



# STAFF REPORT

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**Meeting Type:** Urban Renewal Board Meeting  
**Meeting Date:** May 20, 2024  
**From:** Tyler Deems, Executive Director  
**Subject:** Resolution 2024-13: Declaring the Intention to Collect Urban Renewal Tax Increment

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## **DECISION TO BE MADE:**

To set the tax increment to collect property tax revenue for the upcoming fiscal year for the Sandy Urban Renewal Agency.

## **PURPOSE / OBJECTIVE:**

Set the tax increment for the Sandy Urban Renewal Agency to impose taxes for Fiscal Year 2024-25.

## **BACKGROUND / CONTEXT:**

In June 2023, the Sandy Urban Renewal Agency (SURA) Board adopted the biennial budget and appropriations for the Agency. As you will likely recall, SURA must share a portion of the property tax collection with the other taxing districts due to “revenue sharing” requirements. A list of the other taxing districts within the SURA boundary can be found on page 5 of the [Urban Renewal Annual Report](#).

The District was created in 1998 with an initial maximum indebtedness (MI) of \$5 million. This was increased to \$18 million in 2008. Most recently, the MI was increased to \$67 million in 2015. As of June 30, 2023, the District had expended approximately \$24.3 million, leaving a remaining MI of approximately \$42.7 million.

ORS 457 allows for agencies to collect 100% of the division of taxes until the annual taxes assessed are greater than 10% of the original maximum indebtedness. Once the 10% threshold is reached, the Agency must then share a portion of the tax with all the other taxing districts. In SURA’s case, the 10% threshold would have been triggered once annual taxes imposed reached \$500,000. Because the initial maximum indebtedness was so low, the other taxing agencies agreed to use the revised maximum indebtedness of \$18 million as the baseline instead of \$5 million. As such, revenue sharing would not be triggered until the year following the first year that the annual taxes imposed exceeds \$1.8 million. Once revenue sharing is triggered, 25% of the anticipated annual increment above \$1.8 million is allocated to the Agency, with the remaining 75% shared among the other taxing districts.

## **KEY CONSIDERATIONS / ANALYSIS:**

The overall impact of this means that the Agency's annual property tax increment will not continue to grow at the same rate it has in the past due to the required sharing of excess increment. However, with new development likely to occur within the District in the coming years, the total assessed value will increase, thus boosting the increment used to calculate the Agency's property tax revenue in future years. This is difficult to value at this time, given that we do not have reliable information as to what may be developed within the District.

Due to revenue sharing, the District should adopt a total tax increment value of \$116,622,625, which will generate approximately \$1,930,000 in imposed taxes for fiscal year 2024-25. This increment will change annually depending on growth within the district, as well as the assessed value of properties within the district.

**BUDGET IMPACT:**

If adopted, no impact. If not adopted, a loss of approximately \$1,930,000 in property tax revenue.

**RECOMMENDATION:**

Staff recommends that the Board adopt Resolution 2024-13.

**SUGGESTED MOTION LANGUAGE:**

"I move to adopt Resolution 2024-13, resolution setting the incremental assessed value for the Sandy Urban Renewal Agency."

**LIST OF ATTACHMENTS / EXHIBITS:**

- Resolution 2024-13