

CITY OF LA GRANDE

Urban Renewal District Budget Committee

May 10, 2021

6:00 p.m.

The meeting was available for viewing via the City's scheduled Charter Communications channel 180, on the La Grande Alive website at <https://eoalive.tv/city-events/> and on the Eastern Oregon Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

MINUTES

MEMBERS PRESENT

Stephen E. Clements, Mayor
Gary Lillard, Mayor Pro Tem
David Glabe, Agency Member
Nicole Howard, Agency Member
Mary Ann Miesner, Agency Member
Justin Rock, Agency Member

Greg Ammer
Mat Barber
Corrine Dutto
Scott McConnell
Ashley O'Toole

ABSENT/EXCUSED

John Bozarth, Agency Member
Ed Henninger
Max Koltuv

STAFF PRESENT

Gary Bell, Police Chief
Michael Boquist, Community Development Director
Kyle Carpenter, Public Works Director
Jake Dixon, Water Superintendent
Jennifer Fox, Fire Department Admin. Assistant
Ronda Griffin, Communications Manager
Jason Hays, Police Lieutenant
Sandra Patterson, City Recorder
Kip Roberson, Library Director
McKayla Rollins, Recreation Supervisor
Stacey Stockhoff, Assistant to the City Manager
Anita Zink, Human Resource Specialist

Lyle Bridge, WWTP/Sewer Superintendent
Josie Boyk, Public Works Admin. Assistant
Emmitt Cornford, Fire Chief
Joe Fisher, Building Official
Carla Greenough, Police Admin. Assistant
Rob Harnack, Senior Accountant
Christine Jarski, Economic Development Director
Heather Rajkovich, Finance Director
Teresa Roberts, Aquatics Superintendent
Stu Spence, Parks and Recreation Director
Robert Strope, City Manager/District Manager

Per ORS 192.670(1), the Budget Committee and Staff participated in this Regular Session by electronic communication.

ROLL CALL

Mayor CLEMENTS called the meeting of the City of La Grande Urban Renewal District Budget Committee to order at 6:00 p.m. Roll Call was taken and a quorum was determined to be present.

AGENDA APPROVAL

There were no additions or changes to the Agenda.

DECLARATIONS

None

ELECTION OF CHAIR

Mary Ann MIESNER nominated Mat BARBER to be Chair of the Urban Renewal Budget Committee.

QUESTION: Due to the lack of any additional nominations, a vote was not necessary and Mat BARBER was elected as Chair.

Chair BARBER opened the Urban Renewal District Budget Hearing at 6:04 p.m. and asked for the Budget Message.

BUDGET MESSAGE

Robert A. Strope, Budget Officer

After outlining the procedure for the Budget Hearings, STROPE stated that the 2021-2022 Fiscal Year Proposed Urban Renewal District Budget was prepared with direction received during the Agency's January 25, 2021, Retreat, which again included affirmation of continuing to fully fund core economic development efforts first and to under levy surplus property taxes.

STROPE stated that based on that guidance, the Proposed Budget reflected an under levy of Urban Renewal to provide more revenues to the City's General Fund. This would also provide additional revenues to other taxing districts. Notice of the intent to under levy was provided to the other taxing districts and no objections were received.

STROPE noted that the intent was to under levy for the foreseeable future while maintaining current programs and a sustained targeted ending cash balance of approximately \$250,000. However, the under levy was an annual decision, and was at the discretion of the Agency. The Proposed Budget included funding for the Economic Development Director and \$525,000 in new funding for existing programs including a slightly higher amount for the Façade Grant Program, \$75,000; increased non-Business Park Call for Projects Program from \$250,000 to \$350,000; and \$100,000 to be added to the existing \$200,000 being carried over from the current year for Agency identified, pro-actively targeted improvement projects in the Central Business Zone. The carried over \$200,000 would be used as match to leverage an EDA Grant if successful.

STROPE stated that the Proposed Budget also included carrying over the unused \$200,000 Traded Sector incentive for new traded sector businesses relocating to the La Grande Business and Technology Park and carrying over \$125,000 of unused funding for new Call for Projects (CFP) Program projects located at the La Grande Business and Technology Park. The \$100,000 of new funding that normally would be added to the Call for Projects at the Business Park was the source of the increase to \$350,000 for non-Business Park CFP projects. Other carried over funds were included in the Proposed Budget for previously approved projects that remain open.

