

# EUGENE URBAN RENEWAL AGENCY

## AGENDA ITEM SUMMARY



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Public Hearing and Action: Resolution Adopting a Supplemental Budget; Making Appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year Beginning July 1, 2020, and Ending June 30, 2021

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Meeting Date: December 14, 2020  
Department: Central Services  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: X  
Staff Contact: Liz Butterfield  
Contact Telephone Number: 541-682-5512

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### ISSUE STATEMENT

Urban Renewal Agency (Agency) Board approval of the December Supplemental Budget for Fiscal Year 2021 (FY21) is requested after a public hearing. Oregon Local Budget Law (ORS 294.471) allows for supplemental budgets in the event of "An occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year or current budget period and that requires a change in financial planning." ORS 294.471 also allows for a supplemental budget if there are "funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget or a previous supplemental budget for the current year or current budget period." This supplemental budget does not authorize any increase in the property tax levy and has been published in compliance with the Oregon Local Budget Law.

### BACKGROUND

The supplemental budget that occurs in December of each fiscal year is usually the largest because of the audit adjustments to budgeted Beginning Working Capital and the reappropriation of funds from the prior fiscal year for contracts, program initiatives or projects that were started but not completed in that fiscal year. This supplemental budget consists of transactions to amend the Agency Adopted Budget to reconcile Beginning Working Capital, Capital Carryover, and Encumbrances Carryover, to reappropriate those dollars or place them into reserve, and authorizes other unanticipated changes in legal appropriations. A detailed description of these transactions is provided in Attachment A.

#### Beginning Working Capital

Isler CPA, the Agency's external auditor, has completed its Fiscal Year 2020 (FY20) audit and this supplemental budget includes Marginal Beginning Working Capital (MBWC) adjustments for all Agency funds. The MBWC is the difference between the estimate of FY20 ending working capital that was made in the FY21 Adopted Budget and the audited actual FY20 ending working capital. The total audited adjustment to the FY21 budgeted Beginning Working Capital for all Agency funds is a decrease of \$14,487,080.

#### Capital Carryover

The Capital Project Carryover Reconciliation is included in this supplemental budget. An estimate of the unspent balance in each capital project was established in the FY21 Adopted Budget. These

estimates have been reconciled with the actual FY20 expenditures, and the Capital Budget is adjusted to reflect the remaining unspent balances in each project. The Capital Carryover on this supplemental budget decreases the Capital Budget by \$1,137,413 and increases Balance Available by the same amount.

### Encumbrances Carryover

The Encumbrance Carryover Reconciliation is included in this supplemental budget. An estimate of unspent FY20 encumbrances (contracts that were in effect but not completed as of June 30) was established in the FY21 Adopted Budget. The Encumbrance Carryover on this supplemental budget decreases the Operating Budget by \$47,074 and increases Balance Available by the same amount.

### One-Time Funding Requests

The following one-time funding requests are the result of the special FY20 supplemental budget and subsequent issuance of \$12 million of City of Eugene full faith and credit bonds approved in May 2020. The special supplemental budget in FY20 allowed for construction of Phase 1 of the Downtown Riverfront infrastructure project to begin. Due to the timing of Council and Agency Board approvals of the special supplemental budget and borrowing resolution, these items were not included in the FY21 Adopted Budget:

- \$1,323,600 to fund the first year of debt service on \$12 million of City of Eugene full faith and credit bonds. The City will pay the debt service and the Agency will reimburse the City. Future debt service funding will be included in the annual budget process.
- Transfers into the Riverfront Capital Projects Fund (823) to fund all approved capital projects in the Riverfront District in FY21, including the Downtown Riverfront Infrastructure, Park, Railroad Quiet Zone, and other smaller projects:
  - Intergovernmental transfer of \$11,342,293 from the City's Miscellaneous Debt Service Fund (230) - The proceeds from the City's \$12 million bond issuance are transferred to the Agency on a reimbursement basis and it's expected that all remaining bond proceeds will be transferred to the Agency in FY21.
  - Interfund transfer of \$6,694,983 from the Riverfront Program Revenue Fund (824) - Program revenues are funds derived from non-property tax sources and can be used for different purposes than tax increment dollars, such as funding for River Loans. However, the River Loans program was paused in order to redirect program revenue to approved capital projects in the Riverfront District.
  - Interfund transfer of \$1,700,000 from the Riverfront General Fund (821) - These are tax increment funds from property taxes to support approved capital projects in the Riverfront District.

