Planning & Development
Expenditure Review Panel

City of Eugene
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MEMORANDUM

Date: March 23, 2012

To: Jon R. Ruiz, Agency Director

From: Expenditure Review Panel

Subject: First-Year Report of the Expenditure Review Panel for the Downtown Urban Renewal Plan

It is our pleasure to present the first annual report of the Expenditure Review Panel (ERP) for the Downtown Urban Renewal Plan (Plan). Our report is in response to the Citizen Participation section 900 of the Plan, as amended in 2010:

> The Agency shall convene not less than once each year a committee of such persons to prepare a report to the Director on a) the activities of the Agency for the previous fiscal year, and b) whether the Agency's expenditure of tax increment dollars was limited to the projects authorized by the Plan and the associated administrative costs authorized by the Plan.

City Council formed the five-member panel in January 2012. We met three times over a three-month period and received considerable information about Downtown Urban Renewal projects and spending. We toured the construction projects underway, including Beam's Broadway Commerce Center, Bennett's Woolworth Building, and the new Lane Community College Downtown Campus. We received and reviewed copies of the Plan and the Annual Financial Report with respect to Urban Renewal Agency activity through June 30, 2011 (FY11) that was reviewed by the external auditor.

Based on the information we received and our subsequent study and discussions, **we unanimously conclude that downtown urban renewal tax increment funds were used for the authorized purposes and in compliance with the limitations and restrictions outlined in the Plan.** Attached is the detailed report prepared at our request and with our approval by staff on the FY11 expenditures.

We found the following progress:

- ✓ **LCC** received the $8 million grant of tax increment funds. As of the end of February 2012, construction is 45% complete, on-time, and on-budget. Students are scheduled to move in to the housing in September 2012. The first classes in the new education building are expected to begin in January 2013.

- ✓ **Beam Development's** extensive rehabilitation of the former Centre Court building into the newly completed Broadway Commerce Center has been a key project in the Downtown Urban Renewal District. The project was completed on-time and on-budget and is currently filling-up with tenants. At present, the second and third floors are full, renovations are beginning to accommodate tenants on the fourth floor, and letters of intent are in place or underway for portions of the first and fifth floors.
- ✓ The formerly vacant parcel on Willamette Street was transferred from Beam to **Bennett.** The Woolworth Building is nearing completion. Tenant improvements for leased space are underway. Occupancy is to begin on April 1, 2012.
- ✓ The **Broadway Place Garages** debt was refinanced, transferring the debt from the City to the Agency and reducing the interest rate. The Agency's payment on the Garages freed up funds for downtown public safety; specifically in FY11, the funds provided 10 extra jail beds and hiring and training of additional downtown officers.
- ✓ **Farmers' Market** improvement funds were not spent in FY11. After meeting for several months, the Farmers Market Improvement Committee identified the key space and configuration needs. As a result, the conversation shifted from small-scale, site-based improvements to alternate location possibilities, including temporary street closures and partnerships with other property owners. We are hopeful that the Farmers' Market will be able to utilize the funds in the near future.
- ✓ The Agency spent less than budgeted and less than projected in the Plan for **project delivery administration**. This includes 1.4 FTE and legal costs associated with implementation of the projects listed above.

We appreciate the support that we received from City staff, including detailed information and facilitation provided by Analyst Amanda Nobel Flannery, Urban Services Manager Denny Braud, and Finance Director Sue Cutsogeorge. In addition, Senior Planner Nan Laurence and Community Development Division Manager Mike Sullivan assisted us in our tour of the buildings. We also appreciate the time Police Chief Pete Kerns took to present information on downtown funding for public safety.

We also agree that having the Agency Board approve specific projects to receive Downtown Urban Renewal funds and providing the oversight of a community based committee is a very effective approach with positive outcomes. In the future, should the Agency Board consider additional spending or creation of another urban renewal district, we would recommend following the same course of action as was done with these targeted funds.

Please feel free to contact any of us for additional information.

Chris Looney

David Mandelblatt

Josh Burstein

Tamara Irminger-Underwood

Tom Kamis

FY 11 Expenditure Review Panel Report for the Agency Director

Background information and implementation update for the Downtown Urban Renewal Plan

Prepared by:

Community Development Division
Planning & Development Department
99 West 10th Avenue
Eugene, OR 97401
March 2012

INTRODUCTION

Staff prepared this report at the request of the Expenditure Review Panel at its January 25, 2012 meeting. The purpose is to give background information on the projects approved by the Urban Renewal Agency Board in the 2010 Plan Amendment and to summarize the expenditures of the Downtown Urban Renewal District between July 1, 2010 and June 30, 2011 (FY11).

Key Terms

Agency – Urban Renewal Agency, the Board of which is comprised of the City Council.

ERP – Expenditure Review Panel for the Downtown Urban Renewal District.

Maximum Indebtedness – The amount of tax increment dollars the Agency can spend over the life of the Plan. Although this sounds like a debt limit, it is really a spending limit required by Oregon Revised Statutes. The Downtown District's limit was set in 1998 at $33 million (most of which was spent on the library) and increased by $13.6 million in 2010.

Plan – Downtown Urban Renewal Plan

Plan Area – The property included in the Downtown Urban Renewal District. The Plan Area description is in the Plan, section 300 and the map is Exhibit A to the Plan.

Plan Estimate – Table 6 from the Report created in February 2010 as part of the 2010 Plan Amendment process. It shows what was estimated to be spent from FY10 through FY18 (July 1, 2009 to June 20, 2018).

Report – Downtown Urban Renewal District Report

Tax Increment – The source of funds. When an urban renewal district is first created, the assessed value within the district boundaries is established as the "frozen base". In theory, urban renewal efforts will lead to increases in the value of the district above the base amount. That increase is called the "incremental" or "excess" value. Overlapping jurisdictions (schools, general governments, bonds) continue to receive property taxes on the frozen base while the urban renewal agency receives property taxes related to the incremental value. This is called the "division of tax" method of raising revenue in an urban renewal district.

ERP Mission

The ERP was added in the 2010 Plan Amendment to annually assess whether funds (tax increment) were spent on projects authorized by the Plan and to prepare an annual report for the City Manager.

Budget Funds

The Downtown District operates three funds: the URA Downtown General Fund, the URA Downtown Debt Service Fund, and the URA Downtown Capital Projects Fund.

- ***URA-Downtown Debt Service Fund****:* This fund receives all of the Downtown District tax increment revenues and uses those resources to:
  - Provide funding for the principal and interest payments on the LCC and Broadway Place Garages debt Provide funding (through interfund transfers) to the Downtown General Fund for district management costs and other operating expenses

- Provide funding (through interfund transfers) to the Downtown Capital Projects Fund for specific capital improvements

- ***URA Downtown Capital Projects Fund:*** This fund accounts for capital projects in the Downtown District. The Downtown Debt Service Fund transfers resources to pay for specific, approved capital expenditures charged to this fund.

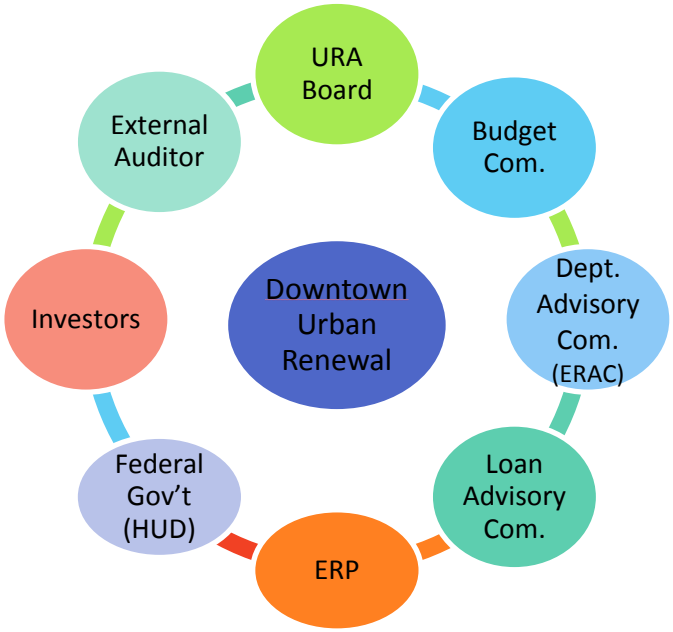
- ***URA-Downtown General Fund*:** This fund receives revenue from property sales and leases, interest on cash balances and interfund transfers from the Downtown Debt Service Fund. These revenues are used to:
  - Reimburse the City's General Fund for district management costs
  - Pay other operating costs, including property management expenses

  This fund also accounts for non-tax increment revenue and expense associated with the Downtown Revitalization Loan Program (DRLP), which provides loans to property owners and businesses in the Plan Area.

