

NOTICE OF PUBLIC MEETING

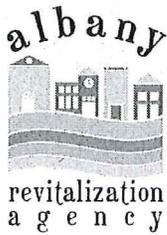
ARA BUDGET COMMITTEE MEETING
with the CARA ADVISORY BOARD
City Hall, Council Chambers
Wednesday, April 18, 2012
5:15 p.m.

AGENDA

1. CALL TO ORDER (Chair Sue Folden)
2. ROLL CALL
3. ELECTION OF OFFICERS
 - Chair
Action: _____
 - Vice Chair
Action: _____
 - Secretary
Action: _____
4. APPROVAL OF MINUTES:
 - April 20, 2011. [Pages 1-3]
Action: _____
 - May 17, 2011. [Pages 4-5]
Action: _____
5. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. Proposed FY2012-2013 Central Albany Revitalization Area (CARA) budget review: [Pages 6-21]
 - 1) CARA. [Pages 16-18]
Action: _____
 - 2) CARA Debt Service. [Pages 19-21]
Action: _____
6. BUSINESS FROM THE COMMITTEE
7. NEXT MEETING DATE: *ARA Budget Committee: Tuesday, May 15, 2012, 6:30 p.m.*
8. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you need special accommodations to attend or participate, please notify the Human Resources Department in advance by calling (541) 917-7500.



APPROVED: _____

CITY OF ALBANY
Joint Work Session
ARA Budget Committee & CARA Advisory Board
City Hall Willamette Room, 333 Broadalbin Street SW
Wednesday, April 20, 2011

MINUTES

Budget Committee Members present: Dick Conolly, Susan Folden, Colleen Keller, Wendy Kirbey, Raymond Lusk, Michael Thomson

Budget Committee Members absent: Bruce Peters (unexcused)

Advisory Board Members present: Rich Catlin, Jeff Christman, Bill Coburn, Floyd Collins, Bessie Johnson, Gordon Kirbey, Sharon Konopa, Ray Kopeczynski, Chuck Leland, Dick Olsen, Cordell Post, Ralph Reid, Jr.

Advisory Board Members absent: Loyd Henion (excused), Mark Spence (excused)

Staff present: City Manager Wes Hare, City Attorney Jim Delapoer, Urban Renewal Manager Kate Porsche, Administrative Assistant Teresa Nix

CALL TO ORDER

Chair Susan Folden called the meeting to order at 5:15 p.m.

SCHEDULED BUSINESS

Business from the Public

None.

Proposed FY2011-2012 Central Albany Revitalization Area (CARA) Budget Review

Urban Renewal Manager Kate Porsche suggested that a line-by-line review of the CARA budget be held until the official public hearing on May 17; she would like to take this opportunity to provide information about urban renewal, Albany's story, the mechanism for urban renewal, and an issue that has been raised regarding the possibility of using urban renewal dollars for school funding.

Porsche said that she is Vice President of the Association of Oregon Redevelopment Agencies, which is comprised of urban renewal agencies throughout the state. She said that urban renewal is a state-authorized redevelopment and finance program designed to help communities improve and redevelop blighted areas; she showed a map of Oregon's active urban renewal districts. Regarding Albany's story, she said that the downtown was suffering in 1995 when the City engaged Crandall Arambula, a Portland architecture firm, to help create a "Town Center Plan" – an award-winning redevelopment framework which was arrived at after an active public process and which capitalized on the inherent qualities of the community. The plan generated a lot of enthusiasm, but there was no funding mechanism until the creation of the Central Albany Revitalization Area in 2001. She showed a map of the CARA area, which is comprised of 991 acres. She said that urban

renewal districts allow for the use of tax increment dollars to finance improvement projects, provide special ability to buy and assemble sites for development or redevelopment if desired, and provide special flexibility in working with private parties to complete development projects.

Porsche explained the tax increment mechanism. When an urban renewal district is created, the current assessed value becomes the frozen base which continues to flow to taxing districts including the cities, counties, and school districts. The increase in assessed value in the district over a finite period of time flows to the urban renewal agency to fund specific projects. At the end of the district's lifespan, the full amount of the increased assessed value goes back to the taxing districts. Taxing districts forgo taxes on the increased assessed value for a period of time with the idea that all will have a stronger tax base in the end. The total tax increment income this year for CARA is about \$1.8 million. The taxing districts still receive their proportional amount of the frozen base; CARA receives its money from the increased assessed value. CARA has invested about \$8 million into public private-partnerships so far; this has generated private investment of almost \$66 million.

The issue of using urban renewal dollars for school funding has come up at local and state levels. School district funds are allocated from the state using a uniform statewide per student funding level. CARA does not impact the per-student revenue received by the Greater Albany Public Schools (GAPS). Any increase in property tax revenue that came through the County Assessor's office would actually decrease the revenue from the state school fund (per Russ Allen, GAPS Director of Business). Porsche distributed a memorandum from Parks & Recreation Director Ed Hodney outlining a number of ways in which the City assists the school district.

Porsche reviewed potential actions that the City Council could take related to the urban renewal district. It could close the district, but all loans would still have to be paid off which would take about ten years. It could shrink the district, but this difficult process would take about a year and would result in less taxes being collected, limiting or ceasing the investments that could be made. It could collect less than the total amount but; as discussed above, that would not help the local school district. The question for Albany was whether it wanted to take advantage of this economic development tool to breathe life back into the core of its community. The City Council, after an intensive public process, answered with a resounding yes.

The CARA Plan includes development partnerships, infrastructure, public space improvements, pedestrian/bike connectivity, watershed health & education, community facilities, and technical support. Its maximum indebtedness is \$56 million; its estimated completion is 2026/2027.

In summary, Porsche said that urban renewal is not an increase in taxes; that the tax increment is used to eliminate blight and create a more vibrant, livable, and economically viable central Albany; that CARA is not and cannot be the tool to assist GAPS; that changes to the urban renewal plan or area are policy decisions for the City Council; and that a full budget review will be held on Tuesday, May 17, 2011. She invited questions.

Ray Kopezynski said that it is obvious that, in the ten years that the urban renewal district has been in existence, the amount of taxes over the base level are way above what has been expended by CARA and private investment combined; this tells him that the process is working well by design.

Sharon Konopa added that the nearly \$66 million of private investment is a lot of money that has been filtered through our local economy. She wonders what the downtown would look like without this investment. She thinks that CARA has allowed for a great turnaround for the downtown and for the whole district.

Chuck Leland asked for more information about the loan issue. Porsche explained that CARA borrows money to put into projects; the idea is to get projects on the ground as soon as possible in order to spur private investment and get tax increment coming in. Approximately \$713,000 will be used to pay debt this year, leaving about \$1 million to spend on other projects.

Raymond Lusk noted that the Governor of California has proposed to eliminate redevelopment agencies and redirect that funding to local governments; he asked if there has been similar talk at the state level in Oregon. Porsche said that this has not been raised as an issue for this legislative session. She said that the Association of Oregon Redevelopment Agencies has a good relationship with its partners at the special districts, all of which are working hard to find common ground. The representatives she has talked with feel that this is one of the state's last flexible economic development tools and that they would oppose any action to eliminate urban renewal districts in Oregon. The special districts understand that all will be benefactors of the increased revenues in the end.

