



Home of the Tualatin River National Wildlife Refuge

URBAN RENEWAL AGENCY MEETING PACKET

FOR

Tuesday, June 12, 2018

**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 12, 2018
(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 March 20, 2018 URA Board of Directors Meeting Minutes

B. Adoption of May 1, 2018 URA Board of Director Meeting Minutes

4. NEW BUSINESS

A. URA Resolution 2018-002 adopting the FY2018-19 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, March 20, 2018
22560 SW Pine Street, Sherwood, Oregon 97140**

REGULAR SESSION

1. **CALL TO ORDER:** Chair Weislogel called the meeting to order at 9:34 pm.
2. **BOARD PRESENT:** Chair Lee Weislogel, Board members Sean Garland, Jennifer Kuiper, Kim Young, Renee Brouse, Russell Griffin and Tim Rosener.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Joe Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, Finance Director Katie Henry, and Agency Recorder Sylvia Murphy.

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

4. CONSENT AGENDA

A. Adoption of December 19, 2017 URA Board Meeting Minutes

MOTION: FROM KIM YOUNG TO APPROVE THE CONSENT AGENDA, SECONDED BY RUSSELL GRIFFIN. MOTION PASSED 7:0, ALL MEMBERS VOTED IN FAVOR.

Chair Weislogel addressed the next agenda item.

5. NEW BUSINESS

A. URA Resolution 2018-001 Transferring Budget Expenditure Appropriations from Contingency to the Operations Department for Budget Year 2017-18

Finance Director Katie Henry recapped the staff report and said this resolution is not a supplemental budget request, it is a transfer from contingency to the operations department. She said the main reason for this transfer is the delays in opening the Smockville Brewery which was all budgeted in the last fiscal year. She stated there was a problem with the grease trap and some of the work involved employees from other City departments which caused an increase in personal services. She stated there were also extra costs that rolled over from the previous year. She noted this had all been budget, just budgeted in the previous year. She referred to the Downtown Parking Lot project and said the bid came in higher than originally anticipated. She said this request is to move funds out of contingency and into the capital outlay.

Kim Young referred to the Smockville delay and the grease trap and asked if they paid the City back for the work performed by the City employees.

Assistant City Manager Tom Pessemier responded that the grease interceptor was something that needed to be included in the Center for the Arts but they were unsure what type of business would be leasing the space. He said when the Center for the Arts was built the City plumbed the building for a grease interceptor but did not put it in until they figured out what size the future tenant would need. He stated this was a commitment the URA was planning on paying for and stated in the agreement with Smockville they

provided a cost for the size of grease interceptor they needed but when they went out for bids it was significantly higher so the City decided to do the work themselves and saved over 50%. He said it was part of the tenant improvements.

With no further questions from the Board, Chair Weislogel asked for a motion.

MOTION: FROM JENNIFER KUIPER TO ADOPT URA RESOLUTION 2018-001, SECONDED BY RENEE BROUSE. MOTION PASSED 7:0, ALL MEMBERS VOTED IN FAVOR.

6. ADJOURN

Chair Lee Weislogel adjourned the meeting at 9:40 pm.

Attest:

Sylvia Murphy, MMC, Agency Recorder

Chair

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
Tuesday, May 5, 2018
22560 SW Pine Street, Sherwood, Oregon 97140**

JOINT EXECUTIVE SESSION WITH CITY COUNCIL

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 8:03 pm.

2. **BOARD PRESENT:** Chair Keith Mays, Board Members Sean Garland, Councilors Jennifer Kuiper, Kim Young, Renee Brouse, Russell Griffin and Tim Rosener. City Council members, also acting as URA Board members.

3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Joe Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, Finance Director Katie Henry, Community Development Director Julia Hajduk and Building Official Scott McKie.

4. **TOPICS:**
 - A. **ORS 192.660(2)(e)(f), Real Property Transactions and Exempt Public Records**

5. **ADJOURN**

Chair Mays adjourned at 8:48 pm.

Attest:

Sylvia Murphy, MMC, Agency Recorder

Keith Mays, Chair

TO: Sherwood Urban Renewal Agency Board of Directors

FROM: Katie Henry, Finance Director
through: Joseph Gall, ICMA-CM, Agency Manager

SUBJECT: URA Resolution 2018-002, adopting the FY2018-19 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

Issue:

Shall the Board adopt the FY2018-19 Urban Renewal Agency (URA) Budget as approved by the URA Budget Committee?

