



Home of the Tualatin River National Wildlife Refuge

URBAN RENEWAL AGENCY MEETING PACKET

FOR

Wednesday, June 29, 2022

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

URA Board of Directors Meeting
(Following the 5:30 pm City Council Meeting)

This meeting will be live streamed at
<https://www.youtube.com/user/CityofSherwood>

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

**Wednesday, June 29, 2022
(Following the 5:30 pm City Council Meeting)**

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

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<https://www.youtube.com/user/CityofSherwood>**

URA BOARD MEETING

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT AGENDA

- A. Approval of May 17, 2022 URA Board Meeting Minutes** (Sylvia Murphy, Agency Recorder)
- B. URA Resolution 2022-004 Authorizing an Intergovernmental Agreement with the City of Sherwood for the Sherwood Broadband Project** (Brad Crawford, IT Director)
- C. URA Resolution 2022-005 Transferring budget expenditure appropriations between categories for Fiscal Year 2021-22** (David Bodway, Finance Director)

4. PUBLIC HEARINGS

- A. URA Resolution 2022-006 Adopting the FY2022-23 budget of the City of Sherwood Original 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** (David Bodway, Finance Director)
- B. URA Resolution 2022-007 Adopting the FY2022-23 budget of the City of Sherwood 2021 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** (David Bodway, Finance Director)

5. ADJOURN

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
Tuesday, May 17, 2022
(Following the 7 pm Regular City Council Meeting)**

**City of Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon 97140**

This meeting will be live streamed at
<https://www.youtube.com/user/CityofSherwood>

URA BOARD REGULAR SESSION

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 7:51 pm.
2. **BOARD PRESENT:** Chair Keith Mays, Board Members Renee Brouse, Taylor Giles, Kim Young, and Doug Scott. Vice Chair Tim Rosener and Board Member Sean Garland participated remotely.
3. **STAFF AND LEGAL COUNSEL PRESENT:** IT Director Brad Crawford, Community Development Director Julia Hajduk, Economic Development Manager Bruce Coleman, and Agency Recorder Sylvia Murphy. City Attorney Josh Soper and City Manager Keith Campbell participated remotely.
4. **CONSENT AGENDA**
 - A. **Approval of April 5, 2022 URA Board Meeting Minutes**
 - B. **URA Resolution 2022-003 Authorizing the Agency Manager to acquire real property**

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

5. **ADJOURN**

Chair Mays adjourned the meeting at 7:52 pm and convened an executive session.

URA BOARD EXECUTIVE SESSION

1. **CALL TO ORDER:** Chair Keith Mays called the executive session to order at 7:59 pm.
2. **BOARD PRESENT:** Chair Keith Mays, Board Members Renee Brouse, Taylor Giles, Kim Young, and Doug Scott. Vice Chair Tim Rosener and Board Member Sean Garland participated remotely.
3. **STAFF AND LEGAL COUNSEL PRESENT:** Community Development Director Julia Hajduk and Economic Development Manager Bruce Coleman. City Attorney Josh Soper and City Manager Keith Campbell participated remotely.

4. TOPICS

A. ORS 192.660(2)(e), Real Property.

5. ADJOURN:

Chair Mays adjourned the executive session at 8:59 pm

Attest:

Sylvia Murphy, MMC, Agency Recorder

Keith Mays, Chair

TO: Sherwood Urban Renewal Agency Board of Directors

FROM: Keith D. Campbell, Agency Manager
Through: Josh Soper, Agency Attorney

SUBJECT: URA Resolution 2022-004, Authorizing an Intergovernmental Agreement with the City of Sherwood for the Sherwood Broadband Project

Issue:

Shall the Sherwood Urban Renewal Agency Board of Directors authorize the Agency Manager to sign an Intergovernmental Agreement (IGA) with the City of Sherwood for the Sherwood Broadband Project?

Background:

The Sherwood 2021 Urban Renewal Plan describes a Sherwood Broadband Installation project, which broadly will consist of installation of fiber optic cables and related infrastructure throughout the Plan area as part of a larger project to install fiber optic cables and related infrastructure throughout the City in order to establish an interconnected City-wide fiber optic cable network capable of providing broadband internet services throughout the City.

Because this project spans across areas inside the Plan area as well as outside the Plan area, it is necessary for the URA to coordinate with the City on this project. This resolution would authorize the Agency Manager to sign an Intergovernmental Agreement with the City under which the City would manage the project and costs for the work would be allocated between the City and URA.

Financial Impacts:

Costs for this project have been included in the FY 2022-2023 budget for the 2021 URA.

Recommendation:

Staff respectfully recommends URA Board approval of URA Resolution 2022-004, Authorizing an Intergovernmental Agreement with the City of Sherwood for the Sherwood Broadband Project.



URA RESOLUTION 2022-004

AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF SHERWOOD FOR THE SHERWOOD BROADBAND PROJECT

WHEREAS, the Sherwood 2021 Urban Renewal Plan (“Plan”) describes a Sherwood Broadband Installation project, which broadly will consist of installation of fiber optic cables and related infrastructure throughout the Plan area as part of a larger project to install fiber optic cables and related infrastructure throughout the City in order to establish an interconnected City-wide fiber optic cable network capable of providing broadband internet services throughout the City; and

WHEREAS, because this project spans across areas inside the Plan area as well as outside the Plan area, it is necessary for the URA to coordinate with the City on this project; and

WHEREAS, under the terms of the intergovernmental agreement attached hereto as Exhibit A, the City would manage the project and costs for the work would be allocated between the City and URA.

NOW, THEREFORE, THE SHERWOOD URBAN RENEWAL AGENCY BOARD RESOLVES AS FOLLOWS:

Section 1. The Agency Manager is hereby authorized to sign an intergovernmental agreement in a form substantially similar to the attached Exhibit A.

Section 2. This Resolution shall be effective upon its approval and adoption.

Duly passed by the Urban Renewal Agency Board this 29th of June 2022.

