



Agenda Item

January 3, 2024

TO: City Council

FROM: Frank Lonergan, Mayor

SUBJECT: **Committee Appointments**

The following appointments are made, subject to the approval of the Council. Please forward any adverse comments to me prior to the Council meeting on Monday, January 8, 2024. No reply is required if you approve of my decision.

Woodburn Library Board

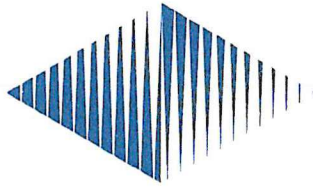
Bethany Weathersby - Reappointment
Desiree Winz - Reappointment

Woodburn Parks and Rec Board

Christian Falcon – New Appointment

Woodburn Planning Commission

Anabel Hernandez-Mejia - Reappointment
Juan Bravo - Reappointment
Sharon Corning - Reappointment
Chris Lassen - Reappointment



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

December 29, 2023

City Council
City of Woodburn
270 Montgomery St.
Woodburn, Oregon 97071

We have audited the financial statements of the City of Woodburn and the Woodburn Urban Renewal Agency (collectively, the City) as of and for the year ended June 30, 2023 and have issued our report thereon dated December 29, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 12, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

Misclassification of expenditures was identified as a risk. There is potential for expenditures to be misclassified in an effort to avoid overexpending a budgeted appropriation category.

The possibility that management could override the system of controls. This risk is always identified and addressed by our planned audit procedures. This is not indicative of any unusual circumstance observed within your organization.

The possibility that management will fail to properly record new GASB 96 disclosures for software based IT arrangements.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are depreciation, net pension liability, net OPEB liability and asset, and related deferred inflows and outflows. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no such misstatements identified.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No circumstances occurred during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 29, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Restriction on Use

This report is intended solely for the information and use of the City Council and management of the City of Woodburn and Woodburn Urban Renewal Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Grove, Mueller & Swank
CERTIFIED PUBLIC ACCOUNTANTS



December 29, 2023

Grove, Mueller & Swank, P.C.
475 Cottage Street NE, Suite 200
Salem, OR 97301

This representation letter is provided in connection with your audit of the financial statements of the City of Woodburn and the Woodburn Urban Renewal Agency (collectively, the City) which comprise the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 29, 2023, the following representations made to you during your audit:

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 12, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the city council or summaries of actions of recent meetings for which minutes have not yet been prepared
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.
- 18) We have evaluated the City's ability to meet its obligations as they become due, and have not identified any conditions or events, individually or in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern.

Government-specific


- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

- 22) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or equity.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and of the auditee section of the Data Collection Form as required by the Uniform Guidance. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We will review, approve, and accept responsibility for the financial statements and the auditee section of the Data Collection Form before submission.
- 27) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements include all fiduciary activities required by GASB Statement No. 84, as amended.
- 31) The financial statements properly classify all funds and activities in accordance with GAAP.
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

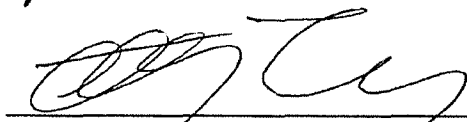
- 41) We believe that the actuarial assumptions and methods used to measure pension, OPEB, and self-insurance liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 42) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With respect to the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards:
 - a) We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 46) With respect to federal award programs:
 - a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

- t) We have charged costs to federal awards in accordance with applicable cost principles.
 - u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- 47) We have no knowledge of any noncompliance or alleged noncompliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations as they apply to the City.
- 48) We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.



Jim Row, City Administrator Pro Tempore



Anthony Turley, Finance Director

WOODBURN

O R E G O N
Incorporated 1889



Museum & Bungalow Theater Restoration Project



City of Woodburn, Oregon

Annual Comprehensive Financial Report For the Year Ended June 30, 2023

CITY OF WOODBURN, OREGON

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

Year Ended June 30, 2023

***Prepared by
City of Woodburn Finance Department
Anthony Turley, Finance Director***

CITY OF WOODBURN, OREGON
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INTRODUCTORY SECTION



City of Woodburn
270 Montgomery Street
Woodburn, OR 97071
(503) 982-5222 / (503) 982-5244 FAX
www.ci.woodburn.or.us

December 29, 2023

To the Citizens of Woodburn, Honorable Mayor, City Council, and City Administrator:

It is my pleasure to submit the Comprehensive Annual Financial Report (Annual Financial Report) of the City of Woodburn, Oregon, for the fiscal year ended June 30, 2023.

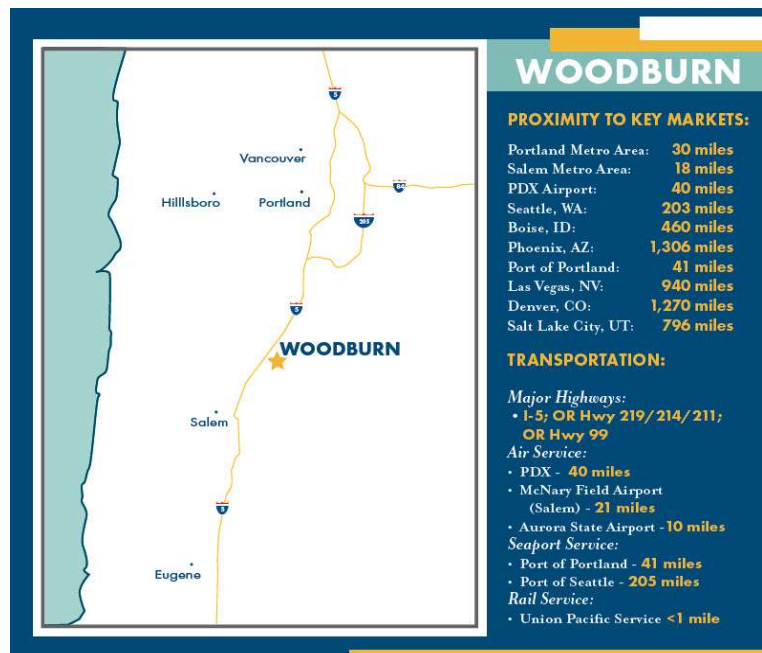
State law requires that an Annual Financial Report and component unit financial statements be published within six months of the fiscal year end and be audited in accordance with generally accepted auditing standards by independent certified public accountants. Independent auditors, Grove, Mueller & Swank REDW Advisors & CPAs, have issued an unmodified opinion on the City of Woodburn's financial statements for the fiscal year ended June 30, 2023. The independent auditors' report is presented in the Financial Section of this report. Responsibility for the completeness and reliability of the information contained in this report rests with the City's management and is based on an internal control structure designed for this purpose. The internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met, as the cost of the internal control should not exceed the related benefits.

In the Management's Discussion and Analysis (MD&A) section of this report, a narrative introduction, overview, and analysis of the basic financial statements is provided. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

CITY PROFILE

The City of Woodburn is a municipal corporation which operates under a Council-Manager form of government. Policy making and legislative authority are vested on the City Council which consists of an elected Mayor (two-year term position) and six councilors (four-year term positions). The City Council is responsible for passing ordinances, resolutions, adopting a budget, and hiring the City Administrator and City Attorney among other things. The City Administrator is responsible for carrying out Council ordinances and policies, managing the daily operations, and appointing department heads.

Woodburn is located in the Willamette Valley, halfway between the larger urban areas of Portland and Salem. The city was incorporated as Woodburn on February 20, 1889.



The City of Woodburn, with a population of 26,664, is Oregon's 22nd most populated city, and 3rd most populated city in Marion County. The City provides a full range of municipal services, including but not limited to: police, water, wastewater, municipal court, public works (water, sewer, storm, and transportation), economic development, community planning and building inspections, transit, parks, recreation, aquatics, and library.

REPORTING ENTITY

The financial statements include information for the City of Woodburn and its blended component unit, the Urban Renewal Agency of the City of Woodburn.

BUDGET PROCESS

The Oregon Constitution and Oregon Revised Statutes 294 require an adopted balanced budget by July 1, and that the fiscal year for local governments is July 1 through June 30. The budget sets forth City Council's goals and objectives, and identifies the resources necessary to accomplish them. The legal level of budgetary control, as adopted by Council Resolution, is by fund, although department level detail is shown. Appropriations lapse at fiscal year-end and incomplete projects must be re-appropriated in the following fiscal year as part of the adoption of the annual budget.

ECONOMIC ENVIRONMENT

Woodburn has high concentrations of employment across several traded-sector clusters. These clusters are key target industries for Woodburn and include:

- Production Technology and Machinery: manufacturing of machinery for food production, automatic sprinklers systems, bailing machines, hydraulic jacks, and other machinery production.
- Plastics Manufacturing: plastic and rubber products, chemical manufacturing, and plumbing fixtures. This cluster is strongly linked to production technology, machinery, and other chemical manufacturing.
- Metal Product Manufacturing: prefabricated metal building and component manufacturing, ornamental and architectural metal work manufacturing, bathtubs and sinks, metal pipe hangars, fire escapes, grills and grill work, and all other miscellaneous fabricated metal product manufacturing.
- Food Processing and Manufacturing: baked goods, fruit and vegetable canning, frozen foods, confectionary manufacturing, and other food related manufacturing.

Employment patterns in Woodburn, Marion County, and the Portland Region suggest that Woodburn has competitive advantages and opportunities for business development in these rapidly growing clusters:

- Apparel Manufacturing: cutting and sewing apparel, embroidering on textile products, carpet cutting and binding, sleeping bag manufacturing, hats and glove manufacturing, and other apparel manufacturing.
- Distribution and E-Commerce: wholesale trade, farm supplies and merchant wholesalers, refrigerated warehousing and storage, packaging and labeling services, or other warehouse and distribution.
- Information Technology and Analytic Technology: software publishers, electronic computer manufacturing, semiconductor manufacturing, laboratory instrument manufacturing.

Oregon's unemployment rates have dropped dramatically over the last ten years. However, the COVID 19 pandemic has impacted the economy and resulted in increased unemployment. In October 2023, Oregon's year-over-year unemployment rate was 3.6 percent, and Woodburn's rate was 3.4 percent, which is slightly lower than the U.S. unemployment rate of 3.9 percent for the same period.

Factors contributing to Woodburn's low unemployment rates include people's; availability, quality, skills, education/experience, and wages. Within the Woodburn Urban Growth Boundary there are approximately 12,000 employees¹. Beyond Woodburn, as of October 2023, Salem Region has a labor force of 212,300 and the Portland Region of 1,369,400. This means that Woodburn businesses have access to a mix of highly educated skilled and unskilled workers from across the Salem and Portland Regions.

¹ Source: State of Oregon Employment Department, October 2023 Employment and Unemployment in Oregon Counties

MAJOR ISSUES

Development of the FY 2023-24 budget continued the focus on delivery of services to the community with cautious projections due to rising costs in the areas listed below, and an external focus to create a community leadership academy and exploration of a non-profit development center in Woodburn.

- Wages,
- Public Employee Retirement System (PERS),
- Facility maintenance,
- Infrastructure needs,
- Technology needs, and
- Staff recruitment and retention

The current budget includes set-asides for these anticipated costs. The future budgets will continue to be challenged with the need to balance delivery of service with fiscal prudence.

LONG-TERM FINANCIAL PLANNING

A five-year forecast is prepared for each primary operating fund based on current service levels and conservative assumptions. Staff uses the financial plans to make recommendations for utility rate setting, debt refinancing opportunities, capital project budgets, and projection of operating expenses. Revenues are also projected to ensure that operating and capital needs are met.

RELEVANT FINANCIAL POLICIES

The City of Woodburn completes an annual financial plan, which includes a review of the budget policies, fiscal strategy, and five-year forecast. Policy highlights include:

- Annual review to maintain fiscal responsibility, a balanced budget, and obtain policy direction.
- Identification of goals that maximize dedicated funding resources.
- Establishment of General Fund goals to set program priority, maximize City Council's discretion, establish a goal of cost efficiency, pursue new revenue sources, and identify potential new programs.
- Reserve and contingency policy target levels.
- Compensation and benefit policies which address wages, health care and retirement costs.
- Capital improvement guidelines to set the importance of full cost identification, planning, and funding.
- Debt management policies to ensure thorough analysis of options.
- Investment parameters that prioritize fiscal safety, legal compliance, and a market rate of return.
- Annual audit policy to ensure financial compliance.
- Resource reduction strategy to provide guidance in fiscally challenged periods.

DISTINGUISHED BUDGET PRESENTATION AWARD/EXCELLENCE IN FINANCIAL REPORTING AWARD

The City of Woodburn received GFOA's Distinguished Budget Presentation Award for its FY 2023-24 annual budget document. This is the 12th consecutive year that the City of Woodburn has achieved the prestigious award of a distinguished presentation. The Distinguished Budget Presentation award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a government and its management. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, a communications medium, an operations guide, and a financial plan. For the 4th time the City was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the FY2021-22 Annual Financial Report.

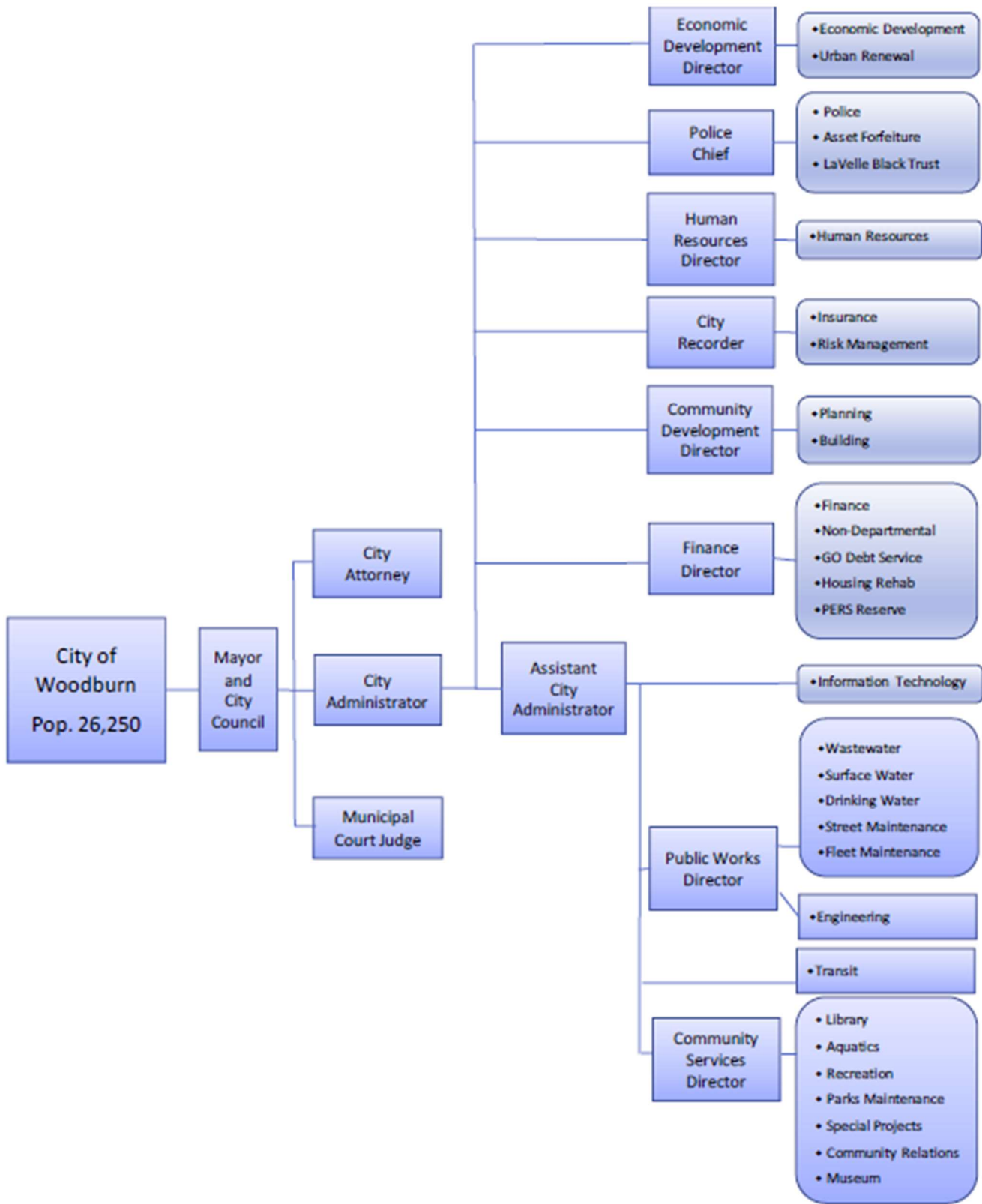
ACKNOWLEDGMENTS

This is the 5th year the City of Woodburn has prepared an Annual Comprehensive Financial Report, which goes beyond the preparation of financial reports to include sections for statistics and continuing disclosure. I would like to thank the entire Finance staff, especially Taylor Shepherd and Karen Sherman, for the excellent service they provide throughout the year which is reflected in this Annual Comprehensive Financial Report. This report is evidence of their dedication and many hours of hard work. I would also like to thank the City Council and City Administrator for the leadership and support they have provided in developing this Annual Financial Report.



Anthony Turley
Finance Director

ORGANIZATION OF THE CITY OF WOODBURN



Source: City of Woodburn, FY 2022-23 Adopted Budget - Functional Organization Chart



Government Finance Officers Association

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Presented to

**City of Woodburn
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF WOODBURN, OREGON
LIST OF OFFICIALS
JUNE 30, 2023

MAYOR AND COUNCIL MEMBERS

<u><i>Name</i></u>	<u><i>Term Expires</i></u>
<i>Mayor</i>	
Frank Lonergan	December 31, 2024
<i>Council Members</i>	
Debbie Cabrales	December 31, 2024
Robert Carney	December 31, 2026
Mary Beth Cornwell	December 31, 2026
Eric Morris	December 31, 2024
Sharon Schaub	December 31, 2026
Mark Wilk	December 31, 2024

The above individuals may be contacted at the address below.

Staff

Scott Derickson, City Administrator
N. Robert Shields, City Attorney
Anthony Turley, Finance Director

City of Woodburn, Oregon
270 Montgomery Street
Woodburn, Oregon 97071

FINANCIAL SECTION



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council Members
City of Woodburn
Woodburn, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodburn, Oregon (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodburn, Oregon, as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and the schedules of revenues, expenditures, and changes in fund balance – budget and actual for the General, PERS Reserve, and Building Inspection funds ("the budgetary schedules"), the City's PERS schedules and the City's OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis, PERS schedules and OPEB schedules described in the preceding paragraph in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary schedules described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical section of the ACFR but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Legal and Regulatory Standards


Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 29, 2023, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, Principal
December 29, 2023

CITY OF WOODBURN

Year Ended June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the City of Woodburn's Annual Comprehensive Financial Report (Annual Financial Report) presents a discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2023. The information presented here should be considered in conjunction with the financial statements included in this report.

FINANCIAL HIGHLIGHTS

Following are the financial highlights of the City for the fiscal year ended June 30:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Net position	\$ 201,080,217	\$ 183,917,797	\$ 17,162,420
Change in net position	17,162,420	31,987,414	(14,824,994)
Governmental activities net position	119,901,843	109,365,146	10,536,697
Business-type activities fund net position	81,178,374	74,552,651	6,625,723
Change in governmental net position	10,536,697	23,833,739	(13,297,042)
Change in proprietary fund net position	6,625,723	8,153,675	(1,527,952)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include three components: the government-wide financial statements, the fund financial statements, and notes to the financial statements. This report also contains required and other supplementary information.

Government-wide financial statements. The government-wide financial statements present the net position (*statement of net position*) and results of operations (*statement of activities*) of the City as a whole. Included are all governmental and business-type assets, deferred outflows, liabilities, deferred inflows, and activities of the City. The measurement focus and basis of accounting are the same for the entire City. The measurement focus is on all economic resources of the City, including current financial resources (assets) and non-current financial resources (capital assets) and the related current and non-current liabilities and equity accounts. Both government-wide statements are prepared using the accrual basis of accounting, which is similar to the methods used by most businesses and takes into account all revenues and expenses connected with the fiscal year, even if cash involved has not been received or paid.

The statement of net position presents information on all the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Increases or decreases in net position may indicate whether the City's financial position is improving or deteriorating.

The statement of activities presents the expenses incurred in providing services to the public and the revenues associated with those activities for both governmental and business-type activities. The statement of activities begins with expenses by function. To these functions are applied charges for services, operating grants and contributions and capital grants and contributions. The resulting sums, with some adjustments, represent charges to taxpayers and may equate to the nearest that governments can determine the "bottom line".

The government-wide financial statements are divided into two categories. Governmental activities are services funded through property taxes and intergovernmental revenues. The governmental activities for the City include general government, public safety, highways and streets, culture and recreation, and economic development. Business-type activities are operations funded primarily through charges to external users of goods and services. Business-type activities include water and sewer.

Fund Financial Statements. A fund is a fiscal and accounting entity with a self-balancing set of accounts that is used to segregate resources that are restricted to a particular activity. The use of funds deters commingling of resources designated for a specific purpose, prevents unauthorized transfer of surpluses, and ensures compliance with legal and contractual requirements. The City has two types of fund categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources and use the modified accrual basis of accounting. Operating statements include all sources and uses of financial resources and display the excess of revenues and other financial sources over (under) expenditures and other uses. Included in the balance sheet are liquid assets and receivables that will be converted into cash currently and short-term liabilities, including payables to vendors and employees. Unmatured bond principal or liabilities for compensated absences not to be paid in the fiscal year are not included. Because the governmental fund statements do not encompass the long-term focus of the government-wide statements, reconciliations are provided on the subsequent page of the governmental fund statements. The emphasis is on major funds that account for the predominant assets and activities of all funds.

The City maintains seventeen individual governmental funds. Information is presented separately for the General Fund, Street Fund, and Urban Renewal Fund in the Governmental Fund Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances. The other governmental funds are combined into a single, aggregated presentation. Information for these non-major governmental funds is provided in the form of *combining statements*.

Proprietary Funds. The City maintains two different types of proprietary funds: enterprise and internal service funds. These funds are used to show activities that operate more like those of commercial enterprises. Fees are charged for services provided, both to outside customers and to other units of the City. Enterprise funds are presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer activities. Internal service funds account for activities furnishing goods or services to other units of the government. Charges for these services are on a cost-reimbursement basis. The internal services funds include insurance and information services. The internal service funds are reported with governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water Operations and Sewer Operations. The internal service funds are combined into a single column in the proprietary fund financial statements.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements, demonstrating compliance with this budget, have been provided.

Notes to the Financial Statements. The notes to the financial statements are an integral part of the basic financial statements and should be read along with them. The notes provide additional information necessary to communicate the financial position of the City.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the City.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City had \$223,616,646 in total assets, \$7,780,442 in total deferred outflows, \$25,207,817 in total liabilities and \$5,109,054 in total deferred inflows, resulting in combined net position of \$201,080,217 for governmental and business-type activities. The largest component of the City's net position reflects its net investment in capital assets (i.e., land, buildings, equipment, and infrastructure, less any related debt outstanding that was needed to acquire or construct the assets). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental capital and lease assets, net of depreciation and amortization, increased \$5,155,489 over the prior year mainly due to the Legion Park improvements and West Hayes Street improvement projects, offset by current year depreciation.

Business-type capital assets, net of depreciation, increased \$4,062,027 over the prior year due primarily to the I-5 pump station and Parr Road Water Treatment Plant projects, offset by current year depreciation.

Total liabilities for both governmental and business-type activities increased by \$2,715,931 from the prior year mainly due to an increase in the net pension liability, partially offset by payments on long-term debt in the current year.

Overall, the City's financial net position increased by \$17,162,420 (9%).

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior year.

Governmental Activities

The City's net position from governmental activities increased \$10,536,697 (10%) from June 30, 2022 to June 30, 2023 due to an increase in capital assets net of depreciation, as well as additional American Rescue Plan Act funding received in the current year that resulted from a new large commercial property constructed within City limits.

	2023			2022		
	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>
Cash and investments	\$ 54,447,155	\$ 26,463,551	\$ 80,910,706	\$ 49,605,611	\$ 24,635,731	\$ 74,241,342
Other assets	3,181,386	1,179,883	4,361,269	2,032,567	2,231,354	4,263,921
Capital and lease assets, net	79,178,732	59,165,939	138,344,671	74,023,243	55,103,912	129,127,155
<i>Total Assets</i>	136,807,273	86,809,373	223,616,646	125,661,421	81,970,997	207,632,418
Deferred outflows	6,390,135	1,390,307	7,780,442	6,383,348	1,388,395	7,771,743
Other liabilities	4,160,405	925,938	5,086,343	3,968,471	2,708,854	6,677,325
Long-term liabilities	15,152,990	4,968,484	20,121,474	11,641,366	4,173,195	15,814,561
<i>Total Liabilities</i>	19,313,395	5,894,422	25,207,817	15,609,837	6,882,049	22,491,886
Deferred inflows	3,982,170	1,126,884	5,109,054	7,069,786	1,924,692	8,994,478
Net position:						
Net investment in capital assets	75,088,828	56,333,884	131,422,712	70,723,048	51,418,406	122,141,454
Restricted	29,560,790	7,401,431	36,962,221	27,828,278	8,547,823	36,376,101
Unrestricted	15,252,225	17,443,059	32,695,284	10,813,820	14,586,422	25,400,242
<i>Total Net Position</i>	\$ 119,901,843	\$ 81,178,374	\$ 201,080,217	\$ 109,365,146	\$ 74,552,651	\$ 183,917,797

Business-type Activities

The City's net position from business-type activities increased \$6,625,723 (9%) from June 30, 2022 to June 30, 2023 due mainly to charges for services in excess of expenses.

Statement of Activities

The following table reflects the condensed Statement of Activities compared to the prior year.

	2023			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program Revenues						
Charges for service	\$ 9,768,573	\$ 15,064,692	\$ 24,833,265	\$ 17,481,046	\$ 14,091,051	\$ 31,572,097
Operating grants and contributions	3,957,325	-	3,957,325	2,935,200	-	2,935,200
Capital grants and contributions	6,143,604	2,085,770	8,229,374	11,819,278	3,512,282	15,331,560
<i>Total Program Revenues</i>	19,869,502	17,150,462	37,019,964	32,235,524	17,603,333	49,838,857
General Revenues						
Property taxes	12,754,434	-	12,754,434	11,789,537	-	11,789,537
Franchise taxes	2,934,866	-	2,934,866	2,594,751	-	2,594,751
Other taxes	617,455	-	617,455	622,953	-	622,953
Intergovernmental	3,892,263	-	3,892,263	3,789,280	-	3,789,280
Other	1,563,988	685,401	2,249,389	362,423	134,938	497,361
<i>Total General Revenues</i>	21,763,006	685,401	22,448,407	19,158,944	134,938	19,293,882
<i>Total Revenues</i>	41,632,508	17,835,863	59,468,371	51,394,468	17,738,271	69,132,739
Expenses						
General government	12,173,246	-	12,173,246	3,737,926	-	3,737,926
Public safety	9,379,653	-	9,379,653	8,021,074	-	8,021,074
Highways and streets	2,854,368	-	2,854,368	2,419,718	-	2,419,718
Culture and recreation	2,746,469	-	2,746,469	6,670,443	-	6,670,443
Economic development	4,069,679	-	4,069,679	6,907,549	-	6,907,549
Interest on long-term debt	24,645	-	24,645	35,369	-	35,369
Water	-	3,720,280	3,720,280	-	3,291,960	3,291,960
Sewer	-	7,337,611	7,337,611	-	6,061,286	6,061,286
<i>Total Expenses</i>	31,248,060	11,057,891	42,305,951	27,792,079	9,353,246	37,145,325
Changes in Net Position Before Transfers	10,384,448	6,777,972	17,162,420	23,602,389	8,385,025	31,987,414
Transfers	152,249	(152,249)	-	231,350	(231,350)	-
Change in Net Position	10,536,697	6,625,723	17,162,420	23,833,739	8,153,675	31,987,414
Beginning Net Position	109,365,146	74,552,651	183,917,797	85,531,407	66,398,976	151,930,383
Ending Net Position	\$ 119,901,843	\$ 81,178,374	\$ 201,080,217	\$ 109,365,146	\$ 74,552,651	\$ 183,917,797

Governmental Activities. Total revenues for the City's governmental activities were \$41,632,508 for the fiscal year ended June 30, 2023. Approximately 31% of the total revenue for the governmental activities was derived from property taxes and approximately 48% of the total revenue was from program revenues. Total expenses for governmental activities were \$31,248,060 and net transfers in were \$152,249 resulting in a \$10,536,697 increase in net position. General government activities accounted for approximately 39% of the total governmental activities expense. Public safety, highways and streets, culture and recreation, and economic development expenses account for approximately 61% of the total, and interest on long-term debt was less than 1% of total governmental activities expenses.

Business-Type Activities. Revenues of business-type activities totaled \$17,835,863 for the current fiscal year. These activities generated \$17,150,462 in program revenues, and \$685,401 in interest earnings and miscellaneous revenues. The total expenses for business-type activities were \$11,057,891 and net transfers out were \$152,249 resulting in a \$6,625,723 increase in net position. Business-type activities for the City of Woodburn consist of operations for water and wastewater services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted previously, the City uses fund accounting to segregate resources that are restricted to a particular activity. Fund balance represents the excess of the assets of the fund over its liabilities. Because the fund financial statements focus on current sources and uses of spendable resources, fund balances relating to each fund may be useful in assessing the government's net resources available.

Governmental Funds. At the end of the fiscal year, there was \$51,161,751 of fund balance of the governmental funds, an increase of \$4,537,544 from the prior year. The City's governmental funds include the General Fund, Building Inspection Fund, Street SDC Fund, and other non-major funds.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, a fund balance of \$13,967,300 was reported by the General Fund. The fund balance increased by \$2,150,183 from the previous year due primarily to an increase in property tax revenue with control expenditures.

The City reports three other major governmental funds. The Building Inspection Fund had a fund balance of \$7,271,433, an increase of \$804,587 from the previous year, due mainly to continued above-average licenses and permits revenue with consistent personnel costs. The Street & Storm Capital Improvement Fund had a fund balance of \$441,086, an increase of \$56, due to transfers in from other funds to cover current year expenditures. The Street SDC fund had a balance of \$13,518,413, an increase of \$1,290,268, due to continued collections of SDC's to be used in future years.

Proprietary Funds. At the end of the current fiscal year, net position of the enterprise funds equaled \$81,178,374, an increase of \$6,625,723 from the prior year, and net position of the internal service funds equaled \$831,542, a decrease of \$110,981 from the prior year.

The City reports two major proprietary funds, the Water Operations Fund, and the Sewer Operations Fund. The Water Operations Fund had a net position of \$16,656,306, an increase of \$2,293,731 from previous year, mainly due to controlled increases in revenue to keep up with rising operating expenses. The Sewer Operations Fund had a net position of \$64,522,068, an increase of \$4,331,992 from the previous year, mainly due to controlled increases in revenue to keep up with rising operating expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues (budgetary basis) exceeded budgeted amounts by less than 1%. General Fund expenditures ended \$6,981,453 below budgeted amounts primarily due to management efforts to contain costs throughout the fiscal year. There was one supplemental budget that affected total balances in the General Fund during the year, which increased operating expenses by \$1,500,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital and lease assets for its governmental and business-type activities equaled \$79,178,732 and \$59,165,939 respectively, at the end of the current fiscal year, net of accumulated depreciation and amortization. This investment includes land, construction in process, buildings, equipment, and infrastructure, and right to use assets. Additional information about the City's capital assets is presented on pages 33-34 in the notes to the financial statements.

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Land	\$ 23,056,538	\$ 23,056,538	\$ 1,813,429	\$ 1,813,429	\$ 24,869,967	\$ 24,869,967
Construction in progress	15,483,340	10,674,594	13,651,575	8,826,673	29,134,915	19,501,267
Buildings	23,899,819	22,397,192	62,748,380	62,748,380	86,648,199	85,145,572
Equipment	8,895,781	8,038,919	4,462,784	4,359,623	13,358,565	12,398,542
Infrastructure	46,812,956	46,645,762	34,040,143	32,790,414	80,853,099	79,436,176
Right to use asset - equipment	658,892	658,892	-	-	658,892	658,892
Accumulated depreciation and amortization	(39,628,594)	(37,448,654)	(57,550,372)	(55,434,607)	(97,178,966)	(92,883,261)
Net capital and lease assets	<u>\$ 79,178,732</u>	<u>\$ 74,023,243</u>	<u>\$ 59,165,939</u>	<u>\$ 55,103,912</u>	<u>\$ 138,344,671</u>	<u>\$ 129,127,155</u>

Long-term Debt. At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$3,835,147, compared to \$4,685,346 in the prior year. The decrease is due to scheduled debt repayments offset by the recognition of leases payable. For the business-type activities, total long-term debt equaled \$2,305,508 compared to \$3,748,268 in the prior year. The decrease is due to scheduled debt repayments. Additional information about the City's long-term debt outstanding is presented on pages 35-37 in the notes to the financial statements.

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
General obligation bonds	\$ 597,000	\$ 1,194,000	\$ -	\$ -	\$ 597,000	\$ 1,194,000
Direct borrowings	1,832,000	2,109,000	-	-	1,832,000	2,109,000
Direct placement revenue bonds	-	-	2,244,000	3,686,000	2,244,000	3,686,000
Leases payable	385,604	560,118	-	-	385,604	560,118
Accrued compensated absences	1,020,543	822,228	61,508	62,268	1,082,051	884,496
	<u>\$ 3,835,147</u>	<u>\$ 4,685,346</u>	<u>\$ 2,305,508</u>	<u>\$ 3,748,268</u>	<u>\$ 6,140,655</u>	<u>\$ 8,433,614</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Oregon, much like the national economic environment, has steadily improved over the last few years. The low unemployment rates have positively impacted wages and Oregon's median household incomes have risen. The strong economy, coupled with steady population growth and Woodburn's 2015 approval of the Urban Growth Boundary, will result in an increase in local development and property tax revenue projections.

REQUESTS FOR INFORMATION

This financial report is designed to provide the City of Woodburn's citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to the City of Woodburn, 270 Montgomery Street, Woodburn, Oregon 97071.

BASIC FINANCIAL STATEMENTS

CITY OF WOODBURN, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 54,447,155	\$ 26,463,551	\$ 80,910,706
Accounts receivable	2,053,343	1,126,918	3,180,261
Property taxes receivable	462,348	-	462,348
Assessment liens receivable	12,267	-	12,267
Loans receivable	457,608	-	457,608
Prepaid expenses	26,160	6,859	33,019
Net OPEB asset - RHIA	169,660	46,106	215,766
Non-depreciable capital assets	38,539,877	15,465,005	54,004,882
Other capital assets and leases, net	40,638,855	43,700,934	84,339,789
<i>Total Assets</i>	<i>136,807,273</i>	<i>86,809,373</i>	<i>223,616,646</i>
DEFERRED OUTFLOWS			
Deferred outflows related to PERS	6,236,855	1,347,890	7,584,745
Deferred outflows related to OPEB	151,878	42,127	194,005
Deferred charges on refunding	1,402	290	1,692
<i>Total Deferred Outflows</i>	<i>6,390,135</i>	<i>1,390,307</i>	<i>7,780,442</i>
LIABILITIES			
Accounts payable	2,842,312	729,782	3,572,094
Accrued payroll liabilities	1,313,035	-	1,313,035
Deposits payable	-	190,929	190,929
Interest payable	5,058	5,227	10,285
Noncurrent liabilities:			
Due within one year:			
Long-term debt	882,000	1,442,000	2,324,000
Leases payable	126,214	-	126,214
Accrued compensated absences	408,217	24,603	432,820
Due in more than one year:			
Long-term debt	1,547,000	802,000	2,349,000
Leases payable	259,390	-	259,390
Accrued compensated absences	612,326	36,905	649,231
Total OPEB liability - Implicit rate subsidy	568,040	168,085	736,125
Net pension liability - PERS	10,749,803	2,494,891	13,244,694
<i>Total Liabilities</i>	<i>19,313,395</i>	<i>5,894,422</i>	<i>25,207,817</i>
DEFERRED INFLOWS			
Deferred inflows related to PERS	3,809,946	1,078,196	4,888,142
Deferred inflows related to OPEB	172,224	48,688	220,912
<i>Total Deferred Inflows</i>	<i>3,982,170</i>	<i>1,126,884</i>	<i>5,109,054</i>
NET POSITION			
Net investment in capital assets	75,088,828	56,333,884	131,422,712
Restricted for:			
Debt service	16,675	-	16,675
Culture and recreation	947,476	-	947,476
Community development	4,372,405	-	4,372,405
Construction	24,035,948	7,361,502	31,397,450
OPEB - RHIA	188,286	39,929	228,215
Unrestricted	15,252,225	17,443,059	32,695,284
<i>Total Net Position</i>	<i>\$ 119,901,843</i>	<i>\$ 81,178,374</i>	<i>\$ 201,080,217</i>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

		<i>Program Revenues</i>		
		<i>Fees, Fines and Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>
FUNCTIONS/PROGRAMS	Expenses			
<i>Governmental activities:</i>				
General government	\$ 12,173,246	\$ 4,954,458	\$ 113,699	\$ 992,922
Public safety	9,379,653	270,547	3,649	2,500
Highways and streets	2,854,368	215,780	2,073,000	2,091,658
Culture and recreation	2,746,469	444,652	1,663,257	3,056,524
Economic development	4,069,679	3,883,136	103,720	-
Interest on long-term debt	24,645	-	-	-
<i>Total Governmental activities</i>	31,248,060	9,768,573	3,957,325	6,143,604
<i>Business-type activities:</i>				
Water	3,720,280	5,057,977	-	756,404
Sewer	7,337,611	10,006,715	-	1,329,366
<i>Total Business-type activities</i>	11,057,891	15,064,692	-	2,085,770
<i>Total Activities</i>	\$ 42,305,951	\$ 24,833,265	\$ 3,957,325	\$ 8,229,374

General Revenues:

Property taxes
Franchise taxes
Other taxes
Intergovernmental
Gain on disposition of assets
Unrestricted investment earnings
Miscellaneous

Total General Revenues

Transfers

Change in Net Position

Net Position - beginning of year

Net Position - end of year

The accompanying notes are an integral part of the financial statements.

***Net (Expenses) Revenues
and Changes in Net Position***

<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
\$ (6,112,167)	\$ -	\$ (6,112,167)
(9,102,957)	-	(9,102,957)
1,526,070	-	1,526,070
2,417,964	-	2,417,964
(82,823)	-	(82,823)
(24,645)	-	(24,645)
(11,378,558)	-	(11,378,558)
-	2,094,101	2,094,101
-	3,998,470	3,998,470
-	6,092,571	6,092,571
(11,378,558)	6,092,571	(5,285,987)
12,754,434	-	12,754,434
2,934,866	-	2,934,866
617,455	-	617,455
3,892,263	-	3,892,263
44,185	-	44,185
1,263,409	611,131	1,874,540
256,394	74,270	330,664
21,763,006	685,401	22,448,407
152,249	(152,249)	-
10,536,697	6,625,723	17,162,420
109,365,146	74,552,651	183,917,797
<u>\$ 119,901,843</u>	<u>\$ 81,178,374</u>	<u>\$ 201,080,217</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	<i>Special Revenue</i>		<i>Capital Projects</i>		<i>Other</i>	
	<i>General</i>	<i>Building Inspection</i>	<i>Street Storm Capital Improvement</i>	<i>Street SDC</i>	<i>Governmental Funds</i>	<i>Total</i>
ASSETS						
Cash and investments	\$ 15,071,380	\$ 7,352,891	\$ 1,236,002	\$ 13,518,413	16,049,585	\$ 53,228,271
Accounts receivable	1,017,581	-	-	-	976,257	1,993,838
Property taxes receivable	406,467	-	-	-	55,881	462,348
Assessment liens receivable	-	-	-	-	12,267	12,267
Loans receivable	-	-	-	-	457,608	457,608
Prepaid items	22,860	-	-	-	3,300	26,160
<i>Total Assets</i>	<u>\$ 16,518,288</u>	<u>\$ 7,352,891</u>	<u>\$ 1,236,002</u>	<u>\$ 13,518,413</u>	<u>\$ 17,554,898</u>	<u>\$ 56,180,492</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
<i>Liabilities</i>						
Accounts payable	\$ 865,290	\$ 81,458	\$ 794,916	\$ -	\$ 946,226	\$ 2,687,890
Retainage payable	-	-	-	-	123,518	123,518
Accrued payroll and payroll liabilities	1,313,035	-	-	-	-	1,313,035
<i>Total Liabilities</i>	2,178,325	81,458	794,916	-	1,069,744	4,124,443
<i>Deferred Inflows</i>						
Unavailable revenue	372,663	-	-	-	521,635	894,298
<i>Fund Balance</i>						
Non-spendable	22,860	-	-	-	3,300	26,160
Restricted for:						
Debt service	-	-	-	-	16,675	16,675
Construction	-	-	441,086	13,518,413	10,072,306	24,031,805
Culture and recreation	-	-	-	-	947,476	947,476
Community development	-	-	-	-	3,884,844	3,884,844
Committed to:						
Public safety	-	-	-	-	18,145	18,145
Capital outlay	-	-	-	-	1,020,773	1,020,773
Planning and building	-	7,271,433	-	-	-	7,271,433
Retirement	391,120	-	-	-	-	391,120
Unassigned	13,553,320	-	-	-	-	13,553,320
<i>Total Fund Balance</i>	<u>13,967,300</u>	<u>7,271,433</u>	<u>441,086</u>	<u>13,518,413</u>	<u>15,963,519</u>	<u>51,161,751</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 16,518,288</u>	<u>\$ 7,352,891</u>	<u>\$ 1,236,002</u>	<u>\$ 13,518,413</u>	<u>\$ 17,554,898</u>	<u>\$ 56,180,492</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON**RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023**

Fund Balances \$ 51,161,751

The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are reported as unavailable in governmental funds. 894,298

PERS net pension liability, OPEB asset and liability, deferred outflows of resources arising from contributions paid, changes in assumptions, and differences between expected and actual experience, and deferred inflows arising from changes in proportionate share of earnings in the current year are not financial resources in governmental funds, but are reported in the Statement of Net Position.

Net pension liability - PERS	(10,268,925)
Total OPEB liability - Implicit rate subsidy	(543,925)
Net OPEB asset - RHIA	163,544
Deferred outflows - PERS	5,980,080
Deferred outflows - OPEB	145,498
Deferred inflows - PERS	(3,679,807)
Deferred inflows - OPEB	(165,640)

Capital and lease assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.

Cost	118,807,326
Accumulated depreciation and amortization	(39,628,594)

All liabilities are reported in the Statement of Net Position. However, if they are not due and payable in the current period, they are not recorded in governmental funds.

Accrued compensated absences	(977,045)
Accrued interest	(5,058)
Long-term debt	(2,429,000)
Less deferred charges on refunding	1,402
Leases payable	(385,604)

Internal service funds are proprietary-type funds and not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities and net position are reported along with governmental activities in the Statement of Net Position. 831,542

<i>Net Position of Governmental Activities</i>	\$ 119,901,843
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The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2023

		<i>Special Revenue</i>	<i>Capital Projects</i>		<i>Other Governmental Funds</i>	
	<i>General</i>	<i>Building Inspection</i>	<i>Street Storm Capital Improvement</i>	<i>Street SDC</i>		<i>Total</i>
REVENUES						
Taxes and assessments	\$ 11,695,449	\$ -	\$ -	\$ -	\$ 1,659,629	\$ 13,355,078
Licenses and permits	2,866,329	2,043,119	-	1,988,329	1,887,594	8,785,371
Charges for services	993,454	-	-	-	24	993,478
Intergovernmental	2,269,076	-	-	-	6,827,422	9,096,498
Fines and forfeitures	512,030	787,716	-	-	465,335	1,765,081
Miscellaneous	917,436	167,256	220,720	301,939	1,542,435	3,149,786
<i>Total Revenues</i>	19,253,774	2,998,091	220,720	2,290,268	12,382,439	37,145,292
EXPENDITURES						
Current						
General government	3,049,438	-	-	-	-	3,049,438
Economic development	1,310,841	2,184,664	-	-	2,054,629	5,550,134
Public safety	9,201,756	-	-	-	-	9,201,756
Highways and streets	-	-	-	-	2,500,405	2,500,405
Culture and recreation	3,313,607	-	-	-	1,522,595	4,836,202
Debt Service						
Principal	-	-	-	-	874,000	874,000
Interest	-	-	-	-	83,254	83,254
Capital outlay	100,945	-	3,295,730	-	3,422,010	6,818,685
<i>Total Expenditures</i>	16,976,587	2,184,664	3,295,730	-	10,456,893	32,913,874
REVENUES OVER (UNDER) EXPENDITURES	2,277,187	813,427	(3,075,010)	2,290,268	1,925,546	4,231,418
OTHER FINANCING SOURCES (USES)						
Transfers in	493,970	-	3,075,066	-	2,486,178	6,055,214
Transfers out	(665,224)	(8,840)	-	(1,000,000)	(4,119,210)	(5,793,274)
Proceeds from sale of assets	44,250	-	-	-	(64)	44,186
<i>Total Other Financing Sources (Uses)</i>	(127,004)	(8,840)	3,075,066	(1,000,000)	(1,633,096)	306,126
NET CHANGE IN FUND BALANCE	2,150,183	804,587	56	1,290,268	292,450	4,537,544
FUND BALANCE, beginning of year	11,817,117	6,466,846	441,030	12,228,145	15,671,069	46,624,207
FUND BALANCE, end of year	\$ 13,967,300	\$ 7,271,433	\$ 441,086	\$ 13,518,413	\$ 15,963,519	\$ 51,161,751

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ 4,537,544
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.	
Property tax receivables	16,812
Decreases in other assets	(2,336)
Governmental funds do not report expenditures for unpaid compensated absences, unpaid payroll, interest expense or arbitrage since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.	
Accrued compensated absences	(194,415)
Accrued interest payable	1,592
Deferred charge on refunding	(1,402)
Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation and amortization expense.	
Expenditures for capital and lease assets	7,335,429
Depreciation and amortization	(2,179,940)
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.	
Debt principal paid	874,000
Repayment of lease principal	174,514
Current year PERS pension and OPEB expenses related to changes in liabilities are reported as an expense in the Statement of Activities but are not recorded as an expenditure in the governmental funds.	
	85,880
Net income of internal service funds	(110,981)
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 10,536,697</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

				Governmental Activities
	Water Operations	Sewer Operations	Total	Internal Service
ASSETS				
Current Assets				
Cash and investments	\$ 6,793,159	\$ 19,670,392	\$ 26,463,551	\$ 1,218,884
Accounts receivable	418,084	708,834	1,126,918	59,506
Prepaid items	-	6,859	6,859	-
<i>Total Current Assets</i>	7,211,243	20,386,085	27,597,328	1,278,390
Noncurrent Assets				
Net OPEB asset - RHIA	19,567	26,539	46,106	6,116
Nondepreciable capital assets	3,177,673	12,287,332	15,465,005	-
Other capital assets, net of depreciation	9,923,451	33,777,483	43,700,934	-
<i>Total Noncurrent Assets</i>	13,120,691	46,091,354	59,212,045	6,116
<i>Total Assets</i>	20,331,934	66,477,439	86,809,373	1,284,506
DEFERRED OUTFLOWS				
Deferred outflows related to PERS	457,864	890,026	1,347,890	256,775
Deferred outflows related to OPEB	18,707	23,420	42,127	6,380
Deferred charge on refunding	290	-	290	-
<i>Total Deferred Outflows</i>	476,861	913,446	1,390,307	263,155
LIABILITIES				
Current Liabilities				
Accounts payable	185,961	543,821	729,782	30,905
Deposits payable	190,929	-	190,929	-
Accrued interest payable	5,227	-	5,227	-
Current portion of long-term liabilities				
Long-term debt	1,402,000	-	1,402,000	-
Accrued compensated absences	16,882	7,721	24,603	17,399
<i>Total Current Liabilities</i>	1,800,999	551,542	2,352,541	48,304
Noncurrent Liabilities				
Accrued compensated absences	25,323	11,582	36,905	26,099
Long-term debt	842,000	-	842,000	-
Net pension liability - PERS	918,950	1,575,941	2,494,891	480,878
Total OPEB liability - Implicit rate subsidy	74,833	93,252	168,085	24,115
<i>Total Noncurrent Liabilities</i>	1,861,106	1,680,775	3,541,881	531,092
<i>Total Liabilities</i>	3,662,105	2,232,317	5,894,422	579,396
DEFERRED INFLOWS				
Deferred inflows related to PERS	469,708	608,488	1,078,196	130,139
Deferred inflows related to OPEB	20,676	28,012	48,688	6,584
<i>Total Deferred Inflows</i>	490,384	636,500	1,126,884	136,723
NET POSITION:				
Net investment in capital assets	10,733,163	45,600,721	56,333,884	-
Restricted for:				
Construction	4,585,123	2,776,379	7,361,502	-
OPEB - RHIA	17,973	21,956	39,929	6,172
Unrestricted	1,320,047	16,123,012	17,443,059	825,370
<i>Total Net Position</i>	\$ 16,656,306	\$ 64,522,068	\$ 81,178,374	\$ 831,542

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS**
YEAR ENDED JUNE 30, 2023

				Governmental Activities
	Water Operations	Sewer Operations	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 5,057,977	\$ 10,006,715	\$ 15,064,692	\$ 2,132,810
Miscellaneous	68,548	5,722	74,270	2,666
<i>Total Operating Revenues</i>	5,126,525	10,012,437	15,138,962	2,135,476
OPERATING EXPENSES				
Personal services	1,836,347	2,218,676	4,055,023	626,705
Materials and services	1,329,072	2,378,612	3,707,684	1,463,779
Depreciation	470,844	1,644,921	2,115,765	-
<i>Total Operating Expenses</i>	3,636,263	6,242,209	9,878,472	2,090,484
OPERATING INCOME (LOSS)	1,490,262	3,770,228	5,260,490	44,992
NONOPERATING REVENUES (EXPENSES)				
Investment revenue	181,847	429,284	611,131	20,309
Interest expense	(84,017)	(1,095,402)	(1,179,419)	-
<i>Total Nonoperating Revenues (Expenses)</i>	97,830	(666,118)	(568,288)	20,309
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,588,092	3,104,110	4,692,202	65,301
Capital contributions	756,404	1,329,366	2,085,770	-
Transfers in	28,465	74,696	103,161	-
Transfers out	(79,230)	(176,180)	(255,410)	(176,282)
CHANGE IN NET POSITION	2,293,731	4,331,992	6,625,723	(110,981)
NET POSITION, beginning of year	14,362,575	60,190,076	74,552,651	942,523
NET POSITION, end of year	\$ 16,656,306	\$ 64,522,068	\$ 81,178,374	\$ 831,542

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	<i><u>Water Operations</u></i>	<i><u>Sewer Operations</u></i>	<i><u>Totals</u></i>	<i><u>Governmental Activities Internal Service</u></i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Collected from customers	\$ 5,015,325	\$ 10,084,543	\$ 15,099,868	\$ 2,143,763
Paid to suppliers	(1,311,520)	(2,027,809)	(3,339,329)	(1,439,515)
Paid to employees	(1,846,711)	(1,931,248)	(3,777,959)	(626,375)
<i>Net Cash Provided by Operating Activities</i>	1,857,094	6,125,486	7,982,580	77,873
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	2,868,530	74,696	2,943,226	-
Transfers out	(2,919,296)	(176,180)	(3,095,476)	(6,530)
<i>Net Cash Used in Non-Capital Financing Activities</i>	(50,766)	(101,484)	(152,250)	(6,530)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(2,858,540)	(3,216,092)	(6,074,632)	(169,752)
Principal paid on loans and bonds payable	(1,442,000)	-	(1,442,000)	-
Capital contributions	756,404	1,329,366	2,085,770	-
Interest paid	(87,377)	(1,095,402)	(1,182,779)	-
<i>Net Cash Used in Capital and Related Financing Activities</i>	(3,631,513)	(2,982,128)	(6,613,641)	(169,752)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	181,847	429,284	611,131	20,310
<i>Increase (Decrease) in Cash and Investments</i>	(1,643,338)	3,471,158	1,827,820	(78,099)
CASH AND INVESTMENTS, Beginning of year	8,436,497	16,199,234	24,635,731	1,296,983
CASH AND INVESTMENTS, End of year	<u>\$ 6,793,159</u>	<u>\$ 19,670,392</u>	<u>\$ 26,463,551</u>	<u>\$ 1,218,884</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)****YEAR ENDED JUNE 30, 2023**

	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Totals</i>	<i>Governmental Activities Internal Service</i>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,490,262	\$ 3,770,228	\$ 5,260,490	\$ 44,991
Adjustments to reconcile the change in operating cash provided by operating activities:				
Depreciation	470,844	1,644,921	2,115,765	-
Non-cash transfers in	(28,465)	(74,696)	(103,161)	-
<i>Change in assets and liabilities:</i>				
Accounts receivable	(121,703)	1,167,508	1,045,805	8,288
Deferred outflows	(748)	(1,164)	(1,912)	(327)
Net OPEB asset - RHIA	2,551	3,117	5,668	-
Prepaid expenses	-	-	-	877
Accounts payable and accrued liabilities	44,559	(369,168)	(324,609)	24,264
Customer deposits	11,960	-	11,960	-
Compensated absences payable	(163)	(597)	(760)	3,900
Net pension liability - PERS	341,897	417,674	759,571	117,398
Total OPEB liability - Implicit rate subsidy	5,208	6,363	11,571	1,789
Deferred inflows	(359,108)	(438,700)	(797,808)	(123,307)
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 1,857,094</u>	<u>\$ 6,125,486</u>	<u>\$ 7,982,580</u>	<u>\$ 77,873</u>
<i>Noncash Transactions</i>				
Transfer of capital assets	<u>\$ (28,465)</u>	<u>\$ (74,696)</u>	<u>\$ (103,161)</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Woodburn, Oregon (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The Financial Reporting Entity

The City of Woodburn, Oregon is governed by an elected mayor and six council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a city administrator. All significant activities and organizations for which the City is financially accountable are included in the financial statements for the year ended June 30, 2023.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The City of Woodburn's financial statements include the Woodburn Urban Renewal Agency as a blended component unit. The City Council and Board of Directors of Woodburn Urban Renewal Agency are composed of the same individuals and the City has operational responsibility for the agency.

The separately issued financial statements of the Woodburn Urban Renewal Agency may be obtained from the City, 270 Montgomery Street, Woodburn, Oregon 97071.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements display information about the reporting government as a whole. Interfund activity that is not related to interfund services provided and used has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, enterprise or fiduciary. Currently, the City has general, special revenue, capital projects, debt service, internal service and enterprise type funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the other supplementary information.

The government-wide and proprietary fund financial statements are accounted for using an economic resources measurement focus, whereby all assets and liabilities are included in the statement of net position and the statement of fund net position. The increases and decreases in those net positions are presented in the government-wide statement of activities and in the proprietary fund statement of revenues, expenses and changes in fund net position. These funds use the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Interfund activity consists of transfers, services provided and/or used, reimbursements, advances and loans. As a general rule, the effect of interfund activity has been eliminated from the governmental-wide financial statements. Exceptions to this general rule include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues in the statement of activities include (1) fines, fees and charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Grants and contributions not restricted are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Operating revenues and operating expenses are intermediate components within the proprietary fund statement of revenues, expenses, and changes in fund net position, and include only those transactions that constitute their principal, ongoing activities exclusive of investing or financing transactions. Significant operating revenues include charges for services and miscellaneous income. Significant operating expenses include personnel, materials and supplies, outside services, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Although not a major impact on the financial statements, Governmental Fund type fund balances are now reported in the following classifications.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget. The City's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

The City Council has approved a policy to maintain an ending fund balance in the General Fund, in order to provide stable services and employment to offset cyclical variations in revenues and expenditures. The targeted floor for the ending balance is 20% of annual operating revenue, as shown as a minimum fund balance in the General Fund, with the long-term goal of increasing the reserve to 25% as year-end savings occur. The City Council is the highest level of decision-making authority and may take formal action by vote or resolution to establish, modify, or rescind a fund balance commitment.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

Debt Service Funds are utilized to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements

Governmental funds use the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (both measurable and available). “Measurable” means that the amount of the transaction can be determined. “Available” is defined as being collectible within the current period or soon enough thereafter (30 days) to be used to liquidate liabilities of the current period. Expenditures other than interest on noncurrent obligations, are recorded when the fund liability is incurred.

Real and personal property taxes are levied as of July 1 for each fiscal year on values assessed as of January 1. Property taxes are an enforceable lien on both real and personal property as of July 1 and are due and payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Marion County and remitted to the City. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (30 days). Otherwise, they are reported as unavailable revenues.

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt, or earlier, if the susceptible accrual criteria are met.

Licenses and permits, charges for services, fines and forfeits and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

When both restricted and unrestricted resources are available for use, it is the City’s practice to use restricted resources first, then unrestricted resources as they are needed.

The reporting model sets forth minimum criteria (percentage of the assets, liabilities, receipts, or disbursements of either fund category or the government and enterprise combined) for the determination of major funds. Nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

- General Fund
- Building Inspection Fund
- Street & Storm Capital Improvement Fund
- Street SDC Fund

The City reports the following major proprietary funds:

- Water Operations
- Sewer Operations

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues, and expenses as of and for the year ended June 30, 2023. Actual results may differ from such estimates.

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit. Investments, included in cash and investments, are carried at cost which approximates market value. For purposes of the statement of cash flows, the proprietary funds consider cash and cash equivalents to include the cash and investment common pool. These amounts have the general characteristics of demand deposit accounts in that the proprietary funds may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

Receivables and Unavailable Revenues

Receivables for state, county, and local shared revenues, included in accounts receivable, are recorded as revenue in the governmental funds as earned.

Receivables of the enterprise funds are recorded as revenue as earned.

Property taxes receivable for the governmental fund types, which have been collected within thirty days subsequent to year end, are considered measurable and available and are recognized as revenues. All other property taxes are considered unavailable and, accordingly, have not been recorded as revenue. Property taxes receivable by the City represent the City's allocated share of delinquent property taxes and other amounts to be collected from property owners within Marion County, Oregon.

Assessment liens in the governmental fund types are recognized as receivables at the time property owners are assessed for property improvements. All assessments receivable are considered unavailable and, accordingly, have not been recorded as revenue.

Revolving loans in the government fund types are recognized as receivables at the time housing rehabilitation loans are made. All loans receivable are considered unavailable and, accordingly, have not been recorded as revenue.

Inventory and Prepaid Items

Inventory in business-type funds is stated at cost (first-in, first-out basis) and is charged to expense as used. Prepaid items in the governmental funds are stated at cost and charged to expenditures in the period consumed.

Capital Assets

Capital assets are stated at cost or estimated historical cost. Donated capital assets and donated works of art or similar items are reported at acquisition value rather than at fair value.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Capital assets include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure and other tangible and intangible assets costing over \$5,000 used in operations that have initial useful lives extending beyond a single reporting period. Infrastructure are those capital assets that are stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. Infrastructure reported in governmental activities consists of roads, bridges, sidewalks, and traffic and lighting systems. Infrastructure reported in business-type activities consists of water and wastewater collection systems.

All capital assets, except for infrastructure in governmental activities prior to July 1, 1980, have been capitalized in the government-wide and proprietary fund financial statements. In accordance with the current financial resources measurement focus, capital assets are not capitalized in the governmental fund financial statements. All purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Historical cost is measured by the cash or cash equivalent price of obtaining an asset, including ancillary charges necessary to place the asset into its intended location and condition for use. Donated capital assets are reported at their estimated market value at the time of acquisition plus ancillary charges, if any. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Amounts expended for maintenance and repairs are charged to expenditures/expenses in the appropriate funds as incurred and are not capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. All estimates of useful lives are based on actual experience by City departments with identical or similar capital assets. Depreciation is calculated on the straight-line basis, except for infrastructure and improvements other than buildings reported in the governmental activities column of the government-wide financial statements, which are calculated using a composite depreciation method. The estimated useful lives of the various categories of assets are as follows:

Buildings and improvements	10 - 40 years
Water and Sewer Systems	15 - 50 years
Infrastructure	50 years
Equipment	5 - 15 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized.

Long-Term Debt

Long-term debt directly related and expected to be paid from the enterprise funds is recorded in these funds. All other unmatured long-term debt is recorded on the statement of net position. Repayment of general bonded debt will be made from debt service funds. Bond premiums will be amortized over the life of the related debt. Payment of compensated absences will be made primarily from the General Fund, Street Fund, Water Fund and Sewer Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The City reports deferred outflows of resources related to pensions and other post-employment benefits for contributions made after the June 30, 2022 measurement date, differences between expected and actual experience, and changes in proportionate share, as well as deferred charges related to refunded bonds.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The City reports deferred inflows related to pensions and other post-employment benefits for changes in projected earnings versus actual earnings and contribution versus proportionate share of contributions.

The third instance of deferred inflows arises only under a modified accrual basis of accounting. Accordingly, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Pension Liability

The City reports its proportionate share of the Net Pension Liability of the Oregon Public Employees Retirement System (OPERS). A negative Net Pension Liability is reported as a Net Pension Asset. For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at market value.

Post-Employment Benefits Other Than Pensions (OPEB)

The City reports two components of post-employment benefits other than pensions (OPEB) - Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA) and a single-employer defined benefit post-employment health plan administered by Citycounty Insurance Services (CIS).

The City reports its proportionate share of the Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA). A negative OPEB liability is reported as an OPEB Asset. For purposes of measuring the City's OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS RHIA and additions to/deductions from OPERS RHIA's fiduciary net position have been determined on the same basis as they are reported by OPERS RHIA. For this purpose, the benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at market value.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Post-Employment Benefits Other Than Pensions (OPEB) (Continued)

The City reports an OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to the implicit subsidy arising from the City's single-employer defined benefit post-employment health plan administered by CIS. For the purpose of measuring the City's OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on an actuarial valuation provided by CIS. Benefit payments are recognized when due and payable in accordance with benefit terms.

Accrued Vacation Pay

Accumulated vested vacation pay is accrued in the proprietary funds as it is earned by employees. In governmental fund types, the amounts, if any, expected to be liquidated with expendable available resources are accrued as liabilities of the funds and the amount payable from future resources is recorded on the statement of net position. The accrued payables in the Statement of Net Position are recorded as long-term in that the amount is not expected to materially change. Sick pay, which does not vest, is recorded in all funds when leave is taken.

Budget and Budgetary Accounting

A budget is prepared for each fund in accordance with the modified accrual basis of accounting for all funds. For budgetary purposes, interfund loan transactions are reported as interfund transfers. Appropriations are made at the program/function level for all funds. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each fiscal year. Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the City Council. After budget approval, the City Council may approve supplemental appropriations if an occurrence, condition, or need exists which had not been ascertained at the time the budget was adopted. Management may not amend the budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council.

ORGANIZATION AND OPERATION

The City's financial operations are accounted for in the following funds:

Governmental Fund Types

General Fund

The General Fund accounts for activities of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees and state and county shared revenues. Primary expenditures are for public safety, highways and streets, economic development, culture and recreation, and general government. In accordance with GASB Statement No. 54, the PERS Reserve fund, which is budgeted separately and accounts for the City's participation in the State's employer incentive program, is combined with the General fund for financial reporting purposes.

Special Revenue Funds

Building Inspection Fund - This fund accounts for building permit revenue and associated operations.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

ORGANIZATION AND OPERATION (Continued)

Governmental Fund Types (Continued)

Special Revenue Funds (Continued)

Street Fund - This fund is used to account for the City's street operations. The fund's major source of revenue is highway gas tax received from the State of Oregon.

Transit Fund – This fund accounts for amounts held to be used for transportation services.

Asset Forfeiture Fund - This fund accounts for the seizure of private properties that are the product of illegal activity, and for the expenditure of the proceeds by the City for illegal drug activity investigations and subsequent arrests.

American Rescue Plan Fund - This fund accounts for revenue and expenditures directly related to the funds received by the City resulting from the American Rescue Plan Act.

Housing Rehabilitation Fund - This fund accounts for the City's CDBG grant program and provides low-income housing and small business loans.

Lavelle Black Trust Fund – This fund accounts for the donations received to continue the police dog program.

Special Assessment Fund - This fund accounts for the repayment of local improvement district (LID) assessments.

Urban Renewal Fund – This fund accounts for transactions related to urban renewal, including debt service on the URA loan. Property taxes are the primary source of revenue.

Capital Projects Funds

Street SDC Fund - This fund accounts for the collection and spending of street SDCs.

General Capital Construction Fund - This fund is used to account for transfers from general services funds used for general services construction projects.

Street & Storm Capital Improvement Fund - This fund accounts for transfers from the Storm and Street funds. The money is used for street and storm related capital projects.

Parks SDC Fund - This fund is used to account for the collection and spending of park SDCs.

Storm SDC Fund - This fund accounts for the collection and spending of storm SDCs.

Equipment Replacement Fund - This fund accounts for transfers from other funds set aside for future equipment purchases.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

ORGANIZATION AND OPERATION (Continued)

Governmental Fund Types (Continued)

Debt Service Fund

GO Debt Service Fund - This fund accounts for debt service on the City's 2005 GO bond (refunded in 2017). Property taxes are the major source of revenue.

Proprietary Fund Types

Enterprise Funds

The City has two enterprise funds. Three individually budgeted funds are related to water, and report as Water Operations, and three individually budgeted funds are related to sewer, and report as Sewer Operations. The specific funds and their purposes are as follows.

Water Operations - This operating fund includes the Water fund, the Water SDC fund and the Water Capital Construction fund. Customer usage fees and system development charges (SDCs) are the primary sources of revenue. The funds account for water general operations, water system capital improvement projects and the retirement of associated debt.

Sewer Operations - This operating fund includes the Sewer fund, the Sewer SDC fund and the Sewer Capital Construction Fund. Customer usage fees and system development charges (SDCs) are the primary sources of revenue. The funds account for the operation of the City's sewer system, sewer system capital improvement projects, and the retirement of associated debt.

Internal Service Funds

The City has two internal service funds which provide services to other City departments. Internal charges are the primary revenue source for all funds. Expenditures are for the purposes as described below.

Information Technology Fund - This fund accounts for the maintenance and replacement of the City's network and technology services.

Insurance Fund - This fund accounts for the City's insurance coverage.

CITY OF WOODBURN, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2023****CASH AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Position as part of "cash and investments."

	<i>Carrying Value</i>	<i>Fair Value</i>
<i>Cash</i>		
Cash on hand	\$ 4,422	\$ 4,422
Deposits with financial institutions	44,080,080	44,080,080
<i>Investments</i>		
Local Government Investment Pool	36,826,204	36,689,947
	<u>\$ 80,910,706</u>	<u>\$ 80,774,449</u>

Cash is reported in the financial statements as follows:

Governmental funds	\$ 53,228,271
Internal Service funds (included in governmental activities)	1,218,884
Enterprise funds	<u>26,463,551</u>
	<u>\$ 80,910,706</u>

Deposits

The book balance of the City's bank deposits was \$44,080,080 and the bank balance was \$44,585,029 at year end. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill, and caution. The Oregon Short Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The carrying value of the City's position in the pool is the same as the value of the pool shares; market value was 99.63% of the value of the pool shares as of June 30, 2023. The investment in the Oregon Short Term Fund is not subject to classification. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

CASH AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in market value of its investments by limiting the weighted average maturity of its investments.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) provide insurance for the City's deposits up to \$250,000 for the aggregate of demand deposits and the aggregate of all time deposits and savings accounts at each financial institution and credit union. Deposits in excess of FDIC and NCUA coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2023, \$44,085,029 of the City's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.

