

**URBAN RENEWAL AGENCY OF THE CITY OF HOOD RIVER  
ANNUAL STATEMENT  
FISCAL YEAR 2021/2022**

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 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). All three plans will receive property taxes from the division of tax process only.

The original maximum indebtedness, the indebtedness incurred in FY 2021/2022 and the remaining maximum indebtedness figures are shown in the table below. Maximum indebtedness is the amount of funds the Agency can spend in each district for projects programs and administration throughout the life of the district.

	Maximum Indebtedness		
	Col. Cascade	Waterfront Plan	Heights Plan
Authorized MI	19,298,192	5,750,000	8,495,650
Indebtedness incurred in 2021/2022	75,310	61,220	82,248
Total Indebtedness incurred	14,674,590	4,543,663	331,981
Remaining Available Indebtedness	4,623,602	1,206,337	8,163,669

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

### FY 2021/22

In FY 2021/22, the Agency received \$1,627,660 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 2021/22 were as follows:

	General Fund	Columbia Cascade	Waterfront	Heights
Resources				
Tax Increment Revenues		545,870	811,654	270,136
Interest on Investments	347	24,137	1,193	3,770
TOTAL:	347	570,007	812,847	273,906
Requirements				
Materials and Services	38,785	285,811	48,000	285,215
Debt Service			745,991	
TOTAL:	38,785	285,811	793,991	285,215
Transfers out		(16,500)	(16,500)	(16,500)
Transfers in	49,500			
Beginning Fund Balance	51,941	4,132,323	129,765	643,828
Ending Fund Balance	63,003	4,400,019	132,121	616,019

### FY 2022/23

#### Columbia Cascade District

The Agency terminated taking division of tax revenues for the Columbia Cascade Plan starting in FY 2022/2023. This returned all property tax revenues for the Columbia Cascade Area to the overlapping taxing districts including the city itself. The Columbia Cascade District still has funds to deploy on redevelopment projects. The FY2022-32 Proposed Budget includes the following projects:

*Structured Parking Business Plan* - A downtown parking structure has been under consideration for decades. A 1995 agreement with the Port of Hood River states, "The true and actual consideration for this conveyance (of the Columbia Lot to the City) is a promise to construct a parking structure". This promise did not come with a timeline or exact dimensions. However, the Urban Renewal Agency is nearing a deadline to apply Columbia Cascade District dollars to the project. The FY2022-23 Proposed Budget includes a parking structure feasibility study with the potential to move forward with preliminary design.

*2nd & Oak Signalization* - The City's Road Fund can no longer support the timely completion of the 2nd & Oak Signalization project. The funding gap is due to converging factors of COVID impacted gas tax revenues and escalating costs of the Cascade & Rand signalization and alignment. The project requires Urban Renewal Funding to continue.

*Wayfinding, Pedestrian, and Bike Infrastructure* - Appropriations are designated for various downtown infrastructure improvements, many of which are as recommended in the 2019 Parking Study.

*Upgrade Parking Kiosks* - The 2019 Parking Study recommended continuing conversion of coin-only parking meters to electronic payment kiosks. The Proposed Budget includes funding to finish this project.

**Waterfront District**

The Agency adopted Resolution URA-04 on December 14, 2020 dedicating the balance of the Waterfront District’s maximum indebtedness so that the stormwater line construction project may move forward even if state and federal aid does not materialize. This means that the Waterfront may complete its final spending in FY2022-23 and then move into a debt repayment phase before expiring in 2024.

**The Heights Business District**

The Agency executed a three-phase contract with MIG to continue the planning and design work for streetscape improvements in the Heights. Phase I was completed in FY2021-22. Phase II is in process and should be finished before the end of the fiscal year. The Proposed FY2022-23 Budget appropriates funds for Phase III of MIG’s contract.

**General Fund**

The General Fund is funded from transfers from the urban renewal district funds. The General Fund pays for shared costs like administration of the urban renewal districts.

The budget for FY 2022/23 includes the following:

	General Fund	Columbia Cascade	Waterfront	Heights
<b>Resources</b>				
Beginning Fund Balance	73,651	4,382,615	72,929	693,988
Tax Increment Revenues			795,674	264,668
Interest Earnings	306	44,176	3,711	4,024
Misc. Revenues		14,070		
<b>TOTAL:</b>	<b>73,957</b>	<b>4,440,861</b>	<b>872,314</b>	<b>962,680</b>
<b>Requirements</b>				
Materials and Services	11,900	4,440,861	351,000	203,000
Capital Outlay			401,929	
Contingency	4,500		50,000	125,000
<b>Total Requirements</b>	<b>16,400</b>	<b>4,440,861</b>	<b>802,929</b>	<b>328,000</b>
<b>Unappropriated Ending Fund Balance</b>	<b>57,557</b>	<b>-</b>	<b>69,385</b>	<b>634,680</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 2021/22 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. Incremental assessed value is the growth in the assessed value from the time the district is established. The amount shown in the table below is the incremental value from the three districts. The final table below shows the incremental value combined for all three districts.

	Columbia Cascade	Waterfront	Heights
Frozen Base	88,390,000	11,872,754	54,455,226
Incremental Value	48,000,000	74,298,846	24,763,954
Total Assessed Value	136,390,000	86,171,600	79,219,180

Urban renewal agencies do not create an additional tax. Instead, during the Agency’s lifespan, overlapping taxing districts “forego” a portion of their permanent rate. Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. The School District and Education Service District are funded through the State School Fund on a per pupil allocation. There is no *direct* impact of urban renewal on their funding. The State School Fund is funded through property tax allocations, but also through other state resources.

	Billing rate	Incremental				
	per \$1,000	Assessed Value	Col.Cascade	Waterfront	Heights	TOTAL:
Hood River County	0.0014171	\$147,062,800	67,954	105,273	35,010	208,237
911	0.0005644	\$147,062,800	26,987	41,818	13,858	82,663
City of Hood River	0.0028112	\$147,062,800	134,935	208,845	69,534	413,314
Port of Hood River	0.0000332	\$147,062,800	1,580	2,431	729	4,740
HR Parks & Rec	0.0003498	\$147,062,800	16,776	25,893	8,631	51,300
HRC Transit	0.0000723	\$147,062,800	3,404	5,349	1,702	10,455
Library District	0.00039	\$147,062,800	18,599	23,932	9,603	52,134
Col Gorge CC	0.0002703	\$147,062,800	12,886	20,058	6,686	39,630
Hood River School District	0.0048119	\$147,062,800	230,969	357,516	119,132	707,617
Col Gorge ESD	0.0004678	\$147,062,800	22,368	36,645	11,548	70,561
		TOTAL:	536,458	827,760	276,433	1,640,651