



City of Talent

Financial Impacts from Proposed URA

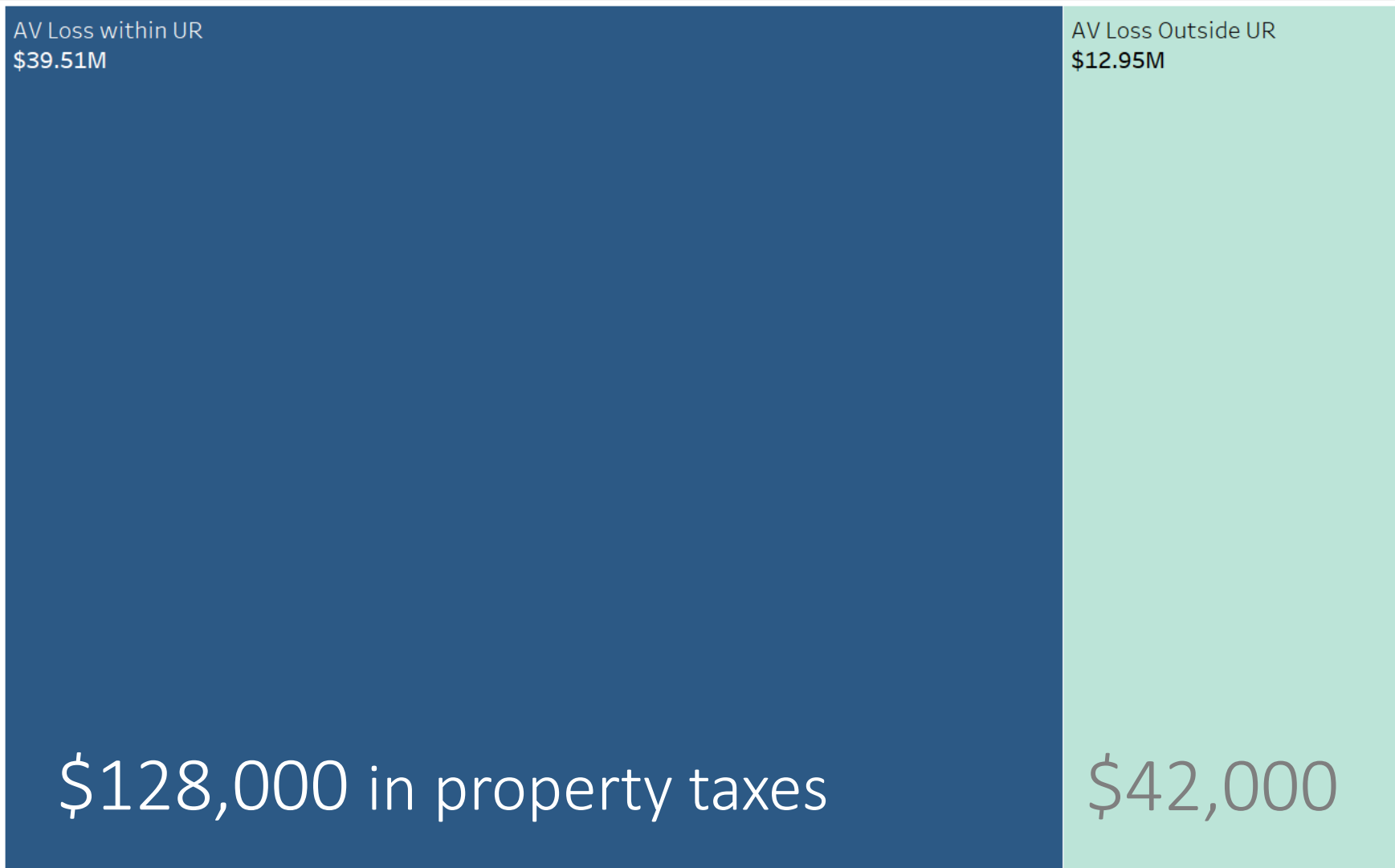
August 3rd, 2022

Before we start today:

- Providing information.
- Speaking only on the City's financial impact.
- Talking in real terms.
- Recognizing what money means.

