



**Lincoln City Urban Renewal Agency
2025-26 Budget Message
April 11, 2025**

This budget represents the second year the Agency will be overseeing implementation of two new Urban Renewal (Tax Increment Financing, or TIF) Districts. In 2020-21, the “Year 2000 Development Plan” (1988) Area ended after 32 years with continued closing out of projects and management of assets. At the same time, the Roads End / Villages (at Cascade Head/Sitka Woods) Area came online. The Nelscott Plan was adopted by City Council in 2023, creating a second active Urban Renewal Area. TIF funds can only be spent on projects within the Area from which they are collected, so this budget presents information separately for each of the three Areas.

Background and Proposed 2025-2026 Budget

Urban Renewal Area: Year 2000 Development Plan – Completed Status: This document reflects the project categories identified for funding by the Agency and the intent of the “Year 2000 Development Plan”, the guiding document since 1988. TIF (Tax Increment Financing) accrued for this Area for 10 years before embarking on the first of four, community vision plans and \$43 Million of public improvement projects have followed over the subsequent years.

In 2014, the Agency entered into its Underlevy Plan for this Area, which was a ten-year extension (until no later than 2024) of the Agency’s activities and projects while simultaneously reducing the District’s available revenue by 80%. This provided the opportunity to reduce impacts to the overlapping taxing districts and also fund important north end Public Works Infrastructure, Cutler City Community Vision projects and Economic Development Programs. These programs provided funding through grants and loans to local partners and businesses within the Area’s boundary, primarily along Highway 101.

The Agency’s final bond sale for this District (\$2,987,000) occurred in late 2017. In the past years, the URA Construction Fund (833) reflected associated expenditures on public capital projects separate from the UR General Fund (830) to maintain accounting for bond funds until the debt could be retired. The final bond was repaid in fiscal year end 2021, three years earlier than anticipated. As a result, the overlapping taxing districts have now been receiving their full tax revenue from this urban renewal area. With no bond debt, the URA Construction Fund (833) was no longer needed and all budgeting, including the remaining capital projects, is now in the General Fund (830). Per Agency direction, once the existing loans from the Economic Development Toolbox (Loan/Grant) Programs (832 – Property Rehab Program) are repaid over the next several years, those funds can be available for other purposes related to Economic Development.

To view the final report on accomplished projects for the “Year 2000 Development Plan” (1988) Urban Renewal Area, please visit:

<https://www.lincolncity.org/home/showpublisheddocument/3339/638084183504030000>

Final projects to be completed for the Year 2000 Development Plan are described below.

The 2008 **Cutler City** Community Vision & Corridor Plan, from the most recent planning effort now 17 years ago, identifies one remaining **Pedestrian Project** with an eye on completion, in this budget year.



Construction – Siletz BayWalk Bay Access: With the 2021 sale of Agency property (for \$7,500) on the Siletz Bayfront to the adjacent private redevelopment project, a development agreement was entered into by the Agency and Pelican Brewing Co. \$50,000 is being contributed to the Agency, toward construction of the public bay access from the Highway 101 Schooner Point Turnout, down to the Siletz Bay and is set up for future connection with the private property pedestrian boardwalk along the shoreline. This is the only public access to the sands of the Siletz Bay between Taft (Siletz Bay Park) and the SW 62nd Pedestrian Bay Access (Cutler City Neighborhood). The City’s Public Works Department oversaw survey and structural work needed to complete the in-house design. They also handled management of contractors for permitting and the bidding process. All project costs have been paid using Urban Renewal funds, other than City staff time. In March, the Agency awarded a bid below the engineers cost estimate of \$400,000. Beyond the \$50,000 contribution from private sector, the only other source of construction funds is from the Property Rehabilitation/Loan Fund (832) paybacks. A transfer from 832 to 830 (UR General Fund) was done in the FY24-25 adopted budget in order to complete this final capital improvement project for the Cutler District. For this proposed budget, funds are being re-budgeted since at this time we don’t know how much the contractors will be able to complete prior to June 30, 2025 (due to environmental permitting requirements). Total maximum project costs include:

Description of Item	Maximum Cost
Construction Bid Award with 10% Contingency	\$387,527.18
BOLI (Bureau of Labor & Industries) 1% Public Works Fee	\$3,875.27
Engineering Construction Services (estimated max)	\$30,000.00
City Percent For Arts (1/2%)	\$1,937.64
Total Construction Cost (below \$405,000.00 budgeted amount; if contingency is used)	\$423,340.09
Contribution from Pelican Brewing Co.	-\$50,000.00
Total Maximum Construction Cost to Agency	\$373,340.09

\$377,953 830-000-6340261 Cutler City Planning
 Cutler City Projects – BayWalk Bay Access (Construction/Construction Admin.)



