

Oregon City Urban Renewal Agency
Adopted Biennial Budget
July 1, 2019 through June 30, 2021

Introduction

The Oregon City Urban Renewal Agency's 2019-2021 Proposed Biennial Budget is balanced and has been prepared in accordance with Oregon Budget Law. For the period July 1, 2019 through June 30, 2021, the total budget is \$11,549,980.

The 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 is responsible for providing oversight for the District as specified in the Downtown/North End Urban Renewal Plan, amended in September 2007.

On November 8, 2016, voters approved Measure 3-514, which was intended to limit the use of urban renewal in Oregon City. On July 18, 2017, the Circuit Court determined that the measure is preempted by Oregon Revised Statutes Chapter 457. The Court found that the measure is inconsistent with State law and the Agency's expenditures are not restricted.

Over the prior three years, Oregon City's General Fund has paid the Agency's bills including minimum staff time and contracts to operate. Following equitable financial practices, the proposed budget includes repayment of these costs. However, the budget does not include funding for any new urban renewal projects. The Commission has clearly stated their intent to comprehensively review the value of urban renewal as a tool to eliminate blight and enhance the downtown area. It is very important to the Commission to engage residents to determine acceptable uses for the Agency.

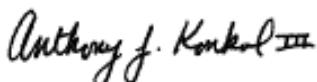
Budget Highlights

The proposed budget is funded by total biennial revenues of \$6.1 million (excluding beginning fund balance), 94% of which are from property taxes. Revenues increased by \$938,000, or 18%, over the previous budget. Tax increment increases are budgeted at 4.5% for each year of the biennium. Other revenue sources include income from property rentals and investment income.

Projected spending for the biennium totals \$4.2 million and is comprised of debt repayments, the loan repayment to Oregon City, minimum operating and legal costs and the Agency's remaining obligation to the Cove project (a carryover of the prior budget capital outlay amount). Finally, the budget includes costs to operate Agency owned rental properties. A reserve for future expenditure of \$7.2 million is available for appropriation to projects or debt payoff pending the Urban Renewal Commission's review.

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, 2019 will be approximately \$7.0 million.

Respectfully,



Anthony J. Konkol III
Executive Director, OCURA

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Urban Renewal	2013-2015 Actual	2015-2017 Actual	2017-2019 Amended Budget	2019-2021 Proposed Biennium	2019-2021 Approved Biennium	2019-2021 Adopted Biennium
Resources						
Beginning Fund Balance	\$ 3,505,854	\$ 3,378,071	\$ 3,219,900	\$ 5,403,980	\$ 5,727,594	\$ 5,403,980
Property Taxes	4,302,884	4,589,259	5,038,000	5,759,000	8,702,000	14,461,000
Rental Income	116,354	144,669	120,000	207,000	314,000	521,000
Interest Income	43,312	73,794	50,000	180,000	270,000	450,000
Total Resources	\$ 7,968,404	\$ 8,185,793	\$ 8,427,900	\$ 11,549,980	\$ 15,013,594	\$ 20,835,980
Requirements						
Agency Administration	\$ 475,343	\$ 372,473	\$ -	\$ 440,000	\$ 660,000	\$ 1,100,000
Legal Services	269,722	120,679	-	120,000	180,000	300,000
Rental Expenses	20,430	59,465	82,000	80,000	120,000	200,000
Cost Reimbursement	-	-	-	867,490	867,490	1,734,980
Operating Materials and Supplies	60,158	19,860	-	-	-	-
Administrative Supplies	6,218	335	-	-	-	-
Community Programs and Grants	319,966	397,450	120,000	-	-	-
Capital Outlay	451,982	515,256	700,000	300,000	300,000	600,000
Principal and Interest	2,986,514	3,300,819	3,219,160	2,375,466	3,556,036	5,931,502
Operating Contingency	1,443,250	1,464,635	38,000	127,000	127,000	127,000
Reserved for Future Expenditure	1,934,821	1,934,821	4,268,740	7,240,024	7,240,024	7,240,024
Total Requirements	\$ 7,968,404	\$ 8,185,793	\$ 8,427,900	\$ 11,549,980	\$ 13,050,550	\$ 17,233,506

BUDGET HIGHLIGHTS

- ❖ Agency Administration includes minimum staff time/contracts to operate (policy meetings, contract management, investments, debt service, financial audits, impact reports, etc).
- ❖ Legal Services are costs to administer the remaining project and support the Commission.
- ❖ Rental Expenses are costs to manage and maintain properties (Amtrak Station, Clackamas Landscape, two houses).
- ❖ Cost Reimbursement is a one-time repayment of the loan from Oregon City's General Fund to pay Agency expenses the last three years (while legal status was uncertain).
- ❖ Capital Outlay relates to the remaining Cove Project obligation (carryover of unspent funds).
- ❖ Principal and Interest payments are as follows:

US Bank Taxable	\$ 513,416
US Bank Tax Exempt	272,697
Bank of America	<u>1,589,353</u>
	<u>\$2,375,466</u>