



## MEMORANDUM

**Date:** May 13, 2016  
**To:** Jon R. Ruiz, Agency Director  
**From:** Expenditure Review Panel  
**Subject:** FY15 Report of the Expenditure Review Panel for the Downtown Urban Renewal Plan

It is our pleasure to present the fifth annual report of the Expenditure Review Panel (ERP) for the Downtown Urban Renewal Plan (Plan). Our report covers FY15 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 FY15 report, we met on May 5 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, 2015 (FY15) 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 FY15 expenditures.

We found the following progress:

- ✓ The Agency made the debt service payment related to the **LCC** project, a tremendous addition to downtown.
  
- ✓ 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 FY15, the funds provided for a portion of the staffing the downtown patrol team. The importance of public safety investment in downtown cannot be emphasized enough.

- ✓ **Farmers' Market** improvement funds were not spent in FY15. The \$500,000 set-aside for Farmers' Market site improvements remains unspent, as conversations continue with Lane County regarding a land exchange, which could result in a permanent site for the Farmers' Market. It makes sense to hold the funds rather than use them on projects that could turn out to be temporary. With a need for a new County Courthouse, we are hopeful land exchange discussions are elevated. Ultimately, more money will be necessary to provide Farmers' Market with an attractive, functional, and potentially year-round site. We think this is a logical use for urban renewal funds.
- ✓ Work continued on the **lighting** project; funds were spent on the design and fabrication of tree lights. While the remainder of lighting funds will be spent in FY16, not all of the lighting plan scope will be completed. These additional lighting needs include alley lights and enhanced lights in parking garages and in other public spaces. Although the current Plan does not contain more funding, we encourage you to find ways to fund these additional lighting projects. We encourage the funding of these lighting projects.
- ✓ **Beam Development's** financing converted to a fixed interest rate, which provides important project stability for the Broadway Commerce Center.
- ✓ The **Woolworth Building** is 100% occupied.
- ✓ The Agency spent just under budgeted 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 Economic Prosperity Programs Manager Amanda Nobel Flannery. In addition, Community Division Director Denny Braud, Senior Planner Nan Laurence, Senior Financial Analyst Maurizio Bottalico, and Business Programs Coordinator Angelin Singh assisted us.

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. We recognize that the end of tax increment financing in the Downtown Urban Renewal District is projected for FY17. The clearest path to a sustainable functional downtown is continued investment in amenities, safety, and infrastructure. To that end, we support amending the Plan so as to continue tax increment financing support beyond FY17. We applaud City staff and Council for engaging in this discussion with each other and with the public this spring. We urge support for downtown improvements, public safety, and pedestrian amenities.

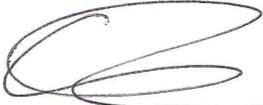
One idea that we have stressed in this letter in the last few years is a year-round Farmers' Market, and although no improvement funds were spent on this in FY15, we urge the Agency Board to make this a priority going forward.

In addition, downtown has become a growing destination for technology based businesses, which should be encouraged. A key infrastructure enhancement that could truly boost the number of technology firms downtown is the addition of high-speed fiber. Urban renewal tax increment financing seems uniquely suited to finance such infrastructure.

Recent public discussion about open space in downtown has brought the questions of the future of Broadway Plaza and the Park Blocks to the forefront. Furthermore, the ongoing re-development of City Hall allows for a re-imaging of the new City Hall Plaza; other public spaces in the District (Hult Center Plaza) and near the District have also been mentioned in various conversations.

Our city has investment opportunities in downtown like never before. These three potential projects – the Farmers’ Market, high-speed fiber, and open space – along with the old Lane Community College building at 1059 Willamette Street – would allow downtown to continue to prosper and benefit from the great momentum of the past five years. Urban renewal is a great tool for this purpose – it uses public funds for the public good and has planted the seeds for, and we hope will continue to create, a viable downtown that will benefit the entire city. We strongly urge the City Council / Agency Board to take leadership by making the decision to amend the Plan, extend the District, and continue tax increment financing.

