



city of
REDMOND
oregon

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URBAN RENEWAL DISTRICT AGENCY BOARD

June 8, 2021

Council Chambers • 411 SW 9th Street

BOARD MEMBERS

George Endicott
Chair

Jay Patrick
Board President

Jon Bullock
Member

Krisanna
Clark-Endicott
Member

Clifford Evelyn
Member

Ed Fitch
Member

Shannon
Wedding
Member

JUNE 8, 2021

SPECIAL MEETING AGENDA

**FOLLOWING P.M.
COUNCIL MEETING**

I. CALL TO ORDER / ESTABLISH A QUORUM

II. MINUTES

- A. Minutes of April 20, 2021, Urban Renewal Meeting

III. PUBLIC HEARINGS

- A. Fiscal Year 2021/22 Budget Hearing and Adoption of the Urban Renewal Agency Annual Budget

IV. ACTION ITEMS

- A. URA Resolution #2021-04 - A resolution of the City of Redmond Urban Renewal Agency to make Budget Adjustments in Fiscal Year 2020/21.

V. OTHER BUSINESS

VI. ADJOURN

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.

The City of Redmond encourages all citizens to participate in its programs and activities. This meeting location is accessible to people with disabilities. Requests for accommodation may include sign language interpreter service, assistive listening devices, materials in an alternate format or any other accommodation. If any accommodations are needed, please contact the ADA Coordinator at 541-504-3036 or access@redmondoregon.gov. Requests should be made as soon as possible, but at least 3 business days prior to the scheduled meeting.

The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities

SPECIAL CITY OF REDMOND URBAN RENEWAL DISTRICT AGENCY BOARD MEETING WAS HELD APRIL 20, 2021, IN THE VIA GOTOMEETING.

BOARD MEMBERS PRESENT: Jon Bullock – Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Ed Fitch – Jay Patrick – Shannon Wedding

MEDIA PRESENT: None

Chair Endicott called the meeting to order at 7:40 p.m. and established a quorum.

CONSENT AGENDA

- A. Minutes of February 16, 2021, Special Urban Renewal Agency Board Meeting
- B. Minutes of the April 6, 2021, Special Urban Renewal Agency Board Meeting

Clark-Endicott moved, seconded by Fitch, to approve the Consent Agenda, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

ACTION ITEMS

- A. Declare Downtown Urban Renewal Advisory Committee Seat Vacant

Economic Development/Urban Renewal Program Manager Chuck Arnold requested the Board accept a recommendation from the Downtown Urban Renewal Advisory Committee (DURAC) to declare a DURAC seat vacant due to lack of attendance from an appointee. Meg Watkins has missed five consecutive meetings and has not attended a meeting since September 2020.

Mr. Arnold corrected the staff report to reflect that the authority to remove a member is contained in the bylaws, not City Code.

Clark-Endicott moved, seconded by Fitch, to approve the DURAC seat currently occupied by Meg Watkins as vacant, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

There being no further business, the meeting was adjourned at 7:49 p.m.

Trish Pinkerton, Assistant to the City Recorder's Office

APPROVED by the Board and SIGNED by the Chair this 8th day of June 2021.

George Endicott, Chair

ATTEST:

Kelly Morse, City Recorder



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STAFF REPORT

DATE: June 8, 2021
TO: Redmond Urban Renewal Agency Board
THROUGH: Keith Witcosky, City Manager
FROM: Jason Neff, Chief Financial Officer
SUBJECT: Fiscal Year 2021/22 Budget Hearing and Adoption of the Urban Renewal Agency Annual Budget

Addresses Council Goal:

1. Sustain Operations

Report in Brief:

This item fulfills budgetary requirements, through resolution, for the adoption and implementation of the City of Redmond's Urban Renewal Agency Fiscal Year (FY) 2021/22 Budget.

Background:

On May 5, 2021, the City of Redmond Urban Renewal Agency Budget Committee (seven Board Members and seven Citizens) met, reviewed and approved the FY 2021/22 City of Redmond Urban Renewal Agency Budget.

The final step of the budget process is for the Agency Board to formally adopt the budget. One resolution is needed to adopt and implement the Agency Budget:

Adoption Resolution (URA Resolution #2021-03):

This resolution adopts the budget, which includes appropriating the expenditures into an organizational unit / object classifications and allows for the collection of approximately 78% of the Division of Tax Revenue, using a tax increment assessed value of \$193,436,379, for the Downtown Urban Renewal District and the collection of 100% of the Division of Tax Revenue for the South 97 Urban Renewal District.

