

**SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY
BUDGET COMMITTEE MEETING**

Tuesday, May 6, 2014, 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 | John Tamulonis | 20 minutes |
| 3. Public Comment | | 5 minutes |
| 4. Deliberations | All | 5 minutes |
| 5. Approval of Budget | All | 5 minutes |
| F.) ADJOURN | | |

ATTACHMENTS

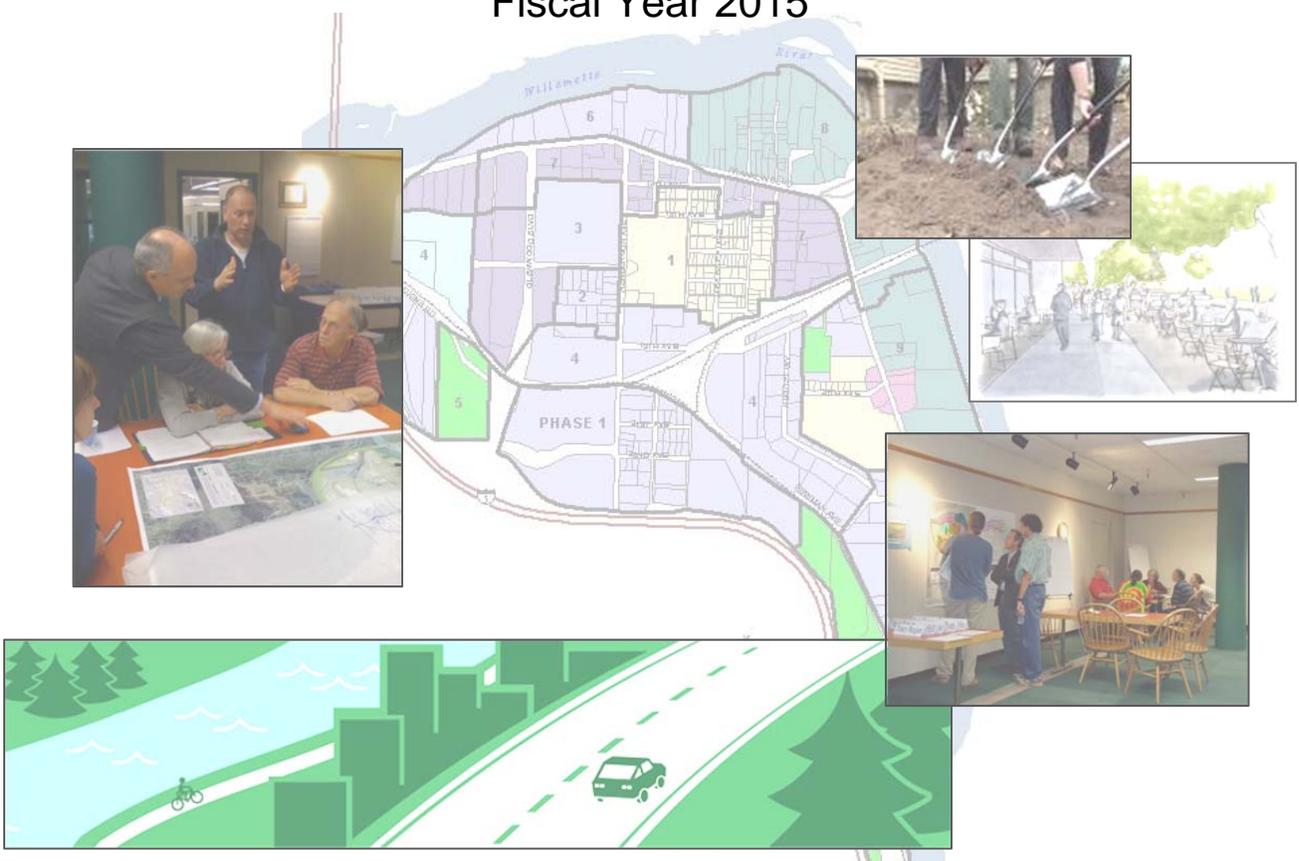
- 1.) Springfield Economic Development Agency (SEDA) Proposed Budget
- 2.) Springfield Economic Development Agency (SEDA) Motions Explained



Proposed Budget
For the

SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY

Fiscal Year 2015



To: SEDA Budget Committee
From: John Tamulonis, CD Manager and SEDA Staff Liaison
Date: April 11, 2014
Subject: FY2015 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.

