

# Florence Urban Renewal Agency

## Budget Message

May 10, 2016

Members of the Florence Urban Renewal Agency, Citizen Members of the Budget Committee, and Citizens of the City of Florence:

It is my pleasure, on behalf of the board to present the 2016-17 budget for the Florence Urban Renewal Agency (FURA). The budget is balanced and totals \$2,301,419.

General Fund	\$1,901,470
Debt Services Fund	399,949
Total	<u>\$2,301,419</u>

The General Fund includes funding for the following programs and projects:

- \$30,000 for development assistance
- \$25,000 for parking study and plan
- \$125,000 for public art
- \$75,000 for 2<sup>nd</sup> Street sidewalk in-fill project
- \$600,000 for ReVision Florence project engineering design
- \$500,000 for development projects to attract a \$5.0 - \$10.0 million private sector investment
- \$166,800 payment to the City for City staff to perform services to assist the Agency with the implementation of its projects and programs
- \$642,319 in contingency, which is anticipated to carryover to fiscal year 2018 to continue projects and pay debt service.

The Debt Service Fund includes \$127,800 for debt service payments related to the City financing and \$272,149 in contingency. The projected tax levy is \$378,300, with the Agency levying its full authority. Taxable assessed value (TAV) in the district is projected to increase 2.8% over the previous year and the combined tax rate for overlapping taxing jurisdictions is estimated to decline \$0.0934, per thousand TAV. The approved \$3.7 million debt and Intergovernmental Agreement with the City in fiscal year 2016 will be fully drawn by August 28, 2016. The loan provides the Agency an estimated net \$2.24 million for programs and projects.

We very much appreciate your service on the budget committee and look forward to discussing the budget with you.

Respectfully submitted,



Erin R. Reynolds  
City of Florence City Manager / Budget Officer

# FURA General Fund

## Summary

This fund accounts for the activities associated with the City's urban renewal agency's implementation of its urban renewal plan. The primary resources are debt proceeds (repaid with property taxes resulting from the excess value of property within the urban renewal district over the frozen base), grants and developer contributions.

## Highlights

- The 2011 debt issue was refinanced at a lower interest rate (3.25% vs 6.0%, 20 years vs 15 years)
- Approximately \$2.0 million of an authorized \$3.7 million financing will be drawn by June 30, 2016
- Approximately \$1.7 million of the authorized \$3.7 million financing will be drawn by August 30, 2016
- The budget includes considerable project and program activity in fiscal year 2017, continuing for approximately two more years, longer if private sector development occurs
- Street and sidewalk concept work led to ReVision Florence - \$6.0 million project Hwy 101 and 126
- Economic strategies work completed, validating many assumptions for public investment and providing economic analysis to support targeted investments
- Public Art Committee completed organizational effort
- Initial public art investment; Sea Lion

## Changes from previous year

- Property taxes are received directly into the Debt Service Fund, rather than transferred from the General Fund
- Implementation of programs in fiscal year 2017
  - Design services for ReVision Florence
  - Sidewalk improvements on 2<sup>nd</sup> Street
  - Design assistance program
  - Major project financial incentive program
  - Parking study
  - Public art investment
- Increase funding to City for staff support to implement programs and projects

## Budget Summary

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Proposed
<b>Beginning fund balance</b>	362,208	294,491	192,200	262,770	175,119
<b>Current year resources</b>					
Property taxes	286,881	312,442	-	-	-
Miscellaneous	2,773	2,246	8,300	4,300	1,000
Debt proceeds	-	-	2,150,000	510,349	1,725,351
<b>Total current year resources</b>	289,654	314,688	2,158,300	514,649	1,726,351
<b>Total resources</b>	651,862	609,179	2,358,800	777,419	1,901,470
<b>Expenditures</b>					
Materials and services	43,026	43,567	251,250	323,700	249,300
Capital outlay	-	-	1,025,000	278,600	1,300,000
Transfers	314,346	302,842	-	-	-
<b>Total expenditures</b>	357,371	346,409	1,276,250	602,300	1,549,300
<b>Other requirements</b>					
Contingency	-	-	1,074,250	-	352,170
<b>Total other requirements</b>	-	-	1,074,250	-	352,170
<b>Total expenditures and other requirements</b>	357,371	346,409	2,350,500	602,300	1,901,470

## Staffing

Staffing for FURA activity is provided by the City. Payments to the City's General Fund and the Public Works Administration Fund are budgeted to reimburse the City for staff related costs.

