

AGENDA

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

February 15, 2022

5:30 p.m.

VIA ZOOM

<https://us06web.zoom.us/j/86259459367?pwd=Z0Nnd3E4bkxBUVhXQkRKkTkJCdEJ6QT09>

Meeting ID: **862 5945 9367** Passcode: **292293**

Dial: 1-669-900-6833 or 1-253-215-8782

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. APPROVAL OF MINUTES – January 18, 2022
6. PUBLIC COMMENT
7. DISCUSSION ITEMS
 - A. Urban Renewal Annual Financial Reports for Fiscal Year 2020/2021
 - B. Updated Urban Renewal Comprehensive Financial Analysis
 - C. First Street Project Update – This project will rebuild First Street from Union to Laughlin Streets, adding upgraded sidewalks, ADA ramps, new water/sewer/storm water lines, asphalt and street furniture.
 - D. Verbal Update on Tony’s Building Asbestos Abatement / Building Demolition Project Update – This update will include an update on environmental assessment and clean-up activities on agency-owned property located at 401-407 E. Second Street.
8. STAFF COMMENTS / PROJECT UPDATES
Next Regular Meeting Date – March 15, 2021
9. BOARD MEMBER COMMENTS / QUESTIONS
10. ADJOURNMENT

This meeting conducted via Zoom.

Prepared by/
Paula Webb, Secretary
Community Development Department

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING

January 18, 2022
5:30 p.m.

VIA ZOOM

PRESIDING: Darcy Long, Vice Chair

BOARD PRESENT: Staci Coburn, Tracy Dugick, John Fredrick, Dan Richardson, Kathy Schwartz

BOARD ABSENT: Diana Bailey, Tim McGlothlin

STAFF PRESENT: Urban Renewal Manager Alice Cannon, City Attorney Jonathan Kara, Secretary Paula Webb

CALL TO ORDER

The meeting was called to order by Vice Chair Long at 5:34 p.m.

Vice Chair Long recognized and thanked former Chair Gary Grossman for his service on the Urban Renewal Board.

Manager Cannon and Mayor Mays also thanked Grossman for his service to the community and the Urban Renewal Board.

Mr. Grossman stated he rejoined the Board to assist with organization and liquidation of properties. He stated the Board made great progress and he was pleased with the Board's efforts.

PLEDGE OF ALLEGIANCE

Vice Chair Long moved the Pledge of Allegiance prior to the Election of Officers. She then led the Pledge of Allegiance.

ELECTION OF OFFICERS

Vice Chair Long opened nominations for Chair.

Board Member Schwartz nominated Vice Chair Darcy Long for the position of Chair. Vice Chair Long accepted. There were no other nominations.

The vote for Darcy Long as Chair carried 5/0; Coburn, Dugick, Fredrick, Richardson and Schwartz in favor, none opposed, Long abstained, Bailey, and McGlothlin absent.

Chair Long opened nominations for Vice Chair.

Chair Long nominated Board Member Schwartz for the position of Vice Chair. There were no other nominations.

The vote for Kathy Schwartz as Vice Chair carried 6/0; Coburn, Dugick, Fredrick, Long, Richardson and Schwartz in favor, none opposed, Bailey, and McGlothlin absent.

APPROVAL OF AGENDA

It was moved by Dugick and seconded by Coburn to approve the agenda as amended with the Pledge of Allegiance prior to the Election of Officers. The motion carried 6/0; Coburn, Dugick, Fredrick, Long, Richardson and Schwartz in favor, none opposed, Bailey, and McGlothlin absent.

APPROVAL OF MINUTES

It was moved by Richardson and seconded by Dugick to approve the minutes of October 19, 2021 as submitted. The motion carried 6/0; Coburn, Dugick, Fredrick, Long, Richardson and Schwartz in favor, none opposed, Bailey, and McGlothlin absent.

PUBLIC COMMENT

Gene Parker, 2445 E. 15th Street, The Dalles

Mr. Parker stated he was the City Attorney and served on the Urban Renewal Board from 1990 through 2020. Parker addressed the Tony's Building agenda item. Parker urged the Board to consider a mixed-use development for the site. Demolition of the Tony's Building creates the option to revisit the mixed-use development with Tokola Properties, earlier abandoned due to prevailing wage requirements.

STAFF COMMENTS / PROJECT UPDATES

Manager Cannon stated the City Manager assigned her as lead to the Community Vision Project on behalf of City Council. Because the Community Vision Project may impact the UR Strategic Planning Project, the Strategic Planning has been delayed. Work will continue on Strategic Planning as time allows.

Preliminary work on the First Street Project continues prior to design work and right-of-way acquisition. A funding agreement will go before City Council on behalf of the project.

Two housing property owners have expressed interest in development. A 40-80 unit development is planned to begin by the end of 2022. A separate mixed-use development is planned to begin in 2023.

Chair Long asked if timelines for the projects would consider changes to the incentive programs, or if the developers had already committed. Cannon replied the development was incumbent on incentives.

ACTION ITEM

Consideration of Fifth Addendum to the Recreation Building Disposition and Development Agreement, 213-219 E. Second Street

Manager Cannon noted multiple extensions were necessary due to the pandemic and extreme weather conditions. As a way to avoid a sixth addendum, generous time extensions were offered. Mr. Carpenter believes construction on the two easternmost storefronts [215 and 219 E. Second Street] will be complete by the end of the month. The Fifth Addendum will create an extension to April 18, 2022 for the second and third installment contract payments of \$7,500 each. Closing will be completed by April 18, 2022.

The remaining storefront [213 E. Second Street] has not yet received a building permit. Carpenter anticipates completion within the next year.

Todd Carpenter, 216 E. Fifth Street, The Dalles

Mr. Carpenter is working with Public Works to resolve a leaking pipe in the street. Once resolved, the two easternmost storefronts [215 and 219 E. Second Street] will be complete. Carpenter stated he had received notice the permit for 213 E. Second Street is ready to issue.

It was moved by Fredrick and seconded by Schwartz to authorize the execution of the Fifth Addendum to the Disposition and Development Agreement between the Columbia Gateway Urban Renewal Agency and Mr. Todd Carpenter and Ms. Carla McQuade for property known as the Recreation Building located at 213-219 E. Second Street. The motion carried 6/0; Coburn, Dugick, Fredrick, Long, Richardson and Schwartz in favor, none opposed, Bailey, McGlothlin and Pena absent.

Vice Chair Schwartz thanked Mr. Carpenter and Ms. McQuade for their work, stating it was an improvement. Board Member Fredrick also thanked Carpenter.

DISCUSSION ITEMS

Board review and discussion of existing Urban Renewal Financial Incentive Programs

Manager Cannon introduced consultant Deb Meihoff, Communitas LLC. Ms. Meihoff provided an overview of current incentive programs with questions for consideration by the Board, Exhibit 1.

Board Member Richardson stated his support for incentives that clearly or energetically support redevelopment. The Board might gain additional insights from interviews with property owners.

- 1) Property owners with buildings that need redevelopment – request their thoughts on why the current situation is acceptable or best suited to them without taking action.
- 2) Property owners who have redeveloped properties – query them about challenges they have met, hurdles they felt might be lowered, or things that worked well that the City could reinforce.

Board Member Fredrick also suggested discussion with property managers. Fredrick said there is no market that drives owners to make repairs; many owners are sitting on properties because they do not have the resources to redevelop. Property owners with resources to redevelop know

MINUTES

Urban Renewal Agency Board Meeting

January 18, 2022

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they will not get their investment back in the current real estate market. There needs to be a discussion of the costs to the property owner and the reasons improvement has not happened.

Chair Long stated the assessment did not specifically mention blight, a main focus of the Urban Renewal district. It is often mentioned The Dalles is not very inviting from the freeway. Long would like consideration of incentives to assist in this area.

Chair Long noted under the “Policy Guidance” section, the City’s Transportation Plan, which includes the parking plan, should be added. Downtown parking has long been an issue.

Mayor Mays was intrigued by the Redmond Housing SDC (System Development Charge) buy down. Mays asked Manager Cannon if there had been a review of SDC charges at the staff level. If so, perhaps during the review consideration could be given to the downtown area.

Manager Cannon stated the current SDC costs per unit is between \$8,000 and \$12,000. SDC subsidies would be fairly easy to administer, create a budget and forecast. A cap could be set, also. This is a good idea given the policy direction the Board has undertaken.

Vice Chair Schwartz said this is a well-known incentive. She asked what incentives are currently offered. Ms. Meihoff replied:

- Historic District Design and Restoration Program
- Redevelopment of Unused and Underused Property (sub-programs of Redevelopment and Restoration Loan Interest Subsidy, Blighted Property Demolition Loan)
- Civic Improvements Grant Program
- Façade Improvement Grant Program
- Fire Suppression Grant

Ms. Meihoff stated these boutique programs are more easily administered in one program. Boutique programs are difficult to market.

