

City of Canby Urban Renewal Agency Approved Annual Budget

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



BOARD OF COMMISSIONERS:

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Brian Hodson, *Commission Vice Chair*

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Vacant

CITY STAFF:

Scott Archer, *Urban Renewal Agency Director*

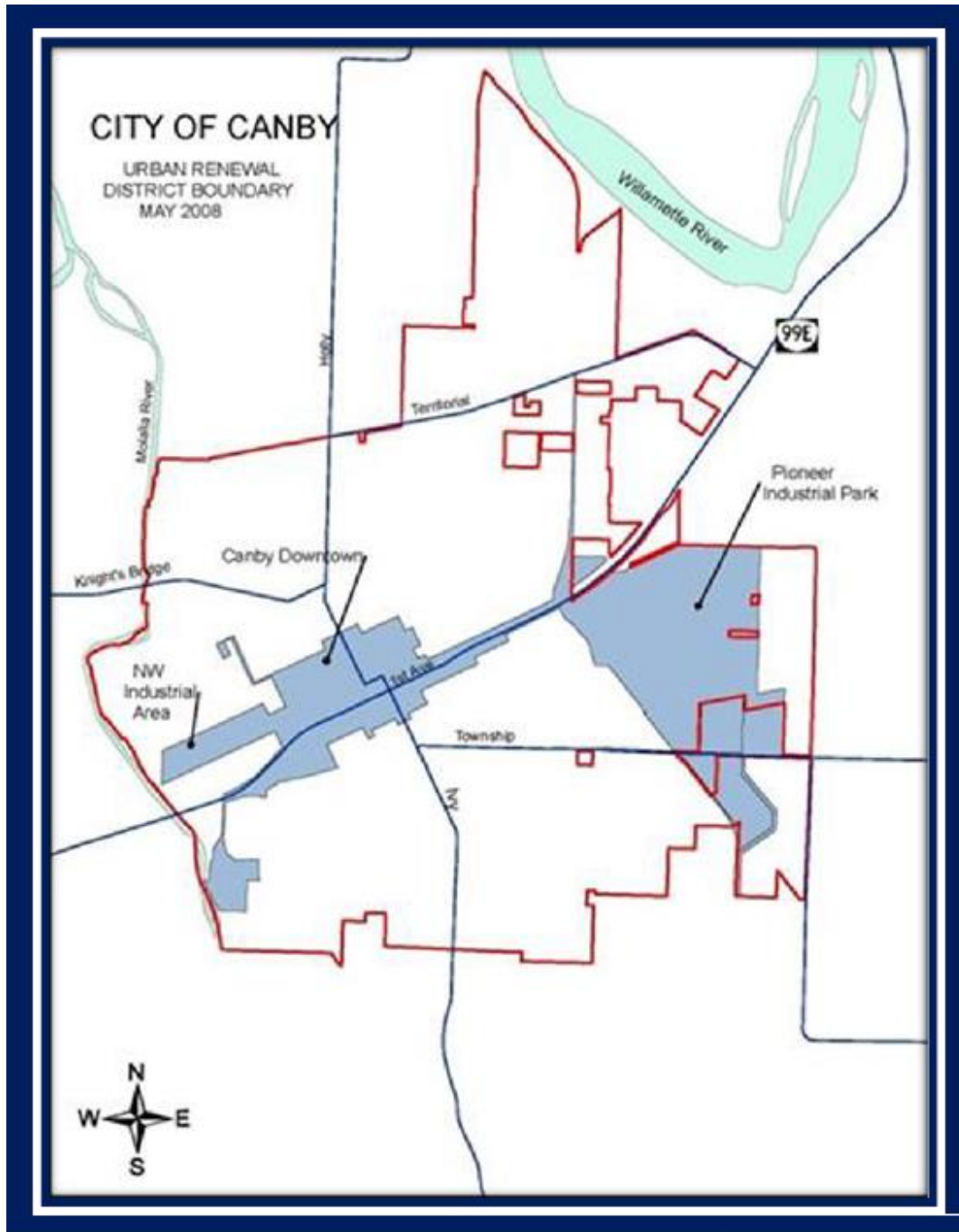
Julie Blums, *Finance Director*

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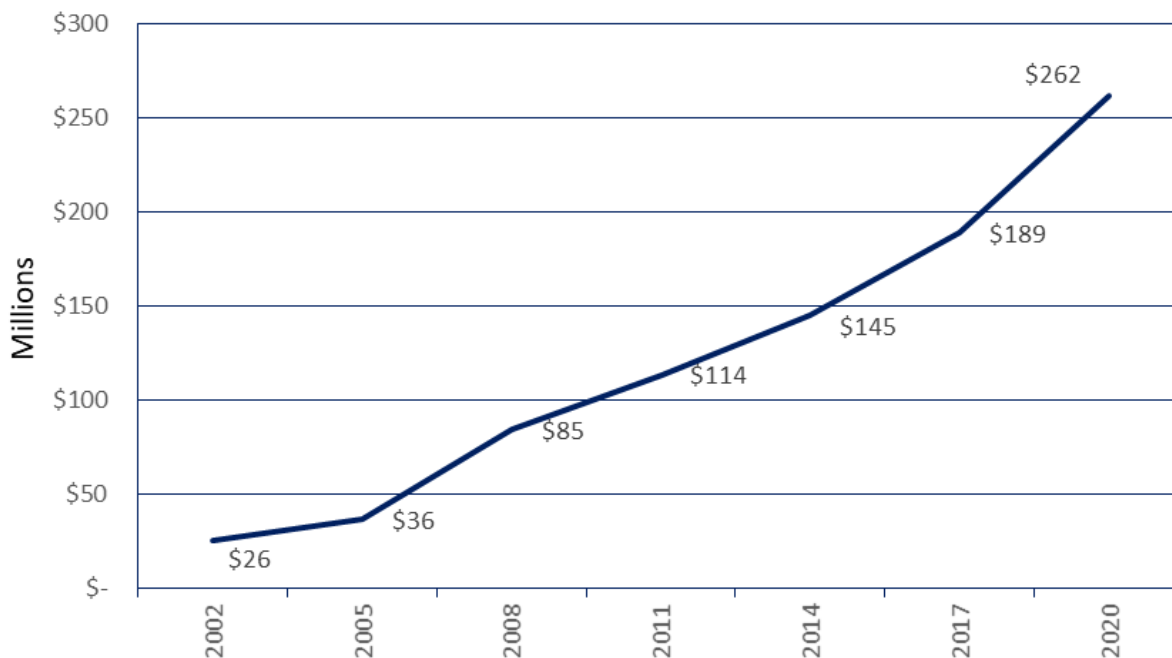
About the District

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.

Urban Renewal District Incremental Assessed Value



May 13, 2021

Fiscal Year 2021-22 Agency Director's Budget Message

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

It is my pleasure to present the approved Urban Renewal Agency budget for Fiscal Year 2021-22, in the amount \$5.7 million.

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. Funds are transferred from this fund to the URA General Fund to fund the projects and expenditures captured there.

FY2021-22 Approved 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 FY2021-22 recommended capital projects are detailed below. The completion of these projects will be subject to funds availability after meeting our annual debt obligation. Funding will be entirely from tax increment generated within the Urban Renewal District – no debt financing is proposed. The projects include:

- Completion of the downtown Quiet zone – including the intersection of Elm Street and OR99E and the construction of medians at N Ivy, N Grant, and N Elm Streets.
- Completion of a gateway arch to Downtown Canby on N Grant Street between N 1st Avenue and the Railroad tracks.
- Continuation of funding to support the Façade Improvement Program for FY2021-22.

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

Respectfully Submitted,

Scott Archer
Urban Renewal Agency Director

District-Wide Budget Summary

	FY18-19 Actual	FY19-20 Actual	FY20-21 Budget	2021-22 Proposed	2021-22 Approved
Beginning Fund Balance	\$ 2,569,797	\$ 2,650,213	\$ 2,255,145	\$ 2,149,642	\$ 2,149,642
Revenue					
Property Taxes	3,494,614	3,803,715	3,983,000	4,390,617	4,390,617
LID Revenue	38,218	115,203	29,429	17,126	17,126
Grants	12,661	-	137,951	137,951	137,951
Miscellaneous	50,385	97,437	41,000	43,627	43,627
Interest	75,875	63,457	62,800	22,900	22,900
Transfers In & Other Sources	484,740	2,493,335	1,888,810	821,514	821,514
Total URA Resources	\$ 6,726,290	\$ 9,223,360	\$ 8,398,135	\$ 7,583,377	\$ 7,583,377
URA General Fund					
Materials & Services	1,336,217	906,998	528,339	550,365	550,365
Capital Outlay	180,296	1,661,626	1,501,222	410,000	410,000
URA Debt Service Fund					
Debt Service	2,074,824	1,928,877	3,623,620	4,772,818	4,772,818
Not-Allocated					
Transfers Out	484,740	2,493,335	1,888,810	821,514	821,514
Reserved for Future Expense	2,650,213	2,232,524	856,144	1,028,680	1,028,680
Total URA Requirements	\$ 6,726,290	\$ 9,223,360	\$ 8,398,135	\$ 7,583,377	\$ 7,583,377

General Fund Budget

URBAN RENEWAL GENERAL FUND	FY18-19 Actual	FY19-20 Actual	FY20-21 Budget	2021-22 Proposed	2021-22 Approved
RESOURCES					
BEGINNING URA GENERAL FUND BALANCE	1,006,769	-	-	-	-
REVENUE					
URD Grants	12,661	-	137,951	137,951	137,951
Miscellaneous-Income	1,223	73,403	-	-	-
Interest Revenue	11,119	1,886	2,800	900	900
OP Transfer In from UR Debt	484,740	2,493,335	1,888,810	821,514	821,514
Total URA GF Revenue	509,743	2,568,624	2,029,561	960,365	960,365
TOTAL URA GF RESOURCES	1,516,512	2,568,624	2,029,561	960,365	960,365
REQUIREMENTS FOR URBAN RENEWAL					
MATERIALS & SERVICES					
Mat & Svc Contract	20,829	17,283	25,000	25,000	25,000
Due to Economic Development	370,778	368,763	403,339	450,365	450,365
Fire Dept Capital Projects	-	471,543	-	-	-
Beautification & Marketing	9,150	3,550	25,000	-	-
Facade Improvement Program	30,229	45,859	75,000	75,000	75,000
Canby Civic Block Redevelopment	905,231	-	-	-	-
Total URA GF Materials & Services	1,336,217	906,998	528,339	550,365	550,365
CAPITAL OUTLAY					
URD Projects	-	-	50,000	50,000	50,000
Railroad Quiet Zone	94,406	250,048	1,025,461	300,000	300,000
Grant St Arch	16,550	51,851	216,900	60,000	60,000
Signal at Sequoia & Hazeldell	64,255	710,768	208,861	-	-
Contr. to Industrial Park/99E Connection	-	606,470	-	-	-
Old Library Renovation	-	22,187	-	-	-
Wait and Community Park	5,085	20,302	-	-	-
Total URA GF Capital Outlay	180,296	1,661,626	1,501,222	410,000	410,000
OPERATING CONTINGENCY	-	-	-	-	-
RESERVED FOR FUTURE EXPENDITURE	-	-	-	-	-
ENDING FUND BALANCE (prior year's)	-	-	-	-	-
TOTAL URA GF REQUIREMENTS	1,516,512	2,568,624	2,029,561	960,365	960,365

Debt Service Fund Budget

URBAN RENEWAL DEBT SERVICE FUND	FY18-19 Actual	FY19-20 Actual	FY20-21 Budget	2021-22 Proposed	2021-22 Approved
RESOURCES					
BEGINNING URA DEBT SERVICE FUND BALANCE	1,563,028	2,650,213	2,255,145	2,149,642	2,149,642
REVENUE					
Tax Increment	3,377,991	3,745,579	3,933,000	4,340,617	4,340,617
Tax Increment - Prior	116,623	58,136	50,000	50,000	50,000
LID Walnut St Princ	33,491	100,221	28,524	7,099	7,099
LID Hazel Dell Way Princ	1,610	-	-	-	-
Interest Revenues	64,756	61,572	60,000	22,000	22,000
LID Walnut St Int.	3,069	14,982	905	10,027	10,027
LID Hazel Dell Way-Interest	48	-	-	-	-
Bond Interest Rebate (ARRA)	49,161	24,033	41,000	43,627	43,627
Total URA Debt Service Revenue	3,646,750	4,004,523	4,113,429	4,473,370	4,473,370
TOTAL URA DEBT SERVICE RESOURCES	5,209,777	6,654,736	6,368,574	6,623,012	6,623,012
REQUIREMENTS FOR URBAN RENEWAL DEBT SERVICE					
DEBT SERVICE					
Debt Pmts-Sequoia St 5 & 6	91,399	97,095	1,099,387	-	-
Debt Pay-Walnut St	136,892	-	-	-	-
Debt Pay-Police Building	115,000	120,000	125,000	130,000	130,000
Debt Pay-1st Ave Redev	110,000	115,000	815,000	120,000	120,000
Debt Pay-2012 Bond Principal	605,000	620,000	645,000	675,000	675,000
Debt Pay-Sequoia 5 & 6 Int	60,977	57,093	52,724	-	-
Debt Pay-Walnut St Int	6,845	-	-	-	-
Debt Pay-Police Building Int	423,355	418,755	413,955	3,408,955	3,408,955
Debt Pay-1st Ave Redev Int	116,469	110,422	104,241	96,950	96,950
Debt Pay-2012 Bond Int	408,888	390,513	368,313	341,913	341,913
Total URA Debt Service	2,074,824	1,928,877	3,623,620	4,772,818	4,772,818
TRANSFERS OUT & OTHER USES					
OP Transfer to UR General	484,740	2,493,335	1,888,810	821,514	821,514
Total URA Debt Service Transfers Out	484,740	2,493,335	1,888,810	821,514	821,514
RESERVED FOR FUTURE EXPENDITURE	-	-	856,144	1,028,680	1,028,680
ENDING FUND BALANCE (prior year's)	2,650,213	2,232,524	-	-	-
TOTAL URA DEBT SERVICE REQUIREMENTS	5,209,777	6,654,736	6,368,574	6,623,012	6,623,012

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 to Aa3 from A1. The rating action affects approximately \$22.1 million in rated full faith and credit debt outstanding. The upgrade to Aa3 reflects the city's recovered tax base and improved financial position through consecutive years of structurally-balanced operations. Total debt liabilities of the city are below-average relative to similarly-rated peers and will continue to amortize given no additional near-term debt financing plans.

The Canby Urban Renewal Agency is evaluating the option to refinance the three remaining bonds at a much lower interest rate with a five year term.

Fiscal Year Ending June 30,	Governmental Activities		
	Bonds - URA	Interest	Total Governmental Activities
2022	\$ 970,960	\$ 896,427	\$ 1,867,387
2023	1,005,960	850,460	1,856,420
2024	1,045,960	802,398	1,848,358
2025	1,095,960	754,943	1,850,903
2026	1,155,960	675,083	1,831,043
2027-2031	6,859,800	2,534,034	9,393,834
2032-2036	1,054,050	942,213	1,996,263
Total	<u>\$ 13,188,650</u>	<u>\$ 7,455,557</u>	<u>\$ 20,644,207</u>

	Original Amount	6/30/2021 Balance	Reductions	6/30/2022 Balance
URA Governmental Activities				
Bonds URA:				
2010 1st Ave Redevelopment (3.75-7%)	2,500,000	1,445,000	120,000	1,325,000
2010 Bond Discount		(22,092)	(2,208)	(19,884)
2011 Police Facility (2-5%)	9,000,000	8,455,000	130,000	8,325,000
2011 Bond Discount		(14,250)	(950)	(13,300)
2012 Civic Bldg & Sequoia Pkwy (3-4%)	14,050,000	9,580,000	675,000	8,905,000
2012 Premium		686,959	49,118	637,841
Total URA Activities		<u>\$ 20,130,617</u>	<u>\$ 970,960</u>	<u>\$ 19,159,657</u>