



AGENDA

CANBY URBAN RENEWAL AGENCY MEETING

September 7, 2022 – 6:00 PM

Register here to attend the meeting virtually:

https://us06web.zoom.us/webinar/register/WN_s4h7XUIRQ2iUI3yTEln6Ng

Hybrid Meeting/Council Chambers

222 NE 2nd Avenue, 1st Floor

Chair Shawn Varwig

Commissioner Christopher Bangs

Vice-Chair Brian Hodson

Commissioner Traci Hensley

Commissioner Art Marine

Commissioner Greg Parker

Commissioner Sarah Spoon

1. CALL TO ORDER

2. CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

3. CONSENT AGENDA

- a. Minutes from the June 29, 2022 URA Meeting.

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4. NEW BUSINESS

- a. URA Annual Report

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5. ADJOURN

*The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Maya Benham at 503.266.0720. A copy of this Agenda can be found on the City's web page at www.canbyoregon.gov.

**CANBY URBAN RENEWAL AGENCY
MEETING MINUTES
June 29, 2022**

PRESIDING: Chair Shawn Varwig

COMMISSIONERS PRESENT: Brian Hodson, Traci Hensley, Greg Parker, Sarah Spoon, and Christopher Bangs.

COMMISSIONERS ABSENT: Art Marine.

STAFF PRESENT: Scott Archer, City Administrator/Agency Director; Joseph Lindsay, City Attorney/Assistant City Administrator; Jamie Stickel, Economic Development Director; Maya Benham, Deputy City Recorder; Don Hardy, Planning Director, and Eric Kytola, Finance Director.

CALL TO ORDER: Vice Chair Hodson called the meeting to order at 6:02 p.m.

PUBLIC HEARING: Proposed Supplemental Budget – Vice Chair Hodson opened the public hearing and read the hearing statement.

Chair Varwig arrived at 6:04 p.m.

Eric Kytola, Finance Director, presented the staff report. He explained they had budgeted \$410,000 in Capital Outlay projects, however they would be spending \$1,266,000 for the Quiet Zone project. The supplemental budget would transfer funds from Debt Service to the General Fund.

There was no public testimony.

Chair Varwig closed the public hearing.

RESOLUTIONS:

Resolution URR 22-002 – ****Commissioner Bangs moved to adopt Resolution 22-002, A RESOLUTION ADOPTING BUDGET APPROPRIATION TRANSFERS FOR FISCAL YEAR 2022. Motion was seconded by Vice Chair Hodson and passed 5-0.**

Resolution URR 22-003 – Mr. Kytola said this resolution would adopt the Urban Renewal budget. On June 15, the Urban Renewal Budget Committee met to review the budget and approved it with no changes.

****Commissioner Spoon moved to adopt Resolution No. 22-003, A RESOLUTION ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND IMPOSING AND CATEGORIZING TAXES FOR THE 2022-2023 FISCAL YEAR. Motion was seconded by Vice Chair Hodson and passed 5-0.**

NEW BUSINESS:

Façade Improvement Program Application – Dewar Chiropractic –

Jamie Stickel, Economic Development Director, said they had received a façade improvement application for Dewar Chiropractic. This would be for improvements to the rear façade which was visible from the street. She gave a background on the program and discussed the input from the Main Street Design Committee. Staff recommended approval.

****Vice Chair Hodson moved to approve the matching grant of up to \$25,000 for Dewar Chiropractic under the guidelines of the Canby Façade Improvement Program. Motion was seconded by Commissioner Spoon and passed 5-0.**

Chair Varwig adjourned the meeting at 6:17 p.m.

Melissa Bisset, CMC
City Recorder

Shawn Varwig
Chair

Assisted with Preparation of Minutes - Susan Wood



URBAN RENEWAL STAFF REPORT

Meeting Date: 9/7/2022

To: Urban Renewal Chair Varwig & Commissioners
Thru: Scott Archer, City Administrator
From: Jamie Stickel, Economic Development Director
Agenda Item: 2021 Urban Renewal Agency Staff Report
Goal: N/A
Objective: N/A

Summary

The Economic Development Director and Finance Director will present the Urban Renewal Agency Annual Report for fiscal year 2021.

Background

The City of Canby established the Urban Renewal District in 1999. The Mayor and City Council serve as the Urban Renewal Agency (URA). The URA makes decisions on projects that align with the Urban Renewal Agency's goals and objectives as set within Canby's Urban Renewal Plan.

Goals and Objectives of the Canby Urban Renewal Agency:

- To diversify economic base and family wage jobs within the district.
- To maintain effective, efficient, and safe traffic system for vehicular and pedestrian users.
- To improve and retain existing businesses.
- To improve attractive visual amenities for customers and community members throughout the district.

Discussion

The Urban Renewal Agency will receive the 2021 Urban Renewal Annual Report as presented by the Economic Development Director and Finance Director and discuss previous efforts and ongoing projects.

Attachments

- 2021 Urban Renewal Annual Report

Fiscal Impact

None.

Options

None.

Recommendation

N/A

Proposed Motion

N/A



City of Canby Urban Renewal Agency

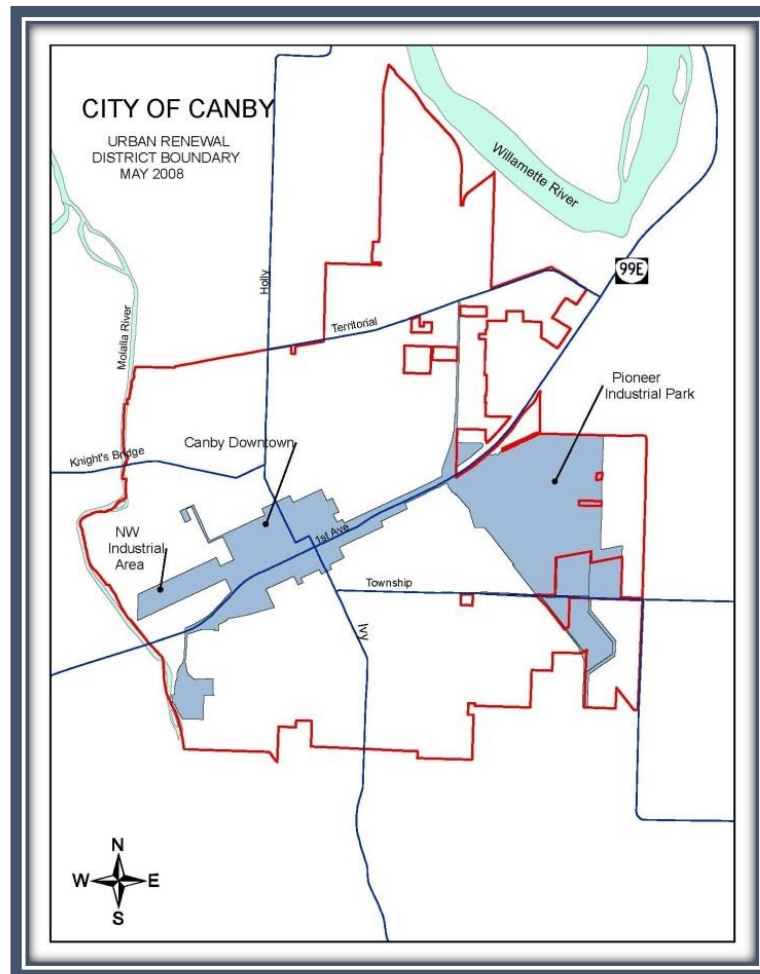
FISCAL YEAR 2021 ANNUAL REPORT

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Canby Urban Renewal District Overview