Floyd Collins asked how staff will communicate back to the taxing districts. Porsche reviewed her plans to update the taxing districts on the urban renewal program and address any questions or concerns. City Manager Wes Hare added that the City has joint meetings with the taxing districts on a regular basis; he has not had a request to discuss the validity or appropriateness of the urban renewal district during his tenure with the City. He agrees with Porsche's suggestion that she be more proactive in explaining urban renewal as an economic development tool going forward. Brief discussion followed.

BUSINESS FROM THE COMMITTEE

None.

NEXT MEETING

The next meeting date is Tuesday, May 17, 6:30 p.m.

ADJOURNMENT

Hearing no further business, Chair Folden adjourned the meeting at 6:08 p.m.

Respectfully submitted by,

Reviewed by,

Teresa Nix
Administrative Assistant

Kate Porsche
Urban Renewal Manager

Approved:

ALBANY REVITALIZATION AREA
BUDGET COMMITTEE MEETING
City Hall Council Chambers
Monday, May 17, 2011
6:30 p.m.

MINUTES

PRESENT: Mayor Sharon Konopa and Councilors Jeff Christman, Floyd Collins, Dick Olsen, Ralph Reid Jr., Bessie Johnson, and Bill Coburn; and Budget Committee Members Susan Folden, Raymond Lusk, Wendy Kirbey, Colleen Keller, Bruce Peters, and Steve Terjeson.

Budget Committee Member Michael Thomson arrived at 6:34 p.m.

ABSENT: None.

CALL TO ORDER

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

ELECTION OF OFFICERS

Folden called for nominations for the Albany Revitalization Agency (ARA) Budget Committee Board.

Budget Committee Member Raymond Lusk moved to nominate Folden for Chair. Councilor Bill Coburn seconded the motion and it passed 13-0.

Budget Committee Member Bessie Johnson moved to nominate Councilor Jeff Christman for Vice Chair. Councilor Floyd Collins seconded the motion and it passed 13-0.

Collins moved to nominate Budget Committee Member Colleen Keller for Secretary. Johnson seconded the motion and it passed 13-0.

ADOPTION OF MINUTES

Coburn moved to adopt the May 18, 2010, ARA Budget Committee Meeting minutes. Councilor Ralph Reid seconded the motion and it passed 13-0.

SCHEDULED BUSINESS

Business from the Public

There was no business from the public.

Proposed ARA Fiscal Year (FY) 2011-2012 Budget Review

City Manager Wes Hare explained that the urban renewal district collects taxes based on the increased value of properties in the district from the time it was formed in 2001. There has been about \$100 million increase over that time. The ARA focuses resources on projects that are in the district in an effort to build up assessed values over time. At the expiration of the urban renewal district, Albany will have a more robust base and a more prosperous community. Urban renewal has been working well in Albany because we are seeing investment here that would not have otherwise happened. Examples are the Wheelhouse, Jefferson Lofts, Calapooia Brewery, and

creating jobs at Viper NW and Hydration Technologies. There is a list of the various projects and their stages of completion in the ARA Budget document.

Budget Committee Member Michael Thomson arrived at 6:34 p.m.

Folden noted that there is a retail refinement plan in the works with a completion date of 2012 or maybe this summer. She asked, is there more to do before we start funding projects again? Hare said that Crandal Arandula, a consultant out of Portland, did the first draft. Urban Renewal Manager Kate Porsche said they should be done in June or July and the project will be complete. It will be possible to fund projects during this next FY.

BUSINESS FROM THE COMMITTEE

Coburn moved to approve the ARA Budget and Reid seconded it. The motion passed 14-0 and was designated Resolution No. B-2011-1.

ADJOURNMENT

There being no other business, the meeting was adjourned at 6:38 p.m.

Respectfully submitted by,

Mary A. Dibble, MMC
Deputy City Clerk



TO: ARA Budget Committee
CARA Advisory Board

VIA: Wes Hare, City Manager
Stewart Taylor, Finance Director

FROM: Kate Porsche, Urban Renewal Manager

DATE: April 11, 2012, for April 18, 2012, ARA Budget Committee Meeting with CARA
Advisory Board

SUBJECT: Staff Report – Overview

As you are aware, the ARA Budget Committee will be meeting with the CARA Advisory Board next Wednesday the 18th. We have devoted the whole meeting to this purpose.

In the joint budget meeting, we will review and discuss the proposed FY2012-2013 CARA budget. This session will include members from the ARA Budget Committee and the full CARA Advisory Board.

As some of you may remember from last year, the purpose of this meeting is to receive the Budget Message and review the Proposed Budget for Fiscal Year 2012-2013. Copies of the proposed budget are included for your review prior to the meeting. We will step through the budget in detail on the night of the meeting. The ARA Budget Committee Chair, Sue Folden, will lead the meeting. I will be available to answer any questions as they arise.

Budget Details

This year's budget was prepared using an especially conservative approach due to the uncertainty that exists about the amount of property tax revenue that CARA will receive and the possible negative impact of compression on the revenue.

We will discuss the budget in detail, but here are some of the important points for your consideration prior to the meeting:

Tax Increment – (Total: \$1,700,000) Estimates were left flat, no increase, for this year with the anticipation of possible greater impact from the economy on assessed value and compression, especially on the residential properties, which make up a good part of CARA.

Debt Service – The debt service fund (290-11-1112) totals \$1,784,400—this is the total amount needed to service the existing CARA debt and the anticipated 2012 Bond [which is a refinancing of the 2010 Line of Credit (LOC)] and includes amounts required by the banks to be held in reserve. Our beginning balance (\$964,000) in this fund comes from the reserve of FY 2011-2012 (line item 95000 in the 2011-2012 Budget column). In addition to the beginning balance, \$817,400 of the \$1.7M of tax increment flows to this fund to cover the remainder of the debt expenses.

Project Fund – (290-11-1102) totals \$4,981,500. On the revenue side, the balance of the TIF (\$882,600) flows into this account. This fund also reflects a conservative estimate of delinquent property tax and the repayments from CARA Loan recipients and assumes the drawdown of the balance of the proceeds from the 2010 LOC.

Potential Additional Conservative Measures – Due to the current economic and political climate, some have suggested that we may want to consider even more conservative measures in thinking about this year's budget.

One example that had been considered internally was the potential of not committing CARA funds to any new projects until the true amount of tax-increment and the impact of compression are known. We will know this information in November when the first (and largest) sets of taxes are received by the County. Waiting until November would be a very conservative approach but would ensure that we knew the true amounts of increment for the following fiscal year. This conservative approach is a luxury the urban renewal district has that the City does not and may merit thought and conversation.

Another suggestion that has been talked about is the possibility of not drawing down the remainder of the LOC.

