

AGENDA

Warrenton Urban Renewal Agency

January 12, 2021– 6:00 p.m.

Warrenton Community Center
170 SW 3rd Ave.
Warrenton, Or 97146

1. CALL TO ORDER
2. ROLL CALL
3. APPOINTMENT OF CHAIR AND VICE CHAIR FOR 2021
4. CONSENT CALENDAR
 - A. Urban Renewal Agency Meeting Minutes – 6.23.20
 - B. Urban Renewal Advisory Committee Meeting Minutes – 6.03.20
 - C. Urban Renewal Advisory Committee Meeting Minutes – 9.02.20
 - D. Urban Renewal Agency Audit Report – FYE June 30, 2020
5. PUBLIC HEARINGS – None
6. BUSINESS
 - A. Consideration of License Agreement – Tres Bros Food Truck
 - B. Downtown Improvement Project – S. Main Avenue
 - C. Consideration of Urban Renewal Advisory Committee Appointments
 - D. Consideration of Resolution No. 21-01; Authorizing Appointments to Fill Positions and Setting Terms of Office on Urban Renewal Advisory Committee
7. DISCUSSION ITEMS – None
8. ADJOURN

Warrenton Community Center is accessible to the disabled. An interpreter for the hearing impaired may be requested under the terms of ORS 192.630 by contacting Dawne Shaw, City Recorder, at 503-861-0823 at least 48 hours in advance of the meeting so appropriate assistance can be provided.

MINUTES
 Warrenton Urban Renewal Agency
 June 23, 2020
 6:00 p.m.
 Warrenton City Hall - Commission Chambers
 225 S. Main
 Warrenton, OR 97146

Chair Balensifer called the meeting to order at 6:45 p.m.

Commissioners Present: Chair Henry Balensifer, Tom Dyer, Pam Ackley (via Zoom), Rick Newton (via Zoom), and Mark Baldwin

Staff Present: Executive Director Linda Engbretson, Public Works Director Collin Stelzig, Public Works Operations Manager Kyle Sharpsteen, Finance Director April Clark, Community Development Director Kevin Cronin (via Zoom), Fire Chief Brian Alsbury and Secretary Dawne Shaw

CONSENT CALENDAR

A. Urban Renewal Agency Meeting Minutes – 4.14.20

Commissioner Baldwin made the motion to approve the consent calendar as presented. Motion was seconded and passed unanimously.

Baldwin – aye; Ackley – aye; Newton – aye; Dyer – aye; Balensifer – aye

PUBLIC HEARINGS

Chair Balensifer opened the Public Hearing on Resolution No. 20-02; Adoption of the Warrenton Urban Renewal Agency FY 2020-2021 Budget. Formalities followed and no conflicts of interest were reported. Finance Director April Clark presented her staff report, noting this budget for the fiscal year commencing July 1, 2020 and ending June 30, 2021, was approved by the Warrenton Urban Renewal Agency Budget Committee. She noted the budget includes total appropriations among all funds totaling \$9,232,755. Chair Balensifer asked for public comment, and no one spoke in favor or opposition. Commissioner Newton asked for clarification on whether the budget includes the increase in URA funds from the substantial amendment; Chair Balensifer confirmed that it does include the maximum indebtedness increase. There being no further comments, Chair Balensifer closed the public hearing.

Commissioner Dyer made the motion to adopt the Warrenton Urban Renewal Agency FY 2020-2021 Budget, as approved by the Warrenton Urban Renewal Agency Budget Committee as set forth in Resolution No. 20-02. Motion was seconded and passed unanimously.

Baldwin – aye; Newton – aye; Balensifer – aye; Dyer – aye; Ackley – aye

BUSINESS ITEMS

Ms. Clark discussed the Urban Renewal Agency's audit services contract with Isler CPA's, noting that its three-year term has ended. The current contract allows for an option to renew for two more years. Isler has been the Agency's auditor since August of 2007.

Commissioner Dyer made the motion to approve the two-year renewal option to the contract for Auditing Services as per the attached proposal letter dated June 1, 2020 from Isler CPA. Motion was seconded and passed unanimously.

Baldwin – aye; Ackley – aye; Newton – aye; Balensifer – aye; Dyer – aye

Community Development Director, Kevin Cronin discussed and increase to Façade Grant funds in the amount of \$25,000 for the façade improvement of the Fenton Grocery Building. He stated this has been a very challenging project, due to the budget and deferred maintenance of the building. The initial façade grant was not enough to do very much. He noted the plans and scope of work included in the packet material. Ms. Engbretson stated it did go the advisory board and they did approve the increase. Chair Balensifer asked if the nano brewery is moving forward; Commissioner Ackley confirmed. Chair Balensifer asked Mr. Cronin to explain what other recommendations the advisory board had; Mr. Cronin clarified that in addition to the Fenton building, the public parking lot was also discussed. Ms. Engbretson expanded, noting the advisory board is very excited to go forward with undergrounding the power, sidewalks, the Fenton building, and the parking lot. Commissioner Baldwin asked if permits were pulled for the previous work and noted concerns with the siding that was recently installed. He asked if we are making sure it is done right. Ms. Engbretson gave her word that the building official will be on top of this project. Mr. Cronin noted the siding project did not require permits; Ms. Engbretson stated she would look into it. Mayor Balensifer suggested approving conditionally with inspections and approval of the design. Brief discussion continued.

Commissioner Baldwin made the motion to authorize a one-time increase of \$25,000 in Urban Renewal Agency funds to renovate the exterior of the Fenton Grocery building, contingent upon City Building and Planning Department's review of the design and a building inspection. Motion was seconded and passed unanimously.

Baldwin – aye; Ackley – aye; Newton – aye; Dyer – aye; Balensifer – aye

DISCUSSION ITEMS – None

Mayor Balensifer asked Mr. Cronin for an update on the status of the economic development program with DLCD. Mr. Cronin stated there are a couple ways we can push this forward; we can carve some of the grant money from the DLCD grant to hire a consultant to help manage it on behalf of the city – essentially a project manager. Another option is with the pending Planning Director position, we may be able to get someone with project management skills, or someone that has an interest in learning that; project management skills is what you need to drive that project. Ms. Engbretson noted she had a brief discussion with Mark Barnes about the project, and discussions will continue tomorrow. Discussion followed on the grants’ purpose. Mayor Balensifer asked if RARE participant Morgan Murray could be extended – Mr. Cronin declined that option.

There being no further business Chair Balensifer adjourned the agency meeting at 7:09 p.m.

APPROVED:

Henry A. Balensifer III, Chair

ATTEST:

Dawne Shaw, Secretary

MINUTES

Warrenton Urban Renewal Advisory Committee
 June 3, 2020
 3:30 p.m.
 Warrenton City Hall – Commissioners Room
 225 S. Main
 Warrenton, OR 97146

Chair Poe called the meeting to order at 3:32 p.m.

Urban Renewal Advisory Committee Members Present: Tess Chedsey (zoom), Mel Jasmin (zoom), Frida Fraunfelder, Gerald Poe, Katie Burkhart (zoom), and Dennis Faletti (arrived at 3:45pm)

Excused: Bob Bridgens

Staff Present: Community Development Director Kevin Cronin (zoom) and Secretary Lindsay Duarte

CONSENT CALENDAR

A. Advisory Committee Meeting Minutes – 03.04.20

Ms. Fraunfelder made the motion to approve the minutes from 03.04.20. The motion was seconded and approved with all in favor.

Jasmin - aye; Burkhart – aye; Fraunfelder - aye; Poe - aye; Chedsey - aye; Faletti - aye

BUSINESS

Chair Poe noted the first order of business is election of chair. He continued to note that considering the COVID-19 restrictions and given that not everyone is present at this meeting, he would suggest tabling the vote for chair until next meeting. Brief discussion continued. Chair Poe suggested that next meeting that Frida Fraunfelder chair. There was a consensus.

Mr. Cronin gave a quick progress recap on the Façade Grant Applications. He noted the Fenton Grocery Building and reviewed the packet material provided pertaining to the building. He stated at the moment we have the approval for the general grant. For the size of the building the grant money will barely cover the cost of the paint. If we want to do anything over and above painting the building, we would have to decide if we want to support the Fenton Building Project over and above what we have already authorized. There was a consensus on using some of the Urban Renewal Agency funds to help further improvements on the building. Mr. Cronin noted we will have to bring the recommendations to the Urban Renewal Agency for approval. Conversation continued. Mr. Faletti asked for details on what the owner has been doing with the Fenton Building. Mr. Cronin gave an update and suggested a \$25,000.00 max matching grant to help facilitate all the needed repairs and upgrades to the Fenton Building. He continued to note that if the owners needed more funds than they would need to come back and reapply for a grant. Mr. Cronin continued to note how awesome the building will look once the project is done and how

much it will clean up the downtown area. Brief discussion continued.

Mr. Faletti made the motion to allow up to \$25,000.00 matching over and above the \$5,000.00 Façade Grant. Motion was seconded and passed unanimously.

Jasmin- aye; Burkhart – aye; Fraunfelder- aye; Poe- aye Chedsey- aye; Faletti- aye

Parking Lot Food Pod Design Priorities - Mr. Cronin noted that we got a bid from Big River who bid a baseline cost of just under \$70,000.00. He noted that as part of the planning process they had estimated about \$100,000.00. He stated the question before the WURAC is how many more additions they feel they want to do above the outline of the Big River estimate. Chair Poe asked for clarification on whether this was decided in a prior meeting; he recalled that this was already discussed. Ms. Engbretson clarified that her understanding of the direction of the agency was to see what additional improvements recommendations WURAC had other than just paving. Chair Poe stated that last meeting the committee discussed having water and hook ups for more than just a parking lot. A brief conversation continued. Chair Poe explained that prior to paving the electrical and water should be installed. He stated that he thinks the committee would need to approve additional funds if we want the ability to service multiple food trucks at once. He asked for Mr. Cronin's perspective. Mr. Cronin responded. Ms. Fraunfelder noted she would feel more comfortable having an outline of exactly how much the additions would cost. That way they can make an informed decision. Brief conversation continued. Ms. Chedsey asked for clarification on how well Tres Bros is currently doing. Chair Poe stated he is assuming it is doing well or it wouldn't still be in business. Ms. Clark, Finance Director, noted the city has reduced rent during the COVID-19 times. Brief conversation continued. There was a consensus to table the Parking Lot Food Pod Design Priorities until next meeting.

City Manager, Linda Engbretson, noted she wanted to discuss with the committee what projects they feel strongly about prioritizing; is it downtown, underground utilities, etc. She stated the projects will need to be completed by 2028. Do we want to throw all our energy on the underground project? Mr. Faletti noted we have all wanted to get that done since we became a committee. Ms. Chedsey noted she feels we should have to do that before we do anything else that makes the most sense. Mr. Jasmin noted that the underground utility is what he thinks we should be working on right now. Ms. Engbretson noted the financial commitment to making this a priority. Ms. Clark noted that next years' budget is 1.5 million to transfer into the capital projects fund, but that depends on how property taxes come in. She explained we are doing a "pay as you go" and explained what that meant and how that works. Brief conversation continued. Ms. Engbretson noted that her focus with staff will be looking at the next step on this project and the feasibility of the project. The project would start at the 4-way stop and go to 3rd street, or as far as they can with funds. Mr. Burkhart noted that when she drives through the downtown area, she notices the dilapidated buildings and the lack of greenery. Mr. Poe explained the history of wanting to do this project and how removing the poles will potentially help improve the greenery issues downtown. Ms. Fraunfelder asked for clarification on what Ms. Engbretson wanted from the committee. Ms. Engbretson wanted clarification on whether the underground was still a priority. She noted that she will check into the feasibility and bring it back in a future meeting. Ms. Engbretson noted that the City only budgeted \$30,000.00 for Façade Grants. Brief discussion continued on how the funds would have to be moved and how a budget adjustment would need to be made.

Spruce up Warrenton; Priorities 2020- Mr. Cronin noted that Spruce Up Warrenton has extra

funds and asked if anyone has ideas on how Spruce Up Warrenton can use those funds. Ms. Engbretson noted that Spruce Up Warrenton wants to move forward with purchasing picnic tables and pop up tents and wanted to know if the committee would be in support of that. Chair Poe noted he would be supportive of whatever Spruce Up Warrenton wants to do, within reason. Ms. Chedsey noted she would be in support of the tables and pop up tents. Mr. Jasmin stated he is worried about vandalism. Chair Poe noted that if anyone has any ideas on how Spruce Up Warrenton could help to email Mr. Cronin. Mr. Cronin noted that would be fine.

Mr. Faletti noted that he had messaged Dawne Shaw about a previous meeting where the Advisory Committee approved six receptacle and six benches. As far as he can see there are only two. He further explained. Ms. Engbretson stated she would check into the matter.

Ms. Fraunfelder wanted to remind everyone that at the next meeting the committee will be voting on selecting a Chair. Ms. Engbretson noted that the Public Works project updates will be emailed to the members today.

Christine Bridgens asked if there was availability to use URA funds to help clean up homeless camps. Mr. Poe noted that he thought they would have to be used inside the URA boundary. Ms. Engbretson clarified.

There being no further business, Chair Poe adjourned the meeting at 4:27 p.m.

Next regular meeting is scheduled for September 2, 2020, at 3:30 p.m.

Approved

Bob BS
Chair - Bob Bridgens

Attest

Dawne Shaw
Dawne Shaw, Secretary

MINUTES

Warrenton Urban Renewal Advisory Committee
 September 2, 2020
 3:30 p.m.
 Warrenton City Hall – Commissioners Room
 225 S. Main
 Warrenton, OR 97146

Acting Chair Gerald Poe called the meeting to order at 3:30 p.m.

Urban Renewal Advisory Committee Members Present: Tess Chedsey, Mel Jasmin (zoom), Gerald Poe, Bob Bridgens, Katie Burkhart (zoom), and Dennis Faletti

Excused: Frida Fraunfelder

Staff Present: Executive Director Linda Engbretson, Public Works Director Collin Stelzig, Finance Officer April Clark, and Secretary Dawne Shaw

CONSENT CALENDAR

A. Advisory Committee Meeting Minutes – 06.03.20

Dennis Faletti made the motion to approve the minutes from 06.03.20. The motion was seconded and approved with all in favor.

Jasmin - aye; Burkhart – aye; Poe - aye; Chedsey - aye; Faletti – aye; Bridgens - aye

BUSINESS

Election of Chair – Gerald Poe asked that he not be considered for nomination since he is running for City Commission. He then nominated Bob Bridgens for Chair; Dennis Faletti seconded the nomination. Tess Chedsey nominated Frida Fraunfelder as Chair; Katie Burkhart seconded that nomination. Acting Chair Poe called for a vote on the nomination for Bob Bridgens – Mel Jasmin, Gerry Poe, Bob Bridgens, and Dennis Faletti voted in favor of Bob Bridgens as Chair. He then called for a vote on the nomination for Frida Fraunfelder – Tess Chedsey and Katie Burkholder voted in favor of Frida Fraunfelder. With a 4 to 2 vote, Bob Bridgens was elected as Chair and took over as Chair of the meeting.

Executive Director Linda Engbretson noted the update on the financial status of URA funds as outlined in the distributed document. Finance Officer April Clark noted the included narrative and was open for questions. Ms. Engbretson noted the fund balances as outlined in the handout; Ms. Clark provided further clarification. Chair Bridgens asked if there would be any new bonds; it was noted there would not. There were no further questions.

Ms. Engbretson stated there have been no new façade grant applications and noted recently a

large sum was given to the brewery, which left a minimal balance. The Mayor has asked the committee to consider allocating more funds to façade grants. All were in favor to increase funds for façade grants.

Public Works Director Collin Stelzig gave updates on the new city parking lot lights, noting they are supposed to go up on the 14th. He also stated Public Works took over the food cart pod design and produced a scope of work. Ms. Engbretson stated they would like some input from the committee. Mr. Stelzig noted the proposal for 3 alternatives – he noted this design does not include a restroom or covered area; the cost is approximately \$20,000. He stated Green Works has done work in Astoria. The committee was in agreement to move forward.

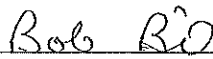
Mr. Stelzig then reviewed the costs for undergrounding power on S. Main from SW 1st – SW 4th. He explained the process and the involvement with ODOT regarding right of way. He noted ODOT and Century Link would also kick some money to fund a portion of the work. He reviewed the costs outlined on the document, and stated he thinks we should get a project manager since it is such a big project. Ms. Engbretson noted the timeline of the district and if we are going to do this, we need to start, so we need to make sure ODOT funds are available. Brief discussion continued on funding for the project. Chair Bridgens asked about how the fire department feels about the food pod going into the gravel lot; Ms. Engbretson stated they are concerned but she noted there are no funds at this time to expand the fire department. Discussion continued on the plans to underground the power. Ms. Engbretson stated that she would bring the recommendation from the committee to the agency – that their priority is to move forward with the underground power; and to have a project manager. Mel Jasmin asked if we are still looking at the same style of lighting as in the master plan? Mr. Stelzig clarified that is what they asked Otak to design in their estimate. Mr. Jasmin stated he has received calls from people asking why the gravel parking lot looks like a junk yard; Ms. Engbretson stated the Fire Chief is working on surplus the fire department vehicles and we are working to get rid of them.

Ms. Engbretson discussed the new lights in the back parking lot and noted she has received suggestions to decorate the concrete bases with paint/artwork. Tess Chedsey agreed that street art is good; Chair Bridgens agreed as well. Dennis Faletti asked about the benches and trash receptacles; brief discussion followed. Ms. Engbretson stated we will print out the corresponding minutes and send them out to the committee.

There being no further business, Chair Bridges adjourned the meeting at 4:15 p.m.


Next regular meeting is scheduled for December 2, 2020, at 3:30 p.m.

Approved



Bob Bridgens, Chair

Attest



Dawne Shaw, Secretary

WARRENTON URBAN RENEWAL AGENCY

(A COMPONENT UNIT OF THE CITY OF
WARRENTON, OREGON)

FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION

FOR THE YEAR ENDED JUNE 30, 2020

WITH

INDEPENDENT AUDITOR'S REPORT

WARRENTON URBAN RENEWAL AGENCY

Financial Statements and Supplemental Information

For the Year Ended June 30, 2020

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INTRODUCTORY SECTION

WARRENTON URBAN RENEWAL AGENCY

Governing Body and Appointed Officials

June 30, 2020

GOVERNING BODY UNDER ORS 457

Board Chair	Henry Balensifer III, Mayor
Board Member	Pam Ackley
Board Member	Mark Baldwin
Board Member	Tom M. Dyer
Board Member	Rick Newton

Mailing Address

PO Box 250
Warrenton, Oregon 97146

APPOINTED OFFICIALS

City Manager	Linda Engbretson
Deputy City Recorder	Dawne Shaw
City Attorney	Beery, Elsner & Hammond

Mailing Address

PO Box 250
Warrenton, Oregon 97146

FINANCIAL SECTION



1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Board Chair and Agency Board
Warrenton Urban Renewal Agency
Warrenton, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Warrenton Urban Renewal Agency ("Agency") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Warrenton Urban Renewal Agency, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the capital projects fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section and schedules of resources and requirements budget and actual are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of resources and requirements budget and actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of resources and requirements budget and actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 15, 2020 on our consideration of the Warrenton Urban Renewal Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

By:



Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 15, 2020

Warrenton Urban Renewal Agency

(a component unit of the City of Warrenton, Oregon)

Management's Discussion and Analysis

As management of the Warrenton Urban Renewal Agency, we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our annual financial report.

Financial Highlights

- The assets of the Warrenton Urban Renewal Agency exceeded its liabilities at the close of the most recent fiscal year by \$4,481,506 (reported as net position).
- At June 30, 2020, the Agency's governmental funds reported combined ending fund balances of \$2,284,665.
- The Warrenton Urban Renewal Agency did not issue debt during the current fiscal year and debt paid during the year amounted to \$282,454, which leaves total debt outstanding at the end of the fiscal year at \$2,391,955.
- Net capital assets increased by \$292,538 from the prior year.

Overview of Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The Statement of Net position presents financial information on all of the Agency's assets, liabilities, and deferred outflows/inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes). The governmental activities of the Agency include a capital projects fund, a debt service fund, and a debt service reserve fund.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are categorized as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Capital Projects Fund, Debt Service Fund, and the Debt Service Reserve Fund, which are considered to be major funds.

The Warrenton Urban Renewal Agency adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. To demonstrate compliance, budgetary comparison statements for all of the governmental funds have been prepared and can be found in the basic financial statements or other supplemental information.

Notes to the basic financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$4,481,506 at the close of the most recent fiscal year.

Warrenton Urban Renewal Agency's Net Position		
	Governmental Activities	
	2020	2019
Current and other assets	\$ 2,343,708	\$ 2,287,461
Capital assets, net	4,557,344	4,264,806
Total assets	6,901,052	6,552,267
Noncurrent liabilities	2,391,955	2,674,409
Other liabilities	27,591	5,055
Total liabilities	2,419,546	2,679,464
Net position:		
Net investment in capital assets	2,165,389	1,870,069
Restricted	2,316,117	2,002,734
Total net position	\$ 4,481,506	\$ 3,872,803

The government's net position increased by \$608,703 during the current fiscal year.

Warrenton Urban Renewal Agency's Change in Net Position		
	Governmental Activities	
	2020	2019
Revenues:		
General revenues:		
Property taxes	\$ 778,811	\$ 736,863
Unrestricted investment earnings	51,560	56,649
Other general revenues	-	700
Total revenues	<u>830,371</u>	<u>794,212</u>
Expenses:		
General government	154,555	144,830
Interest on long-term liabilities	<u>67,113</u>	<u>75,062</u>
Total expenses	<u>221,668</u>	<u>219,892</u>
Change in net position	608,703	574,320
Net position, July 1	<u>3,872,803</u>	<u>3,298,483</u>
Net position, June 30	<u>\$ 4,481,506</u>	<u>\$ 3,872,803</u>

Governmental activities. Governmental activities increased the Agency's net position by \$608,703. The primary elements of the change in total net position are as follows:

- Revenues overall increased \$36,159.
- The Agency's property tax revenues increased \$41,948.
- Unrestricted investment earnings (interest from bank accounts) decreased by \$5,089 during the year.
- Interest expense on debt decreased \$7,949 from the prior year.
- Operational (general government) expenses increased by \$9,725.

Financial Analysis of the Agency's Funds

Governmental funds. The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements.

As of the end of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$2,284,665, an increase of \$32,840 in comparison with the prior year.

Budgetary Highlights

There were no changes to the adopted budgets during the fiscal year.

Capital Asset and Debt Administration

Capital assets. The Agency's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$4,557,344. Net capital assets increased by \$292,538 during the year because capital asset additions of \$398,899 less current year depreciation, in the amount of \$106,361, net to the overall increase of capital assets at the end of the year.

Capital Assets, Net of Accumulated Depreciation		
	Governmental Activities	
	2020	2019
Land	\$ 1,000,945	\$ 1,000,945
Buildings	526,802	541,853
Parking Areas and Land Improvements	346,454	-
Infrastructure	2,559,945	2,558,219
Construction in progress	123,198	163,789
Total	<u>\$ 4,557,344</u>	<u>\$ 4,264,806</u>

Major capital asset additions during the current fiscal year included the following:

- Landscape improvements in the amount of \$291,256.
- SW 4th Street in the amount of \$7,986.
- SE 14th Waterline in the amount of \$88,489.
- City Hall Parking Lot Lights in the amount of \$11,168.

Additional information regarding the Agency's capital assets can be found at Note III B.

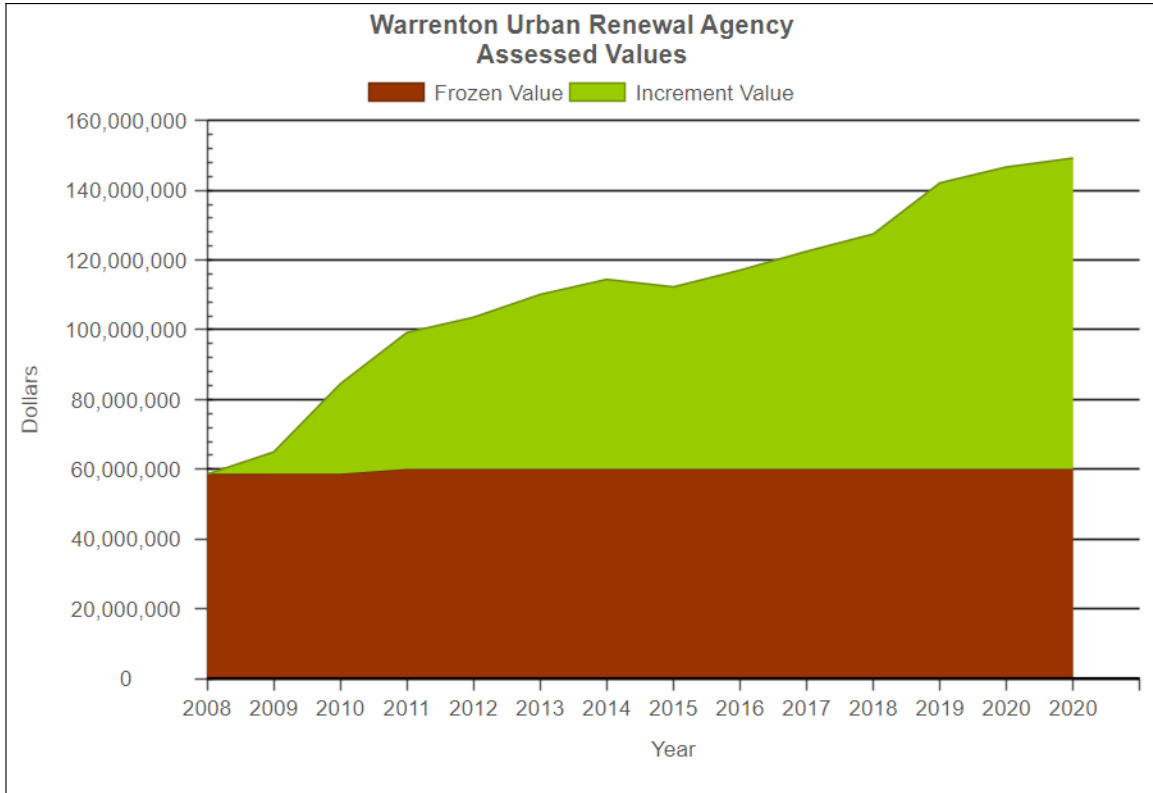
Long-term Debt. At the end of the current fiscal year, the Agency had total long-term debt of \$2,391,955. The Agency repaid principal in the amount of \$282,454 on the 2012 and 2016 outstanding bonds.

Outstanding Debt		
	Governmental Activities	
	2020	2019
Tax increment financial bonds	<u>\$ 2,391,955</u>	<u>\$ 2,674,409</u>

Additional information on the Agency's long-term debt can be found in Note III D.

Economic Factors and Next Year's Budgets and Rates

The Agency's frozen value was set at \$58,745,500 in 2008 and then changed to \$60,136,994 in 2011 as a result of an amendment to the plan. Increasing property values within the boundaries of the Agency translate into increasing tax increment revenue available. That tax increment revenue is then used to pay debt service on debt that funds projects and improvements. The increment value increased \$2,545,548 from \$86,558,966 in 2020 to \$89,104,514 in 2021. As the Agency has outperformed the original estimates, a major amendment to the plan was recently passed to increase the maximum indebtedness of the plan by \$4,800,218, from \$7,134,597 to \$11,934,815 to allow for completion of additional projects.



