

Oregon City Urban Renewal Agency
Proposed Biennial Budget
July 1, 2017 through June 30, 2019

Introduction

The Oregon City Urban Renewal Agency's 2017-2019 Proposed Biennial Budget is balanced and has been prepared in accordance with Oregon Budget Law. For the period July 1, 2017 through June 30, 2019, the total budget is \$8,427,900.

The Urban Renewal Agency is a separate legal entity from the City of Oregon City that is established under State law. Oregon Revised Statutes Chapter 457.035(1) creates "a public body corporate and politic to be known as the urban renewal agency" for each municipality.

The Oregon City Urban Renewal Commission (OCURC) is responsible for providing oversight for urban renewal activities in the District as specified in the Downtown/North End Urban Renewal Plan, amended in September 2007. The OCURC is composed of seven voting members: Oregon City's Mayor, four City Commissioners and two additional members from the community.

On November 8, 2016, voters approved Measure 3-514 to amend the Oregon City Charter by prohibiting the use of existing tax increment revenues for any purpose other than retiring existing Agency debt. The proposed budget includes only expenses relating to debt repayment paid by tax increment revenues, payment of contractual obligations that existed prior to the effective date of the measure and operating expenses for properties owned by the Agency that are funded from rental income. The question of whether the measure is legally enforceable is currently under review by the Circuit Court.

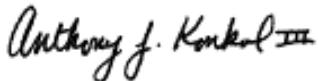
Budget Highlights

The proposed budget is funded by total biennial revenues of \$5.2 million (excluding beginning fund balance), 97% of which are from property taxes. The revenues increased by \$537,480, or 11.5%, over the previous budget. Tax increment increases are budgeted at 4.0% and 4.5% for each year of the biennium, respectively, based on growth trends in the area. Additional revenue sources include \$170,000 in income from property rentals and interest.

Projected spending for the biennium totals \$4.1 million and is comprised of \$3.2 million in debt repayments, \$700,000 for the Agency's contractually obligated contribution to the Cove project, \$120,000 for the contractually obligated Adaptive Rehab/Reuse Grant award to 503 Main Street and \$82,000 for maintenance and operations of the rental properties. A reserve for future expenditure of \$4.3 million is available for appropriation pending resolution of the lawsuit.

The Downtown/North End Urban Renewal Plan includes an established debt limit of \$130.1 million as a maximum for urban renewal investment ("maximum indebtedness"). Debt outstanding on July 1, 2017 will be approximately \$9.5 million, as required by Oregon Law to finance the District's operations.

Respectfully,



Anthony J. Konkol III
Executive Director, OCURA

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Urban Renewal	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	\$ 3,008,520	\$ 3,505,854	\$ 3,038,390	\$ 3,219,900	\$ 3,209,493	\$ 3,219,900
Property Taxes	2,018,800	4,302,884	4,516,520	2,384,000	2,654,000	5,038,000
Rental Income	48,437	116,354	120,000	60,000	60,000	120,000
Interest Income	21,004	43,312	34,000	25,000	25,000	50,000
Proceeds from Borrowing	3,446,400	-	-	-	-	-
Total Resources	\$ 8,543,161	\$ 7,968,404	\$ 7,708,910	\$ 5,688,900	\$ 5,948,493	\$ 8,427,900
Requirements						
Professional and Technical Services	\$ 121,664	\$ 269,722	\$ 210,500	\$ -	\$ -	\$ -
Repair and Maintenance Services	6,938	20,430	56,000	41,000	41,000	82,000
Operating Materials and Supplies	16,134	60,158	45,000	-	-	-
Office and Administrative Supplies	-	6,218	53,400	-	-	-
Administrative Charges	230,468	475,343	597,104	-	-	-
Community Programs and Grants	227,463	319,966	640,000	120,000	-	120,000
Capital Outlay	62,046	451,982	1,300,000	700,000	-	700,000
Principal and Interest	4,372,594	2,986,514	3,318,233	1,618,407	1,600,753	3,219,160
Operating Contingency	1,571,033	1,443,250	348,673	19,000	38,000	38,000
Reserved for Future Expenditure	1,934,821	1,934,821	1,140,000	3,190,493	4,268,740	4,268,740
Total Requirements	\$ 8,543,161	\$ 7,968,404	\$ 7,708,910	\$ 5,688,900	\$ 5,948,493	\$ 8,427,900

OVERALL BUDGET HIGHLIGHTS

- ❖ Repair and Maintenance Services are expenses related to Agency owned properties
- ❖ Community Programs and Grants are for the contractually obligated Adaptive Rehabilitation Grant award
- ❖ Capital Outlay relates to the Cove Project obligation
- ❖ Principal and Interest payments are as follows:

US Bank Taxable	\$ 553,718
US Bank Tax Exempt	287,727
Bank of America	1,586,373
Oregon City Loan	791,342
	<u>\$3,219,160</u>

Note - "2017-2019 Proposed Biennium" amounts for Beginning Fund Balance, Operating Contingency and Reserved for Future Expenditure do not add across. This is intentional as they represent balances at a specific point in time (beginning or ending of the budget period).