

HERMISTON URBAN RENEWAL AGENCY

Budget Committee Meeting

May 5, 2022

Chair Drotzmann opened the meeting of the Hermiston Urban Renewal Agency Budget Committee to consider the proposed budget for the 2021-2022 fiscal year at 7:33pm. Present were Budget Committee members: Anton Wanous, Rod Hardin, Brian Misner, Jackie Myers, Jason McAndrew, Maria Duron, Joshua Roberts, Roy Barron, Larry Lankford, Phillip Spicerkuhn, David Hanson, Paul Magaña, Nancy Peterson, and Lori Davis. Doug Primmer was absent.

City Staff present included: City Manager Byron Smith, Assistant City Manager Mark Morgan, Chief Edmiston, Finance Director Mark Krawczyk, Parks and Recreation Director Brandon Artz, Planning Director Clint Spencer, Hermiston Energy Services General Manager Nate Rivera, City Attorney Richard Tovey, Street Superintendent Ron Sivey, Court Manager Jillian Viles, Library Director Mark Rose, Senior Financial Analyst Tasha Harrell, and Deputy City Recorder Heather La Beau. Youth Advisors present (arrived at 5:47) were Manuel Salazar and Julissa Gonzalez Mendoza.

Chair Drotzmann stated that the committee must elect a Chairman and Secretary. Rod Hardin moved and David Hanson seconded to nominate Brian Misner as Chair. Motion carried unanimously. Lori Davis moved and Chair Drotzmann seconded to nominate Anton Wanous as Secretary. Motion carried unanimously.

Urban Renewal Manager Clint Spencer presented the HURA budget message stating the proposed Hermiston Urban Renewal Agency (HURA) Budget for the 2022-23 Fiscal Year is \$645,662.

Revenues for urban renewal agencies are based on tax-increment financing, which freezes the assessed value of the urban renewal area when it is established, and diverts all property tax revenues over and above that frozen base into the urban renewal agency to pay for improvement projects. The frozen base of the district is \$42,262,899. Assessed value growth was steady in the district. Assessed value for the district is \$57,312,085, an increase of 2.9% over the previous fiscal year. This growth is a result of several commercial remodels which have completed construction recently, as well as existing commercial buildings which have re-entered the tax rolls. In general, the downtown is becoming a more attractive area for investment and this increased market demand is lifting values. The district's revenues are generated by the \$15,049,186 difference between the frozen base and the current district value.

Since urban renewal districts are funded only on the difference in assessed value between the frozen base (\$42,262,899) and the current assessed value (\$57,312,085), the revenue forecasting for budget purposes is kept conservative to minimize fluctuations in assessment. The Holiday Inn Express hotel continues to provide the bulk of the district's assessed value at approximately 40% of total valuation. Overall organic growth in property value decreases the revenue dependency upon one major project each year.

COVID-19 closures and continued economic uncertainty continue to impact the downtown business climate which relies on dining, travel, retail sales, and professional services. This makes it difficult to anticipate where private investments which drive tax increment revenue will be made. Even though the business climate continues to be uncertain, the overall revenue health of the district is still ahead of the forecasts developed at district formation. The 2021-22 fiscal year was predicted to generate \$180,997 and actual revenue was \$238,073. Similarly, 2022-23 was forecasted to generate \$203,255 and the actual revenue forecast will be \$270,259.

HERMISTON URBAN RENEWAL AGENCY

Budget Committee Meeting

May 5, 2022

The 2021-22 fiscal year was considered a fund building year for the district. Funds were expended on the wayfinding sign project and façade grant program. However, there was no large capital program so funds could be saved for future large investments. For the 22-23 FY, a new capital program is proposed to take advantage of these funds. A gateway program has been part of the urban renewal plan since its inception. The gateway program has been refined into a safety realignment and landscape program for the intersection of SE 2nd Street and Highway 395 directly in front of the community center. This realignment will close the south entrance to the community center, create a one-way entrance to SE 2nd Street, and add additional pedestrian facilities and landscaping. The one-way reconfiguration is especially important as ODOT has noted that left turn movements from this intersection are exceptionally accident prone due to the intersection geometry. Vehicles wishing to turn left onto southbound Highway 395 will be redirected to the intersection of E Newport Ave and Highway 395 or the signalized intersection of E Hurlburt Ave and Highway 395. The proposed budget for this project is \$400,000. Physical construction, design engineering, and construction engineering are estimated at \$280,000. The remaining \$120,000 will be devoted to landscape improvements and a gateway to create a true entrance to the downtown. It is hoped that additional funds may be acquired from ODOT for this project. In the past, ODOT has offered safety enhancement funds if the city pursues this project.

The budget for the Festival Street is proposed to increase from \$3,000 to \$5,000 for the 22-23 FY. Typically, the \$3,000 programming fund is used as seed money for events on the Festival Street, paying entertainers, buying supplies, and other administrative uses. For the 22-23 FY, an increase is proposed to clean and restore the Festival Street following the completion of City Hall construction. This money will be used to augment the City Hall contractor's clean-up efforts and to create the best possible presentation for the Festival Street.

There is no allocation for the wayfinding sign project. The parking signage which will be installed by June 30, 2022 was the only portion anticipated to be funded through urban renewal. Urban renewal funds may only be spent within the geographical boundaries of the urban renewal district and there is minimal signage in the city-wide plan which will still be within the boundary. The addition of the Soofa variable message boards to the wayfinding project is proving to be a good investment of funds. They increase the ability to reach the public with important public messages regarding transit, meetings, and other items of public concern. They also provide a physical place for a city map which facilitates pedestrian traffic. The overall logistics of the program are still being developed, but the initial response has been very positive.