Other Urban Renewal Oversight

Oversight starts with the City Council, who determines whether to create a district.

- The Council, acting as the URA Board, oversees implementation of the urban renewal plan, and reviews and approves projects and budgets.
- The City's Budget Committee also includes the Urban Renewal Agency's budget in their review and recommendation to the Council each year.
- The Eugene Redevelopment Advisory Committee was created in 2003 to provide community member input on the proposed plan amendments undertaken in 2004. The committee provides advice to the staff in preparing urban renewal projects and plans.
- The Loan Advisory Committee reviews all of the DRLP loan applications.
- For the federal funds used for the Beam project, HUD has very specific requirements to be followed, and they have auditors that look over the HUD funds.
- Bond Counsel/investors review Urban Renewal Agency legal and financial records to ensure that any debt issuance by the Agency is legal, valid and binding.
- The City's external auditor, Isler & Co., also audits the URA's financial results. This consists of a variety of activities over several months to review the financial statements prepared by City financial reporting staff. The result of the audit is that the auditor provides an opinion on the financial statements. The opinion states whether the financial report is presented fairly, in all material respects, in conformance with generally accepted accounting principles.



Expenditure Review Methodology

Staff compiled information for this report to assist the ERP in reviewing tax increment spending during FY11. The information is organized by project and includes background language from the 2010 Plan and Report, as well as excerpts from the Annual Financial Report and the projected resources and requirements developed during the plan amendment process (Plan Estimate). Where actual expenditures differ significantly from the planned expenditures, an explanation is noted.

Although a review of expenditures for the Downtown Revitalization Loan Program is not included in the ERP's mission, information is provided for loans disbursed in FY11 to assist the ERP in understanding the full range of Agency work.

- **Improvements for the Lane County Farmers' Market …… pg. 5**
- **Broadway Place Garages & Public Safety Improvements……. pg. 10**
- **Lane Community College New Downtown Campus……. pg. 17**
- **Project Delivery Administration…… pg. 23**
- **Existing Activities……. pg. 29**

Improvements for the Lane County Farmers' Market

The Agency Board approved expenditure of funds on infrastructure improvements to the Park Blocks in order to make that location more attractive and functional for the Farmers' Market. Specifically, the Plan calls for spending up to $500,000. Uses of the funds could be street improvements along 8th such as narrowing the street or curb extensions; electrical upgrades, landscape changes; right-of-way improvements for compatibility with neighboring businesses; bike parking; and improvements to the East Park Block. (See Attachment 1 for excerpts from the Plan and Report related to this project.)

Expenditure Summary

FY11 Budget	FY11 Expenditures	Authorized by Plan	Amount Remaining
$500,000	$0	$500,000	$500,000

No funds were spent in FY11. Staff convened a group with representatives from the Farmers' Market, Saturday Market, and interested community members to discuss and determine specific improvements that could benefit the Farmers' Market. The Farmers' Market Improvement Committee met from October 2010 to March 2011. The group discontinued meeting to allow time for larger issues to be addressed, including the possibility of different downtown locations and the ultimate goal of a permanent home for the market. (Additional expenditure detail is in Attachment 2 – The Plan Estimate and excerpts from the Annual Financial Report fiscal year ended June 30, 2011.)

Funding Sources

No funds from any source were spent on Farmers' Market improvements. However, staff effort was expended, which is part of "project delivery administration."

Downtown Urban Renewal Plan *(June 25, 2010)*
Goal 1.a. Improve the function, condition, and appearance of the Plan Area through an improved site for the Farmers' Market. (This project also contributes to Goals 2-4.)

Objective 1. The Farmers' Market can continue to bring hundreds of employees and residents into the Plan Area;

Section 600 A. PUBLIC PARKS, PUBLIC PLAZAS, REST ROOMS, AND OPEN SPACES: Park Blocks Improvements for the Farmers' Market – Former Section 600 A.5 of the Plan authorized the Agency to participate in funding the design, acquisition, construction or rehabilitation of public spaces, or parks or public facilities within the urban renewal area, including but not limited to walkways and plazas and accessibility improvements. Beginning with the effective date of the 2010 Amendment, the Agency will not use tax increment funds to initiate any public parks, public plazas, rest rooms or open spaces except the Park Blocks improvements for the Farmers' Market that are described in the next paragraph.

The Agency may spend up to $500,000 of tax increment funds, plus associated interest, premium and other costs, on infrastructure improvements to the Park Blocks in order to make that location more attractive and functional for the Farmers' Market.

Downtown Urban Renewal District Report *(June 25, 2010)*
Chapter 5 item 1). The Lane County Farmers' Market operates multiple times per week during the spring, summer, and fall on a portion of the Park Blocks on 8th Avenue. Although the Agency has completed several improvements to the Park Blocks, the Farmers' Market continues to encounter issues with the space, such as access to electricity and to level and paved surfaces. Infrastructure improvements to the Park Blocks and expansion of available space will support a cornerstone of downtown activity and one of the most significant public event venues in the city. The Park Blocks are the historic center and most identifiable public space in downtown. For the past few years, the Farmers' Market has expressed a need and desire to expand its offerings to maintain financial viability and potentially operate year-round. The Agency will improve the Park Blocks in order to make that location more attractive and functional for the Farmers' Market.

Chapter 6. The Agency will spend up to $500,000 on infrastructure improvements to the Park Blocks in order to make that location more attractive and functional for the Farmers' Market. The improvements will start in FY2010/2011.

Report Exhibit D: Projected Revenues and Expenditures for the Plan Area, Table 6

										Totals
Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY11-18
Property Taxes	1,730,000	1,920,000	1,960,000	2,070,000	2,120,000	2,110,000	2,140,000	2,170,000	-	14,490,000
Debt Issued	-	4,250,000	-	-	-	-	-	-	-	4,250,000
DRLP Loan Repayments	80,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	1,520,000
BEDI Grant/108 Loan for Beam	6,700,000	-	-	-	-	-	-	-	-	-
Interest Earnings	130,000	41,000	23,000	33,000	32,000	41,000	51,000	71,000	81,000	373,000
Beginning Working Capital	8,002,351	4,546,000	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	4,546,000
Total Resources	16,642,351	10,947,000	3,210,000	3,298,000	3,398,000	3,765,000	4,199,000	4,668,000	2,961,000	25,179,000
Requirements										
Tax Increment Expenditures - Under Existing Plan										
Administration - Existing Cap	530,000	330,000								330,000
Downtown Safety Initiative	100,000									-
Library & Miscellaneous	2,608,343									-
Totals Existing Plan	3,238,343	330,000	-	-	-	-	-	-	-	330,000
Tax Increment Expenditures - Under New Plan										
Administration - New Cap			355,000	360,000	55,000	60,000	65,000	70,000	75,000	1,040,000
LCC project	-	8,000,000	-	-	-	-	-	-	-	8,000,000
Farmers Market improvements		500,000	-	-	-	-	-	-	-	500,000
Debt Service & Issuance Costs	-	150,000	900,000	900,000	900,000	900,000	900,000	900,000	-	5,550,000
Intergvt'l Exps - Parking Debt	-	740,000	760,000	772,000	784,000	797,000	807,000	818,000	839,000	6,317,000
Totals New Plan	-	9,390,000	2,015,000	2,032,000	1,739,000	1,757,000	1,772,000	1,788,000	914,000	21,407,000
Non-Tax Increment Expenditures										
DRLP Loans Granted	2,360,000	190,000	190,000	210,000	235,000	190,000	190,000	190,000	190,000	1,585,000
Beam Project	6,500,000	-	-	-	-	-	-	-	-	-
Total Expenditures	12,098,343	9,910,000	2,205,000	2,242,000	1,974,000	1,947,000	1,962,000	1,978,000	1,104,000	23,322,000
Debt Service Reserve	-	900,000	900,000	900,000	900,000	900,000	900,000	900,000	-	-
Other Reserves	4,546,008	137,000	105,000	156,000	524,000	918,000	1,337,000	1,790,000	1,857,000	1,857,000
Total Reserves	4,546,008	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	1,857,000	1,857,000
Total Requirements	16,644,351	10,947,000	3,210,000	3,298,000	3,398,000	3,765,000	4,199,000	4,668,000	2,961,000	25,179,000

