



NOTICE OF A PUBLIC MEETING

**ALBANY REVITALIZATION AREA
BUDGET COMMITTEE MEETING
City Hall Council Chambers
333 Broadalbin SW, Albany
Tuesday, May 18, 2010, 6:30 p.m.**

AGENDA

1. CALL TO ORDER Chair Sue Folden
2. ELECTION OF OFFICERS
Chair, Vice Chair, and Secretary
3. PUBLIC COMMENT
4. ADOPTION OF MINUTES
May 18, 2009, ARA Budget Committee Minutes
April 21, 2010, ARA Budget Committee & CARA Advisory Board Work Session Minutes
5. BUDGET MESSAGE
6. ARA BUDGET COMMITTEE RECOMMENDATION RES. NO. _____
7. OTHER BUSINESS
8. ADJOURNMENT

The location of the meeting/hearing is accessible to the disabled. If special accommodations to attend or participate in the meeting/hearing are needed, advance notice is requested by notifying City of Albany Human Resources Department at 917-7501.

Approved:

ALBANY REVITALIZATION AREA
BUDGET COMMITTEE MEETING
City Hall Council Chambers
Monday, May 18, 2009

MINUTES

PRESENT: Mayor Sharon Konopa and Councilors Jeff Christman, Sharon Konopa, Dick Olsen, Bessie Johnson, Bill Coburn, and Ralph Reid Jr., and Budget Committee Members Susan Folden, Wendy Kirbey, Colleen Keller, Steve Terjeson, and Doug Moore

ABSENT: Budget Committee Member C. Jeffrey Evans and Councilor Floyd Collins

CALL TO ORDER

Chair Susan Folden called the meeting to order at 6:30 p.m.

ELECTION OF OFFICERS

Folden called for nominations.

MOTION: Budget Committee Member Steve Terjeson moved to elect Susan Folden to the position of Chair; Steve Terjeson to Vice Chair; and Doug Moore to Secretary. Councilor Ralph Reid seconded the motion and it passed 11-0.

PUBLIC COMMENTS

There were no public comments.

ADOPTION OF MINUTES

May 6, 2008, ARA Budget Committee Meeting minutes

April 15, 2009, ARA Budget Committee and CARA Advisory Board Joint Work Session minutes

MOTION: Terjeson moved to adopt the minutes as presented. Councilor Jeff Christman seconded the motion and it passed 11-0.

Budget Committee Member Doug Moore arrived at 6:34 p.m.

BUDGET MESSAGE

City Manager Wes Hare explained that with the withdrawal of the PepsiCo project from Albany, it was no longer necessary to pursue the Oak Creek urban renewal district.

Hare said most of the ARA budget is for projects. The City is starting to be paid back for loans extended in previous years and anticipate additional revenue for projects to be drawn from ARA's line of credit. Also, with the additional bond issuance in November, the ARA will get a sense of what property tax revenues will be.

Hare said, a measure of the Urban Renewal District's success is apparent in downtown Albany. Many buildings have been rehabilitated. There have been some less successful projects, such as the Labor Temple and the old Sears building; but even those failed ventures had value in the improvements that were made. Overall, Albany's record has been good. The 2009-2010 Proposed Budget will to continue to make investments in the downtown core and contribute towards economic recovery in that area.

ARA Budget Committee
May 18, 2009
Page 2 of 2

ARA BUDGET COMMITTEE RECOMMENDATION

MOTION: Councilor Bill Coburn moved to accept the Resolution as presented and Terjeson seconded it. The motion passed 12-0 and was designated Resolution No. ARA B2009.

OTHER BUSINESS

There was no other business.

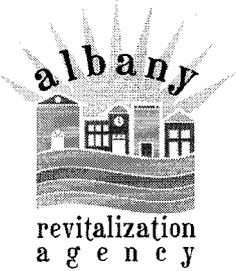
ADJOURNMENT

There being no other business, the meeting was adjourned at 6:40 p.m.