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



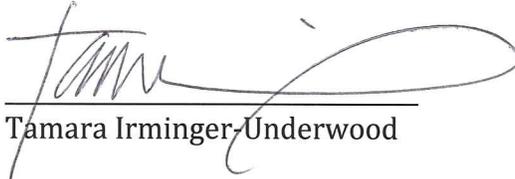
Chris Looney



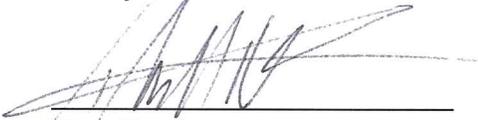
Josh Burstein



Sherry Schaefer



Tamara Irminger-Underwood

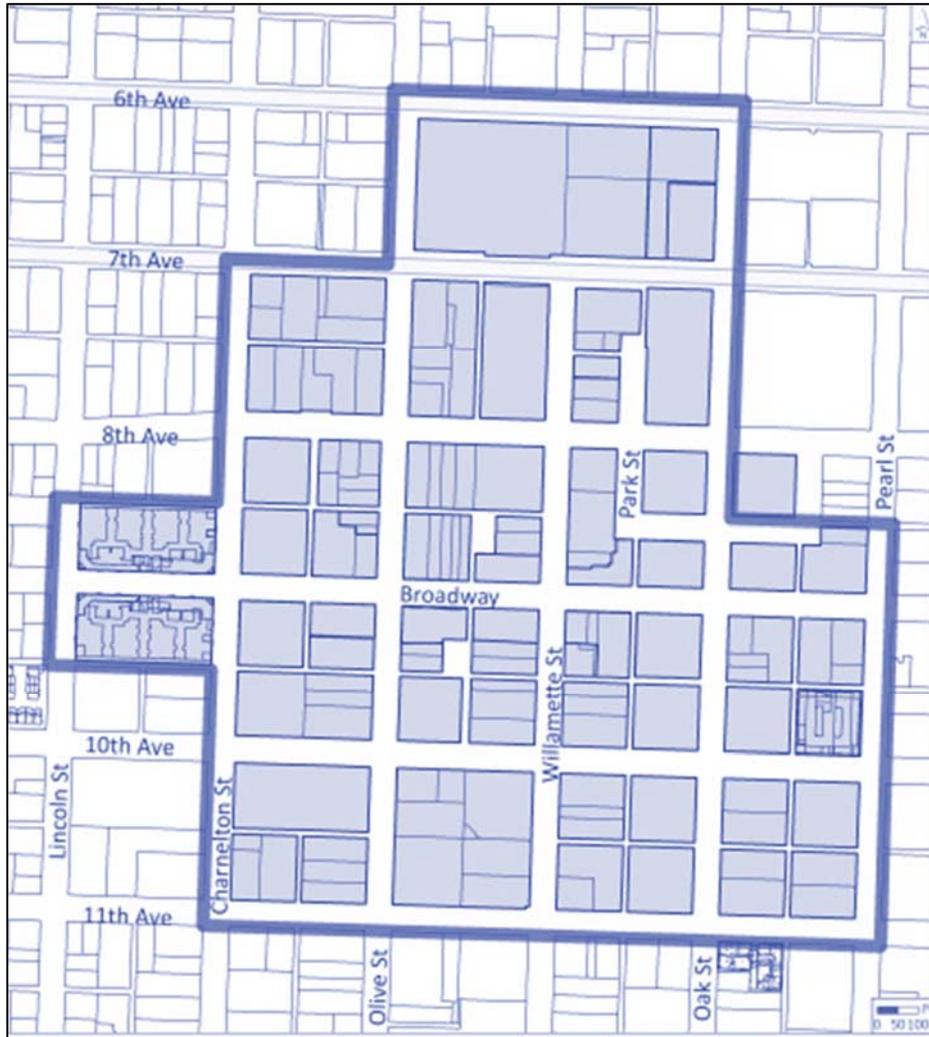


Tom Kamis



## FY15 Report to the Expenditure Review Panel

Background information and implementation update for Downtown Urban Renewal Plan



**Prepared by:**

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April 2016

# INTRODUCTION

Staff prepared this report at the request of the Expenditure Review Panel (ERP). 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, 2014 and June 30, 2015 (FY15).

## 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 30, 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 Debt Service Fund, the URA Downtown Capital Projects Fund, and the URA Downtown General 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 with district creation.

- The Council, acting as the Agency Board, oversees implementation of the urban renewal plan, and reviews and approves projects and budgets.
- The City’s Budget Committee includes the Agency’s budget in their review and recommendation to the Council each year.
- The Loan Advisory Committee reviews the DRLP loan applications.
- For the federal funds used for the Beam project, the federal department of Housing and Urban Development (HUD) has very specific requirements to be followed, with auditors that look over the HUD funds.
- Bond Counsel/investors review 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 Agency’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 FY15. 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 FY15 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. 9**
- ❖ **Lane Community College New Downtown Campus..... pg. 15**
- ❖ **Project Delivery Administration..... pg. 20**
- ❖ **Existing Activities..... pg. 26**
- ❖ **Spending Limit Information..... pg. 33**

## 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. The funds could be used for street improvements along 8<sup>th</sup> 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*

<b>Plan Estimate</b>	<b>FY15 Budget</b>	<b>FY15 Expenditures</b>
\$500,000	\$500,000	\$0

No funds were spent in FY15. The City Council and the Lane County Board of Commissioners approved further exploration of a potential land exchange that could result in, among other outcomes, a permanent and improved site for the Farmers' Market and utilization of the urban renewal funds. Recently, the City and Lane County contracted with the University of Oregon's Community Service Center to analyze the financial feasibility of a public market facility and to identify viable governance models. Based on the outcome of that study and further collaboration with the Farmers' Market, the City, and Lane County can help to create an attractive, inviting and highly functional venue for the Lane County Farmers' Market. As the City moves forward with a phased City Hall plan, redevelopment of the full-block site includes a possible partnership and property exchange with Lane County. Lane County is working with the National Center for State Courts to assess the space needs and other requirements of the County courthouse. The County received funds for planning, design, and construction budgeting from the State of Oregon's Courthouse Capital Construction Improvement Fund. The Farmers' Market is still interested and committed to creating a permanent, year-round home for the market in downtown, and is continuing to work with both the City and County to identify the key next steps toward that goal. (Additional expenditure detail is in Attachment 2 – The Plan Estimate and excerpts from the Annual Financial Report fiscal year ended June 30, 2015.)

### *Funding Sources*

No funds from any source were spent on Farmers' Market improvements.

**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 8<sup>th</sup> 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.

Additional Expenditure Detail – Farmers’ Market

Plan Estimate

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

Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	Totals
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
<b>Total Resources</b>	<b>16,642,351</b>	<b>10,947,000</b>	<b>3,210,000</b>	<b>3,298,000</b>	<b>3,398,000</b>	<b>3,765,000</b>	<b>4,199,000</b>	<b>4,668,000</b>	<b>2,961,000</b>	<b>25,179,000</b>
<b>Requirements</b>										
<u>Tax Increment Expenditures - Under Existing Plan</u>										
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
<u>Tax Increment Expenditures - Under New Plan</u>										
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 & Interest Costs		130,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	5,550,000
Interg'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
<u>Non-Tax Increment Expenditures</u>										
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
<b>Total Requirements</b>	<b>16,644,351</b>	<b>10,947,000</b>	<b>3,210,000</b>	<b>3,298,000</b>	<b>3,398,000</b>	<b>3,765,000</b>	<b>4,199,000</b>	<b>4,668,000</b>	<b>2,961,000</b>	<b>25,179,000</b>
<p>Notes: Administration includes project legal and professional services, and project administration. Admin increase in MI for plan amendment is for years FY12-FY18 only.</p> <p>Final year of tax increment collections would be adjusted downward based on amount needed to completely fund maximum indebtedness.</p> <p>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.</p>										

# Annual Financial Report Excerpt

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, 2015

(amounts in dollars)

	Actual		Actual Adjustment	GAAP basis
	Budget	Budget basis		
<u>Revenues</u>				
Miscellaneous	2,000	2,766	60	2,826
<b>Total revenues</b>	<b>2,000</b>	<b>2,766</b>	<b>60</b>	<b>2,826</b>
<u>Expenditures</u>				
Capital outlay	518,512	2,540	0	2,540
<b>Total expenditures</b>	<b>518,512</b>	<b>2,540</b>	<b>0</b>	<b>2,540</b>
Excess (deficiency) of revenues over expenditures	(516,512)	226	60	286
<u>Other financing sources (uses)</u>				
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net change in fund balance	(516,512)	226	60	286
Fund balance, July 1, 2014	536,038	536,038	860,296	1,396,334
<b>Fund balance, June 30, 2015</b>	<b>19,526</b>	<b>536,264</b>	<b>860,356</b>	<b>1,396,620</b>

Downtown Lighting - See "Existing Activities"

Budgeted:

\$500,000 Farmer's Market

\$18,512 Lighting - See "See Existing Activities"

## **Broadway Place Garages & Public Safety Improvements**

The Agency Board approved expenditure of funds to pay City obligations issued to finance the Broadway Place Garages, or of Agency obligations 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 make the principal payments on the debt.<sup>1</sup> The initial concept was to make annual payments on the City’s existing debt starting in FY11. 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.

