

# Dundee Urban Renewal Agency Annual Report FY 2018- 2019



Filed January 31, 2020

## Background

On April 18, 2017 the Dundee City Council adopted Ordinance No. 558-2017, adopting the Dundee Urban Renewal Plan and establishing the Dundee Urban Renewal Area. The Urban Renewal Area covers approximately 136 acres comprising of primarily light industrial and commercial zoned properties located in proximity of the Highway 99W corridor in Dundee.

Pursuant to ORA 457.460, the Dundee Urban Renewal Agency (DURA) must prepare an annual report no later than January 31. Public notice shall be published once a week for two successive weeks that the annual report has been filed with the Dundee City Council before March 1 of the year that the report is filed. The annual report shall provide the following information:

- The amount of tax increment financing (TIF) revenues and revenue from debt issuance received during the previous fiscal year.
- The purposes and amounts for which any revenue received were expended during the preceding fiscal year.
- Amount of the maximum indebtedness authorized, and the amount of indebtedness incurred through end of the preceding fiscal year.
- An estimated amount of tax increment financing revenues and revenue from debt issuance received during the current fiscal year.
- The adopted budget setting forth the purposes and amounts that are to be expended from the estimated funds received during the current fiscal year.
- An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430.

## Fiscal Year Ending June 30, 2019

DURA received its first distribution of TIF revenues in November 2018, and the total amount of tax revenue collected through June 30, 2019 was \$50,798. The Agency also received \$323 in interest of funds deposited in the Oregon Local Government Investment Pool. No revenue from the issuance of debt occurred in Fiscal Year 2018-19. Expenditures totaled \$33,932, leaving an ending fund balance of \$17,190 carried forward into Fiscal Year 2019-20. Expenditures in Fiscal Year 2018-19 included the following:

Legal services and legal notices.	\$1,313
Engineering – 9 <sup>th</sup> Street Concept Design	\$7,619
Loan principal repayment – undergrounding.	\$25,000

## Maximum Indebtedness

Maximum Indebtedness represents 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 maximum indebtedness authorized under the Dundee Urban Renewal Plan Area is \$11,337,831. The total indebtedness incurred through June 30, 2019 is \$308,799, leaving a balance of unused indebtedness authorization in the amount of \$11,029,032.

## Fiscal Year Ending June 30, 2020

Tax increment revenue in the current fiscal year is budgeted at \$80,000. Proposed expenditures include completion of a concept design and construction estimates for the reconstruction of Ninth Street from Highway 99W to Alder Street. Loan repayment is for two loans through the City of Dundee, \$295,967 for undergrounding overhead utilities and \$3,900 for sewer main extension. The budget anticipates the issuance of an additional \$240,000 loan agreement with the City of Dundee for undergrounding overhead utilities. The following is a summary of the adopted budget for the fiscal year ending June 30, 2020:

### Revenues

Beginning Fund Balance	13,000	
Property Taxes	80,000	
Interest Income	<u>800</u>	<u>93,800</u>

### Expenditures

Legal Services	1,500	
Engineering/Architecture	15,000	
Planning	<u>1,000</u>	
Legal Notices	<u>400</u>	<u>17,900</u>
Loan Repayment	<u>75,900</u>	<u>75,900</u>
Total Expenditures		<u>93,800</u>

## Taxing District Impacts

The major source of funding for urban renewal projects is tax increment financing (TIF). Once an Urban Renewal Plan and Area are established, the tax valuation for the Area is "frozen" at \$56,017,935. As properties within the Area appreciate in assessed value, the taxes generated from the increased assessed value (the "increment") over the frozen base are used to pay for the specific projects within the Area or repay indebtedness incurred carrying out the projects. Taxing districts continue to receive their share of property taxes based on the frozen assessed value within the Area. Once the Urban Renewal Area is

terminated, the taxing jurisdictions receive the full permanent rate of taxes. The table below shows the tax revenue foregone by the local taxing districts in the fiscal year ending June 30, 2019:

<u>Taxing District</u>	<u>Tax Rate</u>	<u>Permanent Levy</u>	<u>Revenue Foregone</u>	<u>% of Levy</u>
City of Dundee	2.3115	\$685,333	\$11,296	1.65%
Yamhill County	2.5775	\$23,258,061	\$12,571	0.05%
Chehalem Parks & Rec	0.9076	\$3,069,328	\$4,418	0.14%
Yamhill Co. Soil & Water	0.0354	\$319,432	\$148	0.05%
Yamhill Co. Extension Svc	0.0449	\$405,155	\$208	0.05%
*Newberg SD 29J	4.6616	\$15,834,637	\$22,770	0.14%
**Portland Community College	0.2828	\$960,793	\$1,364	0.14%
*Willamette Regional ESD	<u>0.2967</u>	\$2,660,736	<u>\$1,423</u>	0.05%
Aggregate Total	11.1180		\$54,198	

\*No direct impact since the State School Fund backfills local funding on a per pupil allocation.

\*\*Only Yamhill County levy - does not include levies from Columbia, Multnomah, Clackamas or Washington counties.

Note: Permanent Levy is calculated using the total taxable assessed value for each district and the foregone revenue does not take into consideration discounts or penalties.

### Map of Dundee Urban Renewal Area

