



AGENDA and Notice of Joint Meeting with Urban Renewal Agency and Urban Renewal Advisory Committee

The City of Newport Urban Renewal Agency and the Urban Renewal Advisory Committee joint meeting will be held on Tuesday, September 8, 2015, at 5:15 P.M. The meeting will be held in City Council Chambers of the Newport City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

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

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

JOINT URBAN RENEWAL AGENCY AND URBAN RENEWAL ADVISORY COMMITTEE MEETING Tuesday, September 8, 2015 - 5:15 P.M. City Council Chambers

I. Call to Order and Roll Call

II. Public Comment

This is an opportunity for members of the audience to bring to the Council's attention any item not listed on the Agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.

III. Consent Calendar

The consent calendar consists of items of a repeating or routine nature considered under a single action. Any Councilor may have an item on the consent agenda removed and considered separately on request.

- A. Approval of the Urban Renewal Agency Minutes from August 17, 2015 (Hawker)

IV. Executive Director Report

All matters requiring approval of the Urban Renewal Agency originating from the city manager and departments will be included in this section. This section will also include any status reports for the Urban Renewal Agency information.

- A. Presentation of Newport Northside and McLean Point Urban Renewal District

VI. Adjournment

August 17, 2015
5:30 P.M.
Newport, Oregon

The Urban Renewal Agency of the City of Newport met on the above date in the Council Chambers of the Newport City Hall. On roll call, Allen, Engler, Busby, Saelens, Swanson, and Roumagoux were present. Sawyer was excused.

Staff present was Executive Director Nebel, City Recorder Hawker, City Attorney Rich, and Community Development Director Tokos.

CONSENT CALENDAR

The consent calendar consisted of the following item:

- A. Approval of minutes from the June 15, 2015 meeting.

MOTION was made by Roumagoux, seconded by Busby, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

EXECUTIVE DIRECTOR REPORT

Update on Preparation of the Newport Northside and McLean Point Urban Renewal Plans. Nebel reported that since June 29, the Urban Renewal Advisory Committee has been meeting with city staff and Elaine Howard Consulting to review various aspects of the draft urban renewal plans that will be formally submitted to the Urban Renewal Agency at the September 8 meeting. He stated that following this meeting, the plans will be submitted to the Planning Commission for a hearing and ultimately to the City Council for a hearing on September 21. He noted that there are two plans being developed, one is for the Newport Northside and the second is for the McLean Point area. He added that the packet contains a memo from Tokos that provides additional detail.

Nebel reported that the next public open house will take place on August 31 in conjunction with a Town Hall meeting. He stated that this will be held at the Pacific Communities Health Foundation Health Education Center, and that the meeting with the Committee is strictly for a briefing on the status of plan development.

Tokos reported that the schedule of meetings had been shifted in the earlier meeting of the Urban Renewal Advisory Committee, and that the next meeting would be held on September 1, rather than August 31, in order to benefit from feedback received at the August 31 open house. He noted that notices have been sent to property owners, and additional notices of the public hearing will be distributed through utility bills to everyone within the defined geographic boundaries.

Allen asked for questions regarding timeline and process.

Allen asked Busby if he had observations from the earlier meeting. He encouraged interested citizens to attend the open house on August 31.

Allen asked whether formal public comment will be taken at the Town Hall meeting on August 31. Tokos reported that there will be a brief presentation, at the August 31 meeting, followed by break-outs at the end of the presentation to allow for comment at various stations relating to different components of the proposed plans. Engler asked whether there will be a method for public comment on the city's website. Tokos reported that there is a questionnaire that has been posted and responses will be added to the public comment log. Allen suggested listing the upcoming public hearings, on the proposed plans, on the website link for public hearings. Allen asked whether the Agency will receive a recommendation on September 8 to forward onto the Planning Commission. It was asked that Carla Perry's comments, received via e-mail, be incorporated as a part of the record.

ADJOURNMENT

Having no further business, the meeting adjourned at 5:45 P.M.

Margaret M. Hawker, City Recorder

David N. Allen, Chair

URBAN RENEWAL AGENCY REPORT AND RECOMMENDATIONS



Agenda#IV.A:
MeetingDate: 9/8/15

Agenda Item:

Presentation of the Newport North Side & McLean Point Urban Renewal Plans

Background:

As you are aware the City Council has authorized the development of North Side & McLean Point Urban Renewal Plans for the City of Newport. The City Council appointed an advisory committee including representatives from the affected taxing districts and other key stakeholders in the community. The advisory committee met a total of six times between June and September to assist the city and its consultant in preparing the Urban Renewal Plan. As part of that effort, the committee held two public meetings to gather ideas, comments and concerns regarding the plan. Please note there is a summary of the feedback that we received from the July 27, 2015, public meeting, as well as the August 31, 2015, town hall meeting for the Urban Renewal Agency to review. Council President, Ralph Busby, was the official representative of the City Council on the Urban Renewal Advisory Committee.

The committee reviewed these comments, suggested certain modifications and approved both the Newport North Side and the McLean Point Urban Renewal Plans. Both plans are now forwarded to the Urban Renewal Agency for their review. The plans will be forwarded by the Agency to the Newport Planning Commission for a review for consistency with the Comprehensive Plan and to the City Council, which is the decision making body that has the authority to adopt the plans. In addition, the Newport Urban Renewal Agency can take public testimony and have deliberations on the plans.

Recommended Action:

I recommend the Agency consider the following motions:

I move that the Agency forward the Newport North Side Urban Plan and Report to the Newport Planning Commission for review of the plan for conformance with the Newport Comprehensive Plan and to the Newport City Council for its consideration.

I further move that the Agency forward the McLean Point Urban Renewal Plan and Report to the Newport Planning Commission for review of the plan for conformance with the Newport Comprehensive Plan and to the Newport City Council for its consideration.

Fiscal Effects:

None directly by forwarding the plans. Please note that the McLean Point Urban Renewal Plan will provide up to \$2 million dollars in bonding and will generate a projected a tax increment of \$3.2 million dollars over the sixteen (20) year life of the plan. The Newport North Side Urban Renewal Plan will allow for \$40 million dollars of bonded debt, and is projected to capture \$67 million dollars in tax increment financing over a 25 year period. These funds will be available for various improvements within each of these districts to

increase the long term tax base for the City of Newport, and other taxing entities.

Alternatives:

None recommended.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel", is written over the text "Respectfully submitted,".

Spencer R. Nebel
City Manager



Agenda Item # URA.IV.A.1
Meeting Date September 8, 2015

**URBAN RENEWAL
AGENDA ITEM SUMMARY**
City of Newport, Oregon

Issue/Agenda Title Presentation of Newport Northside and McLean Point Urban Renewal Plans

Prepared By: Derrick Tokos Dept Head Approval: DT City Mgr Approval:

ISSUE BEFORE THE URBAN RENEWAL AGENCY: Consideration of the draft Newport Northside and McLean Point Urban Renewal Plans. By statute the Agency is not required to adopt the plans; rather, it forwards them to the Newport Planning Commission for a review for consistency with the Newport Comprehensive Plan and the City Council, which is the decision making body that has the authority to adopt the plans. This is a noticed hearing at which the public is invited to testify.

STAFF RECOMMENDATION: Staff recommends that the Newport Urban Renewal Agency take public testimony, and discuss and deliberate the plans. This is also an opportunity for Agency members to ask questions of staff and raise any issues they would like to see addressed at subsequent hearings before the Newport Planning Commission and City Council.

PROPOSED MOTIONS:

MOTION NO. 1: I move that the Agency forward the Newport Northside Urban Renewal Plan and Report to the Newport Planning Commission for review of the Plan for conformance with the Newport Comprehensive Plan and to the Newport City Council for its consideration.

MOTION NO. 2: I move that the Agency forward the McLean Point Urban Renewal Plan and Report to the Newport Planning Commission for review of the Plan for conformance with the Newport Comprehensive Plan and to the Newport City Council for their consideration.

KEY FACTS AND INFORMATION SUMMARY: The City of Newport established an Urban Renewal Agency pursuant to ORS Chapter 457 with Resolution No. 1647, effective June 5, 1972. The Agency originally consisted of members of the community appointed by the City Council. That changed in 2007, when the Newport City Council elected to take over the Agency's responsibilities (Ordinance No. 1910).

Since its inception, the Urban Renewal Agency has been responsible for the preparation and implementation of two Urban Renewal Plans, the first being the "Newport Urban Renewal Plan," created by Council Resolution No. 1685 on May 7, 1973 and the second being the "South Beach Urban Renewal Plan," established with Ordinance No. 1341, adopted September 12, 1983. The Newport Urban Renewal Plan ceased collecting a tax increment in Fiscal Year 10/11 and was closed in 2013.

In 2012, the City of Newport performed an Economic Opportunity Analysis, engaging a wide range of stakeholders to assess the economic condition of the City, develop a cohesive economic strategy and vision for the community, and to identify steps the City could take to help the community achieve its economic development aspirations. One of the recommendations that followed called for the City to evaluate the feasibility of creating a new urban renewal plan area north of the Yaquina Bay Bridge to address issues of underutilized commercial and industrial properties and infrastructure deficiencies. A feasibility study was completed by the consulting firm ECONorthwest in 2014, under the

direction of the Newport Planning Commission. The study evaluated three potential boundaries for the district with conceptual project lists for each. It was focused on the US 20 and US 101 highway corridors and Agate Beach areas that, with the exception of City Center, have not benefitted from urban renewal investments in the past. The feasibility study demonstrated that all three options were potentially viable.

Representatives of the affected taxing districts reviewed the feasibility study, met with city staff, and provided testimony to the Urban Renewal Agency. The City also hired ECONorthwest to prepare detailed fiscal impact analysis for each of the taxing districts and that analysis has been shared with the districts.

ORS Chapter 457 lists the required components of an urban renewal plan and identifies the process by which a plan can be adopted. On March 16, 2015, the Newport Urban Renewal Agency adopted Resolution No. 3707 to establish a citizen advisory committee to assist the Agency in preparing an Urban Renewal Plan. The resolution also provided the committee with general parameters for preparing the plan.

An Advisory Committee was formed that included representatives from the affected taxing districts and other key stakeholders within the community. The Advisory Committee met a total of six times, between June and September, to assist the city and its consultant in preparing the Urban Renewal Plan. During this process, the Port of Newport proposed a second, small urban renewal plan in the vicinity of McLean Point. That plan was evaluated by the Advisory Committee in addition to the plan that focused on US 101, US 20 and Agate Beach (i.e. the Newport Northside Plan). Both plans were reviewed by the Advisory Committee and presented to the public at outreach meetings held on July 27, 2015 and August 31, 2015. Following the last outreach meeting, the Advisory Committee made a final round of changes to the plans before voting unanimously to pass them along to the Agency for its consideration.

Enclosed with this agenda summary are copies of the draft plans and reports; memos further describing public input that has been received, how the proposals are consistent with Agency guidance (i.e. Resolution No. 3707), and the process for adoption; and written summaries of the public input that has been received.

OTHER ALTERNATIVES CONSIDERED: Not proceeding with an urban renewal plan. Urban renewal is one of the few tools that local governments can leverage to generate funds for investment in infrastructure and real property in order to facilitate economic growth. The feasibility study showed that the targeted areas are appropriate choices for urban renewal investment and that if it is done wisely then the affected taxing entities and community at large will benefit from the resulting growth and revitalization.

CITY COUNCIL GOALS: Moving forward with preparing a plan is consistent with the City Council's goals.

ATTACHMENT LIST:

- Memo summarizing public input and the adoption process for the McLean Point Urban Renewal Plan, dated September 2, 2015
- Memo summarizing public input and the adoption process for the Newport Northside Urban Renewal Plan, dated September 2, 2015
- Public Comments received at the June 27, 2015 outreach meeting
- Public Comments received at the August 31, 2015 outreach meeting
- Memo from Elaine Howard, Elaine Howard Consulting, summarizing revisions made following the August 31, 2015 outreach meeting
- Draft Newport Northside Urban Renewal Plan and Report, dated September 2, 2015
- Draft McLean Point Urban Renewal Plan and Report, dated September 2, 2015

FISCAL NOTES: If the plans are adopted, the first tax initial increment will be collected in FYE 2017. Financial analysis outlining the impact the plans will have on affected taxing entities are included in the plans.

Memorandum

To: Newport Urban Renewal Agency
From: Derrick Tokos, Community Development Director
Date: September 3, 2015
Re: McLean Point Urban Renewal Plan

The Newport Urban Renewal Advisory Committee (Advisory Committee) has forwarded the draft McLean Point Urban Renewal Plan (Plan) to the Newport Urban Renewal Agency (Agency) for their consideration.

Public Input:

There has been significant public input in the drafting of both the Plan and the Report Accompanying the Plan (Report). The Advisory Committee met six times to help compose and review the urban renewal plan and report. The Advisory Committee specifically reviewed the goals and objectives, projects, amendment procedures, duration of the Plan, under-levy provisions of the Plan and socio-economic data, funding, and financial tables in the Report. The Advisory Committee also reviewed the input from the public meetings. The Advisory Committee voted unanimously, of those present, to forward the Plan and Report to the Agency for their consideration. There were representatives of the community at the majority of the Advisory Committee meetings.

Two public meetings were held. The first public meeting was held on July 27, 2015 at which approximately 47 citizens participated. Staff and the consultant provided background information on urban renewal, the proposed plan and on the process for adoption of an urban renewal plan. Comment forms were available for attendees to complete. The comments received were compiled and placed on the city of Newport website. In addition, where appropriate, responses to the comments were drafted and also posted to the website and distributed at the second open house and to the Newport Urban Renewal Agency as part of the staff report on the process of preparing the urban renewal plan.

The second public meeting was an urban renewal open house on August 31, 2015 at which 75 people signed in and others attended, but chose not to sign in. Staff provided general urban renewal information, background information on why to consider urban renewal at this time, an overview of the potential projects, and answered questions. Attendees were provided opportunities to provide input at 5 different stations in the room, one of which was for the McLean Point Urban Renewal Area. Although comments were received in writing at every other station, there were no comments received on the McLean Point Urban Renewal Plan.

There will also be opportunities for public input at this Agency meeting, the Newport Planning Commission (Planning Commission) meeting, and the City Council meeting.

In addition, the consultant and city staff briefed the Newport Port Commission on both urban renewal plans on August 18, 2015. Staff briefed the Lincoln County Board of Commissioners on September 2, 2015.

Proposal:

The proposed Plan is consistent with Resolution No. 3707 adopted by the Newport City Council that provided sidebars for the development of an urban renewal plan. Specifically, the project emphasis is on those projects that will stimulate economic activity, likely to draw matching funds, and are consistent with city plans. With the assistance of the Advisory Committee language was developed and included in the plan to ensure that stakeholders, both in advisory committees and ad hoc committees, are engaged with future amendments. This Plan does not provide the opportunity for an under-levy as the maximum indebtedness is very small, approximately \$2 million. The maximum indebtedness of this Plan and the proposed Newport Northside Urban Renewal Plan does not exceed \$42 million over the life of the two plans.

The proposed Plan includes a specific duration of the Plan, even though not required by statute. The Advisory Committee recommended the duration as a feature to help set expectations for the time frame of urban renewal. The duration set for this plan is 20 years. The financial analysis anticipates that the projects will be completed in approximately 16 years. The additional years agreed upon by the Advisory Committee allow for some flexibility if economic conditions require the timing of development to be adjusted.

Process for Adoption:

The process for final review of the Plan and Report include the following steps:

- | | |
|--------------|--|
| August 18 | Presentation to Port of Newport (no vote) |
| August 26 | Formal notice to taxing jurisdictions. Each entity has until September 16 to provide written comment |
| August 31 | Second Public Open House Notice of September Hearings mailed to utility customers and owners of property within the proposed urban renewal boundaries |
| September 2 | Presentation to Lincoln County Board of Commissioners (no vote) |
| September 8 | Newport Urban Renewal Agency review |
| September 14 | Planning Commission review for conformance to Newport with the Newport Comprehensive Plan |
| September 21 | City Council Public Hearing and vote on ordinance |

Memorandum

To: Newport Urban Renewal Agency
From: Derrick Tokos, Community Development Director
Date: September 3, 2015
Re: Newport Northside Urban Renewal Plan

The Newport Urban Renewal Advisory Committee (Advisory Committee) has forwarded the draft Newport Northside Urban Renewal Plan (Plan) to the Newport Urban Renewal Agency (Agency) for their consideration.

Public Input:

There has been significant public input in the drafting of both the Plan and the Report Accompanying the Plan (Report). The Advisory Committee met six times to help compose and review the urban renewal plan and report. The Advisory Committee specifically reviewed the goals and objectives, projects, amendment procedures, duration of the Plan, under-levy provisions of the Plan and socio-economic data, funding, and financial tables in the Report. The Advisory Committee also reviewed the input from the public meetings. The Advisory Committee voted unanimously, of those present, to forward the Plan and Report to the Agency for their consideration. There were representatives of the community at the majority of the Advisory Committee meetings.

Two public meetings were held. The first public meeting was held on July 27, 2015 at which approximately 47 citizens participated. Staff and the consultant provided background information on urban renewal, the proposed plan and on the process for adoption of an urban renewal plan. Comment forms were available for attendees to complete. The comments received were compiled and placed on the city of Newport website. In addition, where appropriate, responses to the comments were drafted and also posted to the website and distributed at the second open house and to the Newport Urban Renewal Agency as part of the staff report on the process of preparing the urban renewal plan.

The second public meeting was an urban renewal open house on August 31, 2015 at which 75 people signed in and others attended, but chose not to sign in. Staff provided general urban renewal information, background information on why to consider urban renewal at this time, an overview of the potential projects, and answered questions. Attendees were provided opportunities to provide input at 5 different stations in the room. The majority of the comments received were in response to the potential of traffic solutions in the commercial core. All but one of those comments were against any couplet as a solution to traffic problems. It was noted by staff that the issue of traffic in the commercial core will be addressed in the Commercial Core Refinement Plan which is anticipated to be a two to three-year process, including substantial community input. The Commercial Core Refinement Plan will be one of the first two projects completed within the Plan, and will identify and prioritize specific urban renewal infrastructure and investment priorities under the general categories allowed within the urban renewal plan. That planning effort will consider a substantial amount of data that has been gathered about how the existing transportation system is performing, including traffic problems in the area, and will identify and evaluate different alternative solutions. Whether or not a couplet will be one of the recommended solutions is unknown at this time. However, staff consistently stated their desire for transparency that all options be discussed and vetted in the refinement planning process. The second area of concern was

surrounding the proposed projects in Agate Beach. There was concern about whether Agate Beach property owners were getting a fair share of funding and about the specifics of what improvements would be completed. Staff pointed out that those decisions would be made in the Agate Beach Refinement Plan, one of the first projects to be funded in the urban renewal plan.

There will also be opportunities for public input at this Agency meeting, the Newport Planning Commission (Planning Commission) meeting, and the City Council meeting.

In addition, the consultant and city staff briefed the Newport Port Commission on both urban renewal plans on August 18, 2015. Staff briefed the Lincoln County Commission on September 2, 2015.

Proposal:

The proposed Plan complies with Resolution No. 3707 adopted by the Newport City Council that provided sidebars for the development of an urban renewal plan. Specifically, the project emphasis is on those projects that will stimulate economic activity, likely to draw matching funds, and are consistent with city plans. The amendments include engaging stakeholders, both in advisory committees and ad hoc committees. The Plan provides the opportunity for an under-levy and provides a process for review of an under-levy. The maximum indebtedness of this Plan and the proposed McLean Point Urban Renewal Plan does not exceed \$42 million over the life of the two plans.

The proposed Plan includes a specific duration of the Plan, even though not required by statute. The Advisory Committee recommended the duration as a feature to help set expectations for the time frame of urban renewal. The duration set for this plan is 25 years. The financial analysis projects approximately 23 years, the additional two years allows for some flexibility in the economy and provides some potential to pursue an under-levy if desired.

Process for Adoption:

The process for final review of the Plan and Report include the following steps:

| | |
|--------------|--|
| August 18 | Presentation to Port of Newport (no vote) |
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mombetsu, japan, sister city

Summary of community feedback received on comment cards from July 27, 2015 public meeting on proposed urban renewal areas in Newport

10 forms turned in at the meeting, 6 forms and/or letters received after the meeting.
Compilation as of 8/19/2015.

Overall themes of comments:

- Support for work in Agate Beach
- Need for affordable, workforce housing
- Strong feelings about couplet concept both for and against
- General support for infrastructure improvements
- General support for economic improvements
- Need for parking in commercial core areas

What components of the draft urban renewal plans do you like?

- reserving judgment
- we need it all
- facelift for Newport, improved economics, utility undergrounding
- utility undergrounding, Agate Beach Neighborhood Plan
- storefront upgrades and use of all of the empty lots
- intersection alignment: US 101 and 6th, commercial core areas highway/street upgrades (e.g. couplet, widening etc.)
- create economic opportunity, neighborhood planning
- investing in the community, citizen input
- support for economic opportunity, removal of urban blight, paved streets in Agate Beach
- Improving the look (beauty)... not removing blight. 101 looks like concrete and metal, we need more trees and grass areas like Walgreens has.
- Communication needs to be more than lip service since Agate Beach is footing part of the bill, it should have some say.
- Improving the "downtown" area
- Do not like any components
- Addressing blight, addressing lack of affordable housing, emphasis on development of affordable housing options in the central core area.

What 3 projects do you feel are most important?

- Agate Beach: Infrastructure repair/replace (existing) first. Sidewalks, storm sewer, paving. Infrastructure new/needed second, transportation to/from north to city center
- pedestrian and bicycle improvements
- signage and streetscape improvements
- utilities - and infrastructure and undergrounding
- parking improvements
- storm drainage
- intersection realignment
- local street right away improvements
- couplet/highway upgrades
- storm drainage improvements
- intersection realignment(e.g. US 101 and 6th Street
- commercial core area highway/street upgrades
- parking improvements
- planning efforts to determine infrastructure upgrades
- housing, identify all city properties that could be used
- remove parking on 101 downtown
- police station on 101 downtown
- buy and create more downtown parking on ninth and behind Pier 101
- Agate Beach neighborhood storm sewers and street repair before all of the spending on public art, benches, storefront facades, etc.
- Descriptions too vague to form an opinion
- None of the projects are important
- Benches to encourage use of public spaces, heavy emphasis on development of public spaces
- Major renovation of most buildings in downtown
- Incorporating ways to beautify the city along Highway 101 (discourage parking lots that face highway, increase multi-use boutique stores on ground floor, affordable housing on upper floors

Are there other projects that should be considered?

City staff responses show in italics. There are several references to “refinement plans.” Two such planning efforts are proposed. Each will require substantial public outreach. One of the plans would focus on Agate Beach and the other on the City’s Commercial Core Areas along US 101 and US 20. The plans will identify specific projects that would fall under the broader project categories identified in the urban renewal plans.

