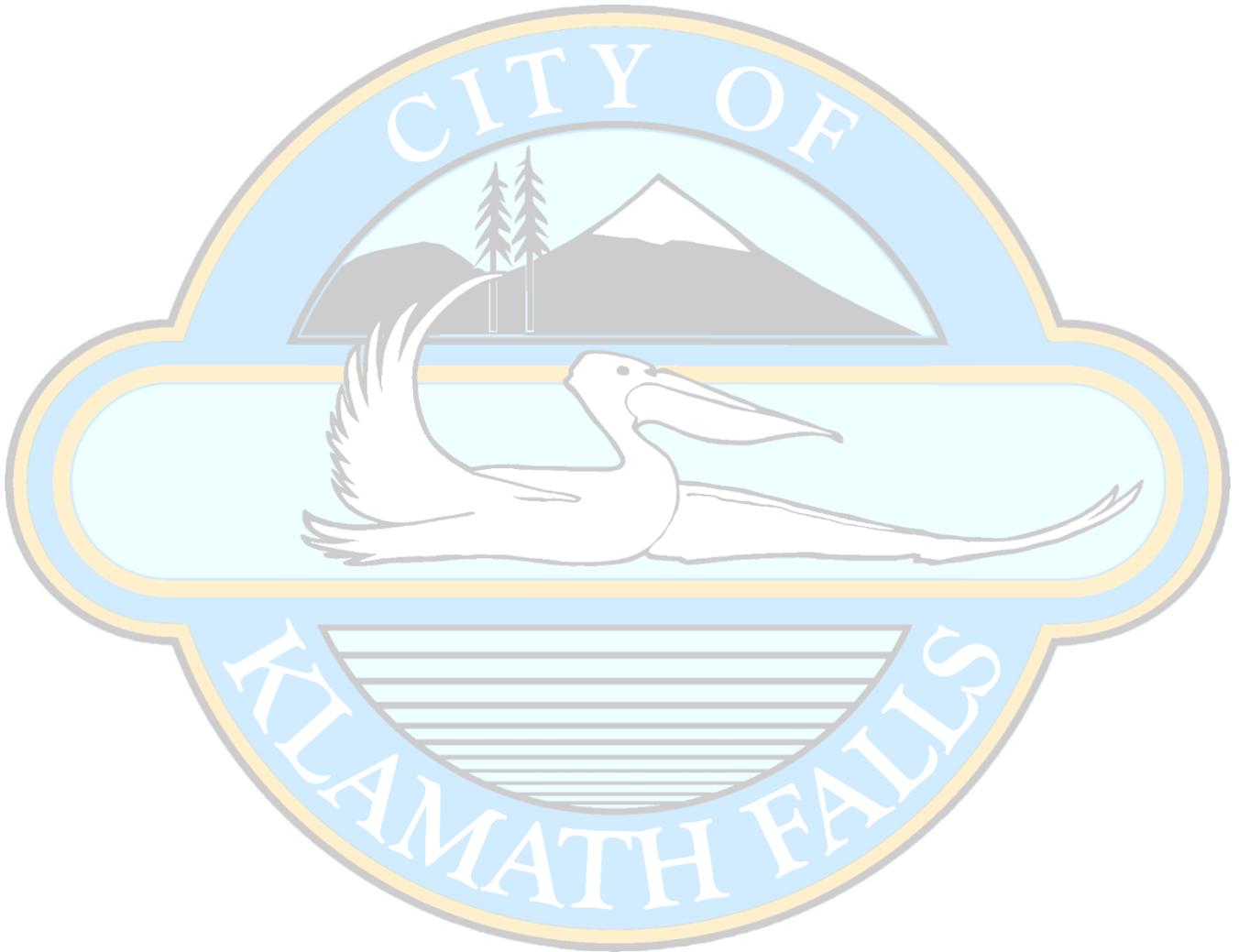


CITY OF
KLAMATH FALLS
BUDGET
URBAN
RENEWAL

2019-2021





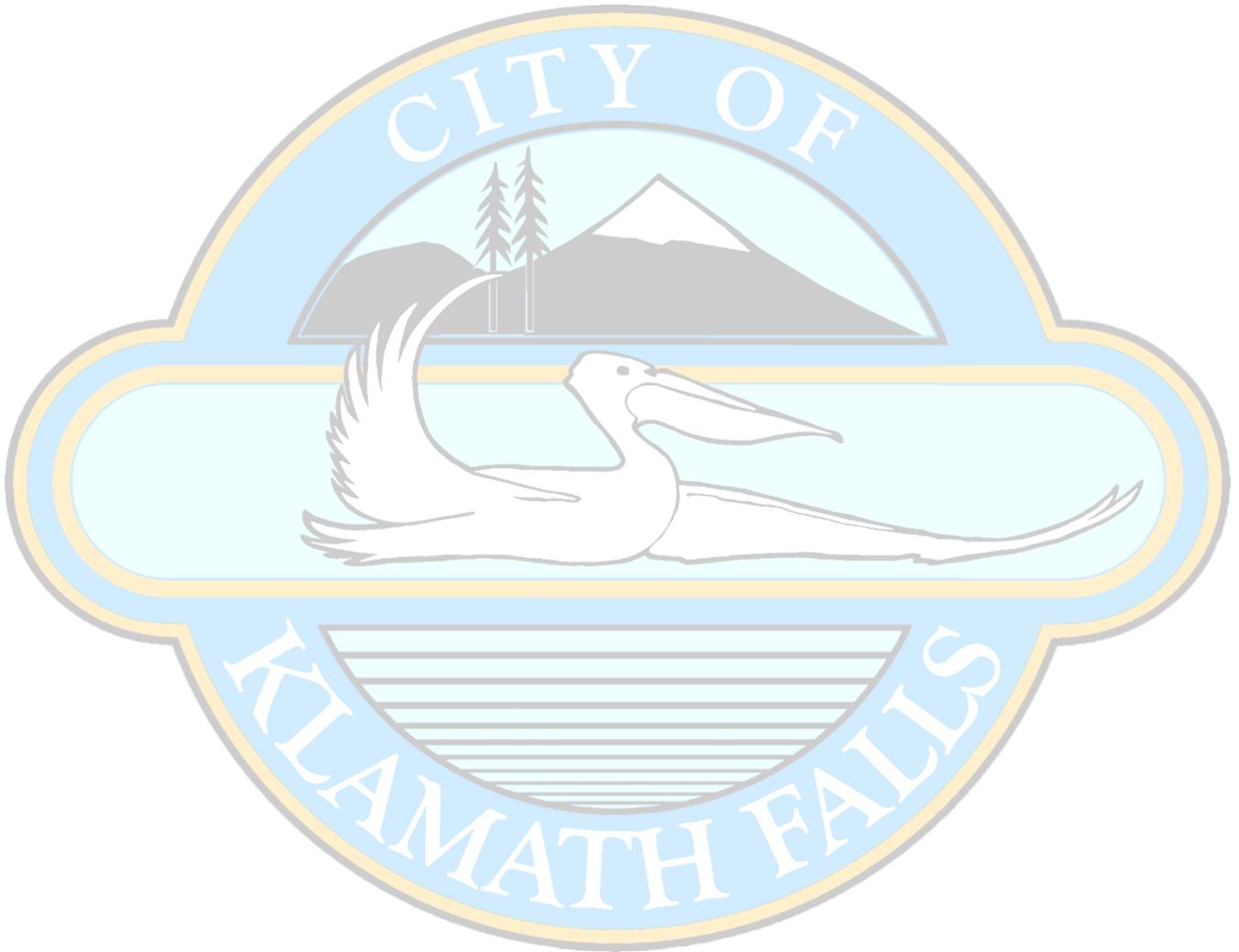
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Cover created by Kristina Buckley.