- ① The Urban Renewal Plan significantly reduces our property tax revenues.
- ② The reduction in revenue will likely impact our services.
- ③ Additional revenue sources will likely be needed to maintain services.
- ④ Amending the plan can offset the impacts to City services.

\$52.5 million lost in assessed value from the Alameda Fire.

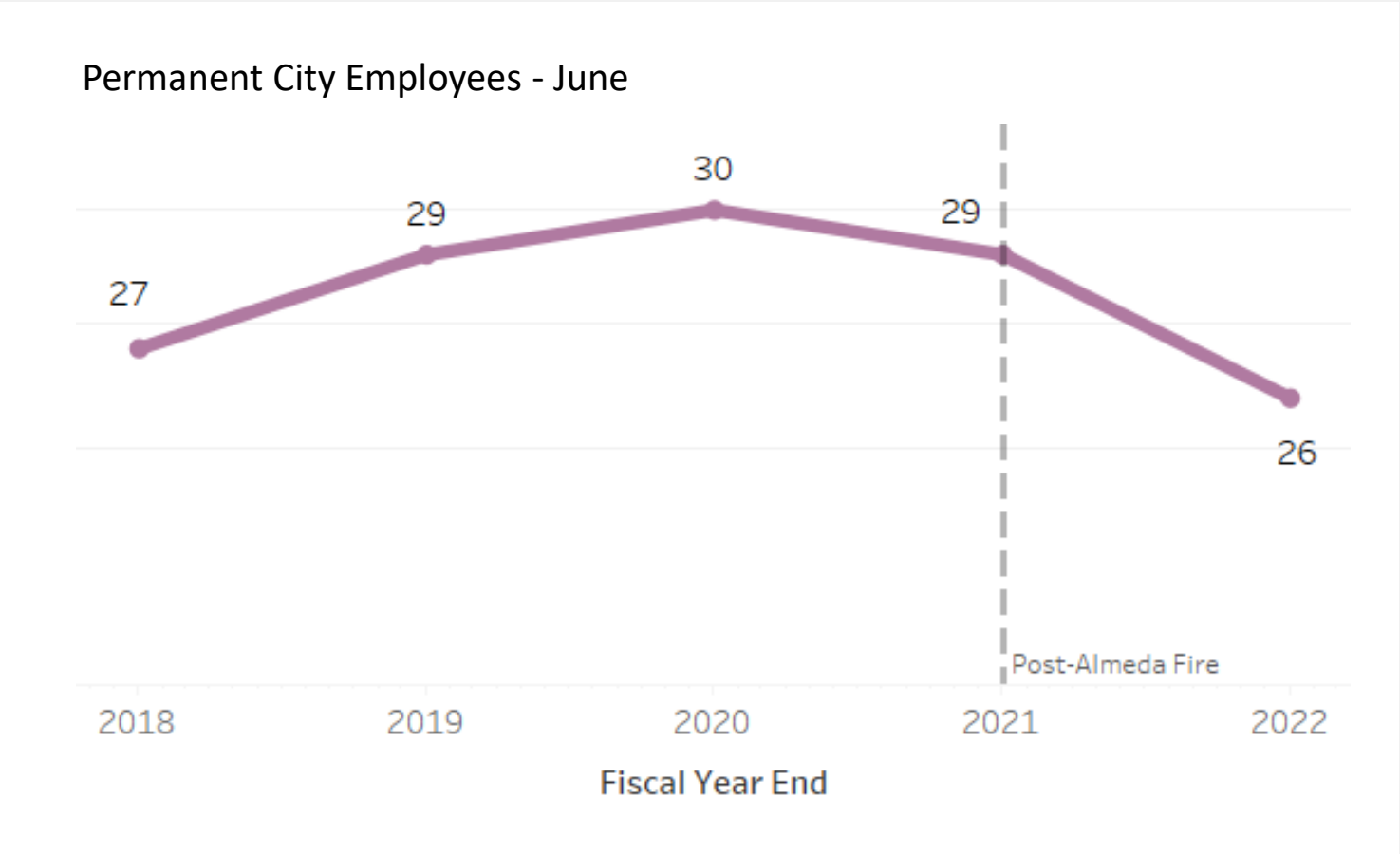


And the rebuild is leading to significantly higher assessed values, than what was there before.

