

# Annual Report for Fiscal Year Ending June 30th, 2012



*Home of the Tualatin River National Wildlife Refuge*

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FY2011/2012

Sherwood Urban Renewal Agency

This report fulfills the requirements, prescribed in ORS.457.460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.

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## SHERWOOD URBAN RENEWAL AGENCY

### SHERWOOD URBAN RENEWAL AREA HISTORY

The Sherwood Urban Renewal Plan (Plan) was adopted and approved by ordinance on August 29, 2000. The URA “maximum indebtedness”, as defined by statute, is \$45,133,469. There are 595.84 acres designated in the Sherwood Urban Renewal Area.

The Sherwood Urban Renewal Agency was formed to redevelop underutilized and blighted areas in Sherwood, including Old Town. While a separate and distinct agency was formed according to Oregon statute, the governing board consists of the same group of people as the Sherwood City Council. This is common among URAs throughout Oregon. The agency and its activities are funded by tax increment financing.

The Plan was developed under the guidance of the Sherwood Urban Renewal Plan Advisory Committee. The committee met three times during the course of the planning process and also participated in a public workshop. All meetings were open to the public for discussion and comment. The Sherwood Urban Renewal Plan Advisory Committee (SURPAC) continues to meet regularly to develop recommendations to the Urban Renewal Agency on the implementation of the plan.

The Plan was amended in February of 2012 by Ordinance 2012-005 to increase the maximum indebtedness by \$9,785,869 from \$35,347,600 to \$45,133,469. The increase in maximum indebtedness was for the addition of projects to the Plan which will improve the transportation systems, both street and trail, within the Area. It will also add to the capacity to provide additional revenues to existing projects within the Plan.

In FY 2012 the Cannery site infrastructure was completed and the Cannery Plaza Project was completed. The design for the Sherwood Community Center was also completed.

The Cannery Square Plaza is a 12,000 square foot public plaza at the northeastern corner of Pine Street and Columbia Street and is the public cornerstone for the Sherwood Cannery Square development project. The plaza is adjacent to the proposed two-story retail/office building to the east and bordered by the Southern Pacific railroad tracks to the north. The major elements include a large bridge plaza, a lawn area, an amphitheater that also serves as an interactive fountain, benches, and shade canopies. The two canopies, a railway Canopy and a Performance Canopy are meant to recall the historic railway canopies. The plaza is designed to allow for the relocation of Saturday Market and for the location of

Sherwood's Christmas tree. It is anticipated the plaza will also be home to the Cruisen Sherwood Festival and Robin Hood Days.



Cannery Square and sidewalk improvements

The FY2013 Capital Projects Fund includes appropriations to complete the conversion of the Machine Works Building into the Sherwood Community Center and to begin the Downtown Streetscapes Phase II project.

## Goals

When developing the URA Plan and Report, SURPAC formulated a series of Goals and Objectives to guide activities funded by, or related to the URA. The Goals and Objectives are listed in the Plan, and the goals are reiterated here:

Goal A - Promote private development redevelopment, and rehabilitation in both Old Town and Six Corners to help create jobs, tax revenues, and self-sustaining and vibrant commercial districts.

Goal B - Upgrade the stock of existing structures in Old Town Sherwood which contribute to its small-town character, but which are run down or do not meet current Code requirements.

Goal C - Improve existing streets and construct missing street links to improve connectivity within both districts, to improve and enhance public open spaces as an integral part of each district, and to enhance livability.

Goal D - Improve and repair utilities to allow efficient development of the two areas.

Goal E - Develop convenient, attractive parking facilities close to shopping, entertainment and business destinations.

Goal F - Maintain, remodel and construct public facilities, including City Hall, Library, the Old School, the Hite House, Old City Hall, and a potential library expansion or relocation, to strengthen and reinforce Old Town as the historic center of Sherwood, and to serve as an anchor for the Old Town economy.

Goal G – Develop a strategy to make cultural arts a contributor to Sherwood’s culture and economy focusing efforts on Old Town.

## Maximum Indebtedness

**Table 1 – Maximum Indebtedness Calculations**

Maximum Indebtedness (MI)	
Total Maximum Indebtedness	\$45,133,469
MI Expended through January 2012	\$33,195,402
MI Expended through June 2012	\$1,007,679
Total MI Expended	\$34,203,081
Remaining MI	\$10,930,388

Source: City of Sherwood Finance Department

A full copy of the Sherwood Urban Renewal Plan and Report can be found on the City of Sherwood website at: <http://www.sherwoodoregon.gov/urban-renewal-agency>

## FINANCIAL REPORTING

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information responds to the requirements of this statute.

### Money Received

#### ORS 457.460 (A)

The statute states, "the amount of money received during the preceding fiscal year under ORS 457.20 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460" must be reported.

In FY 2011/2012 the Sherwood URA received \$3,246,638<sup>1</sup> in tax revenue, which includes adjustments, interest and discounts.

### Money Expended

#### ORS 457.460 (B)

The statute states, "The purposes and amounts for which money received under ORS 457.420 to 457.460 and from indebtedness incurred under 457.420 to 457.460 were expended during the preceding fiscal year" must be reported. This means any money received through urban renewal and spent on urban renewal activities, and this information is shown in Table 2, below.

**Table 2 - Expenditures During FY 2011/2012**

Item	Expenditure
Personal Services	\$118,094
Materials and Services	\$135,433
Debt Service	\$2,932,794
Total	\$3,186,321

Source: City of Sherwood Finance Department

<sup>1</sup> Page 22 Sherwood Urban Renewal Financial report

## **Estimated Revenues**

### **ORS 457.460 (C)**

The statute states, "An estimate of moneys to be received during the current fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460" must be reported. This means an estimate of all income to be gained from urban renewal in the upcoming year.

The estimated revenues for FY 2012/13 are \$3,313,500. Fines, interest and other account for \$12,000 for a total expected revenue of \$3,325,500.

## **Proposed Budget for Current Fiscal Year**

### **ORS 457.460 (D)**

The statute states, "A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under 457.420 to 457.460 are to be expended during the current fiscal year" must be reported. This means a compiled budget listing the money to be received due to urban renewal, money to be spent, and what projects/expenses the money will fund. This information is shown in Table 3.

**Table 3 - Proposed Budget for FY 2012/2013**

	2012/13 Operations	2012/13 Capital
<b>RESOURCES</b>		
Available Cash on Hand	\$2,223,204	\$1,702,747
Issuance of Debt	-	\$5,846,672
Taxes Collected	\$3,313,500	-
Interest Income	\$12,000	-
<b>TOTAL RESOURCES</b>	<b>\$5,548,704</b>	<b>\$7,549,419</b>
<b>EXPENDITURES</b>		
Personal Services	\$26,986	\$115,556
Materials and Services	\$105,561	\$56,703
Capital Outlay	-	\$4,958,449
Debt Service:		
Principal	\$874,283	-
Interest	\$775,752	-
<b>Total Debt Service</b>	<b>\$1,650,035</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,782,582</b>	<b>\$5,130,708</b>
Transfers Out	-	\$2,269,126
Contingency	\$3,766,122	\$149,585
<b>TOTAL USES</b>	<b>\$5,548,704</b>	<b>\$7,549,419</b>

Source: City of Sherwood Finance Department



## Impact on Taxing Districts

### ORS 457.460 (E)

The statute states, " An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430" must be shown. This means showing how much money local taxing districts (eg. county, schools, community college, TVF&R) forego due to urban renewal. These figures reflect truncation loss and urban renewal compression loss. This information is from Washington County Assessor records and is shown in Table 4, below.

**Table 4 - Impact on Taxing Districts FY 2011/2012**

Taxing District	Revenue Forgone
Sherwood School District*	\$843,590
City of Sherwood	\$578,033
Washington County	\$394,010
Washington County Local Option	\$103,399
Tualatin Valley Fire and Rescue	\$266,840
Tualatin Valley Fire and Rescue Local Option	\$43,714
Portland Community College	\$49,498
NW Regional Education Service District*	\$26,875
Metro	\$16,851
Port of Portland	\$12,147
<b>Total</b>	<b>\$2,334,956</b>

Source: Washington County Assessor's Information

\*The Sherwood School District and the NW Regional Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the charts. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone because of the use of Tax Increment Financing are replaced, as determined by a funding formula at the State level with State School Fund revenues.