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*

<b>Plan Estimate for FY15</b>	<b>FY15 Budget</b>	<b>FY15 Expenditures</b>
\$797,000	\$1,192,800	\$1,177,131

When the Plan was amended in 2010, the estimated FY15 expenditure for this project was \$797,000 for the City’s existing debt service payment. The Agency’s refinanced debt service payment for FY15 was \$1,177,131. This amount includes a principal reduction payment made in June 2015. (Additional detail is in Attachment 3 – The Plan Estimate and excerpts from the Annual Financial Report fiscal year ended June 30, 2015.) It should be noted that with the principal reduction payment made in June 2015, and an additional principal reduction payment that is budgeted to occur in June 2016, the Agency is likely to pay the debt off completely in FY17, one year earlier than projected in the 2010 Plan Amendment.

### *Funding Sources*

Urban renewal was the only source of funds for the FY15 expenditure. In years prior, the Agency and City contributed to the project:

- The Agency assembled the land (two half-blocks);
- The Agency contributed \$2.5 million to the parking structure construction costs; and
- The City sold development rights for the housing and commercial space to be constructed.

<sup>1</sup> Interest expense does not count toward the spending limit (maximum indebtedness).

**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.



# MEMORANDUM

**Date:** April 27, 2016  
**To:** Urban Renewal Panel  
**From:** Eugene Police Department  
**Subject:** FY15 Report on the Downtown 12 Point Plan

For FY15, \$797,100 was transferred from the parking fund to the Eugene Police Department to enhance public safety in the downtown Urban Renewal District (specifically for item 11 in the chart below). To contribute to this priority, the Eugene Police Department made reductions in other areas in order to contribute additional funds to these efforts (approximately \$657,533). The total FY15 dollars for EPD’s downtown team was \$1,454,633. Additional costs were incurred for CAHOOTS which operates throughout the City. The body cameras were purchased with an internal grant from ISD.

Below is an updated version of the 2010 Downtown Safety Plan which at the time was approved by City Council. “Updated” in the description or cost columns indicates activity in FY15.

## Summarized Downtown Initiative 12-Point Plan Adopted February 2010

	Project	Description	Cost*
<b>Short Term</b>			
1.	Immediate implementation	Coordinating: <ul style="list-style-type: none"> <li>Public/private administrative resources with Downtown Eugene, Inc. (DEI)</li> <li>Public safety resources, including private security, in the downtown core.</li> <li>Existing Closed Circuit Television CCTV assets</li> <li>Social Services</li> </ul>	Redistribution and realignment of existing resources





**PROTECT.SERVE.CARE.**

	<b>Project</b>	<b>Description</b>	<b>Cost*</b>
2.	Develop ordinance to address sale and consumption of fortified wine and malt liquor	<ul style="list-style-type: none"> <li>• Study city ordinances from other northwest communities</li> <li>• Determine authority to enact regulations on sales</li> <li>• State AG ruled that additional state legislation is needed before cities can implement Alcohol Impact Areas.</li> <li>• <b>Update:</b> Two efforts at the legislative sessions to allow Eugene to establish Alcohol Impact Areas where by ordinance we could limit the sale of fortified beer and wine, were not successful.</li> </ul>	Existing legal and law enforcement resources
3.	Automated behavior crime reporting and cameras	<ul style="list-style-type: none"> <li>• Body cameras purchased in FY13 are still in use by downtown officers</li> <li>• Data-led police (DLP) efforts in progress</li> </ul>	<b>Update:</b> \$15,000 one-time funds initially. \$35,560 in late FY15 for 10 new body cameras and storage of video. In addition, smart phones were provided to be able to classify the video data.
4.	Modify business improvement district fees	<ul style="list-style-type: none"> <li>• Assess fees to vacant building owners</li> <li>• Look at increasing the footprint of the district</li> <li>• Work with DEI to enhance DEI funded services to the district</li> <li>• <b>Update:</b> This item has been suspended</li> </ul>	Existing city and business improvement resources





**PROTECT.SERVE.CARE.**

	<b>Project</b>	<b>Description</b>	<b>Cost*</b>
5.	Review of exclusion ordinance	<ul style="list-style-type: none"> <li>Exclusion ordinance ended on November 30, 2013</li> <li>Data on arrests and citations was forwarded to City Council</li> </ul>	Existing legal, municipal court and police resources
<b>Long Term</b>			
6.	Umbrella Development	<ul style="list-style-type: none"> <li>Create inventory of public safety related resources</li> <li>Meet with stakeholders to develop unified approach</li> <li>Regular info sharing meetings</li> <li>Bar owners task team</li> <li>Training for private security</li> <li>Develop single clearing house for non-emergency downtown issues</li> </ul>	<p><b>Update:</b> In progress</p> <p>The single clearinghouse presents safety and liability concerns for the City</p>
7.	Add Jail Beds	<p>25 beds: 15 at Lane County Jail and 10 at Springfield</p> <ul style="list-style-type: none"> <li>Completed</li> <li>In 2011 the City Council added 10 municipal jail beds.</li> </ul>	<p><b>Update:</b> From Municipal Court – FY15 expenses were \$764,146</p>
8.	Develop/fund ‘wet’ housing	<p>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.</p> <ul style="list-style-type: none"> <li>Today, at least two efforts are underway (one private and one public) to establish ‘Housing First’ residences for chronically homeless individuals.</li> </ul>	<p><b>Update:</b> Suspended until funding is identified.</p>





**PROTECT.SERVE.CARE.**

	<b>Project</b>	<b>Description</b>	<b>Cost*</b>
9.	Create Downtown work crews/probation	Facilitate work crews to clean downtown/judge involvement <ul style="list-style-type: none"> <li>This item was completed in 2011 when Municipal Court, DEI and Facilities establish a downtown work crew as a sentencing option.</li> </ul>	<b>Update:</b> From PDD - FY15 expenses were \$25,373
10.	Lighting	Add seasonal and more consistent lighting throughout downtown	<b>Update:</b> Complete. Cost was estimated to be \$100,000. This was a PDD action item.
11.	EPD Dedicated Downtown Staffing	<ul style="list-style-type: none"> <li>9 officers</li> <li>1 Sergeant</li> <li>1 Police Coordinator/Station Manager</li> <li>Police substation in downtown LCC building</li> <li><b>Update:</b> <ul style="list-style-type: none"> <li>Dedicated attention to park blocks and crime hot spots</li> <li>Officers develop relationships with community and self-initiate activity</li> <li>EPD has invited Lane County Probation and Parole to share space at Downtown substation.</li> </ul> </li> </ul>	<b>Update:</b> FY15 Actuals \$1,372,861 personnel; \$32,000 facilities \$49,772 materials and supplies  Total: \$1,454,633