The City will, on average, forgo \$290,500 in property taxes per year.

Est. \$210,000 of which is projected to be from rebuild.

	Property Tax to TURA (Real)	FTE Conversion
2024	\$163,650	2.0
2025	\$177,756	2.2
2026	\$191,428	2.4
2027	\$204,708	2.6
2028	\$217,634	2.7
2029	\$230,237	2.9
2030	\$242,549	3.0
2031	\$254,594	3.2
2032	\$266,395	3.3
2033	\$277,973	3.5
2034	\$289,346	3.6
2035	\$297,933	3.7
2036	\$306,674	3.8
2037	\$315,538	3.9
2038	\$324,502	4.1
2039	\$333,544	4.2
2040	\$342,646	4.3
2041	\$351,792	4.4
2042	\$360,968	4.5
2043	\$370,164	4.6
2044	\$379,368	4.7
2045	\$388,572	4.9
2046	\$397,770	5.0
2047	\$406,955	5.1
2048	\$416,123	5.2
2049	\$425,268	5.3
2050	\$434,387	5.4
2051	\$443,478	5.5
2052	\$452,538	5.7
2053	\$461,566	5.8



City services are struggling to keep up.

Weed abatement

Police patrol coverage

Website updates

Code enforcement

General community eng.

Larger land-use applications

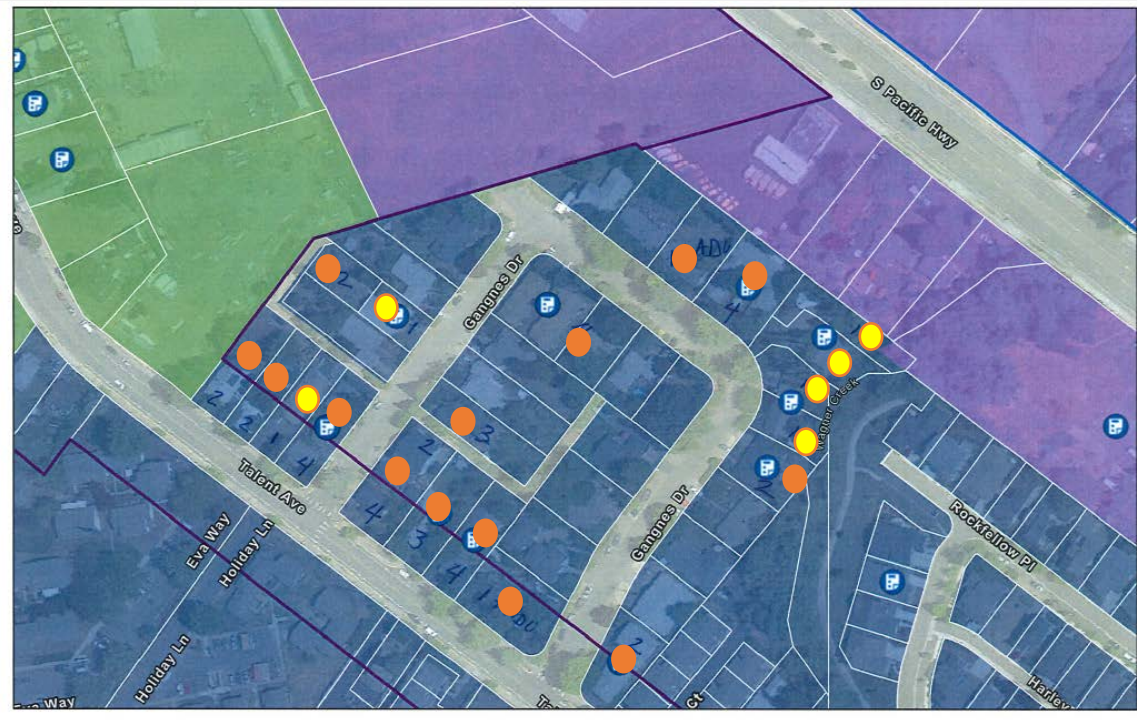
Regular Town Halls

Water Conservation programs

Extreme weather shelters

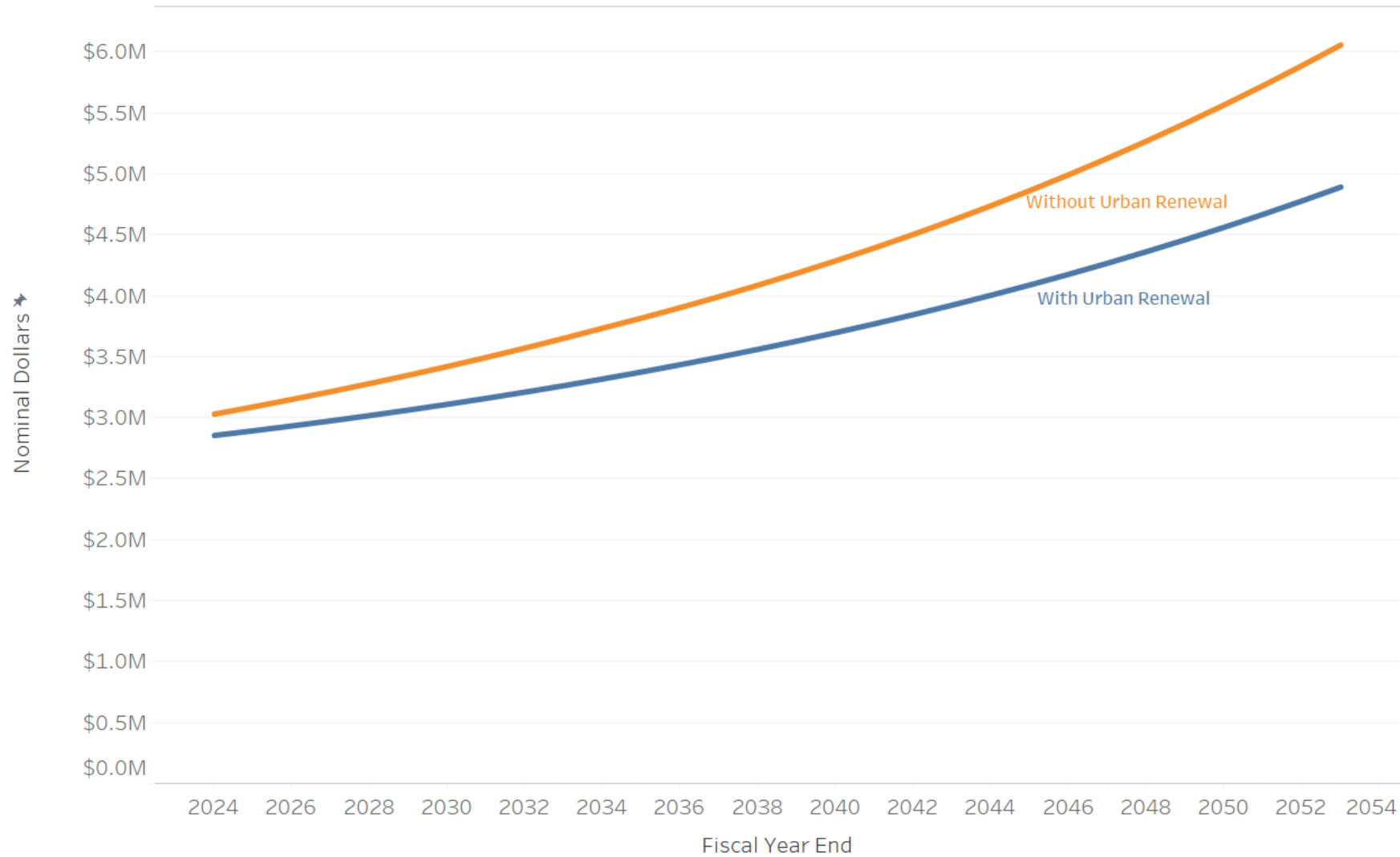
CERT

And we expect service demand to **increase**.



~25% higher
density in
rebuild areas.

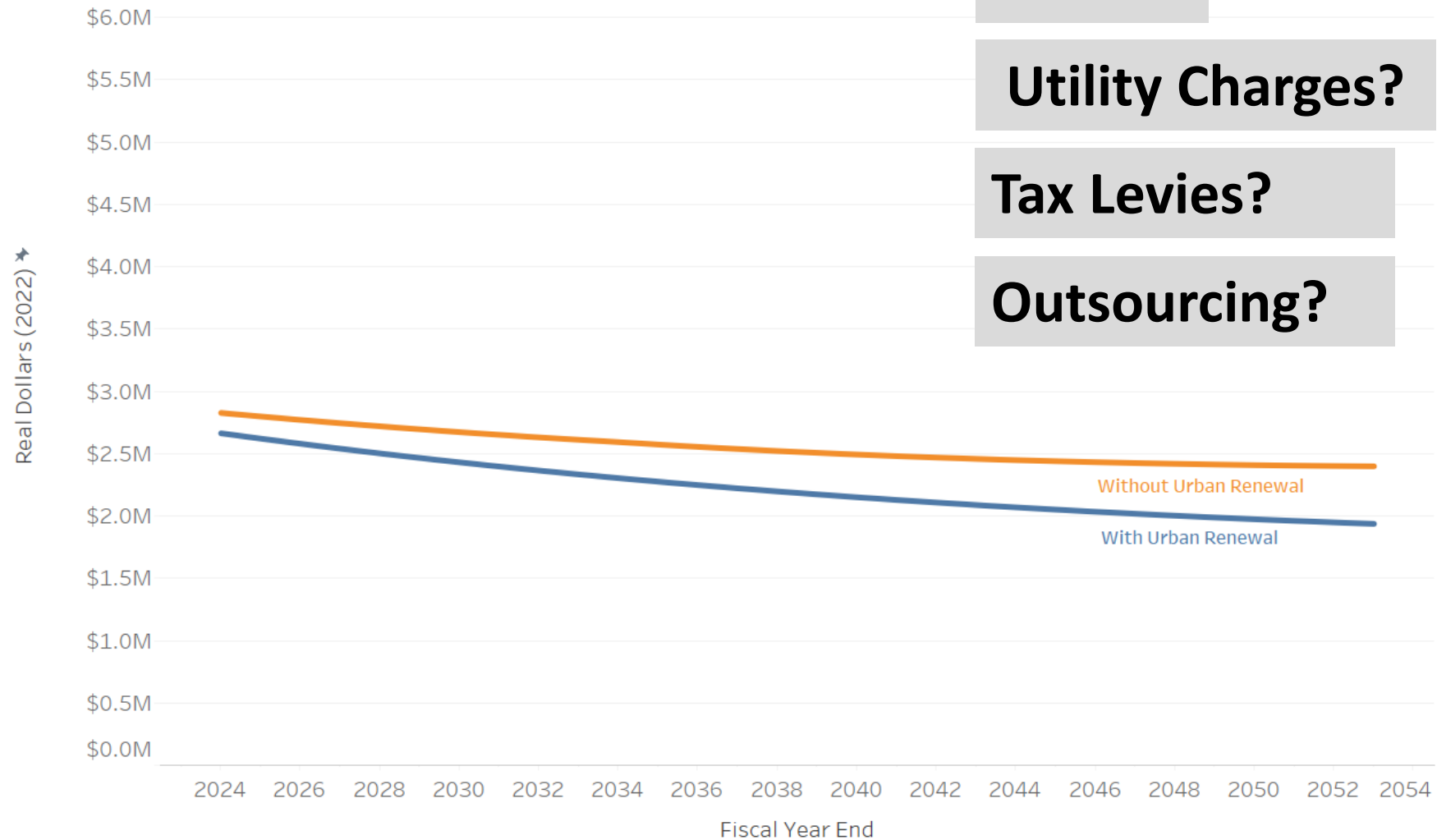
Projected General Fund Revenue (Nominal Dollars)



Notes: Projections calculated by Tiberius Solutions with assessed value and tax rates from the Jackson County Assessor, SAL Table 4a, FYE 2012 and FYE2022, City of Talent FYE 2017 and FYE 2021 Adopted Budgets, and FYE 2017 Approved Budget.