Respectfully submitted by,

Mary A. Dibble, MMC
Deputy City Clerk

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APPROVED: _____

CITY OF ALBANY
Joint Work Session
ARA Budget Committee & CARA Advisory Board
City Hall Willamette Room, 333 Broadalbin Street SW
Wednesday, April 21, 2010

MINUTES

Budget Committee Members present: Susan Folden, Colleen Keller, Wendy Kirby, Ray Lusk, Doug Moore, and Steve Terjeson

Budget Committee Members absent: Bruce Peters (unexcused)

Advisory Board Members present: Rich Catlin, Jeff Christman, Bill Coburn, Loyd Henion, Bessie Johnson, Gordon Kirbey, Sharon Konopa, Ray Kopczynski, Chuck Leland, Dick Olsen, Cordell Post, Ralph Reid, Jr., and Mark Spence

Advisory Board Members absent: Floyd Collins (excused)

Staff present: City Manger Wes Hare, Finance Director Stewart Taylor, Urban Renewal Manager Kate Porsche, and Administrative Assistant Teresa Nix

CALL TO ORDER

Budget Committee Chair Susan Folden called the meeting to order at 5:17 p.m.

SCHEDULED BUSINESS

Business from the Public

None.

Proposed FY2010-2011 Central Albany Revitalization Area (CARA) Budget Review

Urban Renewal Manager Kate Porsche distributed *Notes on Proposed FY 2010-2011 CARA Budget*. She said that she has had questions from citizens as to why the urban renewal district is still spending money when the City is tightening its belt. She drew attention to a tax increment graph attached to the handout, which shows that the 2001 assessed value continues to flow to the taxing districts; it is any increase in the assessed value that flows to the urban renewal district for the specific purpose of funding projects outlined in urban renewal plan. The second graph in the handout shows the actual income for CARA in years 2001 through 2008. The CARA Advisory Board has challenging decisions about whether its funds will go primarily toward public projects or private partnerships. The third graph in the handout shows that CARA money invested equals about \$8 million; private money invested equals about \$65.5 million. The goal is to drive private investment in the community.

In discussion and in response to inquiries, Porsche added that:

- A certain level of rehabilitation is needed to trigger reassessment of a property. Paint or a new awning will not raise the value of a building, but significant remodel work will.
- Job creation can be challenging to measure – whether a business is truly creating new jobs or is moving jobs from another part of the region. Viper NW created 15 new engineering jobs; CAAD moved jobs to Albany from Tangent. There is only anecdotal evidence available related to the issue of job creation.

Porsche said that the CARA Budget has two programs: projects and debt service. She drew attention to the Program Narrative and budget line items for the project side, distributed in the packets, and reviewed the specific line items as outlined in the staff report. In her comments and in discussion, she stated that:

- Revenues are based on a fairly conservative three percent increase in assessed value and assume a certain percent of delinquency.
- Loan proceeds are related to the recently closed \$5 million line-of-credit, minus funds already expended or committed. This is a two-year line of credit; the budget assumes that the entire amount will be drawn down in 2010-11.
- The Yamamoto loan is the only anticipated loan repayment in 2010-11. Others will begin to repay in 2012. The last page of the handout includes a schedule of anticipated loan payments.
- The City Manager has asked all departments to make reductions in administrative costs equal to at least five percent. The CARA budget includes reductions of just over ten percent in administrative costs.
- Budgets for the project funds will be set to zero. When final 2009-10 numbers are available, these funds will be finalized and the actual balance will be brought forward. This was found to be the most streamlined way of handling these unknown numbers; the Finance Department is in agreement with this approach.
- On the list of projects, the 2009-10 Budget is generally the amount committed and the 2009-10 YTD is generally the amount that has been disbursed. Earlier year disbursements are not shown because the fund numbers have changed. Porsche agreed to create a report for the CARA Advisory Board that shows the total commitment versus the total amount that has been drawn down on each of the project funds.
- The budget will be updated to include expenditures made before the end of the year, including the Broadalbin Promenade. The ARA Budget Committee will be presented with a final budget for adoption.

City Manager Wes Hare commented that, typically, a departmental budget has amounts apportioned into line items. CARA's budget is dependent upon projects and applications; a pot of money is set aside and, as projects become authorized, they slip down into the line items. This is a different way of budgeting that recognizes the reality of how urban renewal works. Brief discussion followed.

