



HAPPY VALLEY
URBAN RENEWAL AGENCY

2021-22 Proposed Budget



Happy Valley Urban Renewal Agency Fiscal Year 2021 - 2022 Budget

TABLE OF CONTENTS

INTRODUCTORY

BUDGET COMMITTEE	3
MAP	4
BUDGET MESSAGE	5

FUNDS

GENERAL FUND	6
---------------------------	----------

NOTICES AND RESOLUTIONS

NOTICES	8
----------------------	----------



Happy Valley Urban Renewal Agency Fiscal Year 2021 - 2022 Budget

Budget Committee

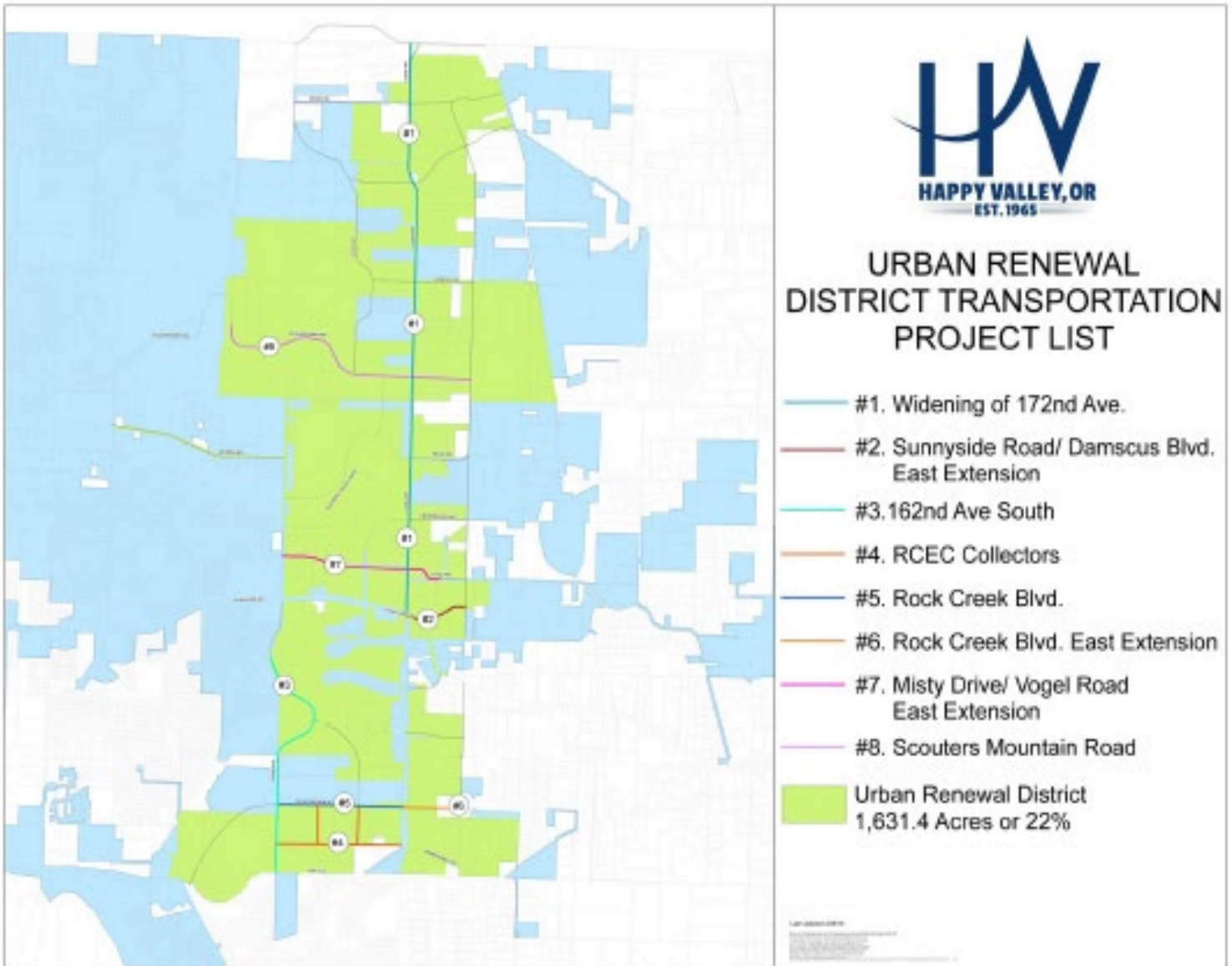
Agency Members

Tom Ellis – Chairperson
Brett Sherman
Markley Drake
David Golobay
David Emami
Avi Patel
John Shepherd
Grant Roper
Ana Sarish
Anh Lê

Administered by:
City of Happy Valley
16000 SE Misty Drive
Happy Valley, OR 97086
www.happyvalleyor.gov



Happy Valley Urban Renewal Agency Fiscal Year 2021 - 2022 Budget





Happy Valley Urban Renewal Agency Fiscal Year 2021 - 2022 Budget

Budget Message for fiscal year 2021-22

I am pleased to present you with the Fiscal Year 2021 proposed budget for the Happy Valley Urban Renewal Agency (HVURA). The HVURA is governed by the Commission, which is made up of the City of Happy Valley's City Council.

The Happy Valley City Council adopted an Urban Renewal Plan for the East Happy Valley area on July 16, 2019 in order to provide economic development help facilitate the construction of the infrastructure investments that are required to accommodate future growth while preserving the quality of life in Happy Valley.

As a matter of background, Urban Renewal allows cities to borrow against future tax increases in designated areas to create funds for infrastructure improvements or loans and grants to private entities to make development feasible in difficult locations. Urban renewal uses tax increment financing (TIF) to fund these projects. This means that the existing tax base for the urban renewal area is frozen and tax on the incremental assessed value within the plan area is allocated to the HVURA. Tax revenue generated by the increment is used to execute projects or pay debt service issued to execute projects and activities outlined in the plan. Per the Clackamas County Tax Assessor this frozen base for the HVURA was determined to be \$189,317,040. It is anticipated that the plan will take 25 years to implement and the HVURA intends to not collect tax increment revenues after fiscal year end 2045. According to the plan, the maximum amount of indebtedness that may be issued for the plan is \$131,000,000. The current estimate for HVURA's budget is approximately \$900,000 in tax increment that will be generated during the 2021-22 fiscal year. We are proposing the full \$1.6 million be appropriated for urban renewal programming which could include economic development activities. We propose an Admin fee of \$35,000 paid to the City of Happy Valley which represents 5% of the collected tax increment. This budget is the HVURA's financial plan for the fiscal year ending June 30, 2022. The budget is prepared based on the modified accrual basis of accounting and appropriated at the program level. This involves recognizing revenue when it becomes both available and measurable, rather than when it is earned. Expenditures, a term used instead of expenses for modified accrual accounting, are recognized when the related liability is incurred.

The HVURA is managed by City staff and conforms to the same financial policies as the City. The City of Happy Valley is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of these Fiscal Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by the City Council as the basic framework for overall financial management of the City, to guide day-to-day and long-range fiscal planning and decision-making.

Respectfully submitted,

Jason Tuck
City Manager and Budget Officer



Happy Valley Urban Renewal Agency Fiscal Year 2021 - 2022 Budget

General Fund

RESOURCES AND REQUIREMENTS

The Urban Renewal General Fund is the general operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another fund. Principal sources of revenue are tax increment revenues. The Urban Renewal General Fund accounts for the resources of the City's Happy Valley Urban Renewal District. The Happy Valley Renewal District was established in 2019 and this will be the first year that it will receive Tax Increment Financing revenues. The primary expenditures in the proposed budget are Capital Outlay for Urban Renewal Projects.

Tax Increment Revenues - The proposed budget revenue is calculated using the formula outlined in Oregon Revised Statutes. Collections from the current tax increment revenues for the Happy Valley Urban Renewal District are projected to be \$900,000.

Happy Valley Urban Renewal Agency - General Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 667,500	\$ -	\$ -
Tax Increment	-	-	500,000	700,000	900,000	-	-
Misc Revenue	-	-	10,000	2,500	10,000	-	-
Total Resources	-	-	510,000	702,500	1,577,500	-	-
Requirements							
Materials and Services							
Contract Services	-	-	25,000	35,000	300,000	-	-
Capital Outlay							
Urban Renewal Projects	-	-	485,000	-	1,277,500	-	-
Total Requirements	-	-	510,000	35,000	1,577,500	-	-
Total Requirements	-	-	510,000	35,000	1,577,500	-	-
Ending Fund Balance	-	-	-	667,500	-	-	-