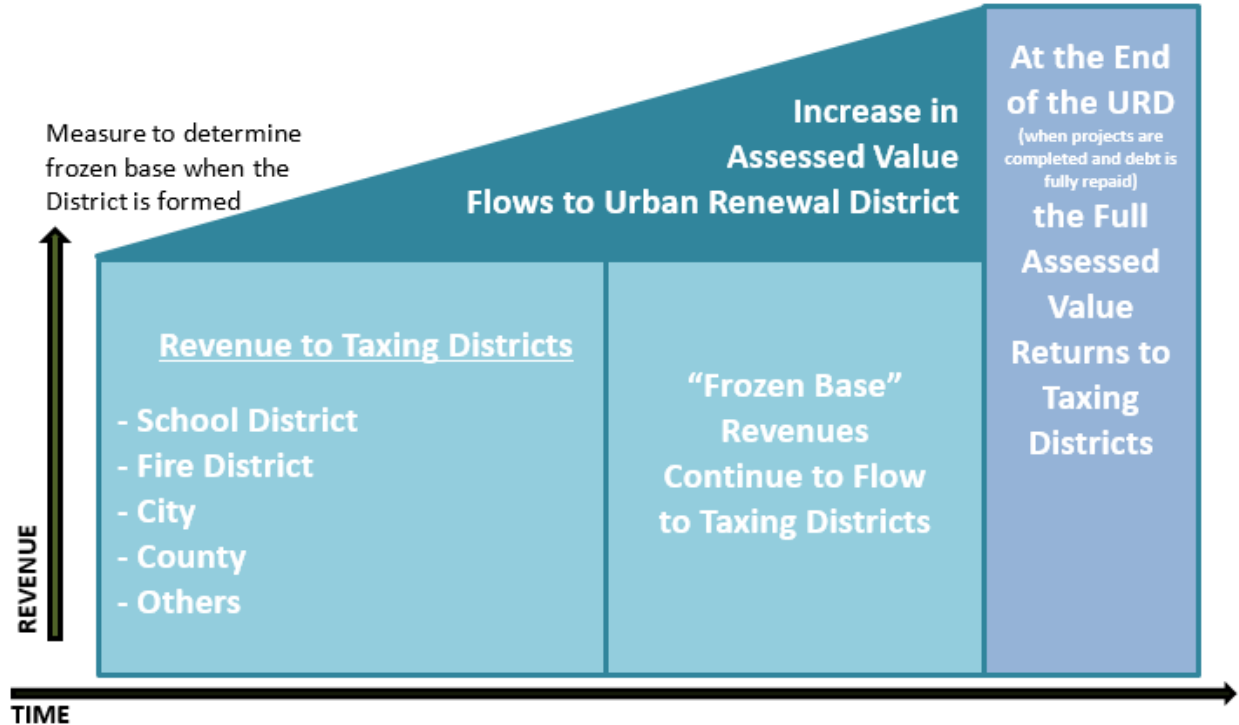
In 1999, Canby established a 573 acre Urban Renewal District that includes the Canby Pioneer Industrial Park, the downtown business area and the northwest industrial park. The District is set to expire when projects are completed and debt is repaid. The Urban Renewal Agency makes decisions on investment projects. The City Council and Mayor serve as the Agency Commission. The City Administrator, Scott Archer, acts as the Urban Renewal Director, and is responsible for ensuring its financial health. Residents are not paying any additional taxes for the Urban Renewal program.



Goals and Objectives of the Canby Urban Renewal Agency

- To diversify economic base and family wage jobs within the district.
- To maintain effective, efficient, and safe traffic system for vehicular and pedestrian users.
- To improve and retain existing businesses.
- To improve attractive visual amenities for customers and community members throughout the district.

Tax Increment and Project Funding, How it works...



When Canby formed the District in 1999 it created an urban renewal district boundary and determined the assessed value in the district of \$65,611,926. This assessed value is the "Frozen Base".

Throughout the life of the District, all taxing districts continue to receive all tax revenues on this existing assessed value. This base ensures that important community services continue to receive the same level of revenue to support services important to citizens.

The Urban Renewal District invests in projects that will stimulate new development to increase tax revenues. Since 1999 the Canby Urban Renewal District has generated over \$262 million in increased assessed value. Bonds can be issued to fund urban renewal projects of up to \$51.149 million that are repaid with increases in assessed value in the district.

When the Urban Renewal District ends and debt is repaid, all assessed value is redistributed back to taxing districts at a much higher assessed value. The city continues to benefit from urban renewal benefits long after the district dissolves.

Frequently Asked Questions

How are Urban Renewal projects funded?

Revenue for projects comes from “tax increment financing” that directs tax revenues from increasing property values back into the District to spur development. Property in the District had its assessed value “frozen” at 1999 rates when the URD was established. Whatever taxes paid at that time to local taxing districts continue to flow to them at the same rates. Any additional taxes paid after 1999, due to an increase in the assessed value of the property, are directed to projects in the District. Projects in the Urban Renewal District are financed by selling bonds that are repaid with revenue generated in the District. The Canby Urban Renewal Agency decides which projects or programs to fund.

Am I paying for Urban Renewal? It shows up on my tax statement.

You are not paying any additional taxes for Urban Renewal. The County Tax Assessor shows the equivalent of taxes on property tax statements. The formation of an urban renewal area does not change what property owners pay in taxes or add any new taxes. Urban Renewal does redistribute taxes already paid by property owners. Property taxes, which are based on assessed values, may rise as the value of property rises with urban renewal improvements in the area. However, in most cases increases are limited to no more than 3% per year.

Where is the Agency getting \$51+ million to invest in Urban Renewal projects?

The City does not have cash for projects. Development projects are funded by selling bonds. When the Urban Renewal District was formed on November 3, 1999, a maximum indebtedness of \$51,149,000 was set. Bonds are issued to fund projects and programs that meet the goals of the Urban Renewal Plan. The bonds are paid back from increased property tax value and tax revenues generated by new investment in the district over time.

What can the Urban Renewal Agency invest in and how can the funds be used?

Urban Renewal funds can research the feasibility of, plan for, and fund capital projects like roads, utilities, and other infrastructure. The Urban Renewal Agency can also purchase and improve property, assemble sites, build buildings, or repair or rehabilitate them for sale or lease them for private or public sector use. It can relocate businesses to free-up property for redevelopment. The Agency cannot fund projects or programs outside of the district*, or fund promotion, events, and ongoing maintenance. (*a project that has a nexus and is a district benefit can be funded.)

Doesn't this hurt other taxing districts?

Taxing districts still receive the revenues they did when the District was formed. When the district dissolves, taxing districts have a higher tax base (and higher revenues) than they would have without the district. The “loss” to schools is indirect because they are now funded based on a state formula instead of by property taxes.

2020-2021 Projects

Refinancing of Urban Renewal Debt:

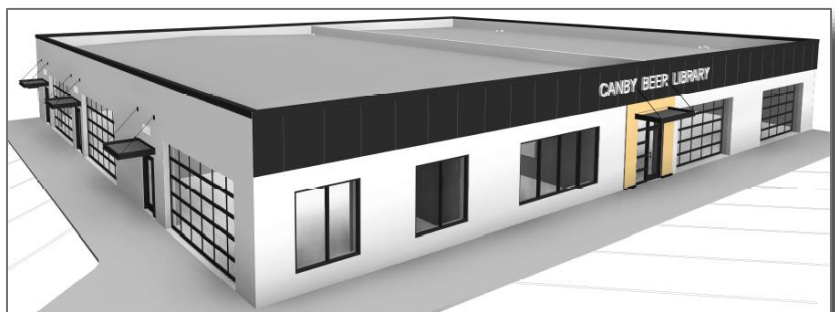
In 2021, the City of Canby refinanced the Urban Renewal debt which saved the city approximately \$7 million. The Urban Renewal Agency spent time in late 2021 identifying which projects from the original Urban Renewal plan could be included before the Urban Renewal District sunsets in 2025-26. Furthermore, the Urban Renewal Agency directed staff to investigate projects previously identified as potential Urban Renewal Agency projects in order to identify potential projects moving forward. The Urban Renewal Agency also directed staff to explore the potential for an early sunset of the Urban Renewal District while paying off Urban Renewal debt. The debt refinancing reduced the original payoff date. Originally the debt was to be fully paid off in 2036, after the refinancing the payoff date is now 2026.

Redevelopment of the Former Library Building:

When the new library and civic building opened in October 2016, it left the former 10,961 square foot library building vacant. The building is located at 292 N. Holly Street at a strategic corner of N 3rd Avenue and Holly Street at Wait Park. The Urban Renewal Agency desired to return the building to the tax rolls, generate revenue for the city, and attract private sector investment, jobs and development to the core downtown area. In preparation, the building was emptied of furniture and remaining materials, and cleaned. A concept design was created to inspire ideas around a public market and flexible creative office space.

City staff marketed the property for lease or sale in 2017 and in 2018. While the city received interesting and varied offers, the City of Canby chose to retain the building and redevelop it into a public market with small office spaces. The city applied for and received an Oregon Main Street Revitalization grant for \$200,000 to assist in the redevelopment of the building. The city worked with LRS Architects on a feasibility study and cost estimates. Ultimately, the estimates were too high and there was renewed interest from private entities in sale and/or lease of the building.

The City re-opened a Request for Expressions of Interest in February 2020 and received five proposals for the former Canby Public Library Building. The City of Canby chose to negotiate the sale of the building to Oregon City Brewing Company for the “Canby Beer Library” concept. Oregon City Brewing Company and the City of Canby agreed on a purchase and sale agreement and Oregon City will move forward through the planning and permitting process for the Canby Beer Library. The Canby Beer Library will feature Oregon City Brewing Company crafted ales, on-site cider production, and a rotating tap of non-alcoholic beverages. The plans include four micro-kitchens and two retail spaces.



Downtown Canby Quiet Zone and Grant Street Arch:

The City of Canby is pursuing a Quiet Zone for the downtown intersections at Elm, Grant, and Ivy. Currently, railroad engineers are required to sound their horns prior to approaching public crossings and continuously through downtown each time a train passes. This noise discourages outdoor activity, which in turn can negatively impact the economic vitality of our downtown business district. The Federal Railroad Administration (FRA), determines whether Canby can proceed with the project.



The City contracted with PBS Engineering + Environmental to design and complete the Quiet Zone project. PBS has had success with Quiet Zone projects in other cities. The design process began in fall 2018 to construct safety improvements for a Canby Quiet Zone which would greatly reduce train horn blasts in downtown. The district is adjacent to the Union Pacific Railroad main line with approximately 30 trains per day passing through town.

To address this long term concern, URA staff has pursued funding and developed acceptable solutions to address safety concerns. The Oregon Department of Transportation awarded a \$137,951 grant in fall 2017. In winter 2018, the Urban Renewal Agency received permission to lead the project. Preliminary engineering began fall 2018 with construction to follow.

The project will rebuild the NE corner of Elm Street at 99E to better accommodate trucks at this tight intersection on the cities truck route. The power pole in the 99E sidewalk will be moved east. Three 73 to 80 foot non-traversable medians will be installed at Ivy, Grant and Elm from each railroad crossing arm toward NW 1st Avenue and Highway 99E. The Urban Renewal Agency approved funding in February 2021 for the City to begin work with Lee Contractors for the combined project of the Quiet Zone and Grant Street Arch.

Industrial Park Access:

The City of Canby is looking to address access from Highway 99E to the Canby Pioneer Industrial Park. Industrial Park developers are required to complete traffic studies to identify the impacts additional traffic will bring to the area. Traffic studies evaluate existing transportation, trip generation and distribution, and future transportation conditions. As more industrial businesses move to Canby, traffic studies received by the city have noted the need to mitigate the amount of traffic that utilizes the main road throughout the industrial park – Sequoia Parkway. The City is working on both short-term and longer-term solutions to access within the park.



The City of Canby worked to install a traffic signal at the intersection of Hazel Dell Way and Sequoia Parkway. This signal will help to ensure safety for citizens and visitors entering and exiting the Canby Market Center, as well as those cars and trucks driving to and from the Canby Pioneer Industrial Park. This is the

first step to mitigate traffic and increase safety at the beginning of the industrial park. Clackamas County will maintain the signal for the City as it currently does for several other cities within the county.

In June 2019, the Urban Renewal Agency approved two resolutions which lay the groundwork for the new connector road from the industrial park to Highway 99. The first resolution approved the expansion of the Urban Renewal District boundary to include a parcel of 3.71 acres, located at 2392 SE 1st Avenue, adjacent to the Canby Pioneer Industrial Park. The second resolution approved the purchase and sale agreement between the City of Canby and Par 3 Investments for the property located at 2392 SE 1st Avenue. The purchased property is one of five properties the proposed collector street will traverse. The alternative access road will come to fruition approximately 3 – 5 years.

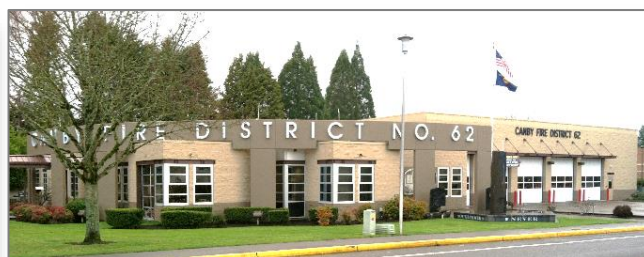
Major Accomplishments since the Inception of the District

Fire District Investments:

The Urban Renewal Agency has spent \$1,255,000 to fulfill the 1999 plan commitment to the Canby Fire District. These investments have improved Canby Fire District's fire protection rating and enhanced emergency response into the Urban Renewal District. Specifically, these funds paid for:

- A Fire Engine and the equipment to replace the existing 1999 Engine.
- An Emergency Medical Unit to replace a Medic Unit with an excess of 215,000 miles. The Medic Unit is stationed at the main fire station and utilized for the City of Canby.
- The remodel at the Main Fire Station.

The Rosenbauer Commander Fire Truck (pictured above right) now serves the community with a larger pump, better turning radiuses, better ergonomics and large nozzles to help firefighters combat the fires that larger buildings bring us in the URD. It will also access areas downtown better that have been narrowed over time.



***Above: Before (left) and after (right) painting the front of the Fire Department Building.
Below: Before (left) and after (right) painting the rear of the building.***





The Urban Renewal Agency has studied, planned and coordinated projects, leveraged resources or provided funding for the following initiatives to attract businesses and new investment to the city. This public investment has stimulated private investments to occur more quickly and on a much larger scale. Public investments in infrastructure and beautification have stimulated private investments that pay the majority of new building construction and renovation costs.

Sequoia Parkway Extension:

The last segment of the Sequoia Parkway in the Canby Pioneer Industrial Park was completed in spring 2014. Canby's Urban Renewal Agency invested \$3.8 million in the project to make the final phase of the park development ready. This project entailed building a bridge over the Oregon Pacific Railroad line, paving the street extension, adding sidewalks, and installing most of the utilities.

The project was completed almost \$350,000 under budget. The extension added critical transportation access and other infrastructure to 60 acres of prime land which is actively on the market. The project also provides efficient internal circulation within the park. The new road begins near Township Road and the American Steel facility and connects to SW 13th Avenue.



The 1st Avenue Redevelopment Project:

The \$2.4 million streetscape improvement project was completed in winter 2012. Improvements included new street construction, sidewalks, parking lot, street lights, planters, street furniture, monument signs and undergrounding of utilities. The core downtown area from along NW 1st Avenue, between Ivy and Elm Streets was transformed.



Private property investment in new facades along 1st Avenue was made in many locations several new retail businesses have been launched. Other projects since construction ended include four

sequoia trees at Ivy, Grant and Elm and five sculptures installed on art plinths. Decorative garden themed bicycle racks were a gift from the Canby Ford Leadership Class and festive lights adorn the street trees to attract attention to downtown from Highway 99e.

Canby Police Facility:

The \$9 million facility is 36,000 SF of state-of-the-art space for the Canby Police Department with approximately 10,000 SF of "shelled" space for future growth. The building is designed for maximum energy efficiency and was completed in August 2012.

The new building also features an often used 1,700 SF. Community Room. The facility provides more space and resources for emergency response, crime research, and evidence storage.

It is designated as an Emergency Operations Center built to higher seismic standards using non-combustible materials with backup power and generator. This ensures that the facility is a safe place to handle a wide variety of emergency response needs.



The Canby Pioneer Industrial Park:

The Urban Renewal Agency investment in roads and infrastructure has laid the foundation for successfully recruiting industrial and traded sector businesses the Canby Pioneer Industrial Park. Since 1999, the agency has incrementally built roads and installed utilities needed to make industrial sites development ready. The Park has since attracted \$150 million in private sector investments. This infrastructure investment has helped attract fifteen new industrial companies and created 800 new jobs. These include Fred Meyer and ancillary retail businesses, Premier Gear, Pioneer Pump, Shimadzu, Providence, Dragonberry Produce, Wilco, Vata, Pump Tech, Cascade Engineering Technologies, Anderson Quality Springs, Kendall Floral, Columbia Distributing, BE Group, Caruso Produce, and Stanton Furniture. American Steel built a 192,000 square foot steel distribution company just outside the district, generating almost \$300,000 a year in tax revenues. Industrial sites are actively being marketed for sale or lease.



Public Art:

Five sculptures have been installed along the south side of 1st Avenue between Ivy and Elm Streets in Canby's Downtown. Also, a large metal wall creation by local artist Cathy Rae Smith was installed on the front of the new Civic Building. These original art pieces add character and sense of place to Canby's downtown.



Transportation Project UR District Investment (Approximately \$6 million)

Sequoia Parkway:

This three lane arterial road extends from Highway 99 E to 13th Avenue provides the primary access route and utilities to the Canby Pioneer Industrial Park. The parkway has robust utility infrastructure including sanitary sewer, electricity, water, telephone, gigabit broadband access, cable, and gas service. Street lights, sidewalks, bike lanes and landscaping make the park attractive and accessible for trucks, cars, pedestrians and cyclists.



Hazel Dell Way:

This local road also has all utilities in place. Businesses now located here include Kendall Floral, Meadow Burke, Anderson Quality Spring, Active Water Sports, OCI Reimers, and Canby Area Transit. Several smaller vacant industrial sites are actively on the market for development.

4th Avenue:

This east-west connection from Redwood Street to Sequoia Parkway provides an alternate access route to Highway 99 E at Pine Street. Companies include Shimadzu, USA, BE Group, and Pac International lots ready for development.

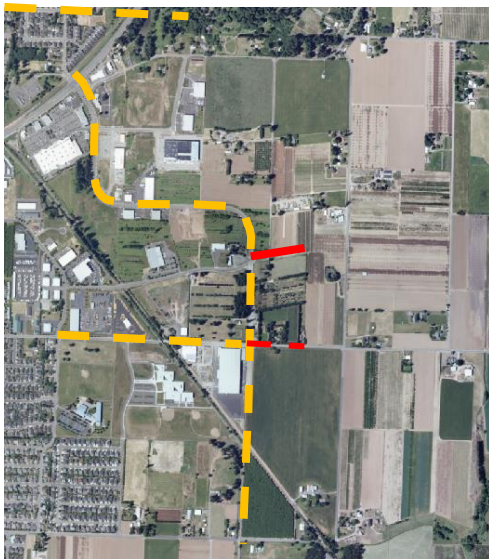
Walnut Street:

This local street connects the eastern part of the industrial park to Sequoia Parkway and opens over 40 acres for development. The road was funded as a local improvement district and coordinated by the URA. Utilities extend to most sites. The final road and infrastructure extension to 1st Avenue will be completed with development on adjacent sites.



Summary of Street and Circulation Projects

PROJECT	STATUS
NW and NE 1st Ave. From North Ivy to North Elm and UP Parking Lot	Done
NW and NE 2nd Ave. from North Ivy to North Elm	Done
NW and NE 3rd Ave. – Ivy to Elm	½ Done - Grant to Elm dropped
NW and NE 4th Ave. – Ivy to Elm	½ Done - Grant to Elm dropped
N Ivy, Holly, Grant – N 1st to N 4th	Done
SW 1st Ave. – Old Pacific to 99E	3/4th Done - Elm to Grant dropped
SW and SE 2nd Ave. – Behind McDonalds to Locust in front of Chamber Office	Done
SW 4th Ave. – Old Pacific (Birch) to South Elm	Done
Sequoia Parkway – 99E to SE 13th (Phases 1-5)	Done
SE 4th Avenue – End to Mulino Road	Not Complete
Industrial Park Collectors – Shown in Industrial Area Master Plan	Not complete
Township Road – S. Redwood to Mulino Road	Not Complete
S Berg Parkway 99E to SW 13th Street	Done
99E Access Improvements	Not all complete
N Berg Parkway – 99E to NW 3rd	Not Complete



Map of Industrial Area Improvements
Yellow = Done, Red = Future Phase



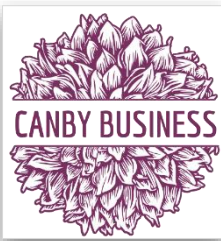
Map of Downtown improvements
Yellow = Done, Red = Future Phase

Investments in Downtown Canby

Streetscape improvements

Downtown investments include paving, lighting, seating, landscaping, banners and amenities on 1st and 2nd Avenues. The north side of Second Avenue and a vacant pad on the south side are well positioned for private sector redevelopment. A \$2 million investment of Urban Renewal District funds built a new streetscape and public parking lot.

The Canby Main Street Program



This multifaceted program was launched in 2010 and dedicates staff and funding to promote economic vitality of the downtown commercial district, revitalize buildings and street environments, and promote downtown. A four point approach includes a focus on design, economic vitality, promotions, and organization. Projects include outreach to support local businesses, promotions and events, administering the Canby Façade Improvement Program.

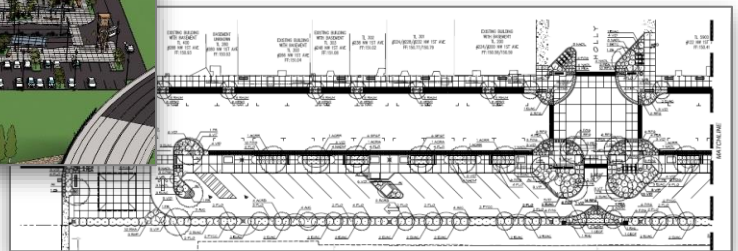
Entry Gateway Signs

Seven large, attractive signs now welcome visitors to Canby in strategic locations along Highway OR 99E, and at the gateways to downtown at Elm, Grant and Ivy Streets. The signs reinforce the “Canby the Garden Spot” theme in attractive stone monument signs.



Preparing for Development

The city has also modernized and updated its sign code and design standards to ensure that future development is attractive and consistent. Other efforts include the development of the Canby Downtown Plan, and feasibility studies for housing, hotel, office, and other types of development.



Wait Park Frontage Road Improvements:



This project was completed December 2011 for approximately \$603,000. The project provided new roadway surfaces on all the frontage streets and pervious pavement in all of the parking areas and improved sidewalks and crossings. The project included a mid-block sidewalk crossing and bump outs at each intersection to improve safety for pedestrians. The planter strips along the park frontage were expanded to add to the green space and a better surrounding for the existing trees. Enhanced power and lighting was added to the Gazebo in 2017.



Public - Private Partnerships

Canby Cinema 8

This \$5.5M project added an eight-screen cinema that opened in 2010 and provides an additional recreational amenity and attraction to downtown Canby. The theater shows first-run movies as well as custom and discount screenings to meet local preferences. The city invested in the oversized parking lot for more parking options for employees and visitors.



The Andrus Office Building

The city partnered with property owners to conduct a feasibility study for potential redevelopment of the site. This study led to the 2008 construction of a two-story 6,000 sq. ft. + professional building adjacent to Wait Park.



Redevelopment of the Canby Civic Block



Almost a full block in the downtown has been transformed over the past few years with new retail and apartment development, and restaurants and other businesses that will locate in renovated former city buildings. The 58,000 SF Dahlia Building completed construction in summer 2018 with the grand opening was held on Thursday, August 9th. The new \$15 million building brought 69 market rate apartments and 8,000 SF of new retail space to Canby. Creating housing options in downtown has long been a goal of the Agency and the community. The former City Hall and Police Building will be renovated for new restaurant and commercial space.

The Civic Block is located on Ivy and Holly between 1st and 2nd Avenues. The former Canby city hall, council chambers, finance building, and the development services building were located there. The City vacated these buildings when it moved to its new facility at 222 NE 2nd Avenue.

The Urban Renewal Agency wanted to attract new private sector development. An extensive Request for Expressions of Interest process in late 2014 to developers generated several attractive proposals. Hanlon Development was chosen to partner with the Agency to develop the site. The Agency has contributed staff resources, land, and funding for systems development charges, brownfields assessments (from grant funds), and other joint development costs to the project. In February 2021, the Urban Renewal Agency approved a sixty-month extension of the development agreement with Mary Hanlon and Canby Civic Block LLC.

The Canby Façade Improvement Program

Façade Improvements:

The City of Canby has a Façade Improvement Program which provides a reimbursable, matching grant to business and properties within the Urban Renewal District. The amount of applications the city receives and the amount each business or property needs to complete their projects varies. In FY2021, the City's Economic Development Department received three applications for Façade Improvement Projects. Holly Mall, Rice Time, and Caldera International applied for Façade Improvement grants and were awarded funds to support development projects.

Completed Façade Improvement Projects to Date		
Advantage Mortgage	Caldera International Building	Ladybug Chocolates
Altenhofen Quilt Store	CH Accounting	Liquor - Appliance Store
American Legion	Countryside Living	Mike's Place
Anderson Fair Place	Cutsforth Thriftway	Parson's Pharmacy
Bell Building	Davies Clinic	Peter Hostettler
Berg Property, LLC.	Ebner's Custom Meats	Rice Time
Canby Clinic	Graham Building Blade Signs	State Farm Insurance
Canby Herald Building	Grant Station/Bricks + Minifigs	T-Line Design
Canby Music	Holly Mall	Trinity Counseling
Canby Station	Kiwanis Thrift Store	

This matching grant program provides an enticing incentive and technical assistance for building owners to make their buildings more attractive. The program offers up to \$1,500 for design, \$1,500 for construction documents, and a 50% match up to \$25,000 for façade improvement construction. Businesses have enhanced the district by using the program for both large and small projects.



Financial Overview

Maximum Indebtedness and Remaining Debt Capacity

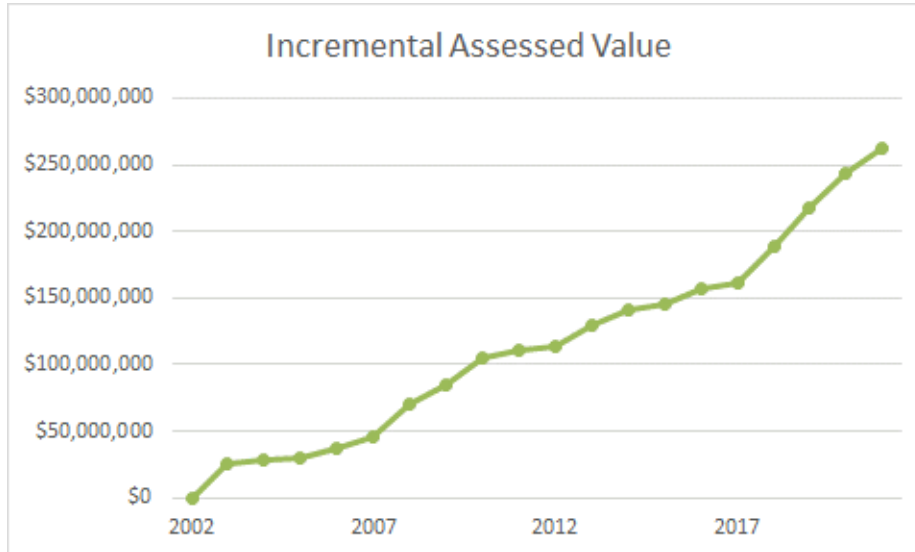
Maximum Indebtedness (MI)	\$ 51,149,000
Unreserved Revenue	6,095,216
Total Available for URA Projects	57,244,216