Projected General Fund Revenue (Real Dollars)



Notes: Projections calculated by Tiberius Solutions with assessed value and tax rates from the Jackson County Assessor, SAL Table 4a, FYE 2012 and FYE2022, City of Talent FYE 2017 and FYE 2021 Adopted Budgets, and FYE 2017 Approved Budget. For conversion to 2022 real dollars: 4% inflation assumed for 2024 and 3% annual inflation assumed thereafter.



Options to Offset the Impacts to City Financials

Delay the frozen base by **one year** (January 2022). Delaying the frozen base by one year will provide the City with property tax revenue closer to what we received prior to the fire. This will allow us to maintain the staffing levels we had prior to the fire, at least over the short- and medium-term, and better maintain city services at current levels.

Delay the frozen base by **two years** (January 2023). Delaying the frozen base by two years will provide the City with property tax revenue we received prior to the fire, with an estimated additional \$100,000 per year. Those additional funds could be used to maintain city services over the long run as demand grows, and/or introduce new services such as a water conservation program or a volunteer program for the City.

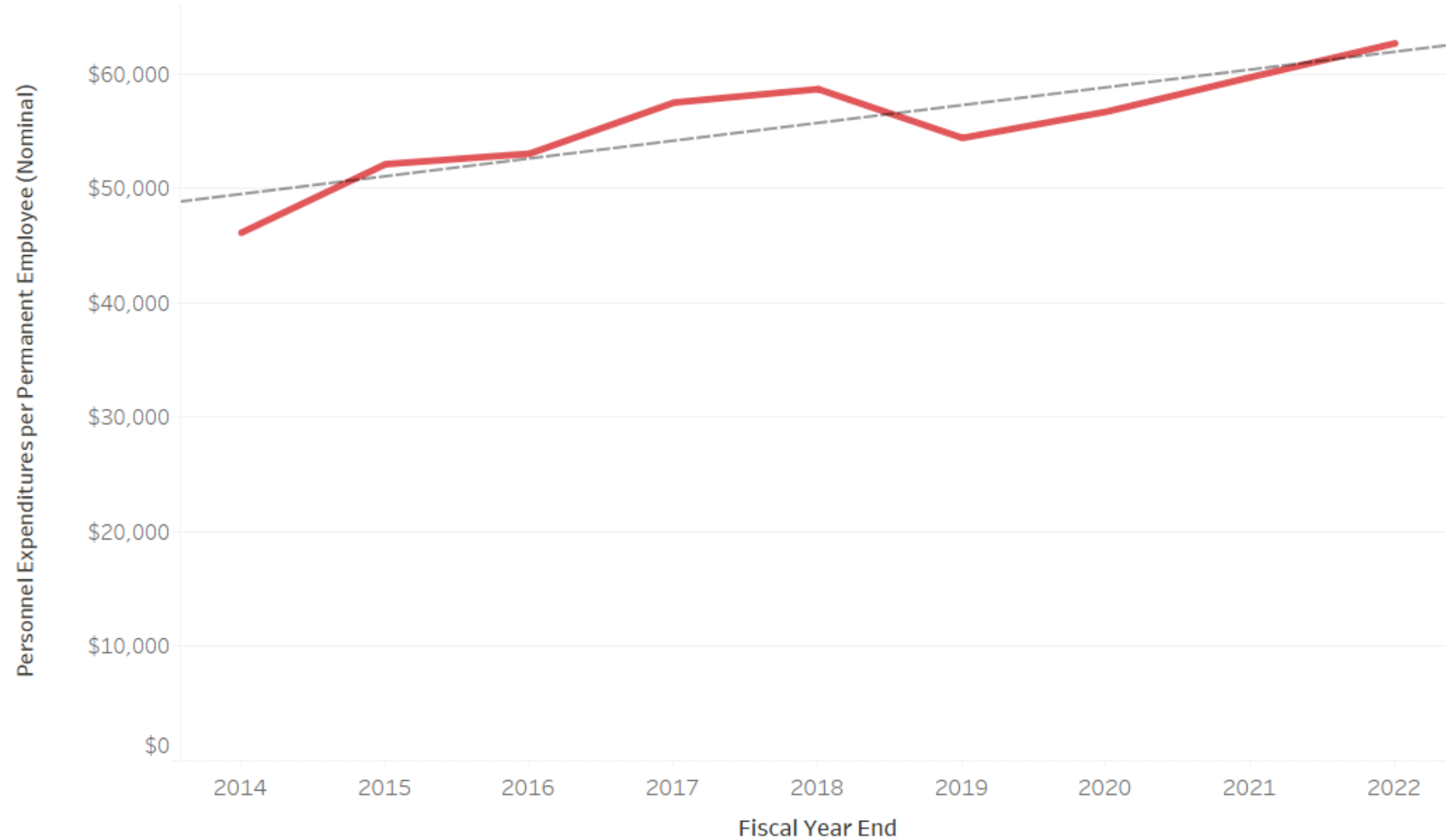
How these options would impact Urban Renewal

