AGENDA & Notice of Work Session for City Council

The City Council of the City of Newport will hold a work session on Monday, April 21, 2014, at 5:15 P.M. The work session will be held in Conference Room A at City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

CITY COUNCIL WORK SESSION
Monday, April 21, 2014 – 5:15 P.M.
Conference Room A

A. Additional Work Session Items Not Listed on the Agenda (for this and future work sessions)
B. Distribution of Final Report on Options for Forming a North Side Urban Renewal District

Spencer Nebel
City Manager
CITY OF NEWPORT
169 S.W. Coast Hwy.
Newport, OR 97365
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MEMO

DATE: April 17, 2014

TO: Mayor and City Council

FROM: Spencer Nebel, City Manager

SUBJECT: April 21, 2014 Work Session

Please note that on Monday April 21, 2014, the City Council will hold three meetings in consecutive order. Consistent with the policy discussed at the April 7, 2014, City Council work session, when a shorter period of time is necessary for the work session we plan to schedule those prior to the regular City Council meeting. As a result, we have scheduled a work session for 5:15 PM, to discuss the final report issued by ECONorthwest on evaluating the feasibility of creating an urban renewal district north of the Yaquina Bay Bridge. Derrick Tokos has distributed a copy of the report and background information for your review. No action is required on this matter.

The second meeting is scheduled for 5:45 PM for the Urban Renewal Agency to consider delegating design and construction responsibilities from the agency to the City of Newport.

The regular meeting of the City Council will begin at 6 PM.

Respectfully Submitted,

Spencer Nebel
City Manager

City of Newport

Community Development Department

Memorandum

To: Newport City Council

From: Derrick Tokos, Community Development Director

Date: April 17, 2014

Re: Final Report – Newport Urban Renewal Options

Enclosed is a final report from ECONorthwest evaluating the feasibility of the City of Newport forming an urban renewal district north of the Yaquina Bay Bridge.

As you may recall, the catalyst behind this effort was the work that partner agencies and community business interests undertook in 2012 to conduct an Economic Opportunity Analysis (EOA) that resulted in the City adopting new policies to guide how it can help facilitate economic development. One of the policy recommendations was that this study be performed and the City Council subsequently made it one of its goals to see that the work was completed.

The Newport Planning Commission has actively worked with ECONorthwest, putting together the three potential district boundaries, general project categories, and potential maximum debt limits considering recommendations contained in the EOA, recommendations contained in the City's capital facility plans, and other known future projects that present funding partnership opportunities. The options have also been structured to give policy makers a clear understanding of the impacts, both good and bad, of forming a new Urban Renewal District.

This work session is an opportunity for Council members to become familiar with the report, ask questions of staff regarding the process (both that which was followed to date, and moving forward), and to indicate if there are particular aspects that you would like additional information on before the report is presented in a more formal manner.

As for next steps, the Commission is looking for staff to share the report with the affected taxing entities and to arrange for one-on-one meetings with them to answer questions and obtain feedback. They would then like staff to report back on those discussions before they make a recommendation to the City Council as to whether or not one or more of the options presented in the report for forming an Urban Renewal District should be pursued.

<u>Attachments</u>

Final Report from ECONorthwest, dated 3/20/14.

ECONorthwest
ECONOMICS • FINANCE • PLANNING

DATE: March 20, 2014
TO: Derrick Tokos
FROM: Nick Popenuk and Tessa Krebs
SUBJECT: EVALUATION OF NEWPORT URBAN RENEWAL OPTIONS

The City of Newport is considering the creation of an urban renewal district (URD) to implement economic development projects for the area north of the Yaquina Bay Bridge. This memorandum evaluates three potential URA options, including analysis on how much tax increment finance (TIF) revenue might be generated, what projects could be funded, and over what period of time. Note that the three boundaries evaluated in this memorandum are not the City's only options. They illustrate a range of possibilities that the City could consider, including smaller vs. larger boundaries, and less vs. more maximum indebtedness (i.e., the total amount of urban renewal project costs.).

This memorandum is organized into the following sections:

- **Introduction/Background** describes the purpose of the report and how urban renewal works.
- **Methods** describes the steps used in our analysis and the source of key assumptions.
- **Results** presents the TIF revenue projections and project list for each of three potential URD boundaries, along with a discussion of the pros and cons of each boundary option.
- **Compression considerations** describes how compression works and the potential impact of creating a new Newport URD on compression losses for other taxing districts.
- **Impact to taxing districts** identifies the amount of property tax revenue that would be foregone by overlapping taxing districts.
- **Conclusions** summarizes the most important key findings, comparing the three boundary options. It is intended to help the City make an informed decision on which boundary option(s) should be focused on next year as the City creates a formal urban renewal plan and report.
- **Appendix A** provides maps of the three potential urban renewal areas.
- **Appendix B** provides detailed tables of foregone revenues for overlapping taxing districts.

Introduction/Background

The City of Newport, Oregon is interested in conducting a feasibility study for an urban renewal district (URD) to serve the area north of the Yaquina Bay Bridge. The action to "evaluate creation of an urban renewal district north of Yaquina Bay" is specifically called out in Action 6.1 of the Newport Economic Development Strategy.

Although the Economic Development Strategy recognizes the numerous potential uses of urban renewal, the Strategy does not identify the specific geography, or specific uses of urban renewal for the City of Newport. Thus, the purpose of this feasibility study is to examine how different URD boundaries might be able to help the City achieve its economic development goals. This report provides the City of Newport with baseline data to understand the financial capacity of a new URD north of the Yaquina Bay Bridge.

What is Urban Renewal?

Urban renewal is a state-sanctioned program used by over 50 cities and counties in Oregon to help them, through partnerships with the private sector, implement adopted plans to revitalize specified areas within their jurisdiction. Urban renewal, through the provision of tax increment financing (TIF), can provide for capital improvements such as parks, water and waste water infrastructure, parking facilities, and transportation improvements that stimulate private investment and attract new businesses, jobs, and residents. It can also be used to assist with development activities that are approved in an urban renewal plan, such as storefront improvement loans, property acquisition, and site preparation.

In Oregon, planning and analysis associated with the creation of a new URD is guided by state statute (ORS Chapter 457). The statutes stipulate that URD plans must find the proposed URD is eligible for urban renewal because of existing *blight*, typified by conditions such as deteriorated buildings and lack of adequate infrastructure. The plan must also contain goals and objectives, authorized urban renewal projects, a limit on the expenditures, specific provisions regarding acquisition and disposition of land, and provisions regarding how the plan may be amended in the future.

What is TIF?

Tax increment financing is the primary funding tool used within URDs. Tax increment revenue is generated within a URD when the assessed value within that area is 'frozen' (often called the *frozen base*). Any taxes generated within that area from growth in assessed value through either appreciation or new investment becomes the *increment*. Taxing jurisdictions continue to collect tax income from the frozen base but agree to release assessed value above the frozen base to the URD. The URD then can obtain loans or issue bonds to pay for identified public improvements and/or investments in private projects that are in the public interest. The tax increment is used to pay debt service on these projects.

What is Revenue Sharing?

In 2009, the Oregon Legislature enacted HB 3056, which, among other things, established a system of revenue sharing for urban renewal areas. These revenue sharing provisions only apply to urban renewal areas approved after 2009 and older urban renewal areas that have been amended to increase maximum indebtedness since 2009. When urban renewal areas attain certain thresholds of annual tax revenue, some of this tax revenue is released from the urban renewal area and shared with the other taxing districts.

When tax revenues reach 10% of the URD's maximum indebtedness, then a portion of the TIF above that level is shared with overlapping taxing districts (specifically 25% of the TIF above this threshold remains with the URD, and the remaining 75% of TIF is returned to taxing districts). Additionally, when TIF revenues for the URD reach 12.5% of the maximum indebtedness, TIF revenues for the URD are capped at the amount, with all TIF revenues above 12.5% of maximum indebtedness being shared with overlapping taxing districts.

What is Maximum Indebtedness?

Maximum indebtedness (MI) means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness. This is the total amount that can be spent from tax increment proceeds for projects, programs and administration.

How does Oregon Property Tax work?

Citizen initiatives have changed the way that property taxes are raised in Oregon, and have limited the growth of assessed value and property tax revenues for taxing jurisdictions. Measure 5, passed in 1990, introduced tax rate limits. Measure 50 passed in 1996, cut taxes, introduced assessed value growth limits, and replaced most dollar-limited *levies* (an amount) with permanent tax *rate limits*.

Measure 5 introduced limits on the taxes paid by individual properties. It imposed limits of $5 per $1,000 of real market value for school taxes and $10 per $1,000 of real market value for general government taxes. These limits apply to all property taxes, other than those levied to repay voter-approved general obligation bonds.

Under Measure 50, most levies were replaced by permanent limits on tax rates. The permanent rate limit is fixed, and does not change from year to year. In addition to the permanent rate, taxing districts may impose general obligation bond levies and local option levies. The sum of all the tax rates (including permanent rates, local option levy rates, and rates for bonds and other levies) of all taxing districts in a given levy code area is known as the *consolidated tax rate*.

Measure 50 changed the concepts of "assessed values" and "tax rates." Assessed value no longer equals real market value. Real market value is the sale price for property that changes hands between a willing seller and a willing buyer in the open market. Assessed value is the

value assigned to that property for tax purposes. Growth in maximum assessed value for existing properties is limited to 3% per year.

Property taxes and school funding

Although schools levy property taxes, these local property tax revenues do not have a direct impact on funding for local school districts. This is because the state "equalizes" school funding using a formula that takes into account property tax revenue generated at the local school district level, and revenue from the state's coffers generated by the statewide income tax, Oregon Lottery, and intergovernmental revenues.

Allocation of state revenues to local school districts comes in the form of "general purpose grants." The primary driver of the state allocation is the number of students in each district. The state multiplies the number of students by the general purpose grant, with some adjustments for teacher experience and other factors. **Regardless of local property tax collections, each school district still receives the same amount of funding per student, with state funding making up the difference between local property tax revenues and the general purpose grant amount**.

What is Compression?

Some jurisdictions in Oregon do not receive the full amount of property taxes that should be levied, due to "compression," which occurs as a result of the rate limits enacted by Measure 5. These rate limits apply to the *real market value* of properties, rather than to the assessed value. If taxes to be raised on an individual property exceed the Measure 5 limits ($5 per $1,000 for education, or $10 per $1,000 for general government), then the tax bill for that property is reduced or "compressed." Compression loss means some properties pay less in taxes than are calculated by the product of the assessed value and consolidated tax rate.

Due to the tax rates in Lincoln County relative to the Measure 5 limits, education taxing districts are far more likely to suffer compression losses than general government taxing districts. Exhibit 1 shows historical compression losses in Lincoln County since FY 2006-07. Prior to FY 2009-10, both education and general government taxing districts experienced significant compression each year. Since FY 2009-10, however, general government compression losses have nearly been eliminated, while education compression losses have increased substantially.

Exhibit 1. Lincoln County historical property tax compression losses, FY 2007-08 to 2003-14

	M5 Compression Losses			
FYE	Education	General Gov	Other*	Total
2007	$ 129,197	$ 55,903	$ 31,248	$ 216,348
2008	$ 121,942	$ 66,590	$ 39,765	$ 228,297
2009	$ 123,712	$ 66,134	$ 41,394	$ 231,240
2010	$ 134,536	$ 74,626	$ 45,549	$ 254,711
2011	$ 153,388	$ 11,429	$ 285	$ 165,102
2012	$ 222,418	$ 348	$ 405	$ 223,171
2013	$ 507,672	$ 885	$ 509	$ 509,066
2014	$ 633,459	$ 453	$ 292	$ 634,204

*Other jurisdictions include special assessments and urban renewal.
Source: Lincoln County Assessor

Note that urban renewal can have an impact on compression losses, because urban renewal changes the effective tax rates of an area. Urban renewal is sometimes referred to as "division of taxes." That means that a portion of the taxes that would go to a jurisdiction like the City of Newport is instead divided off and sent to an urban renewal agency instead. The process that the County Assessor uses to collect TIF revenues for URDs results in a portion of each jurisdictions tax rate being carved off, and turned into a new urban renewal tax rate. A side effect of this process is that education districts that are impacted by urban renewal have their rates reduced a small amount, and that amount is added to the general government side of the compression equation.

This means that Newport's existing urban renewal district helps to lower the compression losses experienced by education taxing districts. Similarly, a new URD in Newport would also help to reduce compression losses for education districts.

Methods

The methods used in our analysis, included the following key steps:

- Step 1. Define boundary options
- Step 2. Identify projects and costs.
- Step 3. Determine applicable tax rates.
- Step 4. Forecast growth in assessed value.
- Step 5. Calculate TIF and revenue sharing.
- Step 6. Create a draft finance plan.

Step 1. Define boundary options

The City of Newport asked us to evaluate three different boundary options. Each boundary option also included a few variations on a fairly consistent list of economic development projects. Exhibit 2 is a map displaying all three boundary options.

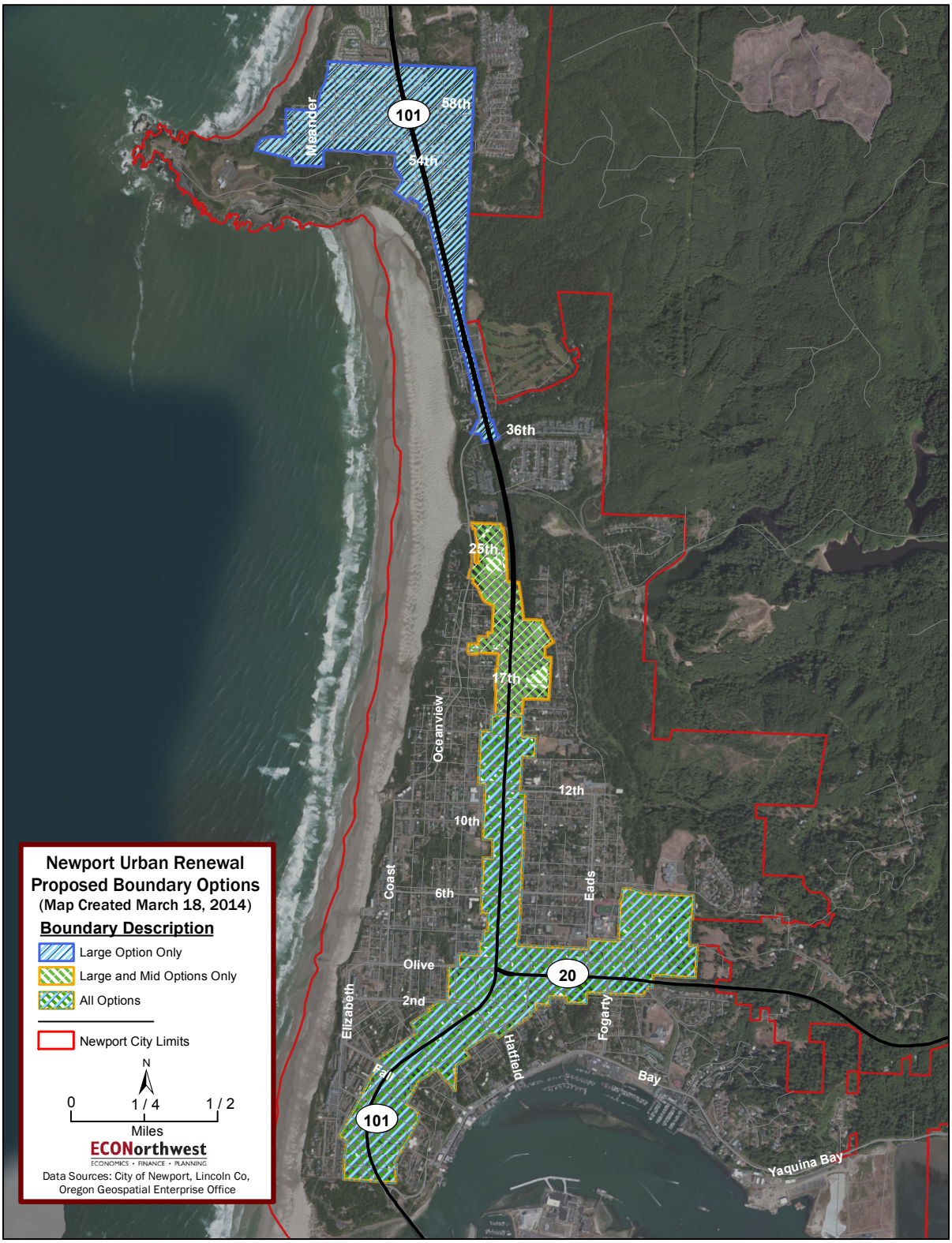
The first option, the *Small Option*, includes 282 acres of downtown Newport centered around the Highway 101 / Highway 20 intersection. Total assessed value of the area is $146,294,830 million. The list of projects to be included in this option result in a maximum indebtedness of $40 million.

The *Mid Option* includes all of the area from the Small Option, plus a larger area that extends north along Highway 101 to include additional commercially zoned parcels in the area. It has a total of 345 acres, and $198,769,630 million in assessed value. This boundary was also modeled with a smaller maximum indebtedness (i.e., a lower amount of urban renewal funding for economic development projects). This allows us to evaluate an option that would emphasize a more targeted use of urban renewal, accelerating the timing of project construction, debt repayment and URD retirement. The maximum indebtedness for this option would be $30 million.

The third and final area is the *Large Option.* It is the biggest boundary, encompassing 525 acres, and $269,652,460 million in assessed value, including all of the area from the Small and Mid Options plus the Agate Beach area and a section of Highway 101 right-of-way extending south of Agate Beach. This option has the highest maximum indebtedness, including additional projects to serve the Agate Beach area. Maximum indebtedness for this option would be $45 million.

Note that State statutes limit the total amount of assessed value and acreage that can be included in urban renewal districts in a City. Because the City of Newport already has one existing URD, South Beach URA, it is important to ensure that the proposed boundary options do not exceed the citywide limitations. Our analysis shows that the City has capacity for 619 acres, and $300.8 million in assessed value to add to new URDs. All three boundary options included in this analysis are within these citywide limits.

Exhibit 2. Map of Three Boundary Options



Step 2. Identify projects and costs

As mentioned in the previous option, the three boundary options have three different project lists, and project cost estimates, and therefore three different maximum indebtedness figures. The list of projects and cost estimates were provided by City staff, and reviewed by ECONorthwest. These cost estimates are shown below in Exhibit 3. Note that the cost estimates shown in Exhibit 3 show both the total costs for each project, and the portion of each project cost to be funded with TIF from a new URD. Also note that the values shown in Exhibit 3 were adjusted by the City to account for future inflation. The reason why the urban renewal share of project costs differ from total costs is because funding partnerships are assumed for certain projects in all three boundary options. Other potential funding sources include State funds, County funds, transient lodging tax, gas tax, local improvement districts, etc. Ultimately, these project costs would be examined more closely and refined before adopting a formal urban renewal plan for the area.

Exhibit 3. Estimated project costs, Newport URD boundary options

Project Name	Urban Renewal Share of Cost			Total Cost
	Small Option	Mid Option	Large Option	
Agate Beach Improvements				
Agate Beach Neighborhood Refinement Plan	$ -	$ -	$ 100,000	$ 100,000
Agate Beach improvements to existing local street ROW	$ -	$ -	$ 1,000,000	$ 2,000,000
Agate Beach storm drainage improvements	$ -	$ -	$ 1,500,000	$ 2,000,000
Agate Beach US 101 access and collector upgrades	$ -	$ -	$ 750,000	$ 1,500,000
US 101 water line upgrade	$ -	$ -	$ 600,000	$ 1,200,000
Public buildings				
Multi-purpose building (fiargrounds redevelopment)	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 9,000,000
Public Safety Building	$ 5,000,000	$ -	$ 5,000,000	$ 10,000,000
Transportation system enhancements				
Downtown Revitalization and Couplet Refinement Plan	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Couplet and related ROW improvements	$ 12,500,000	$ 10,000,000	$ 12,500,000	$ 25,000,000
Intersection realignment (e.g. US 101 and NW 6th)	$ 1,000,000	$ 1,000,000	$ 1,250,000	$ 3,000,000
Parking improvements	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Right-of-way acquisition	$ 500,000	$ 500,000	$ 500,000	$ 1,000,000
Signal installation or adjustment	$ 500,000	$ 500,000	$ 500,000	$ 1,000,000
Economic development				
Benches, public art	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Billboard removal	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Site prep for reuse (demolition, lot aggregation, etc.)	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000
Storefront façade loans/grants	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Strategic site acquisition for economic development	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000
Street tree and landscape island enhancements	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Wayfinding improvements	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Utility undergrounding	$ 4,000,000	$ 2,700,000	$ 4,000,000	$ 8,000,000
Total	**$ 37,300,000**	**$ 28,500,000**	**$ 41,400,000**	**$ 74,600,000**

Source: City of Newport

Note that the total project costs are estimated to be $37.3 million in the Small Option, $28.5 million in the Mid Option, and $41.5 million in the Large Option. Our assumptions for maximum indebtedness round theses numbers up to $40 million, $30 million, and $45 million,

respectively. This provides a cushion to account for administrative costs, which are not included in the estimates shown in Exhibit 3.

Step 3. Determine applicable tax rates

All property within the three boundary options are located within two tax code areas (104 and 107) that have the same tax rate. Details of the applicable tax rate are shown below in Exhibit 4. Note that some of these taxing districts (Port of Newport, Lincoln County School District, and Oregon Coast Community College) also have rates for general obligation (GO) bonds. However all of these bonds were approved after 2001, and Oregon statutes preclude new URDs from including GO bond rates for all bonds approved after 2001. Tax rate information was obtained from Lincoln County Assessor Summary Table 4a.

Exhibit 4. Applicable tax rates for Newport URD boundary options, FY 2013-14

District	Tax Code Areas: 104 and 107
Lincoln County	2.8202
Animal Service	0.1100
Solid Waste	0.0000
Extension	0.0451
Transportation	0.0974
Port of Newport	0.0609
City of Newport	5.5938
Pacific Communities Health	0.3625
General Government Subtotal	**9.0899**
Lincoln County School Unit	4.9092
Oregon Coast Community College	0.1757
Linn-Benton ESD	0.3049
Education Subtotal	**5.3898**
Consolidated Rate	**14.4797**

Step 4. Forecast growth in assessed value

The Lincoln County Assessor provided us with data on the assessed value of all properties in the City of Newport for FY 2013-14. This allowed us to determined the current assessed value of each boundary option. Growth rates for assessed value vary over time, depending on market cycles and new development. In Oregon, appreciation is capped at 3.0% per year, which means any growth above 3.0% per year requires new development to occur.

We looked at recent historical trends in the City of Newport to determine a reasonable growth rate to use for our analysis. Exhibit 5 shows historical growth in assessed value citywide from 2003 to 2014. This shows annual growth varying from 1.2% per year to 5.7% per year, with an average annual growth rate of 3.65%.

Exhibit 5. City of Newport, historical growth in assessed value, FYE 2003 to 2013

FYE	M50 Assessed Value	
	Total AV	% Growth
2003	$ 892,940,492	
2004	$ 928,401,219	3.97%
2005	$ 973,762,350	4.89%
2006	$ 1,025,083,252	5.27%
2007	$ 1,083,840,382	5.73%
2008	$ 1,142,444,797	5.41%
2009	$ 1,189,556,877	4.12%
2010	$ 1,221,882,368	2.72%
2011	$ 1,243,219,850	1.75%
2012	$ 1,261,955,470	1.51%
2013	$ 1,277,344,380	1.22%
AAGR		3.65%

Calculated by ECONorthwest with data from Lincoln County Assessor

The period shown in Exhibit 5 includes the most severe economic recession since the Great Depression, and future growth rates (particularly in the short-term) are estimated to be higher than in recent years, as real market values recover. Indeed, long-term trends statewide demonstrate annual assessed value growth closer to 4.5% per year. Areas with development potential, and areas that receive targeted public investments (like the kinds of investment facilitated by urban renewal) are also more likely to see higher growth in assessed value.

For our analysis, we assumed annual average growth in assessed value of 4.5% per year. We believe this growth rate to be realistic and achievable. Actual growth may vary, and some years will be higher or lower than this 4.5% assumption. During the planning stages of adopting an urban renewal plan for a specific URD boundary, the City will want to look at a range of growth rates (higher and lower). However, for the purposes of our analysis, comparing the relative merits of three potential boundary options, our results are easier to understand by looking at only one assumption for assessed value growth.

Note that for this analysis there is no risk to forecasting assessed value growth that is too high. This is a planning level analysis to demonstrate the potential of urban renewal to assist with economic development in Newport. If actual growth is slower than forecast, that simply means the URD will need to spend less on projects, or phase those projects over a longer period of time. Additionally, before the URD incurs debt to fund any expenditures on projects, the City will need to conduct another feasibility study, providing a more detailed, short-term forecast of TIF revenues, and confirming that the URD has sufficient financial capacity to pay debt service.

Note that for FY 2014-15, our forecast of assessed value also included known development. The process of establishing assessed values results in a lag time between when construction occurs and when the value of that new construction activity hits the tax rolls. This means that any new development in 2013 won't be added to the tax roll until FY 2014-15. The City provided us with a list of building permits issued in 2013. These permits were mapped to determine which construction projects occurred within each of the three boundary options. Construction costs

and the countywide "changed property ratio" were used to estimate the initial assessed value of this new development. This development is shown in FY 2014-15 of our forecasts.

Step 5. Calculate TIF and revenue sharing

Calculating TIF revenue is relatively straightforward. After forecasting assessed value as described in Step 4, we subtract the initial assessed value (the frozen base) to determine the "excess value." This excess value is multiplied by the applicable tax rate to determine the total amount of TIF revenue. Then, the revenue sharing thresholds are applied to determine the portion of TIF revenue that will be collected by the URD and the portion that will be shared with overlapping taxing districts.

Step 6. Create a draft finance plan

The final step in the analysis was to take the annual forecast of TIF revenue for the URD, and translate it into a financing plan showing the year projects would be funded, the debt incurred, and the schedule for retiring the debt. The results of the financing plans for each URD boundary option are described in the following section.

Results

In this section we describe the results for each of the three boundary options that were evaluated. Our analysis sheds light on several key considerations when evaluating potential URD boundaries: (1) The amount and costs of projects that would be completed, (2) the maximum indebtedness, (3) the year the first substantial project could be completed, (4) the year all projects would be completed, and (5) the year all debt would be repaid.

Small Option

Exhibit 6 shows our forecast of assessed value, TIF revenues, revenue sharing, and the portion of TIF received by the URD. We estimate the URD would receive $4.8 million in TIF over the first 10-years, $24.3 million over the first 20-years, and $54.2 million by FYE 2041, the year in which the district is expected to have sufficient resources to pay off all debt.

Exhibit 6. Small Option TIF Forecast

					TIF		
FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	Total	for URD	Shared
2014	$ 146,294,830	$ 146,294,830	$ -	14.4797	$ -	$ -	$ -
2015	$ 153,569,598	$ 146,294,830	$ 7,274,768	14.4797	$ -	$ -	$ -
2016	$ 160,480,230	$ 146,294,830	$ 14,185,400	14.4797	$ 205,401	$ 205,401	$ -
2017	$ 167,701,841	$ 146,294,830	$ 21,407,011	14.4797	$ 309,967	$ 309,967	$ -
2018	$ 175,248,424	$ 146,294,830	$ 28,953,594	14.4797	$ 419,239	$ 419,239	$ -
2019	$ 183,134,603	$ 146,294,830	$ 36,839,773	14.4797	$ 533,429	$ 533,429	$ -
2020	$ 191,375,659	$ 146,294,830	$ 45,080,829	14.4797	$ 652,757	$ 652,757	$ -
2021	$ 199,987,563	$ 146,294,830	$ 53,692,733	14.4797	$ 777,455	$ 777,455	$ -
2022	$ 208,987,003	$ 146,294,830	$ 62,692,173	14.4797	$ 907,764	$ 907,764	$ -
2023	$ 218,391,419	$ 146,294,830	$ 72,096,589	14.4797	$ 1,043,937	$ 1,043,937	$ -
2024	$ 228,219,034	$ 146,294,830	$ 81,924,204	14.4797	$ 1,186,237	$ 1,186,237	$ -
2025	$ 238,488,890	$ 146,294,830	$ 92,194,060	14.4797	$ 1,334,942	$ 1,334,942	$ -
2026	$ 249,220,890	$ 146,294,830	$ 102,926,060	14.4797	$ 1,490,338	$ 1,490,338	$ -
2027	$ 260,435,829	$ 146,294,830	$ 114,140,999	14.4797	$ 1,652,728	$ 1,652,728	$ -
2028	$ 272,155,442	$ 146,294,830	$ 125,860,612	14.4797	$ 1,822,424	$ 1,822,424	$ -
2029	$ 284,402,436	$ 146,294,830	$ 138,107,606	14.4797	$ 1,999,757	$ 1,999,757	$ -
2030	$ 297,200,546	$ 146,294,830	$ 150,905,716	14.4797	$ 2,185,069	$ 2,185,069	$ -
2031	$ 310,574,571	$ 146,294,830	$ 164,279,741	14.4797	$ 2,378,722	$ 2,378,722	$ -
2032	$ 324,550,427	$ 146,294,830	$ 178,255,597	14.4797	$ 2,581,087	$ 2,581,087	$ -
2033	$ 339,155,197	$ 146,294,830	$ 192,860,367	14.4797	$ 2,792,560	$ 2,792,560	$ -
2034	$ 354,417,180	$ 146,294,830	$ 208,122,350	14.4797	$ 3,013,549	$ 3,013,549	$ -
2035	$ 370,365,953	$ 146,294,830	$ 224,071,123	14.4797	$ 3,244,483	$ 3,244,483	$ -
2036	$ 387,032,421	$ 146,294,830	$ 240,737,591	14.4797	$ 3,485,808	$ 3,485,808	$ -
2037	$ 404,448,879	$ 146,294,830	$ 258,154,049	14.4797	$ 3,737,993	$ 3,737,993	$ -
2038	$ 422,649,079	$ 146,294,830	$ 276,354,249	14.4797	$ 4,001,527	$ 4,001,527	$ -
2039	$ 441,668,287	$ 146,294,830	$ 295,373,457	14.4797	$ 4,276,919	$ 4,069,230	$ 207,689
2040	$ 461,543,360	$ 146,294,830	$ 315,248,530	14.4797	$ 4,564,704	$ 4,141,176	$ 423,528
2041	$ 482,312,811	$ 146,294,830	$ 336,017,981	14.4797	$ 4,865,440	$ 4,216,360	$ 649,080

Note that FYE 2027 is the year that the existing South Beach URD is scheduled to close, releasing an estimated $2,861,064 of annual TIF revenue back to the overlapping taxing districts. SBURD TIF estimates are taken from Minor Amendment Ten to the South Beach Urban Renewal District Plan, prepared in August 2013 by the City of Newport.
Source: ECONorthwest

We estimate it would take three years for the URA to generate enough TIF revenue to complete a sizable project. For the purposes of our analysis, we used the Fairgrounds Building as the first multimillion-dollar project to be funded. We anticipate all projects could be completed by FYE

2035, and that all debt could be repaid by FYE 2041. The total TIF needed to finance all projects would be $54.1 million.

Advantages of the Small Option include:

- A smaller boundary requires less acreage and less assessed value, which leaves more citywide capacity for other urban renewal districts. This gives the City added flexibility to amend URDs to add in other properties if needed to respond to future economic development opportunities.
- A smaller boundary sends a signal to the public and to affected taxing districts that the City is being targeted in its use of urban renewal, having a lesser impact on annual property tax collections. This can be an important political issue in some communities.

Disadvantages of the Small Option include:

- Larger boundaries with more diverse property types have a more diversified portfolio of property, making them less susceptible to downturns affecting a specific neighborhood or a specific type of property. This boundary has a relatively small area and includes almost exclusively retail and commercial properties. Thus, this boundary is more vulnerable to potential declines in assessed value.
- The smaller boundary means growth in assessed value is likely to happen more slowly. There is less land to accommodate new development, and a lower frozen base value to generate appreciation of existing property. Slower growth in assessed value means it can take longer to accomplish urban renewal projects, and longer to pay off the debt and close down the URD.

Mid Option

Exhibit 7 shows our forecast of assessed value, TIF revenues, revenue sharing, and the portion of TIF received by the URD. We estimate the URD would receive $6.9 million in TIF over the first 10-years, $33.9 million over the first 20-years, and $42.7 million by FYE 2036, the year in which the district is expected to have sufficient resources to pay off all debt.

Exhibit 7. Mid Option TIF Forecast

					TIF		
FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	Total	For URD	Shared
2014	$198,769,630	$ 198,769,630	$ -	14.4797	$ -	$ -	$ -
2015	$ 210,895,164	$ 198,769,630	$ 12,125,534	14.4797	$ -	$ -	$ -
2016	$ 220,385,446	$ 198,769,630	$ 21,615,816	14.4797	$ 312,991	$ 312,991	$ -
2017	$ 230,302,791	$ 198,769,630	$ 31,533,161	14.4797	$ 456,590	$ 456,590	$ -
2018	$ 240,666,417	$ 198,769,630	$ 41,896,787	14.4797	$ 606,653	$ 606,653	$ -
2019	$ 251,496,406	$ 198,769,630	$ 52,726,776	14.4797	$ 763,468	$ 763,468	$ -
2020	$ 262,813,744	$ 198,769,630	$ 64,044,114	14.4797	$ 927,339	$ 927,339	$ -
2021	$ 274,640,362	$ 198,769,630	$ 75,870,732	14.4797	$ 1,098,585	$ 1,098,585	$ -
2022	$ 286,999,179	$ 198,769,630	$ 88,229,549	14.4797	$ 1,277,537	$ 1,277,537	$ -
2023	$ 299,914,142	$ 198,769,630	$ 101,144,512	14.4797	$ 1,464,542	$ 1,464,542	$ -
2024	$ 313,410,279	$ 198,769,630	$ 114,640,649	14.4797	$ 1,659,962	$ 1,659,962	$ -
2025	$ 327,513,741	$ 198,769,630	$ 128,744,111	14.4797	$ 1,864,176	$ 1,864,176	$ -
2026	$ 342,251,860	$ 198,769,630	$ 143,482,230	14.4797	$ 2,077,579	$ 2,077,579	$ -
2027	$ 357,653,193	$ 198,769,630	$ 158,883,563	14.4797	$ 2,300,587	$ 2,300,587	$ -
2028	$ 373,747,587	$ 198,769,630	$ 174,977,957	14.4797	$ 2,533,628	$ 2,533,628	$ -
2029	$ 390,566,227	$ 198,769,630	$ 191,796,597	14.4797	$ 2,777,157	$ 2,777,157	$ -
2030	$ 408,141,707	$ 198,769,630	$ 209,372,077	14.4797	$ 3,031,645	$ 3,031,645	$ -
2031	$ 426,508,084	$ 198,769,630	$ 227,738,454	14.4797	$ 3,297,585	$ 3,074,396	$ 223,189
2032	$ 445,700,948	$ 198,769,630	$ 246,931,318	14.4797	$ 3,575,491	$ 3,143,873	$ 431,618
2033	$ 465,757,491	$ 198,769,630	$ 266,987,861	14.4797	$ 3,865,904	$ 3,216,476	$ 649,428
2034	$ 486,716,578	$ 198,769,630	$ 287,946,948	14.4797	$ 4,169,386	$ 3,292,347	$ 877,040
2035	$ 508,618,824	$ 198,769,630	$ 309,849,194	14.4797	$ 4,486,524	$ 3,371,631	$ 1,114,893
2036	$ 531,506,671	$ 198,769,630	$ 332,737,041	14.4797	$ 4,817,932	$ 3,454,483	$ 1,363,449

Note that FYE 2027 is the year that the existing South Beach URD is scheduled to close, releasing an estimated $2,861,064 of annual TIF revenue back to the overlapping taxing districts. SBURD TIF estimates are taken from Minor Amendment Ten to the South Beach Urban Renewal District Plan, prepared in August 2013 by the City of Newport.

Source: ECONorthwest

We estimate it would take two years for the URA to generate enough TIF revenue to complete a sizable project. For the purposes of our analysis, we used the Fairgrounds Building as the first multimillion-dollar project to be funded. We anticipate all projects could be completed by FYE 2029, and that all debt could be repaid by FYE 2036. The total TIF needed to finance all projects would be $42.7 million.

Advantages of the Mid Option include:

- This boundary has the smallest maximum indebtedness, based on the assumption that some projects (like the public safety building) could be funded from other sources, and that some infrastructure projects (like the couplet and utility undergrounding) could be partially funded through a Local Improvement District (LID), a tool that is commonly used in communities across Oregon. By having a smaller maximum indebtedness, the URD could accomplish all of its projects sooner, and close the district sooner, having less of an impact on overlapping taxing districts.

- All of the options assume funding partnerships to cover total project costs, with urban renewal only contributing a portion of the project funding. The Mid Option, however, is distinguishable because it leverages the most additional funding for these projects.

Disadvantages of the Mid Option include:

- Like the Small Option, the Mid Option is comprised almost exclusively of retail and commercial property. An over-reliance on one type of property in one location can make a URD more susceptible to downturns in the real estate market for that property type in that neighborhood.
- Compared to the other options, the Mid Option leverages additional funding sources to the greatest extent. While this has the benefit of reducing the maximum indebtedness of the area, it means that other funding sources will need to be found to pay for portions of critical projects like the public safety building, couplet, and utility undergrounding. If other funding sources cannot be found, or if they are politically unpopular, then it could make it more challenging to complete these projects.

Large Option

Exhibit 8 shows our forecast of assessed value, TIF revenues, revenue sharing, and the portion of TIF received by the URD. We estimate the URD would receive $9.2 million in TIF over the first 10-years, $45.5 million over the first 20-years, and $64.8 million by FYE 2037, the year in which the district is expected to have sufficient resources to pay off all debt.

Exhibit 8. Large Option TIF Forecast

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF Total	TIF For URD	TIF Shared
2014	$ 269,652,460	$ 269,652,460	$ -	14.4797	$ -	$ -	$ -
2015	$ 285,049,964	$ 269,652,460	$ 15,397,504	14.4797	$ -	$ -	$ -
2016	$ 297,877,213	$ 269,652,460	$ 28,224,753	14.4797	$ 408,686	$ 408,686	$ -
2017	$ 311,281,689	$ 269,652,460	$ 41,629,229	14.4797	$ 602,778	$ 602,778	$ -
2018	$ 325,289,365	$ 269,652,460	$ 55,636,905	14.4797	$ 805,605	$ 805,605	$ -
2019	$ 339,927,387	$ 269,652,460	$ 70,274,927	14.4797	$ 1,017,560	$ 1,017,560	$ -
2020	$ 355,224,119	$ 269,652,460	$ 85,571,659	14.4797	$ 1,239,052	$ 1,239,052	$ -
2021	$ 371,209,203	$ 269,652,460	$ 101,556,743	14.4797	$ 1,470,511	$ 1,470,511	$ -
2022	$ 387,913,617	$ 269,652,460	$ 118,261,157	14.4797	$ 1,712,386	$ 1,712,386	$ -
2023	$ 405,369,729	$ 269,652,460	$ 135,717,269	14.4797	$ 1,965,145	$ 1,965,145	$ -
2024	$ 423,611,366	$ 269,652,460	$ 153,958,906	14.4797	$ 2,229,278	$ 2,229,278	$ -
2025	$ 442,673,878	$ 269,652,460	$ 173,021,418	14.4797	$ 2,505,298	$ 2,505,298	$ -
2026	$ 462,594,203	$ 269,652,460	$ 192,941,743	14.4797	$ 2,793,738	$ 2,793,738	$ -
2027	$ 483,410,941	$ 269,652,460	$ 213,758,481	14.4797	$ 3,095,159	$ 3,095,159	$ -
2028	$ 505,164,434	$ 269,652,460	$ 235,511,974	14.4797	$ 3,410,143	$ 3,410,143	$ -
2029	$ 527,896,833	$ 269,652,460	$ 258,244,373	14.4797	$ 3,739,301	$ 3,739,301	$ -
2030	$ 551,652,190	$ 269,652,460	$ 281,999,730	14.4797	$ 4,083,271	$ 4,083,271	$ -
2031	$ 576,476,538	$ 269,652,460	$ 306,824,078	14.4797	$ 4,442,721	$ 4,442,721	$ -
2032	$ 602,417,982	$ 269,652,460	$ 332,765,522	14.4797	$ 4,818,345	$ 4,818,345	$ -
2033	$ 629,526,791	$ 269,652,460	$ 359,874,331	14.4797	$ 5,210,872	$ 4,677,718	$ 533,154
2034	$ 657,855,496	$ 269,652,460	$ 388,203,036	14.4797	$ 5,621,064	$ 4,780,266	$ 840,798
2035	$ 687,458,992	$ 269,652,460	$ 417,806,532	14.4797	$ 6,049,714	$ 4,887,429	$ 1,162,286
2036	$ 718,394,647	$ 269,652,460	$ 448,742,187	14.4797	$ 6,497,652	$ 4,999,413	$ 1,498,239
2037	$ 750,722,406	$ 269,652,460	$ 481,069,946	14.4797	$ 6,965,749	$ 5,116,437	$ 1,849,312

Note that FYE 2027 is the year that the existing South Beach URD is scheduled to close, releasing an estimated $2,861,064 of annual TIF revenue back to the overlapping taxing districts. SBURD TIF estimates are taken from Minor Amendment Ten to the South Beach Urban Renewal District Plan, prepared in August 2013 by the City of Newport.

Source: ECONorthwest

We estimate it would take two years for the URA to generate enough TIF revenue to complete a sizable project. For the purposes of our analysis, we used the Fairgrounds Building as the first multimillion-dollar project to be funded. We anticipate all projects could be completed by FYE 2029, and that all debt could be repaid by FYE 2037. The total TIF needed to finance all projects would be $64.8 million.

Advantages of the Large Option include:

- This boundary has the largest maximum indebtedness, which means it has the greatest ability to implement economic development projects in the City.
- This boundary has the largest area, including single-family and multifamily residential property in the Agate Beach area. This boundary has the most diverse portfolio of property, making it the least susceptible to downturns in the real estate market for any specific neighborhood or type of property.

- Because of the large area and assessed value, this boundary has the potential to experience more rapid growth in TIF revenue than the other boundary options, allowing more projects to occur sooner.

Disadvantages of the Large Option include:

- As the largest option, with the highest maximum indebtedness, this option may invite criticism from affected taxing districts or the general public who are afraid of the impact of urban renewal on other taxing districts.
- By including Agate Beach, the URD becomes less focused. Questions will need to be answered about the relative priority of Agate Beach vs. the Hwy 101 commercial corridor in terms of their economic development potential. As TIF revenue becomes available, how will the needs of Agate Beach be prioritized vs. the needs of the Hwy 101 commercial corridor?
- The large option leaves the least amount of remaining citywide capacity for urban renewal. This means that the City would have limited capacity to amend a URD to bring in more property to respond to future economic development opportunities.
- In many communities, the general public is ill informed about urban renewal. When residential areas, like Agate Beach, are included in a URD, residents of the area can raise strong objections to their inclusion in the area, even though there are no tangible negative impacts to being in a URD, and in fact there are many benefits that come from the ability to fund much needed economic development projects and cure blight in the area.

Compression considerations

Property owners are taxed on the combined rates of general government, education, and debt service for all overlapping governments that provide services to that property. In most cases, the taxes to be raised from an individual property are calculated as the consolidated tax rate multiplied by the assessed value. When the taxes to be raised using this methodology exceed the Measure 5 limits on real market value, the assessor must reduce the taxes to be raised until they equal the legal limits.

Exhibit 9 shows actual compression losses for taxing districts that overlap the proposed URD boundary options. Note that compression losses for all general government entities are less than 0.00% of total tax revenue. No general government district experienced more than $100 of compression losses last year. For education districts, however, compression losses are more significant, with compression losses equally 1.79% of the taxes to be raised.

Exhibit 9. FY 2013-14 property tax compression losses, selected taxing districts, Lincoln County

District	Total AV	Amount Tax Rate Will Raise	District's Compression Loss	Percent Compression Loss
General Government				
LINCOLN COUNTY GENERAL	6,781,928,457	18,051,962	(84)	0.00%
LINCOLN COUNTY ANIMAL SERVICE	6,781,928,457	704,105	(3)	0.00%
LINCOLN COUNTY EXTENSION SERVICE	6,781,928,457	288,683	(1)	0.00%
LINCOLN COUNTY SOLID WASTE	6,781,928,457	-	-	
LINCOLN COUNTY TRANSPORTATION SVC	6,781,928,457	623,453	(3)	0.00%
CITY OF NEWPORT	1,734,020,940	6,081,290	(93)	0.00%
NEWPORT RFPD	272,500,790	242,183	-	0.00%
PACIFIC COMMUNITIES HEALTH	3,461,172,570	1,192,455	(6)	0.00%
PORT OF NEWPORT	1,734,020,940	97,327	(1)	0.00%
Subtotal - General Government		27,281,458	(191)	0.00%
Education				
LINCOLN COUNTY SCHOOL DIST	6,781,928,457	31,423,549	(576,976)	-1.84%
LINCOLN COUNTY LIBRARY	6,781,928,457	851,463	(1)	0.00%
OREGON COAST COMMUNITY COLLEGE	6,781,928,457	1,124,647	(20,650)	-1.84%
LINN-BENTON-LINCOLN ESD	6,781,928,457	1,951,650	(35,834)	-1.84%
Subtotal - Education		35,351,310	(633,460)	-1.79%
Total		**89,914,226**	**(633,842)**	**-0.70%**

Source: Lincoln County Assessor, Table 4a

The reason why education districts are experiencing more compression than general government districts, is because their tax rates are higher, relative to the Measure 5 limits. Looking at tax code areas 104 and 107 as an example, the total general government tax rate is $9.0899, and the total education rate is $5.3898 per $1,000 of **assessed value**. Measure 5 limits property tax collections for general government to $10 per $1,000 and for education to $5 per $1,000 of **real market value**.

Because the education tax rate is more than $5 per $1,000 it is possible for properties to experience compression. With a general government tax rate less than $10 per $1,000 it is

theoretically impossible for any compression losses to occur. However, looking back at Exhibit 8, we do know that some compression is occurring for general government. This is due to two reasons.

First, the county is comprised of a patchwork of dozens of tax code areas, each representing a different combination of different taxing districts. Some of those tax code areas have higher tax rates, due to the presence of districts like the Seal Rock Water District, or the Lost Creek Park Road District. In those areas, the tax rate may exceed $10 per $1,000 of assessed value.

The second reason is that urban renewal changes the effective tax rates. Urban renewal is sometimes referred to as "division of taxes." That means that a portion of the taxes that would go to a jurisdiction like the City of Newport is instead divided off and sent to an urban renewal agency instead. The process that the County Assessor uses to collect TIF revenues for URDs results in a portion of each jurisdictions tax rate being carved off, and turned into a new urban renewal tax rate. A side effect of this process is that education districts that are impacted by urban renewal have their rates reduced a small amount, and that amount is added to the general government side of the compression equation.

Exhibit 10 shows an example of the impact of urban renewal on property tax rates. Tax code areas 104 and 107 are the areas that would be affected by a new URD in Newport north of the Yaquina Bay Bridge. Because these tax code areas are within the City of Newport, and because the City already has an existing URD, their tax rates are impacted by that URD. This has the net impact of reducing the education tax rate by $0.5983, and increasing the general government tax rate by the corresponding amount.

Exhibit 10. Example of urban renewal impact on tax rates

Tax Code Area 104 and 107	
Non-Adjusted Rates	
General Government	9.0899
Education	5.3898
UR Adjusted Rates	
General Government	9.6882
Education	4.7935
Existing URD Impact	0.5983

Calculated by ECONorthwest with data from Lincoln County Assessor

A new URD in Newport would have a similar impact on tax rates. The magnitude of the impact is based on the magnitude of the TIF revenue collected by the URD. Thus, a new URD starting off with very low annual TIF revenues, will have a much smaller impact than a mature URD with relatively large annual TIF revenues. We estimate the impact of the Small Option URD would start at about $0.02 per year, and grow to about $0.15 per year after a decade, $0.25 per year after 20-years, and $0.35 per year after 30-years.

Based on this analysis, we conclude that a new URD would have a very small negative impact on compression losses for the City and for other general government taxing districts, and a small positive impact on education taxing districts. For most areas of the City, the general government tax rate would remain below $10 for many years.

As mentioned previously, the City's existing South Beach URD, has an annual impact, converting $0.5983 of education taxes into general government taxes. At some point in the future, this URD will be retired, resulting in that $0.5983 returning to the education side of the equation. This will mean more compression for education taxing districts in the area, and less risk of compression for general government.

Because tax rates apply to assessed value, and Measure 5 limits apply to real market value, the real estate market has a big impact on compression losses. When the market is strong, real market values for most properties are likely to be well above their assessed values. This provides a big "cushion," making compression losses highly unlikely, except in urban areas with very high tax rates. When the market is weak, like during the recent recession, then real market values fall, reducing or eliminating the gap between real market value and assessed value, and making properties more susceptible to compression in places where the tax rates exceed the Measure 5 limits. Because we are just exiting a severe recession, compression in future years is likely to be less than compression in the recent past, as property values increase.

One factor that can always increase the risk of compression losses is the passage of new local option levies that increase the consolidated tax rate. All of the analysis we conducted assumes that tax rates remain constant, other than the expiration of general obligation bond levies, which have no impact on compression. If the community decides to approve a local option levy tax increase, then this naturally means that the risk of compression losses will increase.

Impact to taxing districts

Tax increment financing through urban renewal is not "new" money. These tax revenues are generated from the existing property tax rates of other taxing districts that overlap the urban renewal area. A new URD would impact these affected taxing districts, by redirecting a portion of these property tax revenues to the URD. The impact to other taxing districts is measured in terms of "foregone revenue." Exhibit 11 summarizes the amount of foregone revenue that would be caused by the proposed new URD boundary options. **Note that the foregone revenue for the School District does not have a direct impact on school funding, as funding is equalized at the State level.**

Exhibit 11. Potential Newport URD, foregone revenues, FY 2013-14 to FY 2043-44

	Foregone Revenues					
	Average Annual			Total		
District Name	Small	Mid	Large	Small	Mid	Large
General Government						
Lincoln County	$ (405,899)	$ (396,083)	$ (573,686)	$ (10,553,364)	$ (8,317,748)	$ (12,621,094)
Lincoln County Animal Srvc.	$ (15,832)	$ (15,449)	$ (22,376)	$ (411,628)	$ (324,430)	$ (492,277)
Lincoln County Extension	$ (6,491)	$ (6,334)	$ (9,174)	$ (168,768)	$ (133,017)	$ (201,835)
Lincoln County Transport	$ (14,018)	$ (13,679)	$ (19,813)	$ (364,477)	$ (287,266)	$ (435,891)
Port of Newport	$ (8,765)	$ (8,553)	$ (12,388)	$ (227,894)	$ (179,616)	$ (272,542)
City of Newport	$ (805,090)	$ (785,622)	$ (1,137,893)	$ (20,932,348)	$ (16,498,053)	$ (25,033,638)
Pacific Communities Health	$ (52,173)	$ (50,911)	$ (73,740)	$ (1,356,497)	$ (1,069,138)	$ (1,622,278)
Subtotal	$ (1,308,268)	$ (1,276,632)	$ (1,849,071)	$ (34,014,976)	$ (26,809,268)	$ (40,679,555)
Education						
Lincoln County School	$ (706,559)	$ (689,473)	$ (998,631)	$ (18,370,529)	$ (14,478,930)	$ (21,969,884)
Oregon Coast CC	$ (25,288)	$ (24,676)	$ (35,741)	$ (657,481)	$ (518,198)	$ (786,301)
Linn-Benton ESD	$ (43,883)	$ (42,822)	$ (62,023)	$ (1,140,954)	$ (899,257)	$ (1,364,505)
Subtotal	$ (775,730)	$ (756,971)	$ (1,096,395)	$ (20,168,964)	$ (15,896,385)	$ (24,120,690)
Total	$ (2,083,998)	$ (2,033,603)	$ (2,945,466)	$ (54,183,940)	$ (42,705,653)	$ (64,800,245)

Note that foregone revenue for the School District does not have a direct impact on school funding, as funding is equalized at the State level.
Source: ECONorthwest

The amount of foregone revenues is roughly equal to the amount of TIF revenue needed in each scenario to pay debt service on the maximum indebtedness. Since the Mid Option has the smallest maximum indebtedness, it also has the smallest impact on other taxing districts, equal to about $2.0 million per year for the estimated 21 years the URD would take to pay off its debt. The Small Option is estimated to have an average annual impact of $2.1 million per year for the 26 years estimated to pay off debt. The Large Option would have the largest impact, with an average of $2.9 million per year for 22 years.

In general these impacts start off very small, and grow over time as the assessed value of the URD grows. For example, the Small Option is estimated to have a total impact of only $205,000 in FY 2015-16 (the first year in which TIF would be collected), and an impact of $4.2 million per year in 2040-41 (the final year in which TIF would be collected). Detailed tables showing the annual foregone revenues for each taxing district for each boundary option are included as an attachment to this memorandum.

Recent changes to Oregon Revised Statutes governing urban renewal give urban renewal agencies the ability to "under-levy" their annual TIF revenue. That means that a new URD

could voluntarily reduce the annual amount of TIF collections, sharing some of that revenue with overlapping taxing districts. If this were the case, then the amount of annual foregone revenues would be less than what is shown in Exhibit 11, though it would have little impact on the total foregone revenues, as the reduced TIF revenues for the URD would result in an extended period of time for the URD to pay off its maximum indebtedness.

To the extent that urban renewal investment is successful in stimulating new taxable development, not all of the foregone revenues should truly be categorized as impacts to taxing districts. Successful urban renewal areas cause new development to occur, above and beyond the level that would have occurred without urban renewal. In these situations, the property taxes would not have existed, but for the URD, so even though these tax revenues show up as TIF, and as foregone revenues, they really should not be counted as a negative impact to taxing districts. Note that our analysis was not conducted at the detailed level required to estimate the portion of TIF in the proposed new URD that would likely be generated by new development dependent upon urban renewal investment.

Impact from South Beach URD

It is important to note that the figures shown in Exhibit 11 are only the impact of the proposed new URD. The City's existing urban renewal area, the South Beach URD, is already collecting TIF, in the amount of $1.9 million per year. The impact from the SBURD is in addition to the impact shown in Exhibit 11. The 2013 Minor Amendment Ten to the South Beach Urban Renewal Plan and Report includes a forecast of the annual impact of the SBURD on other taxing districts. The SBURD is anticipated to retire all debt no later than FY 2026-27, at which point it would cease to have an impact on overlapping taxing districts.

Impact to School District

When considering the impact to education taxing districts, it is particularly important to keep in mind the method the State uses to allocate funding to local school districts. As mentioned earlier in this memorandum, the state equalizes school funding across all districts based on the number of students. That means that changes in local property tax revenues do not have a direct impact on school funding for the Lincoln County School District. More broadly, the use of urban renewal statewide has a cumulative impact on the amount of local tax dollars available for schools, and there is no way of knowing exactly what impact, if any, this has on the State's decisions regarding school funding.

Compression impacts

Exhibit 11 also does not show impacts on compression losses. Forecasting future compression losses for each taxing district was not a part of the scope of work for this analysis. We do know, however, that a new URD will result in adjustments to the effective tax rates, resulting in a portion of the education rate being counted as general government. This means that a potential new URD would help to reduce the property tax compression losses that are being suffered by the School District and other education taxing districts. As stated previously in this memorandum, we conclude that a new URD would have a very small negative impact on

compression losses for the City and for other general government taxing districts, and a small positive impact on education taxing districts. For most areas of the City, the general government tax rate would remain below $10 for many years.

General obligation bonds

Three overlapping taxing districts have outstanding general obligation bonds: the Port of Newport, the Oregon Coast Community College, and the Lincoln County School District. These general obligation bonds were approved by voters after 2001, and therefore in accordance with ORS 457, these bonds would not be included in the tax rate used to calculate TIF revenues for a new URD. In other words, these bonds would not be impacted in any way by the creation of new URD. Note that older urban renewal areas, those established prior to 2001, like the South Beach URD, do collect TIF revenue from these general obligation bond tax rates.

Residents of Newport recently approved the sale of $7.9 million in general obligation bonds to finance construction of a municipal pool. These bonds will be repaid through an annual property tax levy. These bonds will also not be affected in any way by the creation of a new URD.

Conclusion

Exhibit 12 summarizes the key findings for each of the URD boundary options.

Exhibit 12. Boundary Options Summary

	Small Option	Mid Option	Large Option
Description	Downtown Newport area centered around the Highway 101 / Highway 20 intersection	Downtown Newport area centered around the Highway 101 / Highway 20 intersection, with an extension north of commercial parcels abutting Highway 101.	Downtown Newport area centered around the Highway 101 / Highway 20 intersection, with an extension north of commercial parcels abutting Highway 101 plus the Agate Beach area, and including Highway 101 right-of-way extending south.
Acreage	282	345	525
Frozen Base	$146,294,830	$198,769,630	$269,652,460
Total Project Costs	$37,300,000	$28,500,000	$41,500,000
Year All Projects will be Completed	2035	2029	2029
Year Pay off Debt	2041	2036	2037
Total Maximum Indebtedness	$40,000,000	$30,000,000	$45,000,000
Total TIF Revenue			
10 Years	$4,849,949	$6,907,705	$9,221,723
20 Years	$24,273,813	$33,891,419	$45,549,849
30 Years	$66,152,062	$91,711,451	$123,556,938

Our analysis finds that all three options are feasible, and none has any fatal flaws from a technical perspective. Thus, the decision on which boundary option to pursue comes down to the City's priorities.

- The Small Option suggests a strategy that limits the annual impact to other taxing districts and focuses economic development efforts on the Hwy 101 / Hwy 20 commercial areas. This option requires a tradeoff: It has less of an annual impact on tax revenues for overlapping taxing districts, but is more risky, and will take a longer period of time to generate sufficient revenue to pay for economic development projects.
- The Mid Option suggests a strategy that relies on other funding sources, like an LID, limits the total impact to other taxing districts and wraps up the URD as soon as possible. In this option, urban renewal funding for projects is substantially less than the other options, requiring additional sources to pick up the slack.
- The Large Option suggests a strategy that would leverage the full potential of urban renewal to achieve the City's economic development goals. By including a larger area with more assessed value, the URD would have greater TIF revenue potential, and be less at risk for economic downturns. With the largest project list and maximum indebtedness, this option has the greatest ability to implement the City's economic

development goals, and to do more of these projects sooner than the other options. However, this project also is the broadest use of urban renewal, which may draw political objections from residents or other taxing districts who may feel that the impact on other taxing districts isn't worth the benefits that these projects provide.

Although this analysis describes each of these three options independently, the City can mix and match elements of any of these options. During the next phase of this project, an urban renewal plan and report would be created that would refine the boundary and list of projects to more closely align with the City's priorities.

Newport Urban Renewal Proposed Large Option with Newport Zoning

(Map Created March 12, 2014)

Zoning Designation

- C-1 Retail and Service
- C-2 Tourist
- C-3 Heavy
- I-1 Light
- I-2 Medium
- I-3 Heavy
- P-1 Public Structures
- P-2 Public Parks
- P-3 Public Open Space
- R-1 Low Density Single-Family
- R-2 Medium Density Single-Family
- R-3 Medium Density Multi-Family
- R-4 High Density Multi-Family
- W-1 Water Dependent
- W-2 Water Related

<white outline> Large Option Bndry

Public / Institutional Prop Type

N

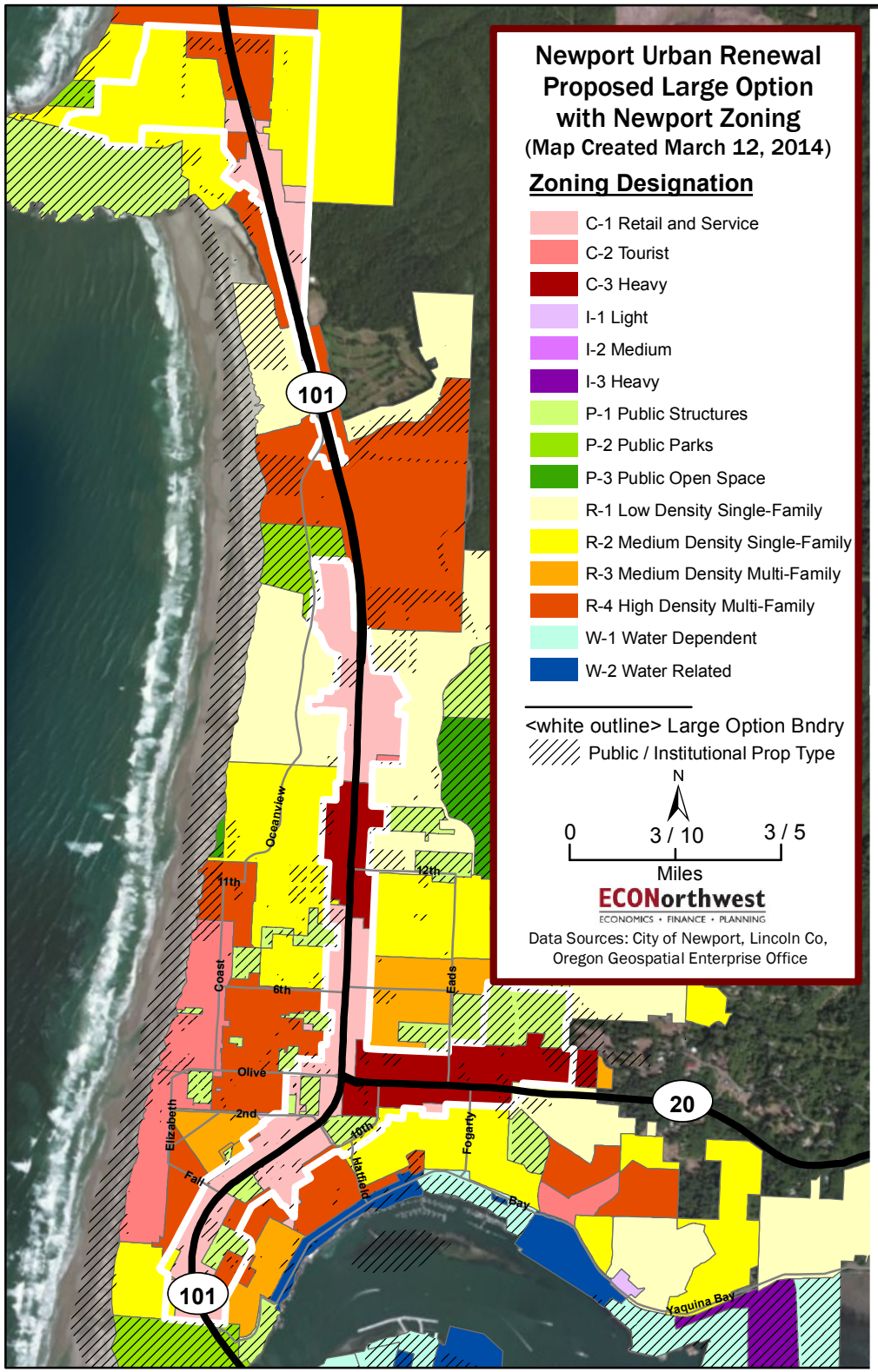
0 3 / 10 3 / 5

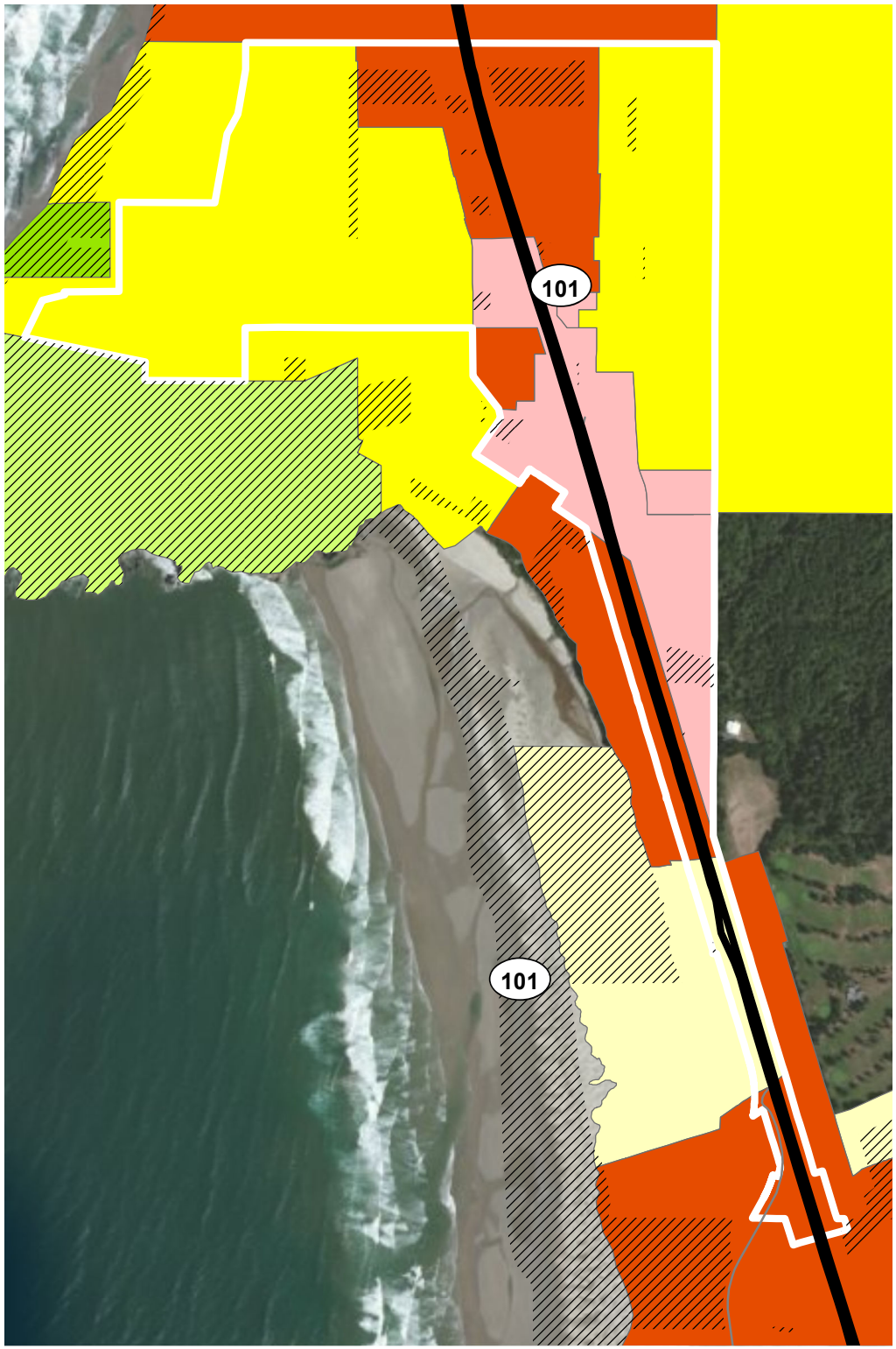
Miles

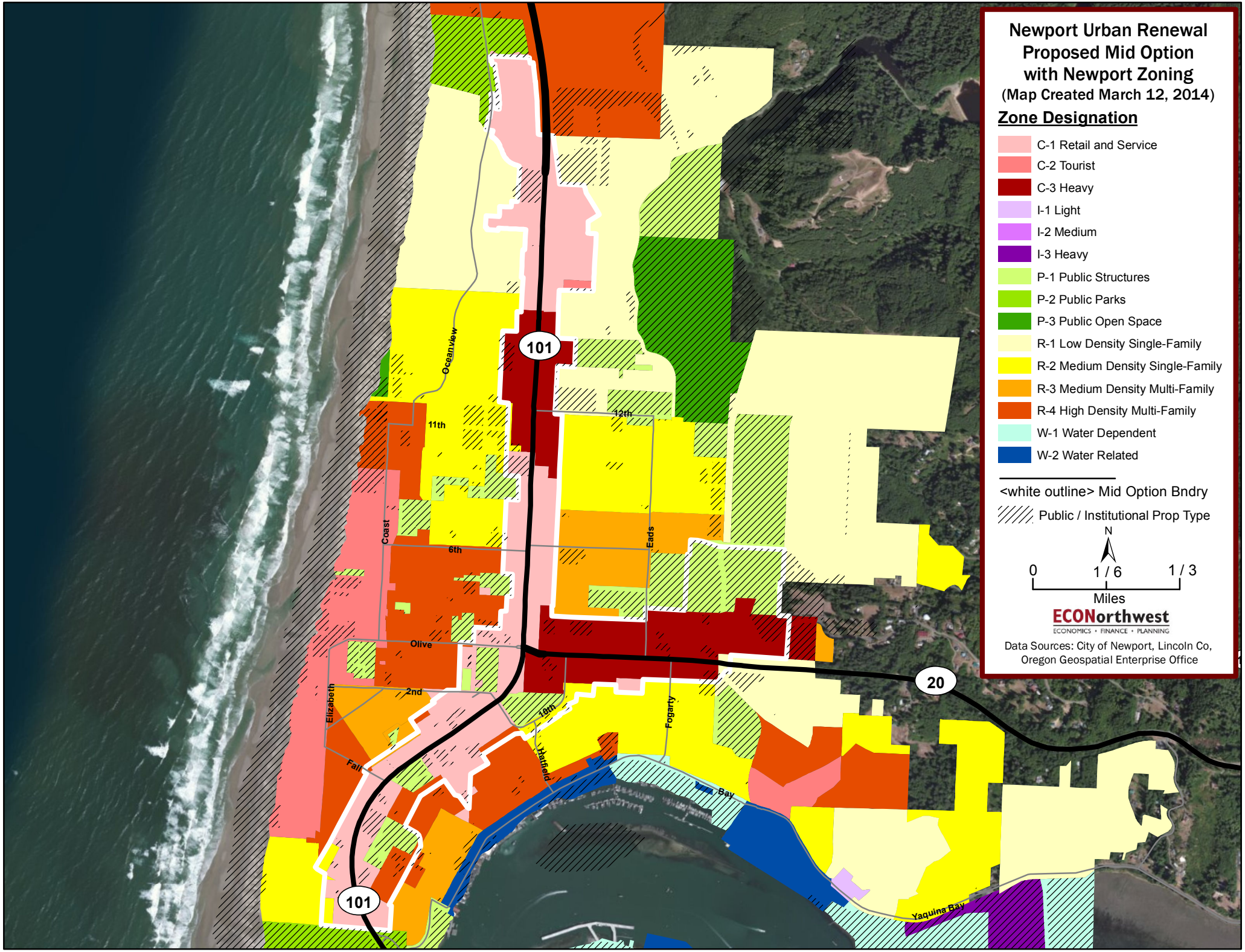
ECONorthwest

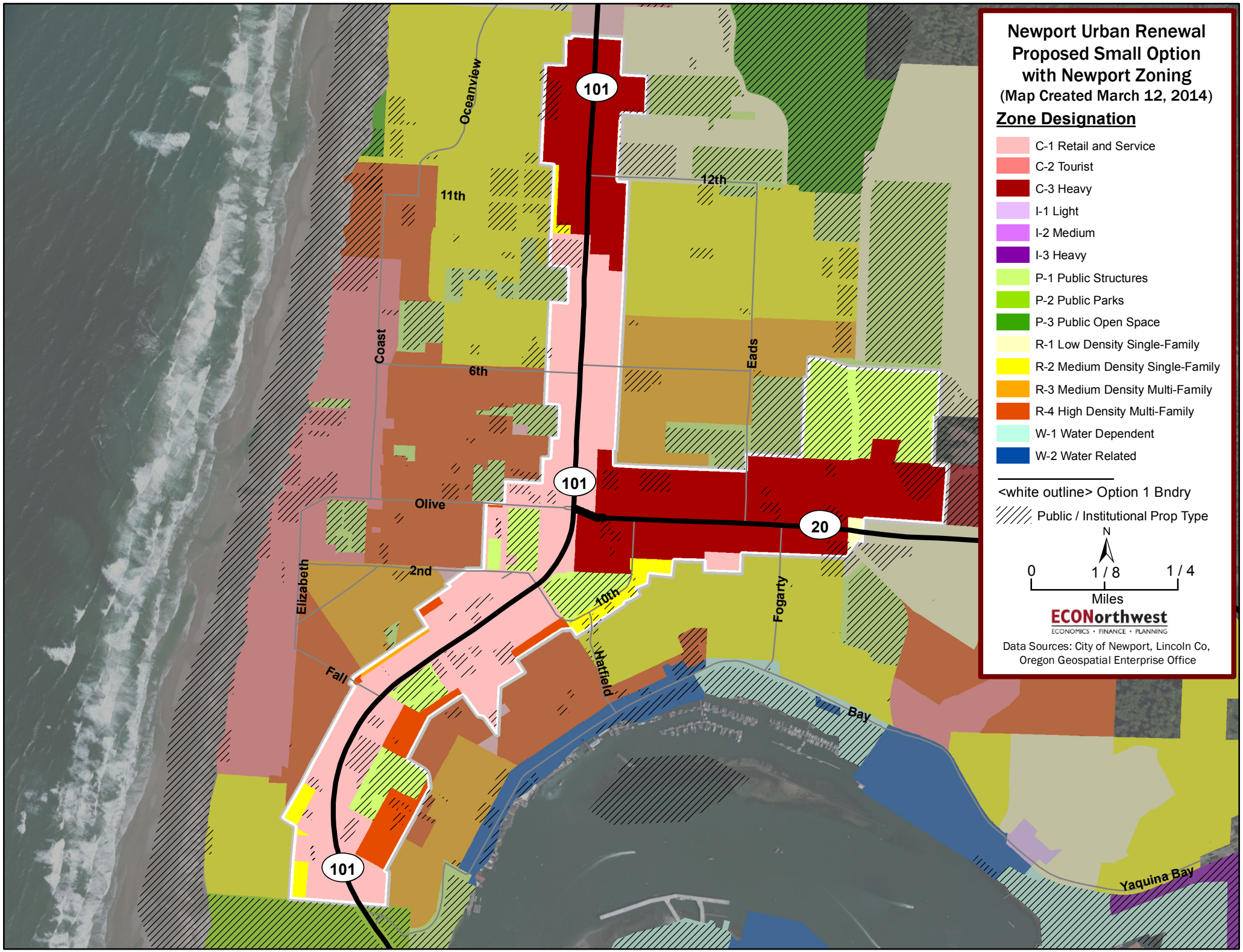
ECONOMICS • FINANCE • PLANNING

Data Sources: City of Newport, Lincoln Co, Oregon Geospatial Enterprise Office






Newport Urban Renewal
Proposed Mid Option
with Newport Zoning
(Map Created March 12, 2014)
Zone Designation
C-1 Retail and Service
C-2 Tourist
C-3 Heavy
I-1 Light
I-2 Medium
I-3 Heavy
P-1 Public Structures
P-2 Public Parks
P-3 Public Open Space
R-1 Low Density Single-Family
R-2 Medium Density Single-Family
R-3 Medium Density Multi-Family
R-4 High Density Multi-Family
W-1 Water Dependent
W-2 Water Related
<white outline> Mid Option Bndry
Public / Institutional Prop Type
N
0
1 / 6
1 / 3
Miles
ECONorthwest
ECONOMICS • FINANCE • PLANNING
Data Sources: City of Newport, Lincoln Co,
Oregon Geospatial Enterprise Office
101
20
Oceanview
11th
12th
Coast
6th
Eads
Olive
2nd
Elizabeth
19th
Fogarty
Hatfield
Fall
Bay
Yaquina Bay


Newport Urban Renewal
Proposed Small Option
with Newport Zoning
(Map Created March 12, 2014)
Zone Designation
C-1 Retail and Service
C-2 Tourist
C-3 Heavy
I-1 Light
I-2 Medium
I-3 Heavy
P-1 Public Structures
P-2 Public Parks
P-3 Public Open Space
R-1 Low Density Single-Family
R-2 Medium Density Single-Family
R-3 Medium Density Multi-Family
R-4 High Density Multi-Family
W-1 Water Dependent
W-2 Water Related
<white outline> Option 1 Bndry
Public / Institutional Prop Type
N
0
1 / 8
1 / 4
Miles
ECONorthwest
ECONOMICS • FINANCE • PLANNING
Data Sources: City of Newport, Lincoln Co, Oregon Geospatial Enterprise Office
101
Oceanview
11th
12th
Coast
6th
Eads
Olive
20
2nd
Elizabeth
10th
Fogarty
Hatfield
Fall
Bay
Yaquina Bay

Impact to Taxing Districts - Large Option

	General Government								Education				
FYE	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUNITIES HEALTH	SUBTOTAL	LINCOLN COUNTY SCHOOL	OR COAST COM COLLEGE	LINN-BENTON ESD	SUBTOTAL	TOTAL
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	(79,599)	(3,105)	(1,273)	(2,749)	(1,719)	(157,884)	(10,231)	(256,560)	(138,561)	(4,959)	(8,606)	(152,126)	(408,686)
2017	(117,403)	(4,579)	(1,877)	(4,055)	(2,535)	(232,865)	(15,091)	(378,405)	(204,366)	(7,314)	(12,693)	(224,373)	(602,778)
2018	(156,907)	(6,120)	(2,509)	(5,419)	(3,388)	(311,221)	(20,168)	(505,733)	(273,132)	(9,775)	(16,964)	(299,872)	(805,605)
2019	(198,189)	(7,730)	(3,169)	(6,845)	(4,280)	(393,104)	(25,475)	(638,792)	(344,994)	(12,347)	(21,427)	(378,768)	(1,017,560)
2020	(241,329)	(9,413)	(3,859)	(8,335)	(5,211)	(478,671)	(31,020)	(777,838)	(420,088)	(15,035)	(26,091)	(461,214)	(1,239,052)
2021	(286,410)	(11,171)	(4,580)	(9,892)	(6,185)	(568,088)	(36,814)	(923,141)	(498,562)	(17,844)	(30,965)	(547,370)	(1,470,511)
2022	(333,520)	(13,009)	(5,334)	(11,519)	(7,202)	(661,529)	(42,870)	(1,074,982)	(580,568)	(20,778)	(36,058)	(637,404)	(1,712,386)
2023	(382,750)	(14,929)	(6,121)	(13,219)	(8,265)	(759,175)	(49,198)	(1,233,656)	(666,263)	(23,846)	(41,380)	(731,489)	(1,965,145)
2024	(434,195)	(16,935)	(6,944)	(14,996)	(9,376)	(861,215)	(55,810)	(1,399,471)	(755,815)	(27,051)	(46,942)	(829,807)	(2,229,278)
2025	(487,955)	(19,032)	(7,803)	(16,852)	(10,537)	(967,847)	(62,720)	(1,572,747)	(849,397)	(30,400)	(52,754)	(932,551)	(2,505,298)
2026	(544,134)	(21,224)	(8,702)	(18,793)	(11,750)	(1,079,277)	(69,941)	(1,753,821)	(947,189)	(33,900)	(58,828)	(1,039,917)	(2,793,738)
2027	(602,842)	(23,513)	(9,641)	(20,820)	(13,018)	(1,195,722)	(77,487)	(1,943,043)	(1,049,383)	(37,557)	(65,175)	(1,152,116)	(3,095,159)
2028	(664,191)	(25,906)	(10,622)	(22,939)	(14,343)	(1,317,407)	(85,373)	(2,140,780)	(1,156,175)	(41,379)	(71,808)	(1,269,363)	(3,410,143)
2029	(728,301)	(28,407)	(11,647)	(25,153)	(15,727)	(1,444,567)	(93,614)	(2,347,415)	(1,267,773)	(45,374)	(78,739)	(1,391,886)	(3,739,301)
2030	(795,296)	(31,020)	(12,718)	(27,467)	(17,174)	(1,577,450)	(102,225)	(2,563,349)	(1,384,393)	(49,547)	(85,982)	(1,519,922)	(4,083,271)
2031	(865,305)	(33,751)	(13,838)	(29,885)	(18,686)	(1,716,313)	(111,224)	(2,789,000)	(1,506,261)	(53,909)	(93,551)	(1,653,721)	(4,442,721)
2032	(938,465)	(36,604)	(15,008)	(32,411)	(20,265)	(1,861,424)	(120,628)	(3,024,805)	(1,633,613)	(58,467)	(101,460)	(1,793,540)	(4,818,345)
2033	(911,076)	(35,536)	(14,570)	(31,465)	(19,674)	(1,807,097)	(117,107)	(2,936,524)	(1,585,934)	(56,761)	(98,499)	(1,741,194)	(4,677,718)
2034	(931,049)	(36,315)	(14,889)	(32,155)	(20,105)	(1,846,713)	(119,674)	(3,000,901)	(1,620,702)	(58,005)	(100,658)	(1,779,365)	(4,780,266)
2035	(951,921)	(37,129)	(15,223)	(32,876)	(20,556)	(1,888,112)	(122,357)	(3,068,174)	(1,657,035)	(59,305)	(102,915)	(1,819,255)	(4,887,429)
2036	(973,732)	(37,980)	(15,572)	(33,629)	(21,027)	(1,931,374)	(125,161)	(3,138,474)	(1,695,002)	(60,664)	(105,273)	(1,860,939)	(4,999,413)
2037	(996,525)	(38,869)	(15,936)	(34,417)	(21,519)	(1,976,583)	(128,090)	(3,211,938)	(1,734,678)	(62,084)	(107,737)	(1,904,499)	(5,116,437)
2038	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(12,621,094)	(492,277)	(201,835)	(435,891)	(272,542)	(25,033,638)	(1,622,278)	(40,679,549)	(21,969,884)	(786,301)	(1,364,505)	(24,120,691)	(64,800,240)

Notes:
Foregone revenue for the School District does not have a direct impact on school funding, as funding is equalized at the State level.

This table only shows the annual impacts from the proposed new URD, and does not show impacts for the existing South Beach URD, which is scheduled to close in FYE 2027, releasing an estimated $2,861,064 of annual TIF revenue back to the overlapping taxing districts. SBURD TIF estimates are taken from Minor Amendment Ten to the South Beach Urban Renewal District Plan, prepared in August 2013 by the City of Newport.

