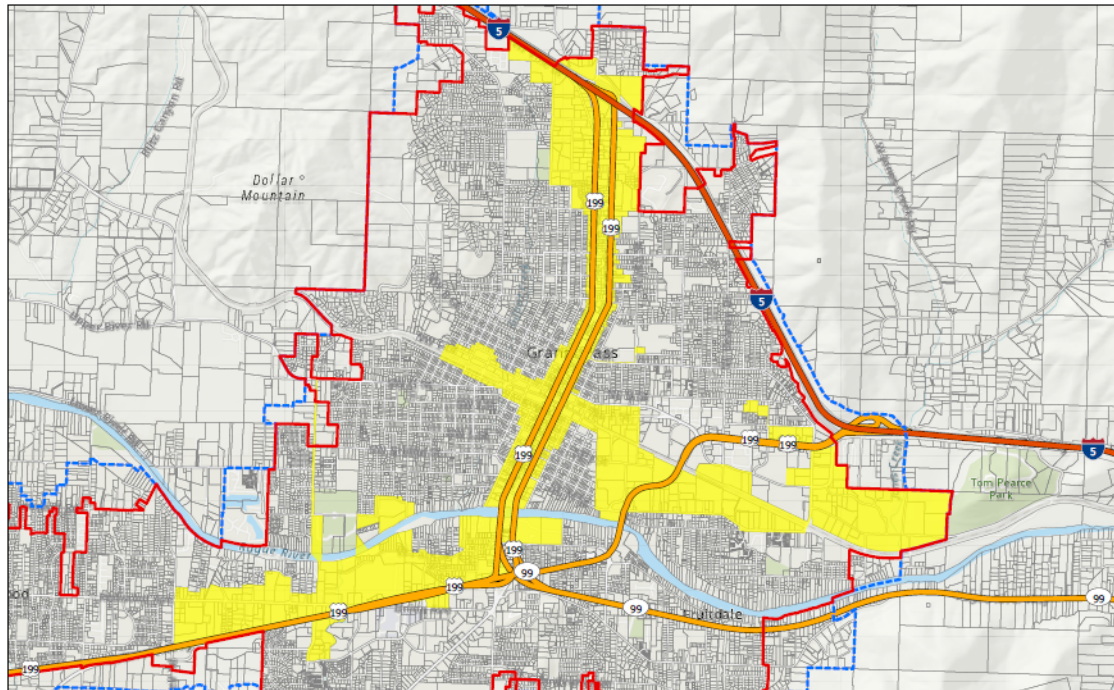


Grants Pass Urban Renewal Agency

A component unit of the City of Grants Pass, Oregon



<h2>Urban Renewal Area</h2>	LEGEND <ul style="list-style-type: none">City Limits 2023UGB 2014Urban Renewal AreaTax Parcels	CITY OF GRANTS PASS Community Development Department Economic Development 101 Northwest "A" Street Grants Pass, OR 97526 Phone: (541) 450-6060 Web: www.grantspassoregon.gov GIS Staff: atthompson Date: 11/30/2022
<p>0 0.5 1 2 Miles</p> <p>0 0.75 1.5 3 Kilometers</p>		

Adopted Operating & Capital Budget

Fiscal Year 2024

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Grants Pass Urban Renewal Agency



Fiscal Year 2024 Adopted Budget

May 25, 2023

Grants Pass City Council and Urban Renewal Agency Board
Appointed Members of the Budget Committee
Citizens of the City of Grants Pass

Enclosed is the Adopted FY'24 Budget for the Grants Pass Urban Renewal Agency. After forming the Urban Renewal Agency in 2016, this budget accounts for the seventh fiscal year of receiving tax increment revenues and applying those to the eligible projects based on City Council prioritization and the projects' timing needs.

For the foreseeable future, tax increment revenues will be directed to City of Grants Pass Capital Projects and other projects within the Agency's plan based on the City Council's Urban Renewal Agency Goals and Objectives. A full list of the projects eligible to receive tax increment resources can be found in Appendix A on pages 4-7 of this budget document.