Both of these options—waiting until taxes are received in November and the potential of not drawing down the full amount of the LOC—are topics for discussion by the CARA Advisory Board with a recommendation to the ARA, which, ultimately, would make the policy decisions. Staff recommends that, for the purposes of drafting and reviewing the budget at next week’s meeting, that we keep the drawdown of the LOC in the budget, as this merely creates the spending authority. Execution of the drawdown, like the possibility of putting off funding decisions until November, is another topic of discussion for the CARA Advisory Board with a recommendation to the ARA, which would make the policy decision. These topics deserve careful consideration and do not need to be decided upon at this month’s budget meeting.

Funds Available for Projects

As mentioned above, the budget is built in a way that assumes the full drawdown of the LOC in the 2012-2013 fiscal year. The figure below illustrates the minimum amount that will need to be drawn down to cover commitments that CARA has already made (\$734,100). If we assume that the Lepman project on Second and Baker—which was approved by the CARA Advisory Board but hasn’t yet moved forward to the Agency for approval—moves forward, the minimum draw amount becomes \$1,509,100. This leaves a balance in the LOC of \$1,520,900, which may be drawn down and made available for future projects; or, the group may choose to simply not draw this amount.

Item	Potential Draw Amounts	Loan funds Available \$3,030,000	
		Aggregate Draw Amount	LOC Balance
Amount needed to cover current costs/commitments	\$ 660,100	\$ 660,100	\$2,369,900
American Legion (Wasn't reflected in Eden when Cashflow was built)	\$ 74,000	\$ 734,100	\$2,295,900
Lepman Project	\$ 775,000	\$ 1,509,100	\$1,520,900
Reserve available for other projects	\$ 1,520,900	\$ 3,030,000	\$ -

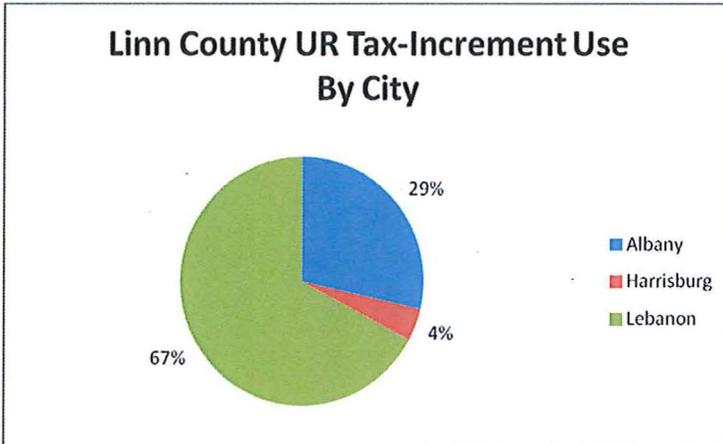
Under-levying of Property Tax –In a letter dated December 14, 2011 (attached), the Linn County Board of Commissioners requested that CARA consider under-levying, or not taking the full amount of the TIF this year. This is a policy question that deserves thoughtful consideration and analysis. The Commissioners cited that by CARA under-levying the full amount of TIF, the

County would see more than \$400K that they could use for essential services, such as public safety. The consideration of the under-levying question is important as a decision about this will need to be made prior to July 15, 2012.

First, consideration should be given to how much we could under-levy. Based on the figure above and using the conservative method to create the budget, the most CARA will have in reserve for projects is \$1,520,900. This is the potential amount that could be under-levied, *given the full line of credit is drawn down*. This is an important caveat: CARA would be borrowing money and paying interest on that money in order to facilitate the under-levying process. Staff estimates that facilitating the under-levying of the roughly \$1.5M, used for one year by the taxing districts, would cost the Agency approximately \$255,000 in interest over the projected ten-year payback.

Due to the funding commitments that CARA has made, there is no surplus of tax-increment that we could under-levy to give back to the taxing districts. To facilitate any under-levy in this budget year would require a borrowing through the full draw-down of the LOC. The first question for your consideration becomes: Do you want to borrow money to give to the taxing districts?

Second, Linn County is the only taxing district that has made this request. CARA is but one of five URDs in Linn County and is not the largest. In total, Linn County has five URDs: three in Lebanon, including the largest user of tax-increment (see attached table 4f from Linn County); one in Harrisburg; and CARA. (See graph at left)



Harrisburg takes the full amount of their division of taxes for urban renewal but does under-levy their special levy (related to their district being in place prior to Measure 50) by \$191,000 per year, which has been in place since Measure 50 in 1997. No other district in Linn County is currently under-levying their tax-increment.

Second, should you choose to borrow the roughly \$1.5, then under-levy this amount, which equates to 89 percent of the projected TIF revenue for this year, it is important that you understand what the benefit to the taxing districts looks like (see figure below).

Underlevying Potential		
Surplus amount		\$1,520,900
Total amount of projected TIF		\$1,700,000
Percent of anticipated tif		89%
Taxing District	Percent	Amount
City of Albany	40.9%	\$ 622,048
Linn County	21.1%	\$ 320,910
GAPS--goes to State of Oregon	32.6%	\$ 495,813
LBCC	3.6%	\$ 54,752
LBL ESD	1.6%	\$ 24,334
4-H	0.3%	\$ 4,563

In regards to under-levying and the school district: The \$495K shown in the table will not flow to GAPS, but rather to the State Educational Fund. Education in our state is funded on a per-pupil basis, of which GAPS is about 1.5 percent. Therefore, the direct benefit to GAPS is only about \$7,400—the state will receive the rest. Related to education, it is also worth noting that any shortfalls in local school funding due to urban renewal are effectively back-filled by the

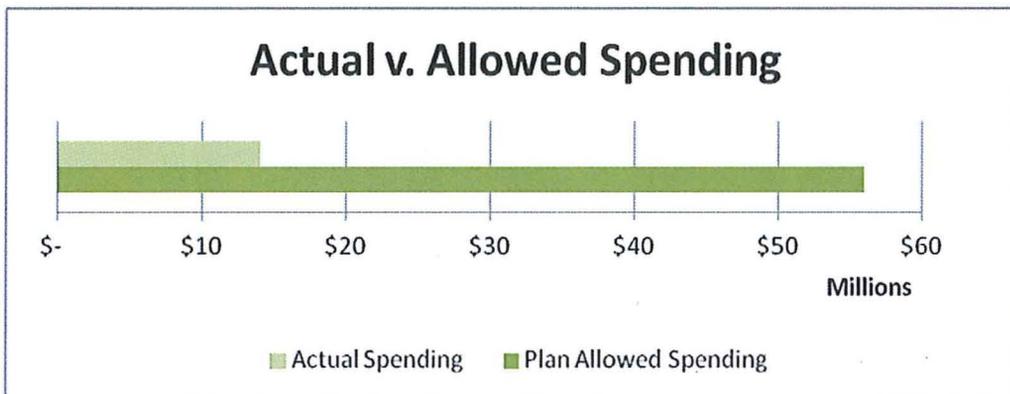
state. This means that by under-levying our community is effectively giving away \$495,000 that we would have received had these funds been used for urban renewal projects.