## Capital Outlay

	Priority	Funding Source	2015-16 Budget	2015-16 Estimate	2016-17 Proposed
2nd Street Sidewalk	1	TI	-	-	75,000
Public art	1	TI	125,000	10,000	125,000
ReVision Florence	1	TI/City/Other	150,000	150,000	600,000
Development projects	1	TI	750,000	-	500,000
Estuary trail/land	1	TI	-	118,600	-
<b>Total capital outlay</b>			1,025,000	278,600	1,300,000

Additionally, \$30,000 is programmed for design and development assistance, \$25,000 for a parking plan.

# FURA Debt Service Fund

## Summary

This fund accounts for the repayment of debt issued to finance the urban renewal agency's projects and programs. The primary revenue source is property taxes.

## Highlights

- The 2011 debt issue was refinanced at a lower interest rate (\$1.665 million refinanced)
- An existing debt obligation to the Siuslaw Library was repaid in full (\$221,000)

## Changes from the previous year

- Property taxes prior to fiscal year 2015-16 are presented for historical comparison only, the revenue was previously recognized in the FURA Capital Projects Fund.

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Proposed
<b>Beginning fund balance</b>	251,919	252,756	252,956	253,549	35,349
<b>Current year resources</b>	<i>Bold info only</i>				
Property taxes	<b>286,881</b>	<b>312,442</b>	344,300	330,700	363,600
Miscellaneous	837	793	1,000	900	1,000
Transfers	314,346	302,842	-	-	-
Debt proceeds	-	-	1,550,000	1,464,300	-
<b>Total current year resources</b>	<b>315,183</b>	<b>303,635</b>	<b>1,895,300</b>	<b>1,795,900</b>	<b>364,600</b>
<b>Total resources</b>	<b>567,102</b>	<b>556,391</b>	<b>2,148,256</b>	<b>2,049,449</b>	<b>399,949</b>
<b>Expenditures</b>					
Materials and services	-	-	28,000	22,500	-
<i>Debt service</i>					
IGA LIBRARY LOAN EXPENSE	<b>31,840</b>	<b>31,140</b>	221,000	220,400	-
2011 Revenue Bond - principal	190,000	190,000	1,665,000	1,664,900	-
Debt service - 2015 FFCO - principal/interest	-	-	136,150	55,300	127,800
Total principal	190,000	190,000	2,022,150	1,940,600	127,800
2011 Revenue Bond - Interest	124,346	112,842	8,211	51,000	-
FFCO 2015 - Interest	-	-	-	-	-
Total interest	124,346	112,842	8,211	51,000	-
Debt service	314,346	302,842	2,030,361	1,991,600	127,800
<b>Total expenditures</b>	<b>314,346</b>	<b>302,842</b>	<b>2,058,361</b>	<b>2,014,100</b>	<b>127,800</b>
<b>Other requirements</b>					
Contingency	-	-	89,895	-	272,149
<b>Total expenditures and other requirements</b>	<b>314,346</b>	<b>302,842</b>	<b>2,148,256</b>	<b>2,014,100</b>	<b>399,949</b>



## Financial Summary and Benchmarks

<b>Financial Summary</b>	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Proposed
Resources over (under) expenditures	837	793	(163,061)	(218,200)	236,800
Beginning fund balance	251,919	252,756	252,956	253,549	35,349
Ending fund balance	252,756	253,549	89,895	35,349	272,149
<b>Debt coverage ratio</b>					
Property taxes	286,881	312,442	344,300	330,700	363,600
Debt service - excludes du jour and refinanced debt payments	314,346	302,842	175,501	327,440	127,800
Debt coverage ratio	0.91	1.03	1.96	1.01	2.85

