



HAPPY VALLEY
URBAN RENEWAL AGENCY

2026-27 Adopted Budget



Happy Valley Urban Renewal Agency

Fiscal Year 2026 - 2027 Budget

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Happy Valley Urban Renewal Agency Fiscal Year 2026 - 2027 Budget

Budget Committee

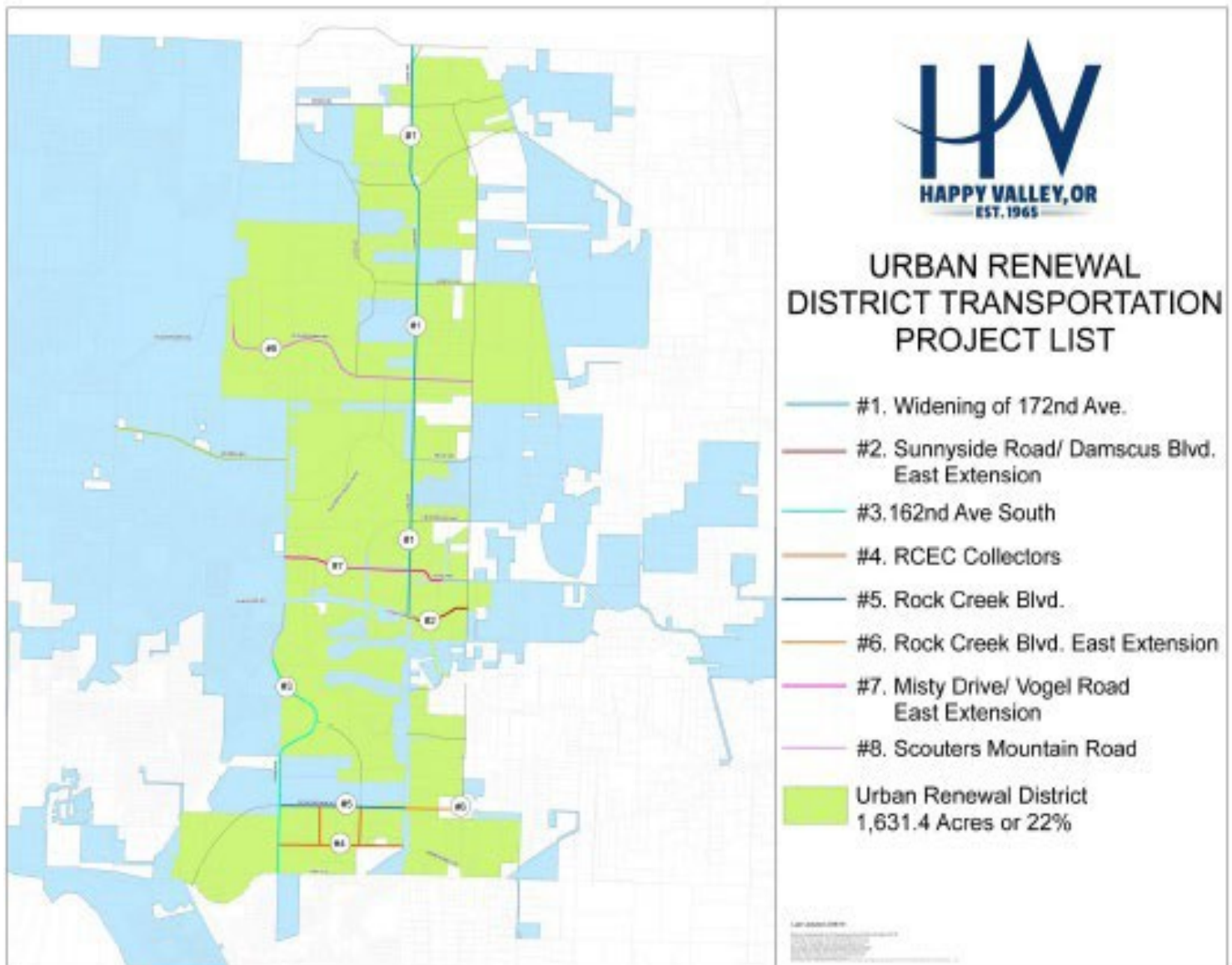
Agency Members

Tom Ellis – Chairperson
Josh Callahan
Brett Sherman
David Golobay
Glenn Wachter
David Emami
Geri Naumcheff
Gus Sackos
Sheila Ritz

Administered by:
City of Happy Valley
16000 SE Misty Drive
Happy Valley, OR 97086
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Happy Valley Urban Renewal Agency Fiscal Year 2026 - 2027 Budget





Happy Valley Urban Renewal Agency Fiscal Year 2026 - 2027 Budget

Budget Message for Fiscal Year 2026-27

I am pleased to present you with the Fiscal Year 2026-27 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 to 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 \$8,000,000 in tax increment that will be generated during the 2026-27 fiscal year. We are proposing the full \$8 million be appropriated for urban renewal programing which could include economic development activities. We propose an Admin fee of \$370,000 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, 2027. 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 2026 - 2027 Budget

General Fund

RESOURCES

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 second 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 \$8,000,000.

Debt Proceeds – In February 2023 the City issued \$16.1million in Full Faith & Credit Obligations with a true interest cost of 3.2% and a final maturity in June 2042 to fund Urban Renewal projects.

REQUIREMENTS

Materials and Services – Includes 5% administration fee of total tax increment and general consulting for Urban Renewal projects.

Capital Outlay – Expenditures for Urban Renewal capital projects. During fiscal year 2026-27, major projects will be undertaken such as the Main Street Road, 172nd widening and construction of roads within the new Community Park.

TRANSFERS

To Urban Renewal Debt Service Fund – Transfer to cover the debt service principal and interest payment.

Happy Valley Urban Renewal Agency - General Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 2,458,464	\$ 4,893,558	\$ 8,681,558	\$ 7,602,379	\$ 12,124,179	\$ 12,124,179	\$ 12,124,179
Tax Increment	4,940,836	5,789,608	7,000,000	7,000,000	8,000,000	8,000,000	8,000,000
Misc Revenue	234,234	359,157	250,000	430,000	500,000	500,000	500,000
Total Resources	<u>\$ 7,633,534</u>	<u>\$ 11,042,323</u>	<u>\$ 15,931,558</u>	<u>\$ 15,032,379</u>	<u>\$ 20,624,179</u>	<u>\$ 20,624,179</u>	<u>\$ 20,624,179</u>
Requirements							
Personnel Services							
FTE Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wages	\$ 101,769	\$ 109,870	\$ 174,200	\$ 160,000	\$ 178,700	\$ 178,700	\$ 178,700
Benefits	44,839	48,796	98,000	77,000	100,600	100,600	100,600
Total Personnel Services	<u>146,608</u>	<u>158,666</u>	<u>272,200</u>	<u>237,000</u>	<u>279,300</u>	<u>279,300</u>	<u>279,300</u>
Materials and Services							
Contract Services	442,786	899,756	4,000,000	1,000,000	2,000,000	2,000,000	2,000,000
Total Materials and Services	<u>442,786</u>	<u>899,756</u>	<u>4,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Capital Outlay							
Urban Renewal Projects	1,082,632	1,311,322	10,559,358	600,000	17,244,879	17,244,879	17,244,879
Total Capital Outlay	<u>1,082,632</u>	<u>1,311,322</u>	<u>10,559,358</u>	<u>600,000</u>	<u>17,244,879</u>	<u>17,244,879</u>	<u>17,244,879</u>
Transfers							
To UR Debt Service Fund	1,067,950	1,070,200	1,100,000	1,071,200	1,100,000	1,100,000	1,100,000
Total Transfers	<u>1,067,950</u>	<u>1,070,200</u>	<u>1,100,000</u>	<u>1,071,200</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Contingency							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>\$ 2,739,976</u>	<u>\$ 3,439,944</u>	<u>\$ 15,931,558</u>	<u>\$ 2,908,200</u>	<u>\$ 20,624,179</u>	<u>\$ 20,624,179</u>	<u>\$ 20,624,179</u>
Ending Fund Balance	4,893,558	7,602,379	-	12,124,179	-	-	-



Happy Valley Urban Renewal Agency Fiscal Year 2026 - 2027 Budget

172nd Ave Improvement Project

A major transportation investment supporting mobility and future community growth

The 172nd Avenue Improvement Project will reconstruct and widen 172nd Avenue between Misty Drive and Scouters Mountain Road, creating a major north-south transportation corridor for the City of Happy Valley. Delivered in partnership with Clackamas County, the project is intended to relieve congestion, improve safety, and support long-term residential and commercial growth in one of Happy Valley's key development areas. As the corridor evolves into a primary transportation spine, the improvements will strengthen connections between existing neighborhoods, future development areas, parks, community destinations, and the City's Downtown/Main Street vision.

The project will transform 172nd Avenue from a constrained corridor into a multi-lane urban arterial roadway with modern multimodal facilities and supporting infrastructure. Planned improvements include roadway widening, bicycle lanes, sidewalks, enhanced crossings, street lighting, expansion of the Scouters Mountain Road roundabout, a new roundabout at Troge Road, utility undergrounding, and replacement of undersized bridges near Troge Road. These improvements will provide the transportation capacity and multimodal connections needed to support future residential, commercial, recreational, and civic destinations throughout the community.



Project at a Glance



Move

Increase street capacity
and reduce congestion



Connect

Provide improved bicycle,
pedestrian and vehicle access



Support Growth

Create infrastructure need
to support community
growth

Designed to relieve congestion, improve safety and support long-term residential and commercial growth.

Project Cost Forecast:

Project Costs	Expenses Thru FY26	Budget 2026-27	Forecast 2027-28	Forecast 2027-28	Project Total
Real Estate, Planning & Design	\$ 4,000,000	\$ 5,000,000	\$ 3,000,000	\$ 1,000,000	\$ 13,000,000
Construction		\$ 5,000,000	\$ 20,000,000	\$ 7,000,000	\$ 32,000,000
Total	\$ 4,000,000	\$ 10,000,000	\$ 23,000,000	\$ 8,000,000	\$ 45,000,000



Happy Valley Urban Renewal Agency Fiscal Year 2026 - 2027 Budget

172nd Ave Improvement Project

Fun Fact Snapshot

 Estimated Total Cost \$45 million	 Funding Source Urban Renewal Fund, Transportation SDC Fund, Joint County/City Resources
 Current Status Design and Permitting	 Estimated Completion 2028



 2026-27 Budget Capital Outlay \$10 million	 Operations Impact Maintenance of ROW	 What's Next Design progression and ROW acquisition
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Happy Valley Urban Renewal Agency Fiscal Year 2026 - 2027 Budget

Happy Valley Main Street Project

A transportation and economic development investment supporting future growth, connectivity, and the long-term vision for Happy Valley's Main Street area

The Main Street Extension Project is a key transportation and infrastructure investment that will help shape the future of Happy Valley's emerging Main Street area. The project is intended to improve connectivity between existing neighborhoods, businesses, future development areas, and the planned Community Park while creating a street network that supports mobility, economic activity, and a more connected community. As the area continues to evolve, the extension will provide critical transportation infrastructure needed to support future residents, businesses, public spaces, and recreational destinations.

Located within the broader Happy Valley Main Street and Downtown District planning area, the project is being advanced as part of the City's long-range vision for a walkable, mixed-use district that combines housing, employment, shopping, dining, recreation, and community gathering spaces. Planning efforts have focused on establishing an interconnected street network that safely accommodates vehicles, pedestrians, and bicyclists while creating an important connection between the future downtown area and the planned Community Park.

The proposed improvements include new roadway segments, pedestrian and bicycle facilities, utility infrastructure, streetscape enhancements, and connections to surrounding neighborhoods and regional transportation corridors. The project is intended to enhance mobility, support economic development opportunities, improve access to future housing and commercial areas, and establish the transportation framework needed to realize Happy Valley's long-term downtown vision.

🚧 Main Street at a Glance 🚧



Connect

Improve circulation
within the Main Street
area



Support Growth

Provide infrastructure
needed for future
development



Create Place

Build a multimodal
corridor that supports
vibrant activity

Designed to improve mobility, support economic development, and connect the future Main Street district with major community destinations.



Happy Valley Urban Renewal Agency Fiscal Year 2026 - 2027 Budget

Happy Valley Main Street Project

Fun Fact Snapshot

Estimated Total Cost
\$14 million

Funding Source
Urban Renewal Fund

A future destination for recreation, gathering, and outdoor connection.

Current Status
Design and Permitting

Estimated Completion
2028



2026-27 Budget
Capital Outlay
\$5 million

Operations Impact
Small increase to maintain facility

What's Next
Advance design, permitting, and bidding

Project Cost Forecast:

Project Costs	Expenses Thru FY26	Budget 2026-27	Forecast 2027-28	Forecast 2027-28	Project Total
Planning, Design & Permitting	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000		\$ 4,000,000
Construction		\$ 3,000,000	\$ 7,000,000		\$ 10,000,000
Total	\$ 1,000,000	\$ 5,000,000	\$ 8,000,000	\$ -	\$ 14,000,000



Happy Valley Urban Renewal Agency Fiscal Year 2026 - 2027 Budget

Debt Service Fund

RESOURCES

The Debt Service Fund is used to account for all the debt service payments made through the Urban Renewal District. This includes a transfer from the Urban Renewal General Fund to cover debt service payments.

REQUIREMENTS

Expenditures include debt service principal and interest payments.

Happy Valley Urban Renewal Agency - Debt Service Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	1,068,362	1,067,950	1,100,000	1,071,200	1,100,000	1,100,000	1,100,000
Total Resources	<u>\$ 1,068,362</u>	<u>\$ 1,067,950</u>	<u>\$ 1,100,000</u>	<u>\$ 1,071,200</u>	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>
Requirements							
Debt Service							
Principal	\$ 875,000	\$ 455,000	\$ 505,000	\$ 505,000	\$ 530,000	\$ 530,000	\$ 530,000
Interest	193,362	612,950	595,000	566,200	570,000	570,000	570,000
Total Debt Service	<u>1,068,362</u>	<u>1,067,950</u>	<u>1,100,000</u>	<u>1,071,200</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Total Requirements	<u>\$ 1,068,362</u>	<u>\$ 1,067,950</u>	<u>\$ 1,100,000</u>	<u>\$ 1,071,200</u>	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>
Ending Fund Balance	-	-	-	-	-	-	-



Happy Valley Urban Renewal Agency Fiscal Year 2026 - 2027 Budget

Notices and Resolutions

AD#: 0011086464

State of Oregon,) ss
County of Multnomah)

Stacey Tredici being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

Oregonian 04/10/2026

Principal Clerk of the Publisher

Sworn to and subscribed before me this 14th day of April 2026



KIMBERLEE WRIGHT O'NEILL
NOTARY PUBLIC - OREGON
COMMISSION NO. 1026818
MY COMMISSION EXPIRES 08/15/2026

Online Notary Public. This notarial act involved the use of online audio/video communication technology. Notarization facilitated by SIGNiX®

Notary Public

NOTICE OF BUDGET COMMITTEE MEETING
A public meeting of the Budget Committee of the Happy Valley Urban Renewal Agency, Clackamas County, State of Oregon, to discuss the budget for fiscal year July 1, 2026 to June 30, 2027 will be held at City Hall, 16000 SE Misty Drive, Happy Valley, OR 97086. The meeting link and information will be available on the City website. The meeting will take place on May 5th, 2026 at 7:00 PM. The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained on or after April 28th, 2026 on the City's website. This notice and the proposed budget for fiscal year 2026-27 will be posted on the city website: www.happyvalleyor.gov. This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee.

**HAPPY VALLEY URBAN RENEWAL AGENCY
RESOLUTION NO. 26-01**

**RESOLUTION ADOPTING THE BUDGET FOR FISCAL YEAR 2026-27 AND
APPROPRIATING FUNDS**

ADOPTING THE BUDGET

BE IT RESOLVED the HAPPY VALLEY URBAN RENEWAL AGENCY hereby adopts the budget for fiscal year 2026-2027 now on file at City Hall in the sum of \$21,724,179.

MAKING APPROPRIATIONS

BE IT RESOLVED the amounts for the fiscal year beginning July 1, 2026, and for the purposes shown below are hereby appropriated as follows:

GENERAL FUND	
Personnel Services	279,300
Materials and Services	2,000,000
Capital Outlay	17,244,879
Transfers	1,100,000
FUND TOTAL	20,624,179
DEBT SERVICE FUND	
Debt Service	1,100,000
FUND TOTAL	1,100,000
TOTAL APPROPRIATIONS ALL FUNDS	21,724,179

RESOLUTION IMPOSING THE TAX

BE IT RESOLVED that the Agency of the Happy Valley Urban Renewal hereby resolves to certify to the county assessor for the Happy Valley Urban Renewal Plan Area a request for the maximum amount of revenue that may be raised by dividing the taxes under section 1c, Article XI of the Oregon Constitution and ORS Chapter 457.

BE IT RESOLVED that this resolution is and shall be effective immediately from and after its adoption by the Council.

PASSED by the Agency Board this 16th day of June 2026.

APPROVED by the Agency Chair this 16th day of June 2026.

Tom Ellis
Tom Ellis, Chair

ATTEST:
Kara Kerpan
Kara Kerpan, City Recorder