CITY of DUNDEE
Oregon

Dundee Urban Renewal Agency

FY 2019-2020 Annual Budget

Budget Committee

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DUNDEE URBAN RENEWAL VISION STATEMENT

To revitalize the business district corridor to serve as the primary cultural, tourist, commercial core serving Dundee's citizens and visitors; encourage continued growth and development of the business district corridor; and enhance Dundee's distinct character and sense of place. The redevelopment of the business district corridor should create a vibrant area that can attract the public during both day and evening, create a pleasant multi-modal environment with connectivity to other areas of the community and attract a diverse mix to the commercial corridor.

The redevelopment of the business district corridor and creation of an urban renewal plan requires commitment from both the public and private sectors. The Urban Renewal Agency will ensure the opportunity for citizens to be involved in all phases of the urban renewal implementation process to: increase community understanding of the benefits received from the use of public funds in redevelopment activities; work to maintain strong public and private participation in the process; and provide regular opportunities for public input throughout the implementation process.

BUDGET MESSAGE

Background

The Dundee Urban Renewal Agency (DURA) was established via the adoption of Ordinance No. 546-2016 on June 7, 2016. The need for an urban renewal agency was affirmed following a feasibility study and finding of the following blight conditions within the Highway 99W corridor of the City of Dundee:

- Multiple properties remain undeveloped and are lacking adequate water and storm water facilities.
- Vacant storefronts and buildings with significant obsolescence and deterioration.
- Small lot sizes of some commercial properties that exhibit obsolescence and deterioration may inhibit redevelopment due to insufficient space for parking and other amenities.
- Substandard streets, including lack of sidewalks and/or crosswalks.
- Absence of a city center performing at its full potential resulting in underutilization of the area.

The DURA engaged the Mid-Willamette Valley Council of Governments to assist with the preparation of an urban renewal plan (Plan) pursuant to ORS 457. The Plan and its boundary of the urban renewal area were approved by the Dundee City Council on April 18, 2017. The Plan area is approximately 136 acres in size and includes the majority of commercial and industrial properties along the Highway 99W corridor in Dundee. The Plan and accompanied Report on the Dundee Urban Renewal Plan provides goals and objectives, a description of urban renewal activities, and policies to be used for implementation of the Plan. The maximum indebtedness to be incurred by the Plan is $11,337,831.

Tax Increment Financing

The principal source of revenue in the Urban Renewal Fund is derived through a process called tax increment. At the time of the Plan's approval, the aggregate assessed value within the Plan area as determined in FY 2016-17 is frozen. In other words, going forward in time the frozen base of assessed value will be used for continued distribution of property tax levies to all taxing districts within the Plan area. Increases in assessed value over the frozen base will be distributed directly to DURA at a levy rate equal to the combined levy rate of all taxing districts. For an example, City of Dundee will continue to receive taxes from the Plan area at the levy rate of $2.3115/$1,000 for the frozen base assessed value and DURA will receive $11.118/$1,000 in tax increment generated from assessed value over the frozen base. FY 2018-19 represented the first distribution of tax increment to DURA and is based on an estimated increase in assessed value over a two year period. Subsequent distributions will increase annually based on the revised assessed value in the Plan area over the frozen assessed value base of $56,017,935. The forecast of taxes to be received by DURA for the FY 2019-20 levy is estimated as follows:

Permanent Aggregate Rate	11.118
2018-19 Assessed Value	60,905,747
3% Increase in Assessed Value	1,827,172
Other Adjustments in AV	993,032
Less: Urban Renewal Frozen Base	(56,017,935)
Estimated 2019-20 Assessed Value	7,708,016
Property Tax Levy	85,698
Collection Rate	92.3%
Discount Amount	6,598
Taxes Estimated to be Received	**79,100**

The following table represents the taxes forgone by the other taxing districts for the DURA FY 2019-20 levy:

	Levy Rate	Taxes Forgone*
City of Dundee	2.3115	17,817
Yamhill County	2.5775	19,867
Chehalem Parks & Rec	0.9076	6,996
Yamhill Co. Soil & Water	0.0354	273
Yamhill Co. Extension Svc	0.0449	346
Newberg School District	4.6616	35,932
Portland Comm. College	0.2828	2,180
Willamette Regional ESD	0.2967	2,287
	11.118	85,698

*Unadjusted for early payment discounts

Proposed Budget

The FY 2018-19 Budget included preliminary engineering for the development of a concept plan for the reconstruction of Ninth Street from Highway 99W to Alder Street. This concept plan may be used to support a street construction loan application through the Oregon Transportation Infrastructure Bank (OTIB). The proposed budget anticipates the Ninth Street project securing OTIB loan financing and moving forward with completion of engineering design and preparation of bid specifications for construction in summer 2020. Also, it is anticipated that DURA and the City of Dundee will agree to the extent Urban Renewal will be used to repay the loan as opposed to other sources, such as property assessments or Dundee Street CIP Fund revenues.

