

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2015

2014/2015

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 Urban Renewal Area established in Oregon.

Annual Report for Fiscal Year Ending June 30th, 2015

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
- facilitate 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, 2015 is \$12,793,759.

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 2014/15.

There are two Urban Renewal discretionary grant programs listed under Capital Outlay in the FYE 2015 Urban Renewal Audit. These include the Façade Grant program and the Revitalization Incentive program (known as the “Call for Projects”). In Fiscal Year 2014-2015, seven projects received \$28,524 in Urban Renewal funding, leveraging \$155,961 in private funding.

Nine “Call for Projects” projects received \$344,050 in Urban Renewal funding, leveraging \$2,551,817 in private investment.

Additionally, Urban Renewal funds were expended under Community Development for the first stages of the Adams Avenue Street Scape project. The 2015 Adams Avenue Streetscape Project included both sides of Adams Avenue from Fourth Street to Depot Street and extended to the North and South to also include the alleys and the South half of Chestnut Street. The project is designed to enhance the community place making of downtown and increase commercial activity for local retailers. The project included new sidewalks, ornamental pedestrian lights, trees, benches, pedestrian ramps, planters, trash receptacles, and a new alley linking public parking with downtown retail.

PROJECT HIGHLIGHTS

The Market Place New Town Square

1103 Washington Street

Private Funding: \$150,000

Urban Renewal Grant: \$25,138

This was the final installment of a \$65,000 grant for a project that spanned multiple years. When complete, the private investment was several hundred thousand dollars. Finished in May 2015, the Market Place currently houses four businesses and is ready for further retail and restaurant development.



Liberty Theater

1008 Adams Avenue

Project Funding: \$23,650

Urban Renewal Façade Grant: \$9,793

This grant provided funding to the Liberty Theater for the planning and engineering for the window restoration, canopy, blade sign and frontage walls/door projects. The facade project and specifically the sign was over 2 years in planning, developing and designing. The sign was officially installed Thanksgiving week 2015 and is ready to remain lit for the next 100 years.



Blue Mountain Outfitters/Laurence Building

1124 Adams Avenue

Private Funding: \$1,872

Urban Renewal Façade Grant: \$936

Blue Mountain Outfitters Façade Grant project entailed installing signage on 1/4" thick gloss finish dibond panels approximately 18' x 104' located on the South and East sides under the transoms of the building. This façade improvement was done in preparation for Blue Mountain Outfitters occupying this space.



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 2014/2015, the Union County Assessor calculated that the La Grande Urban Renewal Agency would receive \$1,083,135 from the division of taxes.¹ The La Grande URA actually received \$1,055,565 in tax revenue, a smaller amount due to underpayments and delinquencies, 97.45% of the projected amount.² They also received \$5,556 in interest on investments. There were slight losses due to compression, an estimated \$37,053 or approximately 3.4 percent of the Area's estimated tax revenues. The Urban Renewal Agency also issued \$1,550,000 in debt in FY 2014/15.

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 2014/2015 General Fund and Debt Fund

Item	Urban Renewal General Fund	Urban Renewal Debt Fund
Beginning Fund Balance	\$19,374	\$1,204,609
Expenditures		
Community Development	\$392,481	
Capital Outlay	\$930,685	
Total Expenditures	\$1,323,166	
Other Financing Sources		
Issuance of Debt	\$1,550,000	
Interfund Transfer	\$1,201,702	\$(1,201,702)
Bond premium	\$13,939	
Total other sources	\$2,765,641	
Debt Service		\$105,371
Ending Fund Balance	\$1,461,849	\$778,657

Source: FYE 2015 Urban Renewal Audit, p 4

Estimated Revenues

The estimated revenues from the FY 2015-16 adopted Urban Renewal Agency budget are \$1,052,000, \$1,020,000 from current property taxes and \$32,000 from delinquent property taxes and \$5,000 from interest on investments.³

¹ Totals of Union County Sal 4e FY 2014/15

² FYE 2015 Urban Renewal Agency Audit Report, p 4

³ City of La Grande FY 2015/16 Budget document, p 4

Proposed Budget for Current Fiscal Year, FY 2015/16

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 2015/2016 General Fund and Debt Fund

Item	2015/16 General Fund	2015/16 Debt Fund
RESOURCES		
Available Cash on Hand	\$1,892,103	\$766,431
Grants		-
Issuance of Debt/loan proceeds		-
Taxes to be Collected Current and Delinquent	-	\$1,052,000
Transfers In	\$1,463,206	-
Interest Income		\$5,000
TOTAL RESOURCES	\$1,463,206	\$1,057,000
EXPENDITURES		
Materials and Services:		
Administrative Fees Gen Fund	\$56,474	-
Professional Svc & Fees ECODV	\$212,350	
Professional Svc & Fees psnl	\$117,984	
Business Assistance Loans	\$150,000	-
Total Materials and Services	\$536,808	-
Capital Outlay:		
URA Plan Projects	\$300,000	
Targeted Partnership Projects	\$697,911	
		-
Adams Avenue Project	\$1,400,000	
Total Capital Outlay	\$2,397,911	-
Contingency		
Unappropriated Ending Balance		\$385,398
Debt Service:		
Principal	-	\$130,899
Interest	-	\$133,082
Total Bonded Debt Service	-	\$263,981
Transfers Out	-	\$1,463,206
TOTAL EXPENDITURES	\$2,934,719	\$2,112,585

Source: City of La Grande FY 2015/16 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. These numbers are after truncation and compression losses. There were \$37,053 of compression losses to the Urban Renewal Area in FY 2014/15.

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 11.78% 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 2014/2015

Taxing District	Revenue Foregone	Permanent Rate Levy	Percentage of Permanent Rate Levy
City of La Grande	\$496,783	\$4,217,083	11.78%
School District #1	\$309,032	\$4,843,554	6.38%
Union County	\$198,080	\$4,850,683	4.08%
Intermountain ESD	\$41,059	\$1,005,768	4.08%
La Grande Cemetery	\$18,879	\$207,843	9.08%
4H & Extension	\$10,772	\$264,741	4.07%
Vector Control Local Option	\$6,944	\$225,184	3.08%
Vector Control	\$1,585	\$39,088	4.06%
Total	\$1,083,135		

Source: FY 2014/15 SAL 4e and SAL 4a from Union County Assessor