



AGENDA & Notice of Planning Commission Work Session Meeting

The Planning Commission of the City of Newport will hold a work session meeting at **6:00 p.m., Monday, April 14, 2014**, at the Newport City Hall, Conference Room "A", 169 SW Coast Hwy., Newport, OR 97365. A copy of the meeting 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, 541-574-0613.

The City of Newport Planning Commission 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 work session.

NEWPORT PLANNING COMMISSION Monday, April 14, 2014, 6:00 P.M.

AGENDA

A. New Business.

1. Review of Updated Library Goals, Objectives, and Strategies (File No. 2-CP-14) for potential action in regular session.
2. Discussion about pursuing regulatory options for medical marijuana dispensaries as provided in SB1531.

B. Unfinished Business.

1. Distribution of ECONorthwest's final report on North Side Urban Renewal options.
2. Discussion regarding urban renewal collections on tax statement. (*Bob Berman*)

C. Adjournment.

Memorandum

To: Newport Planning Commission/Citizen Advisory Committee
From: Derrick Tokos, Community Development Director *DT*
Date: April 9, 2014
Re: Updating the Library Element of the Newport Comprehensive Plan

Enclosed is a "Purpose, Vision, and Strategy" document for the Newport Public Library, dated March 2014, that was funded by the Library Board of Trustees and Newport Public Library Foundation. Also, attached is the existing Library Services section of the Newport Comprehensive Plan, an aerial photograph of the library property, and a summary of current/projected service needs.

Ted Smith, Library Director, is planning to attend to the work session to review the information with you and answer questions. The purpose, vision, and strategy document sets out a road map for provision of library services moving forward and can be used as the basis for updating the Library Services section of the Comprehensive Plan.

If, after this work session, the Commission agrees that this approach makes sense then it can initiate the legislative changes to the Comprehensive Plan at its 7:00 pm regular session.

Purpose Vision Strategy

Newport Public Library

NEWPORT, OREGON

March 2014



Thank You!

LIBRARY BOARD OF TRUSTEES AND NEWPORT PUBLIC LIBRARY FOUNDATION

Members of the Board of Trustees are appointed by the Mayor and Council to advise in matters of library policy. The Newport Public Library Foundation is an independent, non-profit organization promoting private donations to enhance and enrich Newport Public Library's resources and services.

Carol Ruggeri, Library Board, Foundation President
Sharon Beardsley, Library Board
Autumn Belloni, Library Board
Debora Chandler, Library Board
Gretchen Havner, Library Board
Frances Clause, Library Foundation
Sue Folwer, Library Foundation
Richard Kilbride, Library Foundation
Patti Littlehales, Library Foundation
Michele Longo Eder, Library Foundation
Evonne Mochon-Collura, Library Foundation
Ted Smith, Library Director

STRATEGIC PLANNING COMMITTEE

Carol Ruggeri
Laura Swanson
Richard Kilbride
Evonne Mochon Collura
James Basingthwaite
Sachiko Otsuki
Michael Smith
K. C. Collins
Ted Smith
Stacy Johns

CITY OF NEWPORT

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Exhibit A - Community Snapshot

Exhibit B: Library Snapshot

FROM THE LIBRARY DIRECTOR

The public library is one of the cornerstones of a vibrant, progressive community. Libraries are transformational places. When you come into your library you should feel welcome, comfortable, engaged and empowered. I have never lived in a community that didn't have a public library. I hope I never do.

We have a wonderful public library. Nearly 75% of the 18,000 residents of our service area have an active library card. Over a quarter of a million people of every age visit our library annually. They check out items from the collection, use computers, get questions answered, learn to read, borrow items from libraries in the region and across the nation, and attend programs at a rate of 550,000 per year. We provide great value at a cost of under \$53.00 per capita (how much is your cable or satellite bill?) And we know there is more to be done to be prepared for the future.

This plan is a road map of sorts. It shows where we're headed, and it gives us some guidance in how to get there. The path is not completely straight and smooth, however; there are obstacles and constraints that must be overcome.

Our plan has a strong internal focus which will assure that the Library remains current and relevant for our residents. Comprehensive capital and maintenance plans for the building, an aggressive technology plan, and a fund development plan will help us continue to be good stewards of public resources in challenging economic times.

During the planning sessions, we took the time to reexamine all we do, to find ways to be more responsive to our community's needs, and provide service in new and relevant ways. We also recognized that there are limits on our time, money and energy and that we can't do everything. We can no longer say yes every time a new service or program is requested. We'll test our service responses against the road map. We'll strive to stay on course.

Every day we impact lives and the community. We see the toddler with her first board book. We help the unemployed worker apply for a job using library computers, the entrepreneur start and manage a business. We provide a comfortable, safe "first place" for newcomers and immigrants to learn about the community, build skills, and meet their first friend. A library outranks any other one thing a community can do to benefit its people.

I have my own, personal library stories and I am gratified to hear those of the people for whom the library has made a positive difference. What is your library story? What difference has ours or any library made in your life? I'd like to hear about it and if you haven't a library story yet, then please, come to the Newport Public Library where you are sure to find one.

Respectfully,

Ted Smith

INTRODUCTION

The Newport Public Library is a municipal library and department of the Pacific Ocean coastal City of Newport, Oregon. The Library serves the residents of Newport and the surrounding unincorporated Lincoln County. The Newport Public Library is a partner in interlibrary cooperation in the region and in Oregon and is a bridge to physical and digital collections and information everywhere.

THE PROCESS

The planning process began with the appointment of a citizen-based Strategic Planning Committee (Committee). With the assistance of a planning facilitator, the Committee began the process with a discussion of a community vision, the needs of the community, and the role of the library in helping to meet those needs. The process also included focus groups, interviews, and a meeting of key leaders in the community concerning the role of the Newport Public Library.

Concurrent with the planning was an assessment of the Newport Public Library building and a review of the library's technology and infrastructure by Ruth Metz Associates. The Committee identified the most important roles for the Library in the community while library staff assessed the Library's capacity to fulfill those roles. The resulting Plan is the result of the library's management team homing in on what will be its strategic framework for the next few years.

This strategic plan includes the service goals and organizational initiatives. Service goals are directed outward, toward community residents. Organizational initiatives are directed inward, and have to do with the strategic management of the library. The objectives noted under the goals and initiatives are some of the measures Library Management will use to gauge progress toward the goals. The list of strategies for each goal and initiative is illustrative rather than prescriptive and the best course of action for each will need to be thoughtfully and resourcefully managed over the term of this strategic plan.

OUR PURPOSE

Be the community center that stimulates the imagination, invites and enables lifelong learning for all ages, and creates young readers.

OUR VISION

We live in a coastal community that cares about each other, the environment, sustainability, education, and the arts. Our vision is:

A thriving community where quality of life prevails!

OUR VALUES

Respond and reach out to serve the current and evolving information needs of our diverse community.

Create a sense of community by providing a welcoming, inviting, secure environment for our public and staff.

Provide excellent customer service that is both timely and confidential.

Develop a well-trained, knowledgeable, courteous and professional staff.

Communicate with our public and staff to ensure vital, relevant and effective library services.

OUR STRATEGIC FRAMEWORK

EXTERNAL

INTERNAL

Strategic Focus

Investment

Desired Outcomes

Life Enrichment
Stimulate the Imagination!

Reading & Program Spaces
Literary & Cultural Programs
Newport Reads

Enhanced Quality of Life

Life Skills
Life-long Learning for All Ages

Digital Literacy Classes
Information Finding
Answerland
Bilingual/bicultural Staff

A Community that Reaches Its Potential

Young Minds
Create Young Readers

Ready to Read
Storytimes
Family Literacy

Foundation for a Successful Life

My Library

Facility Remodel
New Facility Planning
Technology Management Systems
Grow Staff Technology Competencies

A Library That Works for Me

Partnerships/
Promotion

Capital Campaign
Advocacy
Outreach
Publicity
Community Partnerships
Consortium

Maximize the Library's Reach

OUR SERVICE GOALS

1. Teens and adults will have programs that stimulate their imaginations.

OBJECTIVES:

- 1.1 Number of programs offered to teens and number of programs offered to adults.
- 1.2 Attendance of teens, attendance of adults at programs offered
- 1.3 Percentage of attendees that indicate the Library's program stimulated their imagination.
- 1.4 Circulation of teen and adult materials will increase by 30%

STRATEGIES:

- A. Involve teens and adults in a Stimulate Imagination Initiative and provide a sponsor and a budget for them to design one or more programs, events, or activities for teens.
- B. Develop partnerships with local schools, school clubs, parks and recreation centers, churches, and other teen venues to plan, design, and promote activities, events, and programs for teens.
- C. Regularly schedule and consistently deliver programming for teens.
- D. Establish advertising practices and criteria to promote teen life at the Library through community newsletters, newspapers, and brochures.
- E. Coordinate with district schools and homeschoolers to advertise library offerings and advertise the library's ability to support teens.
- F. Evaluate juvenile and teen collections to reflect changing interests in sub- genres and keep youth collections desirable with fresh copies of standard items.

2. Hispanic residents and families will have a welcoming and enriching experience at the library.

OBJECTIVES:

- 2.1 In an annual survey, Hispanic library users indicate that they feel welcomed at the library as the result of improved signage, space, collections, and programs for adults, children, and families.**
- 2.2 The total circulation of items will increase by 10% annually.**
- 2.3 Program attendance will increase by 20% annually.**
- 2.4 Spending for collections of interest to Hispanic residents will increase by 80%.**
- 2.5 Library card registrations for Hispanic residents will increase by 10% per year.**

STRATEGIES:

- A. Initiate an informal group or groups of Hispanic residents to advise the Library regarding collections and programs, communication channels and outreach approaches.**
- B. Hire bilingual, bicultural staff and recruit bicultural volunteers to assist with outreach and programs**
- C. Evaluate collections for relevancy and broaden collections that appeal to various Hispanic cultures living in the community**
- D. Advertise the library and its collections and programs in Spanish.**
- E. Plan and conduct orientations and programs in Spanish for adults, children, and families.**
- F. Conduct computer classes in Spanish.**

3. All children from birth to age five will directly benefit from the Library's early literacy program.

OBJECTIVES:

- 3.1 The number of new registrations for children from birth to age five issued annual over the term of this Plan**
- 3.2 The number of participants in programs offered at the library for this audience**
- 3.3 The number of programs put on for this audience in the library**
- 3.4 The staffing allocation shift from external to internal**
- 3.5 The ratings of the early literacy by participating family members**
- 3.6 Awareness of the early literacy program in the community as determined in a community family survey.**

STRATEGIES:

- A. Reallocate FTE staffing and provide programs and services in the Library for this audience.**
- B. Make and implement a plan to work with early childhood service providers to enable age 0-5 children to visit the Library.**
- C. Make and implement a plan to work with families to enable age 0-5 children to visit the Library.**
- D. Increase awareness of online tools and resources for this age group and their families through orientations and classes.**

4. Residents will learn how to use the library's computers, the Internet, and online information and tools they need in the course of their lives.

OBJECTIVES

- 4.1 The number of offerings
- 4.2 The number of attendees
- 4.3 The ratings attendees give for effectiveness and value of offerings
- 4.4 Library users will have high-level interactions with the library from their own personal devices.

