

**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 2020/21	14,599,280	4,543,663	446,836
<b>Remaining Available Indebtedness</b>	<b>4,698,912</b>	<b>1,206,337</b>	<b>8,048,814</b>

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

### FY 2020/21

In FY 2020/21, the Agency paused division of property taxes to aid overlapping taxing districts during the onset of the pandemic. Existing reserves were used to repay debt from prior agency projects and continue current projects. Actual results for FY 2020/21 were as follows:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
<b>Resources</b>				
Beginning Fund Balance	59,558	4,115,205	797,561	763,405
Tax Increment Revenues	-	33,146	13,854	4,678
Transfers In	-	-	-	-
Other	422	31,972	753,281	5,509
<b>Total Resources</b>	<b>59,980</b>	<b>4,180,323</b>	<b>1,564,696</b>	<b>773,592</b>
<b>Requirements</b>				
Materials & Services	8,039	48,000	1,180,501	129,764
Capital Outlay	-	-	-	-
Debt Service	-	-	254,430	-
Transfers Out	-	-	-	-
<b>Total Requirements</b>	<b>8,039</b>	<b>48,000</b>	<b>1,434,931</b>	<b>129,764</b>
Ending Fund Balance	51,941	4,132,323	129,765	643,828

### FY 2021/22

The Urban Renewal Agency resumed division of tax and anticipates receiving \$1,846,753 in property taxes attributable to current and prior years. The Waterfront URA will continue repaying a \$469,000 loan for odor control improvements to the Wastewater Treatment Plant, \$395,000 loan for the Nichols Basin Passive Park, and begin repayment on \$750,000 borrowed for the Waterfront Stormwater Line Replacement. The Heights District will continue work on an streetscape 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 will levy a partial collection and will likely returned its full assessed value to the general rolls in FY2022/23. In the interim, district funds are being held for infrastructure investments.

The budget for FY 2021/22 includes the following:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
<b>Resources</b>				
Beginning Fund Balance	48,459	4,166,962	131,281	423,139
Tax Increment Revenues	-	562,262	994,342	290,149
Transfers In	49,500	-	-	-
Other	311	72,544	1,203,711	4,024
<b>Total Resources</b>	<b>98,270</b>	<b>4,801,768</b>	<b>2,329,334</b>	<b>717,312</b>
<b>Requirements</b>				
Personnel	53,183	-	-	-
Materials & Services	11,900	4,583,000	1,251,000	197,921
Capital Outlay	-	-	-	-
Debt Service	-	-	995,935	-
Transfers Out	-	16,500	16,500	16,500
Contingency	4,500	202,268	15,000	125,000
<b>Total Requirements</b>	<b>69,583</b>	<b>4,801,768</b>	<b>2,278,435</b>	<b>339,421</b>
<b>Unappr. Ending Fund Balance</b>	<b>28,687</b>	<b>-</b>	<b>50,899</b>	<b>377,891</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 2020/21 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. The value is zero across all taxing districts due to the one-year pause in division of tax.

	Billing Rate per \$1,000	Incremental Assessed Value	Division of Tax for Urban Renewal
Hood River County	\$ 1.41710	\$ -	\$ -
911 Communications District	0.56440	-	-
City of Hood River	2.81120	-	-
Port of Hood River	0.03320	-	-
Hood River Parks & Recreation District	0.34980	-	-
Hood River County Transit District	0.07230	-	-
Hood River County Library District	0.39000	-	-
Columbia Gorge Community College	0.27030	-	-
Columbia Gorge Educational School Distric	0.46780	-	-
Hood River County School District	4.81190	-	-
<b>Total</b>			<b>\$ -</b>