

**Oregon City Urban Renewal Agency**  
**Proposed Biennial Budget**  
**July 1, 2019 through June 30, 2021**

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**Introduction**

The Oregon City Urban Renewal Agency's 2019-2021 Proposed Biennial Budget is balanced and has been prepared in accordance with Oregon Budget Law. For the period July 1, 2019 through June 30, 2021, the total budget is \$11,549,980.

The Agency is a separate legal entity from the City of Oregon City that is established under State law. Oregon Revised Statutes Chapter 457.035(1) creates "a public body corporate and politic to be known as the urban renewal agency" for each municipality. The Oregon City Urban Renewal Commission is responsible for providing oversight for the District as specified in the Downtown/North End Urban Renewal Plan, amended in September 2007.

On November 8, 2016, voters approved Measure 3-514, which was intended to limit the use of urban renewal in Oregon City. On July 18, 2017, the Circuit Court determined that the measure is preempted by Oregon Revised Statutes Chapter 457. The Court found that the measure is inconsistent with State law and the Agency's expenditures are not restricted.

Over the prior three years, Oregon City's General Fund has paid the Agency's bills including minimum staff time and contracts to operate. Following equitable financial practices, the proposed budget includes repayment of these costs. However, the budget does not include funding for any new urban renewal projects. The Commission has clearly stated their intent to comprehensively review the value of urban renewal as a tool to eliminate blight and enhance the downtown area. It is very important to the Commission to engage residents to determine acceptable uses for the Agency.

**Budget Highlights**

The proposed budget is funded by total biennial revenues of \$6.1 million (excluding beginning fund balance), 94% of which are from property taxes. Revenues increased by \$938,000, or 18%, over the previous budget. Tax increment increases are budgeted at 4.5% for each year of the biennium. Other revenue sources include income from property rentals and investment income.

Projected spending for the biennium totals \$4.2 million and is comprised of debt repayments, the loan repayment to Oregon City, minimum operating and legal costs and the Agency's remaining obligation to the Cove project (a carryover of the prior budget capital outlay amount). Finally, the budget includes costs to operate Agency owned rental properties. A reserve for future expenditure of \$7.2 million is available for appropriation to projects or debt payoff pending the Urban Renewal Commission's review.

The Downtown/North End Urban Renewal Plan includes an established debt limit of \$130.1 million as a maximum for urban renewal investment ("maximum indebtedness"). Debt outstanding on July 1, 2019 will be approximately \$7.0 million.

Respectfully,



Anthony J. Konkol III  
Executive Director, OCURA