

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2018

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.

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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 315.95 acres, less than 25% of the total city acreage. The frozen base assessed value of the Urban Renewal Area is \$47,944,037 (“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 one new project in the 2018 amendment, as follows:

City Hall: This project will help the City of Sandy modernize City Hall with ADA accessibility upgrades, weather proofing, security provisions, and achieving a “Sandy Style” design appearance. The building was constructed in 1969 and is in need of a major renovation. The upgrades will also assist in creating a positive link between the downtown and Meinig Park which holds many of the civic events in the community.

A full copy of the Sandy Urban Renewal Plan can be found on the following websites:

- Sandy Urban Renewal Agency <http://www.ci.sandy.or.us/Urban-Renewal/>
- Financial Reports <https://www.ci.sandy.or.us/finance>.

The projects undertaken in FY 2017/18 include:

- Continued work on capital improvements to fire district facilities.
- Continued work with the façade improvements.
- Continued 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 2017/2018 Sandy Urban Renewal received \$1,612,446 from the division of taxes.¹

Money Expended

The expenditures during fiscal year 2017-2018 are listed in Table 1 below.

Table 1. 2017-2018 Expenditures

Expenditures	
Personnel services	\$ 49,462
Material and services	61,277
Capital Outlay	4,147,741
Debt Service:	
Principal	639,030
Interest	248,786
Total Expenditures	\$ 5,146,296

Estimated Revenues

The estimated tax revenues from the FY 2018-19 adopted Urban Renewal Agency budget are \$1,543,263.²

¹ Sandy Urban Renewal Agency Financial Statements 2017-2018, pg. 9

² This number was estimated tax levy of \$1,624,488 and adjusting for 5% for delinquencies.

Adopted Budget for Fiscal Years 2017 - 2018

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 2018 along with the variance with the final budget to allow for inference into what the 2019 budget will be.

Table 2. FY 2018 Biennial Budget

Item	Biennial Budget FY 17 - 19	FY 2018 Actuals	Variance with Final Budget
Revenues			
Property taxes	\$ 3,081,900	\$1,612,446	\$ (1,469,454)
Interest	27,000	112,380	85,380
Total revenues	3,108,900	1,724,826	(1,384,074)
Expenditures			
Personnel services	120,470	49,462	71,008
Material and services	120,449	61,277	59,172
Capital Outlay	8,033,956	4,170,741	3,863,215
Debt Service:			
Principal	1,290,889	639,030	651,859
Interest	496,001	248,786	247,215
Contingency	1,095,649	-	1,095,649
Total Expenditures	11,157,414	5,169,296	5,988,118
Revenues over (under) expenditures	(8,048,514)	(3,444,470)	4,604,044
Other Financing Sources			
Loan payments to City of Sandy	(81,600)	-	81,600
Transfers out	-	-	-
Total other financing sources	(81,600)	-	81,600
Net change in fund balances	(8,130,114)	(3,444,470)	4,685,644
Fund Balances, Beginning Budgetary Basis	8,130,114	8,277,279	147,165
Fund Balances, Ending Budgetary Basis	\$ -	\$4,832,809	4,832,809

Source: Sandy Urban Renewal Agency Financial Statements p 11-12.

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 Education Service District (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 2017/2018

Taxing District Name	Revenue Foregone	Permanent Rate Levy	% of Permanent Rate
County Clackamas City	\$ 234,265	\$59,486,704	0.39%
County Extension & 4-H	4,818	2,340,659	0.21%
County Library	38,726	18,585,575	0.21%
County Soil Conservation	4,818	2,341,277	0.21%
City of Sandy	400,986	3,339,973	12.01%
ESD Clackamas	35,908	16,342,144	0.22%
Community College Mt. Hood	47,908	2,182,159	2.20%
Fire 72 Sandy	212,198	2,566,442	8.27%
Port of Portland	6,818	3,285,582	0.21%
School District 46 Oregon Trail 2009	452,075	14,799,625	3.05%
Vector Control	546	307,280	0.18%
Total	\$ 1,439,066		

Source: FY 2017/18 SAL 4e and SAL 4a from Clackamas County Assessor