In February 2018, the Agency made available four sites for **Property Development**. These properties include NW 15th Street (OceanLake Feature Street), NE 1st Street (D River/Hostetler Park/DeLake), SE 32nd Street (Nelscott), and SW 51st Street (Taft Feature Street). The Agency will sell or lease these properties through a development agreement in order to achieve community, City, and Agency objectives. Past work with specialized development consultants has been beneficial to assist staff in moving forward with development projects to implement goals of ground-activated, pedestrian-oriented businesses. After the COVID-19 pandemic slowed market conditions, commercial development has continued to be a challenge with rising costs of labor, financing and general availability of construction materials. While interest rates have slightly stabilized, they are still too high to make our coastal, smaller infill properties financially feasible to develop without significant public subsidy beyond capacity. Once developers and market conditions are mutually ready, these projects will move ahead. Due to diminished Urban Renewal funding, there is no proposed budget request for continued marketing and transaction costs for the Agency. If future funding is needed in subsequent budget years, staff would propose using transferred funds from the Property Rehabilitation Fund (832) to complete any remaining redevelopment projects from the Year 2000 Development Plan.

In the past, the Agency's **Economic Development Programs** have included no-to-low interest loans for businesses and property owners located in the "Year 2000 Development Plan" Area and grants available for our local Economic Development Partners. Now that this Area has no additional revenue incoming (closed UR Area) these programs are not currently active. The Agency has stopped any additional loan and grant approvals until funds are repaid and can be considered for capital purpose. Over 48 loans have been made with revolving funds of over \$2M. A City Ec Dev Toolbox has been set up and funded, primarily to partner on public property redevelopment and housing projects. Annual repayments to this Urban Renewal fund are about \$90,000 with 9 active loans in repayment.

*\$388,711 832-000-6780001 Property Rehab Program,
Contingency/Fund Balance – Contingencies*

Roads End / Villages at Cascade Head (Sitka Woods) Plan – Active Status:

Urban Renewal has proven to be a successful funding program for Lincoln City to leverage District funding otherwise not available to complete numerous Public Works Infrastructure Projects, upgrades to our Visitor Facilities and Parks and the ability to provide low-to-no interest loans and grants. Due to the success of past Urban Renewal projects and programs, in 2020 the City adopted the Roads End / Villages at Cascade Head (Sitka Woods) Plan. This new urban renewal area began collection of tax increment in FY2021-22. Each year of TIF for this UR Area includes a return of 15% of that revenue (revenue sharing) to the overlapping taxing districts

(including the City) throughout the life of the 27-year Plan, with a Maximum Indebtedness of \$87,100,000. It will take about another year (2026-2027) to accrue revenues sufficient for the first bond transaction, which would be used for community visioning and subsequent capital projects. There are no projects proposed in this FY25-26 budget for the Roads End / Villages at Cascade Head Urban Renewal Area funds. This will be the first year that City staff track their time related to any activities specifically related to this Area, for consideration of future reimbursement from the fund. Administration is an allowable and expected expense to implement the Plan.



Nelscott Plan – Active Status: In August 2023, the City adopted a new Nelscott Urban Renewal Plan, which prioritizes transportation connections, housing, and living-wage job production with the County’s Urban Growth

Boundary along SE 23rd Drive. Implementation of this 30-year plan, co-adopted by both the City and County, is now overseen by the Urban Renewal Agency. The first Tax Increment Funds (TIF) were received in November 2024 and will continue to accrue over time to reach the Maximum Indebtedness of \$129 M. Some funds are available should timing be right to leverage the City’s EPA Brownfields Grant (2024-2026) to do planning-related work for the Employment Area along SE 23rd Drive.

\$10,000	835-000-6201119	<i>Misc. Contracted Services for Employment Area Planning</i>
\$346,286	835-000-6780001	<i>Contingency / Fund Balance - Contingencies</i>

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2025-2026
830-000-URBAN RENEWAL GENERAL FUND**