Manager Cannon said that in looking at the program, there is a preponderance of loans. Loans are difficult to administer. Current programs seem outdated. In the latter years of the Agency, grants are preferable. Manager Cannon will update the Board with a list of remaining loans.

Board Member Fredrick stated any further discussion must define “affordable.” Vice Chair Schwartz replied there is a definition used by the Mid-Columbia Housing Authority (MCHA). Fredrick replied the MCHA subsidizes housing; it is not affordable, the taxpayers are paying the bill.

Manager Cannon stated the Plan established in 1990 did not include many social goals such as affordable housing. Goals included programs to raise property values, tax revenue and prosperity for property owners in the community. Board leadership is necessary to add this as a goal. Manager Cannon noted the Agency should take care before adding too many properties that do not pay taxes.

Vice Chair Schwartz clarified that SDC charges are an effective way to get affordable housing built, but she is not advocating without a full Board discussion.

The Board responded to the following questions:

Is there an example that strikes the best balance between effectiveness and efficiency?

Board Member Coburn preferred fewer application processes. Large versus small projects would be simpler and more user friendly, while allowing flexibility.

Is there a policy basis to limit which development types – residential, mixed-use, etc. – are eligible for incentives?

Board Member Richardson said we should incentivize more than just housing.

Should all incentives be available area wide?

Chair Long stated the focus should be area wide. The urban renewal area extends well beyond the downtown area. There is quite a bit of area that could use improvement and development. Vice Chair Schwartz is in favor an area wide focus. Board Member Dugick added that if appearance from the highway is a concern, we should not limit the incentive to downtown.

What do you think of limiting eligibility of tax-exempt projects, even if it means needed workforce housing may be ineligible?

Board Member Fredrick stated the purpose of urban renewal is to return property to the tax roll. Vice Chair Schwartz agreed with the statement, noting there are other options available to assist with housing. She did not view this as part of the Board's mission.

Todd Carpenter, 216 E. Fifth Street, The Dalles

Mr. Carpenter said he would like the Board to consider workforce housing as a portion of the property. He would like an effort of all the different agencies, NWC PUD, Wasco County, the City and Urban Renewal, to create a blueprint for property owners explaining the inclusion of affordable housing could result in incentives for the property owner.

Vice Chair Schwartz stated the Board should advocate for SDC subsidies; it is a great idea.

Manager Cannon noted the City has a vertical housing tax abatement program. Local rules have been enacted to allow the City to administer the program. The program has a time limit on tax abatement, effective only under certain conditions such as mixed-use development. Manager Cannon noted this program will be added to Ms. Meihoff's assessment; staff will return with a summary of the program.

Chair Long asked if there was a program to assist with elevators. Ms. Meihoff replied there was nothing specific; other communities probably include elevators within a larger grant.

Chair Long stated now that Urban Renewal is separate from the City, the Board should consider partnering with the City to look at the possibility of using new tax revenue or monies coming in from Google to incentivize downtown housing.

Board Member Richardson suggested letting the developer decide how to best use the incentive, rather than the Agency. Ms. Meihoff agreed.

Chair Long asked if the Community Vision Plan would effect changes in the UR Strategic Plan. Manager Cannon replied it might. The goals of the UR Plan may be general enough that nothing would change.

Manager Cannon stated her goal is to have a new incentive program in spring.

Board consensus directed Manager Cannon to return next month with a proposal for an incentive program. Manager Cannon did not expect the incentive program to affect the budget, but stated a supplemental budget could be implemented.

In February, Manager Cannon will bring the audit and annual financial report to the Board. In March, she will return with a goal setting session or another installment on Strategic Planning.

Verbal Update on the Agency-owned Tony's Building, 401-407 E. Second Street

Manager Cannon was pleased with the Board's direction to pursue an EPA grant for brownfield clean-up of the Tony's property. To date, \$30,000 to \$35,000 have been used for Phase I and Phase II environmental assessment. In the last week of January, a contractor will remove the underground storage tank. As part of the archeological permit, tribal members were invited to be present for the excavation. Cannon expects to receive \$60,000 to \$90,000 of work from the EPA grant.

Because of the work completed on the Phase I and Phase II assessments, we qualify for a grant of up to \$250,000 from Business Oregon to remove the asbestos. The current estimate for asbestos abatement alone is approximately \$350,000, half of the anticipated cost of demolition, and then an opportunity to fund the remaining demolition costs with a low- or no-interest loan. Board consensus directed Manager Cannon to research loans.

BOARD MEMBER COMMENTS / QUESTIONS

Board Member Fredrick stated in his time on the Board, this is the first open discussion the Board has had. He thanked Manager Cannon for the information she provided, and stated Chair Long ran a great meeting.

ADJOURNMENT

Being no further business, the meeting adjourned at 7:11 p.m.

Submitted by/
Paula Webb, Secretary
Community Development Department

SIGNED: _____
Darcy Long, Chair

ATTEST: _____
Paula Webb, Secretary
Community Development Department

Research and Analysis for Incentive Program Options

Board Discussion | 1.18.22

Columbia Gateway / Downtown
Urban Renewal



CITY OF THE DALLES URBAN RENEWAL INCENTIVES

January 2022

PURPOSE FOR REVIEW

Analyze programs of Columbia Gateway / Downtown Plan and identify other types of public incentives to achieve prosperity goals, add to tax base, and address community needs.



POLICY GUIDANCE

Plans and policies that guide investments in the Urban Renewal Area

- Columbia Gateway / Downtown Plan | Mission, Goals / Objectives, and Eligible Projects
- Comprehensive Land Use Plan | Economic Development (Goal 9) and Housing (Goal 10) policies
- Housing Needs Analysis | Projected housing units needed by 2036

CURRENT INCENTIVE PROGRAMS

Summary of analysis

- Current programs underused
- Historic improvements most successful
- Remaining challenges for vacant / underused properties
- Loan programs are burdensome and expensive. And less attractive.

Current Property Rehabilitation Programs:

- *Historic District Design and Restoration Program*
- *Redevelopment of Unused and Underused Property (sub-programs of Redevelopment and Restoration Loan Interest Subsidy, Blighted Property Demolition Loan)*
- *Civic Improvements Grant Program*
- *Façade Improvement Grant Program*
- *Fire Suppression Grant*

INCENTIVES IN OREGON EXAMPLES

Addressing housing shortages

- Madras | Multifamily Development Incentives
- Redmond | Housing SDC Buydown
- John Day | Housing Incentives for New Homes, Remodels, and Land Development



INCENTIVES IN OREGON EXAMPLES

Comprehensive and streamlined

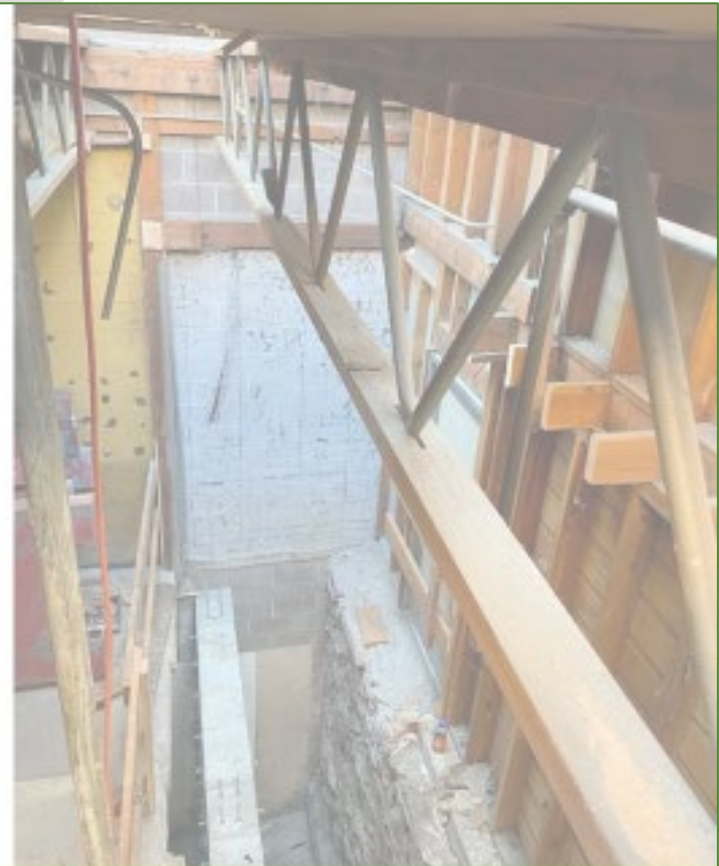
- Estacada | Large and Small Grants Programs
- La Grande | Revitalization Incentive Program



INCENTIVES IN OREGON EXAMPLES

Simple and timed right

- Fairview Large and Small Grants Programs
- La Grande Revitalization Incentive Program



QUESTIONS FOR CONSIDERATION

1. Is there an example that strikes the best balance between effectiveness and efficiency?
2. Could you simplify / consolidate current incentive programs and still meet your redevelopment goals?
3. Is there a policy basis to limit which development types – residential, mixed use, etc. – eligible for incentives?
4. Should all incentives be available Area-wide?
5. What do you think of limiting eligibility of tax-exempt projects, even if it means needed workforce housing may be ineligible?
6. What's the best way to ensure the program is meeting the objectives?