**PROTECT.SERVE.CARE.**

	<b>Project</b>	<b>Description</b>	<b>Cost*</b>
12.	Enhance CAHOOTS Services	<ul style="list-style-type: none"> <li>• Additional CAHOOTS responders</li> <li>• Equipment upgrades</li> <li>• <b>Update:</b> <ul style="list-style-type: none"> <li>○ In late FY16, EPD will add a Community Outreach and Response Team (CORT) to work with the most frequent service users.</li> </ul> </li> </ul>	<b>Update:</b> \$600,000+ annually Two vans in operation. As time allows, CAHOOTS is to proactively spend time working downtown.
X	Pedestrian Safety	<ul style="list-style-type: none"> <li>• Skateboard and Bicycle laws implemented 08/29/14 restricting riding on sidewalks.</li> <li>• <b>Update:</b> <ul style="list-style-type: none"> <li>○ EPD is enforcing laws</li> </ul> </li> </ul>	Existing City resources

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



Additional Expenditure Detail – BP Garages

Plan Estimate

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

Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	Totals 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
<b>Total Resources</b>	<b>16,642,351</b>	<b>10,947,000</b>	<b>3,210,000</b>	<b>3,298,000</b>	<b>3,398,000</b>	<b>3,765,000</b>	<b>4,199,000</b>	<b>4,668,000</b>	<b>2,961,000</b>	<b>25,179,000</b>
<b>Requirements</b>										
<b>Tax Increment Expenditures - Under Existing Plan</b>										
Administration - Existing Cap	530,000	330,000								330,000
Downtown Safety Initiative	100,000									-
Library & Miscellaneous	2,608,343									-
<b>Totals Existing Plan</b>	<b>3,238,343</b>	<b>330,000</b>	<b>-</b>	<b>330,000</b>						
<b>Tax Increment Expenditures - Under New Plan</b>										
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 & Insurance Costs		150,000	900,000	900,000	900,000	900,000	900,000	900,000	-	5,550,000
Intervt1 Exps - Parking Debt		740,000	760,000	772,000	784,000	797,000	807,000	818,000	839,000	6,317,000
<b>Totals New Plan</b>	<b>-</b>	<b>9,390,000</b>	<b>2,015,000</b>	<b>2,032,000</b>	<b>1,739,000</b>	<b>1,757,000</b>	<b>1,772,000</b>	<b>1,788,000</b>	<b>914,000</b>	<b>21,407,000</b>
<b>Non-Tax Increment Expenditures</b>										
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	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>12,098,343</b>	<b>9,910,000</b>	<b>2,205,000</b>	<b>2,242,000</b>	<b>1,974,000</b>	<b>1,947,000</b>	<b>1,962,000</b>	<b>1,978,000</b>	<b>1,104,000</b>	<b>23,322,000</b>
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
<b>Total Requirements</b>	<b>16,644,351</b>	<b>10,947,000</b>	<b>3,210,000</b>	<b>3,298,000</b>	<b>3,398,000</b>	<b>3,765,000</b>	<b>4,199,000</b>	<b>4,668,000</b>	<b>2,961,000</b>	<b>25,179,000</b>
<p>Notes: Administration includes project legal and professional services, and project administration. Admin increase in MI for plan amendment is for years FY12-FY18 only.</p> <p>Final year of tax increment collections would be adjusted downward based on amount needed to completely fund maximum indebtedness.</p> <p>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.</p>										

# Annual Financial Report Excerpt

Urban Renewal Agency of the City of Eugene, Oregon

## Debt Service Fund - where tax increment goes when first collected

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

For the fiscal year ended June 30, 2015

(amounts in dollars)

	Actual		Actual Adjustment	GAAP basis
	Budget	Budget basis		
<u>Revenues</u>				
Taxes	1,900,000	1,945,547	0	1,945,547
Miscellaneous	9,000	13,592	89	13,681
<b>Total revenues</b>	<b>1,909,000</b>	<b>1,959,139</b>	<b>89</b>	<b>1,959,228</b>
<u>Expenditures</u>				
Debt service	2,130,000	2,102,020	0	2,102,020
<b>Total expenditures</b>	<b>2,130,000</b>	<b>2,102,020</b>	<b>0</b>	<b>2,102,020</b>
Excess (deficiency) of revenues over expenditures	(221,000)	(142,881)	89	(142,792)
<u>Other financing sources (uses)</u>				
Transfers out	(111,000)	(98,285)	0	(98,285)
<b>Total other financing sources (uses)</b>	<b>(111,000)</b>	<b>(98,285)</b>	<b>0</b>	<b>(98,285)</b>
Net change in fund balance	(332,000)	(241,166)	89	(241,077)
Fund balance, July 1, 2014	1,598,317	1,598,317	401	1,598,718
<b>Fund balance, June 30, 2015</b>	<b>1,266,317</b>	<b>1,357,151</b>	<b>490</b>	<b>1,357,641</b>

\$1,177,131 BP Garages  
 \$924,889 LCC  
 \$2,102,020

## 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 10<sup>th</sup> & Charnelton, across from the library. Specifically, the Plan called for a grant of \$8 million to be funded from cash



on hand plus issuance of debt. The new Downtown Campus is a 90,000 square foot, \$35 million education building and a \$20 million, 75,000 square foot student housing facility. The student housing is five floors to accommodate 256 students. Both buildings are LEED certified. Students moved in during September 2012, while the education building was being finished and the first classes in the new building began in January 2013. (See Attachment 1 for excerpts from the Plan and Report related to this project.)

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; the Agency was able to use the funds set aside for that reserve to lower the borrowing amount.) Also in FY11, the Agency signed an intergovernmental agreement with LCC and disbursed the \$8 million urban renewal grant.

