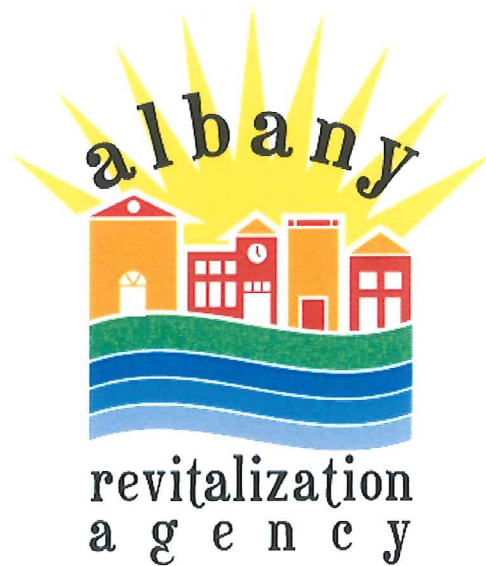


# **Albany Revitalization Agency (ARA)**



**2015-2016**

**ADOPTED BUDGET**

**2015-2016**  
**ARA ADOPTED BUDGET**

**BUDGET COMMITTEE**

ARA Agency

Floyd Collins, Agency Chair  
Bill Coburn  
Rich Kellum  
Bessie Johnson  
Ray Kopczynski  
Sharon Konopa  
Dick Olsen

Lay Members

Susan Folden, Budget Chair  
Dick Conolly  
Colleen Keller  
Jeff Christman  
Scott Pierson  
Will Summers  
Michael Thomson

Administrative Staff

Wes Hare, City Manager  
Stewart Taylor, Finance Director  
Kate Porsche, Economic Development and Urban  
Renewal Director  
Anne Baker, Senior Accountant  
Jeanna Yeager, Senior Accountant  
Mary Dibble, City Clerk

**ALBANY REVITALIZATION AREA (ARA)  
URBAN RENEWAL DISTRICT  
Fiscal Year 2015-2016 BUDGET MESSAGE**

Honorable Chairperson, Budget Committee members, and citizens of Albany, I am pleased to present the Albany Revitalization Area (ARA) Proposed Budget of \$8,457,500 for Fiscal Year (FY) 2015-2016.

Urban renewal is one of the most utilized economic development tools in Oregon but is also controversial and misunderstood. Tax increment financing and urban renewal districts are governed by complex rules and are often described in arcane terms. The concept of urban renewal, however, is relatively simple.

Most people understand the idea of taking a portion of their current salary and investing it somewhere to build a retirement income. This “deferred compensation” just means that money a family could use to pay current bills or to buy new things is instead put into some form of investment that is expected to yield benefits years in the future. Urban renewal is similar in that it takes a small portion of the appreciated value of property in a given area and invests it in projects that are expected to increase the overall value of the district over time, eliminate blight, and stimulate investment. Oregon’s experience with urban renewal suggests that this strategy has been generally successful around the state, and Albany’s district has shown similar results.

The Central Albany Revitalization Area (CARA) is the one urban renewal district in place in the city of Albany. It is overseen by the Albany Revitalization Agency. In place since 2001, the CARA District has worked to meet the community goals and objectives of eliminating blighting influences, revitalizing Central Albany through attracting new private investment, and enhancing the existing private and public investments in the area.

During the last fiscal year, the CARA Advisory Board has implemented their new slate of new public/private funding programs paired with a potential borrowing to strategically invest in a public infrastructure project(s).

At the core of the policy are the overarching goals and projects listed in the Urban Renewal Plan, which include:

- Provide a safe and convenient transportation network that encourages pedestrian and bicycle access to and within the town center.
- Preserve the historic districts, historic resources, and existing housing in the area.
- Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.
- Increase residential density in the area.
- Encourage the development of new forms of housing and home ownership.
- Enhance and protect the community and environmental values of waterway corridors in the area.
- Provide an enriching environment and livable neighborhoods.