Tax increment revenue in fiscal year 2024 is estimated at \$1,966,900. This revenue is the result of eight years' worth of increment assessed value growth (2016 through 2023) in the Urban Renewal Area. The estimated tax increment revenues in the current fiscal year, FY'23, will exceed the adopted budget. New developments in the Urban Renewal Area along with other growth in assessed values and expired exemptions within the Urban Renewal Area will continue to result in increases in the Agency's revenue in the next two years.

Assessed values within the Urban Renewal Area are estimated to increase by 2.5% in FY'24 and 2% in FY'25. Building permit valuations within the Urban Renewal Area for the previous calendar year were \$9.6 million for the year and this value is used to project assessed value (AV) changes for the following fiscal year along with an estimated increase in AV on all properties within the Urban Renewal Area. Actual and projected assessed values are as follows:

Grants Pass Urban Renewal Agency Tax Increment Finance (TIF) Revenue and Assessed Value Estimates					
Fiscal Year	Total URA Assessed Value	Frozen Base for City	Excess Value	Ave Est Tax Rate For All of URA	Net Current Year TIF Revenue Est.
2021 Actual	631,757,920	525,151,486	106,606,434	10.5408	1,090,006
2022 Actual	659,243,620	525,151,486	134,092,134	10.5353	1,361,537
2023 Revised Est.	716,327,890	525,151,486	191,176,404	10.5381	1,913,900
2024 Budget	734,236,087	525,151,486	209,084,601	10.5381	1,966,900
2025 Projected	748,920,809	525,151,486	223,769,323	10.5381	2,025,500

The Urban Renewal Area covers approximately 18% of the acreage within the City of Grants Pass, largely area in and around major commercial corridors and including the Central Business District. The emphasis of projects and goals for the Agency are jobs, economic development, and infrastructure to serve and attract business development.

In addition to the project recap below, the adopted expenditure budget in FY'24 includes \$13,800 for contractual services such as the required annual audit as well as \$73,600 for direct management charges. Staff in Administration, Finance, and Community Development will track time spent working for the Agency and will bill the Agency direct charges by the hour for the work rather than have staff working directly for the Agency. In FY'23 the City created a new Economic Development Manger position. This position will focus much of its attention on attracting new businesses to the area specifically within the Urban Renewal Area. With that in mind, this position will be partially funded by the URA.

As seen in the chart below, there are no specific City of Grants Pass capital projects scheduled to receive Urban Renewal funding in this adopted budget. However, as is included in the URA Plan, contributions to support 18% of the Water debt service may begin in FY'25. The remainder of available tax increment resources shown as "Special Payments" and "Grant Opportunities" in the project summary below, are appropriated but not yet to specific eligible projects. This is new for this year. Based on definition, special payments can be related to a transfer as the URA is not making a capital expenditure but is rather a funding source. This provides flexibility to respond to needs as they arise.

Project Recap

Project	Description	Revised FY'23 Budgeted	Adopted FY'24 Budget	Projected FY'25 Budget
	18% Water Treatment Plan Debt Service (est.)	3,500,000	-	97,000
	18% Wastewater Plan Debt Service	-	-	-
n/a	Other Capital Outlay	56,500	-	-
	Grant Opportunities	-	250,000	250,000
	Special Payments	-	5,703,000	1,607,500
Total Project Contributions		\$ 3,556,500	\$ 5,953,000	\$ 1,954,500

Respectfully submitted,



Aaron K. Cubic, City Manager

URBAN RENEWAL GENERAL FUND

Goals

The Urban Renewal Agency was adopted by the City of Grants Pass on August 3, 2016 with a mission to eliminate blighted conditions which contribute to depreciating property values in areas within the Agency’s jurisdiction. Specific plan goals include “create conditions that are attractive to the growth of existing business and attract new business to Grants Pass to create new jobs,” redevelopment/development, public involvement, and fiscal stewardship.

Goals in this budget will be realized through the use of an Urban Renewal General Fund. This fund will account for management expenses and potential grant opportunities, as well as transfers to City of Grants Pass capital projects identified through the plan.

