

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2020

2019/2020

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, 2020, \$1,331,588.21 had been spent on projects, \$29,280.43 had been spent on administration, and total indebtedness was \$1,310,000.

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

There were no new façade grants funded in the 2019/2020 fiscal year. Seven façade grants funded from previous fiscal years were expended during the fiscal year 2019/2020.

1. Grant for exterior improvements at 298 E Gladys Ave
 - \$10,000 awarded in Sept 2018
2. Grant for facade and exterior improvements at 285 E Main St
 - \$7,500 awarded in June of 2019
3. Grant for landscape improvements at 215 E Hurlburt Ave
 - \$4,755.05 awarded in May of 2017
4. Grant for exterior and landscape improvements at 371 E Hurlburt Ave
 - \$10,000 awarded in April of 2018
5. Grant for sign and landscape improvements at 130 SE 3rd St
 - \$9,007.01 awarded in April 2019
6. Grant for exterior improvements at 201 E Main St
 - \$10,000 awarded in July 2018

- 7. Grant for exterior improvements at 505 E Main St
 - o \$10,000 awarded June of 2019

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 \$119,124.69.

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 2019/2020 the Umatilla County Assessor calculated that the Hermiston Urban Renewal Agency would receive \$237,236.59 from the division of taxes. The actual tax revenue received was \$229,415.07, a smaller amount due to compression, underpayments and delinquencies.

A total of \$400,000 was on-hand on July 1, 2019 as cash forward from the 18/19 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	\$400,000.00
Façade Grant Outlay	\$41,262.06.00
Festival Street	\$0
Wayfinding Signs	\$35,000.00
Parking Improvements	\$0
Loan Repayments	\$114,128.02
Administrative Outlay	\$4,996.67
Ending Fund Balance	\$374,410.08

Estimated Revenue

The estimated revenues for the 2020/2021 fiscal year are \$205,425 from current tax revenues.

Proposed Budget for 2020/2021 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	2020/2021 Urban Renewal General Fund
Resources	
General Taxes	\$205,425
Delinquent Taxes	\$0
Proceeds of LGIP 3066- Fund 35	\$25,000
Cash Forward	\$372,300
<i>Total Resources</i>	<i>\$602,725</i>
Expenditures	
Facade Grants	\$50,000
Festival Street	\$3,000
Parking Improvements	300,000
Wayfinding Signs	\$48,500
Non-Departmental	\$201,225
<i>Total Expenditures</i>	<i>\$602,725</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 2019/2020	Total Taxes Received 2019/2020	% of Total Taxes to UR
Umatilla County	\$36,810.77	\$18,978,205.41	0.19%
City of Hermiston	\$78,787.95	\$6,465,225.10	1.22%
School District #8 Hermiston	\$63,294.85	\$10,261,595.70	0.62%
Intermountain ESD	\$7,964.90	\$3,835,552.11	0.21%
BMCC	\$8,503.07	\$4,119,020.53	0.21%
Port of Umatilla	\$1,937.41	\$1,019,322.43	0.19%
Umatilla County Fire District 1	\$22,603.11	\$4,480,406.14	0.50%
County Radio District	\$2,152.68	\$1,046,809.57	0.21%
Cemetery District 8 Hermiston	\$1,117.57	\$208,257.98	0.54%
W Umatilla Mosquito Control	\$2,583.21	\$745,296.38	0.35%
Total	\$225,755.52	\$51,159,691.35	0.44%

Conclusion

In the sixth 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 1.22% 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.

Activity within the district continues to increase. The façade grant program is proving to be popular and effective with businesses, creating an opportunity for public/private partnerships for redevelopment. The

wayfinding signage plan was the district's priority for the 19/20 year. A plan has been prepared and will go before the council for adoption in the near future. Parking improvements will be a priority for the district in the 20/21 year.

Looking forward to the long-term health of the district, higher than forecast revenues may make it possible to revisit the project list in the upcoming years and reconsider if additional projects are warranted. In particular, it may be possible to increase the total funding available for façade grants, or to expand the scope of projects to include other properties in the district. Currently the grants are limited to commercial properties only.