



# City Center Development Agency

*The City of Tigard's Urban Renewal Agency*

2012–13

Adopted Budget | Tigard, Oregon



**City Center Development Agency**  
**City of Tigard**

Fiscal Year 2012–2013

---

**CITY CENTER DEVELOPMENT AGENCY BUDGET COMMITTEE**

|                  |                   |
|------------------|-------------------|
| Dan Goodrich     | Craig Dirksen     |
| Melody Graeber   | Gretchen Buehner  |
| Christopher Henn | Marland Henderson |
| Cameron James    | Nick Wilson       |
| Zoe Monahan      | Marc Woodard      |
| Clifford Rone    |                   |

**CITY CENTER DEVELOPMENT AGENCY BOARD**

Craig Dirksen, Chair

|                   |              |
|-------------------|--------------|
| Gretchen Buehner  | Nick Wilson  |
| Marland Henderson | Marc Woodard |

**EXECUTIVE DIRECTOR**

Marty Wine

**COMMUNITY DEVELOPMENT DIRECTOR**

Vacant

**REDEVELOPMENT PROJECT MANAGER for DOWNTOWN**

Sean Farrelly

**FINANCE and INFORMATION SERVICES DIRECTOR**

Toby LaFrance



**CITY CENTER DEVELOPMENT AGENCY**

To the Citizens of Tigard,

I am pleased to present my first Budget Transmittal as the Executive Director of the City Center Development Agency (CCDA).

The City Center Development Agency is charged with the revitalization of downtown and implementation of the Urban Renewal Plan which was approved by voters in May of 2006. The District's source of funding is tax increment financing, which is one financing tool to assist with redevelopment. When the CCDA was established, the assessed value of the district was frozen. Property taxes collected on any growth in assessed value above the frozen base (the tax increment) go to the CCDA.

Tigard's Urban Renewal District is less mature than several neighboring districts and is very modest in geographic size. Due to youth and size of the district we are limited in what we can do until the tax increment grows. While we wait for district to grow, it is worth noting that there has been significant public investment in downtown Tigard. The list of projects includes two major intersection improvements on Pacific Hwy and Burnham Street improvements that garnered Project of the Year Award from the Oregon Chapter of American Council of Engineering Companies. In the next couple of years there will be major improvements along Main Street and land will be purchased for future park development in downtown. These projects total over \$20 million in investments that use funding from the State, Washington County, City of Tigard's share of State Gas Tax, Tigard's \$0.03 per gallon City Gas Tax, and Tigard's Park Bond proceeds.

The FY 2012-13 adopted budget for the CCDA contains \$540,000 in projects based on recommendations by the City Center Advisory Commission (CCAC). This is an increase from prior years made possible by the slow growth in the increment and carrying forward \$260,000 of unspent loan proceeds from FY 2011-12. In the upcoming year, we will continue the Facade Improvement Program, which has achieved a high level of participation by businesses in the district. In addition, the CCDA will undertake a number of other projects, including:

- Developing a public parking lot off Burnham Street
- Targeted Retail & Restaurant Incentive Program
- Streetscape features for the Main Street / Green Street project
- Development and Real Estate Consulting
- Public Works Yard Preparation for potential redevelopment

All of these projects will be paid for by loans from the City of Tigard. \$260,000 of the projects are paid for by carrying forward unspent loans from FY 2011-12. The remaining \$280,000 will be paid for by a loan from the City of Tigard General Fund that will be repaid during the fiscal year.

Additionally, staff has researched the viability of securing private financing. This is now a possibility for the CCDA. Due to the nature of this funding source, it should be used when a major project or land purchase with the potential to directly impact the tax increment has been identified. These projects and the potential for private funding of additional work are proportional to the expectations of where CCDA should be for its age, economic condition, and size.

One of the discussions that we will undertake in FY 2012-13 is recognizing the fiscal relationship between the City of Tigard's General Fund and the CCDA. Tigard's General Fund supports the Downtown Redevelopment Division within the Community Development Department that is dedicated to downtown issues and assisting the CCDA. The adopted budget for this division is over \$180,000 in FY 2012-13 with over \$500,000 in support over the last four fiscal years. In addition, the General Fund makes loans to support CCDA projects. Over the last several years, these loans have been repaid in full during the fiscal year, resulting in no fiscal impact to the General Fund. Acquiring a private loan will subordinate the loans from the General Fund. There will not be sufficient resources to make payments on the private financing and repay the General Fund in full each year, which has the potential for a negative fiscal impact to Tigard's General Fund at a time that the city is making substantial service reductions. This issue was mitigated this year by loaning \$200,000 from the Sewer Fund with the remaining \$80,000 from the General Fund. How to achieve the aims of the Urban Renewal Plan with minimal impact to Tigard's General Fund will be a key decision in the upcoming year.