New public/private partnership programs include: Architectural Assistance Grant, Small Grants, Storefront Revitalization Grant, and Loan Program for Focus Area.

Additionally, strategic investment in key public infrastructure projects is a traditional role for urban renewal funds—the investment in these projects is meant to remove barriers for development or spur the economy so that blight is removed and private investment will follow.

The CARA Advisory Board received public input regarding prioritization of public projects at their open house in October. Feedback from citizens indicated three top-tier priorities: Downtown Streetscape, Water Avenue Streetscape, and improvements to the Dave Clark Path. Work is underway now on the design and a plan for downtown streetscape work and refinement of the Water Avenue Streetscape. Additionally, in coordination with the Albany Police Department, CARA is considering new lighting of the Dave Clark path to create a safer, more usable public space.

This public process complements the previously completed work on the Retail Refinement study with the firm Crandall Arambula. Funding was established for the high-priority projects from that plan, including the Wayfinding signage package for downtown (final design is underway), parking lot resurfacing in two downtown lots (now complete), and design work for the Monteith Riverpark Expansion project. Initial review of the potential slip-lane on Lyon Street at First Avenue is complete, but this project is a no-go due to ODOT limitations at the intersection.

With the new funding programs back on line, the Board has begun to hear requests for a small number of loans and grants. Additionally, larger projects, such as Edgewater Village, Woodland Square, and completion of the design work on the Albany Carousel and Museum building, continue to move forward. Woodland Square is nearly complete, and the first five homes at Edgewater Village are under construction now—both pivotal projects for the area.

In review of the current fiscal year, the only bonds on the books are the 2007 Tax-Exempt Bonds (Series A). The payments transitioned from interest only to interest and principal payments this year.

A portion of the project funds shown in the FY2015-2016 budget has already been earmarked to fund different projects. These projects were approved by the ARA during previous years. The remaining balance, seen in the "Reserve: CARA Projects" line item, will be available to fund projects as the Agency sees fit.

Budget authority for a new loan in the amount of \$3,030,000 was included in the FY2013-2014 and FY2014-2015 budgets, but the loan was never taken. This loan amount is included in the FY2015-2016 budget. Best practices statewide and policy discussions so far indicate these funds would be used for public infrastructure projects, as borrowing for infrastructure work means a better interest rate on the loan and is a typical structure that lenders are used to. It should be noted, though, that the decision to complete a new borrowing, as well as its use, is a decision for the CARA Advisory Board, and ultimately, the ARA.

Kate Porsche serves in her role as Economic Development and Urban Renewal Director. She has worked to balance the new duties as Economic Development Director while continuing her responsibilities related to the day-to-day activities of the urban renewal district including budget tracking, project management, committee support, marketing, contract negotiation, and administrative functions. The new UR Coordinator Position approved in the 2014-2015 budget was put on hold and has been delete from the proposed budget.

We look to the new fiscal year to carefully consider future projects, how to best leverage private funding, borrowing capacity, and creative ways to partner with other community organizations in the advancement of Central Albany.

Respectfully submitted,



Wes Hare, City Manager

## DEPARTMENT THEMES AND GOALS

### Albany Revitalization Agency

**Responsible Manager/Title:** Kate Porsche, Economic Development and Urban Renewal Director

---

#### Great Neighborhoods

Reduce blight in Central Albany, achieve goals and objectives of the CARA and City of Albany Comprehensive Plans, and implement development strategies and objectives for CARA by:

- Providing financial incentives and tools for partnerships with residents and businesses to enhance vitality and livability of the community including:
  - viable and vibrant downtown core
  - the preservation and enhancement of the historic districts
- Attracting new private investment to the area.

#### Safe City

Make Albany an attractive community by promoting investment and eliminating blight and increasing public safety.

Provide a safe and convenient transportation network that encourages pedestrian and bicycle access to and within the town center.

Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.

Upgrade or restore water, sewer, and specific roadway systems.