Custodial Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill, and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The LGIP is not rated for credit quality.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

CAPITAL ASSETS

The summary of capital assets for governmental activities for the year ended June 30, 2023 is as follows:

	<i>Balances July 1, June 30, 2022</i>	<i>Additions</i>	<i>Retirements/ Transfers</i>	<i>Balances June 30, 2023</i>
<i>Capital assets not being depreciated</i>				
Land	\$ 23,056,538	\$ -	\$ -	\$ 23,056,538
Construction in progress	10,674,594	6,418,030	(1,609,284)	15,483,340
Subtotal, nondepreciable assets	33,731,132	6,418,030	(1,609,284)	38,539,878
<i>Capital and lease assets being depreciated or amortized</i>				
Buildings	22,397,192	1,502,627	-	23,899,819
Equipment	8,038,919	856,862	-	8,895,781
Infrastructure	46,645,762	167,194	-	46,812,956
Less accumulated depreciation	(37,347,345)	(2,001,363)	-	(39,348,708)
Capital assets, net of depreciation	39,734,528	525,320	-	40,259,848
Right to use asset - equipment	658,892	-	-	658,892
Less accumulated amortization	(101,309)	(178,577)	-	(279,886)
Lease assets, net of amortization	557,583	(178,577)	-	379,006
<i>Total capital and lease assets being depreciated or amortized, net</i>	40,292,111	346,743	-	40,638,854
Net capital assets	\$ 74,023,243	\$ 6,764,773	\$ (1,609,284)	\$ 79,178,732

Depreciation expense was allocated as follows:

General government	\$ 620,908
Public safety	195,255
Highways and streets	898,531
Culture and recreation	143,573
Internal service funds	143,096
	<u>\$ 2,001,363</u>

Amortization expense was allocated as follows:

General government	\$ 21,684
Public safety	156,893
	<u>\$ 178,577</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

CAPITAL ASSETS (Continued)

The summary of capital assets for the business-type activities for the year ended June 30, 2023 is as follows:

	<i>Balances June 30, 2022</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2023</i>
<i>Capital assets not being depreciated</i>				
Land	\$ 1,813,429	\$ -	\$ -	\$ 1,813,429
Construction in progress	8,826,673	6,060,234	(1,235,332)	13,651,575
Subtotal, nondepreciable assets	10,640,102	6,060,234	(1,235,332)	15,465,004
<i>Capital assets being depreciated</i>				
Buildings	62,748,380	-	-	62,748,380
Water and sewer systems	32,790,414	1,249,729	-	34,040,143
Equipment	4,359,623	103,161	-	4,462,784
Less accumulated depreciation	(55,434,607)	(2,115,765)	-	(57,550,372)
Capital assets, net of depreciation	44,463,810	(762,875)	-	43,700,935
Net capital assets	\$ 55,103,912	\$ 5,297,359	\$ (1,235,332)	\$ 59,165,939

Depreciation expense was allocated as follows:

Water operations	\$ 470,844
Sewer operations	1,644,921
	<u>\$ 2,115,765</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

LONG-TERM DEBT

Long-term debt transactions for the year ended June 30, 2023 were as follows:

	<i>Outstanding July 1, 2022</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2023</i>	<i>Due Within One Year</i>
<i>Governmental Activities:</i>					
Direct placement general obligation bonds	\$ 1,194,000	\$ -	\$ (597,000)	\$ 597,000	\$ 597,000
Direct borrowings	2,109,000	-	(277,000)	1,832,000	285,000
	3,303,000	-	(874,000)	2,429,000	882,000
Accrued compensated absences	822,228	940,390	(742,075)	1,020,543	408,217
	<u>\$ 4,125,228</u>	<u>\$ 940,390</u>	<u>\$ (1,616,075)</u>	<u>\$ 3,449,543</u>	<u>\$ 1,290,217</u>
<i>Business-type Activities:</i>					
Direct placement revenue bonds	\$ 3,686,000	\$ -	\$ (1,442,000)	\$ 2,244,000	\$ 1,332,000
Accrued compensated absences	62,268	92,216	(92,976)	61,508	24,603
	<u>\$ 3,748,268</u>	<u>\$ 92,216</u>	<u>\$ (1,534,976)</u>	<u>\$ 2,305,508</u>	<u>\$ 1,356,603</u>

Direct Placement General Obligation Bonds Payable - Governmental Activities

General Obligation Bond Series 2017 (2005 refunding): In November 2017, the City issued bonds directly to a bank in the amount of \$3,749,000 at 2.08% interest, to refund bonds issued in 2005. Bond interest is payable semiannually, while principal is due annually through June 2024. The bonds are unsecured, and the City has levied an ad valorem tax to service payments due. Amounts due are not subject to acceleration in the event of default. The balance at June 30, 2023 is \$597,000.

Annual debt service requirements to maturity for bonds payable are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2024	<u>\$ 597,000</u>	<u>\$ 13,082</u>	<u>\$ 610,082</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

LONG-TERM DEBT (Continued)

Loans from Direct Borrowings - Governmental Activities

2019 Urban Renewal Note Payable: In June 2019, the Woodburn Urban Renewal Agency (a component unit of the City) entered into a note payable agreement in the amount of \$2,900,000 at 2.77% interest, to fund urban renewal projects. Interest is payable semiannually, while principal is due annually through June 2029. The loan is secured by the tax increment revenues and amounts due are not subject to acceleration in the event of default. The balance at June 30, 2023 is \$1,832,000.

Annual debt service requirements for direct borrowings are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2024	\$ 285,000	\$ 50,746	\$ 335,746
2025	293,000	42,852	335,852
2026	301,000	34,736	335,736
2027	309,000	26,398	335,398
2028	318,000	17,839	335,839
2029	326,000	9,030	335,030
	<u>\$ 1,832,000</u>	<u>\$ 181,601</u>	<u>\$ 2,013,601</u>

Direct Placement Revenue Bonds Payable - Business-type Activities

2018 Water Revenue Refunding Bond - Direct Placement: In October 2020, the City issued bonds totaling \$8,630,000 at 2.94% interest to refund outstanding loans payable. Bond interest is payable semiannually, while principal is due annually through December 2024. The bonds are secured by the net revenues of the water system. The balance at June 30, 2023 is \$2,244,000. This loan was fully paid off in July 2023.

Annual debt service requirements to maturity for bonds payable are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2024	\$ 1,332,000	\$ 46,393	\$ 1,378,393
2025	912,000	13,406	925,406
	<u>\$ 2,244,000</u>	<u>\$ 59,799</u>	<u>\$ 2,303,799</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

LEASES PAYABLE

The City has a lease agreement for six police vehicles with various payment amounts and expiration dates. The yearly payments in place at June 30, 2022 total \$83,664 per year, with the newest lease expiring in 2024. The lease payable was calculated using a discount rate of 3.0%

The City has a lease agreement for police equipment. The agreement was incepted in June 2022 with yearly payments of \$84,358 commencing in July 2022. The lease payable was calculated using a discount rate of 3.0%.

The City has a lease agreement for office equipment with monthly payments in place at June 30, 2022 of \$1,917 per month, with the lease expiring in 2027. The lease payable was calculated using a discount rate of 3.0%.

As of and for the year ended June 30, 2023, the City's lease payable activity was as follows:

	<i>Outstanding June 30, 2022</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2023</i>	<i>Due Within One Year</i>
Vehicle leases	\$ 109,616	\$ -	\$ (80,375)	\$ 29,241	\$ 29,241
Police equipment lease	386,335	-	(72,768)	313,567	74,951
Copier lease	64,167	-	(21,371)	42,796	22,022
	\$ 560,118	\$ -	\$ (174,514)	\$ 385,604	\$ 126,214

At June 30, 2023, future principal and interest payments for the lease payables are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Vehicle Leases</i>			<i>Police Equipment Leases</i>			<i>Copier Leases</i>			<i>Totals</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2024	\$ 29,241	\$ 877	\$ 30,118	\$ 74,951	\$ 9,407	\$ 84,358	\$ 22,022	\$ 983	\$ 23,005	\$ 126,214	\$ 11,267	\$ 137,481
2025	-	-	-	77,199	7,159	84,358	20,774	313	21,087	97,973	7,472	105,445
2026	-	-	-	79,516	4,842	84,358	-	-	-	79,516	4,842	84,358
2027	-	-	-	81,901	2,457	84,358	-	-	-	81,901	2,457	84,358
	\$ 29,241	\$ 877	\$ 30,118	\$ 313,567	\$ 23,865	\$ 337,432	\$ 42,796	\$ 1,296	\$ 44,092	\$ 385,604	\$ 26,038	\$ 411,642

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

Substantially all City employees are members in the Oregon Public Employees Retirement System (OPERS); a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS produces an independently audited Comprehensive Annual Financial Report which can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits Provided

Tier One/Tier Two Retirement Benefit

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Benefits Provided (Continued)

Tier One/Tier Two Retirement Benefit (Continued)

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefit regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

Pension Benefits. The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary.

OPSRP Pension Program

Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and if the pension program is terminated, the date on which termination becomes effective.

Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Benefits Provided (Continued)

OPSRP Pension Program (Continued)

Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2020 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The City's contribution rates for the period were 21.24% for Tier One/Tier Two members, 15.73% for OPSRP General Service members, and 20.09% for OPSRP Police and Fire members. The City's total contributions exclusive of the 6% "pick-up" was \$2,116,468.

Covered employees are required to contribute 6% of their salary to the Plan, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The City has elected to contribute the 6% "pick-up" or \$684,616 of the employees' contribution.

Contributions and pension expense are reported in the funds in which the related payroll costs are incurred, primarily the General, Street, Water, Sewer, Information Technology, and Insurance funds.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the City reported a liability of \$13,244,694 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2022, and the net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion was 0.0865%, compared to 0.0798% from its proportion measured as of June 30, 2021.

CITY OF WOODBURN, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2023****PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)**

For the year ended June 30, 2023, the City recognized pension expense of \$91,518. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 642,923	\$ 82,596
Changes of assumptions	2,078,164	18,986
Net difference between projected and actual earnings on investments	-	2,367,895
Changes in proportionate share	1,286,959	898,933
Differences between employer contributions and proportionate share of contributions	1,460,231	1,519,732
Contributions subsequent to measurement date	2,116,468	-
	<hr/>	<hr/>
Total	\$ 7,584,745	\$ 4,888,142
	<hr/>	<hr/>

Deferred outflows of resources related to pensions of \$2,116,468 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as an addition to (reduction from) as follows:

<i>Fiscal Year Ending June 30,</i>	
<hr/>	
2024	\$ 417,279
2025	51,629
2026	(918,800)
2027	1,058,441
2028	(28,414)
	<hr/>
Total	\$ 580,135
	<hr/>

CITY OF WOODBURN, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2023**

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)**Actuarial Methods and Assumptions**

The net pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Investment rate of return	6.90 percent
Projected Salary Increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Active Members:</i> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 experience study which reviewed experience for the four-year period ending on December 31, 2020.

CITY OF WOODBURN, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2023****PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)****Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	(2.50)	1.76
Assumed Inflation - Mean		2.40

Discount Rate

The discount rate used to measure the net pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the net pension liability.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.90%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 23,488,319	\$ 13,244,694	\$ 4,671,253

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

DEFINED CONTRIBUTION PENSION PLANS

The City sponsors two defined contribution pension plans. Both plan's provisions and contribution requirements are established and amended by the City Council.

The 401A is administered by ICMA Retirement Corp. to provide retirement benefits for the City Attorney. The City has established a contribution amount equivalent to approximately 7% of covered salary. The City contributed \$8,424 to the plan for the year ended June 30, 2023.

The 457 plan is administered by both ICMA Retirement Corporation and First Investors Financial Services and provides additional retirement benefits for contract and unrepresented employees. The City has established matching contribution rates of 5% or 8.5%, depending on contractual agreements. The City contributed \$226,482 to the plan for the year ended June 30, 2023.

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

Contributions and OPEB expense are reported in the funds in which the related payroll costs are incurred, primarily the General, Street, Water, Sewer, Information Technology, and Insurance funds.

CITY OF WOODBURN, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2023****POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)****Financial Statement Presentation**

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	<i>Implicit Rate Subsidy Plan</i>	<i>PERS RHIA Plan</i>	<i>Total OPEB on Financials</i>
Net OPEB asset	\$ -	\$ 215,766	\$ 215,766
Deferred Outflows of Resources			
Differences between expected and actual experience	107,692	-	107,692
Change in assumptions	13,428	1,689	15,117
Changes in proportionate share	54,397	15,460	69,857
Contributions subsequent to measurement date	-	1,339	1,339
Total Deferred Outflows of Resources	175,517	18,488	194,005
Total OPEB Liability	736,125	-	736,125
Deferred Inflows of Resources			
Differences between expected and actual experience	17,385	5,847	23,232
Change in assumptions	163,731	7,192	170,923
Net difference between projected and actual earnings	-	16,455	16,455
Changes in proportionate share	-	10,302	10,302
Total Deferred Inflows of Resources	181,116	39,796	220,912
OPEB Expense/(Income)	4,980	(23,351)	(18,371)

Implicit Rate Subsidy**Plan Description**

The City's single employer defined benefit postemployment healthcare plan is administered by Citycounty Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of the City or through resolutions passed by City Council. No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained by writing to the CIS Main Office, 1212 Court Street NE, Salem OR 97301.

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Implicit Rate Subsidy (Continued)

As of the valuation date of July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	8
Active employees	128
	<u>136</u>

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability of \$736,125 was measured as of June 30, 2022, and was determined by an actuarial valuation as of December 31, 2020. For the fiscal year ended June 30, 2023, the City recognized OPEB expense from this plan of \$4,980. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<i>Deferred Outflow of Resources</i>	<i>Deferred Inflow of Resources</i>
Differences between expected and actual experience	\$ 107,692	\$ 17,385
Changes of assumptions	13,428	163,731
Contributions subsequent to measurement date	54,397	-
Total	<u>\$ 175,517</u>	<u>\$ 181,116</u>

Deferred outflows of resources related to OPEB of \$54,397 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year ended June 30:</i>	
2024	\$ (17,517)
2025	(17,517)
2026	(17,517)
2027	(12,320)
2028	257
Thereafter	4,618
Total	<u>\$ (59,996)</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability for the June 30, 2023 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified: inflation rate of 2.50%, projected salary increases of 3.50%, discount rate of 2.16%, medical and vision varies between 5.75% and 3.75%, dental at 4.00%, and mortality rates based on the PUB-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

Changes in the Total OPEB Liability

	<i>Total OPEB Liability</i>
Balance as of June 30, 2022	\$ 679,774
Changes for the year:	
Service cost	61,305
Interest on total OPEB liability	15,588
Effect of economic/demographic gains or losses	120,513
Effect of assumptions changes or inputs	(102,061)
Benefit payments	(38,994)
Balance as of June 30, 2023	<u>\$ 736,125</u>

The effect of changes in assumptions is the result of the change in the discount rate from 2.21 to 2.16.

Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16 percent) or 1 percentage point higher (3.16 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

<i>Discount Rate:</i>	<i>1% Decrease (2.54%)</i>	<i>Current Discount Rate (3.54%)</i>	<i>1% Increase (4.54%)</i>
Total OPEB Liability	\$ 796,125	\$ 736,125	\$ 680,849
<i>Healthcare Cost Trend:</i>	<i>1% Decrease (2.75% increasing to 3.00%)</i>	<i>Trend Rate (3.75% increasing to 4.00%)</i>	<i>1% Increase (4.75% increasing to 5.00%)</i>
Total OPEB Liability	\$ 659,883	\$ 736,125	\$ 825,848

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PERS Retirement Health Insurance Account

Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700 or online at: <https://www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2020 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2022. The City's contribution rates for the period were 0.05% for Tier One/Tier Two members. The City's total contributions for the year ended June 30, 2023 were \$1,339.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the City reported an asset of \$215,766 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2022 and was determined by an actuarial valuation as of December 31, 2020, rolled forward to June 30, 2022. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2022 the City's proportionate share was 0.0607%, which is an increase from its proportion of 0.0709% as of June 30, 2021.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PERS Retirement Health Insurance Account (Continued)

For the year ended June 30, 2023, the City recognized OPEB income from this plan of \$26,029. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<i>Deferred Outflow of Resources</i>	<i>Deferred Inflow of Resources</i>
Differences between expected and actual experience	\$ -	\$ 5,847
Changes of assumptions	1,689	7,192
Net difference between projected and actual earnings	-	16,455
Change in proportionate share	15,460	10,302
Contributions subsequent to measurement date	1,339	-
	<hr/>	<hr/>
Total	\$ 18,488	\$ 39,796
	<hr/>	<hr/>

Deferred outflows of resources related to OPEB of \$1,339 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year ended June 30:</i>	
2024	\$ (12,668)
2025	(4,864)
2026	(10,384)
2027	5,270
	<hr/>
Total	\$ (22,646)
	<hr/>

Actuarial Methods and Assumptions

See OPERS Pension Plan footnote for additional information on actuarial assumptions and methods, the long-term expected rate of return, and the discount rate.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

PERS Retirement Health Insurance Account (Continued)

Sensitivity of the proportionate share of the net OPEB liability (asset) to changes in the discount rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.90%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the current rate:

	<i>1% Decrease</i> <i>(5.90%)</i>	<i>Discount Rate</i> <i>(6.90%)</i>	<i>1% Increase</i> <i>(7.90%)</i>
Net OPEB liability (asset)	\$ (194,466)	\$ (215,766)	\$ (234,025)

OPEB Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

TRANSFERS

Interfund transfers are as follows:

	<i>Transfers Out</i>							
	<i>Governmental funds</i>				<i>Business-type funds</i>			
<i>Transfers In</i>	<i>General</i>	<i>Building Inspection</i>	<i>Street SDC</i>	<i>Non-major</i>	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Internal Service</i>	<i>Total Transfers In</i>
<i>Governmental funds</i>								
General	\$ -	\$ 8,840	\$ -	\$ 433,190	\$ 19,230	\$ 26,180	\$ 6,530	\$ 493,970
Street & Storm Capital Construction	-	-	1,000,000	2,075,066	-	-	-	3,075,066
Other non-major	665,224	-	-	1,610,954	60,000	150,000	-	2,486,178
<i>Transfers Out</i>	\$ 665,224	\$ 8,840	\$ 1,000,000	\$ 4,119,210	\$ 79,230	\$ 176,180	\$ 6,530	\$ 6,055,214

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or, (2) move unrestricted revenues to finance programs accounted for in other funds in accordance with budgetary authorization. The table above is based on fund financials statements.

CONTINGENCIES

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability, and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

The City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the City's financial position.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

SUBSEQUENT EVENT

Management has evaluated subsequent events through December **, 2023, the date on which the financial statements were available to be used.

In July 2023, the City fully paid its obligations on the 2018 Water Revenue Refunding Bond.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WOODBURN, OREGON**COMBINING BALANCE SHEET – BUDGETARY FUNDS REPORTED AS GENERAL FUND****JUNE 30, 2023**

	<i>Budgetary funds</i>		<i>Total (reported as General Fund)</i>
	<i>General Fund</i>	<i>PERS Reserve</i>	
<i>ASSETS</i>			
Cash and investments	\$ 14,680,260	\$ 391,120	\$ 15,071,380
Accounts receivable	1,017,581	-	1,017,581
Property taxes receivable	406,467	-	406,467
Prepaid expenses	22,860	-	22,860
<i>Total Assets</i>	<u>\$ 16,127,168</u>	<u>\$ 391,120</u>	<u>\$ 16,518,288</u>
<i>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</i>			
<i>Liabilities</i>			
Accounts payable	\$ 865,290	\$ -	\$ 865,290
Accrued payroll and payroll liabilities	1,313,035	-	1,313,035
<i>Total Liabilities</i>	2,178,325	-	2,178,325
<i>Deferred Inflows</i>			
Unavailable revenue	372,663	-	372,663
<i>Fund Balance</i>			
Non-spendable	22,860	-	22,860
Committed to:			
Retirement	-	391,120	391,120
Unassigned	13,553,320	-	13,553,320
<i>Total Fund Balance</i>	<u>13,576,180</u>	<u>391,120</u>	<u>13,967,300</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 16,127,168</u>	<u>\$ 391,120</u>	<u>\$ 16,518,288</u>

See notes to required supplementary information.

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGETARY FUNDS REPORTED AS GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	<i>Budgetary funds</i>			<i>Total (reported as General Fund)</i>
	<i>General Fund</i>	<i>PERS Reserve</i>	<i>Eliminations</i>	
REVENUES				
Taxes and assessments	\$ 11,695,449	\$ -	\$ -	\$ 11,695,449
Licenses and permits	2,866,329	-	-	2,866,329
Charges for services	993,454	-	-	993,454
Intergovernmental	2,269,076	-	-	2,269,076
Fines and forfeitures	512,030	-	-	512,030
Miscellaneous	917,436	-	-	917,436
<i>Total Revenues</i>	19,253,774	-	-	19,253,774
EXPENDITURES				
Current				
General government	3,049,438	-	-	3,049,438
Economic development	1,310,841	-	-	1,310,841
Public safety	9,201,756	-	-	9,201,756
Culture and recreation	3,313,607	-	-	3,313,607
Capital outlay	100,945	-	-	100,945
<i>Total Expenditures</i>	16,976,587	-	-	16,976,587
REVENUES OVER (UNDER) EXPENDITURES	2,277,187	-	-	2,277,187
OTHER FINANCING SOURCES (USES)				
Transfers in	409,710	208,000	(123,740)	493,970
Transfers out	(788,964)	-	123,740	(665,224)
Proceeds from sales of assets	44,250	-	-	44,250
<i>Total Other Financing Sources (Uses)</i>	(335,004)	208,000	-	(127,004)
NET CHANGE IN FUND BALANCE	1,942,183	208,000	-	2,150,183
FUND BALANCE, beginning of year	11,633,997	183,120	-	11,817,117
FUND BALANCE, end of year	\$ 13,576,180	\$ 391,120	\$ -	\$ 13,967,300

See notes to required supplementary information.

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes and assessments	\$ 11,041,560	\$ 11,041,560	\$ 11,695,449	\$ 653,889
Licenses and permits	304,940	304,940	397,398	92,458
Franchise fees	2,037,160	2,037,160	2,468,931	431,771
Charges for services	963,700	963,700	993,454	29,754
Intergovernmental	1,896,800	3,396,800	2,269,076	(1,127,724)
Fines and forfeitures	1,045,050	1,045,050	512,030	(533,020)
Miscellaneous	443,360	443,360	917,436	474,076
<i>Total Revenues</i>	17,732,570	19,232,570	19,253,774	21,204
EXPENDITURES				
Administration	2,238,230	2,178,230	1,777,403	400,827
Economic development	273,220	288,220	284,503	3,717
Nondepartmental	804,250	3,054,250	1,272,034	1,782,216
Police	9,583,820	9,628,820	9,201,756	427,064
Community services	3,910,125	3,910,125	3,414,552	495,573
Planning	774,065	774,065	680,123	93,942
Engineering	382,720	382,720	346,216	36,504
Contingency	4,491,610	3,741,610	-	3,741,610
<i>Total Expenditures</i>	22,458,040	23,958,040	16,976,587	6,981,453
REVENUES OVER (UNDER) EXPENDITURES	(4,725,470)	(4,725,470)	2,277,187	7,002,657
OTHER FINANCING SOURCES (USES)				
Transfers in	681,000	681,000	409,710	(271,290)
Transfers out	(834,950)	(834,950)	(788,964)	45,986
Proceeds from sale of assets	25,250	25,250	44,250	19,000
<i>Total Other Financing Sources (Uses)</i>	(128,700)	(128,700)	(335,004)	(206,304)
NET CHANGE IN FUND BALANCE	(4,854,170)	(4,854,170)	1,942,183	6,796,353
FUND BALANCE, beginning of year	8,663,050	8,663,050	11,633,997	2,970,947
FUND BALANCE, end of year	\$ 3,808,880	\$ 3,808,880	\$ 13,576,180	\$ 9,767,300

See notes to required supplementary information.

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PERS RESERVE FUND (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2023**

	Budget Amounts			
	Original	Final	Actual	Variance
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Personal services	391,120	391,120	-	391,120
REVENUES OVER (UNDER) EXPENDITURES	(391,120)	(391,120)	-	391,120
OTHER FINANCING SOURCES (USES)				
Transfers in	208,000	208,000	208,000	-
NET CHANGE IN FUND BALANCE	(183,120)	(183,120)	208,000	391,120
FUND BALANCE, beginning of year	183,120	183,120	183,120	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 391,120	\$ 391,120

See notes to required supplementary information.

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUILDING INSPECTION FUND
YEAR ENDED JUNE 30, 2023**

	Budget Amounts			
	Original	Final	Actual	Variance
Licenses and permits	\$ 2,259,380	\$ 2,259,380	\$ 2,043,119	\$ (216,261)
Intergovernmental	1,661,000	1,661,000	787,716	(873,284)
Miscellaneous	13,000	13,000	167,256	154,256
<i>Total Revenues</i>	3,933,380	3,933,380	2,998,091	(935,289)
EXPENDITURES				
Building inspection	3,163,850	3,163,850	2,184,664	979,186
Contingency	7,038,690	7,038,690	-	7,038,690
<i>Total Expenditures</i>	10,202,540	10,202,540	2,184,664	8,017,876
REVENUES OVER (UNDER) EXPENDITURES	(6,269,160)	(6,269,160)	813,427	7,082,587
OTHER FINANCING SOURCES (USES)				
Transfers out	(8,840)	(8,840)	(8,840)	-
NET CHANGE IN FUND BALANCE	(6,278,000)	(6,278,000)	804,587	7,082,587
FUND BALANCE, beginning of year	6,278,000	6,278,000	6,466,846	188,846
FUND BALANCE, end of year	\$ -	\$ -	\$ 7,271,433	\$ 7,271,433

See notes to required supplementary information.

CITY OF WOODBURN, OREGON**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)****OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM****LAST TEN FISCAL YEARS¹**

	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.1145%	\$ 5,842,512	\$ 7,956,480	73.4%	92.0%
2015	0.1145%	(2,595,126)	8,048,595	-32.2%	103.6%
2016	0.1224%	7,026,676	8,457,225	83.1%	91.9%
2017	0.1081%	16,230,093	8,344,438	194.5%	80.5%
2018	0.0994%	13,401,200	8,800,124	152.3%	83.1%
2019	0.0856%	12,969,468	8,950,436	144.9%	82.1%
2020	0.0912%	15,782,405	8,868,978	178.0%	80.2%
2021	0.0778%	16,979,947	10,145,281	167.4%	75.8%
2022	0.0798%	9,545,486	9,855,515	96.9%	87.6%
2023	0.0865%	13,244,694	10,504,778	126.1%	84.5%

See notes to required supplementary information.

CITY OF WOODBURN, OREGON
SCHEDULE OF THE CITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Contractually required contributions	Contributions in relation to the contractually required	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2014	\$ 1,022,429	\$ (1,022,429)	\$ -	\$ 8,048,595	12.70%
2015	1,046,147	(1,046,147)	-	8,457,225	12.37%
2016	1,096,838	(1,096,838)	-	8,344,438	13.14%
2017	1,034,667	(1,034,667)	-	8,800,124	11.76%
2018	1,347,984	(1,347,984)	-	8,950,436	15.06%
2019	1,407,165	(1,407,165)	-	8,868,978	15.87%
2020	1,874,810	(1,874,810)	-	10,145,281	18.48%
2021	1,620,295	(1,620,295)	-	9,855,515	16.44%
2022	1,733,222	(1,733,222)	-	10,504,778	16.50%
2023	2,116,468	(2,116,468)	-	13,139,706	16.11%

See notes to required supplementary information.

CITY OF WOODBURN, OREGON**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS - IMPLICIT RATE SUBSIDY
LAST SIX FISCAL YEARS¹**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 61,305	\$ 59,512	\$ 44,820	\$ 39,806	\$ 47,892	\$ 51,565
Interest on total OPEB liability	15,588	15,120	23,775	24,532	25,949	21,016
Effect of economic/demographic gains or (losses)	120,513	-	(15,430)	-	(16,512)	-
Effect of assumption change or inputs	(102,061)	2,791	(21,415)	20,318	(96,751)	(46,746)
Benefit payments	<u>(38,994)</u>	<u>(44,391)</u>	<u>(38,599)</u>	<u>(49,862)</u>	<u>(37,144)</u>	<u>(32,401)</u>
Net change in total OPEB liability	56,351	33,032	(6,849)	34,794	(76,566)	(6,566)
Total OPEB liability, beginning	<u>679,774</u>	<u>646,742</u>	<u>653,590</u>	<u>618,796</u>	<u>695,362</u>	<u>701,928</u>
Total OPEB liability, ending	<u>\$ 736,125</u>	<u>\$ 679,774</u>	<u>\$ 646,741</u>	<u>\$ 653,590</u>	<u>\$ 618,796</u>	<u>\$ 695,362</u>
Covered-employee payroll	\$13,139,706	\$10,504,778	\$ 9,855,515	\$10,145,281	\$ 8,868,978	\$ 8,950,436
Total OPEB liability as a % of covered-employee payroll	5.6%	6.5%	6.6%	6.4%	7.0%	7.8%

Notes:

The above table presents the most recent actuarial valuations for the City's post-employment health insurance benefits plan and provides information that approximates the funding progress of the plan.

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay the OPEB benefit for the implicit rate subsidy OPEB plan.

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

CITY OF WOODBURN, OREGON**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)****OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT
LAST SEVEN FISCAL YEARS ¹**

	City's proportion of the net OPEB liability (asset)	City's proportionate share of the net OPEB liability (asset)	City's covered payroll	City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.0869%	\$ 23,610	\$ 8,344,438	0.3%	94.2%
2018	0.0815%	(34,002)	8,800,124	-0.4%	108.9%
2019	0.0825%	(92,049)	8,950,436	-1.0%	124.0%
2020	0.0815%	(157,485)	8,868,978	-1.8%	124.0%
2021	0.0505%	(102,836)	10,145,281	-1.0%	150.1%
2022	0.0709%	(243,371)	9,855,515	-2.5%	183.9%
2023	0.0607%	(215,766)	10,504,778	-2.1%	194.6%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

CITY OF WOODBURN, OREGON**SCHEDULE OF THE CITY'S CONTRIBUTIONS****OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT****LAST SEVEN FISCAL YEARS ¹**

	Contractually required contributions	Contributions in relation to the contractually required	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2017	\$ 38,765	\$ (38,765)	\$ -	\$ 8,800,124	0.44%
2018	40,561	(40,561)	-	8,950,436	0.45%
2019	39,580	(39,580)	-	8,868,978	0.45%
2020	40,436	(40,436)	-	10,145,281	0.40%
2021	5,106	(5,106)	-	9,855,515	0.05%
2022	1,497	(1,497)	-	10,504,778	0.01%
2023	1,339	(1,339)	-	13,139,706	0.01%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

See notes to required supplementary information.

CITY OF WOODBURN, OREGON

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2023

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. The City's budget is presented on the modified accrual basis of accounting which is the same basis as GAAP with the exception of interfund loans, which are not reported on the budgetary basis.

Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds as required by Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Appropriations of expenditures are made at the program/function level for all funds. The detail budget document is required to contain more specific information for the above-mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. Management may not amend the budget without seeking the approval of the Council. Appropriations lapse as of year-end.

Changes in Benefit Terms

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. Senate Bill 822 lowered the COLA from 2% to 1.5% for recipients who do not pay Oregon income tax because they are not residents of Oregon.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms was not included in the net pension liability (asset) proportionate shares provided by OPERS for the years ending June 30, 2015 and June 30, 2014.

Changes of assumptions

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012, 2014, and 2016 experience study for the System, which were published on September 18, 2013, September 23, 2015, July 26, 2017, and July 25, 2019, respectively. These reports can be found at:

<http://www.oregon.gov/PERS/Pages/Financials/Actuarial-Presentations-and-Reports.aspx>.

CITY OF WOODBURN, OREGON

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Other Postemployment Benefits (OPEB)

The tables on pages 59-61 present the activities, changes in the proportionate share and contributions related to the City's postemployment health insurance benefit plans (implicit rate subsidy and retirees' health insurance account) based on the most recent actuarial valuations for the City.

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay the OPEB benefit for the implicit rate subsidy OPEB plan.

SUPPLEMENTARY INFORMATION

CITY OF WOODBURN, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	<i>Special Revenue</i>		
	<i>Street</i>	<i>Transit</i>	<i>Asset Forfeiture</i>
ASSETS			
Cash and investments	\$ 4,738,715	\$ 225,884	\$ 18,145
Accounts receivable	246,805	705,078	-
Property taxes receivable	-	-	-
Assessment liens receivable	-	-	-
Loans receivable	-	-	-
Prepays	-	-	-
<i>Total Assets</i>	<u>\$ 4,985,520</u>	<u>\$ 930,962</u>	<u>\$ 18,145</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 435,104	\$ 17,556	\$ -
Retainage payable	5,196	-	-
<i>Total Liabilities</i>	<u>440,300</u>	<u>17,556</u>	<u>-</u>
Deferred Inflows:			
Unavailable revenue	-	-	-
Fund Balance:			
Non-spendable	-	-	-
Restricted for:			
Debt service	-	-	-
Construction	4,545,220	-	-
Culture and recreation	-	913,406	-
Community development	-	-	-
Committed to:			
Public safety	-	-	18,145
Capital outlay	-	-	-
Unassigned	-	-	-
<i>Total Fund Balance</i>	<u>4,545,220</u>	<u>913,406</u>	<u>18,145</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 4,985,520</u>	<u>\$ 930,962</u>	<u>\$ 18,145</u>

<i>Special Revenue</i>					<i>Capital Projects</i>
<i>American Rescue Plan</i>	<i>Housing Rehabilitation</i>	<i>Lavelle Black Trust</i>	<i>Special Assessment</i>	<i>Urban Renewal</i>	<i>General Capital Construction</i>
\$ 2,743,874	\$ 28,292	\$ 34,070	\$ 40,759	\$ 1,222,057	\$ 472,731
-	-	-	-	24,374	-
-	-	-	-	32,900	-
-	-	-	12,267	-	-
-	457,608	-	-	-	-
-	-	-	-	-	3,300
<u>\$ 2,743,874</u>	<u>\$ 485,900</u>	<u>\$ 34,070</u>	<u>\$ 53,026</u>	<u>\$ 1,279,331</u>	<u>\$ 476,031</u>
\$ -	\$ -	\$ -	\$ -	\$ 136,700	\$ 356,866
-	-	-	-	-	118,322
-	-	-	-	136,700	475,188
-	457,608	-	12,267	29,953	843
-	-	-	-	-	3,300
-	-	-	-	-	-
-	-	-	-	-	-
-	-	34,070	-	-	-
2,743,874	28,292	-	-	1,112,678	-
-	-	-	-	-	-
-	-	-	40,759	-	-
-	-	-	-	-	(3,300)
<u>2,743,874</u>	<u>28,292</u>	<u>34,070</u>	<u>40,759</u>	<u>1,112,678</u>	<u>-</u>
<u>\$ 2,743,874</u>	<u>\$ 485,900</u>	<u>\$ 34,070</u>	<u>\$ 53,026</u>	<u>\$ 1,279,331</u>	<u>\$ 476,031</u>

CITY OF WOODBURN, OREGON**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)**

JUNE 30, 2023

	<i>Capital Projects</i>		
	<i>Parks SDC</i>	<i>Storm SDC</i>	<i>Equipment Replacement</i>
ASSETS			
Cash and investments	\$ 4,418,576	\$ 1,111,810	\$ 980,014
Accounts receivable	-	-	-
Property taxes receivable	-	-	-
Assessment liens receivable	-	-	-
Loans receivable	-	-	-
Prepays	-	-	-
<i>Total Assets</i>	<u>\$ 4,418,576</u>	<u>\$ 1,111,810</u>	<u>\$ 980,014</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Retainage payable	-	-	-
<i>Total Liabilities</i>	-	-	-
Deferred Inflows:			
Unavailable revenue	-	-	-
Fund Balance:			
Non-spendable	-	-	-
Restricted for:			
Debt service	-	-	-
Construction	4,418,576	1,111,810	-
Culture and recreation	-	-	-
Community development	-	-	-
Committed to:			
Public safety	-	-	-
Capital outlay	-	-	980,014
Unassigned	-	-	-
<i>Total Fund Balance</i>	<u>4,418,576</u>	<u>1,111,810</u>	<u>980,014</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 4,418,576</u>	<u>\$ 1,111,810</u>	<u>\$ 980,014</u>

<i>Debt Service</i>	
<i>GO Debt Service</i>	<i>Total</i>
\$ 14,658	\$ 16,049,585
-	976,257
22,981	55,881
-	12,267
-	457,608
-	3,300
<u>\$ 37,639</u>	<u>\$ 17,554,898</u>

\$ -	\$ 946,226
-	123,518

-	1,069,744
---	-----------

20,964	521,635
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-	3,300
---	-------

16,675	16,675
--------	--------

-	10,075,606
---	------------

-	947,476
---	---------

-	3,884,844
---	-----------

-	18,145
---	--------

-	1,020,773
---	-----------

-	(3,300)
---	---------

16,675	15,963,519
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<u>\$ 37,639</u>	<u>\$ 17,554,898</u>
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CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	<i>Special Revenue</i>		
	<i>Street</i>	<i>Transit</i>	<i>Asset Forfeiture</i>
<i>REVENUES</i>			
Taxes and assessments	\$ 118,032	\$ -	\$ -
Licenses and permits	67	-	-
Charges for services	-	24	-
Intergovernmental	2,073,000	1,732,889	-
Fines and forfeitures	465,335	-	-
Miscellaneous	197,663	19,957	2,845
<i>Total Revenues</i>	2,854,097	1,752,870	2,845
<i>EXPENDITURES</i>			
Current			
Culture and recreation	-	1,522,595	-
Economic development	-	-	-
Highways and streets	2,500,405	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
<i>Total Expenditures</i>	2,500,405	1,522,595	-
<i>REVENUES OVER (UNDER) EXPENDITURES</i>	353,692	230,275	2,845
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers in	90,000	215,000	-
Transfers out	(2,032,760)	(8,800)	-
Proceeds from sales of assets	-	(64)	-
<i>Total Other Financing Sources (Uses)</i>	(1,942,760)	206,136	-
<i>NET CHANGE IN FUND BALANCE</i>	(1,589,068)	436,411	2,845
<i>FUND BALANCE, beginning of year</i>	6,134,288	476,995	15,300
<i>FUND BALANCE, end of year</i>	\$ 4,545,220	\$ 913,406	\$ 18,145

<i>Special Revenue</i>					<i>Capital Projects</i>
<i>American Rescue Plan</i>	<i>Housing Rehabilitation</i>	<i>Lavelle Black Trust</i>	<i>Special Assessment</i>	<i>Urban Renewal</i>	<i>General Capital Construction</i>
\$ -	\$ -	\$ -	\$ -	928,018	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,917,813	-	-	-	103,720	-
-	-	-	-	-	-
83,728	700	800	3,330	39,465	1,031,604
3,001,541	700	800	3,330	1,071,203	1,031,604
-	-	-	-	-	-
1,525,911	2,898	-	-	525,820	-
-	-	-	-	-	-
-	-	-	-	277,000	-
-	-	-	-	58,419	-
-	-	-	-	339,241	2,913,265
1,525,911	2,898	-	-	1,200,480	2,913,265
1,475,630	(2,198)	800	3,330	(129,277)	(1,881,661)
-	-	-	-	-	2,001,178
(474,710)	-	-	-	(2,860)	-
-	-	-	-	-	-
(474,710)	-	-	-	(2,860)	2,001,178
1,000,920	(2,198)	800	3,330	(132,137)	119,517
1,742,954	30,490	33,270	37,429	1,244,815	(119,517)
\$ 2,743,874	\$ 28,292	\$ 34,070	\$ 40,759	\$ 1,112,678	\$ -

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
YEAR ENDED JUNE 30, 2023**

	Capital Projects		
	<i>Parks SDC</i>	<i>Storm SDC</i>	<i>Equipment Replacement</i>
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	1,781,863	105,664	-
Charges for services	-	-	-
Intergovernmental	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	102,034	26,402	23,744
<i>Total Revenues</i>	1,883,897	132,066	23,744
EXPENDITURES			
Current			
Culture and recreation	-	-	-
Economic development	-	-	-
Highways and streets	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	169,504
<i>Total Expenditures</i>	-	-	169,504
REVENUES OVER (UNDER) EXPENDITURES	1,883,897	132,066	(145,760)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	180,000
Transfers out	(1,485,954)	(114,126)	-
Proceeds from sales of assets	-	-	-
<i>Total Other Financing Sources (Uses)</i>	(1,485,954)	(114,126)	180,000
NET CHANGE IN FUND BALANCE	397,943	17,940	34,240
FUND BALANCE, beginning of year	4,020,633	1,093,870	945,774
FUND BALANCE, end of year	\$ 4,418,576	\$ 1,111,810	\$ 980,014

<i>Debt Service</i>	
<i>GO Debt Service</i>	<i>Total</i>
\$ 613,579	\$ 1,659,629
-	1,887,594
-	24
-	6,827,422
-	465,335
10,163	1,542,435
<hr/>	
623,742	12,382,439
-	1,522,595
-	2,054,629
-	2,500,405
597,000	874,000
24,835	83,254
-	3,422,010
<hr/>	
621,835	10,456,893
<hr/>	
1,907	1,925,546
-	2,486,178
-	(4,119,210)
-	(64)
<hr/>	
-	(1,633,096)
<hr/>	
1,907	292,450
14,768	15,671,069
<hr/>	
\$ 16,675	\$ 15,963,519
<hr/>	

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STREET & STORM CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2023**

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
<i>REVENUES</i>				
Licenses and permits	\$ 800,000	\$ 800,000	\$ -	\$ (800,000)
Miscellaneous	8,000	8,000	220,720	212,720
<i>Total Revenues</i>	808,000	808,000	220,720	(587,280)
<i>EXPENDITURES</i>				
Capital outlay	4,545,000	4,545,000	3,295,730	1,249,270
<i>REVENUES OVER (UNDER) EXPENDITURES</i>	(3,737,000)	(3,737,000)	(3,075,010)	661,990
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers in	3,362,680	3,362,680	3,075,066	(287,614)
<i>NET CHANGE IN FUND BALANCE</i>	(374,320)	(374,320)	56	374,376
<i>FUND BALANCE, beginning of year</i>	374,320	374,320	441,030	66,710
<i>FUND BALANCE, end of year (budgetary basis)</i>	\$ -	\$ -	\$ 441,086	\$ 441,086

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - STREET SDC FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Licenses and permits	\$ 2,000,000	\$ 2,000,000	\$ 1,988,329	\$ (11,671)
Miscellaneous	80,000	80,000	301,939	221,939
<i>Total Revenues</i>	2,080,000	2,080,000	2,290,268	210,268
EXPENDITURES				
Transportation SDC	50,000	50,000	-	50,000
REVENUES OVER (UNDER) EXPENDITURES	2,030,000	2,030,000	2,290,268	260,268
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
NET CHANGE IN FUND BALANCE	1,030,000	1,030,000	1,290,268	260,268
FUND BALANCE, beginning of year	10,872,190	10,872,190	12,228,145	1,355,955
FUND BALANCE, end of year	\$ 11,902,190	\$ 11,902,190	\$ 13,518,413	\$ 1,616,223

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - STREET FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes and assessments	\$ 77,500	\$ 77,500	\$ 118,032	\$ 40,532
Licenses and permits	500	500	67	(433)
Intergovernmental	1,965,300	1,965,300	2,073,000	107,700
Fines and forfeitures	348,800	348,800	465,335	116,535
Miscellaneous	59,400	59,400	197,663	138,263
<i>Total Revenues</i>	2,451,500	2,451,500	2,854,097	402,597
EXPENDITURES				
Street	3,511,380	3,411,380	2,500,405	910,975
Contingency	2,473,650	2,473,650	-	2,473,650
<i>Total Expenditures</i>	5,985,030	5,885,030	2,500,405	3,384,625
REVENUES OVER (UNDER) EXPENDITURES	(3,533,530)	(3,433,530)	353,692	3,787,222
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	90,000	90,000	-
Transfers out	(2,084,500)	(2,184,500)	(2,032,760)	151,740
<i>Total Other Financing Sources (Uses)</i>	(1,994,500)	(2,094,500)	(1,942,760)	151,740
NET CHANGE IN FUND BALANCE	(5,528,030)	(5,528,030)	(1,589,068)	3,938,962
FUND BALANCE, beginning of year	5,528,030	5,528,030	6,134,288	606,258
FUND BALANCE, end of year	\$ -	\$ -	\$ 4,545,220	\$ 4,545,220

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - TRANSIT FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 41,000	\$ 41,000	\$ 24	\$ (40,976)
Intergovernmental	2,315,000	2,315,000	1,732,889	(582,111)
Miscellaneous	306,000	306,000	19,957	(286,043)
<i>Total Revenues</i>	2,662,000	2,662,000	1,752,870	(909,130)
EXPENDITURES				
Transit	2,784,310	2,784,310	1,522,595	1,261,715
Contingency	723,130	723,130	-	723,130
<i>Total Expenditures</i>	3,507,440	3,507,440	1,522,595	1,984,845
REVENUES OVER (UNDER) EXPENDITURES	(845,440)	(845,440)	230,275	1,075,715
OTHER FINANCING SOURCES (USES)				
Transfers in	336,000	336,000	215,000	(121,000)
Transfers out	(8,800)	(8,800)	(8,800)	-
Proceeds from sale of assets	-	-	(64)	(64)
<i>Total Other Financing Sources (Uses)</i>	327,200	327,200	206,136	(121,064)
NET CHANGE IN FUND BALANCE	(518,240)	(518,240)	436,411	954,651
FUND BALANCE, beginning of year	518,240	518,240	476,995	(41,245)
FUND BALANCE, end of year	\$ -	\$ -	\$ 913,406	\$ 913,406

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – ASSET FORFEITURE FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Miscellaneous	\$ 200	\$ 200	\$ 2,845	\$ 2,645
EXPENDITURES				
Asset forfeiture	15,560	15,560	-	15,560
NET CHANGE IN FUND BALANCE	(15,360)	(15,360)	2,845	18,205
FUND BALANCE, beginning of year	15,360	15,360	15,300	(60)
FUND BALANCE, end of year	\$ -	\$ -	\$ 18,145	\$ 18,145

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – AMERICAN RESCUE PLAN FUND****YEAR ENDED JUNE 30, 2023**

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
<i>REVENUES</i>				
Intergovernmental	\$ 2,917,820	\$ 2,917,820	\$ 2,917,813	\$ (7)
Miscellaneous	15,000	15,000	83,728	68,728
<i>Total Revenues</i>	2,932,820	2,932,820	3,001,541	68,721
<i>EXPENDITURES</i>				
American Rescue Plan	1,873,500	1,873,500	1,525,911	347,589
Contingency	1,247,140	1,247,140	-	1,247,140
<i>Total Expenditures</i>	3,120,640	3,120,640	1,525,911	1,594,729
<i>REVENUES OVER (UNDER) EXPENDITURES</i>	(187,820)	(187,820)	1,475,630	1,663,450
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers out	(867,000)	(867,000)	(474,710)	392,290
<i>NET CHANGE IN FUND BALANCE</i>	(1,054,820)	(1,054,820)	1,000,920	2,055,740
<i>FUND BALANCE, beginning of year</i>	1,054,820	1,054,820	1,742,954	688,134
<i>FUND BALANCE, end of year</i>	\$ -	\$ -	\$ 2,743,874	\$ 2,743,874

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - HOUSING REHABILITATION FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Miscellaneous	\$ 10,530	\$ 10,530	\$ 700	\$ (9,830)
EXPENDITURES				
Housing rehab	41,460	41,460	2,898	38,562
NET CHANGE IN FUND BALANCE	(30,930)	(30,930)	(2,198)	28,732
FUND BALANCE, beginning of year	30,930	30,930	30,490	(440)
FUND BALANCE, end of year	\$ -	\$ -	\$ 28,292	\$ 28,292

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – LAVELLE BLACK TRUST FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Miscellaneous	\$ 300	\$ 300	\$ 800	\$ 500
EXPENDITURES				
Materials and services	7,500	7,500	-	7,500
Contingency	26,060	26,060	-	26,060
<i>Total Expenditures</i>	33,560	33,560	-	33,560
NET CHANGE IN FUND BALANCE	(33,260)	(33,260)	800	34,060
FUND BALANCE, beginning of year	33,260	33,260	33,270	10
FUND BALANCE, end of year	\$ -	\$ -	\$ 34,070	\$ 34,070

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – SPECIAL ASSESSMENT FUND
YEAR ENDED JUNE 30, 2023**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>REVENUES</i>				
Miscellaneous	\$ 3,700	\$ 3,700	\$ 3,330	\$ (370)
<i>EXPENDITURES</i>				
Contingency	41,150	41,150	-	41,150
<i>NET CHANGE IN FUND BALANCE</i>	(37,450)	(37,450)	3,330	40,780
<i>FUND BALANCE, beginning of year</i>	37,450	37,450	37,429	(21)
<i>FUND BALANCE, end of year</i>	\$ -	\$ -	\$ 40,759	\$ 40,759

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – URBAN RENEWAL FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes and assessments	\$ 961,590	\$ 961,590	\$ 928,018	\$ (33,572)
Intergovernmental	-	-	103,720	103,720
Miscellaneous	92,700	92,700	39,465	(53,235)
<i>Total Revenues</i>	1,054,290	1,054,290	1,071,203	16,913
EXPENDITURES				
Administration				
Personal services	285,670	285,670	277,660	8,010
Materials and services	287,740	287,740	248,160	39,580
Capital outlay	610,000	610,000	339,241	270,759
Debt service				
Principal	277,000	277,000	277,000	-
Interest	58,420	58,420	58,419	1
Contingency	54,110	54,110	-	54,110
<i>Total Expenditures</i>	1,572,940	1,572,940	1,200,480	372,460
REVENUES OVER (UNDER)				
EXPENDITURES	(518,650)	(518,650)	(129,277)	389,373
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,860)	(2,860)	(2,860)	-
NET CHANGE IN FUND BALANCE	(521,510)	(521,510)	(132,137)	389,373
FUND BALANCE, beginning of year	1,191,510	1,191,510	1,244,815	53,305
FUND BALANCE, end of year	\$ 670,000	\$ 670,000	\$ 1,112,678	\$ 442,678

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – GENERAL CAPITAL CONSTRUCTION FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 1,031,604	\$ 1,031,604
<i>Total Revenues</i>	-	-	1,031,604	1,031,604
EXPENDITURES				
Capital outlay	3,273,710	3,273,710	2,913,265	360,445
REVENUES OVER (UNDER) EXPENDITURES	(3,273,710)	(3,273,710)	(1,881,661)	1,392,049
OTHER FINANCING SOURCES (USES)				
Transfers in	2,388,950	2,388,950	2,001,178	(387,772)
NET CHANGE IN FUND BALANCE	(884,760)	(884,760)	119,517	1,004,277
FUND BALANCE (Deficit), beginning of yea	884,760	884,760	(119,517)	(1,004,277)
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – PARKS SDC FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Licenses and permits	\$ 4,000,000	\$ 4,000,000	\$ 1,781,863	\$ (2,218,137)
Miscellaneous	30,000	30,000	102,034	72,034
<i>Total Revenues</i>	4,030,000	4,030,000	1,883,897	(2,146,103)
EXPENDITURES	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	4,030,000	4,030,000	1,883,897	(2,146,103)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,827,740)	(1,827,740)	(1,485,954)	341,786
NET CHANGE IN FUND BALANCE	2,202,260	2,202,260	397,943	(1,804,317)
FUND BALANCE, beginning of year	3,972,740	3,972,740	4,020,633	47,893
FUND BALANCE, end of year	\$ 6,175,000	\$ 6,175,000	\$ 4,418,576	\$ (1,756,424)

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – STORM SDC FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Licenses and permits	\$ 60,000	\$ 60,000	\$ 105,664	\$ 45,664
Miscellaneous	8,000	8,000	26,402	18,402
<i>Total Revenues</i>	68,000	68,000	132,066	64,066
EXPENDITURES	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	68,000	68,000	132,066	64,066
OTHER FINANCING SOURCES (USES)				
Transfers out	(350,000)	(350,000)	(114,126)	235,874
NET CHANGE IN FUND BALANCE	(282,000)	(282,000)	17,940	299,940
FUND BALANCE, beginning of year	1,086,020	1,086,020	1,093,870	7,850
FUND BALANCE, end of year	\$ 804,020	\$ 804,020	\$ 1,111,810	\$ 307,790

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – EQUIPMENT REPLACEMENT FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 23,744	\$ 13,744
EXPENDITURES				
Capital outlay	1,083,720	1,083,720	169,504	914,216
REVENUES OVER (UNDER) EXPENDITURES	(1,073,720)	(1,073,720)	(145,760)	927,960
OTHER FINANCING SOURCES (USES)				
Transfers in	180,000	180,000	180,000	-
NET CHANGE IN FUND BALANCE	(893,720)	(893,720)	34,240	927,960
FUND BALANCE, beginning of year	893,720	893,720	945,774	52,054
FUND BALANCE, end of year	\$ -	\$ -	\$ 980,014	\$ 980,014

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – GO DEBT SERVICE FUND****YEAR ENDED JUNE 30, 2023**

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
<i>REVENUES</i>				
Taxes and assessments	\$ 611,070	\$ 611,070	\$ 613,579	\$ 2,509
Miscellaneous	2,010	2,010	10,163	8,153
<i>Total Revenues</i>	613,080	613,080	623,742	10,662
<i>EXPENDITURES</i>				
Debt service				
Principal	597,000	597,000	597,000	-
Interest	25,510	25,510	24,835	675
<i>Total Expenditures</i>	622,510	622,510	621,835	675
<i>NET CHANGE IN FUND BALANCE</i>	(9,430)	(9,430)	1,907	11,337
<i>FUND BALANCE, beginning of year</i>	9,430	9,430	14,768	5,338
<i>FUND BALANCE, end of year</i>	\$ -	\$ -	\$ 16,675	\$ 16,675

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – WATER OPERATIONS
COMBINING
YEAR ENDED JUNE 30, 2023**

	Water	Water SDC	Water Capital Construction	Eliminations	Total Water Operations
REVENUES					
Charges for services	\$ 5,057,977	\$ -	\$ -	\$ -	\$ 5,057,977
Licenses and permits	-	756,404	-	-	756,404
Miscellaneous	67,090	-	1,458	-	68,548
Interest earnings	66,279	108,203	7,365	-	181,847
<i>Total Revenues</i>	5,191,346	864,607	8,823	-	6,064,776
EXPENDITURES					
Water	3,175,988	-	-	-	3,175,988
Debt service					
Principal	1,442,000	-	-	-	1,442,000
Interest	87,171	-	-	-	87,171
Capital outlay	-	-	2,858,540	-	2,858,540
<i>Total Expenses</i>	4,705,159	-	2,858,540	-	7,563,699
REVENUES OVER (UNDER) EXPENDITURES	486,187	864,607	(2,849,717)	-	(1,498,923)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	2,840,066	(2,840,066)	-
Transfers out	(1,444,162)	(1,475,134)	-	2,840,066	(79,230)
<i>Total Other Financing Sources (Uses)</i>	(1,444,162)	(1,475,134)	2,840,066	-	-
NET CHANGE IN FUND BALANCE	(957,975)	(610,527)	(9,651)	-	(1,578,153)
FUND BALANCE, beginning of year	3,207,205	4,483,647	721,654	-	8,412,506
FUND BALANCE, end of year	\$ 2,249,230	\$ 3,873,120	\$ 712,003	\$ -	6,834,353
RECONCILIATION TO NET POSITION- GAAP BASIS					
Capital assets, net					13,101,124
OPEB asset					19,567
Deferred outflows related to PERS					457,864
Deferred outflows related to OPEB					18,707
Deferred charges on refunding					290
Compensated absences					(42,205)
Accrued interest payable					(5,227)
Net pension liability					(918,950)
OPEB liability					(74,833)
Long-term debt					(2,244,000)
Deferred inflows related to PERS					(469,708)
Deferred inflows related to OPEB					(20,676)
NET POSITION - GAAP BASIS					<u>\$ 16,656,306</u>

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-****BUDGET AND ACTUAL - WATER FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 4,628,280	\$ 4,628,280	\$ 5,057,977	\$ 429,697
Miscellaneous	67,110	67,110	67,090	(20)
Interest earnings	31,750	31,750	66,279	34,529
<i>Total Revenues</i>	<u>4,727,140</u>	<u>4,727,140</u>	<u>5,191,346</u>	<u>464,206</u>
EXPENDITURES				
Water	3,075,830	3,175,830	3,175,988	(158)
Debt service				
Principal	1,442,000	1,442,000	1,442,000	-
Interest	87,200	87,200	87,171	29
Contingency	153,800	53,800	-	53,800
<i>Total Expenditures</i>	<u>4,758,830</u>	<u>4,758,830</u>	<u>4,705,159</u>	<u>53,671</u>
REVENUES OVER (UNDER)				
EXPENDITURES	(31,690)	(31,690)	486,187	517,877
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,025,200)	(2,025,200)	(1,444,162)	581,038
Proceeds from sale of assets	2,000	2,000	-	(2,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,023,200)</u>	<u>(2,023,200)</u>	<u>(1,444,162)</u>	<u>579,038</u>
NET CHANGE IN FUND BALANCE	<u>(2,054,890)</u>	<u>(2,054,890)</u>	<u>(957,975)</u>	<u>1,096,915</u>
FUND BALANCE, beginning of year	<u>3,276,130</u>	<u>3,276,130</u>	<u>3,207,205</u>	<u>(68,925)</u>
FUND BALANCE, end of year	<u><u>\$ 1,221,240</u></u>	<u><u>\$ 1,221,240</u></u>	<u><u>\$ 2,249,230</u></u>	<u><u>\$ 1,027,990</u></u>

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - WATER SDC FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts			
	Original	Final	Actual	Variance
REVENUES				
Licenses and permits	\$ 1,000,000	\$ 1,000,000	\$ 756,404	\$ (243,596)
Interest earnings	20,000	20,000	108,203	88,203
<i>Total Revenues</i>	1,020,000	1,020,000	864,607	(155,393)
EXPENDITURES	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	1,020,000	1,020,000	864,607	(155,393)
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,000,000)	(3,000,000)	(1,475,134)	1,524,866
NET CHANGE IN FUND BALANCE	(1,980,000)	(1,980,000)	(610,527)	1,369,473
FUND BALANCE, beginning of year	4,671,010	4,671,010	4,483,647	(187,363)
FUND BALANCE, end of year	\$ 2,691,010	\$ 2,691,010	\$ 3,873,120	\$ 1,182,110

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – WATER CAPITAL CONSTRUCTION FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 1,458	\$ 1,458
Interest earnings	8,000	8,000	7,365	(635)
EXPENDITURES				
Water capital construction	5,380,000	5,380,000	2,858,540	2,521,460
REVENUES OVER (UNDER)				
EXPENDITURES	(5,372,000)	(5,372,000)	(2,849,717)	2,522,283
OTHER FINANCING SOURCES (USES)				
Transfers in	4,945,970	4,945,970	2,840,066	(2,105,904)
NET CHANGE IN FUND BALANCE	(426,030)	(426,030)	(9,651)	416,379
FUND BALANCE, beginning of year	426,030	426,030	721,654	295,624
FUND BALANCE, end of year	\$ -	\$ -	\$ 712,003	\$ 712,003

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – SEWER OPERATIONS
COMBINING
YEAR ENDED JUNE 30, 2023**

	<i>Sewer</i>	<i>Sewer SDC</i>	<i>Sewer Capital Construction</i>	<i>Eliminations</i>	<i>Total Sewer Operations</i>
REVENUES					
Charges for services	\$ 10,006,715	\$ -	\$ -	\$ -	\$ 10,006,715
Licenses and permits	-	1,329,366	-	-	1,329,366
Miscellaneous	5,722	-	-	-	5,722
Interest earnings	346,867	82,417	-	-	429,284
<i>Total Revenues</i>	10,359,304	1,411,783	-	-	11,771,087
EXPENDITURES					
Sewer	4,610,595	-	-	-	4,610,595
Debt service					
Interest	1,095,402	-	-	-	1,095,402
Capital outlay	-	-	3,216,091	-	3,216,091
<i>Total Expenses</i>	5,705,997	-	3,216,091	-	8,922,088
REVENUES OVER (UNDER) EXPENDITURES	4,653,307	1,411,783	(3,216,091)	-	2,848,999
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	3,273,201	(3,273,201)	-
Transfers out	(1,414,346)	(2,035,035)	-	3,273,201	(176,180)
<i>Total Other Financing Sources (Uses)</i>	(1,414,346)	(2,035,035)	3,273,201	-	(176,180)
NET CHANGE IN FUND BALANCE	3,238,961	(623,252)	57,110	-	2,672,819
FUND BALANCE (Deficit), beginning of year	13,826,924	3,399,631	(57,110)	-	17,169,445
FUND BALANCE, end of year	\$ 17,065,885	\$ 2,776,379	\$ -	\$ -	19,842,264
RECONCILIATION TO NET POSITION- GAAP BASIS					
Capital assets, net					46,064,815
OPEB asset					26,539
Deferred outflows related to PERS					890,026
Deferred outflows related to OPEB					23,420
Compensated absences					(19,303)
Net pension liability					(1,575,941)
OPEB liability					(93,252)
Deferred inflows related to PERS					(608,488)
Deferred inflows related to OPEB					(28,012)
NET POSITION - GAAP BASIS					\$ 64,522,068

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER FUND
YEAR ENDED JUNE 30, 2023**

	Budget Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 9,010,800	\$ 9,010,800	\$ 10,006,715	\$ 995,915
Miscellaneous	2,500	2,500	5,722	3,222
Interest earnings	60,000	60,000	346,867	286,867
<i>Total Revenues</i>	9,073,300	9,073,300	10,359,304	1,286,004
EXPENDITURES				
Sewer	4,925,780	4,925,780	4,610,595	315,185
Debt service				
Interest	-	-	1,095,402	(1,095,402)
Contingency	246,290	246,290	-	246,290
<i>Total Expenditures</i>	5,172,070	5,172,070	5,705,997	(533,927)
REVENUES OVER (UNDER) EXPENDITURES	3,901,230	3,901,230	4,653,307	752,077
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,170,670)	(7,170,670)	(1,414,346)	5,756,324
NET CHANGE IN FUND BALANCE	(3,269,440)	(3,269,440)	3,238,961	6,508,401
FUND BALANCE, beginning of year	7,522,950	7,522,950	13,826,924	6,303,974
FUND BALANCE, end of year	\$ 4,253,510	\$ 4,253,510	\$ 17,065,885	\$ 12,812,375

*Payment on interest related to defeasance is not an overexpenditure of appropriations.

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - SEWER SDC FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Licenses and permits	\$ 2,000,000	\$ 2,000,000	\$ 1,329,366	\$ (670,634)
Interest earnings	30,000	30,000	82,417	52,417
<i>Total Revenues</i>	2,030,000	2,030,000	1,411,783	(618,217)
EXPENDITURES	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	2,030,000	2,030,000	1,411,783	(618,217)
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,465,510)	(4,465,510)	(2,035,035)	2,430,475
NET CHANGE IN FUND BALANCE	(2,435,510)	(2,435,510)	(623,252)	1,812,258
FUND BALANCE, beginning of year	4,768,970	4,768,970	3,399,631	(1,369,339)
FUND BALANCE, end of year	<u>\$ 2,333,460</u>	<u>\$ 2,333,460</u>	<u>\$ 2,776,379</u>	<u>\$ 442,919</u>

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – SEWER CAPITAL CONSTRUCTION FUND****YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Sewer capital construction				
Capital outlay	11,460,000	11,460,000	3,216,091	8,243,909
REVENUES OVER (UNDER)				
EXPENDITURES	(11,460,000)	(11,460,000)	(3,216,091)	8,243,909
OTHER FINANCING SOURCES (USES)				
Transfers in	11,460,000	11,460,000	3,273,201	(8,186,799)
NET CHANGE IN FUND BALANCE	-	-	57,110	57,110
FUND BALANCE (Deficit), beginning of year	-	-	(57,110)	(57,110)
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF FUND NET POSITION - INTERNAL SERVICE FUNDS**

JUNE 30, 2023

	<i>Information Technology</i>	<i>Insurance</i>	<i>Total</i>
ASSETS			
Current Assets			
Cash and investments	\$ 358,550	\$ 860,334	\$ 1,218,884
Accounts receivable	59,506	-	59,506
<i>Total Current Assets</i>	418,056	860,334	1,278,390
Noncurrent Assets			
Net OPEB Asset - RHIA	5,177	939	6,116
<i>Total Assets</i>	423,233	861,273	1,284,506
DEFERRED OUTFLOWS			
Deferred outflows related to PERS	227,011	29,764	256,775
Deferred outflows related to OPEB	5,603	777	6,380
	232,614	30,541	263,155
LIABILITIES			
Current Liabilities			
Accounts payable	22,940	7,965	30,905
Accrued compensated absences	17,399	-	17,399
<i>Total Current Liabilities</i>	40,339	7,965	48,304
Noncurrent Liabilities			
Accrued compensated absences	26,099	-	26,099
Net pension liability - PERS	433,026	47,852	480,878
Total OPEB liability - Implicit rate subsidy	21,183	2,932	24,115
<i>Total Noncurrent Liabilities</i>	480,308	50,784	531,092
<i>Total Liabilities</i>	520,647	58,749	579,396
DEFERRED INFLOWS			
Deferred inflows related to PERS	108,136	22,003	130,139
Deferred inflows related to OPEB	5,713	871	6,584
	113,849	22,874	136,723
NET POSITION			
Restricted for:			
OPEB - RHIA	5,351	821	6,172
Unrestricted	16,000	809,370	825,370
<i>Total Net Position</i>	\$ 21,351	\$ 810,191	\$ 831,542

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023**

	<i>Information Technology</i>	<i>Insurance</i>	<i>Total</i>
<i>OPERATING REVENUES</i>			
Charges for services	\$ 1,359,720	\$ 773,090	\$ 2,132,810
Miscellaneous	106	2,559	2,665
<i>Total Operating Revenues</i>	1,359,826	775,649	2,135,475
<i>OPERATING EXPENSES</i>			
Personal services	552,473	74,232	626,705
Materials and services	752,296	711,483	1,463,779
<i>Total Expenses</i>	1,304,769	785,715	2,090,484
<i>OPERATING INCOME</i>	55,057	(10,066)	44,991
<i>NONOPERATING REVENUES (EXPENSES)</i>			
Investment revenue	6,844	13,466	20,310
<i>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</i>	61,901	3,400	65,301
Transfers out	(5,700)	(830)	(6,530)
Non-cash transfers out	(169,752)	-	(169,752)
<i>CHANGE IN NET POSITION</i>	(113,551)	2,570	(110,981)
<i>NET POSITION, beginning of year</i>	134,902	807,621	942,523
<i>NET POSITION, end of year</i>	\$ 21,351	\$ 810,191	\$ 831,542

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS****YEAR ENDED JUNE 30, 2023**

	<i>Information Technology</i>	<i>Insurance</i>	<i>Totals</i>
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>			
Collected from customers	\$ 1,368,114	\$ 775,649	\$ 2,143,763
Paid to suppliers	(735,997)	(703,518)	(1,439,515)
Paid to employees	(551,669)	(74,706)	(626,375)
<i>Net Cash Provided by Operating Activities</i>	80,448	(2,575)	77,873
<i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</i>			
Transfers out	(5,700)	(830)	(6,530)
<i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</i>			
Acquisition of capital assets	(169,752)	-	(169,752)
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>			
Interest on investments	6,844	13,466	20,310
<i>Increase in Cash and Investments</i>	(88,160)	10,061	(78,099)
<i>CASH AND INVESTMENTS, Beginning of year</i>	446,710	850,273	1,296,983
<i>CASH AND INVESTMENTS, End of year</i>	<u>\$ 358,550</u>	<u>\$ 860,334</u>	<u>\$ 1,218,884</u>
<i>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</i>			
Operating income	\$ 55,057	\$ (10,066)	\$ 44,991
<i>Change in assets and liabilities</i>			
Accounts receivable	8,288	-	8,288
Deferred outflows	(284)	(43)	(327)
Net OPEB asset - RHIA	760	117	877
Compensated absences payable	3,900	-	3,900
Accounts payable and accrued liabilities	16,299	7,965	24,264
Net pension liability - PERS	101,786	15,612	117,398
Total OPEB liability - Implicit rate subsidy	1,551	238	1,789
Deferred inflows	(106,909)	(16,398)	(123,307)
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 80,448</u>	<u>\$ (2,575)</u>	<u>\$ 77,873</u>

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
- INFORMATION TECHNOLOGY FUND
YEAR ENDED JUNE 30, 2023**

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
<i>REVENUES</i>				
Charges for services	\$ 1,340,570	\$ 1,340,570	\$ 1,359,720	\$ 19,150
Miscellaneous	5,000	5,000	106	(4,894)
Interest earnings	5,600	5,600	6,844	1,244
<i>Total Revenues</i>	1,351,170	1,351,170	1,366,670	15,500
<i>EXPENDITURES</i>				
Information technology	1,315,670	1,495,670	1,473,718	21,952
Contingency	368,800	298,800	-	298,800
<i>Total Expenditures</i>	1,684,470	1,794,470	1,473,718	320,752
<i>REVENUES OVER (UNDER) EXPENDITURES</i>	(333,300)	(443,300)	(107,048)	336,252
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers out	(5,700)	(5,700)	(5,700)	-
<i>NET CHANGE IN FUND BALANCE</i>	(339,000)	(449,000)	(112,748)	336,252
<i>FUND BALANCE, beginning of year</i>	509,000	509,000	507,863	(1,137)
<i>FUND BALANCE, end of year</i>	\$ 170,000	\$ 60,000	395,115	\$ 335,115
<i>RECONCILIATION TO NET POSITION - GAAP BASIS</i>				
Net OPEB asset - RHIA			5,177	
Deferred outflows related to PERS			227,011	
Deferred outflows related to OPEB			5,604	
Accrued compensated absences			(43,498)	
Net pension liability - PERS			(433,026)	
Total OPEB liability - Implicit rate subsidy			(21,183)	
Deferred inflows related to PERS			(108,136)	
Deferred inflows related to OPEB			(5,713)	
<i>NET POSITION, GAAP BASIS</i>			\$ 21,351	

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
– INSURANCE FUND
YEAR ENDED JUNE 30, 2023**

	Budget Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 773,090	\$ 773,090	\$ 773,090	\$ -
Miscellaneous	500	500	2,559	2,059
Interest earnings	4,500	4,500	13,466	8,966
<i>Total Revenues</i>	<u>778,090</u>	<u>778,090</u>	<u>789,115</u>	<u>11,025</u>
EXPENDITURES				
Insurance	905,670	905,670	786,189	119,481
Contingency	646,100	646,100	-	646,100
<i>Total Expenditures</i>	<u>1,551,770</u>	<u>1,551,770</u>	<u>786,189</u>	<u>765,581</u>
REVENUES OVER (UNDER) EXPENDITURES	(773,680)	(773,680)	2,926	776,606
OTHER FINANCING SOURCES (USES)				
Transfers out	(830)	(830)	(830)	-
NET CHANGE IN FUND BALANCE	(774,510)	(774,510)	2,096	776,606
FUND BALANCE, beginning of year	<u>774,510</u>	<u>774,510</u>	<u>850,273</u>	<u>75,763</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>852,369</u>	<u>\$ 852,369</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Net OPEB asset - RHIA			939	
Deferred outflows related to PERS			29,764	
Deferred outflows related to OPEB			777	
Net pension liability - PERS			(47,852)	
Total OPEB liability - Implicit rate subsidy			(2,932)	
Deferred inflows related to PERS			(22,003)	
Deferred inflows related to OPEB			(871)	
NET POSITION, GAAP BASIS			<u>\$ 810,191</u>	

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Woodburn's comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, required supplementary information, and other supplementary information says about the City's overall financial health.