- revitalize the movie theater
 - *This could be eligible for funding through the storefront loan program.*
- pedestrian and bicycle improvements
 - *There could be funding in street improvement projects if directed in one of the refinement plans.*
- Ernest Bloch Heritage Center
 - *The boundary of the plan area has been amended to include the property. This could be eligible for funding through the storefront loan program.*
- parks and beach improvement
 - *The beach is not in the urban renewal area, so improvements along the beach would not be eligible for funding. There could be funding allocated to small parks if directed in one of the refinement plans.*
- continued improvement in crosswalks
 - *There could be funding in street improvement projects if directed in one of the refinement plans.*
- add sidewalk and lighting improvements on 101 between Best Western in Agate Beach and Walmart
 - *There could be funding in street improvement projects if directed in the refinement plan.*
- landscape mitigation in west Agate Beach
 - *There could be funding in street improvement projects if directed in the refinement plan.*
- invest in the human capital as much as the economics
 - *Urban renewal eligible projects are defined in the Oregon Revised Statutes. They include capital projects and administration to support the capital projects. Projects for human capital must be funded through other sources.*
- without adequate workforce housing economic responses will be difficult. Plan needs to do more than just funding infrastructure.
 - *Construction of affordable housing could be a component of one of the redevelopment projects, but no funding is specifically identified for housing.*

Infrastructure improvements in Agate Beach would facilitate new housing construction, which would increase the City's housing supply.

- move National Guard Armory off 101 to airport- a dead inactive use
 - *This property could be considered for one of the redevelopment projects.*
- more housing
 - *Housing could be one of the redevelopment projects, but no funding is specifically identified for housing.*
- replace National Guard property with a farmers market multipurpose building or aquatic center
 - *This property could be considered for one of the redevelopment projects.*
- work with hospital district
 - *There will be coordination with the Hospital District*
- police station on 101 downtown
 - *This could be one of the redevelopment projects if a police station were a component of the new project (e.g. space in a commercial redevelopment site). At this time, funding for a new police station is not a specific project in the Plan.*
- clean up the Deco district, make it one way with plantings, storefront requirements of owners, etc.
 - *Portions of the Deco district that are in the urban renewal area would be eligible for improvements under the programs identified in the Plan, including storefront improvements and street improvements.*
- the lack of landscaped businesses on US 101 is distressing. All you can see is storefronts and concrete.
 - *Funding for street tree and landscape island enhancements are included in the Plan. Also, street improvements are a project, and if identified in one of the refinement plans as a priority, landscaping could be considered in this area. Funding is programmed for utility undergrounding, which would reduce visual clutter along the highways.*
- an earthquake resistant fire station would be important
 - *Creating an earthquake resistant fire station is not included in the Plan. The City has obtained funding from the State of Oregon to seismically upgrade the main fire station and that work is underway.*
- making it possible for people to walk and bike safely from north Newport into town for jobs, schools shopping, library etc.
 - *There could be funding in street improvement projects if directed in the refinement plan.*

- construct a bypass starting at NE 73rd to enable traffic to Route 20 to bypass Newport.
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport. The Agate Beach refinement plan will also address transportation solutions.*
- Create a noise abatement plan to protect people in north Newport from low flying aircraft.
 - *This is not a project in the Plan. The City is in the process of updating its Airport Master Plan. Noise abatement is an issue that will be covered in that Plan. The project lead for that effort is Melissa Roman. She can be reached at 541-574-3377.*
- Issue to be considered: Avoid couplet as solution to traffic in downtown - destroys businesses and hampers pedestrian use
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport, including whether or not a couplet is viable and appropriate within the community. There will be substantial public outreach as part of that planning effort.*

Is there any other element of the plans on which you would like to provide input?

- no more cute signs or ugly concrete arches less paving, more trees
- the couplet is an exceedingly terrible idea and is not needed traffic on 101 will be improved by removing parking on 101 downtown spend the money on more parking off 101 and removing dreadful housing that should be condemned turn that into parking.
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport.*
- South Beach urban renewal comments, contact person who submitted questionnaire
 - *Staff followed up.*
- what couplet could be a model for Newport? Put those on the website
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport. Couplets, highway widening projects and other transportation solutions implemented in comparable communities will be evaluated at that time.*
- not all economic development is sustainable or beneficial what kind of economic development are you seeking? Clean community oriented locally owned
- no couplet of US 101

- *The commercial core refinement plan will study alternatives to traffic flow in Newport.*
- Agate Beach neighborhood plan
- using 7th or 9th Street as couplet for 101 is a bad idea. Dangerous to run a highway through a hospital campus, terrible for church on Ninth Street, terrible for shuttling people through the business District - missing one half businesses on Newport by giving up north south traffic
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport.*
- why waste one half million dollars on removing billboards
 - *Billboard removal will likely be required for some commercial redevelopment projects. Refinement plans may also identify the removal of certain billboards to enhance the streetscape*
- keep the public better informed
 - *The urban renewal advisory committee meetings have been open to the public. Property owners within the proposed urban renewal plan areas received direct mail notice of the June 27th and August 31st open houses, as well as upcoming hearings on September 8th, 14th and 21st. This amounted to over 7,000 individual pieces of mail over four separate mailings. The project has also been advertised on the radio and in the News-Times. Information is available of the main page of the City website and all of the upcoming meetings are open to the public with opportunities to comment.*
- plan for affordable housing, don't push housing costs up
 - *Housing could be one of the redevelopment projects and infrastructure investments should help to increase the city's housing supply; however, no funding is specifically identified for housing.*
- how much is being spent on consulting, management, administration etc. these costs are not included
 - *The cost to administer the urban renewal program is factored into the plans at 4% of the total maximum indebtedness. The consultant contract for the Newport Northside plan is \$27,000 and is being paid for by the City. The contract for the McLean Point plan is \$16,000 and is being paid for by the Port of Newport. It is common for local governments to ask consultants to assist them in preparing these types of plans given the complexity of the statutes and the desire of impacted taxing entities in having the financial data prepared by an independent party.*

- the three lots at the city is giving to Habitat should be used for the pool or parking or perhaps to move the senior center but not given to Habitat. Other properties away from downtown would serve them better.
 - *The City has entered into a contract with Habitat for the construction of affordable housing on these properties, which are located on the opposite side of Benton Street from the Recreation Center. The viability of the lots for parking was evaluated as part of the design process for the aquatic facility and it was determined that they are not suitable for that purpose, because they would create an unsafe crossing of high volume collector roadway (Benton Street) and they would not provide a meaningful number of spaces at reasonable cost due to engineering considerations.*
- The movie theater is the only real Deco building in the Deco district. (revitalize it)
 - *This could be considered for one of the redevelopment projects.*
- Any changes to 101 need to be voted on by all of Lincoln County residents
 - *The refinement plan for commercial core areas will include public outreach and hearings before the Planning Commission and City Council. It is not being considered for a public vote of all Lincoln County residents. It is also important to understand that US 101 is a state highway, not a city road, so any changes would also have to be acceptable to the Oregon Department of Transportation.*
- Would like to see priority stated, i.e. how much tax money will come from Agate Beach versus from the US 101 Corridor
 - *Residential zoning accounts for 35.7% of the parcels. This includes residential areas other than Agate Beach. Specific projects will be defined and prioritized as part of the refinement plans which will be initiated as part of the first phase of the Newport Northside urban renewal plan.*
- Need input on any restructuring of traffic flow
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport. This will include public input.*
- The shape of the Urban Renewal district makes no sense... grouping doesn't make sense, geographically, historically or logically. Businesses should pay for themselves , recycle food waste
 - *The boundary of the Newport Northside district has been carefully tailored to include commercial zoned lands along US 101 and US 20 identified as prime candidates for redevelopment as part of a detailed economic study performed in 2012, the fairgrounds, areas adjacent to the hospital that will be redeveloping, and land (primarily residential) in Agate Beach that lacks adequate public services.*

