

NOTICE OF PUBLIC MEETING

ALBANY REVITALIZATION AGENCY

City Hall Council Chambers

Wednesday, August 21, 2013

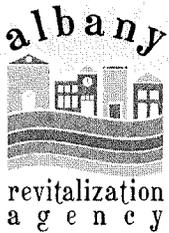
Immediately following the CARA Advisory Board meeting

AGENDA

1. CALL TO ORDER (Chair Floyd Collins)
2. ROLL CALL
3. APPROVAL OF MINUTES:
 - July 9, 2013. [Page 1-2]
Action: _____
4. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. Resolution Not to Receive Economic Benefit from Future GO Bonds. [Pages 3-4] (Porsche)
Action: _____
 - c. Staff updates and issues. [Verbal] (Porsche)
Action: _____
5. BUSINESS FROM THE AGENCY
6. NEXT MEETING DATE: *Wednesday, September 18, 2013*
7. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, advance notice is requested by notifying the City Manager's Office at 541-917-7508, 541-704-2307, or 541-917-7519.



APPROVED: _____

CITY OF ALBANY
Albany Revitalization Agency
City Hall Council Chambers, 333 Broadalbin Street SW
Tuesday, July 9, 2013

MINUTES

Agency Members present: Bill Coburn, Floyd Collins, Bessie Johnson, Rich Kellum, Sharon Konopa, and Dick Olsen

Agency Members absent: Ray Kopczynski (excused)

CALL TO ORDER

Chair Floyd Collins called the meeting to order at 6:31 p.m.

APPROVAL OF MINUTES

June 19, 2013

MOTION: Rich Kellum moved to approve the June 19 minutes. Dick Olsen seconded the motion, and it passed 6-0.

SCHEDULED BUSINESS

Business from the Public

There was no business from the public.

Intergovernmental Agreement for the Benton County Tax Payment

Finance Director Stewart Taylor distributed and reviewed the staff report and attached intergovernmental agreement for tax-only payment of Hewlett-Packard Company (HP) tax refund (see agenda file). He said that HP filed property tax appeals for tax years 2008-09, 2009-10, and 2010-11, in which they challenged the Real Market Value (RMV) of the buildings and structures and machinery and equipment in each of those years. The court decision accepted the RMVs as found by HP. Based on the court's decision, a refund of taxes paid plus interest at the statutory rate of 12 percent per year must be made to HP. The intergovernmental agreement is proposed by Benton County in order to pay the HP tax refund as soon as possible to halt the accrual of interest. In the agreement, Benton County agrees to pay the tax refund and the taxing jurisdictions agree to repay Benton County their proportional share of the refund balance according to the terms of the agreement. The interest portion of the refund will be paid at such time as the appeal of the Oregon Tax Court decision is final. The City of Albany proportional share of the refund is \$243,675.26. The Albany Revitalization Agency proportional share of the refund is \$20,079.59. The Public Safety local option proportional share of the refund is \$29,378.53.

Taylor said that under the agreement, the taxing jurisdictions may directly pay their proportional amount to Benton County or elect to have the amount deducted from tax turnovers in November 2013. Interest will accrue at the local government pool rate. Based on investments the City has outside of the pool, there is a slight advantage to wait and have the amount withheld from turnovers the City would receive in November, and that is his recommendation.

Taylor noted that the City of Corvallis and other taxing jurisdictions that included the assessed value of HP received a bigger proportional amount. The overstated values of HP were included in the assessed values of those jurisdictions, but the refund is paid based on the most current proportional share of the assessed value. Collins asked what the differential would be if the refund was proportional to the tax distributed. Taylor said that he will work with the County to get that information. Collins said that, depending on the answer, the City may want to propose a change in legislation since there are other appeals pending.

Kellum said he would support the pathway that would spend the least amount to get this addressed.

Collins asked if the same intergovernmental agreement is before the other taxing districts. Taylor said yes. Collins asked if the City Attorney has looked at the agreement. Taylor said that he has.

MOTION: Coburn moved to enter into the intergovernmental agreement with Benton County and the taxing districts of Benton County for tax-only payment of the Hewlett-Packard Company tax refund. Kellum seconded the motion, and it passed 6-0.

Staff Updates and Issues

There were no additional updates.

BUSINESS FROM THE AGENCY

There was none.