GLENWOOD URBAN RENEWAL PLAN AREA

The 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. Phase I of the Glenwood Refinement Plan, including updated land uses and new street networks north of Franklin Boulevard were adopted by City Council in April of 2014 to meet the community's growth and changes in the economy. SEDA also sees these updates as key to launching the redevelopment of Glenwood's Riverfront area, targeting public investment in infrastructure, and attracting and leveraging private investments. While industrial development has been slow, except for Franz Bakery, and mostly awaits an economic upturn or the eventual completion of Phase 2 of the Glenwood Refinement Plan Update, improvement in the tourism and housing markets is revealing growing interest in making investments in Glenwood's Phase I area. Many of these emerging investments are likely to utilize some form of public-private partnership for funding infrastructure or facilities.

Along with Lane Transit District and City Transportation SDCs, SEDA committed the local funding for FY2014 and FY2015 for the Environmental Analysis (EA) and design of proposed improvements to Franklin Boulevard as a ‘federalized’ project. The completion of the EA allows and provides for federal funding opportunities through ODOT that would require a local match likely through SEDA to build Franklin. This ongoing design work on Franklin improvements also helps and enhances projects needing access prior to full Franklin Boulevard improvements. Two projects are currently proceeding in Glenwood: a Candlewood Hotel at the west end of Franklin Boulevard is under construction to be completed in early FY2015 and Lane County HACSA’s residential mixed-use housing project to start in 2015 that will launch development in the key central residential mixed-Use area. In addition, the April 2014 announcement of a proposed Hotel/Conference Center project immediately east of the residential mixed-use area would launch development in the commercial mixed-use area in late FY2015.

The SEDA Board has, since the outset of the Plan, been interested in modest property investments that help industrial and mixed-use development opportunities. One of SEDA’s interests in past years was to acquire property and easements to start the public storm water system and protect waterways and wetlands. SEDA purchased three properties near the new Interstate 5 bridges to provide not only the first portion of a passive public storm water system needed for Glenwood’s overall redevelopment but also to assist in the construction of the I-5 Bridge. With construction complete, SEDA has been in the process of working with private developers to sell the remaining developable portions of the three properties. At this time, the purchase and sale of two properties has resulted in the current construction of one hotel, scheduled for completion early in FY2015.

SEDA’s estimated actual FY2014 tax increment revenues for GURP are only slightly over FY2013 budgeted revenues, with the bulk of current active development anticipated to be completed and paying taxes during the FY2015 calendar.

- In the SEDA Glenwood General Fund – FY2014 saw allocated funds for the following projects:
 - The Franklin Boulevard environmental assessment 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.
 - Preparing for property acquisition through appraisals, environmental studies, and negotiations along the potential Franklin Boulevard right-of way;
 - Expenses related to property purchase and sale of parcels purchased by SEDA in FY2013. Expenses also included the removal of existing structure.
 - The Glenwood Refinement Plan Update was funded through SEDA until final adoption, with minimal staffing costs during FY14, but costs were incurred through the appeal of portions of the Plan. Appeals received for Phase I have been completed and resolved;
 - 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 (three firms have utilized the incentive and several firms are in discussions about utilizing the incentive, possibly in FY2015);

