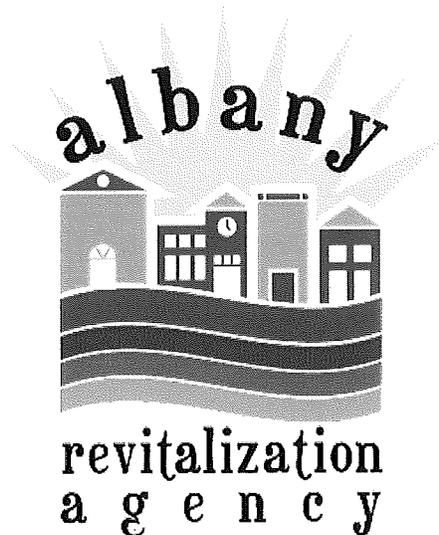


Albany Revitalization Agency (ARA)



2017-2018

ADOPTED BUDGET

2017-2018
ARA Adopted Budget

BUDGET COMMITTEE

ARA Agency

Bill Coburn, Agency Chair
Bessie Johnson
Rich Kellum
Ray Kopczynski
Sharon Konopa
Dick Olsen
Mike Sykes

Lay Members

Susan Folden, Budget Chair
Colleen Keller
Mitch Langjahr
Scott Pierson
Will Summers
Michael Thomson
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Administrative Staff

Wes Hare, City Manager
Stewart Taylor, Finance Director
Ed Hodney, Interim Urban Renewal Director
Anne Baker, Accounting Supervisor
Jeanna Yeager, Accounting Supervisor
Mary Dibble, City Clerk

**ALBANY REVITALIZATION AREA (ARA)
URBAN RENEWAL DISTRICT
Fiscal Year 2017-2018 BUDGET MESSAGE**

Honorable Chairperson, Budget Committee members, and citizens of Albany, I am pleased to present the Albany Revitalization Area (ARA) Proposed Budget of \$12,672,900 for Fiscal Year (FY) 2017-2018.

Urban renewal is one of the most utilized economic development tools in Oregon but is also controversial and misunderstood. Tax increment financing and urban renewal districts are governed by complex rules and are often described in arcane terms. The concept of urban renewal, however, is relatively simple.

Most people understand the idea of taking a portion of their current salary and investing it somewhere to build a retirement income. This “deferred compensation” just means that money a family could use to pay current bills or to buy new things is instead put into some form of investment that is expected to yield benefits years in the future. Urban renewal is similar in that it takes a small portion of the appreciated value of property in a given area and invests it in projects that are expected to increase the overall value of the district over time, eliminate blight, and stimulate investment. Oregon’s experience with urban renewal suggests that this strategy has been generally successful around the state, and Albany’s district has shown similar results.

The Central Albany Revitalization Area (CARA) is the one urban renewal district in place in the city of Albany. It is overseen by the Albany Revitalization Agency. In place since 2001, the CARA District has worked to meet the community goals and objectives of eliminating blighting influences, revitalizing Central Albany through attracting new private investment, and enhancing the existing private and public investments in the area.

At the core of the policy are the overarching goals and projects listed in the Urban Renewal Plan, which include:

- Provide a safe and convenient transportation network that encourages pedestrian and bicycle access to and within the town center.
- Preserve the historic districts, historic resources, and existing housing in the area.
- Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.
- Increase residential density in the area.
- Encourage the development of new forms of housing and home ownership.
- Enhance and protect the community and environmental values of waterway corridors in the area.
- Provide an enriching environment and livable neighborhoods.

Strategic investment in key public infrastructure projects is a traditional role for urban renewal funds—the investment in these projects is meant to remove barriers for development or spur the economy so that blight is removed and private investment will follow. The CARA Advisory Board received public input regarding prioritization of public projects at an open house held in June 2014. Feedback from citizens indicated three top-tier priorities: Downtown Streetscape, Water Avenue Streetscape, and improvements to the Dave Clark Path. This public process complements the previously completed work on the Retail Refinement study with the firm Crandall Arambula.

During the last fiscal year, the CARA Advisory Board continued to implement their slate of public/private funding programs paired with potential borrowing to strategically invest in public infrastructure projects. Work is now well underway on the new Fire Station 11 in Downtown Albany and the new Albany Police Station on Pacific Boulevard. These projects, supported by Urban Renewal District funds but paid for primarily with voted approved bonds, will be completed in summer 2017. The proposed FY 2017-2018 budget reflects continuing expenditures related to these important public projects.

Another project, the new Albany Carousel building on First Avenue at Washington Street, will be completed and opened in the new fiscal year. The proposed budget includes CARA's final payments toward public infrastructure improvements around the new building which has been funded predominately with private contributions. The Carousel provides an exciting new attraction to Downtown Albany.