Background:

On May 24, 2018, the URA Budget Committee received the budget message, heard public comment, and approved the proposed budget with the revisions triggered by the City budget cuts. The final steps of the budget process are for the URA Board to hold a public hearing and then adopt the FY2018-19 budget.

Financial Impacts:

All financial impacts of this resolution have been considered by the Budget Committee and are included in the approved budget that is being presented for adoption. There are no additional financial impacts.

Recommendation:

Staff respectfully recommends approving URA Resolution 2018-002 adopting the FY2018-19 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 2018-002

ADOPTING THE FY2018-19 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 approved and recommended a balanced budget to the Urban Renewal Agency Board of Directors on May 24, 2018; and

WHEREAS, in accordance with State law, the Urban Renewal Agency Board of Directors held a public hearing on the budget as approved and recommended 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 SHERWOOD URBAN RENEWAL AGENCY BOARD RESOLVES AS FOLLOWS:

Section 1. Adoption of the FY2018-19 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 2018-19 in the sum of \$6,002,897 now on file at City Hall, and attached hereto as Exhibit A.

Section 2. Making Appropriations. The amounts for the fiscal year beginning July 1, 2018 and for the purposes shown below are hereby appropriated as follows:

	URA Operations Fund
Operations Department	190,233
Debt Service	2,840,019
Contingency	<u>196,610</u>
TOTAL APPROPRIATED	3,226,862
Unappropriated Reserved Balance	<u>2,776,035</u>
Total Budget	\$6,002,897

Section 3. Imposing and Categorizing Taxes. 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 \$4,078,783 that may be raised by dividing the taxes under Section 1c, Article IX of the Oregon Constitution and ORS Chapter 457.

Section 4. **Agency Manager Authorization.** The Urban Renewal Agency Manager is hereby authorized to take such action as is necessary to carry out the adopted budget.

Section 5. **Effective Date.** This Resolution shall be effective upon its approval and adoption.

Duly passed by the Urban Renewal Agency Board this 12th of June, 2018.

Keith Mays, Chair

Attest:

Sylvia Murphy, MMC, Agency Recorder

City of Sherwood Urban Renewal Agency Annual Budget

For the Fiscal Year

July 1, 2018 - June 30, 2019



BOARD OF DIRECTORS:

Keith Mays, *Board Chair*

Sean Garland, *Board President*

Jennifer Kuiper, *Board Member*

Kim Young, *Board Member*

Renee Brouse, *Board Member*

Russell Griffin, *Board Member*

Tim Rosener, *Board Member*

BUDGET COMMITTEE:

Meerta Meyer, *Chair*

Paul Mayer, *Vice Chair*

Susan Claus

Kurt Studer

Amy Kutzkey

Nancy Taylor

Tyrone Stammers

CITY STAFF:

Joseph Gall, *City Manager*

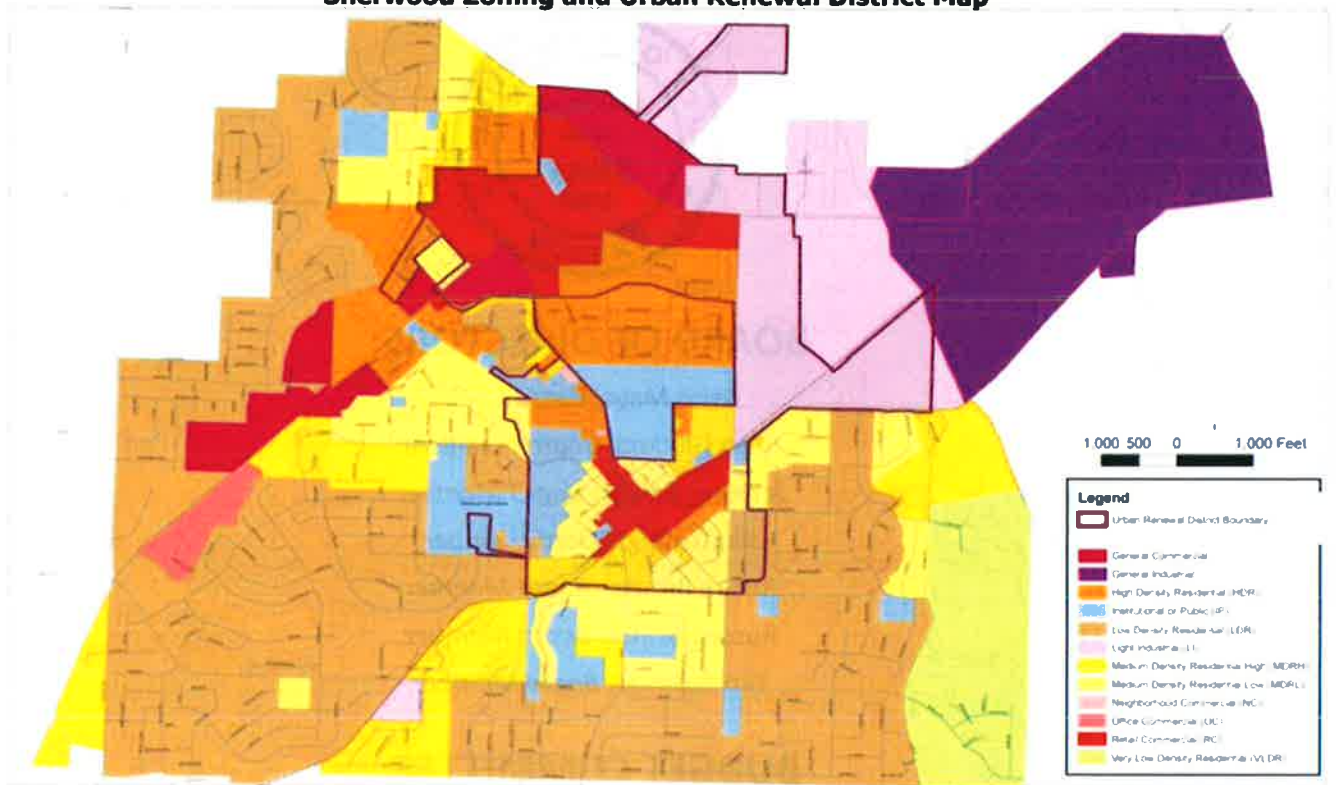
Tom Pessemier, *Assistant City Manager*

Katie Henry, *Finance Director*

www.sherwoodoregon.gov

- 1 About the District
- 2 Budget Message
- 3 Operations Budget
- 4 Debt Service

Sherwood Zoning and Urban Renewal District Map



About the District

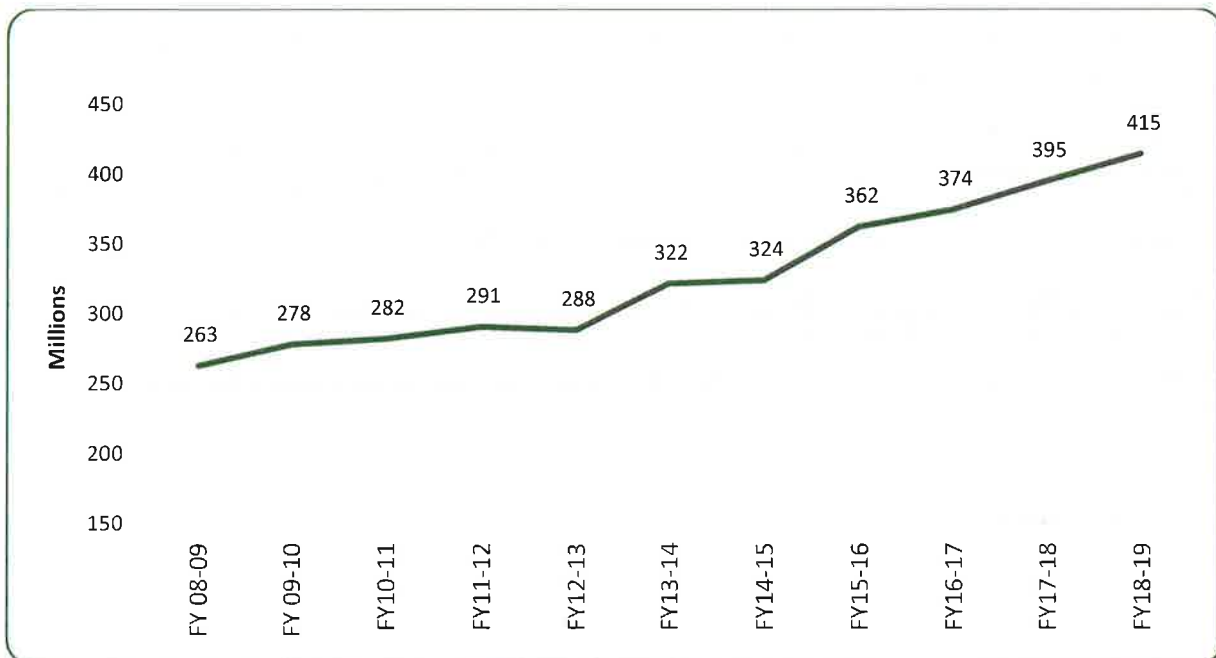
The City of Sherwood Urban Renewal Agency (URA) is a separate entity from the City. The Sherwood City Council serves as the Board of Directors for the URA and is financially accountable for its operations. In accordance with Oregon budget law, the URA prepares its own budget, and the Board of Directors 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 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 18-19.

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

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

FY18-19 Proposed Budget

The FY18-19 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. The URA anticipates obtaining the services of a commercial real estate broker to assist in the sale of URA properties in the Old Town area. Promotional and support services and expenses will be required to market the properties.

Economic development activities which support for Old Town Sherwood and City involvement in regional economic development partnerships are budgeted to continue including assistance for parking management studies and solutions. Debt service payments account for the majority of the expenditures.

The FY18-19 Capital Projects budget has only one appropriation for this year. An electronic reader-board to be placed on the Center for the Arts building which is intended to replace the reader-board portion of the sign in the Robin Hood Theater parking lot. Until the URA Board determines which projects they want to finish with the remaining maximum indebtedness and sale of assets currently owned by the URA, capital projects will not occur.

The Agency eliminated the façade grant program last year but recognizes the opportunities for continued support to business and property owners to encourage improvements to existing buildings that can continue to remove blight and encourage economic activities in the Old Town core.

The Agency will spend this year focusing on Old Town economic development activities, selling property and preparing to place the Agency in a position to run with little effort until the URA debt is paid off in 2022-2023 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

2015-16 Actual (restated)	2016-17 Actual	2017-18 Budget		2018-19 Proposed	2018-19 Approved	2018-19 Adopted
\$ 1,619,260	\$ 1,384,041	\$ 1,595,720	RESOURCES			
			Beginning fund balance	\$ 2,070,697	\$ 2,070,697	
			Revenue			
1,714,544	3,723,058	3,731,740	Taxes	3,902,200	3,902,200	
21,687	22,000	18,000	Fines, interest and other	20,000	30,000	
1,736,231	3,745,058	3,749,740	Total revenue	3,922,200	3,932,200	
3,355,491	5,129,099	5,345,460	Total resources	5,992,897	6,002,897	
			REQUIREMENTS			
			Expenditures			
			Personal services			
70,042	95,101	125,000	Salaries and wages	77,782	68,164	
6,235	7,941	10,304	Payroll taxes	6,001	5,496	
27,532	37,652	44,151	Benefits	29,288	30,127	
103,809	140,694	179,455	Total personal services	113,071	103,787	
			Materials and services			
5,533	251,153	15,000	Professional & technical	21,500	21,500	
1,450	7	-	Facility and equipment	-	-	
4,720	7,172	7,650	Other purchased services	8,360	7,950	
4	145	-	Supplies	-	-	
10,066	1,390	-	Community activities	-	-	
2,400	-	2,000	Other materials & services	2,000	2,000	
56,833	66,392	62,000	Cost Allocation	41,211	34,996	
81,007	326,258	86,650	Total materials & services	73,071	66,446	
			Capital outlay			
26,748	30,402	384,518	Infrastructure	-	-	
40,521	-	-	Buildings	-	-	
-	-	-	Other improvements	20,000	20,000	
67,269	30,402	384,518	Total capital outlay	20,000	20,000	
252,085	497,355	650,623	Total expenditures	206,142	190,233	
			Debt service			
1,010,313	2,180,846	2,245,610	Principal	2,310,910	2,310,910	
709,053	658,008	594,634	Interest	529,109	529,109	
1,719,366	2,838,854	2,840,244	Total debt service	2,840,019	2,840,019	
1,384,042	1,792,891	-	Ending Fund Balance	-	-	
-	-	187,487	Contingency	196,110	196,610	
-	-	1,667,106	Reserved for Future Years	2,750,626	2,776,035	
\$ 3,355,492	\$ 5,129,099	5,345,460	Total requirements	\$ 5,992,897	\$ 6,002,897	
0.7	1.0	0.8	FTE	0.6	0.5	