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA STAFF REPORT
AGENDA LOCATION: 7. A.

DATE: February 15, 2022

TO: Chair and Members of the Urban Renewal Agency Board

FROM: Alice Cannon, Community Development Director/Urban Renewal Manager

ISSUE: **Urban Renewal Agency Financial Reports – Fiscal Year 2020/2021**

BACKGROUND

The City's Finance Department assists the Urban Renewal Agency in the preparation of two important annual financial documents. They are highlighted here:

- 1) **Urban Renewal Agency Annual Audit/Financial Report** – The City's Finance Department oversees the contract for the preparation of an independent annual audit for both the City and for the Urban Renewal Agency. This document is attached here as Attachment A.
- 2) **Urban Renewal Annual Financial Report** -- Under Oregon Revised Statutes (ORS) 457.460, each year an Urban Renewal Agency must prepare a report on finances and complete it by January 31, 2021. ORS 457.460 requires an Urban Renewal Agency to provide specific financial information in the annual report. In addition, the annual report must be distributed to each taxing district affected by an urban renewal plan of the agency annually by March 1 of each year. The Annual Report is included here as Attachment B.

Staff will be prepared to share a summary of both reports verbally at the February 15, 2022 meeting.

Attachments

Attachment A: Urban Renewal Annual Audit Financial Report for Fiscal Year 2020/2021

Attachment B: Urban Renewal Annual Report to Taxing Districts for Fiscal Year 2020/2021

ATTACHMENT "A"

**COLUMBIA GATEWAY
URBAN RENEWAL AGENCY**
(A Component Unit of the City of The Dalles, Oregon)

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A Component Unit of the City of The Dalles, Oregon)

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OFFICIALS OF THE AGENCY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A Component Unit of the City of The Dalles, Oregon)

OFFICIALS OF THE AGENCY
AS OF JUNE 30, 2021

BOARD OF DIRECTORS

<u>Name and Address</u>	<u>Term Expires December 31</u>
John Fredrick P.O. Box 318 The Dalles, Or 97058	2023
Gary Grossman 1827 Quinton The Dalles OR 97058	2021
Darcy Long-Curtiss 2409 Mt Hood St The Dalles OR 97058	as appointed
Linda Miller 1534 East 9 th Street The Dalles OR 97058	as appointed
Scott Baker 903 East 14 th Street The Dalles OR 97058	as appointed
Bob Delaney 4377 Browns Creek Rd The Dalles OR 97058	as appointed
Staci Coburn 460 E Knoll Drive The Dalles, OR 97058	as appointed
Steve Kramer 511 Washington Street The Dalles, OR 97058	as appointed
Timothy McGlothlin 328 west 21st The Dalles, OR 97058	as appointed

AGENCY ADDRESS

Administrative Offices
313 Court Street
The Dalles, OR 97058

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INDEPENDENT AUDITOR'S REPORT



Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Columbia Gateway Urban Renewal Agency
(A component unit of the City of The Dalles, Oregon)
The Dalles, Oregon

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities and each major fund of the Columbia Gateway Urban Renewal Agency (the Agency), a component unit of the City of The Dalles, Oregon, as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the Agency's basic financial statements as listed in the Table of Contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



RSM US Alliance is a premier affiliation of independent accounting and consulting firms. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International. RSM US®, the RSM US Alliance logo and the RSM US Alliance signatures are proprietary to RSM US LLP, while RSM™ is used under license by RSM US LLP.

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Directors
Columbia Gateway Urban Renewal Agency
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OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The other financial schedule, presented as Supplementary Information, as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Other Reporting Required by *Oregon Minimum Standards*

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 20, 2021 on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

TALBOT, KORVOLA & WARWICK, LLP

By 
Timothy R. Gillette, Partner

Portland, Oregon
December 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

This discussion is intended to be an easily readable analysis of the Columbia Gateway Urban Renewal Agency’s (Agency) financial activities based on currently known facts, decisions and conditions. It focuses on current year activities and should be read in conjunction with the financial statements that follow.

REPORT CONTENTS

The report consists of agency-wide financial statements, fund financial statements, notes to the financial statements, and supplemental information. The agency-wide financial statements include the Statement of Net Position and the Statement of Activities.

STATEMENT OF NET POSITION

The Statement of Net Position focuses on the unrestricted net position of the Agency’s governmental activities. The statement reflects all assets and liabilities of the Agency.

STATEMENT OF ACTIVITIES

The Statement of Activities focuses on the programs costs and their matching resources. To the extent a program’s cost is not recovered by grants and direct charges, it is paid from general taxes and other resources. This Statement summarizes and simplifies the user’s analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

FUND FINANCIAL STATEMENTS

Following the agency-wide financial statements are the fund financial statements. The Agency presents each of its two funds as major funds. For each major fund a budgetary comparison statement/schedule is presented. The General Fund statement is included in the basic financial statements and the Debt Service Fund schedule is shown in the supplemental information section.

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2021**

AGENCY-WIDE FINANCIAL STATEMENTS

Summary Statements of Net Position as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Assets		
Current and other assets	\$ 5,405,370	\$ 4,968,998
Capital assets	<u>1,471,767</u>	<u>1,471,767</u>
Total assets	<u>6,877,137</u>	<u>6,440,765</u>
Liabilities		
Long-term liabilities	4,929,560	5,520,219
Other liabilities	<u>620,612</u>	<u>651,249</u>
Total liabilities	<u>5,550,172</u>	<u>6,171,468</u>
Net position		
Net investment in capital assets	(4,048,452)	(4,624,111)
Restricted	4,866,312	4,354,561
Unrestricted	<u>509,105</u>	<u>538,847</u>
Total net position	<u>\$ 1,326,965</u>	<u>\$ 269,297</u>

The deficit in net investment in capital assets is the result of the Agency's liabilities used to finance the construction of public infrastructure assets, which are contributed to the City of The Dalles.

Summary Statements of Activities for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Revenues		
General revenues:		
Property taxes	\$ 1,487,631	\$ 1,663,728
Other	<u>47,267</u>	<u>513,574</u>
Total revenues	<u>1,534,898</u>	<u>2,177,302</u>
Expenses		
General government	248,985	280,181
Interest on long-term debt	<u>228,245</u>	<u>250,629</u>
Total expenses	<u>477,230</u>	<u>530,810</u>
Change in net position	1,057,668	1,646,492
Net position - beginning	<u>269,297</u>	<u>(1,377,195)</u>
Net position - ending	<u>\$ 1,326,965</u>	<u>\$ 269,297</u>

Net position increased during the year by \$1,057,668 mostly due to reduced expenses due to Covid-19 and reduced property transfers to the City, while property taxes declined only slightly.

AGENCY-WIDE FINANCIAL STATEMENTS (continued)

The Agency's tax levy totaled \$1,515,649 and is restricted to urban renewal projects and the repayment of debt. The debt was issued to finance a number of improvements within the Urban Renewal District. The Agency's projects are constructed and, upon completion, ownership is transferred to the City of The Dalles, except for capital assets that are purchased to be refurbished and sold.

BUDGETARY HIGHLIGHTS

The budget was based upon an effort by management to continue with projects identified in the urban renewal plan and with other projects as opportunities arise. The Agency's General Fund original legal appropriations totaled \$4,492,397. Expenditures in the General Fund were \$4,243,412 under budget, due to no capital outlay as budgeted projects were delayed to future years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021 the Agency had \$1,471,767 invested in capital assets. The Agency has no other capital assets since all of the projects become assets of the City of The Dalles. They have been transferred to the City and do not appear as assets of the Agency. For further information regarding capital assets refer to the notes, Section III, note D.

Debt Outstanding

As of June 30, 2021, the Agency had \$5,520,219 in debt outstanding compared to \$6,095,878 last year. The \$575,659 decrease resulted from the annual principal payment and the annual adjustment to the premium on debt. For further information regarding debt refer to the notes, Section III, note E.

ECONOMIC FACTORS

The Urban Renewal Agency continues to be an important partner in economic development within the City of The Dalles, providing necessary infrastructure improvements to support continued growth and quality of service to those within the Agency's boundaries. Urban Renewal projects that increase property values within the boundaries of the Agency result in greater tax increment resources. That tax increment is then used to pay debt service on bonds issued to fund projects and improvements.