Year of Frozen Base	Total Net TIF	Max. Indebtedness	Capacity (2022 \$)	First Year of Expenditures	First Year of TIF
Jan 2021 (Current)	\$75.5M	\$62.5M	\$37.9M	2023-2024	\$5.9M
Jan 2022	\$64.3M	\$53.8M	\$32.0M	2023-2024 or 2024-2025*	\$2.9M
Jan 2023	\$57.5M	\$48.7M	\$27.1M	2024-2025	\$1.3M

*Depends on if the Plan becomes effective before or after December 31, 2022.

Appendices

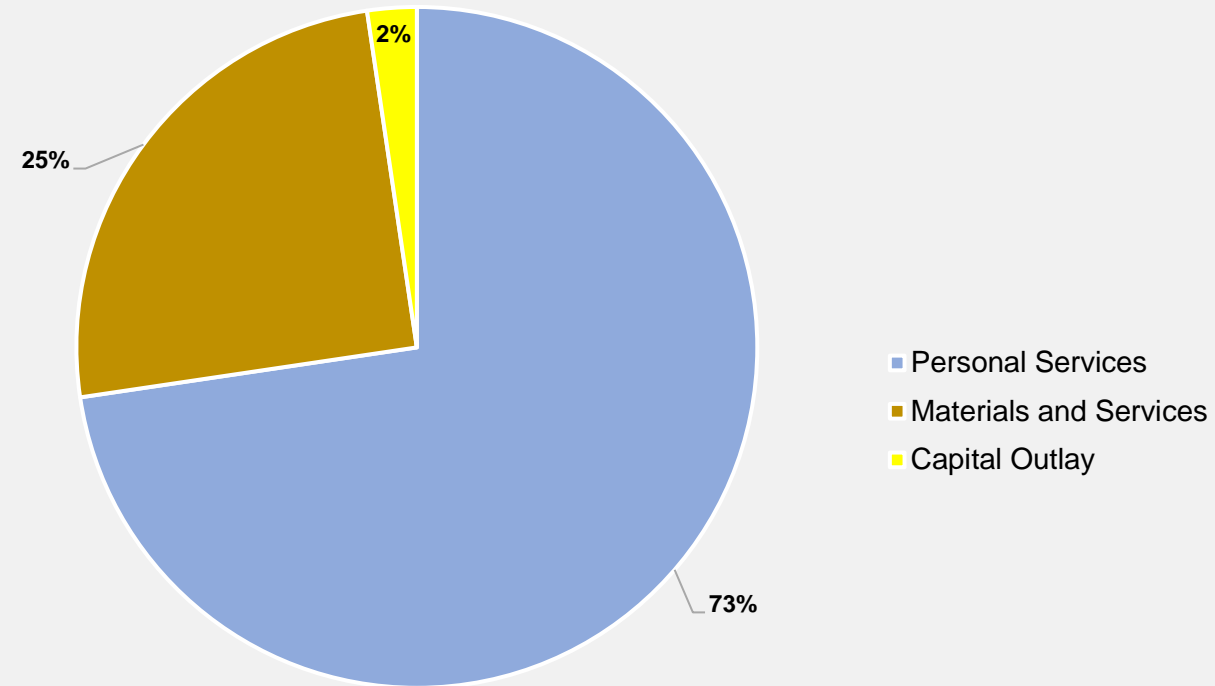
Historic General Fund Expense Trends (Nominal Dollars)