STRATEGIES

- A. Develop a program of core offerings based on interest and demand, to promote resources of the library such as "Library to Go", and to highlight resources of the library that would be of interest to Hispanic residents, families of young children, and teens.
- B. Recruit a core of teens and young adults to help teach, tutor, and coach.
- C. Develop a schedule of classes offerings at times and days that are convenient for residents.
- D. Publish and promote the schedule regularly through the news media.

OUR ORGANIZATIONAL INITIATIVES

1. Residents have a library facility that is attractive and adequately sized so that they can enjoy the collections, programs, and activities that make them want to be in the Library.

OBJECTIVES:

- 1.1 The short-term facility improvements in the report, "Interior Space Planning and Space Needs Recommendations," are accomplished by the end of Fiscal Year 2014.
- 1.2 The number of library visits will increase system wide by 10% per year on average.
- 1.3 80% of survey respondents indicate on a survey that library facilities have been improved and are attractive, comfortable, and functional.

STRATEGIES:

- A. Plan medium term facility improvements for implementation in FY 2015.
- B. Develop a timeline and funding plan for implementation of the long-term facility recommendations in the report, "Interior Space Planning and Space Needs Recommendations" in FY 2015.
- C. Initiate a capital campaign for the new Library in FY 2015.
- D. Commission a Building Program and Conceptual Design for a 22,400-26,500 square foot expanded or new Newport Public Library by 2017.
- E. Outline an architectural process and timeline for the construction of an expanded or new Newport Public Library by 2018.

2. THE LIBRARY WILL ACTIVELY PROMOTE ITS STRATEGIC PLAN THROUGH ITS PARTNERSHIPS AND A PUBLIC INFORMATION AND MARKETING CAMPAIGN.

OBJECTIVES:

- 2.1 Per capita revenue for the Library's services and programs**
- 2.2 Amount of funds raised for the Library's capital campaign**
- 2.3 Number of volunteers and volunteer hours annually**
- 2.4 Consistent growth in the number of library users.**

STRATEGIES:

- A. Complete the Library's program-based cost/benefit analysis**
- B. Engage public relations/marketing consultant or staff to develop a plan and budget for targeted outreach especially in support of the service goals**
- C. Launch with the Library Foundation a new library advocacy, information, and fund-raising campaign**
- D. Sculpt the Library's webpage to match library strategic plan framework**
- E. Regularly survey community members; adjust, add, or replace services and programs in response to input and feedback**
- F. Target publicity and outreach based on market research**

3. The Library will improve its capacity to deliver library services in the library and online through technology.

OBJECTIVES:

- 3.1 Library will meet 90% of Library Edge assessment benchmarks.
- 3.2 Technology competencies are developed.
- 3.3 100% of staff will participate in training to meet technology competencies and achieve a satisfactory or above completion rating.

STRATEGIES:

- A. Implement self-check, public computer, and CD/DVD management systems
- B. Advocate for greater depth in City IT department.
- C. Develop third-party contacts for selected IT support.
- D. Use Library Edge assessment to set baseline and identify strengths and improvements needed.
- E. Create technology competencies for staff and create and implement a training program
- F. Create a "technology tub" program to expose staff to new devices and apps as they become available.
- G. Redesign websites and library catalog to be accessible from a broad range of devices and user languages
- H. Increase Technology Budget to accommodate for greater technology needs and the flexibility to react to those needs

LIBRARY SERVICES

Introduction:

Too often people tend to think of a library as nothing more than a building with books on shelves. Contemporary libraries, however, are as vital and energetic as the communities they represent. The Newport Public Library reflects this modern reality by offering a variety of services and formats: from current best sellers to standard reference works, large print books for the visually handicapped, picture books and programs for children, and more. There are magazines, records, cassettes, compact discs, books on tape, videocassettes, and audio-visual equipment for loan, as well as over 32,000 books. Outreach services are available for those who are unable to come to the library.

Services and Staffing:

The Newport Library is the busiest library of its size in Oregon, with a total circulation of over 125,000 items each year. A library's regional location often defines its special interests. As one might expect, a considerable collection of fishing and boating materials is maintained at the library, although requests for highly technical information are referred to the excellent resources of the nearby Hatfield Marine Science Center Library. Newport's art community is surprisingly active, with interest running high in books on everything from raku to set design. Competing with books in popularity is the growing collection of unabridged books on tape favored by commuters.

The library provides information exploring different sides of controversial issues, and does not decide, through either inclusion or exclusion, what the public should read. It is our belief that the diversity and openness of the collection enhance and strengthen our democratic society.

Five full-time staff members are assisted by part-time staff and community volunteers to offer library services and to keep the library open seven days a week.

In January, 1991, the "new" library was five years old. The Library Board took that occasion to study usage of the building and look to the future of the facility.

GOALS/POLICIES/IMPLEMENTATION MEASURES
LIBRARY SERVICES

Goal: To provide quality and efficient library services for a variety of users within the community.

Policy 1: To serve as a popular materials library, to provide reference services, and to act as preschoolers' door to learning.

Implementation Measure 1: The Newport Public Library staff will purchase current, high-demand, high interest materials in a variety of formats for persons of all ages.

Implementation Measure 2: The Newport Library staff will seek timely, accurate, and useful information for community residents.

Implementation Measure 3: The library staff will encourage young children to develop an interest in reading and learning through services for children, and for parents and children together.



Newport Public Library
35 NW Nye Street
Image Taken July 2013
4-inch, 4-band Digital Orthophotos
David Smith & Associates, Inc. Portland, OR


City of Newport
Community Development Department
109 SW Coast Highway
Newport, OR 97365
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This map is for informational use only and has not been prepared for, nor is it suitable for, legal, engineering, or surveying purposes. It is derived from multiple sources. The City of Newport assumes no responsibility for inaccuracies or use and users of this product are advised to verify all information with the City of Newport Community Development Department.

	CURRENT LEVELS	CURRENT BEST PRACTICE	NEWPORT RECOMMENDATIONS	
Population served	18,045 in 2014 (For libraries serving up to 20,000 in geographically remote communities	18,500 in 2035	
Books + AV Media				
Physical collection	76,168 18K POP: 4.2 volumes/capita	5 - 7+ volumes/capita	92,500 - 111,000 18.5K: 5.0 - 6.0 vol/capita	
Digital collection	45,670 items owned/leased includes ebooks, downloadable audiobooks	TBD varies widely; no best practice yet determined	90,000 - 100,000 items 100% increase, at minimum	
Seating				
Open Access	91 seats 18K POP: 5.1 seats/1,000	5 - 8+ seats/1,000 people varies widely per community need	130 - 148 seats 18.5K: 7 - 8 seats/1,000	
Group Study/ Collaboration/ Tutoring seats	5 seats in 1 room	12 - 30 seats in 2 - 4 rooms	20 to 32 seats in 4 to 6 rooms	
Overall Seating	96 seats 18K POP: 5.3 seats/1,000 people	5 - 8+ seats/1,000 people varies widely per community need	150 - 180 seats 18.5K: 8.1 - 9.7 seats/1,000	
Programming seats				
Community meeting room	870 SF / 35 seats? Plans show 77 seats but unrealistic	100 - 200+ seats varies widely per community need	175 - 225 seats @ 12 SF/seat	
Children's programming	100 SF / 18 - 20 seats on tiered riser	30 - 75+ seats	40 - 60 floor seats @ 10 SF/seat	
Public computers				
	22 workstations 18K POP: 1.2 comp/1,000 people	2 - 3+ workstations/1,000	46 - 57 workstations 18.5K: 2.5 - 3.1 comp/1,000 includes mix of desktops + laptops/tablets, Internet, OPACs, kids educ games, computer learning, makerspace	
Sq Feet of Building Space				
	17,000 SF 18K POP: 0.94 SF/capita	0.9 - 1.5+ SF/capita	22,400 SF - 26,500 SF 18.5K: 1.2 - 1.4 SF/capita	

Memorandum

To: Newport Planning Commission/Citizen Advisory Committee
From: Derrick Tokos, Community Development Director 
Date: April 10, 2014
Re: Medical Marijuana Dispensaries

At its April 7, 2014 meeting, the Newport City Council put in place a temporary moratorium prohibiting state registered medical marijuana facilities from operating within the city limits. The moratorium was effective upon adoption and will continue until May 1, 2015, unless rescinded sooner. A draft of Ordinance No. 2063, establishing the moratorium, is enclosed.

SB 1531, passed by the Oregon Legislature in March, expressly authorizes cities and counties to adopt a temporary moratorium of this nature. Enclosed is a copy of the enrolled bill. SB 1531 also provides that cities and counties may impose "reasonable regulations" on the operation of state registered medical marijuana facilities. Reasonable regulations are further defined as including limitations on hours during which a medical marijuana facility may be operated, reasonable limitations on where a medical marijuana facility may be located within a commercial, industrial, mixed-use or agricultural zone district, or reasonable conditions on the manner in which a medical marijuana facility may dispense medical marijuana.

In adopting the temporary moratorium, the City Council expressed a desire for the Planning Commission to review the "reasonable regulations" allowance in SB 1531 and make a recommendation as to whether or not any such regulations should be put in place. The Council further asked that the Commission provide prospective operators of medical marijuana facilities an opportunity to attend its meetings and weigh in on the issue.

The Oregon Legislature enacted HB 3460 in 2013 to create a process for registering and establishing medical marijuana facilities. A copy of the enrolled bill is enclosed. It charges the Oregon Health Authority with the responsibility of verifying that medical marijuana facilities satisfy certain standards. Commission members should review the Oregon Health Authority's responsibilities, as those are areas where the City need not duplicate the State's efforts.

This work session is an opportunity for the Commission to discuss the process it would like to use to sort through the issues. An initial approach might be to conduct a couple of work sessions to see how the Commission wants to address the threshold question of whether or not it is advisable that any additional regulations be adopted. The work sessions could be structured such that interested parties would be able to provide information to the Commission members on the types of "reasonable regulations" that should be considered in advance. They would also be able to attend and participate in the discussion. Another thing to consider is that the approach the City takes to regulating commercial and industrial uses, which is based upon the concept of "Use Categories," does not lend itself to singling out specific uses for special regulation (ref: NMC 14.03.060). Given that this is the case, it may be that if the Commission desires to impose "reasonable regulations" they would need to be structured as something akin to an endorsement to a business license (similar to how the City approaches taxi cabs, vacation rentals, and mobile vendors).

CITY OF NEWPORT

ORDINANCE NO. 2063

AN ORDINANCE DECLARING A MORATORIUM ON
MEDICAL MARIJUANA FACILITIES
AND DECLARING AN EMERGENCY

WHEREAS, the Oregon Legislature enacted House Bill 3460 (2013) which requires the Oregon Health Authority to develop and implement a process to register medical marijuana facilities; and

WHEREAS, HB3460 directed that persons who operate or are employed by a registered medical marijuana facility would enjoy immunity from state prosecution; and

WHEREAS, the issue of whether a local government believes a certain type of business should operate within its jurisdictional limits is a local government decision, the enforcement of which is subject to the general and police powers of that jurisdiction; and

WHEREAS, the Oregon Legislature enacted Senate Bill 1531 (2014) which removes immunity from state prosecution for a person who is responsible for or employed by a registered medical marijuana facility located in an area subject to the jurisdiction of a city or county that enacts a moratorium prohibiting the operation of a medical marijuana facility; and

WHEREAS, the City Council of the City of Newport believes it is in the best interests of the health, safety, and welfare of the citizens of Newport, to enact such a moratorium prohibiting the operation of medical marijuana facilities within the jurisdictional boundaries of the City of Newport;

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. Moratorium Declared. The City of Newport hereby prohibits the operation of any medical marijuana facility in any area subject to the jurisdiction of the City of Newport. As used in this section, "medical marijuana facility" includes any facility that dispenses marijuana pursuant to ORS 475.314 or any other provision of Oregon law, including the provisions of Municipal Code Chapter 4.05 relating to business licenses.

Section 2. Duration of Moratorium. The moratorium imposed by this ordinance shall be effective until May 1, 2015 unless rescinded sooner.

Section 3. Administrative Procedures. The City Manager is directed to implement reasonable policies, procedures, administrative rules, or regulations to govern the administration of this Ordinance and as set forth in Municipal Code 4.05.045 concerning business licenses. The City Manager is authorized to determine the validity of all medical marijuana dispensary applications, and licenses, including, but not limited to, those applications and licenses that predate the effective date of SB1531. Actions taken by the City Manager pursuant to Municipal Code 4.05.045 in connection with medical marijuana

dispensary business licenses, prior to the effective date of this Ordinance, are hereby ratified.

Section 4. **Enforcement.** The City Manager and Police Chief of the City of Newport are charged with enforcement of the moratorium.

Section 5. **Remedies Not Exclusive.** The remedies available under SB1531 for a violation of the moratorium imposed by this ordinance are not exclusive of any other remedies available under any applicable federal, state, or local law. It is within the discretion of the City of Newport to seek cumulative remedies for a violation of the moratorium imposed by this ordinance.

Section 6. **Severability.** If any provision of this ordinance or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this ordinance that can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are severable.

Section 7. **Emergency.** This Ordinance being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Ordinance takes effect immediately upon passage.

Adopted by the City Council on April 7, 2014.

Sandra N. Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder

APPROVED AS TO FORM:

Robert Connell, City Attorney

Enrolled
Senate Bill 1531

Sponsored by Senators HANSELL, MONROE, STARR; Senators BAERTSCHIGER JR, BOQUIST, CLOSE, FERRIOLI, GIROD, JOHNSON, KNOPP, KRUSE, MONNES ANDERSON, OLSEN, THOMSEN, WHITSETT, WINTERS, Representatives ESQUIVEL, JENSON, THATCHER, THOMPSON, WHISNANT, WITT (at the request of Association of Oregon Counties and League of Oregon Cities) (Presession filed.)

CHAPTER

AN ACT

Relating to marijuana facilities; creating new provisions; amending ORS 475.314; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2014 Act is added to and made a part of ORS 475.300 to 475.346.

SECTION 2. Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of medical marijuana facilities registered, or applying for registration, under ORS 475.314 that are located in the area subject to the jurisdiction of the city or county. For purposes of this section, "reasonable regulations" includes reasonable limitations on the hours during which a medical marijuana facility may be operated, reasonable limitations on where a medical marijuana facility may be located within a zone described in ORS 475.314 (3)(a) and reasonable conditions on the manner in which a medical marijuana facility may dispense medical marijuana.

SECTION 3. (1) Notwithstanding ORS 475.314 and section 2 of this 2014 Act, the governing body of a city or county may adopt an ordinance enacting a moratorium on the operation of registered medical marijuana facilities until May 1, 2015, in the area subject to the jurisdiction of the city or county if the moratorium is enacted no later than May 1, 2014.

(2) Notwithstanding ORS 475.309 (1)(b), a person who is responsible for or employed by a registered medical marijuana facility located in an area subject to the jurisdiction of a city or county that enacts a moratorium under this section is not excepted from the criminal laws of this state for possession or delivery of marijuana, aiding and abetting another in the possession or delivery of marijuana or any other criminal offense in which possession or delivery of marijuana is an element.

(3) The governing body of a city or county that enacts a moratorium under this section must notify the Oregon Health Authority, in a manner prescribed by the authority, of the moratorium.

(4) A registered medical marijuana facility that is located in an area subject to the jurisdiction of a city or county that enacts a moratorium under this section may choose to surrender the medical marijuana facility's registration. To surrender registration under this subsection, the medical marijuana facility must notify the authority, in a manner prescribed

by the authority, of the surrender. If a medical marijuana facility surrenders registration under this subsection, the authority may refund any fee imposed by the authority pursuant to ORS 475.314 (12).

SECTION 4. Section 3 of this 2014 Act is repealed on January 2, 2016.

SECTION 5. ORS 475.314 is amended to read:

475.314. (1) The Oregon Health Authority shall establish by rule a medical marijuana facility registration system to authorize the transfer of usable marijuana and immature marijuana plants from:

(a) A registry identification cardholder, the designated primary caregiver of a registry identification cardholder, or a person responsible for a marijuana grow site to the medical marijuana facility; or

(b) A medical marijuana facility to a registry identification cardholder or the designated primary caregiver of a registry identification cardholder.

(2) The registration system established under subsection (1) of this section must require a medical marijuana facility to submit an application to the authority that includes:

(a) The name of the person responsible for the medical marijuana facility;

(b) The address of the medical marijuana facility;

(c) Proof that the person responsible for the medical marijuana facility is a resident of Oregon;

(d) Documentation, as required by the authority by rule, that demonstrates the medical marijuana facility meets the qualifications for a medical marijuana facility as described in subsection (3) of this section; and

(e) Any other information that the authority considers necessary.

(3) To qualify for registration under this section, a medical marijuana facility:

(a) Must be located in an area that is zoned for commercial, industrial or mixed use or as agricultural land; *[and may not be located at the same address as a marijuana grow site;]*

(b) **May not be located at the same address as a marijuana grow site;**

[(b)] (c) Must be registered as a business or have filed a pending application to register as a business with the Office of the Secretary of State;

[(c)] (d) Must not be located within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors;

[(d)] (e) Must not be located within 1,000 feet of another medical marijuana facility; and

[(e)] (f) Must comport with rules adopted by the authority related to:

(A) Installing a minimum security system, including a video surveillance system, alarm system and safe; and

(B) Testing for pesticides, mold and mildew and the processes by which usable marijuana and immature marijuana plants that test positive for pesticides, mold or mildew must be returned to the registry identification cardholder, the cardholder's designated primary caregiver or the cardholder's registered grower.

(4)(a) The authority shall conduct a criminal records check under ORS 181.534 of a person whose name is submitted as the person responsible for a medical marijuana facility under subsection (2) of this section.

(b) A person convicted for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be the person responsible for a medical marijuana facility for five years from the date the person is convicted.

(c) A person convicted more than once for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be the person responsible for a medical marijuana facility.

(5) If a person submits the application required under subsection (2) of this section, the medical marijuana facility identified in the application meets the qualifications for a medical marijuana facility described in subsection (3) of this section and the person responsible for the medical marijuana facility passes the criminal records check required under subsection (4) of this section, the authority shall register the medical marijuana facility and issue the person responsible for the medical marijuana facility proof of registration. The person responsible for the medical marijuana facility

shall display the proof of registration on the premises of the medical marijuana facility at all times when usable marijuana or immature marijuana plants are being transferred as described in subsection (1) of this section.

(6)(a) A registered medical marijuana facility may receive usable marijuana or immature marijuana plants only from a registry identification cardholder, designated primary caregiver or person responsible for a marijuana grow site if the registered medical marijuana facility obtains authorization, on a form prescribed by the authority by rule and signed by a registry identification cardholder, to receive the usable marijuana or immature marijuana plants.

(b) A registered medical marijuana facility shall maintain:

(A) A copy of each authorization form described in paragraph (a) of this subsection; and

(B) Documentation of each transfer of usable marijuana or immature marijuana plants.

(7) A medical marijuana facility registered under this section may possess usable marijuana and immature marijuana plants in excess of the limits imposed on registry identification cardholders and designated primary caregivers under ORS 475.320.

(8)(a) A registered medical marijuana facility may not transfer any tetrahydrocannabinol-infused product that is meant to be swallowed or inhaled, unless the product is packaged in child-resistant safety packaging that meets standards established by the authority by rule.

(b) A registered medical marijuana facility may not transfer any tetrahydrocannabinol-infused product that is manufactured or packaged in a manner that is attractive to minors, as determined by the authority by rule.

[(8)] (9) The authority may inspect:

(a) The premises of an applicant for a medical marijuana facility or a registered medical marijuana facility to ensure compliance with the qualifications for a medical marijuana facility described in subsection (3) of this section; and

(b) The records of a registered medical marijuana facility to ensure compliance with subsection (6)(b) of this section.

[(9)(a)] (10)(a) A registry identification cardholder or the designated primary caregiver of a registry identification cardholder may reimburse a medical marijuana facility registered under this section for the normal and customary costs of doing business, including costs related to transferring, handling, securing, insuring, testing, packaging and processing usable marijuana and immature marijuana plants and the cost of supplies, utilities and rent or mortgage.

(b) A medical marijuana facility may reimburse a person responsible for a marijuana grow site under this section for the normal and customary costs of doing business, including costs related to transferring, handling, securing, insuring, testing, packaging and processing usable marijuana and immature marijuana plants and the cost of supplies, utilities and rent or mortgage.

[(10)] (11) The authority may revoke the registration of a medical marijuana facility registered under this section for failure to comply with ORS 475.300 to 475.346, [or] rules adopted under ORS 475.300 to 475.346 or ordinances adopted pursuant to section 2 of this 2014 Act. The authority may release to the public a final order revoking a medical marijuana facility registration.

[(11)] (12) The authority shall adopt rules to implement this section, including rules that:

(a) Require a medical marijuana facility registered under this section to annually renew that registration; and

(b) Establish fees for registering and renewing registration for a medical marijuana facility under this section.

SECTION 6. This 2014 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect March 1, 2014.

Passed by Senate February 18, 2014

Repassed by Senate March 7, 2014

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House March 5, 2014

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Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2014

Approved:

.....M.,....., 2014

.....
John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M.,....., 2014

.....
Kate Brown, Secretary of State

Enrolled
House Bill 3460

Sponsored by Representative BUCKLEY, Senator PROZANSKI; Representative FREDERICK, Senator DINGFELDER

CHAPTER

AN ACT

Relating to medical marijuana; creating new provisions; amending ORS 475.302, 475.304, 475.309, 475.320, 475.323 and 475.331; limiting expenditures; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS 475.300 to 475.346.

SECTION 2. (1) The Oregon Health Authority shall establish by rule a medical marijuana facility registration system to authorize the transfer of usable marijuana and immature marijuana plants from:

(a) A registry identification cardholder, the designated primary caregiver of a registry identification cardholder, or a person responsible for a marijuana grow site to the medical marijuana facility; or

(b) A medical marijuana facility to a registry identification cardholder or the designated primary caregiver of a registry identification cardholder.

(2) The registration system established under subsection (1) of this section must require a medical marijuana facility to submit an application to the authority that includes:

(a) The name of the person responsible for the medical marijuana facility;

(b) The address of the medical marijuana facility;

(c) Proof that the person responsible for the medical marijuana facility is a resident of Oregon;

(d) Documentation, as required by the authority by rule, that demonstrates the medical marijuana facility meets the qualifications for a medical marijuana facility as described in subsection (3) of this section; and

(e) Any other information that the authority considers necessary.