Porsche reviewed the Program Narrative and budget line items related to debt service, as detailed in the staff report and the handout. She said that the bulk of the tax increment coming in will go to fund debt service; the remainder will go directly into the project fund. Legislation was passed last year so that it is no longer necessary to do a du jour loan in order to repay urban renewal debt.

Mark Spence noted that Porsche has indicated that the budget numbers are conservative; he asked how differences in budgeted numbers and actual expenditures are reconciled. ARA Budget Committee and CARA Advisory Board members discussed the method by which positive differences are allocated to projects or carried over to the next year's beginning fund balance.

Folden noted that, after the City Council has approved the City budget, any changes of greater than ten percent are required to come back to the Budget Committee. She asked if this is different with the CARA budget. Finance Director Stewart Taylor advised that changes in property tax revenues or expenditures greater than ten percent would come back to the ARA Budget Committee. Hare added that the CARA budget is set up with one pot for expenditures; as projects are approved by the CARA Advisory Board, funds are moved into line items. The Budget Committee is not being asked to consider line items as much as to consider the policy question of whether this is a reasonable and appropriate amount of money to be dedicated for urban renewal projects. Taylor added that the public budget process is necessary in order to create legal spending authority.

Porsche said that the CARA budget will be one of the first items considered by the ARA Budget Committee during the upcoming public hearings. She asked that ARA Budget Committee members contact her with any questions in advance of the public hearings.

BUSINESS FROM THE COMMITTEE

None.

NEXT MEETING DATE

The next meeting date is to be determined.

ADJOURNMENT

Hearing no further business, Chair Folden adjourned the meeting at 6:17 p.m.

Respectfully submitted by,

Reviewed by,

Teresa Nix
Administrative Assistant

Kate Porsche
Urban Renewal Manager

RESOLUTION NO. ARA B2010

A RESOLUTION APPROVING THE ALBANY REVITALIZATION AREA (ARA) BUDGET FOR FISCAL YEAR 2010-2011 BY THE ARA BUDGET COMMITTEE AND RECOMMENDING TO THE ARA AGENCY CERTIFICATION TO LINN AND BENTON COUNTIES.

WHEREAS, the Fiscal Year 2010-2011 ARA Budget consists of funding and expenditures for the Central Albany Revitalization Area (CARA).

THEREFORE BE IT RESOLVED that the Albany Revitalization Area Budget Committee hereby approves the FY 2010-2011 Budget in the amount of \$5,247,600.

BE IT FURTHER RESOLVED that the amounts for the fiscal year beginning July 1, 2011, and for the purposes shown below are hereby appropriated as follows:

CARA Urban Renewal Area	\$ 4,070,200
CARA Debt Service	1,177,400
Total	\$5,247,600

BE IT FURTHER RESOLVED that the ARA Budget Committee hereby recommends to the ARA Agency certification to the County Assessors (Linn and Benton Counties) a request for the ARA 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 18TH DAY OF MAY 2011.

ARA Budget Committee Chair

ATTEST:

ARA Budget Committee Secretary

**Albany
Revitalization
Agency
(ARA)**

2010 – 2011

PROPOSED BUDGET

2010-2011 PROPOSED BUDGET

BUDGET COMMITTEE

ARA Agency

Floyd Collins, Agency Chair
Bill Coburn
Jeff Christman
Bessie Johnson
Sharon Konopa
Dick Olsen
Ralph Reid, Jr.

Lay Members

Susan Folden, Budget Chair
Colleen Keller
Wendy Kirbey
Raymond Lusk
Doug Moore
Bruce Peters
Steve Terjeson

Administrative Staff

Wes Hare, City Manager
Stewart Taylor, Finance Director
Kate Porsche, Urban Renewal Manager
John Stahl, Assistant Finance Director
Betty Langwell, City Clerk