Discussion:

Staff recommends adopting the budget as approved by the Budget Committee on May 5, 2021.

Fiscal Impact:

Authorizes Urban Renewal expenditures for FY 2021/22 totaling \$19,963,801. Excluding transfers the total budget is \$10,572,151.

Alternative Courses of Action:

1. Approve URA Resolution #2021-03
2. Amend URA Resolution #2021-03

Recommendation / Suggested Motion:

"I move to adopt URA Resolution #2021-03."

**REDMOND URBAN RENEWAL AGENCY
URA RESOLUTION NO. 2021-03**

RESOLUTION ADOPTING THE BUDGET

BE IT RESOLVED, that the Redmond Urban Renewal Agency Board hereby adopts the budget for fiscal year 2021/22, as approved by the Budget Committee, in the amount of \$23,973,214. This figure includes \$4,009,413 of unappropriated reserves. This budget is now on file at 411 SW 9th Street (City Hall) in Redmond, Oregon.

RESOLUTION MAKING APPROPRIATIONS

BE IT RESOLVED, that the amounts shown below are hereby appropriated for the fiscal year beginning July 1, 2021, and for the following purposes (OU = Organizational Unit):

DOWNTOWN UR DEVELOPMENT FUND	
Urban Renewal (OU)	\$ 8,675,970
TOTAL	\$ 8,675,970

DOWNTOWN UR DEBT SERVICE FUND	
Materials & Services	\$ 66,500
Debt Service	\$ 1,648,160
Transfers	\$ 9,210,129
TOTAL	\$ 10,924,789

SOUTH 97 UR DEVELOPMENT FUND	
Urban Renewal (OU)	\$ 181,521
TOTAL	\$ 181,521

SOUTH 97 UR DEBT SERVICE FUND	
Transfers	\$ 181,521
TOTAL	\$ 181,521

RESOLUTION TO COLLECT THE TAX INCREMENT

BE IT RESOLVED, that the Agency Board hereby elects to collect approximately 78% (using a tax increment assessed value of \$193,436,379) of the maximum amount of tax increment revenue that may be raised by dividing the taxes under Article IX, section 1c of the Oregon Constitution, and ORS Chapter 457 for the Downtown Urban Renewal District, as included in the fiscal year 2021/22 budget.

BE IT RESOLVED, that the Agency Board hereby elects to collect 100% of the maximum amount of tax increment revenue that may be raised by dividing the taxes under Article IX, section 1c of the Oregon Constitution, and ORS Chapter 457 for the South 97 Urban Renewal District, as included in the fiscal year 2021/22 budget.

The above resolution statements are adopted by the Agency Board and SIGNED by the Chair this 8th day of June 2021.

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder



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STAFF REPORT

DATE: June 8, 2021
TO: Redmond Urban Renewal Agency Board
THROUGH: Keith Witcosky, City Manager
FROM: Jason Neff, Chief Financial Officer
SUBJECT: Adopt FY 2020/21 Budget Adjustment #1 Resolution

Addresses Council Goal:

1. SUSTAIN OPERATION: Provide or enhance current levels of operations in all facets of municipal service delivery.

Report in Brief:

The action requests the Agency Board authorize budget adjustments due to unplanned revenue sharing with the overlapping taxing districts in Fiscal Year (FY) 2020/21.

Background:

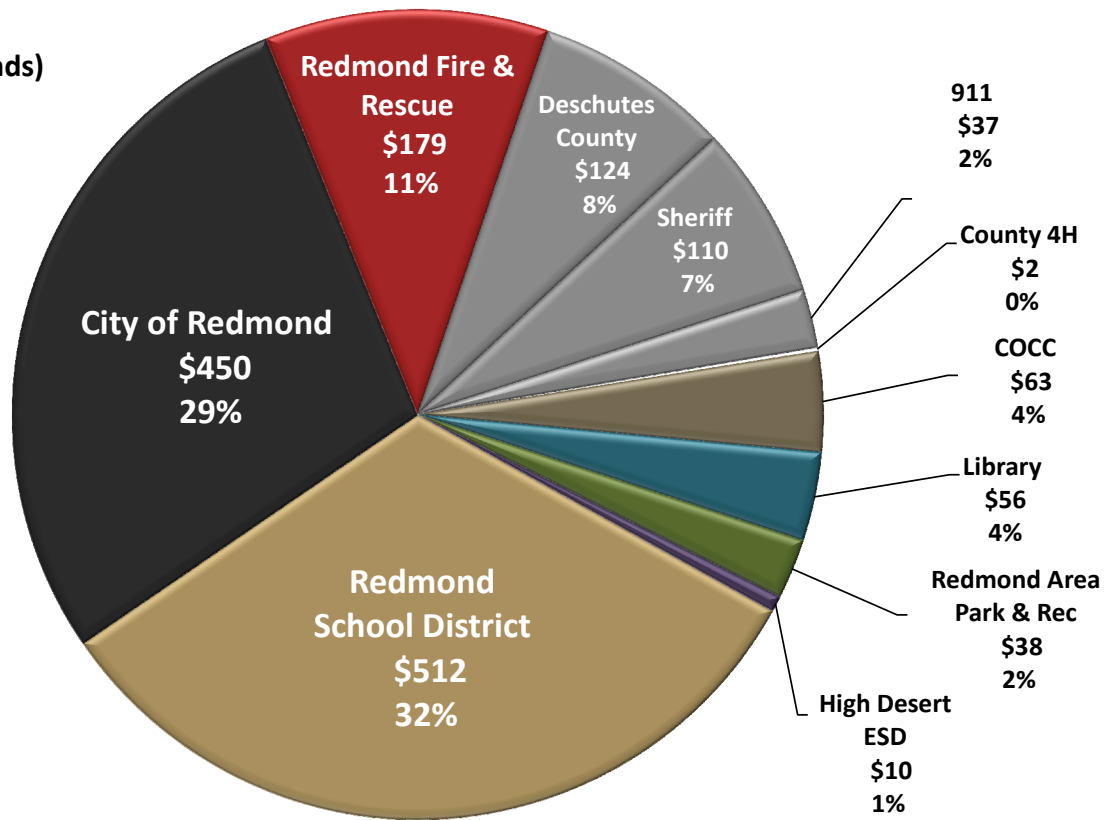
Supplemental budgets are permitted under Oregon Revised Statutes 294.471 (ORS). Per the ORS, a notice of the meeting to discuss a supplemental budget was published greater than or equal to five days in advance of this Redmond Urban Renewal Agency (RURA) meeting. This adjustment requests changes to the Downtown Urban Renewal Development and Debt Service Funds to account for revenue sharing with the overlapping taxing districts.

ORS 457.470 requires urban renewal agencies share tax increment when certain thresholds are met. The thresholds are tied to annual tax increment collections in relation to the area's maximum indebtedness. The revenue sharing legislation (2009 House Bill 3056) means that successful urban renewal investments begin creating returns for overlapping taxing districts in advance of an urban renewal area's expiration.

Discussion:

The Redmond Downtown Urban Renewal District (DURD) was substantially amended in 2012 and became subject to the statutory revenue sharing requirements described above. At the time of the amendment the new revenue sharing requirements were not identified in the plan or included in the financial models. Staff became aware that the DURD was subject to revenue sharing in 2020, via the efforts to create the South 97 URD. Staff procured services of an urban renewal financing consultant and confirmed that over the past four years the DURD should have been sharing a portion of its annual increment (FY 2017/18 – FY 2020/21), and thus the DURD has over-collected approximately \$1,580,000 in property tax increment revenue during that time. As with other URDs, the over-collection was not an increase to taxes from the taxpayer perspective during that time. The DURD received guidance from the Oregon Department of Revenue and County Assessor on how to allocate and return the over-collected revenue to the overlapping taxing districts. Below is the allocation by taxing district:

Downtown Urban Renewal District
Prior Year Allocation
By Taxing District
\$1.6 million
(\$s in thousands)



The FY 2020/21 DURD budget includes \$3.3 million of property tax increment revenue versus \$1.7 million of debt service, yielding about \$1.7 million available for DURD projects (via Transfer to the Development Fund). The Transfer needs to be reduced to return the funds to the overlapping taxing districts (via Special Payments). There is no immediate impact to DURD projects. An analysis is underway to quantify the exact impact to bonding capacity as a result of revenue sharing and its effect on overall resources available for projects and programs over the long-term. Below is a summary of the budget adjustments:

Downtown Urban Renewal Debt Service Fund

		Transfers	(\$1,580,000)
		Special Payments	\$1,580,000
Total Change to Resources	\$ 0	Total Change to Expenditures	\$ 0

Downtown Urban Renewal Development Fund

Interfund Transfers	(\$1,580,000)	Reserve for Future Expend.	(\$1,580,000)
Total Change to Resources	(\$1,580,000)	Total Change to Expenditures	(\$1,580,000)

Alternative Courses of Action:

1. Adopt URA Resolution #2021-04.
2. Do not adopt URA Resolution #2021-04.
3. Request more information.

Recommendation/Suggested Motion:

"I move to adopt URA Resolution #2021-04 adjusting the Agency's FY 2020/21 budget."

Jason Neff,
 Chief Financial Officer

**REDMOND URBAN RENEWAL AGENCY
URA RESOLUTION NO. 2021-04**

A RESOLUTION OF THE REDMOND URBAN RENEWAL AGENCY TO MAKE BUDGET ADJUSTMENTS.

WHEREAS, the Redmond Urban Renewal Agency (RURA) will have unexpected and unbudgeted resources and expenditures for FY 2020/21; and

WHEREAS, supplemental budgets are permitted under Oregon Revised Statutes 294.471 (ORS).

NOW, THEREFORE, be it resolved by the Board for the RURA as follows:

SECTION ONE: The Board for the RURA hereby adopts the following Budget Adjustments for FY 2020/21, in the following funds with the following changes, now on file at City Hall.

SECTION TWO: The amounts for the fiscal year beginning July 1, 2020, are hereby adjusted as follows:

DOWNTOWN URBAN RENEWAL DEBT SERVICE FUND	Resources	Expenditures
Transfers		(\$ 1,580,000)
Special Payments		\$ 1,580,000
Change to Downtown Urban Renewal Debt Service Fund		\$ 0
Change to Downtown Urban Renewal Debt Service Fund – Total Appropriations		\$ 0

DOWNTOWN URBAN RENEWAL DEVELOPMENT FUND	Resources	Expenditures
Interfund Transfers	(\$ 1,580,000)	
Reserve for Future Expenditure		(\$ 1,580,000)
Change to Downtown Urban Renewal Development Fund		(\$ 1,580,000)
Change to Downtown Urban Renewal Development Fund – Total Appropriations		\$ 0

ORS 457.470 requires urban renewal agencies share tax increment when certain thresholds are met. The thresholds are tied to annual tax increment collections in relation to the area's maximum indebtedness. The revenue sharing legislation (2009 House Bill 3056) means that successful urban renewal investments begin creating returns for overlapping taxing districts in advance of an urban renewal area's expiration. The Redmond Downtown Urban Renewal District (DURD) was substantially amended in 2012 and became subject to the statutory revenue sharing requirements. At the time of the amendment the new revenue sharing requirements were not identified in the plan or included in the financial models. Staff became aware that the DURD was subject to revenue sharing in 2020, via the South 97 URD setup process. The DURD engaged an urban renewal consultant and confirmed that the DURD should have been sharing for the past four years (FY 2017/18 – FY 2020/21), and thus the DURD has over-collected approximately \$1,580,000 in property tax increment revenue during that time. As with other URDs, the over-collection was not an increase to taxes from the taxpayer perspective during that time. The DURD received guidance from the Oregon Department of Revenue and County Assessor on how to allocate and return the over-collected revenue to the overlapping taxing districts. The FY 2020/21 DURD budget includes \$3.3 million of property tax increment revenue versus \$1.7 million of debt service, yielding about \$1.7 million available for DURD projects (via Transfer to the Development Fund). The Transfer needs to be reduced to return the funds to the overlapping taxing districts (via Special Payments). There is no immediate impact to DURD projects however an analysis is currently underway to understand the impact revenue sharing will have on DURD projects over the long-term.

SECTION THREE: This resolution shall be effective this 8th day of June 2021.

ADOPTED by the Board of the Redmond Urban Renewal Agency and **SIGNED** by the Chair this 8th day of June 2021.

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder