



Madras Redevelopment Commission

Proposed Budget



2024-2025 Fiscal Year



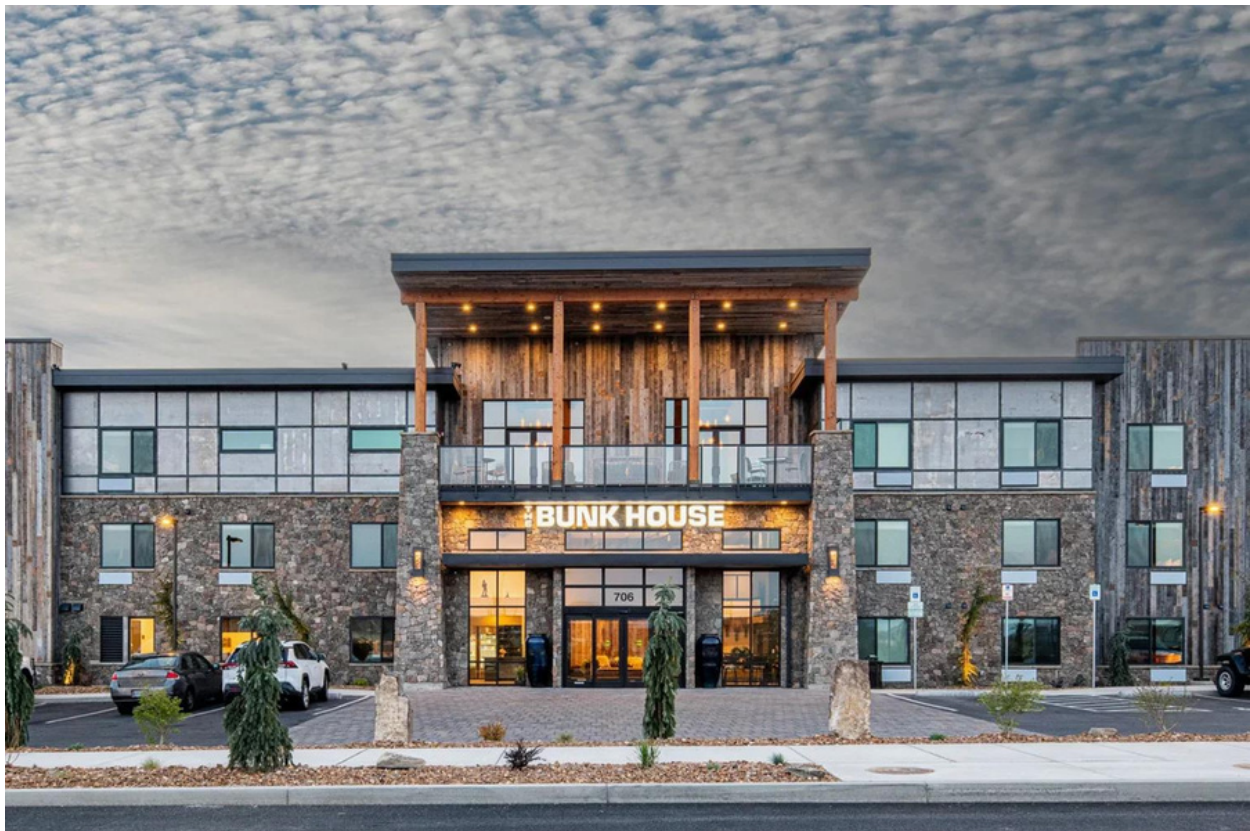
Madras Urban Renewal Agency

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Madras Urban Renewal Agency
2024-2025 Budget
Table of Contents

	<u>Page</u>
Budget Calendar	1
BUDGET SUMMARY	
Budget Message	3
Urban Renewal Agency History	4
Urban Renewal District Map	7
The Budget Process	8
Fund Organization Chart	9
MADRAS URBAN RENEWAL AGENCY	
700 – MURA General Fund	10
MADRAS URBAN RENEWAL COMMERCIAL DISTRICT	
Budget Summary	12
703 – Commercial Property Tax and Debt Service Fund	15
704 – Commercial Project Fund	18
705 – Commercial Revolving Debt Loan Fund	22
MADRAS URBAN RENEWAL HOUSING DISTRICT	
Budget Summary	24
707 – Housing Property Tax and Debt Service Fund	25
708 – Housing Project Fund	27
APPENDIX	
Glossary	29

**City of Madras & Madras Redevelopment Commission (MRC)
Fiscal Year 2024-25 Budget Calendar**

Start Date	Complete By Date	Task	Relevant Parties
02/29/24	3/12/24	Budget packets are sent out to departments (online Caselle hybrid). Schedule training with any new director position to review the city budget process in detail and online Caselle entry.	Finance
02/29/24	N/A	Send out Doodle polls to departments regarding the budget work sessions. <ul style="list-style-type: none"> Review personnel, department, and fund budgets. 	Finance
3/12/24	3/12/24	Draft and present budget assumptions to Council & MRC <ul style="list-style-type: none"> Indirect rate is presented and adopted for an effective date of 7/1/2024. CPI - COLA New IT Costs PERS Side Account Rate Present budget committee candidates to the city council and MRC commission.	Finance/CA
3/12/24	3/22/24	<ul style="list-style-type: none"> Budgets are due. The Finance Director imports all budgets and balances. 	Finance
3/21/24	N/A	<ul style="list-style-type: none"> Send First MRC public notice (Madras Pioneer) "Notice of Budget Committee Meeting" (not more than 30 days before the scheduled meeting date). Publication date of March 27th. Schedule work sessions for departments that need review. 	Finance
03/25/24	N/A	Draft initial budget for CA and Budget Officer	Finance/CA
03/25/24	04/01/24	CA/Budget Officer and Finance Director review and balance overall budgets.	All
03/28/24	N/A	<ul style="list-style-type: none"> Send a second MRC public notice (Madras Pioneer & the city website), "Notice of Budget Committee Hearing." Publication date of April 3rd. Send the first city public notice (Madras Pioneer & the city website), the "Notice of Budget Committee Meeting." 	Finance
04/02/24	04/02/24	CA/Budget Officer and Finance Director approve the <i>final</i> proposal before budget book distribution.	

**City of Madras & Madras Redevelopment Commission (MRC)
Fiscal Year 2024-25 Budget Calendar**

Start Date	Complete By Date	Task	Relevant Parties
04/04/24	N/A	Send second <u>city</u> public notice (Madras Pioneer & the city website) “Notice of Budget Committee Meeting.” Publication date of April 10 th .	Finance
04/05/24	N/A	Distribute Budget Books to Budget Committee Members	Finance
04/10/24		1st MRC Budget Committee Meeting – Rescheduled to 4/24/24	All
04/17/24		1 st City Budget Committee Meeting <ul style="list-style-type: none"> • Receive budget message. • Election of Chair. • Open public comment • Review individual department/elected budgets 	All
04/24/24		1 st MRC Budget Committee Meeting & 2 nd City Budget Committee Meeting <ul style="list-style-type: none"> • Finish up review of budget docs. • Approve adjustments and budget. 	All
05/01/24		3 rd City Budget Committee Meeting <i>or</i> MRC Budget Meeting (if needed)	All
05/16/24		<ul style="list-style-type: none"> • Send public notice to the newspaper to publish a budget summary approved by the Budget Committee and information about the June 4th Budget Hearing. (Publish 5 – 25 days before adopting). Publication date of May 22, 2024. 	Finance
06/04/24		<ul style="list-style-type: none"> • Budget Hearings held by the governing body (Council & Commission), receive citizens’ testimony on the budget approved by the Budget Committee. The budget is adopted by a resolution at this meeting. • Supplemental Budget Hearing for the budget year ending 6/30/2024. 	All



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MADRAS URBAN RENEWAL AGENCY HISTORY

The City of Madras has two (2) Urban Renewal Districts: 1) Madras Urban Renewal Commercial District; and 2) Housing Urban Renewal District (*see Figure 1 below*). An overview of each District's history is provided below.