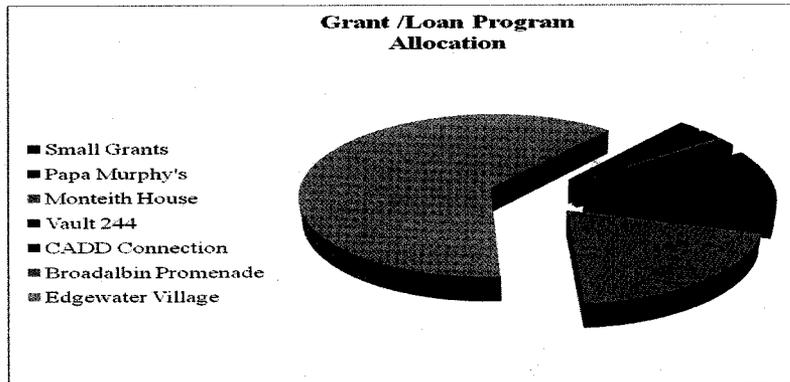
**ALBANY REVITALIZATION AREA (ARA)
URBAN RENEWAL DISTRICT
Fiscal Year 2010-2011 BUDGET MESSAGE**

Honorable Chairperson, Budget Committee members, and citizens of Albany, I am pleased to present the budget for the ARA in the amount of \$5,247,600, for Fiscal Year 2010-2011.

During the current fiscal year, much has been accomplished. Central Albany Revitalization Area (CARA) has continued to make progress toward achieving the goals of its plan by funding various projects through its grant and loan programs.

A total of \$2,412,000 was allocated to projects under the Grant/Loan Program for development and building renovation projects including:

Small Grants	\$ 50,000
Papa Murphy's Pizza – Hamlin	\$ 42,500
Monteith House	\$ 12,000
Vault 244 – Brown	\$ 30,000
CADD Connection – Yamamoto	\$ 307,500
Broadalbin Promenade	\$ 470,000
Edgewater Village	\$1,500,000



Many of these projects are already underway. Their high levels of visibility throughout Central Albany seem to be having a positive effect and are acting as a catalyst for change.

Looking forward, there are five loans that CARA is holding. This year, Herb Yamamoto has a payment scheduled; this item has been included in this year's CARA budget. Below is a chart of the scheduled upcoming loan payments to CARA:

CARA Loan Income

As of March 30, 2010

Borrower (Original Loan Amount) - Due Date	Fiscal Year								
	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015	2015 2016	2016 2017	2017 2018	
Swoboda Ph. I (\$82,500) - 1/25/2010									
Swoboda Ph. II (\$42,500) - 1/19/2012			\$ 14,365	\$ 14,365	\$ 14,365	\$ 14,365	\$ 14,365		
Manley (\$148,000) - 2/12/2014				50,255	50,255	50,255	\$ 50,255	\$ 50,255	
Yamamoto No Interest Loan (\$97,500) - 3/13/2016						97,500			
Yamamoto Property Acquisition Loan (\$112,500) - 3/13/2010	7,194	7,194	7,194	7,194	7,194	100,727			
Total Anticipated Loan Payments	\$ 7,194	\$ 21,559	\$ 21,559	\$ 71,814	\$ 71,814	\$ 262,847	\$ 50,255	\$ 50,255	

**ALBANY REVITALIZATION AREA (ARA)
URBAN RENEWAL DISTRICT
Fiscal Year 2010-2011 BUDGET MESSAGE**

A portion of the project funds shown in the FY 2010-2011 budget has already been earmarked to fund different projects. These projects were approved by the ARA during FY 2009-2010. The remaining balance will be available to fund projects as the Agency sees fit.

In the FY 2010-2011 budget, it is assumed that the ARA will fund projects and draw against the remaining balance of \$3,000,000 line of credit that was put into place FY 2009-2010.

Kate Porsche has continued to serve in her role as Urban Renewal Manager. She is responsible for the day-to-day activities of the urban renewal district including budget tracking, project management, committee support, contract negotiation, and administrative functions.

Interest and public visibility of the CARA projects and activities have increased significantly with the completion of construction on various projects including the Flinn Building offices, Conn Huston Building, as well as the Oregon Brownfield Award given to David Reece and the Ironworks project, a past CARA project. All of these projects have helped fuel the economy of Central Albany. We look to the new fiscal year to carefully consider future projects, borrowing capacity, and creative ways to partner with the Main Street organization in the advancement of downtown.

Respectfully submitted,



Wes Hare, City Manager

DEPARTMENT THEMES AND GOALS

Albany Revitalization Agency
Responsible Manager/Title: Wes Hare, City Manager

Great Neighborhoods

Reduce blight in Central Albany, implement goals and objectives of the City of Albany Comprehensive Plan, 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.

