

Lincoln City Urban Renewal Agency
2024-25 Budget Message
April 19, 2024



This budget represents the first year the Agency will be overseeing implementation of two new Urban Renewal (Tax Increment Financing, or TIF) Districts. In 2020, the “Year 2000 Development Plan” (1988) Area ended after 32 years with continued closing out of projects and management of assets. At the same time, the Roads End / Villages (at Cascade Head/Sitka Woods) Area came online. Then last year (2023), the Nelscott Plan was adopted by City Council creating a second active Urban Renewal Area. TIF funds can only be spent on projects within the Area from which they are collected, so this budget presents information separately for each of the three Areas.

Background and Proposed 2024-2025 Budget

Urban Renewal Area: Year 2000 Development Plan – Completed Status: This document reflects the project categories identified for funding by the Agency and the intent of the “Year 2000 Development Plan”, the guiding document since 1988. TIF (Tax Increment Financing) accrued for this Area for 10 years before embarking on the first of four, community vision plans and \$43 Million of public improvement projects have followed over the subsequent years.

In 2014, the Agency entered into its Underlevy Plan for this Area, which was a ten-year extension (until no later than 2024) of the Agency’s activities and projects while simultaneously reducing the District’s available revenue by 80%. This provided the opportunity to reduce impacts to the overlapping taxing districts and also fund important north end Public Works Infrastructure, Cutler City Community Vision projects and Economic Development Programs. These programs provided funding through grants and loans to local partners and businesses within the Area’s boundary, primarily along Highway 101.

The Agency’s final bond sale for this District (\$2,987,000) occurred in late 2017. In the past years, the URA Construction Fund (833) reflected associated expenditures on public capital projects separate from the UR General Fund (830) to maintain accounting for bond funds until the debt could be retired. The final bond was repaid in fiscal year end 2021, three years earlier than anticipated. As a result, the overlapping taxing districts have now been receiving their full tax revenue from this urban renewal area. With no bond debt, the URA Construction Fund (833) was no longer needed and all budgeting, including the remaining capital projects, is now in the General Fund (830). Per Agency direction, once the existing loans from the Economic Development Toolbox (Loan/Grant) Programs (832 – Property Rehab Program) are repaid over the next several years, those funds can be available for other purposes related to Economic Development.

To view the final report on accomplished projects for the “Year 2000 Development Plan” (1988) Urban Renewal Area, please visit: <https://www.lincolncity.org/home/showpublisheddocument/3339/638084183504030000>

Final projects to be completed for the Year 2000 Development Plan are described below.

The 2008 **Cutler City** Community Vision & Corridor Plan, from the most recent planning effort now 16 years ago, identifies one remaining **Pedestrian Project** with an eye on completion, in this budget year.



Permitting/Bidding/Construction – Siletz BayWalk Bay Access: With the 2021 sale of Agency property (for \$7,500) on the Siletz Bayfront to the adjacent private redevelopment project, a development agreement was entered into by the Agency and Pelican Brewing Co. \$50,000 is being contributed to the Agency, toward construction of the public bay access from the Highway 101 Schooner Point Turnout, down to the Siletz Bay and connecting with the private property pedestrian boardwalk along the shoreline. This is the only public access to the sands of the Siletz Bay between Taft (Siletz Bay Park) and the SW 62nd Pedestrian Bay Access (Cutler City Neighborhood). The City’s Public Works Department oversaw survey and structural work needed to complete the in-house design. Environmental permits were submitted (using Urban Renewal funds) and the engineers construction estimate is approximately \$400,000. Beyond the \$50,000 contribution from private sector, the only other source of construction funds is from the Property Rehabilitation/Loan Fund (832) paybacks. A transfer from 832 to 830 (UR General Fund) is included in the proposed budget in order to complete this final capital improvement project for the Cutler District.