It is important to understand that when urban renewal districts under-levy, the under-levy occurs across all taxing districts, that is, there is no way to under-levy for just specific taxing districts. Additionally, if we choose to under-levy, we must specify a percentage, not a dollar amount. If taxes come in higher, the districts will receive more benefit, if lower, less benefit.

Third, staff, including myself, Finance Director Stewart Taylor, and City Manager Wes Hare, has great hesitation about under-levying in a year of such unknowns related to the amount of tax-increment and the possible effects of compression.

Finally, a word about under-levying from a statewide perspective: In my role as President-Elect of the Association of Oregon Redevelopment Agencies, the districts where I've most often seen or heard about under-levying seem to be those that are almost at the end of their lifespan. Under-levying is a way to share tax proceeds back with the affected districts and typically occurs at a

point when the majority of projects have been completed or are in process. Thus far, CARA has committed or spent \$14M out of an allowed \$56M dollars. This equates to 25 percent of the lifespan of CARA (see graph below), meaning we are still relatively early in the lifespan of this urban renewal process.



And though our increment has slightly outpaced the predictions, we are still in the relatively early stages of the urban renewal district. This is a time when, typically, districts borrow and put as much funding into projects that will yield a significant return on investment, either through the return of tax-increment, or through vitality or livability. To under-levy and return the \$1.5M to the taxing districts means that CARA loses out on a year of projects, which, based on the leverage ratio of \$1 of public money to \$7.30 of private money that CARA has seen thus far, could translate to a loss of over \$11M in private investment in our community.

Staff understands that this policy decision cannot be made in a vacuum and that the considerations of our partners, the affected taxing districts, as well as the current political and economic climate must be taken into consideration as well. However, given the current uncertainties due to assessed values and compression, the fact that we would have to pay interest in order to facilitate the under-levy and the relatively early stage of our urban renewal district, staff must strongly recommend not to under-levy in this current fiscal year.

We look forward to presenting this year's budget and answering any questions you may have.

KCP:ldh

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**Albany
Revitalization
Agency
(ARA)**

2012-2013

PROPOSED BUDGET

Revised April 11, 2012

2012-2013 PROPOSED BUDGET

BUDGET COMMITTEE

ARA Agency

Floyd Collins, Agency Chair
Bill Coburn
Jeff Christman
Bessie Johnson
Ray Kopczynski
Sharon Konopa
Dick Olsen

Lay Members

Susan Folden, Budget Chair
Dick Conolly
Colleen Keller
Wendy Kirbey
Neil Michael
Will Summers
Michael Thomson

Administrative Staff

Wes Hare, City Manager
Stewart Taylor, Finance Director
Kate Porsche, Urban Renewal Manager
Anne Baker, Senior Accountant
Mary Dibble, Deputy City Clerk
Mike Murzynsky, Senior Accountant

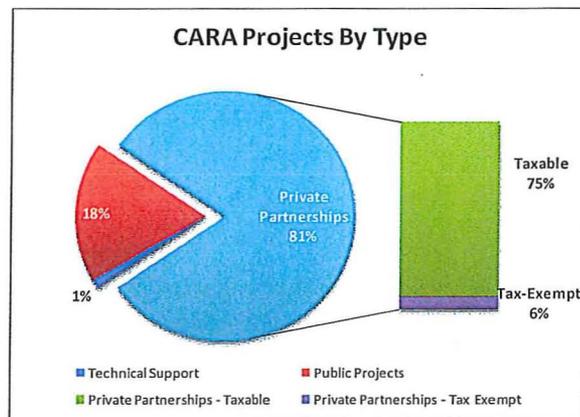
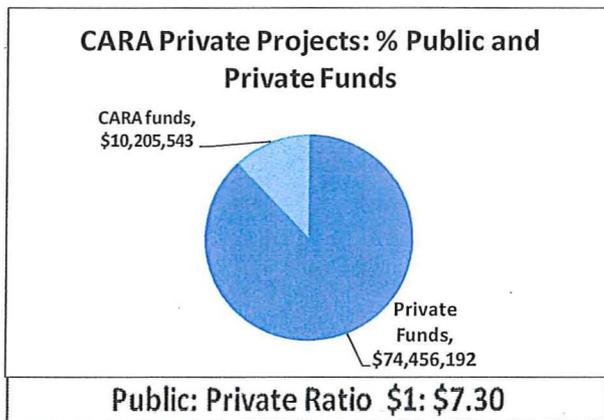
**ALBANY REVITALIZATION AREA (ARA)
URBAN RENEWAL DISTRICT
Fiscal Year 2012-2013 BUDGET MESSAGE**

Honorable Chairperson, Budget Committee members, and citizens of Albany, I am pleased to present the ARA budget of \$6,765,900 for the Fiscal Year (FY) 2012-2013.

During the current fiscal year, the 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 \$2.5M was allocated to projects under the Grant/Loan Program for development and building renovation projects including the small grants program, a refinance of the Labor Temple Apartments, public projects related to the Retail Refinement Program including design for the Lyon Street Exit Ramp and Monteith Riverpark expansion, funding for parking lot resurfacing, and Wayfinding signage for downtown. Private Partnerships funded include the Jensen Museum, the Olivetti's storefront rehabilitation on First Avenue, a partnership with Innovative Housing for 54 units of workforce housing at the site of the blighted mobile home park as well as partnerships with the American Legion and United Steel Workers.

Many of these projects are already underway, and these partnerships continue to leverage significant public funds. The graph below illustrates the ratio of public to private dollars. Additionally, the majority of CARA projects, over the life of the urban renewal district, have been private partnerships—the bulk of which are taxable projects (see graph CARA Projects by Type).



The CARA Advisory Board, in an effort to ensure that their funds are flowing to projects that will drive change, completed work on the Retail Refinement study with the firm Crandall Arambula. The Board looks to use the information from the study to help guide the creation of a stronger policy framework for CARA's decision making. Additionally, the Board plans to hold an open house and ten-year retrospective on CARA.

Looking forward, there are seven loans that CARA is holding. This coming fiscal year, four payments are scheduled to be received — one from Mr. Yamamoto, one from Mr. Ward, and two from Mr. Swoboda; these items have 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 25, 2012

Borrower (Original Loan Amount) - Due Date	Fiscal Year					
	2012 2013	2013 2014	2014 2015	2015 2016	2016 2017	2017 2018
Swoboda Ph. I (\$104,280) - 4/30/2017	\$ 23,046	\$ 23,046	\$ 23,046	\$ 23,046	\$ 23,046	
Swoboda Ph. II (\$42,500) - 1/19/2012	\$ 14,365	\$ 14,365	\$ 14,365	\$ 14,365		
Manley (\$74,000) - 2/12/2014		\$ 16,661	\$ 16,661	\$ 16,661	\$ 16,661	\$ 16,661
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	\$ 100,727		
Ward/Albany Redevelopment (\$120,000) - 5/10/14		\$ 120,000				
Ward/Albany Redevelopment (\$235,000) - 11/10/14	\$ 26,856	\$ 26,856	\$ 26,856			
Total Anticipated Loan Payments	\$ 71,460	\$ 208,121	\$ 88,121	\$ 252,298	\$ 39,706	\$ 16,661

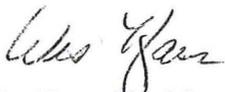
A portion of the project funds shown in the FY 2012-2013 budget have already been earmarked to fund different projects. These projects were approved by the ARA during FY 2011-2012. The remaining balance will be available to fund projects as the Agency sees fit.

