

URBAN RENEWAL ANNUAL REPORT FOR FY 2016-17

The City of The Dalles has an urban renewal agency, the Columbia Gateway Urban Renewal Agency, (Agency), that receives property taxes to pay for projects and programs to improve the Columbia Gateway Urban Renewal Area. Each year, urban renewal agencies provide a summary of their finances for public information. This report is in addition to the annual agency budgets, which are adopted only after a public hearing.

Urban renewal agencies can receive property taxes in two ways. First, they are entitled to the amount of property taxes that is imposed on the increase in property values (taxable assessed values) within the urban renewal area since the urban renewal plan for the area was adopted. This process is called the “division of tax” process.

Second, for urban renewal plans that were adopted prior to December 6, 1996, the urban renewal agencies may receive funds from a Special Urban Renewal Levy. The Dalles’ Urban Renewal Agency receives taxes only from the division of tax process and is prohibited from receiving taxes from a special levy.

In [FY 2016/2017](#), the Agency received [\\$1,473,438](#) from the division of taxes. The Agency used funds received from property taxes to make payments on debt for financing urban renewal projects or to reserve funds for future debt payments. The Agency made [\\$801,587](#) in debt payments. Debt Fund reserves remained at the same level as the prior year. [New revenues exceeded expenditures by \\$370,248, increasing the fund balance to \\$801,589.](#)

The division of taxes process results in some property taxes that may have been received by the “taxing districts” that levy property taxes within the urban renewal area (for example, Wasco County or the City of The Dalles) being paid over to the Agency. The taxing districts forego a share of the property tax income during the life of an urban renewal plan so that the urban renewal agencies can carry out activities that increase property values in the long term.

The Columbia Gateway Urban Renewal Area was reduced in size in FY 1998/1999. Because the incremental assessed value was greater in FY 1997/98 than it was in FY 1999/2000, the taxing districts actually gained revenues as a result. This was a one-time change in a prior year and is therefore not reflected in the table of this year’s annual report.

The table below shows the property taxes raised for the Columbia Gateway Urban Renewal Plan from the permanent rate levies of each of the taxing districts that levies property taxes within the Urban Renewal Area. This amount represents the “property taxes foregone” by the taxing district because of the tax increment financing of the Urban Renewal Plan. The table also shows the percent of the permanent rate levy that the property taxes foregone represent.

For the North Wasco School District and Region 9 ESD, the foregone property taxes have a small and indirect impact on the districts’ total revenues, because of state funding of K-12 Districts and Educational Service Districts.

**Impact of The Dalles Urban Renewal on Taxing District Permanent Rate Levies
FY 2016/2017**

Taxing District	Permanent Rate	Incremental Assessed Value	Taxes Raised for Urban Renewal	Total AV Less UR	Total Permanent Rate Levy Extended	Percent of Total Permanent Rate Levy Extended
WASCO COUNTY	4.2523	82,459,666	350,643	2,131,575,991	9,064,101	3.87%
PORT OF THE DALLES	0.2007	82,459,666	16,550	1,619,388,469	325,011	5.09%
THE DALLES CITY	3.0155	82,459,666	248,657	1,045,982,781	3,154,161	7.88%
NORTHERN WASCO						
PARK & REC	0.6799	82,459,666	56,064	1,158,982,327	787,992	7.11%
COLUMBIA GORGE						
COMMUNITY COLLEGE	0.2703	82,459,666	22,289	2,121,630,750	573,477	3.89%
MID-COL FIRE & RESCUE	2.1004	82,459,666	173,198	1,420,404,933	2,983,419	5.81%
LIBRARY	0.6800	82,459,666	56,073	2,063,673,033	1,403,298	4.00%
SOIL CONSERVATION	0.2460	82,459,666	20,285	2,131,575,991	524,368	3.87%
COUNTY 4H	0.2500	82,459,666	20,615	2,121,630,750	530,408	3.89%

The Following Taxing Districts Are Not Directly Impacted by The Dalles Urban Renewal

COLUMBIA GORGE ESD	0.4678	82,459,666	38,575	2,106,274,305	985,315	3.91%
NORTH WASCO SD 21	5.2399	82,459,666	432,080	1,554,497,274	8,145,410	5.30%

The Agency expects to receive **\$1,521,669** from the division of taxes in FY17/18. The Agency has not budgeted authority to issue debt in FY17/18.

These funds received from property taxes will be used to make payments on debt for financing urban renewal projects or to keep in a reserve fund for future debt payments. The Agency intends to spend **\$803,788** for debt payments.

Fiscal Year 2017-18 Budget

	<u>Capital Projects Fund</u>	<u>Bond Fund</u>
Resources:		
Beginning Fund Balance	\$ 1,150,583	\$ 801,588
Tax Increment Proceed	\$ 722,881	\$ 798,788
Bond Proceeds	\$ 0	\$ 0
Interest and other Income	\$ 1,040,442	\$ 5,000
Total Resources	\$ 2,913,906	\$1,605,376
Expenditures:		
Materials and Services	\$ 903,934	\$ 0
Capital Outlay	\$2,009,972	\$ 0
Debt Service	\$ 0	\$1,605,376
Contingency	\$ 0	\$ 0
Total Expenditures:	\$2,913,906	\$1,605,376