Madras Urban Renewal District (Commercial)

Madras Urban Renewal Plan was adopted by the City of Madras City Council on August 13, 2002, via City Ordinance No. 700, which also established the Madras Urban Renewal District (MURD). The purpose of the Madras Urban Renewal Plan is to:

1. Eliminate blighted condition.
2. Reverse physical and economic decline.
3. Establish a maximum indebtedness of \$14 million.
4. Identify financing methods to eliminate blight and improve economic conditions.

In 2002 the Madras City Council passed Ordinance No. 709 which created the Madras Redevelopment Commission and transferred its Urban Renewal Authority to the Madras Redevelopment Commission (MRC) to increase public involvement in the Urban Renewal Program, pursuant to Oregon Revised Statutes (ORS) 457.055. Later, on February 3, 2016, the MRC approved the Urban Renewal Action Plan. This Plan updated the MRC's earlier Urban Revitalization Action Plan and seeks to target investments within the district based on the following criteria that will create a competitive advantage for Madras:

Generate tax increment.

- The investment will generate more tax increment revenue than the public investment required.

Support development on underutilized and vacant sites.

- The investment represents a timely opportunity for investment on a previously underutilized site.

Catalyze additional development throughout the district.

- The investment is likely to spur additional development on other sites that will not require public investment.

Increase the tax base long term.

- Urban Renewal Action Plan acknowledges that increased financial capacity is most likely to come from growth in TIF revenue. Thus, the District must increase its financial capacity to invest in the projects outlined in the Action Plan. Growth in TIF revenue is dependent on an increase in assessed value in the district, which can come from two sources:

- 1) Appreciation in existing property values, or
- 2) New development.

Oregon law caps appreciation on existing properties at no more than 3% per year in most situations, and the assessed value of the district has historically appreciated at less than 3% per year. That means that significant increases in assessed value in the district will likely be dependent upon new development. For this reason and others, the Action Plan has prioritized.

projects that support and catalyze new development in the district using an investment strategy prioritizes increasing the district's financial capacity in the short term, to ensure the district has the capacity to achieve all of its goals in the long-term.

The district is located primarily along the Highway 97 commercial corridor that extends between Lee Street in the north and Hall Street in the south. Property taxes are imposed on the increases in property values on the assessed value within the district. The district receives property taxes (tax increment financing/TIF) to fund projects that are consistent with the District's Urban Renewal Plan.

Housing Urban Renewal District (HURD)

In December of 2018 the City of Madras completed a Housing Action Plan that identified housing needs for all housing types and income levels. The Housing Action Plan recommended specific actions to address these housing needs. One of the recommended actions was evaluating the opportunities for a new or expanded urban renewal area to support development of housing. The city completed a Feasibility Study in June of 2019. Later, on November 12, 2019, the City Council approved the Housing Urban Renewal District (HURD) Report and Plan, and Ordinance No. 935¹. The HURD is estimated to last 30 years, resulting in 30 years of tax increment collections. The city estimates that 965 new housing units will be constructed within the Plan Area over the estimated 30-year time frame of the HURD. The maximum amount of indebtedness (amount of dollars spent for projects, programs, and administration) that may be issued for the Plan is \$39,100,000.

The goals of the HURD Plan represent its basic intents and purposes. Accompanying the goals are objectives, which generally describe how the MRC intends to achieve each goal. The goals and objectives will be based on economic feasibility and at the discretion of the MRC.

Housing Development

To increase the supply of all housing types in the City of Madras.

1. Provide financial incentives for the development of housing in the City of Madras.
2. Provide infrastructure improvements to support the development of housing in Madras.

Infrastructure

To provide necessary infrastructure improvements to support housing development in the City of Madras.

1. Provide infrastructure improvements.
2. Assist in the financing of infrastructure improvements to be made by a developer/builder/property owner.
3. Assist in the provision of infrastructure improvements by providing other incentives to a developer/builder/property owner.

¹ Ordinance No. 936 amended Ordinance No. 935.

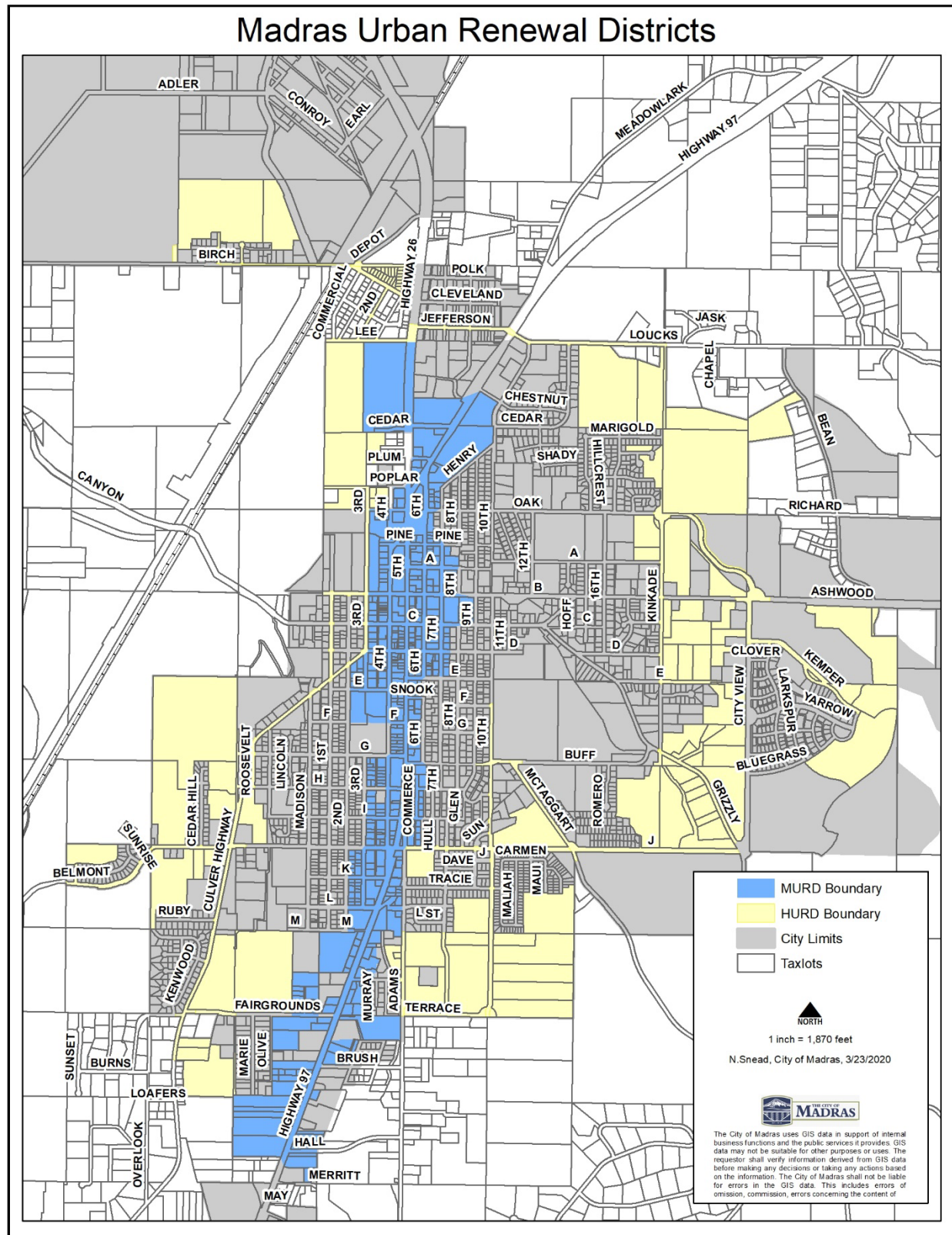
Public Safety

Coordinate with Jefferson County Fire District #1 to provide public safety in the urban renewal area.

