



URA RESOLUTION 2021-002

ADOPTING THE FY2021-22 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 27, 2021; and

WHEREAS, in accordance with State law, on June 15, 2021, 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 FY2021-22 Budget. The Board of Directors of the Urban Renewal Agency of the City of Sherwood, Oregon hereby adopts the budget for the City of Sherwood Urban Renewal Agency for FY2021-22 in the sum of \$3,754,380 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, 2021 and for the purposes shown below are hereby appropriated as follows:

	URA Operations Fund
Operations Department	\$184,372
Debt Service	986,274
Contingency	<u>132,115</u>
TOTAL APPROPRIATED	1,302,761
Unappropriated Reserved Balance	<u>2,451,619</u>
Total Budget	\$3,754,380

Section 3. **Imposing and Categorizing Taxes.** The Board of Directors of the Urban Renewal Agency of the City of Sherwood hereby resolves to certify to the county assessor a request for the Urban Renewal District Old Town Plan Area in the amount of \$2,800,000 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 15th day of June, 2021.


Keith Mays, Chair

Attest:

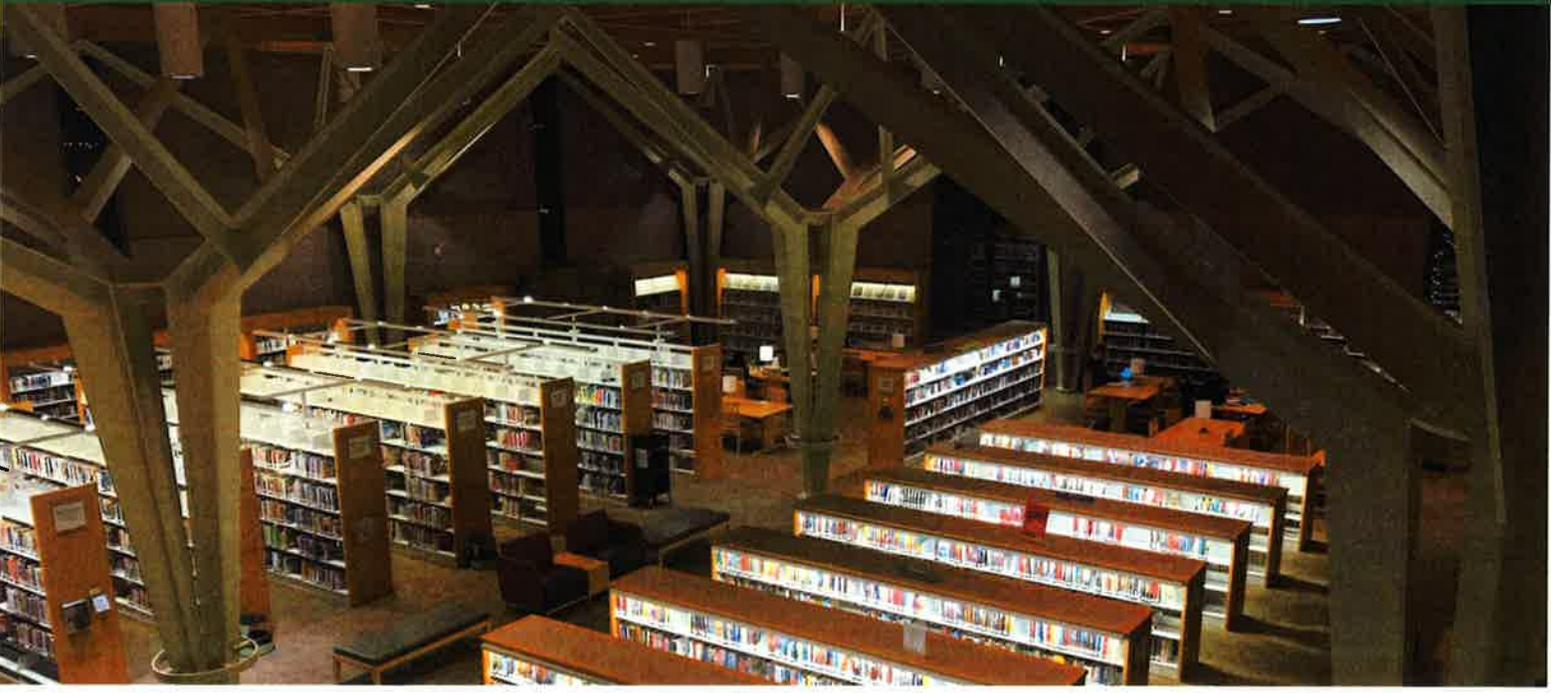


Sylvia Murphy, MMC, Agency Recorder



CITY OF SHERWOOD

2021-2022 URBAN RENEWAL APPROVED BUDGET



City of Sherwood Urban Renewal Agency Annual Budget

For the Fiscal Year
July 1, 2021 - June 30, 2022

BOARD OF DIRECTORS:

Keith Mays, *Board Chair*

Tim Rosener, *Board President*

Renee Brouse, *Board Member*

Sean Garland, *Board Member*

Russell Griffin, *Board Member*

Doug Scott, *Board Member*

Kim Young, *Board Member*

BUDGET COMMITTEE:

Kady Strode, *Chair*

Thomas Sherwood, *Vice Chair*

Brian Fairbanks

Matt Kaufman

Paul Mayer

Lana Painter

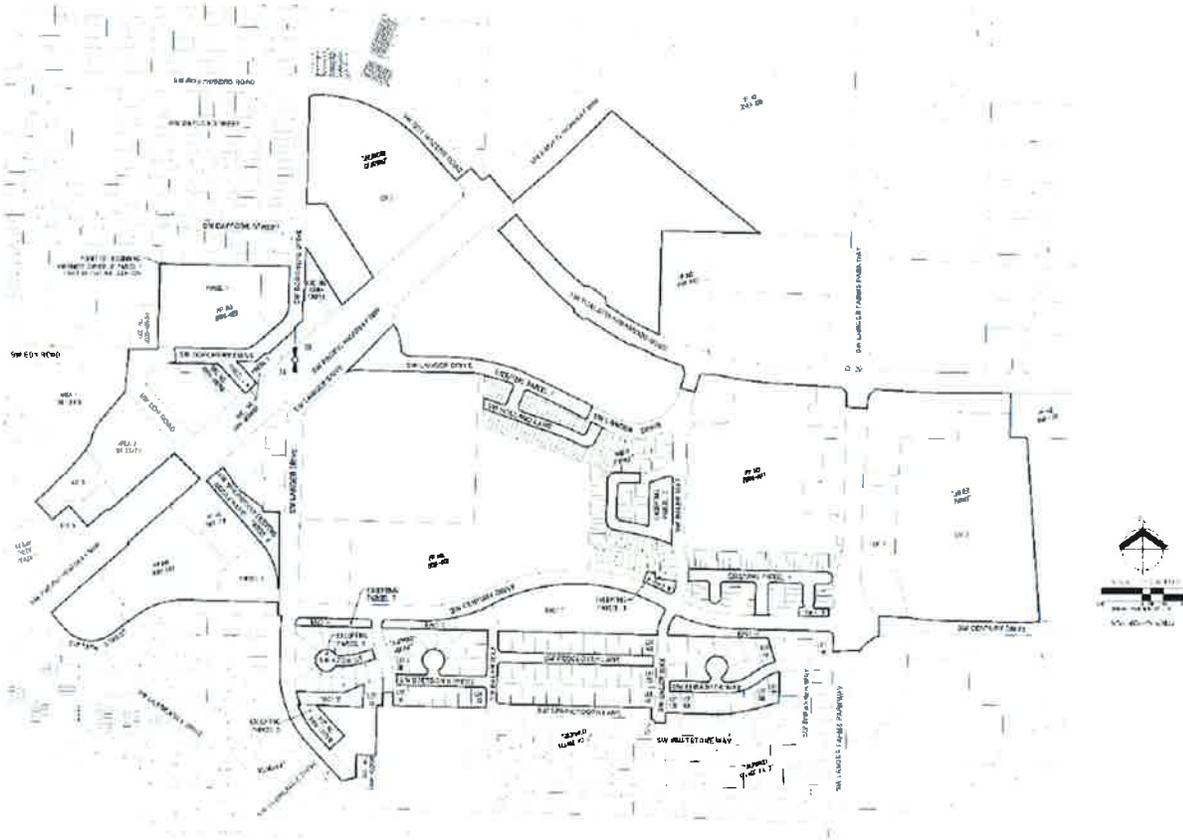
Nancy Taylor

CITY STAFF:

Joseph Gall, *City Manager/URA Manager*

David Bodway, *Finance Director*

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About the Agency

The Urban Renewal Agency (URA) is a separate entity from the City of Sherwood. 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.

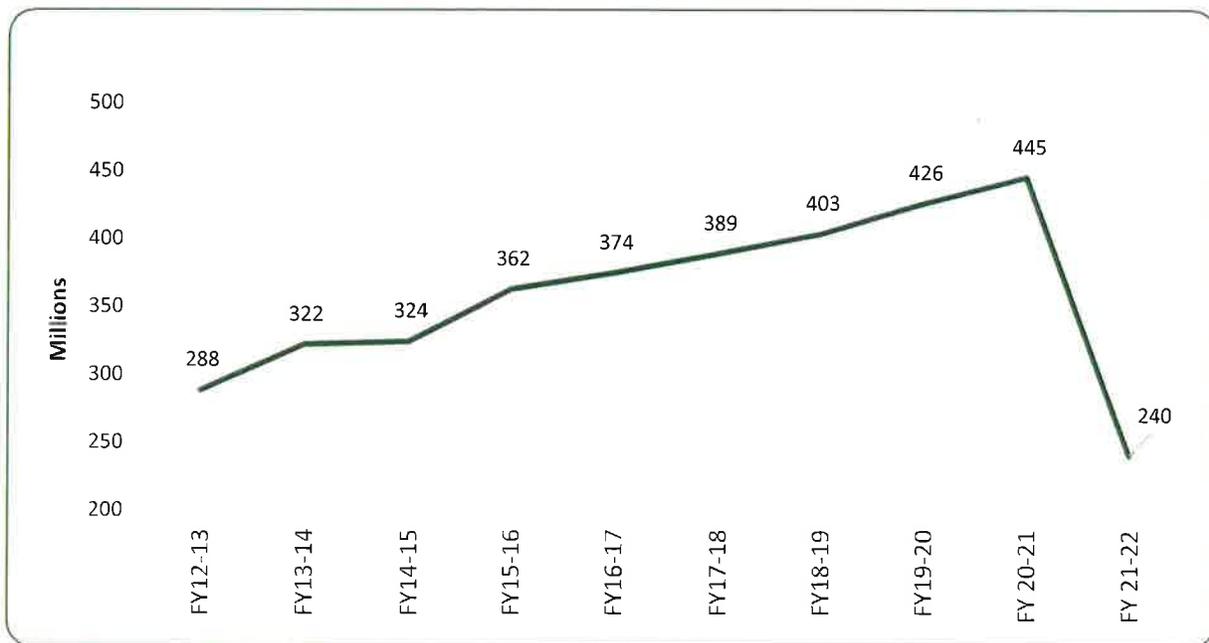
Urban renewal agencies are designed to borrow money and make expenditure for economic and community development projects included in the Urban Renewal Plan. When the Sherwood Urban Renewal Plan was adopted in 2000, property values were frozen. The taxes collected on that frozen value continues to flow 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 has been 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.

In 2020 the URA boundary was amended by reducing the Plan area. The remaining boundary of the Plan is judged to be sufficient to provide for the tax increment revenues necessary to make debt service payments. The District is projected to close in FY2022-23.

