

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2014

2013/2014

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, 2014

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 June 30, 2014 is \$14,766,952.

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. www.cityoflagrande.org



PROJECTS:

The following projects were completed by the La Grande Urban Renewal Agency in FY 2013/14.

Five building façade renovation projects were funded with Urban Renewal grants.

- Total project value: \$63,155; URA grant awards: \$28,827

With assistance from an ODOT grant, all alleyway approaches that intersected with sidewalks in the downtown area were replaced and made ADA-compliant.

- Total project cost: \$361,388; URA contribution: \$76,413

Five URA discretionary grant-funded public/private development projects were completed.

- Total project value: \$342,661; URA grant awards: \$87,991

A second grant/loan was provided to the Friends of the Liberty Theatre Foundation to allow the non-profit to fully secure the property and continue with theatre restoration efforts.

- Total project value: \$2.5 million (est.); URA grant awards: \$75,000

Two other major public/private development projects partially funded with UR grants (one new construction, the other was a major exterior renovation of an existing historic building) were not quite completed on July 1, but were completed shortly thereafter.

- Total project value: \$871,985; URA grant awards: \$121,920

Stratton Agency remodel
1611 Adams Avenue
Project value: \$49,659/ URA grant \$14,500



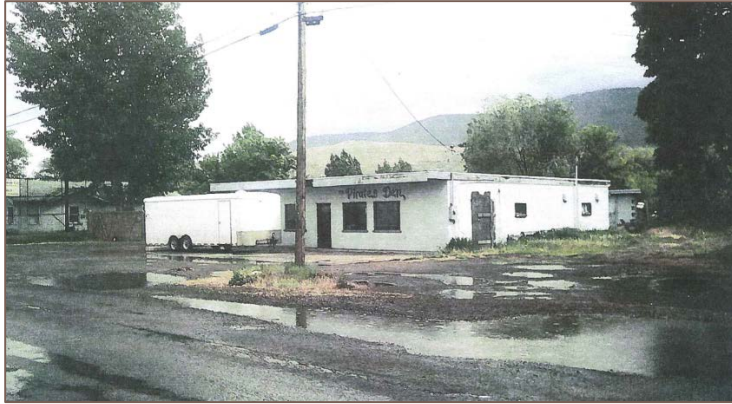
Phoenix Building/John J. Howard exterior renovation
Project value: \$121,985/ URA grant \$49,920



McLean Family Dental
802 Adams Avenue
Project value: \$750,000/ URA grant \$75,000



Les Schwab parking lot
610-613 20th Street
Project value: \$119,542/ URA grant \$30,000



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 2013/2014, the Union County Assessor calculated that the La Grande Urban Renewal would receive \$1,012,054 from division of taxes.¹ The La Grande URA actually received \$975,614 in tax revenue, a smaller amount due to underpayments and delinquencies.² There were slight losses due to compression, an estimated \$29,504 or approximately 3 percent of the Area's 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 2013/2014 General Fund and Debt Fund

Item	Urban Renewal General Fund	Urban Renewal Debt Fund
Beginning Fund Balance	\$71,449	
Materials and Services	\$276,601	
Capital Outlay	\$303,211	
Interfund Transfer	\$527,662	\$(527,662)
Debt Service		\$187,046
Ending Fund Balance	\$19,374	\$1,024,609

Source: FYE Urban Renewal Audit, p 4

Estimated Revenues

The estimated tax revenues from the FY 2014-15 adopted Urban Renewal Agency budget are \$991,000, \$963,000 from current property taxes and \$28,000 from delinquent property taxes.³

¹ Totals of Union County Sal 4e FY 2013/14

² FYE 2014 Urban Renewal Agency Audit Report, p 4

³ City of La Grande FY 2014/15 Budget document, p 111

Proposed Budget for Current Fiscal Year, FY 2014/15

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 2014/2015 General Fund and Debt Fund

Item	2014/15 General Fund	2014/15 Debt Fund
RESOURCES		
Available Cash on Hand	\$71,500	\$840,936
Grants	\$25,000	-
Issuance of Debt/loan proceeds	\$2,000,000	-
Taxes to be Collected Current and Delinquent	-	\$991,000
Transfers In	\$1,035,001	-
Interest Income	\$0	\$5,000
TOTAL RESOURCES	\$3,131,501	\$1,836,936
EXPENDITURES		
Materials and Services:		
Administrative Fees Gen Fund	\$57,595	-
Professional Sve & Fees ECODV	\$350,406	-
Total Materials and Services	\$408,001	-
Capital Outlay:		
URA Plan Projects	\$627,000	-
Targeted Partnership Projects	\$500,000	-
IOOF	\$3,000	-
Bike/Ped Alley - Matching Fund	\$105,000	-
Adams Avenue Project	\$1,500,000	-
Total Capital Outlay	\$2,630,000	-
Contingency	\$75,000	\$50,000
Unappropriated Ending Balance	\$18,500	\$366,064
Debt Service:		
Principal	-	\$228,172
Interest	-	\$157,699
Total Bonded Debt Service	-	\$385,871
Transfers Out	-	\$1,035,001
TOTAL EXPENDITURES	\$3,131,501	\$1,836,936

Source: City of La Grande FY 2014/15 Urban Renewal Budget, p 107-112

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. These numbers are after truncation and compression losses.

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 2013/2014

Taxing District	Revenue Forgone	Permanent Rate Levy	Percentage of Permanent Rate Levy
City of La Grande	\$463,971	\$4,217,083	11.00%
School District #1	\$288,679	\$4,843,554	5.96%
Union County	\$185,034	\$4,850,683	3.81%
Intermountain ESD	\$38,349	\$1,005,768	3.81%
La Grande Cemetery	\$17,614	\$207,843	8.47%
4H & Extension	\$10,050	\$264,741	3.80%
Vector Control Local Option	\$6,877	\$225,184	3.05%
Vector Control	\$1,480	\$39,088	3.79%
Total	\$1,012,054		

Source: FY 2013/14 Sal 4e and SAL 4a from Union County Assessor