

COLUMBIA COUNTY DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING

MINUTES

January 24, 2018

The Board of Directors for the Columbia County Development Agency met in scheduled session with Commissioner Alex Tardif, Commissioner Henry Heimuller and Commissioner Margaret Magruder, together with Sarah Hanson County Counsel, Jennifer Cuellar, Finance Director, and Jacyn Normine, Board Office Specialist.

Commissioner Tardif called the meeting to order.

**MINUTES:**

Commissioner Heimuller moved and Commissioner Magruder seconded to approve the minutes of the November 1, 2017 Board meeting. The motion carried unanimously.

**LETTERS TO THE PORT OF ST. HELENS DATED 12.13.17:**

Commissioner Magruder moved and Commissioner Heimuller seconded to ratify the (2) letters to the Port of St. Helens, dated 12.13.17. The motion carried unanimously.

**UPDATED TIF PROJECTIONS:**

Lorelei Juntunen, ECONorthwest and Nick Popenuk, Tiberius Solutions, were present to give an update on the tax increment financing (TIF) forecast for the Port Westward Urban Renewal Area (URA). The memo provided identifies key implications and questions for the CCDA Board to consider for the upcoming FY 2019 budget process.

Nick compared the FY 2018 long-term forecast of the net TIF revenue to the previous FY 2017 forecast for the same time period. Although actual revenue for FY 2018 was lower than forecasted last year, there are negligible differences between the FY 2017 and FY 2018 forecast for future years.

**BUDGET DISCUSSION:**

As anticipated in the adopted FY 2018 budget, the CCDA had sufficient funds to pay off the remainder of the debt service for the County road loan in FY 2018. Now that this loan is repaid, the URA is anticipated to have annual expenditures of approximately \$1 million per year, with the bulk of these expenditures related to debt service for the Port of St. Helens Water System loan. Annual revenues, as shown in Exhibit 1 and subsequent tables shown in the updated TIF projection memo, are anticipated to exceed \$2.6M per year for the next several years. Thus, the URA is forecast to have a substantial positive cash flow for all future years.

In past years, the CCDA has applied excess revenues to the early repayment of the County road loan, saving the tax payer \$1.44 million. However, now that the road loan has been repaid in full, the CCDA will need a new strategy to manage its fund balance in future years. Options include:

- Reducing annual property tax revenue collections
- Building a larger ending fund balance
- Making extra payments on the Port's water system loan

If the CCDA chooses to pay off the water system loan early, it could result in cost savings to tax payers, from reduced interest payments in later years. This approach could result in paying off the water system loan up to 10 years early, with interest savings of up to \$2.4 million.

However, those savings are compared to a baseline scenario where the Port never attracts a tenant to Port Westward that becomes a paying customer of the water system. Any water system user would reduce the CCDA's share of future debt service payments. This approach of making early payments on the water system loan could actually result in an additional expense to tax payers. In other words, early payments by the Port could reduce the overall interest paid on the loan, but to the benefit of future users of the water system, as opposed to County tax payers.

Instead of making early payments on the water loan, the CCDA could choose to reduce annual TIF collections. State law allows urban renewal agencies to instruct the County Assessor to collect a reduced amount of TIF revenue on an annual basis.

Rather than collect the full \$2.6 million in TIF revenue each year, the CCDA could collect only enough revenue to cover annual operating expenses, while maintaining a reasonable ending fund valance. This annual amount would be approximately \$1 million. This would result in a reduction of annual TIF revenue of about \$1.6 million per year.

Lorelei informed the Board that the response time from the Port of St. Helens has gotten better. Once more information is compiled on the IGA, she will share that with the Board.

There is no action needed at this time. The CCDA will meet again in February 2018.

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No Executive Session was held.

With nothing further coming before the Board, the meeting was adjourned.

Dated at St. Helens, Oregon, this 24<sup>th</sup> day of January, 2018.

NOTE: An audio tape of this meeting is available for purchase by the public or interested parties.

BOARD OF DIRECTORS FOR THE  
COLUMBIA COUNTY DEVELOPMENT AGENCY

By: \_\_\_\_\_  
Alex Tardif, Chair

By: \_\_\_\_\_  
Margaret Magruder, Vice-Chair

By: \_\_\_\_\_  
Henry Heimuller, Secretary/Treasurer

By: \_\_\_\_\_  
Jacyn Normine  
Board Office Specialist