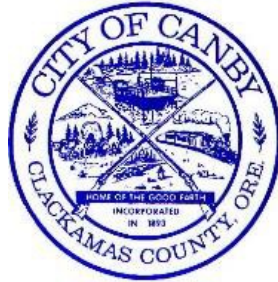


# City of Canby Urban Renewal Agency Adopted Annual Budget

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



## **BOARD OF COMMISSIONERS:**

Shawn Varwig, *Commission Chair*

Brian Hodson, *Commission Vice Chair*

Christopher Bangs, *Commissioner*

Traci Hensley, *Commissioner*

Greg Parker, *Commissioner*

Sarah Spoon, *Commissioner*

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## **BUDGET COMMITTEE:**

Michelle Hensley

Andrea McCracken

Jason Padden

Bob Patterson

Jack Pendleton

Melody Thompson

Vacant

## **CITY STAFF:**

Scott Archer, *Urban Renewal Agency Director*

Julie Blums, *Finance Director*

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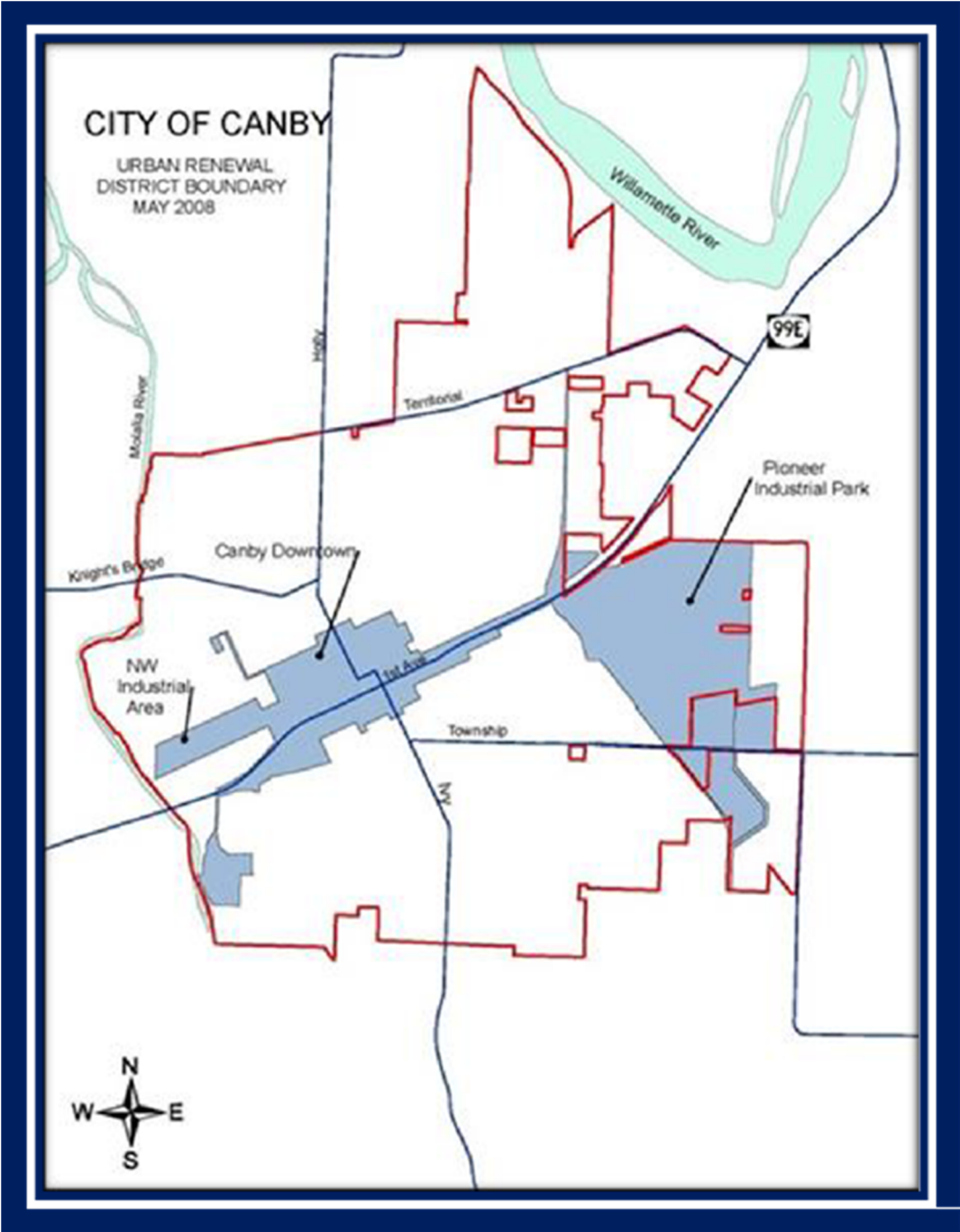
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About the District

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 adopted 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 Adopted 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 1<sup>st</sup> Avenue and the Railroad tracks.
- Continuation of funding to support the Façade Improvement Program for FY2021-22.

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

General Fund Budget

URBAN RENEWAL GENERAL FUND	FY18-19 Actual	FY19-20 Actual	FY20-21 Budget	2021-22 Proposed	2021-22 Approved	2021-22 Adopted
<b>RESOURCES</b>						
<b>BEGINNING URA GENERAL FUND BALANCE</b>	<b>1,006,769</b>	-	-	-	-	-
<b>REVENUE</b>						
URD Grants	12,661	-	137,951	137,951	137,951	137,951
Miscellaneous-Income	1,223	73,403	-	-	-	-
Interest Revenue	11,119	1,886	2,800	900	900	900
OP Transfer In from UR Debt	484,740	2,493,335	1,888,810	821,514	821,514	821,514
<b>Total URA GF Revenue</b>	<b>509,743</b>	<b>2,568,624</b>	<b>2,029,561</b>	<b>960,365</b>	<b>960,365</b>	<b>960,365</b>
<b>TOTAL URA GF RESOURCES</b>	<b>1,516,512</b>	<b>2,568,624</b>	<b>2,029,561</b>	<b>960,365</b>	<b>960,365</b>	<b>960,365</b>
<b>REQUIREMENTS FOR URBAN RENEWAL</b>						
<b>MATERIALS &amp; SERVICES</b>						
Mat & Svc Contract	20,829	17,283	25,000	25,000	25,000	25,000
Due to Economic Development	370,778	368,763	403,339	450,365	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	75,000
Canby Civic Block Redevelopment	905,231	-	-	-	-	-
<b>Total URA GF Materials &amp; Services</b>	<b>1,336,217</b>	<b>906,998</b>	<b>528,339</b>	<b>550,365</b>	<b>550,365</b>	<b>550,365</b>
<b>CAPITAL OUTLAY</b>						
URD Projects	-	-	50,000	50,000	50,000	50,000
Railroad Quiet Zone	94,406	250,048	1,025,461	300,000	300,000	300,000
Grant St Arch	16,550	51,851	216,900	60,000	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	-	-	-	-
<b>Total URA GF Capital Outlay</b>	<b>180,296</b>	<b>1,661,626</b>	<b>1,501,222</b>	<b>410,000</b>	<b>410,000</b>	<b>410,000</b>
<b>OPERATING CONTINGENCY</b>	-	-	-	-	-	-
<b>RESERVED FOR FUTURE EXPENDITURE</b>	-	-	-	-	-	-
<b>ENDING FUND BALANCE (prior year's)</b>	-	-	-	-	-	-
<b>TOTAL URA GF REQUIREMENTS</b>	<b>1,516,512</b>	<b>2,568,624</b>	<b>2,029,561</b>	<b>960,365</b>	<b>960,365</b>	<b>960,365</b>

## Debt Service Fund Budget

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

**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.

The bond rating upgrade was completed as a part of the refinancing of the 2010, 2011, and 2012 bonds. The closing date for the refunding is June 29, 2021. The updated debt service numbers were not available in time to update the budget appropriations however the charts below have been updated to reflect the new debt service schedule.

Fiscal Year Ending June 30,	Governmental Activities		
	Bonds - URA	Interest	Total Governmental Activities
2022	\$ 4,090,724	\$ 401,075	\$ 4,491,799
2023	3,786,458	353,792	4,140,250
2024	3,942,452	277,149	4,219,601
2025	4,089,613	192,357	4,281,970
2026	4,245,036	99,184	4,344,220
<b>Total</b>	<b>\$ 20,154,283</b>	<b>\$ 1,323,557</b>	<b>\$ 21,477,840</b>

	Original Amount	6/30/2021 Balance	Reductions	6/30/2022 Balance
<b>URA Governmental Activities</b>				
Bonds URA:				
2012 Civic Bldg & Sequoia Pkwy (3-4%)	14,050,000	675,000	675,000	-
2012 Premium	1,129,711	49,118	49,118	-
2021 Refunding of 2010, 2011, & 2012 (0.92%)	18,435,000	18,435,000	3,310,000	15,125,000
2021 Premium	995,165	995,165	56,606	938,559
Total URA Activities		<u>\$ 20,154,283</u>	<u>\$ 4,090,724</u>	<u>\$ 16,063,559</u>