The $25,000 under Debt Service in FY 2018-19 represents the first installment of a five-year loan to the City of Dundee for placement of conduits and vaults with the Highway 99W Sidewalk/Streetscape project in order to facilitate future undergrounding of the overhead cable

and communication lines. The cost of the project was $295,967 and the City of Dundee and DURA agreed to the following repayment schedule:

Installment	Due Date	Amount
No. 1	May 1, 2019	$25,000
No. 2	May 1, 2020	$50,000
No. 3	May 1, 2021	$75,000
No. 4	May 1, 2022	$100,000
No. 5	May 1, 2023	$45,967

The proposed FY 2019-20 budget includes the second installment payment ($50,000) on the 2018 loan plus a semi-annual payment ($22,000) for a new loan that will finance the relocation of the existing PGE overhead service connections attached to the Frontier Communications poles underground. The proposed budget anticipates the City of Dundee will either take out a bank loan or self-fund, and DURA will repay the loan to the City of Dundee. The repayment of the $3,900 loan represents the cost of the sewer main extension at Ninth Street on the east side of the highway to facilitate future development on that side of the highway.

Conclusion

The growth of tax increment used to finance urban renewal projects will increase over time, although the rate of growth will be directly tied to the success of those projects that best facilitate new development which adds taxable assessed value. It should be noted that tax increment will be used per the discretion of the DURA Board to leverage private investment. Also, the more success there is with implementation of the Plan, the sooner that the taxing agencies will reap the benefits of the use of their forgone tax revenue.

Respectfully submitted,

Rob Daykin, Executive Director
Urban Renewal Budget Officer

April 18, 2019

DUNDEE URBAN RENEWAL AGENCY
BUDGET FY 2019-2020

510 - Urban Renewal Fund

	Historical Data					Budget for Next Year 2019-20		
	ACTUAL 2016-17	ACTUAL 2017-18	ADOPTED BUDGET 2018-19	EST FORECAST 2018-19		PROPOSED by Budget Officer	APPROVED by Budget Committee	ADOPTED by Governing Body
1					**REVENUE**			
2								
3					**Taxes**			
4			38,000	50,800	Current Year Property Taxes	79,100	79,100	79,100
5					Prior Year Property Taxes	900	900	900
6	-	-	**38,000**	**50,800**	**Total Intergovernmental Revenue**	**80,000**	**80,000**	**80,000**
7								
8					**Miscellaneous Revenues**			
9			400	400	Investment Interest	800	800	800
10	-	-	**400**	**400**	**Total Miscellaneous Revenues**	**800**	**800**	**800**
11								
12	-	-	**38,400**	**51,200**	**TOTAL REVENUE**	**80,800**	**80,800**	**80,800**
13								
14					**EXPENDITURES**			
15								
16					**MATERIALS & SERVICES**			
17					**Professional Services**			
18					Accounting /Auditing			
19			1,800	1,000	Legal	1,500	1,500	1,500
20			10,000	12,000	Engineering/ Architecture	15,000	15,000	15,000
21			1,600		Planning	1,000	1,000	1,000
22	-	-	**13,400**	**13,000**	**Total Professional Services**	**17,500**	**17,500**	**17,500**
23								
24					**Other Materials & Services**			
25				200	Legal Notices	400	400	400
26	-	-	-	**200**	**Total Other Materials & Services**	**400**	**400**	**400**
27								
28			**13,400**	**13,200**	**TOTAL MATERIALS & SERVICES**	**17,900**	**17,900**	**17,900**
29								
30					**DEBT SERVICE**			
31			25,000	25,000	City of Dundee - Undergrounding	72,000	72,000	72,000
32					City of Dundee - Sewer Extensions	3,900	3,900	3,900
33	-	-	**25,000**	**25,000**	**TOTAL DEBT SERVICE**	**75,900**	**75,900**	**75,900**
34								
35	-	-	**38,400**	**38,200**	**TOTAL EXPENDITURES**	**93,800**	**93,800**	**93,800**
36								
37					**Excess (deficiency) of revenue**			
38	-	-	-	**13,000**	**over expenditures**	**(13,000)**	**(13,000)**	**(13,000)**
39								
40			-	**13,000**	**Net Change in fund Balance**	**(13,000)**	**(13,000)**	**(13,000)**
41								
42					**Fund Balance at beginning of year**	**13,000**	**13,000**	**13,000**
43								
44			-	**13,000**	**Unappropriated Ending fund Balance**	-	-	-

URBAN RENEWAL GOALS AND OBJECTIVES

Goal One:
To promote the revitalization of existing properties and development of underdeveloped or vacant properties within the Urban Renewal Area to meet the adopted Dundee design theme and standards.