# Five Year Forecasts

## General Fund

	2016-17 Proposed	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
<b>Beginning fund balance</b>	175,119	352,170	260,570	20,370	26,470
<b>Current year resources</b>					
Intergovernmental		3,200,000			
Miscellaneous	1,000	801,000	1,000	1,000	1,000
Transfers	-	250,000	-	-	-
Debt proceeds	1,725,351	1,450,000	-	250,000	200,000
<b>Total current year resources</b>	1,726,351	5,701,000	1,000	251,000	201,000
<b>Total resources</b>	1,901,470	6,053,170	261,570	271,370	227,470
<b>Expenditures</b>					
OFFICE SUPPLIES	3,000	3,000	3,000	3,000	3,000
Programs - Design and development assistance	30,000	30,000	30,000	30,000	30,000
WEBSITE DEVELOPMENT & MAINT	1,500	1,500	1,500	1,500	1,500
CONTRACT SERVICES	166,800	170,100	173,500	177,000	180,500
Consulting services	40,000	40,000	25,000	25,000	25,000
AUDIT SERVICES	5,000	5,000	5,200	5,400	5,600
LEGAL SERVICES	3,000	3,000	3,000	3,000	3,000
Materials and services	249,300	252,600	241,200	244,900	248,600
Capital outlay	1,300,000	5,540,000	-	-	-
<b>Total expenditures</b>	1,549,300	5,792,600	241,200	244,900	248,600
<b>Other requirements</b>					
Contingency	352,170	-	-	-	-
<b>Total other requirements</b>	352,170	-	-	-	-
<b>requirements</b>	1,901,470	5,792,600	241,200	244,900	248,600
<b>Financial Summary</b>					
Resources over (under) expenditures	177,051	(91,600)	(240,200)	6,100	(47,600)
Beginning fund balance	175,119	352,170	260,570	20,370	26,470
Ending fund balance	352,170	260,570	20,370	26,470	(21,130)
<b>Capital Outlay</b>					
	2016-17 Proposed	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
2nd Street Sidewalk	75,000		-	-	-
Public art	125,000	115,000	-	-	-
ReVision Florence	600,000	5,250,000	-	-	-
Development projects	500,000	-	-	-	-
Estuary trail/land	-	175,000	-	-	-
<b>Total capital outlay</b>	1,300,000	5,540,000	-	-	-

## Debt Service Fund

	2016-17 Proposed	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
<b>Beginning fund balance</b>	35,349	272,149	121,349	210,549	83,249
<b>Current year resources</b>					
Property taxes	363,600	397,000	430,200	463,700	497,400
Miscellaneous	1,000	1,000	1,000	1,000	1,000
<b>Total current year resources</b>	364,600	398,000	431,200	464,700	498,400
<b>Total resources</b>	399,949	670,149	552,549	675,249	581,649
<b>Expenditures</b>					
<i>Debt service</i>					
Du jour debt service - principal	-	250,000	-	250,000	200,000
principal/interest	127,800	255,600	255,600	255,600	255,600
2018 FFCO - principal		43,200	86,400	86,400	86,400
<b>Total principal</b>	127,800	548,800	342,000	592,000	542,000
2011 Revenue Bond - Interest	-	-	-	-	-
FFCO 2015 - Interest	-	-	-	-	-
FFCO 2018 - Interest	-	-	-	-	-
<b>Total interest</b>	-	-	-	-	-
<b>Debt service</b>	127,800	548,800	342,000	592,000	542,000
<b>Total expenditures</b>	127,800	548,800	342,000	592,000	542,000
<b>Other requirements</b>					
Contingency	272,149	-	-	-	-
<b>Total expenditures and other</b>	399,949	548,800	342,000	592,000	542,000
<b>Financial Summary</b>					
Resources over (under) expenditures	236,800	(150,800)	89,200	(127,300)	(43,600)
<b>Beginning fund balance</b>	35,349	272,149	121,349	210,549	83,249
<b>Ending fund balance</b>	272,149	121,349	210,549	83,249	39,649
<b>Debt coverage ratio</b>					
Property taxes	363,600	397,000	430,200	463,700	497,400
Debt service - excludes du jour and refinanced debt payments	127,800	298,800	342,000	342,000	342,000
<b>Debt coverage ratio</b>	2.85	1.33	1.26	1.36	1.45

