



Beaverton Urban Redevelopment Agency

Budget Committee Meeting Minutes

May 14, 2018

BURA Chair Jim McCreight called the meeting to order at 6:00 p.m. at the Beaverton City Hall on May 14, 2018. BURA Budget Committee members attending were Jim McCreight, Lacey Beaty, Marc San Soucie, Mark Fagin, Scott Winter, Doug Menke, Domonic Biggi, Mandeep Bawa, Michael Jude Hughes, Paula Cottrell, Inessa Vitko, Ann Snyder, and Paul Cohen.

The members absent were Mayor Denny Doyle, Betty Bode, Cate Arnold, Jennifer Nye, and Roy Kim.

Staff members attending the meeting were Cheryl Twete (BURA Executive Director and Community Development Director), Cadence Petros (Development Division Manager), Tyler Ryerson (BURA Staff Liaison), Patrick O'Claire (BURA Treasurer and Finance Director), Dave Waffle (Assistant Finance Director), Bill Kirby (City Attorney and BURA legal counsel), and Josh Carrillo (Program Coordinator).

Election of BURA Budget Committee Officers

San Soucie made a motion to nominate Scott Winter as Chair and Ann Snyder as Vice-Chair, the motion was seconded by Menke to approve the slate of officers and the motion passed on a unanimous vote. McCreight turned the meeting over to Chair Winter.

Approval of Minutes

McCreight made a motion, seconded by San Soucie, to approve the minutes of the Budget Committee on May 16, 2017 as submitted and it was approved with a unanimous vote with the exception of abstention from members not in attendance.

Visitor Comments

Chair Winter asked for any visitor comments. No visitor comments.



BURA Budget Discussion and Questions

Twete gave an overview of the accomplishments over the past year and where we are going in the next couple of years:

BURA Five Year Action Plan - Full speed ahead driven by plans the city has adopted such as The Community Vision and The Creekside Master Plan, The Civic Plan and now the Downtown Design Project is underway. The Design Project will be one of the most significant planning and implementation tools BURA adopts next year

- Tax Increment Financing Projections are on track to achieve the maximum indebtedness
- Land Acquisition and Property Management will help guide and direct the kind of development identified in the plans. Projects include:
 - BURA and the city owns five sites in the Beaverton Central area and one in Old Town
 - Affordable Housing (\$300,000)
 - Storefront / Tenant Improvement Programs have been successful, statistics for the matching grants:
 - 56 Storefront Improvement projects - Every dollar the city spends the private sector spends \$1.74
 - 19 Tenant Improvement projects - Every dollar the city spends the private sector spends \$4.38
 - Pre-Development Program (matching grant for professional architects assist property owners with feasibility study)
 - BG Food Cartel open and thriving (Placemaking Incentive Program)
 - Next year using the Placemaking Program for an Events Grant
 - Received 19 applications, focus on bringing events downtown
- Twete then reviewed some of the major projects happening in the Urban Renewal Area, some BURA funded and some are private:
 - Crescent Trail connecting Beaverton Transit Center with Beaverton Central
 - The Rise Central, 230 units
 - Marriott Hotel (217 and Canyon Rd) projected to open September 2018
 - Cracker Barrel
 - Cedar Hills Crossing shopping center in phase 4 of 5
 - Kaiser Permanente new, state-of-art, health care facility
 - Proposed Hyatt House Hotel on Westgate (BURA owned property, developer currently in for Land Use)
 - Beaverton Center for Arts (BCA) (city owned facility)
 - BURA Public Parking Garage (first major BURA investment)
 - Western Avenue, major employment area: improved streetscape and pedestrian / bike experience
- Parking Manager, Molly Rabinovitz (BURA funded position) helping design the public parking garage, and is beginning to structure a downtown parking strategy

- Summary for next fiscal year:
 - Continue with Incentive Programs (shaping the Urban Environment)
 - More land acquisition
 - Major capital projects will break ground (Western Avenue, BCA, Parking Garage...)

Fiscal Year 2018-19 Proposed BURA Budget:

Budget detail:

O'Claire referred members to a summary of the three separate BURA entities: BURA General Fund, BURA Capital Project Fund and BURA Debt Services Fund.

