



HRA Board Meeting Agenda

January 29, 2025

6:30 PM

(Immediately Following the City Council Meeting)

Chairperson: Robert Duncan
Vice Chairperson: Mike Caughey
Members: Kimberly Downey, Randy Klemm, Charlotte Thomas,
Cindy Knox, Dana Henry and Youth Advisor Nolan Malpass
Meeting Location: Harrisburg Municipal Center Located at 354 Smith St

PUBLIC NOTICES:

1. *This meeting is open to the public and will be tape-recorded.*
2. *Copies of the Staff Reports or other written documents relating to each item on the agenda are on file in the office of the City Recorder and are available for public inspection.*
3. *The City Hall Council Chambers are handicapped accessible. Persons with disabilities wishing accommodations, including assisted listening devices and sign language assistance are requested to contact City Hall at 541-995-6655, at least 48 hours prior to the meeting date. If a meeting is held with less than 48 hours' notice, reasonable effort shall be made to have an interpreter present. The requirement for an interpreter does not apply to an emergency meeting. ORS 192.630(5)*
4. *Persons contacting the City for information requiring accessibility for deaf, hard of hearing, or speech-impaired persons, can use TTY 711; call 1-800-735-1232, or for Spanish voice TTY, call 1-800-735-3896.*
5. *The City of Harrisburg does not discriminate against individuals with disabilities, and is an equal opportunity provider.*
6. *For information regarding items of discussion on this agenda, please contact City Recorder, Lori Ross, at 541-995-6655*

CALL TO ORDER AND ROLL CALL BY CHAIR PERSON ROBERT DUNCAN

CONCERNED CITIZEN(S) IN THE AUDIENCE. (Please limit presentation to two minutes per issue.)

APPROVAL OF MINUTES

- 1. MOTION TO APPROVE THE HRA BOARD MINUTES FROM JANUARY 14, 2025**

NEW BUSINESS

- 2. THE MATTER OF REVIEWING AND ACCEPTING THE ANNUAL REPORT OF THE HARRISBURG REDEVELOPMENT AGENCY (HRA)**

STAFF REPORT:

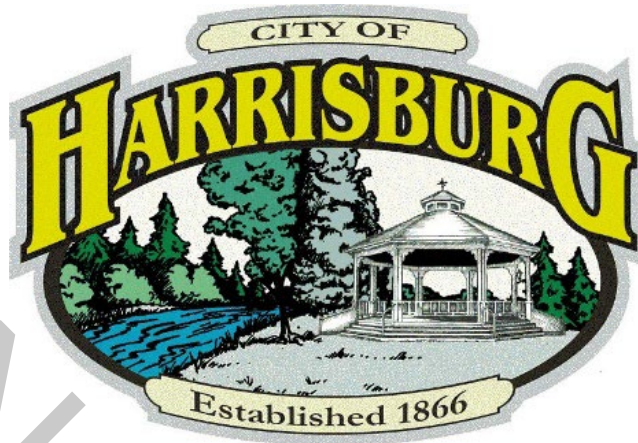
Exhibit A: HRA Annual Report for 2023-2024 Fiscal Year

ACTION: MOTION TO APPROVE THE ANNUAL REPORT FOR THE HARRISBURG REDEVELOPMENT AGENCY

OTHER

ADJOURN

This document is supplemented by agenda packet materials, meeting materials distributed and audio recordings of the meeting and may be reviewed upon request to the City Recorder.



HRA Board Meeting Minutes January 14, 2025

Chairperson: Robert Duncan, Presiding
 Vice Chairperson: Mike Caughey, Absent (Excused)
 Members: Kimberly Downey, Randy Klemm, Charlotte Thomas, Cindy Knox, Dana Henry and Youth Advisor Nolan Malpass
 Staff Present: City Administrator Michele Eldridge, Public Works Director Chuck Scholz, Finance Director/Deputy City Recorder Cathy Nelson and City Recorder/Municipal Court Administrator Lori Ross
 Meeting Location: Harrisburg Municipal Center Located at 354 Smith St

CALL TO ORDER AND ROLL CALL BY CHAIR PERSON ROBERT DUNCAN at the hour of 7:52pm.

CONCERNED CITIZEN(S) IN THE AUDIENCE: All in attendance were there for items on the agenda.

MOTION TO APPROVE THE HRA BOARD MINUTES FROM JUNE 11, 2024 & JUNE 25, 2024:
No comments or concerns.

- Thomas **motioned to approve the June 11, 2024 and the June 25, 2024 HRA Board Minutes and was seconded by Downey. The motion passed unanimously by a vote of 5-0.** (Yes: Thomas, Downey, Klemm, Knox, and Henry. Youth Advisor Malpass also voted in favor. No: None.)

THE MATTER OF HOLDING AN ANNUAL HRA MEETING AS REQUIRED BY THE HRA BY-LAWS, ARTICLE III, SECTION 1: Eldridge informed Council that a former employee at the Linn County Tax Assessor’s Office submitted the incorrect statute language to the Oregon Department of Revenue for Substantial Amendment No. 6. Therefore, property taxes in the HRA District have been reset causing the HRA a loss of revenue for this fiscal year. Staff contacted the new Tax

January 14, 2025

Assessor for Linn County, Matt Pitcher and he was able to work with the DOR and it should be fixed by the end of 2025. Eldridge confirmed they will revert the valuation back to the 1992 levels and the taxing agencies in the district will be adjusted accordingly in November of 2025. Eldridge stated the HRA was expecting to receive \$220,663 this fiscal year. The majority of that will now be received in the next fiscal year. Eldridge assured Council the HRA does have enough in the beginning fund balance to cover the principle/interest bond payment that is due. Eldridge and Nelson will both be meeting with Linn County next week to review the action taken going forward.

- Thomas wants the City to be compensated for the loss in investment revenue due to this error. She also wanted to know if there was any recourse if we don't like their solution. Nelson stated yes, our Attorney would then get involved.
- Henry asked if there was any other financial impact for the City. Nelson stated that she can't answer that yet, due to not knowing for certain what their actual fix will be.
- Klemm wants this to be brought to the attention of Representative Jamie Cate at City Day at the Capital.
- Eldridge informed Council that Donnell and Patrick Freeman inquired about a \$30,000 HRA Grant to use on the VFW Quonset Hut for exterior improvements. Eldridge suggested that we could use funds from the HRA or from the Community & Economic Development Fund.
- Thomas feels the HRA Funds need to be prioritized for the Water Bond Project.

THE MATTER OF APPROVING THE HARRISBURG REDEVELOPMENT AGENCY 4TH QUARTER 2023/2024 EXPENSE REPORT AND THE 1ST QUARTER 2024/2025 EXPENSE REPORTS:

Nelson referred to page 9 of the agenda showing the 4th Quarter Expense Report for 2023/2024. The HRA received 102% of revenues and spent 9.63%. Page 10 shows the 1st Quarter Expense Report for FY 2024/2025 pointing out the period actual for taxes received of \$9,630 is very low due to the error between Linn County and the Department of Revenue. It will be corrected and will be doubled next year. Nelson pointed out errors in her spreadsheet and asked Council to only refer to the actual period which is correct. Nelson will fix the spreadsheet, and it will be provided with the minutes as **Addendum 1**.

- Thomas asked if we have received the \$28,000 in Investment Revenue and if the Expenditures are correct. Nelson replied yes to both.
 - Thomas **motioned to approve the HRA 4th Quarter 2023/2024 and HRA 1st Quarter 2024/2025 Expense Reports and was seconded by Downey. The motion passed unanimously by a vote of 5-0.** (Yes: Thomas, Downey, Klemm, Knox and Henry. Malpass also voted in favor. No: None.)

With no further business, the HRA Board meeting adjourned at the hour of 8:10pm.

Chairperson

City Recorder

Beginning Date: 7/1/2024
 Ending Date: 9/30/2024

**HARRISBURG REDEVELOPEMENT AGENCY
 EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2024**

HRA GENERAL FUND

REVENUES (RESOURCES)

Acct Mask	OBJECT CLASSIFICATION (DESCRIPTION)	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PERCENTAGE
71-39-9900 71-39-9900	BEGINNING FUND BALANCE	2,179,775.00	2,179,775.00	2,517,412.00	(337,637.00)	86.59%
71-31-1000 71-31-2000	TAXES	2,272.03	2,272.03	225,163.00	(222,890.97)	1.01%
71-36-0001 71-36-9999	INVESTMENT REVENUE	28,329.81	28,329.81	60,000.00	(31,670.19)	47.22%
71-37-00001 71-37-9999	MISCELLANEOUS REVENUE	2,800.83	2,800.83	9,000.00	(6,199.17)	31.12%
TOTAL FUND REVENUE		2,213,177.67	2,213,177.67	2,811,575.00	(598,397.33)	78.72%

EXPENDITURES (REQUIREMENTS)

	OBJECT CLASSIFICATION (DESCRIPTION)	PERIOD ACTUAL	YTD ACTUAL	BUDGET	REMAINING	PERCENTAGE
71-50-0001 71-50-9999	MATERIALS & SERVICE	3,275.31	3,275.31	22,030.00	18,754.69	14.87%
71-78-0001 71-78-9999	CAPITAL OUTLAY	3,765.00	3,765.00	2,523,145.00	2,519,380.00	0.15%
71-87-0000 71-87-9999	SPECIAL PAYMENTS	11,332.84	11,332.84	50,000.00	38,667.16	22.67%
71-89-0000 71-89-9999	DEBT SERVICES	0.00	0.00	216,400.00	216,400.00	0.00%
TOTAL FUND EXPENDITURES		18,373.15	18,373.15	2,811,575.00	2,793,201.85	0.65%
NET REVENUES OVER EXPENDITURES		2,194,804.52	2,194,804.52	0.00		

Agenda Bill
Harrisburg Redevelopment Agency
Harrisburg, Oregon

THE MATTER OF REVIEWING AND ACCEPTING THE ANNUAL REPORT OF THE HARRISBURG REDEVELOPMENT AGENCY (HRA)

STAFF REPORT:

Exhibit A: HRA Annual Report for 2023-2024 Fiscal Year

ACTION: MOTION TO APPROVE THE ANNUAL REPORT FOR THE HARRISBURG REDEVELOPMENT AGENCY

THIS AGENDA BILL IS DESTINED FOR: Work Session Agenda – January 29, 2025

BUDGET IMPACT		
COST	BUDGETED?	SOURCE OF FUNDS
N/A	N/A	N/A

STAFF RECOMMENDATION:

Staff recommends review and approval of the Annual Report

BACKGROUND INFORMATION:

Oregon State Law requires every urban renewal district in the state to develop a report indicating the financial status of the district and the district’s impact on the other property taxing entities included in the HRA boundaries. The report covers the period of July 1, 2023 to June 30, 2024. The attached report shown in **Exhibit A** provides this information.

As noted on the last page of the report, the 2015 major amendment to the HRA raised the maximum indebtedness (estimated money required to complete the listed and approved projects) to just over \$8.1 million. There is still \$2,255,150 remaining that can be used for approved projects. The priority for the City and HRA Board at this time is the Water Bond Project, therefore, the Capital Outlay Fund budgeted at \$2,523,145 will be available to the City for the Water Bond Project once the funds are needed, and the proportionality rule is applied to use a portion of those funds at a future meeting. That process will likely be scheduled for later this summer.

During the last meeting, staff informed the HRA Board that Linn County set up the tax basis for the HRA incorrectly. As such, some of the tax revenues were sent to the City, instead of the HRA. We met with the Tax Assessor and County Treasurer on the 23rd, and are happy to report that Linn County will deposit the full amount that should have

been disbursed during the November 2024 tax receipts by the end of the month. The remaining funds that were expected will be deposited into the HRA account during the regular upcoming disbursement periods. Currently, we are not positive about the actual amounts but do expect to meet the budgeted revenue amount. In addition, the County will be refunding a portion of the fee charged to us in July of this fiscal year, as approximately \$800 of the fee was in relation to the incorrect statute used by Linn County. We appreciate their partnership, and for providing us with the revenue in this fiscal year, rather than in the fall.

The City has established an Ad hoc City Facilities Committee, which will be considering what to do with some of the oldest buildings that the City owns, as well as discussing whether we should start considering construction of the last project on the HRA list. A conceptual design for the future Community Center will determine how much money the City needs for that kind of a project. Knowing the actual amount at current prices will help us plan for the future, and determine what kinds of grants the City and HRA will need to be applying for. The City and HRA are not obligated to use the funds, if they prefer that they remain available in the future.

REVIEW AND APPROVAL:



01.22.25

Michele Eldridge
City Administrator

Date

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2024

2023/2024 Harrisburg Redevelopment Agency

This report fulfills the requirements prescribed in ORS. 457. 460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.



URBAN RENEWAL AREA BACKGROUND

The Harrisburg Urban Renewal Plan (Plan) was adopted by the City of Harrisburg in December 1992. It was amended to increase the maximum indebtedness in 2014.

The frozen base assessed value (“Frozen Base”) of the Urban Renewal Area is \$3,936,405. The FY 2023/2024 total assessed value is \$23,968,448. The excess value, or the value on which taxes are paid to the urban renewal agency in FY 2023/2024 is \$20,032,043. ¹

The Harrisburg Redevelopment Agency (HRA) is a separate legal and financial entity, governed by the members of the Harrisburg City Council.

Urban Renewal Goals

The HRA’s guiding document is the Harrisburg Urban Renewal Plan, which lists a series of goals and objectives to guide activities in the Area. Goals listed in the Plan are as follows:

Implement the Comprehensive Plan for the Urban Renewal Area and implement Goals 1 and 3 of the Harrisburg Strategic Plan. These goals make up the renewal area strategy discussed in part B of this section.

1. Improve conditions and appearance of public and private properties in the downtown and on Third Street.
2. Create funding opportunities for renovation of properties and construction of new structures downtown and on Third Street consistent with an historic theme.
3. Make public infrastructure improvements necessary for the development of industrial and commercial sites.
4. Create new job opportunities.
5. Create new non-residential taxable values.
6. Improve the visual character of the area for visitors and residents.
7. Enhance the growth of local businesses.

The entire Harrisburg Urban Renewal Plan and Report can be found on Harrisburg Urban Renewal Agency’s website, <http://www.ci.harrisburg.or.us>.

¹ Source: Linn County Assessor SAL 4e FY 2023/2024

FINANCIAL REPORTING

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information meets the requirements of this statute.

Previous Fiscal Year, FY 2023/2024

Money Received

In FY 2023/2024, the Harrisburg Redevelopment Agency received \$219,817 from division of taxes. ² The detailed earnings of the Harrisburg Redevelopment Agency can be seen in Table 1.

Table 1. Money Received During FY 2023/2024

Revenue Category	2023/2024 Amount
Division of Taxes	219,817
Investment Revenue	105,272
Miscellaneous	9,801
TOTAL:	334,890

Source: Harrisburg Redevelopment Agency Financial Statement FYE 2023, HRA Revenues with Comparison to Budget

Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 2.

Table 2. Expenditures During FY 2023/2024

Expenditure Category	2023/2024 Amount
Materials and Services	16,861
Capital Outlay	3,010
Special Payments	0
Debt Service Principal	125,000
Debt Service Interest	91,400
TOTAL:	236,271

Source: Harrisburg Redevelopment Agency Financial Statement FYE 2024, HRA Revenues with Comparison to Budget

² Harrisburg Redevelopment Agency Financial Statement FYE 2024, HRA Revenues with Comparison to Budget

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 3. This information is from Linn County Assessor records, Tables 4e.

Urban renewal agencies do not create an additional tax. Instead, during the Agency’s lifespan, overlapping taxing districts “forego” a portion of their permanent rate. Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. The School District and Education Service District are funded through the State School Fund on a per pupil allocation. There is no *direct* impact of urban renewal on their funding. The State School Fund is funded through property tax allocations, but also through other state resources.

Revenue Sharing was enacted in 2009 as part of the statutory changes to ORS 457 and is described in ORS 457.470. The original Plan was not subject to revenue sharing as it was adopted prior to 2009. However, the substantial amendments in 2015 increased the MI, which made the Plan subject to those revenue sharing provisions. The taxing districts were notified of the revenue sharing issue and since FY 2022/2023, the HRA budgets have been amended to include a provision to pay the revenue sharing from FYE 2019 forward.

Revenue sharing provides that, in the future, the impacted taxing districts will have a lower impact due to the revenue sharing provisions. The revenue sharing provisions do not change the date the urban renewal area is expected to be able to terminate within the timeline set in the Plan: FYE 2036.

Table 3. Impact on Taxing Districts FY 2023/2024

Taxing Jurisdiction	Impact
Linn County	25,505
Linn Benton ESD	6,108
Lane Community College	12,385
Harrisburg School District	93,227
City of Harrisburg	63,753
Harrisburg RFD	22,624
4H Extension Service	1,386

Source: FY 2023/2024 Sal 4e from Linn County Assessor

Current Fiscal Year, FY 2024/2025

Estimated Revenues

The estimated tax revenues from the FY 2024/2025 adopted Harrisburg Redevelopment Agency budget are \$225,163.³

Proposed Budget for Current Fiscal Year, FY 2024/2025

A compiled budget listing the money to be received due to urban renewal, money to be spent, and what projects/expenses the money will fund is shown in Table 4 and 5 below.

Table 4. Budget FY 2024/2025 Urban Renewal Fund Revenues

Budget Category (Revenues)	2024/2025 Amount
Beginning Fund Balance	2,517,412
Division of Taxes	225,163
Investment Revenue	60,000
Miscellaneous Revenue	9,000
TOTAL:	2,811,575

Source: the City of Harrisburg FY 2024/2025 Urban Renewal Budget, pgs. 3-4 as adopted June 2024

Table 5. Budget FY 2024/2025 Urban Renewal Fund Expenditures

Budget Category (Expenditures)	2024/2025 Amount
Materials and Services	22,030
Capital Outlay	2,523,145
Special Payments	50,000
Debt Service	216,400
TOTAL:	2,811,575

Source: the City of Harrisburg FY 2024/2025 Urban Renewal Budget, pgs. 3-4 as adopted June 2024

Maximum Indebtedness

The maximum indebtedness authorized for the Area is \$8,177,674. The amount of indebtedness remaining for the Plan Area after FYE 2024 is \$2,255,150.

³ City of Harrisburg FY 2024/2025 Urban Renewal Budget, pgs. 3-4