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

FINANCIAL TRENDS

CITY OF WOODBURN, OREGON
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 55,195,632	\$ 59,266,063	\$ 58,326,049	\$ 57,813,459	\$ 57,789,283	\$ 58,807,325	\$ 64,447,990	\$ 66,566,868	\$ 70,723,048	\$ 75,088,828
Restricted	11,523,032	8,929,025	9,815,650	10,660,016	11,651,202	13,987,334	12,238,720	16,222,715	27,828,278	29,560,790
Unrestricted	6,224,832	4,583,134	923,456	766,265	1,979,126	2,085,955	3,127,228	2,749,034	10,813,820	15,252,225
Total governmental activities net position	\$ 72,943,496	\$ 72,778,222	\$ 69,065,155	\$ 69,239,740	\$ 71,419,611	\$ 74,880,614	\$ 79,813,938	\$ 85,538,617	\$ 109,365,146	\$ 119,901,843
Business-type activities										
Net investment in capital assets	\$ 19,913,747	\$ 21,979,780	\$ 23,737,493	\$ 37,312,451	\$ 42,991,874	\$ 43,073,472	\$ 46,922,723	\$ 48,842,505	\$ 51,418,406	\$ 56,333,884
Restricted for: Construction	18,737,342	16,841,111	16,735,267	16,635,580	17,004,861	17,081,733	17,249,531	6,751,461	8,547,823	7,401,431
Unrestricted	4,666,744	7,163,564	6,909,942	(4,020,472)	(6,694,060)	(3,417,951)	(3,690,855)	11,167,278	14,586,422	17,443,059
Total business-type activities net position	\$ 43,317,833	\$ 45,984,455	\$ 47,382,702	\$ 49,927,559	\$ 53,302,675	\$ 56,737,254	\$ 60,481,399	\$ 66,761,244	\$ 74,552,651	\$ 81,178,374
Primary government										
Net investment in capital assets	\$ 75,109,379	\$ 81,245,843	\$ 82,063,542	\$ 95,125,910	\$ 100,781,157	\$ 101,880,797	\$ 111,370,713	\$ 115,409,373	\$ 122,141,454	\$ 131,422,712
Restricted	30,260,374	25,770,136	26,550,917	27,295,596	28,656,063	31,069,067	29,488,251	22,974,176	36,376,101	36,962,221
Unrestricted	10,891,576	11,746,698	7,833,398	(3,254,207)	(4,714,934)	(1,331,996)	(563,627)	13,916,312	25,400,242	32,695,284
Total primary government net position	\$ 116,261,329	\$ 118,762,677	\$ 116,447,857	\$ 119,167,299	\$ 124,722,286	\$ 131,617,868	\$ 140,295,337	\$ 152,299,861	\$ 183,917,797	\$ 201,080,217

CITY OF WOODBURN, OREGON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Expenses	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	\$ 2,646,552	\$ 3,058,648	\$ 5,114,971	\$ 2,676,477	\$ 2,740,778	\$ 1,162,602	\$ 4,673,660	\$ 2,547,469	\$ 3,737,926	\$ 12,173,246
Public safety	6,608,391	5,662,660	9,231,388	7,805,948	7,573,873	7,687,490	6,982,033	8,934,202	8,021,074	9,379,653
Highways and streets	2,273,271	1,976,022	2,691,040	2,426,489	2,551,662	2,787,782	2,113,284	2,525,497	2,419,718	2,854,368
Culture and recreation	3,530,783	2,784,248	3,481,264	2,980,178	2,799,066	4,226,653	4,139,885	3,753,726	6,670,443	2,746,469
Economic development	-	-	-	829,477	1,139,732	2,023,962	2,025,642	3,021,707	6,907,549	4,069,679
Interest on long-term debt	226,504	204,905	183,342	169,933	108,133	76,949	59,907	46,781	35,369	24,645
Total governmental activities expenses	15,285,501	13,686,483	20,702,005	16,888,502	16,913,244	17,965,438	19,994,411	20,829,382	27,792,079	31,248,060
Business-type activities:										
Water	2,792,818	2,478,694	3,303,526	2,885,827	3,117,740	3,012,632	2,679,610	3,316,914	3,291,960	3,720,280
Sewer	6,711,162	5,302,994	6,728,773	5,629,532	5,643,125	5,649,231	5,767,483	4,856,593	6,061,286	7,337,611
Total business-type activities expenses	9,503,980	7,781,688	10,032,299	8,515,359	8,760,865	8,661,863	8,447,093	8,173,507	9,353,246	11,057,891
Total primary government expenses	\$ 24,789,481	\$ 21,468,171	\$ 30,734,304	\$ 25,403,861	\$ 25,674,109	\$ 26,627,301	\$ 28,441,504	\$ 29,002,889	\$ 37,145,325	\$ 42,305,951
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 682,238	\$ 649,703	\$ 978,244	\$ 660,502	\$ 1,263,142	\$ 91,987	\$ 243,805	\$ 291,774	\$ 4,512,831	\$ 4,954,458
Public safety	627,424	716,467	93,443	113,331	120,152	272,432	243,369	137,642	154,239	270,547
Highways and streets	274,205	6,188	22,519	1,104	7,533	945	2,275	50,622	279,051	215,780
Culture and recreation	517,400	571,921	705,415	565,889	557,725	774,081	573,205	166,835	409,130	444,652
Economic development	-	-	-	457,432	403,044	1,307,278	1,579,828	2,349,952	12,125,795	3,883,136
Operating grants and contributions	1,915,475	1,993,925	1,962,709	2,052,681	2,156,971	2,582,883	4,346,664	2,682,578	2,935,200	3,957,325
Capital grants and contributions	885,093	1,286,163	350,449	266,679	502,857	934,723	2,506,331	5,372,006	11,819,278	6,143,604
Total governmental activities program revenues	4,901,835	5,224,367	4,112,779	4,117,618	5,011,424	5,964,329	9,495,477	11,051,409	32,235,524	19,869,502
Business-type activities:										
Charges for services:										
Water	3,166,878	3,277,605	3,415,661	3,293,342	3,399,943	3,804,029	3,990,442	4,330,970	4,707,562	5,057,977
Sewer	7,479,643	7,981,658	8,169,544	8,091,754	8,141,127	8,059,526	8,122,190	8,413,214	9,383,489	10,006,715
Capital grants and contributions	446,971	310,272	307,152	114,664	438,189	376,165	425,801	2,239,137	3,512,282	2,085,770
Total business-type activities program revenues	11,093,492	11,569,535	11,892,357	11,499,760	11,979,259	12,239,720	12,538,433	14,983,321	17,603,333	17,150,462
Total primary government program revenues	\$ 15,995,327	\$ 16,793,902	\$ 16,005,136	\$ 15,617,378	\$ 16,990,683	\$ 18,204,049	\$ 22,033,910	\$ 26,034,730	\$ 49,838,857	\$ 37,019,964

CITY OF WOODBURN, OREGON
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net(expense)/revenue										
Governmental activities	\$ (10,383,666)	\$ (8,462,116)	\$ (16,589,226)	\$ (12,770,884)	\$ (12,151,820)	\$ (12,001,109)	\$ (10,498,934)	\$ (9,777,973)	\$ 4,443,445	\$ (11,378,558)
Business-type activities	1,589,512	3,787,847	1,860,058	2,984,401	3,218,394	3,577,857	4,091,340	6,809,814	8,250,087	6,092,571
Total primary government net expense	\$ (8,794,154)	\$ (4,674,269)	\$ (14,729,168)	\$ (9,786,483)	\$ (8,933,426)	\$ (8,423,252)	\$ (6,407,594)	\$ (2,968,159)	\$ 12,693,532	\$ (5,285,987)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 8,234,481	\$ 8,836,939	\$ 9,156,725	\$ 9,724,889	\$ 10,301,565	\$ 10,467,041	\$ 10,908,076	\$ 11,169,801	\$ 11,789,537	\$ 12,754,434
Franchise taxes	1,500,730	1,539,926	1,511,125	1,543,317	1,540,440	1,537,523	1,528,351	1,676,564	2,594,751	2,934,866
Other taxes	454,363	437,339	550,346	547,220	712,127	595,650	491,023	596,829	622,953	617,455
Unrestricted investment earnings	96,347	99,620	105,901	200,736	354,201	632,056	517,897	211,337	60,655	1,263,409
Intergovernmental	633,530	655,575	649,350	702,990	728,991	831,319	903,481	975,321	3,789,280	3,892,263
Miscellaneous	117,872	28,620	163,827	101,908	304,920	120,782	32,117	117,092	286,900	256,394
Gain on sale of capital assets	(69,877)	-	49,948	13,241	25,148	298,208	11,060	10,241	14,868	44,185
Transfers in (out)	663,841	680,212	688,937	650,141	364,299	979,533	1,040,253	745,467	231,350	152,249
Total governmental activities	11,631,287	12,278,231	12,876,159	13,484,442	14,331,691	15,462,112	15,432,258	15,502,652	19,390,294	21,915,255
Business-type activities:										
Unrestricted investment earnings	125,139	122,988	159,067	283,101	454,022	713,164	622,056	154,209	33,022	611,131
Miscellaneous	302,251	67,461	68,059	86,136	56,386	60,171	71,002	61,289	83,006	74,270
Gain on sale of capital assets	-	-	-	3,505	10,613	62,922	-	-	18,910	-
Transfers in (out)	(663,841)	(680,212)	(688,937)	(650,141)	(364,299)	(979,533)	(1,040,253)	(745,467)	(231,350)	(152,249)
Total business-type activities	(236,451)	(489,763)	(461,811)	(277,399)	156,722	(143,276)	(347,195)	(529,969)	(96,412)	533,152
Total primary government	\$ 11,394,836	\$ 11,788,468	\$ 12,414,348	\$ 13,207,043	\$ 14,488,413	\$ 15,318,836	\$ 15,085,063	\$ 14,972,683	\$ 19,293,882	\$ 22,448,407
Change in Net Position										
Governmental activities	\$ 1,247,621	\$ 3,816,115	\$ (3,713,067)	\$ 713,558	\$ 2,179,871	\$ 3,461,003	\$ 4,933,324	\$ 5,724,679	\$ 23,833,739	\$ 10,536,697
Business-type activities	1,353,061	3,298,084	1,398,247	2,707,002	3,375,116	3,434,581	3,744,145	6,279,845	8,153,675	6,625,723
Total primary government	\$ 2,600,682	\$ 7,114,199	\$ (2,314,820)	\$ 3,420,560	\$ 5,554,987	\$ 6,895,584	\$ 8,677,469	\$ 12,004,524	\$ 31,987,414	\$ 17,162,420

CITY OF WOODBURN, OREGON
FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
General fund										
Nonspendable	\$ 740	\$ 1,467	\$ 936	\$ 3,064	\$ 18,230	\$ 31,972	\$ 23,390	\$ 24,888	\$ 22,319	\$ 22,860
Committed	-	-	-	-	-	1,678,280	-	-	183,120	391,120
Unassigned	3,577,032	4,159,081	4,889,982	6,249,717	7,472,054	6,246,115	6,812,532	8,521,253	11,611,678	13,553,320
Total general fund	<u>\$ 3,577,772</u>	<u>\$ 4,160,548</u>	<u>\$ 4,890,918</u>	<u>\$ 6,252,781</u>	<u>\$ 7,490,284</u>	<u>\$ 7,956,367</u>	<u>\$ 6,835,922</u>	<u>\$ 8,546,141</u>	<u>\$ 11,817,117</u>	<u>\$ 13,967,300</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300
Unreserved	-	-	-	-	-	-	-	-	-	-
Restricted	11,348,721	8,092,696	9,091,956	9,984,428	11,013,955	13,387,817	12,493,682	15,719,615	27,338,441	28,880,800
Committed	2,435,919	1,347,789	1,414,631	1,540,863	1,787,763	1,904,955	1,934,257	2,290,851	7,465,349	8,310,351
Total other governmental funds	<u>\$ 13,784,640</u>	<u>\$ 9,440,485</u>	<u>\$ 10,506,587</u>	<u>\$ 11,525,291</u>	<u>\$ 12,801,718</u>	<u>\$ 15,292,772</u>	<u>\$ 14,431,239</u>	<u>\$ 18,013,766</u>	<u>\$ 34,807,090</u>	<u>\$ 37,194,451</u>

CITY OF WOODBURN, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes and assessments	\$ 8,786,364	\$ 9,329,720	\$ 9,748,024	\$ 10,325,164	\$ 10,780,981	\$ 11,282,658	\$ 11,384,659	\$ 11,774,892	\$ 12,421,675	\$ 13,355,078
Licenses and permits	2,954,980	3,124,804	2,748,872	2,509,315	3,198,381	3,667,362	3,896,131	5,673,817	21,600,302	8,785,371
Charges for services	901,197	1,351,102	1,364,684	1,260,038	1,153,372	1,422,284	930,786	477,163	1,556,238	993,478
Intergovernmental	2,674,698	3,371,886	2,733,371	2,930,985	3,178,254	3,513,833	6,420,257	7,312,012	8,406,007	9,096,498
Fines & forfeitures	571,831	673,377	426,867	420,305	395,164	343,790	352,400	667,444	2,507,611	1,765,081
Miscellaneous	540,782	454,140	683,371	562,957	784,799	1,193,261	1,306,767	822,465	965,400	3,149,786
Total revenues	16,429,852	18,305,029	17,705,189	18,008,764	19,490,951	21,423,188	24,291,000	26,727,793	47,457,233	37,145,292
Expenditures										
Current										
General government	1,641,493	3,164,615	3,790,736	3,257,197	3,447,310	1,361,472	4,397,582	2,317,327	2,080,966	3,049,438
Public safety	6,569,367	6,794,410	6,598,236	6,861,768	6,813,292	7,206,649	2,075,418	3,186,762	8,331,476	9,201,756
Highways and streets	1,003,547	2,005,328	1,777,030	1,529,569	1,808,443	1,994,020	7,574,867	7,708,918	1,647,546	2,500,405
Culture and recreation	3,845,430	4,280,701	2,874,788	2,997,742	3,063,827	3,883,640	1,654,523	1,499,613	3,762,378	4,836,202
Economic development	-	-	-	-	-	1,965,382	4,028,407	3,090,165	1,458,569	3,365,470
Capital outlay	1,379,516	5,073,930	277,571	473,208	1,309,506	6,578,234	5,540,458	2,347,640	3,893,361	6,818,685
Debt service										
Principal	560,172	584,429	436,479	400,399	456,675	516,000	1,303,000	1,348,000	6,999,864	3,058,664
Interest	228,861	206,832	185,327	169,937	117,094	70,208	174,881	148,437	108,074	83,254
Total expenditures	15,228,386	22,110,245	15,940,167	15,689,820	17,016,147	23,575,605	26,749,136	21,646,862	28,282,234	32,913,874
Excess of revenues over (under) expenditures	1,201,466	(3,805,216)	1,765,022	2,318,944	2,474,804	(2,152,417)	(2,458,136)	5,080,931	19,174,999	4,231,418
Other financing sources (uses)										
Proceeds from sale of capital assets	-	-	-	19,861	35,415	308,894	22,179	21,815	265,326	44,186
Proceeds from issuance of debt	-	-	-	-	-	4,600,000	-	-	-	-
Inception of lease	-	-	-	-	-	-	-	-	386,335	-
Refunding bonds issued	-	-	-	-	3,749,000	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(3,699,114)	-	-	-	-	-
Transfers in	1,430,985	853,858	294,248	419,236	829,268	2,658,488	2,943,348	390,000	2,146,350	6,055,214
Transfers out	(1,443,985)	(823,259)	(252,378)	(374,656)	(875,443)	(2,457,828)	(2,489,369)	(200,000)	(1,908,710)	(5,793,274)
Total other financing sources (uses)	(13,000)	30,599	41,870	64,441	39,126	5,109,554	476,158	211,815	889,301	306,126
Net change in fund balances	1,188,466	(3,774,617)	1,806,892	2,383,385	2,513,930	2,957,137	(1,981,978)	5,292,746	20,064,300	4,537,544
Fund balances at beginning of year	16,173,946	17,362,412	13,587,795	15,394,687	17,778,072	20,292,002	23,249,139	21,267,161	26,559,907	46,624,207
Fund balances at end of year	\$ 17,362,412	\$ 13,587,795	\$ 15,394,687	\$ 17,778,072	\$ 20,292,002	\$ 23,249,139	\$ 21,267,161	\$ 26,559,907	\$ 46,624,207	\$ 51,161,751
Debt service as a percentage of noncapital expenditures	5.7%	4.6%	4.0%	3.7%	3.7%	3.4%	7.1%	7.8%	29.1%	12.0%

REVENUE CAPACITY

CITY OF WOODBURN, OREGON
MARKET AND ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Residential Property (AV)	Farm Property (AV)	Commercial Property (AV)	Industrial Property (AV)	Personal Property (AV)
2014	\$ 702,053,360	\$ 868,480	\$ 374,295,240	\$ 143,111,800	\$ 49,539,001
2015	779,859,386	476,270	376,129,580	148,705,150	53,477,977
2016	830,915,110	878,310	387,086,020	149,051,530	56,599,979
2017	868,154,380	883,320	404,525,450	159,818,080	57,908,292
2018	902,999,410	689,300	415,565,670	148,807,610	62,107,308
2019	932,416,020	942,330	432,522,080	149,454,580	63,865,513
2020	973,117,650	1,842,700	451,512,140	151,172,270	69,785,848
2021	1,008,494,619	1,001,800	461,377,890	151,870,950	69,785,848
2022	1,062,850,539	2,446,550	478,159,800	157,218,590	74,332,770
2023	1,151,511,600	127,873	508,311,846	175,704,768	75,277,840

Source: Marion County Assessor's Office (Schedule 5)

CITY OF WOODBURN, OREGON**MARKET AND ASSESSED VALUE OF TAXABLE PROPERTY (continued)****LAST TEN FISCAL YEARS**

Utility Property (AV)		Total Measure 50 Assessed Value	Total Direct Tax Rate/ Thousand	Measure 5 Taxable RMV	Real Market Value	Assessed Value as a Percentage of Actual Value
\$	34,316,630	\$ 1,304,184,511	\$ 6.0534	\$ 1,503,013,174	\$ 1,751,863,757	74.446%
	38,981,380	1,397,629,743	6.0534	1,652,955,312	1,925,612,145	72.581%
	31,207,820	1,455,738,769	6.0534	1,778,119,364	2,056,463,271	70.788%
	33,592,820	1,524,882,342	6.0534	1,920,324,583	2,207,659,188	69.072%
	42,113,077	1,572,282,375	6.0534	2,136,350,540	2,429,890,960	64.706%
	52,194,300	1,631,394,823	6.0534	2,347,935,303	2,669,251,668	61.118%
	53,712,000	1,701,142,608	6.0534	2,582,277,844	2,921,850,774	58.221%
	51,814,596	1,744,345,703	6.0534	2,669,427,103	3,026,488,916	57.636%
	50,310,300	1,825,318,549	6.0534	3,229,605,701	3,231,252,761	56.490%
	56,481,300	1,967,415,227	6.0534	3,410,514,713	3,411,451,398	57.671%

CITY OF WOODBURN, OREGON
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30</i>	<i>City of Woodburn (includes URA)</i>	<i>Marion County</i>	<i>Marion Soil & Water</i>	<i>Marion County Extension and 4-H</i>	<i>Woodburn Fire District</i>	<i>Woodburn School District</i>	<i>Willamette Regional ESD</i>	<i>Chemeketa Community College</i>	<i>Chemeketa Regional Library</i>	<i>Total</i>
2014	\$ 6.81	\$ 2.95	\$ 0.05	\$ -	\$ 1.72	\$ 6.81	\$ 0.29	\$ 0.84	\$ 0.08	\$ 19.54
2015	6.73	2.95	0.05	-	1.73	6.34	0.29	0.88	0.08	19.04
2016	6.66	2.95	0.05	0.05	1.81	6.66	0.29	0.90	0.08	19.45
2017	6.66	2.95	0.05	0.05	1.75	6.76	0.29	0.89	0.08	19.46
2018	6.69	2.94	0.05	0.05	1.71	6.79	0.29	0.88	0.08	19.48
2019	6.71	2.94	0.04	0.05	1.73	6.77	0.29	0.88	0.08	19.48
2020	6.68	2.94	0.05	0.05	2.09	6.84	0.29	0.87	0.08	19.88
2021	6.68	2.94	0.05	0.05	2.07	6.87	0.29	0.88	0.08	19.90
2022	6.68	2.94	0.05	0.05	2.07	6.87	0.29	0.88	0.08	19.90
2023	6.68	2.93	0.05	0.05	2.06	6.89	0.29	0.87	0.08	19.90

Source: Marion County Assessor's Office

Tax rates expressed in dollars and cents per \$1,000 of assessed value of taxable property

CITY OF WOODBURN, OREGON
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

<i>Taxpayer</i>	<i>2023</i>			<i>2014</i>		
	<i>Taxable Assessed</i>	<i>Rank</i>	<i>Percentage of Total Taxable Assessed Value</i>	<i>Taxable Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total Taxable Assessed Value</i>
	<i>Value</i>					
WinCo Foods LLC	\$ 87,665,000	1	4.46%	\$ 74,603,023	1	5.72%
Woodburn Premium Outlets LLC	33,377,530	2	1.70%	58,810,312	2	4.51%
Food Services of America Inc	35,828,810	3	1.82%	28,750,730	3	2.20%
Hardware Wholesalers Inc	18,651,390	4	0.95%	15,247,390	5	1.17%
Portland General Electric Co	18,298,680	5	0.93%	11,965,986	7	0.92%
Wal-Mart Real Estate Business TR	18,333,400	6	0.93%	15,176,790	4	1.16%
Northwest Natural Gas Co	17,786,000	7	0.90%	10,273,300	9	0.79%
Cascade Meadow LLC	16,065,700	8	0.82%	12,313,050	6	0.94%
PVA Holding LLC	14,576,050	9	0.74%			0.00%
Crown 2 Development LLC	14,363,420	10	0.73%	11,008,400	8	0.84%
Subtotal	274,945,980		13.97%	238,148,981		18.26%
All Other	1,692,469,247		86.03%	1,066,035,530		81.73%
Totals	\$ 1,967,415,227		100.0%	\$ 1,304,184,511		100.0%

Source: Marion County Assessor's Office

CITY OF WOODBURN, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30</i>	<i>Taxes Levied by Assessor</i>	<i>Collected within the Fiscal Year of the Levy</i>		<i>Delinquent Taxes Collected</i>	<i>Total Collections to Date</i>	
		<i>Tax Collections</i>	<i>Percent of Levy</i>		<i>Total Tax Collections</i>	<i>Percent of Tax Levy</i>
2013	\$ 8,369,810	\$ 7,835,630	93.62%	\$ 308,748	\$ 8,144,378	97.31%
2014	8,410,177	7,924,202	94.22%	320,006	8,244,208	98.03%
2015	9,054,234	8,553,359	94.47%	292,387	8,845,746	97.70%
2016	9,421,624	8,943,387	94.92%	261,483	9,204,870	97.70%
2017	9,958,340	9,456,995	94.97%	263,301	9,720,296	97.61%
2018	10,323,495	9,832,811	95.25%	244,676	10,077,487	97.62%
2019	10,757,144	10,243,398	95.22%	469,484	10,712,882	99.59%
2020	11,214,218	10,624,844	94.74%	263,478	10,888,322	97.09%
2021	11,474,255	10,946,941	95.40%	354,624	11,301,565	98.49%
2022	12,064,723	11,503,030	95.34%	350,825	11,853,855	98.25%
2023	13,004,397	12,408,746	95.42%	384,500	12,793,246	98.38%

Source: Marion County Assessor's Office and City Records

DEBT CAPACITY

CITY OF WOODBURN, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

<i>Fiscal Year</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>			<i>Total Outstanding Debt</i>	<i>Percentage of Personal Income (1)</i>	<i>Population (2)</i>	<i>Debt Per Capita</i>
	<i>Full Faith & Credit Bonds</i>	<i>Loans</i>	<i>Bonds</i>	<i>Loans</i>	<i>Bond Premiums</i>				
2014	\$ 4,745,000	\$ 401,982	\$ 35,126,768	\$ 5,194,240	\$ 2,555,855	\$ 48,023,845	11.74%	24,330	\$ 1,974
2015	4,410,000	152,553	32,082,220	4,813,265	2,210,469	43,668,507	10.30%	24,455	1,786
2016	4,060,000	66,074	29,302,005	4,416,251	2,072,315	39,916,645	9.37%	24,670	1,618
2017	3,690,000	35,675	26,384,767	4,002,523	1,934,160	36,047,125	8.28%	24,795	1,454
2018	3,328,000	-	22,893,978	3,571,377	1,796,006	31,589,361	6.79%	24,685	1,280
2019	2,812,000	4,600,000	22,158,072	-	1,657,852	31,227,924	6.72%	24,760	1,265
2020	2,301,000	3,808,000	18,786,241	-	1,519,698	26,414,939	5.68%	25,135	1,070
2021	1,762,000	2,999,000	4,790,100	-	-	9,551,100	2.05%	26,250	386
2022	1,194,000	2,109,000	3,686,000	-	-	6,989,000	1.34%	26,468	278
2023	597,000	1,832,000	2,244,000	-	-	4,673,000	0.68%	26,664	178

(1) Personal income is disclosed on pg 110

(2) Source: Portland State University Population Research Center

CITY OF WOODBURN, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30</i>	<i>Population(1)</i>	<i>Assessed Value(2)</i>	<i>Full Faith & Credit Bond</i>	<i>Less Debt Service Fund</i>	<i>Net Bonded Debt</i>	<i>Ratio of Net Bonded Debt to Assessed Value</i>	<i>Per Capita</i>
2014	24,330	\$ 1,304,184,511	\$ 4,745,000	\$ 55,033	\$ 4,689,967	0.36%	\$ 195
2015	24,455	1,397,629,743	4,410,000	50,771	4,359,229	0.31%	180
2016	24,670	1,455,738,769	4,060,000	25,117	4,034,883	0.28%	165
2017	24,795	1,524,882,342	3,690,000	1,758	3,688,242	0.24%	149
2018	24,685	1,572,282,375	3,328,000	22,777	3,305,223	0.21%	135
2019	24,760	1,631,394,823	2,812,000	19,373	2,792,627	0.17%	114
2020	25,135	1,701,142,608	2,301,000	32,604	2,268,396	0.13%	92
2021	26,250	1,744,345,703	1,762,000	23,929	1,738,071	0.10%	67
2022	26,468	1,825,318,549	1,194,000	14,768	1,179,232	0.06%	45
2023	26,664	1,967,415,227	597,000	17,550	579,450	0.03%	22

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) Source: Portland State University Population Research Center

(2) Marion County Assessor's Office

CITY OF WOODBURN, OREGON**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****JUNE 30, 2023**

<i>Jurisdiction</i>	<i>Total Net Debt</i>	<i>Percent Within City</i>	<i>City's Pro Rata Share</i>
Direct:			
City of Woodburn	\$ 597,000	* 100%	\$ 597,000
Overlapping:			
Chemeketa Community College	83,385,000	4.10%	3,417,201
Marion County	28,678,990	6.18%	1,772,189
Marion Cty SD 103 (Woodburn)	65,705,000	85.13%	55,935,389
Willamette ESD	<u>5,724,823</u>	3.74%	<u>213,982</u>
Total overlapping	183,493,813		61,338,761
 TOTAL	 <u>\$ 184,090,813</u>		 <u>\$ 61,935,761</u>

Source: Debt Management Division, Oregon State Treasury

Excluding Revenue Bonds and Urban Renewal Loan

Overlapping governments are those with taxing boundaries that intersect with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Woodburn. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF WOODBURN, OREGON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 52,555,913	\$ 57,768,364	\$ 61,693,898	\$ 66,229,776	\$ 72,896,729	\$ 80,077,550	\$ 87,655,523	\$ 90,794,667	\$ 96,937,583	\$ 102,343,542
Total net debt applicable to limit	<u>4,745,000</u>	<u>4,410,000</u>	<u>4,060,000</u>	<u>3,690,000</u>	<u>3,328,000</u>	<u>2,812,000</u>	<u>2,301,000</u>	<u>1,762,000</u>	<u>1,194,000</u>	<u>597,000</u>
Legal debt margin*	<u>47,810,913</u>	<u>53,358,364</u>	<u>\$ 57,633,898</u>	<u>\$ 62,539,776</u>	<u>\$ 69,568,729</u>	<u>\$ 77,265,550</u>	<u>\$ 85,354,523</u>	<u>\$ 89,032,667</u>	<u>\$ 95,743,583</u>	<u>\$ 101,746,542</u>
the limit as a percentage of debt limit	9.03%	7.63%	6.58%	5.57%	4.57%	3.51%	2.63%	1.94%	1.23%	0.58%

*ORS 287.004 provides a debt limit of 3% of the true cash value (market) of all taxable property within the City boundaries. The legal debt margin has been calculated in accordance with the provisions of ORS 287.004.

CITY OF WOODBURN, OREGON
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

<i>Water Revenue Bonds</i>									<i>Sewer Revenue Bonds</i>					
<i>Fiscal Year</i>	<i>Customer Accounts (1)</i>	<i>Water Charges and Other</i>	<i>Less: Operating Expenses</i>	<i>Net Available Revenue</i>	<i>Coverage Ratio</i>	<i>Debt Service (2)</i>			<i>Sewer Charges and Other</i>	<i>Less: Operating Expenses</i>	<i>Net Available Revenue</i>	<i>Coverage Ratio</i>	<i>Debt Service</i>	
						<i>Principal</i>	<i>Interest</i>						<i>Principal</i>	<i>Interest</i>
2014	6,843	\$ 3,642,963	\$ 1,980,775	\$ 1,662,188	143%	\$ 648,318	\$ 511,310		\$ 7,745,069	\$ 3,054,415	\$ 4,690,654	142%	\$ 2,265,153	\$ 1,044,559
2015	6,770	3,498,255	2,003,865	1,494,390	129%	670,523	485,175		8,227,617	3,350,879	4,876,738	131%	2,755,000	972,713
2016	6,843	3,610,982	2,057,945	1,553,037	134%	698,544	457,554		8,389,017	3,679,317	4,709,700	139%	2,478,685	901,378
2017	6,942	3,450,925	2,159,366	1,291,559	112%	727,319	428,778		8,328,364	3,258,739	5,069,625	143%	2,603,647	930,166
2018	7,116	3,746,609	2,306,840	1,439,769	125%	756,935	398,503		8,553,805	3,475,568	5,078,237	131%	3,165,000	724,563
2019	7,024	4,202,849	2,559,996	1,642,853	142%	1,016,000	142,066	**	8,826,289	3,755,779	5,070,510	119%	3,615,000	629,620
2020	7,070	4,445,819	2,429,005	2,016,814	124%	1,422,000	202,948	**	8,746,440	3,372,360	5,374,080	120%	3,469,529	999,334
2021	7,267	5,469,975	2,749,290	2,720,685	174%	1,402,000	161,435	**	9,714,934	4,062,974	5,651,960	542%	-	1,042,861
2022	7,597	6,266,433	2,797,026	3,469,407	282%	1,104,000	124,597	**	11,469,733	4,219,544	7,250,189	2724%	-	266,113
2023	7,676	6,078,153	3,166,891	2,911,262	190%	1,442,000	87,171	**	11,842,289	4,610,595	7,231,694	660%	-	1,095,402

(1) City of Woodburn Financial System

(2) City of Woodburn Debt Service Schedules

**Debt service excludes principal and interest on refunded or defeased debt

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF WOODBURN, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<i>Fiscal Year</i>	<i>Population (1)</i>	<i>Total personal income</i>	<i>Per capita personal income (2)</i>	<i>Median age (2)</i>	<i>Unemployment rate (3)</i>
2013	24,090	\$ 391,438,410	\$ 16,249	32.0	8.7%
2014	24,330	409,181,940	16,818	31.4	7.3%
2015	24,455	424,049,700	17,340	32.8	6.1%
2016	24,670	426,124,910	17,273	33.6	5.3%
2017	24,795	435,226,635	17,553	33.4	4.5%
2018	24,685	465,040,715	18,839	32.9	4.0%
2019	24,760	466,082,240	18,824	33.5	4.2%
2020	25,135	520,797,200	20,720	33.9	4.2%
2021	26,250	585,663,750	22,311	38.1	5.4%
2022	26,468	614,507,556	23,217	38.6	4.4%
2023	26,664	690,597,600	25,900	39.2	3.5%

(1) Source: Portland State University Population Research Center

(2) United States Census Bureau American Community Survey 5-year Estimates

(3) Annual average (Source: State of Oregon Employment Department)

CITY OF WOODBURN, OREGON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

<i>Employer</i>	<i>2023</i>			<i>2013</i>		
	<i>Employees</i>	<i>Rank</i>	<i>Percentage of total city employment</i>	<i>Employees</i>	<i>Rank</i>	<i>Percentage of total city employment</i>
Woodburn School District	650-675	1	5.72%	625-650	1	6.97%
Bruce Packing Co., Inc.	600-625	2	5.30%	300-325	5	3.41%
Winco Foods	575-600	3	4.98%	450-475	3	4.96%
US Foods Inc.	480-500	4	4.23%	-	-	-
Wal Mart Associates Inc	300-325	5	2.76%	300-325	4	3.47%
Fleetwood Homes Inc.	250-275	6	2.29%	100-125	12	1.27%
RMZ Labor Contractor LLC	175-200	7	1.68%	-	-	-
City of Woodburn	150-175	8	1.46%	200-225	6	2.19%
Kerr Contractors Oregon Inc.	150-175	9	1.38%	125-150	10	1.31%
Al's Garden Centers & Greenhouses	150-175	10	1.29%	100-125	14	1.10%
Do It Best Corp	125-150	11	1.25%	75-100	15	1.07%
Brother Farm Labor Contractor LLC	125-150	12	1.21%	-	-	-
Safeway Stores, Inc.	125-150	13	1.11%	100-125	11	1.29%
Wolters Heating and Air Conditioning	125-150	14	1.04%	25-50	46	0.42%
Nike Retail Services, Inc.	100-125	15	1.01%	125-150	8	1.51%
Woodburn Health Center	100-125	16	0.98%	75-100	16	0.96%
Fjord LLC	100-125	17	0.96%	75-100	18	0.88%
Salud Medical Center	100-125	18	0.95%	100-125	13	1.11%
Wave	100-125	19	0.95%	75-100	21	0.83%
Universal Forest Products Woodburn LLC	100-125	20	0.87%	50-75	26	0.67%
Oregon Child Development Coalition	75-100	21	0.82%	125-150	9	1.39%
Country Meadows Village LLC	75-100	22	0.70%	50-75	22	0.78%
Truss T Structures Inc	75-100	23	0.66%	50-75	32	0.59%
French Prairie Nursing & Rehab	75-100	24	0.65%	-	-	-
United Pacific Forest Products	50-75	25	0.58%	75-100	20	0.85%
Dominguez Labor Contractor Inc.	50-75	26	0.57%	-	-	-
Woodburn Mega Foods	50-75	27	0.56%	50-75	27	0.67%
Gem Equipment of Oregon	50-75	28	0.54%	75-100	17	0.95%
McDonalds	50-75	29	0.50%	25-50	38	0.48%
Woodburn Denny's LLC	50-75	30	0.49%	-	-	-
Ashland Brothers Landscaping Inc	50-75	31	0.48%	-	-	-
Wilbur-Ellis Co LLC	50-75	32	0.48%	50-75	30	0.63%
TJ Maxx	50-75	33	0.47%	-	-	-
Jam Labor Services LLC	25-50	34	0.42%	-	-	-
Patrick Industries Oregon Division	25-50	35	0.41%	-	-	-
United Disposal Service Inc	25-50	36	0.41%	25-50	40	0.47%
Woodburn Ambulance Service Inc	25-50	37	0.40%	25-50	36	0.53%
McDonalds	25-50	38	0.40%	-	-	-
Darigold Inc	25-50	39	0.39%	-	-	-
Tree Top Inc	25-50	40	0.39%	50-75	25	0.70%
Home Care Workers	25-50	41	0.37%	-	-	-
Red Robin Gourmet Burgers & Brews	25-50	42	0.37%	-	-	-
Sherwin-Williams Manufacturing Co.	25-50	43	0.36%	-	-	-
The Cleaning Authority	25-50	44	0.36%	25-50	49	0.38%
The North Face	25-50	45	0.36%	-	-	-
Panera Café	25-50	46	0.35%	-	-	-
Silver Creek Care Properties LLC	25-50	47	0.34%	-	-	-
Columbia Brands USA LLC	25-50	48	0.34%	-	-	-
Under Armour Retail Inc	25-50	49	0.34%	25-50	35	0.53%
Heartwood Place	25-50	50	0.33%	-	-	-
Subtotal	6,432		55.26%	3,894		42.37%
All Other	5,208		44.74%	5,297		57.63%
Total	11,640		100.0%	9,191		100.0%

Source: City of Woodburn Economic Development Department and Oregon Employment Department

OPERATING INFORMATION

CITY OF WOODBURN, OREGON
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Actual										Budgeted
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	21.5	21.5	20.9	20.9	21.7	23.1	23.1	24.6	25.4	27.4	29.2
Public safety	39.6	41.1	42.6	42.7	43.6	43.6	43.6	45.8	44.5	44.5	49.0
Highways and streets	14.0	14.0	11.8	12.8	12.8	13.0	14	14	21.3	15.5	16.5
Culture and recreation	45.8	49.9	50.1	51.0	51.2	51.7	57.8	58.3	41.5	55.4	59.7
Economic development	-	-	1.0	0.5	1.0	1.0	0.9	0.9	2.0	2.0	1.0
Sewer	15.0	15.0	15.0	14.0	14.0	14.0	14	14	12.0	12.0	16.0
Water	11.0	11.0	11.0	11.0	11.0	11.0	10.5	10.5	10.0	10.0	11.5
Total	146.8	152.5	152.4	152.9	155.3	157.4	163.9	168.1	156.7	166.8	182.9

Source: Annual Adopted Budget Book and City Records

CITY OF WOODBURN, OREGON
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Police calls	18,145	17,062	14,744	14,934	15,679	14,848	13,423	13,702	13,813	*
Authorized staffing	32	32	34	34	34	35	35	36	36	
Arrests	1,777	1,441	1,003	1,060	989	956	881	882	799	*
Offenses	3,212	3,119	2,871	3,408	3,534	2,952	3,257	2,572	2,685	*
Culture and recreation										
Park Acreage	110	110	110	128	128	128	128	128	128	*
Library attendance	138,607	132,575	135,317	125,153	114,987	116,223	82,066	18,206	35,562	*
Aquatics attendance	144,459	148,885	144,810	140,834	164,646	170,415	111,145	-	22,871	*
Sports, programs, and event attendance	12,459	12,200	29,424	30,578	32,701	36,521	29,779	-	15,092	*
Public transportation										
Fixed route rides	34,222	34,869	32,684	25,533	24,786	22,374	14,405	17,492	21,927	*
Dial-A-Ride trips	5,097	11,842	6,221	6,224	6,952	6,696	5,271	5,679	8,559	*
Out of town medical rides	1,972	2,441	1,321	1,473	1,445	2,368	1,850	1,377	925	*
Community development										
Building permits issued	279	230	386	171	226	160	161	322	406	*
Water										
Production capacity	2mgd	2 mgd	2mgd	2mgd	2mgd	2mgd	2mgd	2.6mgd	2.5mgd	*
Customers served	6,843	6,770	6,843	6,942	7,116	7,315	7,212	7,634	7,802	*
Wastewater										
Average daily treatment	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	*

*Information unavailable at this time

Source: FY 2022-23 Budget: City Statistics - Services

CITY OF WOODBURN, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<i>Function</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (center lane miles)	64	64	64	64	65	65	65	65	65	67
Culture and recreation										
Parks acreage	128	128	128	128	128	128	128	128	128	128
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1
Community centers	0	0	0	0	0	0	0	0	0	0
Sewer										
Number of connections	6317	6414	6479	6503	6558	6558	6642	6976	7120	7186
Maximum daily treatment capacity (millions of gallons)	16	16	16	16	16	16	16	16	16	16

¹There are no traffic signals on city-owned streets, only on county and state roads.

Street lights are owned and maintained by PGE

Source: City Departments

OTHER INFORMATION

CITY OF WOODBURN, OREGON
WATER SYSTEM COVERAGE CALCULATION
LAST TEN FISCAL YEARS

	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Customer Accounts	4,426	4,844	5,393	5,950	6,579	6,760	6,617	7,197	7,250	7,676
Revenues:										
Charges for Services	\$ 3,166,879	\$ 3,277,605	\$ 3,415,661	\$ 3,293,342	\$ 3,399,943	\$ 3,804,029	\$ 3,990,472	\$ 4,330,970	\$ 4,707,562	\$ 5,059,119
Miscellaneous	303,593	60,055	67,290	58,922	79,062	120,234	61,379	56,410	80,579	75,939
Interest	7,498	9,078	12,425	22,231	39,618	62,422	59,579	24,401	15,658	66,335
SDC	164,993	151,517	115,606	76,430	227,986	216,164	334,389	1,058,194	1,462,634	876,760
<i>Total Gross Revenues</i>	<i>3,642,963</i>	<i>3,498,255</i>	<i>3,610,982</i>	<i>3,450,925</i>	<i>3,746,609</i>	<i>4,202,849</i>	<i>4,445,819</i>	<i>5,469,975</i>	<i>6,266,433</i>	<i>6,078,153</i>
Operating Expenditures										
Personal Services	1,244,302	1,168,912	1,172,688	1,284,183	1,382,962	1,349,044	1,463,652	1,574,854	1,533,505	1,846,915
Materials & Services	736,473	834,953	885,257	875,184	923,878	1,210,952	760,029	1,174,436	1,263,521	1,319,976
<i>Total Operating Expenses</i>	<i>1,980,775</i>	<i>2,003,865</i>	<i>2,057,945</i>	<i>2,159,367</i>	<i>2,306,840</i>	<i>2,559,996</i>	<i>2,223,681</i>	<i>2,749,290</i>	<i>2,797,026</i>	<i>3,166,891</i>
<i>Water Fund Balance, End of Year</i>	<i>\$ 5,020,007</i>	<i>\$ 5,358,699</i>	<i>\$ 5,755,638</i>	<i>\$ 3,473,585</i>	<i>\$ 3,757,916</i>	<i>\$ 4,242,704</i>	<i>\$ 5,042,842</i>	<i>\$ 6,200,092</i>	<i>\$ 7,283,652</i>	<i>\$ 7,582,183</i>
Net Revenues	1,662,188	1,494,390	1,553,037	1,291,558	1,439,769	1,642,853	2,222,138	2,720,685	3,469,407	2,911,262
Total Debt Service	1,159,628	1,155,698	1,156,098	1,156,097	1,155,438	1,158,065	1,422,000	1,563,435	1,228,597	1,529,171
<i>Debt Service Coverage</i>	<i>143%</i>	<i>129%</i>	<i>134%</i>	<i>112%</i>	<i>125%</i>	<i>142%</i>	<i>156%</i>	<i>174%</i>	<i>282%</i>	<i>190%</i>

CITY OF WOODBURN, OREGON
MAJOR WATER SYSTEM CUSTOMERS
YEAR ENDED JUNE 30, 2023

<i>#</i>	<i>Customer Name</i>	<i>Industry</i>	<i>Charges</i>	<i>% of Total Charges</i>
1	SPECIALTY POLYMER	Industrial	\$ 66,016	1.3%
2	CASCADE MEADOWS APARTMENTS	Multi Family	60,641	1.2%
3	WOODBURN PREMIUM OUTLETS, LLC	Commercial	54,516	1.1%
4	STONEHEDGE COURT	Multi Family	46,992	1.0%
5	HARVARD MEADOWS	Multi Family	36,012	0.7%
6	AMERICOLD LOGISTICS	Commercial	35,974	0.7%
7	WOODBURN WEST MOBILE ESTATES	Multi Family	33,719	0.7%
8	MARION CO HOUSING AUTHORITY	Multi Family	30,059	0.6%
9	COUNTRY MEADOWS VILLAGE	Multi Family	27,007	0.5%
10	TOWNSEND FARMS INC	Industrial	26,187	0.5%
Subtotal			\$ 417,123	
Total Water Charges			\$ 4,924,519	

COMPLIANCE SECTION



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and Council Members
City of Woodburn
270 Montgomery Street
Woodburn, Oregon 97071

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Woodburn as of and for the year ended June 30, 2023 and have issued our report thereon dated December 29, 2023.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Woodburn's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials – no money was collected or received by elected officials.**

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except for the City had expenditures in excess of appropriations in the Water fund.


Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Restriction on Use

This report is intended solely for the information and use of the council members and management of the City of Woodburn and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*GROVE, MUELLER & SWANK
CERTIFIED PUBLIC ACCOUNTANTS*

By: 
Ryan T. Pasquarella, Principal
December 29, 2023

WOODBURN

O R E G O N
Incorporated 1889



Museum & Bungalow Theater Restoration Project



Woodburn Urban Renewal Agency

(A Component Unit of the City of Woodburn, OR)

Annual Comprehensive Financial Report For the Year Ended June 30, 2023

***WOODBURN URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE
CITY OF WOODBURN, OREGON)
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2023***

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
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JUNE 30, 2023

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INTRODUCTORY SECTION

Introduction

Urban renewal agencies are required to prepare an annual report for the governing body and the public in accordance with Oregon Revised Statute 457.460 (ORS 457.460). The report includes a financial summary of the preceding year and the budget for the new fiscal year. It also includes an analysis of the financial impact of carrying out the urban plan on the tax collections for all taxing districts.

The following elements must be included as part of the financial summary:

- ♦ the amount of money received during the preceding fiscal year;
- ♦ the purposes and amounts for which any money received were expended during the preceding fiscal year;
- ♦ an estimate of moneys to be received during the current fiscal year;
- ♦ a budget setting forth the purposes and estimated amounts for moneys that are to be expended during the current fiscal year;
- ♦ an analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year.

The Urban Renewal Concept

Urban renewal is a process authorized by Oregon law (ORS 457) to finance improvements in those neighborhoods and districts in need of revitalization with the intent to improve underdeveloped areas or areas that have declined resulting in stagnated private development or investment. More specifically, urban renewal is a funding method used to economically revitalize areas of “blight” through public investments that stimulate private development. Examples of blight include buildings that are unsafe or unfit for occupancy, inadequately maintained streets, or areas with environmental impacts. Due to these “blighted” conditions, private developers, property owners or business owners are unable to generate sufficient returns on potential development in the area. As a result, private investment stalls and the blighted conditions remain.

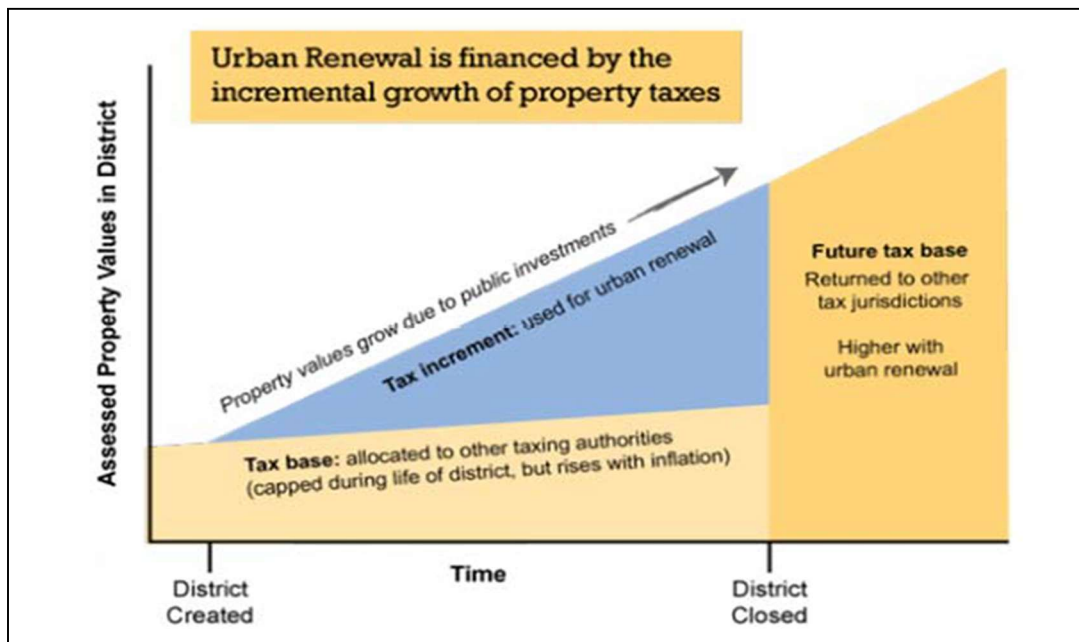
The types of urban renewal activities undertaken generally include development of infrastructure and public amenities (i.e., streetscape and infrastructure improvements, lighting, public open spaces, building improvements, parks, etc.) and with these publicly funded efforts, investment becomes achievable for private developers. Urban renewal allows a city to increase the level of public investment by providing funds that can be used to match regional, state or federal funds for specific projects.

The goal is encourage private sector investment for the majority of the redevelopment funding by selectively investing over a period of time. With the initial commitment of public funding the plan can achieve the goals to construct necessary streetscape infrastructure improvements and provide public amenities and to attract private investment.

Tax Increment Financing

The major source of funding for urban renewal projects has been tax increment financing. Once an urban renewal district is established, the tax valuation for the district is “frozen”. As properties appreciate, the increase in taxes (the “increment”) generated above the frozen base are used to pay for the outlay or debt on specific projects within the urban renewal plan.

This tax increment financing identifies an area where property values are not rising as rapidly as the rest of the community; drawing a line around it; planning for major public improvements like roadways, street lighting, parks, and other amenities; securing funds to finance the public costs; implementing the plans for public improvement; and encouraging private investment in the area. Then, as property values rise and bring an increase in tax revenues, that increase sets the limit for the property taxes levied to pay off urban renewal bonds.



During the 1990's, three Ballot Measures: Measure 5 (1990), Measure 47 (1996), and Measure 50 (1997) made significant changes to Oregon's system of property taxation influencing urban renewal programs and tax increment revenue calculations. Those provisions provide the basic framework for revenue calculations in this report.

To determine the amount of the taxes levied, the total assessed value within each urban renewal area is segregated by the County Assessor into two parts: (a) the total taxable assessed value in the district at the time the Urban Renewal Plan was adopted (the base or “frozen” value); and (b) the difference between the frozen base value and the current total assessed value (the incremental value or “excess”). The urban renewal agency is entitled to the amount of property taxes levied on the increase in property values within the urban renewal area. This revenue is used to pay for the projects designated in the Urban Renewal Plan or to repay indebtedness incurred in carrying out the projects.

Woodburn's Urban Renewal Plan

The City of Woodburn established the Woodburn Urban Renewal District pursuant to Oregon Revised Statutes (ORS) Chapter 457, the Oregon Constitution, and all applicable laws and ordinances on March 13, 2001, upon adoption of Ordinance 2283. On August 13, 2001, the City adopted Ordinance 2298 establishing the maximum indebtedness of the Plan of \$29.3 million. The City's urban renewal redevelopment area consists of approximately 260 acres, all within the Woodburn city limits. In general, the area includes the historic downtown, Front Street to Highway 214 and Highway 214 to redevelopment sites on Stacy Allison, Young Street to Highway 99 and Highway 99 to Highway 211. The Woodburn's urban renewal is governed by the Urban Renewal Agency, which consists of the City's Mayor and City Council members.

The Urban Renewal Plan states the following overall renewal goals:

- Public improvements
- Redevelopment through new construction
- Preservation, rehabilitation, development and redevelopment
- Property acquisition and disposition
- Plan administration

The Core Values created by the Urban Renewal Agency are as follows:

- Ensure positive return on investment
- Cultivate resources and investment in underutilized or blighted areas
- Job creation
- Economic vitality
- Establish downtown as a destination
- Historic preservation and cultural interpretation

Urban Renewal Impact

The Woodburn Urban Renewal program has played a key role in revitalization. Through public investments and business development partnerships, urban renewal will continue to be a catalyst for making Woodburn a more economically vital, livable and sustainable place. The number of significant public investments include Downtown Plaza, Historic Locomotive, Front Street, Fire Station, First Street, Downtown Alleyways, Downtown Public Restroom, Bungalow Theater, and Building Improvement Grant/Loan Program.

Major Project Costs by Year						
Capital Description	Outlay	Project	Actual 2020-21	Actual 2021-22	Actual 2022-23	Budget 2023-24
Police Department Peace Pole					5,669	60,000
Fire Department Monument						60,000
First Street Design/Reconstruction			29,470			
Alleyway Beautification				47,967	2,000	
Historic City Hall Building			7,586	171,797	70,585	
Historic Locomotive Shelter				99,043	353	
First & Cleveland Public Parking Lot						200,000
Downtown Plaza Water Fountain Rehab			9,730		14,474	
Bungalow Theater/Museum Restoration			46,260	262,278	117,164	
Signage and Lighting Other					22,633	95,000
Improvements/Professional Services				17,799	75,445	181,000
Library Park Stage Cover					28,440	
Public Arts and Mural Program			18,665	4,459	11,712	140,000
			111,711	603,343	341,240	736,000

Effect of Urban Renewal on Taxing Districts

Carrying out an urban renewal plan has an effect on the amount of property taxes received by the overlapping taxing districts of Woodburn's urban renewal areas. A portion of property taxes that were to be received by the taxing bodies that levy property taxes within Woodburn's urban renewal areas are redirected to Woodburn's Urban Renewal Agency for the agency's projects and programs.

Passage of Ballot Measure 50 (Article XI, Section 11 of the Oregon Constitution) resulted in converting most property taxes (i.e., tax bases) from a levy-based system to a rate-based system. Schedules provided later in this Report reflect the "post" Measure 50 financial impact by taxing district for Woodburn's Urban Renewal. The following schedules show the impact of the division of taxes on the overlapping taxing jurisdictions for the prior fiscal year and the current fiscal year.

The schedules include each taxing entity's:

- Permanent taxing rate is the levy imposed on every thousand dollars of assessed property value
- Adjusted district rate is the rate that the district will receive net of the URA calculation

Woodburn Urban Renewal Agency
Financial Impact Report
Fiscal Year Ended June 30, 2023

- URA division of tax rate is the rate redirected from the taxing entity to the urban renewal agency
- Shared value is the common value of the underlying properties within the URA and the overlapping taxing entities
- Calculated property taxes from each taxing entity that is redirected to the urban renewal agency

Woodburn Urban Renewal Agency (URA) Financial Impact of the Division of Taxes on Overlapping Taxing Jurisdictions Fiscal Year Ended June 30, 2023					
Taxing District	Permanent Rate	Adjusted District Rate	URA Division of Tax Rate	District Shared Value	Division of Tax
Marion County	\$ 3.025	2.934	0.091	1,967,415,227	\$ 179,058
City of Woodburn	6.053	5.871	0.182	1,967,415,227	358,293
Woodburn SD	4.525	4.389	0.136	1,967,415,227	267,811
Woodburn FD	1.601	1.553	0.048	1,824,391,349	94,755
Willamette Regional ESD	0.297	0.288	0.009	1,967,415,227	17,561
Chemeketa Community College	0.626	0.607	0.019	1,967,415,227	37,046
Regional Library	0.082	0.079	0.002	1,967,415,227	4,842
Marion Soil & Water	0.050	0.049	0.001	1,324,319,460	1,450
MC & 4-H Extension Service	0.050	0.049	0.002	1,967,415,227	2,959
Totals	\$ 16.309	\$ 15.819	\$ 0.490		963,775
% of Total Permanent Rate			3.00%		
Less: Truncation Loss					-
Less: Compression Loss					-
Total URA Levy					\$ 963,775

MAYOR AND COUNCIL MEMBERS

<u><i>Name</i></u>	<u><i>Term Expires</i></u>
<i>Mayor</i>	
Frank Lonergan	December 31, 2024
<i>Council Members</i>	
Debbie Cabrales	December 31, 2024
Robert Carney	December 31, 2026
Mary Beth Cornwell	December 31, 2026
Eric Morris	December 31, 2024
Sharon Schaub	December 31, 2026
Mark Wilk	December 31, 2024

The above individuals may be contacted at the address below.

Staff

Scott Derickson, City Administrator
N. Robert Shields, City Attorney
Anthony Turley, Finance Director

City of Woodburn, Oregon
270 Montgomery Street
Woodburn, Oregon 97071

FINANCIAL SECTION



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Woodburn Urban Renewal Agency
Woodburn, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Woodburn Urban Renewal Agency (a component unit of the City of Woodburn, Oregon) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Woodburn Urban Renewal Agency, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Agency's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (MD&A) and the schedule of revenues, expenditures and changes in fund balances - budget to actual (budgetary schedule) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Information

Management is responsible for the other information. The other information includes the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 29, 2023, on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, Principal
December 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

WOODBURN URBAN RENEWAL AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Woodburn Urban Renewal Agency (the Agency), we offer readers of the Agency's basic financial statements this narrative overview and analysis of the financial activities of the Agency as of June 30, 2023 and for the fiscal year then ended. We encourage readers to consider the information presented here in conjunction with the Agency's basic financial statements in the financial section of this report.

Financial Highlights

Following are the financial highlights of the Agency for the year ended:

	<i>June 30,</i>		
	<i>2023</i>	<i>2022</i>	<i>Change</i>
Net position (deficit)	\$ (689,369)	\$ (836,099)	\$ 146,730
Change in net position	146,730	(13,265)	159,995

Overview of the Basic Financial Statements

The Agency's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the Agency's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event(s) giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (i.e. uncollected revenues and accrued but unpaid interest).

The Statement of Net Position presents information on all of the Agency's assets and liabilities, including capital assets and long-term liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency as a whole is improving or deteriorating.

The Statement of Activities presents information showing how the Agency's net position changed during the most recent fiscal year.

Fund financial statements. The fund financial statements focus on current available resources and are organized on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-17.

Required Supplementary Information

The required supplementary information includes the schedule of revenues, expenditures, and changes in fund balances – budget and actual for the Urban Renewal fund.

Statement of Net Position

The following table reflects the condensed statement of net position compared to the prior year.

	<i>June 30,</i>	
	<i>2023</i>	<i>2022</i>
<i>ASSETS</i>		
Cash and investments	\$ 1,222,057	\$ 1,393,396
Accounts receivable	24,374	-
Property tax receivable	32,900	30,166
<i>Total Assets</i>	<u>1,279,331</u>	<u>1,423,562</u>
<i>LIABILITIES</i>		
Other liabilities	136,700	150,661
Long-term liabilities	1,832,000	2,109,000
<i>Total Liabilities</i>	<u>1,968,700</u>	<u>2,259,661</u>
<i>NET POSITION (DEFICIT)</i>		
Restricted for economic development	<u>\$ (689,369)</u>	<u>\$ (836,099)</u>

The Agency's liabilities exceeded assets by \$689,369.

The Agency has recorded the following assets as of June 30, 2023: Cash and investments of \$1,222,057, accounts receivable of \$24,374 and property taxes receivable of \$32,900.

Liabilities are comprised of accounts payable and amounts due to the City for personnel and other costs of \$136,700, and long-term debt of \$1,832,000 at June 30, 2023.

Statement of Activities

The following table reflects the condensed statement of net position compared to the prior year.

	<i>Year Ended June 30,</i>	
	<i>2023</i>	<i>2022</i>
REVENUES		
Property taxes	929,884	\$ 819,989
Intergovernmental	103,720	130,637
Miscellaneous	39,465	5,020
<i>Total Revenues</i>	<i>1,073,069</i>	<i>955,646</i>
EXPENSES		
Economic development	525,819	297,608
Interest on long-term debt	58,419	65,870
<i>Total Expenses</i>	<i>584,238</i>	<i>363,478</i>
REVENUES OVER EXPENSES	488,831	592,168
TRANSFERS TO CITY OF WOODBURN	(342,101)	(605,433)
CHANGE IN NET POSITION	146,730	(13,265)
NET POSITION (DEFICIT), beginning of year	(836,099)	(822,834)
NET POSITION (DEFICIT), end of year	\$ (689,369)	\$ (836,099)

Property taxes totaling \$929,884 comprise 87% of the Agency's revenue and are derived from the tax increment assessment within the Agency's boundaries. The remaining revenue is comprised of \$103,720 in intergovernmental revenue and \$39,465 in other miscellaneous earnings. Economic development expenses for the year ended June 30, 2023 consisted of \$525,819 in reimbursements for materials and services and \$58,419 in interest on long-term debt.

Financial Analysis of the Fund

The Agency maintains a single fund used to account for activities supported by the property tax increment.

As of June 30, 2023 the Agency's governmental fund reported a fund balance of \$1,112,678 or a decrease of \$132,137 over the prior year. This is due mainly to an increase in spending on urban renewal capital projects.

Budgetary Highlights

There were no changes to the budget during the year.

Capital Assets and Debt Administration

The Agency has no capital assets. All assets constructed with urban renewal funds are property of the City (see the City of Woodburn financial statements).

At June 30, 2023, the Agency had \$1,832,000 in long-term debt outstanding compared with \$2,109,000 in the prior year. The decrease is due to scheduled debt repayment.

	<i>June 30,</i>	
	<i>2023</i>	<i>2022</i>
Note payable	\$ 1,832,000	\$ 2,109,000

Additional information about the Agency’s debt is presented on page 17 in the notes to the financial statements.

Financial Contact

The Agency’s financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Agency’s finances and to demonstrate the Agency’s accountability.

Any questions or request for additional information should be directed to the City of Woodburn at 270 Montgomery Street, Woodburn, Oregon.

BASIC FINANCIAL STATEMENTS

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

ASSETS

Current assets	
Cash and investments	\$ 1,222,057
Accounts receivable	24,374
Property taxes receivable	32,900
	<hr/>
<i>Total Assets</i>	1,279,331

LIABILITIES

Current liabilities	
Accounts payable	136,700
Noncurrent liabilities - long-term debt	
Due within one year	285,000
Due in more than one year	1,547,000
	<hr/>
<i>Total Liabilities</i>	1,968,700

NET POSITION (DEFICIT)

Restricted for economic development	\$ (689,369)
-------------------------------------	--------------

The accompanying notes are an integral part of the financial statements.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2023

REVENUES

Taxes and assessments	\$ 929,884
Intergovernmental	103,720
Miscellaneous	39,465
	<hr/>
<i>Total Revenues</i>	1,073,069

EXPENSES

Economic development	525,819
Interest on long-term debt	58,419
	<hr/>
<i>Total Expenses</i>	584,238

REVENUES OVER EXPENSES

488,831

TRANSFER TO CITY OF WOODBURN

(342,101)

CHANGE IN NET POSITION

146,730

NET POSITION, beginning of year

(836,099)

NET POSITION (DEFICIT), end of year

\$ (689,369)

The accompanying notes are an integral part of the financial statements.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2023

	<i>Urban Renewal Fund</i>
<i>ASSETS</i>	
Cash and investments	\$ 1,222,057
Accounts receivable	24,374
Property taxes receivable	32,900
	<hr/>
<i>Total Assets</i>	<i>\$ 1,279,331</i>
<i>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</i>	
<i>Liabilities</i>	
Accounts payable	\$ 136,700
<i>Deferred Inflows</i>	
Unavailable revenue	29,953
<i>Fund Balance</i>	
Restricted for economic development	1,112,678
	<hr/>
<i>Total Liabilities, Deferred Inflows, and Fund Balance</i>	<i>\$ 1,279,331</i>
<i>RECONCILIATION TO THE STATEMENT OF NET POSITION</i>	
<i>Fund Balance</i>	\$ 1,112,678
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are reported as unavailable revenue in governmental funds.	
	29,953
All liabilities are reported in the Statement of Net Position. However, if they are not due and payable in the current period, they are not recorded in governmental funds.	
Long-term debt	(1,832,000)
	<hr/>
<i>Net Position (Deficit) of Governmental Activities</i>	<i>\$ (689,369)</i>

The accompanying notes are an integral part of the financial statements.

WOODBURN URBAN RENEWAL AGENCY**(A Component Unit of the City of Woodburn, Oregon)****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –****GOVERNMENTAL FUND****YEAR ENDED JUNE 30, 2023**

	<i>Urban Renewal Fund</i>
REVENUES	
Taxes and assessments	\$ 928,018
Intergovernmental	103,720
Miscellaneous	39,465
	<hr/>
<i>Total Revenues</i>	1,071,203
EXPENDITURES	
Current	
Community development	525,820
Debt service	
Principal	277,000
Interest	58,419
Capital outlay	339,241
	<hr/>
<i>Total Expenditures</i>	1,200,480
	<hr/>
REVENUES OVER (UNDER) EXPENDITURES	(129,277)
OTHER FINANCING SOURCES (USES)	
Transfers out	(2,860)
	<hr/>
NET CHANGE IN FUND BALANCE	(132,137)
FUND BALANCE, Beginning of year	1,244,815
	<hr/>
FUND BALANCE, End of year	\$ 1,112,678
	<hr/>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

<i>Net Change in Fund Balance</i>	\$ (132,137)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.	
Property taxes	1,867
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position.	
Principal payments on long-term debt	277,000
	<hr/>
<i>Change in Net Position</i>	\$ 146,730
	<hr/>

The accompanying notes are an integral part of the financial statements.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Woodburn Urban Renewal Agency (the Agency) was created to provide for rehabilitation of blighted and deteriorated areas within the City's designated urban renewal areas. Through the Downtown Grant and Loan program the Agency enables property owners to rehabilitate properties. The Agency is governed by a seven-member board of directors that include the City's mayor and other council members and is included as a component unit in the City's financial statements.

Urban Renewal Areas

Tax Allocation bonds for urban renewal plan areas are authorized by state law to 1) "...eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas."