(3) To qualify for registration under this section, a medical marijuana facility:

(a) Must be located in an area that is zoned for commercial, industrial or mixed use or as agricultural land and may not be located at the same address as a marijuana grow site;

(b) Must be registered as a business or have filed a pending application to register as a business with the Office of the Secretary of State;

(c) Must not be located within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors;

(d) Must not be located within 1,000 feet of another medical marijuana facility; and

(e) Must comport with rules adopted by the authority related to:

(A) Installing a minimum security system, including a video surveillance system, alarm system and safe; and

(B) Testing for pesticides, mold and mildew and the processes by which usable marijuana and immature marijuana plants that test positive for pesticides, mold or mildew must be returned to the registry identification cardholder, the cardholder's designated primary caregiver or the cardholder's registered grower.

(4)(a) The authority shall conduct a criminal records check under ORS 181.534 of a person whose name is submitted as the person responsible for a medical marijuana facility under subsection (2) of this section.

(b) A person convicted for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be the person responsible for a medical marijuana facility for five years from the date the person is convicted.

(c) A person convicted more than once for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be the person responsible for a medical marijuana facility.

(5) If a person submits the application required under subsection (2) of this section, the medical marijuana facility identified in the application meets the qualifications for a medical marijuana facility described in subsection (3) of this section and the person responsible for the medical marijuana facility passes the criminal records check required under subsection (4) of this section, the authority shall register the medical marijuana facility and issue the person responsible for the medical marijuana facility proof of registration. The person responsible for the medical marijuana facility shall display the proof of registration on the premises of the medical marijuana facility at all times when usable marijuana or immature marijuana plants are being transferred as described in subsection (1) of this section.

(6)(a) A registered medical marijuana facility may receive usable marijuana or immature marijuana plants only from a registry identification cardholder, designated primary caregiver or person responsible for a marijuana grow site if the registered medical marijuana facility obtains authorization, on a form prescribed by the authority by rule and signed by a registry identification cardholder, to receive the usable marijuana or immature marijuana plants.

(b) A registered medical marijuana facility shall maintain:

(A) A copy of each authorization form described in paragraph (a) of this subsection; and

(B) Documentation of each transfer of usable marijuana or immature marijuana plants.

(7) A medical marijuana facility registered under this section may possess usable marijuana and immature marijuana plants in excess of the limits imposed on registry identification cardholders and designated primary caregivers under ORS 475.320.

(8) The authority may inspect:

(a) The premises of an applicant for a medical marijuana facility or a registered medical marijuana facility to ensure compliance with the qualifications for a medical marijuana facility described in subsection (3) of this section; and

(b) The records of a registered medical marijuana facility to ensure compliance with subsection (6)(b) of this section.

(9)(a) A registry identification cardholder or the designated primary caregiver of a registry identification cardholder may reimburse a medical marijuana facility registered under this section for the normal and customary costs of doing business, including costs related to transferring, handling, securing, insuring, testing, packaging and processing usable marijuana and immature marijuana plants and the cost of supplies, utilities and rent or mortgage.

(b) A medical marijuana facility may reimburse a person responsible for a marijuana grow site under this section for the normal and customary costs of doing business, including costs related to transferring, handling, securing, insuring, testing, packaging and processing usable marijuana and immature marijuana plants and the cost of supplies, utilities and rent or mortgage.

(10) The authority may revoke the registration of a medical marijuana facility registered under this section for failure to comply with ORS 475.300 to 475.346 or rules adopted under ORS 475.300 to 475.346. The authority may release to the public a final order revoking a medical marijuana facility registration.

(11) The authority shall adopt rules to implement this section, including rules that:

(a) Require a medical marijuana facility registered under this section to annually renew that registration; and

(b) Establish fees for registering and renewing registration for a medical marijuana facility under this section.

SECTION 3. ORS 475.302 is amended to read:

475.302. As used in ORS 475.300 to 475.346:

(1) "Attending physician" means a physician licensed under ORS chapter 677 who has primary responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.

(2) "Authority" means the Oregon Health Authority.

(3) "Debilitating medical condition" means:

(a) Cancer, glaucoma, agitation due to Alzheimer's disease, positive status for human immunodeficiency virus or acquired immune deficiency syndrome, or treatment for these conditions;

(b) A medical condition or treatment for a medical condition that produces, for a specific patient, one or more of the following:

(A) Cachexia;

(B) Severe pain;

(C) Severe nausea;

(D) Seizures, including but not limited to seizures caused by epilepsy; or

(E) Persistent muscle spasms, including but not limited to spasms caused by multiple sclerosis;

or

(c) Any other medical condition or treatment for a medical condition adopted by the authority by rule or approved by the authority pursuant to a petition submitted pursuant to ORS 475.334.

(4)(a) "Delivery" has the meaning given that term in ORS 475.005.

(b) "Delivery" does not include transfer of:

(A) Marijuana by a registry identification cardholder to another registry identification cardholder if no consideration is paid for the transfer[.];

(B) Usable marijuana or immature marijuana plants from a registry identification cardholder, the designated primary caregiver of a registry identification cardholder or a marijuana grow site to a medical marijuana facility registered under section 2 of this 2013 Act; or

(C) Usable marijuana or immature marijuana plants from a medical marijuana facility registered under section 2 of this 2013 Act to a registry identification cardholder or the designated primary caregiver of a registry identification cardholder.

(5) "Designated primary caregiver" means an individual 18 years of age or older who has significant responsibility for managing the well-being of a person who has been diagnosed with a debilitating medical condition and who is designated as such on that person's application for a registry identification card or in other written notification to the authority. "Designated primary caregiver" does not include the person's attending physician.

(6) "Marijuana" has the meaning given that term in ORS 475.005.

(7) "Marijuana grow site" means a location where marijuana is produced for use by a registry identification cardholder and that is registered under the provisions of ORS 475.304.

(8) "Medical use of marijuana" means the production, possession, delivery, or administration of marijuana, or paraphernalia used to administer marijuana, as necessary for the exclusive benefit of a person to mitigate the symptoms or effects of the person's debilitating medical condition.

(9) "Production" has the meaning given that term in ORS 475.005.

(10) "Registry identification card" means a document issued by the authority that identifies a person authorized to engage in the medical use of marijuana and the person's designated primary caregiver, if any.

(11) "Usable marijuana" means the dried leaves and flowers of the plant Cannabis family Moraceae, and any mixture or preparation thereof, that are appropriate for medical use as allowed in ORS 475.300 to 475.346. "Usable marijuana" does not include the seeds, stalks and roots of the plant.

(12) "Written documentation" means a statement signed by the attending physician of a person diagnosed with a debilitating medical condition or copies of the person's relevant medical records.

SECTION 4. ORS 475.304 is amended to read:

475.304. (1) The Oregon Health Authority shall establish by rule a marijuana grow site registration system to authorize production of marijuana by a registry identification cardholder, a designated primary caregiver who grows marijuana for the cardholder or a person who is responsible for a marijuana grow site. The marijuana grow site registration system adopted must require a registry identification cardholder to submit an application to the authority that includes:

- (a) The name of the person responsible for the marijuana grow site;
- (b) The address of the marijuana grow site;
- (c) The registry identification card number of the registry cardholder for whom the marijuana is being produced; and
- (d) Any other information the authority considers necessary.

(2) The authority shall issue a marijuana grow site registration card to a registry identification cardholder who has met the requirements of subsection (1) of this section.

(3) A person who has been issued a marijuana grow site registration card under this section must display the registration card at the marijuana grow site at all times when marijuana is being produced.

(4) A marijuana grow site registration card must be obtained and posted for each registry identification cardholder for whom marijuana is being produced at a marijuana grow site.

(5) All usable marijuana, plants, seedlings and seeds associated with the production of marijuana for a registry identification cardholder by a person responsible for a marijuana grow site are the property of the registry identification cardholder and must be provided to the registry identification cardholder, or, if the marijuana is usable marijuana or an immature marijuana plant, transferred to a medical marijuana facility registered under section 2 of this 2013 Act, upon request.

(6)(a) The authority shall conduct a criminal records check under ORS 181.534 of any person whose name is submitted as a person responsible for a marijuana grow site.

(b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be issued a marijuana grow site registration card or produce marijuana for a registry identification cardholder for five years from the date of conviction.

(c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be issued a marijuana grow site registration card or produce marijuana for a registry identification cardholder.

(7) A registry identification cardholder or the designated primary caregiver of the cardholder may reimburse the person responsible for a marijuana grow site for the costs of supplies and utilities associated with the production of marijuana for the registry identification cardholder. No other costs associated with the production of marijuana for the registry identification cardholder, including the cost of labor, may be reimbursed.

(8) The authority may adopt rules imposing a fee in an amount established by the authority for registration of a marijuana grow site under this section.

SECTION 5. ORS 475.309 is amended to read:

475.309. (1) Except as provided in ORS 475.316, 475.320 and 475.342, a person engaged in or assisting in the medical use of marijuana is excepted from the criminal laws of the state for possession, delivery or production of marijuana, aiding and abetting another in the possession, delivery or production of marijuana or any other criminal offense in which possession, delivery or production of marijuana is an element if the following conditions have been satisfied:

(a)(A) The person holds a registry identification card issued pursuant to this section, has applied for a registry identification card pursuant to subsection (9) of this section, is the designated primary caregiver of the cardholder or applicant, or is the person responsible for a marijuana grow site that is producing marijuana for the cardholder and is registered under ORS 475.304; and

[(b)] (B) The person who has a debilitating medical condition, the person's primary caregiver and the person responsible for a marijuana grow site that is producing marijuana for the cardholder and is registered under ORS 475.304 are collectively in possession of, delivering or producing marijuana for medical use in amounts allowed under ORS 475.320[.]; or

(b) The person is responsible for or employed by a medical marijuana facility registered under section 2 of this 2013 Act and does not commit any of the acts described in this subsection anywhere other than at the medical marijuana facility.

(2) The Oregon Health Authority shall establish and maintain a program for the issuance of registry identification cards to persons who meet the requirements of this section. Except as provided in subsection (3) of this section, the authority shall issue a registry identification card to any person who pays a fee in the amount established by the authority and provides the following:

(a) Valid, written documentation from the person's attending physician stating that the person has been diagnosed with a debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the person's debilitating medical condition;

(b) The name, address and date of birth of the person;

(c) The name, address and telephone number of the person's attending physician;

(d) The name and address of the person's designated primary caregiver, if the person has designated a primary caregiver at the time of application; and

(e) A written statement that indicates whether the marijuana used by the cardholder will be produced at a location where the cardholder or designated primary caregiver is present or at another location.

(3) The authority shall issue a registry identification card to a person who is under 18 years of age if the person submits the materials required under subsection (2) of this section, and the custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age signs a written statement that:

(a) The attending physician of the person under 18 years of age has explained to that person and to the custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age the possible risks and benefits of the medical use of marijuana;

(b) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age consents to the use of marijuana by the person under 18 years of age for medical purposes;

(c) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to serve as the designated primary caregiver for the person under 18 years of age; and

(d) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to control the acquisition of marijuana and the dosage and frequency of use by the person under 18 years of age.

