

**URBAN RENEWAL AGENCY OF THE CITY OF HOOD RIVER
ANNUAL STATEMENT
January, 2020**

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). A newer requirement added for 2020 also requires the report be distributed to each overlapping taxing district and to include maximum indebtedness for each urban renewal plan area, including amount of indebtedness incurred through end of the preceding fiscal year. This document is in addition to other audit and budget reporting requirements.

Property taxes are used by urban renewal agencies to pay for 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.

	Maximum Indebtedness		
	Columbia Cascades Plan	Waterfront Plan	Heights Plan
Authorized Maximum Indebtedness	19,298,192	5,750,000	8,495,650
Indebtedness Incurred Through 2018/19	14,599,280	3,026,163	244,853
Remaining Available Indebtedness	4,698,912	2,723,837	8,250,797

Narrative Report on Last Year's Activities and Next Year's Planned Activities

FY 2018/19

In FY 2018/19, the Agency received just under \$1.8 million in property taxes that, along with existing reserves, were used to repay debt from prior agency projects. Actual results for FY 2018/19 were as follows:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
Resources				
Beginning Fund Balance	52,297	2,203,480	202,371	482,448
Tax Increment Revenues	-	1,096,989	534,578	196,689
Transfers In	15,000	-	-	-
Other	1,404	81,247	11,136	20,514
Total Resources	68,701	3,381,716	748,085	699,651
Requirements				
Materials & Services	7,588	54,896	142,139	67,162
Capital Outlay	-	-	-	-
Debt Service	-	420,017	97,467	-
Transfers Out	-	5,000	5,000	5,000
Total Requirements	7,588	479,913	244,606	72,162
Ending Fund Balance	61,113	2,901,803	503,479	627,489

FY 2019/20

In FY 2019/20, the Agency estimates to receive approximately \$2.0 million in property taxes. The Waterfront URA will continue repaying a \$469,000 loan for odor control improvements to the Wastewater Treatment Plant. The Heights District will continue work on an implementation plan for community project priorities identified in a series of community meetings and events in 2017 and 2018. 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 FY2020/21. 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 2019/20 includes the following:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
Resources				
Beginning Fund Balance	59,697	2,794,876	600,548	634,606
Tax Increment Revenues	-	1,151,329	586,523	217,286
Transfers In	6,000	-	-	-
Other	1,492	120,440	15,014	15,865
Total Resources	67,189	4,066,645	1,202,085	867,757
Requirements				
Materials & Services	11,900	88,000	82,000	140,000
Capital Outlay	-	-	200,000	-
Debt Service	-	-	97,467	-
Transfers Out	-	2,000	2,000	2,000
Contingency	4,500	3,600,000	650,000	550,000
Total Requirements	16,400	3,690,000	1,031,467	692,000
Unappr. Ending Fund Balance	50,789	376,645	170,618	175,757

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 2018/19 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	\$ 169,203,190	\$ 239,778
911 Communications District	0.56440	169,203,190	95,498
City of Hood River	2.81120	169,203,190	475,664
Port of Hood River	0.03320	169,203,190	5,618
Hood River Parks & Recreation District	0.34980	169,203,190	59,187
Hood River County Transit District	0.07230	169,203,190	12,233
Hood River County Library District	0.39000	169,203,190	65,989
Columbia Gorge Community College	0.27030	169,203,190	45,736
Columbia Gorge Educational School District	0.46780	169,203,190	79,153
Hood River County School District	4.81190	169,203,190	814,189
Total			\$ 1,893,045