



Columbia County Development Agency Columbia County, Oregon Proposed Budget

For the Fiscal Year 2021-2022
Beginning July 1, 2021

CCDA
Columbia County
Development Agency

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*PLACEHOLDER FOR
BUDGET COMMITTEE AGENDA*

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DATE: May 12, 2021
TO: Columbia County Development Agency Budget Committee
FROM: Henry Heimuller, Budget Officer
SUBJECT: FYE 2022 BUDGET MESSAGE

Dear Members of the Columbia County Development Agency, Citizen Members of the Budget Committee, and Citizens of Columbia County:

It is my pleasure, as the Budget Officer for the Columbia County Development Agency (“Agency”), to present in accordance with Oregon Budget Law, our FY 2021-2022 budget for consideration by the Columbia County Development Agency Budget Committee.

The Agency is an urban renewal agency for Columbia County, which has the authority to administer the Port Westward Urban Renewal Plan. The Agency receives property tax increment, which may be used to pay debt incurred by the Agency administering the Urban Renewal Plan. This is the 18th budget year for this agency.

The Agency experienced growth in ending fund balance for the sixth consecutive year. With a growing fund balance, and forecast for stable property tax revenue, the Agency finds itself in a position to pursue strategies for paying off the remaining debt, while minimizing the fiscal impacts to affected taxing districts.

The Agency plans to accomplish these results by paying off all outstanding indebtedness in FYE 2022 and terminating the collection of property tax increment revenue in future years. This strategy is contingent upon the Agency negotiating a reimbursement agreement with the Port of Columbia County. A reimbursement agreement is key to protect affected taxing districts from the risk of a costly and unnecessary use of taxing district resources to pay for debt service expenses that would otherwise have been paid for by the private-sector in future years. This approach is discussed in further detail in the Budget Narrative section of this document.

Pursuant to Oregon Budget Law, the Budget Detail Report shows the historical data of actual expenditures and resources for the two preceding years and the adopted budget for the current fiscal year ending June 30, 2021 on the left side of the Description column. My recommendations are listed on the right side under the column entitled “FYE 2022 Proposed.” Your action will appear under the column entitled “FYE 2022 Approved,” and the final appropriation will appear under the column entitled “FYE 2022 Adopted.”

Respectfully submitted,

Henry Heimuller

Henry Heimuller
Budget Office

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Budget Narrative

The Columbia County Development Agency is the urban renewal Agency for Columbia County, which has the authority to administer the Port Westward Urban Renewal Plan. The Agency receives property tax increment revenues, which may be used to pay debt incurred by the Agency for infrastructure development of the Port Westward Urban Renewal Area (URA).

FYE 2021 Accomplishments

Increased ending fund balance. The ending fund balance for the Agency is estimated to be \$8,756,754 at the conclusion of FYE 2021. This is an increase of 27 percent (equal to \$1,865,351) over the prior year ending balance of \$6,891,403. This increase in ending fund balance is due to the continuation of strong annual property tax increment revenues for the Agency, without initiating new projects or incurring new debt. The increased ending fund balance provides greater flexibility for the Agency in future years to accomplish its goals while minimizing the impact to affected taxing districts.

Underlevy tax increment revenue. The Agency intentionally underlevied property tax increment revenue in FYE 2021. Instead of collecting the maximum amount of tax revenue, estimated to be \$3,532,763, the Agency chose to impose a reduced amount of \$2,600,000. This reduced the amount of foregone revenues for overlapping taxing districts, resulting in over \$900,000 of tax increment revenue that was “shared” with impacted taxing districts.

FYE 2022 Highlights and Significant Changes

Opportunities to reduce fiscal impacts on affected taxing districts. Future property tax revenues are anticipated to exceed scheduled expenditures for the Agency in FYE 2022 and all subsequent years. This provides the Agency with options for reducing its fiscal impacts on affected taxing districts. The Agency could make early principal payments on outstanding debt, reduce annual property tax collections through a process known as “underlevy”, or pursue a combination of both approaches.

Early principal payments for outstanding indebtedness. The Agency has two outstanding debt service obligations related to the water system and rail system improvements. Both loans were provided by the State of Oregon to the Port of Columbia County, with the Agency pledging property tax increment revenue as a possible source of repayment in addition to any revenues received by the Port by users of the infrastructure.

