



*Home of the Tualatin River National Wildlife Refuge*

# **URBAN RENEWAL AGENCY MEETING PACKET**

**FOR**

**Tuesday, June 20, 2017**

**Sherwood City Hall  
22560 SW Pine Street  
Sherwood, Oregon**

**URA Board of Directors Regular Meeting**  
(Following the City Council meeting)

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS  
MEETING AGENDA**

**Tuesday, June 20, 2017**  
(Following the 7:00 pm City Council Meeting)

**City of Sherwood City Hall  
22560 SW Pine Street  
Sherwood, Oregon**

**URA BOARD REGULAR MEETING**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. CONSENT AGENDA**

**A. Adoption of June 6, 2017 URA Board Meeting Minutes**

**4. PUBLIC HEARINGS**

**A. URA Resolution 2017-004 Adopting the FY2017-18 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 (Katie Henry, Finance Director)**

**5. ADJOURN**

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS  
MEETING MINUTES  
Tuesday, June 6, 2017  
22560 SW Pine Street, Sherwood, Oregon 97140**

**REGULAR SESSION**

1. **CALL TO ORDER:** Chair Clark called the meeting to order at 8:10 pm.
2. **BOARD PRESENT:** Chair Krisanna Clark, Jennifer Harris, Jennifer Kuiper, Kim Young, Dan King and Sean Garland. Sally Robinson was absent.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Joe Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, Police Chief Jeff Groth, Finance Director Katie Henry, and Agency Recorder Sylvia Murphy.

Chair Clark addressed the consent agenda and asked for a motion.

**4. CONSENT AGENDA**

**A. Adoption of May 2, 2017 URA Board Meeting Minutes**

**MOTION: FROM JENNIFER HARRIS TO ADOPT THE CONSENT AGENDA, SECONDED BY DAN KING, MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR. SALLY ROBINSON WAS ABSENT.**

Chair Clark addressed the next agenda item.

**5. NEW BUSINESS**

**A. URA Resolution 2017-003 Approving a Facade Grant for “Mason” – Lad Dining LLC, Pankard Building, 16057 SW Railroad Street**

Assistant City Manager Tom Pessemier recapped the staff report. With no questions from the Board, Chair Clark asked for a motion.

**MOTION: FROM JENNIFER HARRIS TO ADOPT URA RESOLUTION 2017-003, SECONDED BY CHAIR CLARK, MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR. SALLY ROBINSON WAS ABSENT.**

**6. ADJOURN**

With no further business, Chair Clark adjourned at 8:12 pm and reconvene to a City Council Executive Session.

Attest:

\_\_\_\_\_  
Sylvia Murphy, MMC, Agency Recorder

\_\_\_\_\_  
Krisanna Clark, Chair

**TO:** Sherwood Urban Renewal Agency Board of Directors

**FROM:** Katie Henry, Finance Director  
**Through:** Joseph Gall, ICMA-CM, Agency Manager and Tom Pessemier, Assistant City Manager

**SUBJECT:** **URA Resolution 2017-004, adopting the FY2017-18 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**

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**ISSUE:**

Shall the Board adopt the FY2017-18 URA Budget?

**BACKGROUND:**

On May 25, 2017, the Budget Committee received the budget message, heard public comment, and approved the proposed budget with no change. Today, June 20, 2017, the Board is holding a public hearing on the approved FY2017-18 budget. The final step of the budget process is the adoption of the FY2017-18 budget.

**RECOMMENDATIONS:**

Staff respectfully recommends approving URA Resolution 2017-004, adopting the FY2017-18 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.



**URA RESOLUTION 2017-004**

**ADOPTING THE FY2017-18 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 25, 2017; 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 FY2017-18 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 2017-18 in the sum of \$5,345,460 now on file at City Hall, and attached as Exhibit A.

**Section 2: Making Appropriations.** The amounts for the fiscal year beginning July 1, 2017 and for the purposes shown below are hereby appropriated as follows:

	URA Operations Fund
Operations Department	525,623
Debt Service	2,840,244
Contingency	187,487
<b>Total Appropriated</b>	<b>3,553,354</b>
Unappropriated Reserved Balance	1,792,106
<b>Total Budget</b>	<b>\$5,345,460</b>

**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 \$3,900,042 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 20<sup>th</sup> day of June 2017.

