

# ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2025

2024/2025

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. This year's report includes three districts.

#### **Downtown Hermiston Urban Renewal District**

The Downtown Hermiston Urban Renewal Plan adopted on August 26, 2013, establishes the purpose of the downtown 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 Downtown Hermiston Urban Renewal district 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 30<sup>th</sup>, 2025, \$2,288,658.54 had been spent on projects, \$60,809.53 had been spent on administration, and total indebtedness was \$995,000.

A full copy of the Downtown Hermiston Urban Renewal Plan and Report may be found on the City of Hermiston website located at: <https://www.hermiston.or.us/commdev/page/urban-renewal-district-documents>

### Projects

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 \$102,372.51.

### 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 2024/2025 the Umatilla County Assessor calculated that the Downtown Hermiston Urban Renewal District would receive \$454,842 from the division of taxes. The actual tax revenue received was \$446,474.24, a smaller amount due to compression, underpayments, and delinquencies.

A total of \$5,017,158.71 for all districts was on-hand on July 1, 2024, as cash forward from the 23/24 fiscal year. This balance reflects funds for all districts held in common and separately budgeted.

**Money Expended**

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

Item	Urban Renewal Downtown Fund
Beginning Fund Balance	\$5,017,158.71
Façade Grant Outlay	\$0
Loan Repayments	\$98,606.96
Administrative Outlay	\$3765.55
Ending Fund Balance	\$5,322,068.20

**Estimated Revenue**

The estimated revenues for the 2025/2026 fiscal year are \$312,000 from current tax revenues.

**Proposed Budget for 2025/2026 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	2025/2026 Urban Renewal Downtown Fund
<b>Resources</b>	
From Other Agencies	\$266,000
<i>Total Resources</i>	\$266,000
<b>Expenditures</b>	
Debt Service	\$102,000
Façade Grants	\$60,000

Festival Street	\$3,000
Parking Improvements	\$3,000
Contingency	\$98,000
<i>Total Expenditures</i>	<i>\$266,000</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 2024/2025	Total Taxes Received 2024/2025	% of Total Taxes to UR
Umatilla County	\$72,878.44	\$24,496,696.16	.29%
City of Hermiston	\$155,742.27	\$8,853,625.92	1.75%
School District #8 Hermiston	\$125,082.57	\$14,315,538.23	.87%
Intermountain ESD	\$15,648.75	\$5,073,548.53	.30%
BMCC	\$16,841.03	\$5,448,641.53	.30%
Port of Umatilla	\$3,8974.93	\$1,323,596.83	.29%
Umatilla County Fire District 1	\$44,710.70	\$6,184,268.54	.72%
County Radio District	\$4,322.04	\$1,364,544.86	.31%

Cemetery District 8 Hermiston	\$2,306.30	\$281,798.01	.81%
W Umatilla Mosquito Control	\$5,067.21	\$994,592.98	.50%
<b>Total</b>	<b>\$446,474.24</b>	<b>\$68,336,851.59</b>	<b>.65%</b>

**Southwest Hermiston Urban Renewal District**

The Southwest Hermiston Urban Renewal Plan adopted on October 24, 2022, establishes the purpose of the Southwest Hermiston Urban Renewal District as follows:

- Address future housing needs in southwest Hermiston
- Create public improvements including water and sewer infrastructure
- 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 Southwest Hermiston Urban Renewal district is \$18,100,000. 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 30<sup>th</sup>, 2025, \$0 had been spent on projects, \$0 had been spent on administration, and total indebtedness was \$0.

A full copy of the Southwest Hermiston Urban Renewal Plan and Report may be found on the City of Hermiston website located at: <https://www.hermiston.or.us/commdev/page/urban-renewal-district-documents>

**Projects**

The Southwest Hermiston Urban Renewal District is a highly focused area intended to facilitate residential development in an isolated, costly development area. Urban renewal funds are intended to be used only for large-scale public infrastructure projects and park development. Funds were not expended on these projects in the 24-25 fiscal year. Infrastructure development loans from the State of Oregon revolving loan fund are planned for use to design and construct these improvements. Urban renewal revenue will be used for debt service in future years. As of the date of this report, all design work has been self-funded through the utility enterprise funds and no loan proceeds have been expended nor require reimbursement.

- Total cost of non-capital expenditures (including debt service) was \$0.

**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 2024/2025 the Umatilla County Assessor calculated that the Southwest Hermiston Urban Renewal District would receive \$1,173.44 from the division of taxes. The actual tax revenue received was \$1,152.63.

A total of \$0 was on-hand on July 1, 2024, as cash forward from the 23/24 fiscal year.

