

# EUGENE URBAN RENEWAL AGENCY

## AGENDA ITEM SUMMARY



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

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Meeting Date: Oct 19, 2020  
Department: Central Services  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 2  
Staff Contact: Liz Butterfield  
Contact Telephone Number: 541-682-5512

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#### **ISSUE STATEMENT**

The Agency Board will have the opportunity to adopt a supplemental budget to appropriate funds for projects identified in the Downtown Urban Renewal Plan (2016 Plan) and approved at the July 27, 2020 meeting. These projects are a portion of the Farmers Market and the Park Blocks projects.

Urban Renewal Agency (Agency) Board approval of the first Supplemental Budget (SB1) for Fiscal Year 2020-21 (FY21) is requested. 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.” 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**

This is a special Supplemental Budget ahead of the regular December Supplemental Budget to provide the appropriation authority necessary to move forward with the Farmers Market project and associated improvements in the Park Blocks and adjacent Rights of Way as approved by the Board in July 2020. Budget appropriation is required at this time to avoid delays to these projects. This Supplemental Budget transfers \$4.9 million from the URA Debt Service Fund to the URA Capital Projects Fund for the Town Square (\$3.1 million) and Parks Blocks projects (\$1.8 million).

The 2016 Plan Amendment provides that the Farmers Market is eligible for \$4.5 million and Park Blocks and Open Spaces is eligible for \$5.2 million. The Agency used \$1.25 million to purchase the southern portion of the Butterfly Lot in FY19.

Funds identified for the Farmers Market project are \$3.1 million. This amount represents the remaining funding allowable under the current project cap for tax increment funds established in

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the 2016 Plan. On June 22, 2020, the Agency Board started the process to amend the Plan and remove the project cap on tax increment that the Agency Board can authorize for the Farmers Market. The overall spending limit for the District will not change. The amendment process is underway, with these dates on the tentative agenda: Public Hearing on November 16, work session to review comments on November 23, and potential action on the ordinance on December 14. If the Plan is amended, a future budget action will be needed to add the remaining funds for the Farmers Market project.

Funds for design and construction for some Park Blocks project pieces will be made available for \$1.8 million. This funding will be used for a public restroom and right-of-way improvement work on 8<sup>th</sup> Avenue, Park Street, and Oak Street.

The estimated total cost of the Farmers Market project is \$9-10 million. The estimated total cost of the Park Blocks project is \$10-11 million.

<b>Downtown Urban Renewal Plan (2016 Plan)</b>	<b>Farmers Market</b>	<b>Park Blocks</b>
2016 Plan Limit	<u>\$4,500,000</u>	<u>\$5,200,000</u>
Butterfly Lot Purchase in FY19	(\$1,250,000)	-
Remaining budget from Butterfly Lot <sup>1</sup>	(\$150,000)	-
FY21 URA Supplemental Budget	<u>(\$3,100,000)</u>	<u>(\$1,800,000)</u>
Remaining funds under 2016 Plan	\$0	\$3,400,000 <sup>2</sup>

<sup>1</sup>Total budget for Butterfly Lot purchase was \$1.4 million. Remaining funds are kept in Capital Carryover

<sup>2</sup>Remaining funding from Park Blocks expected to move to Farmers Market after Plan Amendment in 2020

Currently, the Lane County Farmers Market (LCFM) operates multiple times per week during the spring, summer and fall on a portion of the Butterfly Lot property on 8<sup>th</sup> Avenue. The Farmers Market continues to encounter difficult issues with that location, such as inadequate electrical service, uneven, unpaved, and inaccessible surfaces, and lack of a permanent shelter. Reincorporating the Butterfly Parking Lot into the Park Blocks for the Farmers Market would re-establish the original Park Blocks and support a cornerstone of downtown activity. For the past few years, the Farmers Market has expressed a need and desire to expand its offerings to maintain financial viability and potentially operate year-round. The Agency improvements will make that location more attractive and functional for the Farmers Market and more accessible, safe, and inviting for the public. The Agency and City purchased the Butterfly Lot in January 2019 to serve as the location of the improved Farmers Market and future City Hall (respectively).