### *Expenditure Summary*

<b>Plan Estimate for FY15</b>	<b>FY15 Budget</b>	<b>FY15 Expenditures</b>
\$900,000	\$937,200	\$924,889

When the Plan was amended in 2010, the estimated FY15 LCC expenditure was a \$900,000 debt service payment on \$4.25 million bond obligation. The debt service payment for FY15 was \$924,889, which includes a principal reduction payment. (Additional detail is in Attachment 2 – The Plan Estimate and excerpts from the Annual Financial Report fiscal year ended June 30, 2015.) It should be noted that with the principal reduction payment made in June 2015, and an additional principal reduction payment that is budgeted to occur in June 2016, the Agency is likely to pay the debt off completely in FY17, one year earlier than projected in the 2010 Plan Amendment.

### *Funding Sources*

Urban renewal funds were the only source used to make the debt service payment for FY15.

**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 10<sup>th</sup> and Charnelton Site. (This project also contributes to Goals 2-4.)

Objective 3. LCC is able to redevelop the 10<sup>th</sup> 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 10<sup>th</sup> 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 10<sup>th</sup> & 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 10<sup>th</sup> and Charnelton Site bounded by Charnelton Street on the west, 10<sup>th</sup> 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 10<sup>th</sup> 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.

Plan Estimate

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

Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	Totals 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
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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
<b>Total Resources</b>	<b>16,642,351</b>	<b>10,947,000</b>	<b>3,210,000</b>	<b>3,298,000</b>	<b>3,398,000</b>	<b>3,765,000</b>	<b>4,199,000</b>	<b>4,668,000</b>	<b>2,961,000</b>	<b>25,179,000</b>
<b>Requirements</b>										
<b>Tax Increment Expenditures - Under Existing Plan</b>										
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
<b>Tax Increment Expenditures - Under New Plan</b>										
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	900,000	5,550,000
Intergvt Exps - Parking Debt		740,000	760,000	772,000	784,000	797,000	807,000	818,000	839,000	6,317,000
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<b>Non-Tax Increment Expenditures</b>										
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	-	-
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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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<p>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.</p>										

# Annual Financial Report Excerpt

Urban Renewal Agency of the City of Eugene, Oregon

## Debt Service Fund - where tax increment goes when first collected

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For the fiscal year ended June 30, 2015

(amounts in dollars)

	Actual		Actual Adjustment	GAAP basis
	Budget	Budget basis		
<u>Revenues</u>				
Taxes	1,900,000	1,945,547	0	1,945,547
Miscellaneous	9,000	13,592	89	13,681
<b>Total revenues</b>	<b>1,909,000</b>	<b>1,959,139</b>	<b>89</b>	<b>1,959,228</b>
<u>Expenditures</u>				
Debt service	2,130,000	2,102,020	0	2,102,020
<b>Total expenditures</b>	<b>2,130,000</b>	<b>2,102,020</b>	<b>0</b>	<b>2,102,020</b>
Excess (deficiency) of revenues over expenditures	(221,000)	(142,881)	89	(142,792)
<u>Other financing sources (uses)</u>				
Transfers out	(111,000)	(98,285)	0	(98,285)
<b>Total other financing sources (uses)</b>	<b>(111,000)</b>	<b>(98,285)</b>	<b>0</b>	<b>(98,285)</b>
Net change in fund balance	(332,000)	(241,166)	89	(241,077)
Fund balance, July 1, 2014	1,598,317	1,598,317	401	1,598,718
<b>Fund balance, June 30, 2015</b>	<b>1,266,317</b>	<b>1,357,151</b>	<b>490</b>	<b>1,357,641</b>

~~\$924,889~~ LCC  
~~\$1,177,131~~ BP Garages  


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\$2,102,020

## 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 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 activity.)

### *Expenditure Summary*

<b>Plan Estimate for FY15</b>	<b>FY15 Budget</b>	<b>FY15 Expenditures</b>	<b>Authorized by Plan <sup>2</sup></b>	<b>Amount Remaining <sup>3</sup></b>
\$60,000	\$111,000	\$102,763	\$1,190,000	\$565,303

When the Plan was amended in 2010, the estimated FY15 expenditure was \$60,000 in project delivery administration. As several of the projects have experienced different timelines than anticipated, the budget for FY15 was \$111,000 in anticipation of completing certain projects (e.g. lighting and Farmers' Market) and providing additional project management for others (e.g. Woolworth stabilization and converting Beam's financing to a fixed interest rate). Actual FY15 spending was slightly under budget at \$102,763, which included personnel (\$41,697), legal (\$17,183), and materials/supplies/contractual service costs (\$43,883). Actual project delivery expenditures since the Plan Amendment have provided significant savings compared to the Plan Estimate. After the FY15 expenditures, \$565,303 remains under the spending limit. (Additional detail is in Attachment 2 – The Plan Estimate and excerpts from the Annual Financial Report fiscal year ended June 30, 2015.)

### *Funding Sources*

Urban renewal funds were the only source in FY15.

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<sup>2</sup> This amount is in the Plan Estimate: FY12 – FY18 "administration new cap" of \$1,040,000 plus "debt issuance costs" FY11 of \$150,000.

<sup>3</sup> See the "Spending Limit Information" section for detail on prior years.

**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. 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.

Additional Expenditure Detail – Admin

Plan Estimate

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

Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	Totals 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
<b>Total Resources</b>	<b>16,642,351</b>	<b>10,947,000</b>	<b>3,210,000</b>	<b>3,298,000</b>	<b>3,398,000</b>	<b>3,765,000</b>	<b>4,199,000</b>	<b>4,668,000</b>	<b>2,961,000</b>	<b>25,179,000</b>
<b>Requirements</b>										
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		8,000,000	355,000	360,000	55,000	60,000	65,000	70,000	75,000	1,040,000
LCC project	-	-	-	-	-	-	-	-	-	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
Intergt'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
<b>Total Requirements</b>	<b>16,644,351</b>	<b>10,947,000</b>	<b>3,210,000</b>	<b>3,298,000</b>	<b>3,398,000</b>	<b>3,765,000</b>	<b>4,199,000</b>	<b>4,668,000</b>	<b>2,961,000</b>	<b>25,179,000</b>
<p>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.</p>										

## Annual Financial Report Excerpts

Urban Renewal Agency of the City of Eugene, Oregon

**Debt Service Fund** - where tax increment goes when first collected

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

For the fiscal year ended June 30, 2015

(amounts in dollars)