The objective of the City Center Development Agency is to engage stakeholders and foster economic development in Tigard's Downtown. Despite the economic downturn, property and business owners have engaged this year to begin to build vitality Downtown, and the CCDA will continue to set up partnerships that can be acted upon when the economy improves. The agency is fortunate to have an engaged and committed citizen advisory body, the City Center Advisory Commission (CCAC), which has actively recommended and advised the board about key initiatives and projects that will be implemented in this budget. I am optimistic that this year's budget and the projects that are currently underway continue to build a foundation in the Urban Renewal District for further revitalization and investment from public and private entities.

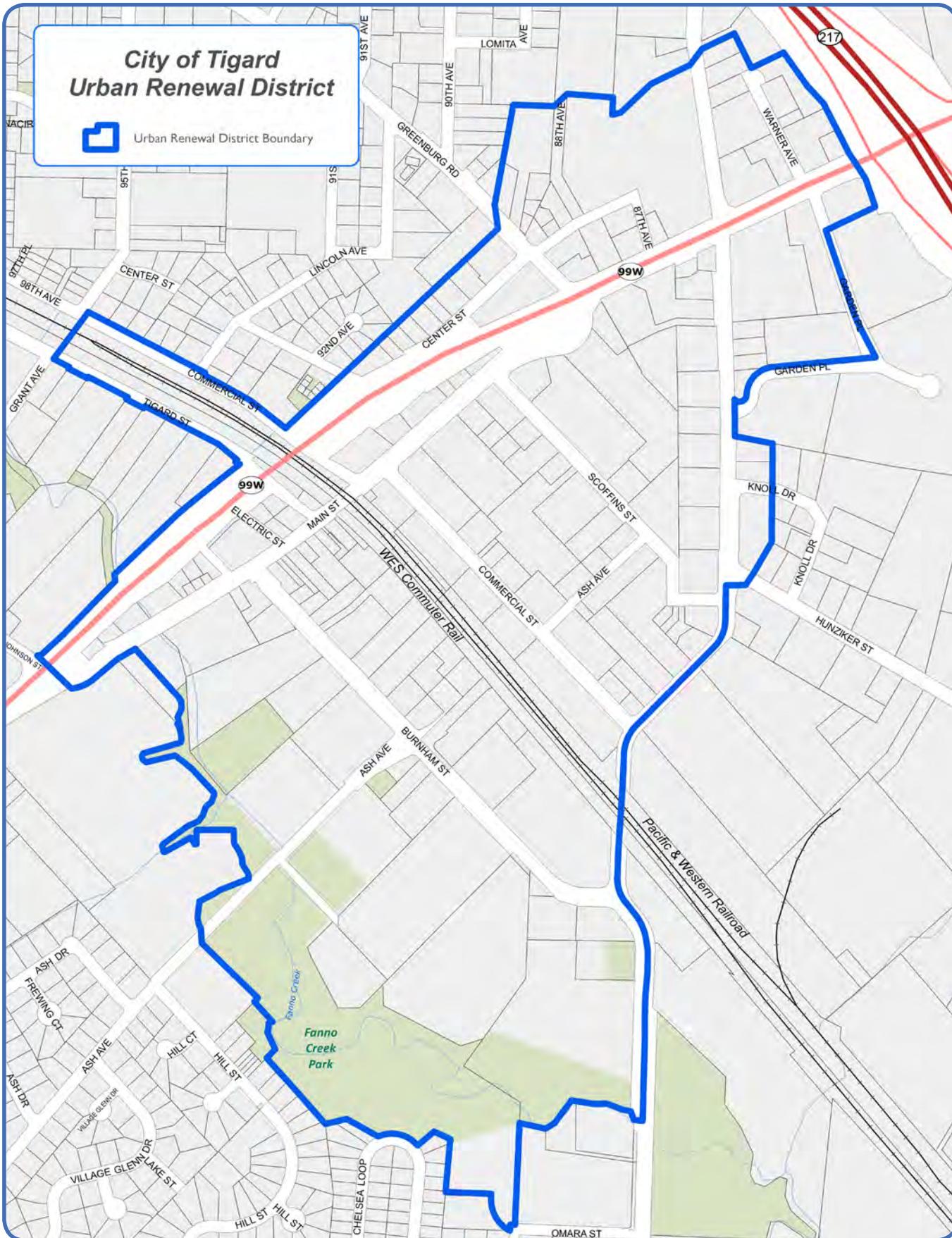
Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Matt Jude".

