

Veneta Urban Renewal Agency



AGENDA

VENETA URBAN RENEWAL AGENCY BUDGET COMMITTEE

THURSDAY, MAY 29, 2024 – 7:30 P.M.

Veneta Administrative Center – J.W. “Bill” Smigley Room
88184 8th Street, Veneta, Oregon

City of Veneta Public Meetings can be accessed via teleconference. To listen to, or participate in, this meeting, call 541-935-2192 (Participant Code 793738#). To submit public comments electronically, email comments to JMirable@venetaoregon.gov by 3:00 p.m. of the preceding Monday. All public comments must include your name and address.

1. CALL TO ORDER.....Budget Officer Matt Michel
2. ADMINISTRATIVE TASKS.....Budget Officer Michel
 - a. Election of Chairperson and Secretary
3. REVIEW OF REQUESTED BUDGET.....Chairperson
 - a. Presentation of Budget Message (Pgs. 1-2).....City Administrator Matt Michel
 - b. Annual Report for Fiscal Year Ending June 30th 2024 (Pgs. 3-6)
 - c. Listing of Potential Projects & Schedule of Transfers (Pg. 7)
 - d. Veneta Urban Renewal Agency Estimate of Taxes (Pg. 9)
 - e. Estimated Revenues, Resources, Beginning and Ending Fund Balances (Pgs. 11-13)
 - f. Discussion
4. PUBLIC COMMENT.....Chairperson
5. APPROVALS.....Chairperson
 - a. Approval of Budget
 - b. Approval of Tax Levy
6. ADJOURNMENT.....Chairperson

Access Veneta Urban Renewal Agency meeting material at <http://www.venetaoregon.gov/meetings>

Times are approximate. Location is wheelchair accessible. Individuals needing special accommodations, such as sign language or foreign language interpreters, should make such requests by contacting the City Recorder at 541-935-2191(voice) or by e-mail at: JMirable@venetaoregon.gov. Requests made after 10:00 a.m. two working days prior to a meeting may not be accommodated. Los tiempos son aproximados. La ubicación es accesible para sillas de ruedas. Las personas que necesiten un alojamiento especial, tales como lenguaje de señas o intérpretes de idiomas extranjeros, deben hacer tales peticiones poniéndose en contacto con el registrador de la ciudad en 541-935-2191 (voz) o por correo electrónico a: JMirable@venetaoregon.gov. Las solicitudes hechas después de las 10:00 a.m. dos días hábiles antes de una reunión no pueden ser acomodadas.

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May 29, 2025

Veneta Urban Renewal Agency Budget Committee

Re: Budget Message for Fiscal Year 2025-2026

The Budget Document

The budget document provided to the Veneta Urban Renewal Agency Budget Committee is formatted according to Oregon Budget Law. The budget estimates funding resources and expenditure requirements that are balanced within funds established by the Agency to record financial activity.

The budget packet includes materials on estimated property taxes and the Agency's most recent state-required annual report to surrounding taxing authorities contributing the Agency's revenue stream.

Summary of Proposed Financial Policies for the 2025-2026 Budget Period

The City of Veneta's financial policies contained in Resolution No. 1441, "A Resolution Adopting City Financial Policies, and Repealing Resolution No. 1407" (adopted March 10, 2025) are applied to the Agency. Policies relevant to developing the budget are highlighted below.

- The budget is to be prepared in accordance with Oregon local budget law. The budget is to be adopted, by resolution, annually no later than June 30th.
- The Agency shall adopt the budget at the Fund and Program level (i.e. Administration, Debt Service, etc.).
- The Agency will prepare the budget in a conservative manner by:
 - the use of a contingency fund;
 - rounding up to the nearest \$100 when budgeting expenses;
 - rounding down to the nearest \$100 when budgeting revenues; and
- The Agency's unassigned General Fund balance will be maintained to provide the Agency with sufficient working capital and a margin of safety to address the needs of the Agency without borrowing. The unassigned General Fund Balance may only be appropriated by resolution of the Agency.
- The Agency delegates authority to the City Administrator and the Finance Director to assign fund balance amounts as appropriate.

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Important Features of the Budget Document

Applying the financial policies briefly outlined above, the Agency's budget implements major projects identified in the official project list of the Agency.

