

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2018

2017/2018

La Pine 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, 2018

LA PINE URBAN RENEWAL AGENCY

URBAN RENEWAL AREA BACKGROUND

The La Pine Urban Renewal Plan (Plan) was adopted by the the City of La Pine on July 23, 2014. The maximum indebtedness established in 2014 for the Jacksonville Urban Renewal Plan is \$7,019,000. 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 Pine Urban Renewal Plan is projected to be in operation until 2040.

The frozen base assessed value of the Urban Renewal Area is \$30,795,020 ("Frozen Base"). The FY 2017/2018 total assessed value is \$35,515,498. The excess value, or the value on which taxes are paid to the urban renewal agency in FY 2017/2018 is \$4,720,478. ¹

The La Pine Urban Renewal Agency ("LPURA") was established by the City of La Pine in 2014 as a long-term investment strategy to fund and construct capital improvement projects in the La Pine Urban Renewal Area ("Area"). The Area is approximately 577 acres, or 12.90% of the 4,474 acres within the city limits, includes 194 tax lots, and is principally zoned commercial and public land/BLM.

LPURA is a separate legal and financial entity, governed by the members of the the City of La Pine 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 base value of the Urban Renewal Area when established in 2005 was \$30,795,020 ("Frozen Base"), and does not exceed this limit.

Urban Renewal Goals

LPURA'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:

1. Public Involvement - Provide for community input in urban renewal planning and administration.
2. Economy - Promote the role of the Area as an energetic community of local businesses that is supported by the residents of both La Pine and outlying areas and by tourists travelling through La Pine.
3. Create an Identifiable Town Center as a Hub of Community Activity - The Town Center would be a compact area that is centrally located and planned for easy walking access. The uses would be comprised of a mixture of commercial businesses, civic buildings, and other community uses. Within this Town Center,

¹Deschutes County Assessor Tax FY 2017/2018 Table 4e

create a unique identity that strengthens the sense of place, promotes economic development through resident and tourist visits, encourages return patronage, and leverages private investment.

4. Housing/Mixed-Use Development - Encourage development in the Mixed-Use Commercial Residential District of the Area.
5. Infrastructure - Assist in providing infrastructure (water, sewer, storm water) to encourage development in La Pine.
6. Public Facilities - Provide opportunities for residents and visitors alike to shop and recreate in La Pine, supporting public service providers and existing businesses and providing stimulus for new economic activity.

The entire La Pine Urban Renewal Plan and Report can be found on La Pine Urban Renewal Agency's website, <https://www.lapineoregon.gov/urbanrenewal/page/plan-report>.

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 2017/2018, the La Pine Urban Renewal Agency received \$63,288 from division of taxes.² The detailed earnings of the La Pine Urban Renewal Agency can be seen in Table 1.

Table 1. Money Received During FY 2017/2018

| Receipt Category | 2017/2018 Amount |
|-------------------|---------------------|
| Division of Taxes | \$63,288 |
| TOTAL: | \$63,288 |

Source: La Pine Urban Renewal Agency Financial Statement FYE 2018, pg. 10

Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 2.

Table 2. Expenditures During FY 2017/2018

| Expenditure Category | 2017/2018 Amount |
|----------------------|---------------------|
| General Government | \$10,742 |
| TOTAL: | \$10,742 |

Source: La Pine Urban Renewal Agency Financial Statement FYE 2018, pg. 10

Estimated Revenues

The estimated tax revenues from the FY 2018/19 adopted La Pine Urban Renewal Agency budget are \$80,000.³

² La Pine Urban Renewal Agency Audited Financial Statement FYE 2018, pg. 10

³ Source: The City of La Pine FY 2018/19 Urban Renewal Budget, pg. 9

Proposed Budget for Current Fiscal Year, FY 2018/19

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 3 below.

Table 3. Budget FY 2018/19 Urban Renewal Fund

| Budget Category (Expenditures) | 2018/19 Amount |
|---------------------------------|----------------|
| Materials and Services | \$77,585 |
| Capital Outlay | \$50,000 |
| Contingency | \$20,000 |
| Reserve for Future Expenditures | \$37,000 |
| TOTAL: | \$184,585 |

| Budget Category (Revenues) | 2018/19 Amount |
|----------------------------|----------------|
| Beginning Fund Balance | \$104,585 |
| Division of Taxes | \$80,000 |
| TOTAL: | \$184,585 |

The City of La Pine FY 2018/19 Urban Renewal Budget, pg. 9

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 4. This information is from Deschutes County Assessor records, Table 4a and 4e and is after losses of \$1.13 to compression.

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. The School District and 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 4. Impact on Taxing Districts FY 2017/2018

| Taxing Jurisdiction | Impact | Percent of Total Permanent Rate Levy |
|----------------------------------|----------|--------------------------------------|
| Deschutes County | \$5,890 | 0.02% |
| County Library | \$2,592 | 0.02% |
| Countywide Law Enforcement | \$4,801 | 0.02% |
| Rural Law Enforcement | \$6,596 | 0.06% |
| County Extension and 4H | \$92 | 0.02% |
| 911 | \$1,703 | 0.02% |
| City of La Pine | \$9,341 | 3.17% |
| La Pine Rural Fire District | \$7,093 | 0.31% |
| La Pine Park and Recreation | \$1,409 | 0.55% |
| School District #1 | \$22,487 | 0.03% |
| High Desert ESD | \$445 | 0.02% |
| Central Oregon Community College | \$2,914 | 0.02% |

Source: FY 2017/2018 Sal 4a and 4e from Deschutes County Assessor