Notes: Administration includes project legal and professional services, and project administration. Admin increase in MI for plan amendment is for years FY12-FY18 only.

Final year of tax increment collections would be adjusted downward based on amount needed to completely fund maximum indebtedness.

Total expenditures double-count a portion of the LCC project that's funded with debt, because total expenditures include both the payment to LCC and the repayment of debt issued to fund a portion of the LCC project.

Urban Renewal Agency of the City of Eugene, Oregon

Debt Service Fund - Where tax increment goes when 1st collected

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the fiscal year ended June 30, 2011

(amounts in dollars)

	Budget	Actual Budget Basis	Actual Adjustment	GAAP basis
Revenues				
Taxes	1,920,000	1,859,593	0	1,859,593
Miscellaneous	25,000	46,409	(5,094)	41,315
Total revenues	1,945,000	1,906,002	(5,094)	1,900,908
Expenditures				
Debt service	150,000	27,851	0	27,851
Intergovernmental	13,261,000	13,252,084	0	13,252,084
Total expenditures	13,411,000	13,279,935	0	13,279,935
Excess (deficiency) of revenues over expenditures	(11,466,000)	(11,373,933)	(5,094)	(11,379,027)
Other financing sources (uses)				
Proceeds of debt issuance	7,900,000	7,900,000	0	7,900,000
Transfers out	(1,030,000)	(746,411)	0	(746,411)
Total other financing sources (uses)	6,870,000	7,153,589	0	7,153,589
Net change in fund balance	(4,596,000)	(4,220,344)	(5,094)	(4,225,438)
Fund balance, July 1, 2010	4,599,060	4,599,060	12,630	4,611,690
Fund balance, June 30, 2011	3,060	378,716	7,536	386,252

Farmers' Market:	$500,000	(to URA-Capital Projects Fund)
Project Delivery Admin:	$246,411	(to URA-General Fund)
	$746,411	

Urban Renewal Agency of the City of Eugene, Oregon

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the fiscal year ended June 30, 2011

(amounts in dollars)

	Budget	Actual Budget Basis	Actual Adjustment	GAAP basis
Revenues				
Miscellaneous	1,000	2,249	17	2,266
Total revenues	1,000	2,249	17	2,266
Expenditures				
Capital outlay	734,593	0	0	0
Total expenditures	734,593	0	0	0
Excess (deficiency) of revenues over expenditures	(733,593)	2,249	17	2,266
Other financing sources (uses)				
Transfers in	500,000	500,000	0	500,000
Total other financing sources (uses)	500,000	500,000	0	500,000
Net change in fund balance	(233,593)	502,249	17	502,266
Fund balance, July 1, 2010	237,918	237,918	347	238,265
Fund balance, June 30, 2011	4,325	740,167	364	740,531

$500,000	Farmers' Market
$234,593	See "Existing Activities"
$734,593	

Broadway Place Garages & Public Safety Improvements

The Agency Board approved expenditure of funds to pay the principal of City obligations issued to finance the Broadway Place Garages, or of Agency obligations that are issued to refinance the City obligations. The Agency investment is in exchange for the City a) continuing to make the garages available for businesses and residents downtown and b) enhancing public safety in the Plan Area. Specifically, the Plan calls for spending no more than $4.9 million of tax increment funds to pay the principal.[1] (The initial concept was to make annual payments on the City's existing debt starting in FY11.) The Broadway Place mixed-use project includes 170 apartment units, ground floor commercial space, and 740 structured parking spaces. (See Attachment 1 for excerpts from the Plan and Report related to this project. Information about public safety is in Attachment 2.)

Expenditure Summary

FY11 Budget	FY11 Expenditures	Authorized by Plan	Amount Remaining
$5,261,000	$4,810,000 principal $ 442,084 interest $5,252,084	$4.9 million in principal	$90,000

The Agency made the principal and interest payments for FY11 and then refinanced the debt to attain a lower interest rate. In May 2011, the Agency issued $4.4 million in private placement bonds for the refinance. (Additional detail is in Attachment 3 – The Plan Estimate and the excerpt from the Annual Financial Report fiscal year ended June 30, 2011.)

Funding Sources

Urban renewal was the only source of funds for the FY11 expenditures. In years prior, the Agency and City contributed to the project:

- The Agency assembled the two half-blocks that for the project;
- The Agency contributed $2.5 million to the parking structure construction costs; and
- The City sold development rights for the housing to be constructed on top of the parking structures.

[1] Interest expense does not count toward the spending limit (maximum indebtedness); no specific amount was authorized in the Plan.

Downtown Urban Renewal Plan *(June 25, 2010)*

Goal 1. b & c. Improve the function, condition, and appearance of the Plan Area through b) funding of critical parking assets and c) improved safety for visitors to locations and business within the Plan Area. (This project also contributes to Goals 2-4.)

Objective 2. The Broadway Place Garages remain available and in good condition to support other development and redevelopment in downtown and, at the same time, to enable improvements to public safety downtown.

Section 600 B. PUBLIC PARKING AND PUBLIC TRANSPORTATION FACILITIES: *Broadway Place Garages & Public Safety Improvements* – Former Section 600 A.6 of the Plan authorized the Agency to participate in funding the acquisition and construction and enhancement of public parking and public transportation facilities within the renewal area. Prior to the 2010 Amendment, the Agency provided approximately $2.5 million of assistance for the construction of the Broadway Place Garages. After the effective date of the 2010 Amendment, the Agency will not use tax increment funds to initiate any public parking or transportation facilities funding except the funding for the Broadway Place Garages described in the next paragraph.

After the 2010 Amendment, the Agency may spend up to $4.9 million of tax increment funds to pay the principal of City obligations issued to finance those garages, or of Agency obligations that are issued to refinance the City obligations, plus associated interest, premium and other costs, but only if the City agrees to a) continue to make the garages available for businesses and residents downtown and b) enhance public safety in the Plan Area.

The proposed funding for the Broadway Place Garages serve and benefit the Plan Area because: (1) The Broadway Place Garages provide an essential public parking facility that directly serves the business, customer, and resident parking needs in the Plan Area, thereby supporting continued redevelopment in the Plan Area; (2) The Plan Area is a parking exempt zone, and the Broadway Place Garages relieve property owners in the Plan Area from the requirement to provide imbedded parking in new and redeveloped properties; and (3) The additional funding will allow the Broadway Place Garages to continue to provide these services to the Plan Area.