Impact to Taxing Districts - Mid Option

	General Government								Education				
FYE	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUNITIES HEALTH	SUBTOTAL	LINCOLN COUNTY SCHOOL	OR COAST COM COLLEGE	LINN-BENTON ESD	SUBTOTAL	TOTAL
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	(60,961)	(2,378)	(975)	(2,105)	(1,316)	(120,915)	(7,836)	(196,486)	(106,117)	(3,798)	(6,591)	(116,505)	(312,991)
2017	(88,930)	(3,469)	(1,422)	(3,071)	(1,920)	(176,390)	(11,431)	(286,633)	(154,802)	(5,540)	(9,614)	(169,957)	(456,590)
2018	(118,157)	(4,609)	(1,890)	(4,081)	(2,552)	(234,362)	(15,188)	(380,838)	(205,680)	(7,361)	(12,774)	(225,815)	(606,653)
2019	(148,700)	(5,800)	(2,378)	(5,136)	(3,211)	(294,943)	(19,113)	(479,281)	(258,846)	(9,264)	(16,076)	(284,187)	(763,468)
2020	(180,617)	(7,045)	(2,888)	(6,238)	(3,900)	(358,250)	(23,216)	(582,154)	(314,405)	(11,253)	(19,527)	(345,185)	(927,339)
2021	(213,971)	(8,346)	(3,422)	(7,390)	(4,621)	(424,406)	(27,503)	(689,657)	(372,464)	(13,330)	(23,133)	(408,928)	(1,098,585)
2022	(248,825)	(9,705)	(3,979)	(8,594)	(5,373)	(493,538)	(31,983)	(801,998)	(433,136)	(15,502)	(26,901)	(475,539)	(1,277,537)
2023	(285,248)	(11,126)	(4,562)	(9,851)	(6,160)	(565,782)	(36,665)	(919,393)	(496,539)	(17,771)	(30,839)	(545,149)	(1,464,542)
2024	(323,310)	(12,610)	(5,170)	(11,166)	(6,982)	(641,277)	(41,557)	(1,042,072)	(562,794)	(20,142)	(34,954)	(617,890)	(1,659,962)
2025	(363,084)	(14,162)	(5,806)	(12,540)	(7,841)	(720,169)	(46,670)	(1,170,271)	(632,031)	(22,620)	(39,254)	(693,905)	(1,864,176)
2026	(404,648)	(15,783)	(6,471)	(13,975)	(8,738)	(802,611)	(52,012)	(1,304,239)	(704,383)	(25,210)	(43,748)	(773,340)	(2,077,579)
2027	(448,084)	(17,477)	(7,166)	(15,475)	(9,676)	(888,763)	(57,595)	(1,444,236)	(779,991)	(27,916)	(48,444)	(856,351)	(2,300,587)
2028	(493,473)	(19,248)	(7,892)	(17,043)	(10,656)	(978,792)	(63,430)	(1,590,532)	(859,002)	(30,744)	(53,351)	(943,096)	(2,533,628)
2029	(540,905)	(21,098)	(8,650)	(18,681)	(11,680)	(1,072,872)	(69,526)	(1,743,412)	(941,568)	(33,699)	(58,479)	(1,033,745)	(2,777,157)
2030	(590,471)	(23,031)	(9,443)	(20,393)	(12,751)	(1,171,186)	(75,897)	(1,903,171)	(1,027,849)	(36,787)	(63,838)	(1,128,474)	(3,031,645)
2031	(598,798)	(23,356)	(9,576)	(20,680)	(12,931)	(1,187,701)	(76,968)	(1,930,009)	(1,042,344)	(37,305)	(64,738)	(1,144,387)	(3,074,396)
2032	(612,330)	(23,884)	(9,792)	(21,148)	(13,223)	(1,214,541)	(78,707)	(1,973,624)	(1,065,899)	(38,148)	(66,201)	(1,170,248)	(3,143,872)
2033	(626,471)	(24,435)	(10,018)	(21,636)	(13,528)	(1,242,590)	(80,525)	(2,019,202)	(1,090,515)	(39,029)	(67,730)	(1,197,274)	(3,216,476)
2034	(641,248)	(25,011)	(10,255)	(22,146)	(13,847)	(1,271,900)	(82,424)	(2,066,832)	(1,116,238)	(39,950)	(69,327)	(1,225,515)	(3,292,347)
2035	(656,690)	(25,614)	(10,502)	(22,680)	(14,181)	(1,302,529)	(84,409)	(2,116,604)	(1,143,118)	(40,912)	(70,997)	(1,255,027)	(3,371,631)
2036	(672,827)	(26,243)	(10,760)	(23,237)	(14,529)	(1,334,536)	(86,483)	(2,168,616)	(1,171,209)	(41,917)	(72,741)	(1,285,867)	(3,454,483)
2037	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(8,317,748)	(324,430)	(133,017)	(287,266)	(179,616)	(16,498,053)	(1,069,138)	(26,809,260)	(14,478,930)	(518,198)	(899,257)	(15,896,384)	(42,705,644)

Notes:
Foregone revenue for the School District does not have a direct impact on school funding, as funding is equalized at the State level.

This table only shows the annual impacts from the proposed new URD, and does not show impacts for the existing South Beach URD, which is scheduled to close in FYE 2027, releasing an estimated $2,861,064 of annual TIF revenue back to the overlapping taxing districts. SBURD TIF estimates are taken from Minor Amendment Ten to the South Beach Urban Renewal District Plan, prepared in August 2013 by the City of Newport.

Impact to Taxing Districts - Small Option

	General Government								Education				
FYE	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUNITIES HEALTH	SUBTOTAL	LINCOLN COUNTY SCHOOL	OR COAST COM COLLEGE	LINN-BENTON ESD	SUBTOTAL	TOTAL
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	(40,006)	(1,560)	(640)	(1,382)	(864)	(79,351)	(5,142)	(128,944)	(69,639)	(2,492)	(4,325)	(76,457)	(205,401)
2017	(60,372)	(2,355)	(965)	(2,085)	(1,304)	(119,747)	(7,760)	(194,588)	(105,091)	(3,761)	(6,527)	(115,379)	(309,967)
2018	(81,655)	(3,185)	(1,306)	(2,820)	(1,763)	(161,960)	(10,496)	(263,185)	(142,139)	(5,087)	(8,828)	(156,054)	(419,239)
2019	(103,896)	(4,052)	(1,661)	(3,588)	(2,244)	(206,074)	(13,354)	(334,870)	(180,854)	(6,473)	(11,232)	(198,559)	(533,429)
2020	(127,137)	(4,959)	(2,033)	(4,391)	(2,745)	(252,173)	(16,342)	(409,780)	(221,311)	(7,921)	(13,745)	(242,977)	(652,757)
2021	(151,424)	(5,906)	(2,422)	(5,230)	(3,270)	(300,347)	(19,464)	(488,062)	(263,588)	(9,434)	(16,371)	(289,393)	(777,455)
2022	(176,804)	(6,896)	(2,827)	(6,106)	(3,818)	(350,688)	(22,726)	(569,866)	(307,768)	(11,015)	(19,115)	(337,898)	(907,764)
2023	(203,327)	(7,931)	(3,252)	(7,022)	(4,391)	(403,294)	(26,135)	(655,351)	(353,937)	(12,667)	(21,982)	(388,586)	(1,043,937)
2024	(231,042)	(9,012)	(3,695)	(7,979)	(4,989)	(458,267)	(29,698)	(744,682)	(402,182)	(14,394)	(24,979)	(441,555)	(1,186,237)
2025	(260,006)	(10,141)	(4,158)	(8,980)	(5,615)	(515,715)	(33,420)	(838,035)	(452,599)	(16,198)	(28,110)	(496,907)	(1,334,942)
2026	(290,272)	(11,322)	(4,642)	(10,025)	(6,268)	(575,748)	(37,311)	(935,587)	(505,284)	(18,084)	(31,382)	(554,751)	(1,490,338)
2027	(321,901)	(12,556)	(5,148)	(11,117)	(6,951)	(638,482)	(41,376)	(1,037,531)	(560,341)	(20,055)	(34,802)	(615,197)	(1,652,728)
2028	(354,952)	(13,845)	(5,676)	(12,259)	(7,665)	(704,039)	(45,624)	(1,144,060)	(617,875)	(22,114)	(38,375)	(678,364)	(1,822,424)
2029	(389,491)	(15,192)	(6,229)	(13,452)	(8,411)	(772,546)	(50,064)	(1,255,385)	(677,998)	(24,266)	(42,109)	(744,372)	(1,999,757)
2030	(425,584)	(16,600)	(6,806)	(14,698)	(9,190)	(844,136)	(54,703)	(1,371,718)	(740,826)	(26,514)	(46,011)	(813,351)	(2,185,069)
2031	(463,302)	(18,071)	(7,409)	(16,001)	(10,005)	(918,948)	(59,551)	(1,493,287)	(806,482)	(28,864)	(50,089)	(885,435)	(2,378,722)
2032	(502,716)	(19,608)	(8,039)	(17,362)	(10,856)	(997,126)	(64,618)	(1,620,325)	(875,092)	(31,320)	(54,350)	(960,762)	(2,581,087)
2033	(543,905)	(21,215)	(8,698)	(18,785)	(11,745)	(1,078,822)	(69,912)	(1,753,081)	(946,790)	(33,886)	(58,803)	(1,039,479)	(2,792,560)
2034	(586,947)	(22,893)	(9,386)	(20,271)	(12,675)	(1,164,195)	(75,444)	(1,891,811)	(1,021,714)	(36,567)	(63,457)	(1,121,738)	(3,013,549)
2035	(631,925)	(24,648)	(10,106)	(21,825)	(13,646)	(1,253,409)	(81,226)	(2,036,784)	(1,100,010)	(39,369)	(68,319)	(1,207,699)	(3,244,483)
2036	(678,928)	(26,481)	(10,857)	(23,448)	(14,661)	(1,346,638)	(87,267)	(2,188,281)	(1,181,829)	(42,298)	(73,401)	(1,297,527)	(3,485,808)
2037	(728,046)	(28,397)	(11,643)	(25,144)	(15,722)	(1,444,062)	(93,581)	(2,346,594)	(1,267,330)	(45,358)	(78,711)	(1,391,399)	(3,737,993)
2038	(779,374)	(30,399)	(12,464)	(26,917)	(16,830)	(1,545,871)	(100,178)	(2,512,033)	(1,356,678)	(48,555)	(84,260)	(1,489,494)	(4,001,527)
2039	(792,561)	(30,913)	(12,674)	(27,372)	(17,115)	(1,572,025)	(101,873)	(2,554,534)	(1,379,632)	(49,377)	(85,686)	(1,514,695)	(4,069,229)
2040	(806,574)	(31,460)	(12,899)	(27,856)	(17,417)	(1,599,820)	(103,675)	(2,599,700)	(1,404,025)	(50,250)	(87,201)	(1,541,476)	(4,141,176)
2041	(821,217)	(32,031)	(13,133)	(28,362)	(17,734)	(1,628,865)	(105,557)	(2,646,898)	(1,429,515)	(51,162)	(88,784)	(1,569,462)	(4,216,360)
2042	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(10,553,364)	(411,628)	(168,768)	(364,477)	(227,894)	(20,932,348)	(1,356,497)	(34,014,972)	(18,370,529)	(657,481)	(1,140,954)	(20,168,966)	(54,183,938)

Notes:
Foregone revenue for the School District does not have a direct impact on school funding, as funding is equalized at the State level.

This table only shows the annual impacts from the proposed new URD, and does not show impacts for the existing South Beach URD, which is scheduled to close in FYE 2027, releasing an estimated $2,861,064 of annual TIF revenue back to the overlapping taxing districts. SBURD TIF estimates are taken from Minor Amendment Ten to the South Beach Urban Renewal District Plan, prepared in August 2013 by the City of Newport.