089	\$ 54,006,395
	-3.55%	-0.98%	0.92%	24.81%	26.15%
	-12.67%	-5.86%	5.83%	156.79%	157.54%

Downtown URA Assessed Valuation



Downtown					
	2009-10	2010-11	2011-12	2012-13	2013-14 (Est)
Taxable Value	140,353,637	137,033,197	136,679,261	134,978,844	\$ 137,678,421
Frozen Value	\$ 124,231,412	\$ 124,231,412	\$ 124,231,412	\$ 124,231,412	\$ 124,231,412
Marginal Increase	\$ 16,122,225	\$ 12,801,785	\$ 12,447,849	\$ 10,747,432	\$ 13,447,009
	12.98%	-2.37%	-0.26%	-1.24%	0.73%
		-20.60%	-2.76%	-13.66%	8.03%

Springfield Urban Renewal Agency Budget Committee Action Required for Approval of FY14 Proposed Budget

The Urban Renewal Budget Committee's charge is to receive the **Proposed Budget** from the City Manager and, through deliberations, recommend an **Approved Budget** to the Urban Renewal Agency. The Urban Renewal Agency, through a public hearing process, approves a final **Adopted Budget** for the following fiscal year.

The recommendation of an Approved Budget to the Urban Renewal Agency, completed through a single, or series of, motions and votes, contains one primary point, which is:

- ↪ A motion to **“approve the budget as proposed by the City Manager in the amount of \$2,342,663, with the following changes...”** The motion then continues to identify the changes, by description and dollar amount, that the Agency would like to see made. The approval of specific dollar appropriations and the total budget for the following year's budget would follow the budgets as presented by the Springfield Urban Renewal Agency and detailed in the budget handouts.

- ↪ A motion to **“recommend that the Springfield Urban Renewal Agency Board of Directors request that the County Assessor provide the maximum amount of revenue for the Urban Renewal Plan areas that may be raised by dividing the taxes under section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.** This motion asks the SEDA Board to request the County Assessor to provide all the tax revenue the two districts are entitled to under the Oregon Constitution and the Oregon Revised Statutes.