	Actual		Actual	
	Budget	Budget basis	Adjustment	GAAP basis
<u>Revenues</u>				
Taxes	1,900,000	1,945,547	0	1,945,547
Miscellaneous	9,000	13,592	89	13,681
<b>Total revenues</b>	<b>1,909,000</b>	<b>1,959,139</b>	<b>89</b>	<b>1,959,228</b>
<u>Expenditures</u>				
Debt service	2,130,000	2,102,020	0	2,102,020
<b>Total expenditures</b>	<b>2,130,000</b>	<b>2,102,020</b>	<b>0</b>	<b>2,102,020</b>
Excess (deficiency) of revenues over expenditures	(221,000)	(142,881)	89	(142,792)
<u>Other financing sources (uses)</u>				
Transfers out	(111,000)	(98,285)	0	(98,285)
<b>Total other financing sources (uses)</b>	<b>(111,000)</b>	<b>(98,285)</b>	<b>0</b>	<b>(98,285)</b>
Net change in fund balance	(332,000)	(241,166)	89	(241,077)
Fund balance, July 1, 2014	1,598,317	1,598,317	401	1,598,718
<b>Fund balance, June 30, 2015</b>	<b>1,266,317</b>	<b>1,357,151</b>	<b>490</b>	<b>1,357,641</b>

Tax increment funds transferred to the Agency's General Fund (817) for project delivery administration

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, 2015

(amounts in dollars)

	Budget	Budget	Actual	Actual	
	Original	Final	Budget basis	Adjustment	GAAP basis
<u>Revenues</u>					
Rental income	5,700	5,700	18,000	0	18,000
Charges for services	0	0	932	0	932
Repayment of revolving loans	0	0	0	780,832	780,832
Miscellaneous	63,000	63,000	49,373	377	49,750
<b>Total revenues</b>	<b>68,700</b>	<b>68,700</b>	<b>68,305</b>	<b>781,209</b>	<b>849,514</b>
<u>Expenditures</u>					
Urban renewal program expenditures <i>Admin &amp; Legal</i>	105,000	111,000	102,763	60,000	162,763
Loans granted	1,321,200	1,336,085	60,000	(60,000)	0
<b>Total expenditures</b>	<b>1,426,200</b>	<b>1,447,085</b>	<b>162,763</b>	<b>0</b>	<b>162,763</b>
Excess (deficiency) of revenues over expenditures	(1,357,500)	(1,378,385)	(94,458)	781,209	686,751
<u>Other financing sources (uses)</u>					
Principal payments received	450,000	450,000	780,832	(780,832)	0
Transfers in <i>From Debt Service Fund</i>	105,000	111,000	98,285	0	98,285
<b>Total other financing sources (uses)</b>	<b>555,000</b>	<b>561,000</b>	<b>879,117</b>	<b>(780,832)</b>	<b>98,285</b>
Net change in fund balance	(802,500)	(817,385)	784,659	377	785,036
Fund balance, July 1, 2014	820,150	835,035	835,035	206	835,241
<b>Fund balance, June 30, 2015</b>	<b>17,650</b>	<b>17,650</b>	<b>1,619,694</b>	<b>583</b>	<b>1,620,277</b>

\* The transfer of tax increment dollars from the Debt Service Fund (812) to the General Fund (817) in FY15 was \$4,478 less than costs eligible for tax increment. This was due to the timing of when legal bills were received and when the transfer amount was entered. (The legal bills were associated with converting Beam’s financing to a fixed interest rate with the Federal government.) This type of timing issue is not uncommon. As a result, the \$4,478 was paid from non-tax increment funds, which will be replenished with tax increment as part of the FY16 transfer from the Debt Service Fund.

**Existing Activities** *(pre-2010 Plan Amendment)*



The Agency may complete urban renewal projects authorized prior to the 2010 Plan Amendment (for example, the Broadway Commerce Center and Woolworth Building 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*

Description	Plan Estimate	FY15 Budget	FY15 Expenditures
Downtown Safety Initiative (Lighting)	\$100,000	\$18,512	\$2,540
Misc. Carry Forward	\$134,593	<i>(transferred out in FY14)</i>	

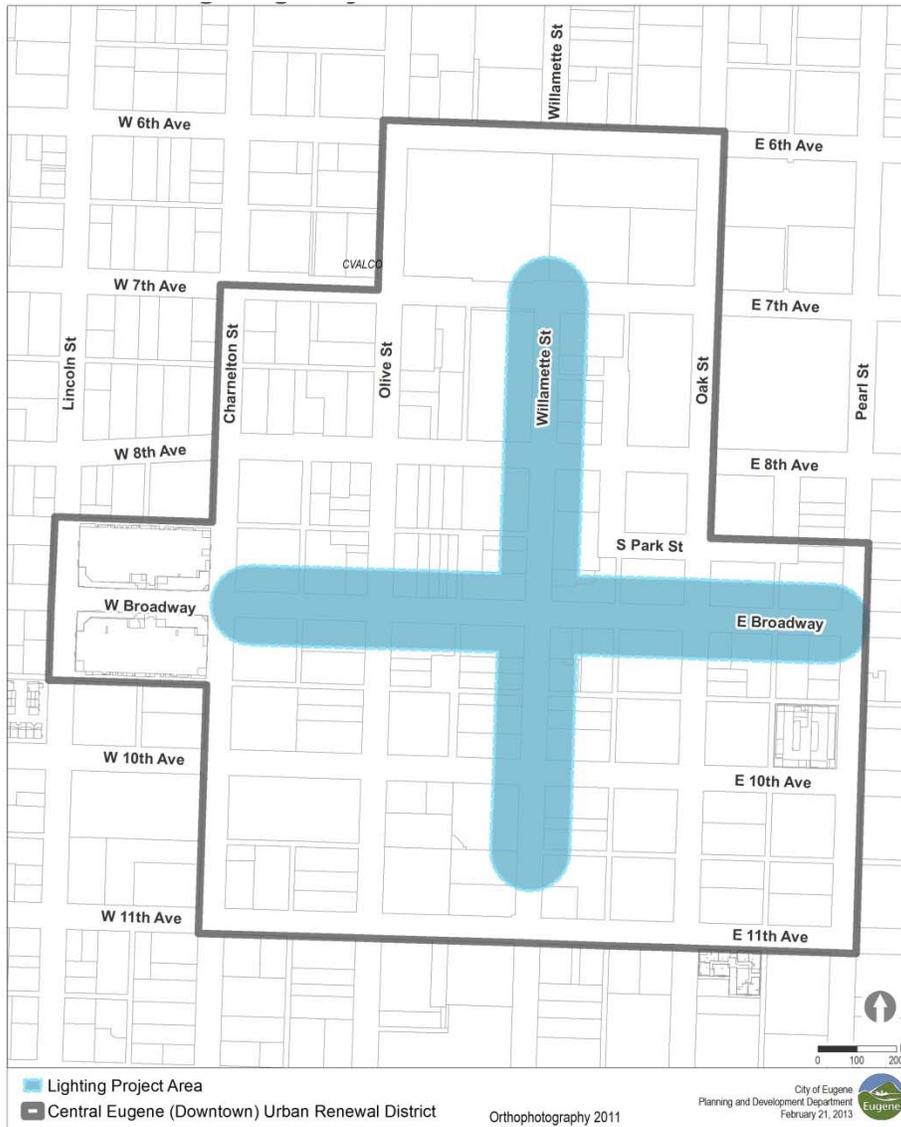
Work began on the lighting project in FY12. In FY15 funds were spent on the design and fabrication of tree lights. In FY14, lighting improvements for pedestrian comfort and safety included a contract for \$25,000 to design and fabricate lights for the east end of Broadway and the north end of Willamette. In FY13, funds were spent on the LCC Downtown Campus and small scale lighting improvements for individual buildings. In FY12, funds were spent for a lighting design consultant to develop an overall aesthetic lighting concept design for Willamette and Broadway. The concept design includes four key elements: trees, street lights, garages, and alleys. Thus far, design, fabrication, and installation has been completed for the vertically-fixed ambient lighting on the street lights along Broadway and Willamette; design and fabrication is underway for draped lighting on trees for the east end of Broadway and the north end of Willamette. Attachment 1 contains a map of the targeted lighting area.