STROPE noted that because of the regulatory constraints surrounding Urban Renewal, the City of La Grande and the Urban Renewal Agency have an agreement that provides for the transfer of funds from the Agency to the City's General Fund for services, including funding of the Economic Development Department and La Grande Main Street Downtown (LGMSD) at \$25,000. The Agency was not planning to provide funding for any outside third-party agency or organization for economic development efforts in the coming fiscal year other than the existing services provided by LGMSD. The Proposed Budget carried forward unused, Agency awarded grant funds that have not been disbursed because the projects were still in progress.

STROPE announced that at the time the Budget Message was prepared, it was unclear what impacts the COVID-19 pandemic would have on the District. Given the uncertainty, the Proposed Budget was for a status quo approach with the understanding that the Agency may need to make adjustments in the upcoming fiscal year.

STROPE reviewed the Urban Renewal Agency Under Levy projections based on 2020-2021 levy rates.

PUBLIC TESTIMONY

None

COMMITTEE DISCUSSION

Mayor CLEMENTS asked why the proposed amounts for principal and interest payments were higher than the estimated figures for the current year, to which STROPE explained that these were for the loan program that the Agency offered for a period of forbearance during the pandemic, which only one or two people utilized, causing the estimate to be lower than the original budgeted amount in FY 2020-2021, but that payments would resume and the proposed amount reflects the increased revenues.

In response to Mayor CLEMENTS' question regarding the URA Plan Project's account number, STROPE stated that it was easier to manage all of the projects under one account number instead of breaking each one out with their own account number. He also stated that the FY 2020-2021 budgeted amount of \$952,550 was the total for CFP – Current Year, CFP – Prior Year, CFP/Business and Tech Park, URA initiated CBZ projects, and the Façade Program.

STROPE notified the Budget Committee that the Agency had accepted a full price offer of \$75,000 and would be moving forward with the sale of the parcel of land adjacent to the La Grande Business and Technology Park (editorial note: located on Prospect Drive). The proceeds from this sale would be shown under the property sales revenue line in next year's budget.

DUTTO asked why the Urban Renewal Administrative Fees General Fund line increased approximately \$40,000 since 2019, in which STROPE responded that the biggest reason for the adjustment was the addition of a full-time HR position.

AMMER asked for further clarification, to which STROPE stated this line was calculated by a formula that assigns costs based on a number of factors, including staff costs.

A discussion was held regarding tax revenue and return on investment on properties funded by Agency programs such as Call for Projects; public and private investments made on projects and the increase in assessed value to the downtown district; and the competition factor between certain like businesses that could occur. It was noted that the assessed value of properties inside the Urban Renewal District had increased at the same rate as properties outside the District until the Agency began investing in public private partnerships, at which time the values inside the District began increasing at a higher rate.

Chair BARBER closed the Hearing at 6:31 p.m. to entertain a Motion from the Budget Committee.

The following Motion was introduced by O'TOOLE; DUTTO providing the Second:

MOTION

MOTION: I move that the Urban Renewal District certify to the County a request that \$62,078,898 in increment value be used for the purpose of dividing taxes and that the Urban Renewal District Budget for Fiscal Year 2021-2022 be approved as presented; and further, that it be forwarded to the Urban Renewal Agency for consideration and adoption during its Regular Session on June 2, 2021.

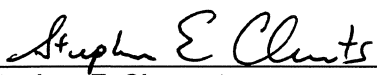
COMMITTEE DISCUSSION

None

VOTE

MSC. All ELEVEN (11) of the members present voted in the affirmative; BOZARTH, HENNINGER, and KOLTUV were absent excused.

At 6:33 p.m. Chair BARBER adjourned the Budget Committee to Consider the Approval of the Budget Committee Minutes during the Agency's Regular Session on June 2, 2021.



Stephen E. Clements
Mayor



Mat Barber
Chair

ATTEST:



Stacey M. Stockhoff
Assistant to the City Manager

APPROVED:

