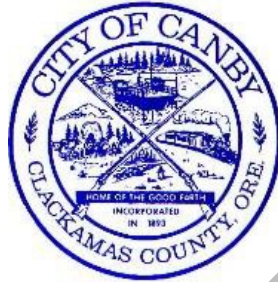


City of Canby Urban Renewal Agency Proposed Annual Budget

For the Fiscal Year

July 1, 2023 - June 30, 2024



BOARD OF COMMISSIONERS

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Brian Hodson, Commission Vice Chair

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_____, Urban Renewal Agency Director

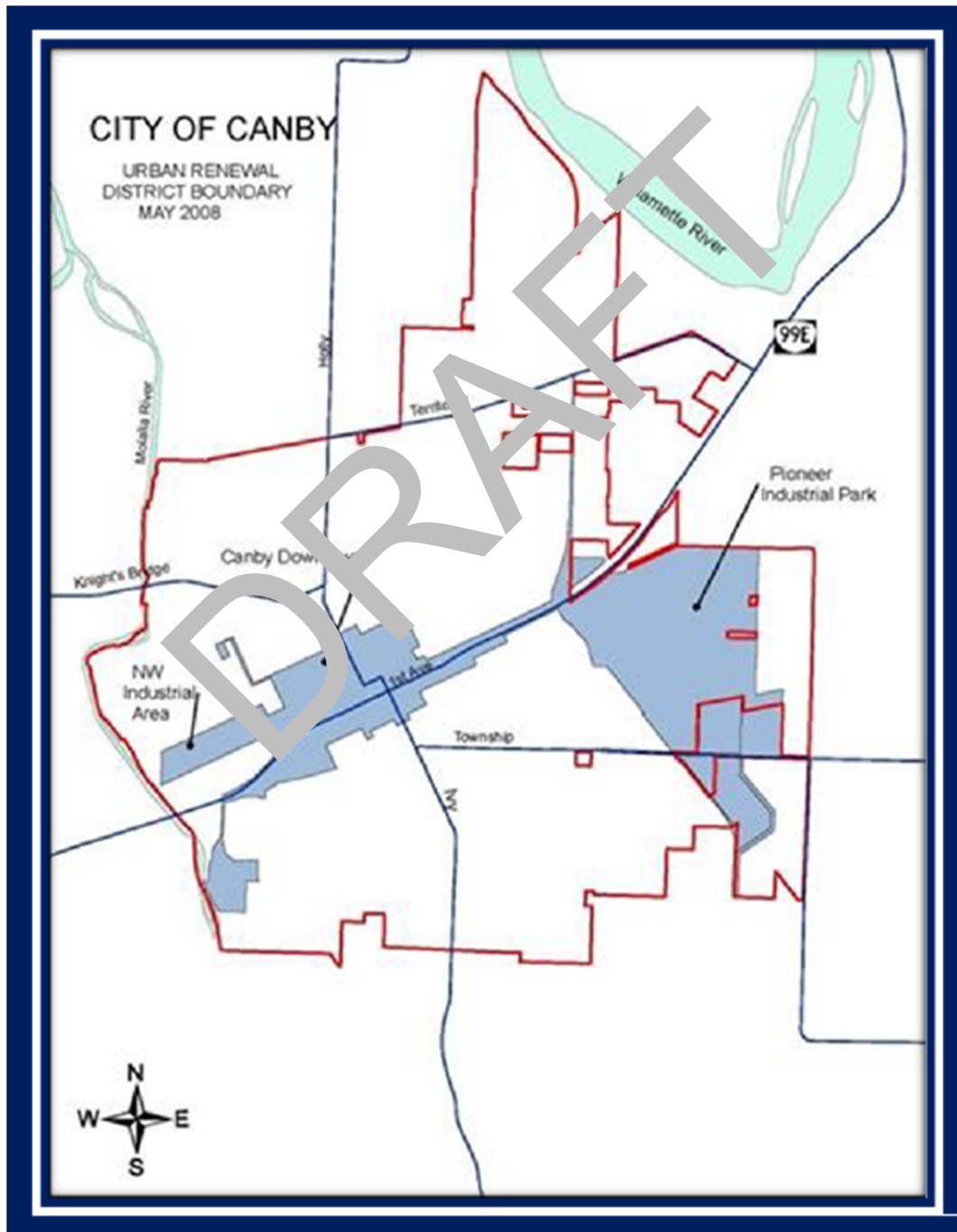
Eric Kytola, Finance Director

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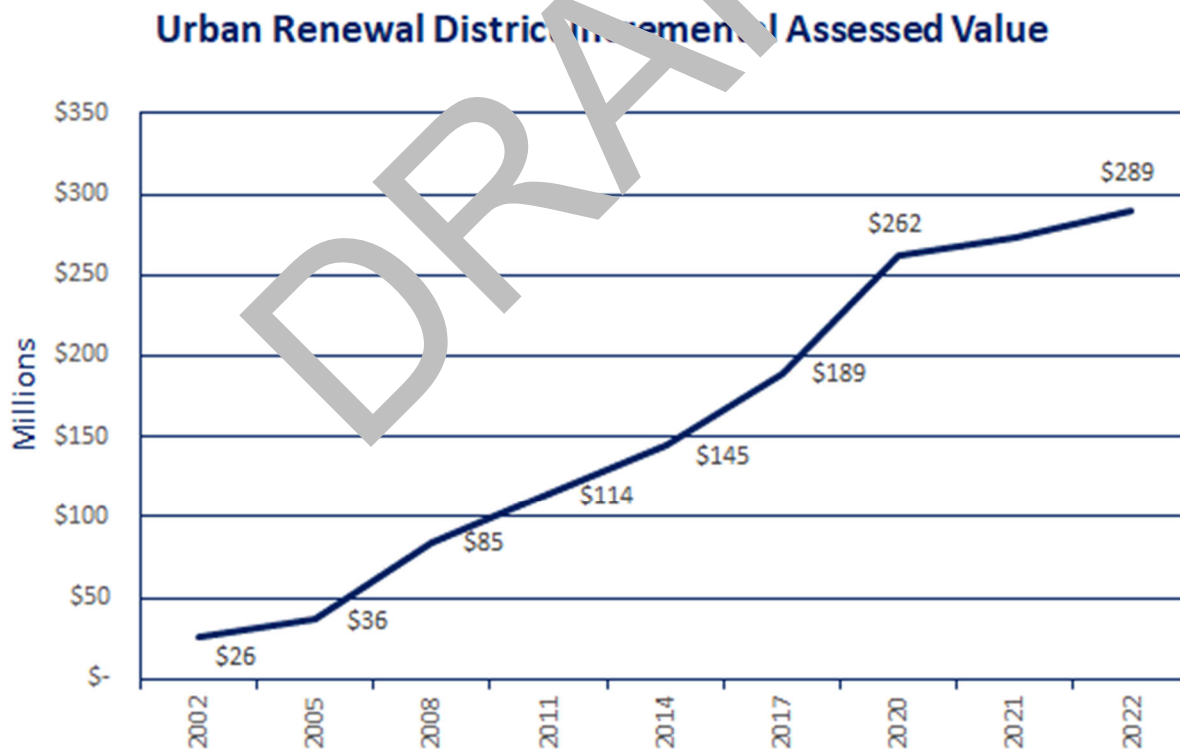


About the District

The City of Canby Urban Renewal Agency (URA) is a separate entity from the City. The Canby City Council serves as the Board of Commissioners 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 Commissioners 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 Canby Urban Renewal Plan was adopted in 1999 property values were frozen. The taxes collected on that frozen value continues to flow to the taxing authorities (City, County, Schools, Fire, etc.). The taxes collected on increased property values that occur with NEW development generate incremental tax revenue. This tax increment is then used to repay the URA debt and implement the URA plan.

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.



May 18, 2023

Fiscal Year 2024 District Administrator's Budget Message

The Honorable Chair, Urban Renewal Board, and Members of the Budget Committee

It is my pleasure to present the proposed Urban Renewal Agency budget for Fiscal Year 2024, in the amount of \$5,769,315.

The URA General Fund budget accounts for Agency administration costs, economic development activities within the Urban Renewal Area, construction projects, and property purchases. All of the projects funded through the Urban Renewal Agency are transferred to City ownership upon completion.

The URA Debt Service Fund budget accounts for property tax revenue and the annual payments on outstanding debt. Transfers from the URA Debt Service Fund to the URA General Fund pay for the projects and expenditures captured there.

FY2024 Proposed Budget

- Consistent with prior years, economic development activities supporting the downtown Canby community are budgeted to continue.
- Similarly, Canby's involvement in regional economic development partnerships is also budgeted to continue.

Capital Projects

The FY2024 recommended capital projects are detailed below. The completion of these projects will be subject to fund availability after meeting our annual debt obligation. Funding will be entirely from tax increments generated within the Urban Renewal District – no additional debt financing is proposed. The proposed projects include:

- Completion of upgrades to Community Park including two new bathrooms, sewer and water lines, and additional parking.
- Continuation of funding to support the Façade Improvement Program for FY2024.
- Mural program funds.

This proposed budget represents the current goals and plans of the Urban Renewal Agency.

Respectfully Submitted,

Urban Renewal Agency Director

DRAFT

District-Wide Budget Summary

	FY2021 Actual	FY2022 Actual	FY2023 Budget	FY2024 Proposed
Beginning Fund Balance	\$ 2,232,524	\$ 2,883,689	\$ 1,192,389	\$ 170,027
Revenue				
Property Taxes	4,215,618	4,332,491	4,524,598	4,797,538
LID Revenue	18,644	-	-	-
Grants	2,000	-	-	-
Miscellaneous	119,681	200	500	-
Interest	22,523	21,190	18,980	101,750
Transfers In & Other Sources	748,524	1,638,868	1,683,320	700,000
Total URA Resources	\$ 7,359,514	\$ 8,876,438	\$ 7,419,787	\$ 5,769,315
URA General Fund				
Materials & Services	351,265	421,436	17,300	535,000
Capital Outlay	452,417	1,219,007	1,138,000	150,000
URA Debt Service Fund				
Debt Service	2,922,619	4,230,281	4,008,792	4,017,149
Not-Allocated				
Transfers Out	748,524	1,638,868	1,683,320	700,000
Reserved for Future Expense	2,883,689	1,045,318	42,375	350,416
Total URA Requirements	\$ 7,359,514	\$ 8,875,810	\$ 7,419,787	\$ 5,769,315

General Fund Budget

URBAN RENEWAL GENERAL FUND	FY2021 Actual	FY2022 Actual	FY2023 Budget	FY2023 Projected	FY2024 Proposed
RESOURCES					
REVENUE					
URD Grants	2,000	-	-	-	-
Miscellaneous-Income	52,283	200	500	-	-
Interest Revenue	876	2,904	1,480	1,900	1,750
OP Transfer In from UR Debt	748,524	1,638,868	1,683,320	1,500,000	700,000
Total URA GF Revenue	803,682	1,641,972	1,685,300	1,501,900	701,750
TOTAL URA GF RESOURCES	803,682	1,641,972	1,685,300	1,501,900	701,750
REQUIREMENTS FOR URBAN RENEWAL					
MATERIALS & SERVICES					
Mat & Svc Contract	20,236	8,726	2,000	10,000	10,000
Due to Economic Development	315,998	396,061	425,000	420,000	425,000
Fire Dept Capital Projects	-	-	-	-	-
Beautification & Marketing	-	1,990	1,000	25,000	25,000
Facade Improvement Program	15,031	14,659	75,000	50,000	75,000
Canby Civic Block Redevelopment	-	-	-	-	-
Total URA GF Materials & Services	351,265	411,436	547,300	505,000	535,000
CAPITAL OUTLAY					
Signal - Sequoia and Hazeldell	77,696	-	-	-	-
URD Projects	-	-	-	-	-
Old Library Renovation	-	-	-	-	-
Grant St Arch	4,178	17,805	238,000	15,000	-
Industrial Park to 99E	9,100	-	-	-	-
Wait and Community Park	8,610	27,885	425,000	775,000	100,000
Railroad Quiet Zone	352,310	1,173,986	-	100,000	-
Mural Program	-	-	50,000	-	50,000
HWY 99 Logging Bridge	-	231	425,000	50,000	-
Total URA GF Capital Outlay	452,194	1,219,907	1,138,000	940,000	150,000
OPERATING CONTINGENCY	-	-	-	-	16,750
RESERVED FOR FUTURE EXPENDITURE	-	629	-	-	-
ENDING FUND BALANCE (prior year's)	-	-	-	-	-
TOTAL URA GF REQUIREMENTS	803,682	1,641,972	1,685,300	1,445,000	701,750