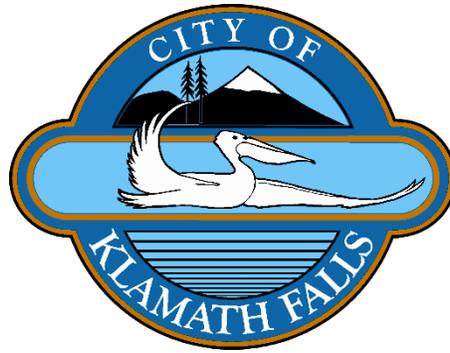


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Office of the City Manager

May 15, 2019

Members of the City Council in your capacity as the Urban Renewal Board, Citizen Members of the Budget Committee, and Citizens of Klamath Falls, Oregon:

In accordance with local budget law and the City Charter, I submit the proposed Urban Renewal Agency budget for the biennium 2019-2021 for your review and approval. The Klamath Falls Urban Renewal Agency consists of three separate Districts –the Lakefront Urban Renewal District, the Town Center Urban Renewal District, and the Spring Street Urban Renewal District. The combined total appropriations for the three Urban Renewal Districts for the biennium ending 2021 is \$1,557,450 including contingency, broken down as follows: Lakefront, \$299,125; Town Center, \$494,600; and Spring Street, \$763,725.

According to the Oregon Department of Revenue, an urban renewal agency is funded substantially by:

“portions taken out of local government property tax levies (division of tax revenue) ...

Division of tax revenue is calculated by splitting local government property taxes between the local governments that levied the taxes and the urban renewal agency. The split is recalculated each year based on value growth within the plan area. This tax splitting may have a couple different effects depending on the levy type. For operating (permanent rate) levies that are levied at a particular rate, division of tax does not change the tax rate or cause much change in the overall amount of tax billed, but it does reduce the amount that gets distributed to the local governments. In contrast, division of tax affects some bond and local option levies that are levied to raise a particular dollar amount by causing those tax rates to be higher in order to raise enough tax to cover both the levied amount as well as the division of tax amount.

Both the division of tax and urban renewal special levy amounts are subject to constitutional tax limitations (Article XI, section 11b of the Oregon Constitution), and are distributed to the urban renewal agency.”

http://www.oregon.gov/dor/ptd/pages/ic_504_623.aspx

The Lakefront Urban Renewal District was established in 2001 to create a riverfront mixed use area comprised of offices, retail shops and condominiums. With the recent announcement of a hotel breaking ground in the district, it appears the rumblings of future development have begun to occur. The Lakefront District has a financial borrowing cap as designated in the Renewal Plan of \$7,050,000 with \$5,407,500 left to borrow. The District is projected to collect about \$136,600 in property taxes during the biennium ending 2021. The property values for this area increased by \$143,139 since last year. Under the Renewal Plan and the development agreement, the District is required to reimburse the developer for many of the infrastructure improvements already installed once the revenues are sufficient to do so. Due to lagging development, the developer has spent \$2,248,564 and has not yet been reimbursed. This reimbursement will occur once the assessed values increase. It is projected that the hotel and private office building leased to the state will drive significant new revenues once completed.

The Town Center Urban Renewal District, was established in 2005 to revitalize the old Klamath Mall Shopping Center. The original developers remodeled the Gottschalks building and completed a new Sherm’s Thunderbird Market but were not able to complete the development as originally planned. The properties went into foreclosure and were taken over by the project lender. A new developer purchased the properties and the District entered into a revised development agreement. Recently, one new restaurant has opened in the former Skipper’s building. The Town Center District is anticipating tax increment revenues of approximately \$366,025. The District has a financial borrowing cap as designated in the Renewal Plan of \$2,953,000 with \$688,000 remaining to borrow.

The City’s newest Urban Renewal District, the Spring Street Urban Renewal District, was established in 2017 to revitalize the older industrial part of the greater downtown area and the northeastern part of the downtown. The District is anticipating tax increment revenues of approximately \$73,000. A loan is anticipated to jump start development in the area. A major project will be the redevelopment of the Main and Esplanade area into a mix of retail and housing. The District has borrowed \$20,000 so far and is projected to borrow and additional \$700,000. The District has a financial borrowing cap as designated in the Renewal Plan of \$16,800,000.



Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nathan Cherpeski". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Nathan Cherpeski
City Manager



Schedule of Budget Events

City Recorder Prepares & Publishes Notice of Hearing *	May 16, 2019 May 10, 2019 (web)
Proposed Budget to Committee	May 15, 2019
Budget Committee Hearing	May 22, 2019
Notice and Summary to Herald & News	May 31, 2019
Finance Department Prepares & Publishes the Notice & Summary **	June 3, 2019 (newspaper)
Agenda Reports Completed	June 7, 2019
Budget Adoption	June 17, 2019
<p>* The notice may be published in the newspaper 5-30 days prior to the hearing if it is also published on the City website at least 10 days prior to the meeting. The newspaper ad published must include website address.</p>	
<p>** The Summary and Notice is only required to be published one time and there is no internet publication option. The summary and hearing notice are published not less than five days or more than 30 days before the budget hearing.</p>	



Budget Process

1. Appoint Budget Officer. As designated in the City's Charter, the budget officer is the City Manager.
ORS 294.331

2. Prepare Proposed Budget. The budget is prepared under the direction of the City Manager.
ORS 294.426

3. Publish Notice of Budget Committee Meeting. The notice of budget committee meeting is published twice in the Herald and News separated by no less than 5 days with the first publication being no later than 30 days prior to the meeting and final publication being no earlier than 5 days prior to the first meeting. Alternatively, one publication in the Herald & News not more than 30 days prior plus posting on the City's website not more than 10 days prior to the budget committee meeting. Newspaper notice must contain Internet Website address at which the notice is posted.
ORS 294.426

4. Budget Committee Meets. When the proposed budget is provided to the budget committee members, it then becomes a public record and a copy is available for public inspection at City Hall (500 Klamath Ave). The proposed document can be distributed at any point prior to the first meeting. The budget message, which is delivered at the first meeting, explains the proposed budget and significant changes in the City's financial position. The budget committee may meet as many times as necessary to go through the budget and make any revisions they deem appropriate. Budget committee meetings are open to the public.
ORS 294.426

5. Budget Committee Approves Budget and Authorizes the Levy of taxes. When the budget committee is satisfied with the proposed budget, including any revisions, it is then approved.
ORS 294.428

6. Notice of Budget Hearing Published. After the budget has been approved by the budget committee, a budget hearing must be held, and a summary of the budget must be published in the Herald and News 5 to 30 days prior to the scheduled hearing date.
ORS 294.438 & ORS 294.448

7. Budget Hearing. The purpose of the budget hearing is to listen to citizens' testimony on the budget approved by the budget committee.
ORS 294.453

8. Adopt Budget, Make Appropriations & Impose Taxes. The resolution to formally adopt the budget must occur no later than June 30. This resolution, when signed, gives the City the authority to spend the funds appropriated in the Proposed Budget beginning with the new fiscal year (July 1). **ORS 294.456**

9. File Budget & Certify Levy. The City must deliver two copies of the Proposed Budget to the County Assessor for filing and certification of the tax levy by July 15. **ORS 294.458**

When the above steps are completed, and the new fiscal year has begun, the City is limited to spending only the amounts appropriated in the Proposed Budget. If it becomes necessary to exceed those amounts, the City will either need to make appropriation transfers or prepare a supplemental budget.

Transfers - Appropriation transfers are enacted by a Resolution and can occur either within a fund or from one fund to any other fund. Transfers from Contingency may not exceed 15% of fund appropriations. **ORS 294.463**

Supplemental Budgets – The City may amend the current budget by adopting a supplemental budget at a regular public meeting which was published not less than 5 days prior if the expenditures being adjusted are 10% or less than the annual budget of the fund being adjusted. If the expenditures are greater than 10%, the supplemental budget must be published, and a special hearing held. **ORS 294.471**

The final phase of the budget process is an audit of the previous fiscal year. The auditor examines the financial records and activities of the City and prepares an audit report. The audit report is included in the financial statements and gives the auditor's opinion of the financial statements. The report also contains the auditor's comments on the City's compliance with legal requirements.



Budgeting Principles and Assumptions

Investment Policy

The City's investment policy stresses, in order; safety, liquidity, and return. The current Local Government Investment Pool (LGIP) rate is 2.75%, but investment yields for this budget use a conservative 2.1% average earnings rate because of an expected decrease over the next biennium.

Basis of Accounting

The City of Klamath Falls and the Agency utilize the modified accrual basis of accounting for monthly reporting and budgeting purposes and adjust to the full accrual method of accounting to report on its financial position along with the results of its operations at fiscal year-end.

The level of control established by the adopted budget is: fund, department/division (which includes materials and services and capital outlay categories), transfers, debt service, unappropriated, contingency and reserved for future requirements. Equal transfers between materials and services and capital outlay within a single district are approved by Finance or the City Manager. All other supplemental budgets and transfers of appropriations require special approval from City Council as described in "The Budget Process" section.

Managers are responsible for reviewing their budgets monthly to ensure expenditures do not exceed City Council approved appropriations. In addition, the Finance Division performs a quarterly analysis of budget-to-actual figures to ensure that spending has not exceeded earlier estimates; this is then presented to Council. Finally, approval for expenditures over \$25,000 requires action by City Council.



Description of Budgeted Categories

Resources

Net Working Capital	Cash, investments and receivables net of payables carried forward from previous year.
Taxes	Taxes are assessed based on the incremental value attached to each individual property within each district.
Interest Income	The City holds all Urban Renewal (UR) funds at the Oregon State Treasury local government investment pool (LGIP). Separate accounts are required for each UR District.
Other Revenue	Donations and other various activities not reported elsewhere.
Other Financing Sources	This represents the proceeds from debt which will be used for capital projects and will be repaid from tax revenues.

Requirements

Materials & Services	Costs such as utilities, parts & supplies, professional services, postage, small tools & equipment, repairs & maintenance, etc.
Capital Outlay	Acquisition or construction of buildings, improvements, and land with a cost of \$5,000 or more and a life expectancy greater than one reporting period.
Debt Service	Dollars set aside for repayment of principal and interest obligations.
Transfers Out/In	Amounts distributed from one fund to finance activities in another fund shown as an expenditure in the originating fund and as revenue in the receiving fund.
Unappropriated	Amounts left in a fund at the end of the year to ensure that the Fund begins the next year with enough cash to operate until tax money is received later in that fiscal year. These dollars cannot be spent or appropriated until the following budget year, except when authorized by Council due to an emergency created by civil disturbance or natural disaster.
Reserved for Future Expenditure	Amount saved and carried forward beyond the year that is not expected to be spent.