Keith Mays, Chair

Attest:

Sylvia Murphy, MMC, Agency Recorder

**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF SHERWOOD
AND THE SHERWOOD URBAN RENEWAL AGENCY**

This Intergovernmental Agreement (“Agreement”) is entered into by and between the City of Sherwood, Oregon (“City”), a municipal corporation, and the Sherwood Urban Renewal Agency (“URA”), a municipal corporation, effective on the date last set forth below; and

WHEREAS, the URA is charged with administering the Sherwood 2021 Urban Renewal Plan (the “Plan”) as approved by the City Council through Ordinance 2021-005 on May 18, 2021; and

WHEREAS, the City provides financial, administrative, and other support services to the URA; and

WHEREAS, pursuant to ORS 190.010, the City and URA are authorized to enter into intergovernmental agreements for the performance of tasks either is authorized by law to perform; and

WHEREAS, the Plan describes a Sherwood Broadband Installation project, which broadly will consist of installation of fiber optic cables and related infrastructure throughout the City in order to establish an interconnected City-wide fiber optic cable network capable of providing broadband internet services throughout the City (the “Broadband Project”); and

WHEREAS, both URA and City desire to see the Broadband Project completed; and

WHEREAS, completion of the Broadband Project will include installation of fiber optic cables and other infrastructure in areas within the Plan area and areas outside the Plan area; and

WHEREAS, URA has available financial resources and desires to be financially responsible for the costs of the Broadband Project to the extent the work occurs inside the Plan area; and

WHEREAS, City has available financial resources and desires to be financially responsible for the costs of the Broadband Project to the extent the work occurs outside the Plan area; and

WHEREAS, URA desires for City to be responsible for the overall management of the Broadband Project, including but not limited to hiring and managing of construction and other necessary contractors, purchasing and storing of materials and supplies, and performing construction and other necessary work with City staff; and

WHEREAS, City is willing and able to perform said duties in connection with this project.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. **City Duties and Responsibilities.** The City shall:

- a. Provide overall management of the Broadband Project, including but not limited to hiring and managing of construction and other necessary contractors, purchasing and storing of materials and supplies, and performing construction and other necessary work with City staff.
- b. For each invoice received by City for work on the Broadband Project performed by contractors, allocate the invoiced amount between City and URA based on the percentage of the work performed within and without the boundaries of the Plan area.
- c. For work performed on the Broadband Project performed by City staff, allocate the actual cost of said work between City and URA based on the percentage of the work performed within and without the boundaries of the Plan area.
- d. For all costs which are allocated to the URA under subsections 1(b) and 1(c) above, timely submit invoices to URA.
- e. Be financially responsible for all costs which are allocated to the City under subsections 1(b) and 1(c) above.

2. **URA Duties and Responsibilities.** The URA shall:

- a. Timely pay all invoices received from City under subsection 1(d) above.

3. **Additional Terms**

- a. Severability. If any section, clause, or phrase of this Agreement is judicially deemed invalid, illegal, or unenforceable in any respect, the remaining parts of this Agreement shall be severed from the invalid parts and remain in full force and effect.
- b. Modification. This Agreement may be modified only by mutual written consent of the parties.
- c. Term and Termination. This Agreement shall remain in effect until terminated by the parties as provided herein. This Agreement may be terminated by mutual written consent of the parties. Termination of this Agreement shall not affect the duties and obligations of the parties that accrued prior to termination, including any bond loan or other repayment obligation.

CITY OF SHERWOOD

SHERWOOD URBAN RENEWAL AGENCY

Keith Campbell, City Manager Date

Keith Campbell, Agency Manager Date

Agenda Item: Consent Agenda

TO: Sherwood Urban Renewal Agency Board of Directors

FROM: David Bodway, Finance Director
Through: Keith D. Campbell, City Manager

SUBJECT: URA Resolution 2022-005, Transferring budget expenditure appropriations between categories for Fiscal Year 2021-22

Issue:

Shall the Board approve the transfer of budget expenditure appropriations as presented for fiscal year 2021-22?

Background:

Pursuant to ORS 294.463, Oregon Municipalities can transfer appropriation between existing categories during the budget year. Our practice over the past years is to perform such transfers generally twice per year, once around mid-fiscal year and then at the end of the fiscal year, if necessary.

In December and June of every year, Bank of America auto withdrawals their semiannual debt service payments from the URA's pooled cash account. These payments are in accordance with the payment schedule outlined in the 2010 loan.

In June of 2021, Bank of America auto withdrew their interest payment but failed to withdraw the \$5,000 principal payment. During month end closing in July this error was noticed by staff. Bank of America was immediately contacted, and the situation was corrected. This item was unanticipated at the time the budget was adopted.

Financial Impacts:

There is a small financial impact from adoption of this resolution. The URA was charged an additional \$112.78 in interest on this debt service payment. This additional interest charge will be addressed with the Bank next fiscal year when this URA begins winding up operations.

Recommendation:

Staff respectfully recommends approval of URA Resolution 2022-005, transferring budget expenditure appropriations between categories for fiscal year 2021-22.



URA RESOLUTION 2022-005

TRANSFERRING BUDGET EXPENDITURE APPROPRIATIONS BETWEEN CATEGORIES FOR FISCAL YEAR 2021-22

WHEREAS, on June 15, 2021, the Urban Renewal Agency (URA) budget for fiscal year 2021-22 was adopted and funds were appropriated by the URA Board; and

WHEREAS, pursuant to ORS 294.463, Oregon Municipalities can transfer appropriation between existing categories during the budget year; and

WHEREAS, the following unplanned event has occurred during the course of this budget year:

URA Operations Fund (Debt Service)

- Additional funds for 2010 URA Bank of America loan.

NOW, THEREFORE, THE URA BOARD OF DIRECTORS RESOLVES AS FOLLOWS:

Section 1. The additional amount for fiscal year beginning July 1, 2021 shown below is hereby appropriated as follows:

| | |
|---------------------------|----------------|
| Operations Fund | |
| Debt Service | 5,113 |
| Contingency | <u>(5,113)</u> |
| Total Requirements | - |

Section 2. This Resolution shall be effective upon its approval and adoption.

Duly passed by the URA Board this 29th day of June, 2022.

Keith Mays, Chair

Attest:

Sylvia Murphy, MMC, Agency Recorder

Agenda Item: Public Hearing

TO: Sherwood Urban Renewal Agency Board of Directors

FROM: David Bodway, Finance Director
through: Keith D. Campbell, Agency Manager

SUBJECT: **URA Resolution 2022-006, Adopting the FY2022-23 budget of the City of Sherwood Original 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 FY2022-23 Original URA Budget as approved by the URA Budget Committee?