NEXT MEETING DATE

The next ARA meeting is scheduled for Wednesday, August 21, 2013.

ADJOURNMENT

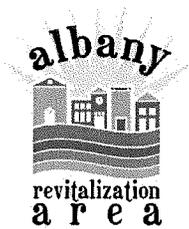
Hearing no further business, Chair Collins adjourned the meeting at 6:52 p.m.

Respectfully submitted by,

Reviewed by,

Teresa Nix
Administrative Assistant

Kate Porsche
Economic Development & Urban Renewal Director



TO: CARA Advisory Board

VIA: Wes Hare, City Manager
Jim Delapoer, City Attorney

FROM: Kate Porsche, Economic Development & Urban Renewal Director *Kate*

DATE: August 15, 2013, for August 21, 2013, Albany Revitalization Agency Meeting

SUBJECT: Staff Report – Resolution: Resolution Not to Receive Economic Benefit from Future General Obligation Bonds

Background

Oregon law relating to urban renewal requires that districts like ours calculate the division of taxes on permanent levies, as well as General Obligation (GO) bonds. The statute used to require the calculation of the division of tax on special levies as well—this piece was changed in the last legislative session through HB2632, which made it so that districts like ours would, going forward, not have an impact on new special levies.

With the discussions underway about the general obligation bond for much needed police and fire facilities, the impact of urban renewal on the potential bond has arisen. We want to address this issue directly, prior to the GO bond being on the ballot.

In discussion with the City Attorney and an attorney specialized in urban renewal law in Oregon, it was confirmed that there is not a mechanism by which we can simply not take, or give directly back, any funds that would be received from this future GO bond.

What is before you is our solution to the problem: a resolution that clarifies the Agency's intent in this regard. The resolution clearly states that the intent of the Agency is not to receive economic benefit from taxes collected from GO bonds. Additionally, the resolution allows two methods by which this can be implemented. It allows for either a proportionate under-levy by the Agency or for a pro rata expenditure requested by the affected taxing district for the benefit of eligible projects within the area which would otherwise be an obligation of the taxing district.

The resolution, written by the City Attorney and me and reviewed by the urban renewal attorney, was written to make it consistent with the changes in Oregon law related to special levies and will handle impacts on new GO bonds in a prospective manner.

Budget Impact

Assuming the passage of the new GO bond, implementation of this resolution will result in about \$50,000 less funding for the CARA district in the first year. But, as outlined above, this money would either be under levied or would be contributed directly to the affected taxing district for an eligible project within the area.

Staff Recommendation

Staff supports and recommends the adoption of this resolution. While Oregon law has not been updated to eliminate urban renewal's impact on GO bonds for districts like ours, this resolution seeks to remedy and make right the impact.

KCP:ldh
Attachment

ARA RESOLUTION NO. 2013-_____

A RESOLUTION OF THE ALBANY REVITALIZATION AGENCY OF THE CITY OF ALBANY, OREGON, EXPRESSING THE INTENT OF THE AGENCY NOT TO RECEIVE ECONOMIC BENEFIT FROM TAXES COLLECTED FROM GENERAL OBLIGATION BONDS

WHEREAS, from time to time, the approval of General Obligation bonds by Albany voters as well as the voters of overlapping taxing districts may have the unintended effect of increasing the revenue of the urban renewal district due to the complexities of urban renewal financing; and

WHEREAS, it is not the intention of the Agency to receive economic benefit that the voters intend be allocated for other governmental purposes; and

WHEREAS, the Agency, by this resolution, seeks to reassure voters that, consistent with recent changes in Oregon law, the Agency will take reasonable steps to appropriately under-levy or direct the monies received from new voter approved General Obligation bonds to the purposes intended by the voters.

NOW, THEREFORE, BE IT RESOLVED BY THE ALBANY REVITALIZATION AGENCY OF THE CITY OF ALBANY that:

It is the intention of the Agency not to receive any economic benefit from taxes (tax increment) collected from General Obligation bonds approved by Albany voters as well as the voters of affected overlapping taxing districts. This will be accomplished by a proportionate under-levy by the Agency or by a pro rata expenditure requested by the affected taxing district for the benefit of eligible projects within the area which would otherwise be an obligation of the taxing district.

DATED AND EFFECTIVE THIS 21st DAY OF AUGUST 2013.

ARA Chair

ATTEST:

City Clerk