Budget Summary

	ACTUAL FY'21 \$	ACTUAL FY'22 \$	BUDGET FY'23 \$	MANAGER RECOMMEND FY'24 \$	COMMITTEE APPROVED FY'24 \$	COUNCIL ADOPTED FY'24 \$	PROJECTED FY'25 \$
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RESOURCES

Beginning Balance	1,147,247	837,036	2,205,000	4,053,500	4,053,500	4,053,500	-
Current Resources							
Property Taxes	1,097,506	1,361,537	1,465,000	1,966,900	1,966,900	1,966,900	2,025,500
Interest	11,551	647	-	20,000	20,000	20,000	20,000
Total Current Revenues	1,109,057	1,362,184	1,465,000	1,986,900	1,986,900	1,986,900	2,045,500
Total Resources	2,256,304	2,199,220	3,670,000	6,040,400	6,040,400	6,040,400	2,045,500

REQUIREMENTS

Contractual/Prof. Svc's	10,673	8,795	13,500	263,800	263,800	263,800	264,100
Direct Charges	13,595	2,448	90,000	73,600	73,600	73,600	76,900
Capital Outlay	1,395,000	-	3,556,500	-	-	-	-
Special Payment	-	-	-	5,703,000	5,703,000	5,703,000	1,704,500
Subtotal Expenditures	1,419,268	11,243	3,660,000	6,040,400	6,040,400	6,040,400	2,045,500
Contingencies	-	-	10,000	-	-	-	-
Ending Balance	837,036	2,187,977	-	-	-	-	-
Total Requirements	2,256,304	2,199,220	3,670,000	6,040,400	6,040,400	6,040,400	2,045,500

APPENDIX A – Urban Renewal Projects

Urban renewal projects authorized by the Plan are described below. Public improvements authorized under the Plan include upgrading infrastructure including transportation and utilities to encourage development.

1. Sewer Plant

This project would support the debt service on the \$20,000,000 water restoration plant expansion. This project benefits the entire city, with only 18% of the area being included in the URA. The funding for the URA contribution would be a percentage of the total acreage of the city.

2. Water Plant

This project would support the debt service of replacing the water treatment plant. This project benefits the entire city, with only 18% of the area being included in the URA. The funding for the URA contribution would be a percentage of the total acreage of the city.

3. North end improvements

Water, sewer, and transportation improvements are needed in the NW Industrial area prior to further development in the area. The estimated costs identified in the various capital improvement plans total \$16 million dollars. Proposed URA participation at 25% could open this industrial area for development and expansion.

4. Water, Sewer, Transportation (SE Industrial)

The area around the Spalding Industrial Park needs infrastructure to adequately function as an industrial area. On the east side of Jones Creek, the topology will require a sewer lift station in order to provide sewer services. Water fire flow requirements will require a new reservoir and a booster station. Development costs for Sewer (\$8.2 million), Water (\$8.3 million) and Transportation (\$3.5 million) will exceed \$19 million. Assistance from the URA or another source will be required to make development of this area feasible. Proposed URA participation at 25% could open this industrial area for development and expansion.

5. North 6th and 7th Street corridor

The north entry way to the City comes down 6th and 7th streets. Visitor's first impressions of Grants Pass are made as they come into the City through this area. There is a need for façade improvements, landscaping, public restrooms, public parking, and improvements that would visually enhance this corridor and add to the appeal of downtown and the City.

6. Blighted building removal and/or replacement

There are several blighted buildings in the area that are prime real estate opportunities being underutilized. The removal and restructuring of some key development areas would attract new investment in the community. Incentives could influence the property owner's future development.

7. Southern section of NW industrial area

Water, sewer, and transportation improvements are needed in the southerly end of this industrial area prior to further development. The estimated costs identified in the various capital improvement plans total \$13 million dollars. Proposed agency participation at 25% could open this industrial area for development and expansion.

APPENDIX A – Urban Renewal Projects

8. Infrastructure - Vine Street - water, sewer, transportation

Water, sewer, and transportation improvements are needed in the Vine Street area in order to support further development. The estimated costs identified in the various capital improvement plans total \$2.3 million dollars. Proposed agency participation at 25% could open this industrial area for development and expansion.

9. Building Rehab Program

This project would focus on rehabilitating unsightly or uninhabitable buildings. The program could be set up as a low or no-interest loan program, or it could include grant elements. The purpose would be to encourage private investments improving façade and storefronts, interior building improvements, and perhaps the associated public infrastructure and access spaces connected to the buildings.