Rehabilitate blighted properties to reduce property code violations, substandard housing conditions, and inadequate infrastructure.

#### Healthy Economy

Provide financial incentives and tools that support partnerships between government agencies, local businesses, and residents to enhance the value and diversity of Albany's economy by:

- Retaining and enhancing the value of existing private investment and public investment in the area.
- Leveraging urban renewal funds and economic development funds to become a catalyst for redevelopment throughout the city.

#### Effective Government

Develop partnerships and projects that leverage redevelopment tools to maximize benefits to Albany residents and businesses through a fair and streamlined process by:

- Conducting business in an efficient and effective manner to maximize funds and achieve desired results.
- Retaining and enhancing the value of existing private investment and public investment in the area.

## PROGRAM NARRATIVE

### ALBANY REVITALIZATION AGENCY: ALBANY REVITALIZATION AREA (290-11-1102)

**Responsible Manager/Title:** Kate Porsche, Economic Development and Urban Renewal Director

#### FUNCTIONS AND RESPONSIBILITIES

- Promote revitalization within the boundaries of the Urban Renewal District through investment in public infrastructure and public/private partnerships.
- Establish activities and funding programs in response to private sector needs while balancing the interests of the community at-large.
- Further goals of the CARA Plan include attracting new private investment to the area, increasing residential density, and providing an enriching environment and livable neighborhoods.
- This activity provides for payment of the principal and interest on the bond sale established in 2007 and anticipates a new 2015 bond (2015 Bond). Debt service is paid from current property tax increment revenues.
- The Central Albany Revitalization Area Agency has issued CARA Urban Renewal Revenue Bonds, Series 2007A tax-exempt of \$2,822,000, dated October 15, 2007.
- The Series 2007A tax-exempt bonds are payable semiannually on June 15 and December 15. The interest rate is 4.85 percent. The maturity date is June 15, 2022. Principal payments began FY 2014-2015 and increase in 2015-2016.
- This budget creates the spending authority for the 2015 Bond in the anticipated amount of \$3,030,000. Principal and interest payments and a reserve have been estimated and included in this budget. Calculations were based on an estimated interest rate of 4 percent over a 15-year term. A maturity schedule is not attached since this loan has not yet been made.
- The Bond Registrar for the 2007 issue is Bank of America N. A., Portland, Oregon. The Bond Counsel is Orrick, Herrington & Sutcliffe LLP. The Financial Advisor is Regional Financial Advisors, Inc., Portland, Oregon.
- A reserve is required in the amount of \$282,200 for the Series 2007A bonds. There will be an estimated reserve of \$272,500 required for the new 2015 bond.
- The maximum indebtedness, or maximum amount of debt that can be issued or incurred under the plan, is \$56,000,000, of which there is \$39,890,689 remaining at the end of FY 2013-2014. Collection of tax increment funds for every urban renewal plan is limited by the plan's stated maximum indebtedness.

#### STRATEGIES/ACTIONS

Strategic Plan Theme	Target Date	Status	Strategies/Actions
<b>Budget Year 2014-2015</b>			
Healthy Economy	12/14	Completed	<ul style="list-style-type: none"> <li>• Hold public open house to solicit feedback on prioritization of public infrastructure projects.</li> </ul>
	06/15	Completed	<ul style="list-style-type: none"> <li>• Complete partnership with owners of projects begun in 2013.</li> </ul>
<b>Budget Year 2015-2016</b>			
Healthy Economy	12/15		<ul style="list-style-type: none"> <li>• Finalize design and prioritize spending for street projects.</li> </ul>
	06/16		<ul style="list-style-type: none"> <li>• Complete partnership with owners of projects begun in 2014.</li> </ul>

