ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2013

2012/2013

La Grande Urban Renewal Agency

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

Annual Report for Fiscal Year Ending June 30th, 2013

LA GRANDE URBAN RENEWAL AGENCY

LA GRANDE URBAN RENEWAL AREA HISTORY

The La Grande Urban Renewal Agency was established by the City of La Grande in 1999. The Agency is comprised of the La Grande City Council.

The La Grande Urban Renewal Plan (Plan) was adopted by the City of La Grande on November 17, 1999. The mission of the Plan is to

- revitalize La Grande's Central Business Zone (CBZ) by investing in public improvements and public/private development partnerships in the CBZ and
- facilitating the development of commercial and industrial parts of the urban renewal area to create jobs and income which will provide economic support to the CBZ.

The maximum indebtedness established in 1999 for the La Grande Urban Renewal Plan is $21,446,570. The maximum indebtedness is the total amount of funds that can be spent on projects, programs, and administration in the urban renewal area over the life of the urban renewal plan. The amount of maximum indebtedness remaining for the Area as of July 1, 2013 is $14,800,809.

Oregon state law allows cities to create urban renewal districts in size not to exceed twenty-five percent (25%) of the total acreage and not to exceed 25% of the assessed property value within the city limits. The La Grande Urban Renewal Area (Area) is 526 acres, less than 25% of the total city acreage. The frozen base assessed value of the Urban Renewal Area is $79,416,398 ("Frozen Base"), and does not exceed the 25% limit.

Goals

When developing the La Grande Urban Renewal Plan and Report, a series of Goals and Objectives were developed to guide activities funded by, or related to the Plan Area. The Goals and Objectives are listed in the Plan, and the goals are reiterated here:

Goal 1. Revitalize Downtown

Revitalize the Central Business Zone by building on its historic character, expanding the mix of goods and services offered and developing public spaces and amenities.

Goal 2. Create High Quality Family Wage Jobs

Promote industrial and commercial development that generates high quality family wage jobs and income for the community and creates sustainable and environmentally sound economic vitality.

Goal 3. Retail Development

Promote the development of a greater range of retail services for residents and visitors. Allow residents to fill their shopping needs within the community. Provide greater services for travelers on I-84. Both types of retail will help create retail and service jobs within the community.

Goal 4. Housing

Promote the development of a range of housing within the Area, especially rental units and housing units as part of mixed use development in the CBZ.

Goal 5. Transportation

Take full advantage of public and private transportation via Interstate 84, the Railroad and the Union County Airport.

Goal 6. Community Facilities

Promote the development of community facilities that benefit the Area, including but not limited to parks, a library, a fire station, and City offices.

A full copy of the La Grande Urban Renewal Plan can be found on the La Grande Urban Renewal Agency website. http://www.cityoflagrande

ACTIVITIES:

The major projects undertaken in this fiscal year are the continuation of the Façade Renovation Program. The two projects completed were the Tropical Swirlz renovation and the Stratton Insurance Agency renovation.

1. Tropical Swirlz – A local family turned a vacant and blighted building into the city's first frozen yogurt shop. Renovations included Extensive interior and exterior remodel with a new paved parking lot and outdoor seating area. The total cost of renovations was around $75,000; urban renewal granted $33,454. The project was completed in May 2013.

2. Stratton Insurance Agency – The project included major interior and exterior remodel of an existing insurance building with new owners. The total project cost was around $50,000; urban renewal granted $14,500. The project was completed in October 2013.

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 responds to the requirements of this statute.

Money Received

In FY 2012/2013, the Union County Assessor calculated that the La Grande Urban Renewal would receive $980,451from division of taxes.[1] The La Grande URA actually received $946,508 in tax

[1] Totals of Union County Sal 4e FY2012/13

revenue, due to impacts of underpayment and delinquencies, 96% of the projected amount.[2] There were slight losses due to compression, an estimated $21,678 or just over two percent of the county estimated tax revenues.

Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 1. The interfund transfer shown for the Urban renewal Debt Fund was transferred to the Urban Renewal General Fund.

Table 1. Expenditures During FY 2012/2013 General Fund and Debt Fund

Item	Urban Renewal General Fund	Urban Renewal Debt Fund
Materials and Services	$309,771	
Capital Outlay	$1,524,954	
Unappropriated Ending Balance	$71,449	$755,461
Debt Service		$108,321
Interfund Transfer		($993,790)

Source: FYE Urban Renewal Audit, p 7

Estimated Revenues

The estimated tax revenues from the FY 2013-14 adopted Urban Renewal Agency budget are $901,500, $875,000 from current property taxes and $26,500 from delinquent property taxes. [3]

[2] FYE 2013 Urban Renewal Agency Audit Report, p 7
[3] City of La Grande FY 2013/14 Budget document, p 107-114

Proposed Budget for Current Fiscal Year, FY 2013-14

A compiled budget listing the money to be received due to urban renewal, money to be spent, and what projects/expenses the money will fund is shown in Table 2 below.

Table 2. Budget FY 2013/2014 General Fund and Debt Fund

Item	2013/14 General Fund	2013/14 Debt Fund
RESOURCES		
Available Cash on Hand	$81,670	$568,680
Grants	$500,000	-
Issuance of Debt	-	-
Taxes to be Collected Current and Delinquent	-	$901,500
Transfers In	$863,108	-
Interest Income	$0	$4,000
TOTAL RESOURCES	**$1,444,778**	**$1,474,180**
EXPENDITURES		
Materials and Services:		
Administrative Fees Gen Fund	$55,000	-
Professional Sve & Fees ECODV	$277,970	-
Total Materials and Services	**$332,970**	**-**
Capital Outlay:		
URA Plan Projects	$266,448	
Targeted Partnership Projects	$500,000	
Liberty Theater	$75,000	
Bike/Ped Alley - Matching Fund	$105,000	-
Total Capital Outlay	**$946,448**	-
Intra fund transfers/contingency	**$158,690**	**-**
Unappropriated Ending Balance	**$6,670**	**$344,026.00**
Debt Service:		
Principal	-	$170,480
Interest	-	$96,566
Total Bonded Debt Service	**-**	**$267,046**
Transfers Out	-	**$863,108**
TOTAL EXPENDITURES	**$1,444,778**	**$1,474,180**

Source: City of La Grande FY 2013/14 Urban Renewal Budget

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 3. This information is from Union County Assessor records, Table 4e.

Urban renewal agencies do not create an additional tax. Instead, during the Agency's lifespan, overlapping taxing districts "forego" a portion of their permanent rate. Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. For the majority of taxing districts this impact is less than four percent of their permanent rate levy. The greatest impact is on the City of La Grande, at 10.9% of their permanent rate levy. The School District and ESD are funded through the State School Fund on a per pupil allocation. There is no *direct* impact of urban renewal on their funding. The State School Fund is funded through property tax allocations, but also through other state resources.

Table 3. Impact on Taxing Districts FY 2012/2013

Taxing District	Revenue Forgone	Permanent Rate Levy	Percentage of Permanent Rate Levy
City of La Grande	$440,226	$4,039,234	10.90%
School District #1	$273,914	$4,479,358	6.12%
Union County	$175,585	$4,481,321	3.92%
Intermountain ESD	$36,429	$928,363	3.92%
La Grande Cemetery	$16,690	$193,364	8.63%
4H & Extension	$9,574	$244,557	3.91%
Vector Control Local Option	$7,198	217096.05	3.32%
Vector Control	$1,386	$36,130	3.84%
Total	$961,002		

Source: FY2012/13 Sal 4e and SAL 4a from Union County Assessor