

**EXPLANATION OF THE URBAN RENEWAL DIVISION OF TAX RATE
FOR THE RAINIER WATERFRONT URBAN RENEWAL PLAN**

October 9, 2015

Many taxpayers in Rainier have an assessment listed for REDCO under the General Government category of their property tax statement even though they may not actually be located within the Urban Renewal Plan Area.

Whether the urban renewal assessment shows up on a tax statement or not is determined by both the districts within the Urban Renewal Plan Area **and** the municipality that activated the Urban Renewal Agency. This is called the **shared property**. For the Rainier Waterfront Plan Area, Rainier is the municipality that activated the Agency, so the entire city and any property within the Plan Area that lies outside the city limits becomes the shared property.

Following is a detail of how the Rainier Waterfront Urban Renewal Revenue was generated for the 2015-16 tax bills:

First, a **division of tax amount** was calculated by multiplying the tax rate for each taxing district levy in a tax code area by the excess value used in that tax code area and summing the product for all tax code areas in the plan area. Table 1 shows the taxing districts within each tax code area. Table 2 shows the Excess Value for each tax code area. Table 3 shows the division of tax amount calculation.

Table 1. District Tax Rates for Rainier Waterfront Urban Renewal Tax Code Areas

District	Tax Code Area		
	03-91	03-95	03-99
Columbia County	1.6561	1.6561	1.6561
Jail Operations - 3 Year Levy*	Excluded	Excluded	Excluded
Columbia 4H & Ext.	0.0571	0.0571	0.0571
Col 9-1-1 Comm Distr	0.2554	0.2554	0.2554
Col 9-1-1 Comm Distr LO Levy*	Excluded	Excluded	Excluded
Columbia Vector	0.1279	0.1279	0.1279
Rainier Cemetery	0.0709	0.0709	0.0709
Port of St Helens	0.0886	0.0886	0.0886
Rainier City	7.6946	N/A	7.6946
Columbia River Fire	2.9731	2.9731	2.9731
NW Regional ESD	0.1538	0.1538	0.1538
Rainier 13 School	5.4360	5.4360	5.4360
Columbia SWCD	0.1000	0.1000	0.1000
Total Consolidated Tax Rate	18.6135	10.9189	18.6135

*Due to new legislation passed in 2014, new local option levies are excluded from urban renewal revenue unless the agency files a 'Certificate of Impairment' with the Assessor. A Certificate of Impairment should only be filed if the agency is relying on the additional revenue from local option levies to meet their minimum annual debt payments. REDCO did not file a Certificate of Impairment for 2015 and local option levies have been excluded.

Rainier Waterfront Urban Renewal Plan has a limit as to the amount of revenue they can collect by division of tax. This amount is \$300,000. The first year the plan area exceeded this amount was in 2004. For 2015-16, the estimated revenue based on the excess value would be \$118,194,230. the additional \$101,536,478 is returned to the districts taxable value as 'unused excess value'. Only the value needed to calculate revenue totaling \$300,000 is used. Once calculated, the amount may be less than \$300,000 due to truncation and compression.

Table 2. Excess Value in Rainier Waterfront Urban Renewal Plan Area

Tax Code Area	Assessed Value	Frozen Value	Unused Excess	Used Excess
03-91	39,328,851	10,391,694	24,858,893	4,078,264
03-95	11,213,470	1,937,766	7,968,416	1,307,288
03-99	81,973,439	1,992,070	68,709,169	11,272,200

Table 3. Division of Tax Amount - Rainier Waterfront Urban Renewal Plan Area
(Used Excess Value x District Levy Rate For Each Tax Code Area)

		Tax Code Area			
		03-91	03-95	03-99	Total
Used Excess Value:		4,078,264	1,307,288	11,272,200	16,657,752
District	Rate				
Columbia County	1.6561	6,754.00	2,164.99	18,667.88	27,586.87
Columbia 4H & Ext.	0.0571	232.86	74.64	643.64	951.14
Col 9-1-1 Comm Distr	0.2554	1,041.58	333.88	2,878.91	4,254.37
Columbia Vector	0.1279	521.60	167.20	1,441.71	2,130.51
Rainier Cemetery	0.0709	289.14	92.68	799.19	1,181.01
Port of St Helens	0.0886	361.33	115.82	998.71	1,475.86
Rainier City	7.6946	31,380.60	N/A	86,735.06	118,115.66
Columbia River Fire	2.9731	12,125.08	3,886.69	33,513.37	49,525.14
NW Regional ESD	0.1538	627.23	201.06	1,733.66	2,561.95
Rainier 13 School	5.4360	22,169.44	7,106.41	61,275.67	90,551.52
Columbia SWCD	0.1000	407.82	130.72	1,127.22	1,665.76
Total UR Revenue:		75,910.68	14,274.09	209,815.02	299,999.79

Second, the **division of tax rate** was determined for each taxing district levy within the consolidated billing tax rate for an urban renewal plan. The rate was calculated by dividing the **division of tax amount** by the taxable assessed value of any **shared property** for that district.

Table 4. Division of Tax Rate Calculation for REDCO UR

District	Div of Tax Amt	Shared Prop. AV	Div of Tax Rate
Columbia County	27,586.87	226,723,827	0.1216
Columbia 4H & Ext.	951.14	226,723,827	0.0041
Col 9-1-1 Comm Distr	4,254.37	226,723,827	0.0187
Columbia Vector	2,130.51	226,723,827	0.0093

Rainier Cemetery	1,181.01	226,723,827	0.0052
Port of St Helens	1,475.86	226,723,827	0.0065
Rainier City	118,115.66	215,510,357	0.5480
Columbia River Fire	49,525.14	224,508,717	0.2205
NW Regional ESD	2,561.95	226,723,827	0.0112
Rainier 13 School	90,551.52	226,723,827	0.3993
Columbia SWCD	1,665.76	226,723,827	0.0073

Finally, the districts' levy rates were reduced by the amount of the urban renewal division of tax rate for the shared property.

Table 5. Division of Tax Rates for Districts Revenue and Urban Renewal Revenue

District	Total Levy Rate	Urban Renewal Div of Tax Rate	District Rate Adjusted by UR
Columbia County	1.6561	0.1216	1.5345
Columbia 4H & Ext.	0.0571	0.0041	0.0530
Col 9-1-1 Comm Distr	0.2554	0.0187	0.2367
Columbia Vector	0.1279	0.0093	0.1186
Rainier Cemetery	0.0709	0.0052	0.0657
Port of St Helens	0.0886	0.0065	0.0821
Rainier City	7.6946	0.5480	7.1466
Columbia River Fire	2.9731	0.2205	2.7526
NW Regional ESD	0.1538	0.0112	0.1426
Rainier 13 School	5.4360	0.3993	5.0367
Columbia SWCD	0.1000	0.0073	0.0927