Background:

On June 1, 2022, the URA Budget Committee received the budget message, heard public comment, and on June 13, 2022, approved the proposed budget. The final steps of the budget process are for the URA Board to hold a public hearing and then adopt the FY2022-23 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 2022-006, adopting the FY2022-23 budget of the City of Sherwood Original 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 2022-006

ADOPTING THE FY2022-23 BUDGET OF THE CITY OF SHERWOOD ORIGINAL 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 Original Urban Renewal Agency budget; and

WHEREAS, the Budget Committee approved and recommended a balanced budget to the Urban Renewal Agency Board of Directors on June 13, 2022; and

WHEREAS, in accordance with State law, on June 29, 2022, 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 FY2022-23 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 Original Urban Renewal Agency for fiscal year 2022-23 in the sum of \$5,078,038 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, 2022 and for the purposes shown below are hereby appropriated as follows:

| | |
|---------------------------------|---------------------|
| | URA Operations Fund |
| Operations Department | \$262,222 |
| Debt Service | 4,377,897 |
| Contingency | <u>76,090</u> |
| TOTAL APPROPRIATED | 4,716,209 |
| Unappropriated Reserved Balance | <u>361,829</u> |
| Total Budget | \$5,078,038 |

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 \$1,503,800 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 29th of June, 2022.

Keith Mays, Chair

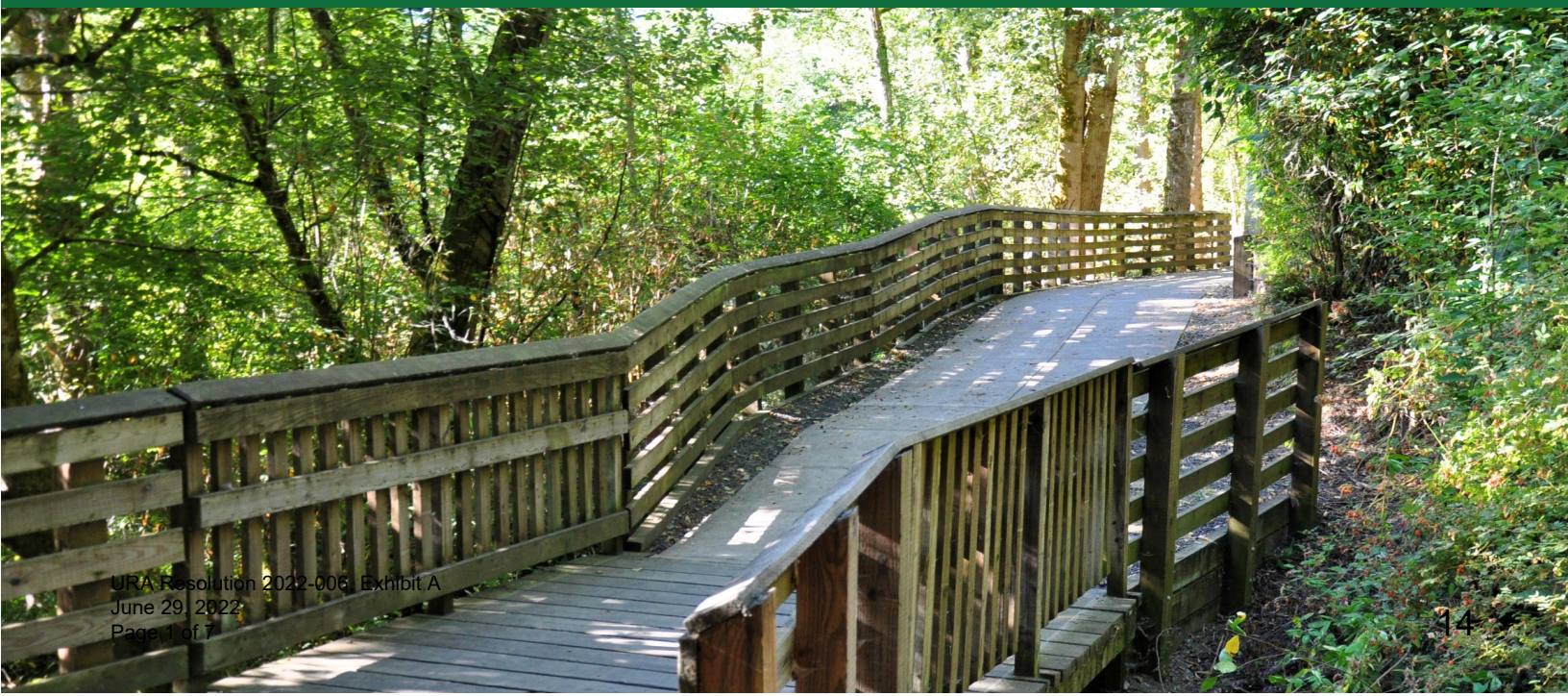
Attest:

Sylvia Murphy, MMC, Agency Recorder



CITY OF SHERWOOD

FY 2022-2023 URBAN RENEWAL APPROVED BUDGET



City of Sherwood Urban Renewal Agency Annual Budget

For the Fiscal Year
July 1, 2022 - June 30, 2023

BOARD OF DIRECTORS:

- Keith Mays, *Board Chair*
- Tim Rosener, *Board President*
- Renee Brouse, *Board Member*
- Sean Garland, *Board Member*
- Taylor Giles, *Board Member*
- Doug Scott, *Board Member*
- Kim Young, *Board Member*

