

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2023

2022/2023

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, 2023

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 2022/2023 is \$112,609,450. The FY 2022/2023 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 2022/2023 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

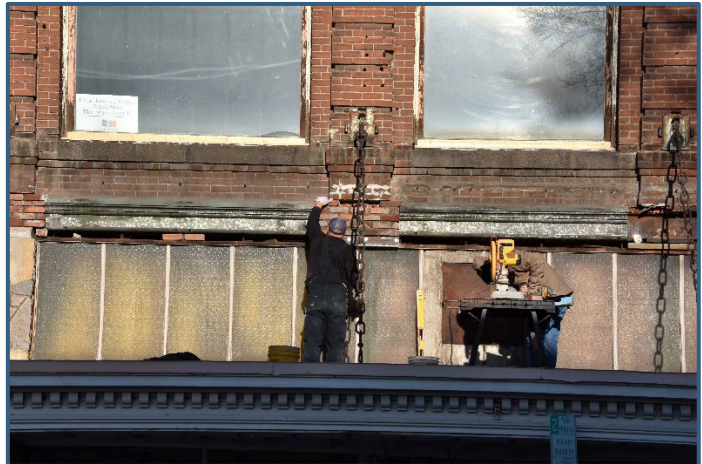
The maximum indebtedness established in 1999 for the La Grande Urban Renewal Plan is \$21,992,525. The maximum indebtedness is the total amount of funds that can be spent on projects, programs, and administration in the urban renewal area over the life of the urban renewal plan. The remaining maximum indebtedness is \$8,701,745, with \$455,784 used in FY 2022/2023.

Projects

The La Grande Urban Renewal Agency approved five Call For Projects Grants in FY 2022/2023.

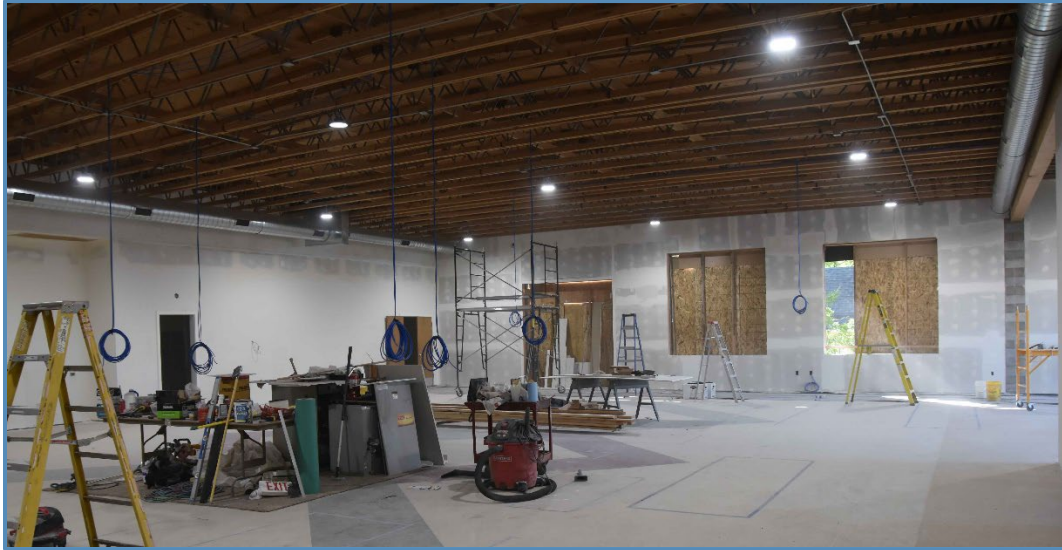
Bohnenkamp Building Upper Floor Residential

- 2208 Adams Avenue
- **Project Cost \$784,000**
- **Urban Renewal Grant \$75,000**
- Urban Renewal funds were awarded to facilitate redevelopment of the 2nd floor of this building as three (3) new residential apartments. In addition to individual unit build out the project includes significant improvements to buildings Electric, plumbing, HVAC, and life safety systems.



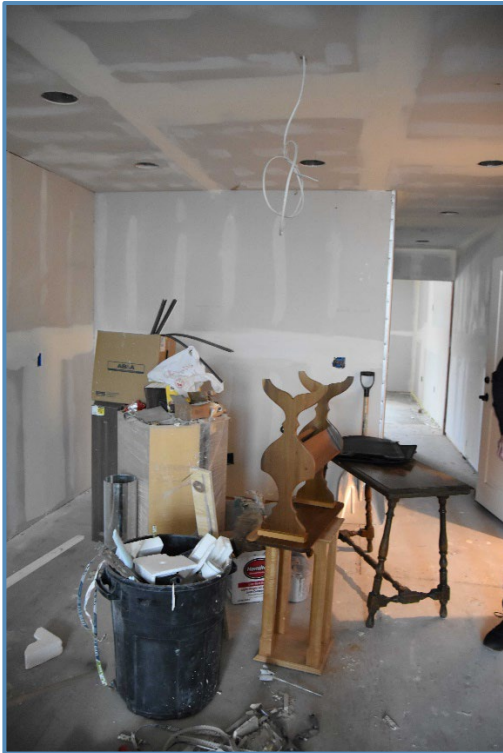
Evermine Building/ Former Elks Lodge

- 1124 Washington Avenue
- **Project Cost \$184,605**
- **Urban Renewal Grant \$75,000**
- Urban Renewal funding helped facilitate the adaptive reuse of the former Elks Lodge including converting the main floor into a new production space for Evermine Labels.



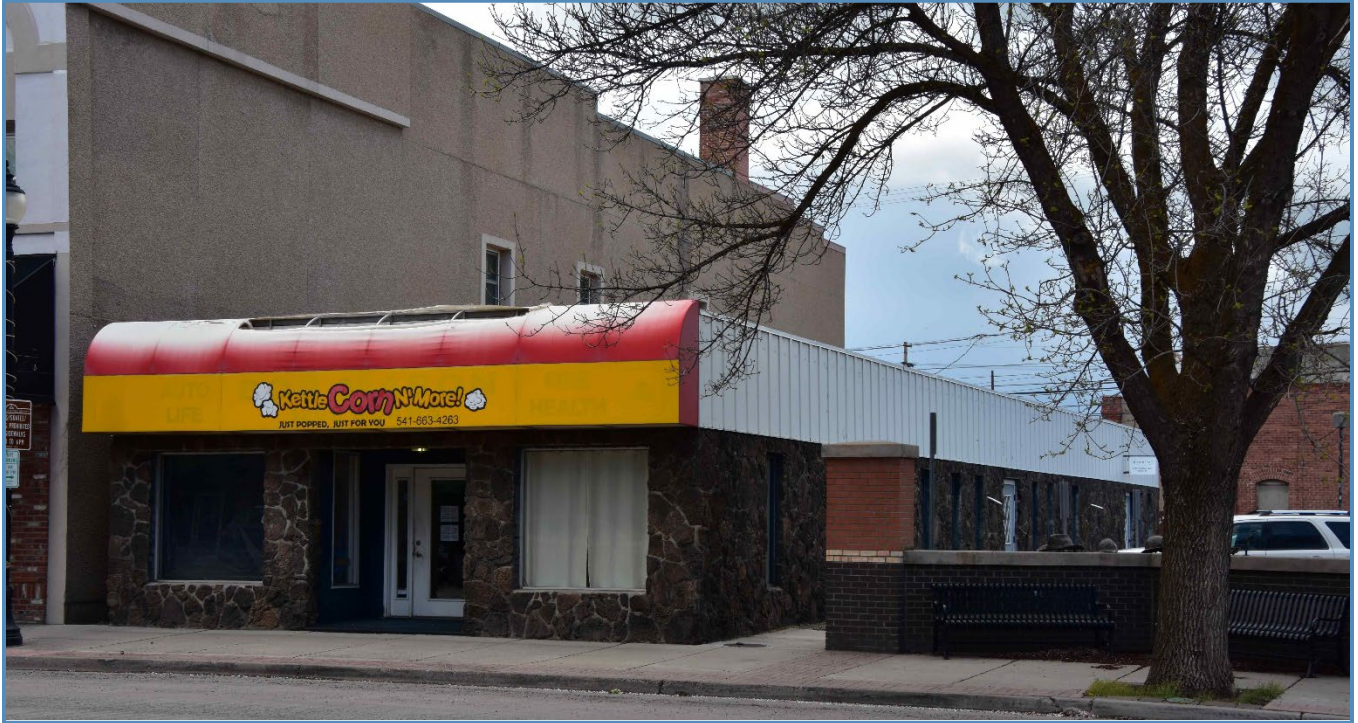
Country Financial Building 2nd Floor Residential

- 1212 Adams Avenue
- **Project Cost \$76,496**
- **Urban Renewal Grant \$33,508**
- Urban Renewal funding was used to create one (1) new residential apartment on the formerly vacant second floor of this historic downtown building.



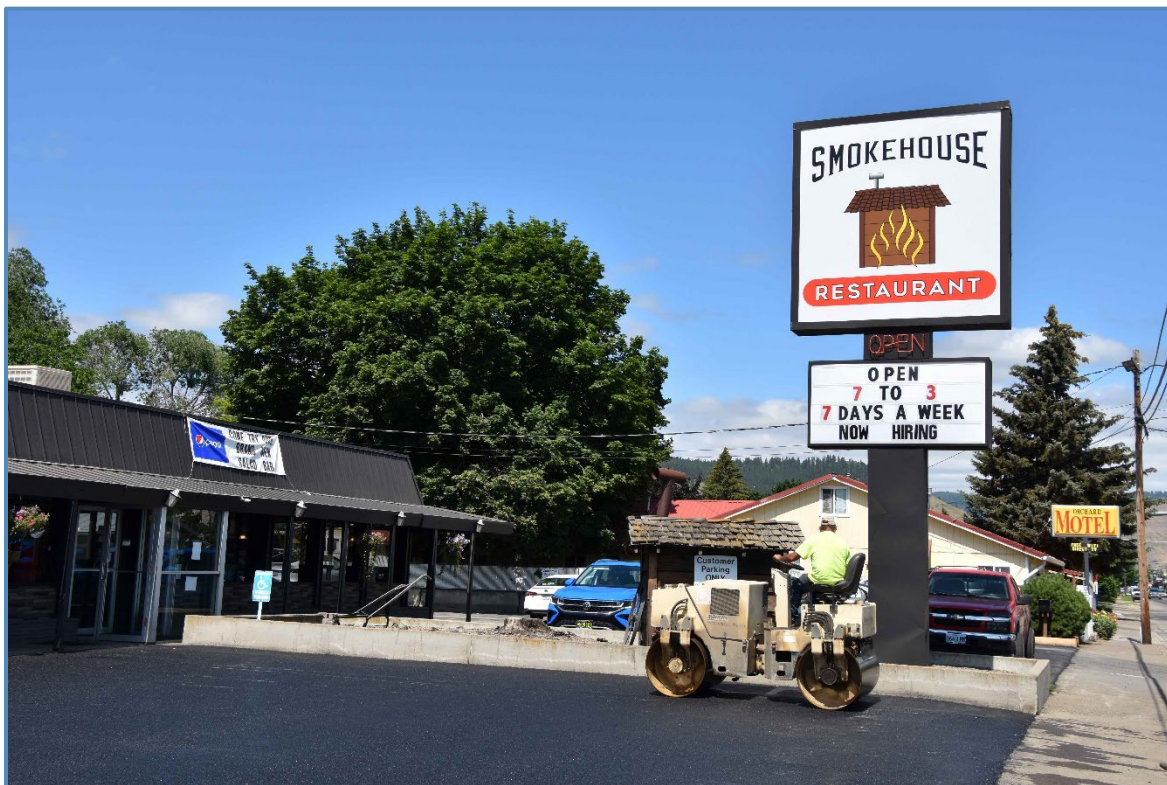
Front Office Solutions Building Rehabilitation

- 1209 Adams Avenue
- **Project Cost \$131,312**
- **Urban Renewal Grant \$65,656**
- Urban Renewal funding was awarded for the rehabilitation of Front Office Solutions building including new roof, new HVAC, removal of exterior rock siding, and replacement of damaged awning.



Smokehouse Restaurant

- 2208 Adams Avenue
- **Project Cost \$141,098**
- **Urban Renewal Grant \$70,164**
- Urban Renewal funds were awarded for building and site improvements including parking lot repaving, HVAC repair, window replacement and structural repair of the canopy/overhang.



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 meets the requirements of this statute.

Money Received

In FY 2022/2023, the La Grande Urban Renewal Agency received \$904,317 from current year and prior years division of taxes.² The detailed revenue of the La Grande Urban Renewal Agency can be seen in Table 1. These are unaudited numbers. If the audited numbers are different from these, this Annual Report will be edited.

Table 1. Money Received During FY 2022/2023

Receipt Category	General Fund	Debt Fund	Total
Assessment Interest	6,172		6,172
Division of Taxes		904,317	904,317
Interest on Investments		54,337	54,337
Misc.	10,125		10,125
TOTAL:	\$16,297	\$958,654	\$974,951

Source: La Grande Urban Renewal Agency Financial Statement FYE 2023, 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 2022/2023

Expenditure Category	General Fund	Debt Fund	Total
Community Development	280,216		280,216
Capital Outlay	222,610		222,610
Debt Service		251,328	251,328
TOTAL:	\$502,826	\$251,328	\$754,154

Source: La Grande Urban Renewal Agency Financial Statement FYE 2023, pg. 4

² La Grande Urban Renewal Agency Audited Financial Statement FYE 2023, 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 \$9,770 compression to permanent rate levies and \$1,128 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 2022/2023

Taxing Jurisdiction	Impact	Percent of Total Permanent Rate Levy	Permanent Rate Levy Compression	Bonds	Bonds Compression
Union County	\$153,727	2.11%	\$1,799		
4H Extension	\$8,348	2.11%	\$98		
Vector Control	\$1,181	2.03%	\$14		
City of La Grande	\$385,455	5.88%	\$4,511		
La Grande Cemetery	\$14,591	4.66%	\$171		
School District #1	\$239,739	3.41%	\$2,806	\$96,385	\$1,128
Intermountain ESD	\$31,875	2.14%	\$373		

Source: FY 2022/2023 Sal 4a and 4e from Union County Assessor

Estimated Revenues

The estimated tax revenues from the FY 2023/24 adopted La Grande Urban Renewal Agency budget are \$975,000 from current and delinquent taxes.³

Proposed Budget for Current Fiscal Year, FY 2023/24

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 2023/24 Urban Renewal General Fund

General Fund (Revenues)	Amount
Principal Payments	5,264
Interest Payments	1,850
Transfer from URA Debt Fund	1,905,955
TOTAL:	\$1,913,069
Budget Category (Expenditures)	
General Fund	
Materials and Services	373,836
Capital Outlay	1,532,119
Contingency	150,000
Unappropriated Ending Balance	108,976
TOTAL:	\$2,164,931

Source: The City of La Grande FY 2023/24 Urban Renewal Budget General Ledger

Table 5. Budget FY 2023/24 Urban Renewal Debt Fund

Debt Fund (Revenues)	Amount
Division of Taxes	950,000
Prior Year Division of Taxes	25,000
Interest on Investments	7,000
TOTAL:	\$982,000
Debt Fund (Expenses)	
Interfund Transfer	1,905,955
Bonded Debt Principal	167,737
Bonded Debt Interest	81,517
Unappropriated Ending Balance	363,065
TOTAL:	\$2,518,274

Source: The City of La Grande FY 2023/24 Urban Renewal Budget General Ledger

³ The City of La Grande FY 2023/24 Urban Renewal Budget Ledger