Objectives:

- **A.** Support properties with technical and financial assistance in rehabilitation and redevelopment and achievement of adopted design standards through the Dundee façade renewal grant program.
- **B.** Support the development of affordable/attainable housing units.
- **C.** Support consolidation and adjustment of lot sizes/depths of parcels.
- **D.** Help improve local investment climate by reducing development costs.
- **E.** Explore public/private partnerships to leverage investments where there is a clear public benefit.
- **F.** Support the implementation of adopted design standards to encourage a unified design theme in the urban renewal area.

Goal Two:
To improve public facilities and utilities within the Urban Renewal Area to encourage development and improve the visual appearance of the project area.

Objectives:

- **A.** Provide new and upgraded public facilities and utilities to help support public and private development and amenities.
- **B.** Support and assist in the undergrounding of overhead utilities in compliance with Dundee Municipal Code section 12.28.070(A)(2) and Dundee Municipal Code section 17.305.040(G).
- **C.** Leverage private investment with urban renewal funds to support upsized/expanded public facility and utility improvements.

Goal Three:
To promote a safe and convenient multi-modal transportation system within the Urban Renewal Area.

Objectives:

- **A.** Facilitate multi-modal movements throughout the urban renewal area and outward toward other areas of the City, including support of public transit facilities.

B. Provide new and upgraded streets, including streetscape, lighting, landscaping, and other amenities, to encourage a unified visual theme throughout the project area.
C. Provide public parking opportunities within the project area.
D. Support the acquisition of additional public right-of-way needed to facilitate connectivity within the project area.

Goal Four:
To improve cultural, recreational and civic amenities and resources for community members and visitors to promote a vibrant business district and improve the quality of life in the City of Dundee.

Objectives:

A. Encourage and support development of community and civic gathering spaces, amenities and resources.
B. Support the preservation and revitalization of historic and cultural resources.
C. Encourage development of tourism facilities that support the economic vitality of the business district.

Schedule of Projects

The Agency has identified potential infrastructure projects and programs within the urban renewal plan area that may be necessary for various developments and or redevelopments and may receive all or a portion of their respective funding from the Agency. The primary infrastructure improvements identified within the plan area to facilitate development or redevelopment are transportation projects ($14.9 million, 78.4%) and undergrounding utilities ($2.1 million, 11.0%). Water projects ($0.5 million, 2.9%), stormwater projects ($0.6 million, 3.0%), and other improvements and programs ($0.9 million, 4.8%) have also been identified. The cost estimate amounts are in 2016 dollars.

The timing and the inflation adjusted estimated cost associated with each project, as well as the amount of urban renewal funding, will be dependent upon development and redevelopment opportunities during the term of the plan. The various opportunities will be significantly influenced by property owners and or developers.

Total potential project costs exceed available urban renewal plan maximum indebtedness by no less than $8.0 million. This amount will increase as project costs increase with inflation while the maximum indebtedness amount remains constant. The funding gap will come from unidentified sources, such as potential transportation and utility system development charges, developer contributions, and other resources. The amount of unidentified funding necessary to complete each project and program will be determined based on various criteria including but not limited to development requirements, project funding feasibility and funding gaps, and the availability of various sources of funds.

