



City of Sandy

Agenda

Sandy Urban Renewal Board Meeting

Meeting Date: Tuesday, June 21, 2022

Meeting Time: 6:45 PM

Page

1. MEETING FORMAT NOTICE

This meeting will be conducted in a hybrid in-person / online format. The Board will be present in-person in the Council Chambers and members of the public are welcome to attend in-person as well. Members of the public also have the choice to view and participate in the meeting online via Zoom.

To attend the meeting in-person

Come to Sandy City Hall (lower parking lot entrance).
39250 Pioneer Blvd., Sandy, OR 97055

To attend the meeting online via Zoom

Please use this link: <https://us02web.zoom.us/j/84134023320>

Or by phone: (253) 215-8782; Meeting ID: 841 3402 3320

2. ROLL CALL

3. APPROVAL OF MINUTES

3.1. May 2, 2022

2 - 3

[Sandy Urban Renewal Board - 02 May 2022 - Minutes - Pdf](#)

4. NEW BUSINESS

4.1. Urban Renewal Tax Increment

4 - 7

Resolution 2022-14

[Urban Renewal Tax Increment - Pdf](#)

5. ADJOURN



MINUTES
Sandy Urban Renewal Board Meeting
Monday, May 2, 2022 6:00 PM

BOARD PRESENT: Carl Exner, Councilor, Jeremy Pietzold, Council President, Laurie Smallwood, Councilor, Stan Pulliam, Mayor, Don Hokanson, Councilor, Kathleen Walker, Councilor, Richard Sheldon, Councilor, Khrys Jones, Chamber Director, and Phil Schneider, Fire Chief

BOARD ABSENT: (none)

STAFF PRESENT: Jeff Aprati, City Recorder, Jordan Wheeler, City Manager, and David Snider, Economic Development Manager

MEDIA PRESENT: (none)

1. URBAN RENEWAL BOARD EXECUTIVE SESSION - 6:00 PM
The Sandy Urban Renewal Board met in executive session pursuant to ORS 192.660(2)(e)

2. URBAN RENEWAL BOARD REGULAR MEETING - 6:30 PM

3. Roll Call

4. APPROVAL OF MINUTES

4.1. **Approval of Minutes**
April 4, 2022

Moved by Richard Sheldon, seconded by Khrys Jones

Approve the minutes.

CARRIED. 9-0

Ayes: Carl Exner, Jeremy Pietzold, Laurie Smallwood, Stan Pulliam, Don Hokanson, Kathleen Walker, Richard Sheldon, Khrys Jones, and Phil Schneider

5. New Business

5.1. **Economic Development Strategic Plan - Consultant approval**

Staff Report - 0565

The **Economic Development Manager** summarized the staff report, which was included in the agenda packet.

Board discussion ensued on the following topics:

- Advantages of selecting and working with Community Attributes, Inc.
- The extent to which this process will integrate and build upon the work accomplished through the Economic Opportunities Analysis
- The need for a larger discussion on Urban Renewal planning and spending strategy

Moved by Jeremy Pietzold, seconded by Richard Sheldon

Direct the SURA Executive Director to enter into an agreement with Community Attributes, Inc. to develop an Economic Development Strategic Plan in the amount of \$50,600.

CARRIED. 9-0

Ayes: Carl Exner, Jeremy Pietzold, Laurie Smallwood, Stan Pulliam, Don Hokanson, Kathleen Walker, Richard Sheldon, Khrys Jones, and Phil Schneider

6. **Adjourn**



Mayor, Stan Pulliam



City Recorder, Jeff Aprati



Staff Report

Meeting Date: June 21, 2022

From Tyler Deems, Deputy City Manager / Finance Director

SUBJECT: Urban Renewal Tax Increment

PURPOSE / OBJECTIVE:

Set the tax increment for the Sandy Urban Renewal Agency to impose taxes for Fiscal Year 2022 - 2023.

BACKGROUND / CONTEXT:

In June 2021 the Sandy Urban Renewal Agency Board adopted the biennial budget and appropriations for the Agency. In addition, the Agency elected to receive 100% of the division of taxes, essentially collecting all available property taxes associated with the Sandy Urban Renewal District. Typically the resolution that was adopted in 2021 would suffice for both years of the biennium, but the assessed property taxes of the Agency have triggered what is known as "revenue sharing." This means that the Agency must share a portion of the property taxes with the other taxing districts. A list of the other taxing districts within the District's boundaries can be found on page 5 of the [Urban Renewal Annual Report](#).

The District was created in 1998 with an initial maximum indebtedness (MI) of \$5 million. This was increased to \$18 million in 2008. Most recently, the MI was increased to \$67 million in 2015. As of June 30, 2021 the District had expended just under \$23 million, leaving a remaining MI of just over \$44 million.

ORS 457 allows for agencies to collect 100% of the division of taxes until the annual taxes assessed are greater than 10% of the original maximum indebtedness. Once the 10% threshold is reached, the Agency must then share a portion of the tax with all of the other taxing districts. In SURA's case, the 10% threshold would have been triggered once annual taxes imposed reached \$500,000. Because the initial maximum indebtedness was so low, the other taxing agencies agreed to use the revised maximum indebtedness of \$18 million as the baseline instead of \$5 million. As such, revenue sharing would not be triggered until the year following the first year that the annual taxes imposed exceeds \$1.8 million. Once revenue sharing is triggered, 25% of the anticipated annual increment above \$1.8 is allocated to the Agency, with the remaining 75% shared amount the other taxing districts.

The overall impact of this means that the Agency's annual property tax increment will not continue to grow at the same rate it has in the past due to the required sharing of excess increment. However, with new development likely to occur within the District in

the coming years, the total assessed value will likely increase, thus boosting the increment used to calculate the Agency's property tax revenue in future years. This is difficult to value at this time, given that we do not have reliable information as to what may be developed within the District.

Due the revenue sharing, the District should adopt a total tax increment value of \$114,108,967, which will generate approximately \$1.9 million in imposed taxes, for fiscal year 2022-2023. This increment will change annually depending on growth within the district, as well as the assessed value of properties within the district.

RECOMMENDATION:

Staff recommends that the Board adopt Resolution 2022-14.

BUDGETARY IMPACT:

If adopted, no impact. If not adopted, a loss of approximately \$1,900,000 in property tax revenue.

SUGGESTED MOTION LANGUAGE:

"I make a motion to adopt Resolution 2022-14, a resolution setting the incremental assessed value for the Sandy Urban Renewal Agency."

LIST OF ATTACHMENTS/EXHIBITS:

- Resolution 2022-14



NO. 2022-14

A RESOLUTION DECLARING THE INTENT TO COLLECT TAX INCREMENT FOR FISCAL YEAR 2022-23

Whereas, Sandy Urban Renewal Agency (SURA) adopted a budget in the sum of \$10,359,987 for biennium 2021-2023 on June 7, 2021, and

Whereas, since the adoption, the tax amount collected has triggered revenue sharing to the other taxing districts within the urban renewal area, thus limiting the tax imposed in the district, and

Whereas, SURA retains the existing budget and appropriations for the biennial period July 1, 2021 to June 30, 2023 from Resolution 2021-13, but modifies the amount used to certify the division of tax revenues to \$114,108,967 thus limiting the tax imposed in the district in accordance with ORS 457.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Sandy Urban Renewal Agency that:

1. Retains the total budget previously adopted via Resolution 2021-13.
2. Retains the appropriations previously adopted via Resolution 2021-13.
3. The SURA Board hereby certifies to the Clackamas County Assessor the Agency's intention to set the incremental assessed value to \$114,108,967, which will generate approximately \$1,900,000 of taxes imposed.

This resolution is adopted by the Common Council of the City of Sandy and approved by the Mayor this 21 day of June 2022

Stan Pulliam, Mayor

ATTEST:

#2022-14

Jeff Aprati, City Recorder

#2022-14