Providing an enriching environment and livable neighborhoods.

Safe City

Reduce blight by:

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

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

Upgrading or restoring water, sewer, and specific roadway systems.

Rehabilitating blighted properties.

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.

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

Leveraging urban renewal funds to become a catalyst for redevelopment in the targeted areas.

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: CENTRAL ALBANY REVITALIZATION AREA (CARA) (290-11-1102)

Responsible Manager/Title: Wes Hare, City Manager

FUNCTIONS AND RESPONSIBILITIES

- Promote revitalization within the boundaries of the Urban Renewal District through a public/private partnership.
- Establish activities in response to private sector needs while balancing the interests of the community at-large.
- Fund small grant requests.

STRATEGIES/ACTIONS

Strategic Plan Theme	Target Date	Status	Strategies/Actions
Budget Year 2009-2010			
Healthy Economy			
	07/09	Completed	• Complete partnership with owners of projects begun in 2007, 2008, and 2009. Throop/Conn and Huston Building
	07/09	Completed	Calapooia Brewing partnership
	08/09	Completed	Manley/Flinn Building (upper floor redevelopment)
	08/09	In Progress	Residential historic forgivable loans
		In Progress	Manley/Flinn & Ames Buildings
	03/10	In Progress	Yamamoto/Cameron House
	06/10	In Progress	Code Compliance blight removal partnership
	07/11	In Progress	• Continue partnership with RCM Homes for their \$27 million project.
Budget Year 2010-2011			
Healthy Economy			
	11/10		• Complete partnership with owners of projects begun in 2009 and 2010. JC Penny Building
	12/10		Residential historic forgivable loans
	12/10		Yamamoto/Cameron House
	12/10		Code Compliance blight removal partnership
	03/11		Manley/Flinn & Ames Buildings
	06/11		Small Grant recipients
	06/11		• Continue partnership with RCM Homes for their \$27 million project for property acquisition and site plan design.

