

Annual Report for Fiscal Year Ending June 30, 2022

North Hillsboro Industrial Renewal Area



Corner of NE Huffman St and NE 30th Ave, GXO and Hitachi High-Tech America, facing southeast.

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: <https://www.hillsboro-oregon.gov/our-city/departments/economic-development/development-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 2021-22

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 resources and expenditures for the North Hillsboro IRA in FY 2021-22.

Table 1. Resources and Expenditures, North Hillsboro IRA, FY 2021-22

	FY 2021-22
Resources	
Beginning Balance	\$42,393,458
Taxes	\$5,235,808
Interest	\$94,965
Intergovernmental Revenue	\$5,717,552
Grants and Donations	\$792,059
Development Charges	\$2,465,134
Proceeds of Sale	\$6,213,148
Other Income	\$7,933
Total Resources	\$62,920,057
Expenditures	
Personnel Services	\$132,453
Materials & Services	\$194,369
Capital Outlay	\$56,199,315
Debt Service	\$2,962,460
Total Expenditures	\$59,488,597
Ending Fund Balance	\$3,431,460

Source: Hillsboro Economic Development Council Financial Statements for the Year Ended June 30, 2022

Proposed Budget for Current Fiscal Year, FY 2022-23

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 2022-23 Budget, North Hillsboro IRA

	FY 2022-23 Budget
Resources	
Beginning Balance	\$3,455,850
Taxes	\$5,382,510
Interest	\$65,000
Miscellaneous	\$2,113,257
Total Resources	\$11,016,617
Expenditures	
Personnel Services	\$295,950
Materials & Services	\$1,525,000
Capital Outlay	\$5,769,946
Special Payments	\$0
Debt Service	\$3,425,721
Total Expenditures	\$11,016,617

Source: City of Hillsboro Adopted Budget, FY 2022-23

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 \$53,712,137 has been incurred through the end of FY 2021-22.

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 2021-22.

Table 3. Impact on Taxing Districts, North Hillsboro IRA, FY 2021-22

	Permanent Rate Taxes Imposed		
	For URA	For Affected Districts	Percent Tax Revenue Foregone
General Government			
Washington County	\$1,049,909	\$163,791,860	0.64%
Tualatin SWC	\$37,712	\$6,001,173	0.62%
Metro	\$44,698	\$18,359,718	0.24%
Port of Portland	\$31,678	\$16,885,014	0.19%
TVF&R	\$136	\$104,485,816	0.00%
City of Hillsboro	\$1,711,474	\$52,984,822	3.13%
Education			
NW Regional ESD	\$70,899	\$14,047,123	0.50%
Portland Community College	\$131,239	\$42,292,163	0.31%
Hillsboro School District	\$2,322,220	\$88,000,806	2.57%
Total	\$5,399,965	\$506,848,496	1.05%

Sources: FY 2021-22 SAL Table 4e (Washington County); FY 2021-22 SAL Table 4a (Washington, Multnomah, Clackamas, Columbia, Clatsop, Tillamook, and Yamhill counties)