Projects and Programs within the Urban Renewal Plan Area

	Type of Improvement and Location	Description	Cost Estimate
Transportation			
1	3rd Street/West of 99W	Sidewalks, curbs, minor widening	$36,000
2	3rd Street/East of 99W	Sidewalks, driveway extension	34,000
3	4th Street/East of 99W	Driveway approach/minimum landscaping	8,000
4	5th Street Right Turn Lane	Widen, relocate curb and sidewalk	640,000
5	Sidewalks over RR at 5th Street	Replace 4' wide asphalt path with sidewalk	12,000
6	Maple Street Sidewalk, 7th to 5th	New sidewalk on west side	49,000
7	Maple Street Extension, 7th to 8th	New street, curbs, sidewalks	430,000
8	8th Street Reconstruction, RR to Locust	Widen street, curbs, sidewalks	619,000
9	Maple Street Reconstruction, 11th to 8th	Widen street, curbs, sidewalks	990,000
10	10th Street Sidewalks, Hwy to Maple	Sidewalks both sides, minor widening	273,000
11	11th Street, Hwy to Parks	New collector street, curbs, sidewalks	2,275,000
12	Maple Street Reconstruction, Parks to 11th	New street, curbs, sidewalks	820,000
13	Parks Drive Reconstruction, Hwy to Locust	Widen, curbs, sidewalks	765,000

14	Niederberger/Parks Realignment	Additional right turn lanes	760,000
15	13th Street Construction	New local street, curbs, sidewalks	445,000
16	Alder Street Extension	Collector street, curbs, sidewalks	705,000
17	Alder Street Sidewalk	Completes gap on west side next to 11th	19,000
18	11th Street Sidewalk	Extends sidewalk on north side to Alder	26,000
19	Alder Street, 11th to 9th	Sidewalks, curbs, minor widening	425,000
20	Linden Lane Extension, 11th to 9th	New street, curbs, sidewalks	850,000
21	10th Street Extension, Parking Capacity	New street, curbs, sidewalks, parking	399,000
22	9th Street Reconstruction, Hwy to Alder	New street, curbs, sidewalks, bike lanes	1,432,000
23	Linden Lane, 9th to 7th	Sidewalks, curbs, minor widening	162,000
24	8th Street, Hwy to Linden, Parking Capacity	New street, curbs, sidewalks, parking	750,000
25	7th Street Sidewalk	Completes gap on south side near Linden	18,000
26	7th Street Sidewalk	Completes gap on north side	10,000
27	7th to 5th Connection	New street, curbs, sidewalks	1,245,000
28	5th Street Collector	Widen, curbs, sidewalks	405,000
29	Graystone Extension, 6th to 5th	New street, curbs, sidewalks	295,000
			$14,897,000

Water

30	Hwy 99 Water Line Upgrade, 1st to 3rd	Replace 4" line with a 10" line - 400 feet	$96,000
31	Hwy 99 Water Line Upgrade, 5th to 7th	Replace 4" line with a 10" line - 300 feet	72,000
32	(location) Fire flow/multiple properties	Replace 4" line with a 8" line- 1,300 feet	249,600
33	Hwy 99 Water Line Upgrade, 10th to 11th	Replace 4" line with a 10" line - 150 feet	36,000
34	Hwy 99 Water Line Upgrade, 12th to 13th	Replace 4" line with a 10" line - 400 feet	96,000
			$549,600

Storm Water

35	New 8th Street, Linden to Hwy 99W	Catch basins, 340 ft of 15" pipe	$48,000
36	System Extension, Hwy to RR near 8th Street	180 ft of 24" pipe	32,000
37	System Extension next to RR, 8th to 10th	Manhole, 600 ft of 36" pipe	163,000
38	Replace ditch, Hwy to RR near 10th Street	180 ft of 30" pipe	36,000
39	System Extension next to RR, 10th to 11th	Manhole, 350 ft of 36" pipe	94,000
40	Replace ditch on Alder, 11th to 13th new street connection	Manholes, catch basins, 600 ft of 42" pipe	191,000
41	4th Street, South of Hwy 99W	Easement acquisition, 300 ft of 12" pipe, catch basin	$45,000
			$609,000