The Agency plans to make early principal payments on both of these loans, sufficient to fully repay both loans in FYE 2022. These early loan payments however, are contingent upon the Agency successfully negotiating a reimbursement agreement with the Port of Columbia County. When these systems were originally financed by the Port, it was with the intention that private users, not the taxing districts or the Agency, repay the debt through user fees. The Agency’s role was intended to provide a back-stop source of funds if user fees were insufficient to make annual payments.

Paying off the debt early without a reimbursement agreement in place could result in a costly use of taxing district resources to pay for debt service expenses that would have otherwise been paid for by the private-sector in future years. Thus, the Agency has proposed a reimbursement agreement with the Port of Columbia County. Through such an agreement, any payments from users of the water and rail infrastructure made after the agreement that would have otherwise been used to pay debt service, would instead be reimbursed to all affected taxing districts. Under this approach, affected taxing districts would benefit regardless of whether or not there are future users of the water system.

Without such a reimbursement agreement in place, the Agency may decide through consultation with affected taxing districts that the most financially responsible course of action is to continue making future debt service payments as scheduled.

Reduced property tax increment revenue through underlevy. If the Agency were to impose the maximum allowed amount of property tax increment in FYE 2022, it would result in additional resources for the Agency beyond what is necessary to cover budgeted expenditures for FYE 2022, including repayment of all outstanding indebtedness. Thus, the Agency plans to reduce the amount of property tax increment imposed in FYE 2022.

Reducing annual property tax collections can be done on an annual basis in coordination with the Office of the County Assessor through a process known as underlevying. While the Agency is forecast to have authority to impose \$3,210,089 of property tax increment revenue in FYE 2022, the Agency plans to only impose \$75,000 of property tax increment revenue. This will reduce the Agency's annual impact on affected taxing districts by over \$3.1 million in FYE 2022.

Termination of property tax increment authority. After paying off all outstanding debt in FYE 2022, the Agency would be in a position to terminate its authority for imposing property tax increment in future years. This would result in an estimated annual increase to affected taxing districts of over \$3 million per year. As noted earlier, this approach for early repayment of outstanding debt is contingent upon successful negotiation of a reimbursement agreement with the Port of Columbia County, in order to secure the best possible financial impact to affected taxing districts.

