



PHOENIX URBAN RENEWAL AGENCY

ADOPTED BUDGET

Fiscal Year 2023-2024

BUDGET COMMITTEE

Board Members

Terry Baker
Angie Vermillion
James Snyder
Krista Peterson
Karen Shrader
Scott Clauson
Vacant

Citizen Members

Larry Dickson
Jeff Cool
Vacant
Vacant
Vacant
Vacant
Vacant



To: Phoenix Urban Renewal Agency (PHURA) Budget Committee
From: Eric Swanson, Executive Director
Date: May 5, 2023
Subject: FY July 1, 2023 - June 30, 2024 Budget Message

I am pleased to present you with the proposed Phoenix Urban Renewal Agency (PHURA) budget for Fiscal Year July 1, 2023-June 30, 2024.

Goals and objectives for PHURA are noted in the City of Phoenix Strategic Plan (dated October 2021) and May 2023 update which is included in this budget document.

The proposed PHURA budget is very straightforward. Most of the increment available within the district is dedicated to the retirement of the bonds that were originally issued by the City of Phoenix for construction of the Civic Center in 2017 and anticipating the sale, development and purchase of properties within the district. These bonds were refinanced in 2022.

We anticipate that the amount of increment collected within the UR district included in the 2023-2024 proposed budget will increase slightly as structures that were destroyed in the Almeda fire are replaced and new buildings are constructed.

The PHURA Board agreed to sell a portion of the property located at 4345 South Pacific Hwy to be developed as a part of the Blue Heron RV Park and the property south of the Civic Center was successfully transferred to the developers of the Phoodery project. The PHURA Board also elected to purchase the remainder of the properties on the west side of Main Street, south of 2nd Street and north of 1st Street. This property, known as the HOP (Heart of Phoenix) property, is currently being used as a construction staging site for the new Phoenix Government and Public Safety Center, which is scheduled to be completed in March of 2024. PHURA plans to sell a portion of this property to the City of Phoenix for future parking lot development. The sale is expected to occur in FY 2023-2024. PHURA also owns the 0.93-acre site on the southwest corner of Bear Creek Drive and E 4th Street. Both the Bear Creek Drive property and the HOP property are intended to attract larger, multi-story developments to serve as anchors to the downtown area. PHURA will continue to seek partners for the development of these sites.

The 2023-2024 proposed budget also includes funds for the Urban Revitalization Grant program. The PHURA Board allotted \$80,000 for this grant program, some of which has been spent in the 2022-2023 FY budget, but the remainder must be provided for in the 2023-2024 FY budget.

Lastly, the 2023-2024 proposed budget includes funds for hiring an urban renewal consultant to provide an annual report for the district.

VR,



Eric Swanson, Executive Director



City of Phoenix
220 North Main St. (P.O. Box 330)
Phoenix, OR 97535
541-535-1955 ext. 317
eric.swanson@phoenixoregon.gov

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.

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 recover from the property tax base loss from the 2020 Almeda fire.

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. On an ongoing basis, this is the cost for the bond paying agent.

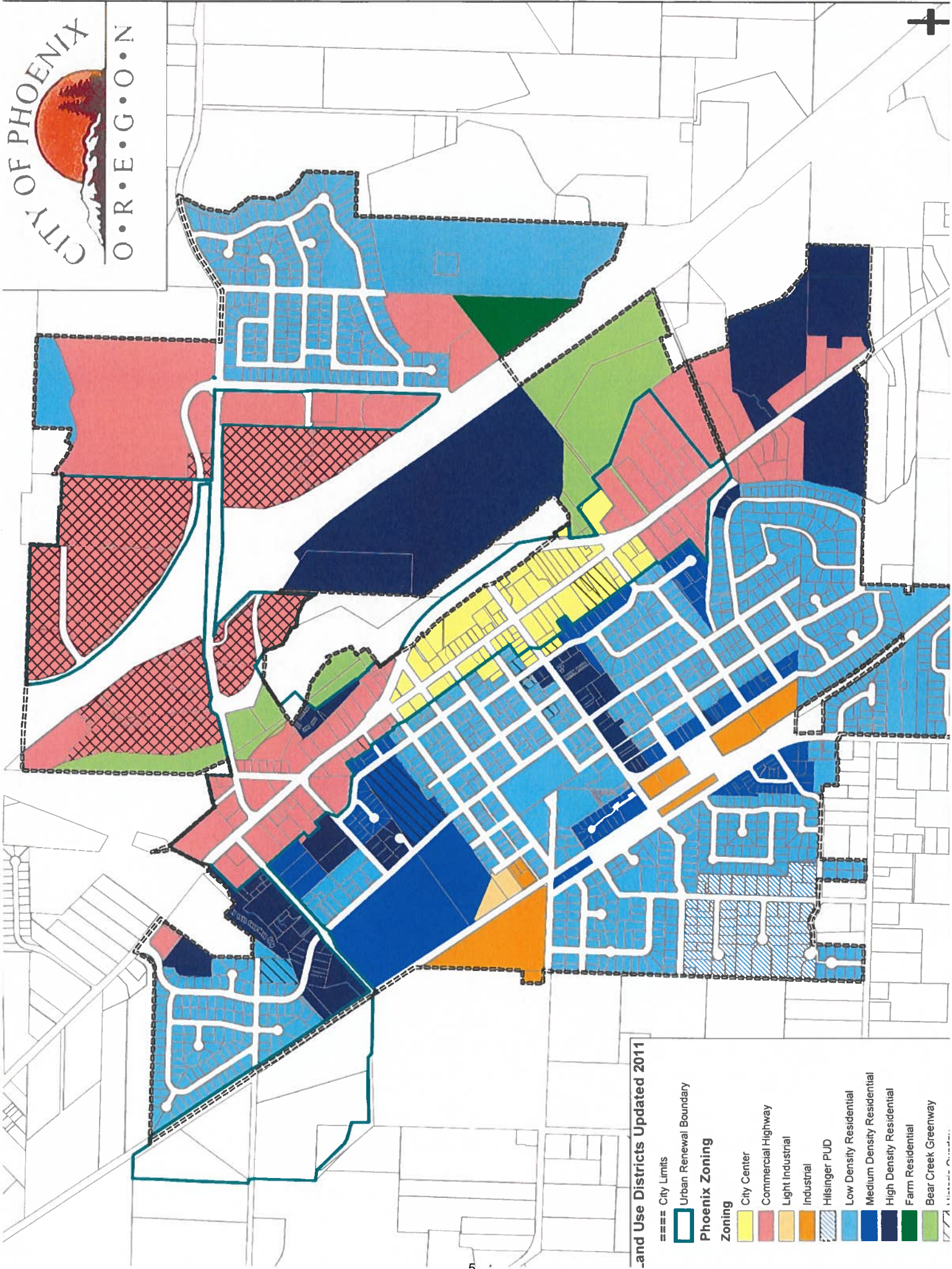
Of Note:

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 2023-2024, however funds are budgeted for small miscellaneous projects.

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



-and Use Districts Updated 2011

- ==== City Limits
- Urban Renewal Boundary
- Phoenix Zoning**
- City Center
- Commercial Highway
- Light Industrial
- Industrial
- Hilsinger PUD
- Low Density Residential
- Medium Density Residential
- High Density Residential
- Farm Residential
- Bear Creek Greenway

Phoenix Urban Renewal Capital Projects Fund Summary

	(Unaudited)					
	2020-2021	2021-2022	2022-2023	2023-2024	2023-2024	2023-2024
	ACTUAL	ACTUAL	ADOPTED	PROPOSED	APPROVED	ADOPTED
Resources:						
Beginning Fund Balance	\$ 87,633	\$ 159,124	\$ -	\$ 250,000	\$ 250,000	\$ 250,000
Donations/Grants/Reimburse	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	125,000	125,000	125,000
Bond Proceeds - 2015B/2015C	-	-	-	-	-	-
Bond Proceeds - 2017	-	-	-	-	-	-
Transfers	100,000	460,000	200,000	200,000	200,000	200,000
Total Resources	\$ 187,633	\$ 619,124	\$ 200,000	\$ 575,000	\$ 575,000	\$ 575,000

Requirements:						
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials & Services	27,389	43,710	75,000	100,000	100,000	100,000
Debt Service	-	-	-	-	-	-
Capital Outlay	1,120	574,442	125,000	300,000	300,000	300,000
Ending Fund Balance	159,124	972	-	175,000	175,000	175,000
Total Requirements	\$ 187,633	\$ 619,124	\$ 200,000	\$ 575,000	\$ 575,000	\$ 575,000

Phoenix Urban Renewal Debt Service Fund

	2020-2021 ACTUAL	(Unaudited)2 021-2022	2022-2023 ADOPTED	2023-2024 PROPOSED	2023-2024 APPROVED	2023-2024 ADOPTED
Resources:						
Beginning Fund Balance	\$ 51,333	\$ 181,866	\$0	\$600,000	\$600,000	\$600,000
Tax Revenue	597,957	560,406	535,000	575,000	575,000	575,000
Interest Earnings	3,063	5,067	2,000	10,000	10,000	10,000
Total Resources	\$ 652,353	\$ 747,339	\$ 537,000	\$ 1,185,000	\$ 1,185,000	\$ 1,185,000

Requirements:						
Materials & Services						
Bond/Borrowing Costs	\$ 2,773	\$ 650	\$ 1,300	\$ 3,000	\$ 3,000	\$ 3,000
Debt Service						
Bond Principal 2015B/2015C	135,000	135,000		145,000	145,000	145,000
Bond Interest 2015B/2015C	103,790	99,600		89,000	89,000	89,000
Bond Principal 2017	90,704					
Bond Interest 2017	38,200					
Bond Principal 2021		8,880	107,000	110,000	110,000	110,000
Bond Interest 2021			23,507	22,000	22,000	22,000
Transfers Out						
Transfers out - Capital Projects	100,000	100,000	200,000	200,000	200,000	200,000
Ending Fund Balance	181,886	403,209	205,193	616,000	616,000	616,000
Total Requirements	\$ 652,353	\$ 747,339	\$ 537,000	\$ 1,185,000	\$ 1,185,000	\$ 1,185,000

FORM UR-1

NOTICE OF BUDGET HEARING

A public meeting of the Phoenix Urban Renewal Agency will be held on Monday, June 5, 2023, at 6:00 pm at 220 N Main Street, Phoenix, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2023 as approved by the Phoenix Urban Renewal Agency Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at 220 North Main Street, between the hours of 8:00 a.m. and noon and 1:00 p.m. and 5:00 p.m. or online at www.phoenixoregon.gov. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as used the preceding year.

Contact: Denise Woodman, Contract Finance Director Telephone: 541-535-1955 x319 Email: denise.woodman@phoenixoregon.gov

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2021-22	Adopted Budget 2022-23	Approved Budget Next Year 2023-24
Beginning Fund Balance/Net Working Capital	340,990	0	850,000
Federal, State and All Other Grants			
Revenue from Bonds and Other Debt			
Interfund Transfers	460,000	200,000	200,000
All Other Resources Except Division of Tax & Special Levy	5,067	2,000	135,000
Revenue from Division of Tax	560,406	535,000	575,000
Revenue from Special Levy			
Total Resources	1,366,463	737,000	1,760,000

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services			
Materials and Services	44,360	76,300	103,000
Capital Outlay	574,442	125,000	300,000
Debt Service	243,480	130,507	366,000
Interfund Transfers	100,000	200,000	200,000
Contingencies			
All Other Expenditures and Requirements			
Unappropriated Ending Fund Balance	404,181	205,193	791,000
Total Requirements	1,366,463	737,000	1,760,000

FINANCIAL SUMMARY-REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *

Name of Organizational Unit or Program			
Phoenix Urban Renewal Agency			
Total Requirements	0	0	0
Total FTE	0	0	0

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds		
Other Bonds		
Other Borrowings	\$3,344,000	
Total	\$3,344,000	\$0

PHOENIX URBAN RENEWAL AGENCY
Phoenix, Oregon

RESOLUTION NO. 23 - 02

**A RESOLUTION OF THE PHOENIX URBAN RENEWAL AGENCY ADOPTING THE BUDGET,
MAKING APPROPRIATIONS, AND DECLARING TAX INCREMENT.**

BE IT RESOLVED that the Board of Directors of the Phoenix Urban Renewal Agency hereby adopts the budget for fiscal year **2023-24** in the total of \$ **1,760,000** now on file at City Hall, 220 North Main Street, Phoenix, Oregon.

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2023, and for the purposes shown below are hereby appropriated:

Capital Projects Fund	
Materials & Services	\$ 100,000
Capital Outlay	300,000
Contingencies	<u>0</u>
	\$ 400,000
Debt Service Fund	
Materials & Services	\$ 3,000
Debt Service	366,000
Interfund Transfers	<u>200,000</u>
	\$ 569,000
Total Appropriations, All Funds	\$ 969,000
Total Unappropriated, All Funds	<u>791,000</u>
Total Adopted Budget	\$1,760,000

DECLARATION OF TAX INCREMENT

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

The above resolution statements were approved and declared adopted on this 5th day of June 2023 by the following vote:

AYES - 6 NAYS - ABSTAIN - ABSENT -

Signed by me in authentication of its adoption and passage by the Phoenix Urban Renewal Agency this 5th day of June 2023.



Krista Peterson
PHURA Chairman

ATTEST:



Eric Swanson
PHURA Executive Director

FORM OR-UR-50

NOTICE TO ASSESSOR

2023-2024

• Submit two (2) copies to county assessor by July 15.

Check here if this is an amended form.

Notification

Phoenix Urban Renewal Agency (Agency Name) authorizes its 2023-2024 ad valorem tax increment amounts by plan area for the tax roll of Jackson County (County Name)

Eric Swanson, Executive Director (Contact Person) 541-535-1955 (Telephone Number) 07/03/2023 (Date Submitted)

PO Box 330, Phoenix OR 97535 (Agency's Mailing Address) eric.swanson@phoenixoregon.gov (Contact Person's E-mail Address)

Yes, the agency has filed an impairment certificate by May 1 with the assessor (ORS 457.445).

Part 1: Option One Plans (Reduced Rate). [ORS 457.435(2)(a)]

Plan Area Name	Increment Value to Use*		100% from Division of Tax	Special Levy Amount**
	\$	OR	<input type="checkbox"/> Yes	\$
	\$	OR	<input type="checkbox"/> Yes	\$

Part 2: Option Three Plans (Standard Rate). [ORS 457.435(2)(c)]

Plan Area Name	Increment Value to Use***		100% from Division of Tax	Special Levy Amount****
	\$	OR		\$
	\$	OR		\$

Part 3: Other Standard Rate Plans. [ORS 457.445(2)]

Plan Area Name	Increment Value to Use*		100% from Division of Tax	
Phoenix Urban Renewal Plan Area	\$	OR	<input checked="" type="checkbox"/> Yes	
	\$	OR	<input type="checkbox"/> Yes	

Part 4: Other Reduced Rate Plans. [ORS 457.445(1)]

Plan Area Name	Increment Value to Use*		100% from Division of Tax	
	\$	OR	<input type="checkbox"/> Yes	
	\$	OR	<input type="checkbox"/> Yes	

Part 5: Permanent Rate Plans. [ORS 457.087]

Plan Area Name	Increment Value to Use*		100% from Division of Tax	
	\$	OR	<input type="checkbox"/> Yes	
	\$	OR	<input type="checkbox"/> Yes	

Notice to Assessor of Permanent Increase in Frozen Value. Beginning tax year 2023-24, permanently increase frozen value to:

Plan Area Name	New frozen value \$

* **All Plans except Option Three:** Enter amount of Increment Value to Use that is less than 100% Or check "Yes" to receive 100% of division of tax. Do NOT enter an amount of Increment Value to Use AND check "Yes".

** If an **Option One plan** enters a Special Levy Amount, you MUST check "Yes" and NOT enter an amount of Increment to Use.

*** **Option Three plans** enter EITHER an amount of Increment Value to Use to raise less than the amount of division of tax stated in the 1998 ordinance under ORS 457.435(2)(c) OR the Amount from Division of Tax stated in the ordinance, NOT both.

**** If an **Option Three plan** requests both an amount of Increment Value to Use that will raise less than the amount of division of tax stated in the 1998 ordinance and a Special Levy Amount, the Special Levy Amount cannot exceed the amount available when the amount from division of tax stated in the ordinance is subtracted from the plan's Maximum Authority.