In the FY 2012-2013 budget, it is assumed that the ARA will fund projects and draw against the remaining balance of \$5,000,000 line of credit that was put into place FY 2009-2010. This line of credit will be converted to a bond prior to December 31, 2012.

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, marketing, 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 Broadalbin Promenade, Flinn Building offices, and Conn Huston Building, as well as the Oregon Main Street Award given to CARA for the Promenade 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, leveraging private funding, borrowing capacity, and creative ways to partner with other community organizations including the Main Street organization and Historic Albany Recovery Plan in the advancement of Central Albany.

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.

Safe City

Reduce blight by:

- Providing a safe and convenient transportation network that encourages pedestrian and 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 2011-2012			
Healthy Economy			
	12/11	In Progress	<ul style="list-style-type: none"> • Complete partnership with owners of projects begun in 2009, 2010, and 2011: <ul style="list-style-type: none"> ○ Residential historic forgivable loans ○ Code Compliance blight removal partnership ○ Manley/Flinn & Ames Buildings ○ Small Grant recipients • Assist RCM Homes with their \$27 million project for site plan review. • Complete Downtown Retail Refinement project with Crandall Arambula and create policies to aid in decision making.
	12/11	Completed	
	12/11	In Progress	
	06/12	In Progress	
	06/12	In Progress	
	06/12	Completed	
Budget Year 2012-2013			
Healthy Economy			
	12/12		<ul style="list-style-type: none"> • Complete partnership with owners of projects begun in 2009, 2010, 2011, and 2012: <ul style="list-style-type: none"> ○ Residential historic forgivable loans ○ Manley/Flinn & Ames Buildings ○ Small Grant recipients • Assist RCM Homes with their \$27 million project for site plan review. • Create policies to aid in decision making based on the 2011 Retail Refinement Plan. • Hold open house and ten-year retrospective of CARA. • Further projects identified in the Retail Refinement plan such as the Lyon Street Exit Ramp, potential parking lot site, and Monteith Riverpark expansion.
	12/12		
	06/13		
	06/13		
	06/13		
	06/13		
	06/13		
	06/13		

PROG 1102: CARA

Acct# Description	2009 - 2010 Actual	2010 - 2011 Actual	2011 - 2012 Year to Date	2011 - 2012 Budget	2012 - 2013 PROPOSED	% Change
General Revenues						
40050 Property Taxes - Current	1,201,532.44	439,271.48	881,066.40	441,200	882,600	100.05%
40051 Property Taxes - Delinquent	-	33,057.64	39,357.30	47,400	30,000	-36.71%
47001 Loan Proceeds	1,958,800.00	-	-	3,041,200	3,030,000	-0.37%
47012 Miscellaneous Revenue	-	11,650.00	-	-	-	- %
47019 Loan Principal Revenue	-	(0.36)	-	-	-	- %
47020 Loan Interest Revenue	-	5,371.99	-	-	-	- %
47024 Loan Repayment-Principal	190,831.56	-	2,336.71	31,600	33,700	6.65%
47025 Loan Repayment-Interest	11,125.76	-	16,046.69	11,700	37,700	222.22%
48010 Interest	20,145.34	7,687.94	2,901.69	6,000	2,500	-58.33%
Total General Revenues	3,382,435.10	497,038.69	941,708.79	3,579,100	4,016,500	12.22%
Beginning Balance						
49905 Beginning Balance	1,848,177.94	1,405,820.15	842,385.20	652,900	965,000	47.80%
Total Beginning Balance	1,848,177.94	1,405,820.15	842,385.20	652,900	965,000	47.80%
TOTAL REVENUES	5,230,613.04	1,902,858.84	1,784,093.99	4,232,000	4,981,500	17.71%
Materials & Services						
60016 Audit Service	2,500.00	2,900.00	2,900.00	3,000	3,000	- %
60101 Contractual Services	42,685.34	4,639.00	5,887.31	10,000	10,000	- %
61005 Administrative Costs	560.74	336.59	325.19	500	500	- %
61006 Advertising & Publications	554.24	334.48	(14.70)	300	300	- %
61010 Duplication & Fax	1,628.29	1,435.24	920.86	2,000	1,500	-25.00%
61011 Education & Training	67.10	575.00	-	-	-	- %
61024 Materials & Supplies	442.41	1,540.35	369.38	1,500	1,500	- %
61026 Meetings & Conferences	725.89	321.04	612.86	2,000	1,700	-15.00%
61027 Memberships & Dues	558.25	784.02	895.51	900	900	- %
61030 Personal Auto Reimbursement	536.70	1,281.45	804.86	600	900	50.00%
61032 Postage & Shipping	44.47	10.89	19.90	100	100	- %
61034 Professional Publications	227.00	227.00	227.00	300	300	- %
67020 Building Revitalization Grant Program	21,256.30	61,962.38	45,393.00	50,000	50,000	- %
67038 Blight Removal Program	15,848.19	4,416.67	-	-	-	- %
67051 CARA RFL: Eaton	-	24,794.00	-	-	-	- %
67052 CARA RFL: van Rossman	-	3,210.41	-	8,990	-	-100.00%
67055 CARA FL: Carousel Bldg Design	-	-	42,534.85	110,000	-	-100.00%
67056 CARA FL: Olivetti (tx)	-	-	85.00	42,500	-	-100.00%
67057 CARA FL: Poris (tx)	-	-	25,179.19	26,775	-	-100.00%
67058 CARA FL: IHI (tx)	-	-	-	1,450,000	1,450,000	- %
67059 CARA FL: USW (tx)	-	-	-	140,000	140,000	- %
67200 CARA AA: Dortinacq	5,810.00	1,872.50	1,420.00	5,000	5,000	- %
67201 CARA AA: Crandall	3,331.60	4,415.00	3,422.50	5,000	5,000	- %
67202 Retail Refinement - Crandall	-	49,983.00	-	-	-	- %
67203 Carousel Architecture Selection	-	-	5,172.15	5,000	-	-100.00%
67204 Central Parking Strategy	-	-	825.00	3,000	-	-100.00%
67205 Eagles Parking Lot Structure	-	-	2,090.00	3,000	-	-100.00%
67206 CARA AA:2nd & Baker	-	-	660.00	-	-	- %
67207 CARA: Lyon St Exit Concept Design	-	-	-	20,000	20,000	- %
67208 CARA: Monteith Park Expansion	-	-	-	24,000	24,000	- %
67405 CARA DvP: Johnson (Tx)	173,705.40	331,143.00	-	-	-	- %
67406 CARA DvP: Hydration Technologies	-	107,750.00	-	-	-	- %
67411 CARA DvP: R3 Development	502,840.51	170.00	-	-	-	- %
67412 CARA DvP: Manley Ph III (Taxable)	211,843.67	-	-	-	-	- %
67625 CARA Grant: Throop (50%) (Tx)	9,779.99	-	-	-	-	- %
67626 CARA Grant: M. Brown (50%) (Tx)	70,000.01	-	-	-	-	- %
67627 CARA Grant: Monteith Historical Society	8,488.57	3,511.43	-	-	-	- %
67628 CARA Grant: Papa Murphy's	42,506.00	-	-	-	-	- %
67629 CARA Grant: Brown Ph. (50%)(TX)	-	30,000.00	-	-	-	- %