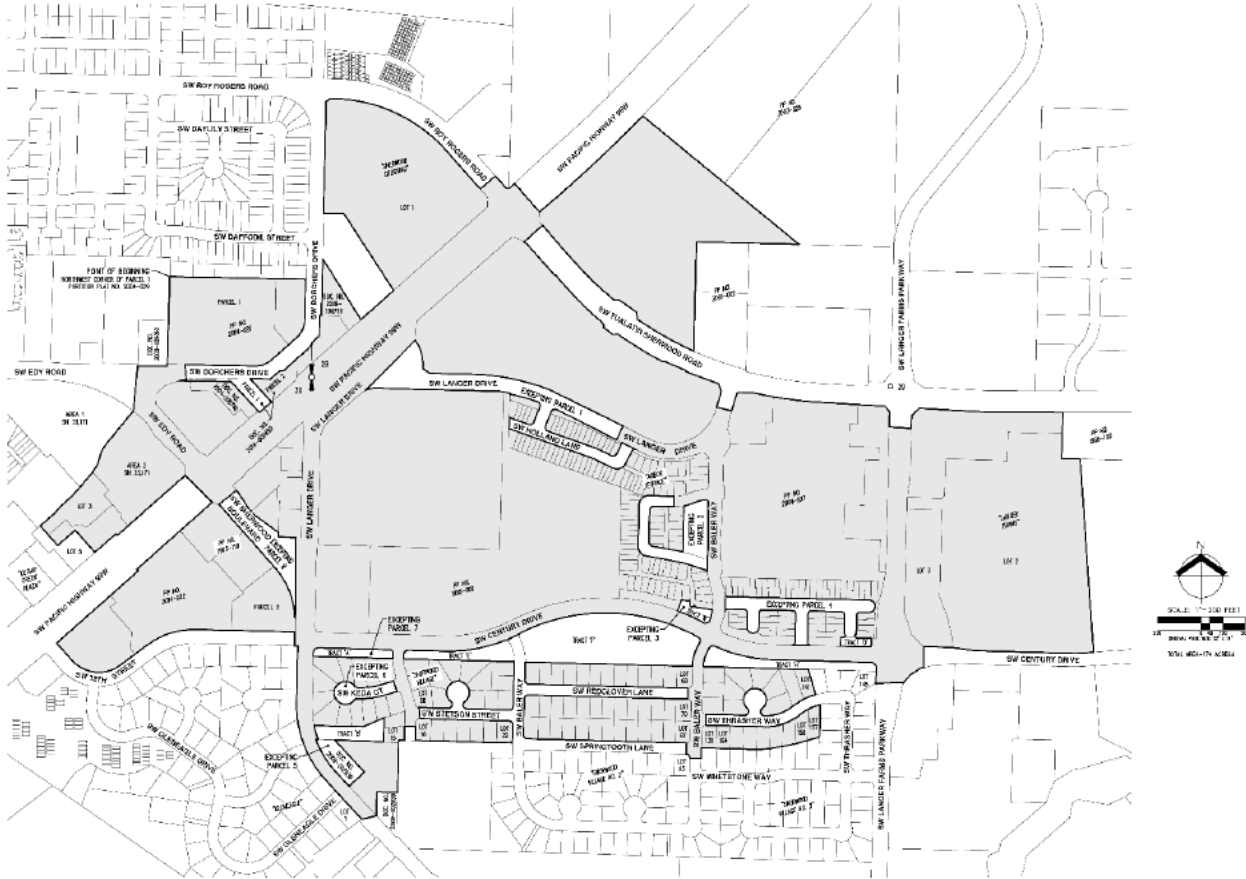
BUDGET COMMITTEE:

- Kady Strode, *Chair*
- Brian Fairbanks, *Vice Chair*
- Thomas Sherwood
- Matt Kaufman
- Paul Mayer
- Lana Painter
- Nancy Taylor

CITY STAFF:

- Keith D. Campbell, *City Manager/URA Manager*
- David Bodway, *Finance Director*

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



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.

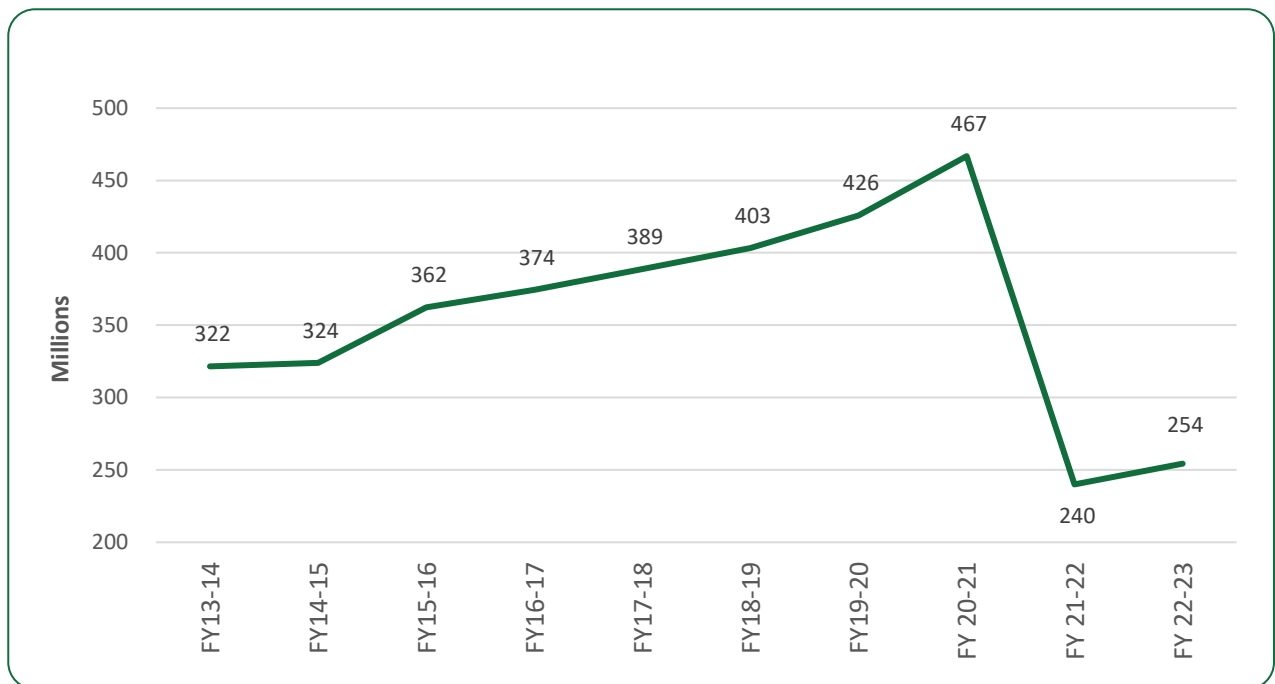
Urban renewal agencies are designed to borrow money and make expenditure for economic and community development projects included in the Urban Renewal Plan. When the Sherwood Urban Renewal Plan was adopted in 2000, property values were frozen. The taxes collected on that frozen value continues to flow 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 Agency 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 2022-23 (FY2022-23).

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.

FY2022-23 Proposed Budget

The proposed FY2022-23 budget consists of personal services, allocated overhead, and material and services expenses needed to continue to administer the URA in preparation of its closure. Debt service payments account for 94% of the proposed expenditures.

The proposed FY2022-23 Capital Projects budget does not have any appropriations this year as the Agency is beginning the process of wrapping up operations. As previously mentioned, the Agency is projected to close in FY2022-23.

The Agency will continue to focus on, considering the potential sale of property and preparing the URA to wrap up operations by paying off the URA debt in FY2022-23, depending on tax increment revenue. We are looking forward to the ultimate closure of this successful Urban Renewal Agency in the near future.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Keith D. Campbell". The signature is stylized with a large initial "K" and "C".