Expenditures against MI

1st Ave Redevelopment	2,430,195
Railroad Property Acquisition	600,448
Police Station	9,417,402
Office Building Renovation	99,796
Library/City Hall Renovation	9,894,916
Sequoia Parkway Projects	7,815,531
Hazel Dell Way	1,136,477
Berg Parkway	368,352
NW 2nd Street & Public Parking Lot	2,474,857
Walnut Street Improvements	880,817
Township Road	163,195
Police Property Acquisition	800,000
Railroad Quiet Zone	704,734
Civic Block Redevelopment	1,503,281
URD Projects	993,295
Canby Fire Dept	1,515,000
Gateway Projects	350,309
Signal @ Sequoia & Hazel Dell	852,719
Industrial Park Connection to 99E	615,594
Beautification & Marketing	140,131
RARE Program	103,500
Façade Improvement Program	421,455
Other Misc. Projects	386,833
Materials & Services	7,492,312
Total Expenditures of MI as of 6/30/2021	51,161,149
Remaining Debt Capacity Available for Future Projects	\$ 6,083,067

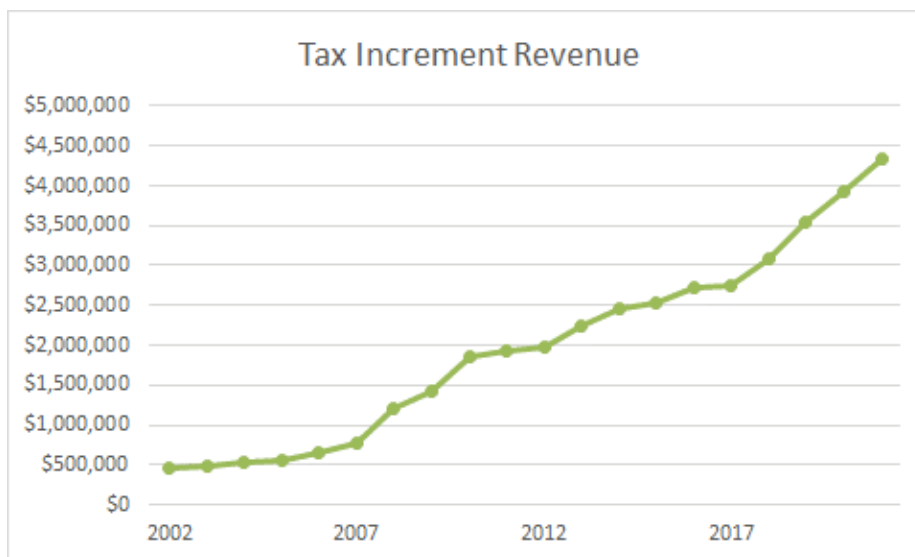
Increase in Incremental Assessed Value

The incremental assessed value of the Urban Renewal District has grown from \$25,630,009 in FY2003 to \$262,106,590 in FY 2021, which is a 923% increase over 18 years.



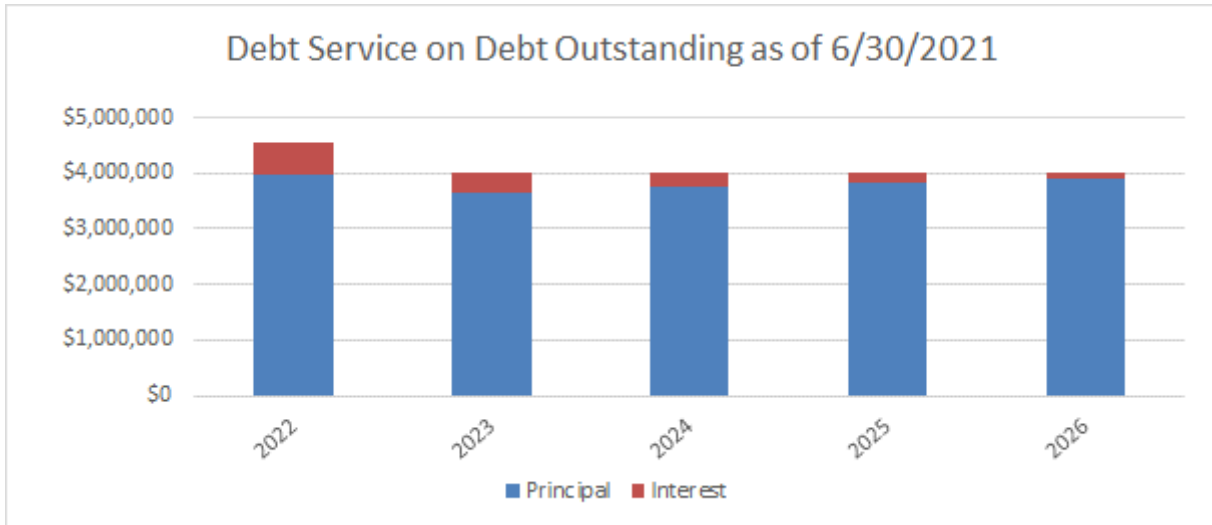
Increase in Tax Increment Revenue

The tax increment revenue for the Urban Renewal District was \$451,315 in FY 2002 and has increased to \$4,344,874 in FY 2021, which is a 795% increase over 19 years.



Debt Outstanding

As of June 30, 2021 the Agency had principal debt outstanding of \$19,110,000, total debt service if debt is repaid in accordance with their required schedules is \$20,597,764 and has a final maturity of June 1, 2026, see chart below.

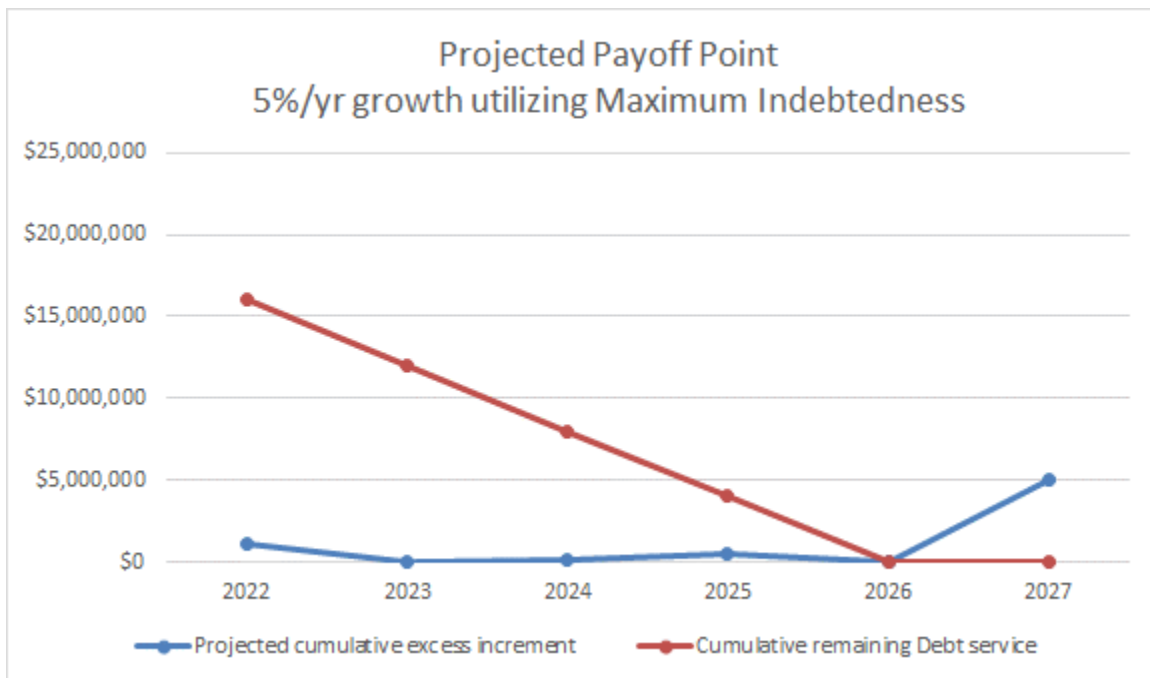


When will the Urban Renewal District End?

In accordance with ORS 457.075 the district cannot be terminated until all **indebtedness** to which a portion of tax increment is pledged for payment is **fully repaid**. As noted on the previous page if no additional debt is issued and debt is paid in accordance with current maturity schedules, debt would be fully repaid **June 1, 2026**.

Projected Payoff Point

Assuming no additional debt is issued and the URD continued operations utilizing the maximum indebtedness of the plan and we continue an average revenue growth of 5% the URA should have sufficient funds to pay debt in full in fiscal year 2026. If revenue growth exceeds 5% debt could be repaid sooner.

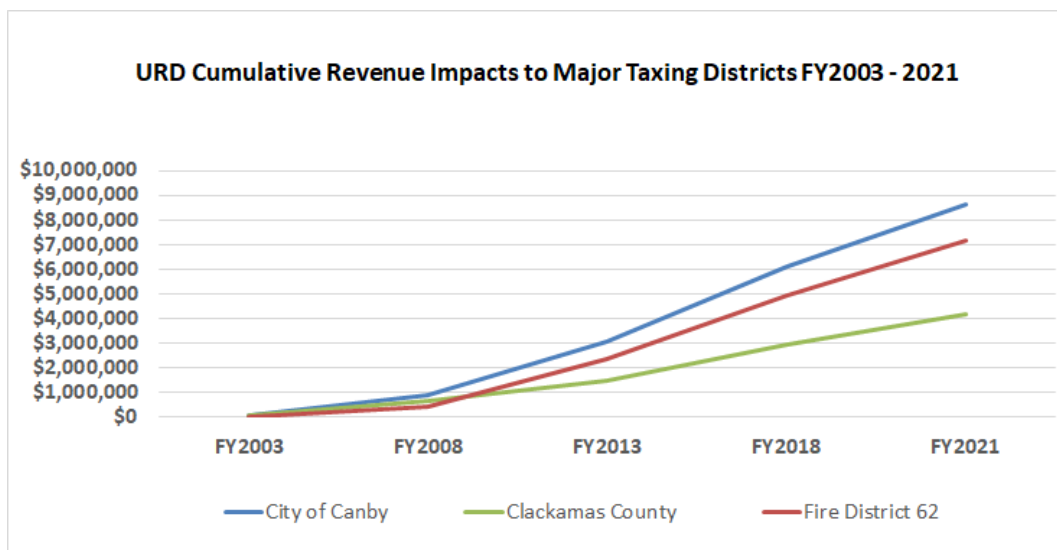


Actual Revenue Impacts on Taxing Entities

The table below outlines the tax increment revenue forgone on assessed value over the frozen base of each taxing entity over the life of the Canby Urban Renewal District. As outlined in the Increase in Investment and Assessed Value discussion, without new development the estimated assessed value as of FY 2021 would have only been \$122,057,510 which means that the revenue to the taxing entities would have been significantly lower than the tax increment below.

Assessed Value	Fiscal Year	Incremental Assessed Value	Clackamas County	Clackamas City & Swim local option levy		Education Service District (ESD)	Fire District 62	Clackamas Community College		Port of Portland	School District 86	Vector Control	Total URA Tax Levied
91,241,935	2003	\$ 25,630,009	\$ 70,814	\$ 105,623	\$ 10,689	\$ 44,760	\$ 22,046	\$ 2,004	\$ 229,293	\$ 148	\$ 485,378		
93,217,535	2004	\$ 27,605,609	76,503	113,075	11,497	57,407	23,634	2,156	242,404	160	526,836		
95,707,286	2005	\$ 30,095,360	79,362	115,737	11,917	59,667	26,015	2,266	250,416	168	545,547		
102,067,593	2006	\$ 36,455,667	94,848	140,027	14,353	71,413	30,643	2,730	289,525	1,145	644,684		
111,366,346	2007	\$ 45,754,420	117,548	175,414	17,775	88,687	35,737	3,368	335,665	1,403	775,597		
136,275,368	2008	\$ 70,663,442	200,483	276,955	27,133	135,158	55,486	5,081	496,023	2,236	1,198,557		
150,206,756	2009	\$ 84,594,830	240,675	331,390	32,511	162,119	66,986	6,110	585,641	2,727	1,428,160		
170,962,591	2010	\$ 105,350,665	349,833	412,168	40,648	202,277	80,948	7,687	762,421	3,375	1,859,357		
175,772,475	2011	\$ 110,160,549	363,316	431,134	42,317	210,842	82,363	8,009	790,870	3,584	1,932,435		
179,235,814	2012	\$ 113,623,888	373,727	444,776	43,528	222,612	82,287	8,192	807,341	3,665	1,986,128		
195,307,827	2013	\$ 129,695,901	423,711	514,777	49,386	251,564	96,015	9,401	903,747	3,921	2,252,522		
206,448,319	2014	\$ 140,836,393	458,472	560,747	53,364	273,239	102,553	10,047	1,000,347	4,429	2,463,198		
210,706,232	2015	\$ 145,094,306	471,968	577,564	54,951	281,265	105,604	10,345	1,024,605	4,563	2,530,865		
221,839,942	2016	\$ 156,228,016	508,363	621,156	59,143	302,595	119,685	11,186	1,096,319	979	2,719,426		
227,116,049	2017	\$ 161,504,123	526,378	641,345	61,391	257,404	123,659	11,547	1,133,544	1,023	2,756,291		
254,677,202	2018	\$ 189,065,276	585,713	659,501	71,559	300,238	144,519	13,534	1,316,846	1,245	3,093,155		
282,474,347	2019	\$ 216,862,421	673,311	756,658	82,238	345,169	165,966	15,554	1,499,648	1,324	3,539,868		
308,535,101	2020	\$ 242,923,175	750,750	847,688	91,815	445,059	182,579	17,347	1,588,544	1,577	3,925,359		
327,718,516	2021	\$ 262,106,590	815,551	914,455	99,682	481,671	198,988	18,808	1,814,026	1,693	4,344,874		
Total Payments directly from URA to the Fire District							(1,515,000)						
Total			\$ 7,181,329	\$ 8,640,191	\$ 875,899	\$ 2,678,145	\$ 1,745,714	\$ 165,371	\$ 16,167,226	\$ 39,364	\$ 39,008,238		

Note: Information broken out in the same format as above is not available prior to FY02-03. The district levied tax increment totaling \$451,315 in FY01-02.