\_\_\_\_\_  
Krisanna Clark, Board Chair

Attest:

\_\_\_\_\_  
Sylvia Murphy, MMC, Agency Recorder

# City of Sherwood Urban Renewal Agency Annual Budget

For the Fiscal Year  
July 1, 2017 - June 30, 2018



## BOARD OF DIRECTORS:

Krisanna Clark, *Board Chair*  
Jennifer Harris, *Board President*  
Sally Robinson, *Board Member*  
Jennifer Kuiper, *Board Member*  
Dan King, *Board Member*  
Kim Young, *Board Member*  
Sean Garland, *Board Member*

## BUDGET COMMITTEE:

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

## CITY STAFF:

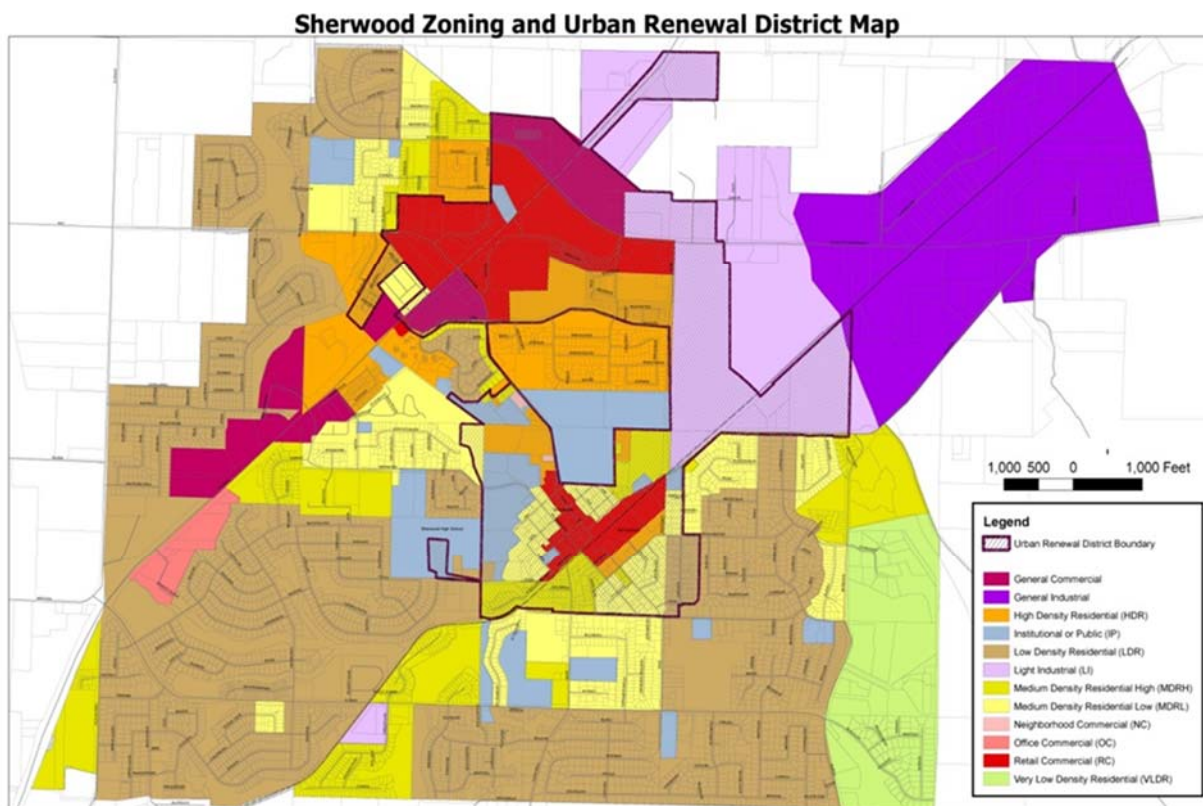
Joseph Gall, *City Manager*  
Tom Pessemier, *Assistant City Manager*  
Katie Henry, *Finance Director*

[www.sherwoodoregon.gov](http://www.sherwoodoregon.gov)

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**About the District**

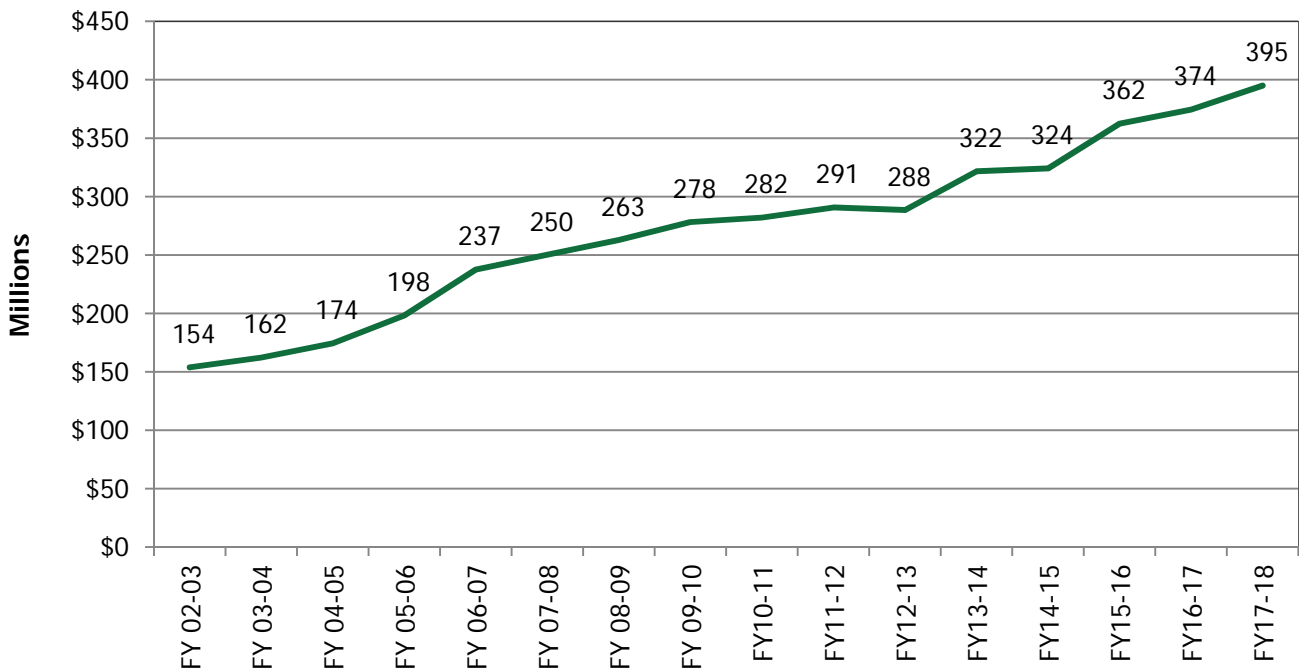
The City of Sherwood Urban Renewal Agency (URA) is a separate entity from the City. The Sherwood City Council serves as the Board of Directors for the URA and is financially accountable for its operations. In accordance with Oregon budget law, the URA prepares its own budget, and the Board of Directors 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 typically 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 2022.

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 the proposed Urban Renewal Agency budget for Fiscal Year 17-18.

The Agency budget consists of one fund which covers both operations and capital projects. The operations for the 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 or at the end of the district.

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

**FY17-18 Proposed Budget**

The FY17-18 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 Old Town Sherwood and City involvement in regional economic development partnerships are budgeted to continue. Debt service payments account for the majority of the expenditures out of operations.

The FY17-18 Capital Projects budget primarily includes appropriations to:

- Construct a parking lot on the 1st Street properties acquired by the URA in 2014
- Design and prepare for construction of Sanitary Sewer line to serve Sherwood Blvd. property and Marjorie Stewart Center in the future.

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

The Agency proposes to eliminate the successful façade grant program this year as the district winds down and the Maximum Indebtedness is coming close to being reached.

The Agency will spend this year finishing construction activities, preparing to sell property, and preparing to place the Agency in a position to run with little effort until the URA debt is paid off in 2021-2022 depending on tax increment revenue. We are looking forward to an active year of Agency progress and achievement.

Respectfully Submitted,

Tom Pessemier  
Assistant City Manager

Operations

2014-15 Actual	2015-16 Actual (restated)	2016-17 Budget		2017-18 Proposed	2017-18 Approved	2017-18 Adopted
\$ 3,653,402	\$ 1,619,260	\$ 1,337,538	<b>RESOURCES</b>			
			Beginning fund balance	\$ 1,595,720	\$ 1,595,720	
			Revenue			
3,474,465	1,714,544	3,922,015	Taxes	3,731,740	3,731,740	
15,110	21,687	18,000	Fines, interest and other	18,000	18,000	
<u>3,489,575</u>	<u>1,736,231</u>	<u>3,940,015</u>	Total revenue	<u>3,749,740</u>	<u>3,749,740</u>	
			Other sources			
182,065	-	50,000	Sale of fixed assets	-	-	
<u>182,065</u>	<u>-</u>	<u>50,000</u>	Total other sources	<u>-</u>	<u>-</u>	
			<b>Total resources</b>	<b>5,345,460</b>	<b>5,345,460</b>	
<b>7,325,041</b>	<b>3,355,491</b>	<b>5,327,553</b>	<b>REQUIREMENTS</b>			
			Expenditures			
			Personal services			
39,529	70,042	86,742	Salaries and wages	76,743	76,743	
3,843	6,235	7,739	Payroll taxes	6,631	6,631	
13,313	27,532	33,263	Benefits	31,718	31,718	
<u>56,684</u>	<u>103,809</u>	<u>127,744</u>	Total personal services	<u>115,092</u>	<u>115,092</u>	
			Materials and services			
13,477	5,533	20,000	Professional & technical	15,000	15,000	
5,237	1,450	2,000	Facility and equipment	-	-	
5,731	4,720	7,550	Other purchased services	7,650	7,650	
-	4	100	Supplies	-	-	
28,923	10,066	15,000	Community activities	-	-	
-	2,400	3,000	Other materials & services	2,000	2,000	
<u>22,288</u>	<u>56,833</u>	<u>56,804</u>	Cost Allocation	<u>45,881</u>	<u>45,881</u>	
<u>75,656</u>	<u>81,007</u>	<u>104,454</u>	Total materials & services	<u>70,531</u>	<u>70,531</u>	
			Capital outlay			
-	26,748	565,711	Infrastructure	340,000	340,000	
-	40,521	-	Buildings	-	-	
<u>-</u>	<u>67,269</u>	<u>565,711</u>	Total capital outlay	<u>340,000</u>	<u>340,000</u>	
			<b>Total expenditures</b>	<b>525,623</b>	<b>525,623</b>	
<u>132,340</u>	<u>252,085</u>	<u>797,909</u>	Debt service			
			Principal	2,245,610	2,245,610	
968,378	1,010,313	2,180,846	Interest	594,634	594,634	
616,863	709,053	658,008	Total debt service	<u>2,840,244</u>	<u>2,840,244</u>	
<u>1,585,241</u>	<u>1,719,366</u>	<u>2,838,854</u>	Other uses			
			Transfers out	-	-	
3,988,201	-	-	Total other uses	<u>-</u>	<u>-</u>	
<u>3,988,201</u>	<u>-</u>	<u>-</u>	Ending Fund Balance	-	-	
			Contingency	187,487	187,487	
1,619,260	1,384,041	-	Reserved for Future Years	1,792,106	1,792,106	
-	-	197,001	<b>Total requirements</b>	<b>\$ 5,345,460</b>	<b>\$ 5,345,460</b>	
-	-	1,493,789				
<b>\$ 7,325,041</b>	<b>\$ 3,355,491</b>	<b>5,327,553</b>				
0.3	0.7	-	FTE	-	-	

**Capital**

The URA Capital Fund was closed at the end of FY14-15 and all URA activity is now recorded in the Operations Fund. This page is shown for historical purposes only.

	2014-15 <u>Actual</u>
<b>RESOURCES</b>	
Beginning fund balance	<u>\$ (4,116)</u>
Revenue	
Intergovernmental	16,900
Fines, interest and other	-
Total revenue	<u>16,900</u>
Other sources	
Transfers in	<u>3,988,201</u>
Total other sources	<u>3,988,201</u>
<b>Total resources</b>	<b><u>4,000,985</u></b>
<b>REQUIREMENTS</b>	
Expenditures	
Personal services	
Salaries and wages	65,213
Payroll taxes	5,648
Benefits	<u>25,271</u>
Total personal services	<u>96,132</u>
Materials and services	
Professional & technical	393
Other purchased services	2,837
Other materials & services	<u>72,604</u>
Total materials & services	<u>75,834</u>
Capital outlay	
Land	144,235
Buildings	<u>3,684,784</u>
Total capital outlay	<u>3,829,019</u>
Total expenditures	<u>4,000,985</u>
Ending Fund Balance	-
<b>Total requirements</b>	<b><u>\$ 4,000,985</u></b>
FTE	0.7

**Urban Renewal Debt Service**

<b>City Loans for Sherwood Urban Renewal Agency Projects</b>					
	<b>2006</b>		<b>2012 City</b>		<b>Total Debt on behalf of URA</b>
	<b>Downtown Streets</b>	<b>2010 Streets &amp; Cannery</b>	<b>2010 Cannery</b>	<b>Hall/Street Refinancing</b>	
Original Amount	\$ 6,400,000	\$ 7,065,000	\$ 5,898,888	\$ 5,245,000	\$ 24,608,888
Balance at 6/30/17	3,862,808	4,765,367	5,295,000	3,130,000	17,053,175
Payment Source	Tax Increment				
Paying Fund	URA Operations				
Year Ending June 30					
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	482,263	555,768	-	430,506	1,468,537
2023-2027	2,419,519	2,760,883	-	777,897	5,958,299
2028-2032	-	1,663,453	-	-	1,663,453
2033-2037	-	-	-	-	-
	<b>\$ 4,834,103</b>	<b>\$ 7,193,169</b>	<b>\$ 5,005,994</b>	<b>\$ 3,419,802</b>	<b>\$ 20,453,068</b>