- Need more information about the planned development of McLean Point. - Concern about wildlife nesting, wetlands, NWNH holding tank. - concerned about how the plans relate to comp plan goals for Yaquina Bay.
 - *The management objective for this portion of the estuary is to promote port development and the development of other water dependent uses in keeping with the scenic, historic, and unique characteristics of the area. The urban renewal plan furthers this objective by providing funding to cover the cost of infrastructure needed to support water dependent industrial development at the recently reconstructed international Terminal and adjacent undeveloped land at McLean Point.*

Relevant portions of the Estuary Management Plan, along with detailed explanations of the Estuarine Management Units and their associated management objectives have been incorporated into the City of Newport's Comprehensive Plan and Zoning Ordinance. Water dependent zoned land within the urban renewal plan area prioritize uses and prohibit development that does not need contact with or use of water for transportation, recreation, energy production or water supply consistent with Yaquina Bay and Estuary Policies 3, 7, and 8. The urban renewal plan does not include projects that would preclude the disposal of dredge material in upland areas, as provided in Policy 5, and lands subject to the plan have not been designated as mitigation or restoration sites as outlined in Policy 6. The Newport Zoning Ordinance requires impact assessments for in-water development, consistent with Policy 10, in the event that infrastructure that is to be funded with this plan extends into the estuary.

Heavy industrial zoned lands within the urban renewal plan are not adjacent to the estuary and are not subject to the Yaquina Bay and Estuary Goal. The City of Newport Comprehensive Plan contains policies that are relevant to natural and conservation estuarine management units. Those policies are not listed in this plan because the management units are not present within the urban renewal area.

August 31 open public meeting Newport Urban Renewal

Station 1-Project list and 3 projects for input

Lay conduit for fiber optics for citizens of Newport at same time undergrounding of utilities

Replace 4 blocks of city center with planned community development

Project list shows equal funding for commercial development and Agate Beach. July public meeting was 99.9% presentation on commercial development. Portent of things to come, spending to come? RE: Per captions "actions speak louder than words".

I feel the couplet would be a huge mistake. Please consider removing parking along 101 instead. Cheaper and makes more sense.

No couplet.

Larger amount of \$\$ for commercial core revitalization

No fairground monies

Board with 3 projects for consideration:

Forget the aquatic center. That expansion just adds to the parking mess.

I want to see public spaces and green spaces play a significant part of development

Yes, support aquatic center

The NE 73rd light would make the neighborhood safer, extend to NE 73rd for the signal

Station 2 - Agate Beach

Have heard nothing about reliable water lines to Agate Beach.

Feels like Agate Beach held ransom for adequate water lines, paving, etc. we must pay for commercial development in Newport central.

Include project to include railroad right of way on west side of 101 for bike and pedestrian path to Yaquina Head.

I am concerned regarding existing structures: foliage and water system close to street which I would be required to remove (if the street is paved)

Use the old RR bed for a pathway!

Concerned about paving and right of way issues along NE 56th Street. Great increase in NE 56th up to 10 cars on the gravel road in 3 minutes...narrow

NE 56th Street: Would be lovely and economical to just continue the pavement from the bottom to the pavement at the top of the hill. It may not seem like much, but ½ of the neighborhood showed up tonight because of it. To prove our point, set up a traffic count at the bottom of the hill to document our pain.

Create access to Longview Hills via 52nd Street

NE 56th Street, Lucky Gap and NE 57th Street: are over stressed and due to dramatic increase in traffic over the past decade. Needs to be paved or ongoing grading and dust control.

Station 3 - Commercial Core

Large sheet of paper hung up which says: We are against routing northbound traffic on 9th Street sign this post-it if you are against \$12,500 re-routing - 35 signatures - some of the below post its are duplicate names from the large poster. (seems a lot of hospital employees)

Only Shakespeare should deal with couplets

I'm OK with the couplet

Against re-routing 101 – (Samaritan Hospital employee identifies self) plus 26 other post its

No Couplet! 2

No Couplet, take parking off 101

Opposed to the couplet

No couplet, keep pour patients and staff safe

Please do not re-route using 9th Street

Station 4 - McLean Point

None

Station 5 – Financials and Schedule

Parity: Based on 2014 what is the ratio of revenue to be derived from the Agate Beach neighborhood and the commercial zones included in the urban renewal plan?

MEMO

TO: Newport Urban Renewal Advisory Committee
FROM: Elaine Howard
RE: Revised Urban Renewal Plans and Reports
DATE: September 2, 2015

The revised Newport Northside Urban Renewal Plan and Report and McLean Point Urban Renewal Plan and Report are attached. The following changes were made:

Newport Northside Urban Renewal Plan

1. Added the city recorder on the initial page.
2. Added blight to the definitions. (p. 4)
3. Introduction: Added more information in the introduction on the two public meetings and a summary of the advisory committee meetings. Added information on the meeting with the Newport Port Commission and the Lincoln County Commission. (p. 6,7)
4. In the goals and objectives, clarified mixed-use under commercial core areas in the economy goal. (p. 10)
5. In the project section added language to clarify utilities saying “water, sewer and other utility line relocation and capacity upgrades”. (p. 15)
6. Added Table 1 to show relationship of projects to goals and objectives. (p. 17)
7. Added “the ad hoc committee will include a representative from the Agate Beach area and from the commercial core area” to the major amendments, (p. 21)

Newport Northside Urban Renewal Report

1. Updated some of the information on existing conditions after review with Derrick.
2. In the project section added language to clarify utilities saying “water, sewer and other utility line relocation and capacity upgrades”. (p. 23)
3. Updated all financial tables due to need to not have an ending balance on Table 11. Minor updates to tables that do not impact timing or year to end district.
4. Due to number three above, updated total amount of tax increment revenues required to service the maximum indebtedness to \$56,380,863. (p. 28, 34)

McLean Point Urban Renewal Plan

1. Added the city recorder on the initial page.
2. Added blight to the definitions. (p. 4)
3. Introduction: Added more information in the introduction on the two public meetings and a summary of the advisory committee meetings. Added information on the meeting with the Newport Port Commission and the Lincoln County Commission. (p. 6,7)
4. Added Table 1 to show relationship of projects to goals and objectives. (p. 12)
5. Specified duration of the Plan as 20 years. (p. 8, 20)

McLean Point Urban Renewal Report

No changes.

Newport Northside Urban Renewal Plan

Adopted by the City of Newport
Date
Ordinance No.

Elaine Howard Consulting, LLC
ECONorthwest
Jeannette Launer

List of Participants

Mayor: Sandra Roumagoux
City Council: Ralph Busby, President
David Allen
Wendy Engler
Mark Saelens
Dean Sawyer
Laura Swanson
Planning Commission: Jim Patrick, Chair
Bob Berman
William Branigan
Rod Croteau
Gary East
Michael Franklin
Lee Hardy
City Manager: Spencer Nebel
City Recorder: Peggy Hawker
Community Development Director: Derrick Tokos
Executive Assistant: Wanda Haney

Urban Renewal Advisory Committee:
Ralph Busby, City Council Member
Rod Croteau, Planning Commission and Agate Beach resident
Caroline Bauman, Yaquina Bay Economic Foundation
Wayne Belmont, Lincoln County
Ken Brown, Port of Newport
Chris Chandler, Central Lincoln Public Utility District
Lorna Davis, Greater Newport Chamber of Commerce
Frank Geltner, City Center Newport Association
Don Huster, Newport Budget Committee
Tim Kaufman, Lincoln County School District
Don Mann, Lincoln County
Robert McAfee, Citizen at large
Bill Posner, Citizen at large
Birgitte Ryslinge, Oregon Coast Community College
Ralph Breitenstein, Pacific Communities Hospital Health District
Jon Conner (alternate), Pacific Communities Hospital Health District
Chuck Forinash (alternate,) Newport Budget Committee