Lakefront Urban Renewal

The Lakefront Urban Renewal District encompasses the old Modoc Mill site and the future Timber Mill Shores development.

Estimated Resources:	\$ 299,125
Appropriated:	\$ 299,125
Reserved for Future Requirements:	\$ 0
Total Fund Requirements:	\$ 299,125



Lakefront Urban Renewal

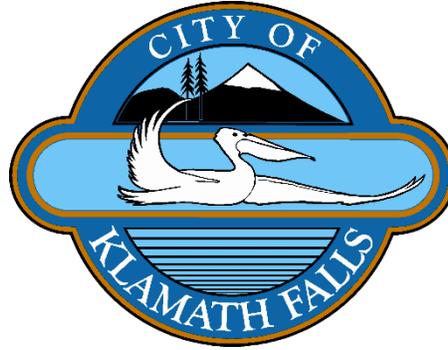
Fund #104

Resources

	2016-2017 Total Activity	2017-2018 Total Activity	2018-2019 Total Budget	2019-2020 Adopted	2020-2021 Adopted	2019-2021 Total
Revenue						
NET WORKING CAPITAL	\$ 2,818	\$ 4,433	\$ 4,725	\$ -	\$ -	\$ -
PROPERTY TAXES PREVIOUSLY LEVIED	4,236	3,442	2,800	2,000	2,025	4,025
INVESTMENT INCOME	1,197	1,401	1,125	1,250	1,275	2,525
OTHER FINANCING SOURCES	-	-	-	160,000	-	160,000
Fund: 104 - Resources Except Taxes Levied Total:	8,251	9,275	8,650	163,250	3,300	166,550
PROPERTY TAXES NECESSARY TO BALANCE	-	-	60,425	64,250	68,325	132,575
PROPERTY TAXES COLLECTED IN YEAR LEVIED	62,778	62,062	-	-	-	-
Fund: 104 - LAKEFRONT URBAN RENEWAL Total:	\$ 71,029	\$ 71,337	\$ 69,075	\$ 227,500	\$ 71,625	\$ 299,125

Requirements

	2016-2017 Total Activity	2017-2018 Total Activity	2018-2019 Total Budget	2019-2020 Adopted	2020-2021 Adopted	2019-2021 Total
Expense						
MATERIALS & SERVICES						
OTHER MATERIALS & SERVICES	\$ 124	\$ -	\$ 25	\$ 160,000	\$ -	\$ 160,000
DEBT SERVICE						
DEBT PRINCIPAL	41,000	42,665	46,350	47,075	53,025	100,100
DEBT INTEREST	25,473	23,935	22,250	20,425	18,600	39,025
DEBT SERVICE Total:	66,473	66,600	68,600	67,500	71,625	139,125
RESERVED	-	-	450	-	-	-
ENDING BALANCE	4,433	4,738	-	-	-	-
Fund: 104 - LAKEFRONT URBAN RENEWAL Total:	\$ 71,029	\$ 71,338	\$ 69,075	\$ 227,500	\$ 71,625	\$ 299,125



Town Center Urban Renewal

The Town Center Urban Renewal District encompasses the old Klamath Mall site and future Town Center development.

Estimated Resources:	\$ 494,600
Appropriated:	\$ 494,600
Reserved for Future Requirements:	\$ 0
Total Fund Requirements:	\$ 494,600



Town Center Urban Renewal

Fund #105

Resources

	2016-2017 Total Activity	2017-2018 Total Activity	2018-2019 Total Budget	2019-2020 Adopted	2020-2021 Adopted	2019-2021 Total
Revenue						
NET WORKING CAPITAL	\$ 63,103	\$ 101,457	\$ 131,825	\$ 117,650	\$ -	\$ 117,650
PROPERTY TAXES PREVIOUSLY LEVIED	7,765	7,837	7,475	4,600	4,650	9,250
INVESTMENT INCOME	2,438	3,712	3,300	5,525	5,400	10,925
OTHER FINANCING SOURCES	140,000	-	-	-	-	-
Fund: 105 - Resources Except Taxes Levied Total:	213,306	113,006	142,600	127,775	10,050	137,825
PROPERTY TAXES NECESSARY TO BALANCE	-	-	170,525	177,500	179,275	356,775
PROPERTY TAXES COLLECTED IN YEAR LEVIED	185,639	175,167	-	-	-	-
Fund: 105 - TOWN CENTER URBAN RENEWAL Total:	\$ 398,944	\$ 288,174	\$ 313,125	\$ 305,275	\$ 189,325	\$ 494,600

Requirements

	2016-2017 Total Activity	2017-2018 Total Activity	2018-2019 Total Budget	2019-2020 Adopted	2020-2021 Adopted	2019-2021 Total
Expense						
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	\$ -	\$ -	\$ 25	\$ -	\$ -	\$ -
OTHER MATERIALS & SERVICES	150,125	1	50,000	-	-	-
INTERNAL CHARGES FOR SERVICES	8,450	-	-	-	-	-
MATERIALS & SERVICES Total:	158,575	1	50,025	-	-	-
DEBT SERVICE						
DEBT PRINCIPAL	114,923	128,496	133,025	281,625	170,325	451,950
DEBT INTEREST	23,989	27,835	23,350	23,650	19,000	42,650
DEBT SERVICE Total:	138,912	156,332	156,375	305,275	189,325	494,600
RESERVED	-	-	106,725	-	-	-
ENDING BALANCE	101,457	131,841	-	-	-	-
Fund: 105 - TOWN CENTER URBAN RENEWAL Total:	\$ 398,944	\$ 288,174	\$ 313,125	\$ 305,275	\$ 189,325	\$ 494,600



Spring Street Urban Renewal

The Spring Street Urban Renewal District includes the industrial and commercial area at the east end of the downtown and adjacent to, and west of, the railroad from Esplanade Avenue to the north, down to South 6th Street to the south.