City of Albany, Oregon - Requested Budget

Budget Fiscal Year: 2011

FUND 290: Albany Revitalization Agency
 DEPT 11: City Manager/ City
 Council

PROG 1102: CARA

Print Date: 05/03/2010

ACCT# DESCRIPTION	2007-2008 Actual	2008-2009 Actual	2009-2010 YTD	2009-2010 BUDGET	2010-2011 Requested	% Change
REVENUES						
General Revenues						
40050 Property Taxes - Current	-	-	-	-	297,800	0.00%
40051 Property Taxes - Delinquent	-	-	-	-	33,700	0.00%
47001 Loan Proceeds	-	-	1,958,800.00	4,000,000	3,041,200	-23.97%
47024 Loan Repayment-Principal	-	-	190,831.56	106,900	1,800	-98.32%
47025 Loan Repayment-Interest	-	-	11,125.76	27,000	5,400	-80.00%
48010 Interest	-	-	18,434.50	50,000	20,000	-60.00%
Total General Revenues	-	-	2,179,191.82	4,183,900	3,399,900	-18.74%
Beginning Balance						
49905 Beginning Balance	-	-	1,848,177.94	513,600	670,300	30.51%
Total Beginning Balance	-	-	1,848,177.94	513,600	670,300	30.51%
TOTAL REVENUES	-	-	4,027,369.76	4,697,500	4,070,200	-13.35%
EXPENDITURES						
Materials & Services						
60016 Audit Service	-	-	2,500.00	2,700	2,700	0.00%
60101 Contractual Services	-	-	10,937.60	10,000	10,000	0.00%
61005 Administrative Costs	-	-	475.74	1,500	500	-66.67%
61006 Advertising & Publications	-	-	432.64	1,500	300	-80.00%
61010 Duplication & Fax	-	-	473.05	1,700	1,000	-41.18%
61011 Education & Training	-	-	47.10	500	500	0.00%
61024 Materials & Supplies	-	-	362.35	3,000	1,500	-50.00%
61026 Meetings & Conferences	-	-	715.89	1,800	1,800	0.00%
61027 Memberships & Dues	-	-	558.25	900	900	0.00%
61030 Personal Auto Reimbursement	-	-	308.70	500	600	20.00%
61032 Postage & Shipping	-	-	44.47	100	100	0.00%
61034 Professional Publications	-	-	227.00	300	300	0.00%
67020 Building Revitalization Grant Program	-	-	20,812.80	50,000	50,000	0.00%
67038 Blight Removal Program	-	-	7,640.00	50,000	-	-100.00%
67051 CARA RFL: Eaton	-	-	-	24,800	-	-100.00%
67052 CARA RFL: van Rossman	-	-	-	12,200	-	-100.00%
67200 CARA AA: Dortinacq	-	-	1,315.00	9,000	5,000	-44.44%
67201 CARA AA: Crandall	-	-	3,331.60	5,000	5,000	0.00%
67405 CARA DvP: Johnson (Tx)	-	-	173,705.40	304,500	-	-100.00%
67411 CARA DvP: R3 Development	-	-	502,840.51	547,700	-	-100.00%
67412 CARA DvP: Manley Ph III (Taxable)	-	-	211,843.67	211,800	-	-100.00%
67625 CARA Grant: Throop (50%) (Tx)	-	-	9,779.99	11,000	-	-100.00%
67626 CARA Grant: M. Brown (50%) (Tx)	-	-	70,000.01	70,000	-	-100.00%
67627 CARA Grant: Monteith Historical Society	-	-	8,488.57	12,000	-	-100.00%
67628 CARA Grant: Papa Murphy's	-	-	42,506.00	42,600	-	-100.00%
67806 CARA Loan: Manley Ph II (Tx)	-	-	35,801.16	241,700	-	-100.00%
67807 CARA Loan: R3 Dev (forgivable)	-	-	200,066.00	200,000	-	-100.00%
67809 CARA Loan: Yamamoto 100% Forgivable-I	-	-	74,704.98	74,800	-	-100.00%
67810 CARA Loan: Annunzio Forgivable TX	-	-	13,205.77	13,200	-	-100.00%
67811 CARA Loan: Yamamoto 100% Proj Loan (I	-	-	85,528.66	97,500	-	-100.00%
67813 CARA Loan: Albany Redev, LLC (Tx)	-	-	21,487.89	40,000	-	-100.00%
67814 CARA Loan: Edgewater Village (F) (Tx)	-	-	1,500,000.00	1,500,000	-	-100.00%
69018 Reserve: CARA Projects	-	-	-	685,700	3,886,100	466.73%
Total Materials & Services	-	-	3,000,140.80	4,228,000	3,966,300	-6.19%
Capital						
71000 Jackson St/Water Ave Intersection	-	-	170,844.59	234,200	-	-100.00%
75000 CARA: Broadalbin Promenade	-	-	65,838.58	20,000	-	-100.00%
75001 Water Avenue Improvements	-	-	-	63,300	-	-100.00%
Total Capital	-	-	236,683.17	317,500	-	-100.00%
Transfers Out						
91204 To Building Inspection Fund	-	-	41,666.70	50,000	-	-100.00%
91232 To Economic Development	-	-	85,000.00	102,000	103,900	1.86%
Total Transfers Out	-	-	126,666.70	152,000	103,900	-31.64%
TOTAL EXPENDITURES	-	-	3,363,490.67	4,697,500	4,070,200	-13.35%

City of Albany, Oregon - Requested Budget

Budget Fiscal Year: 2011

FUND 290: Albany Revitalization Agency

DEPT 11: City Manager/ City

Council

PROG 1102: CARA

Print Date: 05/03/2010

ACCT# DESCRIPTION	2007-2008 Actual	2008-2009 Actual	2009-2010 YTD	2009-2010 BUDGET	2010-2011 Requested	% Change
PROGRAM 1102: CARA						
Revenues less Expenditures	-	-	663,879.09	-	-	

PROGRAM NARRATIVE

ALBANY REVITALIZATION AGENCY: CARA DEBT SERVICE (290-11-1112)