Requests for Information

This financial report is designed to provide a general overview of Agency's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

City of Warrenton
Attention: Finance Director
P. O. Box 250
Warrenton, OR 97146

BASIC FINANCIAL STATEMENTS

WARRENTON URBAN RENEWAL AGENCY

Statement of Net Position

June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Equity in pooled cash and cash equivalents	\$ 2,290,160
Property taxes receivable	53,548
Capital assets:	
Nondepreciable assets	1,124,143
Depreciable assets, net of accumulated depreciation	<u>3,433,201</u>
Total assets	<u>6,901,052</u>
LIABILITIES	
Accounts payable and other current liabilities	23,872
Accrued interest payable	3,719
Noncurrent liabilities:	
Due within one year	289,753
Due in more than one year	<u>2,102,202</u>
Total liabilities	<u>2,419,546</u>
NET POSITION	
Net investment in capital assets	2,165,389
Restricted for:	
Debt service	2,296,653
Urban renewal improvements	<u>19,464</u>
Total net position	<u>\$ 4,481,506</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Statement of Activities

For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:				
General government	\$ 154,555	\$ -	\$ -	\$ (154,555)
Interest on long-term liabilities	<u>67,113</u>	<u>-</u>	<u>-</u>	<u>(67,113)</u>
Total governmental activities	<u>221,668</u>	<u>-</u>	<u>-</u>	<u>(221,668)</u>
General revenues:				
Property taxes levied for debt service				778,811
Unrestricted investment earnings				<u>51,560</u>
Total general revenues				<u>830,371</u>
Change in net position				608,703
Net position, beginning				<u>3,872,803</u>
Net position, ending				<u>\$ 4,481,506</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2020

	<u>Capital Projects (200)</u>	<u>Debt Service (300)</u>	<u>Debt Reserve (400)</u>	<u>Total</u>
ASSETS				
Equity in pooled cash and cash equivalents	\$ 43,336	\$ 1,896,807	\$ 350,017	\$ 2,290,160
Property taxes receivable	<u>-</u>	<u>53,548</u>	<u>-</u>	<u>53,548</u>
Total assets	<u>\$ 43,336</u>	<u>\$ 1,950,355</u>	<u>\$ 350,017</u>	<u>\$ 2,343,708</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and other current liabilities	<u>\$ 23,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,872</u>
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	<u>-</u>	<u>35,171</u>	<u>-</u>	<u>35,171</u>
Fund Balances:				
Restricted for:				
Debt service	-	1,915,184	350,017	2,265,201
Urban renewal improvements	<u>19,464</u>	<u>-</u>	<u>-</u>	<u>19,464</u>
Total fund balances	<u>19,464</u>	<u>1,915,184</u>	<u>350,017</u>	<u>2,284,665</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,336</u>	<u>\$ 1,950,355</u>	<u>\$ 350,017</u>	<u>\$ 2,343,708</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2020

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - governmental funds		\$ 2,284,665	
Receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.			35,171
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:			
Nondepreciable assets	\$ 1,124,143		
Depreciable assets	3,780,860		
Accumulated depreciation	<u>(347,659)</u>		
			4,557,344
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Accrued interest payable		(3,719)	
Long-term debt		<u>(2,391,955)</u>	
			<u>(2,395,674)</u>
Net position of governmental activities			<u>\$ 4,481,506</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2020

	<u>Capital Projects (200)</u>	<u>Debt Service (300)</u>	<u>Debt Reserve (400)</u>	<u>Total</u>
Revenues:				
Taxes	\$ -	\$ 770,526	\$ -	\$ 770,526
Investment earnings	2,994	48,567	-	51,561
Total revenues	<u>2,994</u>	<u>819,093</u>	<u>-</u>	<u>822,087</u>
Expenditures:				
Current:				
General government	40,342	-	-	40,342
Debt service:				
Principal retirement	-	279,264	3,190	282,454
Interest	-	67,552	-	67,552
Capital outlay	<u>398,899</u>	<u>-</u>	<u>-</u>	<u>398,899</u>
Total expenditures	<u>439,241</u>	<u>346,816</u>	<u>3,190</u>	<u>789,247</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(436,247)</u>	<u>472,277</u>	<u>(3,190)</u>	<u>32,840</u>
Other Financing Sources (Uses):				
Transfers in	176,039	-	-	176,039
Transfers out	<u>-</u>	<u>(176,039)</u>	<u>-</u>	<u>(176,039)</u>
Total other financing sources (uses)	<u>176,039</u>	<u>(176,039)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(260,208)	296,238	(3,190)	32,840
Fund Balances:				
Beginning of year	<u>279,672</u>	<u>1,618,946</u>	<u>353,207</u>	<u>2,251,825</u>
End of year	<u>\$ 19,464</u>	<u>\$ 1,915,184</u>	<u>\$ 350,017</u>	<u>\$ 2,284,665</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds	\$	32,840
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenues		432
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Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.

Expenditures for capital assets	\$ 398,899	
Current year depreciation	<u>(106,361)</u>	
		292,538

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in:		
Accrued interest payable	<u>439</u>	439

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as other financing sources. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.

Repayment of long-term debt	<u>282,454</u>	
		<u>282,454</u>

Change in net position of governmental activities	\$	<u><u>608,703</u></u>
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The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Capital Projects Fund

Statement of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 214,603	\$ 214,603	\$ 279,672	\$ 65,069
Investment earnings	-	-	2,994	2,994
Transfers in	1,200,000	1,200,000	176,039	(1,023,961)
Loan proceeds	<u>667,622</u>	<u>667,622</u>	<u>-</u>	<u>(667,622)</u>
Total resources	<u>\$ 2,082,225</u>	<u>\$ 2,082,225</u>	<u>\$ 458,705</u>	<u>\$ (1,623,520)</u>
Requirements:				
Materials and services	\$ 119,000	\$ 119,000	\$ 40,342	\$ 78,658
Capital outlay	<u>1,963,225</u>	<u>1,963,225</u>	<u>398,899</u>	<u>1,564,326</u>
Total expenditures	2,082,225	2,082,225	439,241	1,642,984
Ending fund balance	<u>-</u>	<u>-</u>	<u>19,464</u>	<u>(19,464)</u>
Total requirements	<u>\$ 2,082,225</u>	<u>\$ 2,082,225</u>	<u>\$ 458,705</u>	<u>\$ 1,623,520</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2020

Note I - Summary of Significant Accounting Policies

A. Reporting Entity

The Warrenton Urban Renewal Agency ("Agency") was organized on February 27, 2007 under the provisions of Oregon Revised Statutes, Chapter 457 ("ORS 457"), to provide for rehabilitation of blighted and deteriorated areas within the Agency's designated urban renewal area. As provided by ORS 457, the City Commission of the City of Warrenton ("City") is the governing body of the Agency.

The Agency is a legally separate entity governed by the City Commission. The City Commission has the ability to impose its will over the Agency as determined on the basis of budget adoption, taxing authority and funding for the Agency. The Agency is considered a component unit of the City of Warrenton, and is reported as a blended component unit in the basic financial statements of the City.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the statement of net position and the statement of activities.

The statement of activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Indirect expenses* are those costs, usually administrative in nature, that support all Agency functions, programs, and enable direct services to be provided. *Program revenues* include 1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Agency reports the following major governmental funds:

The *Capital Projects Fund* is the government's primary operating fund. It accounts for all the acquisition and construction of capital assets. The principal revenue source is loan proceeds.

The *Debt Service Fund* accounts for the servicing of long-term debt. Revenue sources are property taxes and other general governmental revenues.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2020

Note I - Summary of Significant Accounting Policies, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

The *Debt Reserve Fund* accounts for funds set aside in compliance with the Urban Renewal Bond Series 2012 agreement.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Equity in pooled cash and cash equivalents

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments in the State of Oregon Local Government Investment Pool ("LGIP"). The Agency's cash and cash equivalents are pooled with the City of Warrenton's resources.

State statutes authorize the Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

2. Receivables and Payables

Property taxes receivable that meet the measurable and available criteria for revenue recognition are accrued as revenue in the governmental funds financial statements. Receivables in the government-wide financial statements are accrued as revenue when earned. In governmental funds, any revenues not meeting the revenue recognition criteria are offset by unavailable revenue accounts.

Property taxes are levied and become a lien on July 1st. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th of the same year, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the due date.

3. Capital Assets

Capital assets, which include land, buildings, improvements, infrastructure, and other tangible assets, are reported in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$5,000 and an estimated useful life beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

No depreciation is taken in the year the assets are acquired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

Capital assets of the Agency are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 - 50
Infrastructure	20 - 30
Land Improvements	10 - 50

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2020

Note I - Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

4. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. *Long-Term Obligations*

In the government-wide financial statements long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. *Net Position Flow Assumptions*

Sometimes the Agency will fund outlays for a particular resource from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

7. *Fund Balance Flow Assumptions*

Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2020

Note I - Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

8. Fund Balance Policies

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

Nonspendable - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for sale.

Restricted - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - the Agency Board passes an ordinance that places specific constraints on how the resources may be used. The Agency Board can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned - resources that are constrained by the Agency's intent to use them for a specific purpose, but are neither restricted, nor committed. Intent is expressed when the Agency Board approves which resources should be "reserved" during the adoption of the annual budget.

Unassigned - resources that have not been restricted, committed, or assigned within the general fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

9. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2020

Note II - Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law).

A budget is prepared by the City Manager in the early winter preceding the fiscal year the budget will be used. The Agency is required to budget for all funds. The Agency's budget is prepared for each fund on the modified accrual basis of accounting. The budget committee, with public input, deliberates and approves the budget for transmittal to the Agency Board in early spring. After public notices and a hearing, the final budget is adopted, appropriations made, and a tax levy declared no later than June 30.

