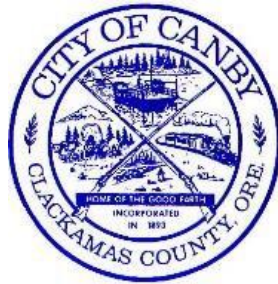


City of Canby Urban Renewal Agency Proposed Annual Budget

For the Fiscal Year
July 1, 2024 - June 30, 2025



BOARD OF COMMISSIONERS

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Eileen Stein, *Urban Renewal Agency Director*

Scott Schlag, *Finance Director*

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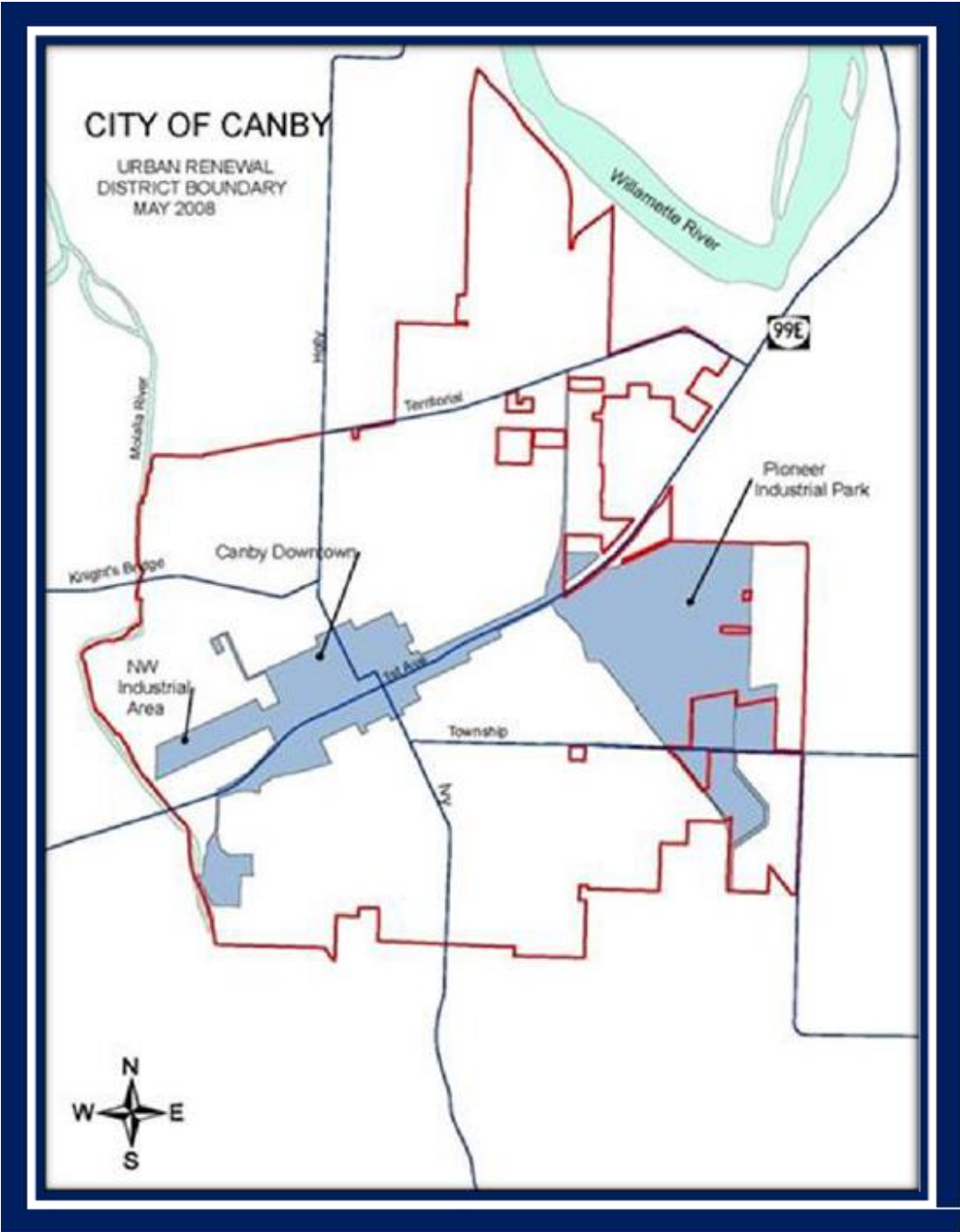
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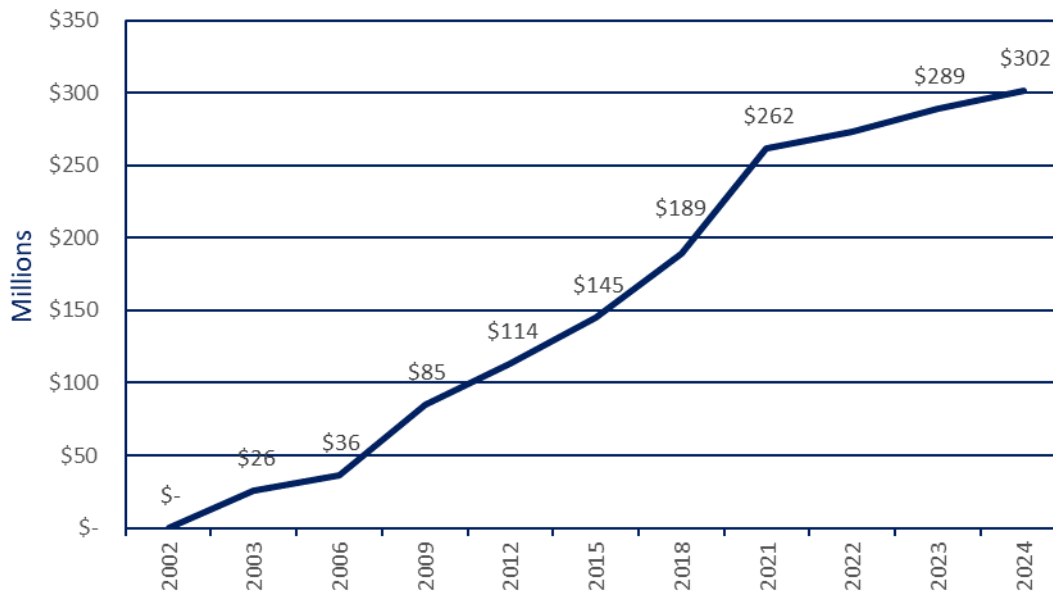
About the District

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 16, 2024

Fiscal Year 2024-2025 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 2024-2025, in the amount of \$7,829,636.

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.

FY 2024-2025 Highlights

Consistent with prior years, economic development activities supporting the downtown Canby business community are budgeted to continue. Staff costs will be transferred to the General Fund when the URA closes to enable the full revenue supporting these activities to be realized.

Capital Projects

The FY 2024-2025 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:

- Continuation of beautification and marketing projects.
- Continuation of funding to support the Façade Improvement Program for FY2024-2025.
- Repair of downtown alleyways.

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

Respectfully Submitted,

Eileen Stein
Urban Renewal Agency Director

District-Wide Budget Summary

| | FY2022 | FY2023 | FY2024 | FY2025 |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Budget | Proposed |
| Beginning Fund Balance | \$ 2,883,689 | \$ 1,045,318 | \$ 170,027 | \$ 1,027,404 |
| Revenue | | | | |
| Property Taxes | 4,332,491 | 4,637,705 | 4,797,538 | 5,000,232 |
| LID Revenue | - | 17,125 | - | - |
| Miscellaneous | 200 | 93,707 | - | - |
| Interest | 21,190 | 103,839 | 101,750 | 122,000 |
| Transfers In & Other Sources | 1,638,868 | 935,638 | 700,000 | 1,680,000 |
| Total URA Resources | <u>\$ 8,876,438</u> | <u>\$ 6,833,332</u> | <u>\$ 5,769,315</u> | <u>\$ 7,829,636</u> |
| URA General Fund | | | | |
| Materials & Services | 404,787 | 356,978 | 435,000 | 435,000 |
| Capital Outlay | 1,236,556 | 537,614 | 250,000 | 1,247,000 |
| URA Debt Service Fund | | | | |
| Debt Service | 4,550,281 | 3,845,284 | 4,017,149 | 4,012,358 |
| Not-Allocated | | | | |
| Transfers Out | 1,638,868 | 935,638 | 700,000 | 1,680,000 |
| Operating Contingency | - | - | 16,750 | - |
| Reserved for Future Expense | 1,045,947 | 1,157,818 | 350,416 | 455,278 |
| Total URA Requirements | <u>\$ 8,876,438</u> | <u>\$ 6,833,332</u> | <u>\$ 5,769,315</u> | <u>\$ 7,829,636</u> |

General Fund Budget

| URBAN RENEWAL GENERAL FUND | FY2022 Actual | FY2023 Actual | FY2024 Budget | FY2025 Proposed |
|--|------------------|------------------|------------------|--------------------|
| RESOURCES | | | | |
| REVENUE | | | | |
| Miscellaneous-Income | 200 | 93,707 | - | - |
| Interest Revenue | 2,904 | 943 | 1,750 | 2,000 |
| OP Transfer In from UR Debt | 1,638,868 | 935,638 | 700,000 | 1,680,000 |
| Total URA GF Revenue | 1,641,972 | 1,030,287 | 701,750 | 1,682,000 |
| TOTAL URA GF RESOURCES | 1,641,972 | 1,030,287 | 701,750 | 1,682,000 |
| REQUIREMENTS FOR URBAN RENEWAL | | | | |
| MATERIALS & SERVICES | | | | |
| Mat & Svc Contract | 8,726 | 6,978 | 10,000 | 10,000 |
| Due to Economic Development | 396,061 | 350,000 | 425,000 | 425,000 |
| Total URA GF Materials & Services | 404,787 | 356,978 | 435,000 | 435,000 |
| CAPITAL OUTLAY | | | | |
| Beautification & Marketing | 1,990 | 637 | 25,000 | 25,000 |
| Facade Improvement Program | 14,659 | 37,657 | 75,000 | 75,000 |
| Grant St Arch | 17,805 | 11,890 | - | - |
| Wait and Community Park | 27,885 | 342,901 | 100,000 | - |
| Railroad Quiet Zone | 1,173,986 | 111,385 | - | - |
| Mural Program | - | - | 50,000 | - |
| HWY 99 Logging Bridge | 231 | 33,143 | - | 562,000 |
| Downtown Alleyways | - | - | - | 585,000 |
| Total URA GF Capital Outlay | 1,236,556 | 537,614 | 250,000 | 1,247,000 |
| OPERATING CONTINGENCY | - | - | 16,750 | - |
| RESERVED FOR FUTURE EXPENDITURE | 629 | 135,695 | - | - |
| ENDING FUND BALANCE (prior year's) | - | - | - | - |
| TOTAL URA GF REQUIREMENTS | 1,641,972 | 1,030,287 | 701,750 | 1,682,000 |

Debt Service Fund Budget

| URBAN RENEWAL DEBT SERVICE FUND | FY2022 Actual | FY2023 Actual | FY2024 Budget | FY2025 Proposed |
|--|------------------|------------------|------------------|--------------------|
| RESOURCES | | | | |
| BEGINNING URA DEBT SERVICE FUND BALANCE | 2,883,689 | 1,045,318 | 170,027 | 1,027,404 |
| REVENUE | | | | |
| Tax Increment | 4,276,469 | 4,589,104 | 4,752,538 | 4,952,232 |
| Tax Increment - Prior | 56,022 | 48,601 | 45,000 | 48,000 |
| LID Walnut St Princ | - | 7,099 | - | - |
| Interest Revenues | 18,286 | 102,897 | 100,000 | 120,000 |
| LID Walnut St Int. | - | 10,026 | - | - |
| Total URA Debt Service Revenue | 4,350,778 | 4,757,727 | 4,897,538 | 5,120,232 |
| TOTAL URA DEBT SERVICE RESOURCES | 7,234,467 | 5,803,044 | 5,067,565 | 6,147,636 |
| REQUIREMENTS FOR URBAN RENEWAL DEBT SERVICE | | | | |
| DEBT SERVICE | | | | |
| Debt Pay-2021 Bond Principal | 3,310,000 | 3,655,000 | 3,740,000 | 3,820,000 |
| Debt Pay-2012 Bond Principal | 675,000 | - | - | - |
| Debt Pay-2012 Bond Int | 177,706 | (164,206) | - | - |
| Debt Pay-2021 Bond Int | 387,575 | 354,490 | 277,149 | 192,358 |
| Total URA Debt Service | 4,550,281 | 3,845,284 | 4,017,149 | 4,012,358 |
| TRANSFERS OUT & OTHER USES | | | | |
| OP Transfer to UR General | 1,638,868 | 935,638 | 700,000 | 1,680,000 |
| Total URA Debt Service Transfers Out | 1,638,868 | 935,638 | 700,000 | 1,680,000 |
| RESERVED FOR FUTURE EXPENDITURE | - | - | 350,416 | 455,278 |
| ENDING FUND BALANCE (prior year's) | 1,045,318 | 1,022,123 | - | - |
| TOTAL URA DEBT SERVICE REQUIREMENTS | 7,234,467 | 5,803,044 | 5,067,565 | 6,147,636 |

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 | |
| 2025 | 3,820,000 | 192,358 | 4,012,358 |
| 2026 | 3,910,000 | 99,184 | 4,009,184 |
| Total | \$ 7,730,000 | \$ 291,542 | \$ 8,021,542 |

| | Original Amount | 6/30/2024 Balance | Reductions | 6/30/2025 Balance |
|--|--------------------|----------------------|-------------------|----------------------|
| URA Governmental Activities | | | | |
| Bonds URA: | | | | |
| 2021 Refunding of 2010, 2011, & 2012 (0.92%) | 18,435,000 | 7,730,000 | 3,820,000 | 3,910,000 |
| 2021 Premium | 995,165 | 604,649 | 269,613 | 335,036 |
| Total URA Activities | | \$ 8,334,649 | \$ 202,452 | \$ 4,245,036 |