

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2018

2017/2018

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, 2018

LA GRANDE URBAN RENEWAL AGENCY

URBAN RENEWAL AREA BACKGROUND

The La Grande Urban Renewal Plan (Plan) was adopted by the the City of La Grande on November 17, 1999. The maximum indebtedness established in 1999 for the La Grande Urban Renewal Plan is \$21,992,525. 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 La Grande Urban Renewal Plan is projected to be in operation until 2022. The amount of maximum indebtedness remaining for the Plan Area is \$10,831,388.

The frozen base assessed value of the Urban Renewal Area is \$79, 416,398. ("Frozen Base"). The FY 2017/2018 total assessed value is \$165,371,453. The Agency decided to under-levy for FY 2017/2018. An under-levy is accomplished by asking the Assessor for an adjusted Frozen Base. The Frozen Base used for FY 2017/2018 was \$123,371,453. Adjusting the Frozen Base means the Agency will receive fewer tax dollars and they could if they did not do an under-levy and that other taxing jurisdictions will receive additional tax dollars. . The excess value, or the value on which taxes are paid to the urban renewal agency in FY 2017/2018 is \$42,000,000. ¹

The La Grande Urban Renewal Agency ("LGURA") was established by the City of La Grande as a long-term investment strategy to fund and construct capital improvement projects in the La Grande Urban Renewal Area ("Area"). The Area is approximately 526 acres, or 19.03% of the 2,763 acres within the city limits at the time it was established.

LGURA is a separate legal and financial entity, governed by the members of the the City of La Grande City Council.

Oregon state law allows cities to create urban renewal districts in size not to exceed twenty-five percent (25%) of the total assessed property value within the city limits. The base value of the Urban Renewal Area when established in 1999 was \$79,146,398, and does not exceed this limit.

Urban Renewal Goals

LGURA's guiding document is the Plan and Report, which lists a series of goals and objectives to guide activities in the urban renewal area. Goals listed in the Plan are as follows:

Goal 1. Revitalize Downtown

Revitalize the Central Business Zone by building on its historic character,

¹Union County Assessor Tax FY 2017/2018 Table 4e The frozen base was adjusted to accomplish an under levy.

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.

The entire La Grande Urban Renewal Plan and Report can be found on La Grande Urban Renewal Agency's website, <http://www.cityoflagrande.org>.

PROJECTS

Dainty Jewels



Charity Walter, CEO and lead fashion designer of Dainty Jewell's at their new facility

PROJECT HIGHLIGHT

Dainty Jewell's Inc.

3009 Blue Mountain Drive

La Grande, OR

Total Project Cost: \$580,000

Urban Renewal Grant: \$100,000

Located in La Grande, OR, Dainty Jewell's Clothier, creates women's clothing and accessory for the modest woman. Company Founder, Charity Walter, began the company at age 16 by up-scaling and embellishing tops, skirts and dresses. Today, she is the CEO and lead-designer of this traded sector e-commerce company that ships its product internationally. Dainty Jewell's is now owned by Charity and husband, Jess Walter, who handles the operations side of the business. Still in their early 20's the Walters have grown their business steadily and had revenue of more than \$2 million last year.

Since relocating to La Grande, Dainty Jewell's has grown from the living room of the Walter's home, to two different rental spaces. In November, they will move into their newly constructed facility.

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 2017/2018, the La Grande Urban Renewal Agency received \$734,314 from division of taxes.² The detailed earnings of the La Grande Urban Renewal Agency can be seen in Table 1.

Table 1. Money Received During FY 2017/2018

Receipt Category	2017/2018 Amount
General Fund	
Assessment Interest	6,603
Miscellaneous	364
Sale of Property	237,044
Transfers In	489,904
TOTAL:	\$733,915
Debt Fund	
Division of Taxes	734,314
Interest on Investments	21,405
Issuance of Refunding Debt	787,056
Bond Premium	107,943
Transfers In	1,021,838
TOTAL:	\$2,672,556

Source: La Grande Urban Renewal Agency Financial Statement FYE 2018, pg. 4

Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 2.

Table 2. Expenditures During FY 2017/2018

Expenditure Category	2017/2018 Amount
General Fund	
Community Development	284,347
Capital Outlay	453,717
Interfund Transfer	1,021,838
TOTAL:	\$1,759,902
Debt Fund	
Interfund Transfer	489,904
Community Development	8,473
Debt Service	260,462
Payment to Refund Debt	886,526
TOTAL:	\$1,645,365

² La Grande Urban Renewal Agency Audited Financial Statement FYE 2018, pg. 4

Source: La Grande Urban Renewal Agency Financial Statement FYE 2018, pg. 4

Estimated Revenues

The estimated tax revenues from the FY 2018/19 adopted La Grande Urban Renewal Agency budget are \$677,555.³

Proposed Budget for Current Fiscal Year, FY 2018/19

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 3 below.

Table 3. Budget FY 2018/19 Urban Renewal Fund

Budget Category (Expenditures)	2018/19 Amount
General Fund	
Materials and Services	434,698
Capital Outlay	734,641
Contingency	150,000
Unappropriated Ending Balance	42,219
TOTAL:	\$1,361,558
Debt Fund	
Interfund Transfer	900,000
Bonded Debt	255,034
Unappropriated Ending Balance	199,481
TOTAL:	\$1,354,515

Budget Category (Revenues)	2018/19 Amount
General Fund	
Principal Payments	5,265
Interest Payments	2,808
Property Sales	50,000
Transfer from URA Debt Fund	900,000
TOTAL:	\$958,073
Debt Fund	
Division of Taxes	677,555
Prior Year Division of Taxes	30,000
Interest on Investments	15,800
TOTAL:	\$723,355

Source: the City of La Grande FY 2018/19 Urban Renewal Budget, pg. 1-8

³ The City of La Grande FY 2018/19 Urban Renewal Budget, pg. 1-8

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 4. This information is from Union County Assessor records, Table 4a and 4e and is after losses of \$17,818.22 to compression.

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. The School District and Education Service District 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 4. Impact on Taxing Districts FY 2017/2018

Taxing Jurisdiction	Impact	Percent of Total Permanent Rate Levy
Union County	\$121,615	2.18%
4H & Extension	\$6,608	2.17%
Vector Control	\$914	2.03%
School District #1	\$189,803	3.42%
Intermountain ESD	\$25,237	2.18%
City of La Grande	\$305,091	6.20%
La Grande Cemetary	\$11,573	4.76%

Source: FY 2017/2018 Sal 4a and 4e from Union County Assessor