Responsible Manager/Title: Wes Hare, City Manager

FUNCTIONS AND RESPONSIBILITIES

- The Central Albany Revitalization Area Agency has issued CARA Urban Renewal Revenue Bonds, Series 2007A tax-exempt of \$2,822,000; and Series 2007B taxable of \$1,865,000; dated October 15, 2007. In 2010, CARA issued a new line of credit in the amount of \$5,000,000.
- This activity provides for payment of the principal and interest on the bond sale established in 2007 and the Line of Credit established in 2010.
- Debt service is made from current property tax revenues.
- 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.
- The Series 2007B taxable bonds are payable semiannually on June 15 and December 15. The interest rate is 6.25 percent. The maturity date is June 15, 2015.
- The 2010 note is a two-year line of credit. The interest rate is variable and interest-only payments are all that are required until its conversion to a bond. In the attached maturity schedule, payments have been estimated assuming the full \$5.0 million has been drawn down and an interest rate of 5.0 percent.
- The Bond Registrar for the 2007 and 2010 issues 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 \$464,000 for the 2007 bonds. There is no reserve requirement for the 2010 line of credit.
- A 2009 change to ORS 457.450(2) provides that the division of taxes will not stop until the agency has collected enough tax increment revenues to pay its maximum indebtedness. This change means that urban renewal agencies no longer have to do annual "du jour" bonds to make sure their indebtedness is more than the tax increment revenues it has on hand. Agencies may use their tax increment revenues to pay for other forms of contractual indebtedness.

MATURITY SCHEDULE

CARA Combined Debt Service			
FY Ending	Annual Principal	Annual interest	Total Debt Service
2011	\$247,000	\$466,430	\$713,430
2012	\$262,000	\$450,992	\$712,992
2013	\$279,000	\$184,617	*\$463,617
2014	\$296,000	\$167,180	\$463,180
2015	\$315,000	\$148,680	\$463,680
2016	\$333,000	\$130,756	\$463,756
2017	\$349,000	\$114,606	\$463,606
2018	\$366,000	\$97,679	\$463,679
2019	\$383,000	\$79,928	\$462,928
2020	\$402,000	\$61,353	\$463,353
2021	\$421,000	\$41,856	\$462,856
2022	\$442,000	\$21,437	\$463,437

*2010 LOC will be converted to bond - payments not shown

City of Albany, Oregon - Requested Budget

Budget Fiscal Year: 2011
Print Date: 05/03/2010

FUND 290: Albany Revitalization Agency
DEPT 11: City Manager/ City
Council

PROG 1112: CARA Debt Service

ACCT# DESCRIPTION	2007-2008 Actual	2008-2009 Actual	2009-2010 YTD	2009-2010 BUDGET	2010-2011 Requested	% Change
REVENUES						
General Revenues						
40050 Property Taxes - Current	-	-	1,503,349.05	1,313,700	1,167,400	-11.14%
40051 Property Taxes - Delinquent	-	-	32,073.96	20,000	-	-100.00%
48010 Interest	-	-	9,429.07	20,000	10,000	-50.00%
Total General Revenues	-	-	1,544,852.08	1,353,700	1,177,400	-13.02%
Beginning Balance						
49905 Beginning Balance	-	-	50,688.38	464,000	-	-100.00%
Total Beginning Balance	-	-	50,688.38	464,000	-	-100.00%
TOTAL REVENUES	-	-	1,595,540.46	1,817,700	1,177,400	-35.23%
EXPENDITURES						
Debt Service						
92014 Bond Principal: 2007B CARA (T)	-	-	-	219,000	247,000	12.79%
93013 Bond Interest: 2007A CARA (BQ)	-	-	68,433.50	136,900	136,900	0.00%
93014 Bond Interest: 2007B CARA (T)	-	-	47,062.50	107,800	79,500	-26.25%
94600 ARA Line of Credit Interest	-	-	-	-	250,000	0.00%
95000 Reserve: Debt Service	-	-	-	464,000	464,000	0.00%
95008 Reserve: CARA	-	-	-	890,000	-	-100.00%
Total Debt Service	-	-	115,496.00	1,817,700	1,177,400	-35.23%
TOTAL EXPENDITURES	-	-	115,496.00	1,817,700	1,177,400	-35.23%
PROGRAM 1112: CARA Debt Service						
Revenues less Expenditures	-	-	1,480,044.46	-	-	