PROG 1102: CARA

Acct# Description	2009 - 2010 Actual	2010 - 2011 Actual	2011 - 2012 Year to Date	2011 - 2012 Budget	2012 - 2013 PROPOSED	% Change
Materials & Services						
67630 CARA Grant: WOU-Jensen Arctic 50%	-	-	-	50,000	50,000	- %
67631 CARA Grant: USW (tx)	-	-	-	100,000	100,000	- %
67632 Cara Grant: American Legion	-	-	31,572.53	74,000	-	-100.00%
67806 CARA Loan: Manley Ph II (Tx)	35,801.16	87,392.87	24,805.97	118,507	-	-100.00%
67807 CARA Loan: R3 Dev (forgivable)	200,066.00	-	-	-	-	- %
67809 CARA Loan: Yamamoto 100% Forgivable-T	74,704.98	-	-	-	-	- %
67810 CARA Loan: Annunzio Forgivable TX	13,205.77	-	-	-	-	- %
67811 CARA Loan: Yamamoto 100% Proj Loan (T:	94,507.27	2,936.73	-	-	-	- %
67813 CARA Loan: Albany Redev, LLC (Tx)	23,567.89	-	-	16,400	-	-100.00%
67814 CARA Loan: Edgewater Village (F) (Tx)	1,500,000.00	-	-	-	-	- %
67815 CARA Loan:Siegner (Forgivable)-Tx	-	28,150.00	22,800.00	68,897	-	-100.00%
67816 CARA Loan: Lepman Forgivable (Tx)	-	34,097.00	-	-	-	- %
67817 CARA Loan: Poris (Forgivable) Tx	-	18,485.00	10,232.12	17,955	-	-100.00%
67818 CARA Loan: Albany ReDev LLC (Tx)	-	120,000.00	-	-	-	- %
67819 CARA Loan: Albany Redev, LLC(Tx)	-	-	235,150.00	235,000	-	-100.00%
69018 Reserve: CARA Projects	-	37,551.68	-	778,223	2,369,900	204.53%
Total Materials & Services	3,057,793.74	966,226.73	464,290.48	3,373,447	4,234,600	25.53%
Capital						
71000 Jackson St/Water Ave Intersection	170,844.59	23,768.87	(2,650.00)	39,631	-	-100.00%
75000 CARA: Broadalbin Promenade	444,154.56	(33,421.96)	-	74,222	-	-100.00%
75002 CARA: Wayfinding Signage	-	-	-	75,000	75,000	- %
75003 CARA: Parking Lot Resurfacing	-	-	240.64	50,000	50,000	- %
75004 CARA: Broadalbin Project Phase II	-	-	10,149.10	510,000	510,000	- %
Total Capital	614,999.15	(9,653.09)	7,739.74	748,853	635,000	-15.20%
Transfers Out						
91204 To Building Inspection Fund	50,000.00	-	-	-	-	- %
91232 To Economic Development	102,000.00	103,900.00	82,275.03	109,700	111,900	2.01%
Total Transfers Out	152,000.00	103,900.00	82,275.03	109,700	111,900	2.01%
TOTAL EXPENDITURES	3,824,792.89	1,060,473.64	554,305.25	4,232,000	4,981,500	17.71%

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 (LOC) 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 LOC established in 2010.
- This activity anticipates the conversion of the 2010 LOC into a bond (2012 Bond). It accounts for estimated costs related to the 2012 Bond including \$90,000 in bond sale expenses and a \$400,000 reserve.
- Debt service is paid 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 LOC which matures December 31, 2012. 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 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 LOC, but there will be an estimated reserve of \$400,000 required for the new 2012 bond.
- 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
2013	\$ 449,000	\$ 381,284	\$ 830,284
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

CARA - TAX EXEMPT 2007 BOND - Series A					
SEMI-ANNUAL DEBT SERVICE					
DATE	PRINCIPAL	COUPON	INTEREST	TOTAL	Annual Total Debt Service
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

CARA - TAXABLE 2007 BOND - Series B					
SEMI-ANNUAL DEBT SERVICE					
DATE	PRINCIPAL	COUPON	INTEREST	TOTAL Payment	Annual Total Debt Service
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

CARA - 2010 LINE OF CREDIT*						
QUARTERLY DEBT SERVICE						
FY Ending	DATE	PRINCIPAL	RATE**	INTEREST	TOTAL	Annual Total Debt Service
2013	09/01/2012	-	5.00%	\$ 83,333	\$ 83,333	\$ -
	12/01/2012	-	5.00%	\$ 83,333	\$ 83,333	
	06/01/2013	\$ 170,000.00		\$ 30,000.00	\$ 200,000.00	\$ 366,667
* Line of credit will be converted to a bond once drawn down--one payment of \$400,000 in anticipated and shown above.						
**Libor Rate has been estimated at 5.0% for this purpose						

PROG 1112: CARA Debt Service

Acct# Description	2009 - 2010 Actual	2010 - 2011 Actual	2011 - 2012 Year to Date	2011 - 2012 Budget	2012 - 2013 PROPOSED	% Change
General Revenues						
40050 Property Taxes - Current	371,919.98	1,308,332.03	898,447.00	1,300,100	817,400	-37.13%
40051 Property Taxes - Delinquent	42,322.69	18,253.10	-	-	-	- %
48010 Interest	21,116.64	6,373.87	4,610.28	3,000	3,000	- %
Total General Revenues	435,359.31	1,332,959.00	903,057.28	1,303,100	820,400	-37.04%
Beginning Balance						
49905 Beginning Balance	50,688.38	8,801.13	824,042.35	464,000	964,000	107.76%
Total Beginning Balance	50,688.38	8,801.13	824,042.35	464,000	964,000	107.76%
TOTAL REVENUES	486,047.69	1,341,760.13	1,727,099.63	1,767,100	1,784,400	0.98%
Materials & Services						
60018 Bond Sale Expense	-	-	-	90,000	90,000	- %
Total Materials & Services	-	-	-	90,000	90,000	- %
Debt Service						
92014 Bond Principal: 2007B CARA (T)	233,000.00	247,000.00	-	262,000	279,000	6.49%
92015 Bond Principal: 2012 CARA	-	-	-	-	170,000	- %
93013 Bond Interest: 2007A CARA (BQ)	136,867.00	136,867.00	68,433.50	136,900	136,900	- %
93014 Bond Interest: 2007B CARA (T)	94,125.00	79,562.50	32,062.50	64,200	47,800	-25.55%
93015 Bond Interest: 2012 CARA	-	-	-	-	30,000	- %
94600 ARA Line of Credit Interest	13,254.56	54,288.28	26,817.90	250,000	166,700	-33.32%
95000 Reserve: Debt Service	-	-	-	964,000	864,000	-10.37%
Total Debt Service	477,246.56	517,717.78	127,313.90	1,677,100	1,694,400	1.03%
TOTAL EXPENDITURES	477,246.56	517,717.78	127,313.90	1,767,100	1,784,400	0.98%