Estimated Resources:	\$ 773,000
Appropriated:	\$ 763,725
Reserved for Future Requirements:	\$ 9,275
Total Fund Requirements:	\$ 773,000



Spring Street Urban Renewal

Fund #108

Resources

	2016-2017 Total Activity	2017-2018 Total Activity	2018-2019 Total Budget	2019-2020 Adopted	2020-2021 Adopted	2019-2021 Total
Revenue						
NET WORKING CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 9,275	\$ -
PROPERTY TAXES PREVIOUSLY LEVIED	-	-	-	-	-	-
OTHER FINANCING SOURCES	-	-	550,000	700,000	-	700,000
Fund: 108 - Resources Except Taxes Levied Total:	-	-	550,000	700,000	9,275	700,000
PROPERTY TAXES NECESSARY TO BALANCE	-	-	11,675	30,000	43,000	73,000
PROPERTY TAXES COLLECTED IN YEAR LEVIED	-	-	-	-	-	-
Fund: 108 -SPRING STREET URBAN RENEWAL Total:	\$ -	\$ -	\$ 561,675	\$ 730,000	\$ 52,275	\$ 773,000

Requirements

	2016-2017 Total Activity	2017-2018 Total Activity	2018-2019 Total Budget	2019-2020 Adopted	2020-2021 Adopted	2019-2021 Total
Expense						
CAPITAL OUTLAY						
FACILITIES	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ 700,000
INFRASTRUCTURE	-	-	550,000	-	-	-
CAPITAL OUTLAY Total:	-	-	550,000	700,000	-	700,000
DEBT SERVICE						
DEBT PRINCIPAL	-	-	-	20,000	24,450	44,450
DEBT INTEREST	-	-	11,675	725	18,550	19,275
DEBT SERVICE Total:	-	-	11,675	20,725	43,000	63,725
RESERVED	-	-	-	9,275	9,275	9,275
ENDING BALANCE	-	-	-	-	-	-
Fund: 108 -SPRING STREET URBAN RENEWAL Total:	\$ -	\$ -	\$ 561,675	\$ 730,000	\$ 52,275	\$ 773,000

Capital Outlay

ITEM	EXPENDITURE		
	2019-2020	2020-2021	Total
Buildings & Facilities			
Balsiger Demolition Project	\$ 700,000	\$ -	\$ 700,000
Total Spring Street Urban Renewal	\$ 700,000	\$ -	\$ 700,000



