

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**

## **WORK SESSION**

### **AGENDA**


**City Commission of the City of Warrenton  
Tuesday, June 26, 2018 – 5:00 P.M.**

**Warrenton City Commission Chambers  
225 South Main Avenue  
Warrenton, OR 97146**

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- 1. Call to Order**
- 2. Roll Call**
- 3. Presentation - Urban Renewal Consultants**
- 4. Adjourn**

Warrenton City Hall is accessible to the disabled. An interpreter for the hearing impaired may be requested under the terms of ORS 192.630 by contacting Dawne Shaw, Deputy City Recorder, at 503-861-2233 at least 48 hours in advance of the meeting so appropriate assistance can be provided.



# Warrenton Urban Renewal Workshop

ELAINE HOWARD CONSULTING, LLC

TIBERIUS SOLUTIONS, LLC



# Background

- ▶ Area has significantly overperformed
- ▶ TIF revenues over projections allowed for formal debt to be incurred earlier than expected
- ▶ MI will essentially be reached by FYE 2020
- ▶ From 2020 on Area will no longer complete projects and will only pay debt service




# Types of Amendments

- ▶ Minor Amendments
  - Project Updates
  - Remove some types of outdated language
- ▶ Substantial Amendments
  - Any Maximum Indebtedness Increase



# What is being considered

- ▶ A general cleanup of the Urban Renewal Plan and Report
  - Adding new projects that have become priorities
  - Removing projects originally in the Plan that are no longer priorities
- ▶ A substantial amendment to increase Maximum Indebtedness



# Increasing Maximum Indebtedness, How Much?

- ▶ There are two levels of Maximum Indebtedness (MI) increase, each requiring different levels of approval from overlapping taxing districts
  - Increase is  $\leq 20\%$  of original MI as adjusted for inflation – no need for taxing district approval
  - Increase is  $> 20\%$  of original MI as adjusted for inflation – a special kind of taxing district approval called “Concurrence” is required. Concurrence is explained further on the next slide.

# Concurrence

- ▶ Concurrence is the approval of taxing districts making up 75% of the permanent rate levy, meaning that the higher your permanent rate the more your vote counts for. The chart below shows two ways Warrenton can achieve concurrence in a substantial amendment.

Jurisdiction Name	Rate	Percent of Perm Rate Levy
Clatsop County	1.5338	16.59%
Port of Astoria	0.1256	1.36%
Clatsop 4H & Extension	0.0534	0.58%
Sunset Empire Transportation	0.162	1.75%
Clatsop Care Center	0.1763	1.91%
City of Warrenton	1.6701	18.07%
Warrenton-Hammond School District	4.5902	49.66%
NW Regional ESD	0.1538	1.66%
Clatsop Community College	0.7785	8.42%
Total	9.2437	100.00%

A combination of either:  
*School District + City + County*  
 (84.32%)  
 or  
*School District + City + Community College*  
 (76.15%)  
 is enough taxing district approval for concurrence.

# The Financials in the MI Decision

<b>FYE 2019 Projects Fund Balances</b>		
Total Resources		\$ 1,695,509
<b>Current Projects in Finance Plan</b>		
Total Expenditures		\$ (1,216,430)
Remaining Resources (not counted against MI)		\$ 350,000
Remaining Resources (counted against MI)		\$ 129,079
Remaining MI Authority (2020 and beyond)		\$ 378,912
<b>Remaining MI authority and Resources counted against MI</b>		<b>\$ 507,991</b>
<b>Projects not in Current Finance Plan</b>		
Subtotal Projects not in Finance Plan		\$ (1,607,000)
<b>Subtotal net Projects not in Finance Plan and Remaining MI after Expenditures</b>		<b>\$ (1,099,009)</b>
<b>MI Calculation Numbers</b>		
Original MI	\$ 7,134,597	
MI Inflated to current year using National ENR rates	\$ 9,687,489	
<b>Allowable MI Increase (20% original MI inflated) without taxing district approval (concurrence)</b>		<b>\$ 1,937,498</b>
Subtotal Allowable MI Increase and net Projects not in Finance Plan and Remaining MI after Expenditures	\$ 838,489	
<b>MI increase capacity within current district timeframe (approximate)</b>		<b>\$ 5,300,000</b>
Subtotal Net Difference between MI Capacity increase and 20% MI Increase	\$ 3,362,502	

# Process for Substantial Amendment





## Next Steps

- ▶ Consider a stand-alone minor amendment to update Warrenton Urban Renewal Plan and Report
- ▶ Consider a substantial amendment to increase the maximum indebtedness of the Warrenton Urban Renewal Plan
  - Can be done with or without concurrence depending on amount

# Appendix: ENR Calculations

Year	March National ENR Points	National ENR Point Change	National Inflation Rate	National MI Index
1999	5986.00			
2000	6202.00	216.00	3.61%	
2001	6279.00	77.00	1.24%	
2002	6502.00	223.00	3.55%	
2003	6627.00	125.00	1.92%	
2004	6957.00	330.00	4.98%	
2005	7308.75	351.75	5.06%	
2006	7691.72	382.97	5.24%	
2007	7856.27	164.55	2.14%	\$7,134,597
2008	8109.00	252.73	3.22%	\$7,364,111
2009	8534.05	425.05	5.24%	\$7,750,116
2010	8671.00	136.95	1.60%	\$7,874,486
2011	9011.00	340.00	3.92%	\$8,183,254
2012	9268.00	257.00	2.85%	\$8,416,646
2013	9456.00	188.00	2.03%	\$8,587,377
2014	9702.00	246.00	2.60%	\$8,810,779
2015	9972.00	270.00	2.78%	\$9,055,977
2016	10242.00	270.00	2.71%	\$9,301,175
2017	10667.39	425.39	4.15%	\$9,687,489

2017 Indexed MI	20% of Indexed MI
\$9,687,489	\$1,937,498