



## Annual Report for Fiscal Year Ending June 30, 2021

### North Hillsboro Industrial Renewal Area

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 challenges 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, storm water, 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: [www.hillsboro-oregon.gov/our-city/departments/economic-development/developmet-areas/urban-renewal-areas](http://www.hillsboro-oregon.gov/our-city/departments/economic-development/developmet-areas/urban-renewal-areas).

## 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 and Expended in the Previous Fiscal Year, FY 2020-21

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.

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.

Table 1 shows revenues and expenditures for the North Hillsboro IRA in FY 2020-21.

**Table 1. Revenues and Expenditures, North Hillsboro IRA, FY 2020-21**

	<b>FY 2020 21</b>
<b>Resources</b>	
Beginning Balance	\$10,162,555
Taxes	\$3,913,658
Interest	\$358,738
Development Charges	\$3,351,065
Proceeds of Sale	\$6,375,935
Notes Payable	\$25,286,000
Other Income	\$186,433
<b>Total Resources</b>	<b>\$49,634,384</b>
<b>Expenditures</b>	
Personnel Services	\$138,924
Materials & Services	\$205,693
Capital Outlay	\$4,258,856
Special Expenditures	\$698,193
Debt Service	\$1,939,260
Total Expenditures	\$7,240,926
<b>Ending Fund Balance</b>	<b>\$17,107,458</b>

Source: Hillsboro Economic Development Council Financial Statements for the Year Ended June 30, 2021

# Proposed Budget for Current Fiscal Year, FY 2021-22

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.

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.

Table 2 shows an estimate of moneys the North Hillsboro IRA expects to be received and moneys expected to be expended during the current fiscal year.

**Table 2. FY 2021-22 Budget, North Hillsboro IRA**

	FY 2021 22 Budget
<b>Resources</b>	
Beginning Balance	\$28,381,785
Taxes	\$3,875,000
Interest	\$175,000
Miscellaneous	\$3,500,000
<b>Total Resources</b>	<b>\$35,931,785</b>
<b>Expenditures</b>	
Personnel Services	\$88,030
Materials & Services	\$1,505,000
Capital Outlay	\$30,049,484
Special Payments	\$4,289,271
<b>Total Expenditures</b>	<b>\$35,931,785</b>

Source: City of Hillsboro Adopted Budget, FY 2021-22

## Maximum Indebtedness

ORS 457.460 (E) – “The maximum indebtedness for each urban renewal area included in an urban renewal plan of the agency, including the amount of indebtedness incurred through the end of the immediately preceding fiscal year” must be reported.

The maximum indebtedness of the North Hillsboro IRA is \$172,200,000, of which \$48,286,000 has been incurred through the end of FY 2020-21.

## Impact on Taxing Districts

ORS 457.460 (F) – “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.

Table 3 shows the forgone revenue by each of the local taxing jurisdictions in the North Hillsboro Industrial Renewal Area for FY 2020-21.

**Table 3. Impact on Taxing Districts, North Hillsboro IRA, FY 2020-21**

	Taxes Imposed		Percent of Tax Revenue Foregone
	For URA	For Affected Districts	
<b>General Government</b>			
Washington County	\$795,363	\$157,414,113	0.50%
Tualatin SWC	\$29,773	\$5,972,799	0.50%
Metro	\$32,206	\$17,570,090	0.18%
Port of Portland	\$24,102	\$14,143,282	0.17%
TVF&R	\$3,294	\$144,009,788	0.00%
City of Hillsboro	\$1,240,540	\$50,208,517	2.41%
<b>Education</b>			
NW Regional ESD	\$53,875	\$13,450,899	0.40%
Portland Community College	\$99,243	\$40,336,439	0.25%
Hillsboro School District	\$1,761,520	\$83,348,597	2.07%
<b>Total</b>	<b>\$4,039,915</b>	<b>\$526,454,524</b>	<b>0.77%</b>

Sources: FY 2020-21 SAL Table 4e (Washington County); FY 2020-21 SAL Table 4a (Washington, Multnomah, Clackamas, Tillamook, and Yamhill counties); FY 2020-21 Summary Brochure (Clatsop County)