Also included in this supplemental budget is a one-time funding request of \$3.7 million to fund Phase 2 of the Downtown Riverfront infrastructure project. Following Agency Board approval of revised terms in May 2020, the Agency and DRND, LLC (commonly referred to as Williams & Dame or WDA) negotiated and recently executed a new Disposition and Development Agreement to implement those terms. Assuming that WDA's due diligence does not identify any significant issues, WDA will make a non-refundable deposit of \$4.5 million with the escrow agent by March 11, 2021, with the first closing of lots to occur no later than mid-September 2021. The one-time funding request for Phase 2 infrastructure included in this supplemental budget provides the spending authority contingent upon the \$4.5 million deposit from WDA. If these funds from WDA

are not deposited with the escrow agent as expected, Phase 2 infrastructure construction will not proceed without first having an additional conversation and action by Council/Agency Board.

*Timing*

In some cases, expenditure authority is needed immediately to carry out Agency Board direction or to meet legal or program requirements. Approval of the December Supplemental Budget allows the organization to prepare more accurate mid-year projections by having the general ledger reflect the audited balances in each fund. This, in turn, enables staff to more accurately estimate the Beginning Working Capital for the next fiscal year's Proposed Budget.

**PREVIOUS COUNCIL/AGENCY BOARD DIRECTION**

[April 27, 2020, City Council and Agency Board Meetings](#)

The City Council and Agency Board held public hearings on an FY20 supplemental budget for moving the Downtown Riverfront Phase 1 infrastructure project forward. This supplemental budget included issuance of \$12 million of City of Eugene full faith and credit bonds.

[May 13, 2020, City Council Work Session](#)

Council received additional information about the FY20 supplemental budget and had the opportunity to ask questions.

[May 18, 2020, City Council Work Session](#)

Council received additional information about the FY20 supplemental budget and had the opportunity to ask questions.

[May 20, 2020, City Council and Agency Board Work Sessions](#)

Council and Agency Board approved the supplemental budget that allowed for construction of Phase 1 of the Downtown Riverfront infrastructure project to begin. One of the items included in the City's supplemental budget was the issuance of \$12 million of City of Eugene full faith and credit bonds.

[May 26, 2020, City Council Meeting](#)

Council approved the borrowing resolution authorizing the issuance of \$12 million of City of Eugene full faith and credit bonds.

**BOARD OPTIONS**

Particular requests requiring more information or discussion may be removed from the December Supplemental Budget and delayed for action in a future supplemental budget. In certain cases, there may be a financial or legal impact to delaying budget approval. The Agency Board may also adopt amended appropriation amounts or funding sources for specific requests in the supplemental budget.

**AGENCY DIRECTOR'S RECOMMENDATION**

Approve the resolution in Attachment B adopting the December Supplemental Budget.

**SUGGESTED MOTION**

Move to approve a resolution, adopting a Supplemental Budget; making appropriations for the Urban Renewal Agency of the City of Eugene for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