DOWNTOWN URBAN RENEWAL PLAN AREA

For the DURP, SEDA's estimated actual FY2014 tax increment revenues increased substantially from budgeted amounts, especially in comparison to past years which suffered from a drop. While this increase brings optimism to the turnaround and desired redevelopment efforts in Downtown, it is still a window of time to operate cautiously and strategically with investments. Funds are still limited and recovery will be slow. The strategic use of 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 businesses; the emergence of programs and projects for implementing parking and wayfinding; the installation of new lighting and implementation of a demonstration project (focused on improved lighting, sidewalk standards, crosswalk treatments, etc.); 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 – FY2014 saw funds allocated for the following projects:
 - Implementing the Downtown Design Plan for initial work on;
 - Purchase of property identified within the Plan for the Downtown Mill Plaza. This property purchase included one parcel which represents one-third of the space eventually needed. While completing further plaza property acquisition and planning, the space will be utilized as leasable retail, generating lease revenue for SEDA.
 - 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.;
 - Continued implementation of the Downtown Parking Plan by beginning to update pavement markings, assembling a Downtown Parking Advisory Committee, and beginning the solicitation process for a parking enforcement entity;
 - 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
 - Downtown Design concepts focused on generating images and visions for the incorporation of current structures into the desired fabric of future uses. This work reflected the Downtown Plan identified Plaza and density while addressing how these uses could and should be developed strategically with the properties surrounding.

PRIORITY BASED BUDGET PROGRAM HIGHLIGHT(S)/ISSUE(S)

The City of Springfield has begun the process of implementing a priority based budget program. While the program is still in development and not yet fully implemented for the FY15 budget, the Springfield Economic Development Agency funds and supports programs which are highlighted in the priority based budget. In an effort to align itself with the structure, information, and priorities beginning to emerge as part of the process, staff has included here a discussion of several SEDA related program areas identified through the priority based budget process which will benefit from further staff evaluation and efforts in FY15. This discussion is provided as information only and no additional funds are requested for the below programs at this time.

Glenwood Urban Renewal Management – Quartile 2

The Glenwood Urban Renewal Management program is the priority based budget program identified to encompass all functions necessary to administer the goals and requirements of the Glenwood Urban Renewal Plan. The program monitors costs related to funding and program delivery of increment financing projects in the Glenwood Urban Renewal area. During FY15, Economic Development Program staff will continue to serve as the primary support staff to the Urban Renewal Management program. This program appears in Quartile 2 of the priority based budget program as it has strong influences in the outcome of many, if not all, of the City Council established goals.

Downtown Urban Renewal Management – Quartile 2

The Downtown Urban Renewal Management program is the priority based budget program identified to encompass all functions necessary to administer the goals and requirements of the Downtown Urban Renewal Plan. The program monitors costs related to funding and program delivery of increment financing projects in the Downtown Urban Renewal area. During FY15, Economic Development Program staff will continue to serve as the primary support staff to the Urban Renewal Management program. This program appears in Quartile 2 of the priority based budget program as it has strong influences in the outcome of many, if not all, of the City Council established goals.

Downtown Parking – Quartile 4

During FY15, Economic Development Program staff will implement enforcement of parking in the Downtown area. Once this program is initiated, revenues related to permitting and enforcement will be captured, expenses related to enforcement activities spent, and a more accurate understanding of cost recovery and economic community impact will be realized. This program appears in Quartile 4 of the priority based budget program as it is still in early implementation phases and not yet fully operational.

CONCLUSION

It is the ultimate goal of the Springfield Economic Development Agency to assist in the revitalization of business and elimination of blight in the voter approved urban renewal areas.

The proposed budget meets the guidelines set forth by the Finance Department.