The Agency Board resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. The level of control for all funds is the object group level of personal services, materials and services, capital outlay, debt service, and interfund transfers. Appropriations lapse as of year-end.

Expenditures cannot legally exceed appropriations except in the case of grants which could not be estimated at the time of budget adoption. Supplemental appropriations and appropriation transfers may occur with notice and Agency Board action.

Note III - Detailed Notes On All Funds

A. Deposits and Investments

The Agency participates in the City of Warrenton's cash and investment pool. At June 30, 2020, the City's cash and investments were maintained in deposits at local financial institutions and the State of Oregon's Local Government Investment Pool ("LGIP"). The Agency's portion of this pool is displayed in the Statement of Net Position and the Balance Sheet as "Equity in pooled cash and cash equivalents." Detail information for the Agency's pooled cash and investments can be found in the City of Warrenton's ("City") June 30, 2020 Financial Statements notes to the financial statements.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2020

Note III - Detailed Notes On All Funds, Continued

B. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,000,945		\$ -	\$ -	\$ 1,000,945
Construction in progress	<u>163,789</u>	<u>19,154</u>	<u>-</u>	<u>(59,745)</u>	<u>123,198</u>
Total capital assets, not being depreciated	<u>1,164,734</u>	<u>19,154</u>	<u>-</u>	<u>(59,745)</u>	<u>1,124,143</u>
Capital assets, being depreciated:					
Parking and land improvements	-	291,256	-	55,198	346,454
Buildings	602,057	-	-	-	602,057
Infrastructure	<u>2,739,313</u>	<u>88,489</u>	<u>-</u>	<u>4,547</u>	<u>2,832,349</u>
Total capital assets, being depreciated	<u>3,341,370</u>	<u>379,745</u>	<u>-</u>	<u>59,745</u>	<u>3,780,860</u>
Less accumulated depreciation for:					
Buildings	(60,204)	(15,051)	-	-	(75,255)
Infrastructure	<u>(181,094)</u>	<u>(91,310)</u>	<u>-</u>	<u>-</u>	<u>(272,404)</u>
Total accumulated depreciation	<u>(241,298)</u>	<u>(106,361)</u>	<u>-</u>	<u>-</u>	<u>(347,659)</u>
Total capital assets, being depreciated, net	<u>3,100,072</u>	<u>273,384</u>	<u>-</u>	<u>59,745</u>	<u>3,433,201</u>
Governmental activities capital assets, net	<u>\$ 4,264,806</u>	<u>\$ 292,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,557,344</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	<u>\$ 106,361</u>

C. Interfund Transfers

During the year ended June 30, 2020 the debt service fund transferred \$176,039 to the capital projects fund. Interfund transfers were used to fund the cost of capital projects directly.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2020

Note III - Detailed Notes On All Funds, Continued

D. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Tax increment financial bonds - direct borrowings	\$ 2,674,409	\$ -	\$ (282,454)	\$ 2,391,955	\$ 289,753

Tax increment financial bonds outstanding at June 30, 2020 were all direct borrowings from Columbia Bank. Terms of individual bonds were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>
The urban renewal bond series 2012, in the original amount of \$1,640,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The bond matures on June 15, 2027.	3.75%	\$ 878,011
The urban renewal bond series 2016, in the original amount of \$2,200,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The bond matures on June 1, 2028.	1.86%	<u>1,513,944</u>
Total debt outstanding		2,391,955
Less current portion		<u>(289,753)</u>
Long-term portion		<u>\$ 2,102,202</u>

If an event of default occurs on any of the direct borrowings Columbia Bank (Bank) may exercise any remedy available at law or in equity under the provisions of the Master Resolution. If an event of default occurs due to nonpayment of principal, interest, fees or other amounts when due, or failure to maintain the tax-exempt status of the obligation, then the Bank may increase the interest rate to 8.75% on the series 2012 bonds, 5% on the series 2016 bonds or an additional 5% on the revolving line of credit.

Annual debt service requirements to maturity for long-term debt at June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 289,753	\$ 60,262
2022	297,275	52,741
2023	305,016	44,999
2024	312,985	37,031
2025	321,187	28,829
2026 - 2030	<u>865,739</u>	<u>34,820</u>
Total	<u>\$ 2,391,955</u>	<u>\$ 258,682</u>

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2020

Note IV - Other Information

A. Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. In 1981, the League of Oregon Cities joined together with the Association of Oregon Cities to form City County Insurance Services ("CCIS"), a public entity risk pool currently operating a common risk management and insurance program. The Agency pays an annual premium to CCIS for insurance coverage. Based on the experience of the Agency and CCIS, the Agency may be liable for an additional premium of up to 20% of its initial premium or it may receive a refund. The Agency has not had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

B. Contingent Liabilities

The Agency is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations and capital projects. Management intends to contest these matters and does not believe their ultimate resolution will have a material effect upon the Agency's financial position, results of operations, or cash flows.

OTHER SUPPLEMENTAL INFORMATION

WARRENTON URBAN RENEWAL AGENCY

Debt Service Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,597,993	\$ 1,597,993	\$ 1,618,946	\$ 20,953
Taxes	755,979	755,979	770,526	14,547
Investment earnings	26,000	26,000	48,567	22,567
Total resources	<u>\$ 2,379,972</u>	<u>\$ 2,379,972</u>	<u>\$ 2,438,039</u>	<u>\$ 58,067</u>
Requirements:				
Debt service	\$ 561,017	\$ 561,017	\$ 346,816	\$ 214,201
Transfers out	<u>1,400,000</u>	<u>1,400,000</u>	<u>176,039</u>	<u>1,223,961</u>
Total expenditures	1,961,017	1,961,017	522,855	1,438,162
Ending fund balance	<u>418,955</u>	<u>418,955</u>	<u>1,915,184</u>	<u>(1,496,229)</u>
Total requirements	<u>\$ 2,379,972</u>	<u>\$ 2,379,972</u>	<u>\$ 2,438,039</u>	<u>\$ (58,067)</u>

WARRENTON URBAN RENEWAL AGENCY

Debt Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 350,017	\$ 350,017	\$ 353,207	\$ 3,190
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total resources	<u>\$ 550,017</u>	<u>\$ 550,017</u>	<u>\$ 353,207</u>	<u>\$ (196,810)</u>
Requirements:				
Debt service	\$ 550,017	\$ 550,017	\$ 3,190	\$ 546,827
Ending fund balance	<u>-</u>	<u>-</u>	<u>350,017</u>	<u>(350,017)</u>
Total requirements	<u>\$ 550,017</u>	<u>\$ 550,017</u>	<u>\$ 353,207</u>	<u>\$ 196,810</u>

COMPLIANCE SECTION



1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE STATUE

Honorable Mayor and City Commission
Warrenton Urban Renewal Agency
Warrenton, Oregon

We have audited the basic financial statements of the Warrenton Urban Renewal Agency, Oregon ("Agency") as of and for the year ended June 30, 2020, and have issued our report thereon dated December 15, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the Warrenton Urban Renewal Agency, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Agency Board and the Secretary of State Division of Audits of the State of Oregon. However, this report is a matter of public record and is not intended to be and should not be used by anyone other than these parties.

Isler CPA

By:

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 15, 2020



P.O. BOX 250 ■ WARRENTON, OR 97146 -0250 ■ OFFICE: 503.861.2233 ■ FAX: 503.861.2351

TO: The Warrenton Urban Renewal Agency
 FROM: Scott A. Hess, Community Development Director
 DATE: January 12, 2021
 SUBJECT: **License Agreement Renewal: Tres Bros**

The Warrenton Urban Renewal Agency approved a license agreement for Tres Bros food truck on Agency owned property at 267 S. Main Ave. in April 2019. The food truck has operated within the confines of the agreement and monthly payments have been received promptly. The City has been accepting a reduced rent from Tres Bros based on economic hardship from the Covid-19 pandemic. No written complaints have been filed, and the food truck is a welcome addition to the downtown.

Attached is a lease agreement renewal for review. This agreement is a renewal of the existing agreement with the addition of contract language permitting a rental rate reduction from January 1, 2021 through June 30, 2021. Additionally, the contract language permits the City Manager to extend the reduced monthly rental rate in quarterly increments through the remainder of the contract.

The agreement's term runs through December 31, 2021 with the possibility of either party terminating the contract with proper notice.

RECOMMENDATION/SUGGESTED MOTION

Staff recommends approval of the license agreement renewal with the additional language addressing reduced monthly rental rates.

Suggested Motion: Based on the terms of the license agreement, I move to approve the license agreement renewal for Tres Bros food truck at 267 S. Main Ave., and authorize the City Manager to execute said agreement.

Approved by City Manager:

All supporting documentation, i.e. maps, exhibits, etc., must be attached to this memorandum

FOOD TRUCK LICENSE AGREEMENT

This License Agreement (“Agreement”) is made this ____ day of _____, 2021, by and between Tres Bros (“Grantee”), and The City of Warrenton Urban Renewal Agency, an Oregon municipal corporation (“Grantor”), collectively referred to as the “Parties” in this Agreement.

Recitals

WHEREAS, Grantor owns an undeveloped public parking lot in which Grantee would like to park and operate “Tres Bros” Food Truck;

WHEREAS, Grantor’s property (the “Property”) is described as follows: “Public Parking Lot”, at 267 S Main Avenue has city utilities and is available for use under certain conditions described below; and

WHEREAS, Grantor will permit Grantee to use the Property in accordance with the terms of this Agreement. Grantee acknowledges the use of the lot as public parking and its periodic use by the Fire Department for training purposes.

