

# HERMISTON URBAN RENEWAL AGENCY

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Budget Committee Meeting

May 21, 2020

Chair Drotzmann opened the meeting of the Hermiston Urban Renewal Agency Budget Committee to consider the proposed budget for the 2020-2021 fiscal year at 7:36pm. Present were Budget Committee members: Anton Wanous, Jessica Narain, Rod Hardin, Brian Misner, Jackie Myers, Jason McAndrew, Doug Primmer, Jackie Linton, Joshua Roberts, Douglas Smith, John Douglass, Roy Barron, Jonathan Edwards (via phone), Manuel Gutierrez, Joanna Hayden, and Lori Davis.

City Staff present included: City Manager Byron Smith, Assistant City Manager Mark Morgan, Finance Director Mark Krawczyk, Chief Edmiston, City Attorney Gary Luisi, Parks and Recreation Director Larry Fetter, City Planner Clint Spencer, Hermiston Energy Services General Manager Nate Rivera, Court Manager Mollie Croisan, Library Director Mark Rose, Financial Analyst Barb McMahon and City Recorder Lilly Alarcon-Strong.

Chair Drotzmann stated that the committee must elect a Chairman and Secretary. Doug Primmer moved and Jackie Linton seconded the nomination of Joshua Roberts as Chair and was unanimously elected. Jackie Myers moved and Manuel Gutierrez seconded the nomination of Jessica Narain as Secretary and was unanimously elected.

Urban Renewal Manager Clint Spencer presented the HURA budget message stating the proposed Hermiston Urban Renewal Agency (HURA) Budget for the 2020-21 Fiscal Year is \$602,725.

Revenues for urban renewal agencies are based on tax-increment financing, which freezes the assessed value of the urban renewal area when it is established, and diverts all property tax revenues over and above that frozen base into the urban renewal agency to pay for improvement projects. The frozen base of the district is \$42,262,899. Assessed value growth was steady in the district. Assessed value for the district is \$53,853,319, an increase of \$932,000 over the previous fiscal year. This growth is a result of several commercial remodels which have completed construction recently, as well as existing commercial buildings which have re-entered the tax rolls. The district's revenues are generated by the \$11,590,420 difference between the frozen base and the current district value.

Since urban renewal districts are funded only on the difference in assessed value between the frozen base (\$42,262,899) and the current assessed value (\$53,853,319), the revenue forecasting for budget purposes is kept conservative to minimize fluctuations in assessment. For the 20-21 fiscal year the district anticipates continuing the Façade Grant program. Forecasting new assessments on remodels is difficult. It is possible actual revenues collected will vary either slightly higher or slightly lower than the forecast. Based upon historic revenue and value growth and taxes collected, the anticipated tax revenue for the district is forecast as \$205,425 for the 20-21 fiscal year.

The Façade Grant program is a successful program. The intent of the program being to incentivize private investment within the area which will drive up assessed valuation. The budget proposal for the Façade Grant program in FY20-21 is \$50,000. This holds the annual spending level of \$50,000 and no rollover of unexpended funds is necessary. Fiscal year 19-20 had a façade grant budget of \$90,000 which reserved \$40,000 in prior year grants which were not completed. Payment of all outstanding grants allows this budget line to revert to the historic \$50,000 level.

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The budget for the Festival Street is proposed to remain steady at \$3,000 for FY20-21. \$3,000 is placed into the festival street miscellaneous contractual account to be used for programming needs, such as paying entertainers for festivals or other contractual needs. Parks and Recreation manages events on the Festival Street and uses these funds as needed during events such as Treats on Main at Halloween or the Festival of Lights at Christmas.

The wayfinding sign project will carry over into FY20-21. In order to facilitate downtown revitalization, a series of wayfinding signs highlighting public parking and downtown points of interest (such as the Harkenrider Senior Center and Public Library) will be designed and installed. The urban renewal district spearheaded the sign planning during FY19-20 in partnership with the City and the Chamber of Commerce. Completion of the sign planning is anticipated to be completed in early fiscal year 20-21. The \$48,000 in the wayfinding sign budget item is intended to be entirely for sign construction and placement in the district boundaries. The plan itself provides for a city-wide sign guide and placement plan. Signs outside of the district boundary will be funded through other sources as funds allow. It is anticipated that the \$48,000 will provide for a substantial number of signs in the downtown. These signs will focus on directing to public parking lots, highlighting places of public interest, and identifying the district boundary.

\$300,000 is allocated to parking improvements for FY20-21. The urban renewal plan proposed to rebuild and beautify the public parking lots in the downtown. The \$300,000 proposed to fund parking lot improvements comes from the district's cash forward balance. Each year the district has underspent revenues to develop resources for bigger projects. Fiscal year 19-20 ended with a cash forward balance of \$372,300. This level of savings is adequate to allow the rebuilding of at least one parking lot, potentially two. The lots fronting on E Gladys Ave and E Hurlburt Ave and west of 2nd Street are proposed for revitalization. The engineering estimates indicate that \$300,000 should be sufficient to resurface and restripe the lots. It is anticipated that restriping the E Gladys Ave parking lot will also add an additional 11 parking spaces to the downtown inventory which will assist all businesses.

A landscape improvement of \$5,000 is anticipated in the budget. There is not a specific project proposed at this time. However, landscaping projects are anticipated in the urban renewal plan. This \$5,000 is proposed to allow the district the flexibility to fund potential projects of opportunity that may arise.

The non-departmental miscellaneous contractual account is budgeted for \$20,000 for FY20-21. This fund is intended to provide flexible funding opportunities to respond to changing and unforeseen conditions during the year. As of the date of this memo, no specific projects are identified.

It is estimated that the urban renewal agency will end FY20-21 with \$65,938 in cash on-hand. As revenue increases and debt service occupies a smaller percentage of the overall budget, this cash on hand will be increased to fund additional urban renewal projects in the urban renewal plan.

After discussion of the proposed budget, Lori Davis moved and Doug Primmer seconded to approve the FY 2020-21 proposed HURA budget. Motion carried unanimously.

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There was no further business and Chairman Roberts adjourned the Urban Renewal Agency meeting at 7:48pm.

APPROVED:

/s/ Joshua Roberts

Budget Chairman

ATTEST:

/s/ Jessica Narain

Budget Secretary

DRAFT