**Springfield Urban Renewal Agency
FY2014-2015 Proposed Budget
All Funds**

Account	FY12 Actual	FY13 Actual	FY14 Adopted	FY15 Proposed
<u>Resources</u>				
Current Taxes	449,782	829,023	785,000	915,000
Delinquent Taxes	9,635	14,277	9,000	12,000
Electric Co-ops In-Lieu-Of-Tax	194	2,806	200	200
Parking Program Revenue	-	-	-	20,000
Interest Income	355	616	100	1,600
Variance in FMV of Investments	381	(117)	-	-
Unsegregated Tax Interest	(215)	(203)	-	-
County Assess Interest	128	225	-	-
Lease Income	13,850	6,275	59,375	22,800
Miscellaneous Receipts	1,000	1,000	51,000	-
XFR From Fund 420	-	-	250,000	-
Proceeds from Comm'l Loan	-	-	-	3,600,000
Xfr from Fund 429	42,068	-	-	-
Interfund Loan Received	508,000	324,000	1,180,000	305,000
Beginning Cash Balance	44,680	5,724	7,988	179,930
Total All Resources	\$ 1,069,857	\$ 1,183,626	\$ 2,342,663	\$ 5,056,530
<u>Requirements</u>				
Contractual Services	72,467	81,020	264,000	228,000
Attorney Fees	5,158	15,059	25,000	10,000
Computer Equipment	974	1,040	1,200	1,200
Advertising	2,360	3,924	7,500	8,000
Duplicating Supplies	142	132	1,300	1,300
Travel & Meeting Expenses	1,106	74	1,100	1,100
Government ethics Comm charges	260	260	378	378
Utilities	25	-	250	250
SUB Electricity	642	283	-	-
Memberships, Books, Subscrips	941	592	1,050	1,050
Postage & Shipping Charges	-	-	700	700
Office Supplies	3,273	921	2,250	2,250
Program Expense	3,715	4,792	16,000	16,000
Sustainable Cities	41,661	-	-	-
Parking Program Expenditure	-	-	-	40,000
Employee Development	2,415	7,926	-	-
Internal Contractual Services	267,761	132,020	214,085	150,418
Operating Budget	\$ 402,899	\$ 248,044	\$ 534,813	\$ 460,646
Franklin Blvd Recon Phase 1	-	-	-	3,600,000
Franklin NEPA	-	200,000	-	-
SEDA Property Purchases	249,000	-	780,000	-
SEDA Capital Improvements	-	-	220,000	140,000
Capital Budget	\$ 249,000	\$ 200,000	\$ 1,000,000	\$ 3,740,000
Operating Reserve	-	-	22,850	275,884
XFR To Fund 229	42,068	-	-	-
Franklin Blvd Phase 1 Principal	-	-	-	120,000
SEDA Interfund Loan Principal	367,390	715,549	777,950	258,750
SEDA Interfund Loan Interest	2,775	2,871	7,050	1,250
Franklin Blvd Phase 1 Interest	-	-	-	200,000
Non-Departmental Budget	\$ 412,233	\$ 718,420	\$ 807,850	\$ 855,884
Total All Requirements	\$ 1,064,132	\$ 1,166,464	\$ 2,342,663	\$ 5,056,530