Consultant Team: Elaine Howard Consulting LLC, Elaine Howard
ECONorthwest, Nick Popenuk, Rob Wyman
Jeannette Launer, Legal Counsel

TABLE OF CONTENTS

| | |
|---|----|
| I. DEFINITIONS | 4 |
| II. INTRODUCTION | 6 |
| III. GOALS AND OBJECTIVES | 9 |
| IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES | 14 |
| V. URBAN RENEWAL PROJECTS | 14 |
| VI. PROPERTY ACQUISITION AND DISPOSITION | 18 |
| VII. RELOCATION METHODS | 19 |
| VIII. TAX INCREMENT FINANCING OF PLAN | 19 |
| IX. FUTURE AMENDMENTS TO PLAN | 21 |
| X. DURATION OF THE PLAN | 23 |
| XI. FISCAL STEWARDSHIP | 23 |
| XII. RELATIONSHIP TO LOCAL OBJECTIVES | 25 |
| XIII. APPENDIX A: LEGAL DESCRIPTION | 29 |

I. DEFINITIONS

“Advisory Committee” means the committee composed of public officials and consultants to provide input on the McLean Point Urban Renewal Plan. Those members are identified on the acknowledgement page of the urban renewal plan.

“Agency” means the Newport Urban Renewal Agency. This Agency is responsible for administration of the urban renewal plan. In Newport, the Agency is the Newport City Council.

“Annual report” means annual report on impacts to taxing jurisdictions and former year and following year budgets as required in ORS 457.460.

“Area” means the properties and rights of way located with the McLean Point urban renewal boundary.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the urban renewal plan.

“City” means the city of Newport, Oregon.

“City Council” or “Council” means the City Council of the city of Newport.

“Commercial Core Areas” means the commercial areas that provide services within the Area. These will be further defined in the commercial core areas revitalization plan.

“Comprehensive Plan” means the city of Newport comprehensive land use plan and its implementing ordinances, policies and standards.

“County” means Lincoln County.

“Fiscal year” means the year commencing on July 1 and closing on June 30.

“Frozen base” means the total assessed value including all real, personal, manufactured and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

“Legislative process” is a public process where the planning commission or city council is acting as a legislator, making new law. Chapter 14.52 of the Newport Municipal Code (Zoning Ordinance) provides procedures for legislative processes.

“Maximum indebtedness” 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.

“Newport Transportation Systems Plan (TSP)” means the transportation system plan adopted by the Newport City Council.

“ORS” means the Oregon revised statutes and specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Newport Planning Commission.

“Revenue Sharing” means sharing tax increment proceeds as defined in ORS 457.470.

“Tax increment financing (TIF)” means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“Under-levy” means taking less than the available tax increment in any year as defined in ORS 457.455.

“Urban renewal agency” or “Agency” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for administration of the urban renewal plan.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3).

II. INTRODUCTION

The Newport Northside Urban Renewal Plan (Plan) has been developed for the Newport City Council (City Council) with the cooperative input of an Urban Renewal Advisory Committee (Advisory Committee) and community input from two urban renewal public meetings.

The Advisory Committee met six times to review components of the Plan and Report accompanying the Plan (Report), specifically the goals and objectives, projects, amendment procedures, duration of the Plan, under-levy provisions, socio-economic data, funding, and financial tables in the Report. The Advisory Committee also reviewed the input from the public meetings. The Advisory Committee voted unanimously of those present to forward the Plan and Report to the Newport Urban Renewal Agency for their consideration. There were representatives of the community at the majority of the Advisory Committee meetings.

The first public meeting was held on July 27, 2015 at which approximately 47 citizens participated. Staff and the consultant provided background information on urban renewal, the proposed plan and on the process for adoption of an urban renewal plan. Comment forms were available for attendees to complete. The comments received were compiled and placed on the city of Newport website. In addition, where appropriate, responses to the comments were drafted and also posted to the website and distributed at the second open house and to the Newport Urban Renewal Agency as part of the staff report on the process of preparing the urban renewal plan.

The second public meeting was an urban renewal open house on August 31, 2015 at which 75 people signed in and others attended, but chose not to sign in. Staff provided general urban renewal information, background information on why to consider urban renewal at this time, an overview of the potential projects, and answered questions. Attendees were provided opportunities to provide input at 5 different stations in the room. The majority of the comments received were in response to the potential of traffic solutions in the commercial core. All but one of those comments were against any couplet as a solution to traffic problems. It was noted by staff that the issue of traffic in the commercial core will be addressed in the Commercial Core Refinement Plan which is anticipated to be a two to three-year process, including substantial community input. The Commercial Core Refinement Plan will be one of the first two projects completed within the Plan, and will identify and prioritize specific urban renewal infrastructure and investment priorities under the general categories allowed within the urban renewal plan. That planning effort will consider a substantial amount of data that has been gathered about how the existing transportation system is performing, including

traffic problems in the area, and will identify and evaluate different alternative solutions. Whether or not a couplet will be one of the recommended solutions is unknown at this time. However, staff consistently stated their desire for transparency that all options be discussed and vetted in the refinement planning process. The second area of concern was surrounding the proposed projects in Agate Beach. There was concern about whether they were getting a fair share of funding and about the specifics of what improvements would be completed. Staff pointed out that those decisions would be made in the Agate Beach Refinement Plan, one of the first projects to be funded in the urban renewal plan.

There was also opportunity for public input at the Advisory Committee meetings, the Newport Urban Renewal Agency (Agency) meeting, the Newport Planning Commission (Planning Commission) meeting, and the City Council meeting.

In addition, the consultant and city staff briefed the Newport Port Commission on both urban renewal plans on August 18, 2015. Staff briefed the Lincoln County Commission on September 2, 2015.

The Plan contains goals, objectives, and projects for the development of the Newport Northside Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to overcome obstacles to the proper development of the Area.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in ORS 457. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area has infrastructure needs, including street and utility upgrades, lacks adequate streetscape and parking, and would benefit from a program for assistance to business owners. Those needs are specifically cited in the Report accompanying the Newport Northside Urban Renewal Plan and specifically cited in the ordinance for adoption of the urban renewal plan.

Urban renewal allows for the use of tax increment financing (TIF), a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to repay borrowed funds. The funds borrowed are used to pay for urban renewal projects.

In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities; assistance for rehabilitation or redevelopment of property; acquisition and re-sale of property (site assembly) from willing sellers; and improvements to public spaces. The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Newport, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 545.9 total acres: 396.3 acres of land in parcels and 149.6 acres of public right-of-way.

The Plan will be administered by the Newport Urban Renewal Agency (Agency), which was established by the Newport City Council as the City's Urban Renewal Agency. Substantial changes to the Plan must be approved by the City Council, as outlined in the Amendments Section, Section IX of this Plan.

The Plan is accompanied by an Urban Renewal Report (Report) that contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

It is anticipated that the Plan will take 23 years to implement. The duration of the Plan is set at 25 years to allow for changes in the economy and opportunities for a potential under-levy at some point in the life of the Plan. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$39,920,000.

Future amendments will be listed numerically in this section of the Plan and then incorporated into the Plan document and noted by footnote as to amendment number, type of amendment (substantial, major or minor) and date adopted.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XII, and were developed with input from the Newport Urban Renewal Plan Advisory Committee. The goals and objectives will be pursued as economically as is feasible and at the discretion of the Agency. The goals and objectives are not ranked by priority.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal implementation process.