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 2011-2012			
Healthy Economy			
	12/11	In Progress	<ul style="list-style-type: none"> • Complete partnership with owners of projects begun in 2009, 2010, and 2011: <ul style="list-style-type: none"> ○ Residential historic forgivable loans ○ Code Compliance blight removal partnership ○ Manley/Flinn & Ames Buildings ○ Small Grant recipients • Assist RCM Homes with their \$27 million project for site plan review. • Complete Downtown Retail Refinement project with Crandall Arambula and create policies to aid in decision making.
	12/11	Completed	
	12/11	In Progress	
	06/12	In Progress	
	06/12	In Progress	
	06/12	Completed	
Budget Year 2012-2013			
Healthy Economy			
	12/12		<ul style="list-style-type: none"> • Complete partnership with owners of projects begun in 2009, 2010, 2011, and 2012: <ul style="list-style-type: none"> ○ Residential historic forgivable loans ○ Manley/Flinn & Ames Buildings ○ Small Grant recipients • Assist RCM Homes with their \$27 million project for site plan review. • Create policies to aid in decision making based on the 2011 Retail Refinement Plan. • Hold open house and ten-year retrospective of CARA. • Further projects identified in the Retail Refinement plan such as the Lyon Street Exit Ramp, potential parking lot site, and Monteith Riverpark expansion.
	12/12		
	06/13		
	06/13		
	06/13		
	06/13		
	06/13		

PROG 1102: CARA

Acct# Description	2009 - 2010 Actual	2010 - 2011 Actual	2011 - 2012 Year to Date	2011 - 2012 Budget	2012 - 2013 PROPOSED	% Change
General Revenues						
40050 Property Taxes - Current	1,201,532.44	439,271.48	881,066.40	441,200	882,600	100.05%
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47001 Loan Proceeds	1,958,800.00	-	-	3,041,200	3,030,000	-0.37%
47012 Miscellaneous Revenue	-	11,650.00	-	-	-	- %
47019 Loan Principal Revenue	-	(0.36)	-	-	-	- %
47020 Loan Interest Revenue	-	5,371.99	-	-	-	- %
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47025 Loan Repayment-Interest	11,125.76	-	16,046.69	11,700	37,700	222.22%
48010 Interest	20,145.34	7,687.94	2,901.69	6,000	2,500	-58.33%
Total General Revenues	3,382,435.10	497,038.69	941,708.79	3,579,100	4,016,500	12.22%
Beginning Balance						
49905 Beginning Balance	1,848,177.94	1,405,820.15	842,385.20	652,900	965,000	47.80%
Total Beginning Balance	1,848,177.94	1,405,820.15	842,385.20	652,900	965,000	47.80%
TOTAL REVENUES	5,230,613.04	1,902,858.84	1,784,093.99	4,232,000	4,981,500	17.71%
Materials & Services						
60016 Audit Service	2,500.00	2,900.00	2,900.00	3,000	3,000	- %
60101 Contractual Services	42,685.34	4,639.00	5,887.31	10,000	10,000	- %
61005 Administrative Costs	560.74	336.59	325.19	500	500	- %
61006 Advertising & Publications	554.24	334.48	(14.70)	300	300	- %
61010 Duplication & Fax	1,628.29	1,435.24	920.86	2,000	1,500	-25.00%
61011 Education & Training	67.10	575.00	-	-	-	- %
61024 Materials & Supplies	442.41	1,540.35	369.38	1,500	1,500	- %
61026 Meetings & Conferences	725.89	321.04	612.86	2,000	1,700	-15.00%
61027 Memberships & Dues	558.25	784.02	895.51	900	900	- %
61030 Personal Auto Reimbursement	536.70	1,281.45	804.86	600	900	50.00%
61032 Postage & Shipping	44.47	10.89	19.90	100	100	- %
61034 Professional Publications	227.00	227.00	227.00	300	300	- %
67020 Building Revitalization Grant Program	21,256.30	61,962.38	45,393.00	50,000	50,000	- %
67038 Blight Removal Program	15,848.19	4,416.67	-	-	-	- %
67051 CARA RFL: Eaton	-	24,794.00	-	-	-	- %
67052 CARA RFL: van Rossman	-	3,210.41	-	8,990	-	-100.00%
67055 CARA FL: Carousel Bldg Design	-	-	42,534.85	110,000	-	-100.00%
67056 CARA FL: Olivetti (tx)	-	-	85.00	42,500	-	-100.00%
67057 CARA FL: Poris (tx)	-	-	25,179.19	26,775	-	-100.00%
67058 CARA FL: IHI (tx)	-	-	-	1,450,000	1,450,000	- %
67059 CARA FL: USW (tx)	-	-	-	140,000	140,000	- %
67200 CARA AA: DORTINACQ	5,810.00	1,872.50	1,420.00	5,000	5,000	- %
67201 CARA AA: Crandall	3,331.60	4,415.00	3,422.50	5,000	5,000	- %
67202 Retail Refinement - Crandall	-	49,983.00	-	-	-	- %
67203 Carousel Architecture Selection	-	-	5,172.15	5,000	-	-100.00%
67204 Central Parking Strategy	-	-	825.00	3,000	-	-100.00%
67205 Eagles Parking Lot Structure	-	-	2,090.00	3,000	-	-100.00%
67206 CARA AA: 2nd & Baker	-	-	660.00	-	-	- %
67207 CARA: Lyon St Exit Concept Design	-	-	-	20,000	20,000	- %
67208 CARA: Monteith Park Expansion	-	-	-	24,000	24,000	- %
67405 CARA DvP: Johnson (Tx)	173,705.40	331,143.00	-	-	-	- %
67406 CARA DvP: Hydration Technologies	-	107,750.00	-	-	-	- %
67411 CARA DvP: R3 Development	502,840.51	170.00	-	-	-	- %
67412 CARA DvP: Manley Ph III (Taxable)	211,843.67	-	-	-	-	- %
67625 CARA Grant: Throop (50%) (Tx)	9,779.99	-	-	-	-	- %
67626 CARA Grant: M. Brown (50%) (Tx)	70,000.01	-	-	-	-	- %
67627 CARA Grant: Monteith Historical Society	8,488.57	3,511.43	-	-	-	- %
67628 CARA Grant: Papa Murphy's	42,506.00	-	-	-	-	- %
67629 CARA Grant: Brown Ph. (50%)(TX)	-	30,000.00	-	-	-	- %