FINANCIAL CONTACT

The Agency's financial statements are designed to present citizens, taxpayers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability. If you have questions about the report or need additional financial information, please contact the Agency's Finance Director at 313 Court Street, The Dalles, Oregon 97058.

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BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements

- Fund Financial Statements
 - Governmental Funds

- Budgetary Comparison Statement
 - General Fund

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF THE DALLES, OREGON)
STATEMENT OF NET POSITION
June 30, 2021

	<u>Governmental Activities</u>
ASSETS:	
Current assets:	
Restricted cash and cash equivalents	\$ 4,861,895
Receivables:	
Accounts receivable	<u>543,475</u>
Total current assets	<u>5,405,370</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	<u>1,471,767</u>
Total noncurrent assets	<u>1,471,767</u>
Total assets	<u>6,877,137</u>
LIABILITIES:	
Current liabilities:	
Accounts payable and accrued expenses	9,141
Accrued interest payable	20,812
Current portion of long-term debt	<u>590,659</u>
Total current liabilities	<u>620,612</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	<u>4,929,560</u>
Total noncurrent liabilities	<u>4,929,560</u>
Total liabilities	<u>5,550,172</u>
NET POSITION:	
Net investment in capital assets	(4,048,452)
Restricted for:	
Debt Service	805,888
System development	4,060,424
Unrestricted	<u>509,105</u>
Total net position	<u>\$ 1,326,965</u>

The accompanying notes are an integral part of the basic financial statements.

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF THE DALLES, OREGON)
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net Expense, Revenue and</u> <u>Change in Net Position</u>
			<u>Total</u> <u>Governmental</u> <u>Activities</u>
Governmental activities:			
General government	\$ 248,985	\$ -	\$ (248,985)
Interest on long-term obligations	228,245	-	(228,245)
Total government	<u>\$ 477,230</u>	<u>\$ -</u>	<u>(477,230)</u>
General revenues:			
Property taxes levied for debt service			1,487,631
Interest and investment earnings			38,143
Miscellaneous			(25)
Franchise and public service taxes			9,149
Total general revenues			<u>1,534,898</u>
Change in net position			<u>1,057,668</u>
Net position - beginning			<u>269,297</u>
Net position - ending			<u>\$ 1,326,965</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS
Major Governmental Funds

General Fund

The Urban Renewal General Fund accounts for services and construction costs for development within the Columbia Gateway Urban Renewal District. Principal sources of revenues are property taxes, grants, and interest on investments.

Debt Service Fund

The Urban Renewal Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest relating to the Columbia Gateway Urban Renewal District.

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF THE DALLES, OREGON)
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental</u>
ASSETS:			
Restricted cash and cash equivalents	\$ 4,056,007	\$ 805,888	\$ 4,861,895
Receivables:			
Accounts	13,558	-	13,558
Property taxes	82,491	-	82,491
Notes	447,426	-	447,426
	<u>447,426</u>	<u>-</u>	<u>447,426</u>
Total assets	<u>\$ 4,599,482</u>	<u>\$ 805,888</u>	<u>\$ 5,405,370</u>
LIABILITIES:			
Accounts payable and other current liabilities	\$ 9,141	\$ -	\$ 9,141
Total liabilities	<u>9,141</u>	<u>-</u>	<u>9,141</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	<u>529,917</u>	<u>-</u>	<u>529,917</u>
Total deferred inflows of resources	<u>529,917</u>	<u>-</u>	<u>529,917</u>
FUND BALANCES:			
Restricted for:			
Debt Service	-	805,888	805,888
System development	4,060,424	-	4,060,424
	<u>4,060,424</u>	<u>-</u>	<u>4,060,424</u>
Total fund balance	<u>4,060,424</u>	<u>805,888</u>	<u>4,866,312</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,599,482</u>	<u>\$ 805,888</u>	

Amounts reported in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,471,767
Property tax receivable and notes receivable are not available to pay for current-period expenditures and, therefore, are not recognized in the governmental funds.	529,917
Premium on long-term debt reported in the governmental activities is included in revenues in the fund financial statements on issuance of debt and therefore are not reported in the funds.	(325,219)
Long-term liabilities and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	<u>(5,215,812)</u>
Net position	<u>\$ 1,326,965</u>

The accompanying notes are an integral part of the basic financial statements.

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF THE DALLES, OREGON)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental</u>
REVENUES:			
Property taxes	\$ 755,156	\$ 761,406	\$ 1,516,562
Intergovernmental	11,944	-	11,944
Interest on investments	33,343	4,800	38,143
Miscellaneous	(25)	-	(25)
	<u>800,418</u>	<u>766,206</u>	<u>1,566,624</u>
EXPENDITURES:			
Current:			
General government	248,985	-	248,985
Debt service:			
Principal	-	535,000	535,000
Interest	-	270,888	270,888
	<u>248,985</u>	<u>805,888</u>	<u>1,054,873</u>
Net changes in fund balances	551,433	(39,682)	511,751
FUND BALANCES, BEGINNING	<u>3,508,991</u>	<u>845,570</u>	<u>4,354,561</u>
FUND BALANCES, ENDING	<u><u>\$ 4,060,424</u></u>	<u><u>\$ 805,888</u></u>	<u><u>\$ 4,866,312</u></u>

The accompanying notes are an integral part of the basic financial statements.

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF THE DALLES, OREGON)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021**

Amounts reported in the statement of activities are different because:

Net change in fund balances - governmental funds	\$ 511,751
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:	
Property taxes	(28,931)
Notes receivable	(2,795)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in accrued interest	\$ 1,984
Amortization of bond premium	<u>40,659</u>
	42,643
Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.	<u>535,000</u>
Change in net position of governmental activities	<u><u>\$ 1,057,668</u></u>

The accompanying notes are an integral part of the basic financial statements.

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF THE DALLES, OREGON)
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 924,605	\$ 924,605	\$ 755,156	\$ (169,449)
Intergovernmental	29,727	29,727	11,944	(17,783)
Interest on investments	62,000	62,000	33,343	(28,657)
Miscellaneous	10	10	(25)	(35)
Total revenues	<u>1,016,342</u>	<u>1,016,342</u>	<u>800,418</u>	<u>(215,924)</u>
EXPENDITURES:				
Current:				
General Government:				
Materials and services	381,060	381,060	248,985	132,075
Capital outlay	<u>4,111,337</u>	<u>4,111,337</u>	-	<u>4,111,337</u>
Total expenditures	<u>4,492,397</u>	<u>4,492,397</u>	<u>248,985</u>	<u>4,243,412</u>
Net changes in fund balance	(3,476,055)	(3,476,055)	551,433	4,027,488
FUND BALANCE, BEGINNING	<u>3,476,055</u>	<u>3,476,055</u>	<u>3,508,991</u>	<u>32,936</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,060,424</u>	<u>\$ 4,060,424</u>

The accompanying notes are an integral part of the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

(A Component Unit of the City of The Dalles, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Columbia Gateway Urban Renewal Agency (the Agency), a component unit of the City of The Dalles, Oregon, is the urban renewal agency of, and controlled by the City of The Dalles (the City). It was organized in 1990 to assist in the redevelopment of blighted and deteriorated areas within the City through tax increment financing. The governing body consists of a nine member Board of Directors. The Board of Directors is composed of representatives from local taxing districts, the City Council, and citizens at large.

B. Inclusion of the Agency in The Dalles, Oregon, Annual Comprehensive Financial Report

All significant activities and organizations for which the City exercises oversight responsibility have been included in the City's combined financial statements. The following criteria from Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", as amended by GASB Statement No. 30, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34" regarding manifestation of oversight were considered by the City in its evaluation of City organizations and activities:

- Financial interdependency – the City receives financial support or provides financial benefit to the organization.
- Authoritative appointment of governing authority – The Dalles City Council is the organization's governing authority.

City management has determined that the Agency meets the criteria set forth above, and, therefore, is a blended component unit of the City. The City's management has operational responsibility for the Agency as it manages the activities of the Agency in essentially the same manner in which it manages the City's own operations. This report is issued solely to meet a State of Oregon, Department of Revenue Interpretation of Oregon Revised Statutes that requires a separate audit report.

C. Agency-wide and Fund Financial Statements

The agency-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues.

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

(A Component Unit of the City of The Dalles, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) For the Fiscal Year Ended June 30, 2021

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include:

1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting and Basis of Presentation

The agency-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the Agency. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgment, are recorded only when payment is due.

The Agency reports the following major governmental funds:

The *General Fund* is the Agency's primary operation fund. It accounts for all financial resources of the Agency, except those required to be accounted for in another fund. Principal sources of revenue are property taxes and capital grants. Expenditures are primarily for the construction of public infrastructure assets for the City of The Dalles.

The *Debt Service Fund* accounts for the repayment of principal and interest on long-term obligations used to finance the construction of public infrastructure assets for the City of The Dalles.