Objectives:

1. Provide opportunities for public input throughout the implementation process.
2. Establish the Planning Commission as the ongoing Citizens' Advisory Committee to assist the Urban Renewal Agency in decisions regarding plan implementation and to provide input on Major Amendments as identified in the Amendments section of the Plan.
3. Utilize ad hoc advisory committees to review Major Amendments that include changes in the Plan as identified in the Amendments section of the Plan.

Goal 2: *ECONOMY*

Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs. Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities.

Objectives:

1. US 101/US 20 Streetscape
 - a. Assist in the financing and provision of transportation improvements for improving traffic flow and traffic patterns, reconfiguring intersections, installing or upgrading traffic signals, improving

- pedestrian and bicycle connections, right of way acquisition and parking improvements.
 - b. Improve overall aesthetics, for example: landscaping, utility undergrounding, wayfinding, and billboard removal.
 - c. Work with property owners to promote development and redevelopment of properties within the Area including but not limited to site prep for re-use, property consolidation, business assistance programs including façade improvement program and strategic site acquisition for economic development. Implement loan and grant programs.
2. Commercial Core Areas
- a. Complete a Refinement Plan for the commercial core areas, including identifying a boundary.
 - b. Assist in the financing and provision of transportation improvements to ease congestion, spread out traffic, enhance pedestrian experience, and facilitate redevelopment.
 - c. Help create and enhance a district identity through the provision of amenities including but not limited to benches, public art, public spaces, street and landscape island enhancements, wayfinding, utility undergrounding, and billboard removal.
 - d. Work with property owners to promote mixed use development and redevelopment of properties within the Area including but not limited to site prep for re-use, business assistance programs including façade improvement program and strategic site acquisition for economic development. Implement loan and grant programs.
3. Hospital Area
- a. Assist in the financing and provision of transportation improvements including access and parking.
 - b. Assist in financing and provision of utility infrastructure.
 - c. Provide improvements to help establish a gateway to the city.
4. Tourism/Fairgrounds Area
- a. Develop tourism related amenities and facilities including fairgrounds redevelopment.
 - b. Identify and make infrastructure investments on opportunity sites.
 - c. Assist in the improvement of the transportation system to support existing development and allow for future development.

- d. Facilitate redevelopment through assistance in parcel reconfiguration and potential public/private partnerships.
- e. Improve the visual appearance of the Highway 20 corridor through redevelopment, transportation improvements and streetscape improvements.

Goal 3: *HOUSING*

Support existing and potential new residential neighborhoods through upgrading utility and transportation infrastructure. Provide for the housing needs of the citizens of Newport in adequate numbers, price ranges, and rent levels which are commensurate with the financial capabilities of Newport households.

Objectives:

- 1. Complete a Refinement Plan for the Agate Beach area.
- 2. Assist in provision of infrastructure to support existing development and allow for future housing development.
- 3. Assist in the improvement of the transportation system to support existing development and allow for future housing development.
- 4. Explore public and private partnerships to encourage housing development in the commercial core areas.

Goal 4: *INFRASTRUCTURE*

To assure adequate planning for public facilities to meet the changing needs of the City of Newport urbanizable area. To provide a storm water drainage system, water system, wastewater collection and treatment system with sufficient capacity to meet the present and future needs of the Newport urbanizable area. To provide a safe and efficient multi-modal transportation system consistent with the Transportation System Plan.

Objectives:

- 1. Complete a Refinement Plan for the Agate Beach area.
- 2. Complete a Refinement Plan for the commercial core areas.
- 3. Build utility infrastructure to accommodate growth in the Area.
- 4. Identify and make infrastructure investments on opportunity sites.
- 5. Coordinate with the Oregon Department of Transportation on transportation improvements, including street, sidewalk and bridge improvements, in the Area.
- 6. Assist in the improvement of the transportation system to support existing development and allow for future development.

7. Assist in the financing and provision of transportation improvements for US 101 and US 20 for improving traffic flow and traffic patterns, reconfiguring intersections, installing or upgrading traffic signals, improving pedestrian and bicycle connections, right of way acquisition and parking improvements.
8. Assist in the financing and provision of transportation improvements in the commercial core areas to ease congestion, spread out traffic, enhance pedestrian experience, and facilitate redevelopment.
9. Assist in the provision of telecommunications infrastructure.

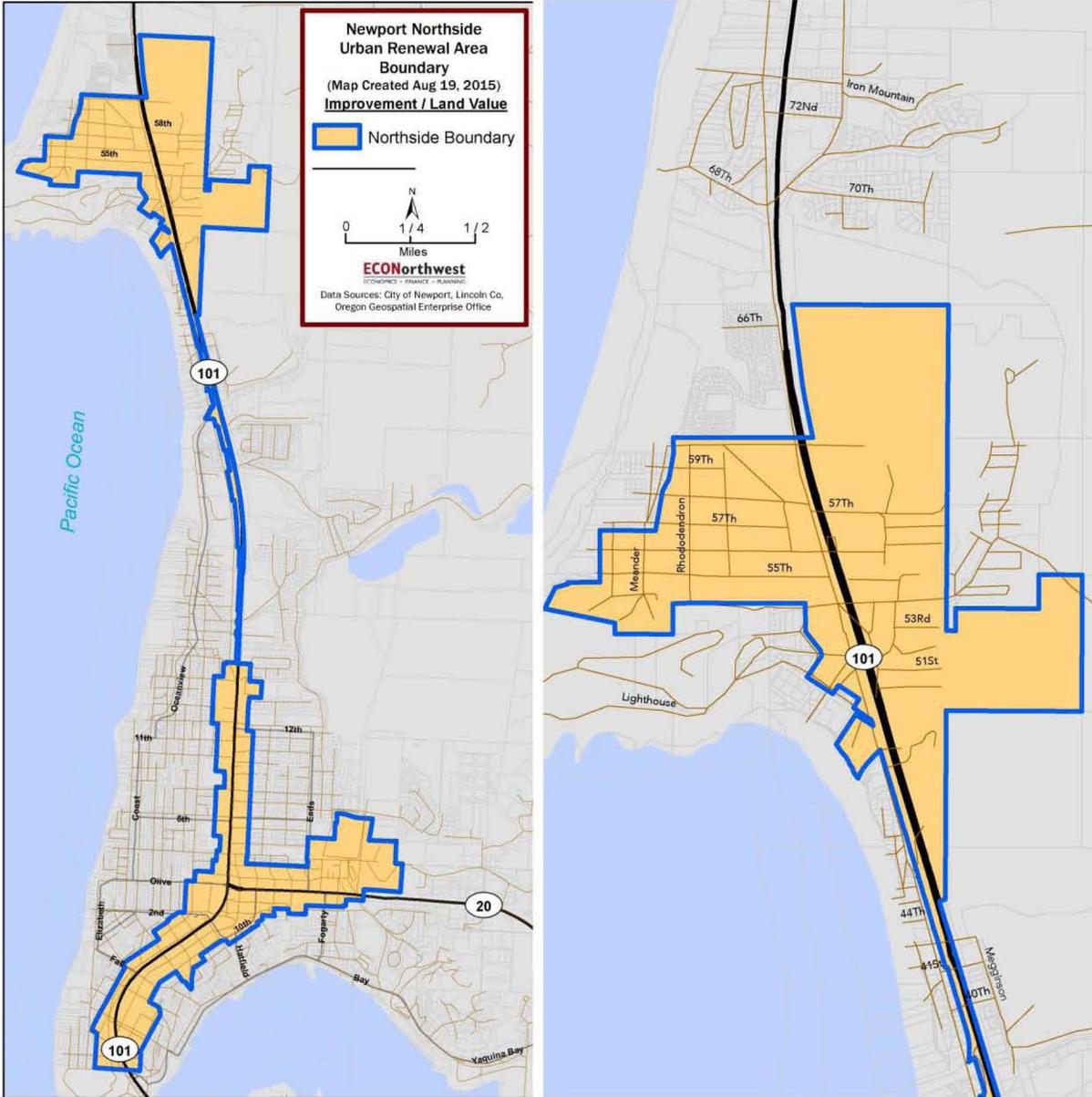
Goal 5: *FISCAL STEWARDSHIP*

Work with taxing jurisdictions to both inform them of the annual project and financial activities of the urban renewal area and to evaluate opportunities to share tax increment revenues.