**PROG 1102: CARA**

<b>Acct# Description</b>	<b>2012-2013 Actual</b>	<b>2013-2014 Actual</b>	<b>2014-2015 Adopted</b>	<b>2014-2015 Revised</b>	<b>2015-2016 Adopted</b>	<b>% Change</b>
<b>REVENUES</b>						
Property Taxes	2,129,125.04	2,341,070.89	2,624,200	2,624,200	2,314,700	-11.79%
Miscellaneous Revenue	57,645.31	161,972.68	3,084,600	3,084,600	3,098,500	0.45%
Investment Earnings	27,812.88	14,700.76	5,500	5,500	5,500	- %
Beginning Balance	2,386,631.00	1,232,391.82	2,036,400	2,036,400	3,038,800	49.22%
<b>TOTAL REVENUES</b>	<b>4,601,214.23</b>	<b>3,750,136.15</b>	<b>7,750,700</b>	<b>7,750,700</b>	<b>8,457,500</b>	<b>9.12%</b>
<b>EXPENDITURES</b>						
Materials & Services	800,963.03	195,100.42	6,513,100	6,438,500	5,711,500	-11.29%
Capital	(7,860.92)	73,149.17	-	74,600	-	-100.00%
Transfers Out	111,900.00	119,600.00	147,500	147,500	1,455,000	886.44%
Debt Service	2,463,820.30	624,561.44	1,090,100	1,090,100	1,291,000	18.43%
<b>TOTAL EXPENDITURES</b>	<b>3,368,822.41</b>	<b>1,012,411.03</b>	<b>7,750,700</b>	<b>7,750,700</b>	<b>8,457,500</b>	<b>9.12%</b>

Mid-Valley  
**Newspapers**  
 ALBANY Democrat-Herald CORVALLIS Gazette-Times LEBANON EXPRESS

**NOTICE OF ALBANY REVITALIZATION AGENCY HEARING**

The Albany Revitalization Agency (ARA) will hold a PUBLIC HEARING on Tuesday, June 9, 2015, immediately following the Central Albany Revitalization Area (CARA) Advisory Board meeting that begins at 5:15 p.m. in the Albany City Hall Council Chambers, 333 Broadalbin SW, Albany. The purpose of this meeting is to discuss the ARA Budget for Fiscal Year beginning July 1, 2015, as approved by the ARA Budget Committee on May 7, 2015. The public is invited to present any written or oral testimony at that time. A summary of the approved budget is presented below.

The ARA Approved Budget document is on the City of Albany website at [www.cityofalbany.net/departments/finance/budget-information](http://www.cityofalbany.net/departments/finance/budget-information); or a copy may be inspected at City Hall, 333 Broadalbin Street SW, Albany, between the hours of 8:00 a.m. and 5:00 p.m.

The ARA Budget is for Fiscal Year 2015-2016, and was prepared on a basis of accounting that is the same as the preceding year.

**FINANCIAL SUMMARY - RESOURCES**

	Actual		Adjusted	Approved
	2013-14	2014-15	2014-15	2015-16
Beginning Fund Balance	\$ 1,232,391.82	\$ 2,036,400	\$ 3,038,800	\$ 3,038,800
Loan Proceeds	-	3,030,000	3,030,000	3,030,000
Other Resources	176,673.44	60,100	74,000	74,000
Revenue from division of tax	2,341,070.89	2,624,200	2,314,700	2,314,700
<b>Total Resources</b>	<b>\$ 3,750,136.15</b>	<b>\$ 7,750,700</b>	<b>\$ 8,457,500</b>	<b>\$ 8,457,500</b>

**FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION**

Materials and Services	\$ 195,100.42	\$ 6,438,500	\$ 7,000,500
Capital Outlay	73,149.17	74,600	74,600
Interfund Transfers	119,600.00	147,500	166,000
Debt Service	624,561.44	1,090,100	1,291,000
<b>Total Requirements</b>	<b>\$ 1,012,411.03</b>	<b>\$ 7,750,700</b>	<b>\$ 8,457,500</b>

