

Yachats Urban Renewal District  
Annual Report and Financial Statement  
Fiscal Year July 1, 2009 – June 30, 2010

The City of Yachats has an urban renewal agency (Yachats Urban Renewal Agency) that receives property taxes to pay for projects and programs to improve the Urban Renewal District. Each year, urban renewal agencies provide a summary of their finances for public information. This report is in addition to the annual agency budgets, which are adopted after public hearings. The Annual Report & Financial Statement for the Yachats Urban Renewal Agency has been prepared for fiscal year 2009-2010, based on pre-audit financial information, and is on file with the City of Yachats and the Yachats Urban Renewal Agency. Additional information is available to all interested persons by contacting Nancy Batchelder, City Recorder/Recording Secretary for the Yachats Urban Renewal Agency, at Yachats City Hall, 441 Highway 101 N, P.O. Box 345, Yachats, Oregon 97498; telephone (541) 547-3565; e-mail [nancy@ci.yachats.or.us](mailto:nancy@ci.yachats.or.us).

Urban renewal funds come from a variety of sources...but the most common source is through tax increment financing. Tax increment financing is the basic means of financing urban renewal projects in the State of Oregon. Tax increment financing becomes available when an urban renewal plan is adopted. The steps in the tax increment process are:

- When a plan is adopted, total assessed value in the renewal area becomes the "frozen base" of assessed value.
- The Assessor re-calculates the total assessed values in the area each year that the renewal plan is in operation.
- Tax increment revenue is produced when total assessed values exceed the frozen base value. The assessor calls this increase over the frozen base "excess value".
- Under Ballot Measure 50, growth in values comes from new construction, and a maximum 3% growth on existing property
- The tax increment revenue must be spent on activities written into the renewal plan
- The tax increment revenue must be spent inside the urban renewal plan boundary

Though urban renewal is a separate item on property tax statements, local property owners pay the same amount of tax whether or not an urban renewal district is established in their area. Basic property tax rates are fixed and will not change. Ballot Measure 50, which was passed by Oregon voters in 1996, requires urban renewal to be specifically shown on tax statements, but taxes shown on the tax statement to other taxing districts and government bodies are reduced by the same amount.

#### **Fiscal Year 2009-2010 Receipts and Expenditures**

During the 2009-2010 fiscal year, the Agency received \$178,651 in tax revenue under from tax increment financing The Agency also received \$48.41 in interest, and had beginning fund balances of \$97,298.96. Expenditures totaled \$95,798.29 for payments to the City as per an intergovernmental agreement. The payment to the City was used for repayment of the wastewater treatment plant loan and administration and accounting services. \$183,200 was carried forward into fiscal year 2010-2011 as a beginning balance.

#### **Impact on Fiscal Year 2009-2010 Tax Collections for Overlapping Taxing Districts**

The division of taxes process results in some property taxes, which would otherwise have been received by the overlapping taxing districts, being paid over to the Yachats Urban Renewal Agency. The taxing districts forego a share of the property tax income during the life of an urban renewal plan so that the urban renewal agencies can carry out the activities that increase property values in the long term. The impact on the overlapping taxing districts was \$178,651.

#### **Fiscal Year 2010-2011 Budget Receipts and Expenditures**

Anticipated 2010-2011 fiscal year expenditures include a payment to the City of Yachats of \$97,250 for debt service for the wastewater treatment plant loan, \$275,000 for projects identified in the plan, \$2,850 for administration and accounting services, and \$1,500 is budgeted for audit services and legal notices.

This statement is hereby filed with the City of Yachats on July 7, 2010. Notice of this filing shall be posted and published on August 4 and 11, 2010. The statement shall be made available to all interested parties.

Nancy Batchelder  
City Recorder/Recording Secretary for the Yachats Urban Renewal Agency