

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2020

2019/2020

Winston Urban Renewal

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.

City of Winston, Oregon

Annual Report for Fiscal Year Ending June 30th, 2020

WINSTON URBAN RENEWAL

URBAN RENEWAL AREA BACKGROUND

The Winston Urban Renewal Plan (Plan) was adopted by the the City of Winston on November 6, 2006. The frozen base assessed value of the Urban Renewal Area is \$13,934,239 (“Frozen Base”). The FY 2019/2020 total assessed value is \$23,469,082. The excess value, or the value on which taxes are paid to the urban renewal agency in FY 2019/2020 is \$9,534,843. ¹

The Winston Urban Renewal Agency (“WURA”) was established by the City of Winston in 2006 as a long-term investment strategy to fund and construct capital improvement projects in the Winston Urban Renewal Area (“Area”). The Area is approximately 283 acres, or 18.42% of the 1,536 acres within the city limits, includes 169 tax lots, and is principally zoned commercial and residential.

WURA is a separate legal and financial entity, governed by the members of the City of Winston 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 within the city limits. The Frozen Base value of the Urban Renewal Area when established in 2005 was \$13,934,239, and does not exceed this limit.

URBAN RENEWAL GOALS

WURA’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. Provide incentives for economic development and commerce.
- Goal 2. Provide efficient, safe, and pedestrian friendly streets, streetscapes, and open spaces.
- Goal 3. Provide services to retain and attract new employment opportunities.
- Goal 4. Make improvements to public infrastructure.
- Goal 5. Upgrade and repair existing buildings within the renewal area.
- Goal 6. Promote private and public redevelopment of City Center.

¹Douglas County Assessor Tax FY 2019/2020 SAL Table 4e

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 2019/2020, the Winston Urban Renewal Agency received \$149,728 from current year and prior year's division of taxes.² The detailed revenues of the Winston Urban Renewal Agency can be seen in Table 1.

Table 1. Money Received During FY 2019/20

Receipt Category	2019/2020 Amount
Division of Taxes	143,977
Prior Year Taxes	5,751
Land Sales	348
Interest Income	325
Loan Repayment	5,800
TOTAL:	\$156,201

Source: Winston Urban Renewal Spreadsheet Income and Expenditures 06/30/20

Money Expended

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

Table 2. Expenditures During FY 2019/20

Expenditure Category	2019/2020 Amount
Materials and Services	14,077
Capital Outlay	49,791
Debt Service	87,263
All other Expenditures and Requirements	9,122
TOTAL:	\$160,253

Source: Winston Urban Renewal Spreadsheet Income and Expenditures 06/30/20

Estimated Revenues

The estimated tax revenues from the FY 2020/2021 adopted Winston Urban Renewal budget are \$150,000 ³

² Winston Urban Renewal Statement of Account Spreadsheet- Unaudited,

³ City of Winston FY 2020/21 Adopted Urban Renewal Budget Spreadsheet

Proposed Budget for Current Fiscal Year, FY 2020/2021

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.

Table 3. Budget FY 2020/2021 Urban Renewal Fund

Budget Category (Expenditures)	2020/2021 Amount
Materials and Services	16,600
Capital Outlay	287,371
Debt Service	85,544
All Other Expenditures and Requirements	40,000
TOTAL:	\$429,515

Budget Category (Revenues)	2020/2021 Amount
Available Cash on Hand	273,515
Taxes Collected	150,000
Interest Income	6,000
TOTAL:	\$429,515

Source: City of Winston FY 2020/21 Adopted Urban Renewal Budget Spreadsheet

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 4. This information is from Douglas County Assessor records, Table 4e and is after losses of \$881.59 to compression.

Tax increment revenue derived from permanent rate levies results in an impact to taxing districts. These are “foregone revenues” that result in decreased property tax collections for the affected taxing districts. Tax increment revenue derived from general obligation bonds does not have the same impact on taxing districts. Instead, the general obligation bond tax rates are adjusted upwards to ensure that the full amount of annual debt service payments can be made. Thus, the foregone revenue associated with general obligation bond tax rates does not have an impact on taxing districts, but instead impacts taxpayers countywide through a slightly higher property tax rate. The impact of the division of taxes is shown in Table 4 below.

Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. The Winston-Dillard School District and Douglas 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 2019/2020

Taxing Jurisdiction	Permanent Rate Levy Foregone Revenues	Bond Impact
Douglas County	\$10,537	
City of Winston	\$40,498	
Douglas ESD	\$5,003	
Winston-Dillard School District	\$41,700	\$8,189
Umpqua Community College	\$4,034	
Winston-Dillard Fire	\$44,024	
4H Extension	\$559	

Source: FY 2019/2020 Sal 4e from Douglas County Assessor

Maximum Indebtedness

The maximum indebtedness (MI) established in 2006 for the Winston Urban Renewal Plan is \$8,006,955. 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.