ORS 457.460 requires urban renewal agencies to provide a summary of their finances for public information. Additional reporting for the MRC includes the adoption of its annual budget and its annual independent audit.

Copies of the City of Madras Urban Renewal Plans, Reports and related documents can be found on the Madras website. <https://www.ci.madras.or.us/bc-mrc>

Figure 1. Madras Urban Renewal District Boundaries



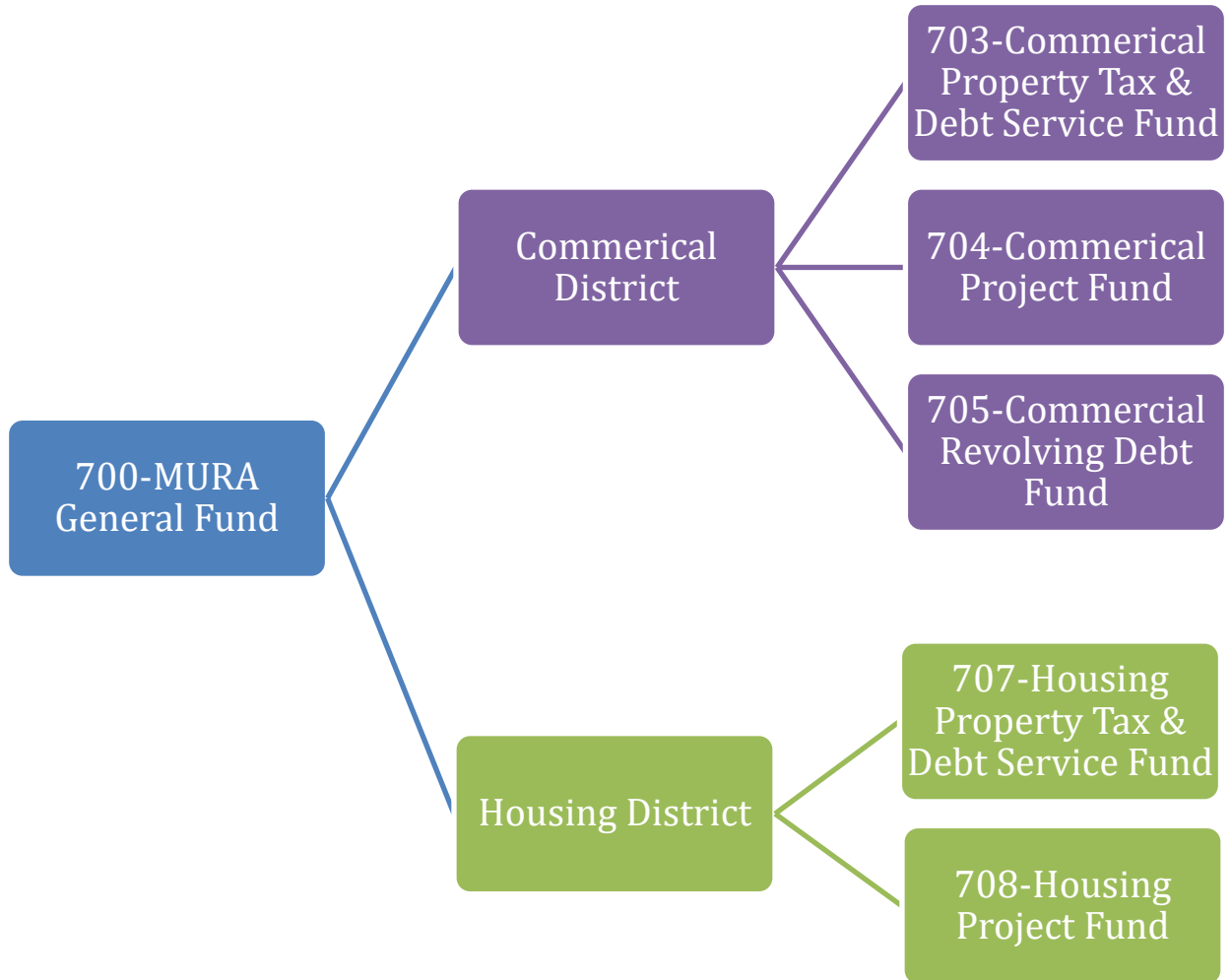
THE BUDGET PROCESS

A budget is defined by Oregon State Law (Oregon Revised Statutes, Chapter 294), as a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year. The Agency is required to budget all funds and for each fund to have a balanced budget.

The State of Oregon defines balanced budgets as one in which total resources, including beginning resources, current resources and debt proceeds, equal total requirements, including current year expenditures, capital outlay, transfers, debt service, and any other requirements such as debt service reserves. Budgeting is critical to urban renewal agencies because it requires local governments to evaluate plans and establish priorities in relation to available financial resources.

The Madras Urban Renewal Agency prepares and adopts an annual budget in accordance with the city charter, Oregon Local Budget Law (ORS 294.305-294.555, and 294.565). The budget is presented by fund and district categories. The city administrator has responsibility for management of the overall agency budget and maintaining budgetary control at the approved appropriation level. Finance and the respective operating department directors perform ongoing review and monitoring of revenues and expenditures. The Budget Committee consists of all City Council members, a 9-member commission combined with the same number of members at large in which the votes of all members are equal. The first review of the budget occurs when the budget is presented to the committee. At that time the budget is made publicly available, and the committee begins their review. The committee may approve the proposed budget in full or change part or all of it prior to final approval. After notices and publications are filed according to local budget law, the budget is forwarded to the commission for formal adoption prior to June 30. Budget amendments may be made during the fiscal year through adoption of a supplemental budget.

FUND ORGANIZATION



700- GENERAL FUND

The General Fund of the Urban Renewal Agency was created in February 2020, after the Housing Urban Renewal District was established to manage all shared costs of the two districts.

For the 2024-2025, \$30,000 will be charged each to the MURA General Fund from the Commercial District Project Fund and Housing District Project Fund for the purposes of combined expenditures related to the annual audit, providing training for the commissioners and office supplies.

