

Burns Urban Renewal Agency

Agenda

October 21, 2026, 6:00 p.m.

Zoom Meeting ID: 902 014 3459

Members: Jen Hoke, Susan Lowe, Shane Brockmann, Bryan Garo, Chase Patterson, Andrew Roy, Tod Gahley

1. Call to Order and Roll Call

2. Agenda Approval or Added Items

3. Approval of Prior Meeting Minutes — September 30, 2026

4. Public Comment

5. Approval of FY2024–2025 Annual Financial Report (Action)

Board review and approval of the FY2024–2025 Annual Financial Report prepared under ORS 457.460. Report documents \$98,511.02 in FY25 revenues, \$44,693.42 in expenditures, and ending net working capital of \$103,531.27 at June 30, 2025.

Reference: Burns URA FY2024–2025 Annual Financial Report

6. Briefing: Urban Renewal Program Recap and Baseline (Information)

Recap of the Burns URA from inception through the FY25 close and FY26 interim, review of major goals and performance against those goals, the FY26–27 adopted budget, and a plain-language summary of the Plan and Report as governing documents. Intended to establish a shared baseline for new and returning Board members before the boundary-amendment discussion.

Reference: Memorandum 1 — URA Program Recap and Baseline

7. Discussion: Proposed Boundary Amendment and TIF Recapture for West B Street and IE Zone (Discussion)

Rationale for expanding the URA boundary to incorporate the West B Street and IE Zone subdivisions. The primary objective is to grow URA tax increment so the Agency can partially reimburse the City's Business Oregon SPWF (\$550,000) debt service and thereby reduce the burden that the SPWF, Water SDWRLF, and Sewer DEQ CWSRF loans place on the City's water and sewer utility ratepayers. Includes IE Zone financial picture, the City's full debt-service ramp as modeled in the Attachment N pro forma provided to Business Oregon for the SPWF loan, and the proposed intergovernmental-agreement framework between the URA Board and the City of Burns.

Reference: Memorandum 2 — Boundary Amendment Rationale and TIF Recapture

8. Discussion: Implementation Mechanics for Boundary Amendment (Discussion / Possible Direction)

Step-by-step process for adopting the boundary amendment as a Substantial Amendment under ORS 457.085(2)(i), including required findings, Planning Commission review, County consultation, notice and hearing procedures, City Council ordinance, and updated Certified Statement to the County Assessor. Fall 2026 kickoff timeline and decision points.

Reference: Memorandum 3 — Implementation Mechanics

9. Discussion: OHCS MIRL Mechanics (Information)

Overview of the Oregon Housing and Community Services Moderate-Income Revolving Loan (MIRL) program as a pass-through capital source that can cash-flow URA Incentive Program SDC and rebate obligations without drawing on URA fund balance, using TIF-backed repayment authorized by HB 4037 (2026).

Reference: Memorandum 4 — OHCS MIRL as Pass-Through Capital Stack

10. Board Direction (Action)

Possible motion to direct staff and consultants to:

- Prepare the formal Substantial Amendment package (updated Plan, updated Report, fiscal impact statement)
- Initiate Planning Commission referral and Harney County consultation
- Draft the intergovernmental-agreement framework with the City of Burns
- Coordinate the amendment sequencing with the Attachment N pro forma provided to Business Oregon so the boundary-effective date precedes any post-platting reassessment of the added parcels
- Return to the Board with the formal amendment package for adoption recommendation

11. Payable Invoices

- Tharp
- Stitch and Print
- McConnell

12. Application Review (Pending and Approved)

- McConnell (Lot 18 of Miller Springs)
- R3 (Lot 17 of Miller Springs – SDCs only for 2x homes)

13. Staff and Consultant Updates

14. Board Member Comments

15. Adjournment

BURNS URBAN RENEWAL AGENCY (URA)

September 30, 2026

The Burns Urban Renewal Agency met on September 30, 2026, at 6:00 p.m. Members present were as follows:

Chairperson: Bryan Garo
Members: Susan Lowe
Jen Hoke
Shane Brockmann - Excused
Chase Patterson
Andrew Roy
Tod Gahley

Also in attendance were City Manager Brenda Engebretson, City Clerk Tiffany Leffler, and Via Zoom consultant Nick Green.

Jen Hoke called the meeting to order at 6:00 p.m.

SUMMARY

The Burns Urban Renewal Agency meeting focused on discussing a proposed boundary expansion to include the B Street area and addressing concerns about the URA's financial practices and decision-making process. Public commenters raised significant concerns about transparency, financial accountability, and the potential \$500,000 debt burden that would shift from the developer to city taxpayers through increased water and sewer rates. Some City Council members expressed frustration with the lack of public input over the past year and discussed the challenges of moving forward with the B Street extension project. Nick Green gave an overview of where the current URA boundary was and what the amendment was proposing. The council ultimately voted to table all decisions regarding the URA expansion until a working group could be formed to conduct further research and public engagement, with regular monthly meetings scheduled to continue discussions.

APPOINT A URA BOARD CHAIR

Jen Hoke recommended Bryan Garo for the URA Board Chair.

Andrew Roy said he was ok with that and believed Bryan Garo would be on the URA Board for some time.

Tod Gahley asked if Bryan Garo was ok with that.

Bryan Garo Said he would gladly accept the nomination.

Tod Gahley made a motion to nominate Bryan Garo the URA Board Chair. Chase Patterson seconded the motion. Susan Lowe, Shane Brockmann, Jen Hoke, Chase Patterson, Andrew Roy and Tod Gahley voted in favor of the motion. Bryan Garo recused himself. (6/0)

PUBLIC COMMENT

Public Comments were given by Patty Hodge (211 North Broadway, Burns), Hilda Allison (204 East Hanley, Hines), Brandy Branstetter (1000 Oregon Ave., Burns), Bill Hart (508 Tennyson, Hines), Kim Rollins (831 Riverside Drive, Burns).

REVIEW AND APPROVE MINUTES

Regular Meeting Minutes for February 11, 2026 -

Jen Hoke made a motion to approve the minutes from February 11, 2026. Tod Gahley seconded the motion. All Ayes. (6/o)

AGENDA ITEMS WITH ACTION TAKEN

- **Approval of FY2024-2025 Annual Financial Report –**

Susan Lowe made a motion to direct staff to present the board with a copy of the transactions (money going in and out), and the statements of those to review at the next URA meeting. Andrew Roy seconded the motion. All Ayes. (6/o)

The board further discussed the URA boundary amendment with many of them voicing their concerns with moving forward before fully having all the information they would need to properly vote on the agenda items.

Tod Gahley voiced his concern over agenda items that needed immediate action due to contractual liabilities and his worry about the consequences that may come from tabling them any further.

Susan Lowe made a motion to table any decisions regarding the URA until further information and research can be conducted. She said her reasoning was that if the URA will be used as a borrowing instrument, they need oversight, knowledge, and accountability as how this will work, if at all. She recommended a working group consisting of the City Council, Mayor, City Manager, and residents, that could go through all the findings before they make a major decision that they can't get out of or can be held legally responsible for in the future. She said she believed that this would also add to the city's movement towards transparency with its citizens. Andrew Roy seconded the motion. Susan Lowe, Jen Hoke, Bryan Garo, Chase Patterson, and Andrew Roy were in favor of the motion. Tod Gahley was opposed. **Motion carried (5/1).**

There was no further discussion.

The next meeting will be October 21, 2026.

ADJOURN

Chairperson Bryan Garo adjourned the meeting at 7:49 p.m.

Tiffany Leffler, City Clerk

Bryan Garo, URA Board Chair

As required by Oregon Revised Statute 457.460, the Burns Urban Renewal Agency board of directors submits the enclosed financial report on the City of Burns Urban Renewal Plan Area.

This statement has been prepared and is on file with the City of Burns and the Burns Urban Renewal Agency. An agency representative is available to consult with affected taxing districts and respond to questions. The information contained in the statement is available to all interested persons by contacting the City of Burns, 242 S Broadway, Burns, Oregon 97720, Tel. 541-573-5255 or email cityofburns@cityofburnsor.gov.

URBAN RENEWAL AGENCY FY2025 ANNUAL FINANCIAL REPORT

MONEYS RECEIVED IN THE 2024-2025 TAX YEAR

The Burns Urban Renewal Agency (URA) reported \$98,261.02 in taxes received during the 2024-2025 fiscal year, along with \$250.00 in Application Fees, for total revenues of \$98,511.02. The URA has no loan or grant proceeds to report and no separately-booked interest income for the fiscal year. Net working capital at the start of the fiscal year (July 1, 2024) was \$49,713.67.

USE OF RESOURCES FROM THE 2024-2025 TAX YEAR

One property owner received an incentive payment during the 2024-2025 tax year. The URA paid \$25,981.92 in rebate payments and \$0 in system development charges (SDCs) during the fiscal year. The URA incurred \$5,359.50 in other materials and services costs (audit fees \$3,000.00, advertising \$672.00, and other professional services \$1,687.50) and transferred \$13,352.00 to the City General Fund for administrative support, for total expenditures of \$44,693.42. Ending net working capital at June 30, 2025, was \$103,531.27.

ESTIMATED REVENUES & EXPENDITURES FOR THE 2025-2026 TAX YEAR

The county assessor estimates 2025-2026 tax increment receipts for the URA to be \$83,744.50. The reduction from the prior year reflects a qualifying property-tax exemption applied to a newly improved parcel within the plan area.

MAXIMUM INDEBTEDNESS AND INDEBTEDNESS INCURRED

Maximum Indebtedness is the total amount of money available from the division of taxes under ORS 457.420 to 457.460 for programs and administration throughout the life of the Plan. Maximum Indebtedness is a term used to authorize the use of urban renewal tax increments and is required in every urban renewal plan. The maximum amount of indebtedness that may be issued or incurred under the Plan, based on good-faith estimates of the scope and costs of the Plan's programs and the schedule for their completion, is \$30,300,000. This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

The URA has not issued any bonds or incurred any long-term debt under the Plan. The URA operates on a pay-as-you-go basis using annual tax increment receipts.

IMPACT ON OTHER TAXING DISTRICTS

Taxes imposed in FY25 totaled \$110,957.17, or approximately 1% of the county's total taxes imposed. Taxes imposed for FY26 are \$83,744.50. Impacts on each tax jurisdiction are summarized in the table below.

Tax Jurisdiction	FY25 Impact	FY26 Impact	Gain (Loss) from prior year
Harney County	\$28,962.77	\$21,860.08	(\$7,102.69)
City of Burns	\$29,848.04	\$22,523.01	(\$7,325.03)
High Desert Parks and Rec	\$2,655.75	\$2,005.36	(\$650.39)
Health District	\$12,426.93	\$9,380.45	(\$3,046.48)
Harney ESD	\$5,762.49	\$4,342.18	(\$1,420.31)
School District 3*	\$31,301.19	\$23,633.42	(\$7,667.77)
Total All Districts (= URA Proceeds)	\$110,957.17	\$83,744.50	(\$27,212.67)

*Tax impacts reported, but URA does not affect school districts' budgets since the state school formula offsets the tax impacts with additional state-shared revenues

MEMORANDUM

TO: Burns Urban Renewal Agency Board of Directors
FROM: Nick Green, President, Catalyst Public Policy Advisors, LLC
RE: URA Program Recap and Baseline — Reconciliation to FY2024–2025 Annual Financial Report
DATE: August 11, 2026

Purpose of this Memorandum

This memorandum establishes a shared baseline for the Board's approval of the FY2024–2025 Annual Financial Report (Agenda Item 4) and its discussion of the proposed boundary amendment (Agenda Item 6) and implementation mechanics (Agenda Item 7). It covers:

1. How the URA came to be and where it stands today
2. The major goals it was established to achieve
3. Performance against those goals through FY26
4. A plain-language summary of the Plan and Report as governing documents

1. Inception and Current Status

Establishment

The Burns Urban Renewal Agency was established by the City of Burns in **2021** under the authority of **Oregon Revised Statutes (ORS) Chapter 457**. The Burns Urban Renewal Plan was adopted by the City Council by ordinance, with technical support from Elaine Howard Consulting and Tiberius Solutions. The Agency is the legal entity that administers the Plan; the Plan is the legal instrument that authorizes the Agency to operate and to use tax increment financing (TIF).

The URA's geographic boundary covers **481.35 acres**, consisting of 389.55 acres of tax lots plus 91.8 acres of public rights-of-way. At adoption, this represented **21.12% of total city acreage** and a **frozen base assessed value of \$26,858,960** — equal to 17.40% of the City's total assessed value at the time and well below the 25% statutory ceiling in ORS 457.420. Following Assessor reconciliation and Option 3 adjustments, the **operative frozen base is now \$24,475,476**, and this is the value against which excess value and TIF are calculated each year.

The Plan authorizes the Agency to incur a **maximum indebtedness (MI) of \$30,300,000** over the life of the Plan, anticipated to run approximately 30 years, with the final year of TIF collection projected at **FY2052**.

Where things stand today (reconciled with FY2024–2025 Annual Financial Report)

The figures below reconcile directly to the FY2024–2025 Annual Financial Report before the Board for approval under Agenda Item 4.

Metric	FY24 (audited)	FY25 (per Financial Report)	FY26 (imposed / unaudited)	FY27 (adopted budget)
URA taxes imposed	\$59,189	\$110,957.17	\$83,744.50	—
URA taxes received (net)	\$50,761	\$98,261.02	\$75,205.72	\$100,000 (budgeted)
Application fees received	\$500	\$250.00	\$500.00	\$1,500 (budgeted)
Total revenues (excl. NWC)	\$51,261	\$98,511.02	\$75,705.72	\$101,500
Rebate payments	\$9,986	\$25,981.92	\$1,250 (Dobsons final, disbursed FY26)	\$90,410 (budgeted)
SDC payments	\$2,600	\$0	\$0	\$112,242 (budgeted)
Other M&S	\$7,205	\$5,359.50	\$11,314.91	\$43,080 (budgeted)
Transfer to General Fund (Admin)	—	\$13,352.00	\$15,622.00	\$5,768
Total expenditures	\$19,791	\$44,693.42	\$28,186.91	\$251,500
Beginning net working capital (7/1)	\$18,243	\$49,713.67	\$103,531.27	\$150,000 (adopted)
Ending net working capital (6/30)	\$49,714	\$103,531.27	\$151,050.08 (interim)	—
Plan Area Current AV	\$28,031,427	\$31,101,094	\$29,460,313	—
Plan Area Frozen Base	\$24,475,476	\$24,475,476	\$24,475,476	\$24,475,476
Plan Area Excess Value (Increment AV)	\$3,555,951	\$6,625,618	\$4,984,837	—

Every FY25 line item in the table above ties to the Annual Financial Report on the agenda. Board members can cross-check by comparing Column 3 of this table against the "Moneys Received" and "Use of Resources" sections of that Report.

Reading the FY25 close-out

FY25 was the URA's first full year of **material tax receipts** — \$98,261.02 collected against \$110,957.17 imposed per the certified Sal4e. The step-change reflected on the certified roll: Excess Value rose from **\$3.56M in FY24 to \$6.63M in FY25 (+86.4%)**, driven principally by new construction captured on the 2024–25 tax roll — most notably the newly improved parcel at 310 N Birch (Denson, account 502), which came onto the certified roll at \$2,611,070 AV (up from \$819,080), adding ~\$1.79M of AV and \$1,734.53 to the URA's certified levy on that account alone. That parcel was later written off after the Kids' Club nonprofit exemption was filed 12/26/2024, which is what the Financial Report's FY26 note describes as "a qualifying property-tax exemption applied to a newly improved parcel."

Total revenues grew 92% year-over-year (\$51,261 → \$98,511), and ending net working capital more than doubled (\$49,714 → \$103,531).

On the expenditure side, FY25 saw the URA's **first significant rebate cycle** — \$25,981.92 in rebate payments to a single property owner — while SDC payments remained at \$0. Materials & services costs stayed disciplined at \$5,360, and the standard \$13,352 admin transfer to the City General Fund was made.

One timing note the Board should carry into approval: the Dobsons' final payout of \$1,250 was Board-approved on May 27, 2025, but disbursed after the June 30 fiscal cutoff, so it appears in FY26 actuals rather than FY25. The Annual Financial Report reflects this correctly.

The three-year AV trajectory and the FY26 contraction

The three years of Sal4e data now available tell a clear story of a thin, concentrated increment. The trajectory is best read alongside the 310 N Birch (account 502) exemption event described above, which distorts the Sal4e-to-Sal4e comparison:

- **FY24 (Tax Year 2023-24):** Current AV \$28,031,427; Excess Value \$3,555,951; imposed **\$59,189.10**
- **FY25 (Tax Year 2024-25):** Current AV \$31,101,094 (+11.0%); Excess Value \$6,625,618 (+86.4%); imposed **\$110,957.17** as certified; ~\$109,223 adjusted for the 502 late-filed exemption write-off of the Kids' Club
- **FY26 (Tax Year 2025-26):** Current AV \$29,460,313 (–5.3%); Excess Value \$4,984,837 (–24.8%); imposed **\$83,744.50** — this is the figure the Financial Report shows as the estimate for FY25–26

The FY26–27 adopted budget projects \$100,000 in property taxes reflecting other parcels like Miller Springs that are expected to come onto the increment and collections against prior-year receivables.

FY26–27 adopted budget

The City Council adopted a \$251,500 URA budget for FY26–27 in June 2026. Its composition is shown in the table below:

Line item	Adopted FY26-27	Notes
Net Working Capital (opening)	\$150,000	Reflects estimated FY26 close; conservative vs. interim \$151,050
Property Taxes	\$100,000	Assumes rebound above FY26 imposed of \$83,744
Application Fees	\$1,500	Reflects modest pipeline (Kness, Coppedge, prospects)
Loan/Grant Proceeds	\$0	No external financing anticipated
Total Revenues	\$251,500	
Audit Fees	\$23,380	Reflects transition to full external audit as fund balance grows
Legal Fees	\$11,100	Boundary amendment / TIF recapture ordinance work
Other Professional Services	\$5,000	Catalyst planning support
General Insurance	\$2,100	New line — fund-scale liability coverage
Advertising	\$1,000	Public notice for amendment proceedings
Computer / IT	\$500	
SDC Payments	\$112,242	Partial IE Zone SDC reimbursement (down from \$700K carried FY25-26)
Rebate Payments	\$90,410	Reflects pipeline of approved and anticipated rebates
Transfer to General Fund (Admin)	\$5,768	Reduced from FY26's \$15,622
Total Expenditures	\$251,500	Balanced budget

The budget signals three things to the Board:

5. **The City is planning to actually deploy SDC reimbursement funds in FY27** — \$112,242 against the IE Zone infrastructure, a first meaningful draw on URA reserves for capital projects
6. **Professional services spending is scaling up** (\$23,380 audit + \$11,100 legal = \$34,480 combined, up from FY25's \$4,687), consistent with the boundary-amendment workload and growing scrutiny that comes with a larger fund balance
7. **The URA is now operating at a scale where a full external audit is warranted**, which strengthens the Agency's credibility with potential loan issuers and OHCS partners (Memo 4)

The Agency is transitioning from **early ramp to active deployment** — the administrative scaffolding is in place, the fund balance is meaningful, and FY27 is positioned to be the first year of substantive project execution.

The Agency has approved an **Incentive Application Packet and Standard Operating Procedures** governing how property owners and developers may apply for URA assistance, and a long-range planning roadmap (Catalyst Memo, October 21, 2025) was provided to the Board.

2. Major Goals of the Plan

Section IV of the Urban Renewal Plan establishes three goal categories. These are the legal authorization for everything the Agency does — every URA expenditure must serve one of these three goals.

Goal A — Redevelopment / Development

Improve retail storefront aesthetics with a pedestrian emphasis to attract the public to the downtown area. Promote the continued growth and vitality of current businesses and attract new businesses.

Authorized objectives:

- Install coordinated street furniture, pedestrian-scale lighting, walking surfaces, and landscaping in pedestrian-active areas
- Establish a Façade Grant/Loan Program
- Facilitate development through Agency assistance
- Provide for acquisition of properties in Blighted Areas

Goal B — Infrastructure

Provide necessary infrastructure improvements including water, sewer, streets, sidewalks, and parks, including a community center.

Authorized objectives:

- Provide city-funded infrastructure improvements
- **Assist in the financing of infrastructure improvements to be made by a developer/builder/property owner**
- Assist in the provision of infrastructure improvements by providing other incentives to a developer/builder/property owner
- Work with the community on a shared funding package for the development of a Community Center

Goal C — Housing Development / Redevelopment

Increase the supply of all housing types in the Area.

Authorized objectives:

- Provide financial incentives for the development/rehabilitation of housing
- Provide infrastructure improvements to support the development of housing
- Pay the system development charges (SDCs) for new home development

Why this matters for Agenda Item 6: Goal B objectives 1 and 2 expressly authorize the URA to fund city-led infrastructure and to assist in financing private infrastructure. Goal C objectives 2 and 3 expressly authorize URA support for housing infrastructure and SDC offsets. The IE Zone and West B Street infrastructure projects sit directly within these existing Plan goals — no new goal authorization is required, only a boundary amendment.

3. Performance Against Goals

The URA is in Year ~5 of an anticipated 30-year Plan. Performance to date should be read as early-ramp execution rather than full-Plan delivery. Major actions and indicators by goal:

Goal A — Redevelopment / Development

- **Incentive Application Packet and SOPs** adopted, creating the administrative infrastructure for façade and development assistance programs
- **Property acquisition framework** in place under Plan Section VIII
- **Façade Grant/Loan Program** is established structurally; deployment is limited by current fund balance

Goal B — Infrastructure

- **Plan Section VI project list** identifies eligible infrastructure projects
- The **IE Zone** and **West B Street** infrastructure projects represent the most significant in-progress applications of the Infrastructure goal — and are the subject of Agenda Item 6
- City-led capital projects within the URA boundary have proceeded; the water and sewer infrastructure investments financed through Business Oregon loans (SPWF, Water SDWRLF, Sewer DEQ CWSRF) are the immediate driver for the proposed boundary amendment

Goal C — Housing Development / Redevelopment

- **SDC offset authority** established under the Plan
- **Long-range planning roadmap** (Catalyst Memo, Oct 2025) identifies housing-supportive expansion strategies
- The proposed boundary amendment is itself a Housing goal action: the West B Street (77 lots, 3 owners) and IE Zone (24 lots, Harney County) subdivisions are explicitly housing-development sites

Fiscal performance (reconciled to the Financial Report)

- **Revenue ramp — the two-year picture:** \$51,261 in FY24 → **\$98,511 in FY25** (+92% YoY, matching the Financial Report) → \$75,706 YTD in FY26 (interim). FY25 was the first year of material receipts, driven by new construction coming onto the certified roll. The FY26 Sal4e imposed drop to \$83,744.50 primarily reflects the certified roll catching up to a late-filed nonprofit exemption (310 N Birch, account 502) that had already been written off in FY25 receipts; the FY26–27 adopted budget assumes a partial rebound to \$100,000

- **Debt-service posture (see Memo 2 for full detail):** The URA's role in the City's water and sewer financing stack is to help reduce ratepayer burden by covering a portion of the SPWF \$550,000 loan's annual debt service. The URA is not being asked to service the Water SDWRLF or Sewer CWSRF loans — those are recovered through utility rates. Even at the FY26 imposed level of \$83,744, existing URA receipts cover the projected SPWF annual debt service several times over
- **AV trend — three-year view now available:** Plan Area Current AV grew 11.0% from FY24 to FY25 (\$28.03M → \$31.10M as certified), then contracted 5.3% into FY26 (\$31.10M → \$29.46M) as the 310 N Birch exemption came onto the certified roll. Excess Value trajectory: \$3.56M (FY24) → \$6.63M (FY25 certified) → \$4.98M (FY26). Adjusting FY25 to remove the ~\$1.79M written-off 502 AV gives an adjusted FY25 Excess Value of ~\$4.84M — which reveals a much flatter underlying trajectory of ~\$3.56M → ~\$4.84M → ~\$4.98M. The apparent volatility is largely an artifact of one certification-vs-collection timing event; the underlying base is growing modestly, but is thin and concentrated
- **Cost discipline through FY25:** \$19,791 in FY24 and **\$44,693 in FY25** expenditures produced positive net position in both years, exactly as documented in the Financial Report. The FY26–27 adopted budget of \$251,500 signals a step-change in operating scale, principally through the first partial deployment of the SDC reimbursement line (\$112,242) and a full external audit posture (\$23,380)
- **Fund balance accretion:** \$18,243 (7/1/2023) → \$49,714 (6/30/2024) → **\$103,531 (6/30/2025, per Financial Report)** → \$151,050 (interim FY26). The fund has grown 8.3× in three fiscal years and is now large enough to support meaningful project execution
- **Headroom to statutory caps:** 86.90 acres of remaining acreage capacity under ORS 457.420; \$10.21M of remaining AV capacity; full \$30.3M of MI authority still available (no bonds or long-term debt issued to date)

Honest assessment

The URA's first ramp years built the administrative and legal scaffolding (Plan, Report, SOPs, Incentive Packet, frozen base certification) without overextending. FY25 was the inflection point: nearly \$100K of receipts, the first material rebate cycle, and a fund balance that doubled to \$103,531. The fund balance remains modest relative to community need: the proposed boundary amendment is not just a growth strategy, it is a **base-diversification and resilience strategy** — and, as developed in Memo 2, the mechanism through which the URA can begin offsetting a portion of the City's Business Oregon utility debt service and thereby ease the burden on Burns' water and sewer ratepayers.

4. Governing Documents — Plan and Report

The URA is governed by two documents adopted by the City Council in 2021:

The Urban Renewal Plan (33 pages)

The **Plan** is the legal authorization. It is the document Council adopted by ordinance and that establishes what the Agency may do. The Plan contains:

Section	What it does
I. Definitions	Defines key terms (Agency, Area, Frozen Base, Increment, TIF, Maximum Indebtedness)
II. Introduction	Plan overview, statutory references (ORS 457.085), urban renewal context
III. Maximum Indebtedness	\$30,300,000 — the lifetime debt ceiling for the Plan
IV. Plan Goals	The three goals: Redevelopment, Infrastructure, Housing (see Section 2 above)
V. Project Categories	Categories of activities the Agency may undertake
VI. Urban Renewal Projects	Specific projects authorized under the Plan
VII. Amendments to Plan	Substantial vs. minor amendment procedures
VIII. Property Acquisition and Disposition	Authority and process for URA property transactions
IX. Relocation Methods	Required protections if anyone is displaced
X. Tax Increment Financing of Plan	How TIF is structured and used
XI. Validity	Severability and effective-date provisions
XII. Annual Financial Statement	Reporting obligations under ORS 457.460
XIII. Relationship to Local Objectives	How the Plan aligns with the City Comprehensive Plan
XIV. Legal Description	The exact boundary description

Plain-language summary: The Plan tells you (1) where the URA boundary is, (2) what the Agency is allowed to do inside it, (3) how much money it can borrow over its lifetime, and (4) how the Agency must report and amend its plan over time.

The Urban Renewal Report (51 pages)

The **Report** is the analytical justification accompanying the Plan, required under **ORS 457.087**. It contains the findings and analysis that support each Plan provision.

Plain-language summary: The Report is the "why" behind the Plan. It documents that the URA boundary contains qualifying blight, that the planned projects are reasonably costed and feasibly financed, and that overlapping taxing districts were informed of the fiscal impact.

The Annual Financial Report (Agenda Item 4)

The **Annual Financial Report** required by **ORS 457.460** is the third piece of the governing-documents picture. It is prepared each year and filed with the affected taxing districts and posted for public inspection. The Board's approval of the FY2024–2025 Annual Financial Report under Agenda Item 4 is what makes the FY25 numbers cited throughout this memo statutorily final. The report the Board is being asked to approve documents:

- **Moneys received in FY25:** \$98,261.02 in property taxes + \$250 application fees = \$98,511.02 total revenues
- **Use of resources in FY25:** \$25,981.92 rebates + \$5,359.50 M&S + \$13,352 admin transfer = \$44,693.42 total expenditures
- **Estimated FY26 tax increment:** \$83,744.50, with the note that the reduction from FY25 reflects "a qualifying property-tax exemption applied to a newly improved parcel" — this is the 310 N Birch (Denson / Kids' Club) parcel described earlier
- **Maximum indebtedness:** \$30,300,000 remains available; no bonds or long-term debt have been issued
- **Impact on other taxing districts:** \$110,957.17 in FY25 → \$83,744.50 in FY26, distributed across Harney County, City of Burns, High Desert Parks & Rec, Health District, Harney ESD, and School District 3 (the school-district impact is offset by the state school funding formula)

Every FY25 number in this Memo 1 matches the Financial Report before the Board. Where this memo goes further is by placing those numbers in the context of the three-year Sal4e trajectory and the FY26–27 adopted budget, so the Board sees the trend as well as the point-in-time snapshot.

How amendments work (Plan §VII)

The Plan distinguishes between **Minor Amendments** (small changes that do not require the full Substantial Amendment process) and **Substantial Amendments** (changes that exceed Plan-defined thresholds and require Planning Commission review, County consultation, public notice and hearing, and City Council adoption by ordinance).

The 1% threshold: The Plan defines amendments adding more than **1% of the original area (4.81 acres)** as Substantial. The proposed boundary expansion (45.20 ac) exceeds this threshold and will proceed as a Substantial Amendment. Implementation mechanics are covered in Memorandum 3.

5. What Board Members Should Take From This

Three points to carry into the rest of the agenda:

8. **The URA is functioning as designed**, in early ramp, with the administrative infrastructure built and revenue beginning to grow. The Board's job at this stage is to position the URA for the long ramp — every decision should be evaluated against the 26 remaining years of Plan life.
9. **The Plan goals already authorize the activity being proposed.** The infrastructure financing assistance contemplated for IE Zone and West B Street fits squarely within Goal B (Infrastructure) and Goal C (Housing). The proposed boundary amendment expands the geography of those goals — it does not change the goals themselves.
10. **The URA has substantial unused capacity, and FY25 confirms it can now begin deploying it.** The Plan authorized up to \$30.3M of indebtedness and 25% of city acreage; the Agency has not yet drawn meaningfully on either authority. With a \$103,531 fund

balance at 6/30/2025 (per the Financial Report before the Board) and a FY26–27 budget that starts drawing down the SDC reimbursement line, the URA is transitioning from balance-sheet accumulation to project execution. The boundary amendment uses roughly half of the remaining acreage headroom and, more importantly, **broadens the increment base so a single parcel exemption — like the 310 N Birch write-off — cannot again permanently remove a material share of the increment.** The decision before the Board is whether to begin deploying that latent capacity while diversifying the base against further concentration events and, as detailed in Memo 2, using a portion of the resulting growth to reduce the burden the City's water and sewer utility financing places on Burns ratepayers.

Source documents: Burns URA FY2024–2025 Annual Financial Report (Agenda Item 4); Burns Urban Renewal Plan (2021); Burns Urban Renewal Report (2021); Burns URA Financial Report 2022–2023 (Board-approved 12.13.2023); Burns URA FY24 Report to the Board; Fund 301 Dept 100 GL Tax Year Report — Adopted vs. Actual FY24-25, FY25-26 interim, and Proposed FY26-27 (City of Burns); City Council Adopted Budget FY2026-27 (June 24, 2026); FY23 Certified Frozen Base (Harney County Assessor); Sal4e URA Tax Report 2024 and 2025–26 (Harney County Assessor, Table 4e); 2024–25 and 2025–2026 Harney County Summary of Assessment and Tax Roll (Corey Hill, Assessor/Tax Collector); Catalyst Memo on Long-range URA Planning Roadmap (October 21, 2025); Catalyst Memo — Water Rate Study vs. Pro Forma and Sewer Rate Status (August 10, 2026, submitted to Jay Porter, Business Oregon); Burns Rate Study vs. Pro Forma Comparison workbook (08.10.2026); Burns URA Incentive Application Packet and SOPs.

MEMORANDUM

TO: Burns Urban Renewal Agency Board of Directors
FROM: Nick Green, President, Catalyst Public Policy Advisors, LLC
RE: Proposed Boundary Amendment and SPWF Ratepayer-Relief IGA — West B Street and IE Zone
DATE: August 11, 2026

1. The Bottom Line Up Front

The City of Burns has built — or is completing — the water, sewer, and street infrastructure that serves two new housing subdivisions and 30 acres of industrial land inside the city limits: **West B Street** and the **IE Zone**. The Business Oregon financing package that pays for that infrastructure is the **SPWF Loan** (\$550,000 at 5.10% / 30 years, split \$275,000 per utility). The full City picture is developed in the August 10, 2026 Catalyst memo to Jay Porter at Business Oregon and in the Attachment N pro forma workbook that accompanied it.

At \$550,000 / 5.10% / 30 years, it produces roughly **\$18,000 per year of debt service per utility fund** (\$18K to Water; \$18K to Sewer; \$36,000 combined) once payments begin in FY2027–28. That \$36,000 is a small piece of the City's overall project utility debt-service upon completion of its water and sewer system improvements, which are funded by grants alongside the new Safe Drinking Water Revolving Loan Fund (SDWRLF) loan and the Clean Water State Revolving Loan Fund (CWSRF). Combined, these loans will require utility rate increases for the Water Fund (from \$31.42 to \$56 per month) and Sewer Fund (from \$27.66 to \$43 per month) by FY2032.

The purpose of the boundary amendment is to grow URA tax increment so the Agency can reimburse the City for a portion — not necessarily all — of the SPWF debt service and thereby reduce the burden the City's Business Oregon financing places on Burns' water and sewer ratepayers. The URA is not being asked to guarantee the SPWF loan, to service the SDWRLF or CWSRF loans, or to cover the full \$200,966 annual City debt-service at the completion of these projects. It is being asked to grow into a position where a modest annual increment transfer to the City takes a meaningful bite out of the SPWF payment and eases pressure on the utility rates, which would otherwise have to cover the I/E Zone and West B Street improvements as well.

If the West B Street and IE Zone parcels remain **outside** the URA boundary, the new AV generated when houses go up flows to the general tax-collection pool — helping every overlapping district a little but doing nothing to reduce the specific ratepayer burden the City incurred to make the housing possible. **If the boundary is amended to include those parcels**

before the new improvements appear on the tax rolls, the new increment is captured by the URA and can be pledged, by intergovernmental agreement, to reimburse the City's SPWF debt service in whole or in part.

The Burns URA Plan §IV.B already authorizes the Agency to "**assist in the financing of infrastructure improvements**" — no new policy authority is needed. The amendment expands the geography to include the parcels generating the increment.

2. Why This Works — Statutory Basis

Authority	What it permits
ORS 457.190	Authorizes urban renewal agencies to expend funds on projects benefitting the urban renewal area
ORS 190.010	Authorizes any two units of local government to enter intergovernmental agreements for any function either may lawfully perform
ORS 457.420	Statutory caps on URA size (25% acreage / 25% AV) — both are satisfied with significant headroom
ORS 457.220	Cumulative amendment cap (20% of original area) — also satisfied with significant headroom
Plan §IV.B (Infrastructure)	Authorizes the Agency to fund city-led infrastructure and to assist developer/property-owner infrastructure financing
Plan §IV.C (Housing)	Authorizes infrastructure improvements supporting housing development and SDC offsets
Plan §VII	Substantial Amendment process

Practical implication: The structure proposed — URA increment pledged via IGA to reimburse a defined share of City debt service on infrastructure benefitting the URA — is legally clean, statutorily authorized, and aligned with the Plan as already adopted. The Substantial Amendment expands the boundary; it does not require changes to the Plan's goals, project categories, or maximum indebtedness.

3. The Subject Properties

West B Street Subdivision — 14.26 acres, 77 lots, in city limits

Owner	Acres	Lots	Modeled Lot Value
Panoramic Properties LLC	7.15	39	\$1,092,650
Harney School District 3	6.00	32	\$913,400
Alan Beck	1.10	6	\$167,350
Total	14.26	77	\$2,173,400

IE Zone Subdivision — 30.94 acres, 24 lots, in city limits

Owner	Acres	Lots	Modeled Lot Value
Harney County	30.94	24	\$1,031,100

Combined subject acreage: 45.20 ac, 101 lots, \$3,204,500 modeled land value.

Both subdivisions are confirmed within current Burns city limits, so no municipal annexation is required as a prerequisite to URA inclusion. This is a URA boundary amendment only; the City's UGB and city limits are unchanged by this action.

4. The City's Business Oregon Financing Stack — What Belongs on the URA Side vs. the Utility Side

The Attachment N pro forma provided to Jay Porter at Business Oregon on August 10, 2026, documents the full City financing picture for the water and sewer infrastructure serving the IE Zone and West B Street along with the planned water and sewer system improvements. The stack is:

Loan	Principal	Rate	Term	Annual DS (ramped)	Recovery source
SPWF	\$550,000	5.10%	30 yr	~\$36,000/yr (\$18,000 per utility)	Utility rates + URA reimbursement (proposed)
Water SDWRLF	\$3,015,864 (repayable \$1,442,898 after \$1,572,966 forgiveness)	1.00%	30 yr	~\$55,910/yr	Water rates only
Sewer DEQ CWSRF	\$1,766,000	4.55%	30 yr	~\$109,056/yr	Sewer rates only
Warrington closeout	\$738,288 total (\$369,144/fund)	—	—	Covered by \$275K SPWF + \$100K OTEC refund per fund = \$375K each; leaves ~\$5,856/fund	One-time, funded

Combined City debt service ramps from **\$0 in FY2026–27 → ~\$90,528 in FY2027–28 → ~\$173,011 in FY2028–29 → ~\$200,966/yr in FY2029–30 and beyond**. Utility rates step water from \$31.42 to \$56 and sewer from \$27.66 to \$43 across the same window; sewer standalone falls just below the 1.25%-of-MHI CDBG-MOD affordability benchmark (\$43.60/mo against 2020–2024 5-year ACS MHI of \$41,858) at the end of the modeled path.

Only the SPWF has a plausible URA nexus. The SDWRLF and CWSRF are utility loans, recovered through utility rates, subject to their respective loan agreements. The SPWF improvements, by contrast, can be annexed into the URA boundary so that this debt obligation

doesn't have to be recovered through the water and sewer rates. That is the ratepayer-relief mechanism, and it is the primary purpose of the boundary amendment.

5. Coverage Analysis — URA Increment vs. the SPWF Ask

The URA is not being asked to fully service the SPWF loan. It is being asked to grow into a position where a defined annual reimbursement to the City — sized to the URA's actual increment as it accrues — meaningfully reduces the SPWF's ratepayer footprint. Coverage below is presented against **annual SPWF debt service of ~\$36,000** (both funds combined) beginning in FY2027–28.

URA effective increment rate — calibrated to actual FY25–26 Sal4e

The Burns URA's actual effective division-of-tax rate against the Excess Value of the Plan Area is **\$17.25 per \$1,000** of Excess AV (Line 10 total of the FY25–26 Sal4e Table 4e, \$0.0172494), or **\$16.80 per \$1,000** net of FY25–26 compression and truncation losses. This is materially higher than the \$13.50/\$1,000 working assumption used in earlier draft analyses.

Existing URA increment vs. the SPWF ask

Using the FY24–FY26 Sal4e history, the URA has three fair baselines for existing-area receipts:

Baseline	Annual amount	Coverage of \$36,000 SPWF DS
FY26 Sal4e certified (downside — post-writeoff)	\$83,744	2.33×
FY25 actual receipts (recommended baseline)	\$98,261	2.73×
FY25 imposed, adjusted for 502 writeoff (recent history)	\$109,223	3.03×

Even at the FY26 downside, existing URA receipts cover the full SPWF annual debt service more than twice over. The boundary amendment is not needed to make the SPWF reimbursement mathematically feasible; existing receipts already do that. What the amendment does is (a) diversify the increment base so the reimbursement stream is not dependent on the existing Plan Area alone (which is thin and concentrated), and (b) generate the new-parcel increment that fuels the Agency's other Plan priorities during the same window.

Increment generation from the new parcels — buildout sensitivity

Annual TIF at four illustrative buildout points (new parcels only — West B + IE Zone, at the \$17.25/\$1,000 actual rate):

Buildout point	New AV captured	Annual TIF at \$17.25/\$1,000
Floor (land-only, 50% modeled)	\$1,602,250	\$27,638
Partial buildout (~25% of low)	\$3,487,500	\$60,157
Full low-end buildout	\$13,950,000	\$240,629
Full high-end buildout	\$26,450,000	\$456,247

At the full low-end buildout, new-parcel TIF alone is roughly **6.7× the annual SPWF ask** — meaning the boundary amendment, once mature, produces enough incremental revenue from the improved land (before any new housing is built) to absorb the SPWF reimbursement several times over while leaving substantial surplus for other Plan activities (façade grants, additional SDC offsets, future infrastructure work).

Modeled URA growth in the Attachment N pro forma (URA-301 tab)

The Attachment N pro forma URA-301 tab models URA revenue growing from **\$100,000 in FY2026–27 to \$180,204 by FY2031–32** on the existing-area base, with the boundary-area "annexation income" modeled separately at ~\$20,000/year total (split 50/50 across the two subdivisions and escalated 3% annually). Against the SPWF's \$36,000 annual ask, this gives the City an operating buffer of \$60K–\$140K per year during the SPWF debt-service window — headroom sufficient for the City to absorb any material variance without a rate-path revision.

What this means for the IGA

Because coverage is not the binding constraint, the Board is not being asked to pledge a fixed share of URA revenue or a fixed dollar amount indefinitely. The IGA (§6 below) should instead:

1. Define an annual URA reimbursement to the City equal to the SPWF's scheduled debt service for the year, capped at the Agency's actual increment receipts for that year (best-efforts, not general-obligation)
2. Preserve URA operating reserves and other Plan-authorized program spending as a first call on receipts
3. Terminate when the SPWF is repaid or refinanced, whichever comes first

6. Proposed IGA Framework — URA Board ↔ City of Burns

The IGA between the URA Board and the City of Burns is the legal instrument that formalizes the increment pledge. Recommended core terms for Board consideration:

Essential terms

4. **Identification of the City debt.** Specific reference to the Business Oregon SPWF loan (\$550,000, 5.10%, 30 years), the split (\$275,000 per utility fund), and the underlying infrastructure being financed (IE Zone and West B Street water and sewer infrastructure).
5. **Eligibility findings.** Recitals confirming that the infrastructure financed by the SPWF benefits the Urban Renewal Area and is authorized under Plan §IV.B (Infrastructure) and §IV.C (Housing).
6. **Pledged revenue.** The URA pledges to reimburse the City each year an amount equal to the SPWF scheduled debt service, capped at the URA's actual increment receipts for that year net of operating reserve and any prior-encumbered rebate obligations.
7. **Reimbursement mechanism.** Annual URA payment to the City payable in arrears after the URA receives its TIF distribution from the County. The URA is not required to advance funds or maintain a debt-service reserve for this purpose.

8. **Subordination.** The reimbursement is **subordinate to** (a) URA operating expenses, (b) approved incentive rebates already committed under URA SOPs §3, and (c) any senior URA debt (none currently). It is **not** an obligation of the Agency's general fund balance beyond the current year's receipts.
9. **Coverage covenant.** None. The IGA is structured as a best-efforts reimbursement, not a coverage-covenant pledge. The City retains SPWF repayment risk in years when URA receipts are insufficient.
10. **Term and termination.** Coterminous with the SPWF loan (30 years). Terminates upon full repayment, refinance, or defeasance.
11. **Reporting.** Annual joint reporting on (a) URA TIF received from all parcels, (b) SPWF debt service paid, (c) URA share of that payment, (d) cumulative ratepayer relief attributable to URA participation.
12. **Amendment.** Both parties must approve any amendment; substantial amendments require URA Board action by motion and City Council action by resolution or ordinance.

Why this protects the URA

- **No general-fund-style obligation.** URA is liable only to the extent it receives increment. The City retains SPWF repayment risk.
- **Surplus stays with URA.** Once the SPWF reimbursement is met each year, remaining increment is fully available for other Plan activities — including MIRL-backed rebates and future infrastructure work.
- **Aligned with Plan goals.** Infrastructure financing assistance is the second listed objective under Goal B; SDC-equivalent housing support is the third objective under Goal C.
- **Not a debt guarantee for the SDWRLF or CWSRF.** The IGA is explicit that URA increment is not pledged to the utility loans, preserving the City's utility rate covenants and CDBG-MOD affordability posture.
- **Sets precedent for future deals.** A clean, well-structured IGA on the SPWF establishes a template for the Board to consider similar structures on future projects (including potential MIRL participation discussed in Memo 4).

7. Why Now — Timing Considerations

Three reasons to move now rather than later:

13. **Frozen base must be locked at pre-development AV.** If the boundary is amended after vertical improvements appear on the tax rolls, that interim AV gets locked into the frozen base and is permanently lost from the increment stream. On a \$1.6M+ AV swing across the subject parcels, every year of delay after construction starts costs the URA real money.
14. **The SPWF debt service begins in FY2027–28.** Synchronizing the boundary amendment with the SPWF debt-service ramp maximizes the years over which URA reimbursement is available to offset the ratepayer burden. Waiting until Year 3 or 4 of the loan means the URA covers only a fraction of the loan life.
15. **The Plan has 26 years of life remaining.** Earlier increment capture = longer compounding period. The same buildout, captured in Year 3 vs. Year 8, is worth meaningfully more in cumulative terms over the Plan's life.

8. Concentration Risk — Why the Amendment Matters Beyond the SPWF

The Plan Area's Excess Value trajectory (FY24 \$3.56M → FY25 \$6.63M certified → FY26 \$4.98M) looks volatile on the surface but is largely driven by a single event: the improved 310 N Birch parcel came onto the certified FY25 roll at +\$1.79M of AV, then was written off in late December 2024 after the Kids' Club filed for ORS 307 exemption, and dropped off the FY26 certified roll entirely. Adjusting FY25 to remove the ~\$1.79M of written-off AV yields an underlying trajectory of ~\$3.56M → ~\$4.84M → \$4.98M — modestly upward, not volatile.

Underlying revenue is stable; the **concentration risk** is that a single high-value parcel exemption can permanently remove ~\$1,735 of annual URA revenue and, on the current base, alter the coverage picture materially. The West B Street and IE Zone parcels reduce this concentration by broadening the increment base across 101 additional lots and four additional ownership interests. That is an independent reason to proceed — beyond the SPWF ratepayer-relief case — and one the Board should carry into its decision.

9. Board Considerations for Discussion

For Board discussion under Agenda Item 6:

16. **Does the Board support proceeding with the boundary amendment** to encompass both the West B Street and IE Zone subdivisions, totaling 45.20 acres?
17. **Does the Board support, in principle, structuring an IGA with the City of Burns** under which the URA reimburses the City annually for its scheduled SPWF debt service, capped at URA increment receipts and subordinate to URA operating and rebate obligations — with the explicit purpose of reducing the burden the City's water and sewer infrastructure financing places on utility ratepayers?
18. **Direction to staff and consultants to:**
 - Prepare the formal Substantial Amendment package (updated Plan, updated Report, fiscal impact statement)
 - Begin Planning Commission referral and County consultation
 - Develop the IGA framework along the lines described in Section 6, structured as a best-efforts SPWF reimbursement rather than a coverage-covenant pledge
 - Coordinate with City finance staff on aligning the IGA effective date with the SPWF's first scheduled payment in FY2027–28
 - Coordinate the boundary-effective date with the pending IE Zone final plat recording so post-platting reassessment AV is captured by the URA (see Memo 3 §11)

Implementation mechanics and timeline are detailed in **Memorandum 3 — Implementation Mechanics**. The parallel MIRL workstream that removes the URA's cash-flow exposure on Incentive Program payments is detailed in **Memorandum 4 — OHCS MIRL Capital Stack**.

Source documents and supporting analysis: Catalyst Memo — Water Rate Study vs. Pro Forma and Sewer Rate Status (August 10, 2026, submitted to Jay Porter, Business Oregon); Burns Rate Study vs. Pro Forma Comparison workbook (08.10.2026, Attachment N pro forma URA-301 tab); Burns Urban Renewal Plan §IV (Plan Goals), §VII (Amendments), §X (Tax Increment

Financing); Burns Urban Renewal Report §IX (Statutory Compliance); West B Street Lot Book (04.29.2026); IE Zone Lot Book (04.22.2026); Burns URA FY2024–2025 Annual Financial Report (Agenda Item 4); FY23 Certified Frozen Base (Harney County Assessor); Sal4e URA Tax Report 2024; Sal4e URA Report FY25–26 (Table 4e, Harney County Assessor, prepared 5/12/2026); 2025–2026 Harney County Summary of Assessment and Tax Roll (Corey Hill, Assessor/Tax Collector, certified 10/3/2025); City–Warrington Construction Services Agreement (12.12.2024) including Schedule B; Change Orders 1 and 2 (signed 8/21/2025). Coverage analysis modeled at the actual FY25–26 effective division-of-tax rate of \$17.25 per \$1,000 of Plan Area Excess Value (Line 10 total, Sal4e Table 4e), \$16.80 net of FY25–26 compression and truncation losses. Business Oregon debt-service figures — SPWF \$550,000 / 5.10% / 30 yr; Water SDWRLF \$3,015,864 at 1.0%/30 yr with \$1,572,966 principal forgiveness (repayable \$1,442,898); Sewer DEQ CWSRF \$1,766,000 at 4.55%/30 yr — reflect the terms modeled in the Attachment N pro forma provided to Jay Porter, Business Oregon.

MEMORANDUM

TO: Burns Urban Renewal Agency Board of Directors
FROM: Nick Green, President, Catalyst Public Policy Advisors, LLC
RE: Implementation Mechanics for the Proposed URA Boundary Amendment — Fall 2026 Kickoff
DATE: August 11, 2026

Purpose

If the Board, after the discussion under Agenda Item 6, wishes to proceed with the proposed boundary amendment, this memorandum is the "how do we do this" walkthrough. It describes the required process, the parties involved at each stage, the documents that must be produced, and a realistic timeline anchored to a **Fall 2026 kickoff**.

This memorandum does not request a decision on whether to proceed — that question is in Memorandum 2. It assumes the Board has answered "yes" or "yes with conditions" and describes what happens next.

1. Classification of the Amendment

Under Plan §VII, amendments are classified as **Minor** or **Substantial**. The proposed boundary expansion adds **45.20 acres** to the existing 481.35-acre URA, which is **9.39% of the original area** — well above the 1% (4.81-ac) threshold for a Minor Amendment.

The amendment is therefore a **Substantial Amendment** under both:

- **Plan §VII** (Burns URA local procedure), and
- **ORS 457.085(2)(i) and 457.220** (state-law procedure for boundary amendments of this magnitude)

The Substantial Amendment process is more procedurally involved than a Minor Amendment, but it is well-established and routinely completed by Oregon urban renewal agencies. The steps below follow standard Oregon URA practice.

2. The Process — Step by Step

Step 1 — URA Board direction (Meeting Date, Fall 2026)

The Board provides direction to staff and consultants to prepare the formal amendment package. This is the action requested under Agenda Item 9.

Output: Motion on the record directing preparation of the amendment.

Step 2 — Prepare the Substantial Amendment package (Weeks 1–6)

Staff and consultants prepare the following documents, which together comprise the amendment package:

Document	Purpose	Required by
Amendment Ordinance (draft)	The legal instrument Council will adopt	ORS 457.095
Amended Plan	The Plan as it will read post-amendment (clean and redlined versions)	ORS 457.085
Amended Report	The Report updated to reflect the new area, including all ORS 457.087 elements for the added parcels	ORS 457.087
Fiscal Impact Statement	Estimated impact of the amendment on each overlapping taxing district	ORS 457.087(8)
Existing Conditions Analysis	Description of the physical, social, and economic conditions in the added area	ORS 457.087(1)
Reasons for Selection	Why the West B Street and IE Zone parcels are appropriate URA inclusions	ORS 457.087(2)
Project list update	Any new or amended projects in the project list (Plan §VI)	ORS 457.085(2)(a)(b)
MI analysis	Confirmation that the existing \$30.3M MI is sufficient (no MI increase required)	ORS 457.085(2)(h)
Legal description update	Updated Plan §XIV with the new boundary	ORS 457.085(2)(c)

Lead: Catalyst Public Policy Advisors

Step 3 — County consultation (Weeks 4–7, runs in parallel with Step 2)

Under **ORS 457.095**, the Agency must consult with **Harney County** as an affected taxing district before Council adoption. Consultation involves sharing the draft amendment package with the County and obtaining the County's comments. The County Assessor's office should be engaged early on the practical assessment-roll mechanics.

Output: County consultation correspondence on file; documented County review of the fiscal impact analysis.

Why it matters: The County Assessor is the office that will later certify the updated frozen base under ORS 457.430. Early Assessor engagement avoids late-stage process risk.

Step 4 — Planning Commission referral (Weeks 6–9)

Under **ORS 457.085(4)**, the amendment must be **referred to the Burns Planning Commission for review and recommendation** before it goes to City Council. The Planning Commission's role is to evaluate consistency with the Burns Comprehensive Plan and provide a recommendation to Council.

Process:

- Staff transmits the amendment package to the Planning Commission
- Planning Commission holds a noticed work session and/or hearing
- Planning Commission adopts a recommendation (typically by motion or resolution)

Output: Planning Commission recommendation transmitted to City Council.

Step 5 — Notice to affected property owners and the public (Weeks 8–10)

Under **ORS 457.120**, individual written notice must be provided to:

- Each property owner in the existing URA
- Each property owner in the area to be added (West B Street: 3 owners — Panoramic Properties, Harney School District 3, Alan Beck; IE Zone: 1 owner — Harney County)
- Each owner whose property is added must also receive notice **at least 30 days before** the Council hearing

Published notice in a newspaper of general circulation is also required under **ORS 457.115**.

Output: Affidavits of mailing and publication on file.

Step 6 — URA Board adoption of recommendation (Week 10)

The URA Board adopts the proposed amendment by motion or resolution, formally recommending Council adoption. This is the URA's vote on the package before it goes to Council.

Output: URA Board resolution recommending Council adoption.

Step 7 — City Council public hearing and adoption (Weeks 11–12)

Under **ORS 457.095**, the City Council holds a **public hearing** on the proposed Substantial Amendment and, if it chooses to proceed, adopts the amendment by **non-emergency ordinance**. Council ordinance adoption under ORS 457.095 requires the standard two readings and is subject to **referendum**.

Important: The amendment cannot be adopted by emergency ordinance. The 30-day post-adoption period must run before the ordinance takes effect, during which a referendum petition may be filed.

Output: Council ordinance adopted, signed, and recorded.

Step 8 — Updated Certified Statement to County Assessor (Week 13)

Under **ORS 457.430**, the URA must file an **updated Certified Statement** with the Harney County Assessor establishing the assessed value of the added parcels as of the operative date. This becomes the frozen base for the added area going forward.

Output: Certified Statement filed and acknowledged by Assessor.

Step 9 — DOR notification and ongoing administration (Week 14+)

Under **ORS 457.460 / OAR 150-457**, the Agency notifies the Oregon Department of Revenue of the modified URA boundary for purposes of the annual Plan financial reporting and the DOR's published URA tables.

Output: DOR filing complete.

Step 10 — IGA execution between URA Board and City Council (Parallel, complete by Week 12)

The intergovernmental agreement described in Memorandum 2 §6 should be executed in parallel with the boundary amendment, ideally adopted by URA Board resolution and City Council action concurrent with the amendment ordinance. Per Memo 2 §6, the IGA is structured as a **best-efforts SPWF reimbursement** — not a coverage-covenant pledge and not a general obligation of the URA.

Output: Signed IGA on file with both bodies.

Step 11 — Final plat recording (Immediately after Step 8 — Updated Certified Statement)

The **IE Zone final plat** is currently under review by the **Harney County surveyor**. Once the surveyor approves, the City can circulate for signatures and record the plat with the County as the last step in this process.

Sequencing rule (critical): The plat should be **recorded after** the URA boundary amendment becomes effective and the updated Certified Statement is filed with the Assessor (Step 8). If the plat were recorded first, the post-platting reassessment of the 24 IE Zone lots would be reflected in the assessed values before those parcels are inside the URA, and that reassessed AV would be locked into the frozen base — permanently lost from the increment stream.

By holding the plat recording until after Step 8, the new lot AV resulting from the platting reassessment is captured by the URA as **increment**, not frozen base. This is a material protection for the projected coverage in Memo 2 §5.

The same logic applies to **West B Street** if a parallel platting action is contemplated by Panoramic Properties, Harney School District 3, or Alan Beck during the amendment process — coordinate timing so platting follows the boundary amendment effective date.

Output: County-recorded plats on file with the URA boundary effective and the Certified Statement in place.

3. Timeline Summary — Fall 2026 Kickoff

Phase	Weeks	Calendar Estimate
Board direction (Meeting Date)	0	Fall 2026 (this meeting)
Package preparation	1–6	Weeks following the meeting through mid-winter 2026
County consultation	4–7	Overlapping late 2026
Planning Commission referral and recommendation	6–9	Winter 2026–27
Notice period (30-day minimum to added-area owners)	8–10	Winter 2026–27
URA Board recommendation	10	Late winter 2027
City Council hearing and first ordinance reading	11	Late winter 2027
City Council second reading and adoption	12	Early spring 2027
Effective date (post-30-day referendum window)	16	Spring 2027
Updated Certified Statement to County	17	Spring 2027
IE Zone final plat recording (after Certified Statement)	17–18	Spring 2027
DOR notification	18	Spring 2027
Total: approximately 4.5 months active process, 6 months to full administrative effect		

Critical path: Planning Commission scheduling and Council ordinance second reading typically drive the timeline. Early calendar coordination with both bodies in Week 1 prevents schedule slippage.

4. Required Findings the Council Must Make

When Council adopts the amendment ordinance, the record must support the following findings (ORS 457.095):

- The Substantial Amendment is consistent with the Burns Comprehensive Plan.** The Planning Commission recommendation provides the principal evidence for this finding.
- The added area meets the statutory definition of a Blighted Area** under ORS 457.010(1), or otherwise qualifies for inclusion under ORS 457.085. The Existing Conditions Analysis prepared as part of the amendment package supplies this evidence.
- The fiscal impact of the amendment on overlapping taxing districts has been analyzed and disclosed.** The Fiscal Impact Statement supplies this evidence.
- No more than 25% of the City's acreage and 25% of the City's assessed value is in the URA after the amendment.** The capacity analysis in Memorandum 2 confirms this.
- Cumulative post-adoption amendments do not exceed 20% of the original URA area.** The 45.20-acre amendment is 9.39% of the 481.35-acre original area — well within the 20% (96.27-ac) cumulative cap.

6. **Each project in the amended Plan project list is reasonably related to the goals and objectives of the Plan.** The Plan §IV.B (Infrastructure) and §IV.C (Housing) goals already authorize the activities contemplated; no goal-level amendment is required.
7. **The amendment has been duly noticed, referred to the Planning Commission, and consulted with affected taxing districts.** Affidavits of mailing, publication, and County consultation correspondence supply this evidence.

5. Decision Points That Come Back to the URA Board

Between today and final adoption, the Board will be asked to act on:

8. **Today (Meeting Date, Fall 2026):** Direction to prepare the formal amendment package and IGA framework (Agenda Item 9); separately, a policy resolution under URA SOPs §3.2 acknowledging the Board's discretion to approve incentive payments in excess of \$25,000 where the AV calculation supports it (see §9 below).
9. **Approximately Week 6–7:** Review of the draft amendment package, draft Report updates, and draft IGA terms.
10. **Approximately Week 10:** Board resolution recommending Council adoption (formal URA vote on the package).
11. **Approximately Week 12:** Board resolution approving the final IGA, concurrent with Council ordinance adoption.

The Board may also be consulted informally during County consultation and Planning Commission review as questions arise.

6. Risks and How to Manage Them

Risk	Likelihood	Mitigation
County raises fiscal impact concerns	Medium	Early Assessor and County Court engagement in Weeks 1–3; document responses to all concerns
Planning Commission delays	Low–Medium	Calendar coordination in Week 1; provide Commission with executive summary and full package
Property owner objection from one of the 4 added-area owners	Low	All four owners are aligned with the development objectives; Panoramic, the School District, Beck, and the County each have direct interest in successful subdivision development
Referendum filed against the Council ordinance	Low	30-day referendum window after Council adoption; standard procedural risk for URA boundary amendments; precedent in similar Oregon URAs is no referendum
Business Oregon loan terms change materially	Low	Final SPWF, SDWRLF, and CWSRF terms are now documented in the Attachment N pro forma provided to Jay Porter (August 10, 2026); IGA references the SPWF as the URA-relevant obligation and is drafted as a best-efforts reimbursement, insulating the Agency from utility-loan-term variation
Coverage falls short in	Low	IGA is best-efforts to the extent of URA receipts, not a general

Years 1–5		obligation; existing URA receipts at the FY26 downside (\$83,744) already cover the projected SPWF annual debt service ~2.33×; see Memo 2 §5
Plat recorded before URA boundary effective	Low — procedural, controllable	Hold plat recording until after Step 8 (Updated Certified Statement filed); coordinate with H.A. McCoy Engineering & the Harney County surveyor on circulation timing
Project close-out costs on IE Zone infrastructure exceed contingency	Medium	Track against the Warrington Construction Services Agreement (12.12.2024, as amended by Change Orders 1 and 2, 8/21/2025); flag any additional change orders to City finance and revisit IGA-relevant SPWF sizing before final loan close

7. Estimated Cost of the Amendment Process

Substantial Amendment process costs typically run **\$25,000–\$60,000** depending on the complexity of the Report update, the existing-conditions analysis required, and consultant scope. For an amendment of this scope (single contiguous addition, both areas in city limits, no MI change, no new goal authorization needed), the lower end of the range is achievable.

The Agency's **FY25 ending fund balance of \$103,531** (per the FY2024–2025 Annual Financial Report before the Board under Agenda Item 4) and interim FY26 balance of \$151,050 are more than sufficient to cover process costs, with substantial remaining capacity for routine administrative expenses and program deployment. The FY26–27 adopted budget explicitly funds the **\$11,100 legal-fees line item** for boundary amendment / TIF recapture ordinance work, and the **\$23,380 audit-fees line** anticipates the transition to a full external audit that will accompany the Agency's higher operational scale.

8. Operationalizing the Incentive Program (Post-Boundary, Vertical Phase)

The boundary amendment and IGA process described in §§1–7 establish the legal and financial frame for the URA's increment recapture. Once vertical construction begins on Miller Springs and parallel parcels, a separate set of operational mechanics governs how the existing **URA Incentive Program** (SOPs §3) actually pays out. Recurring questions from applicants, builders, and lenders have surfaced through prior applications (e.g., Lot 18 / Darin Henry). This section documents the standard answers and recommended Board posture.

8.1 SDC payment — back-end credit through the URA

Under **City of Burns Ordinance 24-899 §13.1**, System Development Charges are due to the City at the earliest of building-permit issuance, development-permit issuance, water/sewer connection approval, or right-of-way access permit. Standard residential SDCs for a 3/4" meter are **\$4,317.45 (water) + \$2,785.38 (sewer) = \$7,102.83** per single-family residence under the 2024/2025 schedule, indexed annually each July 1 by ENR CCI under Ord. 24-899 §13.6 and ORS 223.304(8)(b). Larger meters scale up (1" = \$9,943; 1.5" = \$12,784; 2" = \$20,596).

Under URA Incentive Program SOPs §3.1(e), the URA pays the SDC for program participants making new connections. Under SOPs §3.4, the URA issues payment within 30 days of receipt of a City invoice. The mechanics that builders and lenders need to understand:

- The homeowner and builder **never write a check for SDCs**.
- The City collects SDCs from the URA, not from the applicant.
- The City invoices the URA at building-permit issuance; the URA pays the City directly within 30 days.
- The SDC is **in addition to** the 7% AV rebate under §3.1(a) — it is not netted against it.
- The Ordinance §13.5 2% prepayment discount applies only to commercial/industrial development and is not available to residential applicants.

Required workflow:

1. Applicant submits URA application with Land Use / Site Design Review attached (SOPs §2.3(a)).
2. Executive Director approves application and notifies City.
3. Applicant pulls building permit; City issues SDC invoice to URA at permit issuance.
4. URA Executive Director countersigns; URA pays City within 30 days.
5. No applicant payment, no applicant reimbursement, no escrow.

This structure relies on City–URA invoicing discipline. The IGA in §3 should include a standard URA-SDC invoicing protocol (monthly or per-permit) to avoid float on the City's books.

8.2 The 7% AV rebate — assessment-roll calendar and the "AV staging" question

The 7% rebate under SOPs §3.1(a) is **7% of the change in assessed value as determined by the Harney County Assessor**. The County's process drives the calendar:

Calendar Date	What happens	Driving authority
January 1, Year X	Statutory assessment date. Assessor establishes a percent-complete partial Assessed Value as of this date	ORS 308.210; Corey Hill, Harney Assessor
July 1, Year X	New tax year begins	ORS 308.007
September, Year X	Department of Revenue publishes the Change Property Ratio (CPR) for Class 1xx (residential)	DOR Maximum Assessed Value Manual, §§1, 3
October, Year X	County mails tax statements showing the exception value	ORS 311.250
November 15, Year X	First-third property tax payment due	ORS 311.505
Within 30 days of statement receipt	URA issues rebate to applicant (or assignee per assignment of payment)	SOPs §3.3, §3.4

The critical mechanic is **AV staging**. If a Certificate of Occupancy is obtained between January 1 and December 31 of Year X:

- The improvement is on the County's books as of December 31, but the January 1, Year X assessment has already been done — so only the percent complete as of the next January 1 (Year X+1) goes on the Year X+1 roll, with the balance landing on the Year X+2 roll.
- Result: the total rebate is the same as a single-year capture, but it splits across two tax years.

If the CofO is obtained after a January 1, the full exception value lands on the following January 1 roll, producing a single-year rebate but at the cost of a ~14-month lag from CofO to first cash.

8.3 Exception value mechanics

Under ORS 308.146 and the DOR MAV Manual §4, new construction MAV is calculated as:

> Exception MAV = Exception RMV × CPR;

> New MAV = Base MAV + Exception MAV

The Real Market Value (RMV) of the improvement is the Assessor's determination of the home's market value at completion. The CPR for Harney County Class 1xx residential is published in September and **cannot exceed 1.000**. The applicant's tax statement (and therefore the URA rebate) cannot be finalized until the CPR is published — there is no "early" mechanism.

There is no amended-tax-statement process for a late-year CofO. The Assessor's lookback date is January 1; a CofO between January 2 and December 31 does not affect the current year's roll regardless of completion percentage.

8.4 Annual rebate calendar (recommended applicant-facing summary)

For inclusion in applicant correspondence and marketing materials:

Event	Timing
Application approval	Pre-construction
Construction in progress	Year 0 – Year 1
Certificate of Occupancy	Year 1 (variable)
First January 1 after CofO	Partial or full exception value on roll
September	CPR published
Late October	County mails tax statement
November 15	Property tax due
December – January	URA rebate issued (≤30 days after statement)
Subsequent January 1	Any balance from staged AV on roll
Subsequent November / December	Final rebate issued

8.5 SDC alternative pathway — Council exemption resolution

Ord. 24-899 §12.5 authorizes the City Council to categorically exempt a portion of residential SDCs by resolution, including distinctions by housing type or sale price. This is an alternative to the URA back-end credit and may be appropriate for affordable-housing carve-outs at 80% AMI (Ord. 24-899 §12.4.2) or for moderate-income housing financed under MIRL (Memorandum 4). The Board should not pursue a Council §12.5 resolution unless and until the moderate-income capital stack is in place; absent that, the back-end URA credit is the right mechanism because it preserves the City's SDC fund and shifts the cost to TIF increment.

9. The \$25,000 Threshold and Board Authorization

Under URA SOPs §3.2, **"Agency Board must authorize all rebate payments under all Incentive Programs and payments in excess of \$25,000. Rebates under \$25,000 may be authorized by Executive Director."** This is a procedural threshold for who signs, not a substantive cap on what the program will pay. The §3.1(a) formula is 7% of the change in assessed value, with no dollar maximum stated.

With Miller Springs and similar build values plausibly in the \$500K–\$700K range (e.g., the \$633K example associated with Lot 18), a single-year capture at full RMV with a CPR near 1.000 produces rebates of approximately:

RMV at completion	CPR assumption	Exception MAV	7% Rebate
\$400,000	0.85	\$340,000	\$23,800
\$500,000	0.85	\$425,000	\$29,750
\$600,000	0.85	\$510,000	\$35,700
\$700,000	0.85	\$595,000	\$41,650

At any RMV above approximately \$420K (assuming $CPR \approx 0.85$), a single-year capture exceeds the §3.2 Executive Director threshold and requires Board authorization. With AV staging, the per-year payment may fall under \$25K even though the cumulative rebate exceeds it.

Recommended Board action (separate from the boundary amendment):

The Board should adopt a short policy resolution clarifying that §3.2 authorization above \$25,000 is a procedural matter and that the Board will entertain each such application on its merits without treating \$25,000 as a substantive ceiling. The resolution should also:

- Affirm that staged-AV rebate streams are treated as a single application for §3.2 purposes (so the same Board action covers Year 1 and Year 2 of a split rebate).
- Adopt a standard **assignment-of-payment form** allowing applicants to assign their rebate stream to a lender as a pledged cash flow (improves bankability of new construction loans against URA cash flows).
- Direct the Executive Director to maintain an annual rebate calendar with all approved applicants, payment schedules, and assignment status.

Pending applications (such as the Lot 18 application from Darin Henry, subject to Land Use / Site Design Review under SOPs §2.3(a)) are natural test cases for the §3.2 process. Bringing the policy resolution to the Board concurrently with the first Board action on an above-threshold application prevents §3.2 from becoming a precedent-setting exercise on every above-threshold decision.

10. Recommended Board Action Today

If the Board, after discussion under Agenda Item 6, supports proceeding, the following motion captures the necessary direction:

> *"The Burns Urban Renewal Agency Board directs staff and consultants to prepare a formal Substantial Amendment package to expand the URA boundary to include the West B Street and IE Zone subdivisions (approximately 45.20 acres); to initiate consultation with Harney County and referral to the Burns Planning Commission; to develop an intergovernmental agreement framework with the City of Burns providing for URA best-efforts reimbursement of City debt service on the Business Oregon SPWF loan; and to return to the Board with the formal amendment package, IGA, and any required updates for action."*

A companion motion on the §3.2 / operational matters in §§8–9 above:

> *"The Burns Urban Renewal Agency Board directs the Executive Director to prepare for Board adoption (i) a policy resolution clarifying the Board's discretion under URA SOPs §3.2 to authorize incentive payments in excess of \$25,000 where supported by the County Assessor's change in assessed value; (ii) a standard assignment-of-payment form permitting applicants to assign rebate streams to lenders; and (iii) a standard SDC invoicing protocol with the City of Burns under Ord. 24-899 §13.1, consistent with the back-end credit mechanic described in this memorandum."*

Source documents: Burns Urban Renewal Plan §VII (Amendments to Plan); ORS 457.085, 457.087, 457.095, 457.115, 457.120, 457.220, 457.420, 457.430, 457.460; OAR 150-457; Oregon Department of Revenue urban renewal administrative materials; Catalyst Memo — Water Rate Study vs. Pro Forma and Sewer Rate Status (August 10, 2026, submitted to Jay Porter, Business Oregon) and Attachment N pro forma workbook (08.10.2026). Operational sections (§§8–9): City of Burns Ordinance 24-899 (System Development Charges); URA Incentive Program Standard Operating Procedures (Feb. 9, 2022) §§2.3, 3.1–3.4; ORS 223.297–223.314; ORS 308.146, 308.156, 308.210, 311.250, 311.505; Oregon Department of Revenue [Maximum Assessed Value Manual (303-438)](https://www.oregon.gov/dor/forms/FormsPubs/maximum-assessed-value-manual_303-438.pdf) §§1, 3, 4, 8; correspondence from Corey Hill, Harney County Assessor (May 12, 2026).

MEMORANDUM

TO: Burns Urban Renewal Agency Board of Directors
FROM: Nick Green, President, Catalyst Public Policy Advisors, LLC
RE: OHCS Moderate-Income Revolving Loan (MIRL) as Pass-Through Capital Stack for the URA Incentive Program
DATE: August 11, 2026

Purpose

The boundary amendment described in Memorandum 2 and the operational mechanics in Memorandum 3 establish how the URA will recapture increment from new development in Miller Springs, West B Street, and the IE Zone. That picture is correct on a long-horizon basis, but it leaves an open question of **near-term cash flow**: SDC payments to the City and 7% rebates to applicants come due before increment arrives, sometimes by 14 months or more (Memo 3 §8.4).

The OHCS Moderate-Income Revolving Loan (MIRL) program — expanded by the 2026 Legislature — is purpose-built for this gap. Used correctly, MIRL is the source of capital for both the SDC payments and the 7% rebates, while the URA's TIF receipts repay OHCS over the loan term. Off the URA's direct cash flow until increment arrives; ultimately self-liquidating from the same TIF receipts already modeled in Memo 2.

This memo describes the MIRL program, the pass-through structure for Burns, and the Board action that initiates participation.

1. The MIRL Program — Statutory Basis and Mechanics

The Moderate-Income Revolving Loan Program (MIRL) was established by **Senate Bill 1537 (2024)** and amended by **House Bill 4037 (2026)**, codified in ORS Chapter 307 et seq. The program is administered by Oregon Housing and Community Services (OHCS) and was capitalized at **\$75 million** in General Fund resources in the 2024 session, with a maximum of \$50 million deployable in the first two years and **20% reserved for rural communities** ([OHCS MIRL program page](<https://www.oregon.gov/ohcs/rental-housing/housing-development/development-resources/pages/moderate-income-revolving-loan.aspx>); [AOC summary](<https://oregoncounties.org/moderate-income-revolving-loan-program-mirl-funding-resources-available/>)).

Core mechanics

1. A **sponsoring jurisdiction** (city or county) adopts an enabling ordinance/resolution and signs a master IGA with OHCS.
2. OHCS makes a **0% interest loan** to the sponsoring jurisdiction.
3. The sponsoring jurisdiction passes the proceeds through as a **grant** to a developer of an eligible housing project (or, under HB 4037, through a URA via IGA).
4. The project serves households earning **up to 120% Area Median Income**.
5. Repayment to OHCS occurs through one of two pathways:
 - **Fee-in-lieu of property taxes**, collected by the County tax collector and remitted to OHCS as the property tax exemption runs; or
 - **TIF-backed repayment** if the project is located inside a TIF district (HB 4037, 2026 amendment).
6. Repaid funds revolve back into the OHCS pool for new projects.

Why this matters for Burns

The MIRL program is **explicitly designed for moderate-income homeownership in rural Oregon**. The 20% rural set-aside (≈\$10 million in the first two years) is substantially larger than Burns' realistic draw. The 0% rate and revolving structure mean the program is functionally a non-amortizing bridge from state capital to TIF receipts, with no interest carry on the URA's books.

The HB 4037 (2026) amendment is what makes MIRL usable in a URA context: it explicitly authorizes **TIF-backed repayment** where the project sits inside a TIF district. The Burns URA boundary amendment (Memo 2), if adopted, places Miller Springs, West B Street, and the IE Zone parcels inside the TIF district — meeting the HB 4037 condition.

2. Existing Adoption Pattern — Portland (April 2026) and Yamhill County (April 2026)

Two recent Oregon adoptions confirm the structure works as described:

City of Portland (Council Ordinance, April 7, 2026):

> "The City will pass through State (OHCS) funds to Prosper Portland via IGA, which will pass through these funds to eligible projects in the form of grants. Repayment of the OHCS funds occurs by either 1) the County's collection of a property tax fee-in-lieu paid by the residential developer; or 2) TIF backed by the City's full faith and credit if the project is located within an existing TIF district." ([Portland Council Ordinance](<https://www.portland.gov/council/documents/ordinance/adopt-ordinance-implementing-moderate-income-revolving-loan-mirl>))

Portland's structure is exactly the pattern Burns would adopt at smaller scale: **City borrows from OHCS → IGA passes funds to URA → URA disburses to projects → TIF repays City → City repays OHCS**.

Yamhill County (Board of Commissioners, April 16, 2026):

> "OHCS issues loans to jurisdictions and can accept either a fee-in-lieu (TIF-like) repayment or alternative pledged revenue as the repayment mechanism... The standard distribution built into [the OHCS] model provides 5% of a project's MIRL funding to the sponsoring jurisdiction and 1% to the county tax office for administration." ([Citizen Portal summary](<https://citizenportal.ai/articles/7825277/oregon/yamhill-county/yamhill-county-to-explore-state-moderate-income-revolving-loan-to-spur-homeownership>))

Yamhill confirms the program is open to rural jurisdictions and that OHCS funds a 5% administration carve-out for the sponsoring jurisdiction — useful margin for City of Burns / URA staff time.

3. Proposed Burns Capital Stack

The proposed structure layers MIRL into the existing URA Incentive Program without modifying the SOPs:

...

Step 1 OHCS (state)

| 0% loan, ~10 yr term, TIF-backed repayment



Step 2 City of Burns (sponsoring jurisdiction)

| IGA passes funds through, no interest spread



Step 3 Burns Urban Renewal Agency (URA)

|

| —▶ (a) SDC payments to City under SOPs §3.1(e) [~\$7,102.83/SFR]

|

| —▶ (b) 7% AV rebates under SOPs §3.1(a) [~\$25K–\$40K/SFR]

|

| —▶ (c) Other incentive payments under §3.1(b)–(d)

|

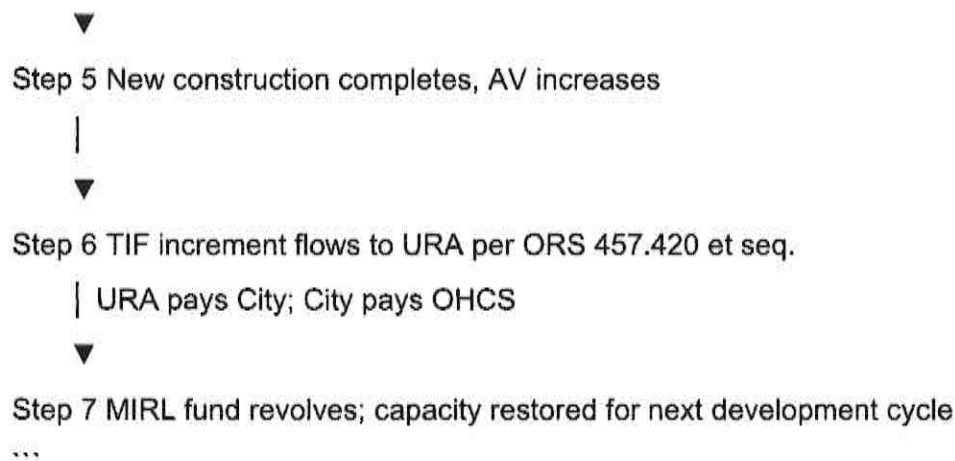


Step 4 Applicants (homeowners, builders, commercial)

| (no impact on applicant's books — these are

| funds already promised under the existing

| incentive program; MIRL just bridges the cash)



How this nests with the boundary amendment and IGA

The boundary amendment, the IGA best-efforts reimbursement of the City's Business Oregon SPWF debt service (Memo 2 §6), and the 7% rebate program are **unchanged**. What MIRL does is **substitute external capital for URA fund balance** during the period between rebate-payment due dates and TIF receipt dates.

Without MIRL: The URA must hold cash equal to the cumulative SDC + rebate obligations net of incoming TIF for any given year. With AV staging (Memo 3 §8.2), the URA holds this float for 14–26 months per applicant. The FY25 ending fund balance of **\$103,531** (per the FY2024–2025 Annual Financial Report) and interim FY26 balance of \$151,050 are sufficient for two to three applications and one full rebate cycle, but they are not a scalable program runway once the boundary-amendment pipeline (Miller Springs, West B, IE Zone) matures.

With MIRL: The URA draws from the MIRL line (via City → IGA → URA) on a per-application basis. The URA's direct cash exposure approaches zero. TIF increment, when it arrives, repays the City, which repays OHCS. The URA fund balance is preserved for administrative expenses, the boundary-amendment process (Memo 3 §7), and the SPWF best-efforts reimbursement to the City.

4. Adoption Steps

Per OHCS program guidance ([MIRL FAQs](<https://www.oregon.gov/ohcs/rental-housing/housing-development/development-resources/pages/moderate-income-revolving-loan-faqs.aspx>)), the sequence to become a participating sponsoring jurisdiction is:

1. **City Council adopts an enabling ordinance** authorizing City participation in MIRL and authorizing the City Manager to execute the OHCS master agreement and required loan documents. Portland's April 2026 ordinance is a usable template; required customizations for Burns include reference to the existing URA, the boundary amendment, and the IGA with the URA.
2. **OHCS master agreement** — executed between City of Burns and OHCS.
3. **IGA between City and URA** — passes MIRL proceeds through to the URA for use under the Incentive Program; provides for TIF repayment from URA to City on a defined schedule.

4. **Project-specific loan request** — for each project (or batch), the City files a program loan request with OHCS via the Procorem WorkCenter system. OHCS reviews and, if approved, enters the loan agreement with the City.
5. **County tax assessor coordination** — Harney County's role is limited to: (a) confirming exception value calculations as already required under existing AV practice (Memo 3 §8.3), and (b) if fee-in-lieu repayment is elected on any project, collecting the fee and remitting to OHCS. Under the proposed Burns structure, TIF-backed repayment is the principal mechanism and the County's role on repayment is minimal.

First-application coordination

If the Board directs initiation of MIRL participation today, a reasonable timeline anchored to a **Fall 2026 kickoff** is:

Phase	Weeks	Calendar
City Council ordinance drafting	1–3	Fall 2026 (following URA Board direction)
Council adoption (2 readings)	4–6	Late fall 2026
OHCS master agreement execution	6–8	Late fall / early winter 2026
City–URA IGA execution	7–9	Winter 2026
First project loan request to OHCS	9–12	Winter 2026–27
OHCS approval and disbursement	12–16	Winter–spring 2027
First disbursement to URA	16	Spring 2027

This timeline aligns the MIRL line going live with the boundary amendment's effective date (Memo 3 §3, Step 8 — also spring 2027), so the URA has both the increment-recapture authority and the bridge financing operational at the same moment.

5. Eligibility — Which Burns Projects Qualify

MIRL requires that the housing serve households at or below 120% AMI. Harney County 2025 AMI for a four-person household, per HUD, is approximately \$80,000; 120% is approximately \$96,000. The Miller Springs price point (a \$633K example home) sits at the upper end of moderate-income eligibility — affordable to a household at roughly 110–120% AMI assuming standard underwriting (28% front-end DTI, 6.5% rate, 20% down). The Board and the City should structure the MIRL request around new construction at price points that fit the 80–120% AMI window, with deed restrictions sized to the OHCS standard term (typically 10 years).

Projects that do not fit the 80–120% AMI window (luxury rebuilds, larger custom homes) would continue under the existing URA Incentive Program on URA-fund-balance terms, without MIRL bridge. The URA can run a mixed portfolio: MIRL for moderate-income inventory, direct URA cash for the rest.

6. Fiscal Effect on the URA

If MIRL is used to cash-flow the SDC + rebate stack for, say, 10 moderate-income homes per year at an average \$32,000 per home (\$7,102.83 SDC + ~\$25,000 rebate), the URA's gross annual call against MIRL is roughly **\$320,000**. Repaid over a ~10-year term against TIF, the URA's annual TIF dedication to MIRL repayment is **~\$32,000 plus growth** — well within the modeled increment in Memo 2 §5 and comfortably additive to the SPWF best-efforts reimbursement to the City.

The MIRL administrative carve-out (5% of project funding to sponsoring jurisdiction, per OHCS practice) returns approximately **\$16,000 annually** to the City for program administration at the 10-home rate. This is the source for any incremental staff time required of the City Clerk and the URA Executive Director.

7. Risks and Mitigations

Risk	Likelihood	Mitigation
OHCS MIRL fund balance depleted before Burns submits a project loan request	Medium	First-come, first-served program; the rural set-aside protects Burns capacity; submit first project loan request as soon as IGA executes
City Council declines to adopt the enabling ordinance	Low	City has already authorized URA payment of SDCs (Plan §IV.C); MIRL is a logical extension and brings external capital to existing City priorities
TIF increment grows more slowly than modeled in Memo 2	Medium	OHCS loan term flexes; under HB 4037 the TIF pledge is to extent of receipts, not a general obligation; backup repayment via fee-in-lieu remains an option
120% AMI cap excludes some projected Miller Springs price points	Low	Mixed-portfolio approach: MIRL for inventory at 80–120% AMI, URA direct funds for higher-priced units
Administrative burden of OHCS reporting	Low	OHCS 5% administration carve-out funds the City and URA's reporting workload

8. Recommended Board Action

If the Board, after discussion of Memos 2 and 3, supports proceeding, the following motion captures the necessary direction on the MIRL workstream:

> "The Burns Urban Renewal Agency Board directs the Executive Director to work with the City of Burns on adoption of a City ordinance authorizing participation in the Oregon Housing and Community Services Moderate-Income Revolving Loan (MIRL) Program under SB 1537 (2024) and HB 4037 (2026); to negotiate an intergovernmental agreement between the City and the URA passing MIRL proceeds to the URA for use under URA Incentive Program SOPs §3, with TIF-backed repayment of MIRL principal to the City and from the City to OHCS; and to return to the Board with the IGA and the first project loan request for approval."

This action is independent of, but complementary to, the boundary-amendment direction in Memorandum 3 §10. The Board can adopt either, both, or neither today; the MIRL workstream does not depend on the boundary amendment, but it is most useful in combination with it.

Source documents: SB 1537 (2024 Or. Laws Ch. 638); HB 4037 (2026); ORS Chapter 307 et seq.; [OHCS Moderate-Income Revolving Loan Program page](<https://www.oregon.gov/ohcs/rental-housing/housing-development/development-resources/pages/moderate-income-revolving-loan.aspx>) and [MIRL FAQs](<https://www.oregon.gov/ohcs/rental-housing/housing-development/development-resources/pages/moderate-income-revolving-loan-faqs.aspx>); [City of Portland Council Ordinance (Apr. 7, 2026) implementing the Local MIRL Program](<https://www.portland.gov/council/documents/ordinance/adopt-ordinance-implementing-moderate-income-revolving-loan-mirl>); [Yamhill County Board of Commissioners coverage (Apr. 16, 2026)](<https://citizenportal.ai/articles/7825277/oregon/yamhill-county/yamhill-county-to-explore-state-moderate-income-revolving-loan-to-spur-homeownership>); [Association of Oregon Counties MIRL summary](<https://oregoncounties.org/moderate-income-revolving-loan-program-mirl-funding-resources-available/>); [OHCS HB 3040 SDC Study (Dec. 2022)](https://www.oregon.gov/ohcs/development/Documents/Oregon%20SDC%20Study_Final_Report_121422.pdf); Burns URA FY2024–2025 Annual Financial Report; Catalyst Memo — Water Rate Study vs. Pro Forma and Sewer Rate Status (August 10, 2026, submitted to Jay Porter, Business Oregon).



CITY OF BURNS

242 S Broadway

Burns OR 97720

Phone: (541) 573-5255 Fax:

INVOICE

Date	Number	Page
04/30/2026	684215	1

Customer No. 268

Contact:

Terms: Net 30

Bill To: URBAN RENEWAL AGENCY
242 S BROADWAY AVE
BURNS OREGON 97720

Quantity	Description	Unit Price	Net Amount
1	SDC - SEWER 3/4 - 5/8 INCH - THARP 424 S HARNEY	2,785.00	2,785.00
1	SDC - WATER 3/4 - 5-8 INCH - THARP 424 S HARNEY	4,317.00	4,317.00
Balance Due			7,102.00

**CITY OF BURNS**

242 S Broadway

Burns OR 97720

Phone: (541) 573-5255 Fax:

INVOICE

Date	Number	Page
04/30/2026	684216	1

Customer No. 268

Contact:

Terms: Net 30

Bill To: URBAN RENEWAL AGENCY
242 S BROADWAY AVE
BURNS OREGON 97720

Quantity	Description	Unit Price	Net Amount
1	SDC - SEWER 3/4 - 5/8 INCH STITCH AND PRINT 1737	2,785.00	2,785.00
1	SDC - WATER 3/4 - 5-8 INCH - STITCH & PRINT 1737 H	4,317.00	4,317.00
Balance Due			7,102.00

**CITY OF BURNS**

242 S Broadway

Burns OR 97720

Phone: (541) 573-5255 Fax:

INVOICE

Date	Number	Page
05/14/2026	684220	1

Customer No. 268

Contact:

Terms: Net 30

Bill To: URBAN RENEWAL AGENCY
242 S BROADWAY AVE
BURNS OREGON 97720

Quantity	Description	Unit Price	Net Amount
1	SDC - SEWER 3/4 - 5/8 INCH MCCONNELL LOT 18 MIL	2,785.00	2,785.00
1	SDC - WATER 3/4 - 5-8 INCH MCCONNELL LOT 18 MIL	4,317.00	4,317.00
	Miller Springs		
Balance Due			7,102.00

URA INCENTIVE PROGRAM

STEP-BY-STEP INSTRUCTIONS

1. Pick up the application and information material from Burns City Hall, or the city website at: cityofburnsor.gov.
2. Request a pre-application conference with the city clerk to go over your project, city land use requirements, the application process, and URA Standard Operating Procedures.
3. Complete and submit the application with a \$250 filing fee, current building/property photos, proof of legal ownership, current tax statement, and any agreements between property owners/recipient of proposed incentive.
4. You may be asked for more complete or additional information before your application can be deemed complete. Please respond with this information as soon as possible.
5. Once the application is complete, you must attend the Urban Renewal Agency (URA) meeting, concerning your application. Your application may be approved, approved with conditions, or denied by the URA.
6. You must provide progress reports to the URA at least every six months.
7. Upon the completion of the project or phase, you must provide an updated tax assessment showing the change in value based on the improvements made, from the Harney County Tax Assessor. This must be done before your incentive rebate can be processed.

BURNS URBAN RENEWAL AGENCY
INCENTIVE PROGRAM PROPERTY APPLICATION

☒ New Home ☐ Major Home Remodel ☐ Commercial New Build ☐ Major Commercial Remodel

Date Submitted 03/03/2026

Name of Applicant: Cody and Ann McConnell

Project Street Address: 2196 W. B Street (Lot 18 - Miller Springs)

Mailing Address (if different): 1000 S. Date Avenue, Burns, OR 97720

Telephone number/s: Cody McConnell: (541) 589-2534

Email address: nick@catalyst.win

Property Owner Address/Phone number (if different):
1000 S. Date Avenue, Burns, OR 97720

Who is to be the recipient of the Incentive payment:
Cody and Ann McConnell

Type of project: Residential: New Build - or - Major Remodel (circle one)
Commercial: New Build - or - Major Remodel (circle one)

Harney County Assessors Map #: 23S30E12CB

(Include an aerial map view of property)

Harney County Tax Lot #: 1500

Most recent Tax Assessor's Assessed Value: \$ 0

Brief description of project: Construction of a 2,064 +/- sq.ft. home on Lot 18 of Miller Springs

What permits do you currently have: Land Use, Structural, and all MEP

Which permits do you plan to apply for: None

Total Project Cost (see worksheet on page 2): \$ 650,000

Estimated Project Start Date: 9/2/2025

Estimated Project Completion Date: 6/30/2026

I, applicant, acknowledge that the statements made herein are true and represent an accurate and full disclosure of all appropriate information as of this date. I understand that the URA will retain this application and any other information the URA receives, whether or not this incentive request is approved. I understand that this is public information.

APPLICANT SIGNATURE: 

Date: 5/13/2024

Proposed Project Financing Worksheet

Estimated Costs (Itemized) (if more space is needed, please attach worksheet)

Description	Cost
Architectural Design and Fees	\$ 6,500
Utilities and Site Improvements	\$ 10,500
Home Construction	\$ 633,000
	\$
	\$
	\$
Labor (personal or hired)	\$
Total Est. Cost →	\$ 650,000

Please ensure that the following items are included with the completed application form

- ☒ Application Fee (Cashier's Check/Money Order) made payable to the City of Burns URA
In the amount of \$250
- ☒ Current building/property photos
- ☒ Proof of legal ownership (Property Deed)
- ☒ Proof of current tax statement (Available from HC Assessor)

N/A ☐ Any agreements between property owners/recipient of proposed incentive

****NOTE: IF PROPERTY SELLS PRIOR TO THE PROJECT BEING FINISHED AND RE-ASSESSED THIS APPLICATION MAY BE NULL & VOID WITHOUT APPROPRIATE NOTIFICATION SUBMITTED TO BURNS URA BOARD AT TIME OF SALE****

FOR OFFICIAL USE ONLY

Type of Project (select all that apply)

- | | | |
|---|---------------------------------|-----|
| ☐ Building Interior | Property in Urban Renewal Area? | Y/N |
| ☐ Building exterior/facade | Approvals required? | Y/N |
| ☐ Infrastructure | Building Code Compliance? | Y/N |
| ☐ New construction/site development | Planning Commission meeting? | Y/N |
| ☐ Mitigation, reduction, removal of blight | Easement/Encroachments? | Y/N |
| ☐ SDC rebates | Remodel meets threshold? | Y/N |
| ☐ Notes: | | |

Date of Initial Tax Assessment _____ Date of 'finished' Tax Assessment _____

Change in assessed value: \$ _____

Date deemed complete: _____ Estimated Incentive Rebate: \$ _____

Approval for payment date: _____ Reviewed by: _____

If ineligible, reason NOT approved for program: _____

STANDARD OPERATING PROCEDURES OF BURNS URBAN RENEWAL AGENCY

These Standard Operating Procedures of Burns Urban Renewal Agency dated February 9, 2022 (these "SOPs") are authorized by Order of the Urban Renewal Agency Board of Directors. The SOPs govern the use of the Agency's "New Home Incentive Program" and "Major Remodel Program," "Commercial New Build Incentive Program" and "Commercial Major Remodel Program", collectively referred to as the "Incentive Programs," as described herein.