Thursday, June 12, 2025

ACTUAL FY 2022-23	ACTUAL FY 2023-24	BUDGET FY 2024-25		ESTIMATE FY 2024-25	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2025-26
RESOURCES							
CHARGES FOR SERVICES							
0	0	50,000	4404350	DEFERRED IMPROVE AGREEMENTS	0	50,000	50,000
0	0	50,000		TOTAL CHARGES FOR SERVICES	0	50,000	50,000
INTER-GOVERNMENTAL							
0	0	0	4301900	ODOT GRANT/REIMBURSEMENT	41,817	0	0
0	0	0		TOTAL INTER-GOVERNMENTAL	41,817	0	0
MISCELLANEOUS REVENUE							
0	4,600	0	4601051	LEASE INCOME	0	0	0
4,969	4,311	1,000	4610001	INTEREST ALLOCATED	5,000	3,000	3,000
4,969	8,911	1,000		TOTAL MISCELLANEOUS REVENUE	5,000	3,000	3,000
TRANSFERS IN							
0	0	250,000	4701832	TRANSFER FROM URA REHAB FUND	250,000	100,000	100,000
178,542	0	0	4701833	TRANSFER FROM URA CONSTRUCTI	0	0	0
178,542	0	250,000		TOTAL TRANSFERS IN	250,000	100,000	100,000
BEGINNING FUND BALANCE							
23,033	133,818	129,968	4890010	BEGINNING BALANCE	129,759	376,565	376,565
23,033	133,818	129,968		TOTAL BEGINNING FUND BALANCE	129,759	376,565	376,565
206,544	142,729	430,968		TOTAL RESOURCES	426,576	529,565	529,565
MATERIALS & SERVICES							
3,000	500	32,618	6201119	MISC. CONTRACTED SERVICES	32,618	18,605	18,605
4,200	3,950	3,250	6201151	AUDITING	7,946	8,500	8,500
6,157	1,957	300	6201152	LEGAL SERVICES	1,000	200	200
595	556	0	6203020	TELEPHONE	0	0	0
2,255	710	1,300	6205001	LEGAL NOTICES	1,300	2,000	2,000
2,485	0	0	6205003	PRINTING	0	0	0
0	118	0	6206003	MEETINGS	0	0	0
0	0	0	6206005	MEMBERSHIP & DUES	0	600	600
0	9	0	6209001	POSTAGE, SHIPPING, METER LEASE	0	0	0

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2025-2026
830-000-URBAN RENEWAL GENERAL FUND**

Thursday, June 12, 2025

ACTUAL FY 2022-23	ACTUAL FY 2023-24	BUDGET FY 2024-25		ESTIMATE FY 2024-25	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2025-26
6	8	0	6209010 INSURANCE AND BONDS	26	0	0	0
0	1,500	0	6210013 SYSTEM MAINT - OTHER PEARLS	0	0	0	0
20	0	0	6229001 OTHER SUPPLIES	0	0	0	0
18,718	9,307	37,468	TOTAL MATERIALS & SERVICES	42,890	29,905	29,905	29,905
CAPITAL OUTLAY							
54,009	3,663	393,500	6340261 CUTLER CITY PLANNING	7,121	425,000	425,000	425,000
0	0	0	6370400 CONTINGENCY - CAPITAL	0	74,660	74,660	74,660
54,009	3,663	393,500	TOTAL CAPITAL OUTLAY	7,121	499,660	499,660	499,660
72,727	12,970	430,968	TOTAL EXPENDITURES	50,011	529,565	529,565	529,565
CONTINGENCY/FUND BALANCE							
133,818	129,759	0	6800502 UNAPPROPRIATED FUND BALANCE	376,565	0	0	0
133,818	129,759	0	TOTAL CONTINGENCY/FUND BALANCE	376,565	0	0	0
133,818	129,759	0	TOTAL ENDING FUND BALANCE	376,565	0	0	0
110,785	-4,059	-129,968	<i>Excess of Resources over Expenditures</i>	246,806	-376,565	-376,565	-376,565

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2025-2026
832-000-PROPERTY REHAB PROGRAM**

