

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2022

2021/2022

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.



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Annual Report for Fiscal Year Ending June 30, 2022

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 frozen base assessed value (“Frozen Base”) used for the Urban Renewal Area in FY 2021/2022 is \$112,609,450. The FY 2021/2022 total assessed value is \$174,688,348. The excess value, or the value on which taxes are paid to the Urban Renewal Agency in FY 2021/2022 is \$62,078,898 and is the result of an underlevy.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 frozen base value of the La Grande 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, expanding the mix of goods and services offered and developing public spaces and amenities.

¹Union County Assessor Tax FY 2021/2022 Table 4e The frozen base was adjusted to accomplish an underlevy, or taking fewer taxes than allowed.

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>.

Maximum Indebtedness

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 \$9,157,529.²

² MI tracker worksheet from Heather Rajkovich 01/27/2023

Projects

The La Grande Travel Lodge was provided an urban renewal grant in FY 2021/2022.



La Grande Travel Lodge

2215 Adams Avenue

Project Cost \$253,514

Urban Renewal Grant \$67,500

This grant helped fund much needed improvements to the locally owned and operated hotel including replacement of all doors and upgrading from traditional keys to key card entry, replaced the second-floor railing on both sides of the building, repainted, and repaired significant water damage and deferred maintenance on the front porte-cochere entry.

This was a critical investment to retain the current jobs and keep this older hotel property viable in a rapidly changing lodging and hospitality industry.

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 2021/2022, the La Grande Urban Renewal Agency received \$1,072,309 from current year and prior years division of taxes.³ The detailed revenue of the La Grande Urban Renewal Agency can be seen in Table 1.

Table 1. Money Received During FY 2021/2022

Receipt Category	General Fund	Debt Fund	Total
Assessment Interest	6,841		6,841
Division of Taxes		1,072,309	1,072,309
Interest on Investments		8,107	8,107
Misc.			
TOTAL:	\$6,841	\$1,080,416	\$1,087,257

Source: La Grande Urban Renewal Agency Financial Statement FYE 2022, 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 2021/2022

Expenditure Category	General Fund	Debt Fund	Total
Community Development	215,000		215,000
Capital Outlay	151,508		151,508
Debt Service		256,441	256,441
TOTAL:	\$366,508	\$256,441	\$622,949

Source: La Grande Urban Renewal Agency Financial Statement FYE 2022, pg. 4

³ La Grande Urban Renewal Agency Audited Financial Statement FYE 2022, pg. 4

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 3. The general Obligation Bond impact is also shown in the table. This information is from Union County Assessor records, Table 4a and 4e and is after losses of \$22,747 to compression to permanent rate levies and \$2,734 in compression losses on the School District Bond.

Tax increment revenue derived from permanent rate levies results in an impact to taxing districts. These are “foregone revenues” that result in decreased property tax collections for the affected taxing districts. Tax increment revenue derived from general obligation bonds does not have the same impact on taxing districts. Instead, the general obligation bond tax rates are adjusted upwards to ensure that the full amount of annual debt service payments can be made. Thus, the foregone revenue associated with general obligation bond tax rates does not have an impact on taxing districts, but instead impacts taxpayers countywide through a slightly higher property tax rate. The impact of the division of taxes is shown in Table 3 below.

Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. The School District #1 and Intermountain 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 3. Impact on Taxing Districts FY 2021/2022

Taxing Jurisdiction	Impact	Percent of Total Permanent Rate Levy	Compression	Bonds	Compression
Union County	\$179,940	2.75%	\$4,191		
4H Extension	\$9,785	2.74%	\$228		
Vector Control	\$1,432	2.72%	\$33		
City of La Grande	\$451,282	7.63%	\$10,511		
La Grande Cemetery	\$17,115	5.96%	\$378		
School District #1	\$280,728	4.32%	\$6,538	\$117,334	\$2,734
Intermountain ESD	\$37,308	2.75%	\$869		

Source: FY 2021/2022 Sal 4a and 4e from Union County Assessor

Estimated Revenues

The estimated tax revenues from the FY 2022/23 adopted La Grande Urban Renewal Agency budget are \$975,000 from current and delinquent taxes.⁴

Proposed Budget for Current Fiscal Year, FY 2022/23

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 are shown in Table 4 and Table 5 below.

Table 4. Budget FY 2022/23 Urban Renewal General Fund

General Fund (Revenues)	Amount
Principal Payments	5,264
Interest Payments	1,800
Transfer from URA Debt Fund	1,837,954
TOTAL:	\$1,845,018
Budget Category (Expenditures)	
General Fund	
Materials and Services	369,212
Capital Outlay	1,468,742
Contingency	150,000
Unappropriated Ending Balance	3,336
TOTAL:	\$1,991,290

Source: The City of La Grande FY 2022/23 Urban Renewal Budget General Ledger

Table 5. Budget FY 2022/23 Urban Renewal Debt Fund

Debt Fund (Revenues)	Amount
Division of Taxes	950,000
Prior Year Division of Taxes	25,000
Interest on Investments	5,500
TOTAL:	\$980,500
Debt Fund (Expenses)	
Interfund Transfer	1,837,954
Bonded Debt Principal	162,085
Bonded Debt Interest	89,244
Unappropriated Ending Balance	343,370
TOTAL:	\$2,432,653

Source: The City of La Grande FY 2022/23 Urban Renewal Budget General Ledger

⁴ The City of La Grande FY 2022/23 Urban Renewal Budget Ledger, pg. 5