Financial History July 1, 2000 – June 30, 2021

RECEIPTS	21 Year Total	Percent
Tax Increment-Current & Prior	\$ 38,453,252	48.63%
Debt Proceeds	34,227,524	43.28%
Grants	301,050	0.38%
LID Principal & Interest Payments	1,533,515	1.94%
Bond Interest Rebate (ARRA)	577,213	0.73%
Sale of Property	1,200,000	1.52%
Interest Revenue	738,142	0.93%
Misc. Income & Donations	2,046,346	2.59%
Total Receipts	\$ 79,077,042	100%

DISBURSEMENTS	21 Year Total	Percent
Materials & Services	\$ 7,492,312	9.83%
Capital Projects		
1st Ave Redevelopment	2,430,195	3.19%
Railroad Property Acquisition	600,448	0.79%
Police Station	9,417,402	12.36%
Office Building Renovation	99,796	0.13%
Library/City Hall Renovation	9,894,916	12.99%
Sequoia Parkway Projects	7,815,531	10.26%
Hazel Dell Way	1,136,477	1.49%
Berg Parkway	368,352	0.48%
NW 2nd Street & Public Parking Lot	2,474,857	3.25%
Walnut Street Improvements	880,817	1.16%
Township Road	163,195	0.21%
Police Property Acquisition	800,000	1.05%
Railroad Quiet Zone	704,734	0.92%
Civic Block Redevelopment	1,503,281	1.97%
URD Projects	993,295	1.30%
Canby Fire Dept	1,515,000	1.99%
Gateway Projects	350,309	0.46%
Signal @ Sequoia & Hazel Dell	852,719	1.12%
Industrial Park Connection to 99E	615,594	0.81%
Beautification & Marketing	140,131	0.18%
RARE Program	103,500	0.14%
Façade Improvement Program	421,455	0.55%
Other Projects	386,833	0.51%
Debt Service	25,032,204	32.85%
Total Disbursements	\$ 76,193,353	100%
Ending Fund Balance	\$ 2,883,689	

FY2021 Actuals and FY2022 Projections

RECEIPTS	Actual FY2021	Projected FY2022
Beginning Fund Balance	\$ 2,232,524	\$ 2,883,689
Tax Increment-Current & Prior	4,215,618	4,338,142
Grants	2,000	-
LID Principal & Interest Payments	18,644	-
Bond Interest Rebate (ARRA)	67,398	-
Interest Revenue	22,524	11,231
Misc. Income & Donations	52,283	200
Total Receipts	\$ 6,610,991	\$ 7,233,262

DISBURSEMENTS	Actual FY2021	Projected FY2022
Materials & Services		
Due to City	\$ 315,998	\$ 396,061
Fire Dept Capital Projects	-	-
Façade Improvement Program	15,031	11,659
Misc. Materials & Services	20,236	10,660
Capital Projects		
Railroad Quiet Zone	352,310	1,136,667
Signal at Sequoia & Hazeldell	77,696	-
Grant St Arch	4,678	14,857
Industrial Park to 99E Connection	9,124	-
Renovation of the Old Library	-	-
URD Projects	8,610	12,920
Debt Service	2,923,619	4,550,281
Total Disbursements	\$ 3,727,302	\$ 6,133,105
Ending Fund Balance	\$ 2,883,689	\$ 1,100,157

Cash Flow Projections FY2022 thru FY2026

	FY2022	FY2023	FY2024	FY2025	FY2026
Beginning Fund Balance	\$ 2,883,689	\$ 1,100,158	\$ 144	\$ 107,323	\$ 484,209
Revenue					
Property Tax - Current Year	4,282,121	4,474,598	4,698,328	4,933,244	5,179,907
Prior Yr Prop Tax	56,022	50,000	50,000	50,000	50,000
Debt	-	-	-	-	-
Grants	-	-	-	-	-
LID8 & LID10	-	-	-	-	-
Interest	11,231	18,980	20,000	20,000	20,000
Misc. Income	200	500	1,000	1,000	1,000
Total Resources	\$ 7,233,263	\$ 5,644,236	\$ 4,769,472	\$ 5,111,567	\$ 5,735,116
Expenditures					
Operations					
Due to City	\$ 396,061	\$ 425,000	\$ 450,000	\$ 450,000	\$ 450,000
Materials & Services	8,670	22,300	25,000	25,000	25,000
Fire Dept	-	-	-	-	-
Beautification	1,990	25,000	20,000	15,000	10,000
Façade Grants	11,659	75,000	50,000	25,000	10,000
Capital Projects					
URD Projects	-	50,000	100,000	100,000	1,230,932
Industrial Park Connection to 99E	-	-	-	-	-
Signal at Sequoia & Hazeldell	-	-	-	-	-
Railroad Quiet Zone	1,136,667	-	-	-	-
Grant St Arch	14,857	238,000	-	-	-
Wait & Community Park	12,920	400,000	-	-	-
HWY 99 Logging Bridge	-	400,000	-	-	-
Debt Service					
2009 Township Rd, Berg & Sequoia Pkwy	-	-	-	-	-
2010 1st Ave Redevelopment	-	-	-	-	-
2011 Police Facility	-	-	-	-	-
2012 Library/Civic Bld. & Sequoia Pkwy	852,706	-	-	-	-
2021 Bond Series A & B	3,697,575	4,008,792	4,017,149	4,012,358	4,009,184
Total Requirements	\$ 6,133,105	\$ 5,644,092	\$ 4,662,149	\$ 4,627,358	\$ 5,735,116
Ending Fund Balance	\$ 1,100,158	\$ 144	\$ 107,323	\$ 484,209	\$ (0)
Projected MI Remaining	\$ 4,511,674	\$ 2,895,854	\$ 2,271,854	\$ 1,677,854	\$ (27,078)

Increase in Investment and Assessed Value

The assessed valuation of the property in the Urban Renewal District (URD) when it was formed was \$65,611,926. This is called the frozen base. The City of Canby and all the other taxing entities--such as the school district and the fire district—continue to receive tax revenues based on the frozen value for the life of the URD.

The total assessed value of the URD as of June 30, 2021 was \$327,718,516. The difference between the frozen value and the current assessed value is \$262,106,590. The taxes on this increase in assessed valuation by all the taxing entities, including the City of Canby, are called the “tax increment” and are the revenue source for the URD.

How much would the assessed valuation of the land in the URD have increased without urban renewal? There is no way to answer this question accurately. If the frozen assessed valuation of the land had increased by 3% each year, the assessed valuation at June 30, 2021 would have been \$122,057,510.

So it is reasonable to assume that any assessed valuation increase beyond \$122,057,510 would be due to development in the URD. What is not possible to pin down is what part of the \$205,661,006 additional assessed valuation increase is due to the URD-funded public improvements. Year over year the average increase due to development is \$10 million (15%).

Stated another way:

6/30/2021 assessed valuation of the URD	\$ 328,000,000
Frozen value	<u>\$ 66,000,000</u>
Increase in assessed valuation	\$ 262,000,000
Less: 3% annual increase	<u>(\$ 56,000,000)</u>
Estimated Increase Due to Development	\$ 206,000,000

For More Information Please Contact:

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