Keith D. Campbell
URA Manager

Operations

| 2019-20 Actual | 2020-21 Actual | 2021-22 Budget | | 2022-23 Proposed | 2022-23 Approved | 2022-23 Adopted |
|---------------------|---------------------|---------------------|----------------------------|---------------------|---------------------|---------------------|
| \$ 3,063,122 | \$ 700,919 | \$ 1,127,198 | RESOURCES | | | |
| | | | Beginning fund balance | \$ 3,556,238 | \$ 3,556,238 | \$ 3,556,238 |
| | | | Revenue | | | |
| 3,405,268 | 2,847,473 | 2,631,100 | Taxes | 1,503,800 | 1,503,800 | - |
| 53,863 | 9,217 | 11,200 | Fines, interest and other | 18,000 | 18,000 | - |
| 3,459,131 | 2,856,690 | 2,642,300 | Total revenue | 1,521,800 | 1,521,800 | - |
| 6,522,253 | 3,557,609 | 3,769,498 | Total resources | 5,078,038 | 5,078,038 | 3,556,238 |
| | | | REQUIREMENTS | | | |
| | | | Expenditures | | | |
| | | | Personal services | | | |
| 37,203 | 32,719 | 76,399 | Salaries and wages | 114,137 | 114,137 | - |
| 2,946 | 2,618 | 5,435 | Payroll taxes | 9,990 | 9,990 | - |
| 19,553 | 14,136 | 29,865 | Benefits | 56,232 | 56,232 | - |
| 59,703 | 49,473 | 111,699 | Total personal services | 180,359 | 180,359 | - |
| | | | Materials and services | | | |
| 650 | 7,302 | 3,325 | Professional & technical | 25,000 | 25,000 | - |
| 2,823 | 2,679 | 5,775 | Other purchased services | 6,000 | 6,000 | - |
| - | 27 | - | Supplies | - | - | - |
| 21,920 | 16,529 | 63,573 | Cost Allocation | 50,863 | 50,863 | - |
| 25,393 | 26,535 | 72,673 | Total materials & services | 81,863 | 81,863 | - |
| 85,096 | 76,009 | 184,372 | Total expenditures | 262,222 | 262,222 | - |
| | | | Debt service | | | |
| 5,244,695 | 2,086,959 | 775,000 | Principal | 4,040,777 | 4,040,777 | - |
| 491,544 | 267,440 | 211,274 | Interest | 337,120 | 337,120 | - |
| 5,736,239 | 2,354,400 | 986,274 | Total debt service | 4,377,897 | 4,377,897 | - |
| 700,919 | 1,127,198 | - | Ending Fund Balance | - | - | - |
| - | - | 132,115 | Contingency | 76,090 | 76,090 | - |
| - | - | 2,466,738 | Reserved for Future Years | 361,829 | 361,829 | 3,556,238 |
| \$ 6,522,253 | \$ 3,557,609 | \$ 3,769,498 | Total requirements | \$ 5,078,038 | \$ 5,078,038 | \$ 3,556,238 |

Urban Renewal Debt Service

| City Loans for Sherwood Urban Renewal Agency Projects | | | |
|--|---------------------------------------|------------------------------------|--|
| | 2012 City | | |
| | 2010 Streets & Cannery | Hall/Street Refinancing | Total Debt on behalf of URA |
| Original Amount | \$ 7,065,000 | \$ 5,245,000 | \$ 27,210,000 |
| Balance at 6/30/22 | 3,625,000 | 760,000 | 4,385,000 |
| Payment Source | Tax Increment | | |
| Paying Fund | URA Operations | | |
| Year Ending June 30 | | | |
| 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 | 552,070 | - | 552,070 |
| 2028-2030 | 1,663,453 | - | 1,663,453 |
| | <u>\$ 4,424,336</u> | <u>\$ 777,897</u> | <u>\$ 5,202,233</u> |

Above is the current debt service schedule.



Photo by Jenny Swanson

Agenda Item: Public Hearing

TO: Sherwood Urban Renewal Agency Board of Directors

FROM: David Bodway, Finance Director
through: Keith D. Campbell, Agency Manager

SUBJECT: **URA Resolution 2022-007, Adopting the FY2022-23 budget of the City of Sherwood 2021 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 FY2022-23 2021 URA Budget as approved by the URA Budget Committee?

Background:

On June 1, 2022, the URA Budget Committee received the budget message, heard public comment, and on June 13, 2022, approved the proposed budget. The final steps of the budget process are for the URA Board to hold a public hearing and then adopt the FY2022-23 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 2022-007, adopting the FY2022-23 budget of the City of Sherwood 2021 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 2022-007

ADOPTING THE FY2022-23 BUDGET OF THE CITY OF SHERWOOD 2021 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 2021 Urban Renewal Agency budget; and

WHEREAS, the Budget Committee approved and recommended a balanced budget to the Urban Renewal Agency Board of Directors on June 13, 2022; and

WHEREAS, in accordance with State law, on June 29, 2022, 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 FY2022-23 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 2021 Urban Renewal Agency for fiscal year 2022-23 in the sum of \$24,566,561 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, 2022 and for the purposes shown below are hereby appropriated as follows:

| 2021 URA Operations Fund | |
|---------------------------------|----------------|
| Operations Department | \$71,784 |
| Debt Service | 871,489 |
| Contingency | <u>24,500</u> |
| TOTAL APPROPRIATED | 967,773 |
| Unappropriated Reserved Balance | <u>116,082</u> |
| | \$1,083,855 |

| 2021 URA Capital Fund | |
|---------------------------------|------------------|
| Capital Department | \$13,976,607 |
| Contingency | <u>688,500</u> |
| TOTAL APPROPRIATED | 14,665,107 |
| Unappropriated Reserved Balance | <u>8,817,599</u> |
| | \$23,482,706 |

Total Adopted Budget for FY2022-23 \$24,566,561

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 2021 Urban Renewal District Plan Area in the amount of \$480,000 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 29th of June, 2022.

Keith Mays, Chair

Attest:

Sylvia Murphy, MMC, Agency Recorder



CITY OF SHERWOOD

2021 URBAN RENEWAL FY 2022-2023 APPROVED BUDGET



URA Resolution 2022-007, Exhibit A
June 29, 2022

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SHERWOOD FESTIVAL PLAZA
CITY OF SHERWOOD

RENDERED VIEW
Lingo Hansen LANDSCAPE ARCHITECTS PC



24
Your Community Owned Broadband Provider

City of Sherwood 2021 Urban Renewal Agency Annual Budget

For the Fiscal Year
July 1, 2022 - June 30, 2023

BOARD OF DIRECTORS:

Keith Mays, *Board Chair*
Tim Rosener, *Board President*
Renee Brouse, *Board Member*
Sean Garland, *Board Member*
Taylor Giles, *Board Member*
Doug Scott, *Board Member*
Kim Young, *Board Member*