Inactive Funds

- Downtown Urban Renewal



Downtown Urban Renewal

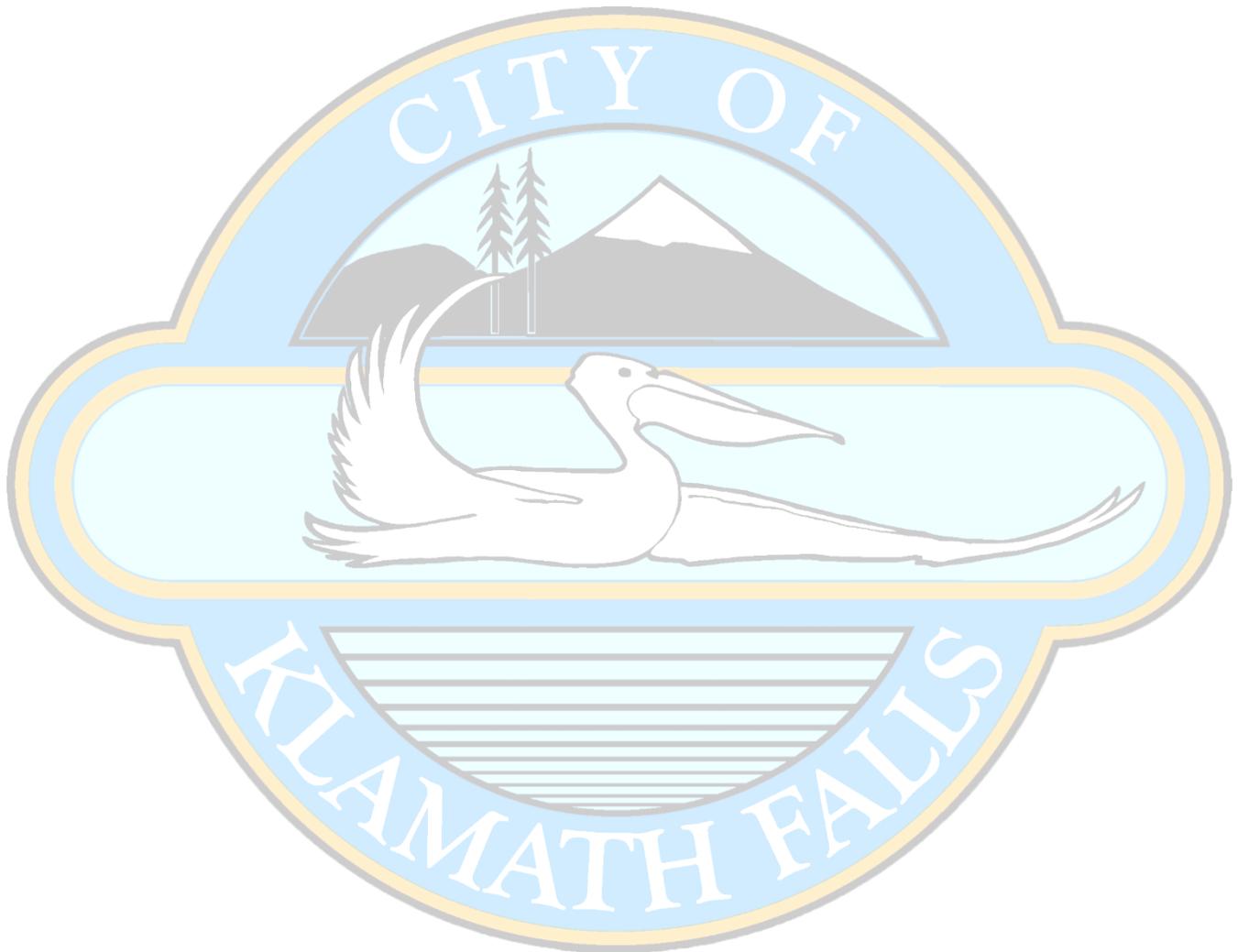
Fund #103

Resources

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2019-2021
	Total Activity	Total Activity	Total Budget	Adopted	Adopted	Total
Revenue						
NET WORKING CAPITAL	\$ 59,179	\$ -	\$ -	\$ -	\$ -	\$ -
INVESTMENT INCOME	138	-	-	-	-	-
OTHER FINANCING SOURCES	2,794	-	-	-	-	-
Fund: 103 - DOWNTOWN URBAN RENEWAL Total:	\$ 62,111	\$ -	\$ -	\$ -	\$ -	\$ -

Requirements

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2019-2021
	Total Activity	Total Activity	Total Budget	Adopted	Adopted	Total
Revenue						
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	\$ 23,673	\$ -	\$ -	\$ -	\$ -	\$ -
MAINTENANCE & REPAIRS	2,918	-	-	-	-	-
OTHER MATERIALS & SERVICES	30	-	-	-	-	-
MATERIALS & SERVICES Total:	26,621	-	-	-	-	-
CAPITAL OUTLAY						
FACILITIES	26,957	-	-	-	-	-
INFRASTRUCTURE	8,533	-	-	-	-	-
CAPITAL OUTLAY Total:	35,490	-	-	-	-	-
ENDING BALANCE						
	-	-	-	-	-	-
Fund: 103 - DOWNTOWN URBAN RENEWAL Total:	\$ 62,111	\$ -	\$ -	\$ -	\$ -	\$ -



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Resolutions, Public Notices, and Tax Certification

RESOLUTION NO. 19-10

A RESOLUTION ADOPTING THE 2019-2021 BIENNIAL BUDGET OF THE KLAMATH FALLS URBAN RENEWAL AGENCY, MAKING APPROPRIATIONS AND DECLARING TAX INCREMENT

WHEREAS, the Klamath Falls City Council acts as the Klamath Falls Urban Renewal Agency (the Agency);

WHEREAS, on May 22, 2019, the Agency’s Budget Committee approved the 2019-2021 Biennial Budget document as presented, and recommended its adoption by the Klamath Falls City Council;

WHEREAS, a summary of the approved budget for the Klamath Falls Urban Renewal Agency was duly published in the Herald and News, a newspaper of general circulation in the City on June 11, 2019; and

WHEREAS, on June 17, 2019, the Klamath Falls City Council conducted a public hearing on the 2019-2021 Biennial Budget document as approved by the Budget Committee, and all interested persons were again afforded an opportunity to appear and be heard with respect to the approved budget; **NOW THEREFORE**,

THE CITY OF KLAMATH FALLS RESOLVES AS FOLLOWS:

Section 1. Budget Adoption

The City Council, acting as the Klamath Falls Urban Renewal Agency hereby adopts the 2019-2021 Biennial Budget, in the total amount of \$1,558,091. This budget is now on file at 500 Klamath Avenue in Klamath Falls, Oregon.

Section 2. Appropriations

The amounts shown below are hereby appropriated for the Biennial Budget period beginning July 1, 2019 for the following purposes:

LAKEFRONT URBAN RENEWAL FUND

Lakefront Urban Renewal	\$	160,000
Debt Service		<u>139,125</u>
Total Lakefront Urban Renewal Fund Appropriations	\$	299,125

TOWN CENTER URBAN RENEWAL FUND

Debt Service	\$	<u>494,600</u>
Total Town Center Urban Renewal Fund Appropriations	\$	494,600

SPRING STREET URBAN RENEWAL FUND

Spring Street Urban Renewal	\$	700,000
Debt Service		<u>63,725</u>
Total Spring Street Urban Renewal Fund Appropriations	\$	763,725

Total Appropriations, All Funds	\$	1,557,450
Total Unappropriated and Reserve Amounts, All Funds		<u>9,275</u>
TOTAL ADOPTED BUDGET	\$	1,566,725

Section 3. Declaration of Tax Increment

The City Council, acting as the Klamath Falls Urban Renewal Agency hereby resolves to certify to the county assessor a request for the Lakefront Urban Renewal 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 for tax years 2019-2020 and 2020-2021.

The City Council, acting as the Klamath Falls Urban Renewal Agency hereby resolves to certify to the county assessor a request for the Town Center Urban Renewal 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 for tax years 2019-2020 and 2020-2021.

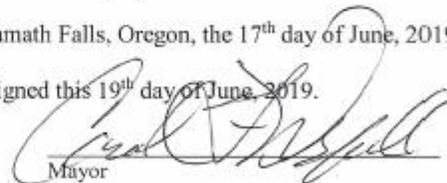
The City Council, acting as the Klamath Falls Urban Renewal Agency hereby resolves to certify to the county assessor a request for the Spring Street Urban Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457 for tax years 2019-2020 and 2020-2021.

Section 4.

This Resolution shall become effective immediately upon enactment.

Passed by the Council of the City of Klamath Falls, Oregon, the 17th day of June, 2019.

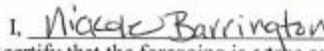
Presented to the Mayor, approved and signed this 19th day of June, 2019.


 Mayor

ATTEST:

 City Recorder

STATE OF OREGON)
 COUNTY OF KLAMATH) ss.
 CITY OF KLAMATH FALLS)

I, , City Recorder (for the City of Klamath Falls, Oregon, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Council of the City of Klamath Falls, Oregon, at the meeting held on the 17th day of June, 2019, and thereafter approved and signed by the Mayor and attested by the City Recorder.