10. Business Incubator

This project would support a business incubator where small businesses could have access to resources that would assist them in developing their business plan. The incubator would serve as a catalyst for starting new businesses. Partnering with the local schools, the community college and the Small Business Development Center (SBDC) would likely improve business successes.

11. Convention Center

This project could explore a partnership with a developer or major hotel chain to locate a convention center in Grants Pass.

12. Town Center Plaza

This has been identified as an area that needs improvement. The buildings and surrounding parking are not consistent with the balance of the historical district. Though there are some successful retail outlets in the plaza, the potential exceeds what is currently there. Retail construction costs are estimated at \$140/per square foot. Incentives provided by the agency could influence the property owner's future development of this site.

13. Public Park Improvements

- a. Riverside Park. This would add amenities to Riverside Park. It could include an amphitheater, stage area, restrooms, spray park, meeting space and other features that could improve the park, benefiting citizens and attracting more visitors to the park and Grants Pass.
- b. Reinhart Volunteer Park. This would add amenities to Reinhart Volunteer Park including, but not limited to, court facilities.

14. Underdeveloped land

There are properties included within the URA that are being underutilized. Higher and better uses, including business park use, lodging, commercial uses and/or uses consistent with current zoning would benefit the City, its residents and its visitors. The agency could participate in planning, development, and installing of public infrastructure to improve these areas. Priority properties would be along 6th Street, Redwood Highway, and along the riverfront.

15. Study Streetscape/Streetscape Implementation

Aesthetic improvements to the streetscape in the Southeast Industrial Area.

APPENDIX A – Urban Renewal Projects

16. Downtown Plaza, Streetscape, Lighting & Restrooms

This area covers the majority of the Central Business and Historical Districts, to include the Growers Market, Bourne Railway Park, and Town Center Plaza. Projects will include but not be limited to sidewalks and street trees, decorative street lighting, public art, open spaces and plaza areas along with public restrooms.

17. Housing Development Program

Grants Pass currently lacks approximately 2,000 dwelling units for those at 80% Area Median Income (AMI) or below. Grants Pass is prioritizing the development of transitional, low, moderate, and workforce housing and will assist in the development through various methods including predevelopment assistance, completion of offsite improvements, land purchase, demolition, property tax rebate, building and development fees, or other methods as defined through a development agreement.

18. Public Swimming Pool

The Parks Master Plan lists aquatic activities as a top ten priority. Community swimming pools compliment other park facilities and provide many benefits, to include development of life-saving swimming skills, low-impact aerobic exercise, summer employment for high school and college students, and serves as a base for summer activities. For example, Caveman Pool is approximately 60 years old and needs to be replaced due to deteriorating conditions. This will include but not be limited to the pool vessel, mechanical building, changing rooms and concession area. There may be other sites in the Area deemed to be suitable locations for a future public swimming facility.

19. Debt Service and Plan Administration

This project will allow for the repayment of costs associated with the preparation and implementation of the Grants Pass Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long- and short-term debt, relocation costs and other administrative costs.

APPENDIX A – Urban Renewal Projects

Current plan as amended in June 2022:

Projects	Current Plan as Ammended
Sewer Plant Loan	18% of debt service cost
Water Plant Loan	18% of debt service cost
Water, Sewer, Transportation (SE Industrial)	5,000,000
Infrastructure - Vine Street - water, sewer, transportation	575,000
Building Rehab Program	2,000,000
North 6th and 7th Street Corridor	4,000,000
North end improvements	4,000,000
Southern end of NW Industrial Area	3,250,000
Blighted building removal and/or replacement	1,250,000
Business Incubator / Maker's Space	3,150,000
Riverside Park: bathrooms, splash park and other amenities	1,700,000
Town Center Plaza	1,000,000
Underdeveloped land	6,000,000
Streetscape Study/Implementation: SE Industrial Area	150,000
Downtown Plaza, Streetscape, Lighting & Restrooms	2,000,000
Housing Development Program	10,000,000
Public Swimming Pool	5,000,000
URA Administration	1,421,584
Finance Fees	483,095
Total	\$ 50,979,679

<https://www.grantspassoregon.gov/DocumentCenter/View/22191/Urban-Renewal-Amended-Plan---Exhibit-2>