**CARA – TAX-EXEMPT 2007 BOND
SEMIANNUAL DEBT SERVICE**

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL	Annual Total Debt Service
12/15/2010	-	0.00%	\$68,433.50	\$68,433.50	-
06/15/2011	-	0.00%	\$68,433.50	\$68,433.50	\$136,867.00
12/15/2011	-	0.00%	\$68,433.50	\$68,433.50	-
06/15/2012	-	0.00%	\$68,433.50	\$68,433.50	\$136,867.00
12/15/2012	-	0.00%	\$68,433.50	\$68,433.50	-
06/15/2013	-	0.00%	\$68,433.50	\$68,433.50	\$136,867.00
12/15/2013	-	0.00%	\$68,433.50	\$68,433.50	-
06/15/2014	-	0.00%	\$68,433.50	\$68,433.50	\$136,867.00
12/15/2014	-	0.00%	\$68,433.50	\$68,433.50	-
06/15/2015	\$126,000.00	4.85%	\$68,433.50	\$194,433.50	\$262,867.00
12/15/2015	-	0.00%	\$65,378.00	\$65,378.00	-
06/15/2016	\$333,000.00	4.85%	\$65,378.00	\$398,378.00	\$463,756.00
12/15/2016	-	0.00%	\$57,302.75	\$57,302.75	-
06/15/2017	\$349,000.00	4.85%	\$57,302.75	\$406,302.75	\$463,605.50
12/15/2017	-	0.00%	\$48,839.50	\$48,839.50	-
06/15/2018	\$366,000.00	4.85%	\$48,839.50	\$414,839.50	\$463,679.00
12/15/2018	-	0.00%	\$39,964.00	\$39,964.00	-
06/15/2019	\$383,000.00	4.85%	\$39,964.00	\$422,964.00	\$462,928.00
12/15/2019	-	0.00%	\$30,676.25	\$30,676.25	-
06/15/2020	\$402,000.00	4.85%	\$30,676.25	\$432,676.25	\$463,352.50
12/15/2020	-	0.00%	\$20,927.75	\$20,927.75	-
06/15/2021	\$421,000.00	4.85%	\$20,927.75	\$441,927.75	\$462,855.50
12/15/2021	-	0.00%	\$10,718.50	\$10,718.50	-
06/15/2022	\$442,000.00	4.85%	\$10,718.50	\$452,718.50	\$463,437.00
	\$2,822,000.00		\$1,231,948.50	\$4,053,948.50	\$4,053,948.50

**CARA - TAXABLE 2007 BOND
SEMIANNUAL DEBT SERVICE**

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL	Annual Total Debt Service
12/15/2010	-	0.00%	\$39,781.25	\$39,781.25	-
06/15/2011	\$247,000.00	6.25%	\$39,781.25	\$286,781.25	\$326,562.50
12/15/2011	-	0.00%	\$32,062.50	\$32,062.50	-
06/15/2012	\$262,000.00	6.25%	\$32,062.50	\$294,062.50	\$326,125.00
12/15/2012	-	0.00%	\$23,875.00	\$23,875.00	-
06/15/2013	\$279,000.00	6.25%	\$23,875.00	\$302,875.00	\$326,750.00
12/15/2013	-	0.00%	\$15,156.25	\$15,156.25	-
06/15/2014	\$296,000.00	6.25%	\$15,156.25	\$311,156.25	\$326,312.50
12/15/2014	-	0.00%	\$5,906.25	\$5,906.25	-
06/15/2015	\$189,000.00	6.25%	\$5,906.25	\$194,906.25	\$200,812.50
	\$1,273,000.00		\$233,562.50	\$1,506,562.50	\$1,506,562.50

**CARA - 2010 LINE OF CREDIT*
QUARTERLY DEBT SERVICE**

FY Ending	DATE	PRINCIPAL	RATE**	INTEREST	TOTAL	Annual Total Debt Service
2011	09/01/2010	-	5.00%	\$83,333	\$83,333	-
	03/01/2011	-	5.00%	\$83,333	\$83,333	-
	06/01/2011	-	5.00%	\$83,333	\$83,333	\$250,000
2012	09/01/2011	-	5.00%	\$83,333	\$83,333	-
	03/01/2012	-	5.00%	\$83,333	\$83,333	\$166,667

*Line of credit will be converted to a bond once drawn down.

**LIBOR Rate has been estimated at 5.0% for this purpose