

As required by Oregon Revised Statute 457.460, the John Day Urban Renewal Agency board of directors submits the enclosed financial report on the City of John Day Urban Renewal Area (Department of Revenue Plan Area Number 1200086111)

## Urban Renewal Agency FY2020 Annual Financial Report

### **MONEYS RECEIVED IN 2019-2020 TAX YEAR**

The John Day Urban Renewal Agency (URA) reported \$27,343 in taxes received during the 2019-2020 fiscal year, along with \$100 in Intergovernmental Revenues and \$11 in interest income, for a total of \$27,454. The URA also reported \$62,500 in debt proceeds from the City of John Day.

### **USE OF RESOURCES FROM 2019-2020 TAX YEAR**

Five property owners participated in the program during the 2019-2020 tax year. The URA paid \$47,154.17 in incentive payments to these owners, plus an additional \$3,682.00 for water system development charges (SDCs) and \$8,430.00 for sewer SDCs, for a total of \$59,266.17. The URA also incurred \$15,477.83 in other materials and services costs, for a total expenditure of \$74,744.

### **ESTIMATED REVENUES & EXPENDITURES FOR 2020-2021 TAX YEAR**

The county assessor estimates 2020-2021 tax increment receipts for the URA to be \$53,762.06.

Nine property owners were awarded incentive payments in October 2020 for a total of \$56,711.87 based on URA investments made in the 2019-2020 tax year. Four program participants that began homes last year were still under construction this year and will receive the balance of their incentive payments in the 2021-2022 year. At least one partial incentive payment for a new home currently under construction is also anticipated in the 2021 financial report.

In November 2019, the City of John Day approved a loan of \$62,500.00 to the URA at a 3.5% annual compound interest rate. This loan was paid in full on October 14, 2020. The purpose of the loan was to resolve anticipated and temporary cash flow deficits resulting from the timing between when incentives were paid and tax receipts received. Money loaned by the City to support the URA is recorded as Short Term Loan in the City's Budgetary statements, but is recorded as an interfund balance in the City's GAAP financial statements for FY20.

The URA Board adopted a supplemental budget reflecting these anticipated expenditures through Resolution 2020-04, which approved \$88,885 in Materials & Services expenditures and \$81,800 in debt service for FY21.

### **MAXIMUM INDEBTEDNESS AND INDEBTEDNESS INCURRED**

Maximum indebtedness is the total amount of money from division of taxes under ORS 457.420 to 457.460 that can be spent on programs and administration throughout the life of the Plan. Maximum Indebtedness is a term used in authorizing the use of urban renewal and is required in every urban renewal plan. The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of programs in the Plan and the schedule for their completion is \$4,305,162 (four million three hundred five

thousand one hundred sixty-two). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

The URA board approved two new financial instruments through URA Resolution 2020-03:

- (1) To address anticipated near-term cash flow deficits, the URA board authorized a \$40,000 line of credit at three percent annual interest through Old West Federal Credit Union (Instrument # L11211-002) issued on September 21, 2020, which matures December 31, 2021.
- (2) To refinance the City of John Day’s loan, the URA board authorized a \$60,000 term loan at three percent annual interest through Old West Federal Credit Union (Instrument # L11212-003) issued on September 21, 2020, which matures on December 31, 2026. The URA will pay this loan in six (6) payments of \$9,427.81 each payment and an irregular last payment estimated at \$9,427.78.

The URA’s current indebtedness totals \$100,000, or 2.3 percent of its maximum indebtedness.

**IMPACT ON OTHER TAXING DISTRICTS**

Taxes imposed in FY20 were \$30,495.57, or 0.3% of all taxes imposed in Grant County. Taxes imposed for FY21 are \$53,762.06, or 0.5% of total county taxes. Impacts on each tax jurisdiction are summarized below.

<b>Taxing District</b>	<b>FY20 Impact</b>	<b>FY21 Impact</b>
County General 010	\$5,529.13	\$9,747.25
Blue Mt. Hosp. 651	\$4,087.48	\$7,218.60
Mid-Co Cem. 655	\$574.75	\$1,018.14
John Day 663	\$5,745.92	\$10,116.67
Grant ESD 701	\$7,209.64	\$12,702.03
School Dist. 3 702	\$3,154.59	\$5,573.25
Extension 4/H	\$498.86	\$872.96
JD-CC Parks & Rec 712	\$1,431.01	\$2,529.20
Blue Mt. Hosp. Bond 811	\$2,264.19	\$3,983.96
<i>Total for All Districts</i>	<i>\$30,495.57</i>	<i>\$53,762.06</i>