



2024 - 2025

## Adopted Annual Budget and Financial Plan Sutherlin Urban Renewal Agency

Agency Members:

Larry Whitaker, Chair-Budget Committee

Lisa Woods, Vice Chair

Gary Dagele

Joe Groussman

Debbie Hamilton

Shawn Smalley

Michelle Sumner

Citizen Members of the Budget Committee:

Richard Bennewate

Brian Biss

Bruce Conner

Jeneen Hartley

Michael Hogsett

Renee Lillie

Tom Maloney

Prepared by City of Sutherlin Staff

## City Manager's Urban Renewal Budget Message

May 10, 2024

To: Chairperson Whitaker,  
Members of the Urban Renewal Agency Board, and  
Citizen Members of the UR Budget Committee

Re: **2024-2025 Budget Message**

The overall economic climate, I believe can best be described as unstable. One day we learn about a new development project and the next about the mass closure of one business or the other.

In Sutherlin, one of the key purposes of Tax Increment Financing/Urban Renewal is to increase economic activity in areas where instability exists. In particular, we built a scope of work to serve three principal areas of our community: Downtown/Central Avenue, Exit 136 Commercial Area and Industrial Park.

Included in this proposed budget is a report on our activities for 2023-2024 and it demonstrates that we have begun to incentivize the investment hoped for.

As far as budget estimates, while we were on target last year, this year we received less increment tax revenues because the URA plan projected that Murphy Plywood's Enterprise Zone tax reduction agreement expired in 2023, but instead in 2024. This means that the tax monies expected to come into the URA will be allocated to the URA in this next fiscal year.

However, even with this limitation, we have received enough monies to execute our downtown storefront grant program and purchased a small lot for inciting a new investor. This new investor, as you know, presented his development plan which, when completed will serve as a critical catalyst in stimulating even more investment into our downtown.

There are other development proposals under consideration that may also soon come before you for TIF participation in 2024 and as always, we welcome proposals that build our economy and improve the quality of life for our citizens.

Thank you all for the time you voluntarily contribute to the City of Sutherlin.

Respectfully,

Jerry Gillham  
Urban Renewal Agency Manager

Sutherlin Urban Renewal Agency

## **General Fund**

### ***Summary***

The Sutherlin Urban Renewal Agency General Fund accounts for the activities associated with implementing the Agency's Plan. The primary resources to fund the Plan include debt proceeds that will be repaid with property taxes created by tax increment valuation increases within the Agency boundary, intergovernmental sources such as the Oregon Department of Transportation (ODOT), the City and other State and Federal agencies, interest earnings and transfers from the Debt Service Fund.

### ***Resources***

#### **Debt proceeds**

The Agency is using the initial line-of-credit borrowing of \$1.0 million which was agreed upon between the Agency and the City. This is being used as a revolving line of Credit, with repayment happening as TIF is received. Because of the scope of the projects planned for this year, there may need to be another funding source besides the City's general fund.

### ***Miscellaneous***

There are no interest earnings anticipated/budgeted as drawdowns of the line-of-credit borrowing are anticipated to coincide with expenditure requirements, resulting in a near zero cash/investment balance within the fund.

### ***Expenditures***

#### **Staffing**

The Agency contracts with the City of Sutherlin to provide necessary staffing for the project. The City Manager, Finance Director, Public Works Director, Community Development Director and support staff are among those that will use a portion of their time to perform work on behalf of the Agency. Funding for these costs are provided in the material and services budget.

#### **Materials and Services**

Included in materials and services is an allocation of \$275,000 for downtown improvements to continue to carry out the Agency's approved plan. Additionally, \$12,000 is budgeted for the Agency's independent audit and Annual Report submission, \$1,000 for Legal Notice Publication, \$25,000 to reimburse Sutherlin Water Control District for the amount Sutherlin URA will offset their funding, \$25,000 budgeted for the City's administration support costs and \$5,000 to Elaine Howard for the plan changes to allow for the City Hall remodel. There is also the remainder of the grant for the Bank Building renovation of \$117,000.