Downtown Urban Renewal District Report *(June 25, 2010)*

Chapter 5 item 2). The Plan Area is parking exempt, which means that property owners are not required to provide parking. Yet parking availability is critical to the economic success of downtown. As such, the Agency has participated in several projects to provide structured parking opportunities within the Plan Area. One such project was the Broadway Place Garages. Continued provision of Broadway Place parking will support LCC's new downtown campus project and other redevelopment along West Broadway, such as Lord Leebrick's property. Given City budgetary issues, continued operation and stability of the Broadway Place Garages will be enhanced by the Agency making payments on the debt for the garages. It would also make it possible for the parking fund to provide financial support for increased safety services.

Background: The Agency assembled the two half-blocks that were used to develop the Broadway Place mixed-use project. Agency funds in the amount of $2.5 million were contributed to the parking structure construction costs. The City sold development rights for housing to be constructed on top of the parking structures. The Broadway Place mixed-use project includes 170 apartment units, ground floor commercial space, and 740 structured parking spaces. It is a major anchor for the west-end of downtown and a popular residential destination with very low vacancy rates. Availability of parking was a contributing factor to Enterprise Rent-A-Car locating downtown and employing 300 people.

Chapter 6. The Agency will support the Broadway Place Garages by making the annual debt payments (both principal and interest), which will secure the financial stability of the garages, enhance safety services, and relieve the struggling Parking Fund within the City of Eugene. The support will take place starting in FY2010/2011.

City of Eugene Police Department
541.682.5111

PROTECT.SERVE.CARE.

MEMORANDUM

Date: February 23, 2012
To: Urban Renewal Panel P.K.
From: Eugene Police Department
Subject: Special Downtown Funding: FY11 Report

During FY11, $740,000 was made available to the Eugene Police Department to enhance public safety in the downtown Urban Renewal District. Additionally, the City Council added one time only funding to Municipal Court for 10 jail beds. This brought our inventory from 15 to 25 jail beds. In the City Manager's proposed FY13 budget the additional beds became an on-going expense. The Eugene Police Department made reductions in other areas in order to contribute an additional $250,000 to the Downtown Team. Although the funding became available July 1, 2010, due to the lengthy hiring and training process for law enforcement, not all team members were hired immediately which created savings. This balance was used for 10 additional jail beds for one year only; bringing the total to 35 beds. By May 2011, all the officer positions were filled. Below is a summary of the 12-Point Plan for the Downtown Initiative and the EPD funded portion of that plan.

Summarized Downtown Initiative 12-Point Plan
Adopted February 2010

	Project	Description	Cost*
		Short Term	
1.	Immediate implementation	Coordinating: • Public/private administrative resources with Downtown Eugene, Inc. (DEI) • Law enforcement efforts with Parole and Probation • Public safety resources, including private security, in the downtown core. • Existing Closed Circuit Television CCTV assets • Social Services • Assign Eugene Police Dept. Crime Prevention Specialist to downtown bicycle team	Redistribution and realignment of existing resources

8.	Develop/fund 'wet' beds	• Currently there are no beds available to people who cannot stop abusing substances. This would be a facility that would allow people to be inside and off the streets but still drink/use	TBD (one-time cost)
9.	Create Downtown work crews/probation	• Facilitate work crews to clean downtown/judge involvement	$28,000
10.	Lighting	• Add seasonal and more consistent lighting throughout downtown	$100,000
11.	Add 9 FTE to EPD	• Add 7 patrol officers • Add 1 Sergeant • Add Police Coordinator/Station Manager • Build on 2 current (already funded) downtown officers	$1,245,673: $740K when parking structure paid off and $250K EPD repurposed funding ($990)
12.	Enhance Cahoots Services	• Dedicate Cahoots responders to downtown • One time start up equipment	$325,000: In FY11 $225 to purchase van and provide 6 months of service
		Total	**$2,218,673**

*Not all of these items will be exclusively City funded and will include some partnerships with DEI as well as other partners.

Report Exhibit D: Projected Revenues and Expenditures for the Plan Area, Table 6

										Totals
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Property Taxes	1,730,000	1,920,000	1,960,000	2,070,000	2,120,000	2,110,000	2,140,000	2,170,000	-	14,490,000
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DRLP Loan Repayments	80,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	1,520,000
BEDI Grant/108 Loan for Beam	6,700,000	-	-	-	-	-	-	-	-	-
Interest Earnings	130,000	41,000	23,000	33,000	32,000	41,000	51,000	71,000	81,000	373,000
Beginning Working Capital	8,002,351	4,546,000	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	4,546,000
Total Resources	16,642,351	10,947,000	3,210,000	3,298,000	3,398,000	3,765,000	4,199,000	4,668,000	2,961,000	25,179,000
Requirements										
Tax Increment Expenditures - Under Existing Plan										
Administration - Existing Cap	530,000	330,000								330,000
Downtown Safety Initiative	100,000									-
Library & Miscellaneous	2,608,343									-
Totals Existing Plan	3,238,343	330,000	-	-	-	-	-	-	-	330,000
Tax Increment Expenditures - Under New Plan										
Administration - New Cap			355,000	360,000	55,000	60,000	65,000	70,000	75,000	1,040,000
LCC project	-	8,000,000	-	-	-	-	-	-	-	8,000,000
Farmers Market improvements		500,000	-	-	-	-	-	-	-	500,000
Debt Service & Issuance Costs	-	150,000	900,000	900,000	900,000	900,000	900,000	900,000	-	5,550,000
Intergvt'l Exps - Parking Debt Prin & Int	-	740,000	760,000	772,000	784,000	797,000	807,000	818,000	839,000	6,317,000
Totals New Plan	-	9,390,000	2,015,000	2,032,000	1,739,000	1,757,000	1,772,000	1,788,000	914,000	21,407,000
Non-Tax Increment Expenditures										
DRLP Loans Granted	2,360,000	190,000	190,000	210,000	235,000	190,000	190,000	190,000	190,000	1,585,000
Beam Project	6,500,000	-	-	-	-	-	-	-	-	-
Total Expenditures	12,098,343	9,910,000	2,205,000	2,242,000	1,974,000	1,947,000	1,962,000	1,978,000	1,104,000	23,322,000
Debt Service Reserve	-	900,000	900,000	900,000	900,000	900,000	900,000	900,000	-	-
Other Reserves	4,546,008	137,000	105,000	156,000	524,000	918,000	1,337,000	1,790,000	1,857,000	1,857,000
Total Reserves	4,546,008	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	1,857,000	1,857,000
Total Requirements	16,644,351	10,947,000	3,210,000	3,298,000	3,398,000	3,765,000	4,199,000	4,668,000	2,961,000	25,179,000

Notes: Administration includes project legal and professional services, and project administration. Admin increase in MI for plan amendment is for years FY12-FY18 only.

Final year of tax increment collections would be adjusted downward based on amount needed to completely fund maximum indebtedness.

Total expenditures double-count a portion of the LCC project that's funded with debt, because total expenditures include both the payment to LCC and the repayment of debt issued to fund a portion of the LCC project.

