

AGENDA
SPECIAL MEETING
City of Brookings
URBAN RENEWAL ADVISORY COMMITTEE
City Hall Council Chambers
898 Elk Drive, Brookings
Thursday, October 4, 2007, 3:00 PM

- I. Call to Order**
- II. Roll Call**
- III. Regular Agenda**
 - A.** Review and discussion with possible approval of Façade Improvement Project at 702 Chetco Ave, His Haven of Hope.
 - B.** Review and discussion with possible approval of Façade Improvement Project at 520 and 522 Hemlock, Willow and Hemlock Storage.
- IV. Committee Member Comments**
- V. Adjournment**



URBAN RENEWAL AGENDA REPORT

To: URA Chair and Directors

From: Executive Director

Date: October 2, 2007

Subject: Preliminary Discussion Regarding Debt Issuance and Projects

Recommendation: Approve in concept the project list for the Agency's first long-term debt issuance as recommended by the Urban Renewal Advisory Committee.

Background /Discussion:

The Urban Renewal Plan (URP) adopted by the City in 2002 contemplated that the Agency would issue debt to finance urban renewal projects beginning in 2009. The Plan projected that tax increment revenues would reach \$290,700 annually by 2007 and \$460,104 by 2009 and \$460,104 by 2009. The adopted 2007-08 budget projects that tax increment revenues for the current year will be \$356,600.

The URP anticipates that there will be four long-term bond issues during the life of the URP, and states that "Bonds will be issued as revenues, projects requirements, and overall bond market conditions dictate" which indicates some flexibility in the bond sale schedule.

Staff has contacted several underwriters and financial advisors to obtain estimates of the net spendable proceeds that would be available based upon the Agency's current revenue. Generally, they have estimated that, if an Urban Renewal Tax Allocation Bond were issued today, the Agency could realize about \$2.5-2.8 million in net spendable proceeds. It would take 3-4 months to get the bonds sold.

According to the "*Administrative Guidelines and Procedures Manual for Urban Renewal Agencies in Oregon*" published by the Association of Oregon Redevelopment Agencies in February, 2001, "Tax increment revenues are to be used solely for the payment of principal and interest on indebtedness issued or incurred to carry out the urban renewal plan." The City's Urban Renewal Plan states that "Revenues are obtained from anticipated urban renewal bond proceeds and the proceeds of short term urban renewal notes."

The maximum indebtedness authorized under the Plan is \$15,825,000.

This office is currently undertaking research on the availability of grant funding from a variety of sources that may be leveraged by bond funds.

PROJECT LIST

"The primary purpose of the Brookings urban renewal plan is to revitalize the commercial area of the City, and to attract new businesses and jobs to the commercially zoned areas of Brookings." Report on the Brookings Urban Renewal Plan, July, 2002.

Attached is a list of projects that are included in the Urban Renewal Plan. The Plan provides that "The sequencing and prioritization of individual project activities will be done by the Urban Renewal Agency, and any citizen advisory bodies that the Agency calls upon to assist in this process."

While most of the list is project-specific, there are also categories such as "Preservation and Rehabilitation." It is under this heading, for example, that the façade improvement program is conducted. In a debt financing, the Agency could include, for example, \$500,000 for "preservation and rehabilitation" from which an ongoing façade improvement program would be funded.

A project that is not included on the URP list, or can not be rationalized into a category of projects on the list, would need to be amended into the Plan...which may be a complex procedure.

At it's meeting of September 13, the Urban Renewal Advisory Committee (URAC) recommended that the URA focus on public improvements in the City's downtown area (as described in the Downtown Brookings Master Plan) as the URA moves forward with this debt issuance. Specifically, the URAC supported using bond proceeds for the following projects:

1. Continue with the façade improvement matching grant program and expand to include other property improvements, such as shielding waste containers from view and consolidating waste containers from several properties on a single site...
2. Establish a grant program to provide incentives (such as SDC payments) to attract targeted businesses, such as restaurants, to the downtown area.
3. Install curb, gutter, sidewalk, street, parking and drainage improvements along Spruce, Hemlock, Railroad, Wharf, Fern, Alder and Oak Streets between Chetco and Railroad. Improvements to be consistent with the Downtown Master Plan.
4. Upgrade City entrance signs and internal directional signs, such as the fading-out sign cluster at the intersection of North Bank Road and Old County Road. Include both "Welcome to Brookings" signs at City Limits and "Downtown Brookings" signs.
5. Acquire use by purchase or lease and install public parking and/or landscaping* improvements on various undeveloped lots in the "downtown" area.

