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# WOOD VILLAGE URBAN RENEWAL DISTRICT

ADOPTED BUDGET

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FISCAL YEAR 2011-12

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**CITY OF WOOD VILLAGE, OREGON**

**Fiscal Year 2011-12**

**URBAN RENEWAL DISTRICT  
BUDGET COMMITTEE**

**URBAN RENEWAL DISTRICT  
MEMBERS:**

Patricia Smith, Chairperson

David M. Fuller

Stanley Dirks

Timothy Clark

Jerry Hinton

Craig D. Howard

David Ulmer

**CITIZEN MEMBERS:**

Donald L. Robertson

Marilee Thome

Judy Burcham-Howard

Elzbieta Gerla

Beverly A. Stone

*vacant*

*vacant*

**STAFF**

Bill Peterson

City Administrator

Peggy Minter

Finance Director

Randy Jones

Public Works Director

Greg Dirks

HR/Records Manager

**WOOD VILLAGE URBAN RENEWAL DISTRICT  
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## BUDGET MESSAGE

### WOOD VILLAGE URBAN RENEWAL AGENCY

#### INTRODUCTION

Oregon Local Budget Law (Oregon Revised Statutes Chapter 294) requires each local governmental unit to prepare and adopt an annual budget. A budget is a **financial plan** containing estimates of revenues and expenditures by fund for a single fiscal year. The accompanying document presents this information for the Wood Village Urban Renewal Agency for the fiscal year beginning July 1, 2011 and ending June 30, 2012.

A Budget Committee comprised of the seven members of the Urban Renewal Agency Board, and an equal number of citizens of the City reviews and approves the proposed budget and the tax rate or levy. The citizen members of the Budget Committee are appointed by the Agency Board for three-year terms. The Board may make certain adjustments to the approved budget before adoption in June.

An urban renewal agency is governed under the provisions of Oregon Law, specifically Chapter 450 of the revised statutes. The annual budget is mandated, as is the maximum potential levy that may be levied by the Agency. The statutory provisions specifically limit the Agency to collecting the amount of taxes necessary to service issued debt, and establish the maximum potential limits for any Agency.

The provisions affecting the Wood Village Agency are included in ORS457.450, and specifically limit the collections of the agency to the amount necessary for the retirement of debt. As provided by law, tax increment revenues are to be used solely for the payment of principal and interest on indebtedness issued or incurred to carry out the urban renewal plan. There are several forms of indebtedness for which tax increment funds may be spent. Urban renewal "bonds" are formal long term debt with a specific schedule of repayment of principal and interest. Urban renewal "notes" are formal short term debt with a specific schedule of repayment of principal and interest. Other forms of debt include interfund borrowing, tax anticipation notes, and similar specifically authorized debt instruments.

The specific provision of the law is in ORS457.450(2), which provides as follows:

"2) When the principal and interest on the maximum indebtedness of an urban renewal plan to which the portion of taxes is irrevocably pledged for payment under ORS 457.435 or 457.440 is fully paid, or it is found that deposits in the special fund are sufficient to fully pay principal and interest on the maximum indebtedness either through direct payment of the indebtedness or by payment of principal and interest on bonds or notes issued to finance the indebtedness, the agency shall notify the assessor of that fact."

This has been interpreted by the Tax Court to mean that an Agency may not levy any tax, nor make any appropriation or expenditure except when that amount is less than the accumulated outstanding debt for the Agency. The statute further limits the specific maximum returns that can be included in any tax increment based on a percentage of the maximum authorized debt for the Agency.

In our instance, the maximum authorized debt for the Wood Village Urban Renewal Agency is \$11,750,000. To date, the agency has borrowed \$37,368, allowing us to authorize the first direct levy on behalf of the agency. Projected revenues from the tax increment, applying the overlapping tax rate of \$14.8846 per thousand of assessed value, will be \$18,631. In accord with the statute, all such revenues will be directly applied to the repayment of outstanding debt, and to plan authorized expenditures.

### **The Urban Renewal Plan**

Our adopted plan contains provisions for specific expenditures to assist in the creation of additional increment that will lead to the physical construction of various public facilities. The plan specifically calls for the following actions:

- Redevelopment Assistance: Create a program to allow the acquisition of property from willing sellers, assembly of property and eventual resale of property for redevelopment, allow for building façade grants/loans and other assistance.
- Economic Development Assistance including technical assistance programs, recruitment and marketing, acquisition assistance, and the promotion of job creation.
- Housing development toolbox including technical assistance programs and assistance in infrastructure financing.
- Public Facilities
  - Water Lines in Arata Road
  - Stormwater and drainage improvements, Arata
  - Future municipal buildings, city and county
  - Utility infrastructure installations including masterplans
  - City Gateway signage, historic markers, statutes, and funding of non-conforming sign removal
  - Sustainable project assistance programs as well as alternate energy programs

### **Plan Implementation for FY2011-2012**

The limited availability of resource was recognized in the plan authorization, with the acknowledgement that no substantial projects or substantial debt will be undertaken until fiscal period 2014-2015. Planned debt issuance for FY2015 is \$1,632,211, combining retirement of short term debt with the undertaking of significant priority one infrastructure work, currently identified as the Arata Road Water line loop.

The Agency will need to complete the development of program elements in this fiscal period, with the anticipation of financing those programs in the following period. To that end, the allocation of time from existing staff to the Agency along with Contractual services for urban renewal technical assistance are the only appropriations in the Agency. Until we have other operable programs, no appropriations will be sought for specific assistance programs.

The Board met to review priorities, goals and establish a work plan in advance of the budget adoption. The planned activities for the next year include the following:

<b>Goal 1: Citizen Involvement</b>	
To provide for citizen involvement in all phases of the planning process	Complete Inventory of all Properties
	Provide Notice to all Tenants, Business Operators, and Property Owners of Agency and Plan
<b>Goal 2. Transportation Infrastructure</b>	
To help provide for and encourage a safe, convenient and efficient transportation system.	No activity in the Period
<b>Goal 3. Economy Economic Development Assistance</b>	
To diversify and improve the economy of Wood Village	Listing of Tools in Place in Other Redevelopment Agencies
	Develop "Meet or Beat" Guidelines
<b>Goal 4. Redevelopment Assistance</b>	
To provide assistance to improve the economic condition of the Area	Develop and Distribute a Marketing Outreach Piece
	Prepare a Strategy to Reach out to Banks
<b>Goal 5. Housing Development</b>	
To provide safe housing that meets current building code standards and mixes uses to create an inviting and attractive shopping, living and dining experience.	Identify Foreclosure Properties with Focus on Non-Profits and other non taxpaying ownership
<b>6. Public Facilities</b>	
To plan for, assist, and construct an efficient arrangement of public facilities and services to accommodate new and existing development and preserve the City's Heritage	No activity in the Period
<b>7. Energy: Environment and Sustainability</b>	
To plan for an environmentally clean and sustainable Wood Village	No activity in the Period

In the event that any opportunities arise that may allow the agency to act in a manner to create the increment necessary in the boundaries, or to assist in the creation of jobs, a supplemental budget process will be necessary to permit the Agency to act.

Respectfully Submitted

Handwritten signature of William A. Peterson, Jr. in blue ink.

William A. Peterson, Jr.  
Budget Officer

Handwritten signature of Peggy Minter in blue ink.

Peggy Minter  
Finance Officer