

A meeting of the 2015-16 East and West Urban Renewal Districts Budget Committee was held in City Council Chambers at 6:00 p.m.

Committee Members Present: Mayor LaMear, City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger.

Committee Members Excused: None.

Staff Present: City Manager Estes, Finance Director Brooks, Financial Analyst Snyder, Police Chief/Assistance City Manager Johnston, and Fire Chief Ames.

The meeting was called to order by Mayor LaMear.

#### **Election of Officers**

Mayor LaMear called for nominations for Chairperson. Motion made by Councilor Warr, seconded by Councilor Nemlowill to nominate Loren Mathews as Chair of the East and West Urban Renewal Districts Budget Committee. (Motion carried by unanimous vote.)

Mayor LaMear passed the gavel to newly elected Chair Mathews.

Chair Mathews called for nominations for Secretary. Motion made by Councilor Herzig, seconded by Councilor Price to nominate Richard Hurley as Secretary of the East and West Urban Renewal Districts Budget Committee. (Motion carried by unanimous vote.)

#### **Budget Committee Review Schedule**

The Budget Committee consented to use Staff's suggested meeting schedule of April 27, 28, and 29, 2015 with the meetings starting at 7:00 p.m. The Committee would set the date and time for a fourth meeting, if needed, at the April 29<sup>th</sup> meeting.

#### **BUDGET MESSAGE**

##### **a. City Manager's Opening Comments and Budget Message**

City Manager Estes explained the Astoria Development Commission's proposed budget included budgets for both the Astor East and Astor West Urban Renewal Districts. He described each district's boundaries and reviewed the budgets and key projects of both the East and West Urban Renewal Districts. He clarified that neither district had a sunset date, but rather an amount for maximum indebtedness, the total amount that could be expended for the district. Once that amount was reached, the urban renewal district would sunset. The Development Commission increased the maximum indebtedness for the Astor East Urban Renewal District in 2008 or 2009 which was projected to give the district 20 more years of life. The Astor West Urban Renewal District had not had large projects yet, so it had only a small debt amount; however, larger projects were expected with the upcoming projects of the Streetscape Master Plan.

#### **PUBLIC HEARING ON ASTORIA EAST AND ASTORIA WEST URBAN RENEWAL DISTRICT BUDGETS AS PROPOSED**

Chair Mathews opened the public hearing on Astoria East and Astoria West Urban Renewal District Budgets.

George McCartin requested that the record be left open so that he or anyone who could not attend the meeting could submit testimony in writing between now and the final meeting. He clarified his comments regarded the 2015-16 City budget and not the urban renewal budgets.

Chair Mathews confirmed there was no further public comment and closed the public hearing.

City Manager Estes and Finance Analyst Snyder responded to questions from the Budget Committee, namely with regard to Conferences, Meetings & Travel and Acronym explanations listed under Memberships & Dues, Professional Services, and Administrative Services line items in both the Astoria East and Astoria West Urban Renewal District Budgets. Their key additional comments included:

- After the budget document was prepared, CEDR Executive Director Kevin Leahy informed the City that CEDR would be requesting additional funds as CEDR's dues had increased from \$7,500 to approximately \$10,000 per year.
- When the Astor East Urban Renewal District took out the loan for Heritage Square, the bond for the Liberty Theatre was paid off and refinanced into the loan for Heritage Square and the bond account closed. Payments for Heritage Square and the Liberty Theatre loans are included in the General Fund portion of Astor East Urban Renewal District. The City still has three years of payments on the loan at 3 percent interest.
- Urban renewal funds can be used to incentivize businesses enterprises as well as build things within the district. Each urban renewal district has an adopted plan that includes a list of approved projects to fund. Typically, urban renewal funds are used for infrastructure improvements, specific projects, and to provide loans to entities within the district. Each project must meet the intent of the respective urban renewal district.
- Recent urban renewal district loans were reviewed. Interest rates for urban renewal loans are typically negotiated, but are usually around 3 percent. The loans have lower interest rates than the market but could not legally compete with banks. Their purpose was to provide some gap financing to help incentivize a project. Interest rates are ultimately determined by the Development Commission.
- Urban renewal money could potentially be used toward the library, depending on the urban renewal district's description. The library was in the East Urban Renewal District; currently most of the money was in the West Urban Renewal District.
- The only active projects in the Astor East Urban Renewal District were the loans for Heritage Square and Astor Hotel. The only active project in the Astor West Urban Renewal District was the loan for the Red Building.

The Budget Committee requested a copy of CEDR's annual budget; a breakdown of the specific costs in the Administrative Services line items for both urban renewal budgets; the amount of the outstanding loan for Heritage Square; copies of each adopted urban renewal district plan, and a five-year status report on how urban renewal funds have been utilized.

#### **INDIVIDUAL BUDGET CONSIDERATION**

##### **a. Astoria East Urban Renewal District General Fund**

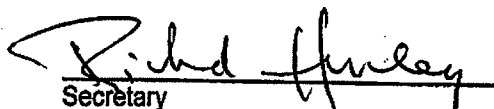
**Committee Action:** Motion made by Councilor Warr, seconded by Richard Hurley, to tentatively approve the Astor East Urban Renewal District Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

##### **b. Astoria West Urban Renewal District General Fund**

**Committee Action:** Motion made by Councilor Warr, seconded by Mayor LaMear to tentatively approve the Astor West Urban Renewal District Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Chair Mathews adjourned the meeting at 7:35 pm.

**ATTEST:**

  
Secretary