Budget Detail

L I N E #	HISTORICAL DATA			L I N E #	RESOURCE/REQUIREMENT DESCRIPTION PROPOSED	FTE 2021/2022	Budget for next Year 2021-2022			L I N E #
	Actual		Adopted				2021-2022	2021-2022	2021-2022	
	Preceding Year 06/30/19	Preceding Year 06/30/20	Budget This Year 06/30/21				Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
					COLUMBIA COUNTY DEVELOPMENT AGENCY					
1				1						1
2	3,041,108	3,337,731	2,600,000	2	818-481.00-310.00-000-00 Property Tax-Current	11	75,000	-	-	2
3	152,223	95,595	65,000	3	818-481.00-310.10-000-00 Property Tax-Prior Years	11	65,000	-	-	3
4	161,655	44,184	50,000	4	818-481.00-324.40-000-00 Forest, Land Sales & Royalties		50,000	-	-	4
5	79,085	117,485	60,000	5	818-481.00-330.00-000-00 Interest Allocations		100,000	-	-	5
6	1,517	1,387	-	6	818-481.00-330.00-000-00 Interest Allocations		500	-	-	6
7	1,959,502	4,552,759	6,733,000	7	818-481.00-399.04-000-00 Beginning Balance-Restricted		8,756,754	-	-	7
8	5,395,091	8,149,142	9,508,000	8	TOTAL RESOURCES	10	9,047,254	-	-	8
9	-	-	75,000	9	818-481.00-490.00-305-06 Prof Fees-Admin Fee		75,000	-	-	9
10	64,276	68,524	75,000	10	818-481.00-490.00-305-27 Prof Fees-Consultant		75,000	-	-	10
11	1,264	1,264	1,500	11	818-481.00-490.00-310-00 Prop/Liab Insurance		1,500	-	-	11
12	1,087	877	1,000	12	818-481.00-490.00-500-00 Office Supplies		500	-	-	12
13	66,627	70,665	152,500	13	TOTAL MATERIALS & SERVICES	2	152,000	-	-	13
14	756,954	756,954	756,954	14	818-481.00-490.00-801-00 Debt Service-(818) Port Improvement		756,954	-	-	14
15	-	-	6,288,000	15	818-481.00-490.00-801-01 Debt Service-(818) Port Imprvmt-Extra Pymt		5,845,002	-	-	15
16	-	-	2,062,000	16	818-481.00-490.00-801-02 Debt Service-(818) Port Rail Loan-Extra Pymt		1,723,917	-	-	16
17	-	402,000	-	17	818-481.00-490.00-807-00 Debt Service-(818) CFRPD		-	-	-	17
18	756,954	1,158,954	9,106,954	18	TOTAL DEBT SERVICE	4	8,325,873	-	-	18
19	-	-	248,546	19	818-481.00-490.00-880-00 Contingency		569,381	-	-	19
20	-	-	248,546	20	TOTAL CONTINGENCIES	6	569,381	-	-	20
21	-	-	-	21	818-481.00-490.00-900-00 Reserve for Future Expenditures		-	-	-	21
22	-	-	-	22	TOTAL UNAPPROPRIATED	7	-	-	-	22
23	18,750	28,120	-	23	818-481.00-490.00-953-00 Special Payments-Columbia County		-	-	-	23
24	18,750	28,120	-	24	TOTAL SPECIAL PAYMENTS	8	-	-	-	24
25	842,331	1,257,739	9,508,000	25	TOTAL REQUIREMENTS	9	9,047,254	-	-	25
26	4,552,759	6,891,403	-	26	CONTRIBUTION TO/(FROM) FUND		-	-	-	26
27				27						27
28				28	FUND 818 SUMMARIES					28
29				29						29
30	5,395,091	8,149,142	9,508,000	30	TOTAL FUND 818 RESOURCES		9,047,254	-	-	30
31	842,331	1,257,739	9,508,000	31	TOTAL FUND 818 REQUIREMENTS		9,047,254	-	-	31
32	4,552,759	6,891,403	-	32	TOTAL CONTRIBUTION TO/(FROM) FUND		-	-	-	32
33				33						33
34				34	Fund 818 Summary					34
35	-	-	-	35	1. Total Personal Services.....		-	-	-	35
36	66,627	70,665	152,500	36	2. Total Materials and Services.....		152,000	-	-	36
37	-	-	-	37	3. Total Capital Outlay.....		-	-	-	37
38	756,954	1,158,954	9,106,954	38	4. Total Debt Service.....		8,325,873	-	-	38
39	-	-	-	39	5. Total Transfers.....		-	-	-	39
40	-	-	248,546	40	6. Total Contingencies.....		569,381	-	-	40
41	-	-	-	41	7. Total Special Payments.....		-	-	-	41
42	18,750	28,120	-	42	8. Total Unappropriated / Reserved for Future Expenditure.....		-	-	-	42
43	842,331	1,257,739	9,508,000	43	9. Total Requirements.....		9,047,254	-	-	43
44				44						44
45	2,201,760	4,715,816	6,843,000	45	10. Total Resources Except Property Taxes.....		8,907,254	-	-	45
46	3,193,331	3,433,327	2,665,000	46	11. Property Taxes Estimated to Be Received.....		140,000	-	-	46
47	5,395,091	8,149,142	9,508,000	47	12. Total Resources (add lines 10 and 11).....		9,047,254	-	-	47
48	4,552,759	6,891,403	-	48			-	-	-	48

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NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of Columbia County Development Agency, State of Oregon, to discuss the budget for the fiscal year July 1, 2021 to June 30, 2022, will be held at 230 Strand Street St. Helens, Oregon 97051. The meeting will take place on May 12, 2021 at 10:00 a.m.

The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget.

This is a public meeting where deliberations of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee.

A copy of the budget document may be inspected or obtained on or after May 12, 2021 at (<http://www.cddaoregon.org/documents>).

