

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2023

2022/2023

Madras Redevelopment Commission

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, 2023

MADRAS REDEVELOPMENT COMMISSION

1.0 URBAN RENEWAL DISTRICTS BACKGROUND

There are two urban renewal districts in Madras, the Commercial Urban Renewal District and the Housing Urban Renewal District. The Madras Redevelopment Commission operates on a biennial budget. The most current budget is for FYE 2022-2024.

1.1 Commercial Urban Renewal District

The Madras Urban Renewal Plan (Commercial) was adopted by the City Council of the City of Madras on August 13, 2002 via City Ordinance No. 700. This ordinance also established the Madras Urban Renewal District (“Commercial URD”) and the Madras Redevelopment Commission in order to enhance the downtown commercial corridor within Madras.

The purpose of the Madras Urban Renewal Plan (Commercial) is to:

1. Eliminate blighted condition within the downtown commercial corridor;
2. Reverse physical and economic decline;
3. Establish a maximum indebtedness of \$14 million;
4. Identify financing methods to eliminate blight and improve economic conditions.

In 2002, the Madras City Council passed Ordinance 709 which created the Madras Redevelopment Commission and transferred its urban renewal authority to the Madras Redevelopment Commission (“MRC”) to increase public involvement in the urban renewal program, pursuant to Oregon Revised Statutes (ORS) 457.055.

The Commercial URD lies primarily along the commercial corridor that extends from Lee Street in the north and Hall Street in the south. Property taxes are imposed on the increase in property values on the assessed value within the urban renewal district. The Commercial URD receives property taxes (tax increment) to fund projects consistent with the purpose of the Commercial URD’s Plans.

1.2 Housing Urban Renewal District

In December of 2018, the City of Madras completed a Housing Action Plan that identified housing needs for all housing types and income levels. The Housing Action Plan recommended specific actions to address these housing needs. One of the recommended actions was evaluating the opportunities for a new or expanded urban renewal area to support development of housing. The City completed a Feasibility Study in June of 2019. Later, on November 12, 2019 the City Council approved the Housing Urban Renewal District (Housing URD) Report and Plan, by and through Ordinance No. 9351. The HURD is estimated to last 30 years, resulting in 30 years of tax increment collections. The City estimates that 965 new housing units will be constructed within the Plan Area over the estimated 30-year time frame of the HURD. The maximum amount of indebtedness (amount of dollars spent for projects, programs and administration) that

may be issued for the Plan is \$39,100,000

The goals of the HURD Plan represent its basic intents and purposes. Accompanying the goals are objectives, which generally describe how the MRC intends to achieve each goal. The goals and objectives will be based on economic feasibility and at the discretion of the MRC.

A. Housing Development

To increase the supply of all housing types in the City of Madras.

Objectives:

1. Provide financial incentives for the development of housing in the City of Madras.
2. Provide infrastructure improvements to support the development of housing in Madras.

B. Infrastructure

To provide necessary infrastructure improvements to support housing development in the City of Madras.

Objectives:

1. Provide infrastructure improvements.
2. Assist in the financing of infrastructure improvements to be made by a developer/builder/property owner.
3. Assist in the provision of infrastructure improvements by providing other incentives to a developer/builder/property owner.

C. Public Safety

Coordinate with Jefferson County Fire District #1 to provide public safety in the urban renewal area.

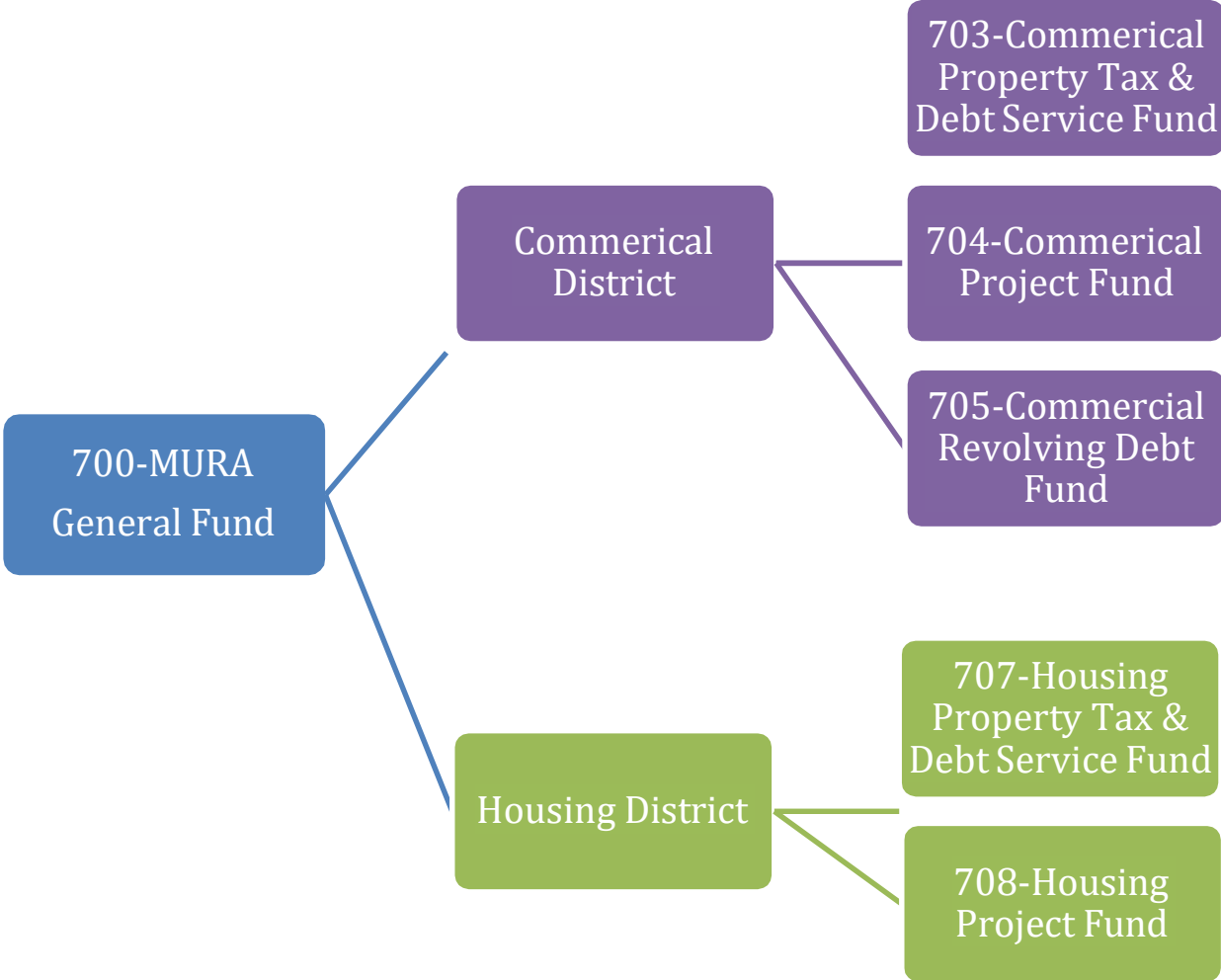
Objectives:

1. Provide funding for capital improvements to the Jefferson County Fire District #1.

ORS 457.460 requires urban renewal agencies to provide a summary of their finances for public information. Additional reporting for the Agency includes the adoption of its annual budget and is annual independent audit.

This report is on file with the City Recorder, City of Madras, 125 SW "E" Street, Madras, Oregon 97741. Notice of this report and its availability to all interested persons, including a summary of the information in 1(A)-(C) above, will be published in the Madras Pioneer. A full copy of the Madras Commercial Urban Renewal District Plan and the Housing Urban Renewal District can be found on the Madras website. <http://www.ci.madras.or.us>

MRC Fund Organization



2.0 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. The financial audit for FY 2022/2023 is not completed. All information from that fiscal year is from the unaudited Revenues and Expenditure Comparison to Budget financial workbook. If the audited numbers are different from the numbers included in this Annual Report, we will make an update to the Annual Report.

2.1 General Fund

2.1.1 Previous Fiscal Year, FY 2022/2023

In FY 2022/2023, the Madras Redevelopment Commission General Fund received \$50,000 in transfers and \$832 in interest and expended \$23,186 in materials and service as shown in Tables 2 and 3 below.

Table 2. Money Received During FY 2022/2023

Revenue Category	Amount
General Fund	
Charges for Services Commercial Project Fund	25,000
Charges for Services Housing Project Fund	25,000
Interest	832
TOTAL:	\$50,832

Source: Madras Redevelopment Commission Revenues and Expenditures Comparison to Budget

Table 3. Money Expended During FY 2022/2023

Expenditure Category	Amount
General Fund	
Materials and Services	23,186
TOTAL:	\$23,186

Source: Madras Redevelopment Commission Revenues and Expenditures Comparison to Budget

2.1.2 Proposed Budget for Current Fiscal Year, FY 2022/2024

The Madras Redevelopment Commission operates on a biennial budget. The current budget is for FY 2022/2024 and is shown in Table 4 and Table 5 below.