# Approved Minutes

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS**  
**MEETING MINUTES**  
**Tuesday, June 20, 2017**  
**22560 SW Pine Street, Sherwood, Oregon 97140**

**REGULAR SESSION**

1. **CALL TO ORDER:** Chair Clark called the meeting to order at 9:25 pm.
2. **BOARD PRESENT:** Chair Krisanna Clark, Jennifer Harris, Sally Robinson, Kim Young, Dan King and Sean Garland. Jennifer Kuiper was absent.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Joe Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, Police Chief Jeff Groth, Finance Director Katie Henry, Community Development Director Julia Hajduk, and Agency Recorder Sylvia Murphy.

Chair Clark addressed the consent agenda and asked for a motion.

**4. CONSENT AGENDA**

**A. Adoption of June 6, 2017 URA Board Meeting Minutes**

**MOTION: FROM JENNIFER HARRIS TO ADOPT THE CONSENT AGENDA, SECONDED BY SEAN GARLAND, MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR. (JENNIFER KUIPER WAS ABSENT.)**

Chair Clark addressed the next agenda item and the agency recorder read the public hearing statement.

**5. PUBLIC HEARING**

**A. URA Resolution 2017-004 Adopting the FY2017-18 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**

Finance Director Katie Henry stated the Board will see in this budget a lot of debt service and wrapping up of projects. She said the Board can expect to see more detailed projects in the coming year on revenues and taxes, and possibly some adjustments as we fine tune how much taxes we need so that we don't have to return money in five years when we can hopefully close the URA and pay everything off. She said for this year we are status quo and are requesting the amount of taxes that we can levy in order to put money aside for debt payment.

Chair Clark opened the public hearing to received testimony.

Eugene Stewart came forward and asked why the property tax levy between the City and URA was going down \$600,000. He said it looks like \$200,000 on the urban renewal and \$400,000 on the City. He said comparing last year's budget to the proposed budget, asked why does the revenue go down for taxes.

Finance Director Katie Henry replied because of an error in last year's budget. She said the issue has to do with projecting the amount of taxes that we will not receive. She said the amount in here is not the tax levy, the amount in here is the taxes that we are actually projecting we will be receiving. She said last year we projected about a 3% that we would not receive and it actually comes closer to 5% and she has adjusted the numbers that are being projected to more accurately reflect the amount that we actually don't receive in taxes for the current year. She said it is not that we are levying less, it's that the amount that we are projecting to receive is closer to the trend.

With no additional public comments, Chair Clark closed the public hearing and asked if staff had additional information for the Board.

Assistant City Manager Tom Pessemier stated the two capital projects that staff is anticipating this year are the parking lot on 1<sup>st</sup> Street and constructing a sanitary sewer line to serve the Sherwood Blvd. property and ultimately the Senior Center and properties upstream from that. He said staff has also proposed not funding any façade grants for this next fiscal year and have received a few applications late in the year and may come back and try something different. He said we had about 18 months where we did not have any applications and it seemed to be winding down. He said staff will let the Board know if there's a need to fund a grant fund. He said staff will be focusing on trying to sell properties owned by the URA and informed the Board that they are seeing an improved market in the old town area. He informed the Board they will see for sale signs on the property next to the Arts Center in the coming weeks.

Jennifer Harris asked for an update on the Smockville Brew House. Tom stated they resubmitted building plans and he understands the review will probably occur this week. He said they have gone through different contractors and different designers and ended up hiring Ankrom Moisan. Tom stated he has spoken with their contractor and they indicated the subcontractors are ready to go. He said he also met with Shannon Johnson last week and she is also ready to go. He said he believes it's a matter of getting their building permits and we should start seeing improvements shortly.

Ms. Harris asked if there was a tentative opening date. Tom replied no and said staff has asked and will now want to review the agreement we have with them as they did not meet their March 2017 opening. He said he believes their contractor will be taking on more of the work that the URA was committed to doing and the prices are now lower considering prevailing wages.

With no other questions, the following motion was received.

**MOTION: FROM JENNIFER HARRIS TO ADOPT URA RESOLUTION 2017-004, SECONDED BY DAN KING, MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR. (JENNIFER KUIPER WAS ABSENT.)**

## 6. ADJOURN

With no further business, Chair Clark adjourned at 9:35 pm.

Attest:

  
Sylvia Murphy, MMC, Agency Recorder

  
Krisanna Clark, Chair  
