

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2021

2020/2021

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, 2021, \$1,598,683.96 had been spent on projects, \$35,041.98 had been spent on administration, and total indebtedness was \$1,250,000.

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 funded in the 2020/2021 fiscal year.

1. Grant for exterior improvements at 145 SW 4th St
 - \$10,000 awarded in Oct 2020
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 \$106,955.05.

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 2020/2021 the Umatilla County Assessor calculated that the Hermiston Urban Renewal Agency would receive \$266,293.83 from the division of taxes. The actual tax revenue received was \$258,954.50, a smaller amount due to compression, underpayments and delinquencies.

A total of \$372,300 was on-hand on July 1, 2020 as cash forward from the 19/20 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	\$372,300.00
Façade Grant Outlay	\$0
Festival Street	\$0
Wayfinding Signs	\$0
Parking Improvements	\$267,095.75
Loan Repayments	\$101,193.50
Administrative Outlay	\$5,761.55
Ending Fund Balance	\$369,843.86

Estimated Revenue

The estimated revenues for the 2021/2022 fiscal year are \$240,242 from current tax revenues.

Proposed Budget for 2021/2022 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	2021/2022 Urban Renewal General Fund
Resources	
General Taxes	\$240,242
Delinquent Taxes	\$0
Cash Forward	\$166,676
<i>Total Resources</i>	<i>\$406,918</i>
Expenditures	
Facade Grants	\$50,000
Festival Street	\$3,000
Parking Improvements	\$0
Wayfinding Signs	\$48,500
Non-Departmental	\$305,418
<i>Total Expenditures</i>	<i>\$406,918</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 2020/2021	Total Taxes Received 2020/2021	% of Total Taxes to UR
Umatilla County	\$41,579.38	\$19,855,237.50	0.21%
City of Hermiston	\$88,952.62	\$6,817,574.88	1.30%
School District #8 Hermiston	\$71,468.39	\$10,668,866.17	0.67%
Intermountain ESD	\$8,974.79	\$4,031,020.55	0.22%
BMCC	\$9,656.42	\$4,328,895.37	0.22%
Port of Umatilla	\$2,158.49	\$1,067,118.42	0.20%
Umatilla County Fire District 1	\$25,561.09	\$4,634,800.94	0.55%
County Radio District	\$2,385.70	\$1,095,725.46	0.22%
Cemetery District 8 Hermiston	\$1,287.72	\$215,101.03	0.60%
W Umatilla Mosquito Control	\$2,953.73	\$792,098.55	0.37%
Total	\$254,978.33	\$53,506,438.87	0.48%

Conclusion

In the seventh 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 1.30% 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.

There was one major project completed within the urban renewal district in the 2020-2021 fiscal year. The municipal parking lot on E Gladys Ave between Highway 395 and NE 2nd Street was repaved and improved. The number of parking spaces available increased by 11, circulation was improved, and a garbage enclosure was added to assist in alley beautification.

The wayfinding sign project has been carried over from the previous year. The plan was completed in the 2020-21 year and was expanded beyond an urban renewal project to a city-wide wayfinding program. A new element was added to the wayfinding program which was not anticipated during the plan creation in 2013. The City entered into a contract with a digital sign provider to install digital, variable message signs. Five signs were installed, three within the urban renewal district and two on public parks and the cost of these signs was divided equally between the city and HURA. The parking signage is on order and is anticipated to be delivered before the end of the 2021-22 fiscal year.

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 2022-23 year, potentially implementing the jump start loan project or completing the gateway project at the SE 2nd Street/Highway 395 intersection.