(4) A person applying for a registry identification card pursuant to this section may submit the information required in this section to a county health department for transmittal to the authority. A county health department that receives the information pursuant to this subsection shall transmit the information to the authority within five days of receipt of the information. Information received by a county health department pursuant to this subsection shall be confidential and not subject to disclosure, except as required to transmit the information to the authority.

(5)(a) The authority shall verify the information contained in an application submitted pursuant to this section and shall approve or deny an application within thirty days of receipt of the application.

(b) In addition to the authority granted to the authority under ORS 475.316 to deny an application, the authority may deny an application for the following reasons:

(A) The applicant did not provide the information required pursuant to this section to establish the applicant's debilitating medical condition and to document the applicant's consultation with an attending physician regarding the medical use of marijuana in connection with such condition, as provided in subsections (2) and (3) of this section;

(B) The authority determines that the information provided was falsified; or

(C) The applicant has been prohibited by a court order from obtaining a registry identification card.

(c) Denial of a registry identification card shall be considered a final authority action, subject to judicial review. Only the person whose application has been denied, or, in the case of a person under the age of 18 years of age whose application has been denied, the person's parent or legal guardian, shall have standing to contest the authority's action.

(d) Any person whose application has been denied may not reapply for six months from the date of the denial, unless so authorized by the authority or a court of competent jurisdiction.

(6)(a) If the authority has verified the information submitted pursuant to subsections (2) and (3) of this section and none of the reasons for denial listed in subsection (5)(b) of this section is applicable, the authority shall issue a serially numbered registry identification card within five days of verification of the information. The registry identification card shall state:

(A) The cardholder's name, address and date of birth;

(B) The date of issuance and expiration date of the registry identification card;

(C) The name and address of the person's designated primary caregiver, if any;

(D) Whether the marijuana used by the cardholder will be produced at a location where the cardholder or designated primary caregiver is present or at another location; and

(E) Any other information that the authority may specify by rule.

(b) When the person to whom the authority has issued a registry identification card pursuant to this section has specified a designated primary caregiver, the authority shall issue an identification card to the designated primary caregiver. The primary caregiver's registry identification card shall contain the information provided in paragraph (a) of this subsection.

(7)(a) A person who possesses a registry identification card shall:

(A) Notify the authority of any change in the person's name, address, attending physician or designated primary caregiver.

(B) If applicable, notify the designated primary caregiver of the cardholder, [and] the person responsible for the marijuana grow site that produces marijuana for the cardholder **and any person responsible for a medical marijuana facility that transfers usable marijuana or immature marijuana plants to the cardholder under section 2 of this 2013 Act** of any change in status including, but not limited to:

(i) The assignment of another individual as the designated primary caregiver of the cardholder;

(ii) The assignment of another individual as the person responsible for a marijuana grow site producing marijuana for the cardholder; or

(iii) The end of the eligibility of the cardholder to hold a valid registry identification card.

(C) Annually submit to the authority:

(i) Updated written documentation from the cardholder's attending physician of the person's debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the person's debilitating medical condition; and

(ii) The name of the person's designated primary caregiver if a primary caregiver has been designated for the upcoming year.

(b) If a person who possesses a registry identification card fails to comply with this subsection, the card shall be deemed expired. If a registry identification card expires, the identification card of any designated primary caregiver of the cardholder shall also expire.

(8)(a) A person who possesses a registry identification card pursuant to this section and who has been diagnosed by the person's attending physician as no longer having a debilitating medical condition or whose attending physician has determined that the medical use of marijuana is contraindicated for the person's debilitating medical condition shall return the registry identification card and any other associated Oregon Medical Marijuana Program cards to the authority within 30 calendar days of notification of the diagnosis or notification of the contraindication.

(b) If, due to circumstances beyond the control of the registry identification cardholder, a cardholder is unable to obtain a second medical opinion about the cardholder's continuing eligibility to use medical marijuana before the 30-day period specified in paragraph (a) of this subsection has expired, the authority may grant the cardholder additional time to obtain a second opinion before requiring the cardholder to return the registry identification card and any associated cards.

(9) A person who has applied for a registry identification card pursuant to this section but whose application has not yet been approved or denied, and who is contacted by any law enforcement officer in connection with the person's administration, possession, delivery or production of marijuana for medical use may provide to the law enforcement officer a copy of the written documentation submitted to the authority pursuant to subsection (2) or (3) of this section and proof of the date of mailing or other transmission of the documentation to the authority. This documentation shall have the same legal effect as a registry identification card until such time as the person receives notification that the application has been approved or denied.

(10)(a) A registry identification cardholder has the primary responsibility of notifying the designated primary caregiver *[and]*, the person responsible for the marijuana grow site that produces marijuana for the cardholder and any person responsible for a medical marijuana facility that transfers usable marijuana or immature marijuana plants to the cardholder under section 2 of this 2013 Act of any change in status of the cardholder.

(b) If the authority is notified by the cardholder that a primary caregiver or person responsible for a marijuana grow site has changed, the authority shall notify the primary caregiver or the person responsible for the marijuana grow site by mail at the address of record confirming the change in status and informing the caregiver or person responsible for the marijuana grow site that their card is no longer valid and must be returned to the authority.

(11) The authority shall revoke the registry identification card of a cardholder if a court has issued an order that prohibits the cardholder from participating in the medical use of marijuana or otherwise participating in the Oregon Medical Marijuana Program under ORS 475.300 to 475.346. The cardholder shall return the registry identification card to the authority within seven calendar days of notification of the revocation. If the cardholder is a patient, the patient shall return the patient's card and all other associated Oregon Medical Marijuana Program cards.

(12) The authority shall revoke the registration of a medical marijuana facility registered under section 2 of this 2013 Act if a court has issued an order that prohibits the person responsible for the medical marijuana facility from participating in the Oregon Medical Marijuana Program under ORS 475.300 to 475.346.

[(12)] (13) The authority and employees and agents of the authority acting within the course and scope of their employment are immune from any civil liability that might be incurred or imposed for the performance of or failure to perform duties required by this section.

SECTION 6. ORS 475.320 is amended to read:

475.320. (1)(a) A registry identification cardholder or the designated primary caregiver of the cardholder may possess up to six mature marijuana plants and 24 ounces of usable marijuana.

(b) Notwithstanding paragraph (a) of this subsection, if a registry identification cardholder has been convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II, the registry identification

cardholder or the designated primary caregiver of the cardholder may possess one ounce of usable marijuana at any given time for a period of five years from the date of the conviction.

(2) A person authorized under ORS 475.304 to produce marijuana at a marijuana grow site:

(a) May produce marijuana for and provide marijuana:

(A) To a registry identification cardholder or *[that person's]* a cardholder's designated primary caregiver as authorized under this section[.]; or

(B) If the marijuana is usable marijuana or an immature marijuana plant and the registry identification cardholder authorizes the person responsible for the marijuana grow site to transfer the usable marijuana or immature marijuana plant to a medical marijuana facility registered under section 2 of this 2013 Act, to the medical marijuana facility.

(b) May possess up to six mature plants and up to 24 ounces of usable marijuana for each cardholder or caregiver for whom marijuana is being produced.

(c) May produce marijuana for no more than four registry identification cardholders or designated primary caregivers concurrently.

(d) Must obtain and display a marijuana grow site registration card issued under ORS 475.304 for each registry identification cardholder or designated primary caregiver for whom marijuana is being produced.

(e) Must provide all marijuana produced for a registry identification cardholder or designated primary caregiver to the cardholder or caregiver at the time the person responsible for a marijuana grow site ceases producing marijuana for the cardholder or caregiver.

(f) Must return the marijuana grow site registration card to the registry identification cardholder to whom the card was issued when requested to do so by the cardholder or when the person responsible for a marijuana grow site ceases producing marijuana for the cardholder or caregiver.

(3) Except as provided in subsections (1) and (2) of this section, a registry identification cardholder, the designated primary caregiver of the cardholder and the person responsible for a marijuana grow site producing marijuana for the registry identification cardholder may possess a combined total of up to six mature plants and 24 ounces of usable marijuana for that registry identification cardholder.

(4)(a) A registry identification cardholder and the designated primary caregiver of the cardholder may possess a combined total of up to 18 marijuana seedlings or starts as defined by rule of the Oregon Health Authority.

(b) A person responsible for a marijuana grow site may possess up to 18 marijuana seedlings or starts as defined by rule of the authority for each registry identification cardholder for whom the person responsible for the marijuana grow site is producing marijuana.

SECTION 7. ORS 475.323 is amended to read:

475.323. (1) Possession of a registry identification card *[or]*, designated primary caregiver identification card pursuant to ORS 475.309 or proof of registration as a medical marijuana facility under section 2 of this 2013 Act does not alone constitute probable cause to search the person or property of the cardholder or otherwise subject the person or property of the cardholder to inspection by any governmental agency. However, the Oregon Health Authority may inspect a medical marijuana facility registered under section 2 of this 2013 Act at any reasonable time to determine whether the facility is in compliance with ORS 475.300 to 475.346.

(2) Any property interest possessed, owned or used in connection with the medical use of marijuana or acts incidental to the medical use of marijuana that has been seized by state or local law enforcement officers may not be harmed, neglected, injured or destroyed while in the possession of any law enforcement agency. A law enforcement agency has no responsibility to maintain live marijuana plants lawfully seized. No such property interest may be forfeited under any provision of law providing for the forfeiture of property other than as a sentence imposed after conviction of a criminal offense. Usable marijuana and paraphernalia used to administer marijuana that was seized by any law enforcement office shall be returned immediately upon a determination by the district attorney in whose county the property was seized, or the district attorney's designee, that the per-

son from whom the marijuana or paraphernalia used to administer marijuana was seized is entitled to the protections contained in ORS 475.300 to 475.346. The determination may be evidenced, for example, by a decision not to prosecute, the dismissal of charges or acquittal.

SECTION 8. ORS 475.331 is amended to read:

475.331. (1)(a) The Oregon Health Authority shall create and maintain a list of the persons to whom the authority has issued registry identification cards, the names of any designated primary *[caregivers and the addresses of authorized marijuana grow sites.] caregivers, the names of persons responsible for a medical marijuana facility registered under section 2 of this 2013 Act, the addresses of authorized marijuana grow sites and the addresses of registered medical marijuana facilities.* Except as provided in subsection (2) of this section, the list shall be confidential and not subject to public disclosure.

(b) The authority shall develop a system by which authorized employees of state and local law enforcement agencies may verify at all times that: *[a person is a lawful possessor of a registry identification card or the designated primary caregiver of a lawful possessor of a registry identification card or that a location is an authorized marijuana grow site.]*

(A) A person is a lawful possessor of a registry identification card;

(B) A person is the designated primary caregiver of a lawful possessor of a registry identification card;

(C) A location is an authorized marijuana grow site;

(D) A location is a registered medical marijuana facility; or

(E) A person is the person listed as the person responsible for a registered medical marijuana facility.