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

(A Component Unit of the City of The Dalles, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) **For the Fiscal Year Ended June 30, 2021**

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash and Cash Equivalents

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The Agency's bank accounts and investments are maintained in a central pool of cash and investments. The investment policy of the Agency is to invest in the Local Government Investment Pool (LGIP), U.S. Government Obligations, and interest bearing demand deposits with local banks, and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments, authorized for municipal corporations. The Agency allocates earnings on investments to each fund based on the average monthly balances throughout the year.

Investments in the LGIP are reported at amortized cost, which approximates fair value in accordance with GASB Statement No. 31, and are considered cash equivalents for financial reporting purposes. All other investments are reported at fair value.

G. Receivables and Payables

Receivables including property taxes, notes, accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in paragraph D above.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The Agency does not have deferred outflows of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Agency only has one type of item that qualifies for reporting in this category, which arises only under the modified accrual basis of accounting. Accordingly, the item "unavailable revenue," is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

(A Component Unit of the City of The Dalles, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) For the Fiscal Year Ended June 30, 2021

I. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

Non-Spendable – Includes amounts not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

Committed – Includes amounts that have been committed by resolution by the Agency’s Board of Directors which is the Agency’s “highest level of decision-making authority.” Committed amounts may not be used for any other purpose unless the Board of Directors removes the constraint by similar board action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes amounts assigned for specific purposes by Agency action. Assigned fund balance is established by the Agency through adoption or amendment of the budget as intended for specific purpose.

Unassigned – This is the residual classification used for those balances not assigned to another category.

J. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the Agency’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

K. Long-Term Obligations

In the agency-wide financial statements, long-term debt obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the lives of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt expenditures.

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

(A Component Unit of the City of The Dalles, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) For the Fiscal Year Ended June 30, 2021

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The Agency begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The Board of Directors adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The Agency established the levels of budgetary control at the personnel services, materials and services, capital outlay, debt service, and all other requirement levels for all funds.

The Board of Directors must authorize all appropriation transfers and supplementary budgetary appropriations.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

All deposits are held by the City of The Dalles on behalf of the Agency. The Agency considers these items as a demand deposit account, whereby funds may be deposited or withdrawn without prior notice or penalty.

Investments

The Agency has invested funds in the State Treasurer's Oregon Short-Term Fund Local Government Investment Pool during the year. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

(A Component Unit of the City of The Dalles, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2021

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and the participant’s equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the Agency’s cash position.

Investments in the Oregon State Treasury LGIP are made under the provision of ORS 194.180. These funds are held in the Agency’s name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at cost, which approximates fair value.

Credit Risk. State statutes authorize the Agency to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, certain commercial papers, and the State Treasurer’s investment pool, among others. The Agency has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk. The Agency is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5% or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The Agency has no such investments.

Interest Rate Risk. The Agency has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Investments held by the Agency at June 30, 2021 are as follows:

	<u>Weighted Average Maturity</u>	<u>Fair Value</u>
Investments in the State Treasurer's Local Government Investment Pool	<u>0.00</u>	<u>\$ 4,831,556</u>

B. Receivables

At June 30, 2021, the Agency’s receivables are as follows:

Accounts	\$ 13,558
Property Taxes	82,491
Notes	<u>447,426</u>
 Total receivables	 <u>\$ 543,475</u>

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

(A Component Unit of the City of The Dalles, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2021

The Agency has a note receivable for the refurbishment of property. The principal of the note is due no later than December 31, 2026 and interest is payable at 1% annually. The note is secured by real property and is considered fully collectible.

The Agency has a second note receivable for the sale of property. Monthly installments are to be paid over a period of 25 years with final payment in August 2044. The interest rate on the loan is 5% annually. The note is secured by real property and is considered fully collectible.

The Agency has a third note receivable for the disposition of property for redevelopment. The fourth addendum to the agreement revised the schedule of contract payments and closings which includes various principal payments through June 2022. The note is secured by real property and is considered fully collectible.

Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes are billed and collected by Wasco County and remittance to the Agency is made at periodic intervals. The Agency levied taxes at its maximum taxing authority of \$1,624,226. Reductions for offsets, compression and additional taxes and penalties, resulted in a net levy of \$1,576,892. Following is a summary of property tax transactions for the year ended June 30, 2021.

Tax Year	Property Taxes Receivable June 30, 2020	Add Levy as Extended by Assessor	Deduct Discounts Cancellations and Adjustments	Deduct Collections	Property Taxes Receivable June 30, 2021
2020-21	\$ -	\$ 1,576,892	\$ (47,745)	\$ (1,494,174)	\$ 34,973
2019-20	50,023	-	(9,788)	(17,401)	22,834
2018-19	32,014	-	(10,169)	(5,495)	16,350
2017-18	19,331	-	(8,165)	(6,331)	4,835
2016-17	6,393	-	-	(4,524)	1,869
2015-16	1,831	-	(4)	(963)	864
Prior	1,850	-	(602)	(482)	766
Total	\$ 111,442	\$ 1,576,892	\$ (76,473)	\$ (1,529,370)	\$ 82,491

C. Deferred Inflows of Resources

Deferred inflows of resources as of June 30, 2021 consisted of \$82,491 in unavailable property taxes and \$447,426 of unavailable revenue from notes receivable.

D. Capital Assets

The Agency constructs and refurbishes assets for the benefit of the City and local businesses, and any assets constructed or improved would become the property of the benefiting entity. The Agency also purchases property to be refurbished and sold. The 3rd Street Streetscape project is in the early stages of design and engineering and the project is

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

(A Component Unit of the City of The Dalles, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2021

waiting on final approval for construction. Costs incurred to date are \$52,668, with the estimated costs of \$3 million. The 1st Street Parking Lot project has started. Cost incurred to date are \$42,866.

At June 30, 2021, the capital assets of the agency consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Construction in progress	\$ 95,534	\$ -	\$ -	\$ 95,534
Assets available for sale	<u>1,376,233</u>	<u>-</u>	<u>-</u>	<u>1,376,233</u>
Total Capital Assets	<u>\$ 1,471,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,471,767</u>

E. Long-Term Obligations

The City issued \$12,100,000 in 2009 Full Faith and Credit Obligations in October of 2009. \$10,205,000 of the bonds was for the benefit of the Columbia Gateway Urban Renewal Agency and will be repaid from tax increment revenues within the Urban Renewal area with interest rates ranging from 2% to 5%. The bonds were issued to finance construction of public infrastructure improvements, urban renewal projects, to refinance the Urban Renewal Bonds Series 2002, to fund an urban renewal debt reserve, and to pay the costs of issuance. The Agency has pledged its tax increment revenues and earnings for repayment of the Agency portion of the obligation. If bond is defaulted, by failure to make required principal or interest payments or other covenants, action to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction.

Future maturities are as follows:

2009 Full Faith and Credit Bonds Urban Renewal		
Fiscal Year	Principal	Interest
2022	\$ 550,000	\$ 249,738
2023	575,000	227,738
2024	600,000	200,425
2025	630,000	171,925
2026	660,000	142,000
2027-2029	<u>2,180,000</u>	<u>221,250</u>
Total	<u>\$5,195,000</u>	<u>\$ 1,213,076</u>

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A Component Unit of the City of The Dalles, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2021

Changes in long-term obligations for the fiscal year ended June 30, 2021, are as follows:

	June 30, 2020			June 30, 2021	
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due Within One Year</u>
Urban Renewal Bonds					
Series 2009	\$5,730,000	\$ -	\$ 535,000	\$5,195,000	\$ 550,000
Premium on Debt	365,878	-	40,659	325,219	40,659
	<u>\$6,095,878</u>	<u>\$ -</u>	<u>\$ 575,659</u>	<u>\$5,520,219</u>	<u>\$ 590,659</u>

F. Net Position

The government-wide statement of net position reports \$4,866,312 of restricted net position, of which \$4,060,424 is restricted by enabling legislation and \$805,888 is restricted for debt service.

G. Risk Management

The Agency is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, and natural disasters for which the Agency carries commercial insurance coverage in the name of the City. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage for the past three years.

H. Tax Abatements

The City has authorized tax-exempt status for five qualified firms within the City: Escape The Dalles, Integrated 3D, NuCulture, 15 Mile Ventures, LLC, and Design, LLC. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is no longer eligible under the stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2021, the foregone property tax revenue is \$2,258,385.

I. Subsequent Events

Management has evaluated subsequent events through December 20, 2021, the date on which the financial statements were available to be issued and determined nothing should be recognized.