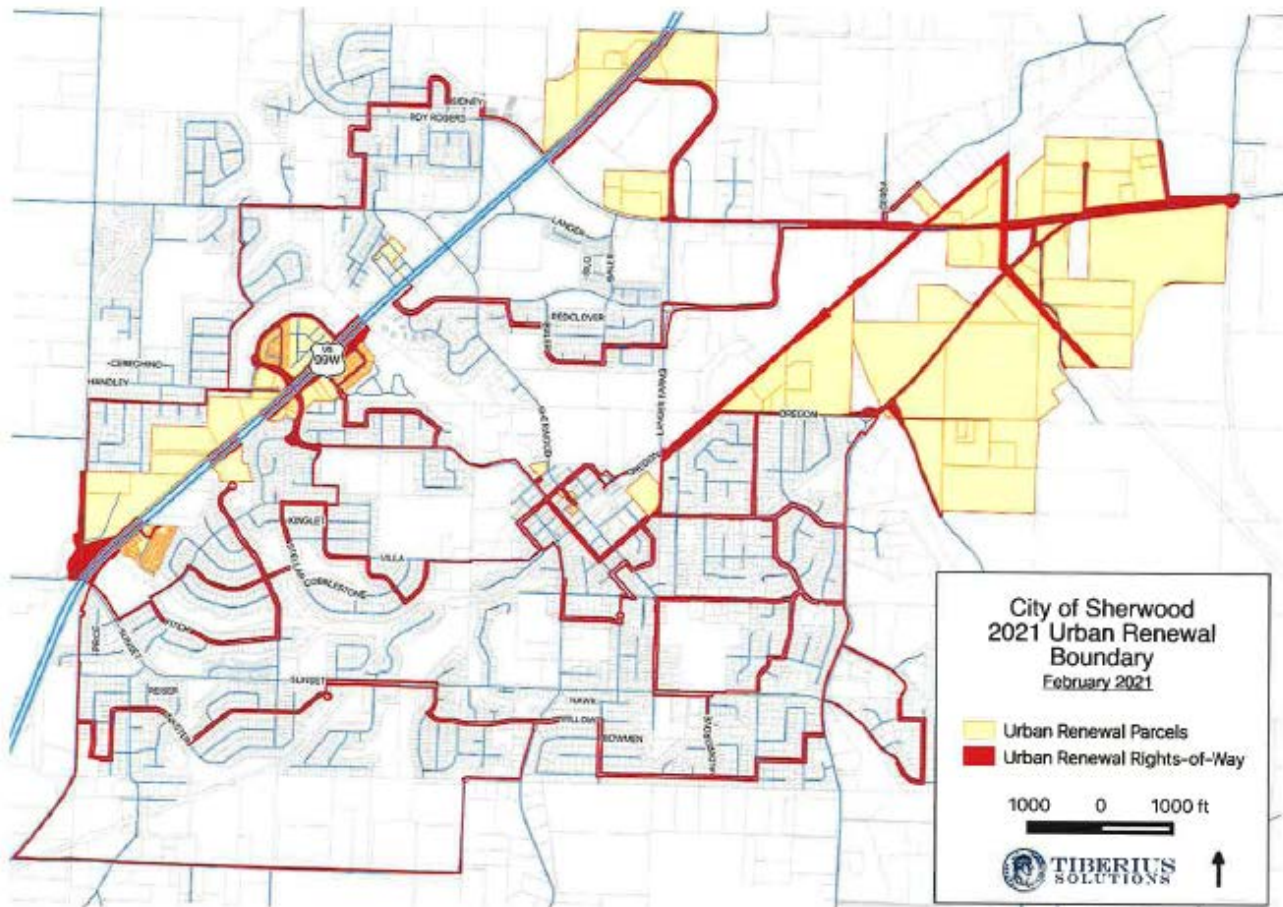
BUDGET COMMITTEE:

Kady Strode, *Chair*
Brian Fairbanks, *Vice Chair*
Thomas Sherwood
Matt Kaufman
Paul Mayer
Lana Painter
Nancy Taylor

CITY STAFF:

Keith D. Campbell, *City Manager/URA Manager*
David Bodway, *Finance Director*

- 1 About the Agency
- 2 Budget Message
- 3 Operations Budget
- 4 Capital Budget
- 5 Debt Service



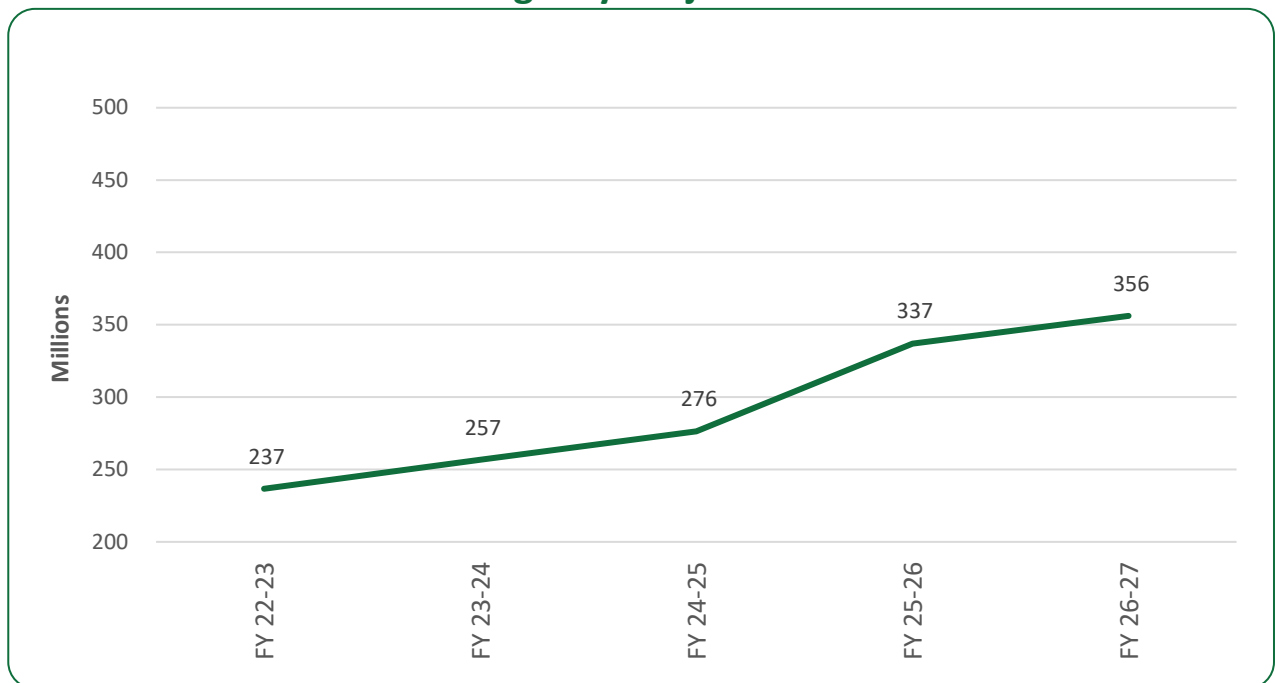
About the Agency

The 2021 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 2021 Urban Renewal Plan was adopted in 2021, 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.

