

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2022

2021/2022

Hermiston Urban Renewal Agency

This report fulfills the requirement, prescribed in ORS 457.460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.

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HERMISTON URBAN RENEWAL AGENCY

Hermiston Urban Renewal Agency History

The Hermiston Urban Renewal Agency was formed by the City of Hermiston in 2013. The agency board is made up of the Mayor and City Council.

The urban renewal plan adopted on August 26, 2013 establishes the purpose of the urban renewal district as follows:

- Revitalize the City Center by alleviating conditions of blight and underinvestment
- Create public improvements including open space, community meeting space, and street improvements
- Encourage new public and private investment
- Increase the taxable value of property in the city
- Improve the utilization of land within specific areas of the community

The maximum indebtedness established for the Hermiston Urban Renewal Agency is \$4,000,000. This amount is the total amount of funds which can be spent on projects, programs, and administration in the urban renewal district over the life of the urban renewal plan. As of June 30th, 2022, \$1,800,695.09 had been spent on projects, \$45,141.41 had been spent on administration, and total indebtedness was \$1,190,000.

A full copy of the Hermiston Urban Renewal Plan and Report may be found on the City of Hermiston website located at: <https://www.hermiston.or.us/node/2421>

Projects

Two façade grants were paid in the 2021/2022 fiscal year.

1. Grant for exterior improvements at 379 E Main St
 - \$10,000 awarded in Jan 2022
2. Grant for exterior improvements at 149 E Main St
 - \$10,000 awarded in March of 2021

Administrative costs include public notice costs, recording fees, supplies, and loan repayments. Many of these administrative costs are one-time expenditures which are not repeated on an annual basis.

- Total cost of non-capital expenditures (including debt service) was \$109,461.92.

Financial Reporting

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information conforms to the requirements of this statute.

Money Received

In FY 2021/2022 the Umatilla County Assessor calculated that the Hermiston Urban Renewal Agency would receive \$297,499.76 from the division of taxes. The actual tax revenue received was \$291,688.77, a smaller amount due to compression, underpayments, and delinquencies.

A total of \$ 217,456 was on-hand on July 1, 2021, as cash forward from the 20/21 fiscal year.

Money Expended

Revenues received through tax collection and interagency loan were expended as shown in the table below.

Item	Urban Renewal General Fund
Beginning Fund Balance	\$217,456.00
Façade Grant Outlay	\$20,000
Festival Street	\$0
Wayfinding Signs	\$94,429.88
Parking Improvements	\$87,581.25
Loan Repayments	\$99,362.49
Administrative Outlay	\$10,099.43
Ending Fund Balance	\$157,875

Estimated Revenue

The estimated revenues for the 2022/2023 fiscal year are \$270,759 from current tax revenues.

Proposed Budget for 2022/2023 Fiscal Year

A budget listing the revenues to be received due to urban renewal tax increment collection, money to be spent, and what projects/expenses the money will fund is shown in the table below.

Item	2022/2023 Urban Renewal General Fund
Resources	
General Taxes	\$270,759
Delinquent Taxes	\$0
Cash Forward	\$374,903
<i>Total Resources</i>	<i>\$645,662</i>
Expenditures	
Facade Grants	\$50,000
Festival Street	\$5,000
SE 2 nd St Gateway	\$400,000
Wayfinding Signs	\$0
Non-Departmental	\$190,662
<i>Total Expenditures</i>	<i>\$645,662</i>

Impact on Taxing Districts

The revenues forgone by local taxing districts due to urban renewal are shown in the table below. This information is from the Umatilla County Department of Assessment and Taxation. The numbers are after truncation and compression losses.

Urban renewal agencies do not create additional tax. Instead during the agency's lifespan, overlapping taxing districts forgo a portion of their permanent rate. Once the urban renewal agency is terminated, the taxing jurisdictions receive the full permanent rate of taxes.

Taxing District	Revenue Forgone 2021/2022	Total Taxes Received 2021/2022	% of Total Taxes to UR
Umatilla County	\$46,895.93	\$21,036,694.65	0.22%
City of Hermiston	\$100,349.87	\$7,425,988.19	1.40%
School District #8 Hermiston	\$80,559.05	\$11,462,079.25	0.70%
Intermountain ESD	\$10,146.35	\$4,303,181.08	0.24%
BMCC	\$10,888.77	\$4,621,189.20	0.24%
Port of Umatilla	\$2,474.72	\$1,132,363.25	0.22%
Umatilla County Fire District 1	\$28,830.48	\$4,926,520.20	0.59%
County Radio District	\$2,722.19	\$1,162,385.58	0.23%
Cemetery District 8 Hermiston	\$1,519.98	\$229,208.06	0.66%
W Umatilla Mosquito Control	\$3,217.14	\$841,819.27	0.38%
Total	\$287,604.48	\$57,141,428.73	0.50%

Conclusion

In the eighth year of operation, the urban renewal district continues to have a minimal impact on other taxing districts. The total revenue foregone remains less than 1% of all revenue collected by all affected agencies, with the exception of the City of Hermiston which had 1.40% of total taxes foregone to the district. As the assessed value in the district increases as a result of improvement within the district, the overall impact will remain small for the foreseeable future.

Looking forward to the long-term health of the district, revenue continues to exceed the projects in the 2013 plan, typically exceeding planning assumptions by approximately 10%. This excess revenue bodes well for the district as all urban renewal planning utilized the most conservative growth projections and projects were generated using these conservative projections. Implementation of additional projects is planned for the 2023-24 year, potentially implementing the jump start loan project and increasing the maximum award amount of façade grants.