

# City Council Action Item Cover Sheet

DATE: January 16, 2019

**Agenda Item:**

Yachats Urban Renewal District Annual Report  
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**Question Before Council:**

This is the required report for the Urban Renewal Agency. It summarizes revenues and expenditures and is essentially the same information contained in the audit.  
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**Person/Group Initiating Request:**

Judy Richter, City Clerk  
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**Item Summary/Background:**

As the Board of the Yachats Urban Renewal District, this is the Annual Report. An abbreviated form of this report will also be published in the newspaper on January 16 and January 30.  
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**Issues/Concerns:**

Please review and let me know if you have any questions.

Yachats Urban Renewal District  
Annual Report and Financial Statement  
Fiscal Year July 1, 2017 – June 30, 2018

The City of Yachats has an urban renewal agency (Yachats Urban Renewal Agency) that receives property taxes to pay for projects and programs to improve the Urban Renewal District. 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 after public hearings. The Annual Report & Financial Statement for the Yachats Urban Renewal Agency has been prepared for fiscal year 2018 based on audited financial information and is on file with the City of Yachats and the Yachats Urban Renewal Agency. Additional information is available to all interested persons by contacting Shannon Beaucaire, City Manager//Recording Secretary for the Yachats Urban Renewal Agency, at Yachats City Hall, 441 Highway 101 N, P.O. Box 345, Yachats, Oregon 97498; telephone (541) 547-3565; e-mail [shannon@yachatsmail.org](mailto:shannon@yachatsmail.org).

Urban renewal funds come from a variety of sources...but the most common source is through tax increment financing. Tax increment financing is the basic means of financing urban renewal projects in the State of Oregon. Tax increment financing becomes available when an urban renewal plan is adopted. The steps in the tax increment process are:

- When a plan is adopted, total assessed value in the renewal area becomes the “frozen base” of assessed value.
- The Assessor re-calculates the total assessed values in the area each year that the renewal plan is in operation.
- Tax increment revenue is produced when total assessed values exceed the frozen base value. The assessor calls this increase over the frozen base “excess value”.
- Under Ballot Measure 50, growth in values comes from new construction, and a maximum 3% growth on existing property
- The tax increment revenue must be spent on activities written into the renewal plan
- The tax increment revenue must be spent inside the urban renewal plan boundary

Though urban renewal is a separate item on property tax statements, local property owners pay the same amount of tax whether or not an urban renewal district is established in their area. Basic property tax rates are fixed and will not change. Ballot Measure 50, which was passed by Oregon voters in 1996, requires urban renewal to be specifically shown on tax statements, but taxes shown on the tax statement to other taxing districts and government bodies are reduced by the same amount.

#### **Fiscal Year 2018 Receipts and Expenditures**

During the 2017-2018 fiscal year, the Agency received \$281,735.25 in tax revenue under from tax increment financing The Agency had beginning fund balances of \$68,236.06. Expenditures totaled \$142,538.01 for payments to the City as per an intergovernmental agreement. The payment to the City was used for repayment of the wastewater treatment plant loan and administration and accounting services. \$207,433.00 was carried forward into fiscal year 2018-2019 as a beginning balance.

#### **Impact on Fiscal Year 2018 Tax Collections for Overlapping Taxing Districts**

The division of taxes process results in some property taxes, which would otherwise have been received by the overlapping taxing districts, being paid over to the Yachats Urban Renewal 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 the activities that increase property values in the long term. The total amount of property taxes levied in fiscal year \$281735.25 which are subject to the division of taxes, and the estimated amount and percentage of property taxes foregone by the taxing districts as a result of the activities of the Yachats Urban Renewal Agency.

## **Fiscal Year 2019 Budget Receipts and Expenditures**

Budget estimates for fiscal year 2019 show that the Urban Renewal Agency expects to receive \$271,000.00 from the division of taxes.

Anticipated 2019 fiscal year expenditures include a payment to the City of Yachats of \$95,000.00 for debt service for the wastewater treatment plant loan, \$100, 000.00 for debt service for the South Tank, \$18,000 to Capital Reserves for projects, \$13,000.00 for administration and accounting services. \$3,000.00 is budgeted for audit services and legal notices. \$249,433.00 was carried forward into fiscal year 20202 as a beginning balance.

This statement is hereby filed with the City of Yachats on January 10, 2019. Notice of this filing shall be posted and published on January 16 and January 30, 2019. The statement shall be made available to all interested parties.

Shannon Beaucaire  
City Manager/Recording Secretary for the Yachats Urban Renewal Agency