## Florence Urban Renewal Agency



Proposed Budget  
Fiscal Year 2016-17

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### Accomplishments

- Completed Economic Strategies project
- Completed Street & Sidewalk concept
- Secured support to move forward with
  - ReVision Florence
  - Implementation of Economic Strategies
- Collaborated with City to issue FFCO debt
  - Refinanced existing debt
  - Paid off debt to Siuslaw Library
  - Secured \$2.2 million in funding for projects and programs

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### Highlights

Debt Fund

- Consolidated debt
  - Will issue balance of authorized \$3.7 million by August 28
  - One principal and interest payment in FY 2017
- Interest rate 3.25%
- Potential to finance additional debt of \$1.0 + million in FY 2017-18
- Property tax revenue projected increase of 9.9%
- Fund balance sufficient to meet policy


	Proposed FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19	3-year Total
Debt service	127,800	548,800	342,000	1,018,600
Contingency	272,149			

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### Highlights

General Fund

- \$2.24 million funding initiated
  - \$510k FY 2016
  - \$1.73 million FY 2017
- Goals
  - Improve entry ways into Florence and Old Town
  - Revitalize and transform appearance of Highways 101 and 126
  - Leverage public art to improve “curb appeal”
  - Facilitate \$5 - \$10 million in private sector investment in the district



	Proposed FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19	3-year Total
Expenditures	1,549,300	5,792,600	241,200	7,583,100
Contingency	352,170			

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### Proposed Projects and Programs

General Fund

Description	Proposed FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19	3-year Total
<b>Materials and Services</b>				
Development assistance	30,000	30,000	30,000	90,000
Parking and signage plan	25,000	-	-	25,000
Consulting	15,000	40,000	25,000	105,000
City staffing support	166,800	170,100	173,500	510,400
Other	12,500	12,500	12,700	37,700
<b>Total</b>	<b>249,300</b>	<b>252,600</b>	<b>241,200</b>	<b>743,100</b>

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### Proposed Projects and Programs

General Fund

Description	Proposed FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19	3-year Total
<b>Capital Outlay</b>				
Artwork	125,000	115,000	-	240,000
ReVision Florence	600,000	5,250,000	-	5,850,000
Development projects	500,000	-	-	500,000
Estuary Trail	-	175,000	-	175,000
2nd Street sidewalk	75,000	-	-	75,000
<b>Total</b>	<b>1,300,000</b>	<b>5,540,000</b>	<b>-</b>	<b>6,840,000</b>

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**ReVision Florence**

City of Florence  
Oregon's Premier Coastal Community

**REVISION FLORENCE**  
Florence Urban Renewal Agency

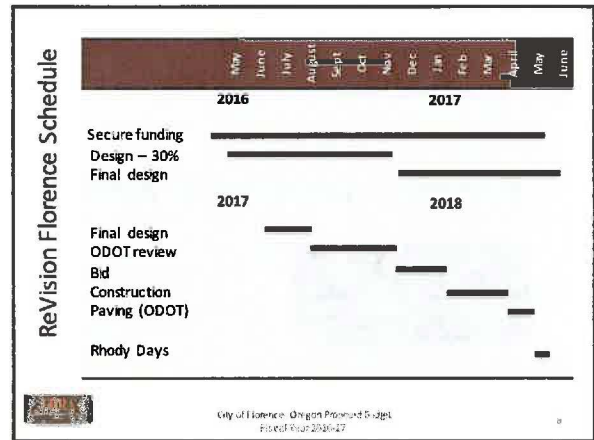
**ReVision Florence: Streetscape Design**

Stadium River Bridge & Old Town Way → Highway 101 → Highway 124

"ReVision Florence will revitalize our highway corridors and contribute greatly to the economic development efforts in Florence."  
— Joe Harty, Florence Mayor

"ReVision Florence is a major step in transforming a multi-lane highway into an authentic and visually appealing destination for local citizens and visitors alike. The wide sidewalks, open spaces, benches, trees, and public art will enhance Florence's gateway."  
— Joshua Greene, FURA Chairperson

City of Florence, Oregon Proposed Budget  
Fiscal Year 2016-17



Questions and Discussion

- Action Items**
- Consider approval of the proposed budget in the total amount of \$2,301,419, as presented *(and as amended as follows: ....)*
  - Consider approval to levy the Agency's maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

Thank you for your service and commitment to the Florence Urban Renewal Agency and the City of Florence!