Agreement

NOW, THEREFORE, the Parties agree as follows:

1. License. Grantor grants to Grantee a non-exclusive, temporary license (“License”) on and across the Property for vehicular access and Food Truck operations purposes. The actual consideration for the License is \$400 monthly, due on or before the 1st day of each month, plus city utilities, if any, as well as the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. Due to economic hardships from the COVID-19 pandemic, the Grantor will reduce the consideration for the License to be \$____ monthly, for the period of January 1, 2021 through June 30, 2021 with the possibility of the City Manager extending the reduced fee in quarterly increments through the end of this agreement. This Agreement shall automatically renew on a monthly basis until terminated by either Party as provided in this Agreement. The agreement expires on December 31, 2021. If either party elects to terminate, said party shall provide written notice two weeks prior to termination.

2. Rights Granted for License Area. Grantee and Grantee’s agents, employees, contractors, and other authorized parties will have the right to enter upon and use the License Area for Food Truck operation purposes, including all customary uses that may arise out of or be necessitated by that use. Grantor, in coordination with Grantee, reserves the right to use the Property for all purposes that do not unreasonably interfere with Grantee’s rights under this Agreement, including but not limited to issuance of licenses to others for use of the Property outside of the License Area. Grantee may not pave, tar, asphalt, grade, place rock, or fill any part of the Property, remove any vegetation or construct any improvements within the License Area or elsewhere on the Property without Grantor’s prior written

authorization, which Grantor may authorize in its sole discretion. Grantor does not grant Grantee any mineral or subsurface rights to the Property.

3. Compliance with Laws and Regulations. Grantee, at Grantee's sole expense, must comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county and municipal authorities pertaining to Grantee's use of the Property and License Area, and with any recorded covenants, conditions, and restrictions, regardless of when they become effective. These include, without limitation, any required alteration of the License Area or the Property because of Grantee's specific use, and all applicable federal, state, local laws, regulations or ordinances pertaining to air and water quality, Hazardous Materials as defined in this Agreement, food safety regulations, waste disposal, air emissions and other environmental matters, and all zoning and other land use matters. Grantee shall obtain all necessary permits and other authorizations required for Grantee's use of the License Area, and any other related activities undertaken by Grantee on the Property. Grantee shall remain in compliance with all such permits and authorizations granted.
4. Maintenance. While the Agreement is in effect, Grantee must keep the License Area in good condition at its sole expense, and maintain the Property free of trash and other debris. To this end, Grantee will provide adequate garbage and recycling receptacles within the License area, and remove all trash and recycling from the Property on a regular basis. Grantee will provide portable landscaping, seating area, and restrooms. Grantee will comply with all applicable rules, laws, ordinances, and requirements regarding Grantee's use of the License Area. Prior to vacating the License Area, Grantee must remove all of its personal property, any improvements and return the License Area to the condition that existed prior to Grantee's use of the License Area, to Grantor's satisfaction, unless otherwise agreed to in writing by the Grantor. Any maintenance of the Property by Grantor is at the sole discretion of Grantor, and is not required under the terms of this Agreement.
5. Environmental Contamination. Grantee shall be responsible for any and all spills, releases, discharges, or leaks of (or from) environmental pollutants or hazardous substances or materials which the Grantee has brought onto the License Area; and promptly clean up, without cost to the Grantor, such spills, releases, discharges, or leaks to the Grantor's satisfaction and in compliance with all applicable federal, state, or local statutes, rules or ordinances. Grantee shall not cause or knowingly permit any Hazardous Materials to be brought upon, kept or used in or about the Property by Lessee, its agents, employees, contractors, or invitees without the prior written consent of Grantor. Grantee shall indemnify, defend and hold Lessee and its officers, employees, agents and representatives harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including without limitation, diminution in value of the Property, attorneys' fees, consultant fees, and expert fees) that arise during or after the term of this Agreement term as a result of contamination by Hazardous Materials. This indemnification of Grantor by Grantee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous

Materials present in the soil or groundwater on or under the Property. Without limiting the foregoing, if the presence of any Hazardous Materials on the Property caused or permitted by the acts or omissions of Grantee or its agents, employees, contractors or invitees results in any contamination of the Property during the term of this Agreement, Grantee shall promptly take all actions at its sole expense as necessary to return the Property to the condition existing prior to the release of any such Hazardous Materials to the Property, provided that Grantor's approval of such actions shall first be obtained. The foregoing indemnity shall survive the expiration or earlier termination of this Agreement, and is in addition to all other indemnifications provided by Grantee under the terms of this Agreement. As used in this Agreement, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, ORS Chapter 465, petroleum products or such other similar substances, materials or wastes that are or become regulated under any applicable local, state, or federal laws.

6. No Assignment or Sub-Licensing. Grantee may not sublicense the License Area or any part thereof and may not transfer or assign the License granted by this Agreement without obtaining the advance written consent of Grantor in each case. Grantor's consent may be granted or denied at Grantor's sole discretion. Grantor retains the right to transfer the Property and has the option to assign this Agreement to the transferee.
7. No Liens on the Property. Grantee will not suffer or permit any construction liens to attach in all or any part of the Property by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Grantee or anyone occupying or holding an interest in all or any part of any improvements on the Property through or under Grantee. If any such lien at any time is filed against the Property, Grantee will cause the lien to be discharged of record within 10 business days after the date of filing the same, by payment, deposit, or bond. Nothing in this Agreement shall be construed in any way as constituting the consent or request, express or implied, by inference or otherwise, to any person, firm, or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration, or repair of or to the Property, or as giving any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that might in any way give rise to the right to file any lien against the Property.
8. Indemnity. To the extent allowed under the Oregon Tort Claims Act and the Oregon Constitution, Grantee will indemnify, defend, and hold Grantor harmless from and against any injury, expense, damage, liability, or claim including but not limited to attorney fees incurred by Grantor arising directly or indirectly from the rights granted by Grantor to Grantee in this Agreement or any act or omission by Grantee, its agents and assigns or any other person entering upon or using the License Area with Grantee's express or implied

invitation or consent, except for those acts occurring solely because of Grantor's negligence.

9. Insurance. Grantee acknowledges and assumes responsibility for any and all liability arising out of Grantee's operations undertaken pursuant to the terms of this Agreement, and shall maintain occurrence form commercial general liability and automobile liability insurance for the protection of Grantee and Grantor, Grantor's Commissioners, officers, agents and employees. Coverage shall include personal injury, bodily injury (including death) and broad form property damage, including loss of use of property, occurring in the course of or in any way related to Grantee's operations, in an amount not less than Two Million Dollars (\$2,000,000.00) combined single limit per occurrence. Such insurance shall name the City of Warrenton as an additional insured. Grantee shall furnish Grantor certificates evidencing the date, amount, and type of insurance required by this Agreement. All policies will provide for not less than thirty (30) days' written notice to Grantor before they may be canceled. The coverage provided by insurance required under this Agreement shall be primary, and any other insurance carried by Grantor shall be excess. Grantee shall require its agents and contractors to carry commercially reasonable comprehensive liability coverage for injury to or death of a person and for damage to property occasioned by or arising out of any use of the License Area or Property.
10. Default. If Grantee violates any of the terms, covenants, or conditions of this Agreement or fails to perform any of its obligations under this Agreement in a timely fashion, Grantor may declare in writing to Grantee that the License is null and void and of no further force and effect, provided Grantee will have five (5) business days to cure the default, or such additional time as Grantor may in writing and in its sole discretion permit.
11. Notices. Notices required by this Agreement must be in writing and are deemed given and received upon deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested, addressed to the parties at their respective addresses listed herein.

Notices to Grantor:

Warrenton Urban Renewal Agency
Attn: City Manager
P.O. Box 250
Warrenton, Oregon 97146

Notices to Grantee:

Joshua Colby
Tres Bros
Astoria, Oregon 97201

12. General. Grantee's obligation to indemnify Grantor and return the License Area to its original condition survives the termination of this Agreement. Time is of the essence under this Agreement. There are no third-party beneficiaries to this Agreement. This Agreement represents the entire agreement and understanding between the Parties. It is not effective until both Parties sign it. Any amendments to it must be in a separate writing signed by both Parties. The waiver of one breach of any term, condition, covenant, or obligation herein is not a waiver of that or any other term, condition, covenant, or obligation or of any subsequent breach thereof. This Agreement shall be construed so that the plural includes the singular and the singular includes the plural. This Agreement is binding upon the

parties, their successors and assigns. This Agreement shall be governed by the laws of the State of Oregon. Venue shall be Clatsop County, Oregon. The prevailing party in any lawsuit arising out of this agreement is entitled to attorney fees, costs and disbursements, both at trial and on appeal.

13. Exhibits. All exhibits, including a site plan illustrating the location of the food truck, to this Agreement are incorporated by reference into the Agreement as if they were set out in full within this document.

GRANTEE

GRANTOR

Warrenton Urban Renewal Agency

By: _____

By: _____

Name: Joshua Colby _____

Name: Linda Engbretson _____

Its: _____

Its: _____



AGENDA MEMORANDUM

TO: The Urban Renewal Agency
 FROM: Collin Stelzig, P.E., Public Works Director
 DATE: January 5th, 2021
 SUBJ: Downtown Improvement Project – S Main Avenue (E Harbor Drive to SW 4th Street)

SUMMARY

Otak submitted a proposal for design level surveying and optional survey and drone images for the Downtown Improvement Project. This work includes providing services of establishing survey control, requesting maps, proposed underground power connection locations from Oregon Utility Notification Center, and providing topographic surveying and mapping of constructed and natural features, performance of survey research, recover sufficient number of monuments to resolve right of ways, and project management services. The total cost of the proposal is \$19,478.