*\$405,000 830-000-6340261 Cutler City Planning
Cutler City Projects – BayWalk Bay Access (Permitting/Bidding/Construction)*



In February 2018, the Agency made available four sites for **Property Development**. These properties include NW 15th Street (OceanLake Feature Street), NE 1st Street (D River/Hostetler Park/DeLake), SE 32nd Street (Nelscott), and SW 51st Street (Taft Feature Street). The Agency will sell or lease these properties through a development agreement in order to achieve community, City, and Agency objectives. Past work with specialized development consultants has been beneficial to assist staff in moving forward with development projects to implement goals of ground-activated, pedestrian-oriented businesses. After the COVID-19 pandemic slowed market conditions, commercial development has continued to be a challenge with rising costs of labor, financing and general availability of construction materials. While interest rates are slightly stabilizing, they are still too high to make our coastal, smaller infill properties financially feasible to develop without significant public subsidy. Once developers and market conditions are mutually ready, these projects will move ahead. Due to diminished Urban Renewal funding, there is no proposed budget request for continued marketing and transaction costs for the Agency. If future funding is needed in subsequent budget years, staff would propose using transferred funds from the Property Rehabilitation Fund (832) to complete any remaining projects from the Year 2000 Development Plan.

In the past, the Agency’s **Economic Development Programs** have included no-to-low interest loans for businesses and property owners located in the “Year 2000 Development Plan” Area and grants available for our local Economic Development Partners. Now that this Area has no additional revenue incoming (closed UR Area) these programs are not currently active. The Agency has stopped any additional loan and grant approvals until funds are repaid and can be considered for capital purpose. Over 48 loans have been made with revolving funds of over \$2M. A City Ec Dev Toolbox has been set up and funded,

primarily to partner on public property redevelopment and housing projects. Annual repayments to this Urban Renewal fund are about \$80,000.

\$312,856 832-000-6370400 *Property Rehab Program, Capital Outlay, Reserve – Future Years*

Roads End / Villages (at Cascade Head/Sitka Woods) Plan – Active Status: Urban Renewal has proven to be a successful funding program for Lincoln City to leverage District funding otherwise not available to complete numerous Public Works Infrastructure Projects, upgrades to our Visitor Facilities and Parks and the ability to provide low-to-no interest loans and grants. Due to the success of past Urban Renewal projects, in 2020 the City adopted the Roads End / Villages (at Cascade Head/Sitka Woods) Plan. This new urban renewal area began collection of tax increment in FY2021-22. Each year of TIF for this UR Area includes a return of 15% of that revenue (revenue sharing) to the overlapping taxing districts throughout the life of the 27-year Plan, with a Maximum Indebtedness of \$87,100,000. It will take about another year (2025-2026) to accrue revenues sufficient for the first bond transaction, which would be used for community visioning and capital projects. Projects funded and proposed in this FY24-25 budget by the Roads End / Villages at Cascade Head Urban Renewal Area funds are described as follows:

- 1) NE 44th – 47th Street Connector: The Plan identifies continued design and engineering of a connector road at NE 47th Street, to be done in partnership with the Confederated Tribes of Siletz Indians. Phase 2 design and engineering funding proposed in this budget is a continuation from Phase 1 design contract carried out on behalf of the Agency, by the City’s Public Works Department. Phase 1 of the design occurred with an Intergovernmental Agreement between the URA and City (FY23-24 for \$99,998).

\$359,557 834-000-6201119 *Misc. Contracted Services: Phase 2 - NE 47th Connector Road*
\$1,112,945 834-000-6370400 *Capital Outlay: Reserve – Future Years*



Nelscott Plan – Active Status: In August 2023, the City adopted a new Nelscott Urban Renewal Plan, which prioritizes transportation connections, housing, and living-wage job production with the County’s Urban Growth Boundary along SE 23rd Drive.

Implementation of this 30-year plan, co-adopted by both the City and County, is now overseen by the Urban Renewal Agency. The first Tax Increment Funds (TIF) will be received in November 2024 and continue to accrue over time to reach the Maximum Indebtedness of \$129 M. Some funds are available should timing be right to leverage the City’s EPA Brownfields Grant to do planning-related work for the employment area along SE 23rd Drive.