Staff applied the following practices to develop the budget:

- Assume a 3% increase of Assessed Value on private properties in the Agency boundaries and a 95.4% collection rate based on Lane County Assessor estimates.
- Budget Agency funds transferring to the City for the Bolton Hill Sports Complex project, the W. Broadway ("The Attic") redevelopment project, development of the City's downtown block and economic development incentives.
- Continue to budget a line-of-credit loan to fund program expenses in advance of receiving property tax revenues later in the fiscal year. Also continue to promptly re-pay the loan with unappropriated ending fund balance from the URA's Debt Service Fund.

Budget-at-a-Glance: Principle Issues for the Upcoming Fiscal Year and Changes from the Previous Year/Budget

In general, the economic headwinds that appear to be persisting into the coming fiscal year will most likely sustain cost pressures for capital construction. The City has seen some softening in competitively bid projects like the recent dog park and pickleball courts construction package, but not significant. This may lead to evaluating funding alternatives such as loans, bonds, or other debt financing instruments to close gaps between construction bids and available resources.

This year's Veneta Urban Renewal Agency budget totals \$5,771,131 and is balanced. Property taxes are received into the Debt Service Fund to cover any existing Agency project debt. Remaining funds may be used to directly fund projects by using a debt instrument to put those funds into the Agency's General Fund as working capital.

Total new revenue comes from \$915,724 in property taxes into the Agency's Debt Service Fund and a \$1,991,000 "du jour" private loan that is promptly paid-off with tax proceeds. This allows the Agency to move funds from the Debt Service Fund into the General Fund for expense or transfer to the City.

Total expenditures sum to \$3,996,400 comprised of the du-jour loan and the transfer of funds to the City for the Bolton Hill Sports Complex project, and economic development projects (development design for the City's downtown block, and the W. Broadway "The Attic" property matching reimbursement grant) including signage on Highway 126.

Take care,



Matt Michel
City Administrator

Veneta Urban Renewal Agency

ANNUAL STATEMENT FOR FISCAL YEAR ENDING JUNE 30, 2024



This report fulfills the requirements prescribed in ORS 457.460 for the filing of an annual statement detailing the financial activity of an urban renewal area established in Oregon.

URBAN RENEWAL BACKGROUND

The Veneta Urban Renewal Agency Plan was adopted by the City of Veneta in October 1984. It was amended to increase the maximum indebtedness in 2019.

The Veneta Urban Renewal Plan Area Frozen Value Area is \$7,405,488. For fiscal year 2023-2024, the Plan Area Current Value (assessed value) is \$73,630,982 while the Excess Value, or the value on which taxes were paid to the Veneta Urban Renewal Agency in fiscal year 2023-2024 is \$66,225,494. These values increased \$1,234,944 over last fiscal year; a 1.9% change.¹

The Veneta Urban Renewal Agency (URA) is a separate legal and financial entity, governed by the members of the City of Veneta City Council. The URA's guiding document is the 1984 Urban Renewal Plan, which lists a series of goals and objectives to guide activities in the Area.

Goals listed in the Plan are as follows:

The Urban Renewal Task Force, Veneta Planning Commission and Veneta City Council agree that the creation of the Veneta Economic Development District will enable the City to achieve its primary goal of becoming a "mid-Lane service center and suburban residential community with an appealing rural setting."

1. Develop a cohesive central business district and attractive light industrial park areas to attract new employers to Veneta
2. Construct new public facilities to stimulate construction of new residential, commercial and industrial buildings.
3. Replace substandard public facilities.
4. Eliminate unsafe, deteriorated or dilapidated buildings in the older downtown area of Veneta.
5. Improve the appearance of the City and create a sense of community pride.
6. Establish a long-term financing program to make needed public improvements.

The entire Veneta Urban Renewal Agency Plan and Report can be found on the City of Veneta's website, www.venetaoregon.gov under Departments, Urban Renewal.

¹ Source: Lane County Assessor, Tax Year 2023-24, SAL Table 4e, Lines 7-9

FINANCIAL REPORTING

Pursuant to ORS 457.460 a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information responds to the requirements of this statute.

Maximum Indebtedness

The maximum indebtedness authorized for the Area is \$18,426,665.

Preceding Fiscal Year, 2023-2024

- **Indebtedness Incurred**

The amount of indebtedness remaining for the Plan Area ending June 30, 2024 is \$7,953,665. This is the same amount as last fiscal year.