**FINANCIAL SUMMARY - REQUIREMENTS BY PROGRAM**

CARA	\$ 1,012,411.03	\$ 7,750,700	\$ 8,457,500
FTE	-	-	-
<b>Total Requirements</b>	<b>\$ 1,012,411.03</b>	<b>\$ 7,750,700</b>	<b>\$ 8,457,500</b>
<b>Total FTE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**STATEMENT OF INDEBTEDNESS**

	Debt Outstanding July 1, 2014	Debt Authorized but Not Incurred July 1, 2015
2007 CARA Series A Tax-exempt	\$ 2,822,000	\$ -

If you have questions about the meeting or need more information, please contact Stewart Taylor, City of Albany Finance Director, at (541) 917-7521. This notice is given in accordance with provisions of the Oregon Revised Statutes, Chapter 294.426.

DATED THIS 20th DAY OF MAY 2015.  
 Stewart Taylor  
 Finance Director  
 #34110

PUBLISH: May 20, 2015

**AFFIDAVIT OF PUBLICATION**

State of Oregon

ss )

County of Linn

I, Pam Burright, being first duly sworn depose and say, that I am the Legal Clerk of the Democrat-Herald, a newspaper of general circulation, as defined by section 193.010 O.R.S., published at 600 Lyon St SW, Albany, OR in the aforesaid county and state; that the advertisement number 34110 for the account number 60000049, described as NOTICE OF ALBANY REVITALIZATION, a copy is hereto annexed, was published in the entire issue of said newspaper.

Start Date: 2015-05-20

Stop Date: 2015-05-20

Insertions: 1

*Pam Burright*  
 Pam Burright  
 Legal Clerk

*Cyndi Rae Sprinkel-Hart*  
 Subscribed and sworn to before me on June 15, 2015  
 Cyndi Rae Sprinkel-Hart, Notary



RECEIVED

JUN 22 2015

CITY OF ALBANY  
 FINANCE DEPARTMENT



ARA RESOLUTION NO. 2015-01

A RESOLUTION ADOPTING THE ALBANY REVITALIZATION AGENCY (ARA) BUDGET FOR FISCAL YEAR 2015-2016.

WHEREAS the ARA Budget Committee held a public meeting on the proposed Fiscal Year 2015-2016 ARA Budget on May 7, 2015; and

WHEREAS the ARA Budget Committee approved the Fiscal Year 2015-2016 ARA Budget on May 7, 2015, with the passage of Resolution No. ARA B 2015; and

WHEREAS the ARA held a public hearing to receive any additional input on the approved Fiscal Year 2015-2016 ARA Budget on June 9, 2015;

NOW THEREFORE BE IT RESOLVED that the Albany Revitalization Agency hereby adopts the Fiscal Year 2015-2016 Budget in the amount of \$8,457,500.

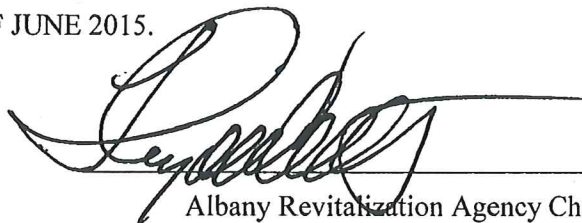
BE IT FURTHER RESOLVED that the amounts for the fiscal year beginning July 1, 2015, and for the purposes shown below are hereby appropriated as follows:

**ALBANY REVITALIZATION AGENCY**

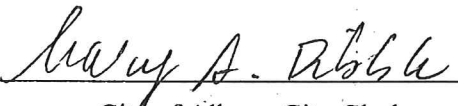
CARA Urban Renewal Area	\$7,002,500
Transfer Out	1,455,000; and

BE IT FURTHER RESOLVED that the ARA hereby approves certification to the County Assessors (Linn and Benton Counties) a request for the CARA 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.

DATED AND EFFECTIVE THIS 9TH DAY OF JUNE 2015.

  
Albany Revitalization Agency Chair

ATTEST:

  
City of Albany City Clerk