In 2016, the Eugene City Council amended the Downtown Urban Renewal Plan to include improvements to the Farmers Market and in the summer of 2019, the City of Eugene led an extensive stakeholder and public outreach process that directly informed the designs for the new farmers market. The City of Eugene has proposed a plan to build a new permanent Farmers Market pavilion and plaza to expand the available vending area and allow for year-round operations, including the LCFM's annual Holiday Market. Combined, the new space will expand the number of booths from roughly 70 to up to 140. Along with hosting the regularly scheduled

Lane County Farmers Market for at least two days per week, the pavilion and plaza will also operate as a flexible public space, creating an opportunity for use throughout the week.

The project will be ready for construction in 2021, with expected completion in the winter of 2022.

A detailed description of the supplemental budget transactions is provided in Attachment A.

### **PREVIOUS COUNCIL/AGENCY BOARD DIRECTION**

#### [June 13, 2016, Work Session](#)

The Agency Board passed two motions and approved Ordinance 20564 to amend the Downtown Urban Renewal Plan to increase the spending limit and include the Park Blocks and Farmers Market as new projects.

#### [June 22, 2020, Work Session](#)

The Agency Board started the process to amend the Downtown Urban Renewal Plan to remove the cap on tax increment for the Farmers Market.

#### [July 27, 2020 City Council Meeting](#)

The Agency Board passed a motion to direct the Agency Director to commence the Park Blocks & Open Space and Farmers Market projects using Urban Renewal funds to fully fund the Farmers Market pavilion/plaza, fund Park Block improvements (including a free-standing restroom and right of way improvements around the northwest Park Block), and specified that a “minimal” amount of the estimated remaining \$1.1 million of tax increment funds should be spent on Open Space projects.

### **AGENCY BOARD OPTIONS**

The Agency Board can either approve or not approve the resolution. If the resolution is not approved, the Farmers Market and Park Blocks projects cannot move forward.

### **AGENCY DIRECTOR’S RECOMMENDATION**

The Agency Director recommends adopting the resolution.

### **SUGGESTED MOTION**

Move to adopt Resolution 1095 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 Revised
<b>I. RESOURCES</b>			
<b>BEGINNING WORKING CAPITAL</b>	3,721,352	0	3,721,352
<b>CHANGE TO WORKING CAPITAL</b>			
REVENUE			
Taxes	2,551,000	0	2,551,000
Miscellaneous	86,000	0	86,000
Total Revenue	2,637,000	0	2,637,000
<b>TOTAL RESOURCES</b>	<b>6,358,352</b>	<b>0</b>	<b>6,358,352</b>
<b>II. REQUIREMENTS</b>			
Non-Departmental			
Interfund Transfers	1,147,137	4,900,000 a	6,047,137
Balance Available	5,211,215	(4,900,000) a	311,215
Total Non-Departmental	6,358,352	0	6,358,352
<b>TOTAL REQUIREMENTS</b>	<b>6,358,352</b>	<b>0</b>	<b>6,358,352</b>

### 812 Urban Renewal Agency Downtown Debt Service

a) **Appropriation Adjustments:** Increase Interfund Transfers to the URA Downtown Capital Projects Fund by \$4,900,000 for the Farmers Market and Parks & Open Space projects. Decrease Balance Available by the same amount.

## 813 Urban Renewal Agency Downtown Capital Projects Fund

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

## 813 Urban Renewal Agency Downtown Capital Projects Fund

a) **One-Time Funding Request:** Recognize Interfund Transfer revenues from the URA Downtown Debt Service Fund in the amount of \$4,900,000 and increase Capital Projects by the same amount for the Farmers Market and Parks & Open Space projects.

**Resolution Number 1095**

**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 19th day of October, 2020.

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City Recorder

**EXHIBIT A**

Amounts  
in dollars

**URBAN RENEWAL AGENCY DOWNTOWN DEBT SERVICE FUND**

**Non-Departmental**

Interfund Transfers	4,900,000
* Balance Available	<u>(4,900,000)</u>
<b>Total Non-Departmental</b>	<b>0</b>
<b>TOTAL URA DOWNTOWN DEBT SERVICE FUND</b>	<b><u>0</u></b>

**URBAN RENEWAL AGENCY DOWNTOWN CAPITAL PROJECTS FUND**

**Capital Projects**

Capital Projects	<u>4,900,000</u>
<b>Total Capital Projects</b>	<b>4,900,000</b>
<b>TOTAL URA DOWNTOWN CAPITAL PROJECTS FUND</b>	<b><u>4,900,000</u></b>

<b>TOTAL REQUIREMENTS - ALL FUNDS</b>	<b><u><u>4,900,000</u></u></b>
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\* Balance Available amounts are not appropriated for spending and are shown for informational purposes only.