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION

➤ Budgetary Comparison Schedule

- Debt Service Fund

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF THE DALLES, OREGON)
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 761,406	\$ 761,406	\$ 761,406	\$ -
Interest on investments	4,800	4,800	4,800	-
Total revenues	<u>766,206</u>	<u>766,206</u>	<u>766,206</u>	<u>-</u>
EXPENDITURES:				
Debt service:				
Principal	535,000	535,000	535,000	-
Interest	270,888	270,888	270,888	-
Contingency	805,888	805,888	-	805,888
Total expenditures	<u>1,611,776</u>	<u>1,611,776</u>	<u>805,888</u>	<u>805,888</u>
Net changes in fund balances	(845,570)	(845,570)	(39,682)	805,888
FUND BALANCES, BEGINNING	<u>845,570</u>	<u>845,570</u>	<u>845,570</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805,888</u>	<u>\$ 805,888</u>

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *OREGON STATE REGULATION***



Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OREGON STATE REGULATIONS**

Board of Directors
Columbia Gateway Urban Renewal Agency
(A component unit of the City of The Dalles, Oregon)
The Dalles, Oregon

We have audited the financial statements of the governmental activities and each major fund of the Columbia Gateway Urban Renewal Agency (the Agency), as of and for the year ended June 30, 2020, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 20, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

COMPLIANCE

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OREGON STATE REGULATIONS (Continued)**

Board of Directors
Columbia Gateway Urban Renewal Agency
Page 2

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses and therefore, material weaknesses may exist that have not been identified. Given these limitations we did not identify any deficiencies in internal control that consider to be material weaknesses.

PURPOSE OF THIS REPORT

This report is intended solely for the information and use of the Board, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.

Talbot, Kowala & Warwick LLP

Portland, Oregon
December 20, 2021

ATTACHMENT "B"

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2021

2020/2021

Columbia Gateway 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 30, 2021

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

URBAN RENEWAL AREA BACKGROUND

The Columbia Gateway Urban Renewal Plan (Plan) was adopted by the City of The Dalles in 1990. A substantial amendment of the Plan was adopted in 2009 to increase the size of the urban renewal area and the maximum indebtedness allowed under the Plan.

Urban Renewal Mission Statement and Goals

The mission of the urban renewal agency is to eliminate blight and depreciating property values within the agency's jurisdiction and in the process, attract aesthetically pleasing, job producing private investments that will stabilize or increase property values and protects the area's historic places and values.

Goals and Objectives

To accomplish its mission, the agency will develop and implement an urban renewal program, the goals and objectives of which are:

- A. To make strategic investments of urban renewal funds so that unused and underused properties can be placed in productive condition and utilized in a manner consistent with the City's Comprehensive Plan and implementing ordinances;
- B. To participate by means of various urban renewal activities (e.g. land acquisition and disposition, rehabilitation loans, etc.) in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved in ways which will:
 1. Encourage the expansion and development of businesses that will produce jobs for the people of The Dalles and Wasco County; or
 2. Increase property values so that the area will contribute its fair share to the costs of public services, provided by the city, county, schools, community college, port and park and recreation district; or
 3. Insure a more attractive, functional and economically viable city; or
 4. Conserve historically significant places and properties
- C. To be responsive to the needs and the concerns of all people of the City of The Dalles in the details of amending and implementing the Urban Renewal Plan using multiple forms of outreach including; town hall meetings, the internet, news releases, and signs on projects; and

D. To encourage the maximum amount of public involvement and citizen participation in the formation and implementation of the Urban Renewal Plan by explaining and discussing the details of the Urban Renewal process:

1. To the public at town hall type gatherings;
2. To special interest groups, public service organizations, public bodies and the general public by invitation to Agency meetings;
3. By issuing periodic news releases;
4. By cooperating with the print and electronic news media by being available to discuss the Urban Renewal Plan and process;
5. By use of the Internet;

E. To provide an adequate amount of properly located and designed off-street parking, including disabled parking, in the downtown area, including a plan and program to effectively pay for, manage and maintain such parking;

F. To create positive linkages among the two sectors of the Urban Renewal Area - i.e. the Downtown and the West Gateway Area;

G. To cooperate, coordinate and assist in funding with the program to improve access and connections from downtown to the Riverfront and to provide facilities, such as trails and a public dock, to enhance public use of the Riverfront;

H. To improve the visual appearance, capacity, and traffic flow of streets that carry the major share of vehicular and pedestrian traffic in areas where development would otherwise be inhibited;

I. To assist property owners in the rehabilitation of their buildings and property to the extent that it helps implement the intent of redevelopment goals, policies, and standards, especially where rehabilitation may spur additional redevelopment activity;

J. To install and maintain coordinated street furniture, night lighting and landscaping in areas of maximum pedestrian concentration; including alley rights-of-way in the Downtown area;

K. In conjunction with specific urban renewal development or redevelopment projects, supplement existing funding sources to construct, install or replace publicly owned utility systems such as water, storm drains, and sanitary sewers where existing facilities are inadequate, undersized or otherwise substandard; and

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.

M. To install underground utilities in areas of urban renewal projects including alley rights-of-way in the downtown area.

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 2020/2021, the Columbia Gateway Urban Renewal Agency received \$1,516,562 from property taxes.¹ The detailed revenues of the Columbia Gateway Urban Renewal Agency can be seen in Table 1.

Table 1. Money Received During FY 2020/2021

Revenues	General Fund	Debt Service Fund	Total
Property Taxes	\$755,156	\$761,406	\$1,516,562
Intergovernmental	\$11,944		\$11,944
Interest on Investments	\$33,343	\$4,800	\$38,143
Miscellaneous	(\$25)		(\$25)
TOTAL:	\$800,418	\$766,206	\$1,566,624

Source: Columbia Gateway Urban Renewal Agency Financial Statement FYE 2021, pg. 6

Money Expended

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

Table 2. Expenditures During FY 2020/2021

Expenditures	General Fund	Debt Service Fund	Total
General Government	\$248,985		\$248,985
Capital Outlay			
Debt Service			
Principal		\$535,000	\$535,000
Interest		\$270,888	\$270,888
TOTAL:	\$248,985	\$805,888	\$1,054,873

Source: Columbia Gateway Urban Renewal Agency Financial Statement FYE 2021, pg. 6

Estimated Revenues

The estimated tax revenues from the FY 2021/22 adopted Columbia Gateway Urban Renewal Agency budget are \$1,510,504 from current year tax increment proceeds and \$64,500 from prior year taxes.²

¹ Columbia Gateway Urban Renewal Agency Audited Financial Statement FY 2020/ 2021, pg. 6

² Columbia Gateway Urban Renewal Agency FY 2021/21 Budget pg.10

Proposed Budget for Current Fiscal Year, FY 2021/22

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 and Table 4 below. Table 3 shows the Urban Renewal General Fund and Table 4 shows the Urban Renewal Debt Service Fund.

Table 3. Budget FY 2021/22 Urban Renewal General Fund

Budget Category (Revenues)	2021/22 Amount
Beginning Fund Balance	3,775,615
Division of Taxes Current	721,416
Division of Taxes Prior Year	60,000
Unsegregated Tax Interest	6,900
Interest Revenues	\$38,000
Misc.	\$10
Loan Principal Repayment	\$27,937
Loan Interest Repayment	\$9,006
TOTAL:	\$4,638,884

Budget Category (Expenditures)	2021/22 Amount
Materials and Services	\$467,220
Capital Outlay	\$4,171,664
TOTAL:	\$4,638,884

The Columbia Gateway URA FY 2021/2022 Adopted Budget, pg. 6

Table 4. Budget FY 2021/22 Urban Renewal Debt Service Fund

Budget Category (Revenues)	2021/22 Amount
Beginning Balance	\$805,888
Division of Taxes Current	\$789,088
Division of Taxes Prior	\$4,500
TOTAL:	\$1,599,476

Budget Category (Expenditures)	2021/22 Amount
Loan Principal	\$550,000
Loan Interest	\$249,738
Reserve for Future Debt	\$799,738
TOTAL:	\$1,599,476

The Columbia Gateway URA FY 2021/2022 Adopted Budget, pg. 9

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 5. This information is from Wasco County Assessor records, Tables 4a and e.

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 North Wasco School District #21 and Columbia Gorge 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 5. Impact on Taxing Districts FY 2020/2021

Taxing Jurisdiction	Foregone Revenue to Urban Renewal	Total Permanent Rate Levy Imposed for Taxing District	Urban Renewal as a Percent of Permanent Rate Levy
Wasco County	385,392	10,642,944	3.62%
Port of The Dalles	18,078	379,913	4.76%
Northern Wasco Park	61,562	920,160	6.69%
Mid-Col Fire & Rescue	190,338	3,495,323	5.45%
City of The Dalles	273,259	3,676,941	7.43%
Columbia Gorge Comm Coll	24,496	671,961	3.65%
Columbia Gorge ESD	42,312	1,154,424	3.67%
School District 21	474,824	9,576,301	4.96%
Wasco County Soil Conservation	22,531	625,843	3.60%
4H Extension	22,531	622,691	3.62%
Wasco County Library	61,568	1,641,087	3.75%
TOTAL:	\$1,576,892		

Source: FY 2020/2021 Sal 4a and 4e from Wasco County Assessor

Maximum Indebtedness

The maximum indebtedness (MI) established for the Columbia Gateway Urban Renewal Plan is \$29,125,583. 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 remaining MI of the area as of FYE 2021 is \$6,253,756.³

³ MI calculation performed by Tiberius Solutions LLC. 01/19/2022



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA STAFF REPORT
AGENDA LOCATION: 7. B.

