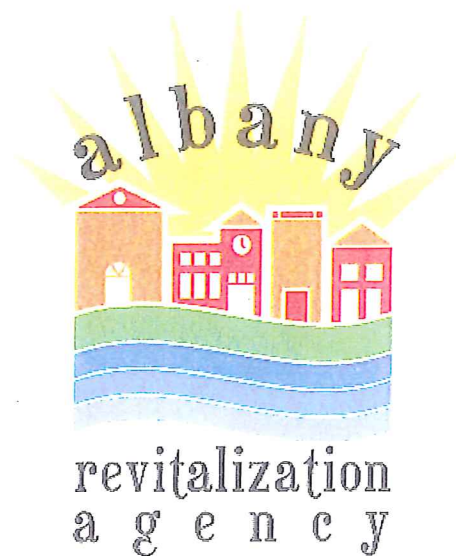


Albany Revitalization Agency (ARA)



2016-2017

ADOPTED BUDGET

2016-2017
ARA ADOPTED BUDGET

BUDGET COMMITTEE

ARA Agency

Floyd Collins, Agency Chair
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Kate Porsche, Economic Development and Urban Renewal Director
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Mary Dibble, City Clerk

**ALBANY REVITALIZATION AREA (ARA)
URBAN RENEWAL DISTRICT
Fiscal Year 2016-2017 BUDGET MESSAGE**

Honorable Chairperson, Budget Committee members, and citizens of Albany, I am pleased to present the Albany Revitalization Area (ARA) Proposed Budget of \$12,866,700 for Fiscal Year (FY) 2016-2017.

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 continued to implement their slate of public/private funding programs paired with a potential borrowing to strategically invest in a public infrastructure project(s) including the proposed Downtown Streets Projects and investment in Fire Station 11 and the new Albany Police Station.

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.

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 an open house held in June 2014. Feedback from citizens indicated three top-tier priorities: Downtown Streetscape, Water Avenue Streetscape, and improvements to the Dave Clark Path. Work is now

underway on the final designs and a plan for downtown streetscape work. Additionally, in coordination with the Albany Police Department, CARA is installing new lighting of the Dave Clark Path to create a safer, more usable public space. Future consideration will be given to the Water Avenue Streetscape.

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 public/private funding programs, the Board has begun to hear requests for a small number of loans and grants. Additionally, larger projects, such as Edgewater Village and completion of the Albany Carousel and Museum building, continue to move forward. Woodland Square is now complete, and the first five homes at Edgewater Village are also complete with the next two 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 last year.

Some of the project funds shown in the FY2016-2017 budget have been previously allocated 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 FY2013-2015 budgets, but the loan was never taken. This loan amount was increased to \$8,000,000 to cover the estimated costs for the downtown streetscape projects and is included in the FY2016-2017 budget. Best practices statewide and policy discussions so far indicate these funds would be used for the streets projects, a public infrastructure project, 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 her 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 2015-2016 budget allocated funding for a temporary employee. Nathan Reid joined the team serving as a temporary employee in the Economic Development/Urban Renewal Coordinator position since June 9, 2015. The proposed budget recommends making this a regular, full-time Urban Renewal Officer position.

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 2016 bond (2016 Bond). Debt service is paid from current property tax increment revenues.
- The Albany Revitalization 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.
- This budget creates the spending authority for the 2016 Bond in the anticipated amount of \$8,000,000. 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 \$719,500 required for the new 2016 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 \$37,767,405 remaining at the end of FY 2014-2015. 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
Budget Year 2015-2016			
Healthy Economy	06/16	In Progress	<ul style="list-style-type: none"> ◦ Finalize design and prioritize spending for street projects.
	06/16	Completed	<ul style="list-style-type: none"> ◦ Complete partnership with owners of projects begun in 2014.
Budget Year 2016-2017			
Healthy Economy	06/17		<ul style="list-style-type: none"> ◦ Complete partnership with owners of projects begun in 2015.