In developing a project list, it is important to keep in mind that this will be "the project" for the next 4-5 year period as all URA revenues will be committed to debt service. Clearly the URAC recommendation was to focus on infrastructure improvements in the downtown area as the next order

of work. Attached for information purposes are copies of the project lists for the Cities of Seaside and Independence as contained in the Official Statement for their Urban Renewal Bonds issued in 2006 and 2007.

***VACANT LOT IMPROVEMENT PROJECTS**

At the last URAC meeting, there was a brief discussion concerning unsightly vacant lots within the project area, and what the Agency could do to improve the appearance and possible public use of these properties.

The City of Paramount has employed a program of improving vacant parcels or partial parcels as “pocket parks” since 1996. Under that program, the City’s Redevelopment Agency leases, at no cost, the vacant parcels. The Agency installs and maintains the landscape improvements until the property is developed by the property owner. During the period that the Agency leases the property, the property is maintained and utilized in the same manner as other City landscaped areas and parks. Improvements typically include landscaping (no trees) and decorative fencing.

OTHER POSSIBLE PROJECTS

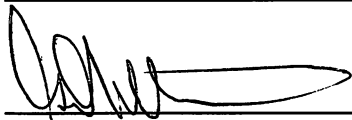
At the September 13 URAC meeting, staff also provided some conceptual ideas on how to get tourists to linger longer in Brookings and also broaden the marketing of local products. Just as the lodging, dining and wine production industries have merged in Napa County. We need to identify what is unique about Brookings, what visitors will share with their friends at home as a unique Brookings experience, what will visitors learn about Brookings products that will sustain non-tourism industry jobs. While not included in the URAC recommendation, conceptual projects suggested by staff included:

1. Develop a marketing strategy and incentive package to attract a major resort hotel. Possibly incorporate some public facilities, such as a performing arts center, into the plan for this facility.
2. Explore projects that would cross-market the tourism and agricultural economy of the region. An example might be to work with South Coast Lumber to develop a visitor center that would showcase timber products produced in Brookings, tell the story of forest production management, the history of timber in the Brookings region and offer mill tours. There may also be an opportunity, for example, to work with local retail nurseries, the Farmers Market and area bulb producers to develop a “Brookings Flower Center” which might include a demonstration lily field, education about locally produced agriculture products and a “retail nursery row,” much like an “auto row” in urban areas.

Staff is seeking direction from the Agency in concept as to the project list. No budget has been developed, and staff is seeking direction prior to expending funds to secure preliminary construction cost estimates. Once preliminary cost estimates are secured, the staff will “size” the project to the available funding and return to the Agency for authorization to proceed with the long-term debt financing.

Financial Impact(s): None at this time. Staff will return to the Agency with a proposal for engineering work needed to determine infrastructure improvement costs.

Executive Director Review and Approval for placement on URA Agenda:

A handwritten signature in black ink, appearing to read 'Gary Milliman', is written over a horizontal line.

Gary Milliman Executive Director

Staff Priorities and Comments

Brookings Renewal Plan

Public Parks and Open Spaces	Create a Central Plaza		
	Walkways and Plazas		
Streets and Public Utilities	Local nature interpretive areas		
	Looped walkway from downtown to public parks		
Streetscape	Wetlands Park at Old Mill Pond		
	Enhance Chetco Park and other parks in project area		
Streets and Public Utilities	Improve Railroad St, Chetco Av, Fern, Willow, Spruce	\$ 3,165,000	
	Hemlock, Alder and Wharf sts		
Streetscape	Assist Street improvements in CIP		
	Assist Water, Sewer, Storm Improvements in CIP		
Other Public Facilities	Public art		
	Gateway monuments and landscape features		
Pedestrian, Bike and Transit Improvements	Under grounding of overhead utilities		
	New bike path in renewal areas	\$ 791,250	
Public Parking Facilities	Pedestrian connections to waterfront		
	Public restrooms	\$ 2,373,750	
Public Parks and Open Spaces	Enhancement of public museum		
	Relocate city hall		
Public Parks and Open Spaces	Performing arts center		
	Community center		
Public Parking Facilities	New lot at Fern and Spruce	\$ 791,250	
	New lots at pockets along Railroad St		
Public Parks and Open Spaces	New RV parking lot		
Top Priority. Improved streets/sidewalks make area more attractive for new private investment		\$ 1,582,500	