DATE: February 15, 2022

TO: Chair and Members of the Urban Renewal Agency Board

FROM: Alice Cannon, Community Development Director/Urban Renewal Manager

ISSUE: Updated Urban Renewal Comprehensive Financial Analysis and Projections

BACKGROUND

In 2020, I commissioned a Comprehensive Financial Analysis for the Urban Renewal Agency. Staff presented those analysis and findings at the February 16, 2021 URAB meeting. The report has been updated, factoring in the results of the Fiscal Year 2020-2021 audit.

The consultant will present the findings to the Board at the February 15, 2022 meeting. I look forward to the discussion. The consultant will give the Board updated financial projections to guide URA project priorities and decisions.

See the attached PowerPoint presentation for reference. Nick Popenuk from Tiberius Solutions will present the information to the Board and be available to answer questions.

Attachments

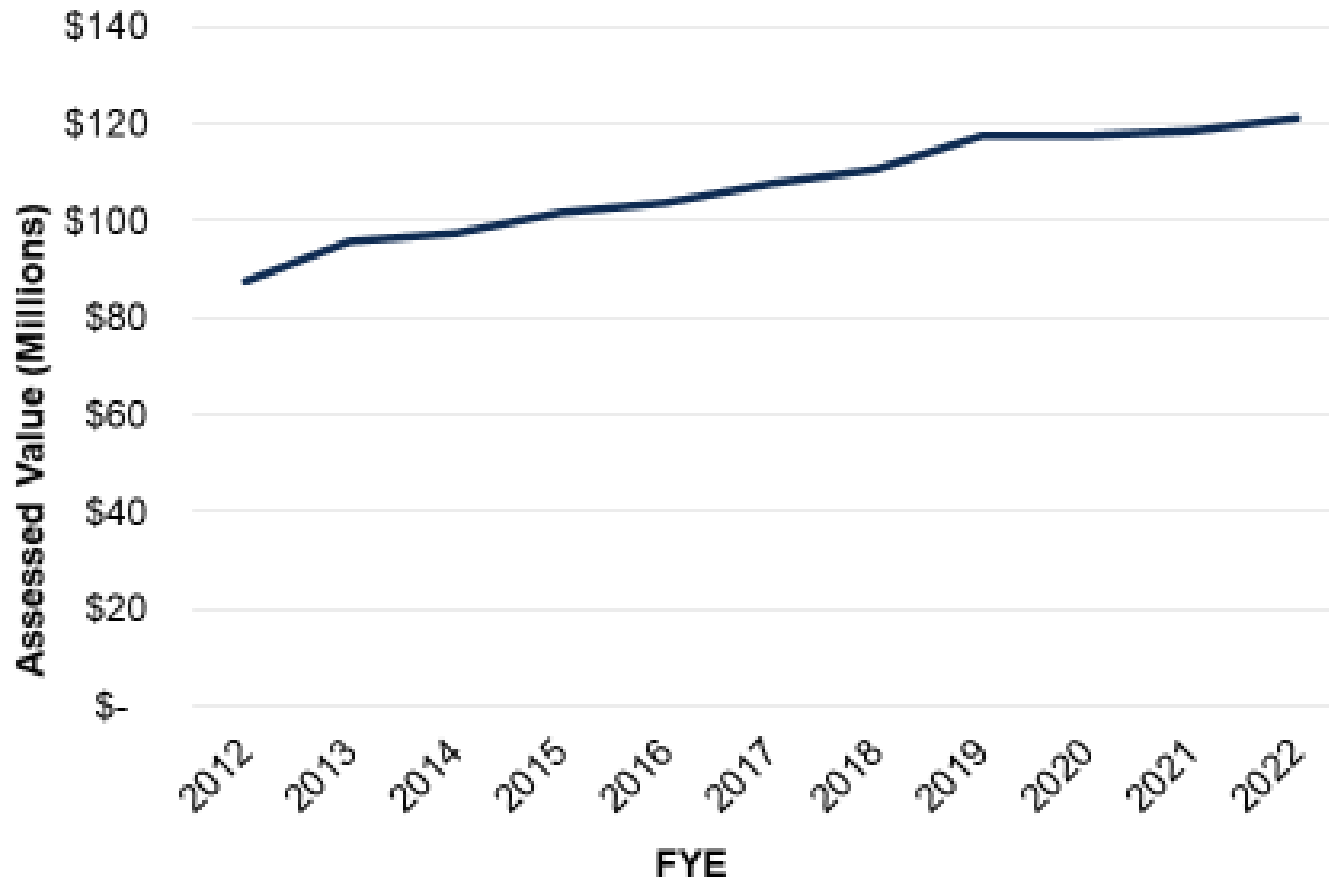
PowerPoint Presentation: City of The Dalles Urban Renewal Financial Update, dated February 15, 2022