PROG 1102: CARA

<u>Acct# Description</u>	<u>2013-2014 Actual</u>	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Revised</u>	<u>2016-2017 Adopted</u>	<u>% Change</u>
REVENUES						
Property Taxes	2,341,070.89	2,334,875.74	2,314,700	2,314,700	2,226,000	-3.83%
Miscellaneous Revenue	161,972.68	120,173.27	3,098,500	3,098,500	8,088,900	161.06%
Investment Earnings	14,700.76	17,081.70	5,500	5,500	5,500	- %
Beginning Balance	1,232,391.82	2,737,725.12	3,038,800	3,038,800	2,546,300	-16.21%
TOTAL REVENUES	3,750,136.15	5,209,855.83	8,457,500	8,457,500	12,866,700	52.13%
EXPENDITURES						
Materials & Services	195,100.42	894,891.03	5,711,500	5,172,900	10,422,000	101.47%
Capital	73,149.17	103.72	-	372,600	-	- %
Transfers Out	119,600.00	147,500.00	1,455,000	1,621,000	259,900	-83.97%
Debt Service	624,561.44	262,867.00	1,291,000	1,291,000	2,184,800	69.23%
TOTAL EXPENDITURES	1,012,411.03	1,305,361.75	8,457,500	8,457,500	12,866,700	52.13%

PROG 1102 CARA

Revenues less Expenditures 2,737,725.12 3,904,494.08 - - -

ARA RESOLUTION NO. 2016-07

A RESOLUTION ADOPTING THE ALBANY REVITALIZATION AGENCY (ARA) BUDGET FOR FISCAL YEAR 2016-2017.

WHEREAS the ARA Budget Committee held a public meeting on the proposed Fiscal Year 2016-2017 ARA Budget on May 10, 2016; and

WHEREAS the ARA Budget Committee approved the Fiscal Year 2016-2017 ARA Budget on May 10, 2016, with the passage of Resolution No. ARA B 2016; and

WHEREAS the ARA held a public hearing to receive any additional input on the approved Fiscal Year 2016-2017 ARA Budget on June 15, 2016;

NOW THEREFORE BE IT RESOLVED that the Albany Revitalization Agency hereby adopts the Fiscal Year 2016-2017 Budget in the amount of \$12,866,700.

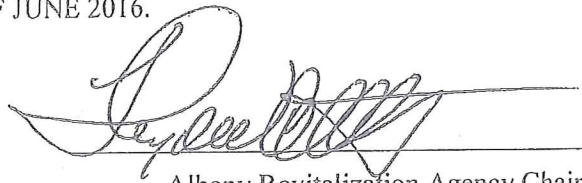
BE IT FURTHER RESOLVED that the amounts for the fiscal year beginning July 1, 2016, and for the purposes shown below are hereby appropriated as follows:

ALBANY REVITALIZATION AGENCY

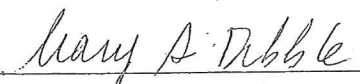
CARA Urban Renewal Area	\$12,606,800
Transfer Out	259,900; and

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 15TH DAY OF JUNE 2016.


Albany Revitalization Agency Chair

ATTEST:


City of Albany City Clerk

*** Proof of Publication ***

State of Oregon
 ss)
 County of Linn

City of Albany/City Managers Office
 PO Box 490
 Albany, OR 97321

ORDER NUMBER 55377

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 S. Albany, OR, in the aforesaid county and state; that a copy is hereto Annexed, was published in the entire issue of said newspaper.

NOTICE OF ALBANY REVITALIZATION AGENCY HEARING

The Albany Revitalization Agency (ARA) will hold a PUBLIC HEARING on June 15, 2016, immediately following the 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, 2016, as approved by the ARA Budget Committee on May 10, 2016. 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; 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 2016-2017, and was prepared on a basis of accounting that is the same as the preceding year.

