

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2022

2021-2022

Mill Race Urban Renewal District

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, 2022

LEBANON URBAN RENEWAL AGENCY

URBAN RENEWAL AREA BACKGROUND

The Mill Race Urban Renewal Plan (Plan) within the Lebanon Urban Renewal Agency (LURA) was adopted by the the City of Lebanon in 2020. The maximum indebtedness established in 2020 for the Mill Race Urban Renewal Plan is \$9,652,364. 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 frozen base assessed value of the Plan Area is \$461,679 (“Frozen Base”). The FY 2021-2022 total assessed value is \$4,402,322. The excess value, or the value on which taxes are paid to the urban renewal agency in FY 2021-2022 is \$3,940,643.¹

The Lebanon Urban Renewal Agency is a separate legal and financial entity, governed by the members of the the City of Lebanon 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 and 25% of total acreage within the city limits. Lebanon has four urban renewal districts, totaling 10.58% of the total assessed value and 24% of their city acreage, not exceeding the 25% limitations.

The maximum indebtedness established for the District is \$9,652,364. At the conclusion of FY 2021-2022 the Plan had used \$51,107 toward the maximum indebtedness. There is \$9,601,257 remaining to be spent.

¹Linn County Assessor Tax FY 2021-2022 Table 4e, lines 7-9

Mill Race Urban Renewal Area – Figure 1



Urban Renewal Goals

The Mill Race Urban Renewal Area'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:

Goal 1: *DEVELOPMENT INCENTIVES*

To provide job development, attraction of new businesses and new residents, provide an increase in community wealth and the development of housing and commercial opportunities.

Goal 2: *ADMINISTRATION*

To provide administrative support for the implementation of the Plan.

The entire Mill Race Urban Renewal Plan and Report can be found on Lebanon Urban Renewal Agency's website, <https://www.lebanonoregon.gov/es/page/urban-renewal-plans-and-other-projects>.

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 2021-2022, the Lebanon Urban Renewal Agency received \$61,882 from division of taxes for the Mill Race Urban Renewal Area.² The detailed earnings of the Lebanon Urban Renewal Agency for the Mill Race Urban Renewal Area can be seen in Table 1.

Table 1. Money Received During FY 2021-2022

Receipt Category	2021-2022 Amount
Division of Taxes	\$ 61,882
Interest on Investment	298
TOTAL:	\$ 62,180

Source: Lebanon Urban Renewal Agency Financial Statement FYE 2022

Money Expended

Revenue received through urban renewal and spent on urban renewal activities for the Mill Race Urban Renewal Area is shown in Table 2.

² Lebanon Urban Renewal Agency Audited Financial Statement FYE 2022

Table 2. Expenditures During FY 2021-2022

Expenditure Category	2021-2022 Amount
Materials & Services	\$ 51,405
TOTAL:	\$ 51,405

Source: Lebanon Urban Renewal Agency Financial Statement FYE 2022

Estimated Revenues

The estimated tax revenues from the FY 2022-2023 adopted Lebanon Urban Renewal Agency budget for the Mill Race Urban Renewal Area are \$100,000.³

Adopted Budget for Current Fiscal Year, FY 2022-2023

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 for the Mill Race Urban Renewal Area is shown in Table 3 below.

Table 3. Budget FY 2022-2023 Urban Renewal Fund

Budget Category (Expenditures)	2022-2023 Amount
Materials & Services	\$ 109,103
TOTAL:	\$ 109,103

Budget Category (Revenues)	2022-2023 Amount
Division of Taxes	\$ 100,000
Other Sources (Beginning Balance)	9,103
TOTAL:	\$ 109,103

Source: City of Lebanon FY 2022-2023 Urban Renewal Budget

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 4. This information is from Linn County Assessor records, Table 4e and is after losses of \$10 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.

³ City of Lebanon FY 2022-2023 Urban Renewal Budget

Table 4. Impact on Taxing Districts FY 2021-2022

Taxing Jurisdiction	Impact
Linn County	\$ 4,948
Linn Benton ESD	\$ 1,100
LBCC	\$ 1,924
Lebanon Community School District #9	\$ 19,657
City of Lebanon	\$ 20,206
Lebanon RFD	\$ 8,795
Lebanon Aquatic	\$ 825
4H Extension District	\$ 275
Total Impact on Taxing Districts	\$ 64,328

Source: FY 2021-2022 SAL 4e from Linn County Assessor