

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2022

2021-2022

Northwest Lebanon 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 Northwest Lebanon Urban Renewal Plan (Plan) within Lebanon Urban Renewal Agency (LURA) was adopted by the the City of Lebanon in 1991. The maximum indebtedness for the Plan is \$33,228,592. 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 \$10,816,129 ("Frozen Base"). The FY 2021-2022 total assessed value is \$206,875,920. The Agency decided to under-levy for FY 2021-2022. An under-levy is accomplished by asking the Assessor for an adjusted Frozen Base. The Frozen Base used for FY 2021-2022 was \$147,164,724. Adjusting the Frozen Base means the Agency will receive fewer tax dollars and that other taxing jurisdictions will receive additional tax dollars. The excess value, or the value on which taxes are paid to the urban renewal agency in FY 2021-2022 is \$59,711,196.¹

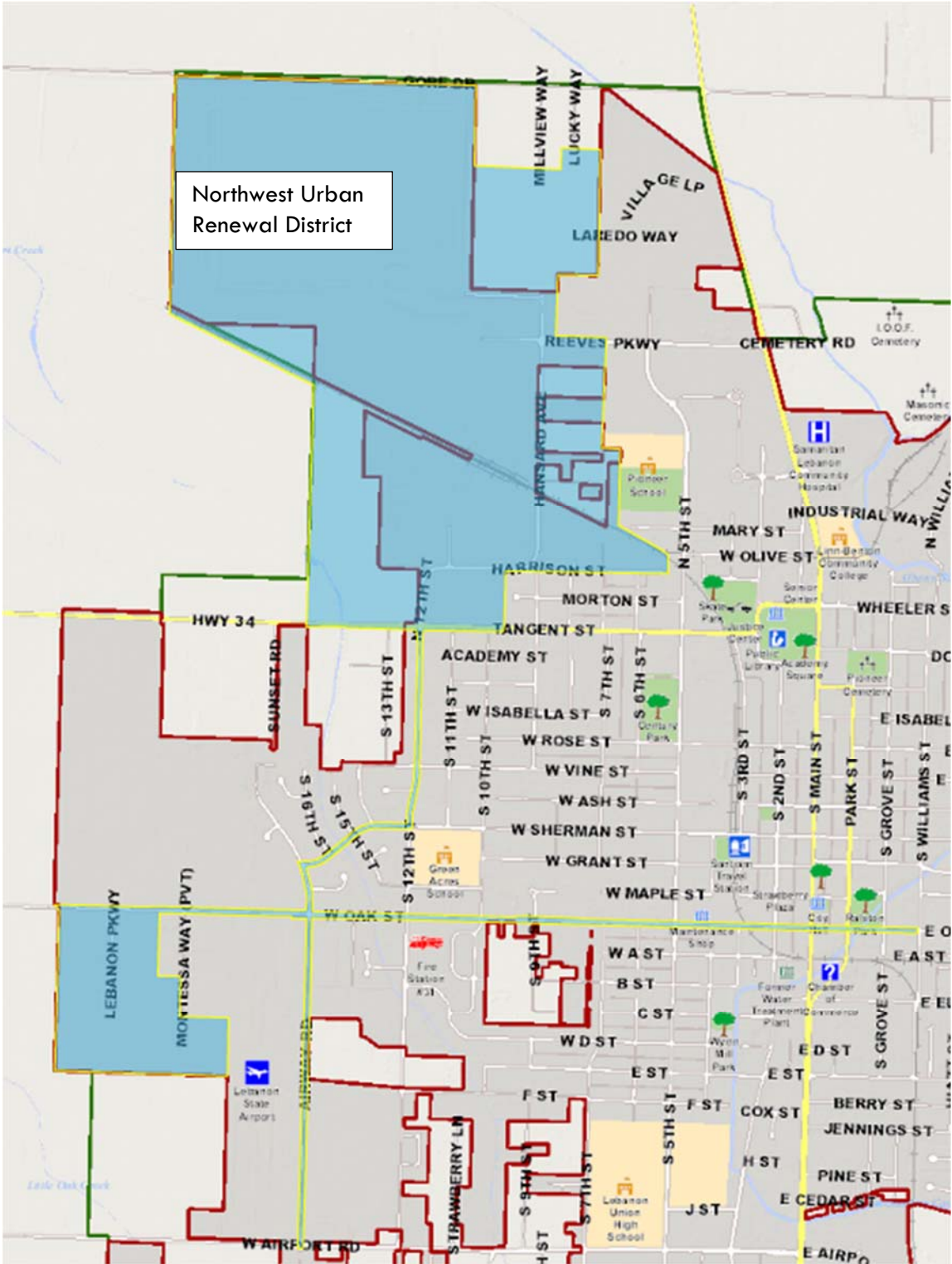
LURA is a separate legal and financial entity, governed by the members of the the City of Lebanon City Council.

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 \$33,228,592. At the conclusion of FY 2021-2022 the Plan had used \$27,001,177 toward the maximum indebtedness. There is \$6,227,415 remaining to be spent.

¹Linn County Assessor Tax FY 2021-2022 SAL Table 4e

Northwest Lebanon Urban Renewal Area – Exhibit 1



Urban Renewal Goals

LURA'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:

1. Industrial

- a) Encourage new and expanded industrial development through provision of infrastructure and transportation improvements, and through providing strategic site improvements and assistance in support of private development as part of local job creation and community enhancement efforts.
- b) Provide utility and street improvements in the Renewal Area to encourage expansion of existing businesses and to allow additional industrial growth to the north of the railroad tracks.
- c) Improve access into industrially designated areas by encouraging development of a new connection between U.S. Highway 20 and State Highway 34.

2. Mixed Use

- a) Encourage the development of commercial, office, and residential use by providing needed infrastructure and transportation improvements.
- b) Take advantage of the location adjacent to U.S. Highway 20.

3. Residential

- a) Provide infrastructure and utility improvements to encourage development of residential property within the district
- b) Encourage Planned Developments within the district that include commercial retail and service uses.

4. Traffic and Circulation

- a) Improve Hansard Avenue to industrial standards and provide an adequate turn refuge and tapers on State Highway 34.
- b) Provide a new arterial bypass connection between U.S. Highway 20 and State Highway 34.
- c) Provide a network of collector streets that serve industrial, mixed use, and residential areas within the district.
- d) Provide local streets that serve development parcels.

5. Services

- a) Provide water and sewer service to allow urban levels of development consistent with the Comprehensive Plan.
- b) Provide adequate fire protection to the area.
- c) Provide water storage, water treatment and sewer treatment facilities consistent with the needs of the renewal area.
- d) Provide storm sewers and storm drainage facilities to the area.

6. Employment

- a) Work with Linn Benton Community College to provide an advanced automotive technology center in the Area.

The entire Northwest Lebanon 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 \$976,113 from division of taxes.² The detailed money received from the Northwest Urban Renewal District can be seen in Table 1.

Table 1. Money Received During FY 2021-2022

Receipt Category	2021-2022 Amount
Beginning Balance	\$2,590,250
Division of Taxes	976,113
Interest and Investment Earnings	17,695
TOTAL:	\$3,584,216

Source: Lebanon Urban Renewal Agency Financial Statement FYE 2022

Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 2.

Table 2. Expenditures During FY 2021-2022

Expenditure Category	2021-2022 Amount
Debt Service	\$1,503,744
TOTAL:	\$1,503,744

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 are \$935,000, including current and delinquent property taxes.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 is shown in Table 3 below.

² Lebanon Urban Renewal Agency Audited Financial Statement FYE 2022

³ City of Lebanon FY 2022-2023 Lebanon Urban Renewal Agency Budget

Table 3. Budget FY 2022-2023 Urban Renewal Fund

Budget Category (Expenditures)	2022-2023 Amount
Debt Service	\$1,150,070
Interest and Fiscal Charges	358,926
Contingencies	1,743,403
TOTAL:	\$3,252,399

Budget Category (Revenues)	2021-2023 Amount
Division of Taxes	\$ 935,000
Interest on Investment	13,000
Transfer In	240,000
Other Sources: Beginning Balance	2,064,399
TOTAL:	\$3,252,399

Source: City of Lebanon FY 2022-2023 Lebanon Urban Renewal Agency 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 4a and 4e and is after losses of \$145 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.

Table 4. Impact on Taxing Districts FY 2020/2021

Taxing Jurisdiction	Impact
Linn County	\$ 76,384
Linn Benton ESD	\$ 18,167
LBCC	\$ 30,003
Lebanon Community School District #9	\$ 299,479
City of Lebanon	\$ 306,532
Lebanon RFD	\$ 135,528
Lebanon Aquatic	\$ 14,313
4H Extension District	\$ 4,129

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