**The Urban Renewal Agency of the City of Madras
2024-25 Budget Worksheet
700 - MURA General Fund**

Description	Biennial		Biennial			Annual
	Actual 2020-2021	2021-2022	Adopted 2022-2024	Actual 2022-23	2023-24	2024-2025 Proposed
Beginning Fund Balance						
Beginning Fund Balance	-	64	64	4,484	32,130	36,369
Total Beginning Fund Balance		64	64	4,484	32,130	36,369
Shared Revenues						
Interest Revenue	-	-	-	832	23,634	32,343
Total Shared Revenues			-	832	23,634	32,343
Charges for Services						
704-Commercial Project Fund	10,000	12,500	40,000	25,000	-	30,000
708-Housing Project Fund	10,000	12,500	40,000	25,000	-	30,000
Total Charges for Services	20,000	25,000	80,000	50,000	-	60,000
Total Revenues	20,000	25,064	80,064	55,316	55,764	128,713
Materials & Services						
Audit	4,905	3,475	12,000	5,340	1,868	12,000
Computer-Annual Lic/IT/Web/Tel	4,283	7,425	-	-	11,484	-
Computer Hardware	3,975	-	-	-	-	-
Dues/Membership	829	500	3,000	-	946	3,000
Insurance & Surety Bonds	2,437	2,455	10,500	3,140	3,189	10,500
Legal Fees	2,654	6,555	7,000	3,525	1,441	15,000
Meetings, Travel, EE Development	345	160	-	505	-	4,000
Bank Service Fees	507	11	2,450	122	82	2,450
OFFICE SUPPLIES	-	-	1,114	-	-	1,114
PROFESSIONAL SERVICES	-	-	20,000	6,228	385	20,000
ISF IT	-	-	20,000	4,327	-	20,000
Total Materials & Services	19,936	20,580	76,064	23,186	19,394	88,064
Contingency						
Contingency	-	-	-	-	-	-
Total Contingency			-	-	-	-
Ending Balance						
Ending Balance	64	4,484	4,000	32,130	36,369	40,649
Total Ending Balance	64	4,484	4,000	32,130	36,369	40,649
Total Expenditures	20,000	25,064	80,064	55,316	55,764	128,713
Total Revenues	20,000	25,064	80,064	55,316	55,764	128,713
Total Expenditures	20,000	25,064	80,064	55,316	55,764	128,713

MADRAS URBAN RENEWAL COMMERCIAL DISTRICT

Budget Summary

This budget was developed in a manner consistent with the plans and policies established by the Madras Redevelopment Commission (MRC). The 2024-25 annual budget is \$5,401,212. The proposed budget seeks to accomplish the following general goals and objectives:

Goals:

1. Invest in commercial projects in accordance with the Madras Urban Renewal District (MURD) 2016 Urban Renewal Action Plan that seek to increase future TIF/property tax revenues and catalyze projects in the Downtown area.

Objectives:

1. Allocate resources to fund property owner, business, and housing developer financial assistance programs.
2. Fund contractual obligations with Love's Travel Center, the Bunkhouse Hotel that incentivized new commercial development within the MURD in 2020 and 2021.
3. Fund other commercial and residential development opportunities including Initiative Brewing and others.
4. Fulfill the bond, line of credit, and du jour debt obligations for the District.

Prior Year Achievements

The MRC has made several strategic investments to incentivize new development, storefront renovations, and consultant services to invest MRC resources more effectively in the MURD. Prior projects include:

- Penelope's Soaps & Such: \$93,462 (\$69,500 grant and \$23,930 loan)
- OK Barbershop: \$195,000 (\$50,000 grant and \$145,000 loan)
- Alan Poviz/Metro PCS \$315,000 (\$150,000 grant and \$165,000 loan)
- Hassannia/Wallen Building: \$50,000 (\$50,000 grant & property owner funded remaining costs.)
- Detail Plus: \$61,630 (\$46,222 grant and \$15,407 loan)
- Yara's Cakes: \$20,000 (\$10,000 grant and \$10,000 loan)

New Development Assistance

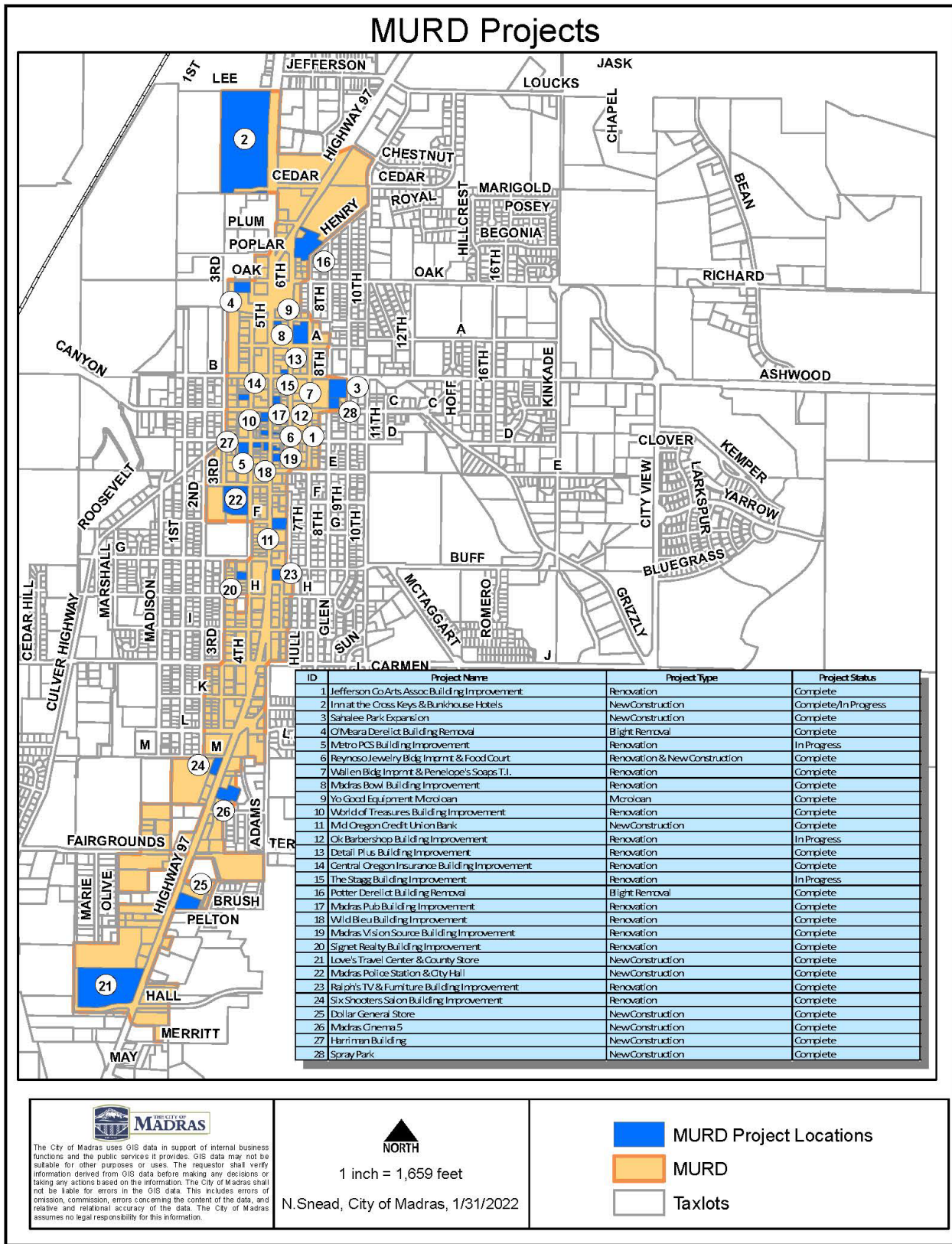
The MRC anticipates making a payment to the Love's Travel Center and Country Store (Love's) and the Bunkhouse Hotel prior to June 30, 2024. These payments are \$70,000 for Love's. for its \$7,500,000 investment, and \$110,000 for the Bunkhouse Hotel investment. During the FY 2024--2025, the MRC will make the following payments.

- Love's Travel Center and Country Store, payment five for \$70,000.
- Bunkhouse Hotel, the third payment for \$110,000.
- Initiative Brewing, total between 2023-2025 for \$200,000.

There are other projects pending changes in scheduling that may be granted during the 2024-2025 fiscal year.

The MRC continues to be a valuable tool to leverage public and private investment within the MURD. The MRC has made 28 investments within the MURD since the District was established in 2003 (*see Figure 2 below*). FY 24-25 annual budget will enable additional investments within the District that are not shown in Figure 2

Figure 2. Map of MRC investments in the MURD.



703 – COMMERCIAL PROPERTY TAX AND DEBT SERVICE FUND

Overview

The Commercial Property Tax and Debt Service Fund tracks only property tax revenues, which is referred to as Tax Increment Financing (TIF), and formal debt payments. This creates a clear mechanism for tracking the UR District's borrowing capacity. The collection of TIF funds are the primary driver of how much money the District can borrow to implement its UR Plan.

The District projects that it will collect \$878,384, or a 13% increase from 2023-2024, in TIF revenue. Best practices for Urban Renewal Districts indicate that TIF funds should only be used for principal and interest payments related to debt.

Original estimates for Madras Urban Renewal TIF revenue are more than actual receipts by a large margin. Early TIF project investments did not meet original plan projections creating a gap between anticipated and actual TIF revenues received. Future investments in the Urban Renewal District will be heavily weighted towards projects that will increase TIF revenues received by the District. In this way, the return on investment to the taxpayers and surrounding community will have significant economic improvements.

Each year, the Jefferson County Assessor calculates the ratio of aggregate real market value (RMV) to aggregate assessed value (AV) for all existing properties in the County by property class. This ratio is the Changed Property Ratio (CPR) and is applied to the RMV of each new development. This determines the initial AV of each new development, which is then added to the County tax roll. A high CPR means that the AV of new construction is very close to the corresponding RMV. Conversely, a low CPR means that the AV of new construction will be lower than the corresponding RMV. During the years when the Madras URA was experiencing heavy development, the CPR for commercial properties was very low (below 40% from 2007 to 2009). Development projects with large RMVs that occurred during this time resulted in relatively little AV coming on the County tax roll, resulting in less growth in TIF revenue than anticipated.

Goals for the 2024-2025 Fiscal Year

- Collect Property Taxes (TIF) and service debt for the district.
- Re-evaluate du jour borrowing from the City of Madras.
- Maintain an ending fund balance, approximately \$250,000 per year, to make debt service obligations prior to the receipt of property tax revenue.

Revenues

The Commercial Debt Service Fund proposed beginning fund balance is \$264,673. It is forecasted that the fund will collect \$878,384 in property tax and \$30,000 in prior year property taxes during the fiscal year, translating to eight consecutive years of property tax revenue increases.

Expenditures

Expenditures for the Commercial Debt Service Fund are related only to Debt Service. It is projected that in the fund is expected to pay \$385,000 in principal and interest payments for the MRC's Line of Credit, \$202,300 in principal and interest payment for the District's 2021A Series Bonds which is made up of the balance from the Commercial District's Line of Credit that was transitioned to long-term debt in October 2021, \$180,900 in

principal and interest payments associated with the Series 2017B Bond². The Commercial Debt Service Fund will have \$1,188,057 in total revenues and expenditures, creating a balanced budget. There will be a contingency of \$259,857 at the end of the fiscal year 2024-2025.

² The 2012B Bond was retired with proceeds from the 2017B Bond.

**The Urban Renewal Agency of the City of Madras
Commercial District
2024-25 Budget Worksheet
703 - Commercial Property Tax and Debt Service Fund**

Description	Biennial		Biennial			Annual
	Actual 2020-2021	2021-2022	Adopted 2022-2024	Actual 2022-23	2023-24	2024-2025 Proposed
Beginning Fund Balance						
Beginning Fund Balance	217,244	157,315	252,935	262,326	362,177	264,673
Total Beginning Fund Balance	217,244	157,315	252,935	262,326	362,177	264,673
Property Taxes						
Current Property Taxes	493,953	688,156	1,514,986	730,778	785,557	878,384
Prior Property Taxes	7,000	14,017	30,000	16,149	16,219	30,000
Total Property Taxes	500,953	702,173	1,544,986	746,927	801,777	908,384
Use of Money & Property						
Interest on Investments	25	56	-	7,646	2,596	15,000
LOC Proceeds from City	-	1,115,067	-	-	-	-
Total Use of Money & Property	25	1,115,123	-	7,646	2,596	15,000
Transfers In						
MRC - General Fund	-	-	-	-	-	-
General Non Dept	67,500	-	-	-	-	-
Total Transfers In	67,500	-	-	-	-	-
Total Revenues	785,722	1,974,612	1,797,921	1,016,898	1,166,550	1,188,057
Debt Service						
City of Madras du jour Loan	400,000	85,501	500,000	-	-	160,000
Line of Credit - Principal	-	1,379,949	300,000	390,000	-	350,000
Line of Credit - Interest	22,132	15,081	11,200	14,671	36,401	35,000
Series 2012B Bond Principal-City of Madras	-	-	-	-	-	-
Series 2012B Bond Interest-City of Madras	-	-	-	-	-	-
Series 2017B - Interest	58,500	54,825	99,000	50,350	23,875	140,000
Series 2017B - Principal	120,000	-	265,000	-	-	40,900
Series 2021A - Refunding	-	125,000	-	130,000	135,000	135,000
Series 2021A - Principal	-	40,000	80,000	40,000	40,000	40,000
Series 2021A - Interest	-	11,931	60,000	29,700	28,500	27,300
Total Debt Service	600,632	1,712,286	1,315,200	654,721	263,776	928,200
Contingency						
Contingency	-	-	-	-	-	-
Total Contingency	-	-	-	-	-	-
Ending Balance						
Ending Balance	185,090	262,326	482,721	362,177	902,773	259,857
Total Ending Balance	185,090	262,326	482,721	362,177	902,773	259,857
Total Expenditures	785,722	1,974,612	1,797,921	1,016,898	1,166,550	1,188,057
Total Revenues	785,722	1,974,612	1,797,921	1,016,898	1,166,550	1,188,057
Total Expenditures	785,722	1,974,612	1,797,921	1,016,898	1,166,550	1,188,057

704 – COMMERCIAL PROJECT FUND

Overview

The purpose of this Fund is to provide financial assistance to remove blight by funding improvements to infrastructure, parks, and new or redevelopment on properties within the MURD. The 2003 Urban Renewal Plan, 2016 Urban Renewal Action Plan, and 2018 Revitalization Toolkit provide the broad policy framework and specific actions to accomplish the goal of removing blight and revitalization within the District as identified in the 2003 Urban Renewal Plan.

Goals for the 2024-2 Fiscal Year

- Provide funding to allow infrastructure to be improved.
- Provide funding to assist property owners renovate buildings to increase sales per square foot.
- Provide funding to assist development of vacant and underutilized properties to increase the tax increment for the district.
- Evaluate the use of the line of credit and du jour loan to fund expenditures within the fund.

Revenue

The MRC Project Fund includes revenues from debt proceeds, including the Line of Credit and du jour debt from the City of Madras. To follow best practices with guidance provided by Bond Counsel and UR finance consultant and because of an in-depth analysis of the District's finances, it was determined that du jour debt was needed to be used as a tool to finance the District. TIF revenues may be used to pay principal and interest debt payments. It is lawful and appropriate to use TIF revenues for administrative expenses. Best practices combine these two objectives through a one-day (du Jour) loan from the City of Madras to the Project Fund. TIF revenues from Fund 703 – MRC TIF Fund will pay the one-day loan back to the City of Madras.

The Commercial Project Fund is projected to have \$69,776 in beginning fund balance. The proposed budget includes \$2,050,000 in revenues by utilizing the line of credit or possibly bond to fund the expenditures and special payments approved in the fund.

Expenditures

The Commercial Project Fund for the 2024-25 includes materials and services, special payments, reserve for future expenditures, and contingency categories. The following proposes the appropriations for 2024-2025.

- Materials and Services is projected to total \$148,500 and allows the district to fulfill basic administrative and professional service needs.
 - Legal and professional services expenditures are largely driven by the need to provide financial assistance to property owners and businesses for projects consistent with the District's Plans.
- Special Payments are identified in the 2003 Urban Renewal Plan (see Table 2 below).

Table 2. Urban Renewal Plan Categories

UR Plan Category	Description	Examples
Public Open Spaces & Parks	Projects that fund parks and preservation of historic buildings in the District	North Y Intersection, Sahalee Park
Streets & Infrastructure	Investments in public infrastructure, including curbs and sidewalks	Replacement of sidewalks in the District
Streetscape, Landscape, Lighting Gateway Projects	Landscape and streetscape, lighting, decorative furniture, benches, and trash receptacles, and gateway projects in the District	Flower pots, North Y Intersection signage
Redevelopment - New Construction Assistance	Assistance for new construction in the District that will add employment to downtown	Inn at Crosskeys, Madras Cinema 5
Redevelopment - Rehabilitation Assistance	Assistance for rehabilitation of existing buildings in the District, including paint grants and façade grant/loan improvements, and rehabilitating building conditions to improve them	Paint grants program, façade improvements program, financial assistance for blight removal
Business and Economic Development Activities	Assistance with redevelopment of properties in the District (public and private) that are underutilized or that represent blighting influences in the area	Redevelopment of Harriman lot and MidOregon Credit Union lot, financial support for public facilities like the Police Station/City Hall
Program Administration	General oversight and administrative/staff support for the District, including management, finance, legal and technology support.	Plan updates, transfer to City of Madras for general oversight/staff support, legal and audit services

Table 3 below provides a summary of the Special Payment Categories, the amount budgeted for each category and the intended expenses associated with each category.

Table 3. Summary of Special Payment Categories.

Special Payment Categories	2024-25	Overview of Expenditures
Public Open Spaces & Parks Investments	\$150,000	<ul style="list-style-type: none"> \$150,000 for Olive Street.
Streets & Infrastructure Investments	\$0	<ul style="list-style-type: none"> No appropriations in 2024-2025.
Streetscape, Landscaping, Lighting & Gateway Investments	\$500,000	<ul style="list-style-type: none"> \$500,000 ODOT streetscape.
Downtown Flowers	\$72,000	<ul style="list-style-type: none"> \$72,000 for flowers for flowerpots and hanging baskets and winter plants for flowerpots and winter greens.
Redevelopment – New Construction Assistance (Private & Public)	\$652,000	<ul style="list-style-type: none"> Funding to assist new development or redevelopment on vacant and underutilized properties.
Redevelopment – Rehabilitation Assistance/Grants	\$410,000	<ul style="list-style-type: none"> Funding for Paint, Window Improvement & Design Assistance, Building Improvement, & Adaptive Reuse grants.
Business & Economic Development Activities (Private & Private)	\$65,500	<ul style="list-style-type: none"> Annual payments \$65,500 for the Madras Police Station/City Hall per the Madras City Hall/Civic Plaza Grant Agreement.
Total	\$1,849,500	

Change from Prior Year

This budget converted from a biennial to annual fiscal year budget.

**The Urban Renewal Agency of the City of Madras
Commercial District
2024-25 Budget Worksheet
704 - Commercial Project Fund**

Description	Biennial		Adopted 2022-2024	Biennial		Annual
	Actual 2020-2021	2021-2022		Actual 2022-2023	2023-2024	2024-2025 Proposed
Beginning Fund Balance						
Beginning Fund Balance	102,286	694	119,937	56,280	14,383	69,776
Total Beginning Fund Balance	102,286	694	119,937	56,280	14,383	69,776
Shared Revenues						
Line of Credit Proceeds	290,000	520,000	3,610,000	480,000	1,208,000	1,800,000
Bond Proceeds	-	-	-	-	-	-
City of Madras du jour Loan	400,000	85,501	500,000	-	-	250,000
COIC Grant	-	-	-	-	-	-
Total Shared Revenues	690,000	605,501	4,110,000	480,000	1,208,000	2,050,000
Charges for Services						
Miscellaneous Revenue	-	-	-	-	-	-
Total Charges for Services	-	-	-	-	-	-
Use of Money & Property						
Interest	-	-	-	372	-	-
Total Use of Money & Property	-	-	-	372	-	-
Total Revenues	792,286	606,195	4,229,937	536,652	1,222,383	2,119,776
Materials & Services						
Audit	-	-	-	-	-	-
Contract Services	45,000	45,000	90,000	45,000	-	90,000
Dues / Membership	-	550	3,000	1,214	-	3,000
Maintenance of MRC Owned Properties	-	450	2,000	-	-	2,000
Insurance and Surety Bonds	-	-	-	-	-	-
Legal Fees	2,889	59	3,000	-	87	3,000
Meetings, Travel & Training	120	1,207	-	-	-	-
Bank & Bond Service Fees	466	475	500	1,000	-	500
Office Supplies	754	814	-	1,141	100	-
Professional Services	19,583	4,739	20,000	6,614	2,394	20,000
Madras Urban Renewal Agency	10,000	12,500	50,000	25,000	-	30,000
Total Materials & Services	78,811	65,793	168,500	79,969	2,581	148,500
Special Payments						
Public Open Spaces & Parks Investments	-	-	30,000	-	-	150,000
Streets & Infrastructure Investments	-	-	500,000	-	-	-
Streetscape, Landscape, Lighting & Gateway Investments	28,776	1,500	600,930	5,888	8,329	500,000
Downtown Flowers & Beautification	12,612	29,671	72,000	10,812	2,588	72,000
Redevelopment - New Construction Assistance (Private & Public)	250,663	71,161	1,810,000	181,543	1,125,000	652,000
Redevelopment - Rehabilitation Assistance/Grants	219,403	316,289	726,250	129,058	14,109	410,000
Business and Economic Development Activities (Private/Public)	201,326	65,500	131,000	115,000	-	65,500
Total Special Payments	712,781	484,121	3,870,180	442,301	1,150,026	1,849,500
Reserve for Future Expenditure						
Redevelopment Properties - (Non-Spendable until Sold)	-	-	-	-	-	-
Total Reserve for Future Expenditure	-	-	-	-	-	-
Contingency						
Contingency	-	-	-	-	-	-
Total Contingency	-	-	-	-	-	-
Ending Balance						
Ending Balance	694	56,280	191,257	14,383	69,776	121,776
Total Ending Balance	694	56,280	191,257	14,383	69,776	121,776
Total Expenditures	792,286	606,195	4,229,937	536,652	1,222,383	2,119,776
Total MRC - General Revenues	792,286	606,195	4,229,937	536,652	1,222,383	2,119,776
Total MRC - General Expenses	792,286	606,195	4,229,937	536,652	1,222,383	2,119,776

705 – COMMERCIAL REVOLVING DEBT LOAN FUND

Overview

The Commercial Revolving Debt Loan Fund is a revolving loan fund. This fund may be recapitalized within the limits of tax-exempt bonds proceeds or by taxable bonds proceeds. Funds can be utilized at the MRC's discretion without affecting the maximum indebtedness only if the revenues are re-circulated funds that have already been accounted for in the MI calculation. When line of credit proceeds are used to fund projects, there is a direct impact to MI. The revenue for this Fund is largely related to the principal and interest payments made by businesses who have Building Improvement loans within the district, any land sale proceeds and Line of Credit proceeds that will recapitalize the fund as needed. In the FY 2024-25, \$1,800,000 from the MRC's Line of Credit was transferred to service loans to property or business owners.

Goals for the 2024-2 Fiscal Year

- Provide capital for loans to property owners or business owners for projects that are consistent with the MURD Plans and Reports.
- Collect payments on loans that have been agreed upon.

Revenues

The Commercial Revolving Debt Loan Fund will start the 2024-25 with a beginning fund balance of \$161,479. The Fund will be recapitalized with \$1,800,000 from line of credit or possibly new bond proceeds. The Fund is also projected to collect \$131,900 in loan payments from borrowers. The total Revenue for the Commercial Revolving Loan Debt Loan Fund over the biennium is \$2,093,379.

Expenditures

Expenditures for the Commercial Revolving Debt Loan Fund are largely limited to loan distributions (i.e. loans issued to borrowers), contingency, and ending balance. Loan distributions will total up to \$1,800,000. There is \$133,977 planned for contingency and an ending fund balance of \$159,402.

**The Urban Renewal Agency of the City of Madras
Commercial District
2024-25 Budget Worksheet
705 - Commercial Revolving Loan Fund**

Description	Biennial		Adopted 2022-2024	Biennial		Annual 2024-2025 Proposed
	Actuals 2020-2021	2021-2022		Actuals 2022-2023	2023-2024	
Beginning Fund Balance						
Beginning Fund Balance	5,229	2,077	7,306	83,407	169,629	161,479
Total Beginning Fund Balance	5,229	2,077	7,306	83,407	169,629	161,479
Shared Revenues						
Line of Credit	260,000	115,000	375,000	-	-	1,800,000
TED Fund	-	-	-	-	-	-
Total Charges for Services	260,000	115,000	375,000	-	-	1,800,000
Use of Money & Property						
Interest on Investments	4,541	4,864	9,404	11,694	5,519	-
Land Sales	-	-	-	-	-	-
Loan Repayment	61,195	139,837	201,033	132,496	105,252	131,900
Total Use of Money & Property	65,736	144,701	210,437	144,190	110,771	131,900
Transfers In						
MRC-Investment Fund	-	-	-	-	-	-
Tourism/Economic Development	100,000	-	100,000	-	-	-
Total Transfers In	100,000	-	100,000	-	-	-
Total Revenues	430,965	261,778	692,743	227,597	280,400	2,093,379
Materials & Services						
Bank Service Fees	-	-	-	-	-	-
Total Materials & Services	-	-	-	-	-	-
Special Payments						
Loan Distributions	428,887	180,000	608,887	60,469	445,618	1,800,000
Public Improvements	-	-	-	-	-	-
Total Special Payments	428,887	180,000	608,887	60,469	445,618	1,800,000
Contingency						
Contingency	-	-	-	-	-	133,977
Total Contingency	-	-	-	-	-	133,977
Ending Balance						
Ending Balance	2,077	81,778	83,855	167,129	(165,218)	159,402
Total Ending Balance	2,077	81,778	83,855	167,129	(165,218)	159,402
Total Expenditures	430,965	261,778	692,743	227,597	280,400	2,093,379
Total Reinvestment Revenues	430,965	261,778	692,743	227,597	280,400	2,093,379
Total Reinvestment Expenses	430,965	261,778	692,743	227,597	280,400	2,093,379

MADRAS URBAN RENEWAL HOUSING DISTRICT

Budget Summary

The Urban Renewal Housing District was established in 2019 as part of the City's solution to the shortage of homes within the City. The district encompasses 701.42 acres of land, including public-rights-of-way throughout City limits. It includes vacant and partially vacant residential zoned land.

The district was established with a maximum indebtedness of \$39,100,000 over 30 years, upon which the district would dissolve, and the taxing districts would receive the increase in property taxes facilitated by the district.

To promote residential development, the district can provide the following incentives/programs:

Developer/Builder/Property Owner Incentives

The district may provide incentives to developers for the development of housing units. This will be completed through a development agreement with the developer/builder/property owner that stipulates the amount and timing of the development and the amount and timing of the incentive. These incentives can be:

- A rebate of a portion of the property taxes paid to the developer over seven years.
- A rebate of a portion of property taxes paid to the developer at Certificate of Occupancy. In this scenario, property taxes over seven years will be estimated and 50% of the value will be paid to the developer.
- An agreement for the Agency to complete infrastructure improvements that are otherwise required as a condition of development approval.
- Any combination of the above.

Infrastructure

The district may complete infrastructure improvements including but not limited to streets, sidewalks, water, sewer, stormwater, and parks projects determined by the district to help facilitate housing development and may complete improvements specified in a development agreement that tie the improvements to specific housing development.

In addition to the programs listed above, the district also includes allocations for administrating the program in accordance with ORS 457.460 as well as a contribution to the Jefferson County fire department to ease the burden of managing growth without the benefit of a tax base increased over the 30-year life of the Housing District.

Below is a detailed breakdown of the estimated costs of the programs included in the district and approved in the plan.

707 – HOUSING PROPERTY TAX AND DEBT SERVICE FUND

Overview

The Housing Property Tax and Debt Service Fund accounts for property tax revenues, which are referred to as Tax Increment Financing (TIF), and formal debt payments. This creates a clear mechanism for tracking the UR District's borrowing capacity and maximum indebtedness. The collection of TIF funds is the primary driver for how much money the District can borrow to implement its UR Plan, and are used to leverage borrowing capacity of the district.

In FY 2022-24, \$580,477 of property tax receipts were received. Property tax receipts are estimated to be \$435,598 for 2024-2025. Homes are being constructed on a regular basis and it is anticipated that development will continue to occur within the district that will provide sufficient revenues to cover the interest payments on the district's Line of Credit and du jour borrowing through the City of Madras.

The Line of Credit was used between the 2022-2024 biennium to fund expenditures related to establishing the district, recognizing that it will be a couple of years before 1.) incentives need to be paid to developers, and 2.) property tax revenues are sufficient to cover all costs of borrowing.

Revenues

The Housing Property Tax and Debt Service Fund is projected to start the 2024-2025 fiscal year with a beginning fund balance of \$7,063. According to the Jefferson County Assessor, the property tax revenue estimate is \$435,598.

Expenditures

Expenditures for the Housing Property Tax and Debt Service Fund are related only to debt service. The projected debt payments for principal and interest are \$440,000.

**The Urban Renewal Agency of the City of Madras
Housing District
2024-25 Budget Worksheet
707 - Housing Property Tax and Debt Service Fund**

Description	Biennial		Adopted 2022-2024	Biennial		Annual
	Actual 2020-2021	2021-2022		Actual 2022-2023	2023-2024	2024-2025 Proposed
Beginning Fund Balance						
Beginning Fund Balance	-	753	-	5,264	12,213	7,063
Total Beginning Fund Balance	-	753	-	5,264	12,213	7,063
Property Taxes						
Current Property Taxes	7,727	54,518	301,000	187,032	389,482	435,598
Prior Property Taxes	-	87	-	1,264	2,698	-
Total Property Taxes	7,727	54,605	301,000	188,296	392,181	435,598
Use of Money & Property						
Interest on Investments	24	4	-	228	322	-
Total Use of Money & Property	24	4	-	228	322	-
Total Revenues	7,751	55,363	301,000	193,788	404,716	442,661
Debt Service						
City of Madras du jour Loan	4,000	-	80,000	-	-	80,000
Line of Credit - Principal	-	46,000	215,000	173,985	-	350,000
Line of Credit - Interest	2,998	4,099	5,200	7,590	17,653	10,000
Total Debt Service	6,998	50,099	300,200	181,575	17,653	440,000
Contingency						
Contingency	-	-	800	-	-	-
Total Contingency	-	-	800	-	-	-
Ending Balance						
Ending Balance	753	5,264	-	12,213	387,063	2,661
Total Ending Balance	753	5,264	-	12,213	387,063	2,661
Total Expenditures	7,751	55,363	301,000	193,788	404,716	442,661
Total MRC - General Revenues	7,751	55,363	301,000	193,788	404,716	442,661
Total MRC - General Expenses	7,751	55,363	301,000	193,788	404,716	442,661

708 – HOUSING PROJECT FUND

Overview

The purpose of this Fund is to provide incentives to developers to construct housing within the district boundary and can come in a variety of ways, whether it be payment at certificate of occupancy, a seven-year payment plan, or the developer or City construction infrastructure. This fund will also allocate the Jefferson County Fire District payment in year 10 of the district in the amount of \$500,000.

Goals for 2024-2025

- Provide funding incentives to developers for payment at certificate of occupancy or 7-year payment plan for homes constructed within the district.

Revenue

The beginning fund balance is \$4,761 for the fiscal year 2024-2025. The fund proposes using up to \$440,000 utilizing the line of credit and possibly bond proceeds throughout the fiscal year.

Expenditures

Expenditures in the Housing Project Fund for 2024-25 includes materials and services, special payments, and contingency. The proposed materials and services are \$31,942 and special payments are \$360,000.

**The Urban Renewal Agency of the City of Madras
Housing District
2024-25 Budget Worksheet
708 - Housing Project Fund**

Description	Biennial		Adopted 2022-2024	Biennial		Annual 2024-2025 Proposed
	Actual 2020-2021	2021-2022		Actual 2022-2023	2023-2024	
Beginning Fund Balance						
Beginning Fund Balance	7,149	348,735	11,563	2,156	3,734	4,761
Total Beginning Fund Balance	7,149	348,735	11,563	2,156	3,734	4,761
Shared Revenues						
Line of Credit - FIB	50,000	190,000	580,000	212,000	133,000	360,000
City of Madras du jour Loan	4,000	-	160,000	-	-	80,000
Total Shared Revenues	54,000	190,000	740,000	212,000	133,000	440,000
Transfers In						
Wastewater Improvement SDC	50,000	-	-	-	-	-
SDC Street Improvement Fund	200,000	-	-	-	-	-
Wastewater Operations	35,000	-	-	-	-	-
Tourism/Economic Development	50,000	-	-	-	-	-
Total Use of Money & Property	335,000	-	-	-	-	-
Total Revenues	396,149	538,735	751,563	214,156	136,734	444,761
Materials & Services						
Advertising	-	-	-	-	-	-
Administration/Contract Services	31,541	35,568	70,050	34,304	-	-
Legal Fees	1,201	-	1,200	965	600	1,200
Bank Service Fees	250	250	500	500	-	500
Office Supplies	242	-	242	100	100	242
Professional Services	-	-	-	-	2,394	-
Madras Urban Renewal Agency	10,000	12,500	30,000	25,000	-	30,000
Total Materials & Services	43,234	48,318	101,992	60,869	3,094	31,942
Special Payments						
Dev. Incentives- Up Front Incentives	-	-	-	-	600	-
Dev. Incentives- Annual Paymts	4,181	125	500,000	37,786	133,279	200,000
Dev. Incentives- Infrastructure	-	488,136	140,000	111,864	-	160,000
Public Bldg Proj. - Pub. Sfty/Fire Dept.	-	-	-	-	-	-
Infrastructure/Other Capital Projects	-	-	-	-	-	-
Total Special Payments	4,181	488,261	640,000	149,650	133,879	360,000
Contingency						
Contingency	-	-	9,571	-	-	9,571
Total Contingency	-	-	9,571	-	-	9,571
Ending Balance						
Ending Balance	348,735	2,156	-	3,638	(239)	43,248
Total Ending Balance	348,735	2,156	-	3,638	(239)	43,248
Total Expenditures	396,149	538,735	751,563	214,156	136,734	444,761
Total Reinvestment Revenues	396,149	538,735	751,563	214,156	136,734	444,761
Total Reinvestment Expenses	396,149	538,735	751,563	214,156	136,734	444,761

GLOSSARY OF TERMS

MRC means the Madras Urban Renewal Agency which is called the Madras Redevelopment Commission or MRC. The MRC is responsible for administration of the urban renewal plan.

Blight is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting an urban renewal plan.

Board of Commissioners means the Jefferson County Board of Commissioners.

City means the City of Madras, Oregon.

City Council or Council means the Madras City Council.

Comprehensive Plan means the City of Madras Comprehensive Plan and its implementing ordinances, policies, and standards.

County means Jefferson County, Oregon.

Du Jour
Same Day

Frozen base means the total assessed value including all real, personal, manufactured, and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.

HURD means the Madras Housing Urban Renewal District.

Increment means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the

assessed value specified in the certified statement.

Maximum Indebtedness means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

ORS means the Oregon Revised Statutes and specifically Chapter 457, which relates to urban renewal.

Plan means the Madras Housing Urban Renewal District (HURD) Plan.

Plan Area means the properties and rights-of-way located with the Madras Urban Renewal Boundary.

Planning Commission means the Madras Planning Commission.

Public building as defined by Enrolled HB 2174 Section 12(a) means: (A) A fire station, police station, public library, public hospital, capitol building, school as defined in ORS 339.315, college, university, city hall or the residence of any state official elected by the state at large; (B) The grounds owned by a public body adjacent to a building described in subparagraph (A) of this paragraph; (C) The portion of any other building owned and prepared for occupation or occupied by an agency of the state or a municipal corporation as defined in ORS 297.405; or (D) A public art statue, sculpture, clock tower or bell tower. (b) "Public building" does not mean: (A) Property acquired by an urban renewal agency with the intent to

redevelop or sell the property; (B) Property acquired by an urban renewal agency with the intent to lease the property for a taxable use; Enrolled House Bill 2174 (HB 2174-B) ATTACHMENT A Page 2 | Madras Housing Urban Renewal District Plan Page 2 (C) Transportation infrastructure, including train stations, bus stations and publicly owned parking facilities that support taxable property; (D) Water or wastewater infrastructure facilities, including treatment facilities; (E) Tourism-related facilities as defined in ORS 320.300; or (F) Park and recreation facilities, including sports fields.

Public building project as defined by Enrolled HB 2174 Section (13) means an urban renewal project that includes a public building.

Revenue sharing means sharing tax increment proceeds as defined in ORS 457.470.

Tax increment financing (TIF) means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

Tax increment revenues means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

Urban renewal area means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

Urban renewal plan or Plan means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

Urban renewal project or Project means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

Urban renewal report or Report means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3)