**Springfield Urban Renewal Agency
FY2014-2015 Proposed Budget
SEDA Glenwood General Fund 229**

Account	FY12 Actual	FY13 Actual	FY14 Adopted	FY15 Proposed
<u>Resources</u>				
Current Taxes	278,961	683,578	645,000	655,000
Delinquent Taxes	6,408	8,851	5,000	8,000
Electric Co-ops in Lieu Of Tax	117	2,629	100	100
Interest Income	233	356	-	1,500
Variance in FMV of Investments	392	(29)	-	-
Unsegregated Tax Interest	(144)	(141)	-	-
County Assess Interest	79	185	-	-
Lease Income	13,850	6,275	15,375	-
Xfr from Fund 429	42,068	-	-	-
Interfund Loan Received	472,500	307,000	400,000	-
Beginning Cash Balance	1,832	4,660	3,463	176,319
Total All Resources	\$ 816,295	\$ 1,013,363	\$ 1,068,938	\$ 840,919
<u>Requirements</u>				
Contractual Services	31,906	11,601	151,000	117,000
Attorney Fees	4,344	14,388	20,000	5,000
Computer Equipment	643	692	800	800
Advertising	747	1,840	4,500	5,000
Duplicating Supplies	71	66	1,000	1,000
Travel & Meeting Expenses	1,045	-	850	850
Government ethics Comm charges	135	130	253	253
Memberships, Books, Subscrips	315	355	600	600
Postage & Shipping Charges	-	-	400	400
Office Supplies	2,451	407	1,500	1,500
Program Expense	774	210	10,000	10,000
Sustainable Cities	19,426	-	-	-
Employee Development	1,208	5,189	-	-
Internal Contractual Services	214,202	86,636	165,619	105,445
Operating Budget	\$ 277,266	\$ 121,513	\$ 356,522	\$ 247,848
Franklin NEPA	-	200,000	-	-
SEDA Property Purchases	249,000	-	50,000	-
Capital Budget	\$ 249,000	\$ 200,000	\$ 50,000	\$ -
Operating Reserve	-	-	17,416	273,071
Franklin Blvd Phase 1 Principal	-	-	-	120,000
SEDA Interfund Loan Principal	282,773	688,549	639,200	-
SEDA Interfund Loan Interest	2,597	2,818	5,800	-
Franklin Blvd Phase 1 Interest	-	-	-	200,000
Non-Departmental Budget	\$ 285,369	\$ 691,367	\$ 662,416	\$ 593,071
Total All Requirements	\$ 811,635	\$ 1,012,880	\$ 1,068,938	\$ 840,919

**Springfield Urban Renewal Agency
FY2014-2015 Proposed Budget
SEDA Downtown General Fund 230**

Account	FY12 Actual	FY13 Actual	FY14 Adopted	FY15 Proposed
<u>Resources</u>				
Current Taxes	170,821	145,445	140,000	260,000
Delinquent Taxes	3,226	5,426	4,000	4,000
Electric Co-ops In-Lieu-Of-Tax	77	178	100	100
Parking Program Revenue	-	-	-	20,000
Interest Income	122	260	100	100
Variance in FMV of Investments	(11)	(87)	-	-
Unsegregated Tax Interest	(71)	(63)	-	-
County Assess Interest	49	39	-	-
Lease Income	-	-	44,000	22,800
Miscellaneous Receipts	1,000	1,000	51,000	-
XFR From Fund 420	-	-	250,000	-
Interfund Loan Received	35,500	17,000	780,000	305,000
Beginning Cash Balance	780	1,064	4,525	3,611
Total All Resources	\$ 211,494	\$ 170,263	\$ 1,273,725	\$ 615,611
<u>Requirements</u>				
Contractual Services	40,562	69,419	113,000	111,000
Attorney Fees	814	671	5,000	5,000
Computer Equipment	331	348	400	400
Advertising	1,613	2,084	3,000	3,000
Duplicating Supplies	71	66	300	300
Travel & Meeting Expenses	62	74	250	250
Government Ethics Commission Charges	125	130	125	125
Government Ethics Commission Charges	25	-	250	250
Government Ethics Commission Charges	642	283	-	-
Memberships, Books, Subscrips	626	238	450	450
Postage & Shipping Charges	-	-	300	300
Office Supplies	822	514	750	750
Program Expense	2,941	4,582	6,000	6,000
Sustainable Cities	22,235	-	-	-
Parking Program Expenditure	-	-	-	40,000
Employee Development	1,208	2,737	-	-
Internal Contractual Services	53,559	45,384	48,466	44,973
Operating Budget	\$ 125,633	\$ 126,530	\$ 178,291	\$ 212,798
SEDA Property Purchases	-	-	730,000	-
SEDA Capital Improvements	-	-	220,000	140,000
Capital Budget	\$ -	\$ -	\$ 950,000	\$ 140,000
Operating Reserve	-	-	5,434	2,813
SEDA Interfund Loan Principal	84,617	27,000	138,750	258,750
SEDA Interfund Loan Interest	178	53	1,250	1,250
Non-Departmental Budget	\$ 84,796	\$ 27,053	\$ 145,434	\$ 262,813
Total All Requirements	\$ 210,429	\$ 153,584	\$ 1,273,725	\$ 615,611