Thursday, June 12, 2025

ACTUAL FY 2022-23	ACTUAL FY 2023-24	BUDGET FY 2024-25		ESTIMATE FY 2024-25	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2025-26
RESOURCES							
MISCELLANEOUS REVENUE							
474	20,039	10,000	4610001	INTEREST ALLOCATED	20,000	15,000	15,000
47	9	0	4610002	INTEREST DIRECT	0	0	0
83,569	112,341	60,000	4650004	LOAN REPAYMENTS 01-02 PROGRA	83,570	85,000	85,000
84,090	132,390	70,000		TOTAL MISCELLANEOUS REVENUE	103,570	100,000	100,000
BEGINNING FUND BALANCE							
331,275	409,856	497,856	4890010	BEGINNING BALANCE	535,141	388,711	388,711
331,275	409,856	497,856		TOTAL BEGINNING FUND BALANCE	535,141	388,711	388,711
415,365	542,246	567,856		TOTAL RESOURCES	638,711	488,711	488,711
MATERIALS & SERVICES							
5,509	7,105	5,000	6201119	MISC. CONTRACTED SERVICES	0	0	0
5,509	7,105	5,000		TOTAL MATERIALS & SERVICES	0	0	0
TRANSFERS							
0	0	250,000	6601830	TRANSFER TO URA GENERAL FUND	250,000	100,000	100,000
0	0	250,000		TOTAL TRANSFERS	250,000	100,000	100,000
5,509	7,105	255,000		TOTAL EXPENDITURES	250,000	100,000	100,000
CONTINGENCY/FUND BALANCE							
0	0	312,856	6780001	CONTINGENCIES	0	388,711	388,711
409,856	535,141	0	6800502	UNAPPROPRIATED FUND BALANCE	388,711	0	0
409,856	535,141	312,856		TOTAL CONTINGENCY/FUND BALANCE	388,711	388,711	388,711
409,856	535,141	312,856		TOTAL ENDING FUND BALANCE	388,711	388,711	388,711
78,582	125,285	-185,000		<i>Excess of Resources over Expenditures</i>	-146,430	0	0

**LINCOLN CITY URBAN RENEWAL AGENCY
ROADS END/VILLAGES DISTRICT
TAX INCREMENT CALCULATION
FISCAL YEAR 2025-26**

Assessed Value (AV) of the Urban Renewal - Frozen Base		
Roads End/Villages at Cascade Head	\$	250,383,800
Estimated Increment - Available Excess Assessed Value 2024-25, increased by 5%		76,076,436
Estimated Gross Tax Revenue		
Revenue Sharing - higher of :		
(A) Percent set by Roads End/Villages at Cascade Head Plan	15.0%	
(B) Percent set by ORS 457.470 (applies if gross tax revenue is >= \$8,710,000)	N/A	
(C) Percent set by ORS 457.470 (applies if gross tax revenue is >= \$10,887,500)	N/A	
Revenue Sharing to overlapping Taxing Districts (15%)		<u>(11,411,465)</u>
Utilized Taxable Assessed Value (85%)	\$	64,664,970
Estimated Composite Tax Rate per \$1,000 AV		<u>13.7355</u>
Estimated Tax Increment	\$	888,206
Less Estimated Amount Not to be Collected (5%)		<u>(44,410)</u>
Estimated Taxes to be Collected	\$	<u>843,795</u>

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2025-2026
834-000-ROADS END/VILLAGES DISTRICT**

Thursday, June 12, 2025

ACTUAL FY 2022-23	ACTUAL FY 2023-24	BUDGET FY 2024-25		ESTIMATE FY 2024-25	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2025-26
RESOURCES							
TAXES							
334,028	482,208	545,886	4101010	CURRENT PROPERTY TAXES	545,886	843,795	843,795
1,815	4,819	5,000	4101020	PRIOR PROPERTY TAXES	12,000	14,000	14,000
335,843	487,027	550,886		TOTAL TAXES	557,886	857,795	857,795
MISCELLANEOUS REVENUE							
11,881	35,204	25,000	4610001	INTEREST ALLOCATED	44,157	55,000	55,000
213	830	750	4610002	INTEREST DIRECT	750	750	750
12,093	36,034	25,750		TOTAL MISCELLANEOUS REVENUE	44,907	55,750	55,750
BEGINNING FUND BALANCE							
168,014	403,140	902,966	4890010	BEGINNING BALANCE	855,378	1,414,669	1,414,669
168,014	403,140	902,966		TOTAL BEGINNING FUND BALANCE	855,378	1,414,669	1,414,669
515,950	926,201	1,479,602		TOTAL RESOURCES	1,458,171	2,328,214	2,328,214
MATERIALS & SERVICES							
108,998	67,424	51,500	6201119	MISC. CONTRACTED SERVICES	43,502	0	0
3,750	3,400	3,000	6201151	AUDITING	0	0	0
0	0	300	6201152	LEGAL SERVICES	0	0	0
62	0	2,000	6205001	LEGAL NOTICES	0	0	0
0	0	300	6206005	MEMBERSHIP & DUES	0	0	0
112,810	70,824	57,100		TOTAL MATERIALS & SERVICES	43,502	0	0
112,810	70,824	57,100		TOTAL EXPENDITURES	43,502	0	0
CONTINGENCY/FUND BALANCE							
0	0	1,422,502	6780001	CONTINGENCIES	0	2,328,214	2,328,214
403,140	855,378	0	6800502	UNAPPROPRIATED FUND BALANCE	1,414,669	0	0
403,140	855,378	1,422,502		TOTAL CONTINGENCY/FUND BALANCE	1,414,669	2,328,214	2,328,214
403,140	855,378	1,422,502		TOTAL ENDING FUND BALANCE	1,414,669	2,328,214	2,328,214
235,126	452,237	519,536		<i>Excess of Resources over Expenditures</i>	559,291	913,545	913,545

