

**URBAN RENEWAL AGENCY OF THE CITY OF HOOD RIVER  
ANNUAL STATEMENT  
January, 2017**

Each year, urban renewal agencies in Oregon are required to prepare an annual statement summarizing certain financial information, which is then filed with the governing body of the municipality (ORS 457.460). This document is in addition to other audit and budget reporting requirements.

Property taxes are used by urban renewal agencies to pay for capital projects that improve urban renewal areas. In Oregon, there are two different processes for calculating property taxes for urban renewal. The first is the “division of tax” process. Under this process, overall property taxes remain the same. However, some property taxes that would have been receipted by the taxing districts (for example, a city or a county) are paid over to the urban renewal agency instead. Property owners are often confused when reading their tax statements because the amount distributed from the division of tax process to the agency is shown as a separate amount, even though it is not an additional tax.

The second process is an “urban renewal special levy.” Only certain urban renewal plans are eligible for this funding (specifically plans that were adopted prior to December 6, 1996). The special levy was created in order to protect existing plans from losing revenue when Measure 50 was enacted. The special levy is not required; it is optional. If approved, it becomes an additional tax that is billed to all taxpayers in the city or county that established the plan.

The Urban Renewal Agency of the City of Hood River has three plans; the Hood River Heights Plan (adopted in 2011), the Hood River Waterfront Plan (adopted in 2008) and the Columbia Cascade Plan (adopted in 1987). Since both the Heights and Waterfront Plans were created after December 6, 1996, they will receive property taxes from the division of tax process only. The Columbia Cascade Plan is a protected “Option 1” plan and is eligible to receive additional property tax funding by approving an optional special levy. However, the Columbia Cascade Plan did not assess the special levy this year, so all three plans will receive property tax funding based on the division of tax process only.

**Narrative Report on Last Year’s Activities and Next Year’s Planned Activities**

**FY 2015/16**

In FY 2015/16, the Agency received just over \$1.5 million in property taxes that, along with existing reserves, were used to repay debt and fund real-estate acquisition activities, including the addition of passive parkland in the Waterfront Plan Area.

Actual results for FY 2015/16 were as follows:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
<b>Resources</b>				
Beginning Fund Balance	10,348	275,875	66,777	154,931
Tax Increment Revenues	-	1,034,090	347,816	126,587
Transfers In	10,600	-	-	-
Other	13	134,088	396,004	1,307
<b>Total Resources</b>	<b>20,961</b>	<b>1,444,053</b>	<b>810,597</b>	<b>282,825</b>
<b>Requirements</b>				
Materials & Services	14,240	64,685	68,282	30,412
Capital Outlay	-	-	395,000	-
Debt Service	-	420,365	307,976	-
Transfers Out	-	4,240	4,240	2,120
<b>Total Requirements</b>	<b>14,240</b>	<b>489,290</b>	<b>775,498</b>	<b>32,532</b>
<b>Ending Fund Balance</b>	<b>6,721</b>	<b>954,763</b>	<b>35,099</b>	<b>250,293</b>

**FY 2016/17**

In FY 2016/17, the Agency estimates to receive approximately \$1.5 million in property taxes and does not anticipate any debt borrowings. Estimated property tax collections and existing reserves will be used to repay outstanding debt.

The budget for FY 2016/17 includes the following:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
<b>Resources</b>				
Beginning Fund Balance	-	793,235	65,694	235,231
Tax Increment Revenues	-	1,003,000	346,500	138,800
Transfers In	11,100	-	50,000	-
Other	-	313,239	1,500	1,100
<b>Total Resources</b>	<b>11,100</b>	<b>2,109,474</b>	<b>463,694</b>	<b>375,131</b>
<b>Requirements</b>				
Materials & Services	6,600	136,400	73,500	58,200
Capital Outlay	-	-	-	-
Debt Service	-	421,000	263,300	-
Transfers Out	-	4,440	54,440	2,220
Contingency	4,500	1,547,634	72,454	314,711
<b>Total Requirements</b>	<b>11,100</b>	<b>2,109,474</b>	<b>463,694</b>	<b>375,131</b>
<b>Unappr. Ending Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Division of Tax Process

The division of taxes process results in some property taxes that would have been received by the taxing districts that levy property taxes within the urban renewal area (for example, Hood River County or the City of Hood River) being paid over to the Agency instead. The taxing districts “forego” a share of the property tax income during the life of an urban renewal plan so that the urban renewal agencies can carry out activities that increase future property values.

The table below shows the property taxes raised in FY 2015/16 for the Urban Renewal Agency of the City of Hood River from the permanent rate levies of each of the taxing districts that levies property taxes within the urban renewal area.

	Billing Rate per \$1,000	Incremental Assessed Value	Division of Tax for Urban Renewal
Hood River County	\$ 1.41710	\$ 128,526,148	\$ 182,134
911 Communications District	0.56440	128,526,148	72,540
City of Hood River	2.81120	128,526,148	361,313
Port of Hood River	0.03320	128,526,148	4,267
Hood River Parks & Recreation District	0.34980	128,526,148	44,958
Hood River County Transit District	0.07230	128,526,148	9,292
Hood River County Library District	0.39000	128,526,148	50,125
Columbia Gorge Community College	0.27030	128,526,148	34,741
Columbia Gorge Educational School District	0.46780	128,526,148	60,125
Hood River County School District	4.81190	128,526,148	618,455
Total			<u>\$ 1,437,951</u>