Springfield Urban Renewal Agency
 FY2014-2015 Proposed Budget
 SEDA Glenwood Capital Projects Fund 429

Account	FY12 Actual	FY13 Actual	FY14 Adopted	FY15 Proposed
<u>Resources</u>				
Proceeds from Comm'l Loan	-	-	-	3,600,000
Beginning Cash Balance	-	42,068	-	-
Total All Resources	\$ -	\$ 42,068	\$ -	\$ 3,600,000
<u>Requirements</u>				
Franklin Blvd Recon Phase 1	-	-	-	3,600,000
Capital Budget	\$ -	\$ -	\$ -	\$ 3,600,000
XFR To Fund 229	-	42,068	-	-
Non-Departmental Budget	\$ -	\$ 42,068	\$ -	\$ -
Total All Requirements	\$ -	\$ 42,068	\$ -	\$ 3,600,000

Springfield Urban Renewal Agency
 FY2014-2015 Proposed Budget
 SEDA Downtown Capital Projects Fund 430

Account	FY12 Actual	FY13 Actual	FY14 Adopted	FY15 Proposed
<u>Resources</u>				
Proceeds from Comm'l Loan	-	-	-	-
<i>Total All Resources</i>	\$ -	\$ -	\$ -	\$ -
<u>Requirements</u>				
SEDA Property Purchases	-	-	-	-
Capital Budget	\$ -	\$ -	\$ -	\$ -

<p>NON-DEPARTMENTAL Reserves: Non-Dedicated and Dedicated Budgets</p>
--

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.

<p>Financial Summary of Reserves - All Funds</p>

SEDA Glenwood General Fund 229		
Non-Dedicated	\$ 273,071	
Subtotal		\$ 273,071
 SEDA Downtown General Fund 230		
Non-Dedicated	\$ 2,813	
Subtotal		\$ 2,813
 Total Reserves		<u>\$ 275,884</u>