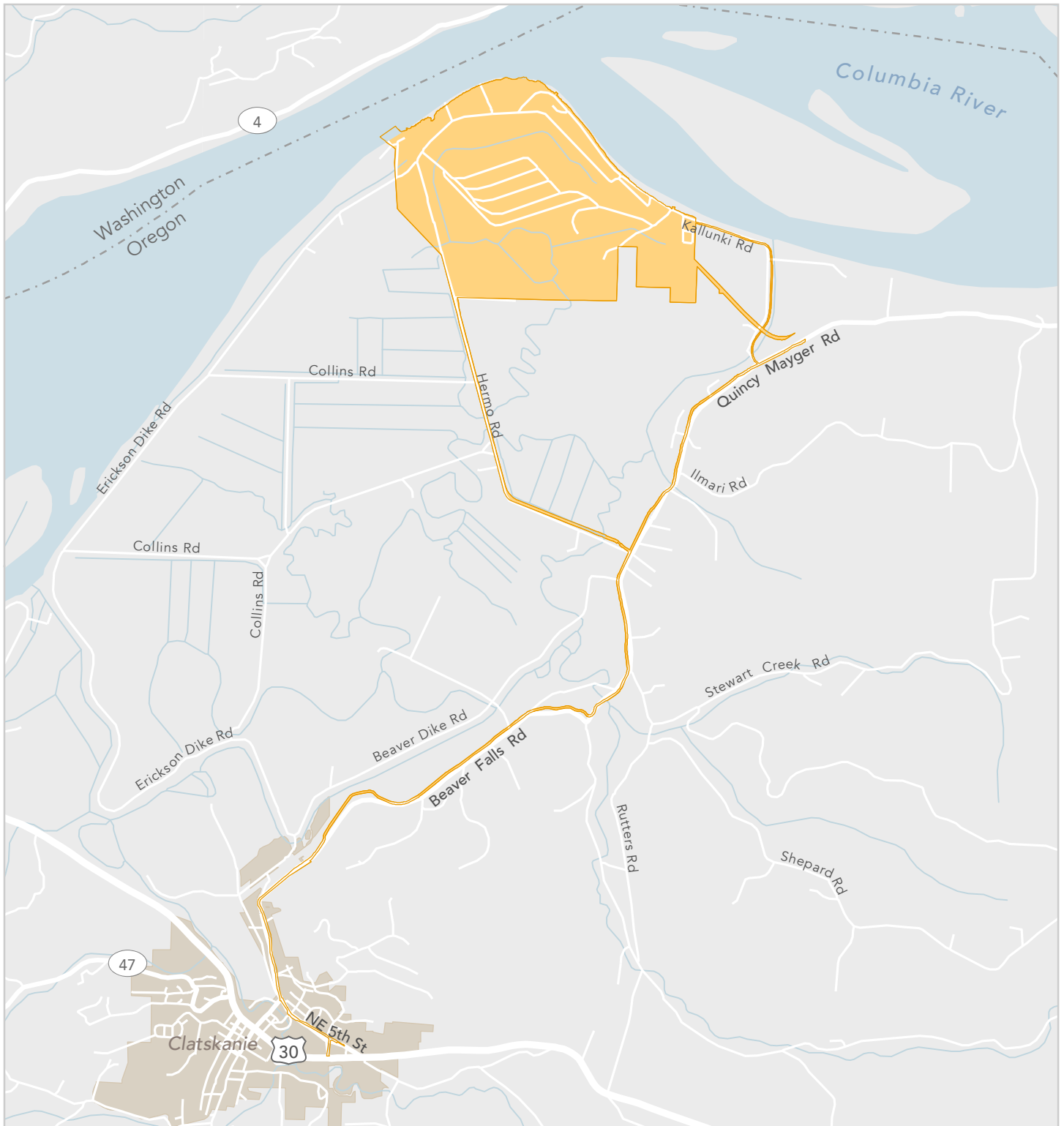
Notice: If the Pandemic precautions are still in place on May 12, 2021, the meeting will be conducted digitally by phone or by other electronic means. Information about the meetings and public comment process will be placed on the CCDA website.

Model Budget Committee Motion for the CCDA

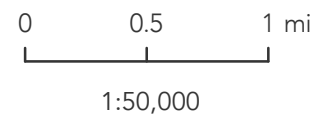
I would like to make a motion that the Columbia County Development Agency limit property tax collections for Fiscal Year 2021-2022 to an amount less than the maximum allowed under section 1C, Article IX of the Oregon Constitution and ORS Chapter 457, and to notify the County Assessor pursuant to ORS 457.440(2)(e) to compute the division of taxes for the urban renewal area using an incremental assessed value of \$8,600,000.

The total budget is \$9,047,254.00.

Thus, I move that we approve the budget for Fiscal year 2021-2022.



