

BIENNIAL BUDGET REPORT - URBAN RENEWAL -



2025 – 2027

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Office of the City Manager

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

In accordance with local budget law and the City Charter, I submit the proposed Urban Renewal Agency budget for the biennium 2025-2027 for your review and approval. The Klamath Falls Urban Renewal Agency consists of three separate Districts - the Lakefront Urban Renewal District, the Town Center Urban Renewal District, and the Spring Street Urban Renewal District. The combined total appropriations for the three Urban Renewal Districts for the biennium ending 2027 is \$3,462,375 including contingency, broken down as follows: Lakefront, \$1,542,850; Town Center, \$944,725; and Spring Street, \$974,800.

According to the Oregon Department of Revenue, an urban renewal agency is funded substantially by: "portions taken out of local government property tax levies (division of tax revenue) ...

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

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

oregonlegislature.gov/bills_laws/ors/anc011.html

The Lakefront Urban Renewal District was established in 2001 to create a riverfront mixed use area comprised of offices, retail shops and condominiums. The Fairfield Inn, DHS building, People's Bank and a real estate office building have been completed in the district. The Lakefront District has a financial borrowing cap as designated in the Renewal Plan of \$7,050,000 with \$2,998,950 left to borrow. The amount left to borrow can be used on lake shore improvements, public area parking and signage, development assistant, and plan administration. The District is projected to collect about \$1,331,775 in property taxes during the biennium ending 2027. This biennial budget includes \$140,000 for a system development charge grant for future development and \$75,000 for a lakeshore improvements study.

The Town Center Urban Renewal District, was established in 2005 to revitalize the old Klamath Mall Shopping Center. The original developers remodeled the Gottschalks building and completed a new Sherm's Thunderbird Market but were not able to complete the development as originally planned. The properties went into foreclosure and were taken over by the project lender. A new developer purchased the properties and the District entered into a revised development agreement. The developer has completed two of the three project milestones per the development agreement. A loan has been taken out to pay the third milestone once it has been completed which is to make improvements on the former Sherm's site. The Town Center District is anticipating tax increment revenues of approximately \$247,000. The District reached its financial borrowing cap of \$2,953,000 in fiscal year 2023.

The City's newest Urban Renewal District, the Spring Street Urban Renewal District, was established in 2017 to revitalize the older industrial part of the greater downtown area and the northeastern part of the downtown. The District is anticipating tax increment revenues of approximately \$555,150. A major project will be the redevelopment of the Main and Esplanade area into a mix of retail and housing. Construction is underway for this project. The District has borrowed \$869,000 so far. The District has a financial borrowing cap as designated in the Renewal Plan of \$16,800,000. This biennial budget includes payment of system development charges for the Main and Esplanade site.

Respectfully submitted,



Jonathan Teichert
City Manager

Schedule of Budget Events

Notice of Budget Committee Meeting Published	May 5, 2025 May 5, 2025 (web)
Proposed Budget to Committee	May 8, 2025
Budget Committee Meeting	May 15, 2025
Notice of Budget Hearing and Financial Summary Published	June 5, 2025
Budget Hearing and Adoption	June 16, 2025
<p>* The notice may be published in the newspaper 5-30 days prior to the hearing if it is also published on the City website at least 10 days prior to the meeting. The newspaper ad published must include website address.</p>	
<p>** The Summary and Notice is only required to be published one time and there is no internet publication option. The summary and hearing notice are published not less than five days or more than 30 days before the budget hearing.</p>	

