



PHOENIX URBAN RENEWAL AGENCY

ADOPTED BUDGET

Fiscal Year 2020-2021

BUDGET COMMITTEE

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Jim Snyder
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To: Phoenix Urban Renewal (PHURA) Budget Committee
From: Eric Swanson, PHURA Interim Executive Director
Date: May 1, 2020
Subj: Proposed FY July 1, 2020- June 30, 2021 PHURA Budget

I am pleased to present to you with the proposed Phoenix Urban Renewal Agency (PHURA) budget for FY 2020-2021.

The proposed PHURA budget is very straightforward. Most of the increment available within the PHURA District is dedicated to the retirement of the two bonds that were used to fund the construction of Civic Center, previous property acquisitions and associated development costs within the district.

Included in this budget document is a copy of the PHURA District map for reference with identifying where the current PHURA boundaries are located within the City.

There is a line item proposed for \$100,000 in capital project(s) transfers out. If needed, this funding can be used by the PHURA District Board of Directors for projects that would add value or enhance development opportunities within the District.

The maximum indebtedness established in 2005 for the Phoenix Urban Renewal Plan was \$14,600,000. The maximum indebtedness is the total amount of funds that can be spent on projects, programs, and administration in the urban renewal area over the life of the urban renewal plan. The Phoenix Urban Renewal Plan is projected to be in operation until FY2031/32. The amount of maximum indebtedness remaining for the Plan Area is \$4,187,445. Please refer to the to the Annual Report for Fiscal Year Ending June 30, 2019 that was recently presented to the PHURA Board for more information.

We are not proposing to incur any additional bonds to fund projects in the proposed FY 2020-2021 PHURA budget.

I would like to thank city staff for all of the work involved in producing a well formulated and balanced budget. Also, a big thank you to the PHURA Budget Committee for their time and effort in reviewing this budget document.

VR,

Eric Swanson, PHURA Interim Executive Director

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Be safe, Be Diligent, Be Kind.

BUDGET CATEGORIES

There are two funds established for the agency: **Capital Projects Fund** and **Debt Service Fund**.

The **Capital Projects Fund** includes all expenses associated with the operation of the agency, including administration and project construction.

The **Debt Service Fund** consists of only tax revenue deposits and debt payments or transfers out for contracted debt, long term debt (bond issuances) and short-term borrowing. Unlike other municipal forms of government, urban renewal agencies cannot spend tax revenue when it is received; agencies are required to borrow or be in debt against anticipated tax revenue. It is this process of borrowing and being in debt that “converts” tax revenue in the Debt Service Fund to spendable funds in the Capital Projects Fund.

CAPITAL PROJECTS FUND -- BUDGET DETAILS

Resources

Transfers – These are funds originating as tax revenue in the Debt Service Fund, and transferred to pay for capital projects or contract obligations. In the budget, \$100,000 is transferred in from the debt service fund so the Capital Projects Fund can possibly do some small projects during the year.

Other resource lines are historical only.

Requirements (Expenditures)

Materials & Services – This includes all normal “day-to-day” operational expenses: insurance costs, staff reimbursements to the City of Phoenix, legal and accounting/auditing expenses.

Capital Outlay – This category includes small projects that may be completed during the fiscal year.

DEBT SERVICE FUND –BUDGET DETAILS

Resources

Beginning Fund Balance – The beginning fund balance in the Debt Service Fund reflects unspent revenue remaining from the previous fiscal year, which is carried forwarded into the next fiscal year.

Tax Revenue – Assumes 95% of the anticipated County Assessor’s tax levy will be received during the current year. The amount is based on projections for the current year from the Assessor’s Office and prior year collections. Tax increment revenue income is anticipated to grow by 3% from year-to-year.

Interest Earnings – Interest on tax revenue and interest income from bank accounts and state treasury accounts.

Requirements (Expenditures)

Bond Principal & Interest – These are payments made on long term bonds. In the future, each bond issue would be shown separately according to the year issued. All would be paid off over the life of the agency.

Bond Issuance/Borrowing Costs – These costs include the costs of issuing long or short-term bonds.

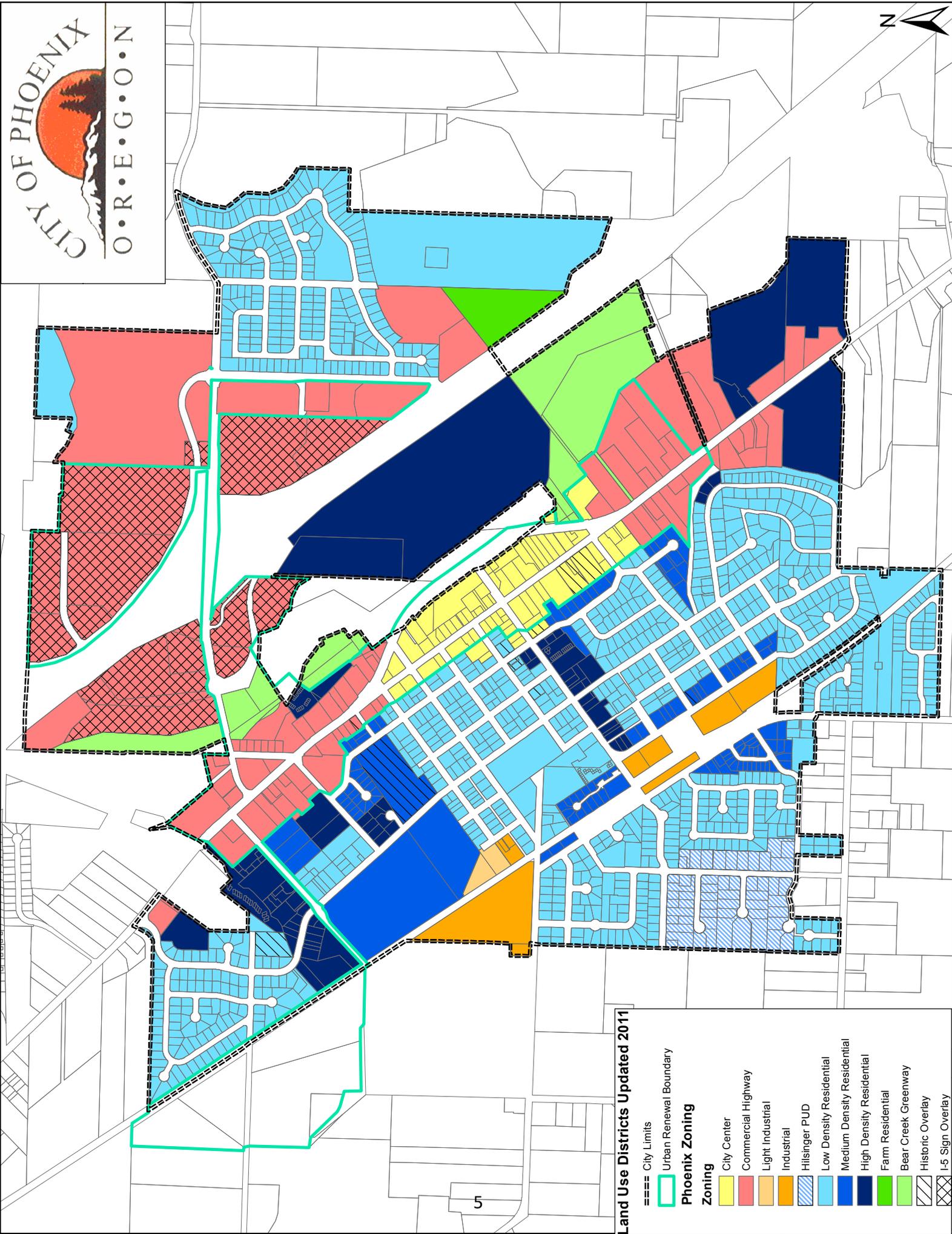
Of Note:

Tax Revenue – urban renewal agencies capture a portion of property taxes that would otherwise be collected by individual taxing jurisdictions such as cities, counties, school and other service districts. This arrangement, known as Tax Increment Financing (TIF), establishes a base value for all real property located within the geographic boundaries of the designated urban renewal agency district. Taxes assessed on that base value continue to be collected by the taxing jurisdictions; any additional tax revenue generated from increases in the base value are diverted to the urban renewal agency. In doing so, urban renewal agencies benefit from new construction and improvements within their districts that they are designed to encourage.

Capital Outlay – projects shown under Capital Outlay are intended to be consistent with projects authorized in the Urban Renewal Plan approved by the Phoenix city council when the agency was established by the City in 2005.

There are no new projects proposed in FY 2020-2021, however funds are budgeted for small miscellaneous projects.

Please see the following page for reference regarding the Urban Renewal Boundary.



Land Use Districts Updated 2011

- ==== City Limits
- ▭ Urban Renewal Boundary

Phoenix Zoning

- ▭ City Center
- ▭ Commercial Highway
- ▭ Light Industrial
- ▭ Industrial
- ▭ Hisinger PUD
- ▭ Low Density Residential
- ▭ Medium Density Residential
- ▭ High Density Residential
- ▭ Farm Residential
- ▭ Bear Creek Greenway
- ▭ Historic Overlay
- ▭ I-5 Sign Overlay

Capital Projects Fund Summary

	2017-2018 ACTUAL	2018-2019 ACTUAL	2019-2020 BUDGET	2020-2021 PROPOSED	2020-2021 APPROVED	2020-2021 ADOPTED
Resources:						
Beginning Fund Balance	\$ 47,112	\$ (176,283)	\$ (25,508)	\$ 49,076	\$ 49,076	\$ 49,076
Donations/Grants/Reimburse	47,075	-		-	-	-
Miscellaneous Revenue	20,502	164,416		-	-	-
Bond Proceeds - 2015B/2015C	1,019,248	-		-	-	-
Bond Proceeds - 2017	1,504,700	-		-	-	-
Transfers	126,000	600,000	200,000	100,000	100,000	100,000
Total Resources	\$ 2,764,637	\$ 588,133	\$ 174,492	\$ 149,076	\$ 149,076	\$ 149,076

Requirements:						
Personnel Services	\$ 13,737	\$ -	\$ -	\$ -	\$ -	\$ -
Materials & Services	60,080	49,918	65,500	59,200	59,200	59,200
Debt Service	29,139	179,567	17,820	-	-	-
Capital Outlay	2,837,964	381,389	90,000	75,000	75,000	75,000
Ending Fund Balance	(176,283)	(22,741)	1,172	14,876	14,876	14,876
Total Requirements	\$ 2,764,637	\$ 588,133	\$ 174,492	\$ 149,076	\$ 149,076	\$ 149,076

Fund: CAPITAL PROJECTS

Expense

	2017-18 ACTUAL	2018-19 ACTUAL	2019-2020 BUDGET	2020-2021 PROPOSED	2020-2021 APPROVED	2020-2021 ADOPTED
PERSONNEL SERVICES	\$ 13,737		\$ -	\$ -	\$ -	\$ -
MATERIALS & SERVICES						
Supplies	7,565	8,159		500	500	500
Utility	14,641	5,753	-	5,000	5,000	5,000
Audit	12,200	5,500	4,000	5,500	5,500	5,500
City of Phoenix Staff	17,548	28,109	30,000	15,000	15,000	15,000
Attorney	3,143	1,372	1,500	1,500	1,500	1,500
Professional/Contract Services	4,983	1,025	30,000	31,700	31,700	31,700
MATERIALS & SERVICES Total:	60,080	49,918	65,500	59,200	59,200	59,200
DEBT SERVICE						
Land Acquisition	29,139	179,567	17,820			
DEBT SERVICE Total:	29,139	179,567	17,820	-	-	-
CAPITAL OUTLAY						
Rehab Grant - Const.	8,510					
South Couplet Project	5,764	1,899				
Phoenix Plaza Project	2,816,239	283,226				
Plaza Infrastructure Roads	1,624					
Misc Small Projects	5,827	96,264	90,000	75,000	75,000	75,000
CAPITAL OUTLAY Total:	2,837,964	381,389	90,000	75,000	75,000	75,000
Expense Total:	\$2,940,920	\$ 610,874	\$ 173,320	\$ 134,200	\$ 134,200	\$ 134,200

Debt Service Fund

	2017-2018 ACTUAL	2018-2019 ACTUAL	2019-2020 BUDGET	2020-2021 PROPOSED	2020-2021 APPROVED	2020-2021 ADOPTED
Resources:						
Beginning Fund Balance	\$ 574,512	\$ 528,674	\$ 71,462	\$ 31,717	\$ 31,717	\$ 31,717
Tax Revenue	375,222	503,383	515,100	500,000	500,000	500,000
Interest Earnings	7,877	3,136	1,200	2,000	2,000	2,000
Total Resources	\$ 957,611	\$ 1,035,193	\$ 587,762	\$ 533,717	\$ 533,717	\$ 533,717

Requirements:						
Materials & Services						
Bond/Borrowing Costs	\$ 1,200	\$ 1,200	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Debt Service						
Bond Principal 2015B/2015C	125,000	125,000	130,000	135,000	135,000	135,000
Bond Interest 2015B/2015C	112,285	109,973	107,105	103,790	103,790	103,790
Bond Principal 2017	41,910	85,645	88,138	90,704	90,704	90,704
Bond Interest 2017	22,542	43,258	40,766	38,200	38,200	38,200
Transfers Out						
Transfers out - Capital Projects	126,000	600,000	200,000	100,000	100,000	100,000
Ending Fund Balance	528,674	70,117	20,453	64,723	64,723	64,723
Total Requirements	\$ 957,611	\$ 1,035,193	\$ 587,762	\$ 533,717	\$ 533,717	\$ 533,717