

**URBAN RENEWAL AGENCY OF THE CITY OF HOOD RIVER
ANNUAL STATEMENT
January, 2019**

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 received 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 2017/18

In FY 2017/18, the Agency received just under \$1.7 million in property taxes that, along with existing reserves, were used to repay debt from prior agency projects. Actual results for FY 2017/18 were as follows:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
Resources				
Beginning Fund Balance	11,516	1,575,373	139,518	371,425
Tax Increment Revenues	-	1,033,810	467,759	175,637
Transfers In	47,460	-	-	-
Other	592	100,553	472,108	7,335
Total Resources	59,568	2,709,736	1,079,385	554,397
Requirements				
Materials & Services	7,271	70,362	519,732	56,170
Capital Outlay	-	-	-	-
Debt Service	-	420,074	341,462	-
Transfers Out	-	15,820	15,820	15,820
Total Requirements	7,271	506,256	877,014	71,990
Ending Fund Balance	52,297	2,203,480	202,371	482,407

FY 2018/19

In FY 2018/19, the Agency estimates to receive approximately \$1.8 million in property taxes. The Waterfront URA will begin repaying a \$469,000 loan for odor control improvements to the Waste Water Treatment Plant and evaluate potential investment in the development of Lot 1. The Heights District will begin work on an implementation plan for community project priorities identified in a series of community meetings and events in 2017 and 2018. The implementation plan is expected to include 30% engineered designs suitable for issuing solicitations for construction documents. The Columbia Cascade Plan is nearing the end of its expected lifespan. The district's tax increment will be likely be returned to the tax rolls in the next two years. In the interim, district funds are being held in anticipation of the City's downtown parking study and any infrastructure investments it may recommend.

The budget for FY 2018/19 includes the following:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
Resources				
Beginning Fund Balance	12,475	2,239,918	183,418	482,800
Tax Increment Revenues	-	1,099,441	514,001	194,429
Transfers In	15,000	-	-	-
Other	230	105,661	3,393	7,988
Total Resources	27,705	3,445,020	700,812	685,217
Requirements				
Materials & Services	11,800	123,000	94,000	112,000
Capital Outlay	-	-	-	-
Debt Service	-	419,964	97,468	-
Transfers Out	-	5,000	5,000	5,000
Contingency	4,500	2,500,000	450,000	450,000
Total Requirements	16,300	3,047,964	646,468	567,000
Unappr. Ending Fund Balance	11,405	397,056	54,344	118,217

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 2017/18 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	\$ 154,512,470	\$ 218,960
911 Communications District	0.56440	154,512,470	87,207
City of Hood River	2.81120	154,512,470	434,365
Port of Hood River	0.03320	154,512,470	5,130
Hood River Parks & Recreation District	0.34980	154,512,470	54,048
Hood River County Transit District	0.07230	154,512,470	11,171
Hood River County Library District	0.39000	154,512,470	60,260
Columbia Gorge Community College	0.27030	154,512,470	41,765
Columbia Gorge Educational School District	0.46780	154,512,470	72,281
Hood River County School District	4.81190	154,512,470	743,499
Total			\$ 1,728,686