Undergrounding Utilities

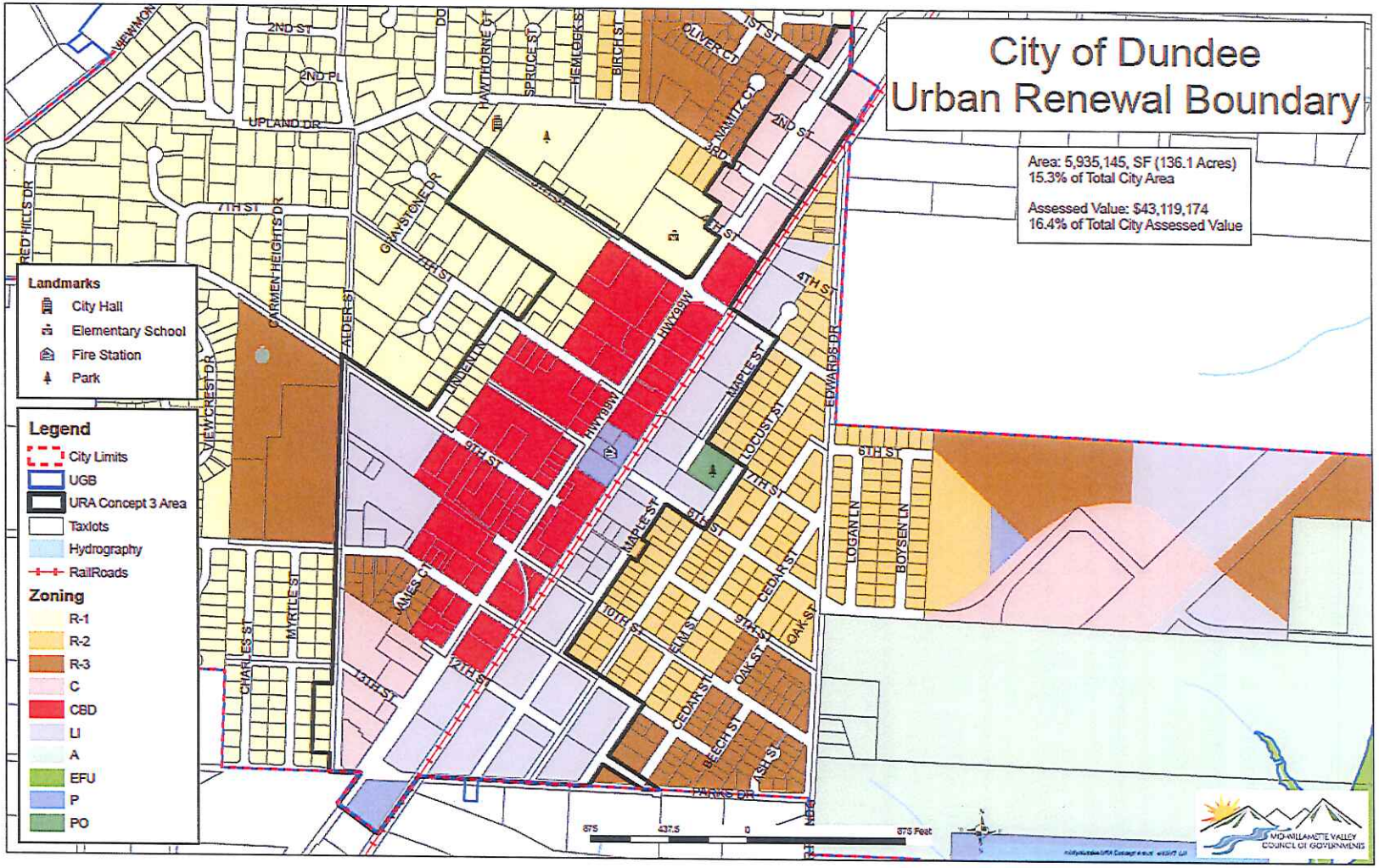
42	Hwy 99W Crossings - PGE only, 1st to 12th	11 bores, 17 service conversions, 1700 feet	$734,000
43	5th Street - South Side - RR to City Hall	1 bore, 5 service conversions, 1700 feet	609,000
44	7th Street - North Side - Hwy 99W to Linden	1 bore, 2 service conversions, 650 feet	243,000

45	9th Street - Both Sides - Hwy 99W to Alder	1 bore, 7 service conversions, 1300 feet	509,000
46	Installing conduit for future undergrounding		350,000
			$2,445,000

Other Improvements and Programs

47	Façade Grant Program	Matching grants for businesses	$60,000
48	Commercial Core Community Plaza (2011 Vision project)	Pedestrian ways, landscaping, seating areas	120,000
49	Acquisitions/Consolidations	Various Locations - Net cost after resale	50,000
50	Public Parking Plan & Facilities (3)	72 spaces with landscaping/lighting	673,000
51	Public Restrooms		250,000
			$1,153,000

	Total Projects	**$19,653,600**


City of Dundee
Urban Renewal Boundary
Area: 5,935,145, SF (136.1 Acres)
15.3% of Total City Area
Assessed Value: $43,119,174
16.4% of Total City Assessed Value
Landmarks
City Hall
Elementary School
Fire Station
Park
Legend
City Limits
UGB
URA Concept 3 Area
Taxlots
Hydrography
RailRoads
Zoning
R-1
R-2
R-3
C
CBD
LI
A
EFU
P
PO
875
437.5
0
875 Feet
MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS