

RAINIER ECONOMIC DEVELOPMENT
COUNCIL (REDCO)

BUDGET FOR FISCAL YEAR
ENDING JUNE 30, 2012

To: REDCO Budget Committee
From: Russ Moon, Treasurer and Budget Officer
Date: May 16, 2011

Subject: The 2011/12 Budget Message

The Rainier City Council is the governing body for the Rainier Economic Development Council (REDCO), the City's Urban Renewal Agency. A plan has been adopted for the urban renewal area. Some of the urban renewal plan's goals are shown at the end of this document. This UR plan, the audit for the past two years, the current REDCO budget and the ORS chapter 457 are the basis for this year's budget proposal.

Urban renewal agencies do not levy property taxes. Rather, they receive a portion of the taxes levied by other taxing districts. When an urban renewal agency adopts a plan and selects tax increment financing (TIF), the taxable value of the property within the urban renewal plan area is identified. This value is referred to as the "frozen" value. The growth in value above the frozen base is called "increment" or "excess" value. The amount of revenue available through TIF is the amount determined by multiplying the "excess" value by the combined billing tax rates of the taxing districts which overlap the plan area. This is known as "division of tax" or "tax increment" revenue. At the time of the formulation of the Rainier Economic Development Council urban renewal area the Council elected to have a limit of \$300,000 on the division of tax meaning the "excess" revenue for REDCO will always be capped at \$300,000 and then compression and collection timing causes the total current year revenue available for spending to be less than \$280,000.

This budget was prepared following the cash basis of accounting recommended by the REDCO auditor and is consistent with previous budget's accounting practices. The proposed budget is balanced, revenue and requirements are equal. Uncertainties exist around the repayment of debt issued for the purchase of the USG property. At this time REDCO is seeking legal clarification on the correct course to repay the USG debt that was incurred in order to have USG locate in this urban renewal district. The \$300,000 limit on the division of tax represents extraordinary challenges to repay the debt as originally planned.

The budget committee acting for the urban renewal agency must declare the amount of revenue it wishes to receive from division of tax for its plan. As mentioned above this amount cannot exceed \$300,000 but it could be less than that amount. The governing body of REDCO should pass a resolution declaring that they wish to receive 100% of division of tax.

Respectfully submitted,

Russ Moon

NOTICE OF BUDGET HEARING

Meeting of the Rainier Economic Development Council will be held on June 20, 2011 at 6:15 p.m. at the Council Chambers, Rainier City Hall, 106 West B Street, Rainier, OR 97048. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2011 as approved by the REDCO Budget Committee.

A summary of the budget is presented below. A copy of the budget may be inspected or obtained at City Hall, 106 W B Street, Rainier, OR 97048 between the hours of 9 am and 5 pm. This budget was prepared on a basis of accounting that is consistent with the basis of accounting used during the preceding year.

Major changes, if any and their effect on the budget are explained below. This budget is for an Annual budget.

County Columbia	City Rainier	Chairperson of Governing Body Mike Avent, Mayor	Telephone 503 556-7301
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FINANCIAL SUMMARY

<input type="checkbox"/> Check this box if your budget only has one fund	TOTAL OF ALL FUNDS	Adopted Budget Current Yr 2010-2011	Approved Budget Next Year 2011-2012
ANTICIPATED REQUIREMENTS	1. Total Personal Services.....		
	2. Total Materials and Services.....	120,900	123,600
	3. Total Capital Outlay.....	591,218	591,218
	4. Total Debt Service.....	300,000	300,000
	5. Total Transfers.....		162,100
	6. Total Contingencies.....	579,000	642,382
	7. Total Special Payments.....		
	8. Total Unappropriated and Reserved for Future Expenditure.....	890,882	
	9. Total Requirements--add lines 1 through 8.....	2,482,000	1,819,300
ANTICIPATED RESOURCES	10. Total Resources except Urban Renewal Taxes.....	2,206,000	1,539,300
	11. Total Urban Renewal Taxes est. from Division of Tax.....	276,000	280,000
	12. Total Urban Renewal Taxes est. from Special Levy.....		
	13. Total Resources--add lines 10,11 and 12.....	2,482,000	1,819,300

STATEMENT OF INDEBTEDNESS

<input type="checkbox"/> None	Debt Outstanding <input checked="" type="checkbox"/> As Summarized Below	Debt Authorized, Not Incurred <input checked="" type="checkbox"/> None <input type="checkbox"/> As Summarized Below
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PUBLISH BELOW ONLY IF COMPLETED

Long-Term Debt	Estimated Debt outstanding at the Beginning of the Budget Year (July 1)	Estimated Debt authorized, not incurred at the Beginning of the Budget Year (July 1)
Bonds		
Interest bearing warrants		
Other		
Total Indebtedness	0	0

Short-Term Debt			
This budget includes the intention to borrow in anticipation of revenue ("Short-Term Borrowing") as summarized below:			
FUND LIABLE	Estimated Amount to be Borrowed	Estimated Interest Rate	Estimated Interest Cost

Resolution No. 11-06-02

ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Directors of the Rainier Economic Development Council (REDCO) hereby adopts the budget for fiscal year 2011-12 in the total of \$ 1,819,300.00 now on file at the Rainier City Hall 106 W B Street Rainier OR97056 48

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2011, and for the purposes shown below are hereby appropriated:

General Fund		Debt Service Fund	591,218
Personal Services	\$ _____	CAPITAL OUTLAY	
Materials & Services	\$ <u>123,600</u>	Debt Service	\$ <u>300,000</u>
Capital Outlay	\$ _____	CONTINGENCY	366,382
Contingencies	\$ <u>276,000</u>	Total Appropriations, All Funds	\$ <u>1,819,300</u>
Transfers	\$ <u>162,100</u>		
.....	\$ _____		
Total	\$ <u>561,700</u>		

DECLARATION OF TAX INCREMENT

Option One

BE IT RESOLVED that the Board of Directors of the _____ hereby resolves to certify to the county assessor for the _____ Plan Area a request for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution, and \$ _____ as the amount to be raised through the imposition of a special levy.

Option One (alternate)

BE IT RESOLVED that the Board of Directors of the _____ hereby resolves to certify to the county assessor for the _____ Plan Area a request that \$ _____ in increment value be used for the purpose of dividing the taxes under Section 1c, Article IX, of the Oregon Constitution.

Option Three

BE IT RESOLVED that the Board of Directors of the Rainier Economic Development Council hereby resolves to certify to the county assessor for the Rainier Waterfront Urban Renewal Plan Area a request for \$ 300,000.00 of revenue specified in the Ordinance choosing Option Three to be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution, and -0- as the amount to be raised through the imposition of a special levy, and for the n/a Plan Area that \$ 0.00 in increment value be used for the purpose of dividing the taxes under Section 1c, Article IX, of the Oregon Constitution.

Other Plans

BE IT RESOLVED that the Board of Directors of the _____ hereby resolves to certify to the county assessor a request for the _____ Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

Other Plans (alternate)

BE IT RESOLVED that the Board of Directors of the _____ hereby resolves to certify to the county assessor a request for the _____ Plan Area that \$ _____ in increment value be used for the purpose of dividing the taxes under Section 1c, Article IX, or the Oregon Constitution.

The above resolution statements were approved and declared adopted on this 20th day of June 2011.

X Mike Arvant Chair
Signature

X Russell L. Moon, Treas.
Signature

SUMMARY BY FUND

Print ONLY completed portion of this page. Total Requirements (line 9) must equal Total Resources (line 13)

Name of Fund	GENERAL FUND	Actual Data Prior Yr 2009-2010	Adopted Budget Current Yr 2010-2011	Approved Budget Next Year 2011-2012
1. Total Personal Services				
2. Total Materials and Services		130,323	120,900	123,600
3. Total Capital Outlay				
4. Total Debt Service				
5. Total Transfers				162,100
6. Total Contingencies			10,000	276,000
7. Total Special Payments				
8. Total Unappropriated / Reserved for Future Expenditure		593,809	370,100	
9. Total Requirements		724,132	501,000	561,700
10. Total Resources Except Urban Renewal Taxes		724,132	501,000	561,700
11. Total U/R Taxes Estim'd from Div of Tax				
12. Total U/R Taxes Estim'd from Special Levy				
13. Total Resources		724,132	501,000	561,700

Name of Fund	DEBT FUND	Actual Data Prior Yr 2009-2010	Adopted Budget Current Yr 2010-2011	Approved Budget Next Year 2011-2012
1. Total Personal Services				
2. Total Materials and Services				
3. Total Capital Outlay			591,218	591,218
4. Total Debt Service		111,754	300,000	300,000
5. Total Transfers				
6. Total Contingencies			569,000	366,382
7. Total Special Payments				
8. Total Unappropriated / Reserved for Future Expenditure		430,457	520,782	
9. Total Requirements		542,211	1,981,000	1,257,600
10. Total Resources Except Urban Renewal Taxes		263,107	1,705,000	977,600
11. Total U/R Taxes Estim'd from Div of Tax		279,104	276,000	280,000
12. Total U/R Taxes Estim'd from Special Levy				
13. Total Resources		542,211	1,981,000	1,257,600

Name of Fund		Actual Data Prior Yr -	Adopted Budget Current Yr -	Approved Budget Next Year -
1. Total Personal Services				
2. Total Materials and Services				
3. Total Capital Outlay				
4. Total Debt Service				
5. Total Transfers				
6. Total Contingencies				
7. Total Special Payments				
8. Total Unappropriated / Reserved for Future Expenditure				
9. Total Requirements				
10. Total Resources Except Urban Renewal Taxes				
11. Total U/R Taxes Estim'd from Div of Tax				
12. Total U/R Taxes Estim'd from Special Levy				
13. Total Resources				

RAINIER ECONOMIC DEVELOPMENT COUNCIL
PROPOSED BUDGET DOCUMENTS FOR FISCAL YEAR 2011/12

HISTORICAL DATA		RESOURCES		NEXT YEAR	
2008/09	2009/10	GENERAL FUND		2011/12	2011/12
Actual	Actual	DESCRIPTION		PROPOSED	ADOPTED
843,736	724,132	561,700	Beginning Fund Balance	561,700	561,700
	0	0	Intergovernmental	0	0
8,066	0	0	Miscellaneous	0	0
0	0	0	Interest Earnings	0	0
851,802	724,132	561,700	TOTAL General Fund Resources	561,700	561,700

HISTORICAL DATA		DEBT SERVICE FUND		NEXT YEAR	
2008/09	2009/10	DESCRIPTION		2011/12	2011/12
Actual	Actual	DESCRIPTION		PROPOSED	ADOPTED
303,627	257,641	810,000	Beginning Fund Balance	810,000	810,000
288,896	279,104	280,000	County Taxes	280,000	280,000
0	0	162,100	Transfer from General Fund	162,100	162,100
20,824	5,466	5,500	Interest Earnings	5,500	5,500
613,347	542,211	1,257,600	Total Debt Service Fund Resources	1,257,600	1,257,600

HISTORICAL DATA		TOTAL RESOURCES		NEXT YEAR	
2008/09	2009/10	ALL FUNDS		2011/12	2011/12
Actual	Actual	DESCRIPTION		PROPOSED	ADOPTED
1,147,363	981,773	1,371,700	Beginning Fund Balance	1,371,700	1,371,700
0	0	0	Intergovernmental	0	0
288,896	279,104	280,000	County Taxes	280,000	280,000
8,066	0	0	Miscellaneous	0	0
0	0	162,100	Transfer from General Fund	162,100	162,100
20,824	5,466	5,500	Interest Earnings	5,500	5,500
1,465,149	1,266,343	1,819,300	TOTAL ALL RESOURCES	1,819,300	1,819,300

**RAINIER ECONOMIC DEVELOPMENT COUNCIL
PROPOSED BUDGET DOCUMENTS FOR FISCAL YEAR 2011/12**

HISTORICAL DATA		REQUIREMENTS		NEXT YEAR	
2008/09	2009/10	2010/11	2011/12	2011/12	2011/12
Actual	Actual	Adopted	PROPOSED	APPROVED	ADOPTED
27,200	15,222	15,000	15,000	15,000	15,000
600	2,215	1,000	3,000	3,000	3,000
1,750	760	600	600	600	600
300	0	300	0	0	0
3,000	7,210	4,000	5,000	5,000	5,000
2,500	0	0	0	0	0
81,070	91,077	100,000			
1,250	13,839	0			
10,000		10,000	100,000	100,000	100,000
724,132	593,809	370,100	162,100	162,100	162,100
851,802	724,132	501,000	276,000	276,000	276,000
			0	0	0
			0	0	0
			561,700	561,700	561,700

HISTORICAL DATA		DEBT SERVICE FUND		NEXT YEAR	
2008/09	2009/10	2010/11	2011/12	2011/12	2011/12
Actual	Actual	Adopted	PROPOSED	APPROVED	ADOPTED
0	0	15,000	15,000	15,000	15,000
0	0	20,000	20,000	20,000	20,000
0	0	81,218	81,218	81,218	81,218
0	0	100,000	100,000	100,000	100,000
0	0	100,000	100,000	100,000	100,000
0	0	175,000	175,000	175,000	175,000
0	0	100,000	100,000	100,000	100,000
155,706	111,754	300,000	300,000	300,000	300,000
0	0	569,000	0	0	0
200,000	0	0	0	0	0
355,706	111,754	1,460,218	891,218	891,218	891,218
257,641	430,457	520,782	366,382	366,382	366,382
613,347	542,211	1,981,000	1,257,600	1,257,600	1,257,600

HISTORICAL DATA		SUMMARY OF ALL FUND REQUIREMENTS		NEXT YEAR	
2008/09	2009/10	2010/11	2011/12	2011/12	2011/12
Actual	Actual	Current	PROPOSED	APPROVED	ADOPTED
851,802	724,132	501,000	561,700	561,700	561,700
613,347	542,211	1,981,000	1,257,600	1,257,600	1,257,600
1,465,149	1,266,343	2,482,000	1,819,300	1,819,300	1,819,300

The Rainier Urban Renewal Plan identifies ten goals for the urban renewal area. These goals are summarized below in an effort to provide a focus for the REDCO budget documents.

1. Riverfront Development: to create and restore the Rainier riverfront. Key elements include community access to the river, river views, recreational boating opportunities and places to work, shop and live. This development will include commercial, industrial and residential buildings, open spaces and public facilities.
2. Economic Development: to realize the waterfront as an asset for the community's economic development. Help ensure that major industrial and marine related commercial development occurs in a way that generates jobs and income for the community.
3. Public Access to the Riverfront: to promote public access to the river by providing marine recreational facilities, open spaces like green way and trails, and protection of significant view corridors.
4. Recreational Boating Facilities: to develop the waterfront as a major center for recreational boating by providing a range of facilities and services that meet the needs of boaters.
5. Transportation: to take full advantage of public and private transportation via US highway 30, the Lewis & Clark bridge, the railroad and the river to improve access to the waterfront.
6. Housing: to provide for the opportunity for Rainier residents to live on the waterfront. Promote the development of a range of types of housing, including affordable units that serve a variety of households.
7. Retail Services: to promote the development of retail services for residents and visitors, thereby creating retail and service jobs within the community.
8. Community Facilities: to promote the development of public facilities along the waterfront such as senior community centers, parks, theaters and museums.
9. Environment: to enhance the natural environment along the waterfront with particular attention given to the water quality of Fox Creek and the Columbia River.
10. Planning and Design: to ensure that development along the waterfront happens in a manner that enhances interaction with the river, and respects the needs of developers and the community.

As required by ORS 457 REDCO has two funds, the general fund and the debt service fund. The general fund is used to receive and disburse funds for administrative purposes while the debt service fund records income from the urban renewal division of tax and fund the UR plan goals and debt.

Beginning Fund Balance: the projected fiscal year 2010/11 ending fund balance.

Property Tax: funds received from the urban renewal plan division of tax.

Interest: estimated interest earned on funds while they are held for disbursement. The majority of funds are invested in the State of Oregon Local Investment Pool.

Budgetary control is maintained at the appropriation levels through monitoring of the expenses for each of the following categories:

Personal Services: includes wages and fringe benefits of employees. REDCO has no employees and therefore no personal service expense.

Materials and Services: includes supplies, maintenance and repair, utilities, rent and contracts for professional services such as legal counsel and audits. REDCO uses the following line items:

Administrative support – the City of Rainier provides staff and administrative services to REDCO on a daily operational basis. This amount is estimated to reimburse the City for their effort.

Office operating support – covers paper and other office supplies for the year.

Office rent – REDCO uses a small office for storage and administrative tasks.

Audit services – REDCO is required to have its books audited by a CPA and file the report with the State.

Legal Services – covers legal fees incurred by REDCO.

Contingency – unused funds to be carried over to the following year but available for allocation by the governing body of REDCO if necessary.

Debt Service Fund records expenditures budgeted under the UR plan:

Business grant program – these funds help reimburse businesses within the urban renewal plan area for up to 50% of their expenses incurred in upgrading their facades.

East Rainier Entrance Improvement – funds committed to this project.

Highway 30 Enhancement Project – represents the matching funds for an ODOT & Federal Highway grant. This project consists of new curbs, gutters, sidewalks, streetlights, landscaping and pedestrian amenities.

Riverfront trail/marina square project – funds committed to place a pedestrian square near the marina and connect that square to the riverfront trail at the boat launch.

Riverfront trail/1st Street plaza – funds to put a pedestrian square at the end of 1st street and connect the square to the riverfront trail.

A Street development – to improve A Street from West 2nd to East 5th, hopefully in conjunction with rail improvements.

Riverfront Park phase III – to connect the riverfront trail and other park enhancement projects.

Debt Service – appropriation to pay debt obligations.

Contingency – to allocate remaining funds for future obligations, set aside for unforeseen expenditures during the current fiscal year or carried forward to the following fiscal year. These funds can only be used by resolution of the REDCO governing body if needed.

• Submit two (2) copies to county assessor by July 15

Check here if this is an amended form.

Notification

Rainier Economic Development Council _____ authorizes its 2011-2012 ad valorem tax increment amounts
(Agency Name)

by plan area for the tax roll of Columbia County _____
(County Name)

Mike Avent _____ 503 556 7301 _____ July 1, 2011
(Contact Person) (Telephone Number) (Date)

_____ 106 W B Street, Rainier, OR 97036 48 _____
(Agency's Mailing Address) (Contact Person's E-mail Address)

Part 1: Option One Plans (Reduced Rate). [ORS 457.435(2)(a)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax	Special Levy Amount**
	\$ _____ Or	Yes _____	\$ _____
	\$ _____ Or	Yes _____	\$ _____
	\$ _____ Or	Yes _____	\$ _____
	\$ _____ Or	Yes _____	\$ _____

Part 2: Option Three Plans (Standard Rate). [ORS 457.435(2)(c)]

Plan Area Name	Increment Value to Use***	Amount from Division of Tax***	Special Levy Amount****
Rainier Waterfront Urban Renewal Area	\$ _____ Or	\$300,000	0
	\$ _____ Or		
	\$ _____ Or		

Part 3: Other Standard Rate Plans [ORS 457.010(4)(b)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax*
	\$ _____ Or	Yes _____
	\$ _____ Or	Yes _____
	\$ _____ Or	Yes _____
	\$ _____ Or	Yes _____
	\$ _____ Or	Yes _____

Part 4: Other Reduced Rate Plans [ORS 457.010(4)(a)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax*
	\$ _____ Or	Yes _____
	\$ _____ Or	Yes _____
	\$ _____ Or	Yes _____
	\$ _____ Or	Yes _____
	\$ _____ Or	Yes _____

Notice to Assessor of Permanent Increase in Frozen Value. Effective 2011-2012, permanently increase frozen value to:

Plan Area Name	New frozen value \$
Plan Area Name	New frozen value \$

- * **All Plans except Option Three:** Enter amount of Increment Value to Use that is less than 100% Or check "Yes" to receive 100% of division of tax. Do NOT enter an amount of Increment Value to Use AND check "Yes".
- ** If an **Option One plan** enters a Special Levy Amount, you MUST check "Yes" and NOT enter an amount of Increment to Use.
- *** **Option Three plans** enter EITHER an amount of Increment Value to Use to raise less than the amount of division of tax stated in the 1998 ordinance under ORS 457.435(2)(c) OR the Amount from Division of Tax stated in the ordinance, NOT both.
- **** If an **Option Three plan** requests both an amount of Increment Value to Use that will raise less than the amount of division of tax stated in the 1998 ordinance and a Special Levy Amount, the Special Levy Amount cannot exceed the amount available when the amount from division of tax stated in the ordinance is subtracted from the plan's Maximum Authority.