**ATTACHMENTS**

- A. Transaction Summary
- B. Resolution

**FOR MORE INFORMATION**

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# Transaction Summary

## 812 Urban Renewal Agency Downtown Debt Service Fund

	FY21 Adopted	FY21 SB1 Action	FY21 SB2 Action	FY21 Revised
<b>I. RESOURCES</b>				
<b>BEGINNING WORKING CAPITAL</b>	3,721,352	0	(20,822) a	3,700,530
<b>CHANGE TO WORKING CAPITAL</b>				
<b>REVENUE</b>				
Taxes	2,551,000	0	0	2,551,000
Miscellaneous	86,000	0	0	86,000
<b>Total Revenue</b>	<u>2,637,000</u>	<u>0</u>	<u>0</u>	<u>2,637,000</u>
<b>TOTAL RESOURCES</b>	<b><u>6,358,352</u></b>	<b><u>0</u></b>	<b><u>(20,822)</u></b>	<b><u>6,337,530</u></b>
<b>II. REQUIREMENTS</b>				
Non-Departmental				
Interfund Transfers	1,147,137	4,900,000	0	6,047,137
Balance Available	5,211,215	(4,900,000)	(20,822) a	290,393
<b>Total Non-Departmental</b>	<u>6,358,352</u>	<u>0</u>	<u>(20,822)</u>	<u>6,337,530</u>
<b>TOTAL REQUIREMENTS</b>	<b><u>6,358,352</u></b>	<b><u>0</u></b>	<b><u>(20,822)</u></b>	<b><u>6,337,530</u></b>

### 812 Urban Renewal Agency Downtown Debt Service

a) **Beginning Working Capital Reconciliation** : Decrease the budgeted Beginning Working Capital by \$20,822 and decrease Balance Available by the same amount. This adjustment brings the FY21 budgeted Beginning Working Capital in compliance with the audited FY20 actual revenues and expenditures as determined by Isler CPA, the City's external auditor.

## 813 Urban Renewal Agency Downtown Capital Projects Fund

	FY21 Adopted	FY21 SB1 Action	FY21 SB2 Action	FY21 Revised
<b>I. RESOURCES</b>				
<b>BEGINNING WORKING CAPITAL</b>	190,126	0	(316) a	189,810
<b>CHANGE TO WORKING CAPITAL</b>				
REVENUE				
Miscellaneous	715	0	0	715
Interfund Transfers	0	4,900,000	0	4,900,000
Total Revenue	715	4,900,000	0	4,900,715
<b>TOTAL RESOURCES</b>	<b>190,841</b>	<b>4,900,000</b>	<b>(316)</b>	<b>5,090,525</b>
<b>II. REQUIREMENTS</b>				
Capital Projects				
Capital Projects	0	4,900,000	0	4,900,000
Capital Carryover	149,285	0	0	149,285
Total Capital Projects	149,285	4,900,000	0	5,049,285
Non-Departmental				
Balance Available	41,556	0	(316) a	41,240
Total Non-Departmental	41,556	0	(316)	41,240
<b>TOTAL REQUIREMENTS</b>	<b>190,841</b>	<b>4,900,000</b>	<b>(316)</b>	<b>5,090,525</b>

## 813 Urban Renewal Agency Downtown Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$316 and decrease Balance Available by the same amount. This adjustment brings the FY21 budgeted Beginning Working Capital in compliance with the audited FY20 actual revenues and expenditures as determined by Isler CPA, the City's external auditor.

## 817 Urban Renewal Agency Downtown General Fund

	FY21 Adopted	FY21 SB1 Action	FY21 SB2 Action		FY21 Revised
<b>I. RESOURCES</b>					
<b>BEGINNING WORKING CAPITAL</b>	3,757,208	0	28,280	a	3,785,488
<b>CHANGE TO WORKING CAPITAL</b>					
<b>REVENUE</b>					
Charges for Service	73,000	0	0		73,000
Miscellaneous	107,718	0	0		107,718
Interfund Transfers	1,147,137	0	0		1,147,137
Fiscal Transactions	149,071	0	0		149,071
<b>Total Revenue</b>	<b>1,476,926</b>	<b>0</b>	<b>0</b>		<b>1,476,926</b>
<b>TOTAL RESOURCES</b>	<b>5,234,134</b>	<b>0</b>	<b>28,280</b>		<b>5,262,414</b>
<b>II. REQUIREMENTS</b>					
Department Operating					
Planning and Development	1,943,466	0	(47,074)	b	1,896,392
<b>Total Department Operating</b>	<b>1,943,466</b>	<b>0</b>	<b>(47,074)</b>		<b>1,896,392</b>
Non-Departmental					
Special Payments	3,184,668	0	28,280	a	3,212,948
Balance Available	106,000	0	47,074	b	153,074
<b>Total Non-Departmental</b>	<b>3,290,668</b>	<b>0</b>	<b>75,354</b>		<b>3,366,022</b>
<b>TOTAL REQUIREMENTS</b>	<b>5,234,134</b>	<b>0</b>	<b>28,280</b>		<b>5,262,414</b>

### 817 Urban Renewal Agency Downtown General Fund

a) **Beginning Working Capital Reconciliation** : Increase the budgeted Beginning Working Capital by \$28,280 and increase Special Payments by the same amount. This adjustment brings the FY21 budgeted Beginning Working Capital in compliance with the audited FY20 actual revenues and expenditures as determined by Isler CPA, the City's external auditor.

b) **Encumbrance Estimate Reconciliation** : Decrease the Planning and Development Department operating appropriations by \$47,074 to reconcile the amount estimated for payment of obligations incurred but not paid in FY20 to the actual amount paid, and increase Balance Available by the same amount.

## 821 Urban Renewal Agency Riverfront General Fund

	FY21 Adopted	FY21 SB1 Action	FY21 SB2 Action		FY21 Revised
<b>I. RESOURCES</b>					
<b>BEGINNING WORKING CAPITAL</b>	1,056,094	0	81,012	a	1,137,106
<b>CHANGE TO WORKING CAPITAL</b>					
REVENUE					
Taxes	2,948,900	0	0		2,948,900
Miscellaneous	46,000	0	0		46,000
Total Revenue	2,994,900	0	0		2,994,900
<b>TOTAL RESOURCES</b>	<b>4,050,994</b>	<b>0</b>	<b>81,012</b>		<b>4,132,006</b>
<b>II. REQUIREMENTS</b>					
Department Operating					
Planning and Development	911,766	0	0		911,766
Total Department Operating	911,766	0	0		911,766
Non-Departmental					
Interfund Transfers	0	0	1,700,000	b	1,700,000
Special Payments	0	0	1,323,600	b	1,323,600
Balance Available	3,139,228	0	(2,942,588)	a, b	196,640
Total Non-Departmental	3,139,228	0	81,012		3,220,240
<b>TOTAL REQUIREMENTS</b>	<b>4,050,994</b>	<b>0</b>	<b>81,012</b>		<b>4,132,006</b>

## 821 Urban Renewal Agency Riverfront General Fund

a) **Beginning Working Capital Reconciliation** : Increase the budgeted Beginning Working Capital by \$81,012 and increase Balance Available by the same amount. This adjustment brings the FY21 budgeted Beginning Working Capital in compliance with the audited FY20 actual revenues and expenditures as determined by Isler CPA, the City's external auditor.

b) **One-Time Funding Requests** : Increase Interfund Transfers to the URA Riverfront Capital Projects Fund by \$1,700,000 and decrease Balance Available by the same amount to support approved capital projects in the Riverfront District, including the Downtown Riverfront Infrastructure, Park, Railroad Quiet Zone, and other projects. Increase Special Payments by \$1,323,600 and decrease Balance Available by the same amount to reimburse the City of Eugene for debt service on full faith and credit bonds issued by the City in June 2020.



## 823 Urban Renewal Agency Riverfront Capital Projects Fund

	FY21 Adopted	FY21 SB1 Action	FY21 SB2 Action		FY21 Revised
<b>I. RESOURCES</b>					
<b>BEGINNING WORKING CAPITAL</b>	21,328,071	0	(17,658,533)	a	3,669,538
<b>CHANGE TO WORKING CAPITAL</b>					
<b>REVENUE</b>					
Intergovernmental	0	0	11,342,293	b	11,342,293
Miscellaneous	60,000	0	3,700,000	b	3,760,000
Interfund Transfers	0	0	8,394,983	b	8,394,983
<b>Total Revenue</b>	60,000	0	23,437,276		23,497,276
<b>TOTAL RESOURCES</b>	<b>21,388,071</b>	<b>0</b>	<b>5,778,743</b>		<b>27,166,814</b>
<b>II. REQUIREMENTS</b>					
<b>Capital Projects</b>					
Capital Projects	0	0	3,700,000	b	3,700,000
Capital Carryover	21,175,873	0	(1,137,413)	c	20,038,460
<b>Total Capital Projects</b>	21,175,873	0	2,562,587		23,738,460
<b>Non-Departmental</b>					
Balance Available	212,198	0	3,216,156	a,b,c	3,428,354
<b>Total Non-Departmental</b>	212,198	0	3,216,156		3,428,354
<b>TOTAL REQUIREMENTS</b>	<b>21,388,071</b>	<b>0</b>	<b>5,778,743</b>		<b>27,166,814</b>