The funds authorized prior to the 2010 Plan Amendment process (\$134,593) for additional capital projects were not included in the Plan Amendment and, therefore, not allowed to be spent under the current Plan. The funds were transferred out of the capital projects fund in FY14 supplemental budget #2, which moved them back to the debt service fund. (Additional detail is in Attachment 2 – The Plan Estimate and excerpts from the Annual

Financial Report fiscal year ended June 30, 2015. Attachment 3 contains a list of FY15 loan recipients and amounts.)

*Funding Sources:* For the lighting project, urban renewal funds leveraged additional funds from EWEB (\$5,900) and private sources. Private owners contributed \$2,436 for the small scale lighting projects and \$110,000 via Downtown Eugene, Inc. (DEI) to implement the vertically-fixed ambient lighting on the street lights. The remaining urban renewal funds will be spent in FY16. It is anticipated that private sources will exceed the urban renewal funds in the aesthetic lighting component of the project.

The map below shows the aesthetic lighting area.



Additional Expenditure Detail – Existing Activities

Plan Estimate

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

Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	Totals 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
<b>Total Resources</b>	<b>16,642,351</b>	<b>10,947,000</b>	<b>3,210,000</b>	<b>3,298,000</b>	<b>3,398,000</b>	<b>3,765,000</b>	<b>4,199,000</b>	<b>4,668,000</b>	<b>2,961,000</b>	<b>25,179,000</b>
<b>Requirements</b>										
<u>Tax Increment Expenditures - Under Existing Plan</u>										
Administration - Existing Cap	530,000	330,000								330,000
<u>Downtown Safety Initiative Library &amp; Miscellaneous</u>	100,000									
	2,608,343									
Totals Existing Plan	3,238,343	330,000	-	-	-	-	-	-	-	330,000
<u>Tax Increment Expenditures - Under New Plan</u>										
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
Intergov'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
<u>Non-Tax Increment Expenditures</u>										
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
<b>Total Requirements</b>	<b>16,644,351</b>	<b>10,947,000</b>	<b>3,210,000</b>	<b>3,298,000</b>	<b>3,398,000</b>	<b>3,765,000</b>	<b>4,199,000</b>	<b>4,668,000</b>	<b>2,961,000</b>	<b>25,179,000</b>
<p>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.</p>										

# Annual Financial Report Excerpts

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, 2015

(amounts in dollars)

	<u>Budget</u>	<u>Actual</u> <u>Budget</u> <u>basis</u>	<u>Actual</u> <u>Adjustment</u>	<u>GAAP</u> <u>basis</u>
<u>Revenues</u>				
Miscellaneous	2,000	2,766	60	2,826
<b>Total revenues</b>	<b>2,000</b>	<b>2,766</b>	<b>60</b>	<b>2,826</b>
<u>Expenditures</u>				
Capital outlay	518,512	2,540	0	2,540
<b>Total expenditures</b>	<b>518,512</b>	<b>2,540</b>	<b>0</b>	<b>2,540</b>
Excess (deficiency) of revenues over expenditures	(516,512)	226	60	286
<u>Other financing sources (uses)</u>				
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net change in fund balance	(516,512)	226	60	286
Fund balance, July 1, 2014	536,038	536,038	860,296	1,396,334
<b>Fund balance, June 30, 2015</b>	<b>19,526</b>	<b>536,264</b>	<b>860,356</b>	<b>1,396,620</b>

Downtown Lighting

Budgeted:  
 500,000 Farmer's Market  
 18,512 Lighting  
 \$518,512

**General Fund**

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

For the fiscal year ended June 30, 2015

(amounts in dollars)

	Budget		Actual		GAAP basis
	Original	Final	Budget basis	Adjustment	
<u>Revenues</u>					
Rental income	5,700	5,700	18,000	0	18,000
Charges for services	0	0	932	0	932
Repayment of revolving loans	0	0	0	780,832	780,832
Miscellaneous	63,000	63,000	49,373	377	49,750
<b>Total revenues</b>	<b>68,700</b>	<b>68,700</b>	<b>68,305</b>	<b>781,209</b>	<b>849,514</b>
<u>Expenditures</u>					
Urban renewal program expenditures	105,000	111,000	102,763	60,000	162,763
Loans granted	1,321,200	1,336,085	60,000	(60,000)	0
<b>Total expenditures</b>	<b>1,426,200</b>	<b>1,447,085</b>	<b>162,763</b>	<b>0</b>	<b>162,763</b>
Excess (deficiency) of revenues over expenditures	(1,357,500)	(1,378,385)	(94,458)	781,209	686,751
<u>Other financing sources (uses)</u>					
Principal payments received	450,000	450,000	780,832	(780,832)	0
Transfers in	105,000	111,000	98,285	0	98,285
<b>Total other financing sources (uses)</b>	<b>555,000</b>	<b>561,000</b>	<b>879,117</b>	<b>(780,832)</b>	<b>98,285</b>
Net change in fund balance	(802,500)	(817,385)	784,659	377	785,036
Fund balance, July 1, 2014	820,150	835,035	835,035	206	835,241
<b>Fund balance, June 30, 2015</b>	<b>17,650</b>	<b>17,650</b>	<b>1,619,694</b>	<b>583</b>	<b>1,620,277</b>

See "Attachment 3" for list of loans

**Attachment 3**  
**FY15 Loan Recipients and Amounts**

The chart below provides the loan recipient, loan amount, use of funds, and amount of private funds in the project. The Downtown Revitalization Loan Program (DRLP) is a flexible financing program designed to encourage investments within the Plan Area 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 Agency staff and uses program revenue for loans (NOT tax increment funds). All loans are reviewed by the Loan Advisory Committee.