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 Agency Projected Assessed Value



Budget Message

It is my privilege to provide you, the citizens of the City of Sherwood, with the proposed 2021 Urban Renewal Agency (URA) budget for Fiscal Year 2022-23 (FY2022-23).

The Agency budget consists of two funds: a General Operating Fund and a Capital Projects Fund. The Operating Fund is used to account for Agency administration costs and some economic development activities within the Urban Renewal Area. The Capital Projects Fund is used to account for construction projects and property purchases. All of the projects funded through the URA Capital Projects Fund are transferred to City ownership upon completion.

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

FY2022-23 Proposed Budget

The proposed FY2022-23 Operations Fund budget consists of personal services, allocated overhead, and material and services expenses needed to continue administering the URA. Debt service payments account for 92% of the proposed expenditures.

The proposed FY2022-23 Capital Projects Fund budget primarily includes appropriations for design and construction of Festival Plaza, portions of Sherwood Broadband, a High-Arched Pedestrian Bridge across Highway 99W, Ice Age Drive and a new Public Works Facility. Funding for these projects will come from tax increment revenue and loans.

This promises to be an exciting year for the Agency. Projects that have lived in the imaginations of elected officials and Sherwood citizens for years are beginning. I am looking forward to an active year of Agency progress and community achievement.

Respectfully Submitted,



Keith D. Campbell
URA Manager

Operations Budget

| 2019-20 Actual | 2020-21 Actual | 2021-22 Budget | | 2022-23 Proposed | 2022-23 Approved | 2022-23 Adopted |
|-------------------|-------------------|-------------------|----------------------------|---------------------|---------------------|--------------------|
| \$ - | \$ - | \$ - | RESOURCES | | | |
| | | | Beginning fund balance | \$ 593,855 | \$ 593,855 | \$ 593,855 |
| | | | Revenue | | | |
| - | - | - | Taxes | 480,000 | 480,000 | - |
| - | - | - | Fines, interest and other | 10,000 | 10,000 | - |
| - | - | - | Total revenue | 490,000 | 490,000 | - |
| | | | Other sources | | | |
| - | - | - | Issuance of long-term debt | - | - | - |
| - | - | - | Total other sources | - | - | - |
| - | - | - | Total resources | 1,083,855 | 1,083,855 | 593,855 |
| | | | REQUIREMENTS | | | |
| | | | Expenditures | | | |
| | | | Personal services | | | |
| - | - | - | Salaries and wages | 41,075 | 41,075 | - |
| - | - | - | Payroll taxes | 3,608 | 3,608 | - |
| - | - | - | Benefits | 9,486 | 9,486 | - |
| - | - | - | Total personal services | 54,169 | 54,169 | - |
| | | | Materials and services | | | |
| - | - | - | Other purchased services | 2,100 | 2,100 | - |
| - | - | - | Cost Allocation | 15,515 | 15,515 | - |
| - | - | - | Total materials & services | 17,615 | 17,615 | - |
| - | - | - | Total expenditures | 71,784 | 71,784 | - |
| | | | Debt service | | | |
| - | - | - | Interest | 871,489 | 871,489 | - |
| - | - | - | Total debt service | 871,489 | 871,489 | - |
| - | - | - | Ending Fund Balance | - | - | - |
| - | - | - | Contingency | 24,500 | 24,500 | - |
| - | - | - | Reserved for Future Years | 116,082 | 116,082 | 593,855 |
| \$ - | \$ - | \$ - | Total requirements | \$ 1,083,855 | \$ 1,083,855 | \$ 593,855 |

Capital Projects:

Festival Plaza: Develop a festival plaza at Pine and First that can be used as a public parking lot when not needed for events.

Sherwood Broadband: Sherwood Broadband is a community owned all-fiber network providing broadband service to businesses and residents of Sherwood. The network needs to be expanded to include the ability to provide broadband service in the area.

Pedestrian Bridge: Design and construct a pedestrian bridge across 99W, Elwert and Kruger.

Ice Age Drive: Design Ice Age Drive in the Tonquin Employment Area to provide an east/west collector between Oregon Street and 124th.

Public Works Facility: Design a new Public Works Facility.

Capital Fund Budget

| 2019-20 Actual | 2020-21 Actual | 2021-22 Budget | | 2022-23 Proposed | 2022-23 Approved | 2022-23 Adopted |
|-------------------|-------------------|-------------------|----------------------------|----------------------|----------------------|----------------------|
| \$ - | \$ - | \$ - | RESOURCES | | | |
| | | | Beginning fund balance | \$ 23,387,706 | \$ 23,387,706 | \$ 23,387,706 |
| | | | Revenue | | | |
| | | | Fines, interest and other | 95,000 | 95,000 | - |
| | | | Total revenue | 95,000 | 95,000 | - |
| | | | Other sources | | | |
| | | | Issuance of long-term debt | - | - | - |
| | | | Total other sources | - | - | - |
| | | | Total resources | 23,482,706 | 23,482,706 | 23,387,706 |
| | | | REQUIREMENTS | | | |
| | | | Expenditures | | | |
| | | | Personal services | | | |
| | | | Salaries and wages | 76,000 | 76,000 | - |
| | | | Payroll taxes | 7,000 | 7,000 | - |
| | | | Benefits | 34,875 | 34,875 | - |
| | | | Total personal services | 117,875 | 117,875 | - |
| | | | Materials and services | | | |
| | | | Other purchased services | 1,000 | 1,000 | - |
| | | | Cost Allocation | 87,732 | 87,732 | - |
| | | | Total materials & services | 88,732 | 88,732 | - |
| | | | Capital outlay | | | |
| | | | Infrastructure | 13,770,000 | 13,770,000 | - |
| | | | Total capital outlay | 13,770,000 | 13,770,000 | - |
| | | | Total expenditures | 13,976,607 | 13,976,607 | - |
| | | | Debt service | | | |
| | | | Issuance costs | - | - | - |
| | | | Total debt service | - | - | - |
| | | | Ending Fund Balance | - | - | - |
| | | | Contingency | 688,500 | 688,500 | - |
| | | | Reserved for Future Years | 8,817,599 | 8,817,599 | 23,387,706 |
| \$ - | \$ - | \$ - | Total requirements | \$ 23,482,706 | \$ 23,482,706 | \$ 23,387,706 |

