

**URBAN RENEWAL AGENCY OF THE CITY OF HOOD RIVER
ANNUAL STATEMENT
January, 2016**

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 receipted 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 2014/15

In FY 2014/15, the Agency received just under \$1.3 million in property taxes that, along with existing reserves, were used to repay debt and fund capital construction activities, including the final stages of a \$5 million street reconstruction project in the Columbia Cascades Plan area.

Actual results for FY 2014/15 were as follows:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
Resources				
Beginning Fund Balance	10,348	1,142,488	24,383	76,109
Tax Increment Revenues	-	897,584	297,329	90,387
Transfers In	6,290	-	-	-
Other	250	26,239	882	593
Total Resources	16,888	2,066,311	322,594	167,089
Requirements				
Materials & Services	6,540	154,581	72,149	11,781
Capital Outlay	-	1,189,226	-	-
Debt Service	-	441,911	182,473	-
Transfers Out	-	4,718	1,195	377
Total Requirements	6,540	1,790,436	255,817	12,158

FY 2015/16

In FY 2015/16, the Agency estimates to receive approximately \$1.3 million in property taxes and does not anticipate any debt borrowings. Estimated property tax collections and existing reserves will be used to repay outstanding debt.

The budget for FY 2015/16 includes the following:

	General Fund	Columbia Cascades Plan	Waterfront Plan	Heights Plan
Resources				
Beginning Fund Balance	10,348	18,310	35,538	141,901
Tax Increment Revenues	-	864,425	320,000	85,985
Assessments	-	206,520	-	-
Transfers In	10,600	-	-	-
Other	500	500	150	250
Total Resources	21,448	1,089,755	355,688	228,136
Requirements				
Materials & Services	16,448	-	-	-
Development Program	-	55,000	70,000	73,500
Debt Service Program	-	551,875	249,033	500
Transfers Out	-	4,240	4,240	2,120
Contingency	5,000	296,333	23,365	38,322
Unappr. Ending Fund Balance	-	182,307	9,050	113,694
Total Requirements	21,448	1,089,755	355,688	228,136

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 2014/15 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
HR County	\$ 1.41710	\$ 107,584,345	\$ 152,458
911 Communications District	0.56440	107,584,345	60,721
City of Hood River	2.81120	107,584,345	302,441
Port of Hood River	0.03320	107,584,345	3,572
Hood River Parks & Recreation District	0.34980	107,584,345	37,633
Hood River County Transit District	0.07230	107,584,345	7,778
Hood River County Library District	0.39000	107,584,345	41,958
Columbia Gorge Community College	0.27030	107,584,345	29,080
Columbia Gorge Educational School District	0.46780	107,584,345	50,328
Hood River County School District	4.81190	107,584,345	517,685
Total			<u>\$ 1,203,654</u>