



Home of the Tualatin River National Wildlife Refuge

URA RESOLUTION 2016-002

ADOPTING THE FY2016-17 BUDGET OF THE CITY OF SHERWOOD URBAN RENEWAL AGENCY, MAKING APPROPRIATIONS, IMPOSING AND CATEGORIZING TAXES, AND AUTHORIZING THE AGENCY MANAGER TO TAKE SUCH ACTION NECESSARY TO CARRY OUT THE ADOPTED BUDGET

WHEREAS, the Urban Renewal Agency Budget Committee has reviewed and acted on the proposed Urban Renewal Agency budget; and

WHEREAS, the Budget Committee has approved and recommended a balanced budget to the Urban Renewal Agency Board of Directors on May 26, 2016 and

WHEREAS, in accordance with State law, the Urban Renewal Agency Board of Directors held a public hearing on the budget as approved by the Budget Committee; and

WHEREAS, the Urban Renewal Agency Board of Directors desires to adopt the approved budget and carry out the programs identified in the budget;

NOW THEREFORE THE URBAN RENEWAL AGENCY BOARD OF DIRECTORS RESOLVES AS FOLLOWS:

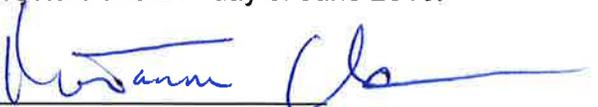
Section 1: Adoption of the FY2016-17 Budget. The Urban Renewal Agency Board of Directors of the City of Sherwood, Oregon hereby adopts the budget for the City of Sherwood Urban Renewal Agency for fiscal year 2016-17 in the sum of \$5,327,553, now on file at City Hall and attached as Exhibit A.

Section 2: Making Appropriations. The amounts for the fiscal year beginning July 1, 2016 and for the purposes shown below are hereby appropriated as follows:

	URA Operations Fund
Operations Department	797,909
Debt Service	2,838,854
Contingency	197,001
Reserved for Future Years	1,493,789
Total	\$5,327,553

Section 3: Imposing and Categorizing Taxes: Be it resolved that the Urban Renewal Agency Board of Directors of the City of Sherwood hereby resolves to certify to the county assessor a request for the Urban Renewal District Old Town Plan Area for \$3,871,240 that may be raised by dividing the taxes under Section 1c, Article IX of the Oregon Constitution and ORS Chapter 457.

Duly adopted by the Urban Renewal Agency Board of Directors this 21st day of June 2016.


Krisanna Clark, Board Chair

Attest:


Sylvia Murphy, MMC, Agency Recorder

City of Sherwood Urban Renewal Agency Annual Budget

For the Fiscal Year

July 1, 2016 - June 30, 2017



BOARD OF DIRECTORS:

Krisanna Clark, *Board Chair*
Jennifer Harris, *Board President*
Renee Brouse, *Board Member*
Sally Robinson, *Board Member*
Linda Henderson, *Board Member*
Dan King, *Board Member*
Jennifer Kuiper, *Board Member*

BUDGET COMMITTEE:

Andy McConnell, *Chair*
Meerta Meyer, *Vice Chair*
Susan Claus
Andy Jensen
Kurt Studer
Paul Mayer
Amy Kutzkey

CITY STAFF:

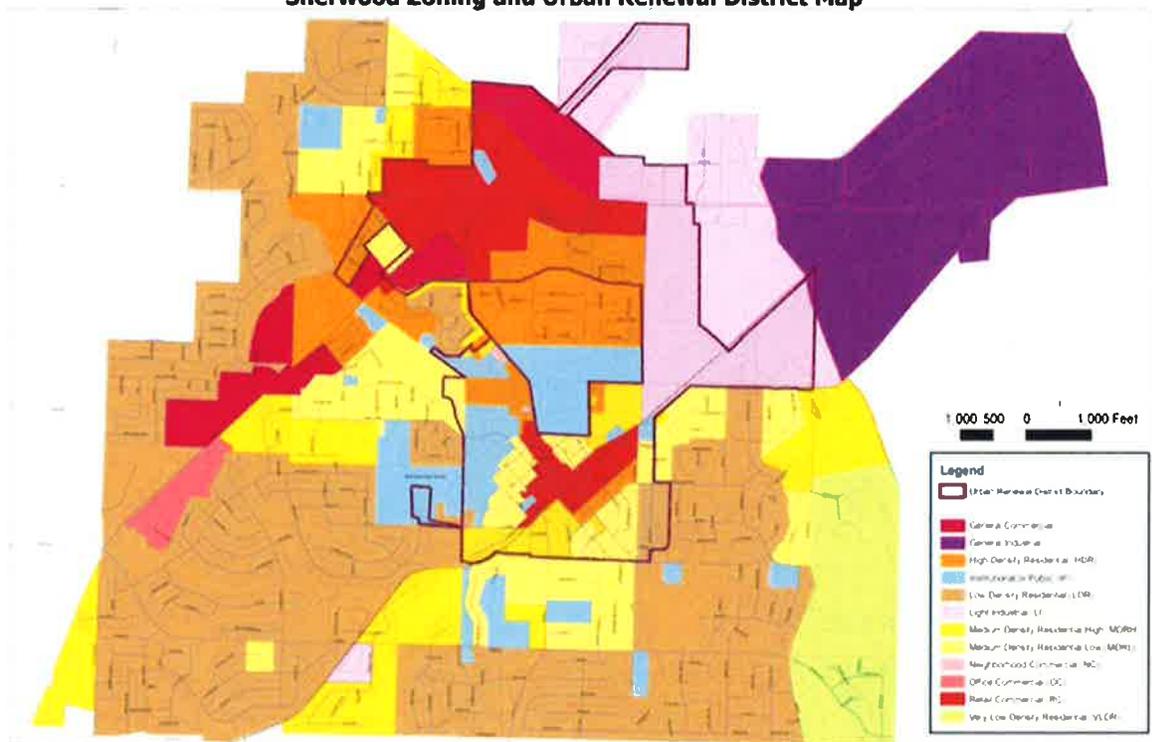
Joseph Gall, *City Manager*
Cathy Brucker, *Interim Finance Director*

www.sherwoodoregon.gov

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Sherwood Zoning and Urban Renewal District Map



About the District

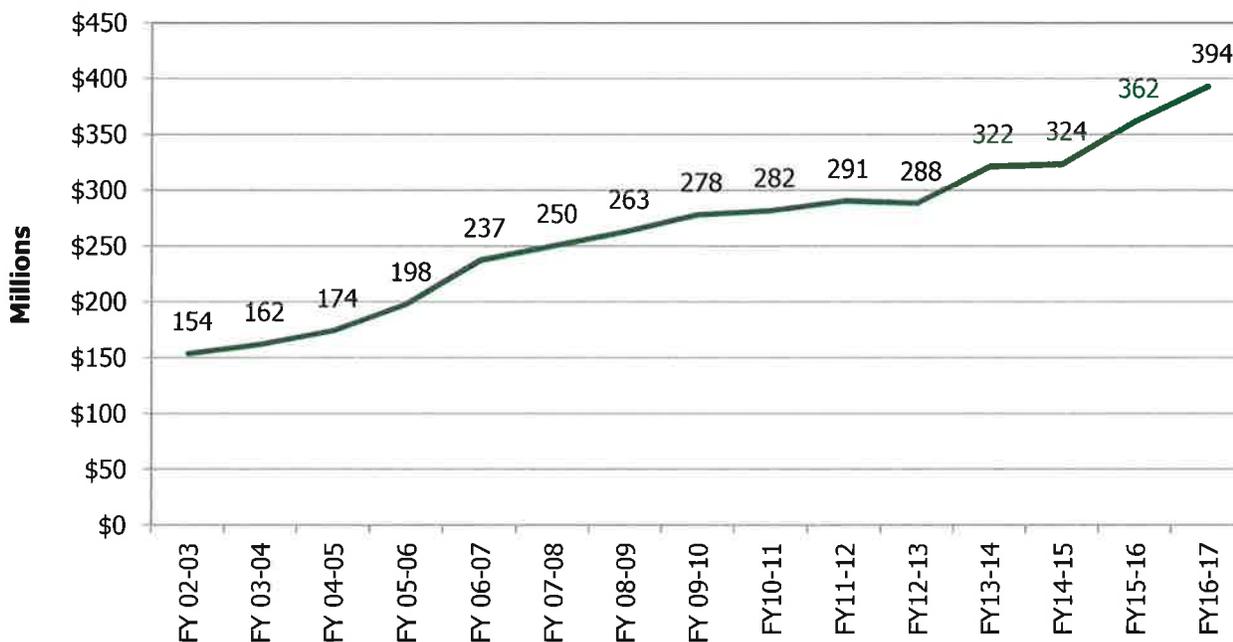
The City of Sherwood Urban Renewal Agency (URA) is a separate entity from the City. The Sherwood City Council serves as the Board of Directors for the URA and is financially accountable for its operations. In accordance with Oregon budget law, the URA prepares its own budget, and the Board of Directors approves its annual appropriations.

Urban renewal agencies are designed to borrow money and make expenditure for economic and community development projects included in the Urban Renewal Plan. When the Sherwood Urban Renewal Plan was adopted in 2000, property values were frozen. The taxes collected on that frozen value continues to flow to the taxing authorities (City, County, Schools, TVF&R, etc.). The taxes collected on increased property values that occur with NEW development generate incremental tax revenue. This tax increment is then used to repay the URA debt and implement the URA plan.

In 2012 the URA plan was amended. The Maximum Indebtedness was increased and starting in 2014 a portion of the NEW tax revenue will be shared with the other taxing authorities. The net effect of the additional shared revenue will be to keep the district open for one additional year. The District is expected to close in 2021.

Urban Renewal Tax Collections are not an additional tax. Urban Renewal Tax Collections are used to initiate development that would not be financially feasible without infrastructure improvements made possible by urban renewal financing.

Urban Renewal District Incremental Assessed Value



Budget Message

It is my privilege to provide you, the citizens of the City of Sherwood, with my proposed Urban Renewal Agency budget for Fiscal Year 16-17.

The Agency budget consists of one fund which covers both operations and capital. The operations for Agency includes administration costs and economic development activities within the Urban Renewal Area. The capital portion of the budget is for construction projects and property purchases. All of the projects funded through URA capital are transferred to City ownership on completion.

The Agency operates under guidance from the Agency Board of Directors.

FY16-17 Proposed Budget

The FY16-17 operations budget is largely a status quo budget but there are some additional expenses as we maintain and prepare to divest of assets in future years. Economic development activities which support for Old Town Sherwood and City involvement in regional economic development partnerships are budgeted to continue including some limited façade grants (\$15,000). Debt service payments account for the majority of the expenditures out of operations. The URA is expected to generate revenue of \$3.91 million in FY 16-17 based on increment value used of \$218 million.

The FY16-17 Capital Projects budget primarily includes appropriations to:

- Construct a parking lot on the 1st Street properties acquired by the URA in 2014
- Removal of Monuments in Old Town
- Signage for the Center for the Arts
- Tenant Improvements for the Center for the Arts lease space

These will be the last capital projects funded by the Urban Renewal Agency unless there is additional revenue from the sale of properties owned by the URA.

The Agency will spend this year finishing construction activities and take the initial steps to sell property over the next few years. The URA debt is scheduled to be paid off in 2021 or 2022 depending on future Tax Increment Financing collections. I am looking forward to an active year of Agency progress and achievements.