As noted in the original budget, the adopted Urban Renewal Plan includes 3.43% of the *maximum indebtedness* for program administration. We have reviewed this amount and believe it is insufficient to reimburse the City for all costs incurred by the City to staff urban

Sutherlin Urban Renewal Agency

renewal related activities, but the City is dedicated to these projects being a benefit to our City and willing to carry out the tasks without being fully reimbursed this year.

**Capital Outlay**

Consistent with the Agency Taskforce' direction, \$150,000 is budgeted for completing the Downtown Parking Area on First street. The sidewalks for this project will come out of the City's Budget. Additionally, the cost of remodeling City Hall in concert with the Seismic Renovation of P.D. is also budgeted for this year.

<b>General Fund-URA</b>	2021-22 Prior Yr 2 Actual	2022-23 Prior Yr Actual	2023-24 Curr Year Budget	2023-24 Projected Year-End	2024-25 Adopted Budget
BEGINNING FUND BALANCE	-	-	-	6,900	-
<b>Revenue</b>					
ADMIN BORROWING-CoS	22,020	33,735	35,000	35,000	40,000
MAINSTREET PROG. GRANT	-	82,692	-	75,000	117,000
OTHER LENDING SOURCE	-	-	616,000	-	2,000,000
LINE OF CREDIT-CoS	435,012	346,155	-	300,000	375,000
<b>Total Revenue</b>	<b>457,032</b>	<b>462,582</b>	<b>651,000</b>	<b>410,000</b>	<b>2,532,000</b>
<b>Total Resources</b>	<b>457,032</b>	<b>462,582</b>	<b>651,000</b>	<b>416,900</b>	<b>2,532,000</b>
<b>Requirements</b>					
<b>Material &amp; Services</b>					
AUDIT	20	6,900	-	11,000	12,000
CONTRACTED SERVICES	22,000	26,835	65,000	34,259	55,000
DOWNTOWN IMPROVEMENTS	50,000	35,133	275,000	75,000	275,000
MAINSTREET BANK BLDG IMPRVMTS	-	110,333	60,000	75,000	117,000
PRINTING & ADVERTISING	497	1,236	1,000	1,000	1,000
<b>Total Material &amp; Services</b>	<b>72,497</b>	<b>173,537</b>	<b>401,000</b>	<b>185,259</b>	<b>448,000</b>
<b>Capital Outlay</b>					
EXIT 136 CORRIDOR	-	-	-	-	-
CITY HALL RENOVATION	-	-	-	-	1,750,000
Downtown Parking/Property	84,515	282,145	250,000	100,000	150,000
IND PARK WETLANDS MITIGATION	300,000	-	-	-	-
<b>Total Capital Outlay</b>	<b>384,515</b>	<b>282,145</b>	<b>250,000</b>	<b>100,000</b>	<b>1,900,000</b>
<b>Total Expenditures</b>	<b>457,012</b>	<b>455,682</b>	<b>651,000</b>	<b>285,259</b>	<b>2,348,000</b>
<b>Other Requirements</b>					
Contingency	20	6,900	-	131,642	184,000
<b>Total Expenditures &amp; Other Requirements</b>	<b>457,032</b>	<b>462,582</b>	<b>651,000</b>	<b>416,900</b>	<b>2,532,000</b>

## Debt Services Fund

The Debt Service Fund accounts for the repayment of debt issued by the Agency. The primary revenue is property taxes created by tax increment valuation increases within the URA boundary and interest earnings.

**Revenue**

**Property taxes**

The Agency anticipates a levy of approximately \$385,000 with \$356,000 to be received in fiscal year 2024-25. There will also be delinquent tax collections.

**Interest earnings**

We are budgeting conservatively for interest earnings.

**Expenditures**

**Materials and services**

We do not anticipate any materials and services expenditures during the fiscal year.

**Debt service**

The Agency and City agreed to a \$1.0 million line-of-credit. This is being used as a revolving Line and the budget anticipates paying back a significant portion of the balance each fiscal year. Interest is budgeted on the projected outstanding balance of the LOC as of June 30, 2024, with interest at 2.25%.

Principal associated with the administrative borrowing, \$65,000, is budgeted. Interest is also budgeted on the balance being carried by the City.

**Contingency**

The projected uncommitted dollars, \$176,000, is budgeted in contingency.