\$10,000 835-000-6201119 *Employment Area Planning*
\$105,673 835-000-6370400 *Capital Outlay: Reserve – Future Years*

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2024-2025
830-000-URBAN RENEWAL GENERAL FUND**

Wednesday, July 10, 2024

ACTUAL FY 2021-22	ACTUAL FY 2022-23	BUDGET FY 2023-24		ESTIMATE FY 2023-24	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2024-25
RESOURCES							
CHARGES FOR SERVICES							
0	0	50,000	4404350	DEFERRED IMPROVE AGREEMENTS	0	50,000	50,000
0	0	50,000		TOTAL CHARGES FOR SERVICES	0	50,000	50,000
MISCELLANEOUS REVENUE							
0	0	0	4601051	LEASE INCOME	4,600	0	0
346	4,969	150	4610001	INTEREST ALLOCATED	2,500	1,000	1,000
346	4,969	150		TOTAL MISCELLANEOUS REVENUE	7,100	1,000	1,000
TRANSFERS IN							
0	0	0	4701832	TRANSFER FROM URA REHAB FUND	0	250,000	250,000
0	178,542	0	4701833	TRANSFER FROM URA CONSTRUCTI	0	0	0
0	178,542	0		TOTAL TRANSFERS IN	0	250,000	250,000
BEGINNING FUND BALANCE							
75,147	23,033	122,509	4890010	BEGINNING BALANCE	133,818	129,968	129,968
75,147	23,033	122,509		TOTAL BEGINNING FUND BALANCE	133,818	129,968	129,968
75,493	206,544	172,659		TOTAL RESOURCES	140,918	430,968	430,968
MATERIALS & SERVICES							
15,729	3,000	2,500	6201119	MISC. CONTRACTED SERVICES	0	21,118	21,118
7,481	4,200	4,250	6201151	AUDITING	4,250	3,250	3,250
549	6,157	5,700	6201152	LEGAL SERVICES	1,000	300	300
546	595	2,500	6203020	TELEPHONE	500	0	0
3,994	2,255	2,000	6205001	LEGAL NOTICES	0	1,300	1,300
0	2,485	0	6205003	PRINTING	0	0	0
261	0	0	6206003	MEETINGS	200	0	0
85	0	0	6209001	POSTAGE, SHIPPING, METER LEASE	0	0	0
37	6	0	6209010	INSURANCE AND BONDS	0	0	0
23,248	0	0	6210010	SYSTEM MAINT - CUTLER	0	0	0
100	0	0	6210013	SYSTEM MAINT - OTHER PEARLS	0	0	0
430	20	0	6229001	OTHER SUPPLIES	0	0	0
52,460	18,718	16,950		TOTAL MATERIALS & SERVICES	5,950	25,968	25,968

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2024-2025
830-000-URBAN RENEWAL GENERAL FUND**

Wednesday, July 10, 2024

ACTUAL FY 2021-22	ACTUAL FY 2022-23	BUDGET FY 2023-24		ESTIMATE FY 2023-24	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2024-25	
CAPITAL OUTLAY								
0	54,009	136,709	6340261	CUTLER CITY PLANNING	5,000	405,000	405,000	405,000
0	0	19,000	6340401	LAND PURCHASED	0	0	0	0
0	54,009	155,709	TOTAL CAPITAL OUTLAY		5,000	405,000	405,000	405,000
52,460	72,727	172,659	TOTAL EXPENDITURES		10,950	430,968	430,968	430,968
CONTINGENCY/FUND BALANCE								
23,033	133,818	0	6800502	UNAPPROPRIATED FUND BALANCE	129,968	0	0	0
23,033	133,818	0	TOTAL CONTINGENCY/FUND BALANCE		129,968	0	0	0
23,033	133,818	0	TOTAL ENDING FUND BALANCE		129,968	0	0	0
-52,114	110,785	-122,509	<i>Excess of Resources over Expenditures</i>		-3,850	-129,968	-129,968	-129,968

