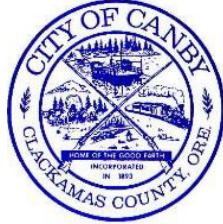


City of Canby Urban Renewal Agency Proposed Annual Budget

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



BOARD OF COMMISSIONERS

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Scott Archer, *Urban Renewal Agency Director*

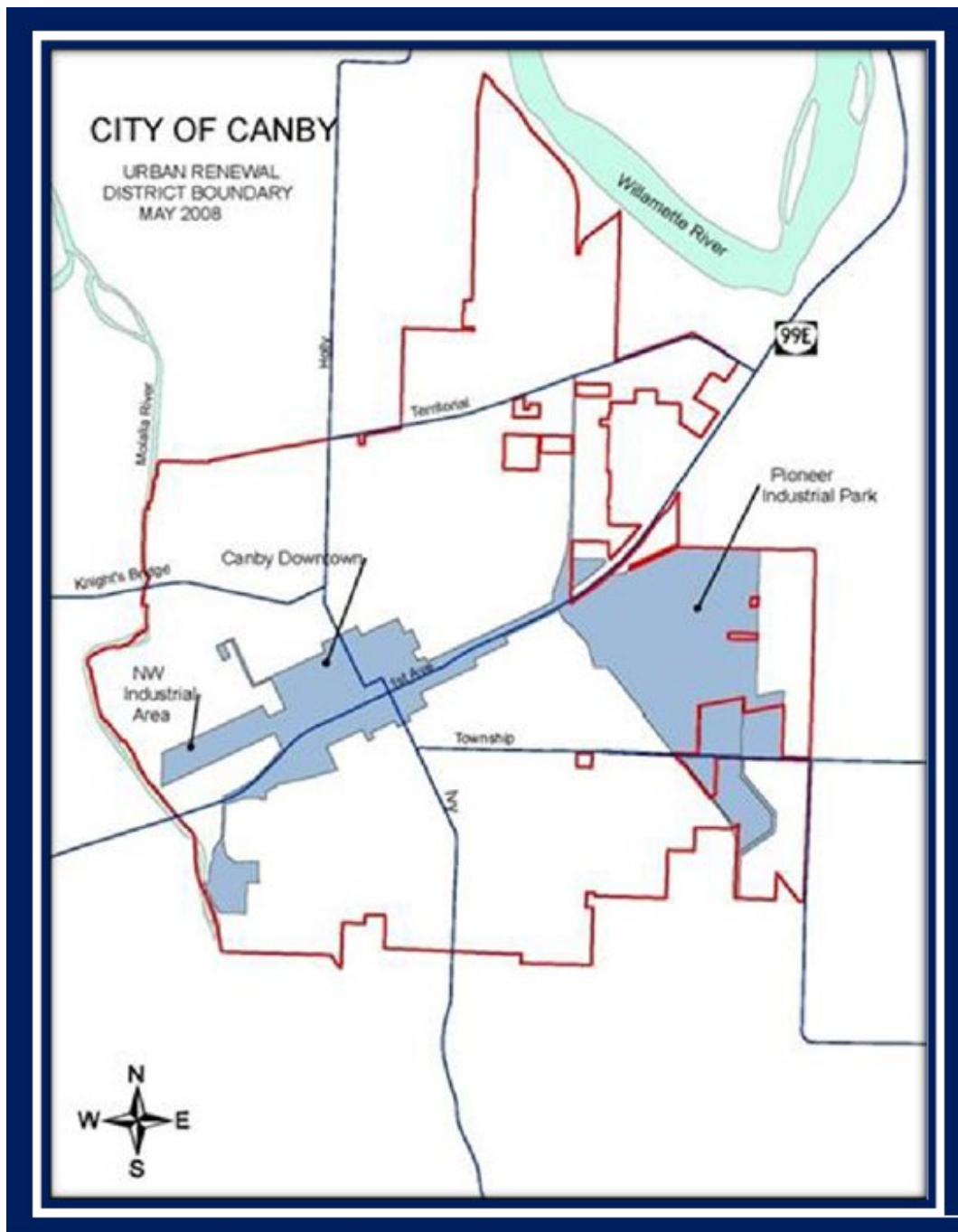
Eric Kytola, *Finance Director*

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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 19, 2022

Fiscal Year 2023 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 2023, in the amount of \$7,419,787.

