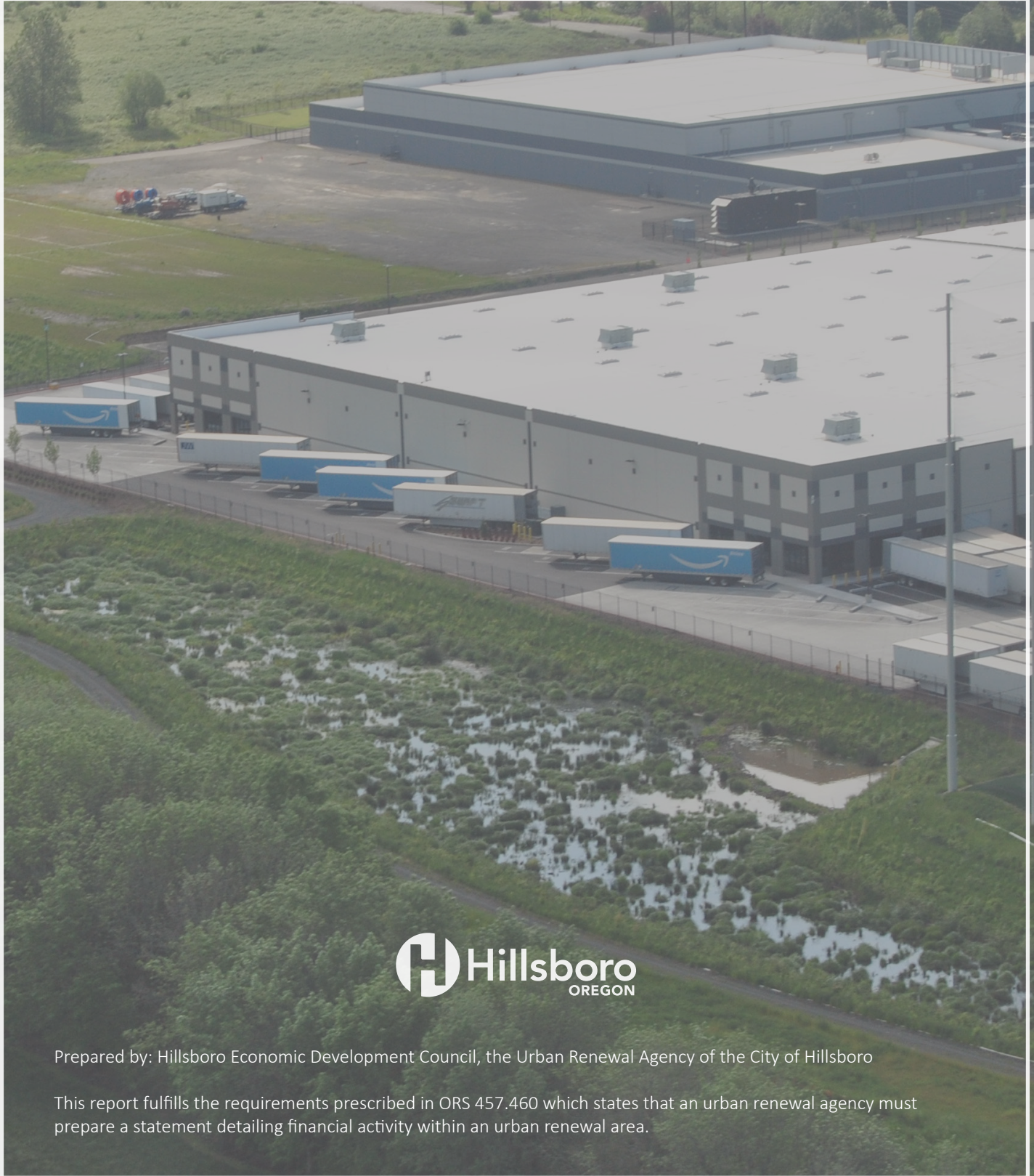


NORTH HILLSBORO INDUSTRIAL RENEWAL AREA

Annual Report for Fiscal Year Ending June 30, 2017



Prepared by: Hillsboro Economic Development Council, the Urban Renewal Agency of the City of Hillsboro

This report fulfills the requirements prescribed in ORS 457.460 which states that an urban renewal agency must prepare a statement detailing financial activity within an urban renewal area.

North Hillsboro Industrial Renewal Area History

The North Hillsboro Industrial Renewal Area (IRA) was created after recognizing the environmental and utility infrastructure needs facing the industrial land within the IRA boundary. To competitively recruit and meet the needs of industrial users, there must be assurance that the industrial sites would be served by appropriately sized utilities, have transportation access, offer environmental mitigation opportunities as well as natural amenities such as trails and open space. Tax increment financing is a viable funding source to address these challenges. 1,090-acres are within the North Hillsboro Industrial Renewal Area boundary.

The North Hillsboro Industrial Renewal Plan (Plan) was adopted and approved by ordinance on December 1, 2015. It was developed after the Hillsboro Economic Development Council (HEDC) completed a URA feasibility study, conducted intensive outreach, considered feedback, and shared information with the public, elected officials, and other stakeholders in the area.

The URA “maximum indebtedness,” as defined by statute, is \$172,200,000.

The HEDC is the urban renewal agency for the City of Hillsboro. The governing board consists of the same individuals on the Hillsboro City Council, which is common among urban renewal areas in Oregon. The agency and its activities are funded by tax increment financing.

Goals

When developing the URA Plan and Report, the HEDC also created Goals and Objectives, as a guiding framework for the implementation of the Plan and for future decision making over its duration, in keeping with City policies. The Goals and Objectives are listed in the Plan, and the goals are reiterated here:

Goal 1: Provide opportunities for public participation in the preparation and adoption of the Plan, Plan amendments and implementation policies and to keep community members informed of progress toward the Plan’s goals and objectives.

Goal 2: Adopt a prudent annual budget to minimize financial risk to the HEDC, the City of Hillsboro, and therefore the citizens of Hillsboro.

Goal 3: Encourage private investment and redevelopment in the Area through strategic investments, promoting recruitment, development, service, and retention of industrial land uses, high tech uses, business parks, businesses of all sizes, and/or any other related and appropriate uses in the Area consistent with the adopted City plans and policies.

Goal 4: Assist in the provision of adequate, accessible, and safe public infrastructure to serve the Area which may include but is not limited to street improvements for all transportation modes, water, wastewater, stormwater, lighting, signage, access and other public facilities.

Goal 5: Plan for and facilitate the development of a system of trails and open space.

Goal 6: Promote and support efforts to increase environmental stewardship of the Area through redevelopment activities.

A full copy of the North Hillsboro Industrial Renewal Plan and Report can be found on the City of Hillsboro website at <https://www.hillsboro-oregon.gov/our-city/departments/economic-development/urban-renewal-area>.

Financial Reporting

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information responds to the requirements of this statute.

Money Received

ORS 457.460 (A) – “The amount of money received during the preceding fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460” must be reported.

In FY 2016-17, the North Hillsboro Industrial Renewal Area received \$1,251,475 in revenue which includes tax revenue, miscellaneous revenue, program income from other sources, and interest earned.

Money Expended

ORS 457.460 (B) – “The purposes and amounts for which any money received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the preceding fiscal year” must be reported. Following expenditures were incurred in FY 2016-17:

Personnel Services	19,439
Contractual Services	<u>351,148</u>
Total Expenditures	370,587

Expenditures include Site Assessment and Planning for the North Hillsboro Industrial Renewal Area.

Estimated Revenues

ORS 457.460 (C) – “An estimate of moneys to be received during the current fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460” must be reported. Following is an estimate of moneys the North Hillsboro Industrial Renewal Area expects to be received during the current fiscal year.

The estimated tax revenues for FY 2017-18 are \$1,494,033 in revenue, which includes tax revenue, miscellaneous revenue, program income from other sources, and interest earned.

Proposed Budget for Current Fiscal Year

ORS 457.460 (D) – “A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 are to be expended during the current fiscal year” must be reported. Following is the budget for FY 2017-18:

Resources	
Beginning Fund Balance	597,500
Transfers in	643,118
Taxes Collected	479,000
Interest	1,500
Total Resources	1,721,118
Expenditures	
Personnel Services	49,980
Materials & Services	600,000
Reserved for Future Years	1,071,138
Total Requirements	1,721,118

Source: FY 2017-18 City of Hillsboro Adopted Budget document

Impact on Taxing Districts

ORS 457.460 (E) – “An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430” must be reported. The following table shows the foregone revenue by each of the local taxing jurisdictions in the North Hillsboro Industrial Renewal Area for FY 2016-17:

Local Taxing District	Foregone Revenue Permanent Rate
Washington County	\$94,677
Hillsboro School District	\$209,962
Metro	\$3,550
Port of Portland	\$2,397
WA Co. RFPD #2	\$3,642
Portland Community College	\$10,786
City of Hillsboro	\$142,500
NW Regional Education Service District	\$5,992
Total	\$473,506

Source: Washington County Assessment & Taxation, 2016-17