(2) Names and other identifying information from the list established pursuant to subsection (1) of this section may be released to:

(a) Authorized employees of the authority as necessary to perform official duties of the authority.; and]

(b) Authorized employees of state or local law enforcement agencies, who provide to the authority adequate identification, such as a badge number or similar authentication of authority, only as necessary to verify that: *[a person is a lawful possessor of a registry identification card or the designated primary caregiver of a lawful possessor of a registry identification card or that a location is an authorized marijuana grow site. Prior to being provided identifying information from the list, authorized employees of state or local law enforcement agencies shall provide to the authority adequate identification, such as a badge number or similar authentication of authority.]*

(A) A person is a lawful possessor of a registry identification card;

(B) A person is the designated primary caregiver of a lawful possessor of a registry identification card;

(C) A location is an authorized marijuana grow site;

(D) A location is a registered medical marijuana facility; or

(E) A person is the person listed as the person responsible for a registered medical marijuana facility.

(3) Authorized employees of state or local law enforcement agencies that obtain identifying information from the list as authorized under this section may not release or use the information for any purpose other than verification that: *[a person is a lawful possessor of a registry identification card or the designated primary caregiver of a lawful possessor of a registry identification card or that a location is an authorized marijuana grow site.]*

(a) A person is a lawful possessor of a registry identification card;

(b) A person is the designated primary caregiver of a lawful possessor of a registry identification card;

(c) A location is an authorized marijuana grow site;

(d) A location is a registered medical marijuana facility; or

(e) A person is the person listed as the person responsible for a registered medical marijuana facility.

SECTION 9. (1) Sections 1 and 2 of this 2013 Act and the amendments to ORS 475.302, 475.304, 475.309, 475.320, 475.323 and 475.331 by sections 3 to 8 of this 2013 Act become operative on March 1, 2014.

(2) The Oregon Health Authority may take any action before the operative date specified in subsection (1) of this section to enable the authority to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the authority by sections 1 and 2 of this 2013 Act and the amendments to ORS 475.302, 475.304, 475.309, 475.320, 475.323 and 475.331 by sections 3 to 8 of this 2013 Act.

SECTION 10. Notwithstanding any other law limiting expenditures, the amount of \$803,276 is established for the biennium beginning July 1, 2013, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Health Authority for administrative and operating expenses incurred in implementing section 2 of this 2013 Act and the amendments to ORS 475.302, 475.304, 475.309, 475.320, 475.323 and 475.331 by sections 3 to 8 of this 2013 Act.

SECTION 11. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.

Passed by House June 24, 2013

Repassed by House July 6, 2013

.....
Ramona J. Line, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate July 3, 2013

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2013

Approved:

.....M.,....., 2013


.....
John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M.,....., 2013

.....
Kate Brown, Secretary of State

Memorandum

To: Newport Planning Commission/Citizen Advisory Committee
From: Derrick Tokos, Community Development Director 
Date: April 9, 2014
Re: Final Report – Newport Urban Renewal Options

Enclosed is a final report from ECONorthwest evaluating feasibility of the City of Newport forming an urban renewal district north of the Yaquina Bay Bridge. Consultant modified the draft in response to comments Commission members provided at the March 24th work session. Revisions are summarized as follows:

- Revenue sharing triggering provisions have been clarified (page 3).
- Additional details have been provided regarding Compression, including trend data, and the information was moved to the front of the report (page 4).
- Street labeling on the map has been improved (page 7).
- Project cost information has been clarified, with all three options being listed in Exhibit 3. The exhibit includes the urban renewal share of the costs along with total project costs (page 8).
- ECONorthwest held the growth forecast at 4.5% and added language explaining why that percentage is reasonable. This is largely attributed to the fact that the 10-year average of 3.65% annual assessed value growth includes the worst recession since the Great Depression (page 10).
- Errors in the TIF forecast tables, shown as Exhibit 6, 7, and 8, have been corrected. The tables have further been truncated so that they stop at the year it is estimated that all debt will be retired (for each option). Also, the closure year for the South Beach district has been flagged and its financial impact footnoted.
- A new section was added to the report explaining impacts to taxing districts (page 21). It notes that a reduction to school district property taxes resulting from the formation of an urban renewal district would be off-set by state revenues based upon the State's funding formula which is enrollment based. In other words, Lincoln County schools will not be impacted.
- Language has been added to the report addressing the impact of the closure of the South Beach Urban Renewal District (page 22) and how General Obligation Bonds are affected (page 23).
- The report and recommendations have also been clarified to note that all three urban renewal options assume funding partnerships for certain projects (e.g. state, county, room tax, gas tax, LIDs, etc.) with the middle option leveraging it the most.

This work session is an opportunity for members to ask questions about the revisions prior to the report being scheduled for a Planning Commission recommendation to the City Council.

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

FYE	M5 Compression Losses				Total
	Education	General Gov	Other*		
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 jurisdiction's 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.

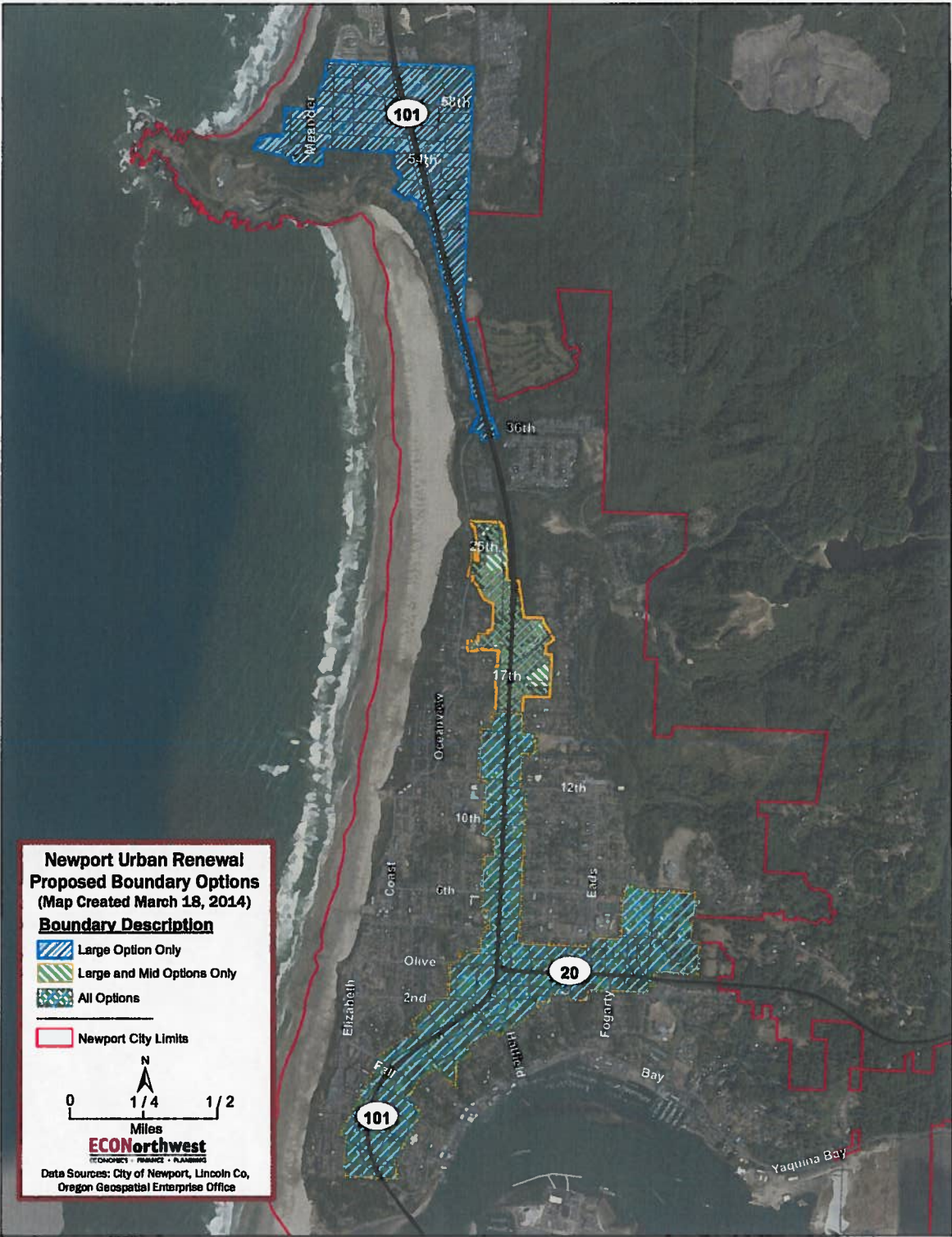
The first option, the *Small Option*, includes 282 acres of downtown Newport centered around the Highway 101 / Highway 20 intersection. Total assessed value of the area is \$146,294,830 million. The list of projects to be included in this option result in a maximum indebtedness of \$40 million.

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 these 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 determine 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

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF		
					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

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF		
					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	For URD	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

District Name	Foregone Revenues					
	Average Annual			Total		
	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 Srv.	\$ (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)	\$ (13,879)	\$ (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.

APPENDIX A

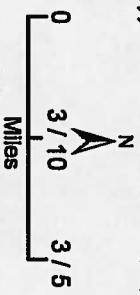
Option Maps

Newport Urban Renewal Proposed Large Option with Newport Zoning (Map Created March 12, 2014)

Zoning Designation

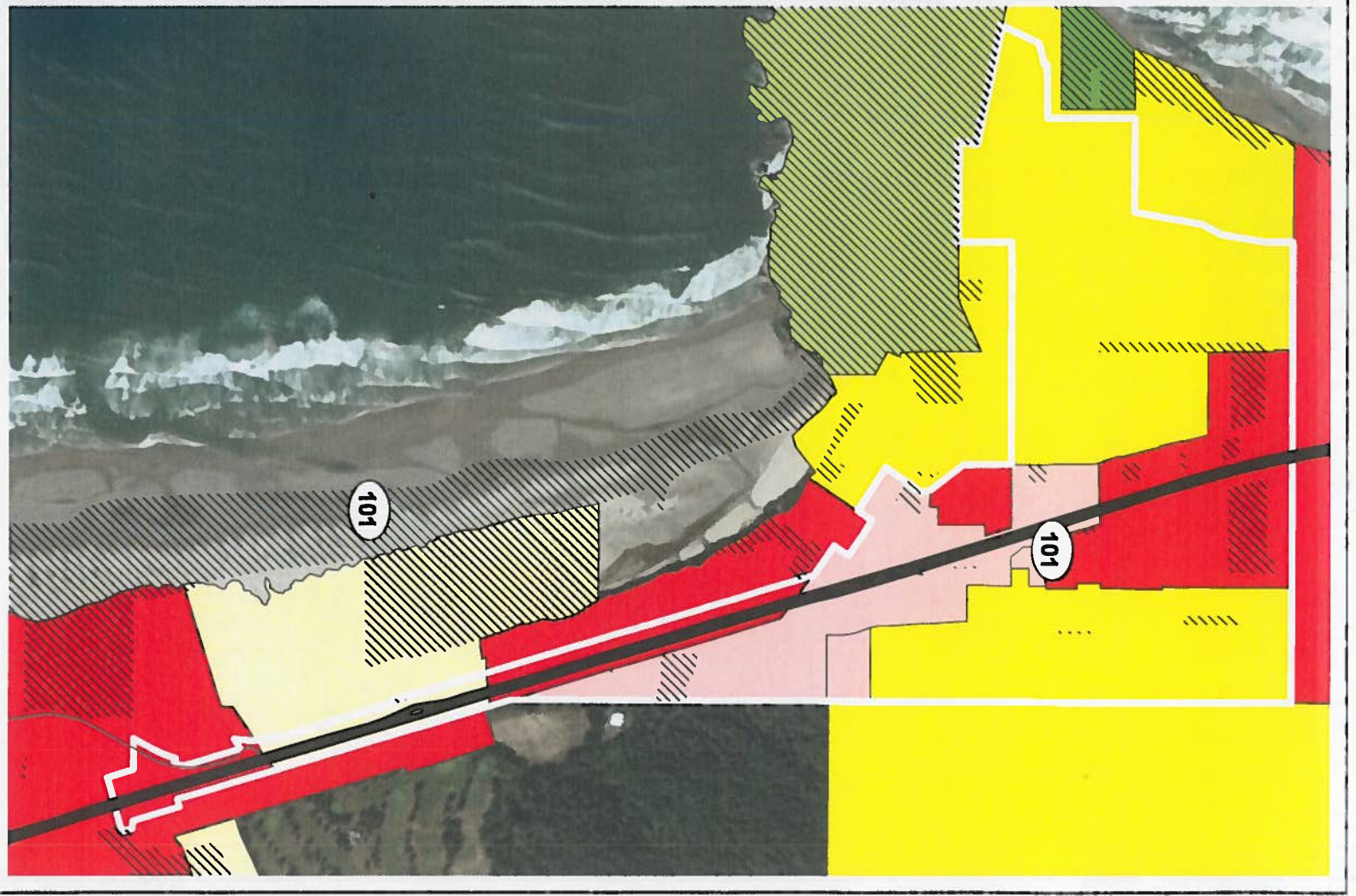
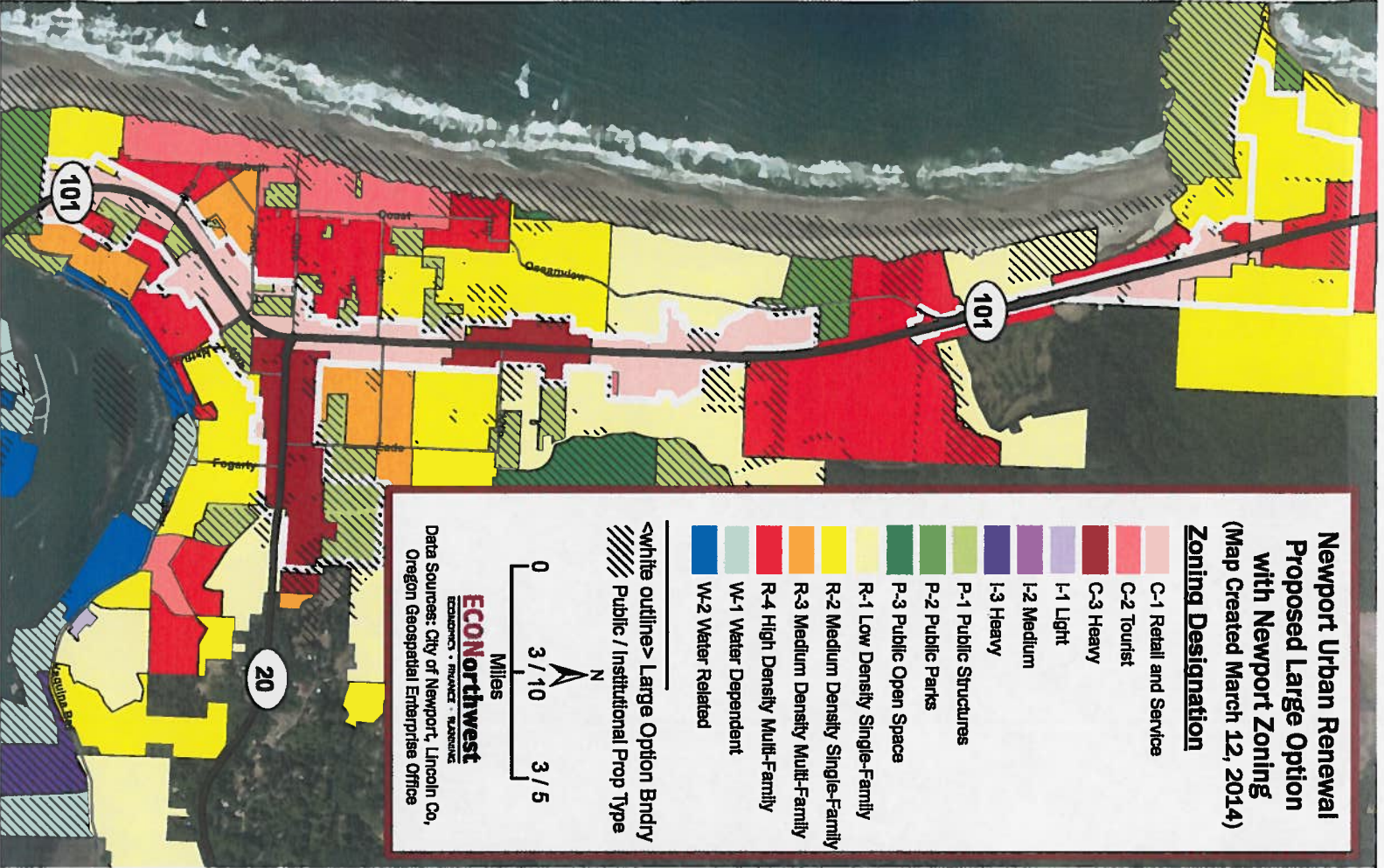
- C-1 Retail and Service
- C-2 Tourist
- C-3 Heavy
- I-1 Light
- I-2 Medium
- I-3 Heavy
- P-1 Public Structures
- P-2 Public Parks
- P-3 Public Open Space
- R-1 Low Density Single-Family
- R-2 Medium Density Single-Family
- R-3 Medium Density Multi-Family
- R-4 High Density Multi-Family
- W-1 Water Dependent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

<white outline> Large Option Bndry
Public / Institutional Prop Type



ECONorthwest
ECONOMICS • FINANCE • MARKETING

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

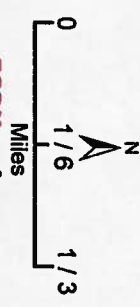


Newport Urban Renewal Proposed Mid Option with Newport Zoning (Map Created March 12, 2014)

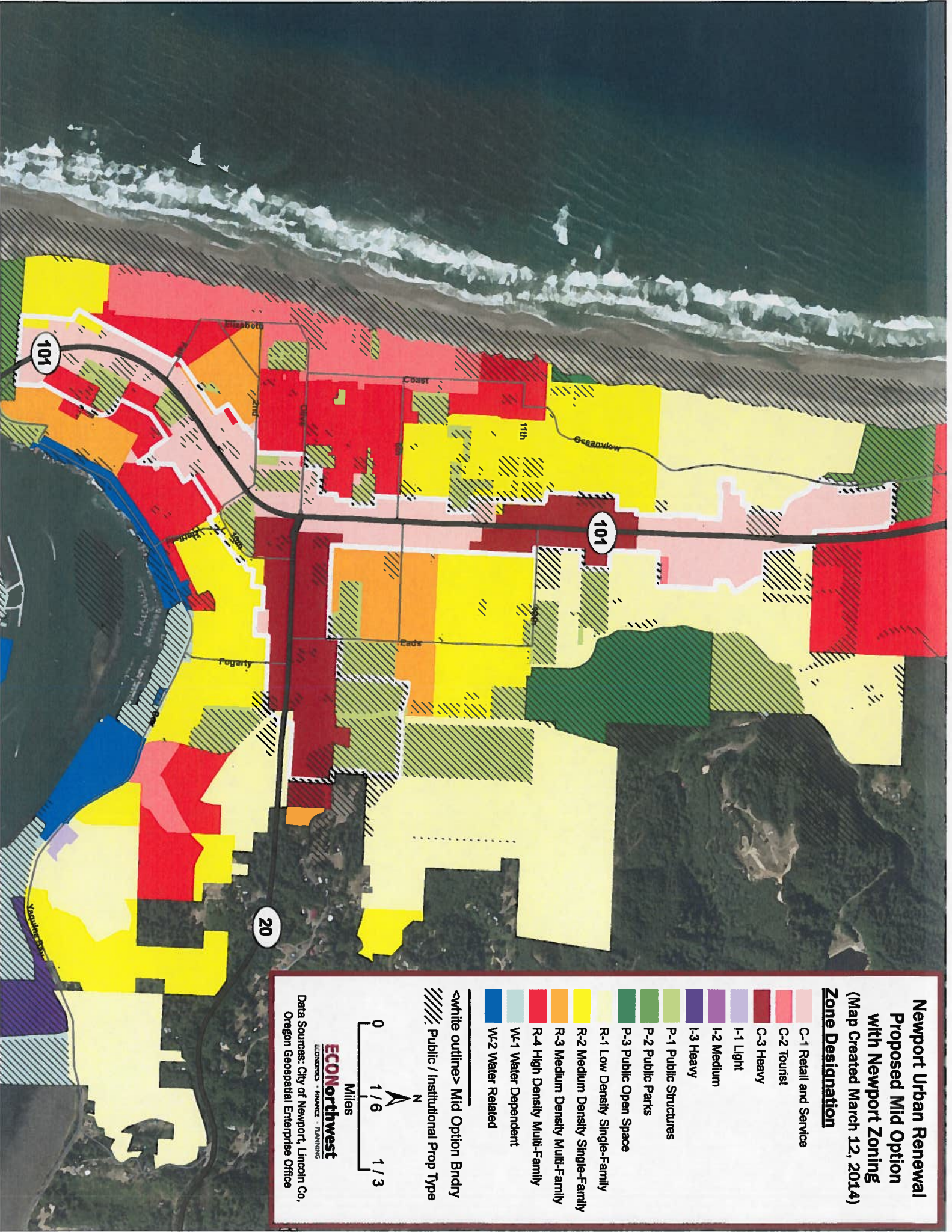
Zone Designation

- 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



ECONorthwest
ECONOMICS • FINANCE • PLANNING
Data Sources: City of Newport, Lincoln Co.
Oregon Geospatial Enterprises Office

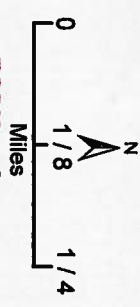


Newport Urban Renewal Proposed Small Option with Newport Zoning (Map Created March 12, 2014)