Urban Renewal Agency of the City of Eugene, Oregon

Debt Service Fund - Where tax increment goes when 1st collected

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the fiscal year ended June 30, 2011

(amounts in dollars)

	Budget	Actual Budget Basis	Actual Adjustment	GAAP basis
Revenues				
Taxes	1,920,000	1,859,593	0	1,859,593
Miscellaneous	25,000	46,409	(5,094)	41,315
Total revenues	1,945,000	1,906,002	(5,094)	1,900,908
Expenditures				
Debt service (Cost to Issue Debt)	150,000	27,851	0	27,851
Intergovernmental	13,261,000	13,252,084	0	13,252,084
Total expenditures	13,411,000	13,279,935	0	13,279,935
Excess (deficiency) of revenues over expenditures	(11,466,000)	(11,373,933)	(5,094)	(11,379,027)
Other financing sources (uses)				
Proceeds of debt issuance	7,900,000	7,900,000	0	7,900,000
Transfers out	(1,030,000)	(746,411)	0	(746,411)
Total other financing sources (uses)	6,870,000	7,153,589	0	7,153,589
Net change in fund balance	(4,596,000)	(4,220,344)	(5,094)	(4,225,438)
Fund balance, July 1, 2010	4,599,060	4,599,060	12,630	4,611,690
Fund balance, June 30, 2011	3,060	378,716	7,536	386,252

Spending:

$ 740,507	one payment on City's debt
$4,511,577	BP Garages refinance
$8,000,000	LCC
$13,252,084	

Getting Cash Via Bonds:

$4.4M	for BP Garages refinance
$3.5M	for LCC
$7.9M	

Lane Community College New Downtown Campus

The Agency Board approved expenditure of funds to support Lane Community College's development of a new Downtown Campus at 10th & Charnelton, across from the library. Specifically, the Plan calls for a grant of $8 million to be funded from cash on hand (estimated at $3.75 million) plus issuance of debt (estimated at $4.25 million). The new Downtown Campus will include a 90,000 square foot, $35 million education building and a $20 million, 75,000 square foot student housing facility. The student housing will include five floors to accommodate 256 students. Both buildings will be LEED certified. As of February 2012, the construction is 45% complete, on-time, and on-budget. Students will move in during September 2012, while the education building is being finished. The first classes in the new building are expected to begin in January 2013. (See Attachment 1 for excerpts from the Plan and Report related to this project.)

Expenditure Summary

FY 11 Budget	FY11 Expenditures	Authorized by Plan	Amount Remaining
$ 8 million	$8 million	$8 million	$0

In May 2011, the Agency issued $3.5 million in private placement bonds to be combined with cash-on-hand. (The debt amount was less than expected because the bank did not require a debt service reserve account, and the Agency was able to use the funds set aside for that reserve to lower the borrowing amount.) The Agency signed an intergovernmental agreement with LCC and disbursed the $8 million urban renewal grant. (Additional detail is in Attachment 2 – The Plan Estimate and the excerpt from the Annual Financial Report fiscal year ended June 30, 2011 and)

Funding Sources

In addition to the grant, the Agency and the City participated in this project in two other ways:

- The Agency donated the land valued at $1.6 million; and
- The City approved the transfer of a Recovery Zone Bond to LCC in order to help the college access a $7,839,000 bond for the housing portion of the project.

The estimated total project cost is $55 million:

LCC General Obligation Bond	$ 9,000,000
State of Oregon Match Bond	$ 8,000,000
Eugene Urban Renewal Agency Grant	$ 8,000,000
Eugene Urban Renewal Agency Land Contribution	$ 1,600,000
Campus-Based Enterprise Fund	$ 2,500,000
LCC Qualified Energy Conservation Bonds	$ 1,500,000
College Facility Reserve	$ 851,000
Congressional Appropriation - Energy Management	$ 550,000
Sustainability Incentives	$ 200,000
EWEB Greenpower Customer Grant	$ 100,000
New Market Tax Credits (net of fees) and/or Fundraising	$ 3,500,000
LCC Bond Sale – Investment in Student Housing *	$19,355,000

* $7,839,000 of this bond sale was the transfer from City's Recovery Zone Bond allocation.

Downtown Urban Renewal Plan *(June 25, 2010)*
Goal 1.d. Improve the function, condition, and appearance of the Plan Area through redevelopment of the excavated vacant lot at the 10th and Charnelton Site. (This project also contributes to Goals 2-4.)

Objective 3. LCC is able to redevelop the 10th and Charnelton Site with a campus that will bring thousands of people into the Plan Area.

Section 600 C. The Agency may spend up to $8 million of tax increment funds, plus associated interest, premium and other costs, to assist LCC in the development of a new downtown building for its programs at the 10th and Charnelton Site. Upon agreement by LCC and the City, the project may include a public plaza or open space area at the site and potentially a downtown public safety station. The Agency already has approved the sale of this site to LCC.

LCC is proposing to build a new 80,000 square foot, mixed-use, state-of-the-art downtown education facility. The education building is targeted for LEED Platinum certification. LCC is also considering the construction of approximately 200 beds of student housing on the 10th & Charnelton Site. The new, highly-sustainable education building is expected to be a teaching tool for LCC's nationally recognized Energy Management program and to become a model for sustainable development. The new education facility will secure LCC's presence downtown for several decades and will be a major activity generator for downtown. The Agency may provide assistance with project related costs for the new education facility and housing, including construction hard and soft costs, site improvements, infrastructure, open space, green building features, art, and other project related cost.

The LCC New Downtown Campus will serve and benefit the Plan Area because: (1) Existing education programs and new programs to be included in the new building will draw thousands of students and visitors to the Plan Area each year; (2) New housing residents will generate more activity in the Plan Area; and (3) This landmark building, coupled with the activity it generates, will become a major anchor that will support adjacent retail and services in the Plan Area, enhance the perception of safety by introducing high volumes of new pedestrian traffic in the Plan Area, and attract new investments in the Plan Area.

Downtown Urban Renewal District Report *(June 25, 2010)*
Chapter 5. Item 3). The Agency owns the 10th and Charnelton Site bounded by Charnelton Street on the west, 10th Avenue on the south, and Olive Street on the east. The site is significantly underutilized in its present configuration – a quarter block of surface parking and a quarter block remnant from demolition of the former Sears department store.

LCC approached the Agency regarding acquisition of the property for a new downtown facility. On March 10, 2010, the Agency Board authorized the Agency Director to enter into an agreement with LCC to sell the

property at no cost (or $1.00). LCC has provided educational services from downtown for over 30 years at 1059 Willamette Street. The current facility no longer meets the needs of the college, and LCC intends to build and own a new, mixed-use building from which to offer educational and other services in downtown Eugene. The extensive hours of operation will create both daytime and evening activity at a key intersection of downtown. Economic opportunities for current and future downtown businesses will be created as students, employees, and visitors support restaurants, retail, services and cultural venues. In addition to Energy Management, Business Development, continuing education, and a variety of other classes, the multi-use facility will include space for tenants and other community uses, possibly a public safety station. Student housing could also be incorporated as part of the redevelopment plan.

The Downtown Public Library, immediately across 10th Avenue, is a community asset that will benefit greatly from development on the Agency owned site, especially the development proposed by LCC. The Agency invested significantly in the Library. The Downtown Eugene Public Library project was built and equipped for just over $36 million. About half of that amount came from City debt obligations that were issued in 2000 through a partnership with the Agency. The payments on the debt of about $2.5 million per year came from the Agency. Beginning in 1993, the Agency purchased the land on which the library was built for $875,000. The City borrowed $18.5 million which was to be repaid from tax increment dollars from the Agency. The Agency also contributed additional cash to the project, with a total of about $25 million of the $36 million project coming from Agency, representing nearly 70 percent of the capital cost for the new Library. The remaining 30 percent came from a combination of sources, including $5 million raised by the Eugene Public Library Foundation's Capital Campaign, sale of assets, and proceeds from a local option property tax levy of $1.9 million.

Chapter 6. The Agency will consider the terms for an agreement between the Agency and LCC. The specific activities to be undertaken will be defined by the Agency, set out in the agreement with LCC, and may include integration of a public safety station and/or open space within the development project. LCC currently has $17.5 million in other funds to contribute to the project. LCC is undergoing a feasibility analysis that will provide a detailed cost estimate for the project. The total project cost is expected to significantly exceed the $17.5 million that has been secured to date. Construction is anticipated to start in early 2011, for completion no later than 2013.