City of The Dalles Urban Renewal Financial Update

Nick Popenuk
February 16, 2022

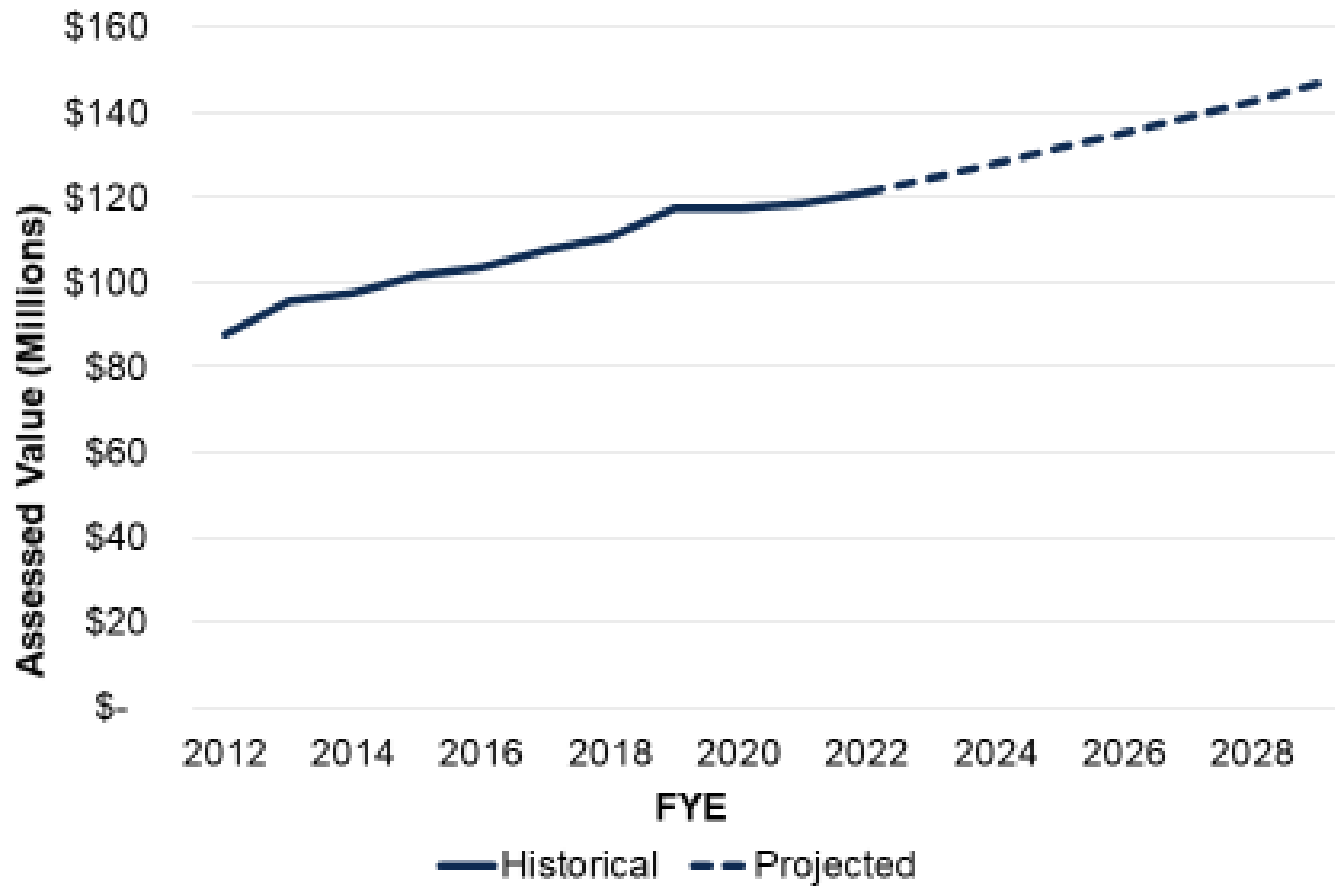


Historical Assessed Value



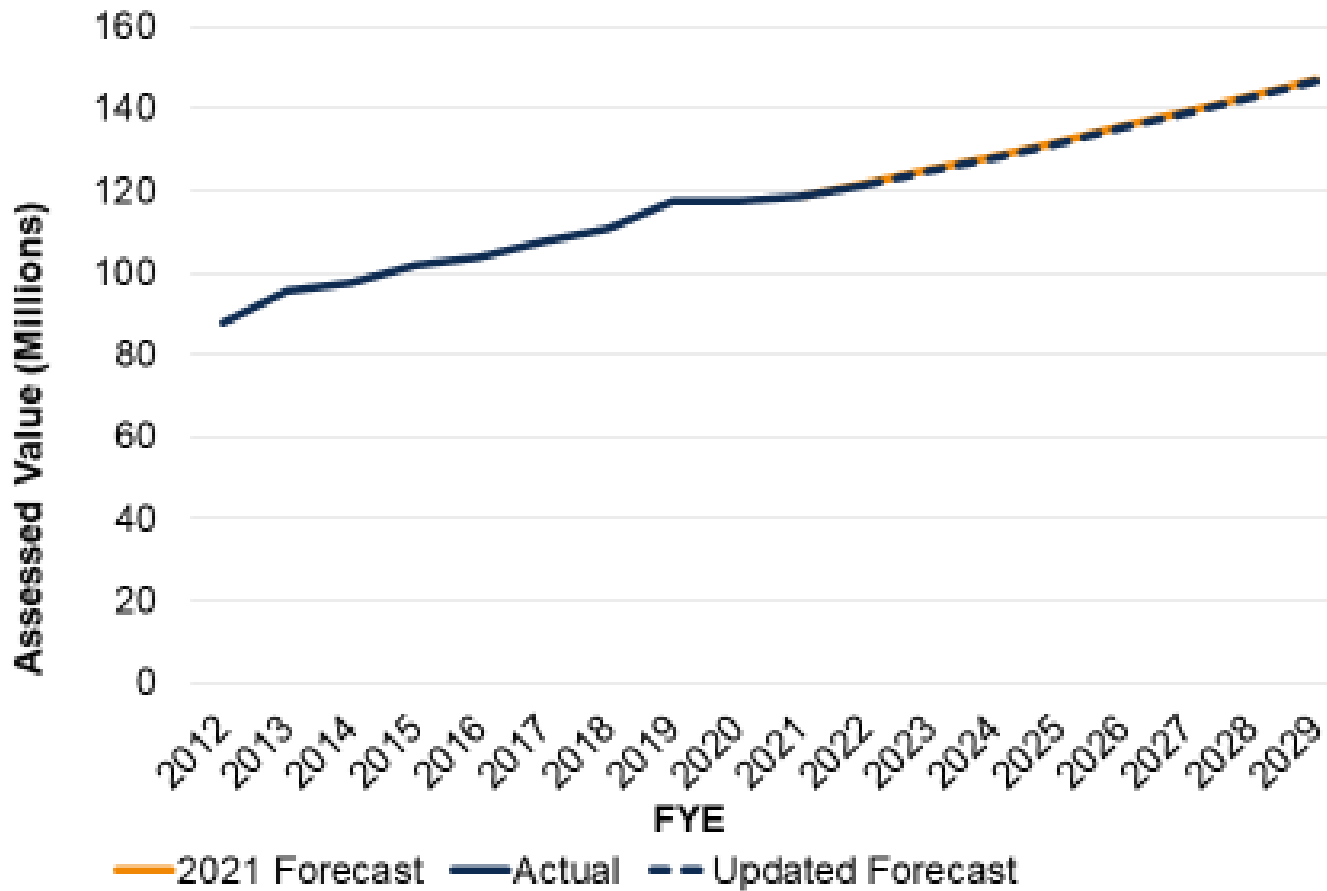
2

Projected Assessed Value



3

Comparison to Previous (2021) Forecast



4

TIF Forecast

FYE	Assessed Value			Tax Rate	Gross TIF
	Total	Frozen Base	Increment		
2022	\$121,282,394	\$25,076,797	\$96,205,597	\$17.4068	\$1,674,632
2023	\$124,617,660	\$25,076,797	\$99,540,863	\$17.4068	\$1,732,688
2024	\$128,044,646	\$25,076,797	\$102,967,849	\$17.4068	\$1,792,341
2025	\$131,565,874	\$25,076,797	\$106,489,077	\$17.4068	\$1,853,634
2026	\$135,183,936	\$25,076,797	\$110,107,139	\$17.4068	\$1,916,613
2027	\$138,901,494	\$25,076,797	\$113,824,697	\$17.4068	\$1,981,324
2028	\$142,721,285	\$25,076,797	\$117,644,488	\$17.4068	\$2,047,814
2029	\$146,646,120	\$25,076,797	\$121,569,323	\$17.4068	\$2,116,133

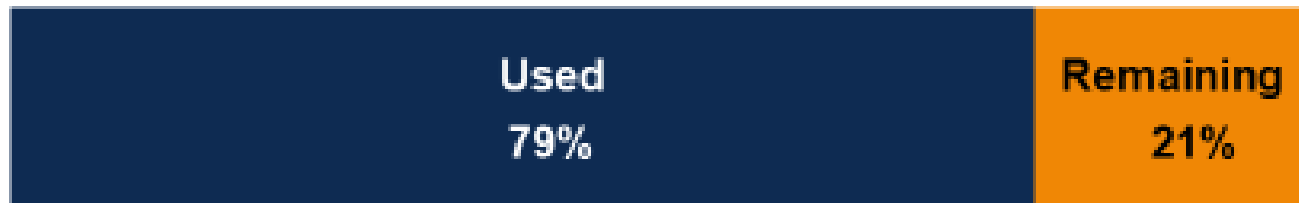
Maximum Indebtedness

- 1990 – Plan Adopted without MI
- 1999 – Plan Substantially Amended to Include MI of \$ 14,227,353
- 2009 – Plan Substantially Amended to increase MI to \$ 29,125,583
- Further increases to MI subject to statutory limits

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Maximum Indebtedness (MI) Capacity

- Total MI Allowed: **\$29,125,583**
- Total MI Used: **\$22,871,827**
- MI Remaining: **\$6,253,756**



Total Maximum Indebtedness Allowed

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Finance Plan Summary

Continue activities until MI is reached (estimated FYE 2026) and collect TIF until debt is scheduled to be repaid (FYE 2029)

- Future TIF Needed: **\$8,700,000**
- MI Reached: **FYE 2026**
- Total Future Capacity for Projects/Admin:
 - Nominal Dollars: **\$9,200,000**
 - Today's Dollars: **\$8,900,000**

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Cumulative Tax Impacts (FYE 2023 – 2029)

Taxing District	Total Impact
General Government	
Wasco County	\$2,114,725
Port of The Dalles	\$99,811
Northern Wasco County Park & Rec	\$338,123
Mid Columbia Fire & Rescue	\$1,044,557
City of The Dalles	\$1,499,648
Wasco County Soil Conservation District	\$124,328
4-H & Extension Service District	\$124,328
Wasco County Library District	\$338,173
<i>Subtotal</i>	\$5,683,694
Education	
Columbia Gorge Community College	\$134,424
Columbia Gorge ESD	\$232,643
North Wasco County SD 21*	\$2,605,872
<i>Subtotal</i>	\$2,972,939
Total	\$8,656,643

Conclusions

- Historical Growth: Slow and steady
- Assumes 2.75% AV growth per year
- TIF grows from \$1.6M to \$2.1M per year
- \$6.2M remaining MI
- \$9.2M capacity for future projects
- MI reached in FYE 2026
- Repay debt through FYE 2029

Questions?

Nick Popenuk

Tiberius Solutions LLC

503-740-0501

popenuk@tiberiussolutions.com





IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA STAFF REPORT
AGENDA LOCATION: 7.C

DATE: February 16, 2022
TO: Chair and Members of the Urban Renewal Agency Board
FROM: Alice Cannon, Community Development Director & Urban Renewal Mgr.
ISSUE: Update on First Street/Riverfront Connection Project

BACKGROUND

The First Street project is a street reconstruction between Union and Laughlin Streets. Staff will provide a verbal update on project design, right-of-way/easement acquisition, project estimated costs, and schedule at the February 16, 2022 meeting.

BOARD ALTERNATIVES

Information only