Urban Renewal Debt Service

| City Loans for Sherwood Urban Renewal Agency Projects | | | |
|--|---------------------|----------------------|----------------------|
| Original Amount | \$ 3,975,300 | \$ 19,640,000 | \$ 23,615,300 |
| Balance at 6/30/22 | 3,975,300 | 19,640,000 | 23,615,300 |
| Payment Source | Tax Increment | | |
| Paying Fund | URA Operations | | |
| Year Ending June 30 | | | |
| 2023 | 85,888 | 785,600 | 871,488 |
| 2024 | 85,888 | 785,600 | 871,488 |
| 2025 | 85,888 | 785,600 | 871,488 |
| 2026 | 85,888 | 785,600 | 871,488 |
| 2027 | 326,338 | 785,600 | 1,111,938 |
| 2028-2032 | 1,631,320 | 3,928,000 | 5,559,320 |
| 2033-2037 | 1,632,301 | 3,928,000 | 5,560,301 |
| 2038-2042 | 1,164,877 | 6,151,200 | 7,316,077 |
| 2043-2047 | - | 11,693,600 | 11,693,600 |
| 2048-2051 | - | 9,355,600 | 9,355,600 |
| | <u>\$ 5,098,388</u> | <u>\$ 38,984,400</u> | <u>\$ 44,082,788</u> |

Above is the current debt service schedule

Approved Minutes

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
Wednesday, June 29, 2022
(Following the 5:30 pm Special City Council Meeting)**

City of Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon 97140

This meeting will be live streamed at
<https://www.youtube.com/user/CityofSherwood>

URA BOARD REGULAR SESSION

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 5:45 pm.
2. **BOARD PRESENT:** Chair Keith Mays, Vice Chair Tim Rosener, Board Members Renee Brouse and Kim Young. Board Members Sean Garland and Taylor Giles participated remotely. Board Member Doug Scott was absent.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Keith D. Campbell, IT Director Brad Crawford, Public Works Director Craig Sheldon, Interim City Attorney Alan Rappleyea, Police Chief Ty Hanlon, Finance Director David Bodway, Community Services Director Kristen Switzer, Public Works Utility Manager Rich Sattler, HR Manager Rebecca Tabra, and Agency Recorder Sylvia Murphy.
4. **CONSENT AGENDA**
 - A. **Approval of May 17, 2022 URA Board Meeting Minutes**
 - B. **URA Resolution 2022-004 Authorizing an Intergovernmental Agreement with the City of Sherwood for the Sherwood Broadband Project**
 - C. **URA Resolution 2022-005 Transferring budget expenditure appropriations between categories for Fiscal Year 2021-22**

MOTION: FROM KIM YOUNG TO APPROVE THE CONSENT AGENDA. SECONDED BY RENEE BROUSE. MOTION PASSED 6:0. ALL PRESENT MEMBERS VOTED IN FAVOR (DOUG SCOTT WAS ABSENT).

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

5. **PUBLIC HEARINGS**
 - A. **URA Resolution 2022-006 Adopting the FY2022-23 budget of the City of Sherwood Original 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 David Bodway stated that this resolution pertained to the original URA and recapped that the URA Budget Committee had received the budget message, reviewed the proposed budget, and heard public comment on the proposed budget on June 1st. He reported that the URA Budget Committee had approved the proposed budget at their June 13th meeting and explained that the approved Fiscal Year 2022-23 budget consisted of personnel services, allocated overhead, and allocated materials and service expenses needed to continue to administer the URA in preparation for its closure in the upcoming fiscal year. He reported that debt service payments accounted for 94% of the proposed expenditures and stated that the final step in the process was to hold a final public hearing on the proposed resolution and to then adopt the Fiscal Year 2022-23 budget. Mr. Bodway asked for discussion or questions from the Board. Chair Mays opened the public hearing portion of the meeting and asked for public comment on the proposed resolution. Hearing none, Chair Mays closed the public hearing and asked for discussion or questions from the Board. With no further comments or discussion, the following motion was stated.

MOTION: FROM KIM YOUNG TO APPROVE URA RESOLUTION 2022-006 ADOPTING THE FY2022-23 BUDGET OF THE CITY OF SHERWOOD ORIGINAL 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. SECONDED BY RENEE BROUSE. MOTION PASSED 6:0. ALL PRESENT MEMBERS VOTED IN FAVOR (DOUG SCOTT WAS ABSENT).

Chair Mays addressed the next agenda item.

B. URA Resolution 2022-007 Adopting the FY2022-23 budget of the City of Sherwood 2021 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 Bodway stated that this resolution pertained to the newer URA and recapped that the URA Budget Committee had received the budget message, reviewed the proposed budget, and heard public comment on the proposed budget on June 1st. He reported that the URA Budget Committee had approved the proposed budget at their June 13th meeting and explained that the Fiscal Year 2022-23 Operations Fund budget consisted of personnel services, allocated overhead, and allocated materials and service expenses needed to continue to administer the URA. He reported that debt service payments accounted for 92% of the proposed expenditures and reported that the approved Fiscal Year 2022-23 Capital Projects Fund budget primarily included appropriations for the design and construction of the festival plaza, portions of Sherwood Broadband, a pedestrian bridge across Highway 99W, Ice Age Drive design, and a new Public Works facility. He explained that funding for the projects would come from tax increment revenue and loans. He stated that the final step in the process was to hold a final public hearing on the proposed resolution and to then adopt the Fiscal Year 2022-23 budget. Mr. Bodway asked for discussion or questions from the Board. Chair Mays opened the public hearing portion of the meeting and asked for public comment on the proposed resolution. Hearing none, Chair Mays closed the public hearing and asked for discussion or questions from the Board. Vice Chair Rosener explained that the city would not be raising property taxes to complete these projects and explained how URA projects were able to be funded through incremental tax revenue. With no further comments or discussion, the following motion was stated.

MOTION: FROM KIM YOUNG TO APPROVE URA RESOLUTION 2022-007 ADOPTING THE FY2022-23 BUDGET OF THE CITY OF SHERWOOD 2021 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. SECONDED BY RENEE BROUSE. MOTION PASSED 6:0. ALL PRESENT MEMBERS VOTED IN FAVOR (DOUG SCOTT WAS ABSENT).

6. ADJOURN

Chair Mays adjourned the meeting at 5:52 pm.

Attest:



Sylvia Murphy, MMC, Agency Recorder



Keith Mays, Chair