

DOWNTOWN HILLSBORO URBAN 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.

Downtown Hillsboro Urban Renewal Area History

Over the decades, the citizens of Hillsboro have envisioned a healthy, thriving Downtown, surrounded by stable, desirable neighborhoods. Urban renewal provides a potential funding source to help pay for sidewalks, street lights, park improvements, and a host of other projects that will strengthen Downtown and enhance the nearby neighborhoods.

The Downtown Hillsboro Urban Renewal Plan (Plan) was adopted and approved by ordinance on May 4, 2010. The Plan was developed after the 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 \$95,000,000. 1,108 acres are within the Downtown Hillsboro Urban Renewal Area boundary.

The Hillsboro Economic Development Council (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 URAs 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: Continue public participation in the revitalization of downtown and in the protection and enhancement of surrounding neighborhoods, by providing timely and accurate information, offering varied opportunities for public input, and soliciting involvement from a range of stakeholders in decision-making.

Goal 2: Support revitalization of the downtown commercial district, to create a vibrant, active, sustainable, and accessible community.

Goal 3: Assist with improvements that support large and small businesses in creating and retaining jobs attractive to the diverse downtown workforce.

Goal 4: Ensure adequate, universally accessible, and safe infrastructure and multi-modal accessibility to and within downtown for residents, visitors, and service providers.

Goal 5: Promote and support stable and sustainable residential neighborhoods for a range of household incomes.

Goal 6: Enhance the livability of downtown through creation of new and improvements to existing parks, trails, and community recreation facilities for a range of users.

Goal 7: Support and promote downtown Hillsboro’s unique identity, in coordination with the Downtown Hillsboro Main Street program and similar programmatic efforts.

Goal 8: Support efforts to create a model for environmentally sustainable efforts in the downtown community.

Goal 9: Achieve a fair balance of urban renewal expenditures across geographic areas and types of projects, taking into account need, opportunity and relative scale of projects.

A full copy of the Downtown Hillsboro Urban 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 Downtown Hillsboro Urban Renewal Area received \$1,030,845 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
Debt Service	144,069
Projects	<u>1,255,835</u>
Total Expenditures	<u>\$1,419,343</u>

Expenditures include SDC financing and brownfield loan for 4th Main project, storefront improvement grants, and other expenses related to the adopted urban renewal plan.

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 Downtown Hillsboro Urban Renewal Area expects to be received during the current fiscal year.

The estimated tax revenues for FY 2017-18 are \$1,175,744 in revenue, which includes tax revenue, miscellaneous revenue, 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	\$618,290
Taxes Collected	\$1,007,500
Interest & Misc Income	\$9,750
Total Resources	\$1,635,540
Expenditures	
Personnel Services	\$49,965
Materials & Services	\$570,000
Debt Service	\$144,069
Projects	\$725,000
Reserved for Future Years	\$146,506
Total Requirements	\$1,635,540

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 forgone revenue by each of the local taxing jurisdictions in the Downtown Hillsboro Urban Renewal Area for FY 2016-17.

Local Taxing District	Foregone Revenue Permanent Rate
Washington County	\$191,599
Hillsboro School District	\$424,932
Metro	\$7,098
Port of Portland	\$5,987
Portland Community College	\$23,950
City of Hillsboro	\$312,545
NW Regional Education Service District	\$11,975
Total	\$978,086

Source: Washington County Assessment & Taxation, Table 4e.