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. Last fiscal year, the URA saved over six million dollars by refinancing its debt. These additional funds will accumulate over time and will help pay for the proposed capital projects.

FY2023 Proposed Budget

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

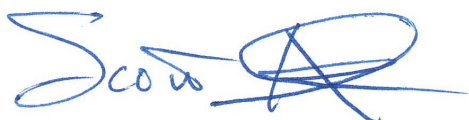
Capital Projects

The FY2023 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 increment generated within the Urban Renewal District – no additional debt financing is proposed. The projects include:

- Completion of upgrades to Community Park including two new bathrooms, sewer and water lines, and additional parking.
- Partial funding of the Gateway improvements to the Logging Road bridge/trail including access to HWY 99E, fencing, and beautification.
- Continuation of funding to support the Façade Improvement Program for FY2023.
- Mural program funds.

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

Respectfully Submitted,



Scott Archer, Urban Renewal Agency Director

District-Wide Budget Summary

	FY19-20	FY20-21	FY21-22	2021-22	2022-23
	Actual	Actual	Budget	Projected	Proposed
Beginning Fund Balance	\$2,650,213	\$2,232,524	\$2,149,642	\$2,883,689	\$1,192,389
Revenue					
Property Taxes	3,803,715	4,215,618	4,390,617	4,369,000	4,524,598
LID Revenue	115,203	18,644	17,126	-	-
Grants	-	2,000	137,951	-	-
Miscellaneous	97,437	119,681	43,627	200	500
Interest	63,457	22,523	22,900	18,800	18,980
Transfers In & Other Sources	2,493,335	748,524	821,514	1,690,825	1,683,320
Total URA Resources	\$9,223,360	\$7,359,514	\$7,583,377	\$8,962,514	\$7,419,787
URA General Fund					
Materials & Services	906,998	351,265	550,365	427,750	547,300
Capital Outlay	1,661,626	452,417	410,000	1,265,475	1,138,000
URA Debt Service Fund					
Debt Service	1,928,877	2,923,619	4,772,818	4,386,075	4,008,792
Not-Allocated					
Transfers Out	2,493,335	748,524	821,514	1,690,825	1,683,320
Reserved for Future Expense	2,232,524	2,883,689	1,028,680	1,192,389	42,375
Total URA Requirements	\$9,223,360	\$7,359,514	\$7,583,377	\$8,962,514	\$7,419,787

General Fund Budget

URBAN RENEWAL GENERAL FUND	FY19-20 Actual	FY20-21 Actual	FY21-22 Budget	2021-22 Projected	2022-23 Proposed
RESOURCES					
REVENUE					
URD Grants	-	2,000	137,951	-	-
Miscellaneous-Income	73,403	52,283	-	200	500
Interest Revenue	1,886	876	900	2,200	1,480
OP Transfer In from UR Debt	2,493,335	748,524	821,514	1,690,825	1,683,320
Total URA GF Revenue	2,568,624	803,682	960,365	1,693,225	1,685,300
TOTAL URA GF RESOURCES	2,568,624	803,682	960,365	1,693,225	1,685,300
REQUIREMENTS FOR URBAN RENEWAL					
MATERIALS & SERVICES					
Mat & Svc Contract	17,283	20,236	25,000	11,750	22,300
Due to Economic Development	368,763	315,998	450,365	395,000	425,000
Fire Dept Capital Projects	471,543	-	-	-	-
Beautification & Marketing	3,550	-	-	2,000	25,000
Facade Improvement Program	45,859	15,031	75,000	19,000	75,000
Canby Civic Block Redevelopment	-	-	-	-	-
Total URA GF Materials & Services	906,998	351,265	550,365	427,750	547,300
CAPITAL OUTLAY					
URD Projects	-	-	50,000	-	-
Railroad Quiet Zone	250,048	352,310	300,000	1,250,000	-
Grant St Arch	51,851	4,678	60,000	8,155	238,000
Signal at Sequoia & Hazeldell	710,768	77,696	-	-	-
Contr. to Industrial Park/99E Connection	606,470	9,124	-	-	-
Old Library Renovation	22,187	-	-	-	-
Wait and Community Park	20,302	8,610	-	7,320	425,000
Mural	-	-	-	-	50,000
Bridge and Gateway	-	-	-	-	425,000
Total URA GF Capital Outlay	1,661,626	452,417	410,000	1,265,475	1,138,000
OPERATING CONTINGENCY	-	-	-	-	-
RESERVED FOR FUTURE EXPENDITURE	-	-	-	-	-
ENDING FUND BALANCE (prior year's)	-	-	-	-	-
TOTAL URA GF REQUIREMENTS	2,568,624	803,682	960,365	1,693,225	1,685,300

Debt Service Fund Budget

URBAN RENEWAL DEBT SERVICE FUND	FY19-20 Actual	FY20-21 Actual	FY21-22 Budget	2021-22 Projected	2022-23 Proposed
RESOURCES					
BEGINNING URA DEBT SERVICE FUND BALANC	2,650,213	2,232,524	2,149,642	2,883,689	1,192,389
REVENUE					
Tax Increment	3,745,579	4,142,738	4,340,617	4,320,000	4,474,598
Tax Increment - Prior	58,136	72,880	50,000	49,000	50,000
LID Walnut St Princ	100,221	18,056	7,099	-	-
LID Hazel Dell Way Princ	-	-	-	-	-
Interest Revenues	61,572	21,648	22,000	16,600	17,500
LID Walnut St Int.	14,982	588	10,027	-	-
LID Hazel Dell Way-Interest	-	-	-	-	-
Bond Interest Rebate (ARRA)	24,033	67,398	43,627	-	-
Total URA Debt Service Revenue	4,004,523	4,323,308	4,473,370	4,385,600	4,542,098
TOTAL URA DEBT SERVICE RESOURCES	6,654,736	6,555,832	6,623,012	7,269,289	5,734,487
REQUIREMENTS FOR URBAN RENEWAL DEBT SERVICE					
DEBT SERVICE					
Debt Pmts-Sequoia St 5 & 6	97,095	1,099,387	-	-	-
Debt Pay-2021 Bond Principal	-	-	-	3,310,000	3,655,000
Debt Pay-Walnut St	-	-	-	-	-
Debt Pay-Police Building	120,000	125,000	130,000	-	-
Debt Pay-1st Ave Redev	115,000	115,000	120,000	-	-
Debt Pay-2012 Bond Principal	620,000	645,000	675,000	675,000	-
Debt Pay-Sequoia 5 & 6 Int	57,093	52,724	-	-	-
Debt Pay-Walnut St Int	-	-	-	-	-
Debt Pay-Police Building Int	418,755	413,955	3,408,955	-	-
Debt Pay-1st Ave Redev Int	110,422	104,241	96,950	-	-
Debt Pay-2012 Bond Int	390,513	368,313	341,913	13,500	-
Debt Pay-2021 Bond Int	-	-	-	387,575	353,792
Total URA Debt Service	1,928,877	2,923,619	4,772,818	4,386,075	4,008,792
TRANSFERS OUT & OTHER USES					
OP Transfer to UR General	2,493,335	748,524	821,514	1,690,825	1,683,320
Total URA Debt Service Transfers Out	2,493,335	748,524	821,514	1,690,825	1,683,320
RESERVED FOR FUTURE EXPENDITURE	-	-	1,028,680	1,192,389	42,375
ENDING FUND BALANCE (prior year's)	2,232,524	2,883,689	-	-	-
TOTAL URA DEBT SERVICE REQUIREMENTS	6,654,736	6,555,832	6,623,012	7,269,289	5,734,487

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.