Budget Process

1. **Appoint Budget Officer.** As designated in the City's Charter, the budget officer is the City Manager.
ORS 294.331
2. **Prepare Proposed Budget.** The budget is prepared under the direction of the City Manager.
ORS 294.426
3. **Publish Notice of Budget Committee Meeting.** The notice of budget committee meeting is published twice in the Herald and News separated by no less than 5 days with the first publication being no later than 30 days prior to the meeting and the final publication being no earlier than 5 days prior to the first meeting. Alternatively, one publication in the Herald & News not more than 30 days prior plus posting on the City's website not more than 10 days prior to the budget committee meeting. Newspaper notice must contain Internet Website address at which the notice is posted.
ORS 294.426
4. **Budget Committee Meets.** When the proposed budget is provided to the budget committee members, it then becomes a public record and a copy is available for public inspection at City Hall (500 Klamath Ave). The proposed document can be distributed at any point prior to the first meeting. The budget message, which is delivered at the first meeting, explains the proposed budget and significant changes in the City's financial position. The budget committee may meet as many times as necessary to go through the budget and make any revisions they deem appropriate. Budget committee meetings are open to the public.
ORS 294.426
5. **Budget Committee Approves Budget and Authorizes the Levy of taxes.** When the budget committee is satisfied with the proposed budget, including any revisions, it is then approved.
ORS 294.428
6. **Notice of Budget Hearing Published.** After the budget has been approved by the budget committee, a budget hearing must be held, and a summary of the budget must be published in the Herald and News 5 to 30 days prior to the scheduled hearing date.
ORS 294.438 & ORS 294.448
7. **Budget Hearing.** The purpose of the budget hearing is to listen to citizens' testimony on the budget approved by the budget committee.
ORS 294.453
8. **Adopt Budget, Make Appropriations & Impose Taxes.** The resolution to formally adopt the budget must occur no later than June 30. This resolution, when signed, gives the City the authority to spend the funds appropriated in the Proposed Budget beginning with the new fiscal year (July 1).
ORS 294.456
9. **File Budget & Certify Levy.** The City must deliver two copies of the Proposed Budget to the County Assessor for filing and certification of the tax levy by July 15.
ORS 294.458

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

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

ORS 294.463

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

ORS 294.471

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

Budgeting Principles and Assumptions

Investment Policy

The City Investment Policy stresses, in order: safety, liquidity, and return. Funds held in the Oregon State Treasury Local Government Investment Pool A(LGIP) for the Agency are approximately \$2,000,000. The current LGIP rate is 4.60%. The budget is based on 3.00% of earnings for both fiscal years. All operating investments of the City follow the guidelines set forth in ORS 294 as it relates to allowable investments and maturity.

Basis of Accounting

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

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

Managers are responsible for reviewing their budgets monthly to ensure expenditures do not exceed City Council approved appropriations. In addition, the Finance Division performs a quarterly analysis of budget-to-actual figures to ensure that spending has not exceeded earlier estimates, which is then presented to Council. Finally, approval for expenditures over \$50,000 requires action from City Council.

Description of Budgeted Categories

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

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

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Lakefront Urban Renewal

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

Estimated Resources:	\$ 1,564,250
Appropriated:	\$ 1,542,850
Reserved for Future:	\$ 21,400
Total Fund Requirements	\$ 1,564,250

Lakefront Urban Renewal Fund

	2019-2021	2021-2023	2023-2025	2025-2027	2025-2027	2025-2027
	Actual	Actual	Adopted	Proposed	Approved	Adopted
Resources:						
Net working capital	\$ 3,137	\$ 8,591	\$ 14,100	\$ 181,225	\$ 181,225	\$ 181,225
Taxes previously levied	5,312	11,453	5,400	21,150	21,150	21,150
Investment income	1,996	12,109	17,575	51,250	51,250	51,250
Other financing sources	160,000	2,248,564	-	-	-	-
Total resources except taxes levied:	170,444	2,280,717	37,075	253,625	253,625	253,625
Taxes necessary to balance	-		1,037,000	1,310,625	1,310,625	1,310,625
Taxes collected in year levied	178,231	586,828	-	-	-	-
Total resources:	<u>\$ 348,676</u>	<u>\$2,867,545</u>	<u>\$1,074,075</u>	<u>\$1,564,250</u>	<u>\$1,564,250</u>	<u>\$1,564,250</u>
	2019-2021	2021-2023	2023-2025	2025-2027	2025-2027	2025-2027
	Actual	Actual	Adopted	Proposed	Approved	Adopted
Requirements:						
Materials & Services						
Other materials & services	\$ 160,000	\$ -	\$ 215,000	\$ 215,000	\$ 215,000	\$ 215,000
Capital Outlay						
Infrastructure	-	2,248,564	-	-	-	-
Debt service						
Debt principal	140,697	568,642	319,450	1,024,325	1,024,325	1,024,325
Debt interest	39,388	36,246	358,400	303,525	303,525	303,525
Debt service total:	180,085	604,888	677,850	1,327,850	1,327,850	1,327,850
Reserved for future	-	-	181,225	21,400	21,400	21,400
Ending balance	8,591	14,093	-	-	-	-
Total requirements:	<u>\$ 348,676</u>	<u>\$2,867,545</u>	<u>\$1,074,075</u>	<u>\$1,564,250</u>	<u>\$1,564,250</u>	<u>\$1,564,250</u>

Town Center Urban Renewal

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

Estimated Resources:	\$ 1,073,425
Appropriated:	\$ 944,725
Reserved for Future:	\$ 128,700
Total Fund Requirements	\$ 1,073,425

Town Center Urban Renewal Fund

	2019-2021 Actual	2021-2023 Actual	2023-2025 Adopted	2025-2027 Proposed	2025-2027 Approved	2025-2027 Adopted
Resources:						
Net working capital	\$ 109,402	\$ 21,720	\$ 734,300	\$ 756,950	\$ 756,950	\$ 756,950
Taxes previously levied	13,960	13,780	15,650	10,800	10,800	10,800
Investment income	4,383	6,137	6,725	69,475	69,475	69,475
Other financing sources	-	628,000	-	-	-	-
Total resources except taxes levied:	127,745	669,637	756,675	837,225	837,225	837,225
Taxes necessary to balance	-	-	396,750	236,200	236,200	236,200
Taxes collected in year levied	380,212	359,077	-	-	-	-
Total resources:	\$ 507,957	\$ 1,028,714	\$ 1,153,425	\$ 1,073,425	\$ 1,073,425	\$ 1,073,425

	2019-2021 Actual	2021-2023 Actual	2023-2025 Adopted	2025-2027 Proposed	2025-2027 Approved	2025-2027 Adopted
Requirements:						
Materials & Services						
Professional service contracts	\$ -	\$ -	\$ -	\$ 628,000	\$ 628,000	\$ 628,000
Debt service						
Debt principal	448,839	277,952	289,275	259,950	259,950	259,950
Debt interest	37,398	16,462	107,200	56,775	56,775	56,775
Debt service total:	486,237	294,414	396,475	316,725	316,725	316,725
Reserved for future	-	-	756,950	128,700	128,700	128,700
Ending balance	21,720	734,300	-	-	-	-
Total requirements:	\$ 507,957	\$ 1,028,714	\$ 1,153,425	\$ 1,073,425	\$ 1,073,425	\$ 1,073,425

Spring Street Urban Renewal

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

Estimated Resources:	\$ 1,000,100
Appropriated:	\$ 974,800
Reserved for Future:	\$ 25,300
Total Fund Requirements:	\$ 1,000,100

Spring Street Urban Renewal Fund

	2019-2021	2021-2023	2023-2025	2025-2027	2025-2027	2025-2027
	Actual	Actual	Adopted	Proposed	Approved	Adopted
Resources:						
Net working capital	\$ 2,603	\$ 548,576	\$ 69,975	\$ 69,100	\$ 69,100	\$ 69,100
Taxes previously levied	888	3,085	3,400	5,150	5,150	5,150
Investment income	2,705	4,425	2,825	16,275	16,275	16,275
Other financing sources	1,389,000	-	485,000	550,000	550,000	550,000
Total resources except taxes levied:	1,395,196	556,086	561,200	640,525	640,525	640,525
Taxes necessary to balance	-	-	214,425	359,575	359,575	359,575
Taxes collected in year levied	49,188	125,010	-	-	-	-
Total resources:	\$ 1,444,383	\$ 681,096	\$ 775,625	\$ 1,000,100	\$ 1,000,100	\$ 1,000,100
	2019-2021	2021-2023	2023-2025	2025-2027	2025-2027	2025-2027
	Actual	Actual	Adopted	Proposed	Approved	Adopted
Requirements:						
Materials & Services						
Professional service contracts	\$ 854,782	\$ 6,653	\$ 485,000	\$ 550,000	\$ 550,000	\$ 550,000
Communications	50	157	-	-	-	-
Requirements total:	854,832	6,810	485,000	550,000	550,000	550,000
Debt service						
Debt principal	20,000	540,000	210,400	343,350	343,350	343,350
Debt interest	20,975	64,315	42,775	81,450	81,450	81,450
Debt service total:	40,975	604,315	253,175	424,800	424,800	424,800
Reserved for future	-	-	69,100	25,300	25,300	25,300
Ending balance	548,576	69,971	-	-	-	-
Total requirements:	\$ 1,444,383	\$ 681,096	\$ 807,275	\$ 1,000,100	\$ 1,000,100	\$ 1,000,100

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Resolutions, Public Notices, and Tax Certification

RESOLUTION NO. 25-10

**A RESOLUTION ADOPTING THE 2025-2027 BIENNIAL BUDGET
OF THE KLAMATH FALLS URBAN RENEWAL AGENCY,
MAKING APPROPRIATIONS AND DECLARING TAX INCREMENT**

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

WHEREAS, on May 15, 2025 the Agency's Budget Committee conducted a public hearing on the 2025-2027 biennial budget document, as proposed by the City Manager, and all interested persons were afforded an opportunity to appear and be heard with respect to the proposed budget;

WHEREAS, on May 15, 2025, the Agency's Budget Committee approved the 2025-2027 biennial budget document as presented, and recommended its adoption by the Klamath Falls City Council;

WHEREAS, a summary of the approved budget for the Klamath Falls Urban Renewal Agency was duly published in the Herald and News, a newspaper of general circulation in the City on June 9, 2025;

WHEREAS, on June 16, 2025, the Klamath Falls City Council conducted a public hearing on the 2025-2027 biennial budget document as approved by the Budget Committee, and all interested persons were again afforded an opportunity to appear and be heard with respect to the approved budget; and NOW THEREFORE,

THE CITY OF KLAMATH FALLS RESOLVES AS FOLLOWS:

Section 1. Budget Adoption

The City Council, acting as the Klamath Falls Urban Renewal Agency hereby adopts the 2025-2027 biennial budget, in the total amount of \$3,637,775. This budget is now on file in the City Recorder's Office at 500 Klamath Avenue in Klamath Falls, Oregon.

Section 2. Appropriations

The amounts shown below are hereby appropriated for the biennial budget period beginning July 1, 2025, for the following purposes:

LAKEFRONT URBAN RENEWAL FUND	
Lakefront Urban Renewal	\$ 215,000
Debt Service	<u>1,327,850</u>
Total Lakefront Urban Renewal Fund Appropriations	\$ 1,542,850

TOWN CENTER URBAN RENEWAL FUND

Town Center Urban Renewal Fund	\$	628,000
Debt Service		<u>316,725</u>
Total Town Center Urban Renewal Fund Appropriations	\$	944,725

SPRING STREET URBAN RENEWAL FUND

Spring Street Urban Renewal	\$	550,000
Debt Service		<u>424,800</u>
Total Spring Street Urban Renewal Fund Appropriations	\$	974,800

Total Appropriations, All Funds	\$	3,462,375
Total Unappropriated and Reserve Amounts, All Funds		<u>175,400</u>
TOTAL ADOPTED BUDGET	\$	3,637,775

Section 3. Declaration of Tax Increment

The City Council, acting as the Klamath Falls Urban Renewal Agency hereby resolves to certify to the County Assessor a request for the Lakefront Urban Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457 for tax years 2025-2026 and 2026-2027.

The City Council, acting as the Klamath Falls Urban Renewal Agency hereby resolves to certify to the County Assessor a request for the Town Center Urban Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457 for tax years 2025-2026.

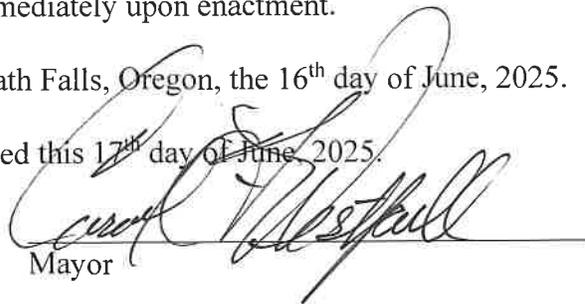
The City Council, acting as the Klamath Falls Urban Renewal Agency hereby resolves to certify to the County Assessor a request for the Spring Street Urban Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457 for tax years 2025-2026 and 2026-2027.

Section 4. Effective Date

This Resolution shall become effective immediately upon enactment.

Passed by the Council of the City of Klamath Falls, Oregon, the 16th day of June, 2025.

Presented to the Mayor, approved and signed this 17th day of June, 2025.



Mayor

ATTEST:


 City Recorder

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

I, _____, City Recorder for the City of Klamath Falls, Oregon, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Council of the City of Klamath Falls, Oregon, at the meeting held on the 16th day of June, 2025, and thereafter approved and signed by the Mayor and attested by the City Recorder.

City Recorder

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

I, Juan Salazar, Manager, being duly sworn, depose and say that I am the principle clerk of the publisher of the Herald and News a newspaper in general circulation, as defined by Chapter 193 ORS, printed and published at 2701 Foothills Blvd, Klamath Falls, OR 97601 in the aforesaid county and state: that I know from my personal knowledge that the Legal # 25206 Urban Renewal Budget Meeting 5/15/ a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for: 1

Insertion(s) in the following issues: 05/07/25

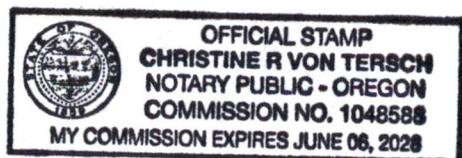
Total Cost: \$153.58

Juan Salazar

Subscribed and sworn by Juan Salazar before me on: On
18th day of May, in the year of 2025

[Signature]

Notary Public of Oregon
My commission expires June 6, 2028



NOTICE FOR BUDGET COMMITTEE MEETING KLAMATH FALLS URBAN RENEWAL AGENCY

A public meeting of the Budget Committee of the Klamath Falls Urban Renewal Agency, Klamath County, State of Oregon, to discuss the Biennial Budget for the fiscal years July 1, 2025 to June 30, 2027 will be held in the City Council Chambers at 500 Klamath Avenue, Klamath Falls, Oregon. Public access to the meeting will also be made available via a Zoom Meeting Link as requested and with a Livestream of the meeting on YouTube also occurring. The meeting will take place on May 15, 2025 beginning at 9:00 a.m. until completed. The purpose of the meeting is to receive the Budget Message and to receive comment from the public on the proposed Budget. A copy of the Budget document may be inspected or obtained on or after May 8, 2025 at the City Administration Office, 500 Klamath Avenue, Klamath Falls, Oregon, between the hours of 8:00 to 5:00 p.m. This is a public meeting where deliberation of the Budget Committee will take place. Discussion will be held on State Revenue Sharing regarding possible use of funds. This Notice will also be posted on the City's website at www.klamathfalls.city beginning May 5, 2025.

