

Oregon City Urban Renewal Agency

Adopted Biennial Budget

July 1, 2025, through June 30, 2027

Introduction

The Oregon City Urban Renewal Agency's 2025-2027 Proposed Biennial Budget is balanced and has been prepared in accordance with Oregon Budget Law. For the period July 1, 2025, through June 30, 2027, the total budget is \$14,254,800. The proposed budget presented reflects an incremental assessed value of \$65,875,000 in the first year (approximately 25% of the full incremental value), resulting in collections of approximately \$1.0 million. For the second year, the budget reflects an incremental assessed value of \$136,461,000 (approximately 50% of the full incremental value), resulting in collections of approximately \$2.1 million.

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

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 that the Agency's expenditures are not restricted. This decision was appealed to the Oregon Court of Appeals. On November 15, 2022, the Court of Appeals declared that a portion of the measure, specifically part E of Section 59 in the Oregon City Municipal Code, is unenforceable as preempted by state law.

The Urban Renewal Commission approved the 11th amendment to the Urban Renewal Plan on December 21, 2022. This amendment updated the project plan to three primary projects, which are the Rossman Landfill, Clackamette Cove, and the Stimson Property, and several secondary projects, including the County Courthouse on Main Street, improvements to the End of the Oregon Trail Interpretive Center, downtown railroad Quiet Zone, and development of the vacant 12th and Main Street property.

On May 16, 2023, voters rejected Measure 3-597, which requested the approval for the Urban Renewal Agency to borrow up to \$44 million for projects in the Urban Renewal Plan. The Urban Renewal Commission adopted the 2023-2025 budget with a \$0 incremental assessed value for fiscal year 2023-2024, effectively generating \$0 of urban renewal property tax income. The adoption also set the incremental assessed value to \$55,165,000 for fiscal year 2024-2025, which was approximately 25% of the full incremental assessed value and anticipated to generate approximately \$828,000.

The responsibility of the Urban Renewal Budget Committee is to review the proposed budget and determine the tax levy, the uses of all resources, and approve the budget. Subsequently, the Urban Renewal Commission has the responsibility to review the approved budget, revise if necessary, and adopt the budget by June 30th.

Budget Highlights

The proposed budget is funded by total biennial revenues of \$3.8 million (excluding beginning fund balance). Tax increment increases are budgeted at 3.0% for each year of the biennium. Other revenue sources include income from property rentals and investment income.

Projected spending for the biennium totals \$14.2 million and is comprised of minimum operating and legal costs as well as capital projects. Finally, the budget includes costs to operate Agency-owned rental properties. An operating contingency of \$0.1 million is available for appropriation to projects pending the Urban Renewal Commission's review.

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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	2019-2021 Actual	2021-2023 Actual	2023-2025 Amended Budget	2025-2027 Proposed Biennium	2025-2027 Approved Biennium	2025-2027 Adopted Biennium
Resources						
Beginning Fund Balance	\$ 5,468,808	\$ 2,972,711	\$ 9,230,800	\$ 10,482,300	\$ 10,482,300	\$ 10,482,300
Property Taxes	6,237,989	6,385,201	900,000	3,076,500	8,489,400	2,048,500
Rental Income	208,197	225,449	240,000	186,000	186,000	186,000
Interest Income	181,543	244,369	90,000	500,000	500,000	500,000
Other Income	126	29,696	30,000	10,000	10,000	10,000
Total Resources	\$ 12,096,663	\$ 9,857,426	\$ 10,490,800	\$ 14,254,800	\$ 19,667,700	\$ 13,226,800
Requirements						
Agency Administration	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000
Legal & Consultant Services	176,448	52,967	240,000	460,000	460,000	460,000
Rental Expenses	64,039	61,080	100,000	127,400	127,400	127,400
Cost Reimbursement	867,490	-	-	-	-	-
Operating Materials and Supplies	8,947	30,932	14,000	16,000	16,000	16,000
Capital Outlay	40,450	-	9,632,800	13,111,400	18,524,300	12,083,400
Principal and Interest	7,526,578	-	-	-	-	-
Operating Contingency	-	-	64,000	100,000	100,000	100,000
Unappropriated Fund Balance	2,972,711	9,272,447	-	-	-	-
Total Requirements	\$ 12,096,663	\$ 9,857,426	\$ 10,490,800	\$ 14,254,800	\$ 19,667,700	\$ 13,226,800

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 and two houses).
- ❖ Operating Materials and Services are costs for transcription and audit services.
- ❖ Capital Outlay represents the balance of available funds for capital projects as identified in the Urban Renewal Plan.

PROPOSED BUDGET HIGHLIGHTS

- ❖ Property Taxes: Incremental Assessed Value is \$65,875,000 (approx. 25% of the estimated full incremental assessed value) in 2025-26 with approximately \$986,000 of expected collections as well as prior years' tax collections of \$18,000. Incremental Assessed Value is \$136,461,000 (approx. 50% of the estimated full incremental assessed value) in 2026-27, which anticipates approximately \$2,050,000 in 2026-27 levy collections plus prior years' tax collections as \$22,500.

APPROVED BUDGET HIGHLIGHTS

- ❖ Property Taxes: Incremental Assessed Value is stated at maximum incremental assessed value, estimated at \$263,498,000 in 2025-26 with approximately \$4,150,100 of expected collections as well as prior years' tax collections of \$18,000. Incremental Assessed Value is stated at maximum incremental assessed value, estimated at \$272,923,000 in 2026-27, which anticipates approximately \$4,298,800 in 2026-27 levy collections plus prior years' tax collections as \$22,500.

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ADOPTED BUDGET HIGHLIGHTS

- ❖ Property Taxes: Incremental Assessed Value is \$65,875,000 (approx. 25% of the estimated full incremental assessed value) in 2025-26 with approximately \$986,000 of expected collections as well as prior years' tax collections of \$18,000. Incremental Assessed Value is \$68,230,000 (approx. 25% of the estimated full incremental assessed value) in 2026-27, with approximately \$1,022,000 in 2026-27 levy collections plus prior years' tax collections as \$22,500. Capital Outlay is adjusted to \$12,083,400 to reflect the remaining available funds for projects.