Report Exhibit D: Projected Revenues and Expenditures for the Plan Area, Table 6

										Totals
Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY11-18
Property Taxes	1,730,000	1,930,000	1,960,000	2,070,000	2,120,000	2,110,000	2,140,000	2,170,000	-	14,490,000
Debt Issued	-	4,250,000	-	-	-	-	-	-	-	4,250,000
DRLP Loan Repayments	80,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	1,520,000
BEDI Grant/108 Loan for Beam	6,700,000	-	-	-	-	-	-	-	-	-
Interest Earnings	130,000	41,000	23,000	33,000	32,000	41,000	51,000	71,000	81,000	373,000
Beginning Working Capital	8,002,351	4,546,000	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	4,546,000
Total Resources	16,642,351	10,947,000	3,210,000	3,298,000	3,398,000	3,765,000	4,199,000	4,668,000	2,961,000	25,179,000
Requirements										
Tax Increment Expenditures - Under Existing Plan										
Administration - Existing Cap	530,000	330,000								330,000
Downtown Safety Initiative	100,000									-
Library & Miscellaneous	2,608,343									-
Totals Existing Plan	3,238,343	330,000	-	-	-	-	-	-	-	330,000
Tax Increment Expenditures - Under New Plan										
Administration - New Cap			355,000	360,000	55,000	60,000	65,000	70,000	75,000	1,040,000
LCC project	-	8,000,000	-	-	-	-	-	-	-	8,000,000
Farmers Market improvements		500,000	-	-	-	-	-	-	-	500,000
Debt Service & Issuance Costs	-	150,000	900,000	900,000	900,000	900,000	900,000	900,000	-	5,550,000
Intergvt'l Exps - Parking Debt	-	740,000	760,000	772,000	784,000	797,000	807,000	818,000	839,000	6,317,000
Totals New Plan	-	9,390,000	2,015,000	2,032,000	1,739,000	1,757,000	1,772,000	1,788,000	914,000	21,407,000
Non-Tax Increment Expenditures										
DRLP Loans Granted	2,360,000	190,000	190,000	210,000	235,000	190,000	190,000	190,000	190,000	1,585,000
Beam Project	6,500,000	-	-	-	-	-	-	-	-	-
Total Expenditures	12,098,343	9,910,000	2,205,000	2,242,000	1,974,000	1,947,000	1,962,000	1,978,000	1,104,000	23,322,000
Debt Service Reserve	-	900,000	900,000	900,000	900,000	900,000	900,000	900,000	-	-
Other Reserves	4,546,008	137,000	105,000	156,000	524,000	918,000	1,337,000	1,790,000	1,857,000	1,857,000
Total Reserves	4,546,008	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	1,857,000	1,857,000
Total Requirements	16,644,351	10,947,000	3,210,000	3,298,000	3,398,000	3,765,000	4,199,000	4,668,000	2,961,000	25,179,000

Notes: Administration includes project legal and professional services, and project administration. Admin increase in MI for plan amendment is for years FY12-FY18 only.

Final year of tax increment collections would be adjusted downward based on amount needed to completely fund maximum indebtedness.

Total expenditures double-count a portion of the LCC project that's funded with debt, because total expenditures include both the payment to LCC and the repayment of debt issued to fund a portion of the LCC project.

Annual Financial Report Excerpt

Urban Renewal Agency of the City of Eugene, Oregon

Debt Service Fund - Where tax increment goes when 1st collected

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the fiscal year ended June 30, 2011

(amounts in dollars)

	Budget	Actual Budget Basis	Actual Adjustment	Actual GAAP basis
Revenues				
Taxes	1,920,000	1,859,593	0	1,859,593
Miscellaneous	25,000	46,409	(5,094)	41,315
Total revenues	1,945,000	1,906,002	(5,094)	1,900,908
Expenditures				
Debt service (Debt issuance costs)	150,000	27,851	0	27,851
Intergovernmental	13,261,000	13,252,084	0	13,252,084
Total expenditures	13,411,000	13,279,935	0	13,279,935
Excess (deficiency) of revenues over expenditures	(11,466,000)	(11,373,933)	(5,094)	(11,379,027)
Other financing sources (uses)				
Proceeds of debt issuance	7,900,000	7,900,000	0	7,900,000
Transfers out	(1,030,000)	(746,411)	0	(746,411)
Total other financing sources (uses)	6,870,000	7,153,589	0	7,153,589
Net change in fund balance	(4,596,000)	(4,220,344)	(5,094)	(4,225,438)
Fund balance, July 1, 2010	4,599,060	4,599,060	12,630	4,611,690
Fund balance, June 30, 2011	3,060	378,716	7,536	386,252

Spending:

$8M LCC

Remainder for BP Garages

$4.5M cash on hand + bonds

Getting cash via Bonds:

$3.5M for LCC

$4.4M for BP Garages

$7.9M

Project Delivery Administration

Actions for this activity include program administration (project management, financial services, Downtown Revitalization Loan Program administration, debt issuance and administration); legal services; reporting (budgets, financials); preparation of market, feasibility, or other economic studies; preparation of design, architectural, engineering, landscaping architectural, planning, development, or other developmental studies; providing accounting or audit services; providing special rehabilitation, restoration, or renovation feasibility and cost analysis studies; assisting in preparation of the annual financial report required under Section 800 of the Plan; providing property acquisition appraisals; and evaluation of the plan and the success of its activities. Many of the activities are provided through an intergovernmental contract between the City of Eugene and the Agency. The Agency may also acquire, rent, or lease office space and office furniture, equipment, and facilities necessary for it to conduct its affairs in the management and implementation of the Plan. (See Attachment 1 for excerpts from the Plan and Report related to this project.)

Expenditure Summary

	FY11 Budget	**FY11 Expenditures**	**FY10 Expenditures**	**Authorized by Plan**	**Amount Remaining**
Authorized Under 1998 Plan Amendment	$530,000	$251,541	$472,044	$860,000	$136,415
Authorized under 2010 Plan Amendment	$150,000	$27,851	n/a	$1,190,000	$1,162,149
Totals	*$680,000*	*$279,392*	*$472,044*	*$2,050,000*	*$1,298,564*

When the Plan was amended in 2010, there was some authorization remaining under the spending limit set in 1998. In the Plan Estimate, the amounts for project delivery administration to be counted against the 1998 spending limit were noted. Actual expenditures against that amount in FY10 were $472,044 and in FY11 were $251,541. In FY11, expenditures were split between personnel ($155,062), legal ($43,553) and materials/supplies ($52,926). After the FY11 expenditures, $136,415 remains under the 1998 limit that can be spent in future years.

The 2010 Plan amendment authorized an additional $1,190,000 for project delivery administration. In FY11, $27,851 was spent under this authorization for bond issuance costs, which was less than the budgeted amount because of the type of bonds issued (private vs. public and taxable vs. tax-exempt). Debt issuance costs include bond counsel, financial advisor, and origination and bank legal fees.

The budgeted project delivery administration spending for FY11 was $530,000. Due to the timing of the budget process versus the schedule for the Beam loan, the unspent legal costs of $200,000 from FY10 were rebudgeted in FY11 to ensure that there was adequate spending authority if needed to complete the legal work for the loan. Actual legal costs were less than budgeted in both FY10 and FY11. (Additional detail is in Attachment 2 – The Plan Estimate and excerpts from the Annual Financial Report fiscal year ended June 30, 2011.)

Funding Sources: Urban renewal funds were the only source.

Downtown Urban Renewal Plan *(June 25, 2010)*

Section 600 D. Many of the Agency's administrative activities are provided through a contract between the City of Eugene and the Agency dated June 15, 2004.

1. The Agency may retain the services of independent professional people or organizations to provide administrative or technical services such as:
    a. Project management;
    b. Preparation of market, feasibility, or other economic studies;
    c. Preparation of design, architectural, engineering, landscaping architectural, planning, development, or other developmental studies;
    d. Preparation of property acquisition appraisals;
    e. Provision of special rehabilitation, restoration, or renovation feasibility and cost analysis studies;
    f. Provision of legal, debt issuance, accounting or audit services; and
    g. Assistance with preparation of the annual financial report required under Section 800 of this Plan.