PROG 1102: CARA

Acct# Description	2009 - 2010 Actual	2010 - 2011 Actual	2011 - 2012 Year to Date	2011 - 2012 Budget	2012 - 2013 PROPOSED	% Change
Materials & Services						
67630 CARA Grant: WOU-Jensen Arctic 50%	-	-	-	50,000	50,000	- %
67631 CARA Grant: USW (tx)	-	-	-	100,000	100,000	- %
67632 Cara Grant: American Legion	-	-	31,572.53	74,000	-	-100.00%
67806 CARA Loan: Manley Ph II (Tx)	35,801.16	87,392.87	24,805.97	118,507	-	-100.00%
67807 CARA Loan: R3 Dev (forgivable)	200,066.00	-	-	-	-	- %
67809 CARA Loan: Yamamoto 100% Forgivable-T	74,704.98	-	-	-	-	- %
67810 CARA Loan: Annunzio Forgivable TX	13,205.77	-	-	-	-	- %
67811 CARA Loan: Yamamoto 100% Proj Loan (T:	94,507.27	2,936.73	-	-	-	- %
67813 CARA Loan: Albany Redev, LLC (Tx)	23,567.89	-	-	16,400	-	-100.00%
67814 CARA Loan: Edgewater Village (F) (Tx)	1,500,000.00	-	-	-	-	- %
67815 CARA Loan:Siegner (Forgivable)-Tx	-	28,150.00	22,800.00	68,897	-	-100.00%
67816 CARA Loan: Lepman Forgivable (Tx)	-	34,097.00	-	-	-	- %
67817 CARA Loan: Poris (Forgivable) Tx	-	18,485.00	10,232.12	17,955	-	-100.00%
67818 CARA Loan: Albany ReDev LLC (Tx)	-	120,000.00	-	-	-	- %
67819 CARA Loan: Albany Redev, LLC(Tx)	-	-	235,150.00	235,000	-	-100.00%
69018 Reserve: CARA Projects	-	37,551.68	-	778,223	2,369,900	204.53%
Total Materials & Services	3,057,793.74	966,226.73	464,290.48	3,373,447	4,234,600	25.53%
Capital						
71000 Jackson St/Water Ave Intersection	170,844.59	23,768.87	(2,650.00)	39,631	-	-100.00%
75000 CARA: Broadalbin Promenade	444,154.56	(33,421.96)	-	74,222	-	-100.00%
75002 CARA: Wayfinding Signage	-	-	-	75,000	75,000	- %
75003 CARA: Parking Lot Resurfacing	-	-	240.64	50,000	50,000	- %
75004 CARA: Broadalbin Project Phase II	-	-	10,149.10	510,000	510,000	- %
Total Capital	614,999.15	(9,653.09)	7,739.74	748,853	635,000	-15.20%
Transfers Out						
91204 To Building Inspection Fund	50,000.00	-	-	-	-	- %
91232 To Economic Development	102,000.00	103,900.00	82,275.03	109,700	111,900	2.01%
Total Transfers Out	152,000.00	103,900.00	82,275.03	109,700	111,900	2.01%
TOTAL EXPENDITURES	3,824,792.89	1,060,473.64	554,305.25	4,232,000	4,981,500	17.71%

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 (LOC) 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 LOC established in 2010.
- This activity anticipates the conversion of the 2010 LOC into a bond (2012 Bond). It accounts for estimated costs related to the 2012 Bond including \$90,000 in bond sale expenses and a \$400,000 reserve.
- Debt service is paid 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 LOC which matures December 31, 2012. 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 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 LOC, but there will be an estimated reserve of \$400,000 required for the new 2012 bond.
- 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
2013	\$ 449,000	\$ 381,284	\$ 830,284
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

CARA - TAX EXEMPT 2007 BOND - Series A					
SEMI-ANNUAL DEBT SERVICE					
DATE	PRINCIPAL	COUPON	INTEREST	TOTAL	Annual Total Debt Service
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

CARA - TAXABLE 2007 BOND - Series B					
SEMI-ANNUAL DEBT SERVICE					
DATE	PRINCIPAL	COUPON	INTEREST	TOTAL Payment	Annual Total Debt Service
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

CARA - 2010 LINE OF CREDIT*						
QUARTERLY DEBT SERVICE						
FY Ending	DATE	PRINCIPAL	RATE**	INTEREST	TOTAL	Annual Total Debt Service
2013	09/01/2012	-	5.00%	\$ 83,333	\$ 83,333	\$ -
	12/01/2012	-	5.00%	\$ 83,333	\$ 83,333	
	06/01/2013	\$ 170,000.00		\$ 30,000.00	\$ 200,000.00	\$ 366,667
* Line of credit will be converted to a bond once drawn down--one payment of \$400,000 in anticipated and shown above.						
**Libor Rate has been estimated at 5.0% for this purpose						

PROG 1112: CARA Debt Service

Acct# Description	2009 - 2010 Actual	2010 - 2011 Actual	2011 - 2012 Year to Date	2011 - 2012 Budget	2012 - 2013 PROPOSED	% Change
General Revenues						
40050 Property Taxes - Current	371,919.98	1,308,332.03	898,447.00	1,300,100	817,400	-37.13%
40051 Property Taxes - Delinquent	42,322.69	18,253.10	-	-	-	- %
48010 Interest	21,116.64	6,373.87	4,610.28	3,000	3,000	- %
Total General Revenues	435,359.31	1,332,959.00	903,057.28	1,303,100	820,400	-37.04%
Beginning Balance						
49905 Beginning Balance	50,688.38	8,801.13	824,042.35	464,000	964,000	107.76%
Total Beginning Balance	50,688.38	8,801.13	824,042.35	464,000	964,000	107.76%
TOTAL REVENUES	486,047.69	1,341,760.13	1,727,099.63	1,767,100	1,784,400	0.98%
Materials & Services						
60018 Bond Sale Expense	-	-	-	90,000	90,000	- %
Total Materials & Services	-	-	-	90,000	90,000	- %
Debt Service						
92014 Bond Principal: 2007B CARA (T)	233,000.00	247,000.00	-	262,000	279,000	6.49%
92015 Bond Principal: 2012 CARA	-	-	-	-	170,000	- %
93013 Bond Interest: 2007A CARA (BQ)	136,867.00	136,867.00	68,433.50	136,900	136,900	- %
93014 Bond Interest: 2007B CARA (T)	94,125.00	79,562.50	32,062.50	64,200	47,800	-25.55%
93015 Bond Interest: 2012 CARA	-	-	-	-	30,000	- %
94600 ARA Line of Credit Interest	13,254.56	54,288.28	26,817.90	250,000	166,700	-33.32%
95000 Reserve: Debt Service	-	-	-	964,000	864,000	-10.37%
Total Debt Service	477,246.56	517,717.78	127,313.90	1,677,100	1,694,400	1.03%
TOTAL EXPENDITURES	477,246.56	517,717.78	127,313.90	1,767,100	1,784,400	0.98%