

# ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2014

2013-2014

Talent Urban Renewal Agency

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.



TALENT URBAN  
RENEWAL AGENCY  
P.O. Box 445  
Talent, OR 97540

# Annual Report for Fiscal Year Ending June 30, 2014

TALENT URBAN RENEWAL AGENCY

## AGENCY HISTORY

The Talent Urban Renewal Agency (TURA) was formed in 1991. It consists of a 7-member board of directors appointed by the City Council, including four citizens and three city councilors, and maintains a separate budget and separate capital improvement program. The Agency was originally planned to sunset in 2019, but is now targeting an earlier date of 2016. It is a separate legal and financial entity, with a financial structure different from that of city government.

TURA's mission is to eliminate blight and, in the process, improve the safety, quality of life and economic well being of those who live, work, and own property in the Talent area. Further, it is the mission of the Agency to improve the area's public infrastructure, to rehabilitate and redevelop the city's core area in a manner which respects its historic past, but recognizes the need for improved buildings, and to encourage a greater mix of businesses and services and the development of people-pleasing amenities.

The Agency designs and builds streets, sidewalks and parks; replaces old water lines; puts some power lines underground; installs street lights and trees; builds parks and civic spaces; assists economic development; and provides façade improvement grants for commercial and historic structures.

The Agency receives a portion of local property taxes, calculated by the county assessor each year according to changes in assessed value within the urban renewal boundary. Funding for projects comes from the private sale of bonds, which are repaid with a portion of property tax revenue over the life of the Agency, or through short term borrowing. Currently, the Agency plans to have all projects completed and all borrowing paid off in 2016.

Urban renewal agencies are governed by Oregon Revised Statutes 457, which creates distinct differences between those agencies and their municipalities: urban renewal bonds are not general obligation bonds; voter approval is not required each time an urban renewal bond is issued; and agencies cannot spend tax revenue directly.

The maximum indebtedness established in 1991 for the Talent Urban Renewal Plan is \$17,127,276. 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.

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 within the city limits. The base value of the Urban Renewal

Area when established in 1991 and adjusted for an Option 1 Plan as a result of Measure 50 was \$8,359,724 (“Frozen Base”), and does not exceed this limit. As of FY 13-14, the Assessed Value for the Area has increased to \$59,356,426.

## Urban Renewal Goals

TURA’s guiding document is the Talent Urban Renewal Plan and Report, as substantially amended 2005, which lists a series of goals and objectives to guide activities in the urban renewal area. Goals listed in the Plan are as follows:

- A. To enhance opportunities for residential, civic, cultural, and business property to be developed, redeveloped, improved, rehabilitated and conserved in ways which will ensure the vitality of the Area.
- B. To encourage the retention, expansion and development of diversified businesses that will produce jobs for the people of Talent and Jackson County; and
- C. Increase property values so that the Area will contribute its fair share to the costs of public services provided by the City, County, Schools and other Taxing Districts.
- D. To be responsive to the needs and the concerns of all people of Talent in the details of amending and implementing this Urban Renewal Plan;
- E. To encourage the maximum amount of public involvement, citizen participation in the formation and communication with other taxing districts in the implementation of the Urban Renewal Plan.
- F. To assist property and business owners in the rehabilitation, development or redevelopment of their buildings, property and/or leased space.
- G. To improve to City standards the Area's public streets, bicycle and pedestrian ways and utilities.
- H. To provide park facilities designed to serve the recreational needs of all age levels of Talent population;
- I. To provide streetscape improvements in areas of maximum pedestrian concentration;
- J. To provide adequate off-street parking for the convenience of people who drive to the Area;
- K. To improve the public transportation capability of the Area, including bus and rail transit.
- L. To leverage the Agency's financial resources to the maximum extent possible with other public and private investments and other public and private funding sources.

The entire Talent Urban Renewal Plan and Report can be obtained at the TURA office, 102 Home Street, Talent. A list of current and future urban renewal projects can be viewed at [cityoftalent.org](http://cityoftalent.org), click on “departments” then “urban renewal”.

## Projects completed in the last fiscal year:

*Rehabilitation/Façade Improvements Grants:* Two grants to businesses in the downtown area totaling approximately \$6,000 were completed in FY 13-14. Star Properties received assistance to install a projecting porch entryway at 88 LaPree Street and Farmers Insurance received conceptual design services and partial funding for a much needed façade overhaul to convert a former gas station into a professional office at 2 Talent Avenue.

*West Valley View Master Plan:* In FY 13-14, TURA finalized right of way acquisitions necessary for Phase 1C – installation of the long-awaited roundabout on West Valley View and the extension of Main Street as the principal entry to downtown Talent -- and selected a general contractor to start work immediately in July 2015. Also during FY 13-14, landscape for Phase 1A and Phase 1B was installed along Seiber Street and the partial extension of Main Street in the vicinity of Camelot Theatre. A vacant building and invasive trees on a lot owned by TURA were removed, in anticipation of Phase 1C road building and the installation of a small pocket park. In addition, a remnant of land at the corner of Main and Talent Avenue -- leftover from a previous right of way purchase – was sold to an adjacent property owner allowing the property owner to enlarge his existing lot and enjoy frontage on three downtown streets.