 City Recorder

**AFFIDAVIT OF PUBLICATION
STATE OF OREGON,
COUNTY OF KLAMATH**

I, Pat Bergstrom, Legal Specialist, being duly sworn, depose and say that I am the principle clerk of the publisher of the Herald and News, a newspaper in general circulation, as defined by Chapter 193 ORS, printed and published at 2701 Foothills Blvd, Klamath Falls, OR 97603 in the aforesaid county and state; that I know from my personal knowledge that the Legal#18951 BUDGET HEARING

MEETING: MAY 22, 2019

a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for: 1

Insertion(s) in the following issues:
05/10/2019

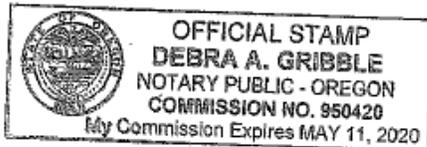
Total Cost: \$128.12

Pat Bergstrom

Subscribed and sworn by Pat Bergstrom before me on:
10th day of May in the year of 2019

Debra A Gribble

Notary Public of Oregon
My commission expires on May 11, 2020



**NOTICE FOR BUDGET COMMITTEE MEETING
KLAMATH FALLS URBAN RENEWAL AGENCY**

A public meeting of the Budget Committee of the Klamath Falls Urban Renewal Agency, Klamath County, State of Oregon, to discuss the Biennial Budget for the fiscal years July 1, 2019 to June 30, 2021 will be held in the City Council Chambers at 500 Klamath Avenue, Klamath Falls, Oregon. The meeting will take place on May 22, 2019 beginning at 9:00 a.m. until completed. The purpose of the meeting is to receive the Budget Message and to receive comment from the public on the Budget. A copy of the Budget document may be inspected or obtained on or after May 15, 2019 at the City Administration Office, 500 Klamath Avenue, Klamath Falls, Oregon, between the hours of 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. This is a public meeting where deliberation of the Budget Committee will take place. Discussion will be held on State Revenue Sharing regarding possible use of funds. This Notice will also be posted on the City's website at www.klamathfalls.city beginning May 10, 2019.

Any person may appear at the meeting and discuss the proposed programs with the Budget Committee. Disabled persons desiring to attend may call the City Recorder's office at 541-883-5325 for necessary arrangements. Hearing Impaired persons desiring information may call the City's TDD line at 541-883-5324.

Nickole Barrington
City Recorder
PUBLISH: May 10, 2019
#18951 May 10, 2019.

**AFFIDAVIT OF PUBLICATION
STATE OF OREGON,
COUNTY OF KLAMATH**

I, Megan McGuffee, Legal Specialist, being duly sworn, depose and say that I am the principle clerk of the publisher of the Herald and News, a newspaper in general circulation, as defined by Chapter 193 ORS, printed and published at 2701 Foothills Blvd, Klamath Falls, OR 97603 in the aforesaid county and state; that I know from my personal knowledge that the Legal#19002 LB1
DATE: JUNE 03, 2019
a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for: 1

Insertion(s) in the following issues:
06/11/2019

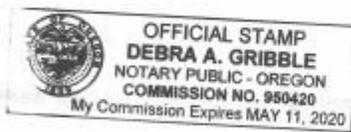
Total Cost: \$423.61



Subscribed and sworn by Megan McGuffee before me on:
11th day of June in the year of 2019



Notary Public of Oregon
My commission expires on May 11, 2020



FORM UR-1

NOTICE OF BUDGET HEARING

A public meeting of the City Council of the City of Klamath Falls, Oregon will be held on June 17, 2019 at 7:00 pm in the Council Chambers of the City Hall Administration Building, 500 Klamath Avenue, Klamath Falls, Oregon. The purpose of this meeting is to discuss the budget for the biennium fiscal years beginning July 1, 2019 as approved by the City of Klamath Falls Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the office of the City Recorder in City Hall Administration, between the hours of 8:00 a.m. and 5:00 p.m. or online at <https://www.klamathfalls.city/i-want-to/find/city-hall/support-services/finance/articles/finance>. This budget is for a biennial budget period. This budget was prepared on a basis of accounting that is the same as the preceding year. Disabled persons desiring to attend may call 541-883-5316 for necessary arrangements. Hearing impaired persons desiring information may call the City's TDD/TTY line at 541-883-5324.

Contact: Nickole Barrington, City Recorder

Telephone: 541-883-5325

Email: nbarrington@klamathfalls.city

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2017-2018	Adopted Budget This Year 2018-2019	Approved Budget Next Biennium 2019-2021
Beginning Fund Balance/Net Working Capital	105,890	136,550	117,650
Federal, State and All Other Grants	0	0	0
Revenue from Bonds and Other Debt	0	550,000	860,000
Interfund Transfers	0	0	0
All Other Resources Except Division of Tax & Special Levy	5,113	4,425	13,450
Revenue from Division of Tax	248,508	252,900	575,625
Revenue from Special Levy	0	0	0
Total Resources	359,511	943,875	1,566,725

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	0	0	0
Materials and Services	2	50,050	160,000
Capital Outlay	0	550,000	700,000
Debt Service	222,932	236,650	706,725
Interfund Transfers	0	0	0
Contingencies	0	0	0
All Other Expenditures and Requirements	0	0	0
Unappropriated Ending Fund Balance	136,578	107,175	0
Total Requirements	359,511	943,875	1,566,725

FINANCIAL SUMMARY-REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM

Name of Organizational Unit or Program	FTE for that unit or program		
Lakefront Urban Renewal	0	25	160,000
FTE	0	0	0
Town Center Urban Renewal	1	50,025	0
FTE	0	0	0
Spring Street Urban Renewal	0	550,000	700,000
FTE	0	0	0
Non-Departmental / Non-Program	359,509	343,825	706,725
FTE	0	0	0
Total Requirements	359,511	943,875	1,566,725
Total FTE	0	0	0

STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING

The Agency has moved to a biennial budget. This budget includes a \$700,000 inter-fund loan between the Spring Street Urban Renewal Fund and the City's Escrow Reserve Fund for land preparation at Main and Esplanade and a \$160,000 inter-fund loan between the Lakefront Urban Renewal Fund and the City's Escrow Reserve Fund for System Development Charges support for the new hotel.