Any person may appear at the meeting or join on-line and discuss the proposed programs with the Budget Committee. Disabled persons or persons desiring to attend via the Zoom Meeting Link may call the City Recorder's office at 541-883-5325 or email the City Recorder at cityrecorder@klamathfalls.city by 1:00pm on May 14th for necessary arrangements. Hearing Impaired persons desiring information may call the City's TDD line at 541-883-5324.

Nickole Barrington
City Recorder
#25206 May 7, 2025



NOTICE FOR BUDGET COMMITTEE MEETING
KLAMATH FALLS URBAN RENEWAL AGENCY

A public meeting of the Budget Committee of the Klamath Falls Urban Renewal Agency, Klamath County, State of Oregon, to discuss the Biennial Budget for the fiscal years July 1, 2025 to June 30, 2027 will be held in the City Council Chambers at 500 Klamath Avenue, Klamath Falls, Oregon. Public access to the meeting will also be made available via a Zoom Meeting Link as requested and with a Livestream of the meeting on YouTube also occurring. The meeting will take place on May 15, 2025 beginning at 9:00 a.m. until completed. The purpose of the meeting is to receive the Budget Message and to receive comment from the public on the proposed Budget. A copy of the Budget document may be inspected or obtained on or after May 8, 2025 at the City Administration Office, 500 Klamath Avenue, Klamath Falls, Oregon, between the hours of 8:00 to 5:00 p.m. This is a public meeting where deliberation of the Budget Committee will take place. Discussion will be held on State Revenue Sharing regarding possible use of funds. This Notice will also be posted on the City's website at www.klamathfalls.city beginning May 5, 2025.

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Nickole Barrington
City Recorder

Newspaper PUBLISH Date: May 7, 2025

FORM UR-1

NOTICE OF BUDGET HEARING

A public meeting of the City Council of the City of Klamath Falls, Oregon will be held on June 16, 2025 at 7:00 pm in the Council Chambers of the City Hall Administration Building, 500 Klamath Avenue, Klamath Falls, Oregon. The purpose of this meeting is to discuss the budget for the biennium fiscal years beginning July 1, 2025 as approved by the City of Klamath Falls Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the office of the City Recorder in City Hall Administration, between the hours of 7:30 a.m. and 5:30 p.m. Monday - Thursday or 7:30 a.m. to 11:30 a.m. on Friday or online at <https://www.klamathfalls.city/191/Finance>. This budget is for a biennial budget period. This budget was prepared on a basis of accounting that is the same as the preceding year. Disabled persons desiring to attend may call 541-883-5316 for necessary arrangements. Hearing impaired persons desiring information may call the City's TDD/TTY line at 541-883-5324.

Contact: Nickole Barrington, City Recorder

Telephone: 541-883-5325

Email: nbarrington@klamathfalls.city

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount	Adopted Budget	Approved Budget
	2021-2023	This Biennium 2023-2025	Next Biennium 2025-2027
Beginning Fund Balance/Net Working Capital	578,887	818,375	1,007,275
Federal, State and All Other Grants	0	0	0
Revenue from Bonds and Other Debt	2,876,564	485,000	550,000
Interfund Transfers	0	0	0
All Other Resources Except Division of Tax & Special Levy	22,671	27,125	137,000
Revenue from Division of Tax	1,099,233	1,704,275	1,943,500
Total Resources	4,577,355	3,034,775	3,637,775

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	0	0	0
Materials and Services	6,810	700,000	1,393,000
Capital Outlay	2,248,564	0	0
Debt Service	1,503,617	1,327,500	2,069,375
Interfund Transfers	0	0	0
Contingencies	0	0	0
All Other Expenditures and Requirements	0	0	0
Unappropriated Ending Balance and Reserved for Future Expenditure	818,364	1,007,275	175,400
Total Requirements	4,577,355	3,034,775	3,637,775

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

Name of Organizational Unit or Program			
FTE for that unit or program			
Lakefront Urban Renewal	2,248,564	215,000	215,000
FTE	0	0	0
Town Center Urban Renewal	0	0	628,000
FTE	0	0	0
Spring Street Urban Renewal	6,810	516,650	550,000
FTE	0	0	0
Not Allocated to Organizational Unit or Program	2,321,981	2,303,125	2,244,775
FTE	0	0	0
Total Requirements	4,577,355	3,034,775	3,637,775
Total FTE	0	0	0

STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING

The \$215,000 for Lakefront Urban Renewal includes \$140,000 for a system development charge grant for new development and \$75,000 for a lakeshore improvements study. The \$628,000 for Town Center Urban Renewal is for project milestone 3 of the development agreement which is to make improvements on the old Sherm's site. The \$550,000 for Spring Street Urban Renewal is for system development charges for the Main and Esplanade project, which will be funded through an inter-fund loan.

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding	Estimated Debt Authorized, But
	July 1	Not Incurred on July 1
General Obligation Bonds	\$0	\$0
Other Bonds	\$0	\$0
Other Borrowings	\$2,973,871	\$0
Total	\$2,973,871	\$0

#25285 June 4, 2025

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

I, Marna Batsell, Account Executive, being duly sworn, depose and say that I am the principle clerk of the publisher of the Herald and News a newspaper in general circulation, as defined by Chapter 193 ORS, printed and published at 2701 Foothills Blvd, Klamath Falls, OR 97601 in the aforesaid county and state: that I know from my personal knowledge that the

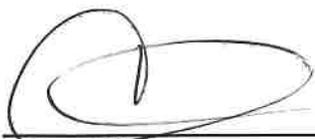
Legal # 25285 UR-1 Budget Hearing 6/16/25
a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for: 1

Insertion(s) in the following issues: 06/07/25

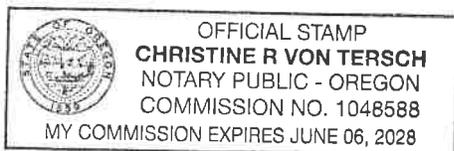
Total Cost: \$472.25



Subscribed and sworn by Marna Batsell before me on: On
11th day of June, in the year of 2025



Notary Public of Oregon
My commission expires June 6, 2028



FORM OR-UR-50

NOTICE TO ASSESSOR

2025-2026

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

Check here if this is an amended form.

Notification

Klamath Falls Urban Renewal Agency authorizes its 2025-2026 ad valorem tax increment amounts
(Agency Name)

by plan area for the tax roll of Klamath County
(County Name)

Jessica Lindsay 541-553-5354 07/10/2025
(Contact Person) (Telephone Number) (Date Submitted)

PO Box 237, Klamath Falls, OR 97601 jlindsay@klamathfalls.city
(Agency's Mailing Address) (Contact Person's E-mail Address)

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

Part 1: Option One Plans (Reduced Rate). [ORS 457.435(2)(a)]

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

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

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

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

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

Part 4: Other Reduced Rate Plans. [ORS 457.445(6)]

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

Part 5: Permanent Rate Plans. [ORS 445(7)]

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

Notice to Assessor of Permanent Increase in Frozen Value. Beginning tax year 2025-26, permanently increase frozen value to:

Plan Area Name	New frozen value \$

* **All Plans except Option Three:** Enter amount of Increment Value to Use that is less than 100% Or check "Yes" to receive 100% of division of tax. Do NOT enter an amount of Increment Value to Use AND check "Yes".

** If an **Option One plan** enters a Special Levy Amount, you MUST check "Yes" and NOT enter an amount of Increment to Use.

*** **Option Three plans** enter EITHER an amount of Increment Value to Use to raise less than the amount of division of tax stated in the 1998 ordinance under ORS 457.435(2)(c) OR the Amount from Division of Tax stated in the ordinance, NOT both.

**** If an **Option Three plan** requests both an amount of Increment Value to Use that will raise less than the amount of division of tax stated in the 1998 ordinance and a Special Levy Amount, the Special Levy Amount cannot exceed the amount available when the amount from division of tax stated in the ordinance is subtracted from the plan's Maximum Authority.