Port Westward Urban Renewal Area



- Port Westward Urban Renewal Area
- Clatskanie City Limits

Data from Columbia County.
Map date: 1/25/2017.

Summary of Maximum Indebtedness

The Port Westward Urban Renewal Plan includes a maximum indebtedness of \$34,000,000, which functions as a maximum limit on the cumulative amount of indebtedness that the CCDA can incur over the life of the Port Westward URA. Note that expenditures of revenues other than tax increment (Non-TIF Resources) do not count against the maximum indebtedness limit. The table below shows the amount of indebtedness that has been used through the end of FYE 2020, based on the CCDA's annual financial reports.

Summary of Maximum Indebtedness through FYE 2020

Authorized Maximum Indebtedness	\$ 34,000,000.00
Formal Indebtedness	
Rail Loan	\$ 3,000,000.00
Road Loan	\$ 5,894,818.00
Water Loan	\$ 8,095,122.00
Subtotal	\$ 16,989,940.00
Contract Indebtedness	
Other Expenditures	\$ 2,031,832.34
Less Non-TIF Resources	\$ (487,235.09)
Subtotal	\$ 1,544,597.25
Total Indebtedness	\$ 18,534,537.25
Remaining Maximum Indebtedness	\$ 15,465,462.75

Future Schedule of Long-Term Liabilities

Property tax increment revenue from the Port Westward URA has been pledged as a potential source of repayment for two outstanding long-term loans from the State of Oregon to Columbia County and the Port of Saint Helens. The future scheduled debt service payments for these loans are shown below.

Summary – All loans

FYE	Water	Rail	Total
2022	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2023	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2024	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2025	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2026	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2027	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2028	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2029	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2030	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2031	\$ 756,954.45	\$ 230,017.86	\$ 986,972.31
2032	\$ 756,954.40	\$ 230,017.86	\$ 986,972.26
2033	\$ -	\$ 25,990.47	\$ 25,990.47
Total	\$ 8,326,498.90	\$ 2,556,186.93	\$ 10,882,685.83

Port of Saint Helens – Water Loan

Port Water Loan			
FYE	Principal	Interest	Total
2022	\$ 442,575.59	\$ 314,378.86	\$ 756,954.45
2023	\$ 464,704.37	\$ 292,250.08	\$ 756,954.45
2024	\$ 487,939.59	\$ 269,014.86	\$ 756,954.45
2025	\$ 512,336.57	\$ 244,617.88	\$ 756,954.45
2026	\$ 537,953.40	\$ 219,001.05	\$ 756,954.45
2027	\$ 564,851.07	\$ 192,103.38	\$ 756,954.45
2028	\$ 593,093.62	\$ 163,860.83	\$ 756,954.45
2029	\$ 622,748.30	\$ 134,206.15	\$ 756,954.45
2030	\$ 653,885.72	\$ 103,068.73	\$ 756,954.45
2031	\$ 686,580.00	\$ 70,374.45	\$ 756,954.45
2032	\$ 720,908.95	\$ 36,045.45	\$ 756,954.40
2033	\$ -	\$ -	\$ -
Total	\$ 6,287,577.18	\$ 2,038,921.72	\$ 8,326,498.90

Port of Saint Helens – Rail Loan

Port Rail Loan			
FYE	Principal	Interest	Total
2022	\$ 123,076.93	\$ 106,940.93	\$ 230,017.86
2023	\$ 130,203.08	\$ 99,814.78	\$ 230,017.86
2024	\$ 137,741.84	\$ 92,276.02	\$ 230,017.86
2025	\$ 145,717.09	\$ 84,300.77	\$ 230,017.86
2026	\$ 154,154.11	\$ 75,863.75	\$ 230,017.86
2027	\$ 163,079.64	\$ 66,938.22	\$ 230,017.86
2028	\$ 172,521.95	\$ 57,495.91	\$ 230,017.86
2029	\$ 182,510.97	\$ 47,506.89	\$ 230,017.86
2030	\$ 193,078.35	\$ 36,939.51	\$ 230,017.86
2031	\$ 204,257.59	\$ 25,760.27	\$ 230,017.86
2032	\$ 216,084.10	\$ 13,933.76	\$ 230,017.86
2033	\$ 24,567.98	\$ 1,422.49	\$ 25,990.47
Total	\$ 1,846,993.63	\$ 709,193.30	\$ 2,556,186.93