The Façade Grant program is a program intended to incentivize private investment within the area. The program is specifically tailored to improvements to commercial building exteriors. These improvements increase the overall attractiveness of the downtown, improving the business climate and may also drive up assessed valuation. The budget proposal for the Façade Grant program in 22-23 FY is \$50,000. This holds the annual spending level of \$50,000. Fiscal year 21-22 had a façade grant budget of \$50,000 and one grant was applied for and one was paid out in this fiscal year.

A landscape improvement of \$5,000 is anticipated in the budget. There is not a specific project proposed at this time. However, landscaping projects are anticipated in the urban renewal plan. This

HERMISTON URBAN RENEWAL AGENCY

Budget Committee Meeting

May 5, 2022

\$5,000 is proposed to allow the district the flexibility to fund potential projects of opportunity that may arise.

The non-departmental miscellaneous contractual account is budgeted for \$26,000 for the 22-23 FY. This fund is intended to provide flexible funding opportunities to respond to changing and unforeseen conditions during the year.

After questions and discussion of the proposed budget, Maria Duron moved and Joshua Roberts seconded to approve the FY 2022-23 proposed HURA budget as proposed. Motion carried unanimously.

Chair Drotzmann introduced the Youth Advisors in attendance at the meeting.

There was no further business and Chair Misner adjourned the Urban Renewal Agency meeting at 7:03pm.

APPROVED:

Brian Misner, Budget Chair

ATTEST:

Anton Wanous, Budget Secretary



BUDGET PRESENTATION

May 5, 2022



Façade Grant Program



20 GRANTS AWARDED SINCE 2014



2nd St Gateway Project

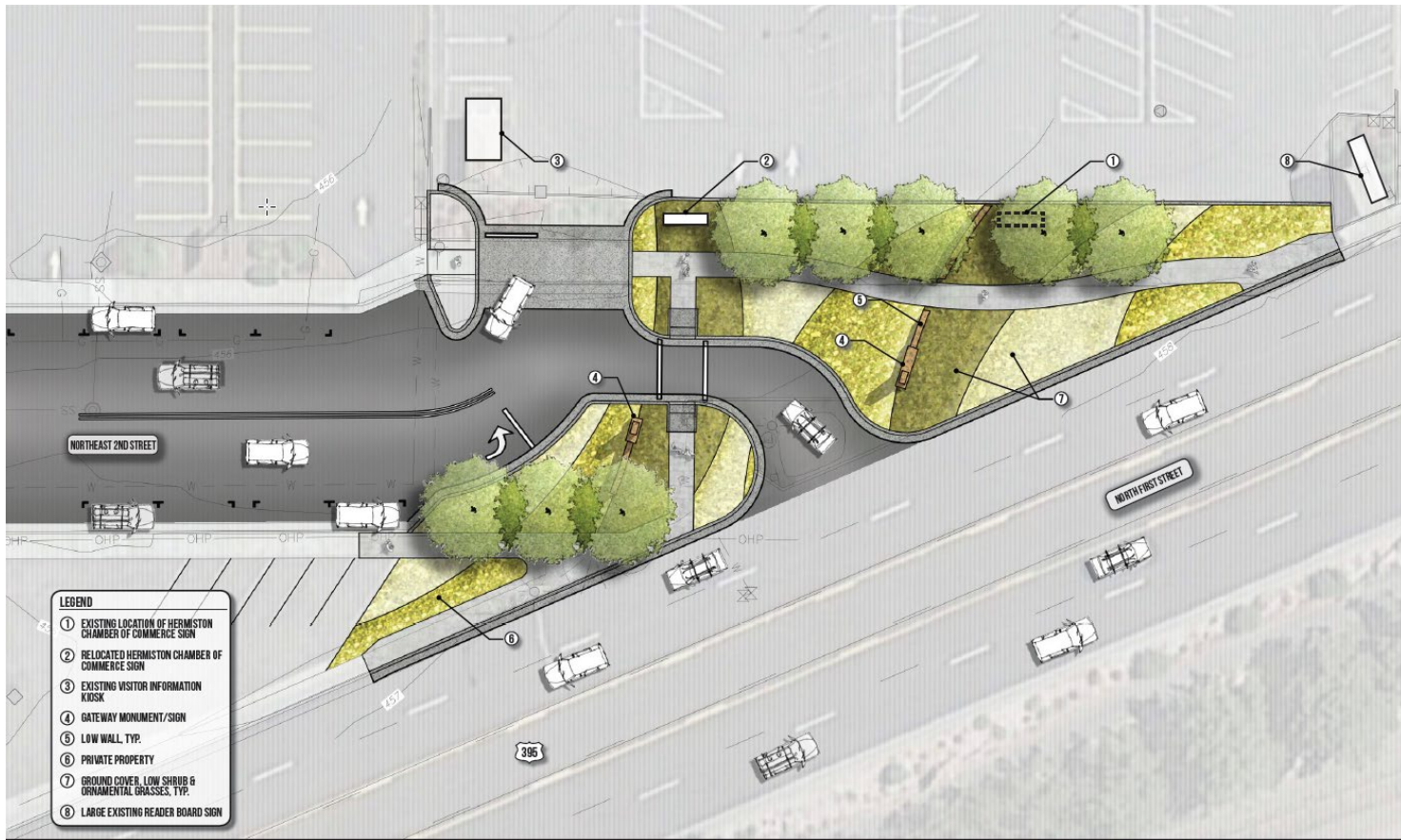


VIEW NORTH UP SE 2ND AVE FROM HWY 395

CONCEPT - GATEWAY
CITY OF HERMISTON FESTIVAL STREET IMPROVEMENT PROJECT



2nd St Gateway Project



CONCEPT - GATEWAY
CITY OF HERMISTON FESTIVAL STREET IMPROVEMENT PROJECT



2nd St Gateway Project

