

**GARIBALDI URBAN
RENEWAL AGENCY
PROPOSED
FISCAL YEAR 2008-2009
BUDGET**



**Budget Committee Meeting
Monday, May 5, 2008, 6:00 p.m.
Garibaldi Fire Hall**

GARIBALDI URBAN RENEWAL AGENCY (Est. June 19, 2006 by Ord. No. 292)
Valerie Folkema, Chair + Doris Mengel + William Fouste + Planning Commission vacancy
Suzanne McCarthy + Terry Kandle + Roberta Bettis + Marv Evans + Jerry Bartolomucci
Kevin M. Greenwood, Administrator/Budget Officer

BUDGET MESSAGE FOR FISCAL YEAR 2008-09

The City of Garibaldi formed the Garibaldi Urban Renewal Agency (GURA) on August 21, 2006, the first in Tillamook County. Though GURA is a separate quasi-municipal corporation, the GURA General Fund is also included in the City's budget as a "component" fund of the City. The GURA budget committee is made up of the ten members of the City's budget committee (council plus five freeholder positions) and the eight members of GURA's at-large budget committee (GURA members plus four freeholders). An eighteen member budget committee is large by any community's standards and I appreciate all of you for participating.

This year's budget is GURA's second. Over the last year, GURA has made some minor adjustments to the way it accounts for its resources. GURA created a Debt Service Fund via Resolution 2008-02 on February 19th, 2007 allowing collected taxes to pay off debt separate from the general operating fund. In addition, the intergovernmental agree (IGA) that GURA has with the City to provide administrative services will be shown as debt in the new fund. ORS 457 states that urban renewal taxes must be used solely for the service of debt. The City's auditor ruled that the IGA is a contracted obligation and may be treated as debt pursuant to ORS 457.

GENERAL FUND RESOURCES

The General Fund serves as GURA's operating fund. All construction or planning activities are accounted for in this fund.

In 2007-08, GURA received a \$11,625 loan (6%, 2 yrs.) from the City's room tax fund, a \$10,000 pass-through grant from USDA-Rural Development and a \$3,875 contribution from the Port of Garibaldi totaling \$25,500 for downtown master planning. In addition, the Chamber of Commerce, upon their dissolution last summer, donated their remaining funds (\$7,400) toward gateway signs. GURA also received a small amount in interest.

In 2008-09, GURA may be approached by developers to assist in the off-site improvements that are identified in the Garibaldi Urban Renewal Plan ("Plan"). Projects such as underground utility lines, sidewalk ADA improvements, curb extensions and stand-alone street lamps are all eligible for GURA funding. GURA should budget for the receipt of a \$150,000 loan toward the construction of these streetscape improvements and planning for the proposed plaza at 301 Garibaldi Ave. Details of any loan will be negotiated by GURA as projects arise. An \$18,000 contribution from the City's room tax fund will assist with the construction of the gateway sign. Interest revenue is also expected to increase this year.

GENERAL FUND REQUIREMENTS

In 2007-08, GURA spent only \$660 on materials and services including bank fees and contracted services. The largest capital outlay activity was the downtown master plan completed in early 2008. The plan including architectural services cost GURA just under \$25,500. GURA also spent \$300 on gateway signs pre-planning. Finally, a \$7,500 payment on the \$11,625 loan will be made this July completing GURA requirements in 2007-08. An unappropriated ending fund balance of \$7,149 will carry through to the next year.

In 2008-09, minimal expenses are expected under materials and services. In addition, debt services will be moved to the new fund. The primary budgeted activities in the new fiscal year surround potential development downtown. \$25,000 is budgeted for a planning exercise involving the six stakeholders in the 301 Garibaldi Ave. (or Garibaldi Plaza) area. A vision for the area from the fish cleaning station on American Way to Garibaldi Ave. and from Third St. to approximately Fourth St. was identified in the downtown master plan as meriting more work. The Port of Tillamook Bay, Port of Garibaldi, City of Garibaldi, Garibaldi Lions Club (Lumberman's Park), Oregon Coast Scenic Railroad and GURA should all be involved with how this Plaza area should be developed. \$25,000 should safely complete the

gateway sign project and both ends of town including easement acquisition, planning and construction. This will most likely be the first project completed this summer. Finally, \$125,000 should be budgeted toward off-site improvements abutting potential development on Garibaldi Ave. A minimal contingency will finish the general funds requirements in 2008-09.