## 823 Urban Renewal Agency Riverfront Capital Projects Fund

a) **Beginning Working Capital Reconciliation** : Decrease the budgeted Beginning Working Capital by \$17,658,533 and decrease Balance Available by the same amount. This adjustment brings the FY21 budgeted Beginning Working Capital in compliance with the audited FY20 actual revenues and expenditures as determined by Isler CPA, the City's external auditor.

b) **One-Time Funding Requests** : Increase Intergovernmental revenue by \$11,342,293 and increase Balance Available by the same amount to transfer bond proceeds from the City of Eugene to the Riverfront District. Increase Miscellaneous revenue by \$3,700,000 and increase Capital Projects by \$3,700,000 for Phase 2 of the Downtown Riverfront infrastructure project. Increase Interfund Transfers revenue by \$8,394,983 to receive transfers from URA Riverfront Program Revenue Fund and URA Riverfront General Fund and increase Balance Available by the same amount to support approved capital projects in the Riverfront District, including the Downtown Riverfront Infrastructure, Park, Railroad Quiet Zone, and other projects.

c) **Capital Carryover Reconciliation** : Decrease Capital Carryover appropriations by \$1,137,413 and increase Balance Available by the same amount. This adjustment reconciles the FY21 Capital Carryover Estimate to the actual ending FY20 capital projects balance.

## 824 Urban Renewal Agency Riverfront Program Revenue Fund

	FY21 Adopted	FY21 SB1 Action	FY21 SB2 Action	FY21 Revised
<b>I. RESOURCES</b>				
<b>BEGINNING WORKING CAPITAL</b>	3,506,684	0	3,083,299	a 6,589,983
<b>CHANGE TO WORKING CAPITAL</b>				
REVENUE				
Miscellaneous	105,000	0	0	105,000
Total Revenue	105,000	0	0	105,000
<b>TOTAL RESOURCES</b>	<b>3,611,684</b>	<b>0</b>	<b>3,083,299</b>	<b>6,694,983</b>
<b>II. REQUIREMENTS</b>				
Non-Departmental				
Interfund Transfers	0	0	6,694,983	b 6,694,983
Special Payments	1,000,000	0	(1,000,000)	b 0
Balance Available	2,611,684	0	(2,611,684)	a,b 0
Total Non-Departmental	3,611,684	0	3,083,299	6,694,983
<b>TOTAL REQUIREMENTS</b>	<b>3,611,684</b>	<b>0</b>	<b>3,083,299</b>	<b>6,694,983</b>

## 824 Urban Renewal Agency Riverfront Revenue Fund

a) **Beginning Working Capital Reconciliation** : Increase the budgeted Beginning Working Capital by \$3,083,299 and increase Balance Available by the same amount. This adjustment brings the FY21 budgeted Beginning Working Capital in compliance with the audited FY20 actual revenues and expenditures as determined by Isler

b) **One-Time Funding Requests** : Increase Interfund Transfers by \$6,694,983, decrease Special Payments by \$1,000,000 and decrease Balance Available by \$5,694,983 to transfer funds to the URA Riverfront Capital Projects Fund to support approved capital projects in the Riverfront District, including the Downtown Riverfront Infrastructure, Park, Railroad Quiet Zone, and other projects.