2. The Agency may acquire, rent, or lease office space and office furniture, equipment, and facilities necessary for it to conduct its affairs in the management and implementation of this Plan.

3. The Agency may invest its reserve funds in interest-bearing accounts or securities.

4. The Agency may borrow money, accept advances, loans, or grants from any legal source, issue urban renewal bonds and receive tax increment proceeds as provided for in Section 700 of this Plan.

Downtown Urban Renewal District Report *(June 25, 2010)*

Chapter 6: *Project Delivery Administration* – Actions for this activity include program administration (project management, financial services, debt issuance and administration); legal services; reporting (budgets, financials); preparation of market, feasibility, or other economic studies; preparation of design, architectural, engineering, landscaping architectural, planning, development, or other developmental studies; providing accounting or audit services; providing special rehabilitation, restoration, or renovation feasibility and cost analysis studies; assisting in preparation of the annual financial report required under Section 800 of the Plan; providing property acquisition appraisals; and evaluation of the plan and the success of its activities. Many of the activities are provided through a contract between the City of Eugene and the Agency dated June 15, 2004. The Agency may also acquire, rent, or lease office space and office furniture, equipment, and facilities necessary for it to conduct its affairs in the management and implementation of this plan.

Projections for district administration assume that once the LCC and Beam projects are complete, district administration expenses will be reduced to a minimal level that will be sufficient to ensure administration of outstanding debt, budget development, annual review of project activities, and financial report preparation. Specifically, the administration projection includes staffing at 1.4 FTE for years FY2010/2011 through FY2012/2013 followed by 0.14 FTE for years FY2013/2014 through FY2017/2018. Additional items in the projection include legal and consulting fees necessary to protect the City/Agency and complete the Projects, debt issuance cost needed for the Projects, and property management.

Report Exhibit D: Projected Revenues and Expenditures for the Plan Area, Table 6

										Totals
Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY11-18
Property Taxes	1,730,000	1,920,000	1,960,000	2,070,000	2,120,000	2,110,000	2,140,000	2,170,000	-	14,490,000
Debt Issued	-	4,250,000	-	-	-	-	-	-	-	4,250,000
DRLP Loan Repayments	80,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	1,520,000
BEDI Grant/108 Loan for Beam	6,700,000	-	-	-	-	-	-	-	-	-
Interest Earnings	130,000	41,000	23,000	33,000	32,000	41,000	51,000	71,000	81,000	373,000
Beginning Working Capital	8,002,351	4,546,000	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	4,546,000
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Requirements										
Tax Increment Expenditures - Under Existing Plan										
Administration - Existing Cap	530,000	330,000								330,000
Downtown Safety Initiative	100,000									-
Library & Miscellaneous	2,608,343									-
Totals Existing Plan	3,238,343	330,000	-	-	-	-	-	-	-	330,000
Tax Increment Expenditures - Under New Plan										
Administration - New Cap			355,000	360,000	55,000	60,000	65,000	70,000	75,000	1,040,000
LCC project	-	8,000,000	-	-	-	-	-	-	-	8,000,000
Farmers Market improvements		500,000	-	-	-	-	-	-	-	500,000
Debt Service & Issuance Costs	-	150,000	900,000	900,000	900,000	900,000	900,000	900,000	-	5,550,000
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Non-Tax Increment Expenditures										
DRLP Loans Granted	2,360,000	190,000	190,000	210,000	235,000	190,000	190,000	190,000	190,000	1,585,000
Beam Project	6,500,000	-	-	-	-	-	-	-	-	-
Total Expenditures	12,098,343	9,910,000	2,205,000	2,242,000	1,974,000	1,947,000	1,962,000	1,978,000	1,104,000	23,322,000
Debt Service Reserve	-	900,000	900,000	900,000	900,000	900,000	900,000	900,000	-	-
Other Reserves	4,546,008	137,000	105,000	156,000	524,000	918,000	1,337,000	1,790,000	1,857,000	1,857,000
Total Reserves	4,546,008	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	1,857,000	1,857,000
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Urban Renewal Agency of the City of Eugene, Oregon

Debt Service Fund - Where tax increment goes when 1st collected

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the fiscal year ended June 30, 2011

(amounts in dollars)

	Budget	Actual Budget basis	Actual Adjustment	Actual GAAP basis
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Miscellaneous	25,000	46,409	(5,094)	41,315
Total revenues	1,945,000	1,906,002	(5,094)	1,900,908
Expenditures				
Debt service	150,000	27,851	0	27,851
Intergovernmental	13,261,000	13,252,084	0	13,252,084
Total expenditures	13,411,000	13,279,935	0	13,279,935
Excess (deficiency) of revenues over expenditures	(11,466,000)	(11,373,933)	(5,094)	(11,379,027)
Other financing sources (uses)				
Proceeds of debt issuance	7,900,000	7,900,000	0	7,900,000
Transfers out	(1,030,000)	(746,411)	0	(746,411)
Total other financing sources (uses)	6,870,000	7,153,589	0	7,153,589
Net change in fund balance	(4,596,000)	(4,220,344)	(5,094)	(4,225,438)
Fund balance, July 1, 2010	4,599,060	4,599,060	12,630	4,611,690
Fund balance, June 30, 2011	3,060	378,716	7,536	386,252

Admin and Legal	$246,411	(to URA-General Fund)
Farmers' Market	$500,000	(to URA-Capital Projects)
	$746,411	

Urban Renewal Agency of the City of Eugene, Oregon

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the fiscal year ended June 30, 2011

(amounts in dollars)

	Budget	Budget	Actual	Actual	
	Original	Final	Budget basis	Adjustment	GAAP basis
Revenues					
Intergovernmental	6,504,000	6,504,000	4,149,682	0	4,149,682
Rental income	0	0	36,622	0	36,622
Charges for services	2,000	2,000	13,230	0	13,230
Repayment of revolving loans	0	0	0	259,022	259,022
Miscellaneous	46,000	46,000	17,384	(2,865)	14,519
Total revenues	6,552,000	6,552,000	4,216,918	256,157	4,473,075
Expenditures					
Urban renewal redevelopment (Admin & Legal)	530,000	530,000	251,541	5,494,197	5,745,738
Loans granted	8,499,967	8,302,558	5,494,197	(5,494,197)	0
Contribution of asset held for resale	0	0	0	538,929	538,929
Total expenditures	9,029,967	8,832,558	5,745,738	538,929	6,284,667
Excess (deficiency) of revenues over expenditures	(2,477,967)	(2,280,558)	(1,528,820)	(282,772)	(1,811,592)
Other financing sources (uses)					
Principal payments received	50,000	50,000	259,022	(259,022)	0
Transfers in	530,000	530,000	246,411	0	246,411
Total other financing sources (uses)	580,000	580,000	505,433	(259,022)	246,411
Net change in fund balance	(1,897,967)	(1,700,558)	(1,023,387)	(541,794)	(1,565,181)
Fund balance, July 1, 2010	1,947,967	1,700,558	1,700,558	543,399	2,243,957
Fund balance, June 30, 2011	50,000	0	677,171	1,605	678,776

Existing Activities *(pre-2010 Plan Amendment)*

The Agency may complete urban renewal projects authorized prior to the 2010 Plan Amendment (for example, the Beam Development project at Willamette and Broadway and downtown lighting) per section 600 E of the Plan. The anticipated spending on existing activities was $234,593 to occur in FY10 from funds available under the spending limit set in 1998.

The Agency also may continue to operate the Downtown Revitalization Loan Program. All dollars loaned must come from program revenue in the loan fund and not from tax increment funds.