FINANCIAL SUMMARY - RESOURCES

	2014-15 Actual	2015-16 Adopted	2016-17 Approved
Revenue from division of tax	\$ 2,334,875	\$ 2,314,700	\$ 2,226,000
Loan proceeds	-	3,030,600	3,030,600
Other resources	137,255	74,000	91,400
Total Current Resources	\$ 2,472,130	\$ 5,418,700	\$ 10,370,100
Beginning balance	\$ 2,737,725	\$ 3,038,800	\$ 2,546,300
Total Resources	\$ 5,209,855	\$ 8,457,500	\$ 12,866,700

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

	2014-15 Actual	2015-16 Adopted	2016-17 Approved
Materials and Services	\$ 894,893	\$ 5,172,900	\$ 10,422,000
Capital Projects	104	372,600	-
Transfers Out	147,500	1,621,000	259,900
Debt Service	262,867	1,291,000	2,184,800
Total Requirements	\$ 1,305,364	\$ 8,457,500	\$ 12,866,700

FINANCIAL SUMMARY - REQUIREMENTS BY ORGANIZATIONAL UNIT

	2014-15 Actual	2015-16 Adopted	2016-17 Approved
11 - City Manager	\$ 1,305,364	\$ 8,457,500	\$ 12,866,700
FTE	-	-	-

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 294.420.

DATED THIS 2nd DAY OF JUNE 2016.

Stewart Taylor
 Finance Director

#55377

Publish: June 2, 2016

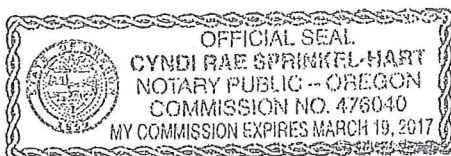
PUBLISHED ON: 06/02/2016

TOTAL AD COST: 533.04

FILED ON: 6/8/2016

Pam Burright
 Pam Burright
 Legal Clerk

Cyndi Rae Sprinkel-Hart
 Subscribed and sworn to before me on June 8
2016
 Cyndi Rae Sprinkel-Hart, Notary



*** Proof of Publication ***

State of Oregon)
ss)
County of Linn

NOTICE OF ALBANY REVITALIZATION AGENCY
BUDGET COMMITTEE MEETING

Notice is hereby given that the Albany Revitalization Agency (ARA) Budget Committee will meet on May 10, 2016, at 6:30 p.m. in the Albany City Hall Council Chambers, 333 Broadalbin SW, Albany. The purpose of the meeting is to receive the budget message and review the Proposed Fiscal Year 2016-2017 ARA Budget. This is a public meeting where deliberation of the ARA Budget Committee will take place.

Any person may appear at the meeting to ask questions or comment on the ARA Budget document. Written testimony may be addressed to the Finance Director's Office, 333 Broadalbin SW, Albany, OR 97321.

This is the first notice of the ARA Budget Committee meeting.

The ARA Proposed Budget will be available on the City's website at <http://www.cityofalbany.net/departments/finance> on or after May 4, 2016; or a copy may be inspected at Albany City Hall.

If you have questions about the meeting or need more information, please contact Stewart Taylor, City of Albany Finance Director, at stewart.taylor@cityofalbany.net or (541) 917-7521.

This notice is given in accordance with provisions of the Oregon Revised Statute 294.426 and is posted on the City's website at www.cityofalbany.net.

DATED THIS 18th DAY OF APRIL, 2016

Mary Dibble
City Clerk

#52809

PUBLISH: April 18, 2016

City of Albany/City Managers Office
PO Box 490
Albany, OR 97321

ORDER NUMBER 52809

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 S, Albany, OR, in the aforesaid county and state; that a copy is hereto Annexed, was published in the entire issue of said newspaper.

PUBLISHED ON: 04/18/2016

TOTAL AD COST: 217.02

FILED ON: 4/19/2016

Pam Burright

Pam Burright
Legal Clerk

Cyndi Rae Sprinkel-Hart

Subscribed and sworn to before me on April 19,
20 16

Cyndi Rae Sprinkel-Hart, Notary

