

EUGENE URBAN RENEWAL AGENCY

AGENDA ITEM SUMMARY



Public Hearing and Action: Resolution Adopting a Supplemental Budget; Making Appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year Beginning July 1, 2019, and Ending June 30, 2020

Meeting Date: April 27, 2020
Department: Central Services
www.eugene-or.gov

Agenda Item Number: **XX**
Staff Contact: Liz Butterfield
Contact Telephone Number: 541-682-5512

ISSUE STATEMENT

Urban Renewal Agency (Agency) Board approval of the second Supplemental Budget (SB2) for Fiscal Year 2020 (FY20) is requested. Oregon Local Budget Law (ORS 294.471) allows for supplemental budgets in the event of “An occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year or current budget period and that requires a change in financial planning.” ORS 294.471 also allows for a supplemental budget if there are “funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget or a previous supplemental budget for the current year or current budget period.” This Supplemental Budget does not authorize any increase in the property tax levy and has been published in compliance with the Oregon Local Budget Law.

BACKGROUND

The purpose of this Supplemental Budget is to provide the appropriation authority necessary to move forward with the infrastructure improvements related the Downtown Riverfront redevelopment.

The City Council and Agency Board have been working on this redevelopment project for several years. The project has been advanced with considerable public input and was on a timeline to accomplish significant improvements prior to the 2021 World Championships, which have been rescheduled to the summer of 2022. The park and infrastructure are still on a timeline to be completed by summer of 2021, but other parts will take longer to complete than originally contemplated.

Eugene’s Downtown Riverfront redevelopment project includes the creation of a world-class public park along the waterfront and a high-quality, multi-use riverfront development that reflects the community’s vision, provides economic and housing opportunities, promotes compact urban development, and enhances natural resources. The infrastructure package includes construction of the necessary streets and related infrastructure (including storm water, street trees, sidewalks, pedestrian lighting, utilities, etc.) to provide public access to the Downtown Riverfront Park and enable the development plan to become a reality. The infrastructure project will be split into two

phases, with the majority of the work planned to occur in 2020 (starting in May), and phase two to be completed next year (2021).

This supplemental budget includes several items related to the Downtown Riverfront for funding to allow the infrastructure project to move forward this coming spring and summer. There is a companion supplemental budget for the City that also includes appropriations for that project.

The funding plan includes several pieces:

- Issuance of bonds that will be repaid from future tax increment revenues, through the termination date of the district (6/30/2024);
- Reallocating budget authority that was dedicated to paying for the plaza, but is now to be used to install the base infrastructure;
- Pausing the River Loans program and redirecting non-tax increment revenue to this project;
- Selling property under the redevelopment agreement; and
- Interim funding in the form of loans from the City to the Agency from two of the assessment funds.

The total project is estimated to cost \$13.5 million, based on construction bids that were received on April 9. Together with funds that had already been budgeted for the infrastructure project and redirecting the plaza budget to this project, there is \$5.9 million of additional appropriation included on this supplemental budget to fully fund the phase 1 infrastructure plus the costs of issuing the debt.

The portions of this funding approach for phase one of the infrastructure that are included on the Agency's supplemental budget are:

1. Receipt of \$12 million of bond proceeds from the City, offset by reductions in Interfund Transfers and Miscellaneous Revenue that were previously budgeted in anticipation of issuance of these bonds;
2. Receipt of \$2 million of loans from the City;
3. Reallocation of \$3.75 million of funding from the plaza project to the infrastructure project;
4. Increase of \$5.9 million of spending to fully fund the infrastructure project and cover the costs of debt issuance (estimated at \$170,000).

In addition, the supplemental budget includes \$85,774 for a project that the City is constructing for which EWEB is providing the funding.

Repayment of the loans from the assessment funds could occur within the next several years, depending on direction from the Agency Board. The funds to repay the loans will come from the Agency's sale of one or more of the lots. The order in which those sale proceeds get allocated will be policy decision made by the Agency Board. The Agency Board could choose, for example, to prioritize repayment of the loans, or alternatively could use sale proceeds first to move the Steam Plant project, the plaza or some other action forward and then repay the loans. It is intended that the loans will be repaid without interest.

A detailed description of these transactions is provided in Attachment A.

PREVIOUS COUNCIL/AGENCY BOARD DIRECTION

[July 9, 2018, Work Session](#)

Agency Board authorized the Agency Director to approve a disposition and development agreement consistent with the terms included in Attachment B [of that AIS], which included the City's construction and management of the publicly owned, 1-acre plaza (in addition to 3- acre Riverfront Park).

[April 15, 2019, Work Session](#)

Agency Board a) authorized the use of \$8 million of Riverfront Urban Renewal funds for the park and \$4 million for the plaza, and b) directed the Agency Director to come back to discuss funding strategies for other potential projects within the Riverfront Urban Renewal District.

[October 14, 2019, City Council Work Session](#)

The City Council received an update on Urban Renewal Projects in both districts.

[October 28, 2019, Agency Board Work Session](#)

Agency Board asked for staff to come back with more information on affordable housing, steam plant, plaza, and parking.

AGENCY BOARD OPTIONS

The Agency Board can either approve or not approve the resolution. If the resolution is not approved, the infrastructure project cannot move forward.

AGENCY MANAGER'S RECOMMENDATION

The Agency Manager recommends approving the recommendation.