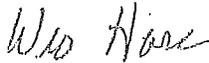
The proposed budget also includes a significant increase in both revenues and expenditures related to the Downtown Streetscape Project. The project includes new sidewalks, lighting, curb ramps, trees, landscape, and site furniture over 12 blocks in the Central Business District and along portions of Lyons and Ellsworth Streets, mirroring previous improvements on Broadalbin Street and First Avenue. Urban Renewal District tax receipts will be used to finance an \$8.4 million loan from Business Oregon's Infrastructure Finance Authority to build the project. Construction started around the new Carousel building and Post Office in spring 2017 and will be completed in fall 2017.

These four projects will dramatically improve Albany appeal to visitors and businesses, positively affect pedestrian safety, and improve public safety services in our city. In addition to these large public projects, other public/private partnership programs are accommodated in these CARA programs from: Architectural Assistance Grants, Small Grants, Storefront Revitalization Grant, and Loan Program for Focus Area.

During the past year, the Board has received a number of inquiries and requests for loans and grants. The proposed budget assumes a continuation of this trend.

We look to the new fiscal year to carefully consider future projects, how to best leverage private funding, borrowing capacity, and creative ways to partner with other community organizations in the advancement of Central Albany.

Respectfully submitted,



Wes Hare, City Manager

DEPARTMENT THEMES AND GOALS

Albany Revitalization Agency

Responsible Manager/Title: Ed Hodney, Interim Urban Renewal Director

Great Neighborhoods

Reduce blight in Central Albany, achieve goals and objectives of the CARA and City of Albany Comprehensive Plans, 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

Make Albany an attractive community by promoting investment and eliminating blight and increasing public safety.

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

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

Upgrade or restore water, sewer, and specific roadway systems.

Rehabilitate blighted properties to reduce property code violations, substandard housing conditions, and inadequate infrastructure.

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.
- Leveraging urban renewal funds and economic development funds to become a catalyst for redevelopment throughout the city.

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: ALBANY REVITALIZATION AREA (290-11-1102)

Responsible Manager/Title: Ed Hodney, Interim Urban Renewal Director

FUNCTIONS AND RESPONSIBILITIES

- Promote revitalization within the boundaries of the Urban Renewal District through investment in public infrastructure and public/private partnerships.
- Establish activities and funding programs in response to private sector needs while balancing the interests of the community at-large.
- Further goals of the CARA Plan include attracting new private investment to the area, increasing residential density, and providing an enriching environment and livable neighborhoods.
- This activity provides for payment of the principal and interest on the bond sale established in 2007 and anticipates a new 2016 bond (2016 Bond). Debt service is paid from current property tax increment revenues.
- The Albany Revitalization Agency has issued CARA Urban Renewal Revenue Bonds, Series 2007A tax-exempt of \$2,822,000, dated October 15, 2007.
- 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.
- This budget creates the spending authority for the 2016 Bond in the anticipated amount of \$8,000,000. Principal and interest payments and a reserve have been estimated and included in this budget. Calculations were based on an estimated interest rate of 4 percent over a 15-year term. A maturity schedule is not attached since this loan has not yet been made.
- The Bond Registrar for the 2007 issue 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 \$282,200 for the Series 2007A bonds. There will be an estimated reserve of \$719,500 required for the new 2016 bond.
- The maximum indebtedness, or maximum amount of debt that can be issued or incurred under the plan, is \$56,000,000, of which there is \$37,767,405 remaining at the end of FY 2015-2016. Collection of tax increment funds for every urban renewal plan is limited by the plan's stated maximum indebtedness.

STRATEGIES/ACTIONS

Strategic Plan Theme	Target Date	Status	Strategies/Actions
Budget Year 2016-2017			
Healthy Economy	06/17	In Progress	<ul style="list-style-type: none"> ◦ Complete partnership with owners of projects begun in 2015.
Budget Year 2017-2018			
Healthy Economy	12/17		<ul style="list-style-type: none"> ◦ Complete wayfinding signage installation.
	06/18		<ul style="list-style-type: none"> ◦ Complete partnership with owners of projects begun in 2016-2017.

CITY OF ALBANY, OREGON

PROG 1102: CARA

Description	2014-2015 Actual	2015-2016 Actual	2016-2017 Adopted	2016-2017 Revised	2017-2018 Adopted	% Change
REVENUES						
Property Taxes	2,334,876	2,618,269	2,226,000	2,226,000	2,798,200	25.71 %
Miscellaneous Revenue	120,173	71,024	8,088,900	8,088,900	7,610,200	(5.92)%
Investment Income	17,082	33,553	5,500	5,500	7,000	27.27 %
Beginning Balance	2,737,725	3,910,361	2,546,300	2,546,300	2,257,500	(11.34)%
TOTAL REVENUES	5,209,856	6,633,207	12,866,700	12,866,700	12,672,900	(1.51)%
EXPENDITURES						
Materials & Services	894,891	1,477,579	10,422,000	10,359,800	2,228,800	(78.49)%
Capital	104	38,868	-	62,200	7,838,400	12,501.93 %
Transfers Out	147,500	1,584,700	259,900	259,900	260,000	0.04 %
Debt Service	262,867	463,756	2,184,800	2,184,800	2,345,700	7.36 %
TOTAL EXPENDITURES	1,305,362	3,564,903	12,866,700	12,866,700	12,672,900	(1.51)%

