

**Oregon City Urban Renewal Agency
Proposed Biennial Budget
July 1, 2021 through June 30, 2023**

Introduction

The Oregon City Urban Renewal Agency's 2021-2023 Proposed Biennial Budget is balanced and has been prepared in accordance with Oregon Budget Law. For the period July 1, 2021 through June 30, 2023, the total budget is \$9,701,811.

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. This decision was appeal to the Oregon Court of Appeals. The City is awaiting a decision from the Court of Appeals.

At a meeting of the Urban Renewal Commission on August 19, 2020, the Commission decided to retire all outstanding bonded indebtedness of the Urban Renewal Agency as soon as practicable. As of December 1, 2020, the Urban Renewal Agency had retired all its outstanding bonded indebtedness.

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 \$6.6 million (excluding beginning fund balance), 95% of which are from property taxes. Revenues increased by \$482,500, or 8%, 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 \$792,000 and is comprised of minimum operating and legal costs. Finally, the budget includes costs to operate Agency owned rental properties. A reserve for future expenditure of \$8.9 million is available for appropriation to projects 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").

Respectfully,



Anthony J. Konkol III
Executive Director, OCURA

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Urban Renewal	2015-2017 Actual	2017-2019 Actual	2019-2021 Amended Budget	2021-2022 Proposed Budget	2022-2023 Proposed Budget	2021-2023 Proposed Biennium
Resources						
Beginning Fund Balance	\$ 3,378,071	\$ 3,399,456	\$ 5,403,980	\$ 3,073,311	\$ 5,928,311	\$ 3,073,311
Property Taxes	4,589,259	5,390,098	5,759,000	3,096,000	3,191,500	6,287,500
Rental Income	144,669	164,347	207,000	110,000	111,000	221,000
Interest Income	73,794	217,125	180,000	30,000	60,000	90,000
Other Income	-	95,000	-	15,000	15,000	30,000
Total Resources	\$ 8,185,793	\$ 9,266,026	\$ 11,549,980	\$ 6,324,311	\$ 9,305,811	\$ 9,701,811
Requirements						
Agency Administration	\$ 372,473	\$ -	\$ 440,000	\$ 220,000	\$ 220,000	\$ 440,000
Legal & Consultant Services	120,679	5,537	120,000	120,000	120,000	240,000
Rental Expenses	59,465	49,628	80,000	50,000	50,000	100,000
Cost Reimbursement	-	-	867,490	-	-	-
Operating Materials and Supplies	19,860	7,856	-	6,000	6,000	12,000
Administrative Supplies	335	-	-	-	-	-
Community Programs and Grants	397,450	120,000	-	-	-	-
Capital Outlay	515,256	395,038	300,000	-	-	-
Principal and Interest	3,300,819	3,219,159	8,549,386	-	-	-
Operating Contingency	1,464,635	59,718	127,000	5,928,311	8,909,811	8,909,811
Reserved for Future Expenditure	1,934,821	5,409,090	1,066,104	-	-	-
Total Requirements	\$ 8,185,793	\$ 9,266,026	\$ 11,549,980	\$ 6,324,311	\$ 9,305,811	\$ 9,701,811

BUDGET HIGHLIGHTS

- ❖ Agency Administration includes minimum staff time/contracts to operate (policy meetings, contract management, investments, debt service, financial audits, impact reports, etc).
- ❖ Legal & Consultant Services are costs to administer the future projects and support the Commission.
- ❖ Rental Expenses are costs to manage and maintain properties (Amtrak Station, Clackamas Landscape, two houses).
- ❖ Operating Materials and Services are costs for transcription and audit services.
- ❖ All outstanding bonded indebtedness was retired in the current biennium. There are no anticipated Principal and Interest costs in the next biennium.

Note - 2021-2023 Proposed Biennium column 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).