SUGGESTED MOTION

Move to approve Resolution 1093 adopting a Supplemental Budget; making appropriations for the Urban Renewal Agency of the City of Eugene for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

ATTACHMENTS

- A. Transaction Summary
- B. Resolution

FOR MORE INFORMATION

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823 Urban Renewal Agency Riverfront Capital Projects Fund

	FY20 Adopted	FY20 SB1 Action	FY20 SB2 Action		FY20 Revised
I. RESOURCES					
BEGINNING WORKING CAPITAL	7,918,636	(1,093,463)	0		6,825,173
CHANGE TO WORKING CAPITAL					
REVENUE					
Intergovernmental	0	0	12,085,774	a	12,085,774
Miscellaneous	10,257,000	0	(5,112,860)	b	5,144,140
Interfund Transfers	4,300,000	1,300,000	(3,100,000)	b	2,500,000
Other	0	0	2,000,000	a	2,000,000
Total Revenue	14,557,000	1,300,000	5,872,914		21,729,914
TOTAL RESOURCES	22,475,636	206,537	5,872,914		28,555,087
II. REQUIREMENTS					
Capital Projects					
Capital Projects	15,100,000	1,300,000	5,872,914	b	22,272,914
Capital Carryover	4,055,563	(1,118,407)	0		2,937,156
Total Capital Projects	19,155,563	181,593	5,872,914		25,210,070
Non-Departmental					
Interfund Transfers	3,203,333	0	0		3,203,333
Balance Available	116,740	24,944	0		141,684
Total Non-Departmental	3,320,073	24,944	0		3,345,017
TOTAL REQUIREMENTS	22,475,636	206,537	5,872,914		28,555,087

823 Urban Renewal Agency Riverfront Capital Projects Fund

a) New Revenue: Recognize \$12 million received from the City's sale of full faith and credit bonds. Recognize funding provided by EWEB (\$85,774) for project Agency is constructing on behalf of EWEB. Increase Other to recognize interagency loan (\$2,000,000).

b) Revenue Adjustments: Reduction in Miscellaneous revenue due to receipt of proceeds from the City's full faith and credit bonds to be issued in FY20. Reduction in interfund transfer of program revenue (\$3,100,000) that is not needed at this time for the same reason.

c) Appropriation Adjustments: Reallocation of appropriations from the plaza project (\$3,750,000) to pay for the phase one infrastructure package. Increase in appropriations of \$5,872,914 to pay for the balance of the phase one infrastructure package.

824 Urban Renewal Agency Riverfront Program Revenue Fund

	FY20 Adopted	FY20 SB1 Action	FY20 SB2 Action	FY20 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	3,253,279	10,766	0	3,264,045
CHANGE TO WORKING CAPITAL				
REVENUE				
Interfund Transfers	3,203,333	0	0	3,203,333
Miscellaneous	81,000	0	0	81,000
Total Revenue	3,284,333	0	0	3,284,333
TOTAL RESOURCES	6,537,612	10,766	0	6,548,378
II. REQUIREMENTS				
Non-Departmental				
Interfund Transfers	1,800,000	1,300,000	(3,100,000) a	0
Special Payments	1,000,000	10,766	0	1,010,766
Balance Available	3,737,612	(1,300,000)	3,100,000 a	5,537,612
Total Non-Departmental	6,537,612	10,766	0	6,548,378
TOTAL REQUIREMENTS	6,537,612	10,766	0	6,548,378

824 Urban Renewal Agency Riverfront Revenue Fund

a) Appropriation Adjustments: Interfund transfer of program revenue (\$3,100,000) not needed at this time due to receipt of proceeds from City sale of full faith and credit bonds to be issued in FY20. Increase in Balance Available by same amount.

Resolution Number 1093

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET;
MAKING APPROPRIATIONS FOR THE URBAN RENEWAL AGENCY
OF THE CITY OF EUGENE
FOR THE FISCAL YEAR BEGINNING **JULY 1, 2019**,
AND ENDING **JUNE 30, 2020**.**

The Urban Renewal Agency of the City of Eugene finds that adopting the Supplemental Budget and making appropriations is necessary under ORS 294.471.

NOW THEREFORE,

BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF EUGENE as follows:

Section 1.

That the Supplemental Budget for the Urban Renewal Agency of the City of Eugene, Oregon, for the fiscal year beginning **July 1, 2019**, and ending **June 30, 2020**, as set forth in attached Exhibit A is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning **July 1, 2019**, and ending **June 30, 2020**, and for the purposes shown in attached Exhibit A are hereby appropriated.

Section 3.

That this Supplemental Budget is prepared in accordance with ORS 294.471(1), which authorizes the formulation of a supplemental budget resulting from "An occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year or current budget period and that requires a change in financial planning." This Supplemental Budget was published in accordance with ORS 294.471(3).

Section 4.

This resolution complies with ORS 294.471(4), and does not authorize an increase in the levy of property taxes above the amount in the Annual Budget publication.

The foregoing resolution adopted this 27th **day of April, 2020**.

EXHIBIT A

Amounts
in dollars

URBAN RENEWAL AGENCY RIVERFRONT CAPITAL PROJECTS FUND

Capital Projects

Capital Projects	5,872,914
Total Capital Projects	<u>5,872,914</u>

TOTAL URA RIVERFRONT CAPITAL PROJECTS FUND 5,872,914

URBAN RENEWAL AGENCY RIVERFRONT PROGRAM REVENUE FUND

Non-Departmental

Interfund Transfers	(3,100,000)
* Balance Available	3,100,000
Total Non-Departmental	<u>0</u>

TOTAL URA RIVERFRONT PROGRAM REVENUE 0

TOTAL REQUIREMENTS - ALL FUNDS 5,872,914

* Balance Available amounts are not appropriated for spending and are shown for informational purposes only.