Zone Designation

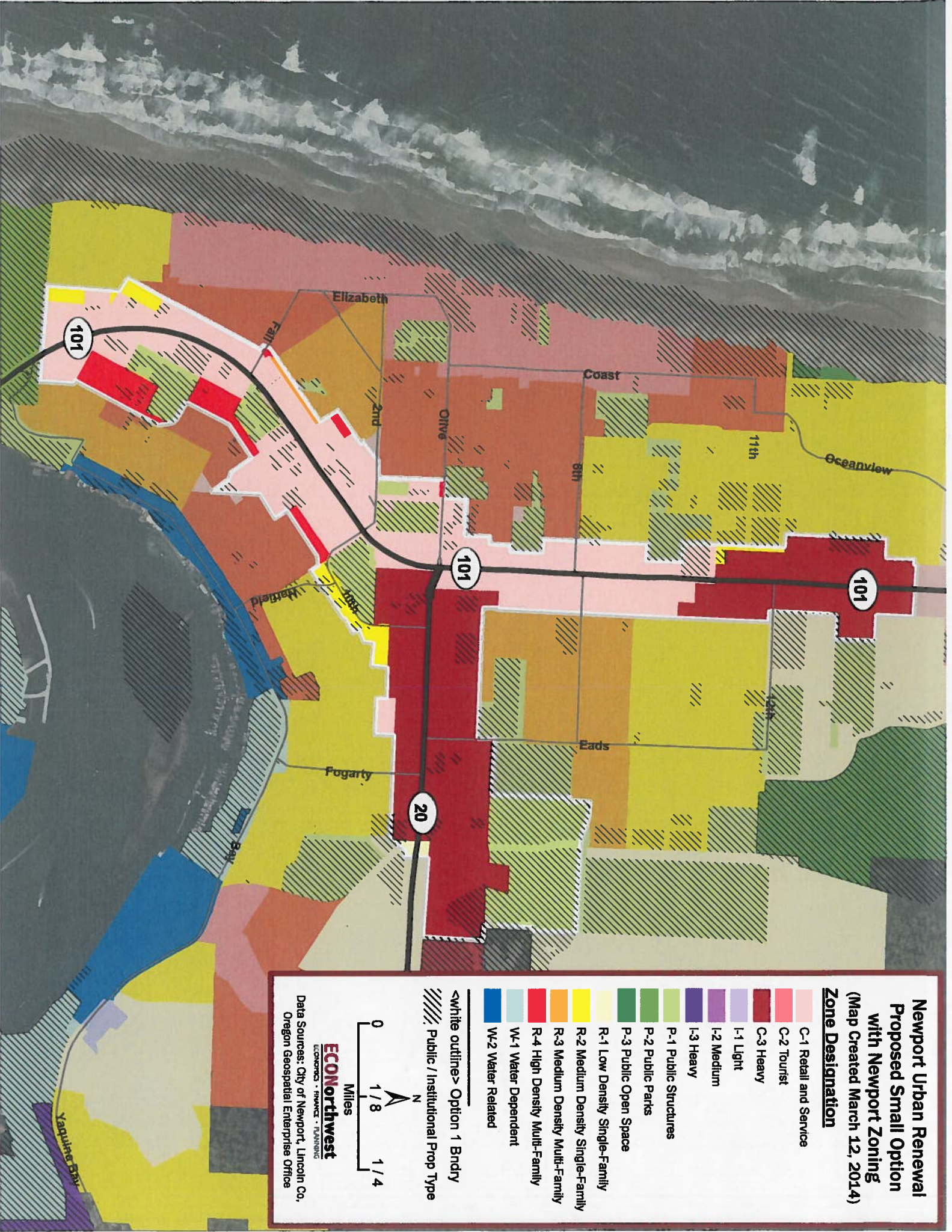
- C-1 Retail and Service
- C-2 Tourist
- C-3 Heavy
- I-1 Light
- I-2 Medium
- I-3 Heavy
- P-1 Public Structures
- P-2 Public Parks
- P-3 Public Open Space
- R-1 Low Density Single-Family
- R-2 Medium Density Single-Family
- R-3 Medium Density Multi-Family
- R-4 High Density Multi-Family
- W-1 Water Dependent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

<white outline> Option 1 Bndry
Public / Institutional Prop Type



ECONorthwest
ECONOMICS • FINANCE • PLANNING

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



APPENDIX B

Foregone Revenues

Impact to Taxing Districts - Large Option

FYE	General Government								Education				TOTAL
	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	
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	(434,196)	(16,935)	(6,944)	(14,986)	(9,376)	(861,215)	(55,810)	(1,399,471)	(755,815)	(27,051)	(46,942)	(829,807)	(2,229,278)
2025	(487,965)	(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	(796,296)	(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)	(1,807,087)	(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)	(37,880)	(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. SBURO 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.

Proposed Newport URD - Foregone Revenues

Impact to Taxing Districts - Mid Option

FYE	General Government								Education				TOTAL
	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 ESP	SUBTOTAL	
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)	(10,666)	(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	(656,680)	(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 \$2,851,064 of annual TIF revenue back to the overlapping taxing districts. SBU RD 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

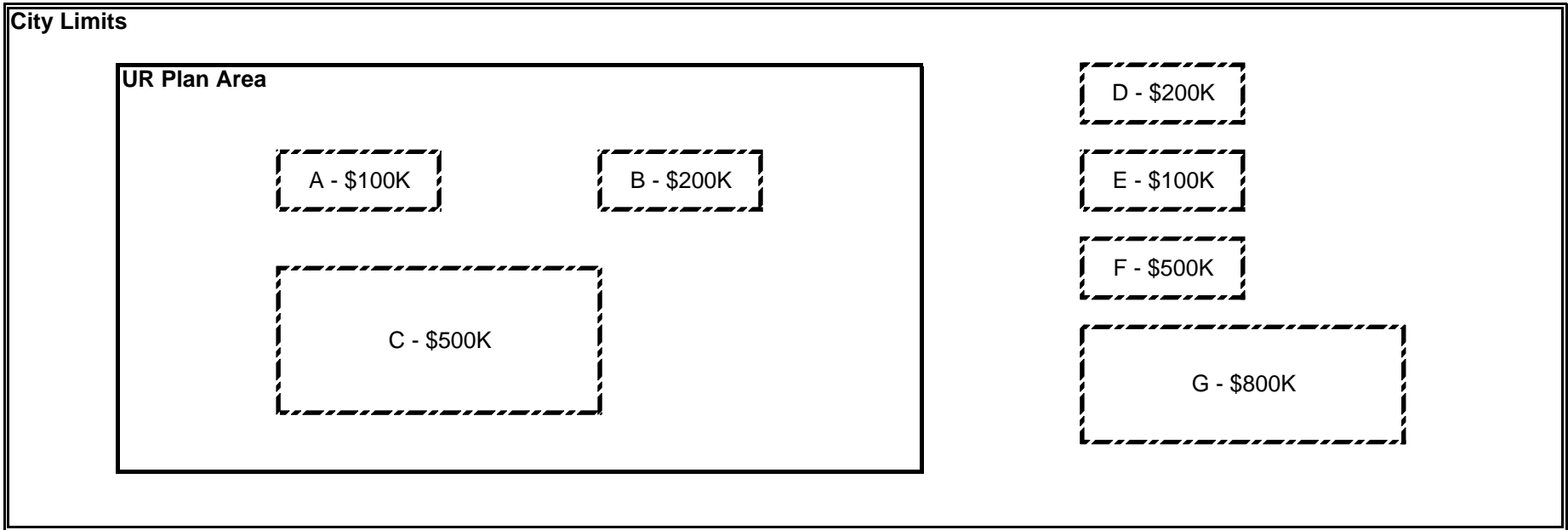
FYE	General Government										Education					TOTAL
	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUNITIES HEALTH	SUBTOTAL			LINCOLN COUNTY SCHOOL	OR COAST COM COLLEGE	LINN-BENTON ESD	SUBTOTAL		
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	(40,006)	(1,560)	(640)	(1,382)	(864)	(79,351)	(5,142)	(128,944)	-	-	(69,639)	(2,492)	(4,325)	(76,457)	-	(205,401)
2016	(80,372)	(2,365)	(965)	(2,085)	(1,304)	(119,747)	(7,760)	(194,588)	-	-	(105,091)	(3,761)	(6,527)	(115,379)	-	(309,967)
2017	(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)
2018	(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)
2019	(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)
2020	(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)
2021	(176,804)	(6,886)	(2,827)	(6,106)	(3,818)	(350,688)	(22,726)	(569,866)	-	-	(307,768)	(11,015)	(19,115)	(337,898)	-	(907,764)
2022	(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)
2023	(231,042)	(9,012)	(3,695)	(7,979)	(4,989)	(458,267)	(29,698)	(744,662)	-	-	(402,182)	(14,394)	(24,979)	(441,555)	-	(1,186,237)
2024	(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)
2025	(290,272)	(11,322)	(4,642)	(10,025)	(6,268)	(575,746)	(37,311)	(935,587)	-	-	(505,284)	(18,084)	(31,382)	(554,751)	-	(1,490,338)
2026	(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)
2027	(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)
2028	(398,491)	(15,192)	(6,229)	(13,452)	(8,411)	(772,546)	(50,064)	(1,255,365)	-	-	(677,998)	(24,266)	(42,109)	(744,372)	-	(1,999,757)
2029	(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)
2030	(463,302)	(18,071)	(7,409)	(16,001)	(10,005)	(918,946)	(59,551)	(1,493,287)	-	-	(806,482)	(28,864)	(50,089)	(885,435)	-	(2,376,722)
2031	(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)
2032	(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)
2033	(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)
2034	(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)
2035	(678,928)	(26,481)	(10,857)	(23,448)	(14,661)	(1,346,636)	(87,267)	(2,188,281)	-	-	(1,181,829)	(42,298)	(73,401)	(1,297,527)	-	(3,485,808)
2036	(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)
2037	(779,374)	(30,389)	(12,464)	(26,917)	(16,830)	(1,545,871)	(100,178)	(2,512,033)	-	-	(1,356,676)	(48,555)	(84,260)	(1,489,494)	-	(4,001,527)
2038	(826,561)	(32,460)	(13,299)	(28,756)	(17,915)	(1,652,025)	(107,273)	(2,689,700)	-	-	(1,473,632)	(51,777)	(91,541)	(1,565,950)	-	(4,276,279)
2039	(876,574)	(34,560)	(14,153)	(30,712)	(19,000)	(1,772,025)	(114,373)	(2,886,400)	-	-	(1,600,025)	(55,250)	(98,201)	(1,698,476)	-	(4,514,176)
2040	(921,217)	(36,711)	(15,106)	(32,817)	(20,111)	(1,900,025)	(121,473)	(3,107,500)	-	-	(1,749,515)	(59,744)	(105,744)	(1,855,003)	-	(4,760,263)
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	(10,553,384)	(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.

SIMPLE CITY - Urban Renewal Tax Calculations



A	B	C	D	E	F	G	H	I	J
Year	City Tax Rate per \$1,000	UR assessed Value	Annual UR Excess	City Tax on UR Excess	City Assessed Val	UR Rate per \$1000	UR Will Raise	City Tax Will Raise	City Tax w/o UR
1	9.00	800,000	0	0.00	2,400,000	0.000000	0.00	21,600.00	21,600.00
2	9.00	924,000	124,000	1,116.00	2,472,000	0.451456	1,116.00	21,132.00	22,248.00
3	9.00	1,051,720	127,720	1,149.48	2,546,160	0.451456	1,149.48	21,765.96	22,915.44
4	9.00	1,183,272	131,552	1,183.96	2,622,545	0.451456	1,183.96	22,418.94	23,602.90
							3,449.44	86,916.90	90,366.34
		increase is 3% plus \$100,000 per year	"Excess Value" over frozen base	"UR Plan Levy"	"Shared Value" increase is 3% per year	City-wide UR Rate		86,916.90 3,449.44	
				=B*D/1000		=E/F*1000		<u>90,366.34</u>	