Development and Redevelopment	\$ 3,165,000	
Assist development of new medical facility		Lack of medical services a deterrent to business recruitment
Assist development of higher education facility		
Assist in construction/expansion of job creating facilities		Top priority for community sustainability
Provide Low Interest Rate Loans and Incentives	\$ 791,250	Needed as part of business recruitment program
Preservation and Rehabilitation	\$ 791,250	Continue façade improvements. Address other unsightly conditions; piles of trash/open garbage dumpsters
Program Administration	\$ 1,582,500	
Totals	\$ 15,825,000	

Fourth, to the payment to the persons entitled thereto of the unpaid principal and premium, if any, of any Subordinate Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, earliest maturities first, and, if the amount available shall not be sufficient to pay in full all the Subordinate Obligations due on any date, then to the payment thereof ratably, according to the amounts of principal and premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

RATING

The Agency has not applied for a rating.

PURPOSE

The Series 2006 Bonds are being issued to fund capital projects in the Area and authorized by the Plan, fund the Reserve Fund so that the Reserve Requirement is satisfied and pay the costs of bond issuance (the "Project").

The capital plan for the Area, a portion of which will be paid from the proceeds of the Series 2006 Bonds, is budgeted as follows:

CAPITAL PLAN

<u>Project</u>	<u>Estimated Cost</u>
New Library	\$1,600,000
Wahanna Sidewalk	125,000
Welcome Signs	50,000
Gateway Improvements	20,000
Supply Force Main at Benjamin Corner	30,000
Holliday 3 rd to 12 th	2,000,000

SOURCES AND USES OF FUNDS

The proceeds from the Series 2006 Bonds are as follows:

<u>Sources of Funds</u>	
Principal Amount	\$2,205,000.00
Premium/(Discount)	<u>33,516.65</u>
Total Available Proceeds	<u>\$2,238,516.65</u>
<u>Uses of Funds</u>	
Deposit to Construction Fund	\$1,942,241.65
Cost of Issuance (Including Underwriter's Discount)	75,775.00
To Debt Service Fund	<u>220,500.00</u>
Total Use of Funds	<u>\$2,238,516.65</u>

DEBT MANAGEMENT

The Agency has never defaulted on a debt obligation. The Agency has not used bond proceeds for operational purposes. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

General Covenants

The Agency hereby covenants and agrees with the Owners of all Outstanding Bonds as follows:

- (1) That it will promptly cause the principal, premium, if any, and interest on the Bonds to be paid as they become due in accordance with the provisions of this Resolution and any Supplemental Resolution.
- (2) That it will maintain complete books and records relating to the Area and all Agency funds and accounts in accordance with generally accepted accounting principles, and the requirements of Oregon law.
- (3) That it will not issue Bonds or other obligations having a claim superior to the lien of the Bonds upon the Tax Increment Revenues.
- (4) That it will promptly deposit into the Tax Increment Fund all sums required to be so deposited.
- (6) That it will maintain its existence and the ability to collect Tax Increment Revenues until there are no Bonds Outstanding.
- (6) The covenants, representations and warranties contained in the Resolution, each Supplemental Resolution adopted pursuant to the Resolution and any covenants, representations and warranties in the closing documents relating to the Bonds issued pursuant to the Resolution and such Supplemental Resolutions shall constitute contracts with the Owners of the Bonds, and shall be enforceable by them.

RATING

The Agency has not applied for a rating.

PURPOSE

The Bonds are being issued to finance and refinance capital projects in the Area and authorized by the Plan, fund the Reserve Account so that the Reserve Requirement is satisfied and pay the costs of bond issuance (the "Project").

The capital plan for the Area, from a portion of the proceeds of the Bonds, is budgeted as follows:

CAPITAL PLAN

<u>Project</u>	<u>Estimated Cost</u>
Highway 51	\$3,500,000 ¹

¹ A portion of this project is planned to be completed in the future and will be funded through additional debt issued by the Agency.

Source: *Urban Renewal Agency of the City of Independence*