Projects are financed in urban renewal plan areas as follows:

- The Agency (City Council) selects an urban renewal plan area and defines its boundaries.
- The County Assessor "freezes" the assessed value of property within the urban renewal area. This is referred to as the "frozen" value.
- Any increase in assessed value above the frozen value is called the "incremental value." The tax revenue generated by the tax rate times the incremental value is provided for use in paying the principal and interest on any indebtedness incurred to finance the Urban Renewal project.
- Urban renewal tax increment revenues are used to repay the indebtedness of the Agency. The proceeds of the indebtedness finance the Agency's activities.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of \$29,300,000.

Measurement Focus and Basis of Accounting

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Governmental activities are normally supported by taxes and intergovernmental revenues.

Government-wide financial statements display information about the reporting government as a whole. These statements focus on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

The Statement of Net Position presents all the assets and liabilities of the Agency, including related debt, if any. Net position, representing assets less liabilities, is shown as unrestricted.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Basic Financial Statements (Continued)

The Statement of Activities indicates how net position changed during the current period.

Fund financial statements display information about the Agency's fund. The single major fund, Urban Renewal fund, accounts for general administration of the Agency's urban renewal areas, for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas, and repayment of debt incurred for these activities.

Basis of Presentation

The financial transactions of the Agency are recorded in a single fund. The fund's activity is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures.

Accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board, define principles that should be used to report financial transactions. The government-wide financial statements are reported using the economic resources and accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the liability is incurred.

Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Although not a major impact on the financial statements, Governmental Fund type fund balances are now reported in the following classifications.

Fund balance is reported as non-spendable when the resources cannot be spent because they are either in a non-spendable form or legally or contractually required to be maintained intact. Resources in non-spendable form include inventories, prepaid amounts, deposits, and assets held for sale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Agency takes formal action that places specific constraints on how the resources may be used. The Agency can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the Agency's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Agency approves which resources should be "reserved" during the adoption of the annual budget.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Fund Balance (Continued)

Unassigned fund balance is the residual classification. This classification represents fund balance that has not been restricted, committed or assigned.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recorded when they become both measurable and available, while expenditures are recorded when the related liability is incurred.

Cash and Investments

The City of Woodburn maintains the Agency's cash and investments in a common pool.

Oregon Revised Statutes and the City of Woodburn investment policy authorize the City to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of U.S. Government and its agencies, certain bonded obligations of Oregon Municipalities and the State Treasurer's Local Government Investment Pool, among others.

Investments are stated at cost, which approximates fair value.

Receivables and Deferred Inflows

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments payable in equal payments due November 15, February 15, and May 15. Uncollected property taxes levied for the current and prior years are recorded as receivable at year-end. The Agency's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

Property tax receivables not available are recognized as deferred inflows in the governmental funds balance sheet.

Long-term Debt

Long-term debt is reported in the Statement of Net Position as noncurrent liabilities. The governmental fund financial statements do not report long-term debt because it does not require the use of current financial resources.

Budget and Budgetary Accounting

The Agency budgets in accordance with requirements of State law. Annual appropriated budgets are adopted in accordance with the modified accrual basis of accounting.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget and Budgetary Accounting (Continued)

The Agency begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the Budget Committee. The budget is then published in proposed form and is presented for public hearings to obtain taxpayer comments and approval from the Budget Committee. The budget is legally adopted by the Agency's Board by resolution prior to the beginning of the Agency's fiscal year.

The Board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Appropriations are made at the program level. Appropriations lapse at year end.

Appropriation authority may be transferred from one level of control to another by Board resolution. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

CASH AND INVESTMENTS

The Agency's deposits with financial institutions and investments are pooled with the City of Woodburn. Cash and investments for the City of Woodburn are disclosed in the City's financial statements. Other disclosures about the City's cash and investment that are applicable to the Agency are as follows.

Deposits

Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The carrying value of the City's position in the pool is the same as the value of the pool shares; fair value was 99.6% of the value of the pool shares as of June 30, 2023. The investment in the Oregon Short Term Fund is not subject to classification. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

CASH AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) provide insurance for the City's deposits up to \$250,000 for the aggregate of all demand deposits and the aggregate of time deposit and savings accounts at each financial institution and credit union. Deposits in excess of FDIC and NCUA coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. At June 30, 2023, none of the Agency's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program

Custodial Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The LGIP is not rated for credit quality.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

LONG-TERM DEBT

Long-term debt transactions for the fiscal year ended June 30, 2023 were as follows:

	<i>Outstanding July 1, 2022</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2023</i>	<i>Due Within One Year</i>
Direct borrowing	\$ 2,109,000	\$ -	\$ (277,000)	\$ 1,832,000	\$ 285,000

2019 Urban Renewal Note Payable: In June 2019, the Agency entered into a note payable agreement in the amount of \$2,900,000 at 2.77% interest, to fund urban renewal projects. Interest is payable semiannually, while principal is due annually through June 2029. The loan is secured by the tax increment revenues and amounts due are not subject to acceleration in the event of default.

Future maturities of long-term debt are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Urban Renewal Agency Note, Series 2019</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2024	\$ 285,000	\$ 50,746	\$ 335,746
2025	293,000	42,852	335,852
2026	301,000	34,736	335,736
2027	309,000	26,398	335,398
2028	318,000	17,839	335,839
2029	326,000	9,030	335,030
	<u>\$ 1,832,000</u>	<u>\$ 181,601</u>	<u>\$ 2,013,601</u>

DEFICIT NET POSITION

The Agency reported a deficit net position of \$689,369 at June 30, 2023 due to the note payable issued in 2019.

CONTINGENCIES

The Agency purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

REQUIRED SUPPLEMENTARY INFORMATION

WOODBURN URBAN RENEWAL AGENCY*(A Component Unit of the City of Woodburn, Oregon)**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**BUDGET AND ACTUAL - URBAN RENEWAL FUND**YEAR ENDED JUNE 30, 2023*

	<i>Budgeted Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Taxes and assessments	\$ 961,590	\$ 961,590	\$ 928,018	\$ (33,572)
Intergovernmental	-	-	103,720	103,720
Miscellaneous	92,700	92,700	39,465	(53,235)
<i>Total Revenues</i>	1,054,290	1,054,290	1,071,203	16,913
EXPENDITURES				
Administration				
Personnel services	285,670	285,670	277,660	8,010
Materials and services	287,740	287,740	248,160	39,580
Capital outlay	610,000	610,000	339,241	270,759
Debt service				
Principal	277,000	277,000	277,000	-
Interest	58,420	58,420	58,419	1
Contingency	54,110	54,110	-	54,110
<i>Total Expenditures</i>	1,572,940	1,572,940	1,200,480	372,460
REVENUES OVER (UNDER) EXPENDITURES	(518,650)	(518,650)	(129,277)	389,373
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,860)	(2,860)	(2,860)	-
NET CHANGE IN FUND BALANCE	(521,510)	(521,510)	(132,137)	389,373
FUND BALANCE, Beginning of year	1,191,510	1,191,510	1,244,815	53,305
FUND BALANCE, End of year	\$ 670,000	\$ 670,000	\$ 1,112,678	\$ 442,678

COMPLIANCE SECTION



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Woodburn Urban Renewal Agency
Woodburn, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Woodburn Urban Renewal Agency as of and for the year ended June 30, 2023, and have issued our report thereon dated December 29, 2023.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Woodburn Urban Renewal Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except a deficit net position as disclosed in the notes to the financial statements.


Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Restriction on Use

This report is intended solely for the information and use of the governing body and management of the Woodburn Urban Renewal Agency and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

GROVE, MUELLER & SWANK
CERTIFIED PUBLIC ACCOUNTANTS

By: 

Ryan T. Pasquarella, Principal
December 29, 2023

COUNCIL MEETING MINUTES

DECEMBER 11, 2023

DATE **COUNCIL CHAMBERS, CITY HALL, CITY OF WOODBURN, COUNTY OF MARION, STATE OF OREGON, DECEMBER 11, 2023**

CONVENED The meeting convened at 7:00 p.m. with Mayor Lonergan presiding.

ROLL CALL

Mayor Lonergan	Present
Councilor Carney	Present
Councilor Cornwell	Present
Councilor Schaub	Present
Councilor Morris	Present
Councilor Cabrales	Present
Councilor Wilk	Present

Staff Present: City Administrator Derickson, City Attorney Shields, Assistant City Administrator Row, Assistant City Attorney Granum, Assistant City Attorney Killmer, Police Chief Pilcher, Economic Development Director Johnk, Community Services Director Cuomo, Finance Director Turley, Community Development Director Kerr, Public Works Director Stultz, Special Projects Director Wakeley, Human Resources Director Gregg, Deputy Police Chief Millican, Public Affairs and Communications Coordinator Moore, City Recorder Pierson, Economic Development Project Manager Guerrero, Executive Legal Assistant Bravo, Youth Outreach Coordinator Uder, Community Relations Manager Herrera

ANNOUNCEMENTS

Mayor Lonergan announced the following:

- Holiday Closures: Christmas: City Hall will be closed beginning at noon on December 22 and will reopen for regular business hours on December 26. The library will be closed on December 25. The Aquatic Center will be closed December 24 and 25. Transit Services Holiday Hours are 9am-3pm, Fixed route only no Express, on December 24 and closed December 25.
- New Year: City Hall and the Library will be closed on January 1. Transit Services Holiday Hours are 9am-3pm, Fixed route only no Express, on December 31 and closed January 1. The Aquatic Center will be closed January 1.
- The City Council meeting scheduled for December 25, 2023, has been cancelled. The next City Council meeting will take place on January 8, 2024, at 7:00 p.m.

APPOINTMENTS

Carney/Cabrales... appoint Judy Marquez to the Woodburn Library Board. The motion passed unanimously.

PRESENTATIONS

Community Services Director Cuomo introduced the City's Youth Outreach Coordinator – Zoraya Uder. Zoraya provided background information on herself as well as providing the City Council an overview of what she has been working on so far as the Youth Outreach Coordinator.

RECOGNITION OF CITY ATTORNEY

Assistant City Attorney Granum introduced the City's new Assistant City Attorney Chris Killmer.

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COUNCIL MEETING MINUTES DECEMBER 11, 2023

The Mayor and City Council recognized City Attorney Bob Shields for his 41 years of service to the City of Woodburn and wished him the best in his retirement.

Mayor Lonergan called for a 20-minute break.

The Council reconvened at 7:41 p.m.

CONSENT AGENDA

- A. Woodburn City Council minutes of November 13, 2023,
- B. Woodburn City Council Executive Session Minutes of November 13, 2023,
- C. Monthly Financial Report,
- D. Liquor License Application Tienda Los Hermanos Chapin,
- E. Community Center Advisory Committee Draft minutes of November 7, 2023,
- F. Acceptance of Easement at 2010 Molalla Road (Tax Lot 051W08DA00400),
- G. Dedication of a Utility Easement at Centennial Park to Portland General Electric Company,
- H. Building Activity for November 2023,
- I. Redflex Report – August through October 2023,
- J. Redflex Report – September through November 2023.

Carney/Schaub... approve the consent agenda. The motion passed unanimously.

PUBLIC HEARING

A Public Hearing to consider input on Legislative Amendment 23-02 (LA 23-02) and adoption of Employment Buildable Land Inventory (BLI), 2023-2043 Economic Opportunities Analysis (EOA), and Comprehensive Plan Goal and Policy updates. Mayor Lonergan declared the hearing open at 7:43 p.m. for the purpose of hearing public input on Legislative Amendment 23-02 (LA 23-02) and adoption of Employment Buildable Land Inventory (BLI), 2023-2043 Economic Opportunities Analysis (EOA), and Comprehensive Plan Goal and Policy updates. Community Development Director Kerr and Special Projects Director Wakeley provided a staff report. Special Projects Director Wakeley noted that in Exhibit B on the top of page 2, they are combining the previous bullet points two and three and the updated numbering should show under bullet point number two that the very first sentence begin with, "In the northeast quadrant". Brendan Buckley with Johnson Economics LLC provided a presentation on the data and findings. No members of the public wished to speak in either support or opposition of Legislative Amendment 23-02 (LA 23-02) and adoption of Employment Buildable Land Inventory (BLI), 2023-2043 Economic Opportunities Analysis (EOA), and Comprehensive Plan Goal and Policy updates. Mayor Lonergan closed the hearing at 8:26 p.m.

Carney/Schaub... tentatively approve Legislative Amendment LA23-02 adopting the BLI, EOA and updated economic goals and policies as part of the Comprehensive Plan amendment based on the analysis and findings which are found in Exhibit C in the staff report and direct staff to submit an ordinance for consideration at the next City Council meeting. On roll call vote the motion passed unanimously.

COUNCIL BILL NO. 3235 – A RESOLUTION ADOPTING A POLICY REGARDING SYSTEM DEVELOPMENT CHARGES FOR CONVERSION OF BUILDINGS FROM COMMERCIAL TO RESIDENTIAL USE IN NON-INDUSTRIAL ZONES

Carney introduced Council Bill No. 3235. City Recorder Pierson read the bill by title only since there were no objections from Council. Community Development Director Kerr provided a staff report. On

COUNCIL MEETING MINUTES

DECEMBER 11, 2023

roll call vote for final passage, the bill passed unanimously. Mayor Lonergan declared Council Bill No. 3235 duly passed.

REALLOCATE ARPA FUNDS TO PROVIDE SUPPORT TO COMMUNITY PROGRAMS

City Administrator Derickson provided a staff report. **Carney/Cabrales...** reallocate \$182,000 in American Recovery Plan Act (ARPA) funds to provide support to programs provided by Love INC, Love Santa, Liberty House, Mid-Willamette Valley Community Action Agency, and Immanuel Lutheran Church. The motion passed 5-1 with Councilor Morris voting no.

AWARD A CONTRACT FOR ARCHITECTURAL & ENGINEERING SERVICES TO DECA ARCHITECTURE, INC. AND TO ORANGE WALL STUDIOS ARCHITECTURE + PLANNING

Public Works Director Stultz provided a staff report. **Carney/Schaub...** award a contract for Architectural & Engineering Services to DECA Architecture, Inc. and to Orange Wall Studios Architecture + Planning and authorize the City Administrator to sign the Agreement. The motion passed unanimously.

CITY ADMINISTRATOR'S REPORT

The City Administrator reported the following:

- The City received a \$1 million Safe Routes to School Program grant from ODOT. The City has a 10% match on this project and it will include improved crossings at Front Street intersection with highway 214, including marked crossings and widening to the intersection.
- The Council Chambers will be getting larger presentation screens.
- The final Certificate of Occupancy has been issued for the Aware Food Bank.

City Attorney Shields thanked the City Council for their kind words.

MAYOR AND COUNCIL REPORTS

Councilor Wilk stated that he wanted to acknowledge that yesterday was Human Rights Day. He added that he spoke with the CEO of Marion Polk Food Share and the plan is to start providing services in the new facility on January 8th and an official open house will take place on January 24th at 9:30 a.m.

Councilor Schaub stated that she is sad to see Bob go but is looking forward to working with McKenzie. She wished everyone a merry Christmas, happy Hanukkah or Kwanzaa, and happy holidays.

Councilor Morris wished everyone a happy holiday and merry Christmas.

Councilor Carney noted that along with Bob Shield's competence, he also has a great deal of humility. He wished everyone a happy holiday.

Councilor Cabrales wished everyone a happy holiday and a happy new year.

Councilor Cornwell stated that Bob started a legacy at the City 41 years ago and thanked him for the service to the City.

Mayor Lonergan thanked Bob for the help he has given him through the years. He also thanked all those

COUNCIL MEETING MINUTES
DECEMBER 11, 2023

who helped make the mayor's tree lighting ceremony a success.

ADJOURNMENT

Morris/Cabrales... move to adjourn. The motion passed unanimously. Mayor Lonergan adjourned the meeting at 9:05 p.m.

APPROVED _____
FRANK LONERGAN, MAYOR

ATTEST _____
Heather Pierson, City Recorder
City of Woodburn, Oregon

**COUNCIL SPECIAL MEETING MINUTES
DECEMBER 21, 2023**

DATE **COUNCIL CHAMBERS, CITY HALL, CITY OF WOODBURN, COUNTY OF MARION, STATE OF OREGON, DECEMBER 21, 2023**

CONVENED The meeting convened at 1:01 p.m. with Mayor Lonergeran presiding.

ROLL CALL

Mayor Lonergeran	Present
Councilor Carney	Present
Councilor Cornwell	Present
Councilor Schaub	Present
Councilor Morris	Absent
Councilor Cabrales	Present
Councilor Wilk	Present

Staff Present: Assistant City Administrator Row, Assistant City Attorney Granum, City Recorder Pierson

APPOINTMENT OF ADMINISTRATOR PRO TEM

Carney/Cabrales... appoint Assistant City Administrator Jim Row as Administrator Pro Tem for the period December 25, 2023, through January 24, 2024, unless terminated earlier at the discretion of the Mayor.

There was Council discussion on whether the appointment should begin on December 21st instead of December 25th.

Carney/Schaub... amend the original motion to appoint Assistant City Administrator Jim Row as Administrator Pro Tem to begin December 21, 2023, through January 24, 2024, unless terminated earlier at the discretion of the Mayor. The motion passed unanimously.

MAYOR AND COUNCIL REPORTS

Councilor Wilk noted that today is Homeless Memorial Day.

ADJOURNMENT

Schaub/Cabrales... move to adjourn. The motion passed unanimously. Mayor Lonergeran adjourned the meeting at 1:05 p.m.

APPROVED _____
FRANK LONERGERAN, MAYOR

ATTEST _____
Heather Pierson, City Recorder
City of Woodburn, Oregon

January 08, 2024

TO: Honorable Mayor and City Council through City Administrator
THRU: Martin Pilcher, Chief of Police
FROM: Keith Kimberlin, Lieutenant
SUBJECT: **Liquor License Application for 7-11 Convenience Store**

RECOMMENDATION:

Recommend that the OLCC approves the Liquor License Application for 7-11 convenience store.

BACKGROUND:

Applicant: Aulakh and Malhi Inc.
893 N. Pacific Highway
Woodburn, OR 97071
503-981-4774

Point of
Contact: Alyssa Dickinson
301 S Bronough Street 600600
Tallahassee, FL 97306
850-577-6962

Business: 7-11 (#17416D)
893 n. Pacific Highway
Woodburn, OR 97071
503-981-4774

Owner(s): Jaskiran Aulakh & Satnam Singh
541-912-8068 / 971-444-3345

Agenda Item Review: City Administrator ___x___ City Attorney ___x___ Finance ___x___

License Type(s):

Off Premises- May sell and serve beer, wine, and cider for consumption off the licensed premises. May sell beer, wine, and cider in a securely covered "growler" for consumption off the licensed premises.

On December 19, 2023, the Woodburn Police Department received an application for Off-Premises liquor license for 7-11. The business currently operates as a convenience store located at 893 N. Pacific Highway in Woodburn, OR 97071.

The hours of operation are 24 hours a day Sunday to Saturday except some holidays. There is no entertainment listed for the location. The Woodburn Police Department has not received any communication from the public or surrounding businesses in support of or against the proposed change.

DISCUSSION:

The Police Department has completed a background investigation on 7-11, and the listed owners, Jaskiran Kaur Aulakh and Satnam Singh. They were ran through various police databases and business related databases. Jaskiran and Satnam both hold a valid Oregon driver's license and no other items of concern were located during the check. The application is for a change in ownership.

FINANCIAL IMPACT:

None

January 8, 2024

TO: Honorable Mayor and City Council through City Administrator
THRU: Martin Pilcher, Chief of Police
FROM: Keith Kimberlin, Lieutenant
SUBJECT: **Liquor License Application for Botanas El Mitote Inc.**

RECOMMENDATION:

Recommend that the OLCC approves the Liquor License Application for Botanas El Mitote Inc.

BACKGROUND:

Applicant: Botanas El Mitote Inc.
621 N. Pacific Hwy
Woodburn, OR 97071
503-899-3639

Point of
Contact: Josefina Juarez Hernandez
780 Kalamia Avenue
Gervais, OR 97026
971-239-9598

Business: Botanas El Mitote
621 N. Pacific Hwy
Woodburn, OR 97071
503-899-3639

Owner(s): Josefina Juarez Hernandez

Agenda Item Review: City Administrator ☐ City Attorney ☐ Finance ☐

License Type(s):

Full On-Premises, Commercial - May sell and serve distilled spirits, malt beverages, wine, and cider for consumption at the business location. May sell malt beverages for off-site consumption in securely covered containers provided by the customer. May sell cocktails and wine to-go in sealed containers as of June 11, 2021. Food service required. Must purchase distilled liquor only from an Oregon Liquor store, or from another full On-Premises Sales licensee who has purchased the distilled liquor from an Oregon Liquor store.

On December 19, 2023, the Woodburn Police Department received an application for Full On-Premises commercial sales for Bonatas El Mitote Inc. The business will be a new outlet type restaurant.

The hours of operation are 11 AM to 7pm Tuesday thru Sunday, and closed on Mondays. There is no entertainment planned at the business. The Woodburn Police Department has not received any communication from the public or surrounding businesses in support of or against the proposed change.

DISCUSSION:

The Woodburn Police Department has completed a background investigation of Botanas El Mitote Inc., and the listed owner, Josefina Juarez Hernandez, through various police databases and business related databases. Josefina holds a valid Oregon driver's license. Nothing of concern was located for Josefina or the business.

FINANCIAL IMPACT:

None

January 8, 2024

TO: Honorable Mayor and City Council through City Administrator
THRU: Marty Pilcher, Chief of Police
FROM: Keith Kimberlin, Lieutenant
SUBJECT: **Liquor License Application for Luis's Taqueria**

RECOMMENDATION:

Recommend that the OLCC approves the Liquor License Application for Luis's Taqueria.

BACKGROUND:

Applicant: Jesus Gonzalez
433 S. Main Street
Mt. Angel, OR 97362
(503) 899-5229

Point of
Contact: Jesus Gonzalez
433 S. Main Street
Mt. Angel, OR 97362
(503) 899-5229

Business: Luis's Taqueria
523 N. Front Street
Woodburn, OR 97071
(503) 981-8437

Owner(s): Luis's Taqueria LLC/ Jesus Gonzalez, Monserrat Gonzalez

Agenda Item Review: City Administrator ___x___ City Attorney ___x___ Finance ___x___

License Type(s):

Limited On Premises- May sell and serve by the drink at retail to consumers for consumption on licensed premises: malt beverages (beer), wine, and cider. May sell factory sealed containers of malt beverages, wine, and cider for off premises consumption. May also sell malt beverages, wine, and cider in securely covered containers provided by the consumer, and with maximum capacity of 2 gallons.

On December 07, 2023, the Woodburn Police Department received an application for a Limited On-Premises liquor license for Luis's Taqueria. The business currently operates as a restaurant, located at 523 N. Front Street, in Woodburn, OR 97071.

The hours of operation are 10 AM to 8:30 PM Monday thru Thursday, and 10 AM to 9 PM Friday thru Sunday. There is no entertainment listed for the location, and the total seating capacity is 150. The Woodburn Police Department has not received any communication from the public or surrounding businesses in support of or against the proposed change.

DISCUSSION:

The Police Department has completed a background investigation on Luis's Taqueria LLC, and the listed owners, Jesus and Monserrat Gonzalez. They were ran through various police databases and business related databases. They both hold a valid Oregon driver's license and no other items of concern were located during the check. The application is for a New Outlet.

FINANCIAL IMPACT:

None

January 8, 2024

TO: Honorable Mayor and City Council through City Administrator
FROM: Curtis Stultz, Public Works Director
SUBJECT: **Acceptance of Easements at 119 N Pacific Hwy (Tax Lot 051W17BC07500)**

RECOMMENDATION:

Authorize the acceptance of three easements granted by Woodburn Real Estate LLC, for real property at 119 N Pacific Hwy (OR 99E) and identified as Tax Lot 051W17BC07500.

BACKGROUND:

As a condition of the Final Decision for the Woodburn Apartments Project, dated November 10, 2022, the developer is required to provide three easements to the City of Woodburn.

DISCUSSION:

The easements under consideration each have a unique size, use, and location. A description of each follows:

- A 16' wide sanitary sewer easement along the public sanitary sewer line which crosses the subject property, approximately 1,107 square feet;
- A 12' public access easement along the southwest portion of the subject property, approximately 3,165 square feet; and
- A ten-foot wide Public Utility Easement along the southwest portion of the subject property, approximately 2,212 square feet.

FINANCIAL IMPACT:

There is no cost to the City for the easement.

Attachments

A copy of the easements is provided with this agenda item.

Agenda Item Review: City Administrator ☒ City Attorney ☒ Finance ☒

AFTER RECORDING RETURN TO:

Woodburn City Recorder
City of Woodburn
270 Montgomery St.
Woodburn 97071

SEND TAX STATEMENTS TO:

Same as above.

(This space reserved for recording label)

**CITY OF WOODBURN, OREGON
SEWER EASEMENT**

This Sewer Easement is made by **Woodburn Real Estate LLC**, hereinafter the **Grantor**, who is the record owner of the real property described below as **Parcel 1** in Marion County, Oregon and the **City of Woodburn, Oregon**, hereinafter the City.

PARCEL NO. 1:

See Exhibit A hereto.

Commonly known as: 119 N Pacific Hwy, Woodburn, OR 97071

APN: 513305

Map No.: 051W17BC07500

EASEMENT AREA:

See Exhibit B attached hereto (the "Easement Area").

GRANTOR, grants to the CITY, hereinafter called CITY, sewer line easement to implement by reserving on Parcel 1 the Easement Area in Exhibit B, for a the permanent right to construct, reconstruct, operate, and maintain an 8 inch sewer line on or under Parcel 1.

Per Woodburn Development Ordinance (WDO) 3.02.01A as amended. The right of this easement is revocable only with the written concurrence of the CITY.

GRANTOR reserves the right to use the surface of the land for any purpose that will not be inconsistent or interfere with the use of the Easement Area by the CITY. No building or utility shall be placed upon, under, or within the property subject to the foregoing easement during the term thereof, however, without the written permission of CITY.

Upon completion of the construction, reconstruction, or maintenance, the CITY shall restore the surface of the property to its original condition and shall indemnify and hold GRANTOR harmless against any and all loss, cost, or damage arising out of the exercise of the rights granted herein.


The true consideration of this conveyance is Zero Dollars (\$ 0.00), and other valuable consideration, the receipt of which is acknowledged by GRANTOR.

GRANTOR covenants to CITY that GRANTOR is lawfully seized in fee simple of the above-granted premises, free from all encumbrances and that GRANTOR and their heirs and personal representatives shall warrant and forever defend the said premises and every part thereof to CITY against the lawful claims and demands of all persons claiming by, through, or under GRANTOR.

[INTENTIONALLY LEFT BLANK | SIGNATURE PAGES FOLLOW]

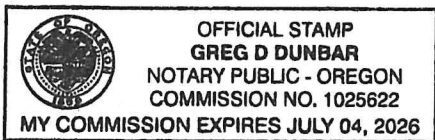
SEWER EASEMENT
WOODBURN REAL ESTATE LLC
SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have hereunto set their hands the date below written. Dated this 26 day of December, 2023.


Abdulbaset Shagrun, Sole Member
Woodburn Real Estate LLC

STATE OF Oregon, County of Marian) ss.

Personally appeared the above named Abdulbaset Shagrun as Sole Member of Woodburn Real Estate LLC and




Notary Public for Unique Bank
My Commission Expires: July 4, 2026

City of Woodburn
270 Montgomery St.
Woodburn, OR 97071

(Grantee's Name and Address)

By Signature below, the City of Woodburn, Oregon,
Approves and Accepts this Conveyance Pursuant to
ORS 93.808

Heather Pierson

EXHIBIT MAP (16' SEWER EASEMENT)

NW 1/4 of SECTION 17, TOWNSHIP 05 SOUTH, RANGE 1 WEST,
WILLAMETTE MERIDIAN, CITY OF WOODBURN,
MARION COUNTY, OREGON

LAZER SITE SURVEYING, LLC

2003 25TH STREET S.E. W.O.S.B.
SALEM, OREGON 97302 (503) 581-6362

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Richard J. Gibboney

OREGON
APRIL 12, 2003
RICHARD J. GIBBONEY
54550 LS
EXPIRES 6/30/25

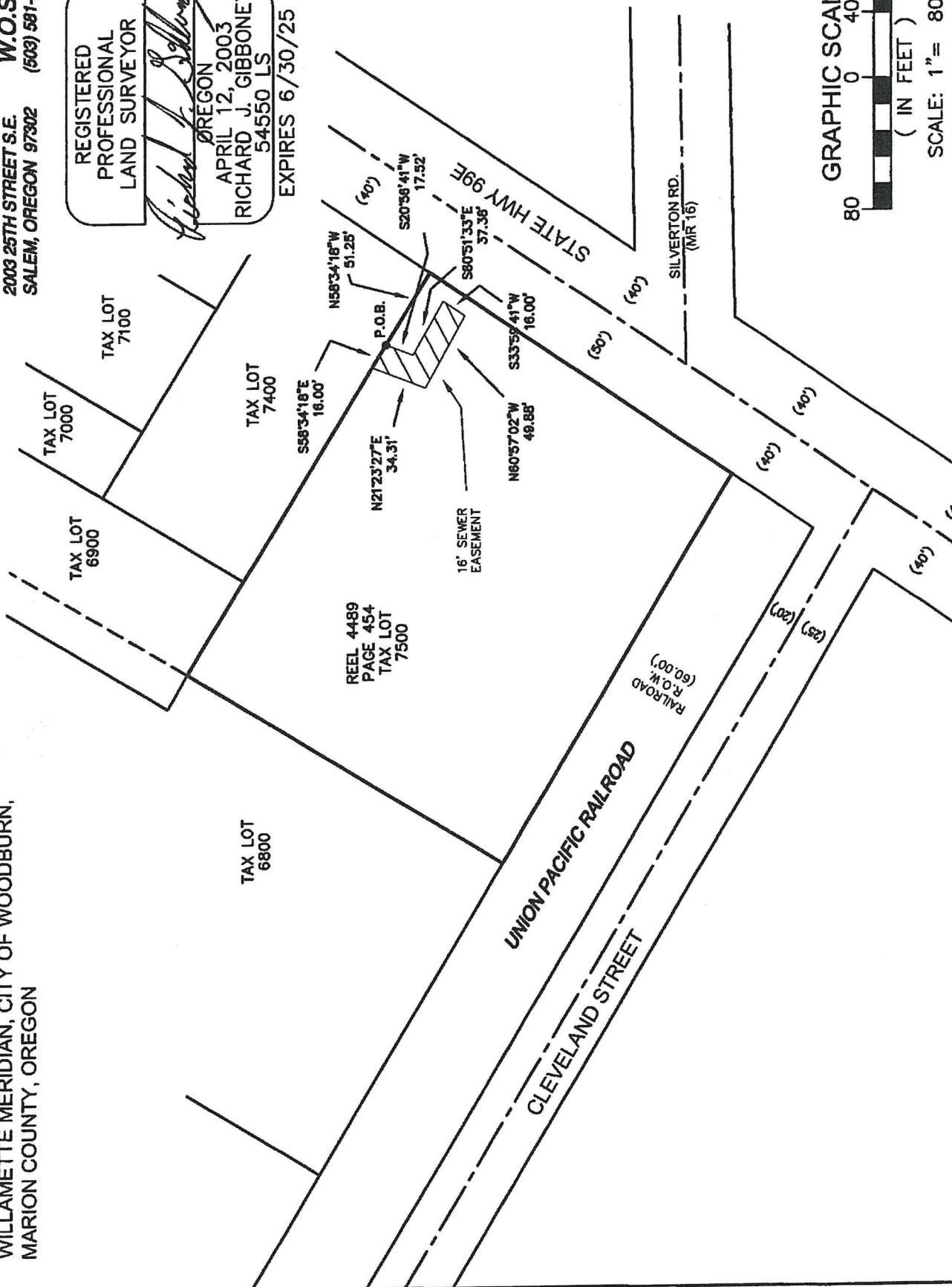


Exhibit B

**LEGAL DESCRIPTION
16 FOOT SEWER EASEMENT**

A tract of land located in the northwest quarter of Section 17, Township 05 South, Range 01 West of the Willamette Meridian, City of Woodburn, Marion County, Oregon, more particularly described as follows:

Commencing at a 5/8 inch iron rod with yellow plastic cap stamped "LAZER SITE 54550LS", at the northeast corner of recorded deed, Reel 4489, Page 454, Marion County records, on the westerly right-of-way line of State Highway 99E, Thence North 58°34'18" West, a distance of 51.25 feet to a point, also being the point of beginning;

Thence South 20°56'41" West a distance of 17.52 feet to a point;

Thence South 60°51'33" East a distance of 37.38 feet to a point;

Thence South 33°59'41" West a distance of 16.00 feet to a point;

Thence North 60°57'02" West a distance of 49.88 feet to a point;

Thence North 21°23'27" East a distance of 34.31 feet to a point;

Thence South 58°34'18" East a distance of 16.00 feet to the true point of beginning, containing 1107 square feet of land, more or less.

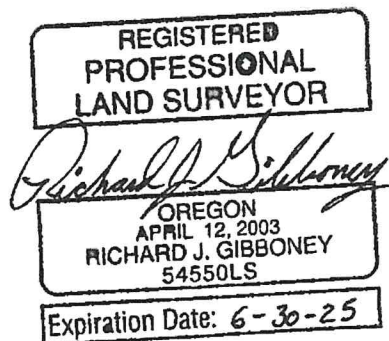


EXHIBIT A

Beginning at a point 30 feet North 32° 15' East from the Southeast of corner a tract of land deeded to L. A. Morcom by E. P. Morcom and wife the 20th on day of December, 1911, which deed is recorded 204 in Volume 122 of on page Marion County Deed Records; thence North 60° 50' West 4.705 chains along the North line of the S.P.R.R. right-of-way; thence North 29° 17' East 3.41 chains; thence South 60° 30' East 4.885 chains to the center line of the State Highway; thence South 32° 15' West along the center of said highway 3.385 chains to the point of beginning, in the City of Woodburn, County of Marion and State of Oregon.

EXCEPTING that portion conveyed to the State of Oregon for highway purposes.

Subject to:

Rights of the public to any portion of the Land lying within the area commonly known as streets, roads and highways.

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Woodburn
Purpose: Sewer Easement
Recording Date: October 27, 1955
Recording No: Vol. 481, Page 80
Affects: Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Woodburn
Purpose: Underground sanitary sewer pipelines and appurtenances
Recording Date: March 11, 1969
Recording No: Vol. 661, Page 219
Affects: Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Woodburn
Purpose: Right of way
Recording Date: May 6, 1981
Recording No: Reel 249, Page 72
Affects: Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as disclosed in a document:

Granted to: Portland General Electric Company
Purpose: Utilities
Recording Date: February 13, 1985
Recording No: Reel 375, Page 49
Affects: Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Portland General Electric Company ("PGE"), an Oregon corporation
Purpose: Anchor
Recording Date: September 24, 2008
Recording No: Reel 2996, Page 100
Affects: Southeasterly portion - Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: State of Oregon, by and through its Department of Transportation
Purpose: Sidewalk, water, gas, electric and communication service lines, fixtures and facilities
Recording Date: December 12, 2014
Recording No: Reel 3657, Page 369
Affects: Reference is hereby made to said document for full particulars

AFTER RECORDING RETURN TO:

Woodburn City Recorder
City of Woodburn
270 Montgomery St.
Woodburn 97071

SEND TAX STATEMENTS TO:

Same as above.

(This space reserved for recording label)

**CITY OF WOODBURN, OREGON
PUBLIC ACCESS EASEMENT**

This Public Access Easement is made by **Woodburn Real Estate LLC**, hereinafter the **Grantor**, who is the record owner of the real property described below as **Parcel 1** in Marion County, Oregon and the **Public**.

PARCEL NO. 1:

See Exhibit A hereto.

Commonly known as: 119 N Pacific Hwy, Woodburn, OR 97071

APN: 513305

Map No.: 051W17BC07500

EASEMENT AREA:

See Exhibit B attached hereto (the "Easement Area").

GRANTOR, grants to the PUBLIC, a permanent 12-foot-wide multi use public pedestrian and bicycle pathway easement running east-west along the southern edge of Parcel 1. This easement shall also allow for temporary construction access for future extension of the path west through the adjacent property. GRANTOR to operate and maintain public access through Parcel 1.

GRANTOR reserves the right to use the surface of the land for any purpose that will not be inconsistent or interfere with the use of the Easement Area by PUBLIC. No building or utility shall be placed upon, under, or within the property subject to the foregoing easement during the term thereof, however, without the written permission of City of Woodburn.

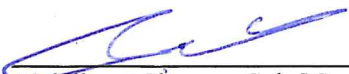
Upon completion of the construction, reconstruction, or maintenance, the GRANTOR shall restore the surface of the Easement Area to its original condition and shall indemnify and hold PUBLIC harmless against any and all loss, cost, or damage arising out of the exercise of the rights granted herein. GRANTOR agrees that maintenance of public access will only be revocable with concurrence from the City of Woodburn Community Development Director.

The true consideration of this conveyance is Zero Dollars (\$ 0.00), and other valuable consideration, the receipt of which is acknowledged by GRANTOR. GRANTOR covenants to PUBLIC that GRANTOR is lawfully seized in fee simple of the above-granted premises, free from all encumbrances and that GRANTOR and their heirs and personal representatives shall warrant and forever defend the said premises and every part thereof to PUBLIC against the lawful claims and demands of all persons claiming by, through, or under GRANTOR.

[INTENTIONALLY LEFT BLANK | SIGNATURE PAGES FOLLOW]

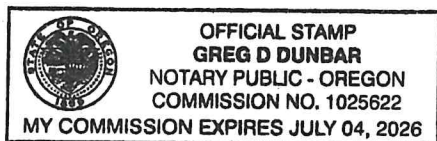
PUBLIC ACCESS EASEMENT
WOODBURN REAL ESTATE LLC
SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have hereunto set their hands the date below written. Dated this 26 day of December, 2023.


Abdulbaset Shagrun, Sole Member
Woodburn Real Estate LLC

STATE OF Oregon, County of Marion) ss.

Personally appeared the above named Abdulbaset Shagrun as Sole Member of Woodburn Real Estate LLC and




Notary Public for Umpqua Bank
My Commission Expires: July 4, 2026

City of Woodburn
270 Montgomery St.
Woodburn, OR 97071

(Grantee's Name and Address)

By Signature below, the City of Woodburn, Oregon,
Approves and Accepts this Conveyance Pursuant to
ORS 93.808

Heather Pierson

EXHIBIT MAP (12' PUBLIC PATH)

NW 1/4 of SECTION 17, TOWNSHIP 05 SOUTH, RANGE 1 WEST,
WILLAMETTE MERIDIAN, CITY OF WOODBURN,
MARION COUNTY, OREGON



2003 25TH STREET S.E. W.O.S.B.
SALEM, OREGON 97302 (503) 581-6362

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Richard J. Gibboney

OREGON
APRIL 12, 2003
RICHARD J. GIBBONEY
54550 LS
EXPIRES 6/30/25

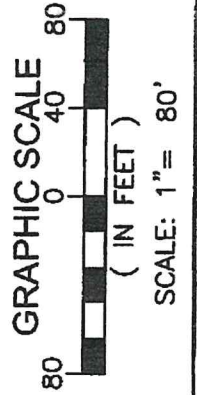
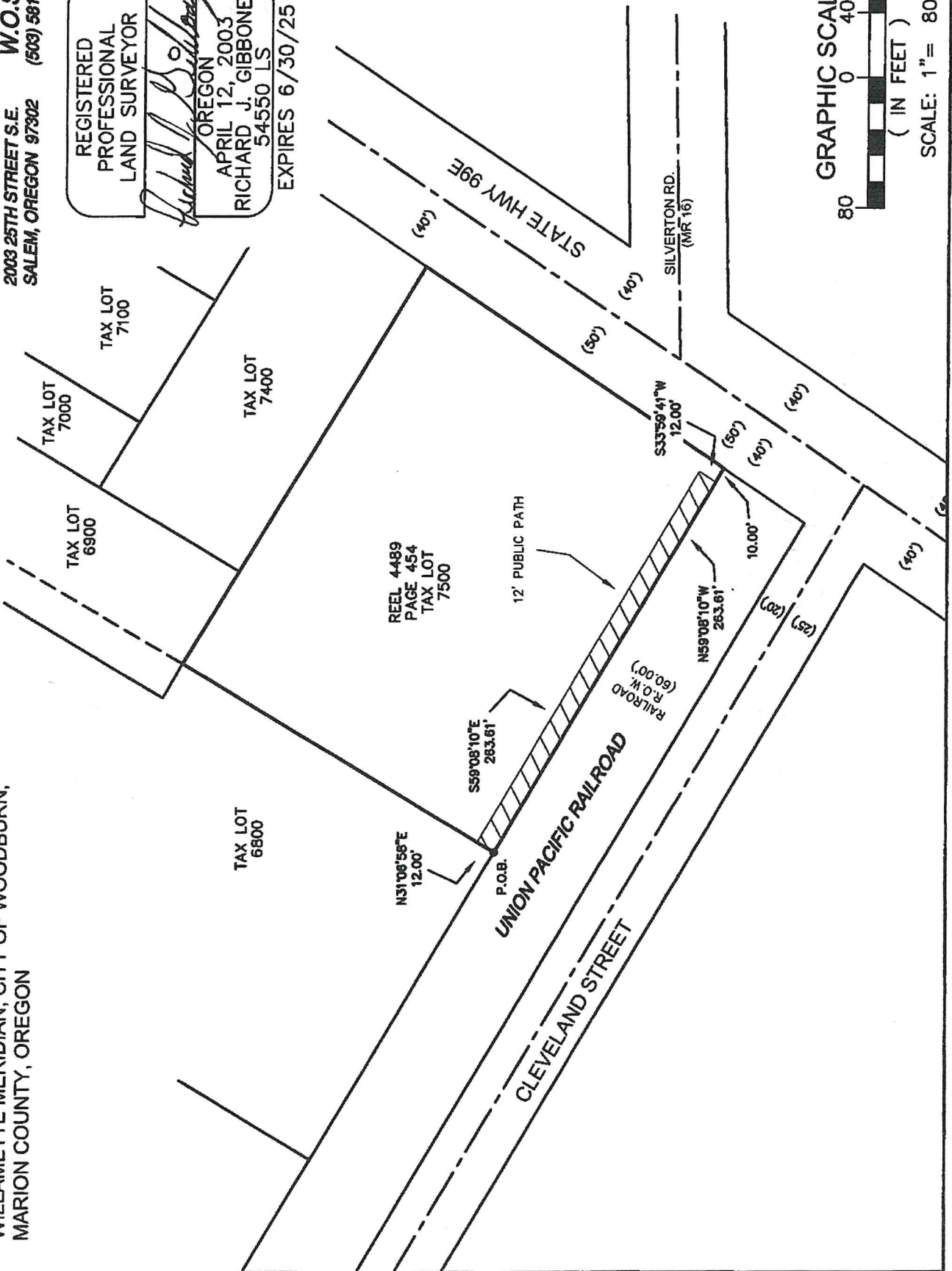


Exhibit B
LEGAL DESCRIPTION
12 FOOT PUBLIC PATH

A tract of land located in the northwest quarter of Section 17, Township 05 South, Range 01 West of the Willamette Meridian, City of Woodburn, Marion County, Oregon, more particularly described as follows:

Commencing at a 5/8 inch iron rod with yellow plastic cap stamped "LAZER SITE 54550LS", at the southwest corner of recorded deed, Reel 4489, Page 454, Marion County records, on the northern right-of-way line of Union Pacific Railroad, also being the point of beginning;

Thence North 31°06'58" East a distance of 12.00 feet to a point;

Thence South 59°08'10" East a distance of 263.61 feet to a point;

Thence South 33°59'41" West a distance of 12.00 feet to a point;

Thence along said right-of-way line of Union Pacific Railroad, North 59°08'10" West a distance of 263.61 feet to the true point of beginning, containing 3165 square feet of land, more or less.

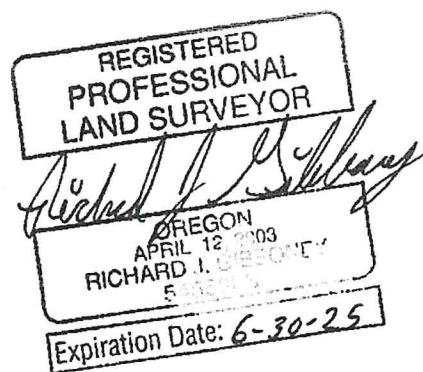


EXHIBIT A

Beginning at a point 30 feet North 32° 15' East from the Southeast of corner a tract of land deeded to L. A. Morcom by E. P. Morcom and wife the 20th on day of December, 1911, which deed is recorded 204 in Volume 122 of on page Marion County Deed Records; thence North 60° 50' West 4.705 chains along the North line of the S.P.R.R. right-of-way; thence North 29° 17' East 3.41 chains; thence South 60° 30' East 4.885 chains to the center line of the State Highway; thence South 32° 15' West along the center of said highway 3.385 chains to the point of beginning, in the City of Woodburn, County of Marion and State of Oregon.

EXCEPTING that portion conveyed to the State of Oregon for highway purposes.

Subject to:

Rights of the public to any portion of the Land lying within the area commonly known as streets, roads and highways.

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Woodburn
Purpose: Sewer Easement
Recording Date: October 27, 1955
Recording No: Vol. 481, Page 80
Affects: Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Woodburn
Purpose: Underground sanitary sewer pipelines and appurtenances
Recording Date: March 11, 1969
Recording No: Vol. 661, Page 219
Affects: Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Woodburn
Purpose: Right of way
Recording Date: May 6, 1981
Recording No: Reel 249, Page 72
Affects: Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as disclosed in a document:

Granted to: Portland General Electric Company
Purpose: Utilities
Recording Date: February 13, 1985
Recording No: Reel 375, Page 49
Affects: Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Portland General Electric Company ("PGE"), an Oregon corporation
Purpose: Anchor
Recording Date: September 24, 2008
Recording No: Reel 2996, Page 100
Affects: Southeasterly portion - Reference is hereby made to said document for full particulars

Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: State of Oregon, by and through its Department of Transportation
Purpose: Sidewalk, water, gas, electric and communication service lines, fixtures and facilities
Recording Date: December 12, 2014
Recording No: Reel 3657, Page 369
Affects: Reference is hereby made to said document for full particulars

AFTER RECORDING RETURN TO:

Woodburn City Recorder
City of Woodburn
270 Montgomery St.
Woodburn 97071

SEND TAX STATEMENTS TO:

Same as above.

(This space reserved for recording label)

**CITY OF WOODBURN, OREGON
PUBLIC UTILITY EASEMENT**

This Public Utility Easement is made by **Woodburn Real Estate LLC**, hereinafter the **Grantor**, who is the record owner of the real property described below as **Parcel 1** in Marion County, Oregon and the **City of Woodburn, Oregon**, hereinafter the City.

PARCEL NO. 1:

See Exhibit A hereto.

Commonly known as: 119 N Pacific Hwy, Woodburn, OR 97071

APN: 513305

Map No.: 051W17BC07500

EASEMENT AREA:

See Exhibit B attached hereto (the "Easement Area").

GRANTOR, grants to the CITY, hereinafter called CITY, public utility easement to implement by reserving on Parcel 1 the Easement Area in Exhibit B, for a the permanent right to construct, reconstruct, operate, and maintain Public Utilities on Parcel 1.

Per Woodburn Development Ordinance (WDO) Figure 3.01B and 3.02.01C as amended. The right of this easement is revocable only with the written concurrence of the CITY.

GRANTOR reserves the right to use the surface of the land for any purpose that will not be inconsistent or interfere with the use of the Easement Area by the CITY. No building or utility shall be placed upon, under, or within the property subject to the foregoing easement during the term thereof, however, without the written permission of CITY.

Upon completion of the construction, reconstruction, or maintenance, the CITY shall restore the surface of the property to its original condition and shall indemnify and hold GRANTOR harmless against any and all loss, cost, or damage arising out of the exercise of the rights granted herein.


The true consideration of this conveyance is Zero Dollars (\$ 0.00), and other valuable consideration, the receipt of which is acknowledged by GRANTOR.

GRANTOR covenants to CITY that GRANTOR is lawfully seized in fee simple of the above-granted premises, free from all encumbrances and that GRANTOR and their heirs and personal representatives shall warrant and forever defend the said premises and every part thereof to CITY against the lawful claims and demands of all persons claiming by, through, or under GRANTOR.

[INTENTIONALLY LEFT BLANK | SIGNATURE PAGES FOLLOW]

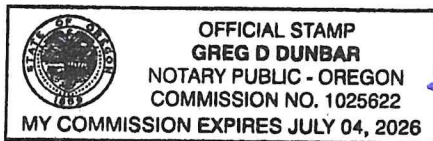
PUBLIC UTILITY EASEMENT
WOODBURN REAL ESTATE LLC
SIGNATURE PAGE


IN WITNESS WHEREOF, the parties have hereunto set their hands the date below written. Dated this 26 day of December, 2023.


Abdulbaset Shagrun, Sole Member
Woodburn Real Estate LLC

STATE OF Oregon, County of Marion) ss.

Personally appeared the above named Abdulbaset Shagrun as Sole Member of Woodburn Real Estate LLC and




Notary Public for Umpqua Bank
My Commission Expires: July 4, 2026

City of Woodburn
270 Montgomery St.
Woodburn, OR 97071

(Grantee's Name and Address)

By Signature below, the City of Woodburn, Oregon,
Approves and Accepts this Conveyance Pursuant to
ORS 93.808

Heather Pierson

EXHIBIT A

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Purpose: Utilities
Recording Date: February 13, 1985
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Granted to: Portland General Electric Company ("PGE"), an Oregon corporation
Purpose: Anchor
Recording Date: September 24, 2008
Recording No: Reel 2996, Page 100
Affects: Southeasterly portion - Reference is hereby made to said document for full particulars

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Granted to: State of Oregon, by and through its Department of Transportation
Purpose: Sidewalk, water, gas, electric and communication service lines, fixtures and facilities
Recording Date: December 12, 2014
Recording No: Reel 3657, Page 369
Affects: Reference is hereby made to said document for full particulars

Exhibit B

**LEGAL DESCRIPTION
10 FOOT PUBLIC UTILITY EASEMENT**

A tract of land located in the northwest quarter of Section 17, Township 05 South, Range 01 West of the Willamette Meridian, City of Woodburn, Marion County, Oregon, more particularly described as follows:

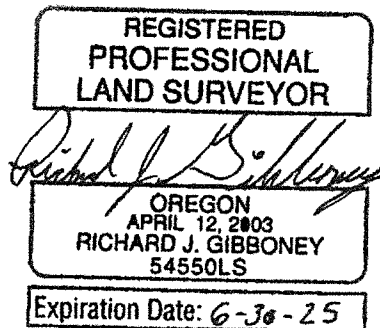
Commencing at a 5/8 inch iron rod with yellow plastic cap stamped "LAZER SITE 54550LS", at the northeast corner of recorded deed, Reel 4489, Page 454, Marion County records, on the western right-of-way line of State Highway 99E, Thence North 58°34'18" West a distance of 10 feet to the true point of beginning;

Thence, South 33°59'41" West 221.32 feet to a point on the north right-of-way line of Union Pacific Railroad;

Thence North 59°08'10" West along said right-of-way line of Union Pacific Railroad a distance of 10.00 feet to a point;

Thence North 33°59'41" East a distance of 221.42 feet to a point;

Thence South 58°34'18" East 10.00 feet to the true point of beginning, containing 2212 square feet of land, more or less.



January 8, 2024

TO: Honorable Mayor and City Council through City Administrator

FROM: Chris Kerr, Community Development Director
Renata Wakeley, Special Projects Director

SUBJECT: **Ordinance No. 2619 Adoption: Adopting an Employment Buildable Land Inventory (BLI), 2023-2043 Economic Opportunities Analysis (EOA), and Woodburn Comprehensive Plan Goal and Policy Updates (LA 23-02)**

RECOMMENDATION:

Adopt Ordinance No. 2619 implementing Legislative Amendment LA 23-02 of the Woodburn Comprehensive Plan.

BACKGROUND:

On December 11, 2023, the City Council held a public hearing on LA 23-02, an amendment to the Woodburn Comprehensive Plan relating to adoption of a new, updated 2023-2043 Buildable Lands Inventory (BLI), 2023-2043 Economic Opportunities Analysis (EOA), and amendments to goal and policy elements of the Comprehensive Plan. Following the public hearing, the Council tentatively approved the legislative amendment and directed staff to prepare and return with an ordinance for adoption. Upon adoption, Ordinance No. 2619 by default like all ordinances would take effect on the 30th day after adoption per the City Charter, §34, in this case on February 7, 2024.

DISCUSSION:

n/a

FINANCIAL IMPACT:

None.

COUNCIL BILL NO. 3236

ORDINANCE NO. 2619

AN ORDINANCE ADOPTING AN EMPLOYMENT BUILDABLE LAND INVENTORY (BLI), 2023-2043 ECONOMIC OPPORTUNITIES ANALYSIS (EOA), AND ASSOCIATED WOODBURN COMPREHENSIVE PLAN GOAL AND POLICY TEXT UPDATES (LA 23-02)

WHEREAS, Oregon Revised Statute (ORS) 197 and Oregon Administrative Rule (OAR) 660-009 (Goal 9-Economic Development), along with the Woodburn Comprehensive Plan (WCP), provide the statutes and rules that guide local governments in how they prepare, plan, adopt, amend, and revise their comprehensive plans in compliance with the Statewide Planning Goals, including but not limited to sufficiency of employment land; and

WHEREAS, periodic revisions and updates to the Comprehensive Plan are necessary and expected to comply with revisions to statutes and administrative rules, administer new and revised long-range plans, and address current issues; and

WHEREAS, in January 2023, the City Council authorized the City to enter into a contract with Johnson Economics, LLC for planning consulting services related to supporting the City and Technical Advisory Group (TAG) in Goal 9 planning requirements and updates and the consultant and TAG completed their draft document review in August 2023; and

WHEREAS, WDO 4.01.09 establishes that the City Council initiate consideration of any potential legislative amendments to the Comprehensive Plan by resolution; and

WHEREAS, on October 9, 2023, the City Council passed Resolution No. 2221 directing staff to initiate a legislative amendment to the WCP relating to the BLI, EOA, and WCP employment goals and policies; and

WHEREAS, on October 23, 2023, the City Council held a work session on the proposed amendments; and

WHEREAS, pursuant to ORS 197.610, the City provided notice and submitted the proposed comprehensive plan changes to the Department of Land Conservation and Development prior to the first evidentiary hearing; and

WHEREAS, on November 9, 2023, the Planning Commission, in conformance with WDO 4.01.09B and 4.01.10B, held a public hearing and unanimously recommended approval of the amendments to the City Council; and

WHEREAS, on December 11, 2023, the City Council held a public hearing and requested this Ordinance effecting the amendment (LA 23-02), **NOW, THEREFORE**,

THE CITY OF WOODBURN ORDAINS AS FOLLOWS:

Section 1. The Economic Opportunities Analysis (Exhibit A) and Buildable Land Inventory (Exhibit B), attached hereto and incorporated herein, are hereby adopted as elements of Volume II of the Woodburn Comprehensive Plan, thereby repealing and replacing all previously adopted EOA and BLI plans (Ordinance 2391, November 2005).

Section 2. For purposes of this ordinance, the City's Comprehensive Plan goals and policies are amended as specified in Exhibit C. Amendments are shown as underlined (i.e. new text) and strikeout (i.e. ~~deleted text~~). After this ordinance amendment is adopted, the Community Development Director shall update the WCP to incorporate all revisions contained herein.

Section 3. The legislative action taken by the Ordinance is explained and justified by the analysis and findings attached hereto and incorporated herein as Exhibit D.

Approved as to form: _____
City Attorney Date

Approved: _____
Frank Lonergan, Mayor

Passed by the Council _____
Submitted to the Mayor _____
Approved by the Mayor _____
Filed in the Office of the Recorder _____

ATTEST: _____
Page - 2 - Council Bill No. 3236
Ordinance No. 2619

Heather Pierson, City Recorder
City of Woodburn, Oregon



CITY OF WOODBURN, OREGON ECONOMIC OPPORTUNITIES ANALYSIS

Prepared For:
City of Woodburn, Oregon

[Adopted January 2024]

Acknowledgments

Johnson Economics prepared this report for the City of Woodburn. Johnson Economics and the City of Woodburn thank the many people who helped to develop this document.

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This report was prepared in accordance with the requirements of OAR 660 Division 9: Economic Development.

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I. INTRODUCTION

This report introduces analytical research presenting an Economic Opportunities Analysis (EOA) for the City of Woodburn, Oregon.

Cities are required to reconcile estimates of future employment land demand with existing inventories of vacant and redevelopable employment land within their Urban Growth Boundary (UGB). The principal purpose of the analysis is to provide an adequate land supply for economic development and employment growth. This is intended to be conducted through a linkage of planning for an adequate land supply to infrastructure planning, community involvement and coordination among local governments and the state.

To this end, this report is organized into six primary sections:

- **Economic Trends:** Provides an overview of national, state, and local economic trends affecting Marion County and the City of Woodburn, including population projections, employment growth and a demographic profile.
- **Economic Development Potential:** A discussion of the comparative advantages of the local community and work force.
- **Target Industries:** Analysis of key industry typologies the City should consider targeting as economic opportunities over the planning period.
- **Employment Land Needs:** Examines projected demand for industrial and commercial land based on anticipated employment growth rates by sector.
- **Capacity:** Summarizes the City's inventory of vacant and redevelopable industrial and commercial land (employment land) within City of Woodburn's UGB.
- **Reconciliation:** Compares short- and long-term demand for employment land to the existing land inventory to determine the adequacy and appropriateness of capacity over a five and twenty-year horizon.
- **Conclusions and Recommendations:** Summary of findings and policy implications.

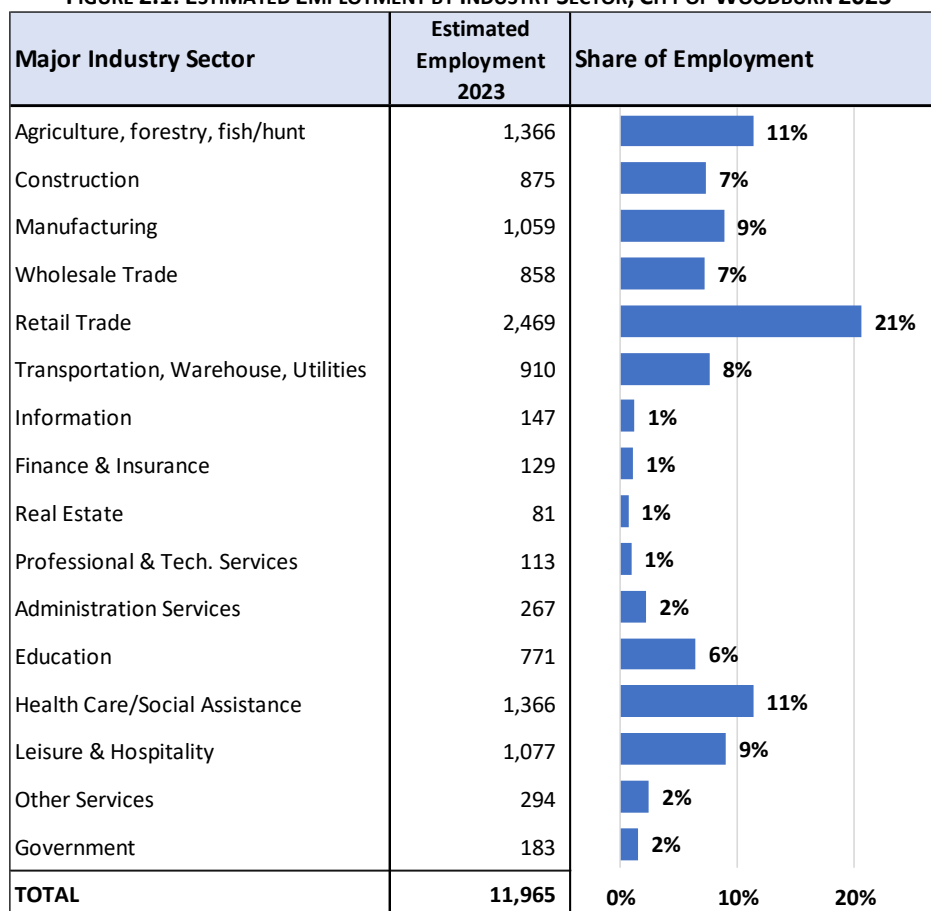
II. WOODBURN ECONOMIC TRENDS

This section summarizes employment and workforce trends at the local level that will influence economic conditions in the City of Woodburn over the 20-year planning period. This section is intended to provide the economic context for growth projections and establish a socioeconomic profile of the community.

A. WOODBURN EMPLOYMENT AND FIRMS

As of 2023, the City of Woodburn is home to nearly 1,000 businesses with roughly 12,000 employees.¹ The largest industries by employment are retail, agriculture, and health care, followed closely by tourism and manufacturing. Woodburn has the lowest employment representation in professional and administrative sectors. (Industry sectors are discussed in more detail in Section IV of this report.)

FIGURE 2.1: ESTIMATED EMPLOYMENT BY INDUSTRY SECTOR, CITY OF WOODBURN 2023



SOURCE: Oregon Employment Department, 2021 QCEW data, Johnson Economics

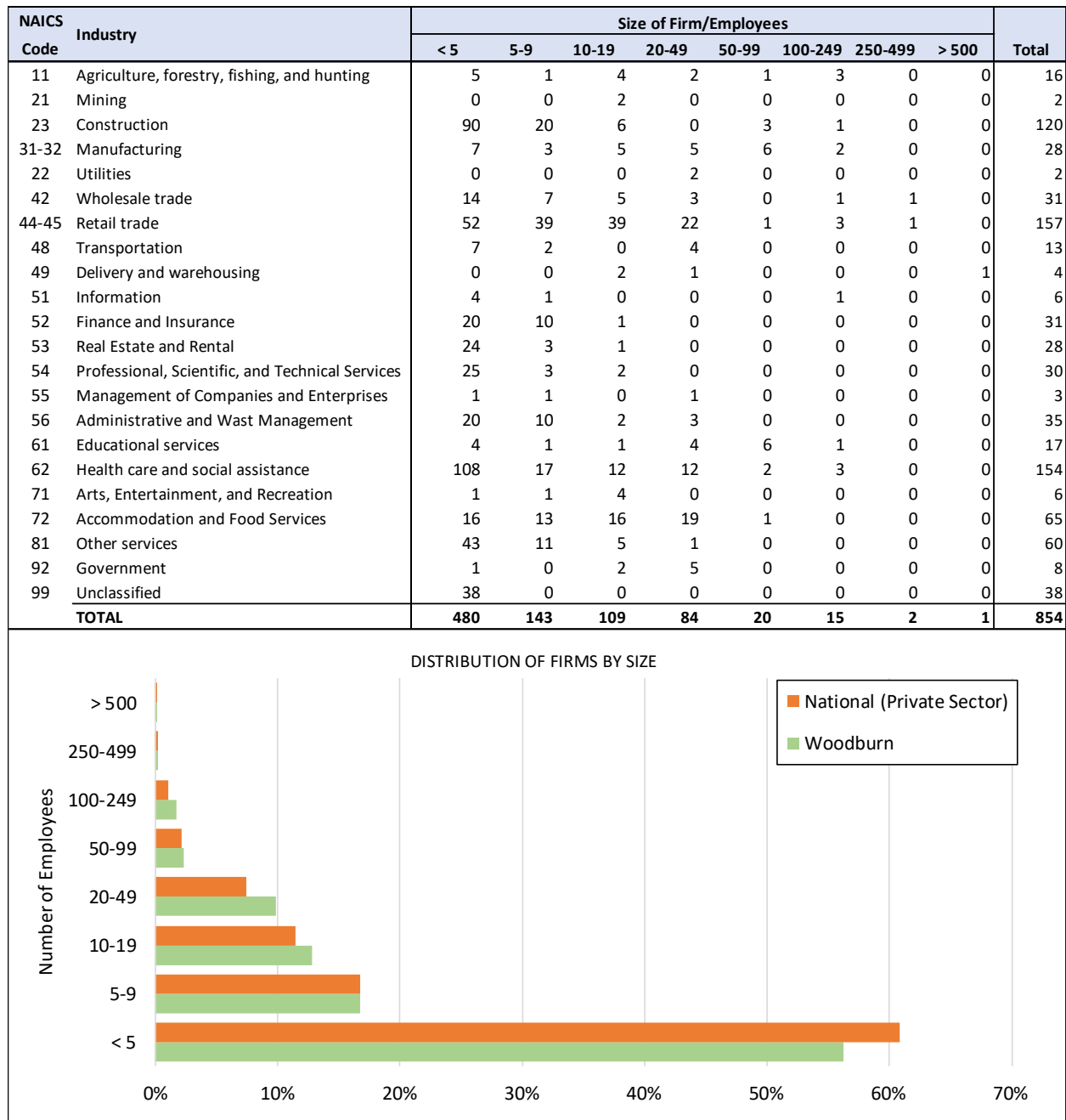
The local employment base is largely dominated by relatively small firms, with roughly 68% of businesses having fewer than 20 employees (Figure 2.2). This trend is in keeping with the national average. (This is based on the most

¹ 2023 figures have been estimated from 2021 data on firms and employment provided by the Oregon Employment Departments (the most recent year available.) The countywide growth rate experienced by industry sector between 2021 and 2023 was applied to estimate figures in 2023. OED provided historical Quarterly Census of Employment and Wages (QCEW) data through 2021, for the City of Woodburn.

recent 2021 QCEW data for covered employment, and therefore doesn't cover all self-employment owner/operator businesses.) Just 2.1% of firms have more than 100 employees. This is again, in keeping with national trends.

As of 2021, there were approximately 850 firms in Woodburn with covered employees. When employment growth and sole-proprietorship businesses are considered, the number of individual businesses in Woodburn is likely close to 1,000.

FIGURE 2.2: DISTRIBUTION OF FIRMS BY SIZE, CITY OF WOODBURN - 2021

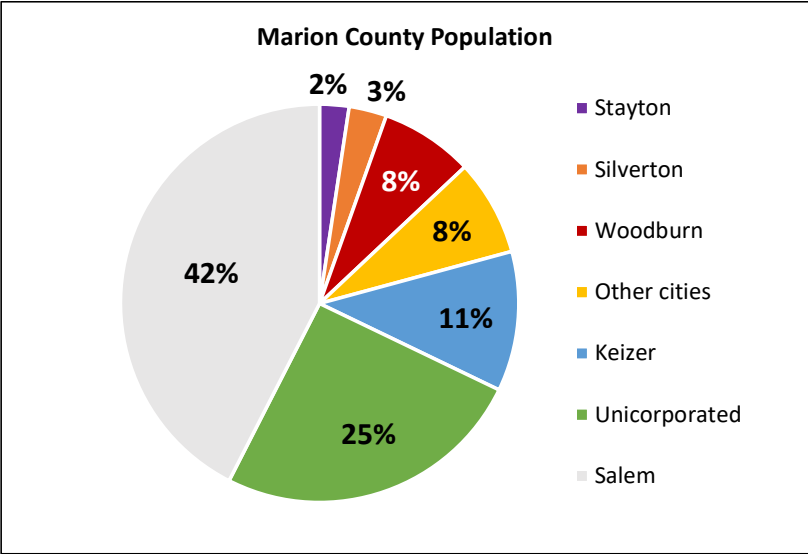


Source: Oregon Employment Department, QCEW data

B. LOCAL POPULATION AND WORKFORCE TRENDS

Population: With a population of roughly 26,500 people in 2022, the City of Woodburn represents 8% of Marion County’s population. The city has grown at an estimated rate of 0.8% per year, in keeping with the growth rate of the county and state. The city has grown by 2,400 residents since 2010, which was 7% of the county’s growth.

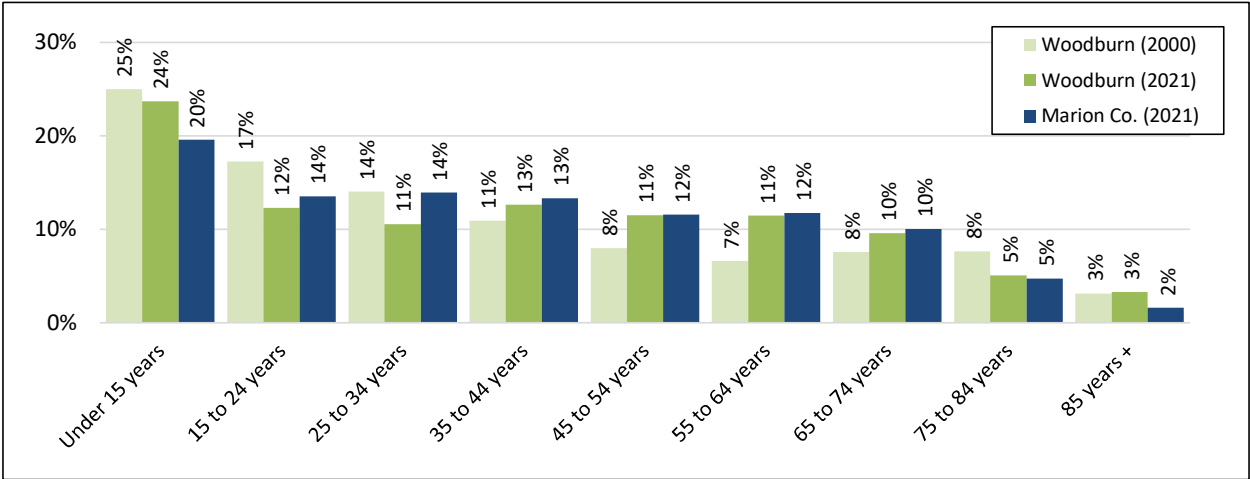
FIGURE 2.3: SHARE OF TOTAL POPULATION IN MARION COUNTY



SOURCE: Population Research Center, Portland State University

When compared to the rest of the state, Marion County has a larger proportion of children, and around 2% fewer people aged 18-64, and around 3% fewer people aged 65 and older, thus having a proportionally smaller work force than the state. The trend towards an older population is a national trend due to the aging of the large Baby Boom generation. The first half of this generation is now past the traditional retirement age, while much of the younger half will be retiring over the coming decade.

FIGURE 2.4: BROAD AGE DISTRIBUTION, WOODBURN, AND MARION COUNTY

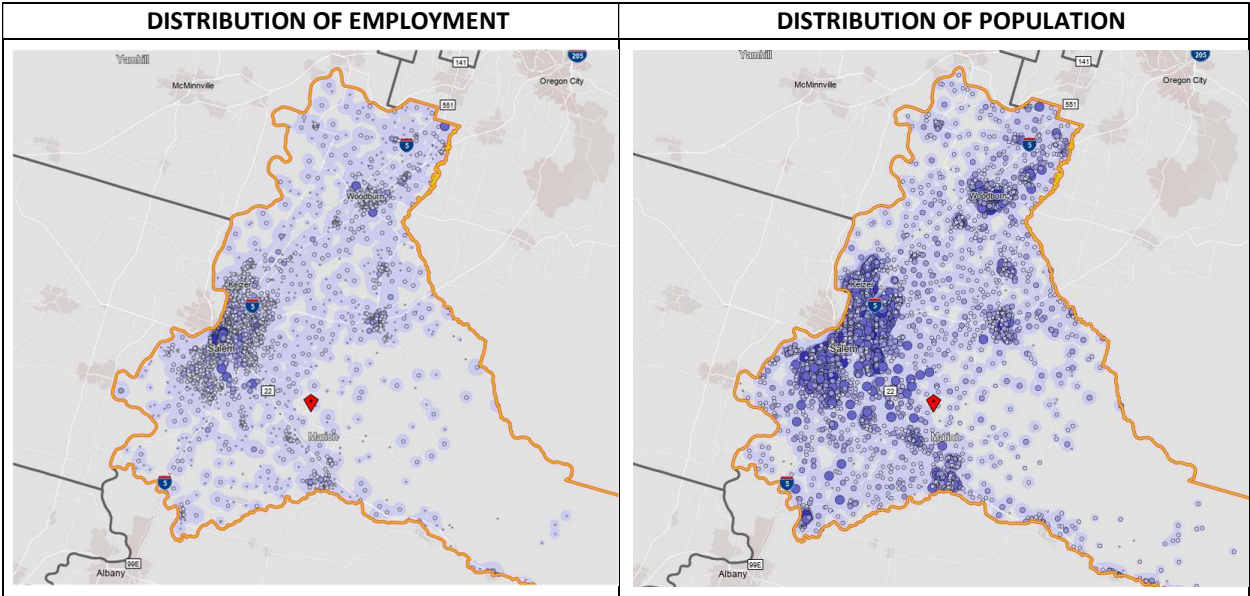


SOURCE: Population Research Center, Portland State University

Woodburn has a younger population than the county, with nearly a quarter of the population being younger than 15 years according to the Census (Figure 2.4). Between 2000 and 2021, those aged 45 to 74 years grew the most as a share of the population.

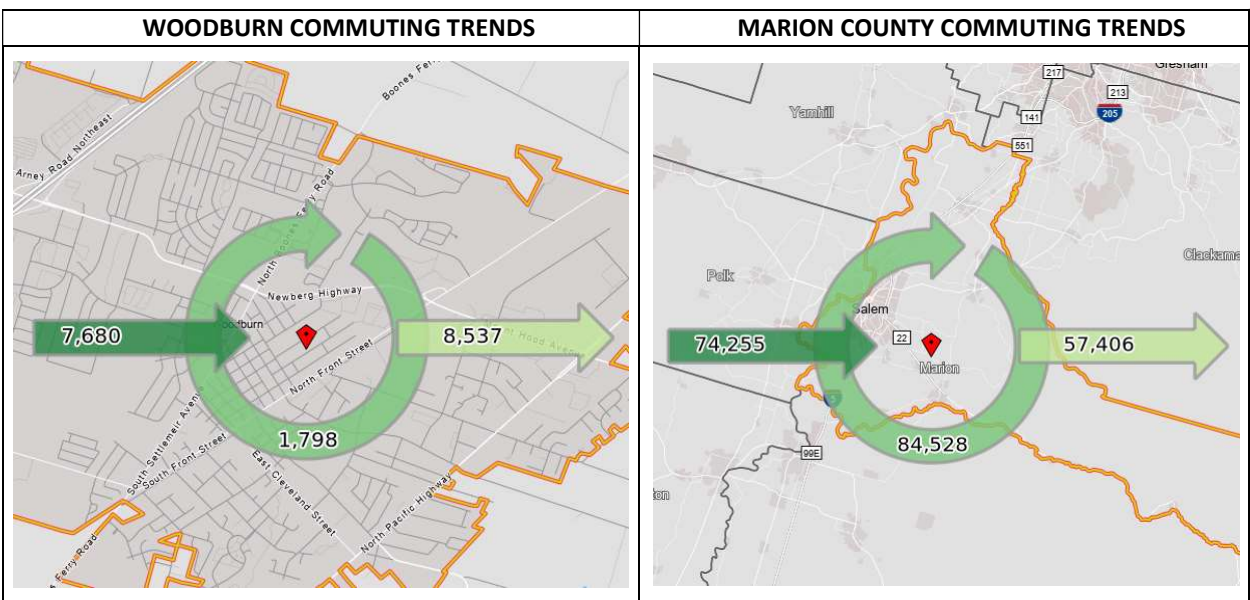
Employment and Population Concentrations: The distribution of employment in Marion County is concentrated around the cities of Salem and Keizer, with most of the remainder in cities near the north of Marion County such as Woodburn. The distribution of population is somewhat more evenly distributed across the western side of the county (Figure 2.5).

FIGURE 2.5: DISTRIBUTION OF EMPLOYMENT AND WORKFORCE, MARION COUNTY, 2020



SOURCE: Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Data

FIGURE 2.6: NET INFLOW-OUTFLOW OF EMPLOYEES, WOODBURN, AND MARION COUNTY, 2020



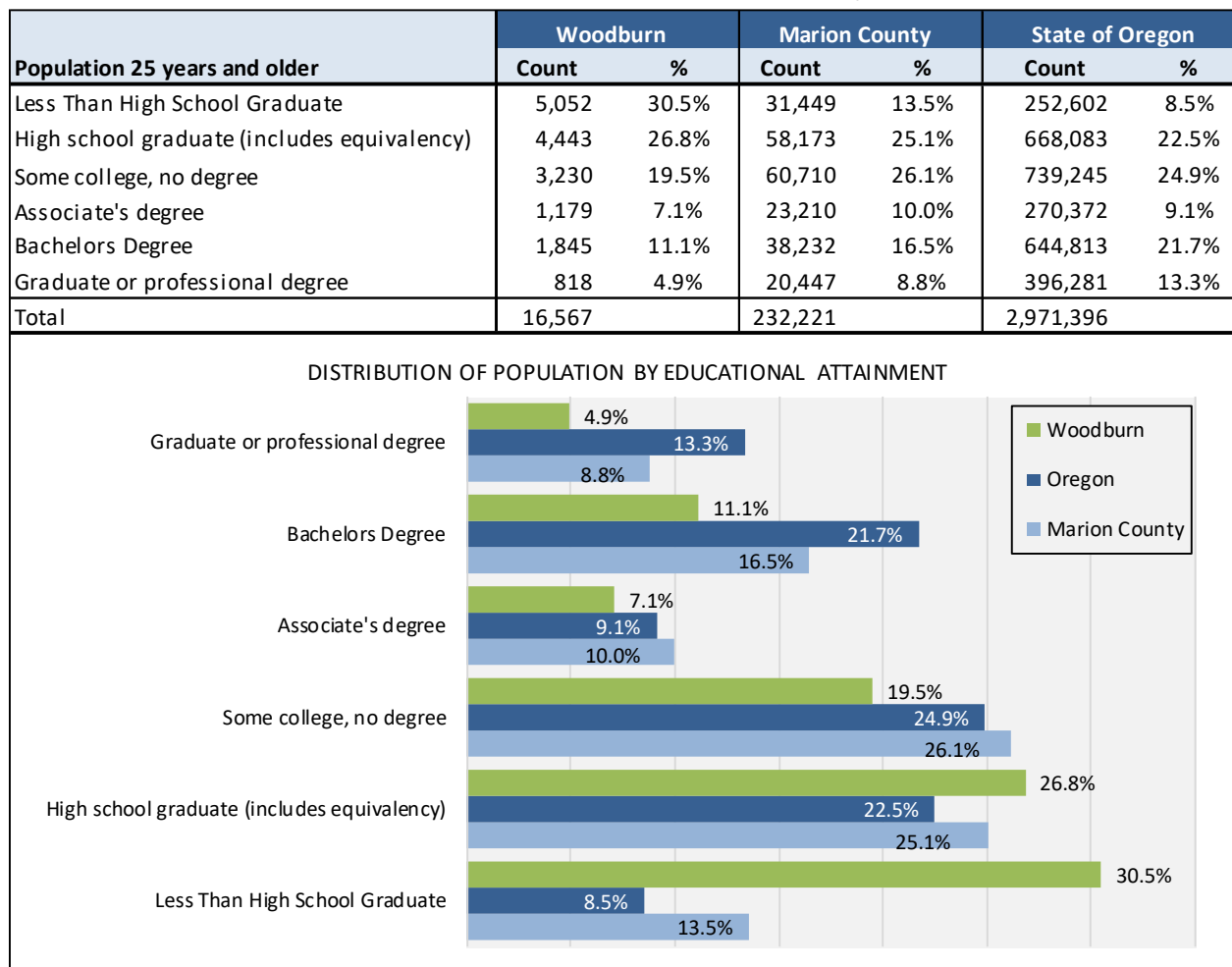
SOURCE: Census Bureau, LEHD Data

Commuting Trends: In 2020 (the most recent data available), the city of Woodburn was estimated to have 7.7k people commuting in for work, while 8.5k people commuted out; 1.8k residents both lived and worked in the city. These figures reflect “covered employment” as of 2020, the most recent year available. Covered employment refers to those jobs where the employee is covered by federal unemployment insurance. This category does not include many contract employees and the self-employed and therefore is not a complete picture of local employment. The figure discussed here is best understood as indicators of the general pattern of commuting and not exact figures.

Of those residents who work outside of the city, the most common commute destinations are Portland, Salem, Wilsonville, and Tualatin. For local employees who commute in from outside of Woodburn, most live in Salem, Keizer, and Portland.

Workforce Characteristics: Woodburn has a greater share of the less-educated adult population than the county or state (Figure 2.7).

FIGURE 2.7: EDUCATIONAL ATTAINMENT PROFILE, 2021



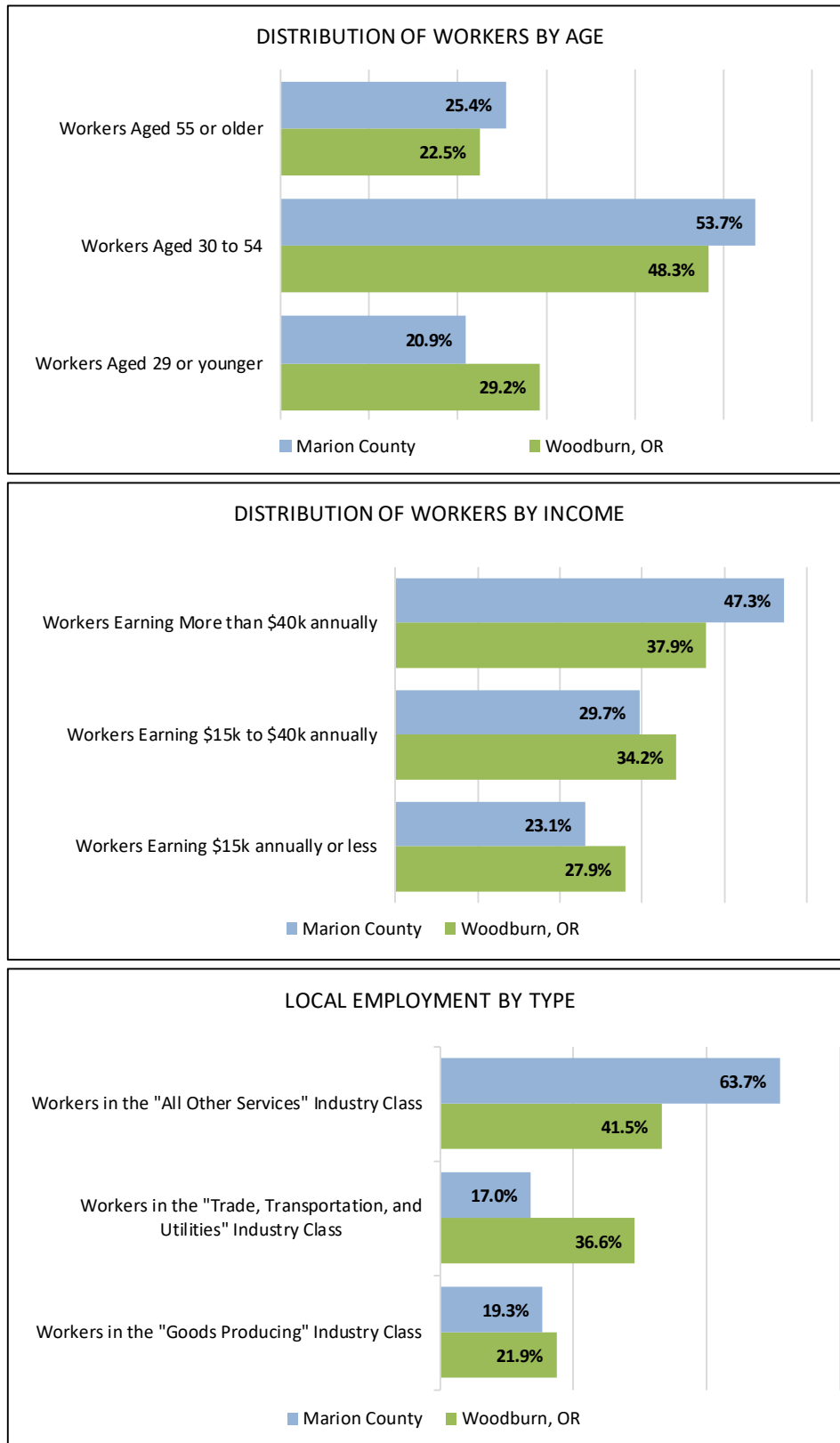
SOURCE: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

- Nearly a third of the local population has not completed high school, as compared to 8.5% statewide.
- An additional 27% have a high school education.

- 43% of the adult population has some education beyond high school, compared to 61% countywide, and 69% statewide.
- 23% of local adults have completed a post-secondary degree, compared to 35% of the county population, and 44% of the state population.

The lower education level in the local workforce points to good capacity to fill blue collar service and production jobs, as well as potential to benefit from increased opportunities for training and education on and off the job.

- Woodburn has a higher share working in trade, transportation, and utilities (37%) and goods producing industries than the county (Figure 2.8). This includes retail, wholesale, warehousing, and shipping industries.
- Woodburn has a younger workforce than the county, with 29% of workers less than 30 years of age, compared to 21%.
- Working residents of Woodburn are more likely to be in lower income groups than the county. 38% of working Woodburn residents earn over \$40k, while 47% of workers in the county do. This includes those working part-time jobs.

FIGURE 2.8: CHARACTERISTICS OF LOCAL WORKFORCE, CITY OF WOODBURN AND MARION COUNTY, 2020

SOURCE: Census Bureau, LEHD Data

III. COMMUNITY ECONOMIC DEVELOPMENT POTENTIAL

The economic climate of a community helps foster growth of existing firms and industry clusters and make the area attractive for new businesses. The City of Woodburn has several advantages that boost its potential as a location for current and future business.

Location: Woodburn enjoys a central location between the Portland Metro area 15 miles to the north, and the Salem Metro roughly 15 miles to the south, via the I-5 freeway. The location puts the city's businesses in the middle of a large addressable market area and region which is home to a majority of the state's population and labor force. At the same time, the location separate from the major metro areas has allowed the city to maintain a small town identity and establish a strong base of agricultural and wood products industries based in the surrounding area.

The agglomeration of retail businesses located near the freeway, anchored by the popular Woodburn Premium Outlets mall and Walmart Supercenter ensure that the city will remain a well-trafficked destination, with a market area far larger than the city itself. The central location also has made the community popular with warehousing and distribution businesses that take advantage of the transportation connections.

Transportation Connectivity: Woodburn has strong transportation access via the I-5 freeway, multiple highways, and heavy rail service. The freeway access is served by the recently upgraded interchange, meant to accommodate the large amount of incoming and outgoing traffic of residents, work force, visitors, and freight. Businesses in the immediate area are served by quick access and high visibility from the freeway.

In addition to I-5, businesses in Woodburn have access to the north/south Highway 99, and east/west Highway 214 which connect Woodburn to other parts of Marion and Clackamas Counties. These corridors serve as additional commercial corridors in older sections of the City.

The historic downtown of Woodburn was oriented towards the Union Pacific Railroad mainline. The rail passes through central Woodburn and the Northeast Industrial Area, providing freight service to local businesses. Currently, no passenger service stops in Woodburn but that may become a possibility as the community and local economy grows.

Portland International Airport is located approximately forty-five minutes to the north providing global air connections. The Salem Municipal Airport has recently been in discussions to provide some commercial service to a limited number of southwest states, which would provide nearer access to residents and businesses in Woodburn.

Labor Market: The availability of ample and skilled labor is a key factor in economic development potential. Beyond the talent pool of Woodburn residents, the city's central location and freeway access give local businesses the ability to draw on a larger labor pool from the region. An estimated 81% of the local workforce commutes to Woodburn, with many coming from the Portland Metro region. While ideally these workers may eventually choose to relocate to the community, in the meantime businesses know they can attract workers with a full range of skills and experience from a broader area if necessary.

The "Mid-Willamette Valley Supply and Target Industry Growth Recommendations for Marion, Polk and Yamhill Counties" (2014) report identified workforce issues as a need in Marion, Polk, and Yamhill counties. These issues included finding qualified workers with the proper basic and technical skills, training entry-level workers effectively,

and successfully employing contractors from staffing agencies. The report recommends establishing a Manufacturing Sector Partnership to address workforce development needs and other common issues.

With the imminent opening and staffing of the large Amazon facility, along with other known employment developments, plus forecasted growth, drawing sufficient blue-collar workers to the area may remain a challenge for the foreseeable future, while attracting white-collar workers may be less difficult. The continued population growth in Woodburn and ready access to the Salem metro area, and the southern communities of the Portland metro area (Wilsonville, Tualatin) will help this effort. New and existing local businesses will also assist in developing the specific skills and education they will need from their workforce.

Quality of Life: Woodburn offers a high quality of life and urban amenities to attract new workers and businesses to the city. The city offers a mixture of small-town lifestyle, diverse cultural activities, with access to nature and rural amenities, while also being a quick trip away from larger metro areas with additional urban amenities. The community features relatively affordable housing in comparison to other parts of the region, good schools, parks, and ample shopping and local services.

Woodburn's location in the central Willamette Valley offers ready access to a full range of mountain recreation to the east, and Oregon's wine country to the west.

Economic Development Partnerships: Woodburn has several partners in economic development, including the Woodburn Chamber of Commerce, SEDCOR, Portland General Electric (PGE), the Mid-Willamette Valley Council of Governments, Marion County, and Business Oregon. Woodburn features local outposts of Pacific University and Chemeketa Community College to offer ongoing education and training to the local workforce. The Willamette Workforce Partnership offers workforce training programs and employer matching in the mid-Willamette Valley area.

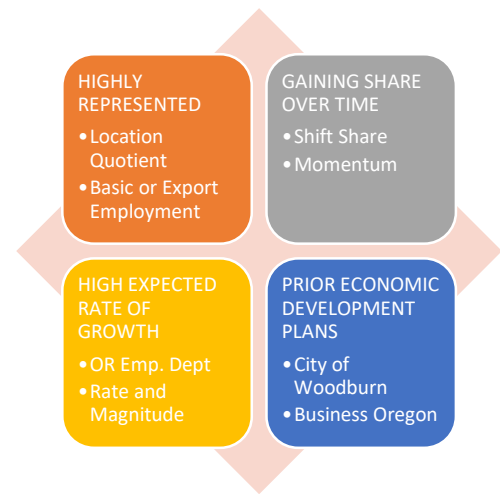
Local and regional employers are also key partners in promoting and growing their industries. Woodburn works with these and other regional partners to provide the infrastructure and services needed to retain and attract businesses to the city.

Economic Development Tools: Woodburn features an Enterprise Zone and Opportunity Zones which allow for tax abatements to incentivize new business development across the city. Woodburn also maintains an Urban Renewal area that covers the downtown area, the Highway 99 corridor, and the commercial area on the east side of the freeway, among other corridors. The urban renewal agency can offer incentives for development, secure key economic development sites, among other projects.

IV. INDUSTRY DIFFERENTIATION ANALYSIS

This element of the Economic Opportunities Analysis utilizes analytical tools to assess the economic landscape in Marion County and the City of Woodburn. The objective of this process is to identify a range of industry types that can be considered targeted economic opportunities over the planning period.

A range of analytical tools to assess the local and regional economic landscape are used to determine the industry typologies the county and individual cities should consider targeting over the planning period. Where possible, we look to identify the sectors that are likely to drive growth in current and subsequent cycles.



ECONOMIC SPECIALIZATION (MARION COUNTY)

The most common analytical tool to evaluate economic specialization is location quotient analysis. This metric compares the concentration of employment in an industry at the local level to a larger geography. All industry categories are assumed to have a quotient of 1.0 on the national level, and a locality's quotient indicates if the local share of employment in each industry is greater or less than the share seen nationwide. For instance, a quotient of 2.0 indicates that locally, that industry represents twice the share of total employment as seen nationwide. A quotient of 0.5 indicates that the local industry has half the expected employment.

A location quotient analysis was completed for Marion County, which evaluated the distribution of local employment relative to national averages, as well as average annual wage levels by industry (Figure 4.01). The industries that are well-represented countywide are good candidates for growth in localities such as Woodburn. The City has the ability to tap into regional advantages to grow locally.

FIGURE 4.01: INDUSTRY SECTOR SPECIALIZATION BY MAJOR INDUSTRY, MARION COUNTY, 2021

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
10 Total, all industries	11,557	121,585	\$6,105,541,487	\$50,216	0.91
102 Service-providing	9,132	90,738	\$4,461,154,907	\$49,165	0.82
101 Goods-producing	2,425	30,847	\$1,644,386,580	\$53,308	1.32
1011 Natural resources and mining	534	9,862	\$405,700,188	\$41,136	5.13
1012 Construction	1,477	11,099	\$720,762,208	\$64,941	1.37
1013 Manufacturing	414	9,886	\$517,924,184	\$52,391	0.74
1021 Trade, transportation, and utilities	1,741	27,484	\$1,263,760,738	\$45,982	0.91
1022 Information	175	1,319	\$106,478,987	\$80,712	0.43
1023 Financial activities	938	5,298	\$347,957,298	\$65,673	0.58
1024 Professional and business services	1,670	14,020	\$791,232,220	\$56,435	0.6
1025 Education and health services	2,331	25,891	\$1,502,268,872	\$58,022	1.05
1026 Leisure and hospitality	903	11,799	\$267,637,960	\$22,684	0.77
1027 Other services	973	4,749	\$173,169,193	\$36,464	1.05
1029 Unclassified	401	177	\$8,649,639	\$48,799	0.84
Total	34,671	364,754	\$18,316,624,461	\$50,216	

SOURCE: U.S. Bureau of Labor Statistics

Among major industries, the natural resources and mining industry was the most strongly represented, with construction being the next. Information and financial activities were the most under-represented major industries. The information sector provided the highest average wages among these industries, while the leisure and hospitality industry (tourism) has the lowest average wages.

A more detailed industry analysis shows that the industries with the highest LQ in the county are fruit & vegetable preserving and manufacturing, support activities for agriculture & forestry, and crop production. Despite being the most over-represented industries relative to national averages, they still employ far fewer people than health care & social assistance, retail trade, or state government. The most under-represented industries are utilities, information, federal government, and professional & technical services.

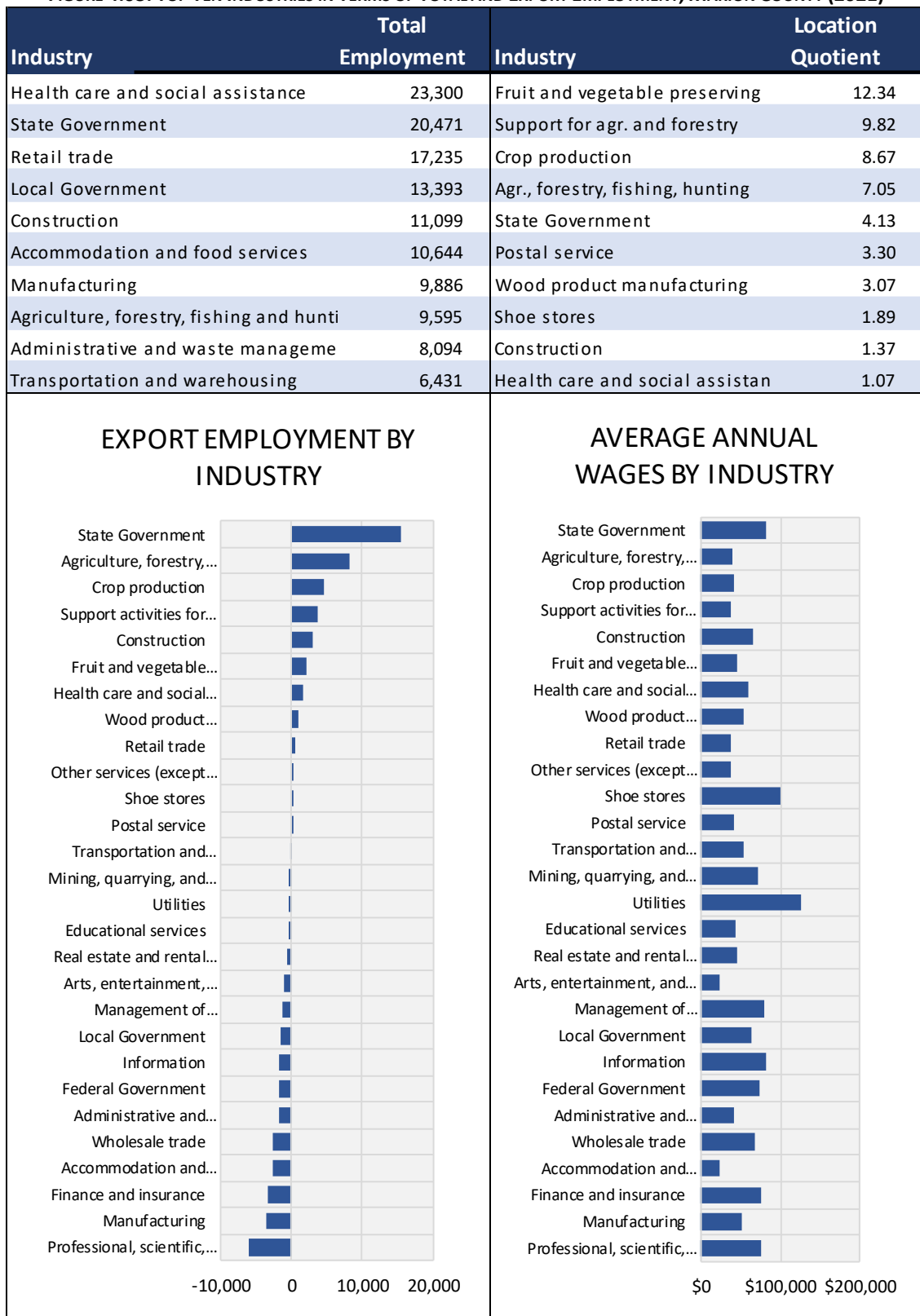
FIGURE 4.02: INDUSTRY SECTOR SPECIALIZATION BY DETAILED INDUSTRY, MARION COUNTY, 2021

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
NAICS 11 Agriculture, forestry, fishing and hunting	523	9,595	\$386,399,348	\$40,270	7.05
NAICS 115 Support activities for agriculture and forestry	152	4,058	\$153,048,602	\$37,713	9.82
NAICS 111 Crop production	317	5,161	\$215,609,008	\$41,778	8.67
NAICS 21 Mining, quarrying, and oil and gas extraction	11	267	\$19,300,840	\$72,265	0.48
NAICS 22 Utilities	9	209	\$26,212,327	\$125,268	0.35
NAICS 23 Construction	1477	11,099	\$720,762,208	\$64,941	1.37
NAICS 31-33 Manufacturing	414	9,886	\$517,924,184	\$52,391	0.74
NAICS 321 Wood product manufacturing	29	1,370	\$73,068,886	\$53,345	3.07
NAICS 3114 Fruit and vegetable preserving and specialty food manufacturing	23	2,354	\$105,287,630	\$44,722	12.34
NAICS 42 Wholesale trade	441	3,608	\$241,027,679	\$66,801	0.58
NAICS 44-45 Retail trade	1,066	17,235	\$656,682,257	\$38,101	1.03
NAICS 17 4482 Shoe stores	24	341	\$34,310,689	\$100,520	1.89
NAICS 48-49 Transportation and warehousing	226	6,431	\$339,838,475	\$52,844	0.99
NAICS 491 Postal service	4	27	\$1,120,717	\$40,877	3.30
NAICS 51 Information	175	1,319	\$106,478,987	\$80,712	0.43
NAICS 52 Finance and insurance	481	3,411	\$260,397,011	\$76,339	0.51
NAICS 53 Real estate and rental and leasing	456	1,887	\$87,560,287	\$46,396	0.78
NAICS 54 Professional, scientific, and technical services	937	4,770	\$359,650,100	\$75,396	0.44
NAICS 55 Management of companies and enterprises	84	1,156	\$91,852,592	\$79,463	0.45
NAICS 56 Administrative and support and waste management and remediation services	649	8,094	\$339,729,528	\$41,972	0.82
NAICS 61 Educational services	135	2,592	\$113,274,384	\$43,709	0.84
NAICS 62 Health care and social assistance	2197	23,300	\$1,388,994,488	\$59,614	1.07
NAICS 71 Arts, entertainment, and recreation	126	1,155	\$27,785,440	\$24,064	0.54
NAICS 72 Accommodation and food services	777	10,644	\$239,852,520	\$22,534	0.80
NAICS 81 Other services (except public administration)	973	4,749	\$173,169,193	\$36,464	1.05
Federal Government	51	1,374	\$100,599,789	\$73,212	0.44
State Government	169	20,471	\$1,666,372,369	\$81,404	4.13
Local Government	326	13,393	\$852,622,300	\$63,661	0.90
Total	12,252	169,956	\$9,298,931,838	\$54,714	

SOURCE: U.S. Bureau of Labor Statistics

The level of indicated export employment is estimated by sector by combining the location quotients and overall employment levels. Export industries are important in that they grow the overall size of the local economy by bringing in dollars from outside the community, rather than recirculating internal spending. The industries with the highest level of export employment are wood product manufacturing, retail trade, and agriculture and forestry.

The industries with the highest total employment in Marion County are state government, agriculture; forestry; fishing; and hunting, crop production, support activities for agriculture & forestry, and construction.

FIGURE 4.03: TOP TEN INDUSTRIES IN TERMS OF TOTAL AND EXPORT EMPLOYMENT, MARION COUNTY (2021)

SOURCE: U.S. Bureau of Labor Statistics

ECONOMIC SPECIALIZATION (CITY OF WOODBURN)

The same analysis for the City of Woodburn reveals high levels of employment concentration in industries such as agriculture, educational services, delivery and warehousing, wood and food product manufacturing, and retail.

FIGURE 4.04: INDUSTRY SECTOR SPECIALIZATION BY DETAILED INDUSTRY, CITY OF WOODBURN, 2021

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
Agriculture, forestry, fishing, and hunting	16	595	\$11,773,508	\$19,787	6.61
Mining	2	25	\$1,967,323	\$78,693	0.68
Construction	120	685	\$43,333,614	\$63,261	1.28
Food Manufacturing	7	275	\$11,849,012	\$43,087	1.70
Wood Manufacturing	11	572	\$35,476,128	\$62,021	2.46
Metals Manufacturing	10	178	\$11,819,452	\$66,401	0.36
Utilities	2	58	\$5,155,964	\$88,896	1.48
Wholesale trade	31	826	\$56,117,302	\$67,939	2.01
Retail trade	157	2,295	\$90,847,361	\$39,585	2.07
Transportation	13	157	\$10,573,002	\$67,344	0.68
Delivery and warehousing	4	591	\$36,914,180	\$62,461	2.94
Information	6	133	\$9,458,990	\$71,120	0.65
Finance and Insurance	31	116	\$5,780,955	\$49,836	0.26
Real Estate and Rental	28	73	\$2,658,234	\$36,414	0.46
Professional, Scientific, and Technical Svcs	30	97	\$4,219,592	\$43,501	0.14
Management of Companies and Enterprises	3	56	\$6,909,500	\$123,384	0.33
Administrative and Waste Management	35	230	\$8,697,493	\$37,815	0.35
Educational services	17	722	\$43,323,323	\$60,005	3.54
Health care and social assistance	154	1,280	\$56,570,018	\$44,195	0.89
Arts, Entertainment, and Recreation	6	66	\$2,072,958	\$31,408	0.46
Accommodation and Food Services	65	916	\$19,974,752	\$21,806	1.04
Other services	60	238	\$8,216,912	\$34,525	0.79
Government	8	180	\$13,547,362	\$75,263	0.12
Total	816	10,364	\$497,256,935	\$47,979	

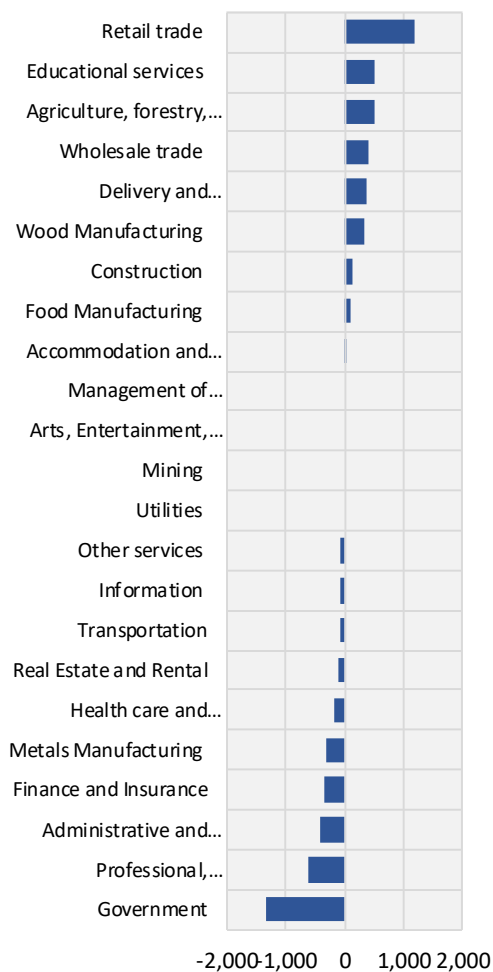
SOURCE: Oregon Employment Department

The top sectors in terms of overall employment were retail trade, health care & social assistance, manufacturing, and accommodation & food services. There were ten industries with positive export employment, the largest being retail trade, educational services, and agriculture, forestry, fishing, and hunting. The large concentration of retail trade employment is located around the Woodburn Premium Outlets that employ roughly 950 people across 111 stores.

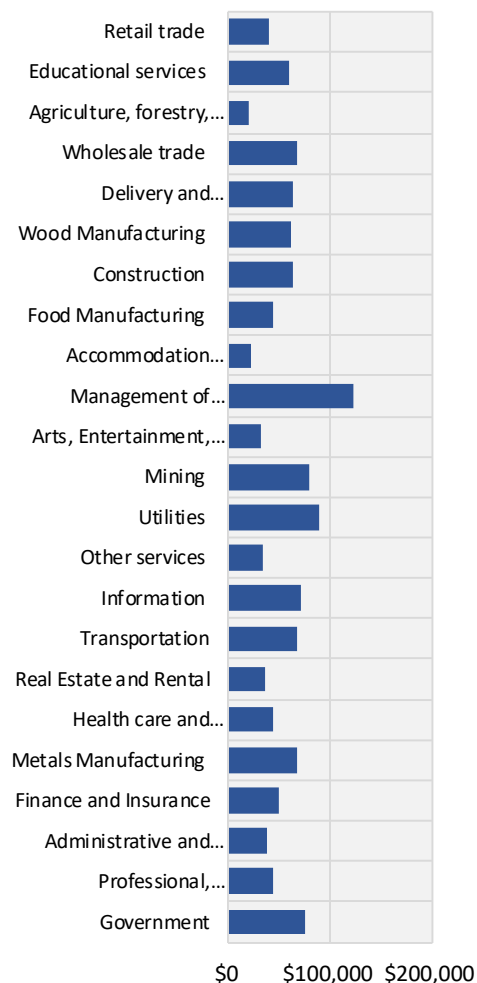
FIGURE 4.05: TOP TEN INDUSTRIES IN TERMS OF TOTAL AND EXPORT EMPLOYMENT, CITY OF WOODBURN (2021)

Industry	Total Employment	Industry	Location Quotient
Retail trade	2295	Agr., forestry, fishing, hunting	6.61
Health care and social assistance	1280	Educational services	3.54
Accommodation and Food Service	916	Delivery and warehousing	2.94
Wholesale trade	826	Wood Manufacturing	2.46
Educational services	722	Retail trade	2.07
Construction	685	Wholesale trade	2.01
Agr., forestry, fishing, hunting	595	Food Manufacturing	1.70
Delivery and warehousing	591	Utilities	1.48
Wood Manufacturing	572	Construction	1.28
Food Manufacturing	275	Accommodation and Food Service	1.04

EXPORT EMPLOYMENT BY INDUSTRY



AVERAGE ANNUAL WAGES BY INDUSTRY



SOURCE: Oregon Employment Department and Bureau of Labor Statistics

ECONOMIC DRIVERS

The identification of the economic drivers of a local or regional economy is critical in informing the character and nature of future employment, and by extension land demand over a planning cycle. To this end, we employ a shift-share analysis of the local economy emerging out of the latter half of the recent expansion cycle².

A shift-share analysis is an analytical procedure that measures the local effect of economic performance within a particular industry or occupation. The process considers local economic performance in the context of national economic trends—indicating the extent to which local growth can be attributed to unique regional competitiveness or simply growth in line with broader trends. For example, consider that Widget Manufacturing is growing at a 1.5% rate locally, about the same rate as the local economy. On the surface we would consider the Widget Manufacturing industry to be healthy and contributing soundly to local economic expansion. However, consider also that Widget Manufacturing is booming across the country, growing at a robust 4% annually. In this context, local widget manufacturers are struggling, and some local or regional conditions are stifling economic opportunities.

We can generally classify industries, groups of industries, or clusters into four groups:

Growing, Outperforming: Industries that are growing locally at a rate faster than the national average. These industries have characteristics locally leading them to be particularly competitive.

Growing, Underperforming: Industries that are growing locally but slower than the national average. These industries generally have a sound foundation, but some local factors are limiting growth.

Contracting, Outperforming: Industries that are declining locally but slower than the national average. These industries have structural issues that are impacting growth industry wide. However, local firms are leveraging some local or regional factor that is making them more competitive than other firms on average.

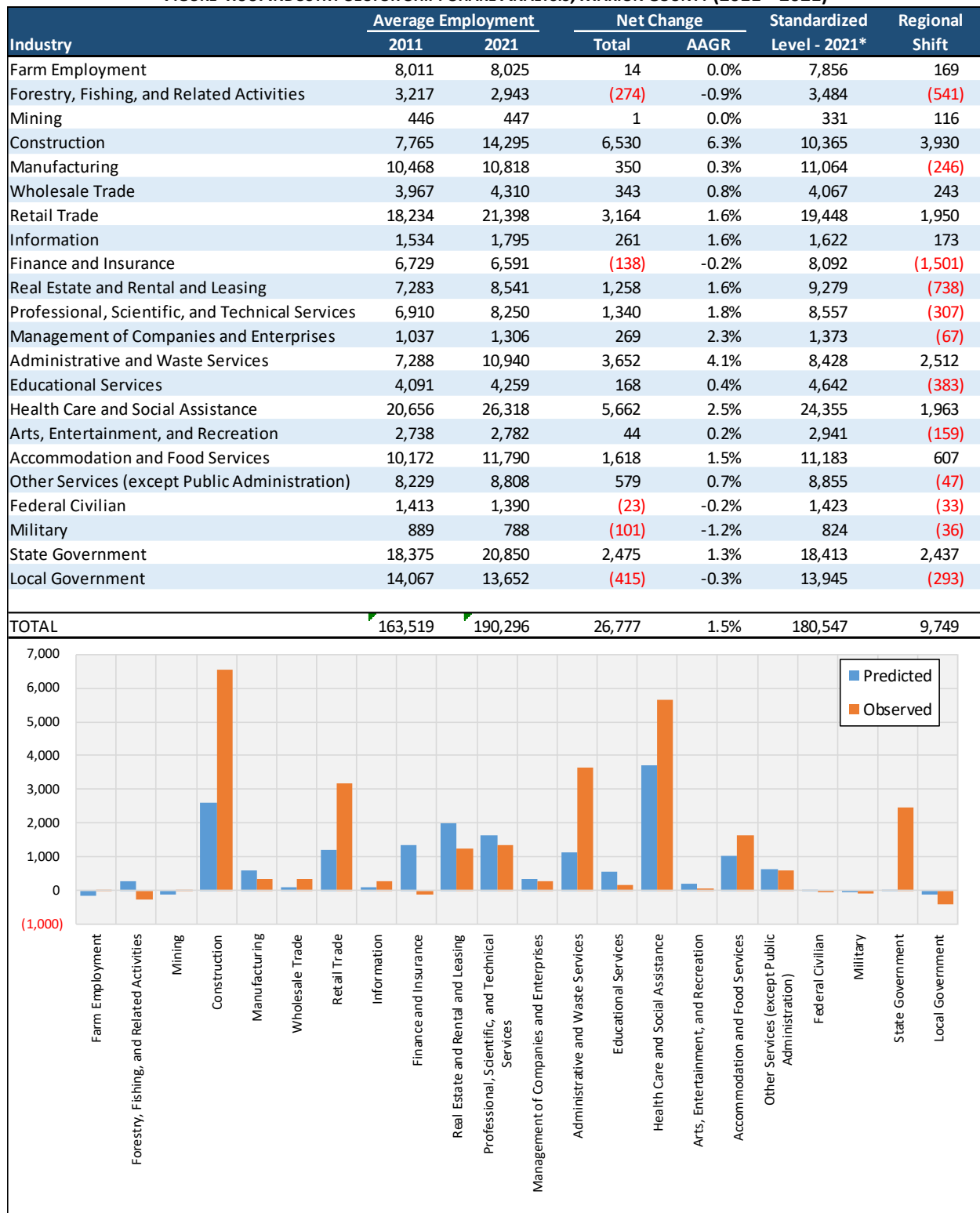
Contracting, Underperforming: Industries that are declining locally at a rate faster than the national average. These industries have structural issues that are impacting growth industry wide. However, some local or regional factors are making it increasingly tough on local firms.

The average annual growth rate by industry from 2011 to 2021 in Marion County was compared to the national rate. The observed local change was compared to a standardized level reflecting what would be expected if the local industry grew at a rate consistent with national rates for that industry.

As shown in Figure 4.06, most county industries grew at a slower rate than the rest of the country. Sectors that did experience a notable positive regional shift in employment during this period were construction, administrative & waste services, retail trade, health care & social assistance, and state government. The sectors that outperformed expectations the most were construction, administrative & waste services, and state government. Sectors with the greatest negative regional shift in employment were finance & insurance, real estate, and rental and leasing, and educational services.

² Measured from 2011 through 2021

FIGURE 4.06: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, MARION COUNTY (2011 – 2021)



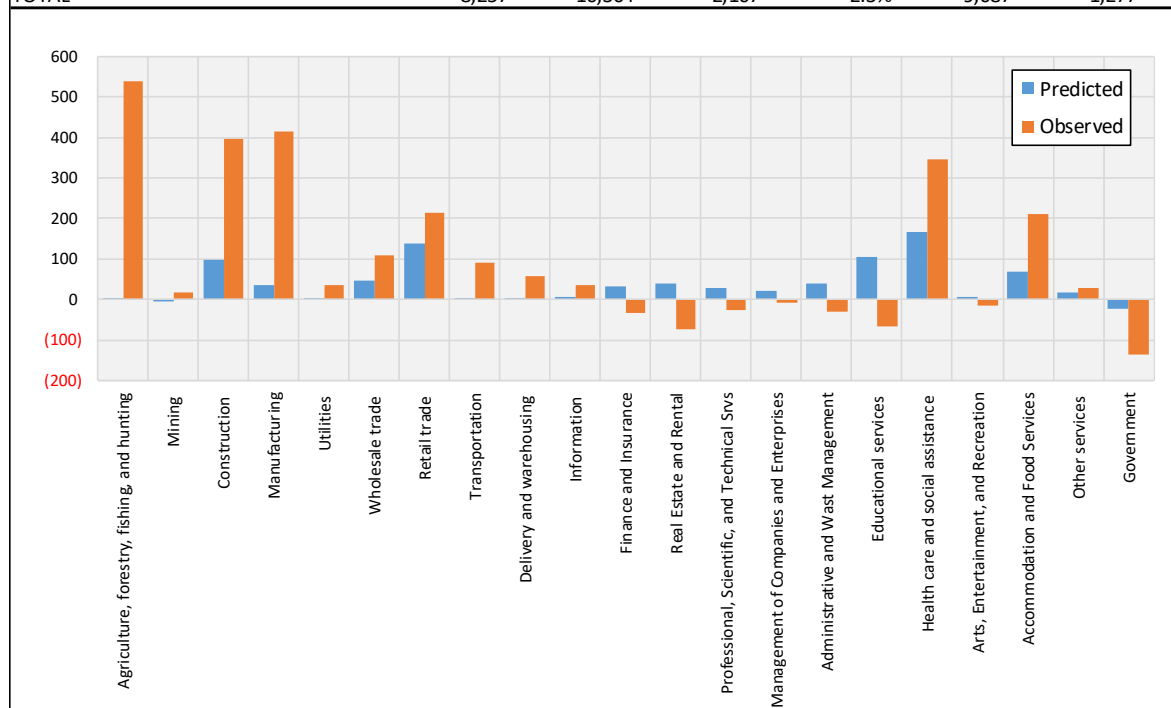
* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis

When the same analysis is done for the city of Woodburn, the city's growth outperformed the rest of the country in additional industries. The best performing sectors on this measure in the local economy were agriculture and forestry, manufacturing, construction, and health care & social services. These sectors grew faster than expected based on the national pace.

FIGURE 4.07: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, CITY OF WOODBURN (2011 – 2021)

Industry	Average Employment		Net Change		Standardized Level - 2021*	Regional Shift
	2011	2021	Total	AAGR		
Agriculture, forestry, fishing, and hunting	56	595	539	26.7%	57	538
Mining	9	25	16	0.0%	7	18
Construction	289	685	396	9.0%	386	299
Manufacturing	611	1,025	414	5.3%	646	379
Utilities	24	58	34	0.0%	25	33
Wholesale trade	716	826	110	1.4%	764	62
Retail trade	2,079	2,295	216	1.0%	2,217	78
Transportation	66	157	91	9.1%	67	90
Delivery and warehousing	533	591	58	1.0%	537	54
Information	99	133	34	3.0%	105	28
Finance and Insurance	149	116	(33)	-2.5%	179	(63)
Real Estate and Rental	146	73	(73)	-6.7%	186	(113)
Professional, Scientific, and Technical Svcs	125	97	(28)	-2.5%	155	(58)
Management of Companies and Enterprises	63	56	(7)	0.0%	83	(27)
Administrative and Waste Management	260	230	(30)	-1.2%	301	(71)
Educational services	788	722	(66)	-0.9%	894	(172)
Health care and social assistance	934	1,280	346	3.2%	1,101	179
Arts, Entertainment, and Recreation	80	66	(14)	-1.9%	86	(20)
Accommodation and Food Services	704	916	212	2.7%	774	142
Other services	209	238	29	1.3%	225	13
Government	317	180	(137)	-5.5%	294	(114)
TOTAL	8,257	10,364	2,107	2.3%	9,087	1,277



* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.

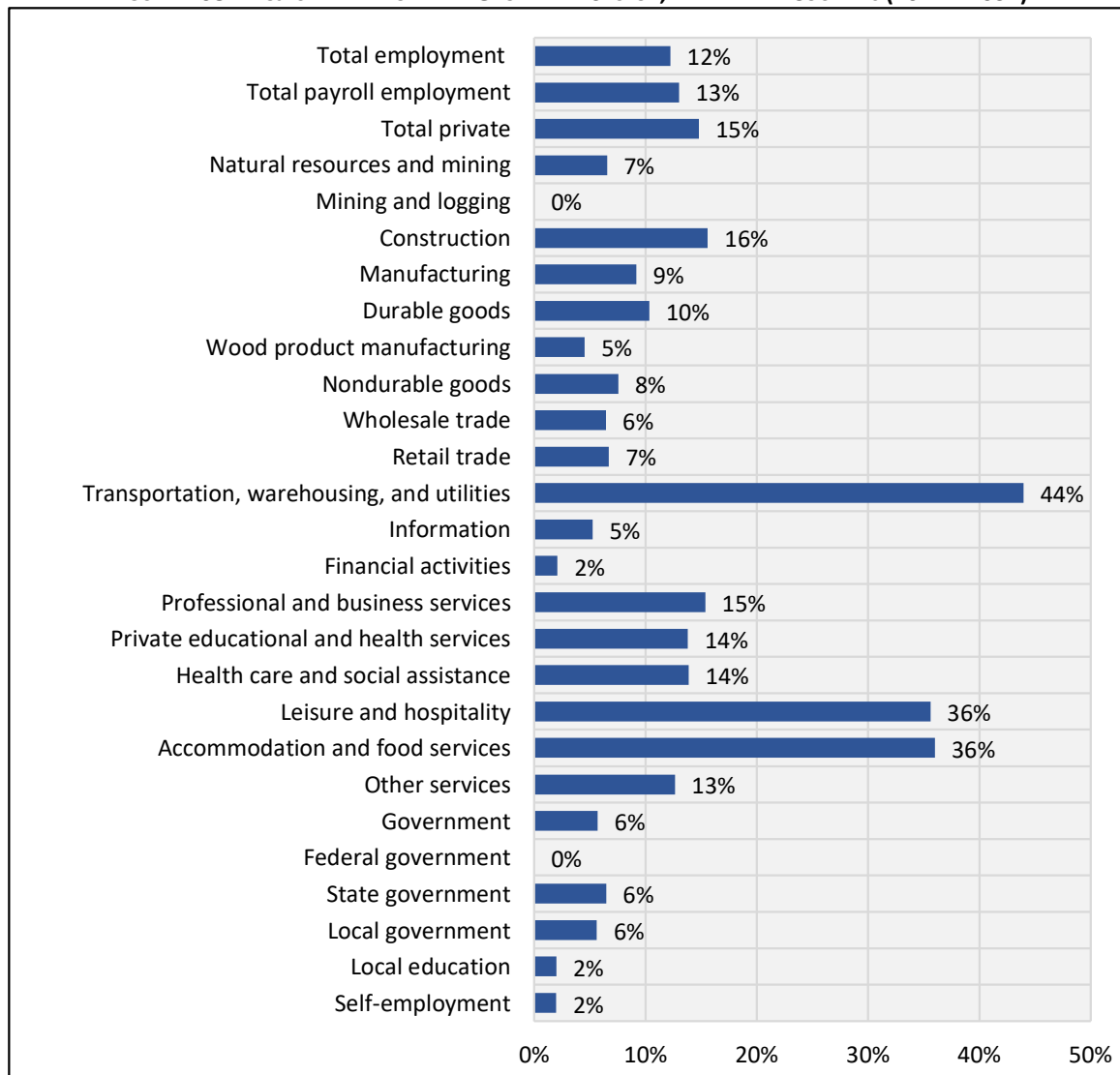
SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis

PROJECTED EMPLOYMENT GROWTH (OED)

The State of Oregon produces employment forecasts by sector at the broader regional level, which groups Linn, Marion, Polk, and Yamhill Counties together into one Mid-Willamette Valley region. The most recent forecast anticipates a gain of 35,000 jobs from 2021 through 2031, reflecting an average annual growth rate of about 1.2% during the period. This area has historically seen strong growth, and recovery from the COVID pandemic has been promising.

In this region, the industries with the fastest growth rates are projected to be transportation, warehousing, & utilities (T.W.U) followed by accommodation & food services, and leisure & hospitality. Furthermore, none of the industries are projected to experience negative growth in the coming years. The projected large increase in the T.W.U industry is in part due to the large Amazon distribution facility currently under construction in Woodburn.

FIGURE 4.08: PROJECTED EMPLOYMENT GROWTH BY SECTOR, MID-VALLEY COUNTIES (2021 – 2031)



SOURCE: Oregon Employment Department, Workforce and Economic Research Division

V. WOODBURN TARGET INDUSTRIES ANALYSIS

The preceding analysis provides a basis for narrowing of target industries for the City of Woodburn. These indicators point to sectors of past and potential growth, as well as locally expressed economic development vision for the community. The following is a summary of targeted sectors and indicators for Woodburn, and the broader mid-Willamette Valley region.

Woodburn Targets and Indicators

CITY OF WOODBURN Target Industry Analysis (2016)

Manufacturing
 Machinery and Production Equipment
 Plastics Manufacturing
 Metal Products
 Food Products
 Apparel
 Auto Transport Equipment
 Warehousing and Distribution
 Information Technology

CITY OF WOODBURN Current Largest Employers

Retail Trade
 Health Care
 Agriculture
 Tourism
 Manufacturing
 Transportation and Distribution
 Construction
 Wholesale
 Educational Services

STRONG LOCATION QUOTIENT

Agriculture and Forestry
 Educational Services
 Wood Products
 Food Products
 Retail Trade
 Wholesale Trade
 Construction

STRONG SHIFT SHARE INDICATOR

Agriculture and Forestry
 Manufacturing
 Construction
 Health Care and Social Services
 Accommodation and Food Service

Regional and Statewide Targets

BUSINESS OREGON - Statewide Targets

Outdoor Gear and Apparel
 Forestry & Wood Products
 Advanced Manufacturing
 Business Services
 Food & Beverage
 Bioscience
 Metals & Machinery
 High Technology

MWV COMMUNITY DEV. PARTNERSHIP Sectors with Comparative Advantage

Advanced Manufacturing
 Agricultural and Food Processing
 Wood Products and Forestry
 Transportation and Distribution
 Government (Salem-focused)

SEDCOR - Areas of Focus

NW Agriculture Innovation Hub
 STEM Workforce in Ag and Food Ind.
 Regional Recruitment

WILLAMETTE WORKFORCE PARTNERSHIP Workforce Investment Focus Areas

Transport, Warehousing, Distribution
 Manufacturing
 Health Care
 Construction

These broader analyses arrived at similar conclusions of the advantageous industries for Woodburn and the Marion County region in general, including wood product, food product and other manufacturing, transportation and distribution, agriculture, and support industries including health care, education, and construction.

CITY OF WOODBURN TARGET INDUSTRIES

The preceding analysis of industry strengths and regional priorities provided a foundation for the discussion of local target industries for the City of Woodburn. Through the EOA planning process, the advisory committee of local stakeholders reviewed the economic goals, priorities, and target industries from the prior adopted plans, and agreed upon the following list of priority sectors to help meet the community's economic development goals.

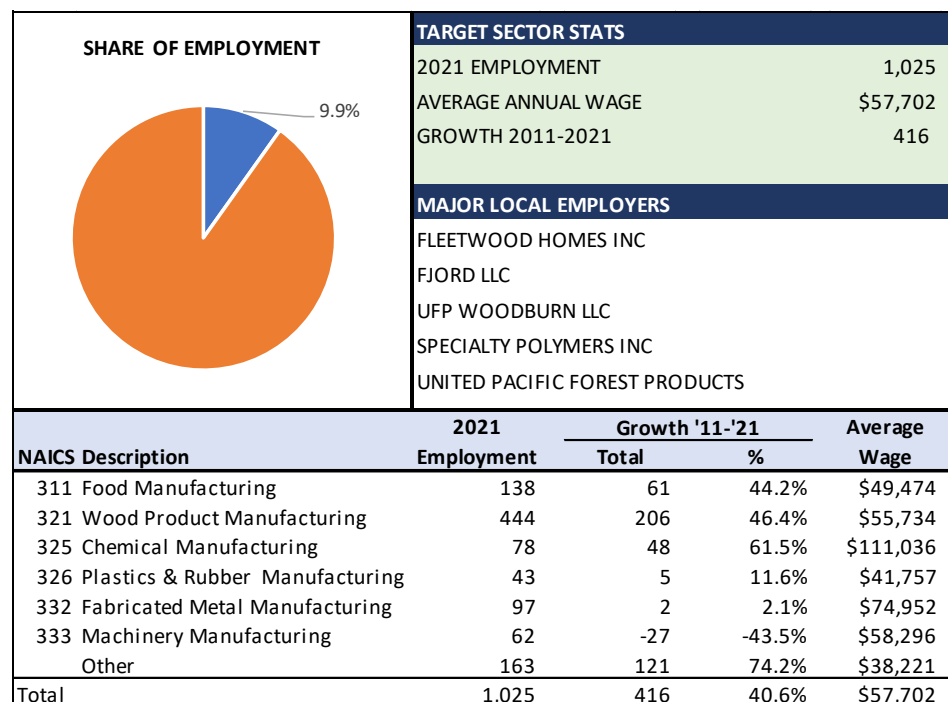
The selected industries reflect the community's historical strengths and advantages, regional trends, and local goals and objectives. These are discussed in more detail in the following pages:

- Manufacturing
- Health Care and Social Assistance
- Tourism (Accommodation and Dining)
- Education
- Transportation, Warehousing, Utilities
- Construction
- Agricultural Support Businesses

Note: The following discussion of target sectors relies on the most recent QCEW data from the Oregon Employment Department, dating to 2021. Total employment figures are updated to an estimate for 2023 in the following section of this report.

A. MANUFACTURING

Manufacturing has been a long-standing target sector for the City of Woodburn, and the sector is well represented among current businesses. Local employers manufacture products from wood, metals, plastics and food inputs, at all levels of complexity from basic supply inputs to other industries, to manufactured housing. Targets are high-technology manufacturing, including in support of the region's semiconductor and data center clusters, machinery and automation tech for other industries, and transportation equipment manufacturing, including emergin electric vehicle tech and infrastructure.



This sector has good location quotient and shift share indicators in Woodburn. Manufacturing provides good average incomes and skill building opportunities to blue-collar workers. The covered employment level in this sector was 1,025 in 2021, representing roughly 10% of the local employment base. Employment levels in the sector increased by 40% from 2011 through 2021. The average annual wage was approximately \$57,700 per year in 2021.

Cluster Strengths

- Good foundation of existing manufacturing businesses and recent growth.
- Diversified inputs and product types.
- Experienced manufacturing work force, and training opportunities.
- Solid wages in many manufacturing subsectors.

Cluster Challenges

- Scaling up the skilled workforce quickly.
- Increasing shortage of appropriate industrial land.

While manufacturing has experienced secular decline nationwide over many decades, there are still many opportunities for producers that benefit from proximity to inputs and the intended market, advanced production techniques and skills. Woodburn has demonstrated the ability to foster and grow this sector.



B. TRANSPORTATION, WAREHOUSING, & UTILITIES

Increasingly, Woodburn will be a major location of warehousing and distribution employment in the region. With the imminent completion of the Amazon distribution facility, along with other planned distribution developments, this sector is poised to become one of the largest employers, if not the largest, in Woodburn in the very near future. The benefits of Woodburn for the distribution industry are clear, given industrial lands available near a freeway interchange, and between the Portland and Salem markets. Other opportunities include additional “last mile” distribution facilities, which are smaller in scale.

Other targets in this broad sector are new utility infrastructure, including build out of power and water capacity to serve new industry. Support for trucking terminals and charging stations will be increasingly important as the shipping industry shifts to electric vehicles. Data centers and related telecom infrastructure have been one of the fastest growing needs nationwide to support online activity, and this growth is expected to be sustained into the foreseeable future. Innovation in the data center industry allows for the use of smaller sites and facilities in more locations.

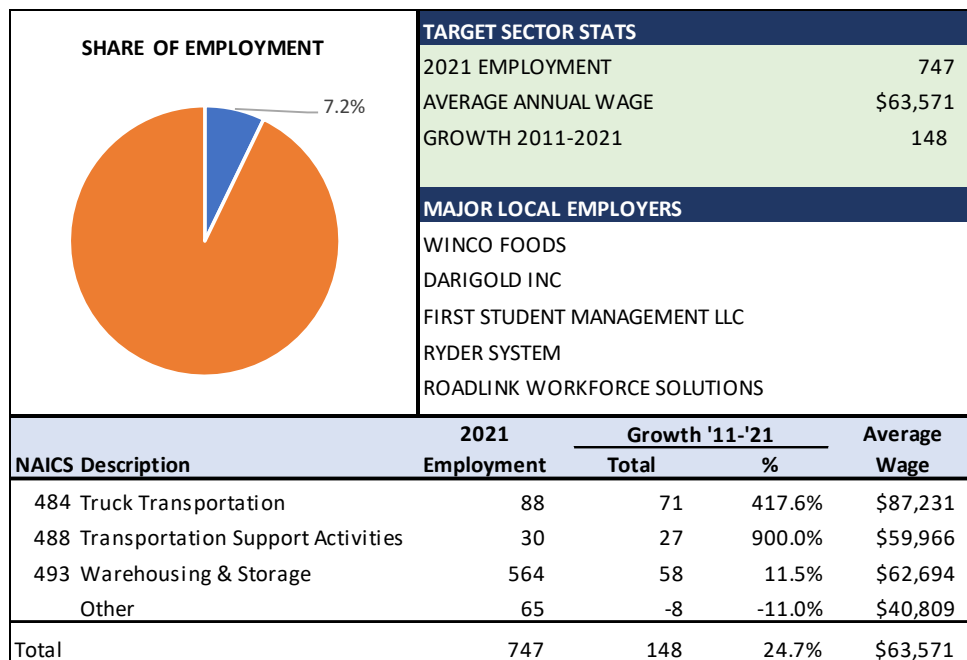


Cluster Strengths

- Freeway and rail access and exposure.
- Central location to Oregon’s largest population centers and markets.
- Large new employers in this sector will bolster the cluster.

Cluster Challenges

- Finding sufficient workforce regionally, given the size of the new facility.
- May face temporary shortage of affordable workforce housing.
- Eventual potential to overburden freeway interchange capacity.



The overall employment level in this sector was 750 in 2021, representing roughly 7% of the local employment base, but this is set to increase substantially in the next year. The average annual wage was approximately \$63,500 per year in 2021. Employment levels in the sector increased by 25% from 2011 through 2021.

This sector will have a major impact on the local economy and is likely to grow. Additional businesses in this sector are likely to be smaller in size, with many supporting “last mile” logistics.

C. HEALTH CARE AND SOCIAL SERVICES

Like most communities, Woodburn will increasingly face growing health care needs from a growing and aging population. The health care needs of the Baby Boom generation, the oldest of which are approaching 80 years old and the youngest approaching 60, are expected to increase the need for health care facilities and workforce over the next 20 years.

The community has expressed an economic development goal of attracting a medical center or hospital to Woodburn to meet local needs as the city continues to grow quickly. Currently, residents must travel to the Salem area to access more advanced health care and specialists.

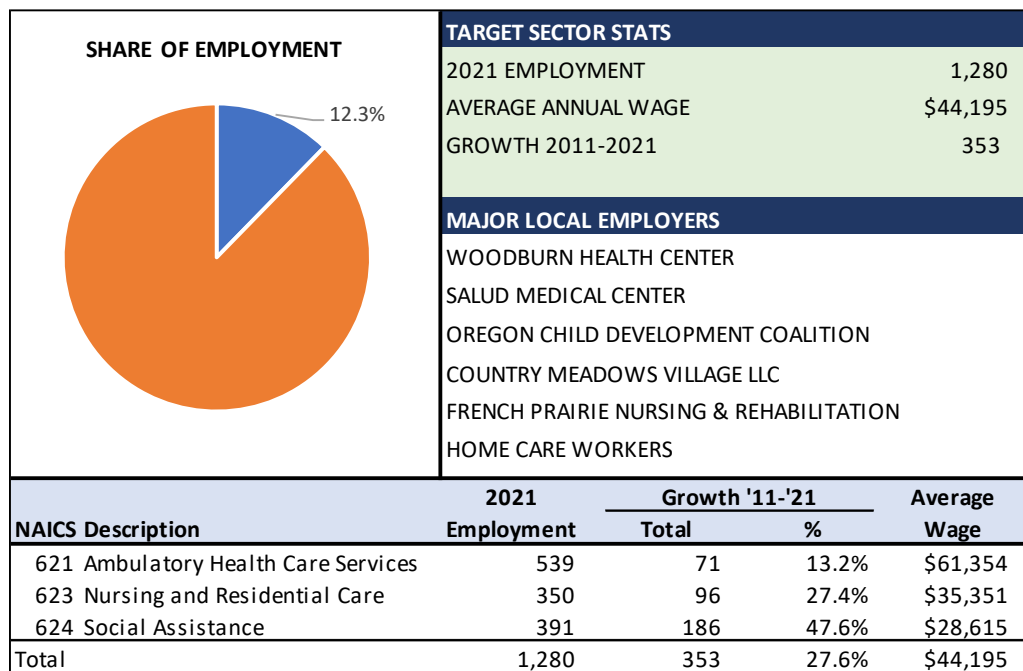
The overall employment level in this sector was 1,280 in 2021, representing roughly 12% of the local employment base. The average annual wage was approximately \$44,200 per year in 2021, with a significant range between wages for social workers and health care workers. Employment levels in the sector increased by 28% from 2011 to 2021.

Cluster Strengths

- Growing and aging population base.
- Low local competition for many specialties and more advanced healthcare.
- Ability to serve larger market of north Marion County and rural Clackamas County.

Cluster Challenges

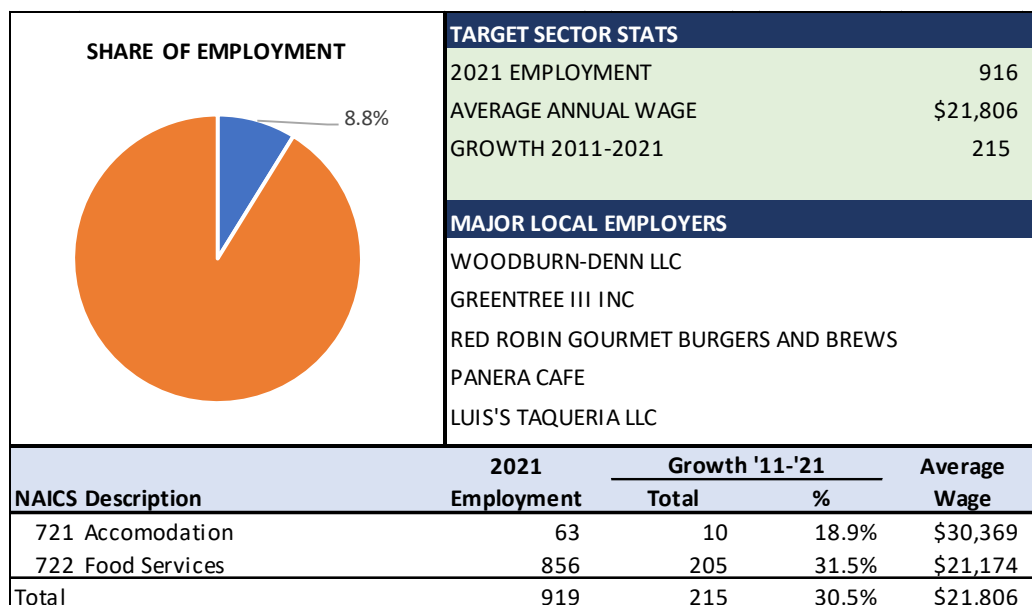
- Attracting a major medical group.
- Potential competition with Keizer/Salem market.



D. ACCOMMODATION & FOOD SERVICES

Woodburn features a strong accommodation and food services sector that can continue to grow. The dining sector benefits from the strong draw of the freeway-oriented commercial areas, as well as organic growth in residents and local businesses. The accommodation sector benefits from local tourism draws, as well as being a central freeway stop for travelers. As large new distribution and other industrial businesses locate in the area, the spending on dining can be expected to increase significantly, which will support business growth and new entrants.

The overall employment level in this sector was 916 in 2021, representing roughly 9% of the local employment base. The average annual wage was approximately \$21,800 per year in 2021, making it one of the lower-wage service industries. This reflects the fact that many of these jobs are part-time. Employment levels in the sector increased by 31% from 2011 through 2021.



Cluster Strengths

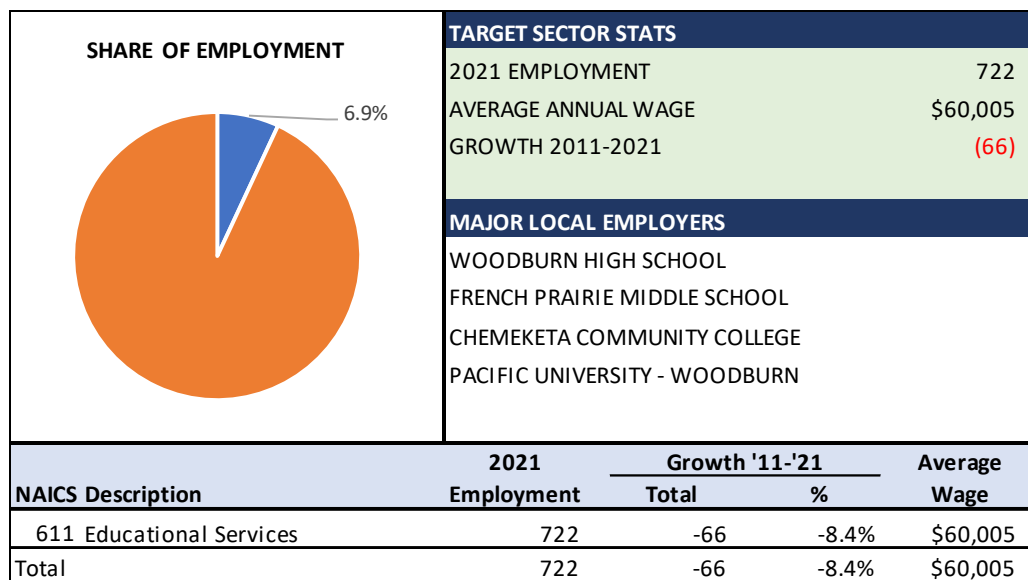
- Freeway access and exposure to travelers and visitors to local shopping and attractions.
- Expected growth in spending from new employment and households.
- Central location.

Cluster Challenges

- Few challenges.
- Diminishing buildable commercial sites near the freeway interchange.

E. EDUCATION

Most local education employment is in the public school system however the community has identified the potential to increase adult education and training opportunities for the local workforce. This might be pursued through partnerships with local resources like Chemeketa Community College, Pacific University, and the Willamette Workforce Partnership, or a new Regional Innovation Hub focused on thriving local sectors.



The overall employment level in this sector was 722 in 2021, representing roughly 7% of the local employment base. The average annual wage was approximately \$60,000. Employment levels in the sector fell by over 8% from 2011 through 2021.

Cluster Strengths

- Growing unmet market for local on-going education and workforce training
- Available public and private sector partnerships
- Potential additional capital investments in Woodburn by higher-education partners, including a planned bond measure for Chemeketa Community College.

Cluster Challenges

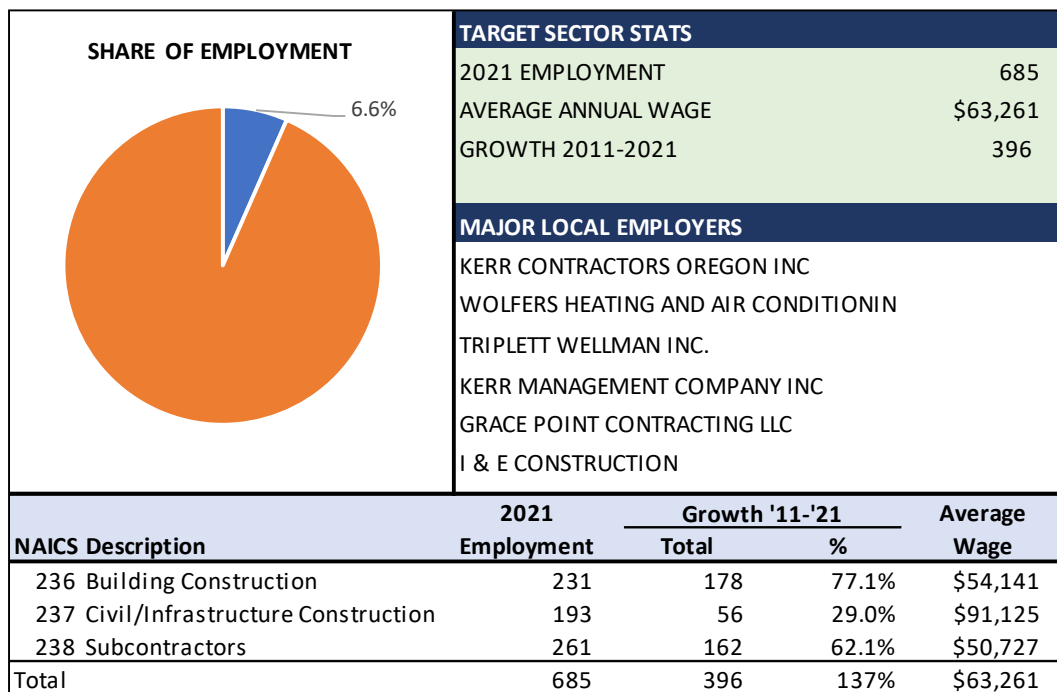
- Few challenges.

F. CONSTRUCTION

Construction is well-represented in Woodburn, with many large contracting companies located in the community. Construction firms offer generally well-paying blue-collar jobs with excelling on-the-job training and transferrable skills development. The sector has a strong location quotient and shift share indicators in Woodburn. Construction firms benefit from the same centralized location in the mid-Willamette Valley as many other sectors, with contractors able to access job sites across a large region with their equipment and workforce.



The overall employment level in this sector was 685 in 2021, representing roughly 7% of the local employment base. The average annual wage was approximately \$63,300 per year in 2021. Employment levels in the sector increased by 137% from 2011 to 2021.



Cluster Strengths

- Ongoing demand for construction firms in a growing city and region.
- Centralized location with access for equipment and workforce to regional market.
- Experienced construction work force, and training opportunities.
- Generally high blue-collar wages.

Cluster Challenges

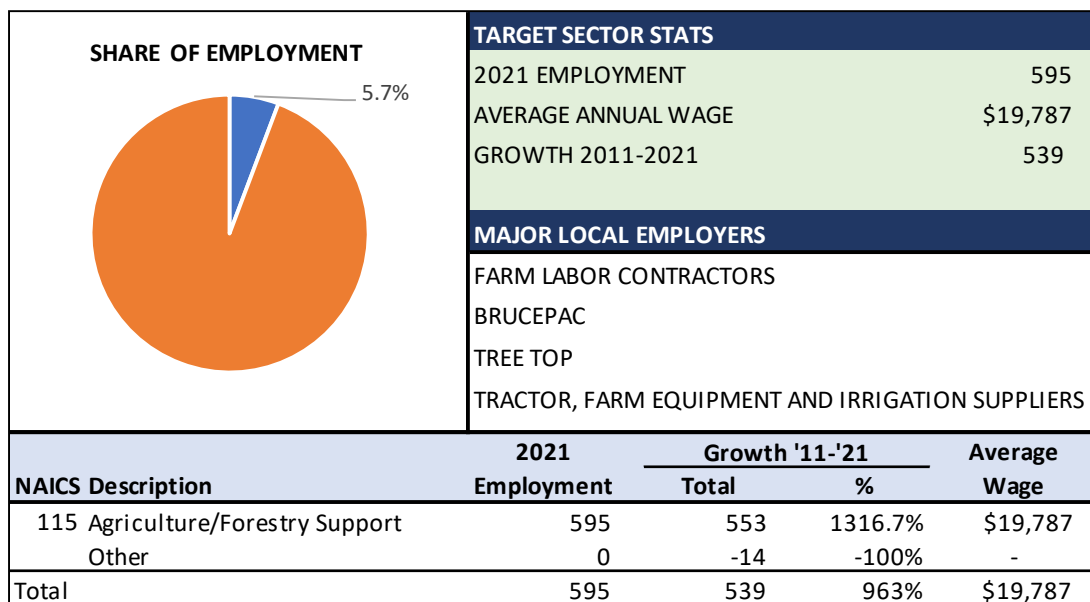
- Increasing shortage of appropriate industrial land.

Construction is generally a resilient sector in areas that continue to experience organic growth in population and jobs such as Oregon. Even as broader economic trends may depress some aspects of real estate development, other sectors are often healthy or growing, and specialties such as public infrastructure development are resistant to economic cycles. This sector is a good industry for a relatively young, diverse, and less educated workforce like Woodburn's.

G. AGRICULTURE/AGRICULTURAL SUPPORT BUSINESSES

This sector remains an important one in Woodburn, representing a good share of local employment and featuring a high location quotient and shift share rating. Many of these firms supply labor for rural operations, so the need for commercial or industrial real estate in the community is limited. However, given the size and strong performance of this sector it is included here as a continuing target industry. The thriving agricultural economy in the mid-Willamette Valley will ensure that businesses that support these operations will continue to be an opportunity.

The overall covered (i.e., QCEW) employment level in this sector was roughly 600 in 2021, representing roughly 6% of the local employment base. However, when non-covered employment is estimated, this sector is estimated to employ over 1,300 workers and represents 11% of local employment (see following section of this report for total employment estimates as of 2023). The average annual wage is low at approximately \$20,000 per year in 2021, but this remains an important sector for Woodburn's highly diverse population.



Cluster Strengths

- Location among high value farmlands.
- Experienced labor force.
- Supports many other local industries, such as food product manufacturing.
- Though much of the employment activity takes place outside of the City, wages, and spending return to the community.

Cluster Challenges

- Low paying employment.

VI. FORECAST OF EMPLOYMENT AND LAND NEED

CITY OF WOODBURN EMPLOYMENT FORECAST

Goal 9 requires that jurisdictions plan for a 20-year supply of commercial and industrial capacity. Because employment capacity is the physical space necessary to accommodate new workers in the production of goods and services, employment need forecasts typically begin with a forecast of employment growth in the community. The previous analysis of economic trends and targeted industries set the context for these estimates. This analysis translates those trends into estimates of employment growth by broad industry. Forecasts are produced at the sector or subsector level (depending on available information), and subsequently aggregated into two-digit North American Industry Classification System (NAICS) sectors. Estimates in this analysis are intended for long-range land planning purposes and are not designed to predict or respond to business cycle fluctuation.

The projections in this analysis are built on an estimate of employment in 2023, the commencement year for the planning period. Employment growth will come as the result of net-expansion of existing businesses in the community, new business formation, or the relocation/recruitment of new firms. Forecast scenarios consider a range of factors influencing growth. Long-range forecasts typically rely on a macroeconomic context for growth. The forecast does not consider the impact of a significant exogenous shift in employment such as recruitment of an unforeseen major employer.

OVERVIEW OF EMPLOYMENT FORECAST METHODOLOGY

Our methodology starts with employment forecasts for major commercial and industrial sectors. Forecasted employment is allocated to building type, and a space demand is a function of the assumed square footage per employee ratio multiplied by projected change. The need for space is then converted into land and site needs based on assumed development densities using floor area ratios (FARs).

FIGURE 6.01: UPDATE TO 2020 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT



The first analytical step of the analysis is to update covered employment to the 2023 base year. The Quarterly Census of Employment and Wages (QCEW) data was used to determine the City of Woodburn's covered employment by industry through 2021, the latest year available. To update these estimates, we use observed industry specific growth rates for Marion County between 2021 and 2023.

The second step in the analysis is to convert “covered”³ employment to “total” employment. Covered employment only accounts for a share of overall employment in the economy. Specifically, it does not consider sole proprietors or commissioned workers. Covered employment was converted to total employment based on observed ratios at the national level derived from the Bureau of Economic Analysis from 2014 through 2021. The differential is the most significant in administration services, professional & technical services, and other services. The adjusted 2023 total employment base for the city of Woodburn is 11,965 jobs.

FIGURE 6.02: UPDATE TO 2023 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT, CITY OF WOODBURN (2021 – 2023)

Major Industry Sector	QCEW Employment			Total Emp. Conversion ²	2023 Estimate
	2021 Employment	'21-'23 County Δ ¹	2023 Estimate		
Agriculture, forestry, fishing, hunting	595	1.0%	601	44%	1,366
Construction	685	3.8%	711	81%	875
Manufacturing	1,025	1.0%	1,036	98%	1,059
Wholesale Trade	826	1.3%	837	98%	858
Retail Trade	2,295	2.4%	2,349	95%	2,469
T.W.U. ³	806	2.1%	823	91%	910
Information	133	4.3%	139	95%	147
Finance & Insurance	116	1.1%	117	91%	129
Real Estate	73	1.1%	74	91%	81
Professional & Technical Services	97	5.5%	102	91%	113
Administration Services	230	5.5%	243	91%	267
Education	722	1.8%	735	95%	771
Health Care/Social Assistance	1,280	1.8%	1,304	95%	1,366
Leisure & Hospitality	982	3.9%	1,020	95%	1,077
Other Services	238	4.7%	249	85%	294
Government	180	1.8%	183	100%	183
TOTAL	10,283	2.3%	10,524	88%	11,965

Source: Johnson Economics

1) Growth rate calculated using CES data for Marion & Polk County

2) Bureau of Economic Analysis (2021 National Averages)

3) T.W.U. = Transportation, Warehousing, and Utilities

SCENARIO 1: BASELINE “SAFE HARBOR” FORECAST

The Goal 9 statute does not have a required method for employment forecasting. However, OAR 660-024-0040(9)(a) outlines several safe harbor methods, which are intended to provide jurisdictions a methodological approach that will not be challenged. The recommended approach for the City of Woodburn is 660-024-0040(9)(a)(A), which allows reliance on the most recent regional forecast published by the Oregon Employment Department (see Figure 4.08).⁴ This method applies industry specific growth rates for the Mid-Valley Oregon Workforce Region (Linn, Marion, Polk, & Yamhill counties) to the City of Woodburn’s 2023 base employment. This method results in an average annual growth rate of 1.4%, with a total growth of 3,853 jobs over the forecast period.

³ The Department of Labor’s Quarterly Census of Employment and Wages (QCEW) tracks employment data through state employment departments. Employment in the QCEW survey is limited to firms with employees that are “covered” by unemployment insurance.

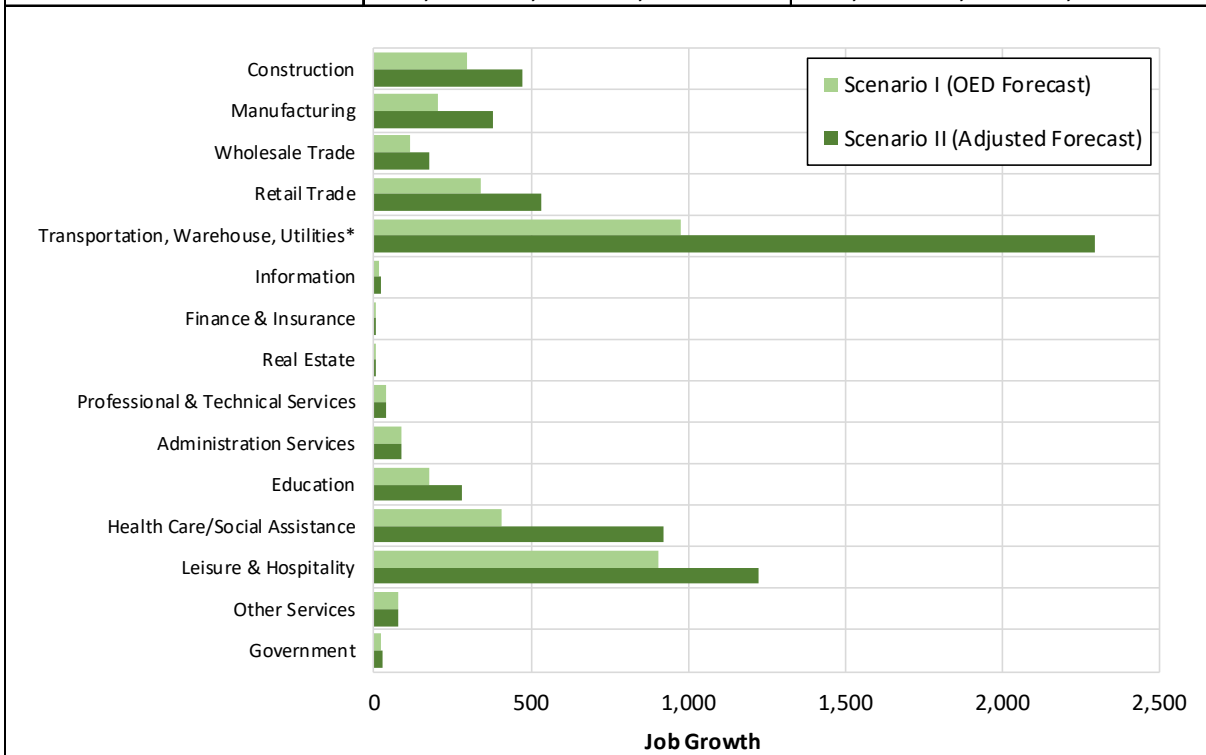
⁴ The second safe harbor method described under OAR 660-024-0040(9)(B) allows using the most recently forecasted population growth rate for the City from the PSU Population Research Center. The employment growth rate may be assumed to match the population growth rate. This option was reviewed by the Technical Advisory Group but ultimately declined.

SCENARIO 2: ADJUSTED EMPLOYMENT FORECAST

A second adjusted forecast scenario was influenced by the research and analysis conducted in the EOA. This scenario formulates an employment growth trajectory based on identified trends, a more optimistic growth outlook for targeted industries, and input from the project technical advisory group. Further, the alternative scenario recognizes that economic development efforts and public policy can influence realized growth in targeted sectors.

FIGURE 6.03: COMPARISON OF ALTERNATE FORECASTS, CITY OF WOODBURN (2023 - 2043)

Industry	SCENARIO I (OED Regional Forecast)				SCENARIO II (Adjusted)			
	2023	2043	Chg.	AAGR	2023	2043	Chg.	AAGR
Agriculture, Forestry, etc.	1,366	1,551	185	0.6%	1,366	1,653	286	1.0%
Construction	875	1,169	294	1.5%	875	1,350	475	2.2%
Manufacturing	1,059	1,262	204	0.9%	1,059	1,439	380	1.5%
Wholesale Trade	858	973	114	0.6%	858	1,035	177	0.9%
Retail Trade	2,469	2,811	343	0.7%	2,469	2,999	530	1.0%
Transportation, Warehouse, Utilities*	910	1,885	976	3.7%	910	3,202	2,293	6.5%
Information	147	163	16	0.5%	147	167	20	0.6%
Finance & Insurance	129	134	5	0.2%	129	134	5	0.2%
Real Estate	81	84	3	0.2%	81	84	3	0.2%
Professional & Technical Services	113	150	37	1.4%	113	150	37	1.4%
Administration Services	267	356	89	1.4%	267	356	89	1.4%
Education	771	947	176	1.0%	771	1,049	278	1.6%
Health Care/Social Assistance	1,366	1,772	406	1.3%	1,366	2,291	924	2.6%
Leisure & Hospitality	1,077	1,981	904	3.1%	1,077	2,301	1,223	3.9%
Other Services	294	373	79	1.2%	294	373	79	1.2%
Government	183	205	22	0.6%	183	211	27	0.7%
TOTAL:	11,965	15,818	3,853	1.4%	11,965	18,793	6,828	2.3%



Source: Oregon Employment Department, Johnson Economics

The adjusted scenario considers the influence of known or anticipated development over the near- and medium-term horizon, and local economic development goals. This scenario forecasts an average annual growth rate of 2.3% for the period, for a total addition of 6,828 new jobs. The forecasted rate of 2.3% is in keeping with the realized employment growth rate since 2010 of 2.2% per year, (source: Oregon Employment Department, QCEW data).

SUMMARY OF EMPLOYMENT FORECAST SCENARIOS

The two forecast scenarios in this analysis range from 1.4% to 2.3% average annual growth. Job growth estimates range from 3,850 to 6,830 jobs over the 20-year period. Forecasts grounded in broad based economic variables cannot account for all the realities of local businesses and trends among evolving industries. Any long-term forecast is inherently uncertain and should be updated on a regular basis to reflect more current information. This is particularly true in a smaller jurisdiction such as Woodburn, in which a single large firm's location and/or operational decision may substantively impact the rate of growth.

FIGURE 6.04: SUMMARY OF PROJECTION SCENARIOS, CITY OF WOODBURN

Industry	Overall Employment					Net Change by Period				Total 23-43
	2023	2028	2033	2038	2043	23-28	28-33	33-38	38-43	
BASELINE SCENARIO										
Agriculture, forestry, fishing, hunting	1,366	1,410	1,456	1,503	1,551	44	46	47	48	185
Construction	875	941	1,011	1,087	1,169	66	71	76	82	294
Manufacturing	1,059	1,106	1,156	1,208	1,262	48	50	52	54	204
Wholesale Trade	858	886	914	943	973	27	28	29	30	114
Retail Trade	2,469	2,550	2,635	2,722	2,811	82	84	87	90	343
T.W.U.	910	1,092	1,310	1,571	1,885	182	218	262	314	976
Information	147	151	154	158	163	4	4	4	4	16
Finance & Insurance	129	130	131	133	134	1	1	1	1	5
Real Estate	81	82	83	84	84	1	1	1	1	3
Professional & Technical Services	113	121	130	140	150	8	9	10	10	37
Administration Services	267	287	308	331	356	20	21	23	25	89
Education	771	811	854	899	947	41	43	45	47	176
Health Care/Social Assistance	1,366	1,458	1,556	1,661	1,772	92	98	105	112	406
Leisure & Hospitality	1,077	1,255	1,461	1,702	1,981	177	206	240	280	904
Other Services	294	312	331	351	373	18	19	20	22	79
Government	183	188	194	199	205	5	5	5	6	22
TOTAL:	11,965	12,780	13,685	14,692	15,818	815	905	1,007	1,126	3,853
SCENARIO 2 (Modified)										
Agriculture, forestry, fishing, hunting	1,366	1,433	1,503	1,576	1,653	67	70	73	77	286
Construction	875	975	1,087	1,211	1,350	100	112	124	139	475
Manufacturing	1,059	1,185	1,264	1,349	1,439	127	79	84	90	380
Wholesale Trade	858	900	943	988	1,035	41	43	45	47	177
Retail Trade	2,469	2,592	2,721	2,857	2,999	123	129	136	142	530
T.W.U.	910	1,246	1,707	2,338	3,202	336	461	631	864	2,293
Information	147	151	156	162	167	5	5	5	5	20
Finance & Insurance	129	130	131	133	134	1	1	1	1	5
Real Estate	81	82	83	84	84	1	1	1	1	3
Professional & Technical Services	113	121	130	140	150	8	9	10	10	37
Administration Services	267	287	308	331	356	20	21	23	25	89
Education	771	832	899	971	1,049	62	67	72	78	278
Health Care/Social Assistance	1,366	1,555	1,769	2,013	2,291	188	214	244	278	924
Leisure & Hospitality	1,077	1,302	1,575	1,903	2,301	225	272	329	398	1,223
Other Services	294	312	331	351	373	18	19	20	22	79
Government	183	190	196	203	211	6	7	7	7	27
TOTAL:	11,965	13,294	14,804	16,609	18,793	1,329	1,510	1,806	2,184	6,828

Source: Oregon Employment Department, Johnson Economics

The forecasts were further broken down into four five-year increments, assuming a consistent rate of growth over the period. We would expect that a twenty-year forecast will include multiple business cycles, and that growth will be variable.

EMPLOYMENT LAND FORECAST

The next analytical step in our analysis is to convert projections of employment into forecasts of land demand over the planning period. The generally accepted methodology for this conversion begins by allocating employment by sector into a distribution of building typologies those economic activities typically use. As an example, insurance agents typically locate in traditional office space, often along commercial corridors. However, a percentage of these firms are also located in commercial retail space adjacent to retail anchors. Cross tabulating this distribution provides an estimate of employment in each typology.

The next step converts employment into space using estimates of the typical square footage exhibited within each typology. Adjusting for market average vacancy we arrive at an estimate of total space demand for each building type.

Finally, we can consider the physical characteristics of individual building types and the amount of land they typically require for development. The site utilization metric commonly used is referred to as a “floor area ratio” or FAR. For example, assume a 25,000-square foot general industrial building requires roughly a site of roughly 100k square feet to accommodate its structure, setbacks, parking, and necessary yard/storage space. This building would have an FAR of roughly 0.25. Demand for space is then converted to net acres using a standard floor area ratio FAR for each development form.

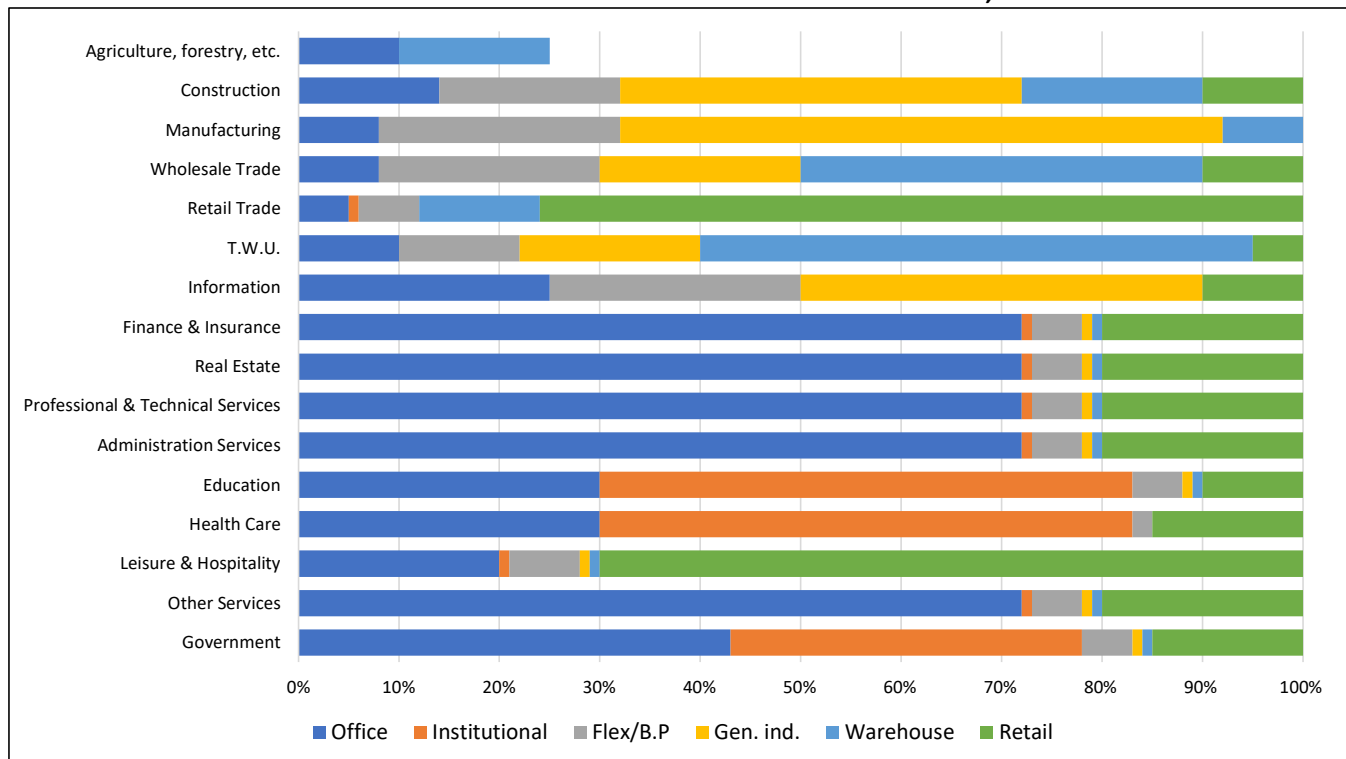
LAND DEMAND ANALYSIS – ADJUSTED FORECAST

In this analytical step we allocate employment growth to the standard building typologies. The building typology matrix represents the share of sectoral employment that is located across various building types. (Note that only a fraction of employment in the agricultural sector is assumed to need urban real estate, as many of these companies operate in unincorporated areas in the region around the city. Food processing operations are captured under “manufacturing.”)

FIGURE 6.05: DISTRIBUTION OF EMPLOYMENT BY SPACE TYPE, CITY OF WOODBURN (ADJUSTED FORECAST)

Industry Sector	20-year Job Forecast		BUILDING TYPE MATRIX					
	Number	AAGR	Office	Institutional	Flex/B.P	Gen. ind.	Warehouse	Retail
Agriculture, forestry, etc.	286	0.6%	10%	0%	0%	0%	15%	0%
Construction	475	2.2%	14%	0%	18%	40%	18%	10%
Manufacturing	380	1.5%	8%	0%	24%	60%	8%	0%
Wholesale Trade	177	0.9%	8%	0%	22%	20%	40%	10%
Retail Trade	530	1.0%	5%	1%	6%	0%	12%	76%
T.W.U.	2,293	6.5%	10%	0%	12%	18%	55%	5%
Information	20	0.6%	25%	0%	25%	40%	0%	10%
Finance & Insurance	5	0.2%	72%	1%	5%	1%	1%	20%
Real Estate	3	0.2%	72%	1%	5%	1%	1%	20%
Professional & Technical Services	37	1.4%	72%	1%	5%	1%	1%	20%
Administration Services	89	1.4%	72%	1%	5%	1%	1%	20%
Education	278	1.6%	30%	53%	5%	1%	1%	10%
Health Care	924	2.6%	30%	53%	2%	0%	0%	15%
Leisure & Hospitality	1,223	3.9%	20%	1%	7%	1%	1%	70%
Other Services	79	1.2%	72%	1%	5%	1%	1%	20%
Government	27	0.7%	43%	35%	5%	1%	1%	15%
TOTAL	6,828	2.3%	17%	10%	10%	13%	23%	24%

Source: Johnson Economics

FIGURE 6.06: ASSUMED DISTRIBUTION OF SPACE BY TYPE AND INDUSTRY SECTOR, CITY OF WOODBURN

Source: Johnson Economics

Under the employment forecast scenario, employment housed in retail space accounts for the greatest share of growth, followed by employment housed in warehouse and office space. The combined employment forecast in commercially zoned space (~3,600 jobs) is somewhat greater than that forecast for industrially zoned space (~3,000 jobs). Note that the 6,613 total jobs shown here is less than the total employment in the adjusted forecast (6,838 jobs) because not all agricultural jobs require commercial real estate space.

FIGURE 6.07: NET GROWTH IN EMPLOYMENT BY BUILDING TYPE, CITY OF WOODBURN (ADJUSTED FORECAST) 2023-2043

Industry Sector	NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2023-2043						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Agriculture, forestry, etc.	29	0	0	0	43	0	72
Construction	66	0	85	190	85	47	475
Manufacturing	30	0	91	228	30	0	380
Wholesale Trade	14	0	39	35	71	18	177
Retail Trade	27	5	32	0	64	403	530
T.W.U.	229	0	275	413	1,261	115	2,293
Information	5	0	5	8	0	2	20
Finance & Insurance	4	0	0	0	0	1	5
Real Estate	2	0	0	0	0	1	3
Professional & Technical Services	27	0	2	0	0	7	37
Administration Services	64	1	4	1	1	18	89
Education	83	147	14	3	3	28	278
Health Care	277	490	18	0	0	139	924
Leisure & Hospitality	245	12	86	12	12	856	1,223
Other Services	57	1	4	1	1	16	79
Government	12	10	1	0	0	4	27
TOTAL	1,171	666	658	892	1,572	1,655	6,613

Source: Johnson Economics

Employment growth estimates by building type are then converted to demand for physical space. This conversion assumes the typical space needed per employee on average. This step also assumes a market average vacancy rate, acknowledging that equilibrium in real estate markets is not 0% vacancy. We assume a 10% vacancy rate for office, retail, and flex uses, as these forms have high rates of speculative multi-tenant usage. A 5% rate is used for general industrial and warehouse—these uses have higher rates of owner occupancy that lead to lower overall vacancy. Institutional uses are assumed to have no vacancy, as they are typically purpose-built for healthcare, nonprofit, government, or related users.

The demand for space is converted into an associated demand for acreage using an assumed Floor Area Ratio (FAR), based upon the observed FAR in existing Woodburn commercial and industrial properties. The combined space and FAR assumptions further provide estimates indicated of job densities, determined on a per net-developable acre basis.

FIGURE 6.08: NET ACRES REQUIRED BY BUILDING TYPOLOGY, CITY OF WOODBURN (ADJUSTED FORECAST) – 20-YEAR

	DEMAND BY GENERAL USE TYPOLOGY, 2023-2043						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	1,171	666	658	892	1,572	1,655	6,613
Avg. SF Per Employee	350	350	990	600	1,800	500	829
Demand for Space (SF)	410,000	233,200	651,100	534,900	2,828,800	827,300	5,485,300
Floor Area Ratio (FAR)	0.30	0.30	0.25	0.25	0.25	0.25	0.26
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	6.5%
Implied Density (Jobs/Acre)	33.6	37.3	9.9	17.2	5.7	19.6	12.5
Net Acres Required	34.9	17.8	66.4	51.7	273.4	84.4	528.7
Share for infrastructure (Net-to-Gross)	20%	20%	15%	15%	15%	20%	16%
Gross Acres Required	43.6	22.3	78.2	60.8	321.7	105.5	632.1

Source: Johnson Economics

Commercial office and retail densities are 33 and 20 jobs per acre, respectively. Industrial uses range from 17 for general industrial to less than 6 jobs per acre for warehouse/distribution. The overall weighted employment density is 13 jobs per acre, with the projected 6,600-job expansion in the local employment base through 2043 requiring an estimated 529 net acres, and 632 gross acres, of employment land. An estimated 73% of this forecasted need is industrial land, and 27% commercial land. A major reason for this is the lower average employment density typically seen in industrial land use.

There is a significant distinction between bulk land capacity and readily available site supply. To be considered readily available, land must currently have appropriate entitlements and be served by adequate infrastructure capacity to accommodate short-term development. Some of the land inventory will be in sites and locations that may be harder to serve quickly and efficiently and

VII. RECONCILIATION OF EMPLOYMENT LAND NEED AND INVENTORY

The inventory of buildable employment land provides a snapshot of the current local capacity to accommodate more businesses and jobs over the planning period. This current available land is compared to the forecasted need for new land over the 20-year planning period, presented in Section VI.

SUMMARY OF LAND DEMAND (ACRES)

The estimate of future land need is re-presented below. A total need for 632 gross acres was identified across a range of land use and building types, based on the adjusted growth forecast.

FIGURE 7.01: SUMMARY OF FORECASTED 20-YEAR LAND NEED BY BUILDING TYPOLOGY (WOODBURN)

	DEMAND BY GENERAL USE TYPOLOGY, 2023-2043						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	1,171	666	658	892	1,572	1,655	6,613
Avg. SF Per Employee	350	350	990	600	1,800	500	829
Demand for Space (SF)	410,000	233,200	651,100	534,900	2,828,800	827,300	5,485,300
Floor Area Ratio (FAR)	0.30	0.30	0.25	0.25	0.25	0.25	0.26
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	6.5%
Implied Density (Jobs/Acre)	33.6	37.3	9.9	17.2	5.7	19.6	12.5
Net Acres Required	34.9	17.8	66.4	51.7	273.4	84.4	528.7
Share for infrastructure (Net-to-Gross)	20%	20%	15%	15%	15%	20%	16%
Gross Acres Required	43.6	22.3	78.2	60.8	321.7	105.5	632.1

Source: Oregon Employment Department, City of Woodburn, Johnson Economics LLC

An estimated 73% of this forecasted need is industrial land (business park, general industrial, warehouse), and 27% commercial land (office, retail, institutional). There is a forecasted need for a total of 391 net (461 gross) acres of industrial land, and 137 net (171 gross) acres of commercial land.

SUMMARY OF LAND SUPPLY (ACRES)

To assess the remaining supply of buildable employment land suitable to accommodate the 20-year land need, an inventory of land with the proper zoning was conducted. The following is a summary of the results on that inventory. A more detailed explanation of the methodology and findings of the Buildable Land Inventory (BLI) is presented as Appendix C of this report.

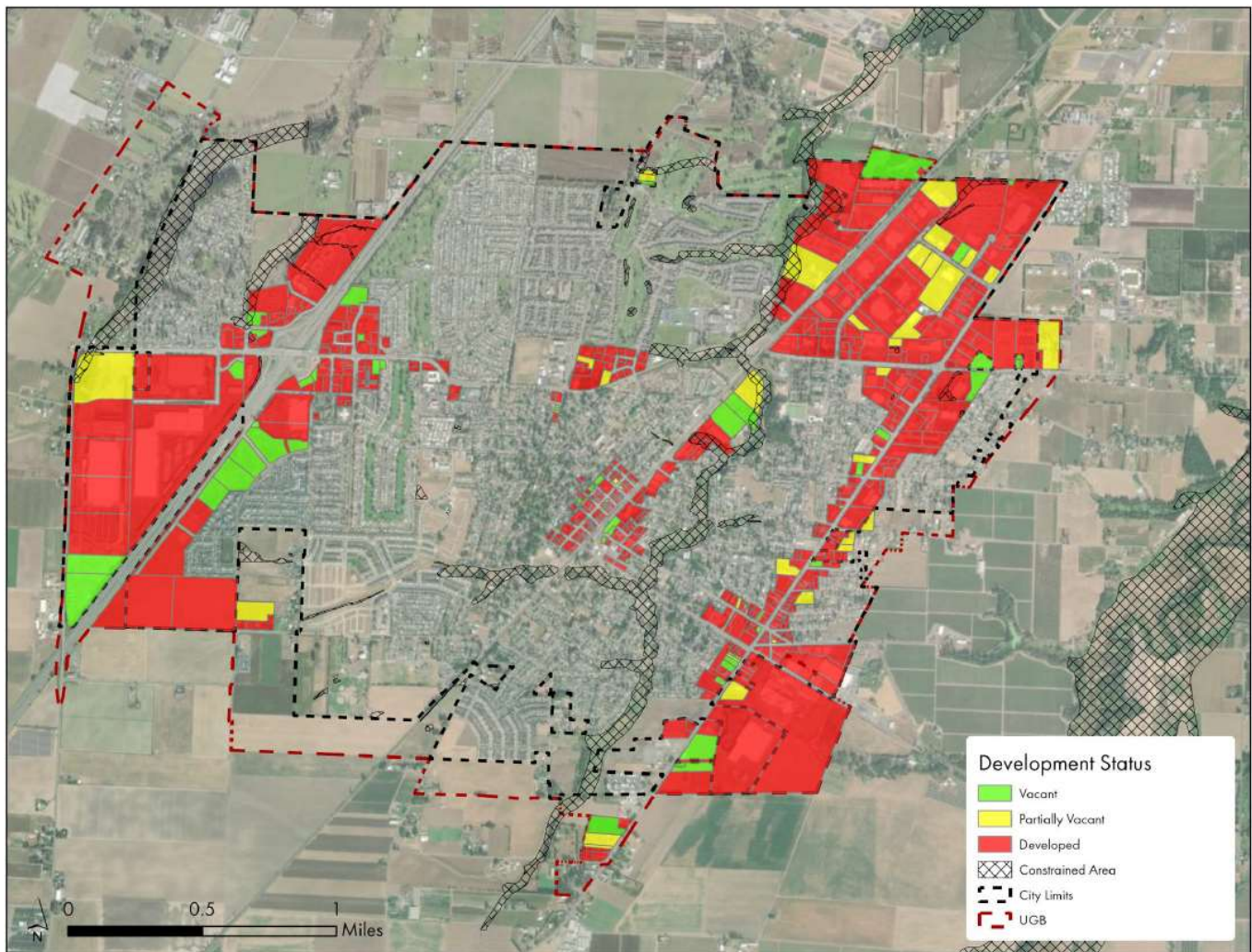
The BLI filtered all of the zoned employment land in Woodburn by Commercial or Industrial zoning category, environmental constraints that will limit development, and whether the parcel is already developed, vacant, or partially vacant (see Appendix C for more detail). The inventory was vetted to address development projects in the pipeline and known limitations on specific sites that will prevent development on all or a portion of the site.

The following figure presents the estimated net developable acres of land by zone. There are an estimated 65 net acres of buildable Commercial land and an estimated 77 net acres of buildable Industrial land.

FIGURE 7.02: BUILDABLE LAND INVENTORY, NET DEVELOPABLE ACRES BY ZONE (WOODBURN)

	Vacant	Partially Vacant	Total
Commercial General (CG)	34.1	4.1	38.2
Commercial Office (CO)	3.3	1.1	4.4
Downtown Development & Conservation (DDC)	0.6	0.2	0.8
Mixed Use Village (MUV)	0.4	0.1	0.5
UGB Commercial	7.0	14.0	21.0
Commercial/Mixed use Subtotal	45.3	19.5	64.8
Light Industrial (IL)	27.4	9.2	36.6
Industrial Park (IP)	1.8	18.6	20.4
UGB Industrial	20.2	0.0	20.2
Industrial Subtotal	49.4	27.9	77.3
Total	94.7	47.4	142.1

Source: City of Woodburn, MIG

FIGURE 7.03: BUILDABLE LAND INVENTORY, EMPLOYMENT LAND BY DEVELOPMENT STATUS (WOODBURN)

Source: City of Woodburn, MIG

KNOWN EMPLOYMENT SITES IN ADDITION TO THE BUILDABLE LAND INVENTORY

Two known sites are currently permitted or under construction for new industrial space that will house future employment. Because of the advanced development status of these sites, they were not counted among the inventory of remaining buildable land. However, these sites do not yet house their future employment and *therefore are counted with the BLI* as providing estimated capacity to hold a share of the projected jobs over the next 20 years.

These sites are the Amazon distribution facility (81.3 acres), near completion at the time of this analysis. The other site is a planned and permitted multi-tenant industrial development (29.6 acres) also located in the Southwest Industrial Reserve. In total these two known sites are 110.8 acres of industrial land as shown in Figure 7.04, which is added to the BLI as additional effective employment land capacity.

COMPARING RECONCILIATION OF 20-YEAR LAND SUPPLY AND DEMAND

Comparing the Buildable Land Inventory (including known sites under development) to the 20-year forecast of employment land need indicates that the City of Woodburn faces a deficit of employment land over the planning period in both the Commercial and Industrial categories. A summary of the comparison of land supply and demand is presented below.

FIGURE 7.04: RECONCILIATION OF LAND SUPPLY AND 20-YEAR DEMAND (WOODBURN)

EMPLOYMENT ZONING DESIGNATION	20 YR. DEMAND (Gross Acres)	BUILDABLE LAND (Acres)	Plus Known Future Emp. Sites (Acres) ¹	TOTAL BLI + Known Sites (Acres)	SURPLUS OR (DEFICIT) (Gross Acres)
COMMERCIAL (RETAIL AND OFFICE)	171.4	64.8	0.0	64.8	(106.6)
Commercial General (CG)		38.2			
Commercial Office (CO)		4.4			
Downtown Dev. & Conservation (DDC)		0.8			
Mixed Use Village (MUV)		0.5			
UGB Commercial		21.0			
INDUSTRIAL (INDUSTRIAL AND OFFICE)	460.7	77.3	110.8	188.1	(272.6)
Light Industrial (IL)		36.6	110.8	147.4	
Industrial Park (IP)		20.4		0	
UGB Industrial		20.2		0	
TOTAL:	632.1	142.1	110.8	252.9	(379.2)

¹ Two known sites are currently permitted or under construction for new industrial space that will house future employment. Because of the development status of these sites, they were not counted among the inventory of remaining buildable land. However, these sites do not yet house their future employment and therefore are counted here as providing estimated capacity to hold a share of projected jobs over the next 20 years. These sites are the Amazon distribution facility (81.3 acres), near completion at the time of this analysis. The other site is a planned and permitted multi-tenant industrial development (29.6 acres) also located in the Southwest Industrial Reserve.

Source: Johnson Economics, MIG

- This analysis indicates that Woodburn faces a deficit of 107 gross Commercial acres, and 273 gross Industrial acres, for a **total employment land deficit of 380 gross acres**.
- It is important to note that some of the forecasted growth will include employers who may have specific site needs and preferences that are not reflected in the available buildable inventory. (See Appendix A for more details on site preferences for certain key industries.) In particular, there is forecasted demand for more suitable large-lot industrial sites while relatively few of these sites were found in the inventory that are unconstrained.

VIII. CONCLUSIONS

The EOA report points to several key conclusions regarding economic development goals and target industries in Woodburn over the next 20 years. It also quantifies projected employment growth and land need within the UGB, and the adequacy of the current supply of employment land to meet that need.

A number of local advantages were identified that help enhance Woodburn's economic development potential. Some main themes are:

- The **centralized location** between the Portland and Salem metro areas makes Woodburn a good place to live and do business for those seeking to serve the regional market.
- The network of the I-5 freeway and highways serving the mid-valley provides **excellent transportation connectivity** for local businesses. The freeway interchange provides quick access and excellent visibility.
- The city can draw on a **regional labor market** to support growing businesses and attract new industries.
- Woodburn offers a high **quality of life** for those who live and work locally.
- The City can leverage regional **economic development partnerships** with local employers, business organizations, other government and non-profit agencies, and educators.
- Woodburn has established **economic development tools** including an Enterprise Zone, Opportunity Zone, and Urban Renewal incentives.

Employment Growth

Woodburn is home to an estimated 11,965 jobs as of 2023. The largest sectors by number of jobs are retail trade, health care and social assistance, agriculture support industries, leisure and hospitality, and manufacturing.

Based on a forecasted annual growth rate of 2.3%, the city is expected to add roughly 6,830 jobs by 2043. The greatest growth in number of jobs is projected to be in many of the same strong sectors, along with transportation and warehousing, construction, and education.

Broken down into broad categories of employment that tends to use commercial office/retail space, or that tends to use industrial space, the analysis forecasts that the 20-year demand for new employment land will be somewhat more weighted towards industrial land (73%) than commercial land (27%).

Expanding & Target Industries

The city has current advantages in several key industries including manufacturing of a wide range of product types, construction, retail, shipping and transportation, tourism. However, in keeping with the identified economic objectives, a range of potential target industries for growth were identified through this process.

The target industries reflect industries where the area has shown historic strength, as well as sectors with robust growth potential and consistency with the locally expressed vision for the community:

- 1) Manufacturing
- 2) Transportation, Warehousing, Utilities
- 3) Health Care and Social Assistance
- 4) Construction
- 5) Tourism (Accommodation and Dining)

- 6) Agricultural Support Businesses
- 7) Education

Supporting growth in a range of industries will help the community build a more diverse and sustainable employment and tax base for the future and be more resilient to economic impacts on the traditional local industries.

Employment Land Need

The EOA analysis finds that the forecasted 20-year job growth by industry will translate to a need for 529 total net acres (632 gross acres) of land zoned for employment uses. The distribution of land need between commercial uses (Office, Institutional, Retail) and industrial uses (Industrial, Warehouse, Business Park) leans towards industrial (73% vs. 27%).

A range of site sizes will be needed, ranging from small to large, to accommodate the projected business expansion. Different commercial and industrial users have different site requirements driven by the specific nature of their business operations, firm size, location and infrastructure requirements, and other factors.

Adequacy of Employment Land Supply

The Buildable Land Inventory (BLI) of employment lands completed in conjunction with the EOA found a total of 143 net buildable acres in Commercial and Industrial zones.

- The projected 20-year need for Commercial land trails the supply significantly, with an estimated 65 acres of commercial land remaining to meet a projected need for 171 gross acres. This indicates a deficit of 107 gross acres of Commercial land.
- There is a projected supply of 77 net acres of Industrial land to meet the forecasted need of 461 gross acres. There are also two known employment sites under development which will have a total of 110 gross acres of industrial land in addition to the BLI. This leaves a deficit of 273 gross acres of Industrial land.
- The total estimated deficit of employment land is 379.2 gross acres.
- The largest remaining contiguous development sites in Woodburn are under 20 acres in size, with most being five acres or less. In addition, roughly one third of the remaining buildable land is found in partially vacant parcels where the decision to add further development is subject to the desires of current property owners and/or tenants. The land for large-lot industrial or large commercial employers is very limited.

FIGURE 8.01: SIZE OF REMAINING BUILDABLE SITES, BY ACRES, BUILDABLE LAND INVENTORY, (WOODBURN)

	Number of lots	Share
Commercial/Mixed use		
0 – 5 acres	69	97.2%
5 – 10 acres	2	2.8%
>10 acres	0	0%
Commercial/Mixed use Subtotal	71	
Industrial		
0 – 5 acres	17	73.9%
5 – 20 acres	6	26.1%
>20 acres	0	0
Industrial Subtotal	23	
Total	94	

APPENDIX A: INDUSTRY SITE REQUIREMENTS

This section presents a series of tables that summarize key site requirements for a range of prospective tenant types.⁵ This is followed by further discussion of needs for some industry sectors relevant to the local market.

The 14 site requirements listed on the matrix provide a basis for establishing a profile of the physical and other site needs of the identified industry. The site requirements are intended to address the typical needs of each of the industry categories, and it is recognized that there will likely be unique or non-typical needs of a specific user that will need to be evaluated on a case-by-case basis.

The following describes a few general requirements that apply to *all* industry type categories under consideration and then an overview of the 14 site requirements listed on the matrix.

GENERAL REQUIREMENTS:

- The underlying zoning on the site must allow the use outright within the identified category. For example, no zone change, conditional use and/or similar land use review is necessary. Many jurisdictions typically require a design or development review which is acceptable, since the timeframe for obtaining such design-related approvals will be addressed in the State’s rating system.
- The site under consideration must be located geographically within a UGB.
- The site is not located within a 100-year floodplain as mapped by FEMA, although sites with approved FEMA map amendments (e.g., LOMA & LOMR) are acceptable.
- The net contiguous developable area (NCDA) of the site does not include hazardous contaminants as verified by a Level 1 Environmental Report, or a Level 2 Report that has received a No Further Action approval from DEQ; or existing wetlands or other natural features which are regulated at the State, Federal or local level; or federally endangered species.
- The NCDA does not contain any cultural or historical resources that have been identified for protection at the State, Federal or local level.
- The NCDA does not have mitigation plans that can be implemented in 180 days or less.

SITE REQUIREMENTS:

1. **Total Site Size:** The site size is taken to mean the size of the building footprint and includes buffers, setbacks, parking, mitigation, and expansion space.
2. **Competitive Slope:** Most industrial uses require relatively large building footprints that do not accommodate steps in floor slabs, and sloping topography

⁵ Business Oregon, Mackenzie.

will require extensive excavation and retaining systems that increase development cost over flat sites. The figures given are the preferred maximum average slope across the developable portion of the site, recognizing that sites with additional area outside the building, or developments with multiple building pads, generally will have lower slope earthwork costs than sites with limited space outside the building footprint.

3. **Trip Generation:** Sites are frequently limited by a jurisdiction to a specified total number of vehicle trips entering and exiting the site. This site requirement is an estimate of the minimum number of average daily trips per acre (based on the range of building coverage) that should be available for each of the industrial categories based on the Institute of Traffic Engineers (ITE) Manual-Ninth Edition. The following table lists the ITE codes used to estimate average trips for the industry profiles represented in the matrix.
4. **Miles to Interstate or Freight Route:** With few exceptions, access to major freeways or freight routes is critical for the movement of goods. This site requirement indicates the typical maximum range of distance, in miles, from the site to the freeway or highway access. The roadways/intersections between the site and freeway/highway must generally operate at a level of service 'D' or better in accordance with the Highway Capacity Manual methodologies and general engineering standards.
5. **Miles to Frequent Transit Service:** Businesses located walking distance (within one-quarter of a mile) to a bus stop that is serviced by a frequent bus line enjoy a competitive advantage over others that are more limited in transportation access options.⁶
6. **Railroad Access:** The need for access to railroad for the movement of goods within each industrial category is dependent upon individual users, so the site requirements are identified as either "Preferred," "Not Required," or "Avoid" in some cases where the presence of rail may be considered a deterrent to business.
7. **Proximity to Marine Port:** The need for access to a marine port for the movement of goods within each industrial category is dependent upon individual users.
8. **Proximity to International/Regional Airport:** The need for access to a regional airport for the movement of goods or business travel within each industrial category is dependent upon individual users.
9. **Availability of Water:** This requirement indicates the minimum sizes of domestic water and fire lines immediately available to the site. In certain rural cases, a comparable supply from an on-site water system (i.e., well or reservoir with available water rights) may be acceptable. In addition to lines sizes, preference for high-pressure water capabilities and average flow demand in gallons per day is specified for each industry type.
10. **Availability of Sanitary Sewer:** This requirement indicates the minimum size of public sanitary sewer service line immediately available to the site. In certain rural cases, an on-site subsurface system providing a comparable level of service may be acceptable. Sewer flow requirements were determined by calculating a percentage of the water flow for each industry type.
11. **Natural Gas:** This requirement indicates the minimum size natural gas line that is immediately available to the site. It is assumed that the pressure demand for all industry categories is 40-60 psi.
12. **Electricity:** This requirement indicates the minimum electrical demand readily available to each industry and where proximity to a substation and redundancy dependency rank on the continuum of less critical to more critical. Estimated demand is based on review of existing usage from local utility

⁶ We have defined "frequent bus line" as one with service occurring in no longer than 15 minute intervals.

providers, referencing industrial NAICS codes for the various profiles.

13. **Telecommunications:** This requirement indicates whether the availability of telecommunication systems are readily available, and where major commercial capacity, route diversity and fiber optic lines rank on the continuum of less critical to more critical. All sites are assumed to have a T-1 line readily available.
14. **Special Considerations:** Notes on industry-specific factors.

CRITERIA		PROFILE	A	B	C	D	E	F	G	H	I	J
			Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
GENERAL REQUIREMENTS		Use is permitted outright, located in UGB or equivalent and outside flood plain; and site (NCDA) does not contain contaminants, wetlands, protected species, or cultural resources or has mitigation plan(s) that can be implemented in 180 days or less.										
PHYSICAL SITE												
1	TOTAL SITE SIZE*	Competitive Acreage**	5 - 100+	5 - 15	5 - 20	5 - 25+	5 - 50+	20 - 100+	10 - 100+	5 - 20	10 - 100+	5 - 25+
2	COMPETITIVE SLOPE:	Maximum Slope	0 - 5%	0 - 7%	0 - 7%	0 - 5%	0 - 5%	0 - 7%	0 - 3%	0 - 7%	0 - 7%	0 - 5%
TRANSPORTATION												
3	TRIP GENERATION:	Average Daily Trips per Acre	40 - 60	80 - 200 ₁	120 - 240 ₂	50 - 60	40 - 50	60 - 150	50 - 60 ₃	400 - 500 ₄	20 - 30	40 - 50
4	MILES TO INTERSTATE OR FREIGHT ROUTE:	Miles	w/in 10	w/in 5	w/in 5	w/in 30	w/in 20	w/in 5	w/in 5	w/in 5	w/in 30	N/A
5	MILES TO FREQUENT TRANSIT SERVICE (15 MIN OR LESS)	Miles	0.6	0.5	0.8	< 0.1	0.2	0.1	0.3	< 0.1	0.1	< 0.1
6	RAILROAD ACCESS:	Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Avoid	Avoid	N/A
7	PROXIMITY TO MARINE PORT:	Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Not Required	Not Required	N/A
8	PROXIMITY TO INTERNATIONAL/ REGIONAL AIRPORT:	Dependency	Competitive	Required	Preferred	Preferred	Preferred	Required	Not Required	Not Required	Competitive	N/A
		Distance (Miles)	This criteria cannot be met in Eastern Oregon									

PROFILE			A	B	C	D	E	F	G	H	I	J
CRITERIA			Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
9	UTILITIES											
	WATER:	Min. Line Size (Inches/Dmtr)	12" - 16"	6" - 8"	8" - 10"	12" - 16"	6" - 10"	8" - 12"	6" - 10"	8" - 12"	16"	4" - 8"
		Min. Fire Line Size (Inches/Dmtr)	12" - 18"	8" - 10"	8" - 12"	10" - 12"	8" - 10"	8" - 12"	8" - 10"	8" - 12"	10"-12"	6" (or alternate source)
		High Pressure Water Dependency	Required	Not Required	Not Required	Required	Not Required	Preferred	Not Required	Not Required	Required	Not Required
		Flow (Gallons per Day per Acre)	5,200	1,200	1,500	3,150	1,850	2,450	1,200	1,800 _s	50 - 200†	1,200
10	SEWER:	Min. Service Line Size (Inches/Dmtr)	12" - 18"	6" - 8"	8" - 10"	10" - 12"	6" - 8"	10" - 12"	6" - 8"	6" - 10"	8" - 10"	4" - 6" (or on-site source)
		Flow (Gallons per Day per Acre)	4,700	1,000	2,000	2,600	1,700	2,000	1,000	1,500 _s	1,000‡	1,000
11	NATURAL GAS:	Preferred Min. Service Line Size (Inches/Dmtr)	6"	4"	4"	4"	4"	6"	4"	4" - 6"	4"	N/A
		On Site	Competitive	Preferred	Competitive	Preferred	Competitive	Competitive	Preferred	Competitive	Preferred	Preferred
12	ELECTRICITY:	Minimum Service Demand	4 - 6 MW	1 - 2 MW	0.5 - 1 MW	2 - 6 MW	0.5 MW	2 - 6 MW	0.5 MW	0.5 - 1 MW	5 - 25 MW	1 MW
		Close Proximity to Substation	Competitive	Competitive	Preferred	Not Required	Preferred	Competitive	Not Required	Preferred	Required, could be on site	Not Required
		Redundancy Dependency	Preferred	Preferred	Preferred	Not Required	Not Required	Competitive	Not Required	Preferred	Required	Not Required
13	TELECOMMUNICATIONS:	Major Communications Dependency	Required	Required	Required	Preferred	Required	Required	Preferred	Required	Required	Preferred
		Route Diversity Dependency	Required	Required	Required	Not Required	Not Required	Required	Preferred	Preferred	Required	Not Required
		Fiber Optic Dependency	Required	Required	Required	Preferred	Preferred	Required	Competitive	Preferred	Required	Not Required

PROFILE		A	B	C	D	E	F	G	H	I	J
CRITERIA		Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
14	SPECIAL CONSIDERATIONS:	Acreage allotment includes expansion space (often an exercisable option). Very high utility demands in one or more areas common. Sensitive to vibration from nearby uses.	1: Research & Development @ 80 ADTs per acre on the low end, estimated 200 ADTs per acre for general office on the high end. Location specific.	2: Range represents FAR 0.25 - 0.5 of office uses Location to other cluster industries.	May require high volume/supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. Onsite water pre-treatment needed in many instances.	Adequate distance from sensitive land uses (residential, parks) necessary. Moderate demand for water and sewer. Higher demand for electricity, gas, and telecom.	High diversity of facilities within business parks. R&D facilities benefit from close proximity to higher education facilities. Moderate demand on all infrastructure systems.	3: General warehousing rates	4: Based on discount warehouse @ 0.25 FAR 5: Dependent on use, i.e., brewery vs. restaurant Location to cluster industries.	Site size differs due to land cost and availability. Urban-area centers may require 10-20 acres, while E. Oregon centers will typically use larger sites. Also the trend is towards increasing site size as cloud storage needs continue to increase. Power delivery, water supply, and security are critical. Surrounding environment (vibration, air quality, etc.) is crucial. May require high volume/supply of water and sanitary sewer treatment.	Often established by municipalities and have symbiotic relationships with colleges and/or universities.

Terms:

<div>More Critical</div> <div>↑</div> <div>Less Critical</div>	'Required' factors are seen as mandatory in a vast majority of cases and have become industry standards.
	'Competitive' significantly increases marketability and is <i>highly recommended by Business Oregon</i> . May also be linked to financing in order to enhance the potential reuse of the asset in case of default.
	'Preferred' increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical.
	'Not Required' does not apply for this industry and/or criteria.
	'Avoid' factors act as deterrents to businesses in these industries because of negative impacts.
*Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space.	
**Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.	
† Data Center Water Requirements: Water requirement is reported as gallons per MWh to more closely align with the Data Center industry standard reporting of Water Usage Effectiveness (WUE).	
‡ Data Center Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.	

Source: Business Oregon, Mackenzie

APPENDIX B: NATIONAL, STATE, AND COUNTY ECONOMIC TRENDS

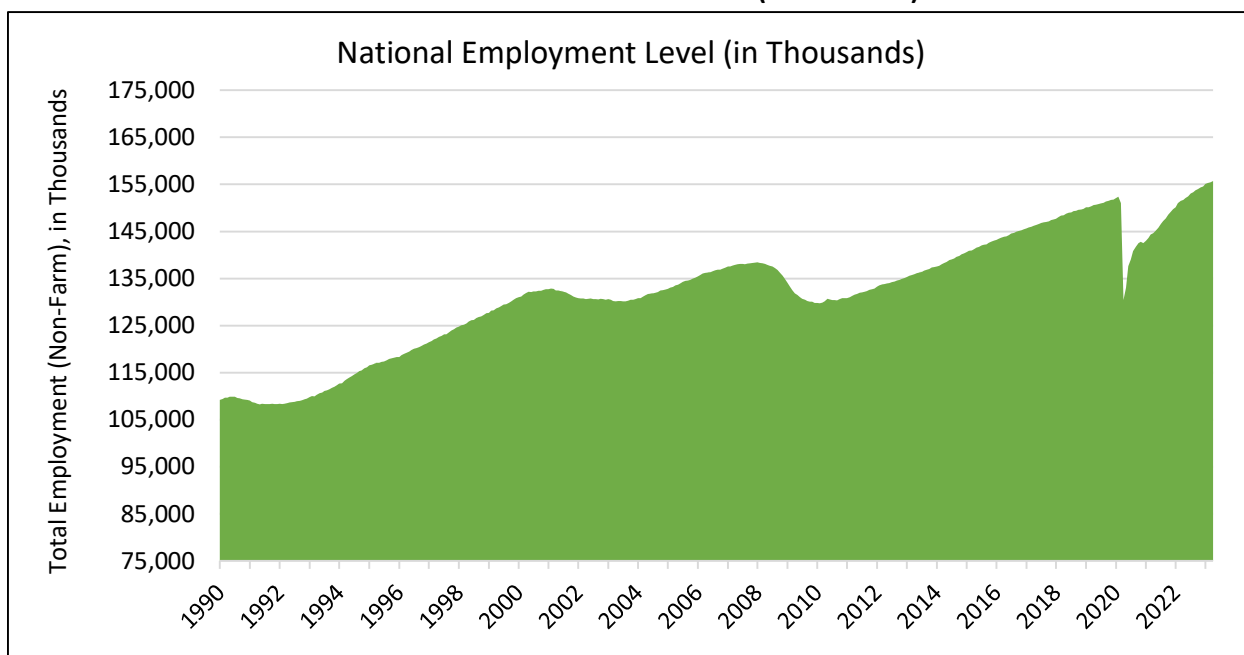
This section summarizes long and intermediate-term trends at the national, state, and county level that will influence economic conditions in the City of Woodburn over the 20-year planning period. This section is intended to provide the economic context for growth projections and establish a socioeconomic profile of the community. This report's national evaluation has a focus on potential changes in structural socioeconomic conditions both nationally and globally. Our localized analysis considers local growth trends, demographics, and economic performance.

A. NATIONAL TRENDS

After a decade of sustained economic expansion in the 2010's, the national economy has been significantly impacted in the last few years by the COVID-19 pandemic, which led to a sharp decrease in employment and economic and lifestyle disruptions in 2020 and 2021. During this period, workforce patterns changed as many workplaces were shut and employees transitioned to working from home, while others were laid off. Many other frontline or service workers continued to work in person as their jobs were essential or necessary to maintain shopping and other service needs.

Employment: In the first months of the pandemic, the nation lost nearly 22 million jobs, or 14% of total employment. But the recovery has been remarkable swift. As of mid-2022, employment had returned to pre-pandemic levels nationwide, and as of Spring 2023 is 2% higher than the prior peak of early 2020 (Figure 1.1).

FIGURE 1.01: NATIONAL EMPLOYMENT (1990 – 2023)



Source: U.S. Federal Reserve Bank of St. Louis

Unemployment Rate: The national unemployment rate spiked to nearly 15% in 2020 as many businesses paused operations or closed permanently in the first months of the pandemic. However, the unemployment rate began to decline almost immediately, and by mid-2022 had fallen back to roughly 3.5%. As of Spring 2023, the seasonally adjusted unemployment rate is 3.4%, the lowest levels seen in decades (Figure 1.2).

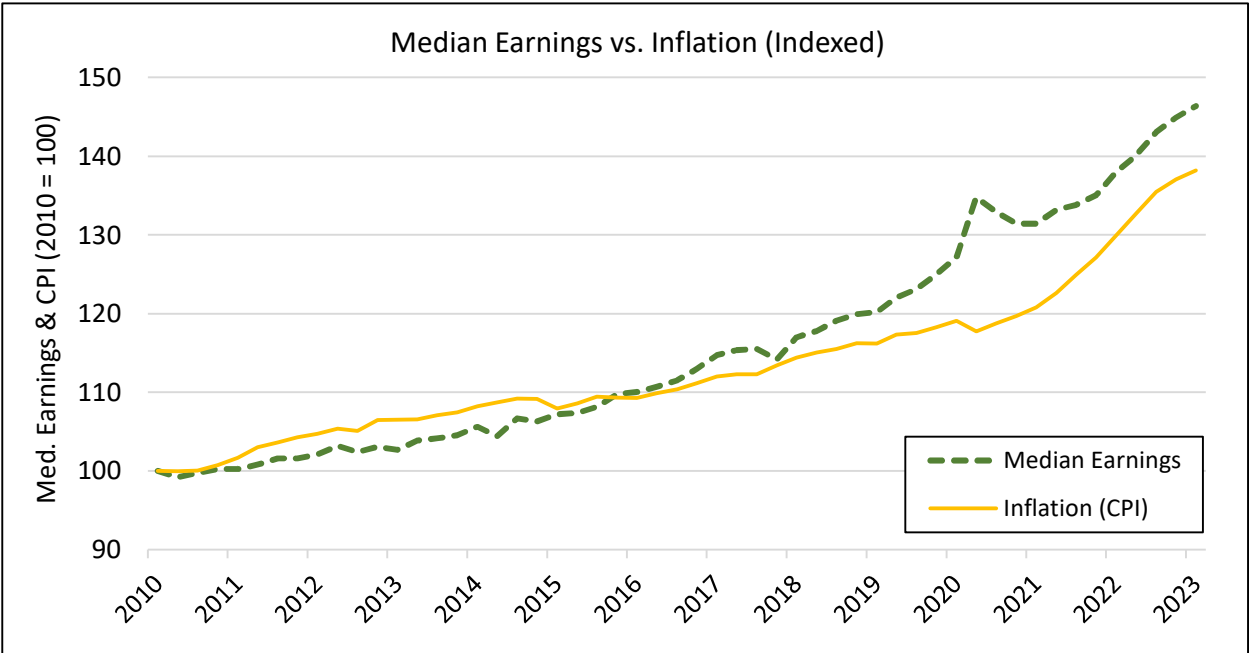
FIGURE 1.02: NATIONAL UNEMPLOYMENT RATE (1990 – 2023)



Source: U.S. Federal Reserve Bank of St. Louis

Inflation: The counter story to this strong positive rebound in employment has been a rising rate of inflation coming out of the pandemic. Various stimulus measures, combined with supply shortages, led to rising prices for many consumer products, energy, and food. The rate of inflation accelerated in 2021 and began moderating towards the end of 2022, though the rate remains elevated (Figure 1.3).

FIGURE 1.03: MEDIAN EARNINGS INDEX VS. INFLATION INDEX (2010 – 2023)

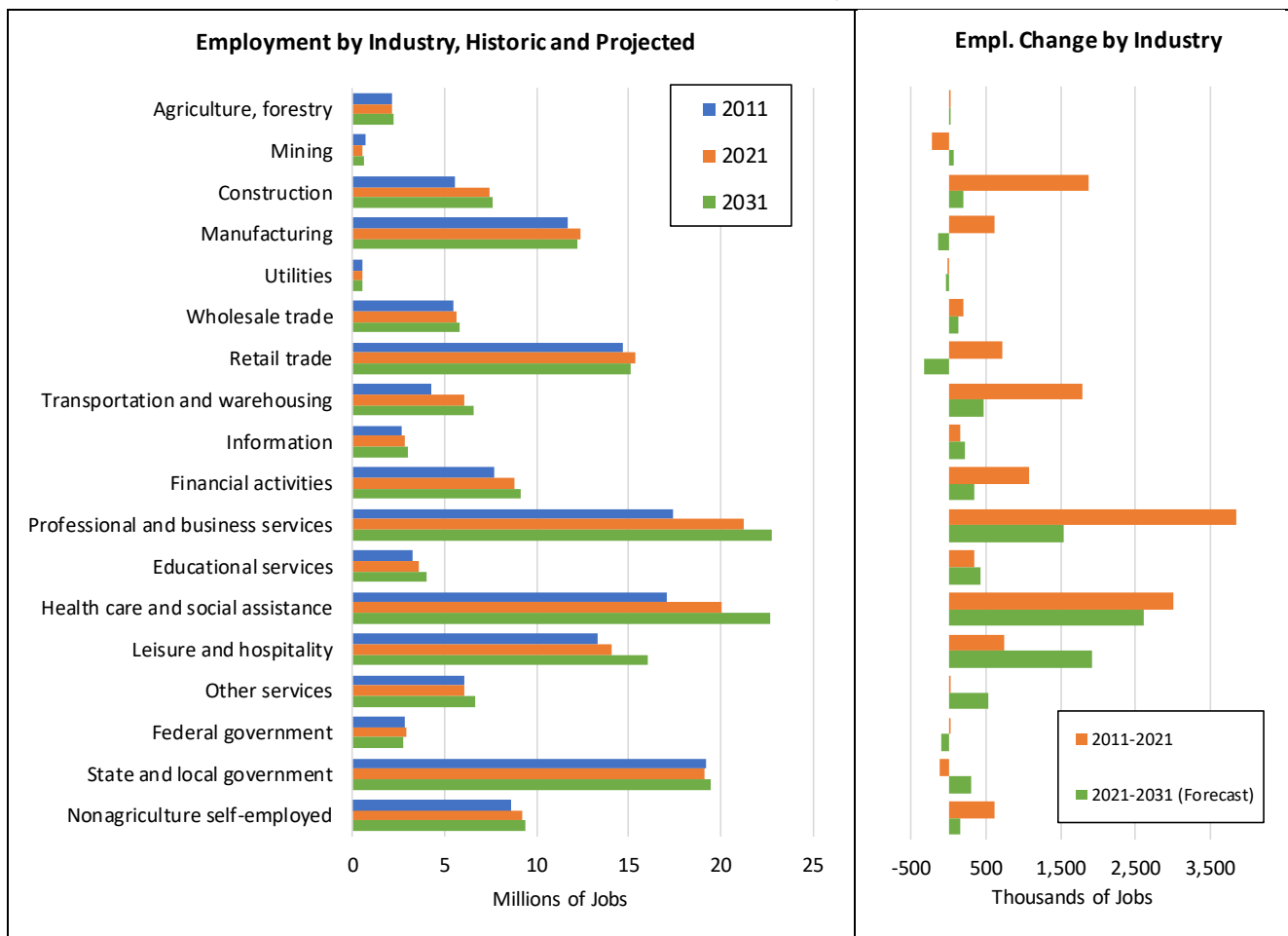


Source: U.S. Federal Reserve Bank of St. Louis; Consumer Price Index for Urban Consumers (US); Median Earnings for Full-Time Employees, Seasonally Adjusted.

Wages: On a positive note, average household earning levels have also enjoyed growth coming out of the recession and have largely kept pace with inflation in recent years. Earnings also spiked in 2020 when government stimulus payments were added to earned wages (Figure 1.3).

Industry Sector Employment: At a national level healthcare & social assistance is projected to account for the largest share of new employment growth, followed by professional & business services, and leisure & hospitality. The aging of the population is expected to drive the healthcare sector over the next few decades.

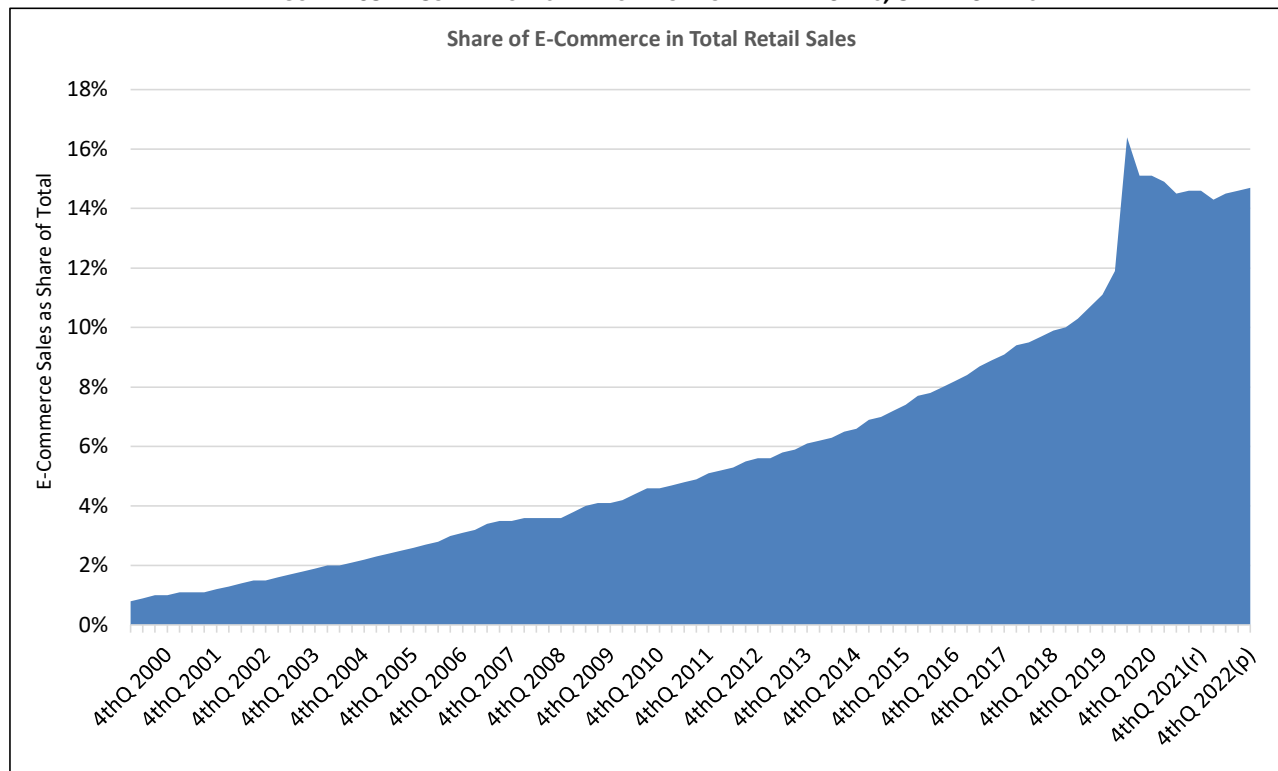
FIGURE 1.04: NATIONAL EMPLOYMENT GROWTH BY SECTOR, HISTORIC AND PROJECTED



SOURCE: US Bureau of Labor Statistics

Recent trends and current forecasts reflect a shift from a goods economy, featuring manufacturing and natural resources, towards a service economy, which emphasizes technological innovation, research, and design.

The most dramatic spending shift in the context of real estate in recent times is the growth in online shopping, which has reduced the overall need for brick-and-mortar space, especially from retailers selling physical goods. While the share of sales accounted for by e-commerce has grown at a steady pace over the last decade, the pandemic greatly accelerated this trend. In 2020, the share of sales taking place online jumped from 12% of total retail spending to 16%. It has since settled to 14.5% of spending, which is well above the pre-pandemic share (Figure 1.05).

FIGURE 1.05: E-COMMERCE AS A PERCENT OF TOTAL RETAIL SALES, UNITED STATES

SOURCE: Retail Indicators Branch, U.S. Census Bureau, JOHNSON ECONOMICS

The growth in e-commerce has accelerated a shift in storage needs from retail stores to warehouses and distribution centers. At the same time, automation is causing a consolidation within the warehousing and distribution industry, leading to increasing reliance on larger third-party operators able to make heavy investments in capital and expertise. Finally, changes in the use of electronic devices and growth in online services are causing a shift in the tech sector, from hardware manufacturing to software development.

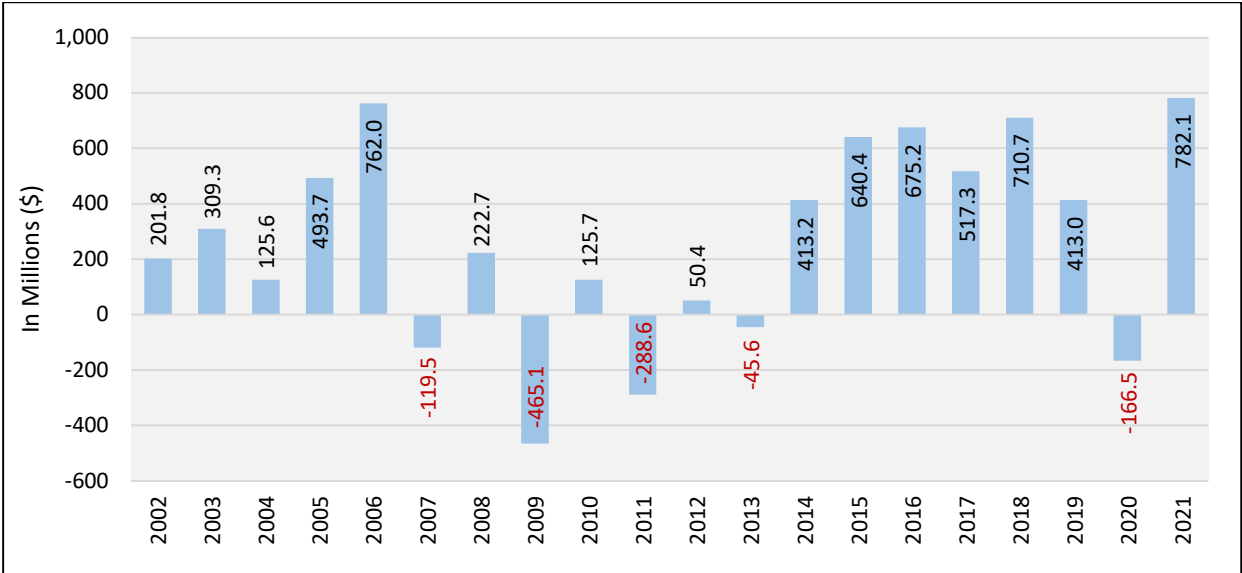
This pattern has also been reflected in the State of Oregon, with e-commerce employment increasing at the expense of brick-and-mortar retail employment. This is causing a shift in storage needs from retail stores to warehouses and distribution centers.

B. MARION COUNTY ECONOMIC TRENDS

Following the housing- and banking-led recession of 2008/9, Marion County experienced low to negative economic growth from 2010 to 2013. Positive GDP growth returned in 2014 and remained steady up until the negative shock of the pandemic in 2020. However, the rebound of 2021 was the strongest year of GDP growth experienced in Marion County in 20 years⁷. (2021 is the most recent year available for this data set.)

⁷ U.S. Bureau of Economic Analysis (www.bls.gov/data/), March 2023

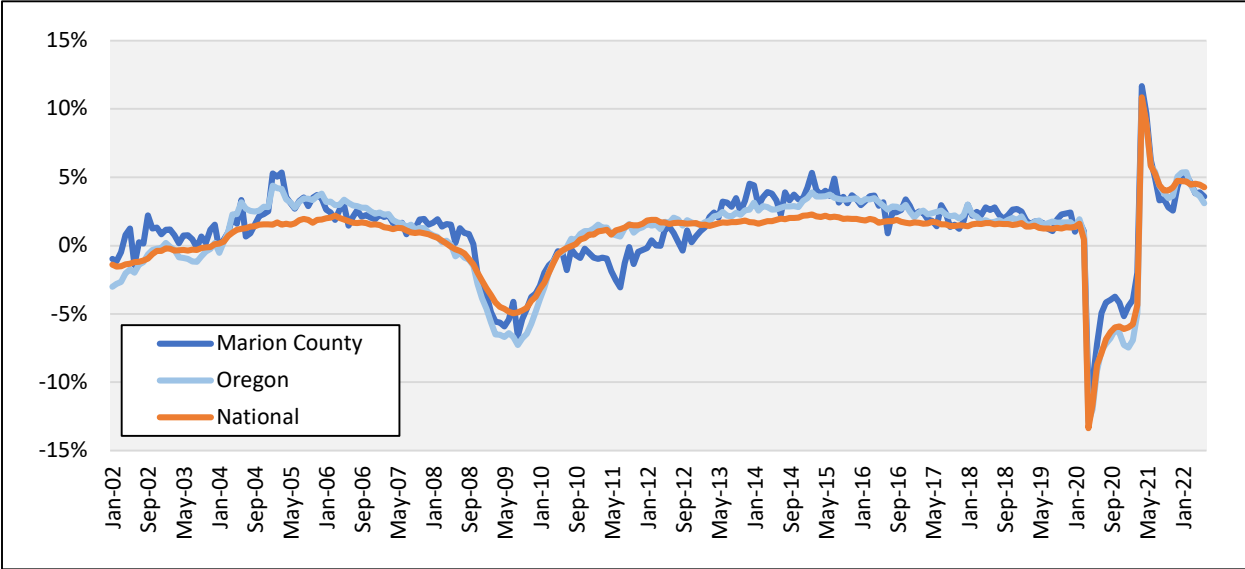
FIGURE 1.06: ANNUAL CHANGE IN GDP, MARION COUNTY (2002 – 2021)



SOURCE: U.S. Bureau of Economic Analysis

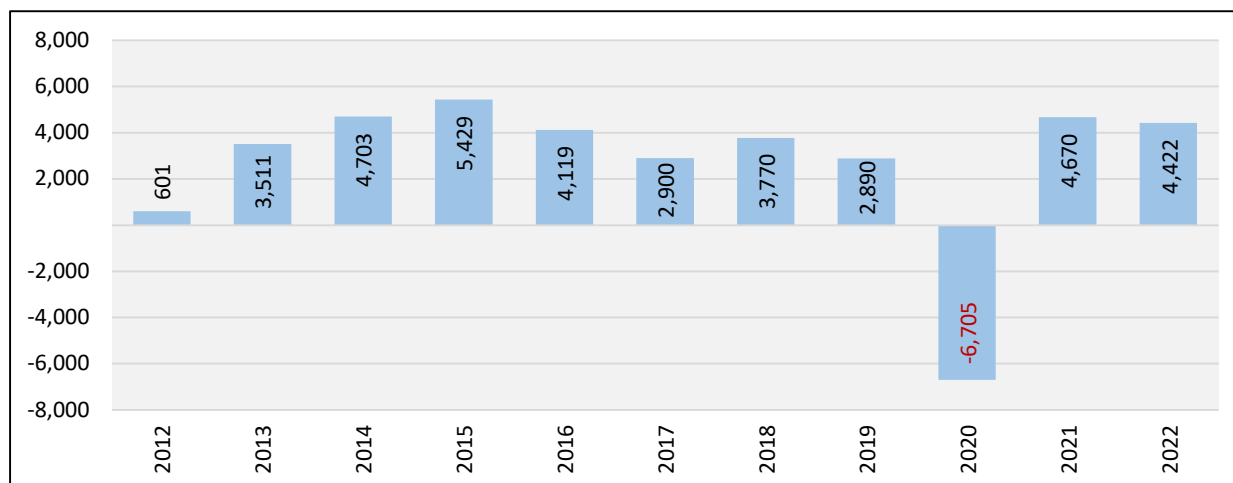
Both the county and state have consistently outperformed the national employment growth rate over the last decade. During 2020, Marion County experienced a milder decrease in employment than the nation or state. Additionally, Marion County’s recovery was the strongest of the three. From March 2020 to April 2021, employment growth in Marion County averaged nearly two percentage points higher than the state or nation.

FIGURE 1.07: COMPARISON OF ANNUAL EMPLOYMENT GROWTH RATES (2002 – 2022)



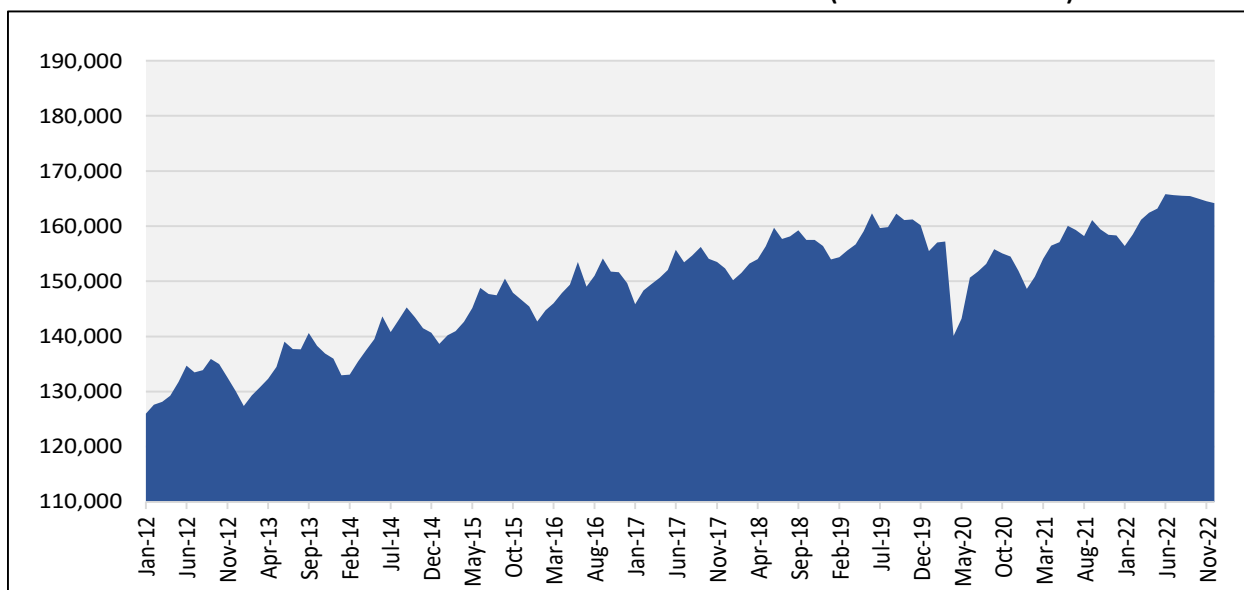
SOURCE: U.S. Bureau of Labor Statistics, Oregon Employment Department, JOHNSON ECONOMICS

Annual employment growth in Marion County peaked in 2015 with roughly 5,400 jobs added. Following 2015, employment growth decelerated but remained positive, before shedding roughly 6,700 jobs in 2020 due to the pandemic. As of 2022, all the jobs lost in 2020 have been recovered, while the state had only recovered roughly 80% of the jobs lost by the end of 2022.

FIGURE 1.08: NET CHANGE IN EMPLOYMENT, MARION COUNTY (2012 – 2022)

SOURCE: Oregon Employment Department, JOHNSON ECONOMICS

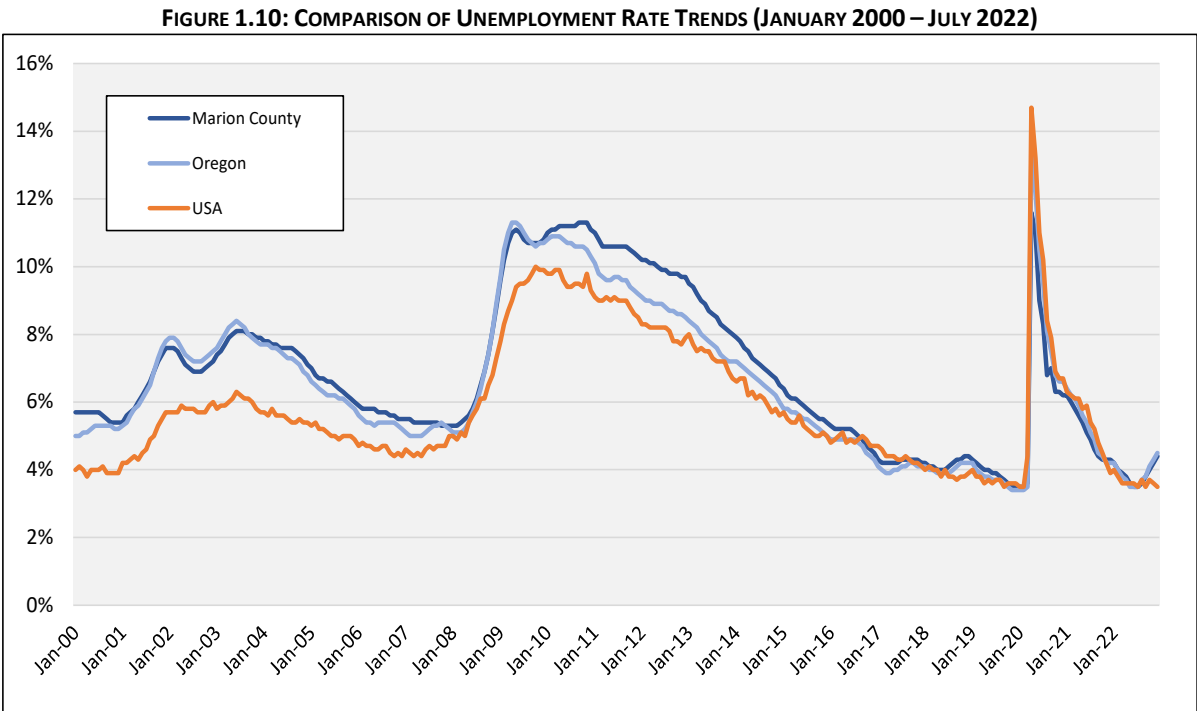
Marion County's employment level per month reveals that employment cyclically drops during winter months. Employment levels typically peak anywhere between May to September. This implies that seasonal employment is an important component of the county's overall economy, in particular agriculture and tourism-related businesses. The broader trend shows that the total employment level has been consistently increasing in the last decade. In 2012, the average employment level hovered around 125,000 to 135,000 and as of 2022, the employment level averaged 163,000 jobs.

FIGURE 1.09: MARION COUNTY EMPLOYMENT LEVEL BY MONTH (JAN. 2012 – DEC. 2022)

SOURCE: Oregon Employment Department, JOHNSON ECONOMICS

The Marion County unemployment rate has historically been in-line with Oregon's, but higher than the nation's. Towards the latter half of the 2010's, the unemployment rate between the three geographies was largely in sync, falling from 5% in 2016 to under 4% prior to the pandemic. In early 2020, Marion County experienced an unemployment rate of roughly 12%, while the nation's unemployment rate was nearly 15%. As of 2022, Marion

County and Oregon have seen a slight uptick in unemployment rates following the recovery from COVID, although unemployment remains at 4.3%.



SOURCE: St. Louis Federal Reserve, JOHNSON ECONOMICS



MEMORANDUM

Employment Buildable Lands Inventory Woodburn Economic Opportunities Analysis

DATE October 31, 2023
TO Renata Wakeley, City of Woodburn Special Projects Director
FROM Matt Hastie, Clinton “CJ” Doxsee, and Sun-gyo Lee, MIG|APG
CC Brendan Buckley, Johnson Economics

INTRODUCTION

This memorandum describes the methodology and updated results of the Buildable Lands Inventory (BLI) for the City of Woodburn’s Economic Opportunities Analysis (EOA).

The draft BLI represents the second phase of an Economic Opportunities Analysis (EOA) for the City. The first phase of the EOA, conducted by Johnson Economics, identified employment conditions and trends, target industries, employment land needs, and draft strategies and actions to achieve the City’s economic objectives. Once the BLI has been further refined as needed by City staff and the Technical Advisory Group (TAG), it will be used to update the City’s recommended economic development strategies and actions. This inventory covers land within the City’s urban growth boundary (UGB), consistent with Oregon statutory and administrative rule requirements.

REGULATORY BASIS

The BLI is conducted consistent with the following requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009) as they pertain to BLIs. The BLI supports an Economic Opportunities Analysis that is currently underway.

1. **Economic Opportunities Analysis (OAR 660-009-0015).** The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area.

2. **Industrial and commercial development policies (OAR 660-009-0020).** Cities with a population over 2,500 are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.
3. **Designation of lands for industrial and commercial uses (OAR 660-009-0025).** Cities and counties must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage, and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs.

BLI METHODOLOGY

Consistent with OAR 660-009-0015, the BLI is conducted in several steps, described below.

- **Step 1: Determine Land Type** – This step identifies all land within the UGB as either residential, employment, or other, based on zoning and other characteristics. Because this BLI is in support of an EOA, the inventory is further refined to include only employment and mixed use areas, with residential lands excluded.
- **Step 2: Identify and Calculate Constraints** – This step identifies development constraints and removes them from the inventory to get an accurate measurement of the amount of developable land within the UGB.
- **Step 3: Classify Land by Development Status** – This step classifies land into categories of Vacant, Partially Vacant, Developed, and Committed, based on a series of filters using available data.
- **Step 4: Inventory Results** – This step reports the results of the analysis in various ways, and accounts for land needed for right-of-way and other public uses to arrive at total developable net acreage within the UGB.

The remainder of this memorandum addresses each of the above steps in turn. The BLI data and assumptions described in the memo have undergone extensive review, discussion, and revision with City staff, other team members, state agency staff, and members of the Technical Advisory Committee. The current draft of the memo reflects the results of that process.

Step 1: Determine Land Type

Land in the City of Woodburn is categorized into Residential or Employment. This classification is made primarily by zoning designation as shown in Figure 1. Exceptions were made for cases based on existing land use, property ownership, or other circumstances. Figure 2 illustrates land as either employment based or residential based, depending on the underlying zoning. Employment based land types include zoning that allows for commercial or industrial types of development and are used as the basis of generating BLI information in subsequent steps.

Figure 1: Woodburn Zoning Designations

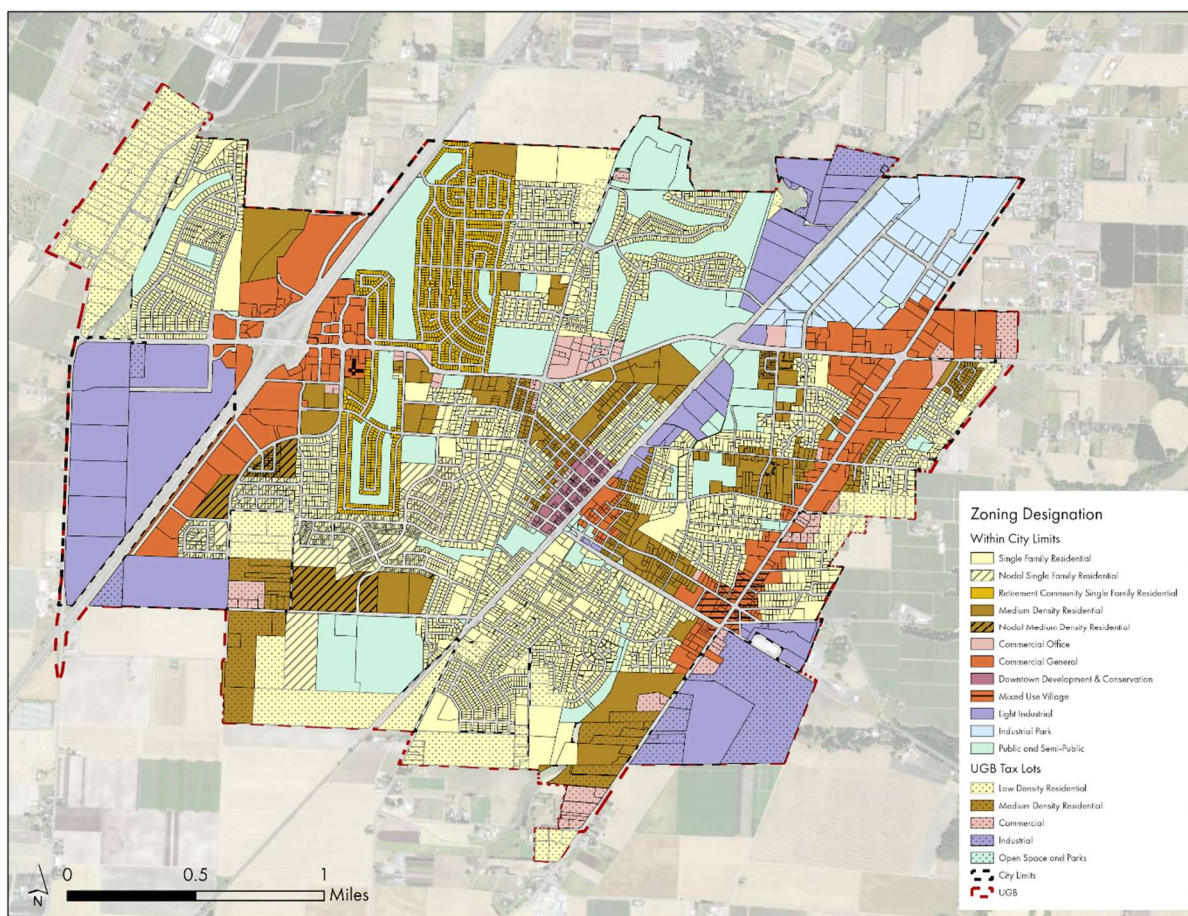


Figure 2: Woodburn Land Type

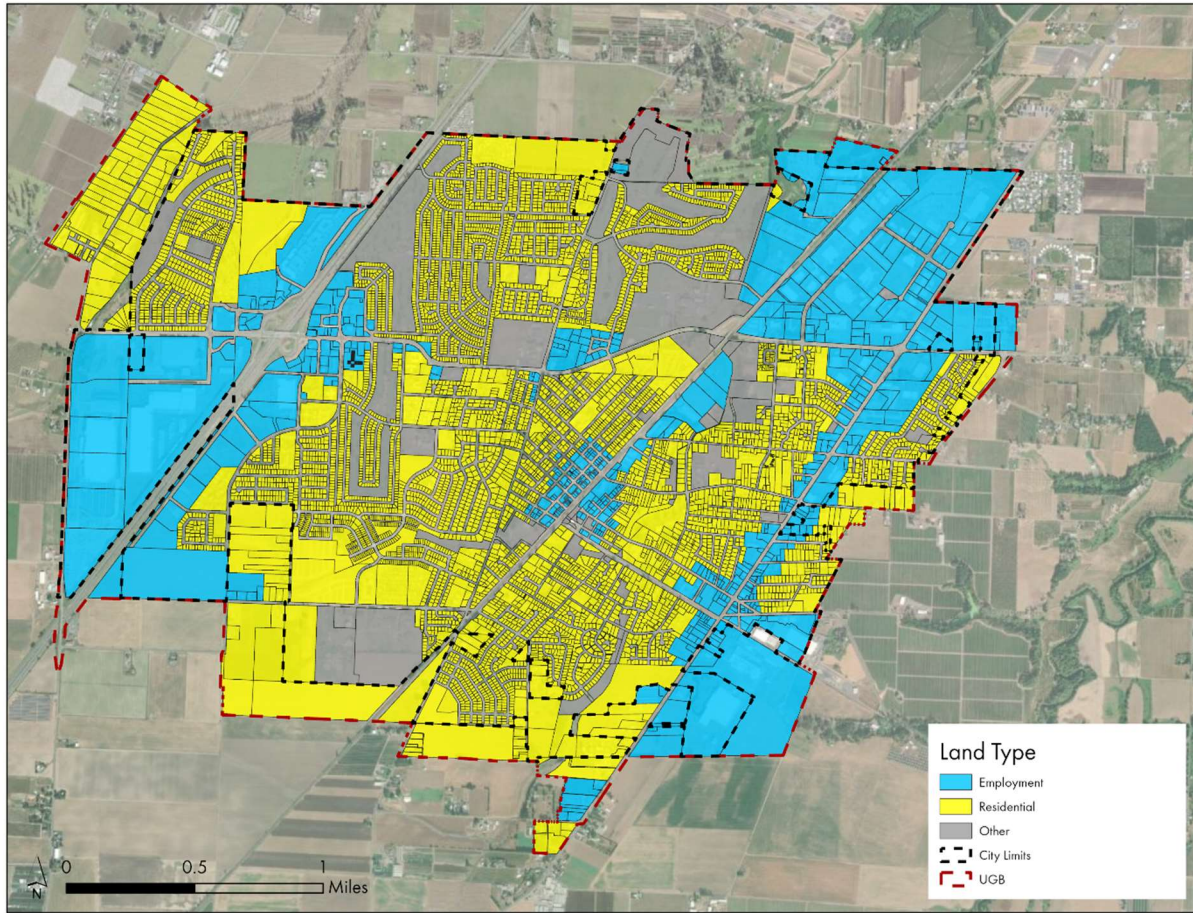


Table 1 summarizes the number of tax lots and gross acreage associated with the two land types. For the purpose of this inventory, portions of tax lots that extend beyond the UGB are not factored into the estimated land capacity. Overall, there are significantly fewer employment land type tax lots compared to residential land types. However, employment land type tax lots comprise nearly half of the overall gross acreage in the City's UGB, due to their much larger average size.

Table 1: Woodburn Land Type

	Number of Tax Lots	Gross Acres ¹
Employment	696	1,302.4
Residential	6,987	2,093.5
Total	7,683	3,395.9

¹ Gross acreage includes a limited number of tax lots that are partially located inside the Woodburn UGB.

Step 2: Calculate Constraints

As defined in OAR 660-009-005, “Development Constraints” are factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, slope, topography, infrastructure deficiencies, parcel fragmentation, or natural hazard areas. The constraints used for this analysis include:

- FEMA Floodplain Hazards, including regulatory floodways and 100-year flood hazard areas.
- Riparian Corridor Wetlands Overlay (RCWOD).
- National Wetlands Inventory

The portions of a site that are affected by one or more of these constraints are removed from the site area and are not considered buildable for the purposes of the inventory. Figure 3 shows the location of these constraints.

Figure 3: Woodburn Development Constraints

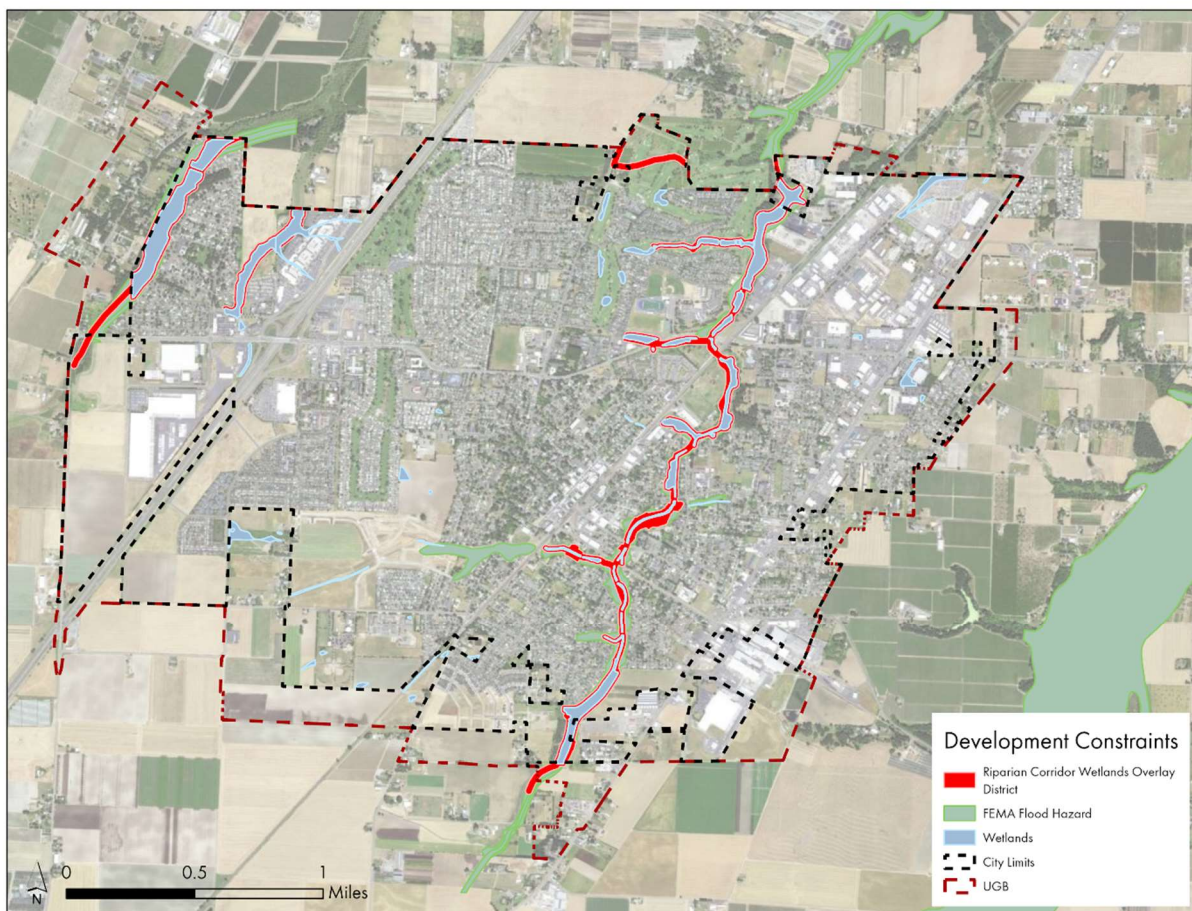


Table 2 provides a summary of the overall amount of constrained areas present within the UGB. Approximately 52 acres of employment land is constrained by FEMA floodplain hazards or the RCWOD overlay.

Table 2: Woodburn Development Constraints

	Constrained (acres)	Unconstrained (acres)	Total (acres)
Employment	51.8	1,250.6	1,302.4
Residential	97.6	1,995.9	2,093.5
Total	145.4	3,250.5	3,395.9

Step 3: Classify Employment Land by Development Status

Employment land within the study area was classified by development status, as follows:

- **“Vacant”** land meets one or more of the following criteria:
 - Equal to or larger than ½ acre and not currently containing permanent improvements.²
 - Equal to or larger than 5 acres where less than ½ acre is occupied by permanent buildings or improvements.³
 - Improvement value is less than \$5,000 or less than 5% of the property’s land value.⁴
- **“Partially Vacant”** land has an improvement value of between 5% and 40% of the land value, or is greater than one acre in size with at least ½ acre not improved (based on aerial photo). Unless aerial photos or other information indicate otherwise, this inventory assumes that 50% of unconstrained land is vacant based on state harbor rules.⁵ A number of partially vacant sites have been adjusted to account for present conditions.
- **“Developed”** land has an improvement value greater than 40% of the land value and/or does not meet the definition of vacant or partially vacant.⁶ In addition, several other types of land were identified as developed, including the following:
 - Land approved for non-employment development (i.e., for residential uses).
 - Land currently used for outdoor storage of equipment or merchandise.
 - Land that is subject to site improvement or expansion plan

Table 3 presents a summary of the land development status organized by zoning inside City limits and by general commercial/industrial designation outside of City limits.

Table 3: Summary of Unconstrained Employment Land Acreage by Development Status

² Safe harbor pursuant to OAR 660-024-0050(3)(a)

³ Safe harbor pursuant to OAR 660-024-0050(3)(b)

⁴ Safe harbor pursuant to OAR 660-038-0120(2)(a)

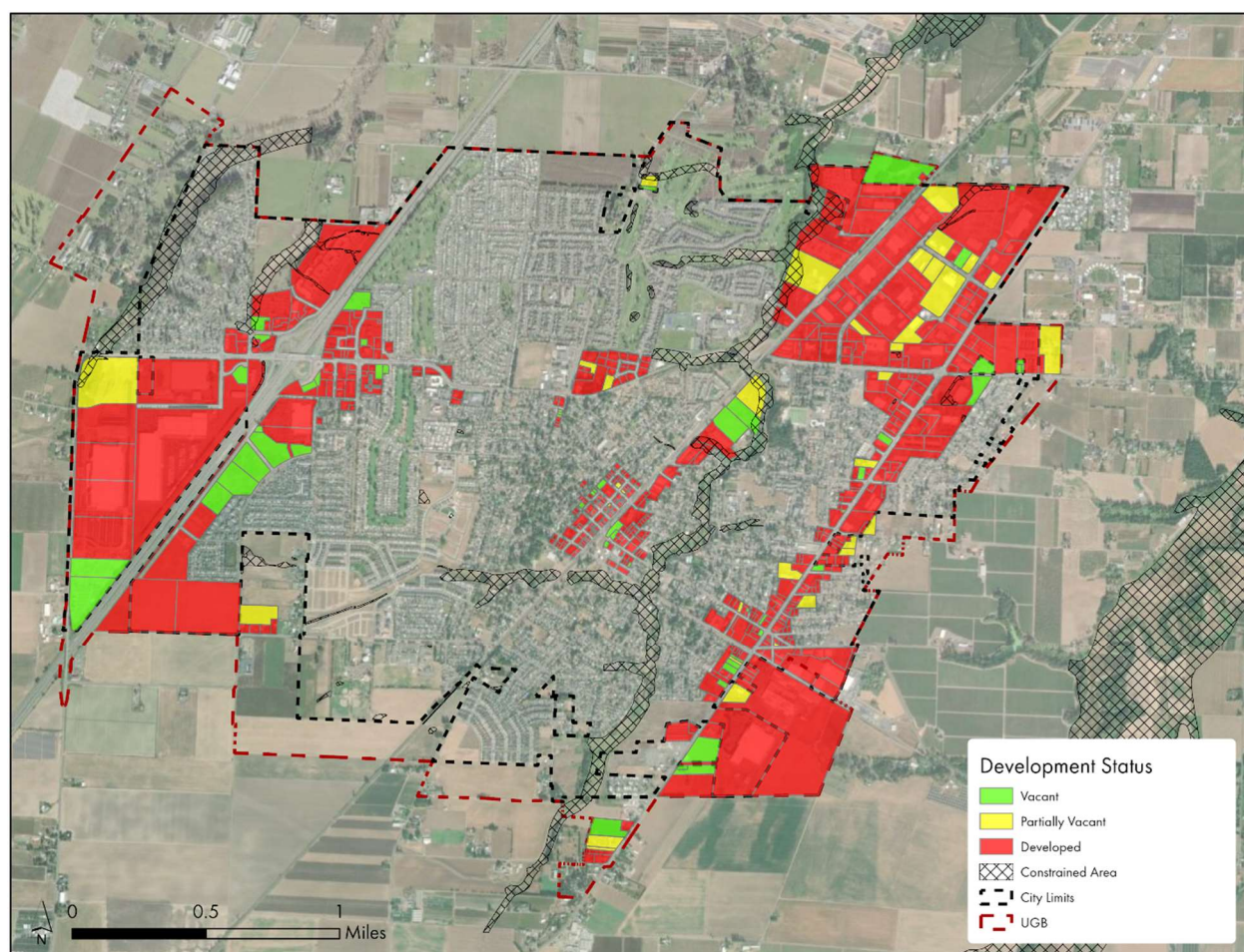
⁵ Safe harbor pursuant to OAR 660-038-0120(2)(b)

⁶ Safe harbor pursuant to OAR 660-038-0120(2)(c)

	Vacant	Partially Vacant	Developed	Total
Commercial General (CG)	45.5	9.0	321.5	376.0
Commercial Office (CO)	4.1	2.2	32.5	38.8
Downtown Dev. & Conserv. (DDC)	0.7	0.4	14.2	15.3
Mixed Use Village (MUV)	0.5	0.2	17.8	18.5
UGB Commercial	8.7	28.0	20.5	57.3
Commercial/Mixed use Subtotal	59.5	39.9	406.6	506.0
Light Industrial (IL)	32.2	18.5	376.4	427.1
Industrial Park (IP)	2.1	37.3	151.5	190.8
UGB Industrial	23.7	0.0	102.9	126.6
Industrial Subtotal	58.1	55.8	630.7	744.6
Total	117.6	95.6	1,037.3	1,250.6

Figure 4 illustrates the development status of employment land types within the City's UGB.

Figure 4: Employment Land by Development Status



Step 4: Inventory Results

The following assumptions were used to determine the net acreage of land within the City.

- 50% of all employment land identified as partially vacant.
- 15% of vacant industrial employment land (Light Industrial, Industrial Park zones).
- 20% of vacant commercial employment land (Commercial General, Commercial Office, Downtown Development & Conservation, Mixed Use Village zones).
- 5% of additional reduction on vacant, partially vacant Commercial General zone in consideration of multi-family housing development.

The 50% deduction is based on safe harbor rules in OAR 660-038-0120(2)(b), which assumes half the site is available to support additional economic development. The 15% and 20% deductions for vacant industrial and commercial employment lands are to account for potential infrastructure improvements on vacant land. Typically, infrastructure improvements include right-of-way dedications for street improvements.⁷ The additional 5% reduction reflects the fact that residential use is allowed in the General Commercial zone and several recent developments of that type have occurred in that zone.

Table 4 below provides a summary for each zone and Table 5 classifies the developable lands by size.

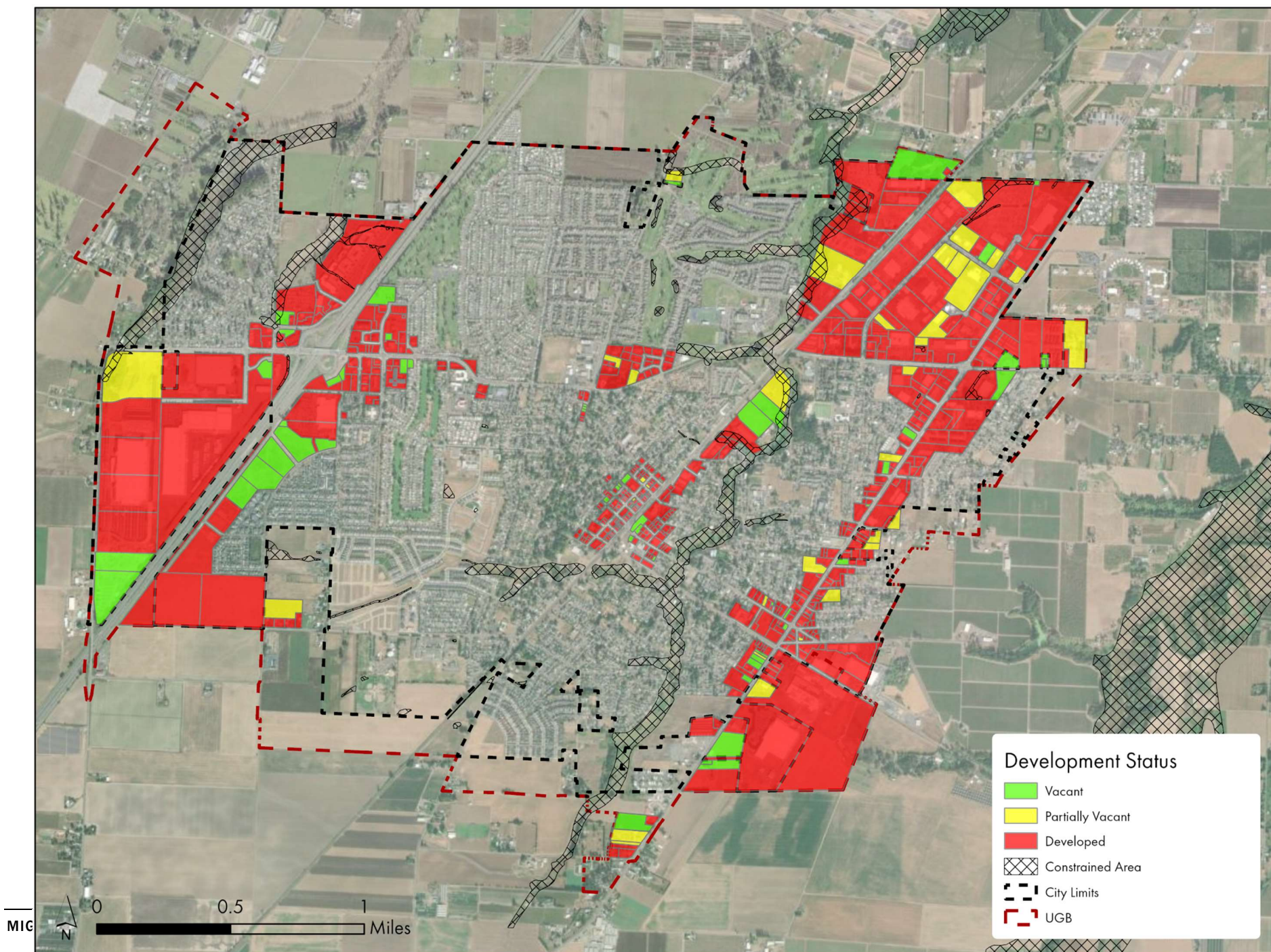
Table 4: Net Developable Acres of Employment Land

	Vacant	Partially Vacant	Total
Commercial General (CG)	34.1	4.1	38.2
Commercial Office (CO)	3.3	1.1	4.4
Downtown Development & Conservation (DDC)	0.6	0.2	0.8
Mixed Use Village (MUV)	0.4	0.1	0.5
UGB Commercial	7.0	14.0	21.0
Commercial/Mixed use Subtotal	45.3	19.5	64.8
Light Industrial (IL)	27.4	9.2	36.6
Industrial Park (IP)	1.8	18.6	20.4
UGB Industrial	20.2	0.0	20.2
Industrial Subtotal	49.4	27.9	77.3
Total	94.7	47.4	142.1

⁷ Note, OAR 660-024-0040(10) allows a safe harbor deduction of 25% for a residential buildable land inventory to account for streets and roads, parks, and school facilities. There is no equivalent rule in the OAR for an employment buildable land inventory. Notwithstanding, this employment buildable land inventory applies deductions because street and road improvements are anticipated for development of vacant properties. The lower amount is because, in part, parks and school facilities aren't typically built on commercial and industrial properties. Similarly, commercial and industrial properties typically require larger lot sizes and incorporate private roads or accessways, necessitating less land for public dedication.

Table 5: Remaining Inventory by Net Developable Acres

	Number of lots	Share
Commercial/Mixed use		
0 – 5 acres	69	97.2%
5 – 10 acres	2	2.8%
>10 acres	0	0%
Commercial/Mixed use Subtotal	71	
Industrial		
0 – 5 acres	17	73.9%
5 – 20 acres	6	26.1%
>20 acres	0	0
Industrial Subtotal	23	
Total	94	



E. Industrial Land Development and Employment

The 2023~~01~~ Woodburn Economic Opportunities Analysis (EOA) and Economic Development Strategy provide the basis and policy direction for Woodburn's economic development efforts. Since the last EOA, adopted in 2001, the City has successfully implemented changes through strategies such as:

- Reversing previous trends that saw Woodburn becoming a bedroom community, with residents commuting to the Portland and Salem areas for employment.
- Making the most of its key comparative advantage- location along the Interstate 5 (I-5) corridor.
- Reserving several large parcels along the I-5 corridor exclusively for industrial uses and targeted industries.
- Adoption of stringent policies to prevent the re-designation of industrial sites in the Southwest Industrial Reserve (SWIR) overlay to commercial or residential uses.

~~Generally, Woodburn is committed to providing the infrastructure and land base necessary to attract higher paying, non-polluting jobs. This change is necessary to reverse recent trends that saw Woodburn becoming a bedroom community, with residents commuting to the Portland and Salem areas for employment. For Woodburn to be competitive, it must make the most of its key comparative advantage—location along the Interstate 5 Corridor. Woodburn is surrounded by agricultural resource land, and in keeping with Statewide Planning Goal 9 for economic development, therefore the City cannot avoid using agricultural land to provide for suitable industrial sites future employment land that meets the needs of the growing population. Generally, the City is committed to providing the infrastructure and land base necessary to attract higher-paying employment opportunities while ensuring that development occurs in an orderly fashion that is coordinated with the provision of public services and population growth, with mitigation of traffic, pollution, and other harms resulting from growth, and in compliance with statewide planning goals.~~

~~Consequently, in order to meet the City's economic development objectives, several large parcels along the I-5 corridor have been reserved exclusively for industrial use. To ensure that these industrial sites along I-5 are used solely for targeted industrial uses, Woodburn has adopted stringent policies to prevent the re-designation of industrial sites in the Southwest Industrial Reserve overlay (SWIR) to commercial or residential uses. In addition, large minimum parcel sizes will ensure needed large industrial sites are preserved.~~

Industrial Land Designations

Location of industrial lands poses more of a problem than any other use in urban areas. They are essential for the City, and in Woodburn's case, must be expanded to accommodate future needs. In general, this type of land use requires good transportation access, served preferably, but not necessarily, by both railroad and highway facilities. Reserving industrial sites with direct access to Interstate 5 is critical to the ~~City's~~ economic development efforts of the City. Generally, industrial land should not be located adjacent to residential areas without ~~some type of~~ buffering such as use in between the industrial use and the residential areas; either green space, ~~or~~ a major road, or other similar buffer.

There are ~~five-four~~ (4) areas that have been established for industrial use in Woodburn. They meet all of the above criteria. They are:

1. In the southeast quadrant of the City, along Highway 99E;
- ~~2.~~ In the northeast quadrant of the City; the Woodburn Industrial Park and surrounding development, including;
- ~~3.~~ ~~2.~~ The area between North Front Street and Mill Creek, north of the Woodburn High School;
- ~~4.~~ ~~3.~~ The southwest quadrant of the I-5 interchange area, specifically the Southwest Industrial Reserve (SWIR) and Interchange Management Area (IMA) overlays; and which shall be expanded as a result of the 2003 plan amendment process.
- ~~5.~~ ~~4.~~ The Downtown Woodburn, mostly east/northeast across the railroad and near Commerce Way and Hardcastle Avenue area.

Each of these areas serves a different purpose in the City's long-range industrial development plans. The majority of the development in the Southeast Industrial area is either in the City limits or closely adjacent ~~to it and is primarily used for food processing and associated spray irrigation. The majority of land in this Southeast area is being used for spray irrigation of industrial wastes from the food processing plant.~~ As it has been zoned industrial in the County for some time, the City proposed, and the County agreed, that it would be best to have this area in the Urban Growth Boundary so future expansion of the food processing facility on the industrial land would be controlled and regulated by the City. This industrial area could realize additional development.

The northeast Front Street iIndustrial pPark area was really the beginning of Woodburn's industrial expansion in the 1970s. It has been very successful and now covers a large amount of land between the Southern Pacific Railroad and Highway 99E north of State Highway 214. ~~However~~ While important for the economy of Woodburn, almost all of the developable land in this area is currently used by industries that require large undeveloped areas for storage of equipment (i.e. contractors or sales of large equipment). While the land may appear to be unimproved or redevelopable, these industries could not be sustained or exist without large areas for storage of associated equipment. has either been sold to industries that intend to locate in Woodburn or is under development. It is expected that full build-out will be realized within the next several years. This area is well served by

~~The industrial area on North Front Street north of the Woodburn High School was selected for of several reasons. First of all, it is close to State Highway 214 and therefore has with~~ good highway access and. ~~Second~~, a spur line from the Southern Pacific Railroad that could be developed to serve industries locating in this area. ~~Third, a~~ An excellent buffer also exists in the along Mill Creek ~~area to buffer the separate~~ industrial uses from ~~the adjacent nearby~~ residential uses. It should be pointed out, however, that industrial uses should not be located in or near the floodplain and extensive buffering or screening must be employed by industrial uses.

The ~~fourth-third~~ industrial area, the southwest quadrant of the interchange, was selected because it is an excellent site for target industries identified in previous economic planning efforts the Economic Opportunities Analysis. Not all industries desire to or have the ability to locate adjacent to on-rail lines roads. Indeed, some cannot because vibration from the

railroad upsets sensitive instruments used in some industrial processes. The key locational factor desired by some targeted industries ~~identified in the EOA~~ is access to, and visibility from, Interstate 5. ~~Therefore~~ As a result of these planning efforts, the Southwest Industrial Reserve (SWIR) industrial area ~~was established~~ along Interstate 5 and provides the primary location for some targeted industries in Woodburn. It also affords excellent visibility for industries that wish to maintain good visibility, ~~and high corporate image.~~

The ~~fifth-fourth~~ Industrial area is ~~the~~ Downtown area Woodburn. This area is the old downtown industrial center. ~~It is and was~~ the first and the original iIndustrial area in Woodburn, which was platted in 1871 and incorporated in 1889. This Industrial area is located along the Union Pacific Railroad (USPRR) in d~~Downtown~~ Woodburn. ~~The and historically used the railroad line was utilized~~ for transportation. This sector has historical significance when considering the path Woodburn has taken and many of these industries have. ~~This Industrial area can realized~~ additional development and ~~possible~~ redevelopment opportunities in recent years. The City wishes to continue to support these historically significant industries and their connection to the rail line into the future.

It should be noted that of the ~~five-four~~ (4) industrial areas in Woodburn, only two, the (1) n~~North~~east Front Street area and (2) the southwest quadrant of the Interstate 5 interchange and SWIR area are available for future large-scale industrial expansion.

Industrial Development Goals and Policies

Goal

- E-1. Woodburn shall provide and maintain an adequate supply of suitable industrial sites to attract targeted firms consistent with Statewide Planning Goal 9 (Economy of the State), the recommendations of the 2004~~23~~ Woodburn Economic Opportunities Analysis, and the Woodburn Economic Development Strategy.

Policies

- E-1.1 It is the policy of the City to provide for developments that, whenever possible, will allow residents of the City of Woodburn to work in Woodburn and not have to seek employment in other areas. To accomplish this, the City should encourage a healthy, diversified, and sustainable job market within the City through fostering growth and recruitment of employers of a range of sizes, industries, and pay scales, and enough available industrial land for industrial growth to accommodate the residential growth expected in the City.
- E-1.2 Industrial land should be located to take advantage of Interstate 5 access or rail transportation.
- E-1.3 To minimize impacts on Marion County's agricultural land base, Class I agricultural soils shall be preserved outside the Woodburn urban growth boundary (UGB). At the same time, it is important that industrial lands be located in relatively flat areas, ~~which that~~ have suitable soils and that are free from flooding ~~risk~~dangers.

- E-1.4 Industrial areas that are located adjacent to arterial streets or to residential areas should be controlled through site plan review and buffer zones to minimize the impact of industrial uses.
- E-1.5 Industries that, through their operating nature, would contribute significantly to a deterioration of the environmental quality of air, land, or water resources of the City should be ~~prohibited forbidden to locate~~ within the City limits.
- E-1.6 The city deems the industrial park concept ~~the most a~~ desirable form of industrial development. Whenever possible, the industrial park concept will be encouraged in an attractive and functional design. Master planning of industrial areas shall be required prior to annexation of industrial land to the City. Master plans shall reserve parcels of sufficient size to meet the needs of targeted industries identified in the EOA.
- E-1.7 Nonconforming industries shall be encouraged to find other areas in which to locate.
- E-1.8 Industrial lands shall be protected from encroachment by commercial or other uses that will either increase the price of industrial land or ~~cause generate~~ traffic ~~generation~~ that will interfere with ~~the~~ normal industrial practices.
- E-1.9 The industries attracted and encouraged by the City to locate in Woodburn should generate jobs that would upgrade the skills of the local labor pool.

Goal

- E-2. Woodburn shall reserve suitable sites in the Southwest Industrial ~~Area Reserve (SWIR)~~ for targeted industrial firms, as directed by the 20~~23~~⁰⁴ Woodburn Economic Opportunities Analysis.

Policies

- E-2.1 ~~Woodburn shall designate industrial land near Interstate 5 with a Land within the SWIR (Southwest Industrial Reserve overlay) designation. Land within this designation shall be reserved exclusively for industrial uses identified in the EOA, and shall not be converted to another commercial or residential plan land use map designation.~~
- E-2.2 ~~A master development plan shall be approved by t~~The City Council shall approve a master development plan prior to annexation to the City limits. The master plan shall show how streets, sanitary sewer, water and stormwater services ~~will can~~ be sized and located to serve the entire SWIR area. The master plan shall show how arterial, collector, ~~and~~ local, ~~and other classes of~~ street access ~~will can~~ be provided to each lot if land division is proposed. The proposed master plan shall be referred to Marion County for comment prior to consideration by the City Council.

E-2.3 This SWIR master plan shall demonstrate how sites with the size and access characteristics identified in the EOA will be maintained, ~~consistent with Policy Table 3, below:~~

**~~Policy Table 3: Site Sizes That Must be Maintained on Specific
Parcels Through the Master Planning Process~~**

Sites (by assessor tax lot number)	Buildable Acres	Required Lot Sizes (ranges shown in acre)	Conceptual Lot Sizes (in acres)	Special Standards
52W11 TL 300	88	25-50 10-25 10-25 5-10 5-10 2-5 2-5	35 15 15 8 8 4 3	Land division permitted with master plan approval
Subtotal:			88	
52W14 TL 200	22	10-25	15	Land division not permitted
52W14 TL 600		5-10	7	
Subtotal:			22	
52W13 TL 1100	96	96	96	Land division not permitted
52W14 TL 1500				Shall be developed with a use with at least 300 employees
52W14 TL 1600				
52W14 TL 800	106	50-100	65	Land division permitted with master plan approval
52W14 TL 900		25-50	33	
52W14 TL 1000		2-5	4	
52W14 TL 1100		2-5	4	50-100 acre lot shall be developed with a use with at least 200 employees
Subtotal:			106	
52W4 TL 1200	4	2-5	4	Land division not permitted
52W23 TL 100	46	25-50 5-10 2-5	35 8 3	Land division permitted with master plan approval
TOTAL SWIR	362		362	

~~Marion County Economic Coordination Goals and Policies~~

Goal

~~Marion County's economic development goals address the importance of maintaining a diverse employment base with living wage jobs. The goals include:~~

- E-3. ~~Encourage diversity and balance of job types (e.g., service and industry jobs); promote economic opportunity for all segments of society; encourage a sustainable local and regional economy; and tailor economic development to the unique assets and needs of the county and the City of Woodburn.~~ Coordinate with Marion County regarding shared economic development goals and policies, future urban growth boundary (UGB) expansion, and other shared land use issues and processes.

Policies

- E-3.1 ~~Consistent with Marion County Framework Plan policies, the~~ The City of Woodburn has conducted an Economic Opportunities Analysis (EOA) consistent with the Goal 9 Rule (OAR Chapter 660, Division 9) that:
- (a) Inventories lands suitable for employment use by parcel size;
 - (b) Calculates the capacity for jobs in existing Commercial and Industrial plan designations;
 - (c) Forecasts future employment by sector;
 - (d) Identifies industries that are likely to locate in Woodburn;
 - (e) Determines the siting needs of targeted industries;
 - (f) Determines whether there are existing sites within the UGB that meet site suitability criteria and are not needed for other land uses; and
 - (g) Identifies sites outside the UGB that meet site suitability criteria if there are inadequate sites within the UGB.
- E-3.2 Expand the Woodburn UGB, as needed, to meet ~~identified the~~ industrial siting needs identified through an updated in the 2001 Woodburn EOA analyses, consistent with the Statewide Planning Goals and other County guidelines adopted as part of this section.
- E-3.3 Review plans and implementing ordinances to ensure an adequate supply of suitable sites to meet the needs of targeted industries, as required by ORS 197.212 et. seq.
- E-3.4 Work with Marion County, economic development agencies, area economic development groups, and major institutions to provide information to support development of a region-wide strategy promoting a sustainable economy.

F. Commercial Land Development and Employment

Commercial Land Designations

Commercial lands also pose difficulty in deciding their proper location because of the high traffic ~~that is commercial uses~~ generated ~~by commercial uses~~ and the necessity for good transportation facilities improvements. They also can impact quite severely on adjacent residential uses, and this must be considered in their location, and especially in their zoning. The commercial areas of the City should ~~to~~ develop at higher densities instead of as

sprawling or strip type development. There are basically five (5) major commercial areas in Woodburn, and they should serve the City for the foreseeable future.

The first commercial area that the City developed was the historic downtown. It is located on both sides of a railroad track and ~~despite problems in the recent past, it has~~ remained an essential part of the City's economy. ~~It is in a transitional stage at present as it no longer serves as the center of retailing for Woodburn. However, The d~~Downtown ~~area~~ Woodburn has experienced a renaissance of new investment from the Latino community. Downtown Woodburn is becoming known throughout the state for its authentic Mexican cultural amenities, shops, and restaurants. Although some buildings ~~suffer from a lack of~~ maintenance and ~~might be~~ outmoded ~~buildings, some others~~ have been remodeled ~~and updated~~ to provide a greater share of Woodburn's services in the future. The City's Urban Renewal District and programs include the downtown core, and the City has initiated numerous programs to support the vitality of the downtown core and community.

The second largest commercial area that developed in the City is the commercial strip along Highway 99E. A history of commercial strip zoning along 99E has caused many problems in the City of Woodburn. This is because ~~this type of strip~~ development is the least efficient use of commercial land and highway-road frontage. To improve the efficiency of the commercial land and enhance the appearance and vitality of this important commercial area, the City undertook the development of a plan for the highway corridor. The resulting Highway 99E Corridor Plan, adopted via Ordinance 2492 in July 2012, ~~will guide~~s future development and redevelopment in the Highway 99E corridor. The City will continue to work with property owners towards redeveloping this area in the future in line with the vision established in the Corridor Plan. By limiting the supply of vacant "green field" commercial land within the UGB, redevelopment ~~and~~ urbanization of ~~underutilized~~ strip commercial lands is more likely ~~to occur~~. Highway ~~a~~Access management control policies, which the Corridor Plan addresses, shall be observed when development, redevelopment, and street improvements occur, and the City notes that the Oregon Department of Transportation (ODOT), not the City, controls and maintains this important transportation corridor that bisects eastern Woodburn.

The third large area of commercial development in the City is the I-5 Interchange. This contains one small shopping center, a large retail use (Wal-Mart), a ~~developing premium~~ outlet mall, restaurants, and other highway related uses. In general, commercial uses ~~on in~~ West Woodburn, which is the west side of the freeway, should be limited to highway related interchange type uses, while on the east side, a more general commercial nature should be encouraged. ~~There are approximately 60 acres available for development located southwest of Evergreen Road. This L~~and ~~should be available for~~ development located west and southwest of Evergreen Road should be developed as a large commercial retail node integrated shopping center when Woodburn's population makes it economically feasible justifies it. Access ~~management control~~ in the I-5 interchange area is extremely important, because the traffic capacity limit of the improved interchange in turn limits commercial growth in West Woodburn. congestion is the limiting factor for growth west of the freeway. This issue is addressed extensively further in the 201905 Woodburn Transportation Systems Plan.