DEBT SERVICE FUND RESOURCES

According to Tim Lutz, Tillamook County Assessor, the Garibaldi Urban Renewal Agency should expect a minor increase in taxes (less than \$7,800). This resource may only be used to service debt incurred by GURA. A minor amount of interest is expected in 2008-09.

DEBT SERVICE FUND REQUIREMENTS

Pursuant to the IGA, GURA pays the City seven (7%) percent of its collected taxes for administrative services. In FY 2008-09 that amount should be minimal (\$550). Approximately \$3,600 of the \$7,800 will pay off the City's loan to GURA and the remainder will be part of the first loan payment on a subsequent loan (most likely from the City.) GURA will research various loan packages most benefitting the Agency and approve any loan through a vote of its members.

ISSUES FOR 2008-09 AND BEYOND

Due to concerns about a decline in our economy, the immediate outlook for any significant development in 2008-09 looks bleak. In conversations with the Miller's site owners, building will not start this summer as the City had previously hoped. The City is a few years away from approaching a developer to assist with plans at 301 Garibaldi Ave. One property owner has inquired about GURA's ability to underground utilities and construct curb extensions in front of their property along Garibaldi Ave. This is a much smaller project than either the Miller's site or 301 Garibaldi Ave. and could be considered by GURA as a good starter venture.

CONCLUSION

Urban renewal thrives when the projects it benefits are privately held. Since the taxes generated for projects are directly tied to increased assessed value, it is critical – especially in the Agency's early stages – that the projects do as much as possible to increase assessed values. Projects benefitting public property (i.e. not on the tax rolls) should be considered carefully as to the impact it has on surrounding property's assessed values.

Thank you for taking the time to consider the Garibaldi Urban Renewal Agency's 2008-09 Budget.

Respectfully,



Kevin M. Greenwood, Budget Officer/Secretary
Garibaldi Urban Renewal Agency

GARIBALDI URBAN RENEWAL AGENCY FISCAL YEAR 2008-09 BUDGET

GENERAL FUND RESOURCES	BUDGETED 2007-2008	PROPOSED 2008-2009	APPROVED 2008-2009	ADOPTED 2008-2009
BEGINNING FUND BALANCE	0	7,149	6,600	0
TOTAL RECEIPTS	38,028	168,400	101,400	
Current Years' Taxes	4,971	--	--	--
Prior Years' Taxes	0	--	--	--
Loans	11,625	150,000	83,000	
Grants	10,000	18,000	18,000	
Miscellaneous	11,282	0	0	
Interest	150	400	400	
TOTAL RESOURCES	38,028	175,549	108,000	0

GENERAL FUND REQUIREMENTS	BUDGETED 2007-2008	PROPOSED 2008-2009	APPROVED 2008-2009	ADOPTED 2008-2009
MATERIALS AND SERVICES	800	150	500	
Contracted Services	700	--	--	--
Travel & Training	0	0	0	
Bank Fees, Charges	100	150	500	
Subscriptions, Dues & Licensing	0	0	0	
CAPITAL OUTLAY	26,000	175,000	104,000	
Gateway Signs	0	25,000	24,000	
Public Infrastructure	0	125,000	55,000	
Garibaldi Plaza	--	25,000	25,000	
Pre-engineering Downtown Design	26,000	00		
DEBT SERVICE	9,700	--	--	--
Gateway Signs	9,700	--	--	--
FUND CONTINGENCY	500	399	1,000	
UNAPPROPRIATED ENDING FUND BALANCE	1,028	0	2,500	
TOTAL REQUIREMENTS	38,028	175,549	108,000	

DEBT SERVICE FUND RESOURCES	BUDGETED 2007-2008	PROPOSED 2008-2009	APPROVED 2008-2009	ADOPTED 2008-2009
BEGINNING FUND BALANCE	--	0	0	0
TOTAL RECEIPTS	--	7,878	7,878	
Current Years' Taxes	--	7,778	7,778	
Prior Years' Taxes	--	0	0	
Interest	--	100	100	
TOTAL RESOURCES	--	7,878	7,878	0

DEBT SERVICE FUND REQUIREMENTS	BUDGETED 2007-2008	PROPOSED 2008-2009	APPROVED 2008-2009	ADOPTED 2008-2009
DEBT SERVICE	--	7,878	7,878	0
Loan Payment	--	7,334	7,334	
Contracted Services	--	544	544	
FUND CONTINGENCY	--	0	0	
UNAPPROPRIATED ENDING FUND BALANCE	--	0	0	
TOTAL REQUIREMENTS	--	7,878	7,878	