NON-DEPARTMENTAL Interfund Transfers and Loans

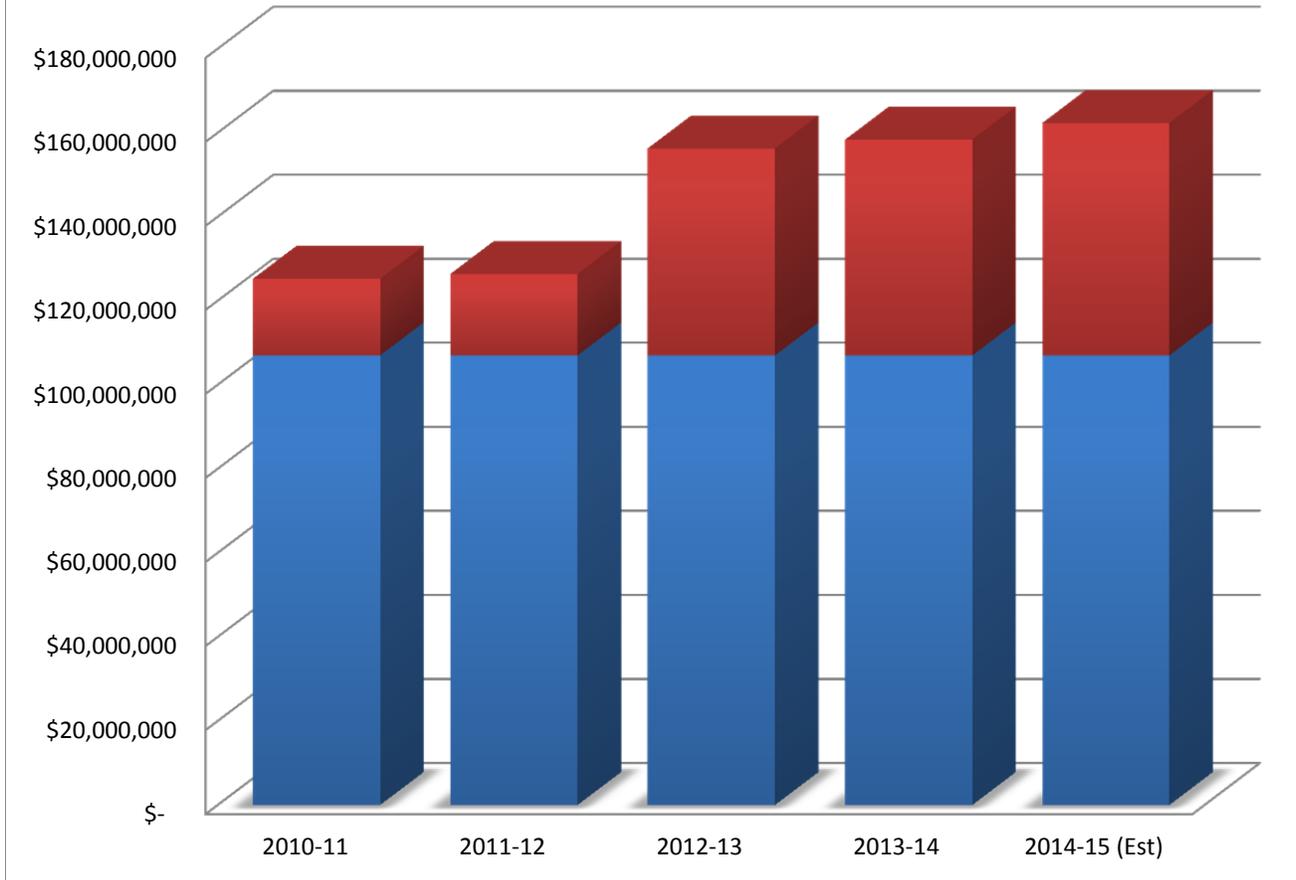
Interfund transfers are authorized by ORS 294.352 and ORS 294.361 and represent transfers of resources between funds for the repayment of costs incurred by one fund on behalf of another, or represent transfer of equity between funds.