LINCOLN CITY URBAN RENEWAL AGENCY
NELSCOTT DISTRICT
TAX INCREMENT CALCULATION
FISCAL YEAR 2025-26

Assessed Value (AV) of the Urban Renewal - Frozen Base		
Nelscott Urban Renewal District	\$	129,038,173
Estimated Increment - Available Excess Assessed Value 2024-25, increased by 4%		17,120,681
Estimated Composite Tax Rate per \$1,000 AV		<u>13.8681</u>
Estimated Tax Increment	\$	237,431
Less Estimated Amount Not to be Collected (5%)		<u>(11,872)</u>
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Estimated Taxes to be Collected	\$	<u>225,560</u>

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2025-2026
835-000-NELSCOTT DISTRICT**

Thursday, June 12, 2025

ACTUAL FY 2022-23	ACTUAL FY 2023-24	BUDGET FY 2024-25		ESTIMATE FY 2024-25	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2025-26
RESOURCES							
TAXES							
0	0	121,473	4101010	CURRENT PROPERTY TAXES	121,473	225,560	225,560
0	0	0	4101020	PRIOR PROPERTY TAXES	0	1,000	1,000
0	0	121,473		TOTAL TAXES	121,473	226,560	226,560
MISCELLANEOUS REVENUE							
0	0	1,000	4610001	INTEREST ALLOCATED	5,000	8,000	8,000
0	0	0	4610002	INTEREST DIRECT	300	300	300
0	0	1,000		TOTAL MISCELLANEOUS REVENUE	5,300	8,300	8,300
BEGINNING FUND BALANCE							
0	0	0	4890010	BEGINNING BALANCE	0	126,273	126,273
0	0	0		TOTAL BEGINNING FUND BALANCE	0	126,273	126,273
0	0	122,473		TOTAL RESOURCES	126,773	361,133	361,133
MATERIALS & SERVICES							
0	0	11,500	6201119	MISC. CONTRACTED SERVICES	500	10,000	10,000
0	0	3,000	6201151	AUDITING	0	0	0
0	0	300	6201152	LEGAL SERVICES	0	0	0
0	0	2,000	6205001	LEGAL NOTICES	0	0	0
0	0	16,800		TOTAL MATERIALS & SERVICES	500	10,000	10,000
0	0	16,800		TOTAL EXPENDITURES	500	10,000	10,000
CONTINGENCY/FUND BALANCE							
0	0	105,673	6780001	CONTINGENCIES	0	351,133	351,133
0	0	0	6800502	UNAPPROPRIATED FUND BALANCE	126,273	0	0
0	0	105,673		TOTAL CONTINGENCY/FUND BALANCE	126,273	351,133	351,133
0	0	105,673		TOTAL ENDING FUND BALANCE	126,273	351,133	351,133
0	0	105,673		<i>Excess of Resources over Expenditures</i>	126,273	224,860	224,860

**CITY OF LINCOLN CITY
ANNUAL BUDGET 2025-2026
833-000-URA CONSTRUCTION FUND**

Thursday, June 12, 2025

ACTUAL FY 2022-23	ACTUAL FY 2023-24	BUDGET FY 2024-25		ESTIMATE FY 2024-25	BUDGET PROPOSED	BUDGET APPROVED	ADOPTED FY 2025-26
RESOURCES							
BEGINNING FUND BALANCE							
178,542	0	0	4890010	BEGINNING BALANCE	0	0	0
178,542	0	0		TOTAL BEGINNING FUND BALANCE	0	0	0
178,542	0	0		TOTAL RESOURCES	0	0	0
TRANSFERS							
178,542	0	0	6601830	TRANSFER TO URA GENERAL FUND	0	0	0
178,542	0	0		TOTAL TRANSFERS	0	0	0
178,542	0	0		TOTAL EXPENDITURES	0	0	0
CONTINGENCY/FUND BALANCE							
0	0	0	6800502		0	0	0
0	0	0		TOTAL CONTINGENCY/FUND BALANCE	0	0	0
0	0	0		TOTAL ENDING FUND BALANCE	0	0	0
-178,542	0	0		<i>Excess of Resources over Expenditures</i>	0	0	0