Debt Service Fund Budget

URBAN RENEWAL DEBT SERVICE FUND	FY2021 Actual	FY2022 Actual	FY2023 Budget	FY2023 Projected	FY2024 Proposed
RESOURCES					
BEGINNING URA DEBT SERVICE FUND BALANCE	2,232,524	2,883,689	1,192,389	1,045,318	170,027
REVENUE					
Tax Increment	4,142,738	4,276,469	4,474,598	4,483,250	4,752,538
Tax Increment - Prior	72,880	56,022	50,000	40,251	45,000
LID Walnut St Princ	18,056	-	-	-	-
LID Hazel Dell Way Princ	-	-	-	-	-
Interest Revenues	21,648	18,286	17,500	110,000	100,000
LID Walnut St Int.	588	-	-	-	-
LID Hazel Dell Way-Interest	-	-	-	-	-
Bond Interest Rebate (ARRA)	67,398	-	-	-	-
Total URA Debt Service Revenue	4,323,308	4,350,778	4,542,098	4,633,501	4,897,538
TOTAL URA DEBT SERVICE RESOURCES	6,555,832	7,234,467	5,734,487	5,678,819	5,067,565
REQUIREMENTS FOR URBAN RENEWAL DEBT SERVICE					
DEBT SERVICE					
Debt Pmts-Sequoia St 5 & 6	1,099,387	-	-	-	-
Debt Pay-2021 Bond Principal	-	3,655,000	3,655,000	3,655,000	3,740,000
Debt Pay-Walnut St	-	-	-	-	-
Debt Pay-Police Building	125,000	-	-	-	-
Debt Pay-1st Ave Redev	115,000	-	-	-	-
Debt Pay-2012 Bond Principal	645,000	500,000	-	-	-
Debt Pay-Sequoia 5 & 6 Int	52,724	-	-	-	-
Debt Pay-Walnut St Int	-	-	-	-	-
Debt Pay-Police Building Int	415,000	-	-	-	-
Debt Pay-1st Ave Redev Int	104,241	-	-	-	-
Debt Pay-2012 Bond Int	18,706	177,706	-	-	-
Debt Pay-2021 Bond Int	-	387,575	353,792	353,792	277,149
Total URA Debt Service	2,920,519	4,550,281	4,008,792	4,008,792	4,017,149
TRANSFERS OUT & OTHER USES					
OP Transfer to UR General	748,524	1,638,868	1,683,320	1,500,000	700,000
Total URA Debt Service Transfers Out	748,524	1,638,868	1,683,320	1,500,000	700,000
RESERVED FOR FUTURE EXPENDITURE	-	-	42,375	170,027	350,416
ENDING FUND BALANCE (for year's)	2,883,689	1,045,318	-	-	-
TOTAL URA DEBT SERVICE REQUIREMENTS	6,555,832	7,234,467	5,734,487	5,678,819	5,067,565

Long-Term Debt

Moody's Investors Service has upgraded the City of Canby, Oregon's long-term issuer rating and outstanding full faith and credit obligations for the second time since 2018. In 2018 the City's rating went from an A1 to Aa3, and on June 7, 2021 Moody's increased the bond rating from Aa3 to Aa2. The current rating action affects approximately \$19 million in rated full faith and credit debt outstanding. The upgrade to Aa2 is driven by the city's strengthened reserves and liquidity, with consecutive years of strong financial performance supported by conservative fiscal management and stable revenue. The upgrade also reflects continued strong growth of the city's moderately sized tax base and improving socioeconomic indicators.

Fiscal Year Ending June 30,	Governmental Activities		Total Governmental Activities
	Bonds - URA	Interest	
2024	3,740,000	277,149	4,017,149
2025	3,820,000	192,358	4,012,358
2026	3,910,000	99,184	4,009,184
Total	<u>\$ 11,470,000</u>	<u>\$ 568,690</u>	<u>\$ 12,038,690</u>

	Original Amount	6/30/2023 Balance	Reductions	6/30/2024 Balance
IRA Governmental Activities				
Bonds URA:				
2021 Refunding of 2010, 2011, & 2012 (0.92%)	18,730,000	11,470,000	3,740,000	7,730,000
2021 Premium	95,165	807,101	202,452	604,649
Total URA Activities		<u>\$ 12,277,101</u>	<u>\$ 202,452</u>	<u>\$ 8,334,649</u>