Prog 1102: CARA

Revenues less Expenditures

3,904,494

3,068,304

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-

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*** Proof of Publication ***

NOTICE OF ALBANY REVITALIZATION AGENCY HEARING

The Albany Revitalization Agency (ARA) will hold a PUBLIC HEARING on June 21, 2017, immediately following the CARA Advisory Board meeting that begins at 5:15 p.m. in the Albany City Hall Council Chambers, 333 Broadalbin SW, Albany. The purpose of this meeting is to discuss the ARA Budget for Fiscal Year beginning July 1, 2017, as approved by the ARA Budget Committee on May 04, 2017. The public is invited to present any written or oral testimony at that time. A summary of the approved budget is presented below.

The ARA Approved Budget document is on the City of Albany website at www.cityofalbany.net/departments/finance/budget-information; or a copy may be inspected at City Hall, 333 Broadalbin Street SW, Albany, between the hours of 8:00 a.m. and 5:00 p.m.

The ARA Budget is for Fiscal Year 2017-2018, and was prepared on a basis of accounting that is the same as the preceding year.

FINANCIAL SUMMARY - RESOURCES

	2015-16	2016-17	2017-18
	Actual	Adopted	Approved
Revenue from division of tax	\$ 2,618,269	\$ 2,226,000	\$ 2,798,200
Loan proceeds	-	8,900,000	7,500,000
Other resources	191,572	94,400	117,200
Total Available Resources	\$ 2,809,841	\$ 11,220,400	\$ 10,415,400
Beginning balance	\$ 3,910,361	\$ 2,506,300	\$ 2,557,700
Total Resources	\$ 6,633,207	\$ 12,806,700	\$ 12,672,900

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

	2015-16	2016-17	2017-18
	Actual	Adopted	Approved
Materials and Services	\$ 1,477,579	\$ 10,359,800	\$ 2,228,800
Capital Projects	48,868	62,200	7,838,400
Transfers Out	1,584,700	259,900	260,000
Debt Service	463,756	2,184,800	2,345,700
Total Requirements	\$ 3,564,903	\$ 12,806,700	\$ 12,672,900

FINANCIAL SUMMARY - REQUIREMENTS BY ORGANIZATIONAL UNIT

	2015-16	2016-17	2017-18
	Actual	Adopted	Approved
11 - City Manager	\$ 3,564,903	\$ 12,806,700	\$ 12,672,900
FFI	-	-	-

If you have questions about the meeting or need more information, please contact Stewart Taylor, City of Albany Finance Director, at (541) 917-7521.

This notice is given in accordance with provisions of the Oregon Revised Statutes, Chapter 294.426.

DATED THIS 31st DAY OF MAY 2017.

Stewart Taylor
Finance Director

#74048

PUBLISH: 05/31/2017

A RESOLUTION ADOPTING THE ALBANY REVITALIZATION AGENCY (ARA) BUDGET FOR FISCAL YEAR 2017-2018.

WHEREAS the ARA Budget Committee held a public meeting on the proposed Fiscal Year 2017-2018 ARA Budget on April 27, 2017; and

WHEREAS the ARA Budget Committee approved the Fiscal Year 2017-2018 ARA Budget on May 04, 2017, with the passage of Resolution No. ARA B 2017; and

WHEREAS the ARA held a public hearing to receive any additional input on the approved Fiscal Year 2017-2018 ARA Budget on June 21, 2017;

NOW THEREFORE BE IT RESOLVED that the Albany Revitalization Agency hereby adopts the Fiscal Year 2017-2018 Budget in the amount of \$12,672,900.

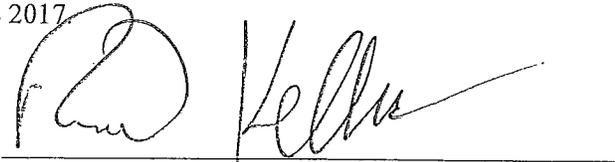
BE IT FURTHER RESOLVED that the amounts for the fiscal year beginning July 1, 2017, and for the purposes shown below are hereby appropriated as follows:

ALBANY REVITALIZATION AGENCY

CARA Urban Renewal Area \$12,412,900
Transfers Out 260,000; and

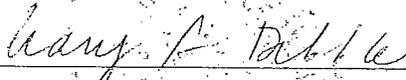
BE IT FURTHER RESOLVED that the ARA hereby approves certification to the County Assessors (Linn and Benton Counties) a request for the CARA Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

DATED AND EFFECTIVE THIS 21ST DAY OF JUNE 2017



Albany Revitalization Agency Vice-Chair

ATTEST:



City of Albany City Clerk