Resolution Number XXXX

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET;  
MAKING APPROPRIATIONS FOR THE URBAN RENEWAL AGENCY  
OF THE CITY OF EUGENE  
FOR THE FISCAL YEAR BEGINNING JULY 1, 2020,  
AND ENDING JUNE 30, 2021.**

The Urban Renewal Agency of the City of Eugene finds that adopting the Supplemental Budget and making appropriations is necessary under ORS 294.471.

**NOW THEREFORE,**

**BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF EUGENE** as follows:

Section 1.

That the Supplemental Budget for the Urban Renewal Agency of the City of Eugene, Oregon, for the fiscal year beginning July 1, 2020, and ending June 30, 2021, as set forth in attached Exhibit A is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning July 1, 2020, and ending June 30, 2021, and for the purposes shown in attached Exhibit A are hereby appropriated.

Section 3.

That this Supplemental Budget is prepared in accordance with ORS 294.471(1), which authorizes the formulation of a supplemental budget resulting from "An occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year or current budget period and that requires a change in financial planning." This Supplemental Budget was published in accordance with ORS 294.471(3).

Section 4.

This resolution complies with ORS 294.471(4), and does not authorize an increase in the levy of property taxes above the amount in the Annual Budget publication.

The foregoing resolution adopted this 14th day of December, 2020.

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City Recorder

**EXHIBIT A**

Amounts  
in dollars

**URBAN RENEWAL AGENCY DOWNTOWN GENERAL FUND**

<b>Department Operating</b>	
Planning and Development	(47,074)
<b>Total Department Operating</b>	<u>(47,074)</u>
<b>Non-Departmental</b>	
* Balance Available	47,074
Special Payments	28,280
<b>Total Non-Departmental</b>	<u>75,354</u>
<b>TOTAL URA DOWNTOWN GENERAL FUND</b>	<u><b>28,280</b></u>

**URBAN RENEWAL AGENCY DOWNTOWN DEBT SERVICE FUND**

<b>Non-Departmental</b>	
* Balance Available	(20,822)
<b>Total Non-Departmental</b>	<u>(20,822)</u>
<b>TOTAL URA DOWNTOWN DEBT SERVICE FUND</b>	<u><b>(20,822)</b></u>

**URBAN RENEWAL AGENCY DOWNTOWN CAPITAL PROJECTS FUND**

<b>Non-Departmental</b>	
* Balance Available	(316)
<b>Total Non-Departmental</b>	<u>(316)</u>
<b>TOTAL URA DOWNTOWN CAPITAL PROJECTS FUND</b>	<u><b>(316)</b></u>

**URBAN RENEWAL AGENCY RIVERFRONT GENERAL FUND**

<b>Non-Departmental</b>	
Interfund Transfers	1,700,000
* Balance Available	(2,942,588)
Special Payments	1,323,600
<b>Total Non-Departmental</b>	<u>81,012</u>
<b>TOTAL URA RIVERFRONT GENERAL FUND</b>	<u><b>81,012</b></u>

**URBAN RENEWAL AGENCY RIVERFRONT CAPITAL PROJECTS FUND**

<b>Capital Projects</b>	
Capital Projects	2,562,587
<b>Total Capital Projects</b>	<u>2,562,587</u>
<b>Non-Departmental</b>	
* Balance Available	3,216,156
<b>Total Non-Departmental</b>	<u>3,216,156</u>
<b>TOTAL URA RIVERFRONT CAPITAL PROJECTS FUND</b>	<u><u>5,778,743</u></u>

**URBAN RENEWAL AGENCY RIVERFRONT PROGRAM REVENUE FUND**

<b>Non-Departmental</b>	
Interfund Transfers	6,694,983
* Balance Available	(2,611,684)
Special Payments	(1,000,000)
<b>Total Non-Departmental</b>	<u>3,083,299</u>
<b>TOTAL URA RIVERFRONT PROGRAM REVENUE</b>	<u><u>3,083,299</u></u>
<b>TOTAL REQUIREMENTS - ALL FUNDS</b>	<u><u><u>8,950,196</u></u></u>

\* Balance Available amounts are not appropriated for spending and are shown for informational purposes only.