Table 4. Budgeted Revenues FY 2022/2024

Revenue Category	Amount
General Fund	
Beginning Balance	64
Charges for Services Commercial Project Fund	40,000
Charges for Services Housing Project Fund	40,000
TOTAL:	80,064

Source: Madras Redevelopment Commission Biennial Budget FY 2022-24

Table 5. Budgeted Expenses FY 2022-2024

Expenditure Category	Amount
General Fund	
Materials and Services	80,064
TOTAL:	80,064

Source: Madras Redevelopment Commission Biennial Budget FY 2022-24

2.2 Commercial District

2.2.1 Previous Fiscal Year, FY 2022/2023

2.2.1.1 Commercial Urban Renewal District Money Received

In FY 2022/2023, the Commercial Urban Renewal District received \$746,927 in division of taxes.¹ The detailed earnings of the Commercial District can be seen in Table 6.

Table 6. Money Received During FY 2022/2023

Revenue Category	Amount
Commercial District (Property Tax and Debt Service)	
Division of Taxes Current and Prior	746,927
Interest Income	7,646
TOTAL:	\$754,573
Commercial District (Project Fund)	
Proceeds of Borrowing	480,000
Interest	372
TOTAL:	\$480,372
Commercial District (Program Income)	
Use of Money & Property	146,690
TOTAL:	\$146,690

Source: Madras Redevelopment Commission Revenues and Expenditures Comparison to Budget

2.2.1.2 Commercial Urban Renewal District Money Expended

In FY 2022/2023, the Commercial Urban Renewal District expenditures were \$1,237,461. The detailed expenditures of the Commercial District can be seen in Table 7.

Table 7. Money Expended During FY 2022/2023

Expenditure Category	Amount
Commercial District (Property Tax and Debt Service)	
Debt Service	654,722
TOTAL:	\$654,722
Commercial District (Project Fund)	
Materials and Services	79,969
Special Payments	442,301
TOTAL:	\$522,270
Commercial District (Program Income)	
Special Payments	60,469
TOTAL:	\$60,469

Source: Madras Redevelopment Commission Revenues and Expenditures Comparison to Budget

¹ Source: Madras Redevelopment Commission Revenues and Expenditures Comparison to Budget FYE 2023

Commercial District

2.2.2 Current Fiscal Year, FY 2023/2024

2.2.2.1 Commercial Urban Renewal District Estimated Revenues

The estimated tax revenues from the FY 2022/2024 adopted Commercial District biennial budget are \$1,544,986 as shown in Table 8 below.

2.2.2.2 Proposed Budget for Current Fiscal Year, FY 2022/2024

A compiled biennial budget listing the money to be received due to urban renewal is shown in Table 8 below for the revenues for the Commercial District. It covers FY 2022-2024.

Table 8. Budget FY 2022/2024 Urban Renewal Fund Commercial District

Budget Category (Revenues)	Amount
Commercial District (Property Tax and Debt Service Fund)	
Beginning Balance	252,935
Division of Taxes	1,544,986
TOTAL:	\$1,797,921
Commercial District (Project Fund)	
Beginning Balance	119,937
Shared Revenues	4,110,000
TOTAL:	\$4,229,937
Commercial District (Revolving Loan Fund)	
Beginning Balance	2,077
Charges for Services	1,800,000
Use of Money & Property	131,900
TOTAL:	\$1,933,977

Source: Madras Redevelopment Commission Biennial Budget FY 2022-24

A compiled biennial budget listing the money to be spent, and what projects/expenses the money will fund is shown in Table 9 below. It covers FY 2022-2024.

Table 9. Budget FY 2022/2024 Urban Renewal Fund Commercial District

Budget Category (Expenditures)	Amount
Commercial District (Property Tax and Debt Service)	
Debt Service	1,315,200
Contingency	482,721
TOTAL:	\$1,797,921
Commercial District (Project Fund)	
Materials and Services	158,500
Special Payments	3,870,180
Contingency	201,257
TOTAL:	\$4,229,937
Commercial District (Revolving Loan Fund)	
Special Payments	1,800,000
Contingency	133,977
TOTAL:	\$1,933,977

Source: Madras Redevelopment Commission Biennial Budget FY 2022-24

2.3 Housing Urban Renewal District

2.3.1 Previous Fiscal Year, FY 2022/2023

2.3.1.1 Housing Urban Renewal District Money Received

In FY 2022/2023, the Housing Urban Renewal District received \$188,296 in division of taxes and \$228 in interest.² The detailed earnings of the Housing District can be seen in Table 10.