Any funds received and not spent will carry over to subsequent fiscal years for future debt service.

<b>URA Debt Service</b>	2021-22 Prior Yr 2 Actual	2022-23 Prior Yr Actual	2023-24 Curr Year Budget	2023-24 Projected Year-End	2024-25 Adopted Budget
BEGINNING FUND BALANCE	60,930	116,924	54,500	172,918	230,000
<b>Revenue</b>					
CURRENT TAXES	101,543	115,526	400,000	250,000	356,000
DELINQUENT TAXES	79	1,493	1,000	-	1,500
<b>Miscellaneous</b>					
INTERGOVERNMENTAL REV	223	-	-	-	
INTEREST EARNED	300	4,816	4,000	9,116	6,000
<b>Total Revenue</b>	<b>102,145</b>	<b>121,835</b>	<b>405,000</b>	<b>259,116</b>	<b>363,500</b>
<b>Total Resources</b>	<b>163,075</b>	<b>238,759</b>	<b>459,500</b>	<b>432,035</b>	<b>593,500</b>
<b>Requirements</b>					
<b>Debt Service</b>					
PRINCIPAL-Admin	34,000	60,000	65,000	60,000	65,000
PRINCIPAL-L.O.C.	-	-	-	300,000	335,000
INTEREST ON L.O.C.	7,215	5,841	17,500	15,000	17,500
<b>Total Debt Service</b>	<b>41,215</b>	<b>65,841</b>	<b>82,500</b>	<b>375,000</b>	<b>417,500</b>
<b>Other Requirements</b>					
Contingency	121,860	172,918	377,000	57,035	176,000
<b>Total Other Requirements</b>	<b>121,860</b>	<b>172,918</b>	<b>377,000</b>	<b>57,035</b>	<b>176,000</b>
<b>Total Expenditures &amp; Other Requirements</b>	<b>163,075</b>	<b>238,759</b>	<b>459,500</b>	<b>432,035</b>	<b>593,500</b>

**RESOLUTION NO. UR-2024.02**

**A RESOLUTION ADOPTING THE 2024-2025 BUDGET AND MAKING  
APPROPRIATIONS.**

**WHEREAS**, the Budget Committee of the Sutherlin Urban Renewal Agency has approved a proposed budget for the fiscal year commencing July1, 2024; and

**WHEREAS**, at a meeting of the Sutherlin Urban Renewal Agency Board held on June 10, 2024, a public hearing on said approved budget was duly held after the giving of notice thereof as provided by statute, proof of which is on file in the Office of the City Recorder of the City:

**Now, therefore, it is hereby resolved by the Sutherlin Urban Renewal Agency that:**

**Section 1.** After public hearing conducted on June 10, 2024, the Sutherlin Urban Renewal Agency hereby adopts the budget for fiscal year 2024-2025 in the sum of \$3,125,500, a copy of which is now on file at City Hall.

**Section 2.** That for the fiscal year beginning July 1, 2024, the amounts for the purposes shown below are hereby appropriated:

General Fund-URA

Materials and services	448,000
Capital Outlay	1,900,000
Contingency	184,000
<b>Total</b>	<b>\$2,532,000</b>

Debt Services Fund-URA

Materials and Services	0
Debt Service	417,500
Contingency	176,000
<b>Total</b>	<b>\$593,500</b>

SUMMARY:

Materials and services	448,000
Capital Outlay	1,900,000
Debt Service	417,500
Contingency	360,000
<b>Total</b>	<b>\$ 3,125,500</b>

**Section 3.** That the Finance Director of said city shall certify to the County Clerk and County Assessor a request for the 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.

**Section 4.** That the Finance Director of said city shall file with the State Treasurer and the Division of Audits of the Secretary of State of the State of Oregon a true copy of the budget as adopted.

**Section 5.** This resolution shall be effective immediately upon adoption by the Sutherlin Urban Renewal Agency.

**APPROVED BY THE AGENCY, ON THIS 10<sup>TH</sup> DAY OF JUNE, 2024**

  
Debbie Hamilton, Agency Chair

**ATTEST:**

  
Melanie Masterfield, City Recorder, CMC