Urban Renewal Debt Service

City Loans for Sherwood Urban Renewal Agency Projects					
	2006	2010 Streets	2010 Cannery	2012 City	Total Debt on
	Downtown	& Cannery		Hall/Street	behalf of URA
	Streets			Refinancing	
Original Amount	\$ 6,400,000	\$ 7,065,000	\$ 8,500,000	\$ 5,245,000	\$ 27,210,000
Balance at 6/30/18	3,543,389	4,995,000	3,609,176	2,660,000	14,807,565
Payment Source	Tax Increment				
Paying Fund	URA Operations				
Year Ending June 30					
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	484,088	553,563	-	388,806	1,426,457
2024-2028	1,935,431	2,763,000	-	389,091	5,087,522
2029-2033	-	1,107,773	-	-	1,107,773
2034-2038	-	-	-	-	-
	\$ 4,350,883	\$ 6,641,124	\$ 3,754,496	\$ 2,866,321	\$ 17,612,824



Approved Minutes

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
Tuesday, June 12, 2018
22560 SW Pine Street, Sherwood, Oregon 97140**

REGULAR SESSION

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 8:50 pm.
2. **BOARD PRESENT:** Chair Keith Mays, Sean Garland, Jennifer Kuiper, Kim Young, Renee Brouse, Russell Griffin and Tim Rosener.
3. **STAFF PRESENT:** City Manager Joe Gall, Police Captain Ty Hanlon, Finance Director Katie Henry, Community Development Director Julia Hajduk, and Agency Recorder Sylvia Murphy.

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

4. CONSENT AGENDA

- A. **Adoption of March 20, 2018 URA Board Meeting Minutes**
- B. **Adoption of May 1, 2018 URA Board Meeting Minutes**

MOTION: FROM RENEE BROUSE TO APPROVE THE CONSENT AGENDA, SECONDED BY JENNIFER KUIPER. MOTION PASSED 7:0, ALL MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item and the Agency Recorder read the public hearing statement.

5. PUBLIC HEARING

- A. **URA Resolution 2018-002 Adopting the FY2018-19 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 informed the board that the agenda had an error noting the resolution was listed under new business when in fact it's a public hearing. Katie stated on May 24 the budget committee heard the URA proposed budget and said the approved budget differs slightly from the proposed budget because of the changes that were made to the original general fund and the cuts that were made rolled over into the URA. She said the proposal before the board for a total budget of \$6,002,897,000 and incorporates all the changes. She said the resolution also sets the tax rate for both the debt and taxing commitment financing. Katie said the operations department is extremely small and said this funds .5 FTE which is a combination of several different people that will be handling the administration of the URA including the City Manager, Community Development Director and the Finance Director, and most of the expenses are for debt service as we start to close down the URA and pay off the debt in hopes of closing the URA in 2022.

Chair Mays open the public hearing to receive testimony, with none received, he closed the public hearing and asked for questions from the board. With no questions from the board, he asked for a motion.

MOTION: FROM RENEE BROUSE TO ADOPT URA RESOLUTION 2018-002, SECONDED BY JENNIFER KUIPER. MOTION PASSED 7:0, ALL MEMBERS VOTED IN FAVOR.

No other business to address, Chair Mays adjourned the meeting.

6. ADJOURN

Chair Mays adjourned the meeting at 8:56 pm.

Attest:



Sylvia Murphy, MMC, Agency Recorder



Keith Mays, Chair