1. APPLICATION PROCEDURES

1.1 Application Process. Applicants who wish to participate in the URA Incentive Programs must first file an application with the URA executive director at the Agency office.

1.2 Application Form. Agency's office will use a standard form for all URA participants, substantially in the form shown in Exhibit B. The Application Form may be amended from time to time by the executive director to meet the needs of the program.

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Agency Fees will be processed by the City but are to be kept separate from and are in addition to any charges owed by the Applicant to the City incurred through the City's planning process.

1.4 Application Approval; Conditions. The executive director may approve applications for properties currently within the URA boundaries that do not require discretion (i.e. new construction; major renovations and additions to existing properties). Applications for properties that are not within the URA boundaries or that require discretion must be referred to the Board for review and approval. The executive director may refer any application to the Board as he/she sees fit. The approval of an application does not guarantee payment of incentives from the URA to any applicant.

2. ELIGIBILITY; APPLICANT RESPONSIBILITIES; REMOVAL AND ADJUDICATION

2.1 Eligibility; URA Boundaries. Properties within the urban renewal area boundaries established by the adopting ordinance (City Ordinance No. 21-877), and any subsequent amendments to those boundaries as approved by the Agency, are eligible to participate in the Incentive Programs provided they meet the terms and conditions described in this Section 2.

2.2 Eligible Improvements. The following improvements are eligible for participation.

- (a) New Home Incentive Program. Site-built homes on an approved residential lot in the Residential Limited (RL), Residential General (RG) and Residential Commercial (RC) zones are eligible for the New Home Incentive Program. Manufactured homes and prefabricated structures are eligible providing they were manufactured no more than three (3) years prior to the date of application. Recreational Vehicles (RVs) of any kind are not eligible.
- (b) Major Remodel Program. Substantial improvements to existing homes in the RL, RG and RC zone that result in an increase in assessed value of \$10,000 or greater are eligible for the Major Remodel Program. Homes in the Downtown (D), General Commercial (GC), General

Industrial (GI) and Park Reserve (PR) zones may be eligible but must be reviewed and approved by the Board.

- (c) Commercial New Build Incentive Program. Site-built commercial buildings on an approved commercial lot in the commercial zones are eligible for the Commercial New Build Incentive Program.
- (d) Commercial Major Remodel Program. Substantial improvements to existing commercial buildings in the commercial zone that result in an increase in assessed value of \$10,000 or greater are eligible for the Commercial Major Remodel Program. Buildings in the Downtown (D), General Commercial (GC), General Industrial (GI) and Park Reserve (PR) zones may be eligible but must be reviewed and approved by the Board.

2.3 **Eligibility; Terms.** Applicants must file their application for the Incentive Programs and receive executive director or Agency written approval prior to beginning any improvements to their property. Improvements that begin prior to the application approval date may not be eligible to receive incentives without subsequent Board approval.

- (a) Participants in the New Home/Commercial New Build Incentive Program must have a completed and approved Land Use Review or Site Design Review by City prior to receiving approval from executive director to be eligible for the New Home Incentive Program.

2.4 **Applicant Responsibilities; Ineligibility and Removal.** Applicants must adhere to all local, state and federal building codes and regulations from the time of application through completion of their property improvements. Projects initiated without local land use review, permits and other required regulatory reviews are ineligible to participate in the Incentive Programs. Applicants whose permits are revoked or who fail to follow regulations during course of construction may be removed from eligibility at the discretion of the Board.

2.5 **Board Review; Adjudication.** The Board will act as Agency's review board when adjudicating any decisions of the executive director regarding program eligibility and removal.

3. INCENTIVE PAYMENTS; PROCEDURES

3.1 **Incentive Payments; Types.** The Agency makes five types of Incentive payments:

- (a) Rebates of 7% of the change in assessed value (as determined by the Harney County Assessor) for new home construction under the New Home Incentive Program.
- (b) Rebates of 15% of the change in assessed value (as determined by the Harney County Assessor) for substantial improvements to existing residential properties.
- (c) Rebates of 5% of the change in assessed value (as determined by the Harney County Assessor) for new commercial construction under the Commercial Incentive Program.
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- (e) Rebate payment of SDC's (as determined by City) for program participants making new connections to City services.

3.2 **Incentive Payments; Authorization.** Agency Board must authorize all rebate payments under all Incentive Programs and payments in excess of \$25,000. Rebates under \$25,000 may be authorized by Executive Director.

3.3 **Incentive Payments; Procedures.** Rebate payments will be issued annually following receipt of the official change property ratio and tax statements from the Harney County Assessor. Tax statements will clearly identify the exception value for new construction and major improvements, upon which the rebates will be determined.

3.4 Payment Issuance. Payments will be issued to the approved Applicant(s) who submitted the application form within 30-days of receipt of a City Invoice or Board approval of rebate payments.

4. BOUNDARY AMENDMENTS

4.1 Amendments. Per ORS 457.440, to add property to the plan area the URA Board must amend the plan and provide notice to the Harney County Assessor prior to January 1 before the tax year to which the amendment applies. For example, plan area amendments submitted by December 31, 2022 will apply to property improvements made on or after January 1, 2023.

RECORD AND RETURN TO:

Darin L. Henry
Miller Springs Founders, LLC
16593 SW Ranchview Rd
Powell Butte, OR 97753

Send Tax Statements to:
Donald "Cody" and Ann McConnell
1000 S Date Ave / PO Box 233
Burns, OR 97720

Lot 18 of 23S30E12-00-00100, Burns, OR 97720

HARNEY COUNTY, OR	2026-0423
DEED-WD	04/29/2026 02:04:01 PM
Pgs= 3	\$91.00
I, Darin Robinson, County Clerk for Harney County, Oregon certify that the instrument identified herein was recorded in the Co. Clerk's records.	
	
Darin E. Robinson, Harney County Clerk	



SPECIAL WARRANTY DEED

MILLER SPRINGS FOUNDERS, LLC, an Oregon limited liability company, ("Grantor"), conveys and warrants to DONALD "CODY" and ANN MCCONNELL, husband and wife ("Grantee"), all of Grantors' right, title, interest and claim in the following described real property, including all buildings, structures, fixtures and other improvements located thereon, free of encumbrances created or suffered by Grantor except as specifically set forth on the attached Exhibit A, commonly referred to as Lot 18 of 23S30E12-00-00100, Land in MILLER SPRINGS PHASE 1, located in the City of Burns, Harney County, Oregon and more particularly described on the attached Exhibit A.

The true and actual consideration for this conveyance is \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is agreed by Grantor and Grantee.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Special Warranty Deed

Return Via

 AmeriTitle

1069542

Dated this 29th day of April 2026.

MILLER SPRINGS FOUNDERS LLC,
an Oregon limited liability company,

By: [Signature]
Darin L. Henry, Member

STATE OF OREGON)
County of Harney) ss.

This instrument was acknowledged before me on this 29 day of April 2026, by Darin Henry, as a Member of
MILLER SPRINGS FOUNDERS, LLC, Grantor.

[Signature]
NOTARY PUBLIC FOR OREGON

My Commission Expires: 8-12-2029

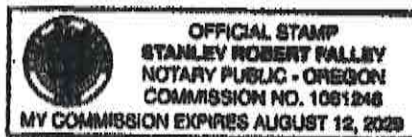


EXHIBIT A
Legal Description

Land in MILLER SPRINGS, PHASE 1, City of Burns, Harney County, Oregon, according to the official plat thereof, as follows:

Lot 18.

SUBJECT TO THE FOLLOWING ENCUMBRANCES:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject Land onto adjoining Land or of existing improvements located on adjoining Land onto the subject Land) encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the subject Land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental, or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
6. Taxes deferred, as disclosed by the tax roll, the Land herein described have been zoned or classified for farm use. At any time that said Land is disqualified for such use the property will be subject to additional taxes or penalties and interest.
7. Right, title and interest of the public in and to those portions of the Land lying within roads, streets or highways.
8. An easement including the terms and provisions thereof, affecting the portion of the Land and for the purposes stated therein as set forth in instrument:

Granted To: Oregon Trail Electric Consumers Cooperative
Recorded: June 22, 1998
Instrument No.: 981102

Receipt No: 6.008008031

May 13, 2026

Cody and Ann McConnell

Planning Fees - URA APPLICATION FEES	250.00
Total:	250.00
Check	Check No: 10304
Total Applied:	250.00
Change Tendered:	.00

Duplicate Copy

05/13/2026 10:40 AM



Incentive program

Application packet | Applicant instructions

Before you apply

- 01 Pick up the application and information material from Burns City Hall, or the City website at cityofburnsor.gov.
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Completing this fillable PDF

Download and open a copy in Adobe Acrobat Reader. Complete pages 2 and 3; page 4 is for City staff. Use Tab to move through the fields. Save the completed file under a new name. If a response does not fit, attach a continuation sheet.

Complete all entries before signing. Use the digital-signature field or print and sign the application. The original Standard Operating Procedures dated February 9, 2022 are included on pages 5-7.

Property sale notice. If the property sells prior to the project being finished and re-assessed, this application may be null and void without appropriate notification submitted to the Burns URA Board at the time of sale.



Property application

Applicant and project information

INCENTIVE PROGRAM / PROJECT TYPE

- ☒ New Home / Residential New Build ☐ Major Home Remodel
- ☐ Commercial New Build ☐ Major Commercial Remodel

Applicant and ownership**Name of applicant**

Regional Rural Revitalization (R3) Strategies Consortium

Date submitted (MM/DD/YYYY)

09/25/2026

Project street address

2195 W. B Street (Unit 1) and 2187 W. B Street (Unit 2)

Mailing address (if different)**Telephone number(s)**

(541) 620-2809

Email address

nick@catalyst.win

Property owner address / phone number (if different)**Recipient of the incentive payment**

R3 Strategies Consortium

Property and proposed work**Harney County Assessor's map number**

Lot 17 of 23S30E12-00-00100

Harney County tax lot number

Pending Assignment for Condominium Plat

Most recent assessed value (\$)

None

Include an aerial map view of the property.

Brief description of project

Two new homes built on lot 17. Unit 1 is 1368 sf, Unit 2 is 1188 sf.

Permits currently held

All (Structural, MEP)

Permits you plan to apply for

None

Continue with project dates, costs, checklist, and applicant signature on page 3.



Financing & certification

Proposed project financing worksheet

Estimated start date (MM/DD/YYYY)

09/02/2025

Estimated completion date (MM/DD/YYYY)

01/15/2027

Estimated costs (itemized)

Attach a worksheet if more space is needed. Enter the total manually.

Description

Cost (\$)

Unit 1 (1368 sf)

\$485,377.24

Unit 2 (1188 sf)

\$374,571.40

Carport (2-bay)

\$81,390.15

Misc. Site-wide / project-shared costs

\$24,557.19

Condo Plat + HOA

\$21,054.50

Land Purchase

\$167,585.42

Labor (personal or hired)

(included in above)

Total estimated project cost (\$)

Required attachments

- ☒ Application fee: cashier's check / money order payable to the City of Burns URA in the amount of \$250
- ☒ Current building/property photos
- ☒ Proof of legal ownership (property deed)
- ☐ Proof of current tax statement (available from HC Assessor)
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Applicant certification

I, applicant, acknowledge that the statements made herein are true and represent an accurate and full disclosure of all appropriate information as of this date. I understand that the URA will retain this application and any information the URA receives, whether or not this incentive request is approved. I understand that this is public information.

Applicant signature (digital signature or sign printed copy)

Date (MM/DD/YYYY)

Nicholas Green

Digitally signed by Nicholas Green
Date: 2026.09.25 10:18:31 -07'00'

09/25/2026



City review & approval

For official use only | To be completed by City staff

TYPE OF PROJECT

Select all that apply.

- ☐ Building interior
- ☐ Building exterior / facade
- ☐ Infrastructure
- ☐ New construction / site development
- ☐ Mitigation, reduction, removal of blight
- ☐ SDC rebates
- ☐ Notes (explain below)

ELIGIBILITY / REVIEW

Property in URA area?

Approvals required?

Building code compliance?

Planning Commission meeting?

Easements / encroachments?

Remodel meets threshold?

Notes

Assessment and payment record

Date of initial tax assessment

Date of "finished" tax assessment

Change in assessed value (\$)

Estimated incentive rebate (\$)

Date deemed complete

Approval for payment date

Reviewed by

If ineligible, reason NOT approved for program



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