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 Assessed Value



Budget Message

It is my privilege to provide you, the citizens of the City of Sherwood, with the proposed Urban Renewal Agency (URA) budget for Fiscal Year 2021-22 (FY2021-22).

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

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

FY2021-22 Proposed Budget

The proposed FY2021-22 budget consists of personal services, allocated overhead, and a few miscellaneous expenses needed to continue to administer the URA in preparation of its closure in the near future. Economic development activities which support Old Town Sherwood and City involvement in regional economic development partnerships are budgeted so that the URA can continue to provide some assistance within the district. Debt service payments account for 80% of the proposed expenditures.

The proposed FY2021-22 Capital Projects budget does not have any appropriations this year and no additional large projects are on the horizon.

The Agency will continue to focus on Old Town economic development activities, considering the possible sale of property and preparing to place the Agency in a position to run with little effort until the URA debt is paid off in FY2022-23 depending on tax increment revenue. We are looking forward to the ultimate closure of this successful urban renewal district in the near future.

Respectfully Submitted,



Joseph Gall
URA Manager

Operations

2018-19 Actual	2019-20 Actual	2020-21 Budget		2021-22 Proposed	2021-22 Approved	2021-22 Adopted
			RESOURCES			
\$ 2,135,138	\$ 3,063,122	\$ 636,465	Beginning fund balance	\$ 1,112,080	\$ 1,112,080	\$ 1,112,080
			Revenue			
3,785,946	3,405,268	2,800,000	Taxes	2,631,100	2,631,100	-
73,107	53,863	9,500	Fines, interest and other	11,200	11,200	-
3,859,052	3,459,131	2,809,500	Total revenue	2,642,300	2,642,300	-
5,994,190	6,522,253	3,445,965	Total resources	3,754,380	3,754,380	1,112,080
			REQUIREMENTS			
			Expenditures			
			Personal services			
36,988	37,203	59,713	Salaries and wages	76,399	76,399	-
3,581	2,946	4,951	Payroll taxes	5,435	5,435	-
16,175	19,553	27,318	Benefits	29,865	29,865	-
56,744	59,703	91,982	Total personal services	111,699	111,699	-
			Materials and services			
7,332	650	675	Professional & technical	3,325	3,325	-
6,579	2,823	4,550	Other purchased services	5,775	5,775	-
20,394	21,921	29,418	Cost Allocation	63,573	63,573	-
34,305	25,392	34,643	Total materials & services	72,673	72,673	-
91,050	85,096	126,625	Total expenditures	184,372	184,372	-
			Debt service			
2,310,910	5,244,695	2,091,960	Principal	775,000	775,000	-
529,109	491,544	267,440	Interest	211,274	211,274	-
2,840,019	5,736,239	2,359,400	Total debt service	986,274	986,274	-
3,063,122	700,918	-	Ending Fund Balance	-	-	-
-	-	140,475	Contingency	132,115	132,115	-
-	-	819,466	Reserved for Future Years	2,451,619	2,451,619	1,112,080
\$ 5,994,190	\$ 6,522,253	3,445,965	Total requirements	\$ 3,754,380	\$ 3,754,380	\$ 1,112,080

Urban Renewal Debt Service

City Loans for Sherwood Urban Renewal Agency Projects			
	2010 Streets & Cannery	2012 City Hall/Street Refinancing	Total Debt on behalf of URA
Original Amount	\$ 7,065,000	\$ 5,245,000	\$ 27,210,000
Balance at 6/30/21	3,995,000	1,165,000	5,160,000
Payment Source	Tax Increment		
Paying Fund	URA Operations		
Year Ending June 30			
2022	555,768	430,506	986,274
2023	553,563	388,806	942,369
2024	550,660	389,091	939,751
2025	552,060	-	552,060
2026	552,530	-	552,530
2027-2030	2,215,523	-	2,215,523
	<u>\$ 4,980,104</u>	<u>\$ 1,208,403</u>	<u>\$ 6,188,507</u>

Above is the current debt service schedule.



Photo by Jenny Swanson