Respectfully Submitted,

Tom Pessemier
Assistant City Manager

URBAN RENEWAL DISTRICT

OPERATIONS BUDGET

Operations

2013-14 Actual	2014-15 Actual	2015-16 Budget		2016-17 Proposed	2016-17 Approved	2016-17 Adopted
	(restated)		RESOURCES			
\$2,056,165	\$3,653,402	\$1,950,180	Beginning fund balance	\$ 1,337,538	\$ 1,337,538	
			Revenue			
3,771,424	3,474,465	3,585,535	Taxes	3,922,015	3,922,015	
25,986	15,110	18,000	Fines, interest and other	18,000	18,000	
3,797,410	3,489,575	3,603,535	Total revenue	3,940,015	3,940,015	
			Other sources			
-	182,065	150,000	Sale of fixed assets	50,000	50,000	
-	182,065	150,000	Total other sources	50,000	50,000	
5,853,575	7,325,041	5,703,715	Total resources	5,327,553	5,327,553	
			REQUIREMENTS			
			Expenditures			
			Personal services			
35,401	39,529	72,219	Salaries and wages	86,742	86,742	
3,500	3,843	6,742	Payroll taxes	7,739	7,739	
12,382	13,019	26,758	Benefits	32,406	32,406	
51,283	56,390	105,719	Total personal services	126,887	126,887	
			Materials and services			
11,387	13,477	62,000	Professional & technical	20,000	20,000	
-	5,237	6,500	Facility and equipment	2,000	2,000	
7,977	6,025	8,930	Other purchased services	8,407	8,407	
66	-	100	Supplies	100	100	
21,394	28,923	45,000	Community activities	15,000	15,000	
22,677	22,288	49,870	Other materials & services	59,804	59,804	
63,501	75,950	172,400	Total materials & services	105,311	105,311	
			Capital outlay			
-	-	450,000	Infrastructure	565,711	565,711	
-	-	-	Buildings	-	-	
-	-	25,000	Furniture and equipment	-	-	
-	-	475,000	Total capital outlay	565,711	565,711	
114,784	132,340	753,119	Total expenditures	797,909	797,909	
			Debt service			
931,517	968,378	1,010,313	Principal	2,180,846	2,180,846	
652,818	616,863	579,292	Interest	658,008	658,008	
1,584,335	1,585,241	1,589,605	Total debt service	2,838,854	2,838,854	
			Other uses			
2,219,502	3,988,201	-	Transfers out	-	-	
2,219,502	3,988,201	-	Total other uses	-	-	
1,934,953	1,619,260	-	Ending Fund Balance	-	-	
-	-	3,360,991	Contingency	197,001	197,001	
-	-	-	Reserved for Future Years	1,493,789	1,493,789	
5,853,575	7,325,041	5,703,715	Total requirements	5,327,553	5,327,553	
0.3	0.3	0.2	FTE	-	-	

Capital

The URA Capital Fund will be closed at the end of FY14-15. All URA activity will be recorded in the Operations Fund. This page is shown for historical purposes only.

	2013-14 Actual	2014-15 Actual (restated)
RESOURCES		
Beginning fund balance	\$ 508,904	\$ (4,116)
Revenue		
Intergovernmental		16,900
Fines, interest and other	2,237	-
Total revenue	<u>2,237</u>	<u>16,900</u>
Other sources		
Transfers in	2,399,487	3,988,201
Total other sources	<u>2,399,487</u>	<u>3,988,201</u>
Total resources	<u>2,910,628</u>	<u>4,000,985</u>
REQUIREMENTS		
Expenditures		
Personal services		
Salaries and wages	59,334	65,213
Payroll taxes	4,936	5,648
Benefits	21,049	25,271
Total personal services	<u>85,319</u>	<u>96,132</u>
Materials and services		
Professional & technical	13,824	393
Other purchased services	1,233	2,837
Supplies	1,868	-
Other materials & services	70,388	72,605
Total materials & services	<u>87,313</u>	<u>75,834</u>
Capital outlay		
Land	16,000	144,235
Infrastructure	2,257,583	0
Buildings	464,414	3,684,784
Total capital outlay	<u>2,737,997</u>	<u>3,829,018</u>
Total expenditures	<u>2,910,628</u>	<u>4,000,985</u>
Ending Fund Balance	(0)	(0)
Reserved for Future Years	-	-
Total requirements	<u>2,910,628</u>	<u>4,000,985</u>
FTE	0.7	0.7

Urban Renewal Debt Service

	City Loans for Sherwood Urban Renewal Agency Projects				
	2006	2010 Streets & Cannery	2010 Cannery	2012 City Hall/Street Refinancing	Total Debt on behalf of URA
Original Amount	\$ 6,400,000	\$ 7,065,000	\$ 5,898,888	\$ 5,245,000	\$ 24,608,888
Balance at 6/30/16	4,170,133	5,580,000	5,898,888	3,585,000	19,234,021
Payment Source	Tax Increment				
Paying Fund	URA Operations				
Year Ending June 30					
2017	483,419	551,580	1,251,499	552,356	2,838,854
2018	483,220	552,045	1,251,498	553,481	2,840,244
2019	482,619	551,745	1,251,499	554,156	2,840,019
2020	481,619	555,680	1,251,498	549,456	2,838,253
2021	484,863	553,595	1,251,499	554,306	2,844,263
2022-2026	2,417,626	2,764,581	-	1,208,403	6,390,610
2027-2031	484,156	2,215,523	-	-	2,699,679
2032-2036	-	-	-	-	-
	\$ 5,317,522	\$ 7,744,749	\$ 6,257,493	\$ 3,972,158	\$ 23,291,922

