

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 2022 Annual Financial Report

### **MONEYS RECEIVED IN 2021-2022 TAX YEAR**

The John Day Urban Renewal Agency (URA) reported \$62,643 in taxes received during the 2021-22 fiscal year, along with \$25 in miscellaneous income and \$15 in interest income, for a total income of \$62,683. The URA also received an interfund loan from the City of John Day for \$587,326.

### **USE OF RESOURCES FROM 2021-2022 TAX YEAR**

Five (5) property owners participated in the program during the 2021-2022 tax year. The URA paid \$22,181.53 in incentive payments to these owners. Combined with infrastructure incentives, the URA spent \$304,031 for development incentives. The URA also incurred \$277,464 in capital outlay and paid off two existing debt instruments, for a total expenditure of \$667,206 in FY22.

### **ESTIMATED REVENUES & EXPENDITURES FOR 2022-2023 TAX YEAR**

The county assessor estimates 2022-2023 tax increment receipts for the URA to be \$79,211.81.

Four (4) property owners were awarded incentive payments on October 11, 2022 for a total of \$26,774.35 based on URA investments made in the 2021-22 tax year. One program participant began a home this year that is still under construction and will receive its first incentive payment in the 2022-23 year.

In December 2022, the City of John Day approved a loan of \$587,326 to the URA at a 3.5% annual compound interest rate through Resolution No. 22-899-20. This loan was used for cash-flow purposes and will be repaid with debt proceeds from Business Oregon Loan Agreement No. L22013. The purpose of the City's 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 FY22.

### **MAXIMUM INDEBTEDNESS AND INDEBTEDNESS INCURED**

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 City’s loan to the URA allowed the board two pay off and close two financial instruments approved 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 matured 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 paid this loan in full.

The URA’s current indebtedness is \$587,326, or 13.6 percent of its maximum indebtedness.

**IMPACT ON OTHER TAXING DISTRICTS**

The Grant County Assessor, in accordance with ORS 457.430, recertified the total taxable assessed value within the John Day Housing Incentives Plan Area as shown on the 2021-22 assessment roll to be \$17,395,212. Taxes imposed in FY22 were \$65,003.07, or 0.7% of all taxes imposed in Grant County. Taxes imposed for FY23 are estimated to be \$79,211.81, or 0.8% of estimated county taxes to be received. Impacts on each tax jurisdiction are summarized below.

<b>Taxing District</b>	<b>FY22 Impact</b>	<b>FY23 Impact</b>
County General 010	\$12,278.29	\$15,082.06
Blue Mt. Hosp. 651	\$9,087.19	\$11,162.26
Mid-Co Cem. 655	\$1,282.41	\$1,575.25
John Day 663	\$12,745.24	\$15,655.64
Grant ESD 701	\$16,001.10	\$19,654.98
School Dist. 3 702	\$7,016.17	\$15,655.64
Extension 4/H	\$1,106.87	\$1,359.63
JD-CC Parks & Rec 712	\$3,188.55	\$3,916.66
John Day Bond	\$1,794.73	\$2,187.03
<i>Total for All Districts</i>	<i>\$65,003.07</i>	<i>\$79,211.81</i>