<b>Borrower</b>	<b>Loan Amount</b>	<b>Use</b>	<b>Private Funds</b>
B&A, Inc. (165 W. 11 <sup>th</sup> Ave)	\$60,000	Building renovation, Façade improvement	\$450,000
<b><i>Totals</i></b>	<b><i>\$60,000</i></b>		<b><i>\$450,000</i></b>

## **Spending Limit Information**

Oregon Revised Statutes require each urban renewal district that receives property taxes include a “maximum indebtedness” limit in their urban renewal plan. Maximum indebtedness is a required spending cap for all property tax expenditures over a period of time. Maximum indebtedness is not a legal debt limit, it is more like a spending limit.

Adopting a maximum indebtedness figure does not authorize or obligate the Agency to spend money or enter into debt. Within the maximum indebtedness limitation, the Agency Board has the ability to fund projects over time, either with cash or by issuing debt.

Certain expenditures are included in the maximum indebtedness calculation and certain expenditures are excluded. For instance, cash payments for projects and administrative expenses are included in the calculation, but expenditures made from sources other than tax increment revenues are not included in the spending limit, such as Downtown Revitalization Loan Program funds. In addition, interest on debt is not included in maximum indebtedness, nor is the refinancing of existing indebtedness. The specific limitations of the maximum indebtedness amount are spelled out in the Plan.

The 2010 Amendment increased the maximum indebtedness amount by \$13.6 million, to a total of \$46.6 million. The maximum indebtedness limit established by Section 1400 of the Plan does not apply to nor limit:

1. The obligation of the Agency to pay interest on indebtedness issued or incurred under the Plan;
2. Any indebtedness issued to refund indebtedness issued or incurred under the Plan, to the extent that the refunding indebtedness does not exceed the principal amount of the refunded indebtedness, plus the amount of the refunding indebtedness that is used to pay costs of the refunding;
3. Funds to repay indebtedness existing on the date of the 1998 Amendment; and
4. Expenditures made from funds other than tax increment funds, such as loans made from the Downtown Revitalization Loan Program.

The spending limit information for each approved project follows.

**Improvements for the Lane County Farmers' Market**

<b>Spending Limit Authorized by Plan</b>	<b>Spending Limit Remaining</b>	<b>Notes/Timing</b>
\$500,000	\$500,000	See page 5 for more information

No funds have been expended in this area.

**Broadway Place Garages & Public Safety Improvements**

<b>Spending Limit Authorized by Plan</b>	<b>Spending Limit Remaining</b>	<b>Notes/Timing</b>
\$4.9 million in principal <sup>4</sup>	\$90,000	\$420,000 spent in FY11 d/s pymt \$4.39M FY11 refinance

The Agency made the City's principal and interest payments for FY11 and then refinanced the debt to attain a lower interest rate. In May 2011, the Agency issued \$4.39 million in private placement bonds for the refinance. Subsequent annual debt service payments are not counted against the spending limit.

**Lane Community College New Downtown Campus**

<b>Spending Limit Authorized by Plan</b>	<b>Spending Limit Remaining</b>	<b>Notes/Timing</b>
\$8 million	\$0	Spent in FY11

In May 2011, the Agency signed an intergovernmental agreement with LCC and disbursed the \$8 million urban renewal grant. The Agency issued \$3.5 million in private placement bonds to be combined with cash-on-hand. Subsequent annual debt service payments are not counted against the spending limit.

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<sup>4</sup> Interest expense does not count toward the spending limit.

**Project Delivery Administration**

Spending Limit Authorized Under <u>1998</u> Plan Amendment	Spending Limit Remaining	Notes/Timing <sup>5</sup>
\$860,000	\$0	\$472,044 in FY10 \$246,411 in FY11 \$141,545 in FY12

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 of tax increment against that amount in FY10 and FY11 totaled \$718,455, which left \$141,545 remaining under the 1998 limit to be spent in future years. The remaining 1998 limit was exhausted with part of the FY12 project delivery administration expenditures.

Spending Limit Authorized Under <u>2010</u> Plan Amendment	Spending Limit Remaining	Notes/Timing <sup>6</sup>
\$1,190,000	\$565,303	\$27,851 FY11 \$89,364 FY12 \$253,304 FY13 \$155,893 FY14 \$98,285 FY15

The 2010 Plan amendment authorized an additional \$1,190,000 for project delivery administration. Under this authorization, \$27,851 was spent in FY11 for bond issuance costs; \$89,364 in FY12; \$253,304 in FY13; \$155,893 in FY14; and \$98,285 in FY15.

**Existing Activities**

Spending Limit Authorized Under <u>1998</u> Plan Amendment	Spending Limit Remaining	Notes/Timing
\$100,000 lighting	\$15,972	\$24,640 spent in FY12 \$34,388 spent in FY13 \$22,460 spent in FY14 \$2,540 spent in FY15
\$134,593 misc. carry forward	\$0	No project was approved in the 2010 Amendment for this expenditure

<sup>5</sup> For the FY15 report, the FY11 and FY12 amounts were updated to reflect the amount of tax increment transferred to the General Fund (817) from the Debt Service Fund (812). Prior reports had listed the actual amount spent in those years, which included some non-tax increment funds, due to final invoices having been received for the year after the transfer had already been made. The expenses were eligible for the use of tax increment funds; the non-tax increments funds were replenished in FY13 as part of the transfer for that year.

<sup>6</sup> For the FY15 report, the FY12 and FY13 amounts were updated to reflect the amount of tax increment transferred to the General Fund from the Debt Service Fund. See footnote 4 for additional information.

Through FY15, the Agency spent \$84,028 on downtown lighting and has \$15,972 left under the spending limit. The funds are anticipated to be fully spent by the end of FY16. The miscellaneous carry forward for additional capital projects not contemplated at the time of the Plan Amendment is not allowed under the current Plan. The funds were deauthorized and transferred back to the debt service fund in supplemental budget #2 FY14.