

**URBAN RENEWAL AGENCY OF THE CITY OF HOOD RIVER
ANNUAL STATEMENT
January, 2021**

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 2019/20	14,599,280	3,318,565	331,981
Remaining Available Indebtedness	4,698,912	2,431,435	8,163,669

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

FY 2019/20

In FY 2019/20, the Agency received just under \$2.1 million in property taxes that, along with existing reserves, were used to repay debt from prior agency projects and continue current projects. Actual results for FY 2019/20 were as follows:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
Resources				
Beginning Fund Balance	61,113	2,901,803	503,479	627,448
Tax Increment Revenues	-	1,179,108	696,783	218,303
Transfers In	6,000	-	-	-
Other	1,239	92,047	16,622	14,909
Total Resources	68,352	4,172,958	1,216,884	860,660
Requirements				
Materials & Services	8,794	55,753	301,538	95,255
Capital Outlay	-	-	-	-
Debt Service	-	-	115,785	-
Transfers Out	-	2,000	2,000	2,000
Total Requirements	8,794	57,753	419,323	97,255
Ending Fund Balance	59,558	4,115,205	797,561	763,405

FY 2020/21

In FY 2020/21, the Agency suspended division of tax across all three districts to assist overlapping districts during the COVID-19 pandemic. The Urban Renewal Agency will not receive any current taxes in FY2020/21 and estimates to receive approximately \$32,985 in property taxes attributable to prior years. The Waterfront URA will continue repaying a \$469,000 loan for odor control improvements to the Wastewater Treatment Plant and \$395,000 loan for the Nichols Basin Passive Park. 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 may be returned to the tax rolls in FY2021/22. In the interim, district funds are being held for infrastructure investments.

The budget for FY 2019/20 includes the following:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
Resources				
Beginning Fund Balance	58,905	4,203,015	866,750	725,684
Tax Increment Revenues	-	21,625	8,375	2,985
Transfers In	-	-	-	-
Other	802	88,224	5,208	7,725
Total Resources	59,707	4,312,864	880,333	736,394
Requirements				
Materials & Services	11,900	3,688,000	82,000	453,000
Capital Outlay	-	-	450,000	-
Debt Service	-	-	194,543	-
Transfers Out	-	-	2,000	-
Contingency	4,500	45,000	85,000	85,000
Total Requirements	16,400	3,733,000	813,543	538,000
Unappr. Ending Fund Balance	43,307	579,864	66,790	198,394

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 2019/20 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	\$ 194,807,312	\$ 276,061
911 Communications District	0.56440	194,807,312	109,949
City of Hood River	2.81120	194,807,312	547,642
Port of Hood River	0.03320	194,807,312	6,468
Hood River Parks & Recreation District	0.34980	194,807,312	68,144
Hood River County Transit District	0.07230	194,807,312	14,085
Hood River County Library District	0.39000	194,807,312	75,975
Columbia Gorge Community College	0.27030	194,807,312	52,656
Columbia Gorge Educational School District	0.46780	194,807,312	91,131
Hood River County School District	4.81190	194,807,312	937,393
Total			\$ 2,179,504