*TURA Office Improvements:* The front garden of TURA’s office – in much need of an overhaul – was redesigned and installed over the winter to increase curb appeal, replace an invasive tree, and reduce irrigation needs.

## FINANCIAL REPORTING

An annual audit is conducted each year. In addition, pursuant to ORS 457.460, a detailed accounting of the financial activity specifically related to the urban renewal area is required to be reported on an annual basis. The following sections respond to the requirements of this statute.

### Tax Revenue Received

*ORS 457.460 (a)*

For FY 2013-14, the Jackson County Assessor levied \$1,192,875 for TURA, composed of division of taxes and a special levy which is unique to urban renewal agencies formed prior to 1998 as a result of Measure 50. At year’s end, tax revenue actually received was \$1,149,175. Additional revenue was received interest earnings.

### Expenditures

*ORS 457.460 (b)*

Year-end expenditures for FY 13-14 are shown in Table 1 (Capital Projects Fund) and Table 2 (Debt Service Fund).

**Table 1. CAPITAL PROJECTS FUND – Expenditures -- FY 2013-2014**

Budget Categories	Expenditures
Personnel	\$75,154
Materials and Services	\$29,726
Capital Outlay	\$153,129
<b>Total Capital Project Fund Expenditures</b>	<b>\$258,009</b>

**Table 2. DEBT SERVICE FUND -- Expenditures -- FY 2013-2014**

Debt Payments	Expenditures
Principal	\$675,000
Interest	\$62,420
Transfers Out for Contract Obligations	\$175,000
<b>Total Debt Service Fund Expenditures</b>	<b>\$912,420</b>

### Estimated Tax Revenues for Current Fiscal Year (FY 14-15)

*ORS 457.460 (c)*

The estimated tax revenues budgeted for FY 2014-2015 are \$1,190,000. An additional \$4,000 is anticipated to come from interest earnings.

### Adopted Budget for Current Fiscal Year (FY 14-15)

*ORS 457.460 (d)*

The adopted budget for FY 14-15 estimates tax revenue and other financial resources to be received, as well as expenditures planned for projects, administration, and repayment of debt, as shown in the Capital Projects Fund (Table 3) and the Debt Service Fund (Table 4) below:

**Table 3. CAPITAL PROJECTS FUND – Adopted Budget -- FY 2014-2015**

Item	Budget
<b>Beginning Fund Balance</b>	\$82,820
<b>Income</b> (grant, reimbursements, debt proceeds, transfer in from Debt Service Fund for Contract Obligations)	\$755,800
<b>Expenditures</b>	
Personnel	\$50,000
Materials and Services	\$27,000
Capital Outlay	\$723,300
Contingency	\$25,000
<b>Total Expenditures</b>	<b>\$825,300</b>
<b>Ending Fund Balance</b>	<b>\$13,320</b>

**Table 4. DEBT SERVICE FUND – Adopted Budget -- FY 2014-2015**

Item	Budget
<b>Beginning Fund Balance</b>	\$871,597
<b>Revenue</b> (including earned interest)	\$1,194,000
<b>Expenditures</b> (principal, interest, transfers out to Capital Projects Fund for Contract Obligations, and borrowing costs)	\$1,499,022
<b>Ending Fund Balance</b>	\$223,075
<b>Debt Reserve (required amount held in reserve)</b>	\$343,500

## Impact on Taxing Districts

ORS 457.460 (e)

Urban renewal agencies do not create an additional tax. Instead, during the agency's lifespan, overlapping taxing districts "forego" a percent of their permanent rate. Once the urban renewal area is terminated, the taxing jurisdictions receive their full permanent rate. For the majority of taxing districts this impact is less than 1% of their permanent rate levy. The greatest impact is on the City of Talent, at 17.77% of its permanent rate. An analysis of the tax collection impact on the permanent rate of other tax districts is as follows:

**Table 5. Impact on Taxing Districts FY 13-14**

Taxing District	Revenue Forgone	2013-14 Annual Tax Revenues	% of Total Tax Revenues
Rogue Valley Transit	\$8,802	\$2,221,180	0.40%
Jackson County Soil & Water Conservation	\$2,472	\$831,088	0.30%
Jackson County	\$99,952	\$33,399,575	0.30%
City of Talent	\$160,740	\$904,585	17.77%
Education Service District *	\$17,505	\$5,773,508	0.30%
School District Phoenix-Talent *	\$210,980	\$7,413,286	2.85%
Rogue Community College	\$25,482	\$8,401,431	0.30%
Fire District #5	\$159,047	\$4,442,509	3.58%
Vector Control	\$2,110	\$713,428	0.30%
<b>Total</b>	<b>\$687,090</b>	<b>\$64,100,590</b>	

Source: Jackson County SAL4e Report      \*The School District and ESD 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