- **Property Taxes and Incurred Indebtedness**

The Veneta Urban Renewal Agency received \$959,711 from the division of taxes.² No debt was incurred. The detailed revenues of the Veneta Urban Renewal Agency in the General Fund and the Debt Service Fund can be seen in Table 1.

Table 1. Money Received During FY 2023-2024

Revenue Category	General Fund	Debt Service Fund
Division of Taxes Current	\$ -	\$ 959,711
Interest Income	\$ 10,711	\$ 49,226
TOTAL:	\$ 10,711	\$ 972,454

Source: Veneta Urban Renewal Agency, 4th Quarter Fiscal Year 2023-2024 Report (Oct. 14, 2024 Agency meeting packet)

- **Funds Expended and Purposes**

Funds expended on urban renewal activities in the General Fund and the Debt Service Fund are shown in Table 2. The purpose was administrative support.

Table 2. Expenditures During FY 2023-2024

Expenditure Category	General Fund	Debt Service Fund
Materials and Services	\$ 7,297	\$ -
TOTAL:	\$ 7,297	\$ -

Source: Veneta Urban Renewal Agency, 4th Quarter Fiscal Year 2023-2024 Report (Oct. 14, 2024 Agency meeting packet)

² Veneta Urban Renewal Agency, 4th Quarter Fiscal Year 2023-2024 Report (Oct. 14, 2024 Agency meeting packet)

- Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 3. This information is from Lane County Assessor records, Table 4e.

Urban renewal agencies do not create an additional tax. Instead, during the agency's lifespan, overlapping taxing districts "forego" a portion of their permanent rate. Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes.

Any affected school district and education service district are funded through the State School Fund on a per pupil allocation. There is no direct impact of urban renewal on their funding. The State School Fund is funded through property tax allocations, but also through other state resources.

Revenue Sharing was enacted in 2009 as part of the statutory changes to ORS 457 and is described in ORS 457.470. The original Plan was not subject to revenue sharing as it was adopted prior to 2009. However, the substantial amendment in 2019 increased the maximum indebtedness, which made the Plan subject to those revenue sharing provisions. The first threshold is 10% of the original maximum indebtedness (\$1,361,360). The revenues do not yet meet the revenue sharing thresholds, but this issue needs to be monitored annually.

Table 3. Impact on Taxing Districts in Fiscal Year 2023-2024

Taxing Jurisdiction	Impact
Lane County	\$ 84,629
Lane Community College	\$ 40,939
Lane ESD	\$ 14,741
City of Veneta	\$ 372,878
Fern Ridge School District 28J	\$ 319,136
Lane Fire Authority	\$ 131,908
Fern Ridge Library District	\$ 25,294
Upper Willamette Soil & Water	\$ 4,599
TOTAL:	\$994,124

Source: Lane County Assessor, Tax Year 2023-24, SAL Table 4e, Summary Sheet

Current Fiscal Year, 2024-2025

- Estimated Property Taxes and Incurred Indebtedness

The estimated tax revenues in the adopted Veneta Urban Renewal Agency budget are \$928,869. The Agency plans to incur \$2,790,000 of indebtedness.³

³ Veneta Urban Renewal Agency Adopted Budget Fiscal Year 2024-2025, pgs. 1-2

- Proposed Expenditures and Purposes

A compiled budget listing the money to be received due to urban renewal, money to be spent, and what projects/expenses the money will fund is shown in Table 4 and 5 below.

Table 4. Budgeted Urban Renewal Expenditures and Purposes

Description	2025 Adopted
URBAN RENEWAL AGENCY - GENERAL FUND	
EXPENDITURES	
Materials & Services	
Administrative Supplies	1,000
Public Relations/Marketing	100
Debt Issuance Costs	1,000
Redevelopment Toolkit	90,000
Administration Functions by City	5,000
Legal Fees	500
Audit Fees	500
Downtown Retail Marketing Implementation	-
Other Professional Services	2,100
Materials & Services Total	100,200
Transfers	
COV Park Facilities	1,730,000
COV Economic Development	712,000
COV Streets	30,000
Transfers Total	2,472,000
TOTAL EXPENDITURES	2,572,200
 URBAN RENEWAL AGENCY - DEBT SERVICE FUND	
EXPENDITURES	
Debt Service	
"Du Jour" Line of Credit Loan Principal Payment	
Planned Issue Date: 2025	
2024 Key Bank Loan Principal	2,790,000
Total Principal	2,790,000
"Du Jour" Line of Credit Loan Interest Payment	
Planned Issue Date: 2025	
2024 Key Bank Loan Interest	2,500
Total Interest	2,500
Debt Service Total	2,792,500
TOTAL EXPENDITURES	2,792,500

