

# City of St. Helens Urban Renewal Agency

## Proposed Budget FY 2021-2022



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### **URBAN RENEWAL AGENCY BOARD (2020 Selection)**

Doug Morten	Board Chair
Stephen Topaz	Board Vice Chair
Rick Scholl	Board Member
Patrick Birkle	Board Member
Jessica Chilton	Board Member

### **BUDGET COMMITTEE**

Clair Catt	Budget Committee Member
Michelle Damis	Budget Committee Member
Mark Gunderson	Budget Committee Member
Bill Eagle	Budget Committee Member
Garrett Lines	Budget Committee Member

### **CITY STAFF**

John Walsh	Agency Administrator
Jenny Dimsho	Agency Secretary

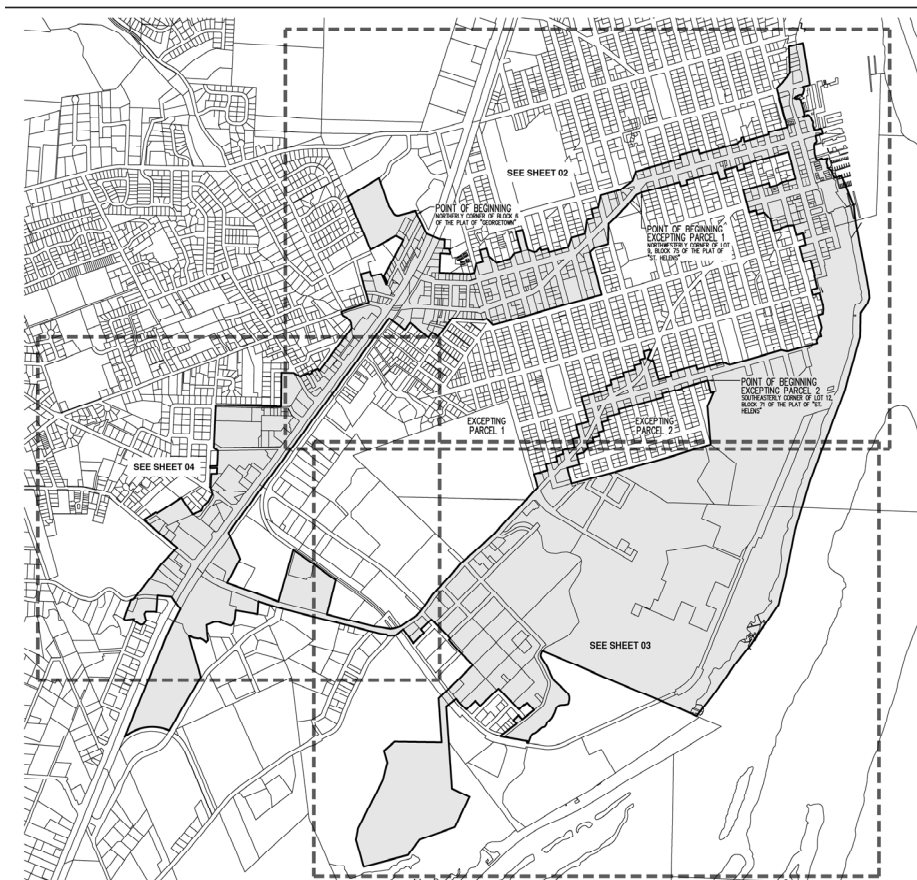
## ABOUT THE AGENCY

The City of St. Helens Urban Renewal Agency (URA) is a separate entity from the City. The City of St. Helens 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 capture a portion of the tax base from growth to make investments to revitalize and improve economic and community development projects included in the Urban Renewal Plan. When the St. Helens Urban Renewal Plan was adopted in 2017, property values within the district boundary were frozen. The taxes collected on that frozen value continue to flow to the taxing authorities (City, County, Schools, Fire, etc.). Any growth and appreciation amount over the frozen base funds the Urban Renewal Agency and Urban Renewal Plan.

Urban Renewal Tax Collections are not an additional tax, rather it is a division of the existing taxes where the greater portion is directed towards funding projects within the UR Area. URA revenues are used to initiate development that would not be financially feasible without infrastructure improvements made possible by urban renewal financing. In 2020, the URA and City Council went through a formal process to adopt a major boundary amendment to address URA revenue shortfalls by adding property with development potential and removing underperforming properties. The total acreage of the URA, as amended in 2020, is 752 acres. No projects were changed, and the maximum indebtedness did not increase with this major amendment.

The diagram below shows the URA Boundary from 2017, as amended in 2020. The adopted Urban Renewal Plan is available on the City's website at <https://www.sthelensoregon.gov/urban>



## **FY 2021-2022 BUDGET MESSAGE**

The St Helens Urban Renewal Agency (URA) has since its 2017 inception, struggled to meet revenue expectations. This was primarily due to a planned major investment in the Armstrong World Industries site which not only didn't occur, but the business ended up closing shutting down operations. As a result, the Agency has received less than budgeted revenues for several years. With assessed value lower than the certified frozen base, the URA received essentially no tax-increment finance (TIF) revenue in FY 2020. In an effort to realign the URA's financial condition the City Council, staff, and the URA pursued adoption of a major amendment to the URA boundary in November 2020. This amendment added taxable properties to the agency and removed others that were either non-taxable or non-buildable and resulted in a slight reduction in total area.

Over the next few years, due to these additions and subtractions the URA is expected to meet revenue projections to fund the long list of projects detailed in the URA Plan. For additional detail regarding revenue projections, visit the City's website at <https://www.sthelensoregon.gov/urban> to review the November 2020 Urban Renewal Amendment.

As a result of the changes created through the amendment the URA is expected to have limited capacity to fund specific projects in FY 2021-2022, however we anticipate the URA will have the capacity to fund \$8M in projects within the next 5 years. This plan and project list is available on the City's website at <https://www.sthelensoregon.gov/urban>.

The 20201-2022 URA budget, as in prior years, proposes to dedicate 100 percent of URA revenues into a contingency account under expenses. This allows maximum flexibility four use of funds though no specific projects are identified. The City can be reimbursed from the URA for eligible expenses though we do not anticipate reimbursement in this upcoming year. These reimbursements can include URA planning fees and professional services along with a percentage of staff time that was used to create the URA. These expenses are easily tracked in our financial system if the City chooses to seek reimbursement at any time in the future from the URA.

Respectfully,

John Walsh, St. Helens Urban Renewal Agency Administrator

## FY 2021-2022 BUDGET

RESOURCES	2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed	2021-22 Approved	2021-22 Adopted
<b>LOCAL TAXES</b>						
801-000-31003 Property Tax - Current	51,595	1,259	1,100	354,000	-	-
801-000-031002 Property Tax - Previous	-	-	-	-	-	-
<b>TOTAL CHARGES FOR SERVICES</b>	<b>51,595</b>	<b>1,259</b>	<b>1,100</b>	<b>354,000</b>	-	-
<b>FUND BALANCE AVAILABLE</b>						
801-000-39001 Fund Balance Available	-	51,595	51,595	53,000	-	-
<b>TOTAL RESOURCES</b>	<b>51,595</b>	<b>52,854</b>	<b>52,695</b>	<b>407,000</b>	-	-

EXPENDITURES	2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed	2021-22 Approved	2021-22 Adopted
<b>CONTINGENCY</b>						
801-000-58001 Contingency	-	-	-	407,000	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	<b>407,000</b>	-	-