

# ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2016

2015/2016

Sandy 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.

# Annual Report for Fiscal Year Ending June 30th, 2016

SANDY URBAN RENEWAL AGENCY

## SANDY URBAN RENEWAL AREA HISTORY

The Sandy Urban Renewal Agency was established by the City of Sandy in 1998. The Agency is comprised of the Sandy City Council and a representative of the Sandy Fire District and Sandy Chamber of Commerce.

The Sandy Urban Renewal Plan (Plan) was adopted by the City of Sandy on December, 1998. The maximum indebtedness established in 2015 for the Sandy Urban Renewal Plan is \$67,000,000. The maximum indebtedness is the total amount of funds that can be spent on projects, programs, and administration in the urban renewal area over the life of the urban renewal plan.

Oregon state law allows cities to create urban renewal districts in size not to exceed twenty-five percent (25%) of the total acreage and not to exceed 25% of the assessed property value within the city limits. The Sandy Urban Renewal Area (Area) is 325 acres, less than 25% of the total city acreage. The frozen base assessed value of the Urban Renewal Area is \$47,259,240 ("Frozen Base"), and does not exceed the 25% limit.

### Goals

When developing the Sandy Urban Renewal Plan and Report, a series of Goals and Objectives were developed to guide activities funded by, or related to the Plan Area. The Goals and Objectives are listed in the Plan, and the goals are reiterated here:

1. Improve the vitality of Sandy's downtown core.
2. Make productive use of land in the renewal area.
3. Create opportunities for new development within the renewal area.
4. Enhance public safety in the renewal area.
5. Provide new public amenities and open spaces in the renewal area.
6. Make improvements to infrastructure in the renewal area.
7. Implement goals and objectives of Sandy's Comprehensive Plan.

The renewal area has also taken on two new projects in the 2015 amendment, as follows:

**Aquatic/Recreation Center:** This project will help achieve the Council goals of a public pool in Sandy and building a multi-generational community center. It would also improve a section of the city that has aged school facilities and would potentially promote additional development in an area zoned for commercial use. The project would include land acquisition and construction of an aquatic and recreational facility. Amenities may include indoor courts, multi-use rooms, a senior center, a pool, and other recreational uses.

**362nd Extension north of Highway 26:** Consistent with the Comprehensive Plan and the goals of the City Council, this street extension can promote economic development in the west commercial zone of

the city. The project will improve the intersection at 362nd and Highway 26 and extend SE 362nd northward for approximately 1,500 LF. The street will be a three lane section with median/turn pockets, a sidewalk on one side, landscaping, street lighting, and dry and wet utilities.

A full copy of the Sandy Urban Renewal Plan can be found on the Sandy Urban Renewal Agency website. <http://www.ci.sandy.or.us/Urban-Renewal/>

The projects undertaken in FY 2015/16 include:

- Capital Improvements to fire district facilities.
- Purchase of property for a future aquatic/recreation center
- Preliminary design and site improvements to aquatic/recreation center

## 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

In FY 2015/2016 Sandy Urban Renewal received \$1,492,005 from the division of taxes.<sup>1</sup>

### Money Expended

The expenditures during fiscal year 2015-2016 are listed in Table 1 below.

**Table 1. 2015-2016 Expenditures**

Expenditures	
Personnel Services	\$76,522
Materials and Services	\$10,127
Capital Outlay	\$342,794
Debt Service:	
Principal	\$426,836
Interest	\$41,948
<b>Total Expenditures</b>	<b>\$898,227</b>

### Estimated Revenues

The estimated tax revenues from the FY 2016-17 adopted Urban Renewal Agency budget are \$1,472,645.<sup>2</sup>

<sup>1</sup> Sandy Urban Renewal Agency Financial Statements 2015-2016, pg. 10

<sup>2</sup> This number was estimated by taking the amount from the SAL 4E (\$1,550,153) and adjusting 5% for delinquencies. The number was derived this way because Sandy does a biennial budget.

## Proposed Budget for Current Fiscal Year, FY 2016/17

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 is shown in Table 2 below. Because a biennial budget is used Table 2 includes the actual revenues, expenditures, and other financing sources for 2016 along with the variance with the final budget to allow for inference into what the 2017 budget will be.

**Table 2. FYE 2016 Biennial Budget**

Item	Biennial Budget	FY 2016	Variance with Final Budget
<b>Revenues</b>			
Property taxes	\$2,843,615	\$1,492,005	(\$1,351,610)
Interest	\$3,000	\$12,747	\$9,747
Total revenues	\$2,846,615	\$1,504,752	\$1,341,863
<b>Expenditures</b>			
Personnel services	\$159,017	\$76,522	\$82,495
Materials and services	\$16,752	\$10,127	\$6,625
Capital outlay	\$2,558,000	\$342,794	\$2,215,206
Debt service:			
Principal	\$875,193	\$426,836	\$448,357
Interest	\$70,852	\$41,948	\$28,904
Contingency	\$49,839	-	\$49,839
Total Expenditures	\$3,729,653	\$898,227	\$2,831,426
Revenues over (under) expenditures	(\$883,038)	\$606,525	\$1,489,563
<b>Other Financing Sources</b>			
Loan Payments to City of Sandy	(\$144,400)	(\$60,000)	\$84,400
Transfers out	(\$6,251)	(\$6,251)	-
Total other financing sources	(\$150,651)	(\$66,251)	\$84,400
Net change in fund balances	(\$1,033,689)	\$540,274	\$1,573,963
<b>Fund Balances, Beginning Budgetary Basis</b>	\$1,033,689	\$1,493,848	\$460,159
<b>Fund Balances, Ending Budgetary Basis</b>	-	\$2,034,122	\$2,034,122

Source: Sandy Urban Renewal Agency Financial Statements p 12

## Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 3. This information is from Clackamas County Assessor records, Table 4e. These numbers are after truncation and compression losses.

Urban renewal agencies do not create an additional tax. Instead, during the Agency's lifespan, overlapping taxing districts "forego" a portion of their permanent rate. Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. The School District and ESD are funded through the State School Fund on a per pupil allocation. There is no *direct* impact of urban renewal on their funding. The State School Fund is funded through property tax allocations, but also through other state resources.

**Table 3. Impact on Taxing Districts FY 2015/2016**

Taxing District Name	Revenue Foregone	Permanent Rate Levy	% of Permanent Rate
County Clackamas City	\$209,416	\$56,394,336	0.37%
County Clackamas Rural	\$6,522	\$57,263,314	0.01%
County Extension & 4-H	\$4,430	\$2,139,862	0.21%
County Library	\$35,441	\$16,964,543	0.21%
County Soil Conservation	\$4,430	\$2,140,389	0.21%
City of Sandy	\$358,450	\$3,003,969	11.93%
ESD Clackamas	\$32,898	\$14,848,010	0.22%
Community College Mt Hood	\$43,892	\$1,998,216	2.20%
Fire 72 Sandy	\$194,452	\$3,245,009	5.99%
Port of Portland	\$6,235	\$3,001,875	0.21%
School District 46 Oregon Trail 2009	\$414,384	\$13,551,513	3.06%
Vector Control	\$575	\$279,584	0.21%
<b>Total</b>	<b>\$1,311,127</b>		

Source: FY 2015/16 SAL 4e and SAL 4a from Clackamas County Assessor