Veneta Urban Renewal Agency Adopted Budget Fiscal Year 2024-2025, pgs. 1-2

LISTING OF POTENTIAL PROJECTS & SCHEDULE OF TRANSFERS

REVENUE SOURCE	FUND FOR EXPENDITURE	TOTAL PROJECT COST	EXPLANATION	EXPENDITURE ACCOUNT
URA	General Fund- Economic Development	\$235,000	Reimbursable matching grant funds for 2 years	100-000-49115
URA	General Fund- Economic Development	\$ 20,000	Commercial development diligence on W. Broadway using consultants for market analysis and financing options	100-000-49115
URA	Parks & Recreation Fund	\$ 1,706,000	Funds to begin Bolton Hill Sports Complex design and Phase 1 Construction	130-000-41995
URA	Streets	\$30,000	Streetscape improvements include gateway improvements (signage) at the Highway 126 intersection	230-000-46010
	TOTAL	\$ 1,991,000		

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**VENETA URBAN RENEWAL AGENCY
ESTIMATE OF TAXES**

	ESTIMATED FY 2025-2026	Actual FY 2024-2025 Excess Assessed Value & Collections through April 2025	Actual FY 2023-2024
Current Year Assessed Value	\$ 67,561,672		
Rate of Increase (maximum is 3%)	<u>1.03</u>		
Estimated Assessed Value (for upcoming year)	69,588,522		
Actual Assessed Value	*	\$ 67,561,672	\$ 66,225,494
Tax to be Levied **	944,947		
Estimated Collection Rate	<u>95.5%</u>		
Estimated Tax Collections	\$ 902,424		
Actual Taxes Received	\$ 917,424	\$ 945,997.87	
Implied Rate		0.01357906	0.01428450
* Value increase from previous year	2.0176%		
** Based on the estimated current year Excess Assessed Value multiplied by the implied rate for the estimated tax revenue to be collected for the upcoming fiscal year. Another option would be to use the average of past years collections.			

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SUMMARY OF RESOURCES							SUMMARY OF REQUIREMENTS								
FUNDS BY TYPE	BEGINNING FUND BALANCE PROJECTED FUND BALANCE @ 7-1-2025	PROPERTY TAXES	LOAN PROCEEDS	INTEREST INCOME	OTHER	TOTAL NEW REVENUE	TOTAL RESOURCES (Beginning Fund Balance + New Revenue)	MATERIALS & SERVICES	CAPITAL OUTLAY	DEBT SERVICE	TRANSFERS	CONTINGENCY	TOTAL EXPENDITURES	ENDING FUND BALANCE PROJECTED FUND BALANCE @ 6-30-2026	TOTAL REQUIREMENTS (Expenditures + Ending Fund Balance)
GENERAL FUND:															
General Fund	660,007	-	1,991,000	10,500	-	2,001,500	2,661,507	11,900	-	-	1,991,000	-	2,002,900	658,607	2,661,507
DEBT SERVICE FUND:															
Debt Service	2,152,100	915,724	-	40,600	1,200	957,524	3,109,624	-	-	1,993,500	-	-	1,993,500	1,116,124	3,109,624
TOTALS	\$ 2,812,107	\$ 915,724	\$ 1,991,000	\$ 51,100	\$ 1,200	\$ 2,959,024	\$ 5,771,131	\$ 11,900	\$ -	\$ 1,993,500	\$ 1,991,000	\$ -	\$ 3,996,400	\$ 1,774,731	\$ 5,771,131
						\$ -									