Table 10. Money Received During FY 2022/2023

Revenue Category	Amount
Housing District (Property Tax and Debt Service Fund)	
Division of Taxes Current and Prior	188,296
Interest	228
TOTAL:	\$188,524
Housing District (Project Fund)	
Line of Credit	212,000
Interest	97
TOTAL:	\$212,097

Source: Madras Redevelopment Commission Revenues and Expenditures Comparison to Budget

2.3.1.2 Housing Urban Renewal District Money Expended

In FY 2022/2023, the Housing Urban Renewal District expenditures were \$392,093 on urban renewal activities is shown in Table 11.

Table 11. Expenditures During FY 2022/2023

Expenditure Category	Amount
Housing District (Property Tax and Debt Service Fund)	
Debt Service	181,575
TOTAL:	\$181,575
Housing District (Project Fund)	
Materials and Services	60,869
Special Payments	149,650
TOTAL:	\$210,518

Source: Madras Redevelopment Commission Revenues and Expenditures Comparison to Budget

² Source: Madras Redevelopment Commission Revenues and Expenditures Comparison to Budget FYE 2023

Housing Urban Renewal District

2.3.2 Current Fiscal Year, FY 2023/2024

2.3.2.1 Estimated Revenues

The estimated tax revenues from the FY 2022/2024 adopted Housing District biennial budget are \$476,000 as shown in Table 12 below.

2.3.2.2 Proposed Budget for Current Fiscal Year, FY 2022/2024

A compiled biennial budget listing the money to be received due to urban renewal is shown in Table 12 below for the revenues for the Housing District revenues and Table 13 for the expenditures. It covers FY 2022-2024.

Table 12. Budget FY 2022/2024 Urban Renewal Fund Housing District Revenues

Budget Category (Revenues)	Amount
Housing District (Property Tax and Debt Service Fund)	
Beginning Balance	12,885
Division of Taxes	476,000
TOTAL:	\$488,885
Housing District (Project Fund)	
Beginning Balance	11,563
Shared Revenues (Line of Credit and City of Madras du jour)	750,000
TOTAL:	\$761,563

Source: Madras Redevelopment Commission Biennial Budget FY 2022-24

Table 13. Budget FY 2022/2024 Urban Renewal Fund Housing District Expenditures

Budget Category (Expenditures)	Amount
Housing District (Property Tax and Debt Service Fund)	
Debt Service	485,000
Contingency	3,885
TOTAL:	\$488,885
Housing District (Project Fund)	
Materials and Services	111,992
Special Payments	640,000
Contingency	9,571
TOTAL:	\$761,563

Source: Madras Redevelopment Commission Biennial Budget FY 2022-24

3.0 Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal in the two Madras urban renewal districts are shown in Table 14. This information is from Jefferson County Assessor records, Tables 4a and 4e.

Urban renewal agencies do not create an additional tax. Instead, during the Agency’s lifespan, overlapping taxing districts “forego” a portion of their permanent rate. Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. The School District and 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 14. Impact on Taxing Districts FY 2022/2023

Taxing Jurisdiction	Commercial District Impact	Housing District Impact	Total 2 Districts Impact	% of Permanent Rate Levy
Jefferson County	183,306	46,968	230,274	3.04%
City of Madras	212,114	54,243	266,357	12.68%
Jefferson County Fire & EMS District	60,887	15,573	76,460	6.17%
MAC Recreational District	12,842	3,273	16,115	5.11%
Jefferson County Library District	22,312	5,704	28,016	3.54%
Central Oregon CC	31,882	8,134	40,016	3.06%
Jefferson County ESD	12,296	3,125	15,421	3.60%
509J School District	235,764	60,409	296,173	5.22%
TOTAL:	\$771,403	\$197,429	\$968,832	

Source: FY 2022/2023 Sal 4a and 4e from Jefferson County Assessor

4.0 Maximum Indebtedness

The maximum indebtedness initially authorized for the Commercial URD was \$14,000,000. As of June 30, 2023, \$8,270,730 was used leaving \$5,729,270 available. The maximum indebtedness used for the Commercial URD in the fiscal year 2022/2023 was \$480,000.

The maximum indebtedness initially authorized for the Housing URD was \$39,100,000. As of June 30, 2023, \$891,000 was used leaving \$38,209,000 available. The maximum indebtedness used for the Housing URD in the fiscal year 2022/2023 was \$212,000.

These figures were updated as of January 31, 2024.

Figure 1. Madras Urban Renewal Area Boundaries

