

AGENDA
CANBY URBAN RENEWAL AGENCY WORK SESSION

May 5, 2021

6:00 PM***

Virtual Meeting/ Council Chambers

Meetings can be viewed on CTV Channel 5 and YouTube:

<https://www.youtube.com/channel/UCn8dRr3QzZYXoPUEF4OTP-A>

Register in advance for this webinar:

https://zoom.us/webinar/register/WN_bRx2Ow7NTyi9kc2Xy_x94g

After registering, you will receive a confirmation email containing information about joining the webinar.

222 NE 2nd Avenue, 1st Floor

Chair Shawn Varwig

Commissioner Christopher Bangs

Vice-Chair Brian Hodson

Commissioner Traci Hensley

Commissioner Greg Parker

Commissioner Sarah Spoon

Commissioner Jordan Tibbals

1. CALL TO ORDER

2. UNFINISHED BUSINESS

A. Discussion regarding of refinancing of Urban Renewal Debt.

3. ADJOURN

Executive Session – 7:00 PM

(Will begin after the Urban Renewal Agency

Special Meeting ends but not before 7:00 PM)

EXECUTIVE SESSIONS ARE CLOSED TO THE PUBLIC. Representatives of the news media and designated staff may attend Executive Sessions. Representatives of the news media are specifically directed not to report on any of the deliberations during the Executive Session, except to state the general subject of the session as previously announced. No Executive Session may be held for the purpose of taking final action or making any final decision.

1. CALL TO ORDER

2. EXECUTIVE SESSION: ORS 192.660 (2) (h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

3. ADJOURN

*The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Melissa Bisset at 503.266.0733. A copy of this Agenda can be found on the City's web page at www.canbyoregon.gov. Urban Renewal Agency Meetings are typically broadcast live and can be viewed on CTV Channel 5. For a schedule of the playback times, please call 503.263.6287.

****In compliance with social distancing measures to protect the spread of COVID-19, we are requesting that rather than attending in person you watch the recorded meeting on YouTube:**

<https://www.youtube.com/channel/UCn8dRr3QzZYXoPUEF4OTP-A/> If you do not have

access virtually, there are a small number of chairs provided inside so the City is in compliance with public meeting laws and the Governor's Executive Order.



City of Canby

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Urban Renewal Agency Staff Report

DATE: May 5, 2021

TO: Honorable Mayor Hodson and City Council

THRU: Scott Archer, City Administrator

FROM: Julie Blums, Finance and IT Director

ITEM: URA Debt Refinancing Discussion

Summary

The URA has an opportunity to refinance all of its outstanding debt plus an additional \$5 million at a much lower interest rate than the current debt.

Background

The URA bonded debt in 2010, 2011, and 2012 for capital project work. The interest rates on these three loans is between 3.25% and 7%. The original maturity date for all debt is 2036, however staff has structured a current repayment schedule that would pay off all of the debt in FY25-26.

Current interest rates are much lower and the URA has the opportunity to refinance the outstanding debt and save approximately \$5.8 million in interest costs. The new average rate would be about 1.2% and would still allow the payoff to happen in FY25-26.

At the April 21, 2021 URA work session staff presented several refinancing options to the Board. The Board requested additional information regarding what projects were still outstanding, estimated cost and staff resources to complete the projects. The Board also requested additional information about adding land to the District boundaries or changing the boundary area.

Discussion

Attached is a breakdown of the remaining projects, estimated costs, and a timeline for completion with option 2, a straight refinance using cash over time to complete the projects and options 3 & 4, taking the remaining maximum indebtedness out as part of the refinancing.

Does the URA Board want to refinance the existing debt and if so do they want to increase the debt by another \$5 million to be used for projects and operations of the District?

Attachments

- Five Year URA Project Spending Options

Fiscal Impact

Approximate savings of up to \$5.8 million

Options

1. Do nothing and continue to pay down debt under the existing bonds
2. Refinance just the existing debt (highest savings, projects would be spread out instead of all at once)
3. Refinance the existing debt plus another \$5 million as tax exempt bonds (requires \$4.25 million be spent in the first 3 years)
4. Refinance the existing debt plus another \$5 million as taxable bonds (no requirement to use the additional \$5 million in debt)

Recommendation

Staff recommends option 2 to refinance the existing debt and use the remaining maximum indebtedness over the 5 year loan payback period. This remains the staff recommendation due to the impact on our downtown businesses and the strain on city staff resources if option 3 or 4 is chosen. Option 2 allows for a phased approach that will reduce the impact on businesses and allow for better oversight and management of the projects over the five year period.

Five Year URA Projects Spending Options

No additional cash out at Refi, spend remaining MI over 5 years

	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Administrative Costs	475,000	475,000	475,000	475,000	475,000
Façade Grants	75,000				
Quiet Zone & Arch	485,000				
NW 2nd - Grant to Elm	650,000				
1st - 2nd on Fir and Grant	250,000				
Community Park-waterline, bathrooms, sewer		100,000			
NW 1st - Elm to Douglas			350,000		
Township from Baker Prairie School to Sequoia				570,000	
Downtown alleyways -12 1st-4th Ivy-Cedar					360,000
Wait Park Improvements					335,830
	<u>1,935,000</u>	<u>575,000</u>	<u>825,000</u>	<u>1,045,000</u>	<u>1,170,830</u>

Additional cash out at Refi & spend over 1st 3 years

	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Administrative Costs	475,000	475,000	475,000	475,000	475,000
Façade Grants	75,000				
Quiet Zone & Arch	485,000				
NW 2nd - Grant to Elm	650,000				
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Community Park-waterline, bathrooms, sewer		100,000			
Township from Baker Prairie School to Sequoia			570,000		
Wait Park Improvements			335,830		
	<u>1,935,000</u>	<u>1,285,000</u>	<u>1,380,830</u>	<u>475,000</u>	<u>475,000</u>

Additional Optional Projects

Paint the bridge over 99E by Fred Meyers	200,000
Foot bridge to access Fred Meyers	220,000

Prepared by JB & JN 4/27/2021