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$0	\$0
Other Bonds	\$0	\$0
Other Borrowings	\$3,503,629	\$0
Total	\$3,503,629	\$0

#19002 June 11, 2019

**FORM
UR-50**

NOTICE TO ASSESSOR

2019-2020

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

Check here if this is an amended form.

Notification

Klamath Falls Urban Renewal Agency _____ authorizes its 2019-2020 ad valorem tax increment amounts
(Agency name)
 by plan area for the tax roll of Klamath County _____
(County name)
 Jessica Lindsay _____ 541-883-5354 _____ 6/27/19
(Contact person) (Telephone number) (Date submitted)
 PO Box 237, 500 Klamath Ave., Klamath Falls, OR 97601 _____ jilindsay@klamathfalls.city
(Agency's mailing address) (Contact person's e-mail address)

Yes, the agency has filed an impairment certificate by May 1 with the assessor (ORS 457.445).

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 <input type="checkbox"/> Yes	
	\$ _____	OR <input type="checkbox"/> Yes	
	\$ _____	OR <input type="checkbox"/> Yes	
	\$ _____	OR <input type="checkbox"/> Yes	

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

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

Part 3: Other Standard Rate Plans. [ORS 457.445(2)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax*	
	\$ _____	OR <input type="checkbox"/> Yes	
	\$ _____	OR <input type="checkbox"/> Yes	
	\$ _____	OR <input type="checkbox"/> Yes	
	\$ _____	OR <input type="checkbox"/> Yes	

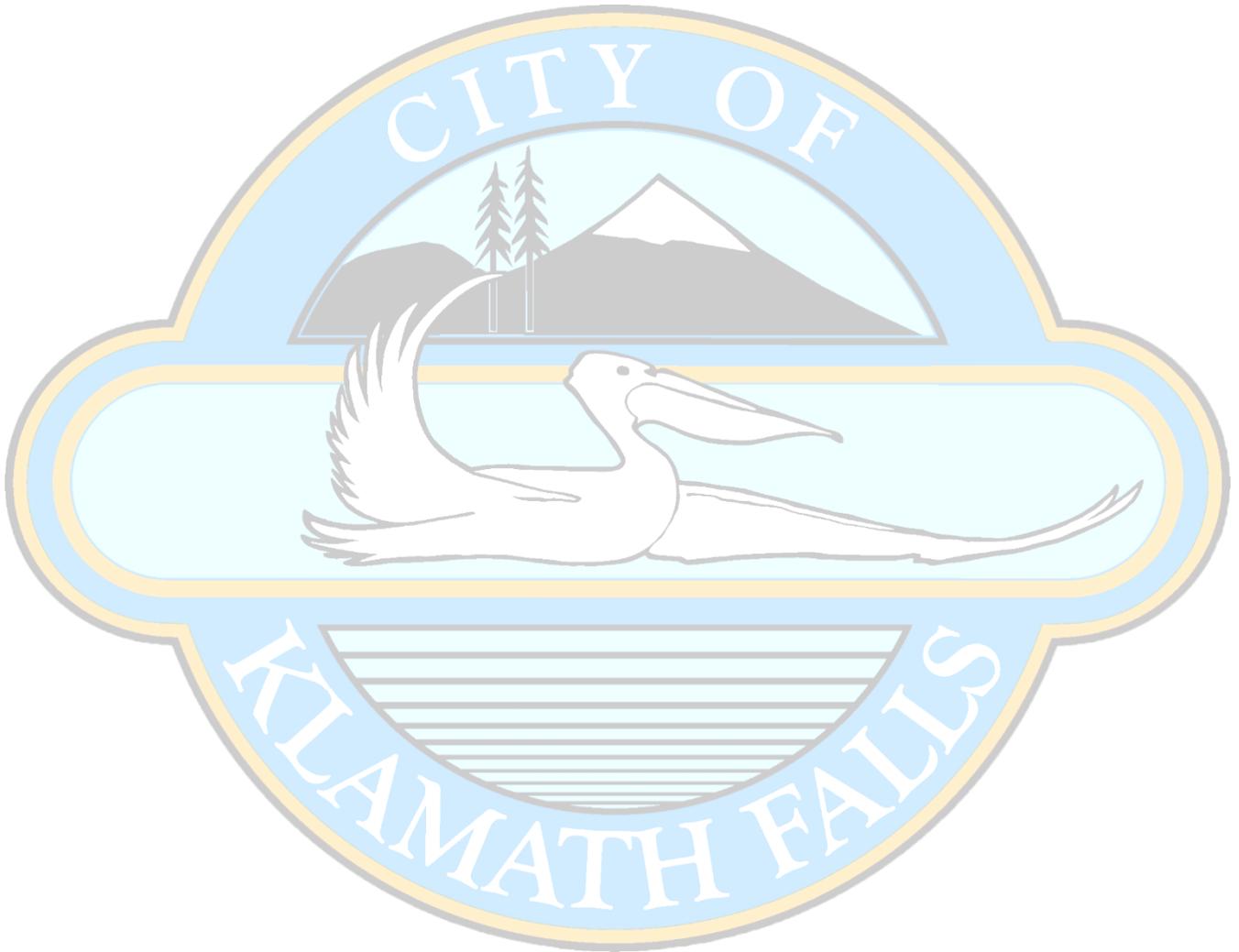
Part 4: Other Reduced Rate Plans [ORS 457.445(1)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax*	
Lakefront Urban Renewal	\$ _____	OR <input checked="" type="checkbox"/> Yes	
Town Center Urban Renewal	\$ _____	OR <input checked="" type="checkbox"/> Yes	
Spring Street Urban Renewal	\$ _____	OR <input checked="" type="checkbox"/> Yes	
	\$ _____	OR <input type="checkbox"/> Yes	

Notice to Assessor of Permanent Increase in Frozen Value. Beginning tax year 2019-20, permanently increase frozen value to:

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

*All Plans except Option Three: Enter amount of Increment Value to Use that is less than 100 percent or check "Yes" to receive 100 percent 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.



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City of Klamath Falls
Urban Renewal Agency
2019-2021 Budget