Optional scope items with this proposal include providing topographic surveying and mapping of alleyway between SW 1st St and SW 2nd St., recover/tie survey monuments in project area to address the requirements of ORS 209.150, and drone overflight and imaging which includes high resolution images and video for use in design as well as promotion of downtown. The cost of the optional scope items is \$8,492.00

Attached is a professional consulting service contract for a time and materials price for the scope of work and optional items of \$27,970.00 to move forward with the Downtown Improvement Project on South Main Avenue from East Harbor Drive to SW 4th Street.

RECOMMENDATION/SUGGESTED MOTION

I move to approve this contract for time and materials for the Downtown Improvement Project - S Main Avenue (E Harbor Drive to SW 4th Street) with OTAK.


ALTERNATIVE

1) Other action as deemed appropriate by the Urban Renewal Agency

2) None recommended

FISCAL IMPACT

This project has been approved in the Urban Renewal Agency 2020-2021 Fiscal Year Budget.

Approved by City Manager:  _____
All supporting documentation, i.e., maps, exhibits, etc., must be attached to this memorandum.

WARRENTON URBAN RENEWAL AGENCY

CONTRACT FOR PROFESSIONAL CONSULTING SERVICES

CONTRACT:

This Contract, made and entered into this ___day of January, 2021, by and between the Warrenton Urban Renewal Agency, a corporation of the State of Oregon, hereinafter called "AGENCY", and OTAK, 808 SW Third Avenue, Suite 800, Portland, OR 97204, hereinafter called "CONSULTANT", duly authorized to do business in Oregon.

WITNESSETH

WHEREAS, the AGENCY requires services which CONSULTANT is capable of providing, under terms and conditions hereinafter described; and

WHEREAS, CONSULTANT is able and prepared to provide such services as AGENCY does hereinafter require, under those terms and conditions set forth; now, therefore,

IN CONSIDERATION of those mutual promises and the terms and conditions set forth hereafter, the parties agree as follows:

1. CONSULTANT SERVICES:

- A. CONSULTANT shall provide final design level ground survey with utility locations and optional scope items of surveying and drone images for the AGENCY, as outlined in the attached Scope of Work (attachment A).
- B. CONSULTANT's obligations are defined solely by this contract and its attachment (s) and not by any other contract or agreement that may be associated with this project.

2. COMPENSATION

- A. The AGENCY agrees to pay CONSULTANT a total time and materials price of \$27,970.00 for performance of design level surveying including optional survey and drone images for the Downtown Improvement Project.
- B. The CONSULTANT will submit a final invoice referencing 200-800-620000 for all services rendered to: Warrenton Urban Renewal Agency, Attention: Accounts Payable, PO Box 250, Warrenton, Oregon 97146, **OR**, CONSULTANT may submit invoice via email to ap@ci.warrenton.or.us. City pays net 21 upon receipt of invoice.
- C. AGENCY certifies that sufficient funds are available from tax increment revenues and authorized for expenditure to finance costs of this Contract.

3. CONSULTANT IDENTIFICATION

CONSULTANT shall furnish to the AGENCY the CONSULTANT's employer identification number, as designated by the Internal Revenue Service, or CONSULTANT's Social Security number, as AGENCY deems applicable.

4. AGENCY 'S REPRESENTATIVE

For purposes hereof, the AGENCY'S authorized representative will be Linda Engbretson, Executive Director, Warrenton Urban Renewal Agency, PO Box 250, Warrenton, Oregon, 97146.

5. CONSULTANT'S REPRESENTATIVE

For purposes hereof, the CONSULTANT's authorized representative will be _____.

6. CONSULTANT IS INDEPENDENT CONSULTANT

A. CONSULTANT shall be an independent CONSULTANT for all purposes and shall be entitled to no compensation other than the compensation provided for under Section 2 of this Contract,

B. CONSULTANT acknowledges that for all purposes related to this contract, CONSULTANT is and shall be deemed to be an independent CONSULTANT and not an employee of the AGENCY or the City of Warrenton, shall not be entitled to benefits of any kind to which an employee of the AGENCY or the City of Warrenton is entitled and shall be solely responsible for all payments and taxes required by law; and furthermore in the event that CONSULTANT is found by a court of law or an administrative agency to be an employee of the AGENCY or the City of Warrenton for any purpose, AGENCY shall be entitled to offset compensation due, or, to demand repayment of any amounts paid to CONSULTANT under the terms of the contract, to the full extent of any benefits or other remuneration CONSULTANT receives (from AGENCY or third party) as result of said finding and to the full extent of any payments that AGENCY is required to make (to CONSULTANT or a third party) as a result of said finding.

C. The undersigned CONSULTANT hereby represents that no employee of the AGENCY or City of Warrenton, or any partnership or corporation in which an AGENCY or City of Warrenton employee has an interest, has or will receive any remuneration of any description from the CONSULTANT, either directly or indirectly, in connection with the letting or performance of this contract, except as specifically declared in writing.

7. CANCELLATION FOR CAUSE

AGENCY may cancel all or any part of this Contract if CONSULTANT breaches any of the terms herein or in the event of any of the following: Insolvency of CONSULTANT; voluntary or involuntary petition in bankruptcy by or against CONSULTANT; appointment of a receiver or trustee for CONSULTANT, or any assignment for benefit of creditors of CONSULTANT. Damages for breach shall be those allowed by Oregon law, reasonable and necessary attorney's fees, and other costs of litigation at trial and upon appeal. CONSULTANT may likewise cancel all or any part of this contract if AGENCY breaches any of the terms herein and be therefore entitled to equivalent damages as expressed above for AGENCY.

8. ACCESS TO RECORDS

AGENCY shall have access to such books, documents, papers and records of CONSULTANT as are directly pertinent to this contract for the purposes of making audit, examination, excerpts and transcripts.

9. FORCE MAJEURE

Neither AGENCY nor CONSULTANT shall be considered in default because of any delays in completion of responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the party so disabled provided the party so disabled shall within ten (10) days from the beginning such delay notify the other party in writing of the causes of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation.

10. NONWAIVER

The failure of the AGENCY to insist upon or enforce strict performance by CONSULTANT of any of the terms of this Contract or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon such terms or rights on any future occasion.

11. ATTORNEY'S FEES

In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

12. APPLICABLE LAW

The law of the State of Oregon shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it.

13. CONFLICT BETWEEN TERMS

It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument and the proposal of the CONSULTANT, this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

14. INDEMNIFICATION

CONSULTANT agrees to indemnify and hold harmless the AGENCY and the City of Warrenton, its Officers, and Employees against and from any and all loss, claims, actions, suits, reasonable defense costs, attorney fees and expenses for or on account of injury, bodily or otherwise to, or death of persons, damage to or destruction of property belonging to city, CONSULTANT, or others resulting from or arising out of CONSULTANT's negligent acts, errors or omissions in the supply of goods or performance of services pursuant to this Agreement. This agreement to indemnify applies whether such claims are meritorious or not; provided, however, that if any such liability, settlements, loss, defense costs or expenses result from the concurrent negligence of CONSULTANT and the AGENCY this indemnification and agreement to assume defense costs applies only to the extent of the negligence or alleged negligence of the CONSULTANT.

With regard to Professional Liability CONSULTANT agrees to indemnify and hold harmless AGENCY and the City of Warrenton, their officers and employees from any and all liability, settlements, loss, reasonable defense costs, attorney's fees and expenses arising out of CONSULTANT's negligent acts, errors, or omissions in service provided pursuant to this Agreement; provided, however, that if any such liability, settlements, loss, defense costs or expenses result from the concurrent negligence of CONSULTANT and the AGENCY, this indemnification and agreement to assume defense costs applies only to the extent of negligence of CONSULTANT.

With respect to Professional Liability, CONSULTANT reserves the right to approve the choice of counsel.

15. INSURANCE

Prior to starting work hereunder, CONSULTANT, at CONSULTANT's cost, shall secure and continue to carry during the term of this contract, with an insurance company acceptable to AGENCY and the City of Warrenton, the following insurance:

- A. Commercial General Liability. CONSULTANT shall obtain, at CONSULTANT's expense and keep in effect during the term of this Contract, Commercial General Liability Insurance covering bodily injury and property damage with limits of not less than \$1,000,000 per occurrence and the annual aggregate of not less than \$2,000,000. Coverage shall include CONSULTANTs, sub consultants and anyone directly or indirectly employed by either. This insurance will include personal and advertising injury liability, products and completed operations. Coverage may be written in combination with Automobile Liability Insurance (with separate limits). Coverage will be written on an occurrence basis. If written in conjunction with Automobile Liability the combined single limit per occurrence will not be less than \$1,000,000 for each job site or location. Each annual aggregate limit will not be less than \$2,000,000.
- B. Professional Liability Insurance. The CONSULTANT shall have in force a policy of Professional Liability Insurance in an amount not less than \$1,000,000 per claim and \$2,000,000 aggregate. The CONSULTANT shall keep such policy in force and current during the term of this Agreement.
- C. Automobile Liability. CONSULTANT shall obtain, at CONSULTANT's expense and keep in

effect during the term of the resulting Contract, Commercial Business Automobile Liability Insurance covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits). Combined single limit per occurrence will not be less than \$1,000,000, and annual aggregate not less than \$2,000,000.

- D. Additional Insured. The liability insurance coverage shall include AGENCY and its officers and employees and the City of Warrenton and its officers and employees as Additional Insured but only with respect to CONSULTANT's activities to be performed under this Contract. Coverage will be primary and non-contributory with any other insurance and self-insurance. Prior to starting work under this Contract, CONSULTANT shall furnish a certificate to AGENCY from each insurance company providing insurance showing that the AGENCY and the City of Warrenton are both an additional insured, the required coverage is in force, stating policy numbers, dates of expiration and limits of liability, and further stating that such coverage is primary and not contributory.
- E. Notice of Cancellation or Change. There will be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written notice from CONSULTANT or its insurer(s) to AGENCY and the City of Warrenton. Any failure to comply with the reporting provisions of this clause will constitute a material breach of this Contract and will be grounds for immediate termination of this Agreement.

16. LABORERS AND MATERIALMEN, CONTRIBUTIONS TO INDUSTRIAL ACCIDENT FUND, LIENS AND WITHHOLDING TAXES ORS 279B.220

CONSULTANT shall make payment promptly, as due, to all persons supplying CONSULTANT labor or material for the prosecution of the work provided for this contract.

CONSULTANT shall pay all contributions or amounts due the Industrial Accident Fund from CONSULTANT or any sub consultant incurred in the performance of the contract.

CONSULTANT shall not permit any lien or claim to be filed or prosecuted against the state, county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished.

CONSULTANT shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

17. WORKERS COMPENSATION INSURANCE

CONSULTANT, its sub-CONSULTANTS, if any, and all employees working under this agreement are either subject to employers under the Oregon Worker's Compensation Law and shall comply with ORS 656.017, which requires them to provide workers compensation coverage for all their subject workers, or are employers that are exempt under ORS 656.126.

18. PAYMENT OF MEDICAL CARE ORS 279B.230

CONSULTANT shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury to the employees of such CONSULTANT, of all sums which the CONSULTANT agrees to pay for such services and all moneys and sums which the CONSULTANT collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.

19. OVERTIME ORS 279B.235.

Employees shall be paid for overtime work performed under this contract in accordance with ORS 279B.235(3) unless excluded under ORS 653.010 to 653.261 (29 U.S.C. sections 201 to 209).

- 20. BUSINESS LICENSE
Prior to commencing work in the City of Warrenton, CONSULTANT shall obtain a city business license.
- 21. STANDARD OF CARE
The standard of care applicable to CONSULTANT's services will be the degree of skill and diligence normally employed by CONSULTANTS performing the same or similar services at the time CONSULTANT's services are performed. CONSULTANT will re-perform any services not meeting this standard without additional compensation.
- 22. NO THIRD PARTY BENEFICIARIES
This contract gives no rights or benefits to anyone other than the AGENCY and CONSULTANT and has no third-party beneficiaries.
- 23. SEVERABILITY AND SURVIVAL
If any of the provisions contained in this Agreement are held illegal, invalid, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability shall survive termination of this Agreement for any cause.
- 24. COMPLETE CONTRACT
This Contract and its referenced attachments constitute the complete contract between AGENCY and CONSULTANT and supersedes all prior written or oral discussions or agreements. CONSULTANT services are defined solely by this Contract and its attachments and not by any other contract or agreement that may be associated with this Contract.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first written above.

URBAN REBEWAL, a Municipal Corporation

CONSULTANT:

BY: _____
Linda Engbretson, Executive Director

By: _____
Printed Name: _____ Date _____
Title: _____

DATE: _____



SCOPE OF WORK

Final design-level ground survey with utility locations. Optional survey of alley between SW 2nd and SE 1st Streets, and drone imaging.

Otak, Inc. (Otak) will perform the following services:

- Establish survey control. Horizontal datum shall be on NAD 83 (2011) Oregon North Zone, and vertical datum shall be on NAVD 88;
- Contact Oregon Utility Notification Center to request utility locates and request maps, including all the proposed underground power connection locations to power risers;
- Provide topographic surveying and mapping of constructed and natural features. Topographic features include, but are not limited to, roadway including curbs, sidewalks, sidewalk score line/expansion joint at match limits, driveways, buildings, structures, striping, utilities, fences, rim/invert elevations and pipe sizes of inlets and manholes, ground shots, break lines and overhead power lines connecting to houses/buildings.
 - Along S. Main Avenue (Hwy 104) from SW 1st Street to SW 4th Street, 10' beyond the right-of-way or to building face.
 - 25 feet beyond proposed design along side streets.
- Perform survey research;
- Recover/tie sufficient number of monuments to resolve rights of ways;
- Project management and coordination;
- Perform quality control and reviews.

Total Cost Proposal: \$19,478

Includes labor, travel, lodging & per diem for 2-person crew.

Optional Scope Items:

- Provide topographic surveying and mapping of alleyway between SW 1st Street and SW 2nd Street, westerly of S. Main Avenue
- Recover/tie survey monuments in project area to address the requirements of ORS 209.150.
- Drone overflight and imaging, Main Avenue in project limits. Includes high resolution images and video for use in design as well as promotion of Downtown. Photos to include metadata such as camera bearing and GPS coordinates. Video to be professionally edited and delivered in 4k, ready to use for marketing or promotional purposes.

Total Cost Proposal:

- Optional alley survey: \$7,263
- Optional Drone imaging: \$1,229
- TOTAL optional work: \$8,492

Includes labor, travel, lodging & per diem for survey crew, labor + travel for drone pilot.

Deliverables

- 2018 Civil 3D drawing and digital terrain model
- High resolution drone images plus 10-minute video

TOTAL, BASE PLUS OPTIONAL ITEMS: \$27,970

AGENDA MEMORANDUM

TO: The Warrenton Urban Renewal Agency
FROM: Dawne Shaw, URA Secretary
DATE: January 12, 2021
SUBJ: Advisory Committee Appointments

SUMMARY

Three positions on the Urban Renewal Advisory Committee have terms that ended on December 31, 2020. Mayor Balensifer has submitted his nominations for each position, as outlined in the attached nomination letter.

RECOMMENDATION/SUGGESTED MOTION

I move to reappoint Bob Bridgens to Position No. 1; appoint Brooke Terry to Position No. 2, and AmyLeigh Sutton to Position No. 3 on the Warrenton Urban Renewal Advisory Committee.

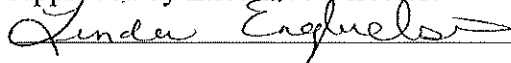
ALTERNATIVE

Other action as deemed appropriate by the Agency

FISCAL IMPACT

N/A

Approved by Executive Director:





December 29, 2020

To the Warrenton Urban Renewal Agency

I nominate Bob Bridgens for reappointment to Position 1, Brooke Terry for appointment to Position 2, and Amyleigh Sutton for appointment to Position 3 on the Urban Renewal Advisory Committee.

Bob has served with the WURA for quite some time and has lent his expertise to the benefit of the board.

Brooke is a local real estate agent and active community member who I think will bring much needed expertise to this board as we pivot our investments into the downtown.

Amyleigh is an active entrepreneur who previously owned the Side Street Café before it closed due to COVID restrictions. I believe she will lend both her travelled and creative expertise to the benefit of the Agency.

Sincerely,

A handwritten signature in black ink that reads "Henry A. Balensifer III". The signature is written in a cursive style with a prominent "H" and "A".

Henry A. Balensifer III
Chair

AGENDA MEMORANDUM

TO: The Warrenton Urban Renewal Agency

FROM: Dawne Shaw, City Recorder

DATE: January 12, 2021

SUBJ: Urban Renewal Advisory Board – Terms of Office

SUMMARY

The attached resolution confirms the appointments and sets the terms of office of the newly appointed Warrenton Urban Renewal Advisory Committee positions.

RECOMMENDATION/SUGGESTED MOTION

"I move to adopt Resolution No. 21-01; Authorizing Appointments to Fill Positions on the Warrenton Urban Renewal Advisory Board and Setting Terms of Office."

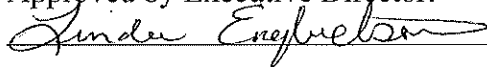
ALTERNATIVE

Other action as deemed appropriate by the Agency

FISCAL IMPACT

N/A

Approved by Executive Director:



RESOLUTION NO. 21-01
INTRODUCED BY ALL COMMISSIONERS

APPOINTING PERSONS TO SERVE ON THE
WARRENTON URBAN RENEWAL DISTRICT ADVISORY COMMITTEE
AND SETTING TERMS OF OFFICE

BE IT RESOLVED, by the Warrenton Urban Renewal District Agency that the Warrenton Urban Renewal Advisory Board members and their terms of office are as follows:

Position No. 1	Bob Bridgens,	Term Ending 31, December 2022
Position No. 2	Brooke Terry,	Term Ending 31, December 2022
Position No. 3	AmyLeigh Sutton,	Term Ending 31, December 2022
Position No. 4	Tess Chedsey,	Term Ending 31, December 2021
Position No. 5	Mel Jasmin,	Term Ending 31, December 2021
Position No. 6	Dennis Faletti,	Term Ending 31, December 2021
Position No. 7	Katie Burkhart,	Term Ending 31, December 2021

This Resolution takes effect immediately upon its passage.

ADOPTED by the Warrenton Urban Renewal District Agency, this 12th day of January, 2021.

APPROVED:

Henry A. Balensifer III, Chair

ATTEST:

Dawne Shaw, Secretary