Expenditure Summary

	FY11 Budget	**FY11 Expenditures**	**Authorized by Plan**	**Amount Remaining**
Downtown Safety Initiative (Lighting)	$100,000	$0	$100,000	$100,000
Misc. Carry Forward	$134,593	$0	$134,593	$134,593

No funds were expended. Work began on the lighting project in FY12 and will be included in next year's report. In FY11, $134,593 was budgeted for capital projects that were authorized prior to the 2010 Plan Amendment process. Spending of these dollars for additional capital projects not contemplated at the time of the Plan Amendment is not allowed under the current Plan. (Additional detail is in Attachment 1 – The Plan Estimate and excerpts from the Annual Financial Report fiscal year ended June 30, 2011. Attachment 2 contains a list of FY11 loan recipients and amounts.)

Funding Sources

No funds were spent on existing activities in FY11.

Report Exhibit D: Projected Revenues and Expenditures for the Plan Area, Table 6

										Totals
Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY11-18
Property Taxes	1,730,000	1,920,000	1,960,000	2,070,000	2,120,000	2,110,000	2,140,000	2,170,000	-	14,490,000
Debt Issued	-	4,250,000	-	-	-	-	-	-	-	4,250,000
DRLP Loan Repayments	80,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	1,520,000
BEDI Grant/108 Loan for Beam	6,700,000	-	-	-	-	-	-	-	-	-
Interest Earnings	130,000	41,000	23,000	33,000	32,000	41,000	51,000	71,000	81,000	373,000
Beginning Working Capital	8,002,351	4,546,000	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	4,546,000
Total Resources	16,642,351	10,947,000	3,210,000	3,298,000	3,398,000	3,765,000	4,199,000	4,668,000	2,961,000	25,179,000
Requirements										
Tax Increment Expenditures - Under Existing Plan										
Administration - Existing Cap	530,000	330,000								330,000
Downtown Safety Initiative	100,000									-
Library & Miscellaneous	2,608,343									-
Totals Existing Plan	3,238,343	330,000	-	-	-	-	-	-	-	330,000
Tax Increment Expenditures - Under New Plan										
Administration - New Cap			355,000	360,000	55,000	60,000	65,000	70,000	75,000	1,040,000
LCC project	-	8,000,000	-	-	-	-	-	-	-	8,000,000
Farmers Market improvements		500,000	-	-	-	-	-	-	-	500,000
Debt Service & Issuance Costs	-	150,000	900,000	900,000	900,000	900,000	900,000	900,000	-	5,550,000
Intergvt'l Exps - Parking Debt	-	740,000	760,000	772,000	784,000	797,000	807,000	818,000	839,000	6,317,000
Totals New Plan	-	9,390,000	2,015,000	2,032,000	1,739,000	1,757,000	1,772,000	1,788,000	914,000	21,407,000
Non-Tax Increment Expenditures										
DRLP Loans Granted	2,360,000	190,000	190,000	210,000	235,000	190,000	190,000	190,000	190,000	1,585,000
Beam Project	6,500,000	-	-	-	-	-	-	-	-	-
Total Expenditures	12,098,343	9,910,000	2,205,000	2,242,000	1,974,000	1,947,000	1,962,000	1,978,000	1,104,000	23,322,000
Debt Service Reserve	-	900,000	900,000	900,000	900,000	900,000	900,000	900,000	-	-
Other Reserves	4,546,008	137,000	105,000	156,000	524,000	918,000	1,337,000	1,790,000	1,857,000	1,857,000
Total Reserves	4,546,008	1,037,000	1,005,000	1,056,000	1,424,000	1,818,000	2,237,000	2,690,000	1,857,000	1,857,000
Total Requirements	16,644,351	10,947,000	3,210,000	3,298,000	3,398,000	3,765,000	4,199,000	4,668,000	2,961,000	25,179,000

Notes: Administration includes project legal and professional services, and project administration. Admin increase in MI for plan amendment is for years FY12-FY18 only.

Final year of tax increment collections would be adjusted downward based on amount needed to completely fund maximum indebtedness.

Total expenditures double-count a portion of the LCC project that's funded with debt, because total expenditures include both the payment to LCC and the repayment of debt issued to fund a portion of the LCC project.

Urban Renewal Agency of the City of Eugene, Oregon

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the fiscal year ended June 30, 2011

(amounts in dollars)

	Budget	Actual Budget Basis	Actual Adjustment	Actual GAAP basis
Revenues				
Miscellaneous	1,000	2,249	17	2,266
Total revenues	1,000	2,249	17	2,266
Expenditures				
Capital outlay	734,593	0	0	0
Total expenditures	734,593	0	0	0
Excess (deficiency) of revenues over expenditures	(733,593)	2,249	17	2,266
Other financing sources (uses)				
Transfers in	500,000	500,000	0	500,000
Total other financing sources (uses)	500,000	500,000	0	500,000
Net change in fund balance	(233,593)	502,249	17	502,266
Fund balance, July 1, 2010	237,918	237,918	347	238,265
Fund balance, June 30, 2011	4,325	740,167	364	740,531

Budgeted:

$100,000 Lighting

$134,593 Misc. carry over from prior years

$500,000 Farmers' Market

Urban Renewal Agency of the City of Eugene, Oregon

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the fiscal year ended June 30, 2011

(amounts in dollars)

	Budget	Budget	Actual	Actual	
	Original	Final	Budget basis	Adjustment	GAAP basis
Revenues					
Intergovernmental	6,504,000	6,504,000	4,149,682	0	4,149,682
Rental income	0	0	36,622	0	36,622
Charges for services	2,000	2,000	13,230	0	13,230
Repayment of revolving loans	0	0	0	259,022	259,022
Miscellaneous	46,000	46,000	17,384	(2,865)	14,519
Total revenues	6,552,000	6,552,000	4,216,918	256,157	4,473,075
Expenditures					
Urban renewal redevelopment	530,000	530,000	251,541	5,494,197	5,745,738
Loans granted	8,499,967	8,302,558	5,494,197	(5,494,197)	0
Contribution of asset held for resale	0	0	0	538,929	538,929
Total expenditures	9,029,967	8,832,558	5,745,738	538,929	6,284,667
Excess (deficiency) of revenues over expenditures	(2,477,967)	(2,280,558)	(1,528,820)	(282,772)	(1,811,592)
Other financing sources (uses)					
Principal payments received	50,000	50,000	259,022	(259,022)	0
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Total other financing sources (uses)	580,000	580,000	505,433	(259,022)	246,411
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Fund balance, June 30, 2011	50,000	0	677,171	1,605	678,776

See "Attachment 2" for list of loan recipients and amounts

Attachment 2
FY11 Loan Recipients and Amounts

The chart below provides the loan recipients, FY11 disbursement amount, loan amount, source of funds, use of funds, and amount of private funds in the project. DRLP in the "source" column means the Downtown Revitalization Loan Program. The DRLP is a flexible financing program designed to encourage investments within the Downtown Urban Renewal District that contribute to the economic vibrancy and density goals for downtown. The DRLP is also designed to be responsive to unique redevelopment opportunities, downtown redevelopment challenges, and individual project financing needs. The loan program is administered by downtown urban renewal staff and uses program revenue for loans (NOT tax increment funds). All loans are reviewed by the Loan Advisory Committee.

Borrower	Loan Amount	FY11 Disbursement	Source	Use	Private Funds
Beam Development	$6.5 million	$4,146,770	Federal (Section 108 loan guarantee & BEDI grant) *	Construction Loan	$750,000
Lord Leebrick	$150,000	$32,427	DRLP	Building improvements to new location on West Broadway	$1.5 million
Jazz Station	$15,000	$15,000	DRLP	tenant improvements to new location on West Broadway (one block west of the former location)	$7,000
Woolworth Properties	$1.3 million	$1.3 million	DRLP	Project costs for construction of Woolworth Building (on Willamette next to the Broadway Commerce Center)	$9.7 million
Totals	*$7,965,000*	*$5,494,197*			*$11,257,000*

* The federal (HUD) contract requires the funds to be suballocated to the Agency.