



City of  
**Sherwood**  
Oregon

*Home of the Tualatin River National Wildlife Refuge*

**2016-2017  
URBAN  
RENEWAL  
PROPOSED  
BUDGET**

[www.sherwoodoregon.gov](http://www.sherwoodoregon.gov)



# City of Sherwood Urban Renewal Agency Annual Budget

For the Fiscal Year  
July 1, 2016 - June 30, 2017



## **BOARD OF DIRECTORS:**

Krisanna Clark, *Board Chair*  
Jennifer Harris, *Board President*  
Renee Brouse, *Board Member*  
Sally Robinson, *Board Member*  
Linda Henderson, *Board Member*  
Dan King, *Board Member*  
Jennifer Kuiper, *Board Member*

## **BUDGET COMMITTEE:**

Andy McConnell, *Chair*  
Meerta Meyer, *Vice Chair*  
Susan Claus  
Andy Jensen  
Kurt Studer  
Paul Mayer  
Amy Kutzkey

## **CITY STAFF:**

Joseph Gall, *City Manager*  
Cathy Brucker, *Interim Finance Director*

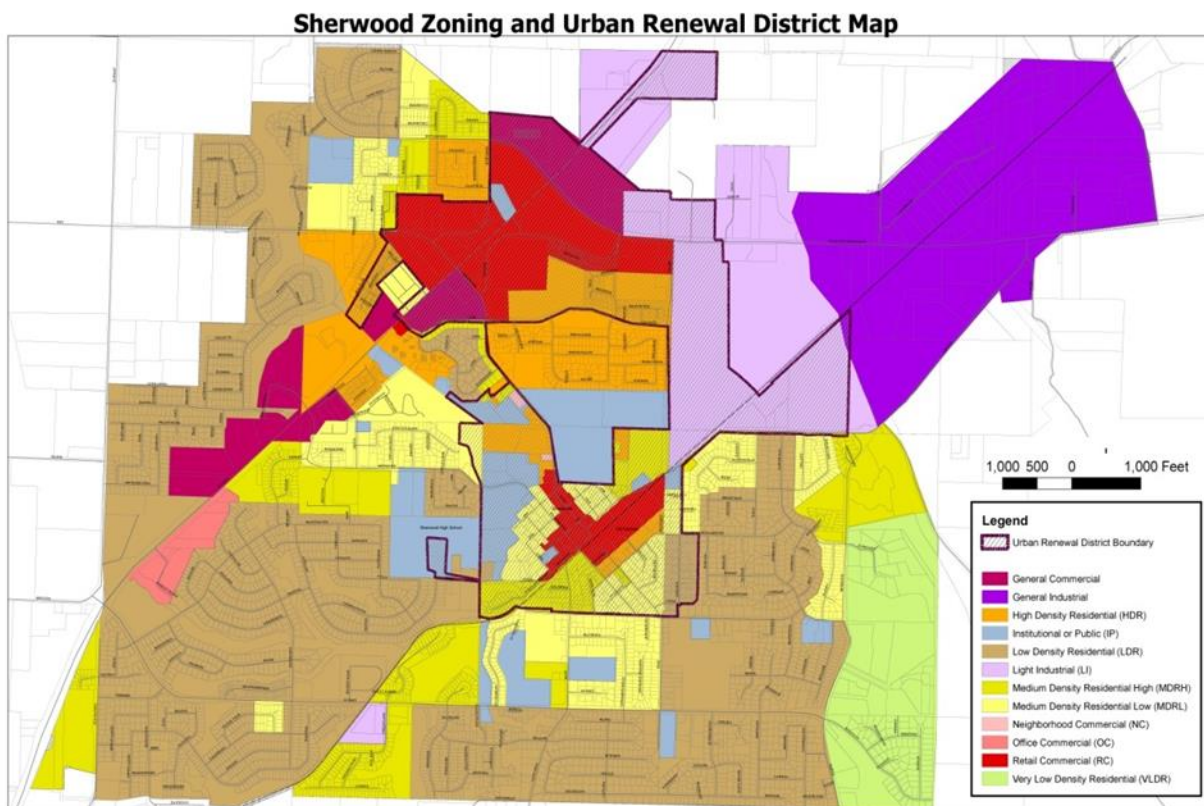
[www.sherwoodoregon.gov](http://www.sherwoodoregon.gov)



# Table of Contents

---

- 1 About the District
- 2 Budget Message
- 3 Operations Budget
- 4 Capital Budget
- 5 Long Term Debt



About the District

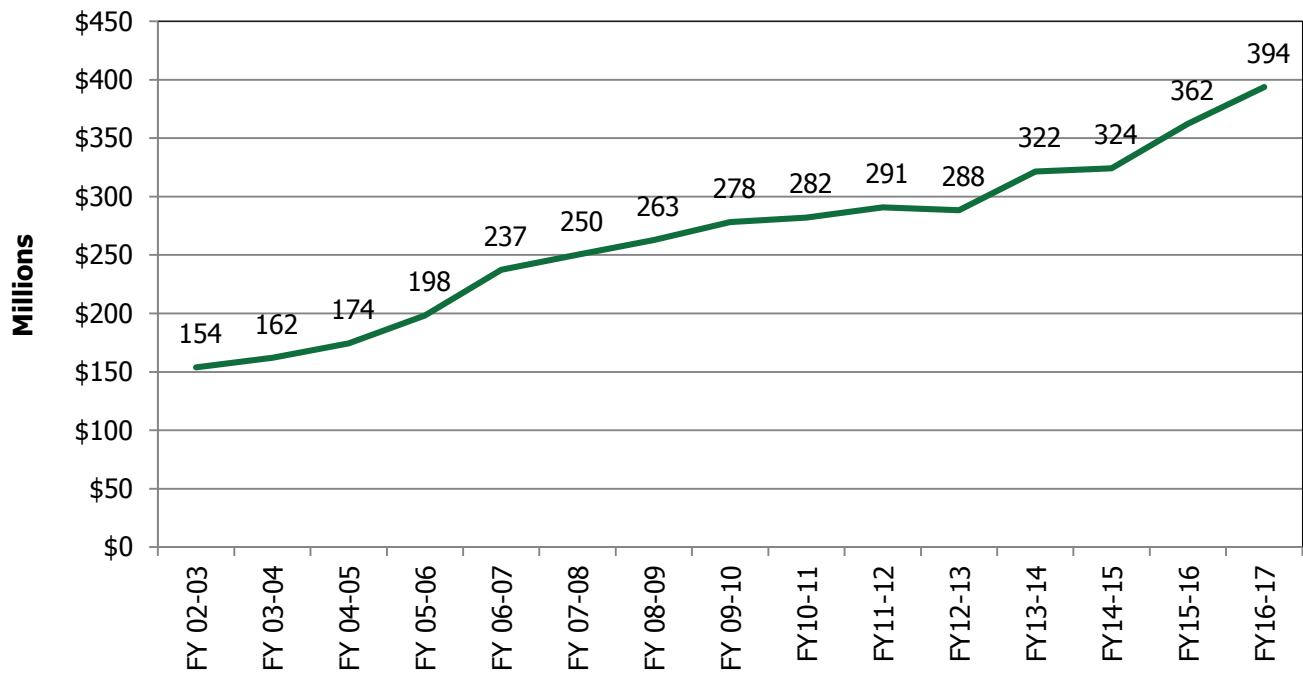
The City of Sherwood Urban Renewal Agency (URA) is a separate entity from the City. The Sherwood City Council serves as the Board of Directors for the URA and is financially accountable for its operations. In accordance with Oregon budget law, the URA prepares its own budget, and the Board of Directors 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 Sherwood Urban Renewal Plan was adopted in 2000, property values were frozen. The taxes collected on that frozen value continues to flow to the taxing authorities (City, County, Schools, TVF&R, 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.

In 2012 the URA plan was amended. The Maximum Indebtedness was increased and starting in 2014 a portion of the NEW tax revenue will be shared with the other taxing authorities. The net effect of the additional shared revenue will be to keep the district open for one additional year. The District is expected to close in 2021.

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



**Budget Message**

It is my privilege to provide you, the citizens of the City of Sherwood, with my proposed Urban Renewal Agency budget for Fiscal Year 16-17.

The Agency budget consists of one fund which covers both operations and capital. The operations for Agency includes administration costs and economic development activities within the Urban Renewal Area. The capital portion of the budget is for construction projects and property purchases. All of the projects funded through URA capital are transferred to City ownership on completion.

The Agency operates under guidance from the Agency Board of Directors.

**FY16-17 Proposed Budget**

The FY16-17 operations budget is largely a status quo budget but there are some additional expenses as we maintain and prepare to divest of assets in future years. Economic development activities which support for Old Town Sherwood and City involvement in regional economic development partnerships are budgeted to continue including some limited façade grants (\$15,000). Debt service payments account for the majority of the expenditures out of operations. The URA is expected to generate revenue of \$3.91 million in FY 16-17 based on increment value used of \$218 million.

The FY16-17 Capital Projects budget primarily includes appropriations to:

- Construct a parking lot on the 1st Street properties acquired by the URA in 2014
- Removal of Monuments in Old Town
- Signage for the Center for the Arts
- Tenant Improvements for the Center for the Arts lease space

These will be the last capital projects funded by the Urban Renewal Agency unless there is additional revenue from the sale of properties owned by the URA.

The Agency will spend this year finishing construction activities and take the initial steps to sell property over the next few years. The URA debt is scheduled to be paid off in 2021 or 2022 depending on future Tax Increment Financing collections. I am looking forward to an active year of Agency progress and achievements.

Respectfully Submitted,

Tom Pessemier  
Assistant City Manager

Operations

2013-14 Actual	2014-15 Actual	2015-16 Budget		2016-17 Proposed	2016-17 Approved	2016-17 Adopted
\$2,056,165	\$3,653,402	\$1,950,180	<b>RESOURCES</b>			
	(restated)		Beginning fund balance	\$ 1,337,538		
3,771,424	3,474,465	3,585,535	Revenue			
25,986	15,110	18,000	Taxes	3,922,015		
3,797,410	3,489,575	3,603,535	Fines, interest and other	18,000		
			Total revenue	3,940,015		
			Other sources			
-	182,065	150,000	Sale of fixed assets	50,000		
-	182,065	150,000	Total other sources	50,000		
<b>5,853,575</b>	<b>7,325,041</b>	<b>5,703,715</b>	<b>Total resources</b>	<b>5,327,553</b>		
			<b>REQUIREMENTS</b>			
			Expenditures			
			Personal services			
35,401	39,529	72,219	Salaries and wages	86,742		
3,500	3,843	6,742	Payroll taxes	7,739		
12,382	13,019	26,758	Benefits	32,406		
51,283	56,390	105,719	Total personal services	126,887		
			Materials and services			
11,387	13,477	62,000	Professional & technical	20,000		
-	5,237	6,500	Facility and equipment	2,000		
7,977	6,025	8,930	Other purchased services	8,407		
66	-	100	Supplies	100		
21,394	28,923	45,000	Community activities	15,000		
22,677	22,288	49,870	Other materials & services	59,804		
63,501	75,950	172,400	Total materials & services	105,311		
			Capital outlay			
-	-	450,000	Infrastructure	565,711		
-	-	-	Buildings	-		
-	-	25,000	Furniture and equipment	-		
-	-	475,000	Total capital outlay	565,711		
114,784	132,340	753,119	Total expenditures	797,909		
			Debt service			
931,517	968,378	1,010,313	Principal	2,180,846		
652,818	616,863	579,292	Interest	658,008		
1,584,335	1,585,241	1,589,605	Total debt service	2,838,854		
			Other uses			
2,219,502	3,988,201	-	Transfers out	-		
2,219,502	3,988,201	-	Total other uses	-		
1,934,953	1,619,260	-	Ending Fund Balance	-		
-	-	3,360,991	Contingency	197,001		
-	-	-	Reserved for Future Years	1,493,789		
<b>5,853,575</b>	<b>7,325,041</b>	<b>5,703,715</b>	<b>Total requirements</b>	<b>5,327,553</b>		
0.3	0.3	0.2	FTE	-		

**Capital**

The URA Capital Fund will be closed at the end of FY14-15. All URA activity will be recorded in the Operations Fund. This page is shown for historical purposes only.

	2013-14 Actual	2014-15 Actual (restated)
<b>RESOURCES</b>		
Beginning fund balance	\$ 508,904	\$ (4,116)
Revenue		
Intergovernmental		16,900
Fines, interest and other	2,237	-
Total revenue	2,237	16,900
Other sources		
Transfers in	2,399,487	3,988,201
Total other sources	2,399,487	3,988,201
<b>Total resources</b>	<b>2,910,628</b>	<b>4,000,985</b>
<b>REQUIREMENTS</b>		
Expenditures		
Personal services		
Salaries and wages	59,334	65,213
Payroll taxes	4,936	5,648
Benefits	21,049	25,271
Total personal services	85,319	96,132
Materials and services		
Professional & technical	13,824	393
Other purchased services	1,233	2,837
Supplies	1,868	-
Other materials & services	70,388	72,605
Total materials & services	87,313	75,834
Capital outlay		
Land	16,000	144,235
Infrastructure	2,257,583	0
Buildings	464,414	3,684,784
Total capital outlay	2,737,997	3,829,018
Total expenditures	2,910,628	4,000,985
Ending Fund Balance	(0)	(0)
Reserved for Future Years	-	-
<b>Total requirements</b>	<b>2,910,628</b>	<b>4,000,985</b>
FTE	0.7	0.7

**Urban Renewal Debt Service**

	<b>City Loans for Sherwood Urban Renewal Agency Projects</b>				
	<b>2006</b>			<b>2012 City</b>	
	<b>Downtown</b>	<b>2010 Streets</b>		<b>Hall/Street</b>	<b>Total Debt on</b>
	<b>Streets</b>	<b>&amp; Cannery</b>	<b>2010 Cannery</b>	<b>Refinancing</b>	<b>behalf of URA</b>
Original Amount	\$ 6,400,000	\$ 7,065,000	\$ 5,898,888	\$ 5,245,000	\$ 24,608,888
Balance at 6/30/16	4,170,133	5,580,000	5,898,888	3,585,000	19,234,021
Payment Source	Tax Increment				
Paying Fund	URA Operations				
Year Ending June 30					
2017	483,419	551,580	1,251,499	552,356	2,838,854
2018	483,220	552,045	1,251,498	553,481	2,840,244
2019	482,619	551,745	1,251,499	554,156	2,840,019
2020	481,619	555,680	1,251,498	549,456	2,838,253
2021	484,863	553,595	1,251,499	554,306	2,844,263
2022-2026	2,417,626	2,764,581	-	1,208,403	6,390,610
2027-2031	484,156	2,215,523	-	-	2,699,679
2032-2036	-	-	-	-	-
	<b>\$ 5,317,522</b>	<b>\$ 7,744,749</b>	<b>\$ 6,257,493</b>	<b>\$ 3,972,158</b>	<b>\$ 23,291,922</b>