# City of Tigard Urban Renewal District



Urban Renewal District Boundary



**CITY CENTER URBAN RENEWAL AGENCY FACTS**

District Formation Date..... May 2006

District Size (acres)..... 193.71

District Tax Lot Area (acres): ..... 144.14

District Right-of-Way Area (acres) ..... 49.57

Base Assessed Value ..... \$69,207,378

Assessed Value (2012) ..... \$95,335,863

Annual taxes levied (projected 2012).....\$332,048

Maximum Debt Limit: ..... \$22,000,000

Debt Issued (2011):.....\$280,818

Remaining Debt Limit ..... \$22,000,000

## Capital Project Funds - Urban Renewal Capital Improvements

| Description                           | FY 2010<br>Actual | FY 2011<br>Actual | 2012<br>Revised | 2013<br>Proposed | 2013<br>Approved | 2013<br>Adopted | Adopted vs<br>FY 12 Revised |
|---------------------------------------|-------------------|-------------------|-----------------|------------------|------------------|-----------------|-----------------------------|
| <b>Resources</b>                      |                   |                   |                 |                  |                  |                 |                             |
| 40000 - Beginning Fund Balance        | 27,967            | 42,445            | 89,330          | 260,000          | 260,000          | 260,000         | 191 1%                      |
| <b>Total Beginning Fund Balance</b>   | <b>27,967</b>     | <b>42,445</b>     | <b>89,330</b>   | <b>260,000</b>   | <b>260,000</b>   | <b>260,000</b>  | <b>191 1%</b>               |
| 44501 - Intergovernmental Revenue     | 17,020            | 0                 | 375,000         | 280,000          | 280,000          | 280,000         | -25 3%                      |
| <b>Total Intergovernmental</b>        | <b>17,020</b>     | <b>0</b>          | <b>375,000</b>  | <b>280,000</b>   | <b>280,000</b>   | <b>280,000</b>  | <b>-25 3%</b>               |
| 47000 - Interest Earnings             | -55               | 123               | 0               | 0                | 0                | 0               | 0 0%                        |
| <b>Total Interest Earnings</b>        | <b>-55</b>        | <b>123</b>        | <b>0</b>        | <b>0</b>         | <b>0</b>         | <b>0</b>        | <b>0 0%</b>                 |
| 49100 - Transfer In from General Fund | 70,071            | 80,695            | 0               | 0                | 0                | 0               | 0 0%                        |
| 49200 - Transfer In from Gas Tax Fund | 0                 | 200,000           | 0               | 0                | 0                | 0               | 0 0%                        |
| <b>Total Transfers In</b>             | <b>70,071</b>     | <b>280,695</b>    | <b>0</b>        | <b>0</b>         | <b>0</b>         | <b>0</b>        | <b>0 0%</b>                 |
| <b>Total Resources</b>                | <b>115,003</b>    | <b>323,263</b>    | <b>464,330</b>  | <b>540,000</b>   | <b>540,000</b>   | <b>540,000</b>  | <b>16 3%</b>                |
| <b>Requirements</b>                   |                   |                   |                 |                  |                  |                 |                             |
| <b>Program Expenditures</b>           |                   |                   |                 |                  |                  |                 |                             |
| Program Expenditures                  | 0                 | 0                 | 0               | 0                | 0                | 0               | 0 0%                        |
| <b>Total Work in Progress</b>         | <b>72,613</b>     | <b>280,818</b>    | <b>464,330</b>  | <b>540,000</b>   | <b>540,000</b>   | <b>540,000</b>  | <b>16 3%</b>                |
| <b>Total Transfers Out</b>            | <b>0</b>          | <b>0</b>          | <b>0</b>        | <b>0</b>         | <b>0</b>         | <b>0</b>        | <b>0 0%</b>                 |
| <b>Total Budget</b>                   | <b>72,613</b>     | <b>280,818</b>    | <b>464,330</b>  | <b>540,000</b>   | <b>540,000</b>   | <b>540,000</b>  | <b>16 3%</b>                |
| Reserve for Future Exp                | 42,390            | 42,445            | 0               | 0                | 0                | 0               | 0 0%                        |
| <b>Total Requirements</b>             | <b>115,003</b>    | <b>323,263</b>    | <b>464,330</b>  | <b>540,000</b>   | <b>540,000</b>   | <b>540,000</b>  | <b>16 3%</b>                |

## Debt Service Funds - Urban Renewal Debt Service

| Description                         | FY 2010<br>Actual | FY 2011<br>Actual | 2012<br>Revised | 2013<br>Proposed | 2013<br>Approved | 2013<br>Adopted | Adopted vs<br>FY 12 Revised |
|-------------------------------------|-------------------|-------------------|-----------------|------------------|------------------|-----------------|-----------------------------|
| <b>Resources</b>                    |                   |                   |                 |                  |                  |                 |                             |
| 40000 - Beginning Fund Balance      | 157,579           | 414,075           | 384,818         | 320,000          | 320,000          | 320,000         | -16.8%                      |
| <b>Total Beginning Fund Balance</b> | <b>157,579</b>    | <b>414,075</b>    | <b>384,818</b>  | <b>320,000</b>   | <b>320,000</b>   | <b>320,000</b>  | <b>-16.8%</b>               |
| 40100 - Current Property Taxes      | 253,283           | 325,173           | 300,000         | 330,000          | 330,000          | 330,000         | 10.0%                       |
| 40101 - Prior Year Property Taxes   | 2,318             | 3,676             | 0               | 0                | 0                | 0               | 0.0%                        |
| <b>Total Taxes</b>                  | <b>255,601</b>    | <b>328,849</b>    | <b>300,000</b>  | <b>330,000</b>   | <b>330,000</b>   | <b>330,000</b>  | <b>10.0%</b>                |
| 47000 - Interest Earnings           | 895               | 1,068             | 3,455           | 2,000            | 2,000            | 2,000           | -42.1%                      |
| <b>Total Interest Earnings</b>      | <b>895</b>        | <b>1,068</b>      | <b>3,455</b>    | <b>2,000</b>     | <b>2,000</b>     | <b>2,000</b>    | <b>-42.1%</b>               |
| <b>Total Resources</b>              | <b>414,076</b>    | <b>743,991</b>    | <b>688,273</b>  | <b>652,000</b>   | <b>652,000</b>   | <b>652,000</b>  | <b>-5.3%</b>                |
| <b>Requirements</b>                 |                   |                   |                 |                  |                  |                 |                             |
| <b>Program Expenditures</b>         |                   |                   |                 |                  |                  |                 |                             |
| Program Expenditures                | 0                 | 0                 | 0               | 0                | 0                | 0               | 0.0%                        |
| <b>Total Debt Service</b>           | <b>0</b>          | <b>249,000</b>    | <b>375,000</b>  | <b>450,000</b>   | <b>450,000</b>   | <b>450,000</b>  | <b>20.0%</b>                |
| <b>Total Budget</b>                 | <b>0</b>          | <b>249,000</b>    | <b>375,000</b>  | <b>450,000</b>   | <b>450,000</b>   | <b>450,000</b>  | <b>20.0%</b>                |
| Reserve for Future Exp              | 414,076           | 494,991           | 313,273         | 202,000          | 202,000          | 202,000         | -35.5%                      |
| <b>Total Requirements</b>           | <b>414,076</b>    | <b>743,991</b>    | <b>688,273</b>  | <b>652,000</b>   | <b>652,000</b>   | <b>652,000</b>  | <b>-5.3%</b>                |

## **FY 2012-2013 Urban Renewal Projects**

### **Façade Improvement Program** \$75,000

The program provides architectural design assistance and 50% matching grant funding for businesses and property owners to upgrade their building exteriors. (\$50,000 supported by carry forward from FY 2011-12)

### **Targeted Retail and Restaurant Incentive Program** \$75,000

This new project will provide 50% matching grant funding to construct tenant improvements in vacant properties for restaurants and targeted retail businesses on Main Street. (\$25,000 supported by carry forward from FY 2011-12)

### **Real Estate Attorney Services** \$15,000

### **Development and Real Estate Consulting** \$60,000

This project consists of funding professional services (in real estate development and economics, architecture, and other needed specialists) to foster the opportunities for the redevelopment and/or renovation of properties. A major program will be development opportunity studies to provide business and property owners the technical assistance and resources to assess the feasibility of redeveloping properties in the urban renewal district. Eligible pre-development activities include architectural, planning, and engineering studies, and real estate market and financial analysis.

### **Business Technical Assistance** \$15,000

This project provides technical assistance to downtown businesses for economic development activities such as events and marketing. (\$25,000 supported by carry forward from FY 2011-12 Downtown Marketing)

### **PW Yard Preparation** \$30,000

These funds will be used to perform environmental assessments, clean-up and site clearance to prepare the Public Works Yard to be offered for residential development (pending Public Works consolidating operations on a new site.)

## **FY 2011-2012 Carryover Projects**

### **Burnham Street Public Parking Lot** \$150,000

In FY 2011-12 \$50,000 was requested to construct a 24 space paved public parking lot with landscaping, stormwater treatment and lighting on two city-owned lots on Burnham Street; this has

been carried forward into FY 2012-13. The design of the lot will allow for expansion to the northeast in the future if access and cost sharing with property owners can be agreed upon. Design considerations have increased the budget by \$100,000 which is funded through an additional loan in FY 2012-13.

**Gateways** \$60,000

Gateways demark entrances to the Downtown and create an identity for the District. This project would fund the design and construction of two gateway walls at the northern and southern entrances of Main Street and Pacific Highway.

**Main Street Green Street Streetscape** \$60,000

As part of the urban renewal contribution for the Main Street Green Street project, streetscape elements including public art will be designed and constructed. Elements of this project may be installed prior to green street construction.

**TOTAL:** **\$540,000**