

MEMORANDUM

Date: June 16, 2014

To: Jon R. Ruiz, Agency Director

From: Expenditure Review Panel

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

It is our pleasure to present the third annual report of the Expenditure Review Panel (ERP) for the Downtown Urban Renewal Plan (Plan). Our report covers FY13 and 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. For the FY13 report, we met in May and received considerable information about Downtown Urban Renewal projects and spending. We received and reviewed copies of the Plan and the Annual Financial Report with respect to Urban Renewal Agency activity through June 30, 2013 (FY13) 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 FY13 expenditures.

We found the following progress:

- ✓ The Agency made the debt service payment related to the **LCC** project, a tremendous addition to downtown.
- ✓ **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. At present, the office space is full. Although the fine-dining ground floor space is currently vacant, several interested prospects have great promise to complement the Barn Light and Sizzle Pie.

- ✓ The **Woolworth Building** is over 80% occupied with eight tenants, including the new ground floor tenants: Pyrenees Lounge and Urban Waxx.
- ✓ The Agency made the payment for the **Broadway Place Garages** debt. The Agency's payment on the Garages freed up funds for downtown public safety; specifically in FY13, the funds provided for staffing the downtown patrol team.
- ✓ **Farmers' Market** improvement funds were not spent in FY13. We are heartened by the recent progress to explore a potential land exchange with Lane County that could result in, among other outcomes, a permanent and improved site for the Farmers' Market and utilization of the urban renewal funds. Expansion of the Park Blocks surpasses Downtown Urban Renewal goal 1.a. and would improve the visual connection to the 5th Street Market area and the 8th Avenue path to the riverfront. We support the use of urban renewal staff to facilitate this key desired outcome in the core of downtown. Let's not miss the opportunity to leverage a larger investment. We encourage the Farmers' Market to work with City staff, explore grant and private sector funding to leverage a larger investment and create dynamic long lasting workable space. We also recognize that time is of the essence with the end of the Downtown Urban Renewal District projected for FY18.
- ✓ Work continued on the **lighting** project; funds were spent on lighting improvements for pedestrian comfort and safety for the LCC Downtown Campus and small scale lighting improvements for individual buildings.
- ✓ The Agency spent 33% less than budgeted and less than projected in the Plan for **project delivery administration**. This includes personnel, legal, and materials/supplies 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 and Finance Director Sue Cutsogeorge. In addition, Urban Services Manager Denny Braud and Senior Planner Nan Laurence assisted us. 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



 Tamará Irringer-Underwood



 Tom Kamis