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2024-2025
832-000-PROPERTY REHAB PROGRAM**

Wednesday, July 10, 2024

ACTUAL FY 2021-22	ACTUAL FY 2022-23	BUDGET FY 2023-24		ESTIMATE FY 2023-24	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2024-25
RESOURCES							
MISCELLANEOUS REVENUE							
-996	474	350	4610001	INTEREST ALLOCATED	18,000	10,000	10,000
48	47	40	4610002	INTEREST DIRECT	0	0	0
133,489	83,569	60,000	4650004	LOAN REPAYMENTS 01-02 PROGRA	75,000	60,000	60,000
132,541	84,090	60,390		TOTAL MISCELLANEOUS REVENUE	93,000	70,000	70,000
BEGINNING FUND BALANCE							
206,735	331,275	386,665	4890010	BEGINNING BALANCE	409,856	497,856	497,856
206,735	331,275	386,665		TOTAL BEGINNING FUND BALANCE	409,856	497,856	497,856
339,275	415,365	447,055		TOTAL RESOURCES	502,856	567,856	567,856
MATERIALS & SERVICES							
6,801	5,509	5,000	6201119	MISC. CONTRACTED SERVICES	5,000	5,000	5,000
6,801	5,509	5,000		TOTAL MATERIALS & SERVICES	5,000	5,000	5,000
CAPITAL OUTLAY							
0	0	442,055	6370400	RESERVE-FUTURE YEARS	0	312,856	312,856
0	0	442,055		TOTAL CAPITAL OUTLAY	0	312,856	312,856
SPECIAL PAYMENTS							
1,200	0	0	6540105	ARCHITECTS	0	0	0
1,200	0	0		TOTAL SPECIAL PAYMENTS	0	0	0
TRANSFERS							
0	0	0	6601830	TRANSFER TO URA GENERAL FUND	0	250,000	250,000
0	0	0		TOTAL TRANSFERS	0	250,000	250,000
8,001	5,509	447,055		TOTAL EXPENDITURES	5,000	567,856	255,000
CONTINGENCY/FUND BALANCE							
0	0	0	6780001	CONTINGENCIES	0	0	312,856
331,275	409,856	0	6800502	UNAPPROPRIATED FUND BALANCE	497,856	0	0
331,275	409,856	0		TOTAL CONTINGENCY/FUND BALANCE	497,856	0	312,856
331,275	409,856	0		TOTAL ENDING FUND BALANCE	497,856	0	312,856
124,540	78,582	-386,665		<i>Excess of Resources over Expenditures</i>	88,000	-497,856	-185,000

**LINCOLN CITY URBAN RENEWAL AGENCY
ROADS END/VILLAGES DISTRICT
TAX INCREMENT CALCULATION
FISCAL YEAR 2024-25**

Assessed Value (AV) of the Urban Renewal - Frozen Base		
Roads End/Villages at Cascade Head	\$	248,091,196
Estimated Increment - Available Excess Assessed Value 2023-24, increased by 3%	\$	49,243,506.90
Estimated Gross Tax Revenue	\$	676,020
Revenue Sharing - higher of :		
(A) Percent set by Roads End/Villages at Cascade Head Plan		15.0%
(B) Percent set by ORS 457.470 (applies if gross tax revenue is >= \$8,710,000)		N/A
(C) Percent set by ORS 457.470 (applies if gross tax revenue is >= \$10,887,500)		N/A
Revenue Sharing to overlapping Taxing Districts (15%)		<u>(7,386,526)</u>
Utilized Taxable Assessed Value (85%)	\$	41,856,981
Estimated Composite Tax Rate per \$1,000 AV	\$	<u>13.7281</u>
Estimated Tax Increment	\$	574,617
Less Estimated Amount Not to be Collected (5%)	\$	<u>(28,731)</u>
<hr/>		
Estimated Taxes to be Collected	\$	<u>545,886</u>

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2024-2025
834-000-ROADS END/VILLAGES DISTRICT**

Wednesday, July 10, 2024

ACTUAL FY 2021-22	ACTUAL FY 2022-23	BUDGET FY 2023-24		ESTIMATE FY 2023-24	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2024-25	
RESOURCES								
TAXES								
166,384	334,028	400,815	4101010	CURRENT PROPERTY TAXES	476,575	545,886	545,886	545,886
0	1,815	600	4101020	PRIOR PROPERTY TAXES	4,000	5,000	5,000	5,000
271	0	0	4102010	WILDFIRE REBUILDING INCENTIVE	0	0	0	0
166,655	335,843	401,415		TOTAL TAXES	480,575	550,886	550,886	550,886
MISCELLANEOUS REVENUE								
1,333	11,881	6,000	4610001	INTEREST ALLOCATED	24,076	25,000	25,000	25,000
26	213	250	4610002	INTEREST DIRECT	750	750	750	750
1,359	12,093	6,250		TOTAL MISCELLANEOUS REVENUE	24,826	25,750	25,750	25,750
BEGINNING FUND BALANCE								
0	168,014	375,849	4890010	BEGINNING BALANCE	403,140	902,966	902,966	902,966
0	168,014	375,849		TOTAL BEGINNING FUND BALANCE	403,140	902,966	902,966	902,966
168,014	515,950	783,514		TOTAL RESOURCES	908,541	1,479,602	1,479,602	1,479,602
MATERIALS & SERVICES								
0	108,998	1,000	6201119	MISC. CONTRACTED SERVICES	1,000	361,057	361,057	1,500
0	3,750	4,250	6201151	AUDITING	4,250	3,000	3,000	3,000
0	0	225	6201152	LEGAL SERVICES	225	300	300	300
0	62	2,000	6205001	LEGAL NOTICES	100	2,000	2,000	2,000
0	0	0	6206005	MEMBERSHIP & DUES	0	300	300	300
0	112,810	7,475		TOTAL MATERIALS & SERVICES	5,575	366,657	366,657	7,100
CAPITAL OUTLAY								
0	0	293,427	6340330	STREET CONSTRUCTION	0	0	0	0
0	0	482,612	6370400	RESERVE-FUTURE YEARS	0	1,112,945	1,112,945	0
0	0	776,039		TOTAL CAPITAL OUTLAY	0	1,112,945	1,112,945	0
0	112,810	783,514		TOTAL EXPENDITURES	5,575	1,479,602	1,479,602	7,100
CONTINGENCY/FUND BALANCE								
0	0	0	6780001	CONTINGENCIES	0	0	0	1,472,502
168,014	403,140	0	6800502	UNAPPROPRIATED FUND BALANCE	902,966	0	0	0
168,014	403,140	0		TOTAL CONTINGENCY/FUND BALANCE	902,966	0	0	1,472,502
168,014	403,140	0		TOTAL ENDING FUND BALANCE	902,966	0	0	1,472,502

LINCOLN CITY URBAN RENEWAL AGENCY
NELSCOTT DISTRICT
TAX INCREMENT CALCULATION
FISCAL YEAR 2024-25

Assessed Value (AV) of the Urban Renewal - Frozen Base		
Nelscott Urban Renewal Distrtict	\$	129,762,619
Net Taxable Assessed Value 2023-24	\$	129,762,619
Estimated Increase in Value 2024-25		<u>7.10541%</u>
Estimated Increment - Available Excess Assessed Value 2024-25	\$	9,220,161
Estimated Composite Tax Rate per \$1,000 AV	\$	<u>13.8681</u>
Estimated Tax Increment	\$	127,866
Less Estimated Amount Not to be Collected (5%)	\$	<u>(6,393)</u>
Estimated Taxes to be Collected	\$	121,473

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2024-2025
835-000-NELSCOTT DISTRICT**

Wednesday, July 10, 2024

ACTUAL FY 2021-22	ACTUAL FY 2022-23	BUDGET FY 2023-24		ESTIMATE FY 2023-24	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2024-25	
RESOURCES								
TAXES								
0	0	0	4101010	CURRENT PROPERTY TAXES	0	121,473	121,473	121,473
0	0	0		TOTAL TAXES	0	121,473	121,473	121,473
MISCELLANEOUS REVENUE								
0	0	0	4610001	INTEREST ALLOCATED	0	1,000	1,000	1,000
0	0	0		TOTAL MISCELLANEOUS REVENUE	0	1,000	1,000	1,000
0	0	0		TOTAL RESOURCES	0	122,473	122,473	122,473
MATERIALS & SERVICES								
0	0	0	6201119	MISC. CONTRACTED SERVICES	0	11,500	11,500	11,500
0	0	0	6201151	AUDITING	0	3,000	3,000	3,000
0	0	0	6201152	LEGAL SERVICES	0	300	300	300
0	0	0	6205001	LEGAL NOTICES	0	2,000	2,000	2,000
0	0	0		TOTAL MATERIALS & SERVICES	0	16,800	16,800	16,800
0	0	0		TOTAL EXPENDITURES	0	16,800	16,800	16,800
CONTINGENCY/FUND BALANCE								
0	0	0	6780001	CONTINGENCIES	0	105,673	105,673	105,673
0	0	0		TOTAL CONTINGENCY/FUND BALANCE	0	105,673	105,673	105,673
0	0	0		TOTAL ENDING FUND BALANCE	0	105,673	105,673	105,673
0	0	0		<i>Excess of Resources over Expenditures</i>	0	105,673	105,673	105,673

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2024-2025
831-000-TAX INCREMENT FUND (URA)**

Wednesday, July 10, 2024

ACTUAL FY 2021-22	ACTUAL FY 2022-23	BUDGET FY 2023-24		ESTIMATE FY 2023-24	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2024-25
RESOURCES							
TAXES							
0	0	0	4101010	CURRENT PROPERTY TAXES	0	0	0
-65,594	0	0	4101020	PRIOR PROPERTY TAXES	0	0	0
-65,594	0	0		TOTAL TAXES	0	0	0
BEGINNING FUND BALANCE							
65,594	0	0	4890010	BEGINNING BALANCE	0	0	0
65,594	0	0		TOTAL BEGINNING FUND BALANCE	0	0	0
0	0	0		TOTAL RESOURCES	0	0	0
-65,594	0	0		<i>Excess of Resources over Expenditures</i>	0	0	0

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2024-2025
833-000-URA CONSTRUCTION FUND**

Wednesday, July 10, 2024

ACTUAL FY 2021-22	ACTUAL FY 2022-23	BUDGET FY 2023-24		ESTIMATE FY 2023-24	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2024-25
RESOURCES							
MISCELLANEOUS REVENUE							
1,072	0	0	4610001	INTEREST ALLOCATED	0	0	0
1,072	0	0		TOTAL MISCELLANEOUS REVENUE	0	0	0
BEGINNING FUND BALANCE							
201,511	178,542	0	4890010	BEGINNING BALANCE	0	0	0
201,511	178,542	0		TOTAL BEGINNING FUND BALANCE	0	0	0
202,582	178,542	0		TOTAL RESOURCES	0	0	0
CAPITAL OUTLAY							
24,041	0	0	6340261	CUTLER CITY PROJECTS	0	0	0
24,041	0	0		TOTAL CAPITAL OUTLAY	0	0	0
TRANSFERS							
0	178,542	0	6601830	TRANSFER TO URA GENERAL FUND	0	0	0
0	178,542	0		TOTAL TRANSFERS	0	0	0
24,041	178,542	0		TOTAL EXPENDITURES	0	0	0
CONTINGENCY/FUND BALANCE							
178,542	0	0	6800502	UNAPPROPRIATED FUND BALANCE	0	0	0
178,542	0	0		TOTAL CONTINGENCY/FUND BALANCE	0	0	0
178,542	0	0		TOTAL ENDING FUND BALANCE	0	0	0
-22,969	-178,542	0		<i>Excess of Resources over Expenditures</i>	0	0	0