URBAN RENEWAL AGENCY - GENERAL FUND

	2023 Actual	2024 Actual	2025 Adopted	Description	2025 Est. Actual	2026 Requested
RESOURCES						
1	695,041	655,351	653,422	BEGINNING FUND BALANCE	653,422	660,007
2	8,828	10,711	8,067	Interest Income	8,333	10,500
3	-	-	2,790,000	Loan Proceeds	-	1,991,000
4	703,869	666,062	3,451,489	Total Resources, except taxes to be levied	661,755	2,661,507
5	Taxes estimated to be received					
6	Taxes collected in year levied					
7	703,869	666,062	3,451,489	TOTAL RESOURCES	661,755	2,661,507
8						
9	EXPENDITURES					
10	Materials & Services					
11	634	79	1,000	Administrative Supplies	1,189	700
12		-	100	Public Relations/Marketing	-	-
15		-	1,000	Debt Issuance Costs	-	-
13	1,000	6,000	90,000	Redevelopment Toolkit	-	
17	5,000	148	5,000	Administration Functions by City	-	5,000
18		-	500	Legal Fees	255	200
19	500	560	500	Audit Fees	-	4,000
20	-	-	-	Downtown Retail Marketing Implementation	-	-
21	4,398	1,184	2,100	Other Professional Services	304	2,000
22	11,532	7,972	100,200	Materials & Services Total	1,748	11,900
23						
24	Transfers					
26	-	-	1,730,000	COV Park Facilities	-	1,706,000
28	-	-	712,000	COV Economic Development	-	255,000
27	-	-	30,000	COV Streets	-	30,000
32	-	-	2,472,000	Transfers Total	-	1,991,000
33						
34	-	-	-	Contingency	-	-
35						
36	11,532	7,972	2,572,200	TOTAL EXPENDITURES	1,748	2,002,900
37	695,041	658,090		ENDING FUND BALANCE		
38			879,289	ESTIMATED FUND BALANCE	660,007	658,607
39	706,573	666,062	3,451,489	TOTAL REQUIREMENTS	661,755	2,661,507

URBAN RENEWAL AGENCY - DEBT SERVICE FUND

	2023 Actual	2024 Actual	2025 Adopted	Description	2025 Est. Actual	2026 Requested
RESOURCES						
1	1,995,669	2,969,053	3,014,835	BEGINNING FUND BALANCE	1,178,182	2,152,100
2	16,288	12,286	11,788	Previously Levied Taxes	11,603	13,300
3	1,137	1,502	2,168	In-Lieu/Other	1,048	1,200
4	1,310	1,957	1,241	Interest on Taxes	1,270	1,500
5	393	-	174	Investment Income on Taxes	-	100
6	25,348	49,226	23,395	Interest Income	42,620	39,000
7	2,040,146	3,034,024	3,053,601	Total Resources, except taxes to be levied	1,234,723	2,207,200
8			917,081	Taxes estimated to be received	917,424	902,424
9	928,907	945,998		Taxes collected in year levied		
10	2,969,053	3,980,022	3,970,682	TOTAL RESOURCES	2,152,147	3,109,624
11						
12				EXPENDITURES		
13				Debt Service		
14				"Du Jour" Line of Credit Loan Principal Payment		
15				Issue Date: September 2024		
16	-	-	2,790,000	2024 Key Bank Loan Principal	-	1,991,000
17	-	-	2,790,000	Total Principal	-	1,991,000
18				"Du Jour" Line of Credit Loan Interest Payment		
19				Issue Date: September 2024		
20	-	-	2,500	2024 Key Bank Loan Interest	-	2,500
21	-	-	2,500	Total Interest	-	2,500
22						
23				Water Bonds Principal Payments		
24				Issue Date:		
25	-	-	-	2001 Water Bonds	-	-
26	-	-	-	Total Principal	-	-
27				Water Bonds Interest Payments		
28				Issue Date:		
29	-	-	-	2001 Water Bonds	-	-
30	-	-	-	Total Interest	-	-
31	-	-	-	Bond Agent Fees	-	-
32						
33	-	-	2,792,500	Debt Service Total	-	1,993,500
34						
35	-	-	2,792,500	TOTAL EXPENDITURES	-	1,993,500
36	2,969,053	3,980,022		ENDING FUND BALANCE	2,152,147	1,116,124
37			1,178,182	ESTIMATED FUND BALANCE	2,152,147	1,116,124
38	2,969,053	3,980,022	3,970,682	TOTAL REQUIREMENTS	2,152,147	3,109,624