

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2014

2013/2014

Jacksonville 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.

Annual Report for Fiscal Year Ending June 30th, 2014

JACKSONVILLE URBAN RENEWAL AGENCY

JACKSONVILLE URBAN RENEWAL AREA HISTORY

The Jacksonville Urban Renewal Agency was established by the City of Jacksonville in 2002. The Agency is comprised of the Jacksonville City Council.

The Jacksonville Urban Renewal Plan (Plan) was adopted by the City of Jacksonville on November 12, 2002. The mission of the Plan is to preserve and enhance the historic integrity and character of the areas within the Agency's jurisdiction and in the process, eliminate blight and attract aesthetically pleasing, job-producing private investments that will improve and stabilize property values.

The maximum indebtedness established in 2002 for the Jacksonville Urban Renewal Plan is \$6,000,000. 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 amount of maximum indebtedness remaining for the Area as of July 1, 2014 is \$3,630,202.

The frozen base assessed value of the Urban Renewal Area is \$27,106,290 ("Frozen Base"). The FY 2013/14 total assessed value is \$47,269,542.

Goals

When developing the Jacksonville Urban Renewal Plan and Report, a series of Goals and Objectives were developed to guide activities funded by, or related to the Plan Area. The Goals and Objectives are listed in the Plan, and the goals are reiterated here:

- A. To analyze and resolve the problems created by existing blighted conditions so that historic features can be preserved and so that unused and underused properties can be placed in productive condition and utilized at their highest and best use.
- B. To enhance opportunities for residential, civic, cultural, business and tourist-related property to be preserved, stabilized, developed, redeveloped, improved, rehabilitated and conserved in ways which will:
 1. Conserve historically significant places and properties;
 2. Insure a more attractive, functional and economically viable city;
 3. Encourage the expansion and development of businesses that will produce jobs for the people of Jacksonville and Jackson County; and
 4. Increase property values so that the Area will contribute its fair share to the costs of public services, provided by the City, County, Schools, Vector Control, and Transit Districts.
- C. Be responsive to the needs and the concerns of the people of the City of Jacksonville and Jackson County in the details of preparing and implementing the Urban Renewal Plan;
- D. To encourage public involvement and citizens participation in the formation and implementation of the Urban Renewal Plan by:

1. Meeting with the administrations and boards of the six affected taxing bodies to explain the long-term benefits of the Urban Renewal program and its relationship to their fiscal concerns,
2. Explaining and discussing the details of the Urban Renewal process:
 - a. To the public at town hall type gatherings;
 - b. To invite special interest groups, public bodies and the general public to Agency meetings;
 - c. Circulating periodic newsletters;
 - d. Cooperating with the print and electronic news media by being available to discuss the Urban Renewal Plan and process, and
3. Being available to discuss the details of the Urban Renewal Plan with service, professional, and fraternal organizations.
4. Appointing an advisory committee representing varying particular interest in the community and ensuring a balance of representation of business interests and general public interests.
- E. To construct, install or replace publicly owned facilities and utilities such as water, storm drains, and sanitary sewers where existing facilities are in adequate, undersized or otherwise substandard;
- F. To rehabilitate historic features and create positive linkages among the primary sectors of the Urban Renewal Area—i.e. the Historic Core, the Cottage Industrial area, the Cemetery, the area around the north of the Cemetery Knoll, Middle Street, the 5th Street Commercial area, and the Gateway area to the north;
- G. To reduce constriction of storm drainage flows in the Urban Renewal Area;
- H. To minimize detrimental impacts to improve the safety, visual appearance, capacity and traffic flow of streets and pedestrian facilities within the Urban Renewal Area;
- I. To cooperate with property owners in the rehabilitation of their building and property;
- J. To consolidate City service facilities into a centralized location in order to improve efficiency and upgrade the quality of services;
- K. To provide adequate disaster and emergency protection for the Urban Renewal Area; and to leverage the Agency's financial resources to the maximum extent possible

ACTIVITIES

The major project undertaken in this fiscal year was an amendment to the plan to update the project cost allocations, and the addition of the Beekman House, located at 470 California St. E. to the urban renewal area boundary. This amendment provides the urban renewal agency ability the ability to assist in the rehabilitation of the former Jackson County Courthouse, and potentially Beekman Bank, the St. Joseph's Catholic rectory, and Beekman House.

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 2013/2014, the Jacksonville Urban Renewal Agency received \$259,905 from division of taxes.¹ There is no compression impacting these tax receipts.

Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 1. The interfund transfer shown for Administration and the payment on the General Fund Loan were transferred to the General Fund.

Table 1. Expenditures During FY 2013/2014

Item	Urban Renewal
Administration	\$40,454
Payment on General Fund Loan	\$25,000
Interest on Long Term Debt	\$13,869
Principal on Long Term Debt	\$111,073
Total	\$190,396

Source: Jacksonville Urban Renewal Agency Financial Statement FYE 2014

Estimated Revenues

The estimated tax revenues from the FY 2014-15 adopted Urban Renewal Agency budget are \$266,000.²

¹ Jacksonville Urban Renewal Agency Audited Financial Statement FYE 2014, p. 5

² City of Jacksonville FY 2013/14 Budget document, p 1-24

Proposed Budget for Current Fiscal Year, FY 2014-15

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 2 below.

Table 2. Budget FY 2014/2015 Urban Renewal Fund

Item	2014/15
RESOURCES	
Available Cash on Hand	\$148,974
Tax Increment Revenue	\$266,000
Interest	\$2,000
Loan for Projects	\$1,000,000
TOTAL RESOURCES	\$1,416,974
EXPENDITURES	
Materials and Services	\$40,454
Debt Service	\$1,325,942
Unappropriated Ending Fund Balance	\$50,578
TOTAL EXPENDITURES	\$1,416,974

Source: City of Jacksonville FY 2014/15 Urban Renewal Budget

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 3. This information is from Jackson County Assessor records, Table 4e.

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. For the majority of taxing districts this impact is less than four percent of their permanent rate levy. The greatest impact is on the City of Jacksonville, at 7.62% of their permanent rate levy. 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.

Table 3. Impact on Taxing Districts FY 2013/2014

Taxing District	UR from Permanent Rate Levy
Jackson County	\$52,500
Vector Control	\$1,107
Education Service District	\$9,187
Rogue Community College	\$13,393
Rogue Valley Transit	\$4,612
Soil and Water Conservation	\$1,291
City of Jacksonville	\$48,110
School District 549C	\$115,258
Total Permanent Rate Levy	\$245,457

Source: FY2013/14 Sal 4e and SAL 4a from Jackson County Assessor