The fourth commercial area is the Highway 214/211/99E "Four Corners" intersection in the northeast of Woodburn. This area has become an important commercial district within the City but also serves as a regional. ~~This "Four Corners" area serves as a more local retail service center with larger chain retailers and several regional grocery retailers.~~ This commercial district could realize more development in the future. In this area redevelopment and infill should be intensified so as to ~~not create another avoid perpetuating~~ commercial strip development.

The fifth commercial center serves the Nodal Development Overlay area near Parr Road, east of I-5 and in the southwest of Woodburn. Of the area that the land use map designates Nodal Neighborhood overlay, a 10-acre rectangular subarea is zoned the Nodal Neighborhood Commercial (NNC) overlay district. It is along the north side of Parr Road and the east side of a future Evergreen Road extension and is site has been reserved for neighborhood commercial uses that will serve the higher density development elsewhere within the Nodal residential Development Overlay that is higher density residential and within walking and cycling distance (generally one-half mile or less) of the NNC district center. The center will be designed and developed as an urban commercial node with primacy for with a pedestrians, cyclists, and bus transit and focus, with limited, consolidated, and shared off-street parking. The City shall adopt a new NNC (Nodal Neighborhood Commercial) District to implement this concept.

In addition to these five major areas, there are three other minor commercial areas, two of which are set aside for office uses. One is found at the S-Curve near North Cascade Drive and State Highway 214, and one is located at the northwest quadrant of the intersection of North Settlemier Avenue and State Highway 214. To minimize the traffic impact along State Highway 214, only low traffic generating uses such as offices and other professional service centers should be located along those streets. Large retail uses are not consistent with the overall plan concept for these two areas, although neighborhood-serving retail uses such as delicatessens and coffee shops are allowed. The third small commercial area will be located along Boones Ferry Road, along a drainageway and west just north of a tributary to of Mill Creek, near the northern edge of the UGB. This two2-acre area will serve the day-to-day retail and service needs of recent and planned residential development in the North Boones Ferry Road area.

Commercial Lands Goals and Policies

During the 1990s, Woodburn experienced large-scale commercial growth near Interstate 5. Although commercial development has provided jobs for many Woodburn residents, this growth has contributed to congestion at the I-5/Highway 214 Interchange, which has constrained the City's ability to attract basic industrial employment that requires I-5 access. ~~Therefore, Woodburn should discourage additional land for "big box" or large scale auto-dependent commercial development.~~ Woodburn will encourage infill and redevelopment of existing commercial sites, and will encourage neighborhood-serving commercial developments in Nodal Development areas.

Goal

- F-1. ~~Encourage~~ Identify, promote, and regulate to bring about urban infill and redevelopment of existing commercial areas within the community, as well as development of nodal neighborhood centers nodes, to meet future ~~commercial~~ development needs, support potential additional housing, and reduce traffic congestion and reliance on motor vehicles for basic commercial services.

Policies

- F-1.1 The City should at all times have sufficient land to accommodate the retail needs of the City and the surrounding market area while encouraging commercial infill and redevelopment. The City presently has five major commercial areas: Highway 99E, 1-5 Interchange, the downtown area, the ~~Parr Road~~ Nodal Neighborhood Commercial area (along Parr Road), and the 214/211/99E ~~Four~~ Corners intersection area. No new areas should be established.
- F-1.2 Lands for high traffic generating uses (shopping centers, malls, restaurants, etc.) should be located on well improved arterials. The uses should provide the necessary access management and traffic control devices needed to ameliorate their impact on the arterial streets.
- F-1.3 Strip zoning and strip development should be discouraged. ~~as a most unproductive form of commercial land development. Strip zoning is~~ These are characterized by the use of small parcels, often for retail uses, with access mostly or solely to and from a major street, of less than one acre, with lot depths of less than 150 feet and parcels containing multiple driveway access points, having much surface parking mostly or all between buildings and streets, and with deep setbacks abutting streets. Whenever possible, the City should encourage or require commercial developments which are designed to allow pedestrians to shop without relying on the private automobile to go from shop to shop – a “park once” environment. Therefore, ~~acreage site lots~~ developments should be encouraged to develop constitute urban districts “mall-type” developments that allow a one-stop dining, shopping, and recreation and shop opportunity and, to the extent feasible, additional residences. Commercial developments or commercial development patterns that necessitate require the predominate use of the private automobile shall be discouraged or regulated to not come about in certain areas of the city.
- F-1.4 Architectural design of commercial areas should be attractive with a spacious feeling and enough landscaping to reduce the visual impact of large expanses of asphalt parking areas. Nodal commercial and ~~Mixed u~~ Use Village (MUV) commercial areas should be neighborhood and pedestrian oriented, with off-street parking to the rear or side of commercial buildings; any off-street parking that is provided should be consolidated and shared; and, with publicly accessible off-street bicycle/pedestrian connections through superblocks and to neighboring residential areas.
- F-1.5 It would be of benefit to the entire City to have the Woodburn's Downtown Development Design and Conservation District (DDC) function as an active, healthy commercial area.

~~Historic preservation and conservation as well as— Downtown redevelopment of dilapidated facades, vacant lots, and parking lots~~ should be emphasized, and the City should ~~support and promote encourage~~ property owners to form a local improvement district (LID) to help finance downtown improvements. ~~The City may fund planned improvements with Urban renewal district funds—may also be used to fund planned improvements.~~

- F-1.6 Commercial office and other low traffic generating commercial retail uses can be located on collectors or in close proximity to residential areas if care in architecture and site planning is exercised. The City should ensure by proper regulations that any commercial uses located close to residential areas have the proper architectural and landscaping buffer zones and urban design allowing for adjacency or an integrated or seamless boundary condition.
- F-1.7 The Downtown Goals and Policies are included in Section K of this Comprehensive Plan and are intended as general guidelines to help the City and ~~its Woodburn~~ residents reshape the downtown into a vital part of the community. Generally, development goals are broken into four categories: ~~;~~ short-term goals, intermediate term goals, long-term goals, and continual goals. Whenever development is proposed within the ~~CBD—downtown,~~ these goals should be reviewed and applied as necessary so as to maintain balance and uniformity over time. Although not part of the Downtown Plan or Woodburn Comprehensive Plan, Urban Renewal funding can help to realize the goals and policies embodied in these land use plans.
- F-1.8 Ensure that existing commercial sites are used efficiently. Consider the potential for reuse, re-tenanting, or redevelopment of existing commercial sites and modifications to zoning regulations that intensify-urbanize development to attract new investment.
- F-1.9 ~~Adopt a new NNC (Nodal Neighborhood The Gateway Commercial General) Overlay zoning dDistrict, to be applied in two Nodal Development Overlays:~~
- ~~(a) —Near the intersection of Parr Road and the Evergreen Road extension (approximately 10 acres); and~~
 - ~~(b) At the north boundary of the UGB along Boones Ferry Road, north of the Mill Creek tributary (2-5 acres).~~
- ~~F-1.10 The Downtown Gateway sub-district of the CG zoning district is an area which extends along the eastside eastward from Highway 99E towards downtownof the downtown railway.~~ Special use provisions within the overlay sub-district shall allow multi-family residential development either as a stand-alone use or as part of a vertical mixed use project. The intent of allowing multi-family residential development in this area is to provide more consumers living within an area of commercial development and to provide 24-hour a day life into the eastern entrance to the downtown.
- F-1.10~~4~~ The Highway 99E commercial corridor south of Lincoln should be redeveloped over time with more intense mixed-use development. The Mixed Use Village Overlay (MUVO)

designates an area that is intended to promote efficient use of land and urban services; create a mixture of land uses that encourages employment and housing options in close proximity to one another; restricts land extensive commercial, storage, and industrial uses; and brings about encourage pedestrian-oriented development; with off-street parking being consolidated or shared; and, with pedestrian connections through large city blocks and to neighboring residential areas-

~~F-1.1 ¹² In order to spur desired development and redevelopment within the MUVO, and consistent with the recommendations of the Highway 99E Corridor Plan, the City will apply the Mixed Use Village zone in a strategic area in the vicinity of the Young Street intersection.~~

~~F-1.13 The city shall initiate a legislative zone change to designate remaining land within the area designated MUVO and within the City limits as MUV at such time as ODOT includes a project to improve Highway 99E south of Lincoln in the Development Statewide Transportation Improvement Program (DSTIP).~~

~~F-1.14 Property owners within the MUVO and within the City limits may petition the City to initiate a legislative zone change to MUV for their property at any time. Land outside City limits within the MUVO shall be zoned MUV upon annexation.~~

F-1.1 ²⁴ The City ~~intends will continue to work~~ to beautify the Highway 99E commercial corridor through measures such as replacement of overhead power and telephone lines with underground utilities, enhancing street lighting in the corridor, providing for non-conforming sign amortization, replacing curb-tight sidewalk with landscape strips, providing enhanced streetscape furnishings in key pedestrian areas, and establishing a storefront improvement program. The City will explore options to fund such improvements, including its Capital Improvement Program (CIP), formation of a Local Improvement District (LID), and Urban Renewal funds, and in partnership and with support from ODOT.

Workforce and Target Industry Development

Goal

F-2 Enhance the quality of the city workforce and support development of target industries.

Policies

F-2.1 The City shall support the development of a skilled, versatile workforce that meets the needs of current and prospective employers through coordination with and support of the local schools and colleges.

F-2.2 The City shall encourage educational institutions, vocational training, and workforce development to meet the needs of regional industries.

F-2.3 The City shall prioritize the development and improvement of necessary infrastructure to support the establishment and growth of a major medical center.

F-2.4 The City shall provide for a range of incentive options to attract targeted industries.

G. Growth Management and Annexation

Growth Management

~~Woodburn has learned from both its successes and mistakes during the last 20 years since the Woodburn Comprehensive Plan was first acknowledged in 1982. Woodburn has used the annexation process effectively to ensure that new development has adequate levels of public facilities and services. Woodburn has provided relatively affordable housing during a period of rapid growth. Most importantly, Woodburn is proud of its ability to accommodate new residents from diverse economic, social, and ethnic backgrounds by ensuring a variety of housing choices and adequate levels of public facilities and services are available.~~

~~As part of its periodic review planning process, Woodburn incorporated growth management measures to increase efficiency of land use and improved livability; Woodburn is committed to:~~

- Reserving land near Interstate 5 for basic and local employment, rather than freeway oriented commercial development. Woodburn has adopted stringent master planning standards for industrial development, that ensures efficient land use and retention of scarce industrial sites in the Southwest Industrial Reserve ~~overlay~~ (SWIR) area.
- Integrating its stream corridors and wetlands into the design of neighborhoods and commercial developments. Accordingly, Woodburn has inventoried its locally significant wetlands and riparian corridors, and protected them from conflicting use, by applying the “safe harbor provisions” of the Statewide Planning Goal 5 administrative rule (OAR 660-023-0020) and continues to work toward full build out of the Mill Creek Greenway trail system to provide multi-modal connectivity options and expanded green space areas for residents.
- Using the master planning process as a pre-~~condition~~ requisite to annexation or development in Nodal Development Overlay and SWIR areas, to ensure that land is used more wisely and more efficiently.
- Finally, Woodburn is committed to working closely with Marion County in joint efforts to manage growth within and immediately adjacent to the Woodburn UGB.

~~Finally, Woodburn is committed to working closely with Marion County in joint efforts to manage growth within and immediately adjacent to the Woodburn UGB. Towards this end, Woodburn has~~

~~incorporated important goals, policies and guidelines found in the Marion County Urban Growth Management Framework. In particular, Woodburn (as part of the 2003 code update process) has:~~

- ~~▪ Zoned land to provide the opportunity for housing to develop at over 10 units per net buildable acre (8 units per gross acre) under clear and objective standards;~~
- ~~▪ Made substantial amendments to the Woodburn Development Ordinance, as discussed in Section D, Housing; and~~
- ~~▪ Adopted minimum density standards that ensure that actual development occurs at 80% or more of the allowable density in each of its residential zoning districts.~~

Growth Management Goals and Policies

Goal

G-1.1 The City's goal is to manage growth in a balanced, orderly, and efficient manner, consistent with the City's coordinated population projection.

~~G-1.2 The City's goal is to have developments construct or fund street improvements, and other proportional share of improvements for the public, to lessen the cost of land development to the City and stabilize the taxpayer burden to landowners in the context of Ballot Measures 5 (1990) and 50 (1997).~~

Policies

G-1.1 Woodburn will assure that all expansion areas of the City are served by public facilities and services with adequate capacity to support future development. Consideration of proposals that vary from City capacity standards and facility master plans shall include mitigating measures determined to be appropriate the Public Works Department and the Transit Department. Other public service providers such as the Woodburn School District and Woodburn Fire District shall also address capacity considerations.

G-1.2 Woodburn will encourage the optimum use of the residential land inventory by providing opportunities for infill lots, intensifying development along transit corridors, and applying ~~ingiation of~~ minimum densities.

G-1.3 The City shall provide an interconnected street system to improve the efficiency of movement by providing direct linkages between origins and destinations and to shrink existing superblocks and prevent new ones, excepting blocks that the land use map designates industrial where (a) the Transportation System Plan (TSP) does not require a street extension or new street, or (b) industrial parcel minimum areas, necessitated by state law or Woodburn Comprehensive Plan industrial goals and policies, would be compromised.

G-1.4 The City shall assure the provision of major streets as shown in the Transportation Systems Plan (TSP). The City shall hold development accountable for streets within and abutting

the development by having developments upgrade nonconforming streets and construct extended and new streets and off-street bicycle/pedestrian facilities. In addition, the policy of the City is to emphasize development outward in successive steps and phases that avoid unnecessary gaps in the development and improvement of ~~the streets,~~ or in an otherwise interconnected street system.

- G-1.5 The City's policy is to consider the Capital Improvement Program (CIP) when investing public funds or leveraging private investment.
- G-1.6 The City shall encourage high standards of design and flexibility that are enabled by the planned unit development (PUD) zone ordinance.
- G-1.7 The City's policy is to accommodate industrial and commercial growth consistent with the ~~202301~~ Woodburn Economic Opportunities Analysis (EOA).
- G-1.8 Woodburn's policy is to diversify the local economy. Woodburn seeks to diversify the local economy so that the community will prosper and can weather swings in the business cycle, seasonal fluctuations, and other economic variables. The intent is to provide a broad spectrum of commercial and industrial enterprises. The variety of enterprises will not only provide insulation from negative business factors, but a choice in employment opportunities that in turn allows for the diversification in income types.
- G-1.9 To ensure that growth is orderly and efficient, the City shall phase the needed public services in accordance with the expected growth. Extensions of the existing public services should be in accordance with the facility master plans and Public Facility Plan in this Comprehensive Plan.
- G-1.10 Woodburn will ensure that land is efficiently used within the Urban Growth Boundary (UGB) by requiring master development plans for land within Nodal Development Overlay and Southwest Industrial Reserve ~~overlay~~ designations. Master plans shall address street connectivity and access, efficient provision of public facilities, and retention of large parcels for their intended purpose(s).
- G-1.11 The City shall pay for public facilities with system development charges (SDCs) from anticipated growth.
- G-1.12 The County shall retain responsibility for regulating land use on lands within the urban growth area (unincorporated land inside the UGB) until such lands are annexed by the City. The urban growth area has been identified by the City as urbanizable and is considered to be available, over time, for urban development.
- G-1.13 The City and County shall maintain a process providing for an exchange of information and recommendations relating to land use proposals in the urban growth area. Land use activities being considered within the urban growth area by the County shall be forwarded by the County to the City for comments and recommendations. ~~The City shall respond within twenty days, unless the City requests and the County grants an extension.~~

G-1.14 All land use actions within the urban growth area and outside the City limits shall be consistent with the City's Comprehensive Plan and the County's land use regulations.

G-1.15 In order to promote consistency and coordination between the City and County, both the City and County shall review and approve amendments to the City's Comprehensive Plan Map which apply to the portion of the urban growth area outside the City limits. Such changes shall be considered first by the City and referred to the County prior to final adoption. If the County approves a proposed amendment to the City's Pplan Map, the change shall be adopted by ordinance, and made a part of the County's Pplan.

G-1.16 The area outside the urban growth boundary, including ~~the-any~~ areas within the Urban Reserve Area (URA) designation, shall be maintained in rural and resource uses consistent with the Statewide Land Use Planning Goals until urban growth boundary expansion and annexation.

G-1.17 The City and County shall strive to enhance the livability and promote logical and orderly development of the urban growth area in a cost effective manner. The County shall not allow urban uses within the Urban Growth Boundary prior to annexation to the City unless agreed to in writing by the City. City sewer and water facilities shall not be extended beyond the City limits, except as may be agreed to in writing by the City and the property owner and the owner consents to annex. The City shall be responsible for preparing the public facilities plan.

G-1.18 Conversion of land within the boundary to urban uses shall be based on a consideration of:

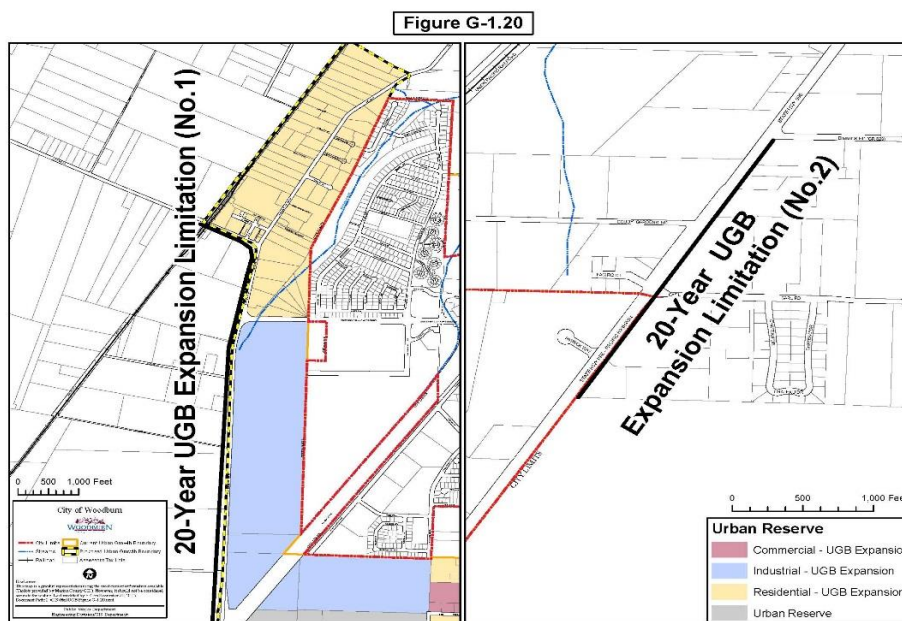
- (a) Orderly, economic provision for public facilities and services;
- (b) Availability of sufficient land for the various uses to ensure choices in the market place;
- (c) LCDC Goals;
- (d) Further development of vacant and under-utilized residential land within the City's buildable land inventory before annexing additional territory for conversion to residential use at urban densities; and
- (e) Applicable provisions of the Marion County and City Comprehensive Plans.

~~G-1.19 Woodburn is committed to working with Marion County to minimize conversion of farm and forest lands, by achieving a compact urban growth form. The City shall zone buildable land such that the private sector can achieve 8 units per gross acre, consistent with the City's housing needs analysis. This efficiency standard represents the average density for new housing that will be zoned and allowed under clear and objective standards by the City. Through a combination of infill, redevelopment, vertical mixed-use development and provision for smaller lot sizes and a greater variety of housing types, Woodburn provides the opportunity for the private sector to achieve at least 8 dwelling units per gross buildable acre (after removing protected natural areas and land needed for parks, schools and~~

~~religious institutions). Housing through infill and redevelopment counts as new units, but no new land consumption, effectively increasing the density measurement.~~

G-1.1920 In 2015, Woodburn designateds and establisheds two 20-year UGB Expansion Limitations as depicted in Figure G-1.20, which ~~was~~ adopted as part of the Woodburn Comprehensive Plan update via Ordinance No. 2530 in December 2015. For 20 years from the date the UGB amendment decision is acknowledged, the City shall not seek, consider, or approve an expansion of the Woodburn UGB in the following areas:

- West of the portion of Butteville Road NE, as depicted in Figure G-1.20.
- Northeast of Highway 99E located at the northeast edge of the existing UGB, as depicted in Figure G-1.20:



To further the mutual objective of the City and County to enhance livability and promote logical and orderly development in a cost effective manner, both UGB Expansion Limitations shall function as boundaries that shall not be crossed by any UGB expansion for a period of 20 years.

G-1.201 In 2015, ~~t~~The City and Marion County have jointly agreed to establish an Urban Reserve Area (URA) consistent with state law. The URA is designated and established west and south of Parr Road as specified in Figure G-1.21, which is adopted as part of the Woodburn Comprehensive Plan. Designating a URA achieves the following objectives: ~~(a)~~A It identifies appropriate lands to be reserved for eventual inclusion in the UGB; ~~(b)~~B In conjunction with Marion County's adoption of policies and regulations for the URA, it protects this land from development patterns that would impede long-term urbanization; and ~~(c)~~C it provides more certainty for jurisdictions, service districts and property owners

to undertake longer-term planning for public facilities and services such as transportation, sewer and water, schools and parks.



~~G-1.22 Woodburn shall apply a minimum density standard for new subdivisions and planned unit developments of approximately 80% of the allowed density in each residential zone.~~

~~G-1.213 As specified in the Marion County Framework Plan, the County's preliminary employment land use needs for Woodburn's are replaced by the more detailed employment forecasts and buildable lands analysis site suitability analysis are found in the 2001 Woodburn EOA.~~

G-1.224 Woodburn will consider residential and commercial redevelopment and infill potential for purposes of calculating UGB capacity, prior to expanding the UGB. Woodburn will also constrain the supply of commercial land to encourage redevelopment along Highway 214 west of Interstate 5, and along Highway 99W.

G-1.235 Woodburn has identified two areas for mixed-use development – Downtown Woodburn and the Nodal Development District along Parr Road. The UGB Justification Report included specific estimates of the number of new housing units and commercial jobs that can be accommodated in these overlay districts.

~~G-1.246 Woodburn intends the UGB expansion area known as the Southwest Industrial Reserve comprising approximately 190 acres, located east of Butteville Road and north of Parr Road to be used for larger industrial users.~~ Consistent with other provisions contained in the Woodburn Comprehensive Plan, all land within the Southwest Industrial Reserve shall be reserved exclusively for industrial uses identified in the EOA and shall not be converted to another commercial or residential plan designation. Specific lot size standards shall be established limiting the size and number of future lots for these properties.

G-1.257 Woodburn recognizes that residential uses present the most adverse conflicts with both agricultural practices and with many industrial uses, especially those that use trucks as part of their regular business practice. Woodburn and Marion County recognize that the land to the west of Butteville Road NE is a critical part of the irreplaceable land base of the region's agricultural industry. Therefore, to minimize conflicts between urban and agricultural uses and to minimize conflicts between the industrial uses in Southwest Industrial Reserve and other urban uses, the City and County will:

- Ensure that the design of any improvements to the portion of Butteville Road NE serving the Southwest Industrial Reserve not encourage any urban traffic unrelated to the industrial use in the immediate area and unrelated to agricultural uses west of Butteville Road.
- As industrial development is planned for in the Southwest Industrial Reserve consideration shall be given to methods that mitigate impacts from development and adjacent agricultural activities. This can include buffers or increased setbacks along Butteville Road, provided that any buffers needed to reduce conflicts between the industrial uses and agricultural activity west of Butteville Road NE are located inside the UGB.

G-1.26 The City will collaborate with regional transportation agencies, including ODOT, to monitor, and update as needed, a coordinated approach to maintaining circulation and mobility in the I-5 interchange area.

G-1.27 The City will coordinate with other agencies to encourage improvement of the regional transportation system, including highways, rail, and air, to accommodate residential and employment growth expected in the City.

G-1.28 The City will factor into growth management the Transit Development Plan, adopted via Resolution No. 2213 in June 2013.

Annexation Goals and Policies

Goal

- G-2. The goal is to guide the shape and geographic area of the City within the urban growth boundary so the City limits:
- (a) Define a compact service area for the City;
 - (b) Reflect a cohesive land area that is all contained within the City; and
 - (c) Provide the opportunity for growth in keeping with the City's goals and capacity to serve urban development.

Policies

G-2.1 For each proposed expansion of the City, Woodburn shall assess the proposal's conformance with the City's plans, and facility capacity and assess its impact on the community.

G-2.2 Woodburn will achieve more efficient utilization of land within the City by:

- (a) Incorporating all of the territory within the City limits that will be of benefit to the City.
- (b) Providing an opportunity for the urban in-fill of vacant and under-utilized property.
- (c) Fostering an efficient pattern of urban development in the City, maximizing the use of existing City facilities and services, and balancing the costs of City services among all benefited residents and development.
- (d) Requiring master development plans for land within Nodal Development Overlay or Southwest Industrial Reserve ~~overlay~~ designations prior to annexation. Master plans shall address street connectivity and access, efficient provision of public facilities, and retention of large parcels for their intended purpose(s).

G-2.3 Woodburn will use annexation as a tool to guide:

- (a) The direction, shape and pattern of urban development;
- (b) Smooth transitions in the physical identity and the development pattern of the community; and
- (c) The efficient use and extension of City facilities and services.

Introduction

The City of Woodburn Development Code (WDO) does not include specific approval criteria for legislative amendments, beyond initiation per WDO 4.01.09, processing, and notification requirements.

However, per state law, amendments to a Comprehensive Plan, including the adoption of implementing documents such as an Economic Opportunities Analysis (EOA), are required to be consistent with:

- Statewide Planning Goals
- Oregon Administrative Rules (OAR)
- Woodburn Comprehensive Plan goals and policies

The findings for adoption of the EOA and associated Comprehensive Plan amendments address these same criteria.

The present version of the Comprehensive Plan was last amended through Legislative Amendment LA 21-02 as Ordinance No. 2603 on June 13, 2022 (Goals and Policies relating to “Middle Housing”).

Statewide Planning Goals

There are a total of 19 Statewide Planning Goals. Staff finds Statewide Planning Goals 3 through 8, 10 through 13, and 15 through 19 are not applicable to the adoption of the EOA and identified updates to the Woodburn Comprehensive Plan goals and policies.

The EOA does not contain regulations that pertain to these goals and is not proposing changes to existing associated regulations. Applicable goals include Goal 1 (Citizen Involvement), Goal 2 (Land Use Planning), Goal 9 (Economic Development), and Goal 14 (Urbanization).

Of these, Goal 9, titled Economic Development, is the primary goal of consideration in review of this proposal. The fundamental purpose of Goal 9 is to make sure that a local government plans for economic development. This proposal is for the adoption of the Economic Opportunities Analysis (EOA), which contains information pertaining to Goal 9 and for findings in support of adoption. Rules that implement Goal 9 are described in Chapter 660, Division 9 of the Oregon Administrative Rules (OAR) and EOAs are specifically mentioned in OAR 660-009-0015. The proposed EOA was produced to meet the requirements of Goal 9 and all implementing administrative rules.

The EOA provides a factual basis for updating Woodburn Comprehensive Plan Sections E (Industrial Land Development and Employment), F (Commercial Land Development and Employment), & G (Growth Management and Annexation). The City of Woodburn created these existing policies in concert with the adoption of the previous EOA and other economic-related planning efforts. The proposed amendments establish a new 20-year forecast period and

include new and modified policies for the City to support economic growth, particularly for identified target industries.

Goal 1 – Citizen Involvement

Statewide Planning Goal 1 requires cities to involve community members in planning processes and decisions. The City and its consultants have done this in a variety of ways as part of the planning process.

- **Advisory Group.** The City formed and conducted meetings with a technical advisory group (TAG) for the EOA. The committee met three times to review materials and provide direction at key milestones.
- **Planning Commission and City Council Meetings.** Staff provided for public meetings before the Planning Commission and City Council to present information. The City followed State and Local public notice procedures to inform members of the public about these meetings.
- **Notification to the Department of Land Conservation and Development (DLCD).** Staff provided notice to DLCD of the proposed Comprehensive Plan amendments on October 4, 2023, in compliance with OAR 660-018-0020 and notified affected government agencies in conformance with WDO 4.01.14D.
- **Online Access to Draft Materials.** Staff made draft copies of the EOA, BLI, and the proposed Comprehensive Plan Economic Goals and Policies available on the City's website for public review and comment on October 12, 2023.

Based on the above findings, the EOA is consistent with Statewide Planning Goal 1.

Goal 2 – Land Use Planning

Goal 2 requires each local government in Oregon to establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions. Goal 2 also includes requirements for coordination with other jurisdictions and government agencies, requires that plans include implementation measures, and that plans be reviewed periodically and amended as needed.

The City last updated and adopted its Economic Opportunities Analysis (EOA) via Ordinance No. 2391 on October 31, 2005. To ensure that the City has an accurate measure for its 20-year employment land needs, the City Council initiated a Type V legislative process to review the City's draft EOA, BLI, and correlating updates to the Comprehensive Plan Goals and Policies.

The City formed and conducted meetings with a technical advisory group (TAG) during its preparation of a new EOA. The committee met three times to review materials and provide direction at key milestones. Included on that committee were representatives from Marion County, Business Oregon, staff from the Oregon State Department of Land Conservation and Development, local elected officials and representatives from local employment industries. One purpose of the committee meetings was to ensure that there was a forum for affected

government agencies to express concerns with proposed updates to the plan and provide the City with the opportunity to consider and accommodate modifications to the plan during the preparation phase of work. These meetings also provided a venue for coordination discussions with Marion County staff as needed.

The proposed EOA was finalized based on quantitative data and qualitative information based on national, state, regional, and local economic trends required by OAR 660-009-0015.

The proposed EOA is now being reviewed for adoption under the City's Type V legislative procedure as outlined in the Woodburn Development Ordinance. That procedure includes the City undertaking the following steps, which includes additional opportunities for review and comment by citizens and affected governmental units:

- The City notified affected government agencies in conformance with WDO 4.01.14.D. on October 19, 2023, and published notice of both the Planning Commission and City Council hearings in the *Woodburn Independent* newspaper on November 1, 2023.
- Public work sessions with both Planning Commission on October 12, 2023, and City Council on October 23, 2023;
- The Planning Commission hearing scheduled for November 9, 2023;
- The City Council hearing is tentatively scheduled for December 9, 2023;
- On October 4, 2023, staff sent a Post-Acknowledgement Plan Amendment (PAPA) to the Department of Land Conversation and Development (DLCD) in compliance with OAR 660-018-0020.

Based on the above findings, the EOA is consistent with Statewide Planning Goal 2.

Goal 9 – Economy

Goal 9 requires the City to maintain and plan for an adequate land supply to accommodate at least 20 years of future growth, ensuring residents have adequate opportunities for a variety of economic activities vital to the health, welfare, and prosperity of Oregon.

Comprehensive plans are required to include an analysis of a community's economy related to state and national trends, an assessment of economic development potential, an inventory of employment land, policies for economic opportunities based on that analysis, an adequate supply of a variety of sites supporting employment consistent with identified policies, and designated employment sites and adjacent sites that include compatible uses.

The City has conducted an EOA and is proposing to adopt the findings of the EOA, along with an update to the economic development sections of its Comprehensive Plan, which incorporates updated implementing policies. The EOA describes employment, workforce, and other demographic and economic trends at the local, regional, state, and national level that will influence the Woodburn economy in the coming years. The EOA also identifies a set of target industries for Woodburn that reflect local and regional economic goals, local and regional

locational advantages, the size of Woodburn, its relation to surrounding population and employment, and other factors.

The EOA includes the City's buildable lands inventory (BLI) for employment within the Woodburn urban growth boundary (UGB). The BLI is required by Goal 9 to ensure that current use designations provide an adequate short- and long-term land supply for employment development for meeting existing needs and those of projected growth.

It analyzes existing development patterns and intensity, land and development values, existing land use designations and zoning, and building constraints to determine where there is vacant land and/or land that has a potential to redevelop within the planning horizon and compares the existing supply of land to emerging trends and indicators for future estimates of demand.

The EOA includes the following overall findings and conclusions:

Growing Economy. The City of Woodburn is located in a centralized location between the Portland and Salem metro areas. This provides Woodburn with a locational advantage for people to live while working or doing business in those regional market areas. Woodburn's proximity to the I-5 freeway and other highways serving the mid-valley provides a central point of connectivity for local businesses and the larger market areas. Further, the city has a sizeable regional labor market to support growing businesses and attract new industries. Finally, the City has established economic development tools in place to support employment growth. These include Enterprise Zones, Opportunity Zones, and Urban Renewal Area incentives.

Current Employment and Projected Employment Growth. Woodburn is home to an estimated 11,965 jobs. The largest employment sectors include retail trade, health care and social assistance, agriculture support industries, leisure and hospitality, and manufacturing. Employment is forecasted to grow at approximately 2.3% annually, resulting in roughly 6,830 additional jobs by 2043. The greatest number of jobs are anticipated to be in existing employment sectors along with transportation and warehousing, construction, and education. From a generalized perspective, the 20-year demand for new employment will require more industrial land (~73%) than commercial land (~27%).

Expanding and Target Industries. The city has current advantages in several key industries, including manufacturing of a wide range of product types, construction, retail, shipping and transportation, and tourism. The EOA identifies a range of additional potential target industries for employment growth. These include transportation/warehousing/utilities, health care and social assistance, and education. Supporting growth in a range of industries will contribute to a diverse and sustainable employment and tax base for the future and be more resilient to economic impacts on traditional local industries. The EOA methodology uses specific target "industries" (by the North American Industry Classification System or NAICS) rather than use types, and it ties job growth projections to those specific industries.

Employment Land Need. The EOA analysis finds that the forecasted 20-year job growth by industry translates to a need for 529 total net acres (632 gross acres) of land zoned for employment uses. The distribution of land demand between commercial uses (office, institutional, retail) and industrial uses (industrial, warehouse, business park) leans toward industrial (73% industrial versus 27% commercial). A range of site sizes will also be needed ranging from small to large to accommodate the projected business expansion. Different commercial and industrial uses have different site requirements driven by the specific nature of their business operations, firm size, location and infrastructure requirements, and other factors.

The BLI of employment lands completed in conjunction with the EOA found a total of 143 net buildable acres in commercial and industrial zones within the City's existing UGB.

The projected 20-year need for commercial land trails the supply significantly, with an estimated 65 net acres of commercial land remaining to meet a projected need of 171 gross acres, indicating a deficit of 107 gross acres. Similarly, there is only a projected supply of 77 net acres of industrial land to meet the forecasted need of 461 gross acres, indicating a deficit of 273 gross acres.

The largest remaining contiguous development sites in Woodburn are also all under 20 acres in size, with most being 5 acres or less. Additionally, roughly one third of the remaining buildable land is found in partially vacant parcels where the decision to add further development is subject to the willingness of current property owners and/or occupying tenants to redevelop.

Based on the findings above, the EOA and Comprehensive Plan update are consistent with Oregon Statewide Planning Goal 9.

Goal 14 – Urbanization

Goal 14 provides for orderly development in Woodburn.

The EOA examines the potential development of employment lands within the Woodburn UGB that can meet the development opportunities identified in the EOA. The EOA provides an analysis of 20-year land needs for employment growth, and pursuant to the criteria found in OAR 660-009-015 for ensuring orderly urbanization, the EOA documents an insufficient supply of land.

A subsequent planning effort will be conducted based on the EOA findings that will seek to: (i) assess the capacity of the current UGB area and the Urban Reserve Area, to meet the 20-year land needs for employment growth; (ii) identify potential updates to the WDO; (iii) identify property for possible rezoning or zone change; (iv) and/or expand the UGB to accommodate the identified need, consistent with the requirements of Goal 14, as applicable.

Oregon Administrative Rules

Oregon Administrative Rules (OAR) 660-009-0015 guide preparation of EOAs for cities in Oregon. Following is a summary of consistency with those rules.

(1) Review of National, State, Regional, County and Local Trends. The economic opportunities analysis must identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends. This review of trends is the principal basis for estimating future industrial and other employment uses as described in section (4) of this rule. A use or category of use could reasonably be expected to expand or locate in the planning area if the area possesses the appropriate locational factors for the use or category of use. Cities and counties are strongly encouraged to analyze trends and establish employment projections in a geographic area larger than the planning area and to determine the percentage of employment growth reasonably expected to be captured for the planning area based on the assessment of community economic development potential pursuant to section (4) of this rule.

Response: Chapters II and III of the EOA provides a detailed summary of national state, regional, county, and local trends, including information related to employment by sector and firm size; local population and workforce characteristics; and economic conditions and advantages associated with the Woodburn area, including transportation connectivity, labor market conditions, economic partnerships, and economic development tools employed by the City.

Chapter IV of the EOA includes additional information related to a comparison of the Woodburn economy and its advantages to identify a range of industry types that can be considered targeted economic opportunities over the planning period. This section of the EOA describes economic specialization of the Marion County and Woodburn economy, including how various industrial sectors stack up against similar sectors across the state and nation. This chapter also discusses the economic drivers of a local or regional economy that are critical in informing the character and nature of future employment and includes a shift-share analysis that measures the local effect of economic performance within different industries or occupations in Woodburn and Marion County in comparison to national trends.

Finally, Chapter V summarizes target industries for Woodburn based on the information and analyses in the preceding chapters. The EOA identifies seven target industries for Woodburn that have the potential to build on community economic development characteristics and strengths and achieve economic goals.

This information helps provide the basis for subsequent recommendations in the EOA related to future economic development potential, including for target industries. Highlights from this component of the EOA are included in the findings associated with Statewide Planning Goal 9.

(2) Identification of Required Site Types. The economic opportunities analysis must identify the number of sites by type reasonably expected to be needed to accommodate the expected

employment growth based on the site characteristics typical of expected uses. Cities and counties are encouraged to examine existing firms in the planning area to identify the types of sites that may be needed for expansion. Industrial or other employment uses with compatible site characteristics may be grouped together into common site categories.

Response: Chapter VI of the EOA includes a projection of future employment and associated land needs. This includes projections of future employment by major industrial sector and a translation of these employment figures into a project of needed land by land use category (e.g., industrial, commercial, flex space, etc.). The EOA includes a projection of land need both in the long term (20 years) and in the short term (5 years).

(3) Inventory of Industrial and Other Employment Lands. Comprehensive plans for all areas within urban growth boundaries must include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use.

(a) For sites inventoried under this section, plans must provide the following information:

(A) The description, including site characteristics, of vacant or developed sites within each plan or zoning district;

(B) A description of any development constraints or infrastructure needs that affect the buildable area of sites in the inventory; and

(C) For cities and counties within a Metropolitan Planning Organization, the inventory must also include the approximate total acreage and percentage of sites within each plan or zoning district that comprise the short-term supply of land.

(b) When comparing current land supply to the projected demand, cities and counties may inventory contiguous lots or parcels together that are within a discrete plan or zoning district.

(c) Cities and counties that adopt objectives or policies providing for prime industrial land pursuant to OAR 660-009-0020(6) (Industrial and Other Employment Development Policies) and OAR 660-009-0025(8) must identify and inventory any vacant or developed prime industrial land according to section (3)(a) of this rule.

Response: Chapter VII of the EOA includes a summary of the reconciliation of projected land needs and supply, including a summary of a buildable lands inventory (BLI) conducted as part of the EOA process. The BLI is summarized in a separate, more detailed supporting BLI report. The BLI and EOA describe and evaluate lands zoned for employment uses, including their development status (vacant, partially vacant, and developed); constraints to development associated with natural resources and hazards, as well as other factors; and the resulting net supply of buildable land by zoning categories. The EOA also compares the supply of land with the projected land need by zoning classification and identifies the relative surplus or deficit of land in each classification.

(4) Assessment of Community Economic Development Potential. The economic opportunities analysis must estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. The estimate must be based on information generated in response to sections (1) to (3) of this rule and must consider the planning area's economic advantages and disadvantages. Relevant economic advantages and disadvantages to be considered may include but are not limited to:

- (a) Location, size and buying power of markets;*
- (b) Availability of transportation facilities for access and freight mobility;*
- (c) Public facilities and public services;*
- (d) Labor market factors;*
- (e) Access to suppliers and utilities;*
- (f) Necessary support services;*
- (g) Limits on development due to federal and state environmental protection laws; and*
- (h) Educational and technical training programs.*

Response: As noted above, Chapter VII of the EOA estimates the future employment projections and land need associated with specific employment sectors in Woodburn. As noted under previous sections above, it relies on a variety of data and analyses to reach these conclusions, including the factors listed above. In addition, Chapter VIII of the EOA summarizes findings and conclusions from the EOA. This includes a set of recommended EOA Implementation Actions geared towards the following overall goals and objectives:

- Meet industrial and commercial land needs
- Implement policy and code strategies
- Support and expand employment in targeted industries
- Support small business development
- Implement workforce initiatives

(5) Cities and counties are strongly encouraged to assess community economic development potential through a visioning or some other public input-based process in conjunction with state agencies. Cities and counties are strongly encouraged to use the assessment of community economic development potential to form the community economic development objectives pursuant to OAR 660-009-0020 (Industrial and Other Employment Development Policies)(1)(a).

Response: As described in the findings associated with consistency with Statewide Planning Goal 1 (Citizen Involvement), the City and its consultants have met this requirement in a variety of ways as part of the planning process.

- **Advisory Committee Meetings.** The City formed and conducted meetings with a technical advisory group (TAG) for the EOA. The committee met three times to review materials and provide direction at key milestones.
- **Planning Commission and City Council Public Meetings.** The City conducted public meetings before the Planning Commission and City Council to present information. The City followed state and local public notice procedures to inform members of the public about these meetings.

Conclusion: The EOA is consistent with the OAR requirements for preparation of an EOA.

Oregon Administrative Rules (OAR) 660-009-0020 guide preparation of Comprehensive Plan economic development policies and objectives for cities in Oregon. Following is a summary of consistency with those rules.

- (1) *Comprehensive plans subject to this division must include policies stating the economic development objectives of the planning area. These policies must be based on the community economic opportunities analysis prepared pursuant to OAR 660-009-0015 and must provide the following:*
 - (a) *Community Economic Development Objectives. The plan must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Policy objectives may identify the level of short-term supply of land the planning area needs. Cities and counties are strongly encouraged to select a competitive short-term supply of land as a policy objective.*
 - (b) *Commitment to Provide a Competitive Short-Term Supply. Cities and counties within a Metropolitan Planning Organization must adopt a policy stating that a competitive short-term supply of land as a community economic development objective for the industrial and other employment uses selected through the economic opportunities analysis pursuant to OAR 660-009-0015.*
 - (c) *Commitment to Provide Adequate Sites and Facilities. The plan must include policies committing the city or county to designate an adequate number of suitable sites, types and locations. The plan must also include policies, through public facilities planning and transportation system planning, to provide necessary public facilities and transportation facilities for the planning area.*

Response: The 2023 Comprehensive Plan Goal and Policy updates for Goals and Policies E, F and G (Exhibit A) are consistent with OAR 660-009-0020 as they provide specific goals and policies for ongoing economic development for the community. The Woodburn Comprehensive Plan (WCP) provides overall objectives (goals) and short-term policies committing the City to specific and actionable programs to meet identified objectives. The EOA includes a short-term need and number of sites, types and locations for the City's employment land and the City has a series of recently updated or under update infrastructure master plans, including the 2019 Transportation System Plan (TSP) and water

and wastewater master plans that are currently under review and update, to provide necessary public facilities for current and future employment lands. The City collaborates with county, regional and state agencies, and public and private utility providers, to ensure adequate public facilities are appropriately coordinated and planned.

(2) Plans for cities and counties within a Metropolitan Planning Organization or that adopt policies related to short-term supply of land, must include detailed strategies for preparing the total land supply for development and for replacing the short-term supply of land as it is developed. These policies must describe dates, events or both, that trigger local review of the short-term supply of land.

Response: Woodburn is not within a Metropolitan Planning Organization and this section is not applicable. However, the City is committed to working with DLCDC and other state agencies to address any potential deficit in supply in a timely manner, albeit as a separate legislative action requiring Council direction. Goal E-1 states, “Woodburn shall provide and maintain an adequate supply of suitable industrial sites to attract targeted firms consistent with Statewide Planning Goal 9 (Economy of the State), the recommendations of the 2023 Woodburn Economic Opportunities Analysis and the Woodburn Economic Development Strategies”. Most recently, the City was awarded funding assistance to support transportation planning work for the City’s Urban Reserve Area, in compliance with OAR 660-021-0040(6).

(3) Plans may include policies to maintain existing categories or levels of industrial and other employment uses including maintaining downtowns or central business districts.

Response: The WCP supports additional investment in existing employment areas and the historic downtown area and the City’s Urban Renewal District and programs include the downtown core and the City has initiated numerous programs to support the vitality of the downtown core and community. A recent example is the City’s implementation of urban renewal funding to support the Front Street revitalization project in and ongoing business improvement and façade programs in our historic downtown area.

(4) Plan policies may emphasize the expansion of and increased productivity from existing industries and firms as a means to facilitate local economic development.

Response: Woodburn actively seeks to support infill and redevelopment of sites zoned for employment through such plan policies as “Identify, promote, and regulate to bring about urban infill and redevelopment of existing commercial areas within the community...” (Goal F-1) and “The City should at all times have sufficient land to accommodate the retail needs of the City and surrounding market area while encouraging commercial infill and redevelopment” (Policy F-1.1).

(5) Cities and counties are strongly encouraged to adopt plan policies that include brownfield redevelopment strategies for retaining land in industrial use and for qualifying them as part of the local short-term supply of land.

Response: Woodburn actively seeks to support retention of land for industrial uses to support our employment land supply by through redevelopment and infill strategies such as the Highway 99E Corridor Plan, Woodburn Downtown Development Plan, and Woodburn Urban Renewal District. The City successfully partnered with Business Oregon to access brownfield revitalization funding to in our and in the reuse of a recently burned food bank property in our historic downtown area to ensure re-use of the property.

(6) Cities and counties are strongly encouraged to adopt plan policies pertaining to prime industrial land pursuant to OAR-009-0025(8).

Response: Woodburn has taken active steps to preserve and protect our Southwest Industrial Reserve (SWIR) through such policies as “Woodburn shall reserve suitable sites in the SWIR for targeted industrial firms, as directed by the 2023 Woodburn EOA” (Goal E-2) and “SWIR designation shall be reserved exclusively for industrial uses identified in the EOA and shall not be converted to another commercial or residential land use map designation (Policy E-2.1).

(7) Cities and counties are strongly encouraged to adopt plan policies that include additional approaches to implement this division, including but not limited to:

- (a) Tax incentives and disincentives;*
- (b) Land use controls and ordinances;*
- (c) Preferential tax assessments;*
- (d) Capital improvement programming;*
- (e) Property acquisition techniques;*
- (f) Public/private partnerships; and*
- (g) Intergovernmental agreements.*

Response: Woodburn’s adopted Urban Renewal District, established Enterprise Zone, updated development ordinances, and similar economic development tools and strategies allow the City significant opportunity to support existing business firms and attract new strategically targeted industries and employment opportunities for our community. Woodburn also has a proven track record in partnering with local economic development agencies and state partners to augment land productivity in both short and long-term planning horizons to meet the economic development objectives for the planning area.

Conclusion: The Comprehensive Plan update is consistent with the OAR requirements for economic development objectives and policies.

Consistency with Woodburn Comprehensive Plan Goals and Policies

The proposed Comprehensive Plan update includes a variety of policies to help the City achieve its economic objectives. In many ways, the City's existing policies already provide a strong policy basis and framework to support adoption of the EOA. They center around supporting the growth and expansion of target industries identified in the EOA.

To supplement existing goals and policies, a number of policy amendments are recommended to further strengthen the City's economic policies and ensure they are consistent with state and regional economic objectives and requirements. Recommendations include the following:

Strategic updates to the following sections of the Comprehensive Plan:

- E. Industrial Land Development and Employment
- F. Commercial Land Development and Employment
- G. Growth Management and Annexation

New policies recommended to these sections are intended to help address challenges related to growing target industries identified on the EOA. Generally, the new policies are intended to:

- Support the development of an adequate workforce; and
- Coordinate with ODOT to maintain mobility for the I-5 interchange with Oregon Highways 214 & 219 (Exit 271)

The recommended updates to Comprehensive Plan Sections E, F, and G include clarification of existing policies for consistency with the EOA and current conditions in Woodburn and removal of defunct policies.

In addition, recommended updates to Section F. Commercial Land Development and Employment include a new Goal (Goal F-2) with related policies. Goal F-2 states:

"Enhance the quality of the city workforce and support development of target industries."

Included are four new policies for supporting a versatile workforce, encouraging training and development to support regional industry needs, and prioritizing infrastructure improvements or incentive tools to support development of targeted industries. The policies echo implementation recommendations identified in the EOA.

Further, recommended updates to Section G include one new Goal (Goal G-1.2) and three new policies. Goal G-1.2 states:

"The City's goal is to have development construct or fund their proportionate share of public improvements to the greatest extent legally permissible, to lessen the cost of land of land development to the City in order to lessen taxpayer burden for landowners in the context of Oregon Ballot Measures 5 (1990) and 50 (1997)."

The new policies in Section G are primarily focused on coordinating and collaborating with ODOT to maintain circulation and mobility in the I-5 interchange area, to coordinate with other agencies improve the transportation system to accommodate employment growth, and to factor the City Transit Development Plan (Resolution No. 2213, June 12, 2023) into future growth management activities. (The City runs its own local bus system, and the Salem Area Mass Transit District branded as Cherriots serves the city.)

Conformance with the Woodburn Development Ordinance

WDO 4.01 Decision-Making Procedures

4.01.02E. Type V Decisions (Legislative): Type V decisions involve legislative actions where the City Council enacts or amends the City's land use regulations, comprehensive plan, Official Zoning Map or some component of these documents. Type V decisions may only be initiated by the City Council. The Planning Commission holds an initial public hearing on the proposal before making a recommendation to the City Council. The City Council then holds a final public hearing and renders a decision. Public notice is provided for all public hearings (Section 4.01.14). The City Council's decision is the City's final decision and is appealable to LUBA within 21 days after it becomes final.

The City Council on October 9, 2023, passed Resolution No. 2221 initiating Legislative Amendment 23-02. The Planning Commission hearing was scheduled for November 9, 2023, and the City Council hearing is tentatively scheduled for December 9, 2023, pending a recommendation to the Council by the Planning Commission. On October 4, 2023, staff sent a Post-Acknowledgement Plan Amendment (PAPA) to the Department of Land Conversation and Development (DLCD) in compliance with OAR 660-018-0020. The City notified affected government agencies in conformance with WDO 4.01.14.D. on October 19, 2023, and published notice of both the Planning Commission and City Council hearings in the *Woodburn Independent* newspaper on November 1, 2023.

✓ The provisions are met.

Notice

ORS 227.186 Notice to property owners of hearing on certain zone change; form of notice; ...

(2) All legislative acts relating to comprehensive plans, land use planning or zoning adopted by a city shall be by ordinance.

Pending a decision from the City Council following its public hearing, the Council would be able to direct staff to return with an ordinance for adoption at a subsequent Council meeting.

(3) ... at least 20 days but not more than 40 days before the date of the first hearing on an ordinance that proposes to amend an existing comprehensive plan or any element thereof, or to adopt a new comprehensive plan, a city shall cause a written individual notice of a land use change to be mailed to each owner whose property would have to be rezoned in order to comply with the amended or new comprehensive plan if the ordinance becomes effective.

(4) At least 20 days but not more than 40 days before the date of the first hearing on an ordinance that proposes to rezone property, a city shall cause a written individual notice of a land use change to be mailed to the owner of each lot or parcel of property that the ordinance proposes to rezone. ...

(5) An additional individual notice of land use change required by subsection (3) or (4) of this section shall be approved by the city and shall describe in detail how the proposed ordinance would affect the use of the property. The notice shall: . . .

(6) At least 30 days prior to the adoption or amendment of a comprehensive plan or land use regulation by a city pursuant to a requirement of periodic review of the comprehensive plan under ORS 197.628, 197.633 and 197.636, the city shall cause a written individual notice of the land use change to be mailed to the owner of each lot or parcel that will be rezoned as a result of the adoption or enactment. ...

(7) Notice provided under this section may be included with the tax statement required under ORS 311.250.

(8) Notwithstanding subsection (7) of this section, a city may provide notice of a hearing at any time provided notice is mailed by first class mail or bulk mail to all persons for whom notice is required under subsections (3) and (4) of this section.

(9) For purposes of this section, property is rezoned when the city...

The City proposes no rezoning or WDO amendment at this time.

Because the City is not changing the base zoning classification of property, in other words neither rezoning nor making a zone change, Sections (3), (4) and (5) above are not applicable. Because the proposed amendment is not pursuant to a requirement of periodic review, Sections (6) & (7) & (8) are not applicable.

(10) The provisions of this section do not apply to legislative acts of the governing body of the city resulting from action of the Legislative Assembly or the Land Conservation and Development Commission for which notice is provided under ORS 197.047 or resulting from an order of a court of competent jurisdiction.

Staff finds the proposed BLI and EOA update and proposed updates to Comprehensive Plan Economic Goals and Policies do not result from actions of the Legislative Assembly or the Land Conservation and Development Commission (LCDC) and that ORS 197.047 is not applicable. As a result, the City of Woodburn is not required for LA 23-02 to do a "Measure 56" notice, the phrase referring to Ballot Measure 56 (1998) that the legislature codified in ORS 227.186, which the legislature later revised via Senate Bill 516 (2003).

Staff issued notices of public hearing pursuant to state law and WDO 4.01.14C & D. Notice of the Planning Commission and published notice of City Council public hearings in the *Woodburn Independent* newspaper on November 1, 2023.

The City last updated and adopted its Economic Opportunities Analysis (EOA) via Ordinance No. 2391 on October 31, 2005.

Staff briefed the Planning Commission on LA-23-02 on October 12, 2023, and the City Council on October 23, 2023. The established Technical Advisory Group (TAG) for the project met on April 13, June 9, and August 11, 2023, and made a recommendation to staff to proceed with adoption.

✓ The provisions are met.

January 8, 2024

TO: Honorable Mayor and City Council through City Administrator
FROM: Jesse Cuomo, Community Services Director
SUBJECT: **Resolution Updating Parks and Recreation SDC Fees**

RECOMMENDATION:

Adopt a resolution approving a Parks and Recreation System Development Charges (SDC) schedule, which has been updated to account for increasing construction costs, consistent with Ordinance No. 2250; and establishing an effective date of February 1, 2024.

BACKGROUND:

SDC legislation was first adopted by the State of Oregon in 1989. SDCs are one time fees assessed on new development to fund the expansion of infrastructure for parks, streets, water, wastewater, or storm water management systems. By statute, SDC fees can only be utilized to fund capital improvements that add capacity to the system, such as parkland acquisition or the construction of new parks or park facilities. SDCs may not be utilized to fund non-capacity increasing projects, such as maintenance or operations. The City of Woodburn has collected and utilized parks and recreation SDCs since 1992.

State law has strict provisions that require a city to develop a formula, or "methodology", which takes into account the value of existing or planned capacity in the infrastructure system necessary to serve new development.

The methodology must consider the cost of existing facilities, prior contributions by existing users, the value of unused capacity, grants, and other relevant factors. SDC fees are designed to recover all or a portion of the costs of planned capital improvements that add system capacity to serve future development.

The City's adopted Parks and Recreation SDC Methodology, which was last updated in 2016, includes a parks Capital Improvement Project (CIP) list, which identifies SDC-eligible projects, the estimated timing of each project, and the growth-related portion of each project that is eligible for SDC funding.

Agenda Item Review: City Administrator ☒ City Attorney ☒ Finance ☒

Pursuant to Ordinance No. 2250, this adjustment is to be calculated and take effect on January 1 of each year. The Ordinance provides for the SDC fees to be adjusted in an amount equal to the change in construction costs according to the *Engineering News-Record (ENR) Northwest (Seattle, Washington) Construction Cost Index*. As of December 2026, the annual construction cost index increase was 0.4%.

DISCUSSION:

Effective Feb 1, 2024, all Parks and Recreation SDC fees will increase 0.4%.

The updated schedule is as follows:

	Old Fee	New Fee
Residential (all housing types)	\$4,628/ dwelling unit	\$4,647/ dwelling unit
Non-residential	\$183/ employee	\$ 184/employee

FINANCIAL IMPACT:

The increased revenues that are expected to result from the updated SDC fee schedule are dependent upon the level of future development activity, which is unknown at this time.

COUNCIL BILL NO. 3237

RESOLUTION NO. 2225

A RESOLUTION SETTING AMOUNT OF THE PARKS AND RECREATION SYSTEMS DEVELOPMENT CHARGES UNDER AN EXISTING METHODOLOGY; ESTABLISHING AN ALTERNATIVE RATE REVIEW FEE; AND SETTING AN EFFECTIVE DATE FOR IMPOSITION OF THE FEES AND CHARGES

WHEREAS, ORS 223.297 – 223.314 authorizes local governments to impose system development charges; and

WHEREAS, the City has adopted Ordinance 2250 establishing Parks and Recreation Systems Development Charges; and

WHEREAS, the City has adopted methodologies pursuant to Ordinance 2250 to justify the Parks and Recreation Systems Development Charges; and

WHEREAS, Ordinance 2250 provides that the amounts of the Parks and Recreation and Parks Systems Development shall be set by resolution; and

WHEREAS, Ordinance 2250 provides that the amounts of the Parks and Recreation and Parks Systems Development charges shall be adjusted annually to account for changes in the cost of constructing facilities; and

WHEREAS, Ordinance 2250 also allows the City to establish an alternative rate review fee by resolution; **NOW THEREFORE**,

THE CITY OF WOODBURN RESOLVES AS FOLLOWS:

Section 1. PARKS AND RECREATION SYSTEMS DEVELOPMENT CHARGE.

The schedule of Parks and Recreation Systems Development Charges attached as Exhibit "A", and, by this reference, incorporated herein is hereby adopted to be imposed beginning the effective date identified in Section 3 of this resolution.

Section 2. ALTERNATIVE RATE REVIEW FEE

The minimum fee for review of an alternative rate review calculation shall be five hundred dollars (\$500), to be paid at the time the alternative rate calculation is submitted for review. If the City hires a consultant to assist in reviewing the information submitted, the cost of the consultant's review shall be

shared equally by the City and the applicant, and the applicant shall pay its share of the cost of the consultant's review at the time the City decides whether or not to accept the alternative rate.

Section 3. EFFECTIVE DATE

The effective date for imposition of the fees and charges identified in this resolution shall be February 1, 2024.

Approved as to form: _____
City Attorney Date

Approved: _____
Frank J Lonergan, Mayor

Passed by the Council _____

Submitted to the Mayor _____

Approved by the Mayor _____

Filed in the Office of the Recorder _____

ATTEST: _____
Heather Pierson, City Recorder
City of Woodburn, Oregon

EXHIBIT "A"

PARKS AND RECREATION SYSTEM DEVELOPMENT CHARGES SCHEDULE

Effective: February 1, 2024

DEVELOPMENT TYPE

SDC PER UNIT

Residential (all housing types)

\$ 4,647 /dwelling unit

Non-residential

\$ 184/employee

The non-residential fee is assessed based on a structure's gross square footage per employee as determined by the following *Metro Employment Density Study* guidelines:

SQUARE FEET PER EMPLOYEE (Recommended Guidelines from Metro Employment Density Study)

<u>Standard Industry Classification (SIC)</u>	<u>Square Feet Per Employee</u>	<u>Standard Industry Classification (SIC)</u>	<u>Square Feet Per Employee</u>
Manufacturing:		Trucking	1,500
General	700	Communications	250
Food Related	775	Utilities	225
Textile, Apparel	575		
Lumber, Wood Products	560	Retail:	
Paper and Related	1,400	General	700
Printing and Publishing	600	Hardware	1,000
Chemicals, Petrol,		Food Stores	675
Rubber, Plastics	850	Restaurant/ Bar	225
Cement, Stone, Glass, Clay	800	Appliance/ Furniture	1,000
Furniture and Furnishings	600	Auto Dealerships	650
Primary Metals	1,000	Gas Station (gas only)	300
Secondary Metals	800	Gas Station (Gas and Service)	400
Non-Electrical Machinery	600	Regional Shopping Center	600
Electrical Machinery	375		
Electrical Design	325	Services:	
Transportation Equipment	500	Hotel/ Motel	1,500
Other	400	Health Services (hospital)	500
		Health Services (clinic)	350
Wholesale Trade:		Educational	1,300
Durable Goods	1,000	Cinema	1,100
Non-Durable Goods	1,150	Personal Services (office)	600
		Finance, Insurance, Real Estate,	
Warehousing:		Business Services (office)	350
Storage	20,000		
Distribution	2,250	Government Administration	300

January 8, 2024

To: Honorable Mayor and City Council through City Administrator

From: Chris Kerr, Community Development Director *CK*,
Colin Cortes, AICP, CNU-A, Senior Planner

Subject: **Council briefing of Planning Commission approval of a Design Review, Property Line Adjustment as a Lot Consolidation, Street Adjustment, & Variance application package for an unnamed 94-unit apartment complex at 1030 Young St (DR 22-06, PLA 22-04, SA 23-04, & VAR 23-04)**

RECOMMENDATION:

Staff recommends that the City Council take no action on this item and provides this summary pursuant to [Woodburn Development Ordinance \(WDO\)](#) Section 4.02.02. The Council may call up this item if desired and, by majority vote, initiate a review of the Planning Commission decision.

BACKGROUND:

On December 14, 2023, the Planning Commission approved the consolidated land use applications package (land use review Type III) for proposed development through four buildings totaling 94 apartments.

The subject property of approximately 3.51 acres is located at 1030 Young Street, at the south side of the T-intersection of Young & Bryan Streets. The property is zoned Mixed Use Village (MUV) and an open field following demolition of the Young Street Market built 1955 and that had burned down February 5, 2018.

Street Adjustment

The Street Adjustment request was for the existing Young Street frontage. The developer's request was to not demolish existing curb and pave additional asphalt and avoid pouring new curb (to accommodate a wider travel lane and wider bicycle lane). With existing curb remaining, new sidewalk would be located correctly away from street centerline and leave a wider-than-standard planter strip.

Agenda Item Review: City Administrator ____x____ City Attorney ____x____ Finance ____x____

In September, the applicant's team had indicated to staff that the developer changed his mind and would upgrade the south side of Young Street per the standard cross-section – which would involve demolishing curb, paving additional asphalt and new curb, and re-striping. In response, the Commission left in place the recommended Street Adjustment conditioning that allows the developer to choose either to meet the WDO as is or construct the half-street cross-section as conditioned and that allows the developer to leave as is existing curbing and asphalt.

Variance

There were four variance requests:

1. “Joyce Way”* east half-street improvements: To not construct an east half-street and offering instead an off-street bicycle/pedestrian path (Joyce Path).

*“Joyce Way” refers to an unimproved unnamed City right-of-way (ROW) 50 feet (ft) wide that runs northerly-southerly between 960 and 1030 Young Street (Tax Lots 051W18AD08300 & 051W18AD08400) and extends to Young at the north and Willamette Valley railroad at the south. County Tax Map 051W18AD delineates it. (City Planning staff has referred to it as “Joyce Way” since the time of pre-application meeting PRE 2020-04 on February 27, 2020 because that is the same name as the nearest street to the north along an imaginary line, Joyce Street, and WDO 3.01.06C.1d lists the suffix “Way” as an acceptable one.)

2. Bicycle/Pedestrian Corridor RR2: To have Bicycle/Pedestrian Corridor RR2 be 12 feet (ft), narrower than the minimum 20 ft.

Background: The Willamette Valley railroad runs along the north side of E. Cleveland Street. WDO 3.01.07C and Table 3.01A row 1b(2) require along the north side of the railroad right-of-way a bicycle/pedestrian corridor 20 ft wide and path as far east as just past N. Pacific Highway to Bird's Eye Avenue and as far west as the Mill Creek Greenway Trail.

3. Path RR2: To have Path RR2 be 8 ft, narrower than the Class B minimum 10 ft per the Community Development Director's WDO interpretation memo INT 22-0608 “Off-Street Public Bicycle/Pedestrian Facility Specifications” (June 8, 2022; land use final decision Attachment 203) through 3.01.07D & E.
4. Only so many parking stalls in a row without a landscaped island: To have more than 10 consecutive parking spaces in a parking aisle without a mid-

aisle landscape island or peninsula, having a range of 11-14 stalls in a row in a few locations. (Through conditioning, the Commission allowed the developer to narrow the proposed parking area walkways that the site plan illustrates based on WDO 3.05.02N. They are minimum width 3½ ft instead of the 6-ft width that 3.04.06 would have required. This is in order to fit in south side landscaped islands per 3.06.03C.4.)

There was no testimony other than by members of the applicant's team.

The unanimous motion to approve included all proposed conditions of approval, except that the Commission (1) corrected Condition V10b(3) as recommended in the staff addendum memo published December 13 and (2) revised Conditions V3, V13a-c, & V15a, struck Condition V15b, and through Condition V6 revised land use decision Attachment 204 as follows:

- V3: Revised to strike a requirement for apartment Building A, which would be along and directly abut Young Street with no parking area in between, to have a narrow, 2½-ft wide walkway connecting each of its two breezeways with sidewalk.
- V13a-c: Revised to not require a minimum size of patio of 96 square ft (sq ft) that WDO 3.07.05B.1 recommends and to not require larger balconies that would have been of similar size to those of Woodburn Place and Woodburn Place West Apartments at 2145 and 2045 Molalla Road (CU 22-01 & ANX 2019-01): balconies minimum size 80 sq ft with all patios and balconies minimum depth 8 ft. (The approved draft floor plans show and notate that half of balconies would be 63 sq ft and the other half 96 sq ft.)
- V15a: Regarding proposed canopies at the leasing office main entrance and the leasing office common room patio doors, revised to strike minimum height above grade of 9 ft.
- V6 through land use final decision Attachment 204: Narrowed the minimum width of Corridor RR2 and its Path RR2 to a uniform 14 ft width of tract or easement delineating the corridor and 8 ft of path pavement. (The original condition had them wider along where Building D would be, approximately the western half of the south property line: a 16-ft corridor with a 10-ft path).

The final decision document includes conditions of approval that relate to the following topics:

1. Upgrade of Young Street frontage;
2. Joyce Path: improvement of Joyce Way right-of-way (ROW) as a bicycle/pedestrian path that doubles as an emergency fire access lane, with related amenities and support facilities such as an open-air picnic shelter (or fee in-lieu) and benches similar to those found along the Mill Creek Greenway Trail and connections with Path RR2 and the apartment complex;
3. Path RR2: Either dedicating a tract or granting a public easement minimum width 14 feet as conditioned by variance (instead of 20 ft), room enough for a north 2-foot shoulder, an 8-foot paved path, and a south 4-foot bench and tree planting zone, and with path pavement, benches, and trees, and connections with Joyce Path and the apartment complex;
4. Increased street trees, and provision for fee in-lieu to fund tree plantings elsewhere in town;
5. A bus transit / transit service fee to improve walking, cycling, and local and regional bus ridership; and
6. A bicycle rack at the adjacent existing sheltered bus stop.
7. How safely and comfortably pedestrians and cyclist can access and circulation among on-site buildings through walkways and visibly distinct crossings of drive aisles;
8. Carpool/vanpool (C/V) and electric vehicle (EV) parking stalls and EV charging;
9. Having evergreen trees among newly planted trees outside of ROW;
10. Urban design: How many and how large are windows; door canopies or fixed awnings that shelter from precipitation;
11. Vehicle damage protection along the parking stalls next to the recycling and trash enclosures; and
12. Common area improvements such as benches and either the proposed dog run or a specified alternative barbeque grill, children's play structure, or flower or vegetable garden.

Additional application materials are found via the [DR 22-06](#) project webpage.

An aerial view, site plan, and elevations and/or perspective renderings are below:



Subject property outlined in yellow



Site plan (Sheet LU 1.0); north is approximately to the right



Architectural rendering excerpt: View SE from Young Street to Building A

DISCUSSION:

n/a

FINANCIAL IMPACT:

n/a

Attachment(s):

None.