- Noted ~\$12,7000,000 was budgeted for current year — holding \$6,255,00 for the parking garage, page 7
- Will no longer draw down on the line of credit with Key Bank (save for parking garage) and will resume use of the Day Light Loans mechanism:
 - City General Fund loans the Capital Project Fund money, the next day the BURA General Fund transfers money to the Debt Services Fund and the Debt Services Fund repays the General Fund
 - Focus on changing this year's budget to get the parking garage through construction bid document design phase
- Proposed budget for next year for BURA General Fund: \$9,470,611.
 - Revenue: BURA General Fund, begin year with ~\$3,400,000, and anticipate receiving ~\$3,600,000 in tax increment revenue
 - Ludeman's Land Purchase Contract payment schedule (reference handout for more details):
 - Purchase price: \$2,300,000
 - Down payment and due diligence: \$540,000
 - Balance: \$1,835,000
 - Pay off over time at 3.9 percent interest rate
 - Will appropriate for the second installment January 2019: \$504,000
 - Overview of Property Management expenses and revenues
 - Line of Credit Proceeds of \$2,921,900 (Schedule of Drawdowns on Line of Credit handout)
 - Next FY BURA General Fund Expenses new accounts and larger line items include):
 - New accounts: property tax expense (480) and property management expense (518) as BURA is now a landlord
 - Affordable Housing Program: \$300,000
 - Tenant Improvement: \$270,000
 - Acquisition and Due Diligence: \$150,000
 - Streetscape Enhancement: \$200,000 (Crescent Streetscape and landscape)
 - Overhead allocations for FTE (noted: City Finance, City Attorney, and CDD director time is not charged to BURA)
 - Transfer to BURA Debt to Services (daylight loans)
 - Projected contingency for next FY: ~\$4,400,000

- BURA Capital Project Fund:
 - City Loan will draw down \$1,164,000 this year and \$1,014,000 next year:
 - Parking Garage construction design and engineering: \$612,197 this years and \$250,000 next year
 - Land Acquisition (Ludeman's): \$552,230 (this year)
 - Line of Credit at zero (to be used when begin construction on parking garage)
- BURA Land Acquisition Program
 - Acquisition of Ludeman's \$504,334 (second annual payment)
 - Potential new acquisitions: \$250,000
- BURA Debt Service Fund
 - Transfer from BURA General Fund to repay the debt:
 - BURA Key Bank line of credit drawn down \$2,100,000 and pay .25 interest on unused portion
 - Repayment of short term loan from City of Beaverton

Question & Answer/Discussion:

Tenant Improvement funding is less this year. What did we lose/gain and will we be asked for another increase?

- Robust programs last year (more applications than we had funding for requested more appropriation to cover most projects)
- This year will conserve the BURA resources in order to do the Day Light Loans to cash fund Capital Projects
- Depending on the applications, if the projects are right, may come back for more appropriation
- Strategic catalytic projects (targeting restaurants with significant private investment in the Old Town area)

How long do we anticipate owning Ludeman's? BURA not designed to be a long-term property manager.

- No specific timeframe for development at this time:
 - Downtown Design Project will help inform needs/opportunities (code amendments)
 - Research Beaverdam Road to understand the implications of different redevelopment scenarios (i.e. effect on existing utilities)
 - Will continue to pursue additional property acquisition opportunities (
 - Once we have the answers will be better prepared to issue a Request for Proposal

Do the expenses and revenues of owning Ludeman's balance outweigh the risk?
Is there a profit?

- New property, anticipate less than the appropriated \$150,000
- One of BURA's core goals is to alleviate blight, property improvements at Ludeman's include:
 - Demolished blighted buildings
 - Permanent fencing around demolished site. Looking to activate with public art to enhance the pedestrian experience (will be used long-term and recycled)
 - Good landlords to existing successful businesses

Do we want to put a timeline on how long we own property? Mr. Fagin will bring this up to the BURA Board.

- The concern is appreciated. We are eager to move with a project and will keep you informed as we move ahead

Approval of FY2018–19 BURA Budget

Chair Winter entertained a motion to approve the proposed FY 2018-19 BURA budget as submitted. Snyder made the motion and it was seconded by San Soucie. Chair Winter called for any discussion. No discussion. The motion carries unanimously.

Adjournment

The meeting was adjourned meeting at 6:45 p.m.