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

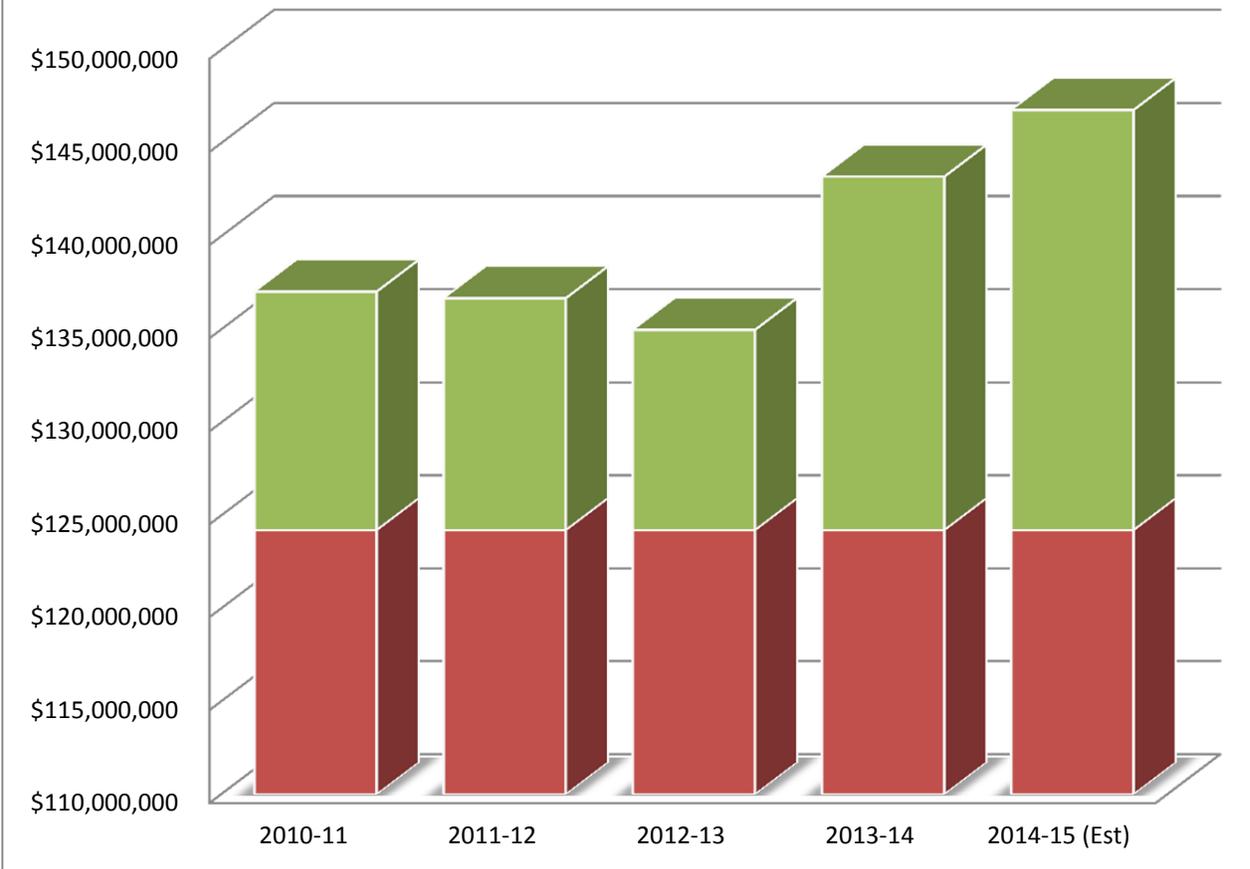
From SEDA Glenwood General Fund			
To City of Springfield (Loan Principal)	\$	-	
To City of Springfield (Loan Interest)		-	
Subtotal		-	\$ -
From SEDA Downtown General Fund			
To City of Springfield (Loan Principal)	\$	258,750	
To City of Springfield (Loan Interest)		1,250	
Subtotal		260,000	\$ 260,000
Total Interfund Transfers and Loans			\$ 260,000

Glenwood URA Assessed Valuation



Glenwood					
	2010-11	2011-12	2012-13	2013-14	2014-15 (Est)
Taxable Value	125,198,398	126,354,435	156,265,285	158,362,972	162,322,046
Frozen Value	\$ 106,986,910	\$ 106,986,910	\$ 106,986,910	\$ 106,986,910	\$ 106,986,910
Marginal Increase	\$ 18,211,488	\$ 19,367,525	\$ 49,278,375	\$ 51,376,062	\$ 55,335,136
	-4.49%	0.92%	23.67%	1.34%	2.50%
	-24.43%	6.35%	154.44%	4.26%	7.71%

Downtown URA Assessed Valuation



Downtown					
	2010-11	2011-12	2012-13	2013-14	2014-15 (Est)
Taxable Value	137,033,197	136,679,261	134,978,844	\$ 143,201,260	146,781,292
Frozen Value	\$ 124,231,412	\$ 124,231,412	\$ 124,231,412	\$ 124,231,412	\$ 124,231,412
Marginal Increase	\$ 12,801,785	\$ 12,447,849	\$ 10,747,432	\$ 18,969,848	\$ 22,549,880
	10.30%	-0.26%	-1.24%	6.09%	2.50%
		-2.76%	-13.66%	76.51%	18.87%

Springfield Urban Renewal Agency Budget Committee Action Required for Approval of FY15 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 \$5,056,530, 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.