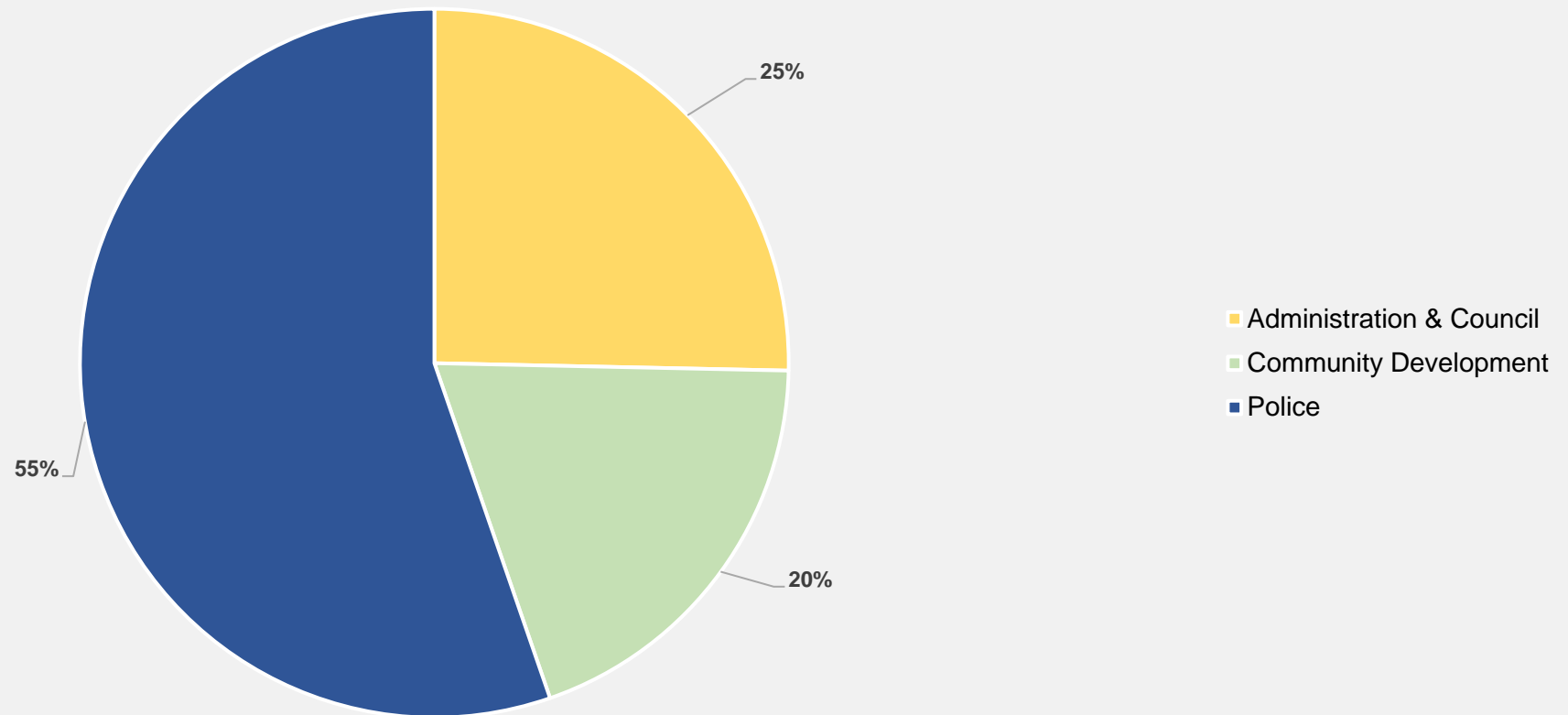
Notes: Personnel Services represents 75% of GF expenses and are used for overall expense trending. The graph shows personnel expenditures per permanent employee. Dollars not real adjusted.



2019-2020
General Fund
Disbursements by Type



2019-20
General Fund
Disbursements by Department



Interfun d Transfer s Out	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	158,950	78,700	59,500	20,347	30,300	7,500	28,000	-