### 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.

Taxing District	Revenue Forgone 2024/2025	Total Taxes Received 2024/2025	% of Total Taxes to UR
Umatilla County	\$149.10	\$24,496,696.16	.00060%
City of Hermiston	\$447.28	\$8,853,625.92	.0050%
School District #8 Hermiston	\$407.15	\$14,315,538.23	.0028%
Umatilla County Fire District 1	\$149.10	\$6,184,268.54	.0024%
<b>Total</b>	<b>\$1,152.63</b>	<b>\$53,850,128.85</b>	<b>.0021%</b>

### North Hermiston Urban Renewal District

The North Hermiston Urban Renewal Plan adopted on July 24, 2023, establishes the purpose of the North Hermiston Urban Renewal District as follows:

- Address infrastructure deficiencies and parcel patterns that limit potential development

The maximum indebtedness established for the North Hermiston Urban Renewal district is \$5,000,000. 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 30<sup>th</sup>, 2025, \$215,784.57 had been spent on projects, \$0 had been spent on administration, and total indebtedness was \$4,516,250.

A full copy of the North Hermiston Urban Renewal Plan and Report may be found on the City of Hermiston website located at: <https://www.hermiston.or.us/commdev/page/urban-renewal-district-documents>

### Projects

The North Hermiston Urban Renewal District is a highly focused area intended to upgrade inadequate infrastructure. Urban renewal funds are intended to be used only for large-scale public infrastructure projects.

Total cost of non-capital expenditures (including debt service) was \$347,540.61.

### 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 2024/2025 the Umatilla County Assessor calculated that the North Hermiston Urban Renewal District would receive \$129,776.32 from the division of taxes. The actual tax revenue received was \$127,954.27.

A total of \$0 was on-hand on July 1, 2024, as cash forward from the 23/24 fiscal year.

### Money Expended

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

Item	North Hermiston Urban Renewal Fund
Beginning Fund Balance	\$347,540.61
Loan Repayments	\$347,540.61
Ending Fund Balance	\$0

### Estimated Revenue

The estimated revenues for the 2025/2026 fiscal year are \$0 from current tax revenues.

### Proposed Budget for 2025/2026 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	2025/2026 North Hermiston Urban Renewal Fund
Resources	

From Other Agencies	\$5,545,000
<i>Total Resources</i>	\$5,545,000
<b>Expenditures</b>	
Debt Service	\$345,000
Capital Outlay	\$5,200,000
<i>Total Expenditures</i>	\$5,545,000

### 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.

Taxing District	Revenue Forgone 2024/2025	Total Taxes Received 2024/2025	% of Total Taxes to UR
Umatilla County	\$20,848.78	\$24,496,696.16	.08%
City of Hermiston	\$44,695.40	\$8,853,625.92	.50%
School District #8 Hermiston	\$35,974.36	\$14,315,538.23	.25%
Intermountain ESD	\$4,496.80	\$5,073,548.53	.08%
BMCC	\$4,769.33	\$5,448,641.53	.08%
Port of Umatilla	\$1,090.14	\$1,323,596.83	.08%
Umatilla County Fire District 1	\$12,809.05	\$6,184,268.54	.20%
County Radio District	\$1,226.40	\$1,364,544.86	.08%

Cemetery District 8 Hermiston	\$545.07	\$281,798.01	.19%
W Umatilla Mosquito Control	\$1,362.67	\$994,592.98	.13%
<b>Total</b>	<b>\$127,818</b>	<b>\$68,336,851.59</b>	<b>.18%</b>

### Conclusion

The Hermiston Urban Renewal Agency is a growing operation. Formed originally to administer the Downtown urban renewal district, the agency has expanded. In 2022 the Southwest Hermiston urban renewal district was added to support residential development. In 2023 the North urban renewal district was formed to promote additional commercial development.

In the eleventh year of operation, the urban renewal agency 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 1.75% of total taxes foregone to the downtown district. As the assessed value in the districts increase as a result of improvement within the districts, the overall impact will remain small for the foreseeable future.

Looking forward to the long-term health of the downtown district, revenue continues to exceed the projections 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. As revenue continues to exceed projections, the potential for additional projects will be considered.

In the second year of existence, the south Hermiston urban renewal district did not have a significant impact on other taxing districts. To date, all design work has been completed using utility enterprise zone funds and no other sources of revenue have been collected. It is not anticipated that work will continue in the 2024/25 FY but will resume as new potential development is proposed.

With the formation of the North urban renewal district in 2023, the district has expanded again and will require additional reporting in future years. This district began incurring debt in the 24-25 fiscal year and work towards building an extension of NE Aspen Drive to connect N 1<sup>st</sup> Street with NE 4<sup>th</sup> Street, opening more land for retail development. To date, all expenditures have been on design and engineering. Not right of way has yet been acquired nor improvements installed.