Objectives:

1. Send a copy of the annual project and financial report to all taxing jurisdictions, informing them of the activities of the urban renewal area.
2. Notify taxing jurisdictions of revenue sharing responsibilities and the timing of those responsibilities.
3. Identify process for evaluating an under-levy request.
4. Reimburse city for annual costs in administering the urban renewal area.

Figure 1 – Urban Renewal Area Boundary



IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The projects within the Area include:

- *Refinement Plans*
- *Public Buildings*
- *Transportation and Utility Enhancements*
- *Economic Development*
- *Planning and development assistance programs*
- *Debt service and plan administration*
- *Property acquisition*

V. URBAN RENEWAL PROJECTS

Urban renewal projects authorized by the Plan are described below. Public improvements authorized under the Plan include upgrading of infrastructure including streets and utilities to encourage development, and economic assistance to developers. These projects are consistent with the Newport Transportation Systems Plan (TSP), The Newport Economic Development Strategy and the Newport Public Infrastructure System Development Charges methodology, all adopted by the Newport City Council. The projects are in conformance with the Newport Comprehensive Plan as detailed in Section XII of this Plan.

As shown in the Report, urban renewal funds will be combined with existing and other future sources of funding to finance project costs. At this time, these project categories are general in nature. They will be further defined as a result of the two refinement plans that are initial projects in the Area. Once these projects are further defined, the Plan will be amended to include specifics on the projects. Each specific project will be itemized under the project category listed below. Projects authorized by the Plan are:

A. *Refinement Plans*

a) Commercial Core Areas Revitalization Plan

The Commercial Core Areas Revitalization Plan (CCARP) will analyze key transportation and infrastructure issues within the commercial core areas in the Plan. The CCARP boundary for the study will be defined at the point that the plan is undertaken. It will study key transportation issues including traffic flow, safety, and parking issues within the study area. The CCARP will help define the transportation system enhancements and the priority of implementation of those

enhancements that are undertaken as projects in this Plan. The CCARP will be completed using a legislative process as defined in Chapter 14.52 of the Newport Municipal Code (Zoning Ordinance).

b) Agate Beach Neighborhood Plan

The Agate Beach Neighborhood Plan (ABNP) will analyze key transportation and infrastructure issues within the Agate Beach neighborhood. The ABNP will help define the transportation system enhancements and the priority of implementation of those enhancements that are undertaken as projects in this Plan. The CCARP will be completed using a legislative process as defined in Chapter 14.52 of the Newport Municipal Code (Zoning Ordinance).

B. *Public Buildings*

Lincoln County is developing plans to redevelop the fairgrounds property, including the potential addition of multipurpose building. Redevelopment of the fairgrounds in a manner that provides for the property to be more heavily used year round could be a catalyst for redevelopment of adjoining underdeveloped public and commercially zoned lands between the fairgrounds site and US 20. This project would provide funding for support infrastructure and strategic site acquisition to assist with reconfiguration of the fairgrounds to facilitate redevelopment and to ensure that water, sewer, street, parking and related services are adequate to serve the new uses. The project will be further defined as the County moves through the process of planning for that area.

C. *Transportation and Utility Enhancements*

Transportation system enhancements include enhancements to the commercial core areas as well as to US 101 and US 20. These enhancements could include street upgrades, transportation improvements as defined in the CCARP, widening, intersection realignments, local street right-of-way improvements, parking improvements right-of-way acquisition, signal installation or adjustment, storm drainage improvements, and water, sewer and other utility line relocation and capacity upgrades. The exact location and further definition of these transportation enhancements will come as a result of the CCARP in addition to the Transportation System Plan and the other city utility master plans.

D. Economic Development

Economic development projects include but are not limited to site preparation for reuse including demolition and lot aggregation, storefront façade loans and grants, strategic site acquisition for economic development, street tree and landscape island enhancements, benches, public art, public spaces, wayfinding improvements, utility undergrounding and billboard removal. Priority projects may be identified in the Agate Beach and Commercial Core Area refinement plans.

E. Debt Service and Plan Administration

This project will allow for the repayment of costs associated with the implementation of the Newport Northside Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

The way the projects relate to the goals and objectives is shown in Table 1.

Table 1 – Projects and Relationship to Goals and Objectives

| Project Name | Goals and Objectives Number |
|--|---|
| Newport Northside Urban Renewal Plan | |
| Infrastructure Refinement Plans | |
| Commercial Core Area Revitalization Plan | Goal 1, Obj. 1; Goal 2, Obj. 2; Goal 4, Obj. 2 |
| Agate Beach Neighborhood Plan | Goal 1, Obj. 1; Goal 3, Obj. 1; Goal 4, Obj 1 |
| Public Buildings | |
| Multi-purpose building (includes supporting infrastructure) | Goal 2, Obj. 4 |
| Transportation System Enhancements | |
| Commercial core area highway/street upgrades | Goal 2, Obj. 1,2,3, Goal 4, Obj. 5,6,7,8,9 |
| Intersection realignment | Goal 2, Obj. 1,2 |
| Local street right-of-way improvements | Goal 3, Obj. 3 |
| Parking improvements | Goal 2, Obj. 1 |
| Right-of-way acquisition | Goal 2, Obj. 1 |
| Signal installation or adjustment | Goal 2, Obj. 1 |
| Storm drainage improvements | Goal 4, Ob. 3; Goal 3, Obj. 2 |
| Water,sewer, utility line relocation and capacity upgrades | Goal 2, Obj. 3; Goal 4, Ob. 3; Goal 3, Obj. 2; Goal 4, Obj. 3,4 |
| Economic Development | |
| Benches, public art, gateway | Goal 2, Obj. 2, Gaol 2, Obj. 3 |
| Billboard removal | Goal 2, Obj. 1,2 |
| Site prep for reuse | Goal 2, Obj. 1,2 |
| Storefront façade loans/grants | Goal 2, Obj. 1,2 |
| Strategic site acquisition for economic development; Redevelopment | Goal 2, Obj. 1, 2; Goal 3, Obj. 4 |
| Street tree and landscape island enhancements | Goal 2, Obj. 1,2 |
| Wayfinding improvements | Goal 2, Obj. 1, 2 |
| Utility undergrounding | Goal 2, Obj. 1,2 |
| Administration | Goal 5, Objectives 1,2,3,4 |
| Total | |

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use.

A. Property acquisition for public improvements

The Agency may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

B. Property acquisition – from willing sellers

The Plan authorizes Agency acquisition of any interest in property within the Area that the Agency finds is necessary to support private redevelopment, but only in those cases where the property owner wishes to convey such interest to the Agency. The Plan does not authorize the Agency to use the power of eminent domain to acquire property from a private party to transfer property to another private party for private redevelopment. Property acquisition from willing sellers may be required to support development of projects within the Area.

C. Land disposition

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement.

The Agency may dispose of property acquired under Subsection B of this Section VI by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal agency, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in such plan. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

VII. RELOCATION METHODS

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance.

VIII. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on loans, usually in the form of tax increment bonds. The proceeds of the bonds are used to finance the urban renewal projects authorized in the Plan. Bonds may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from the federal, state, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440.

Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$39,920,000 (thirty nine million nine hundred and twenty thousand dollars and no cents). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds. It does include initial bond financing fees and interest earned on tax increment proceeds, separate from interest on bond proceeds.

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IX. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Newport, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:

1. Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

B. Major Amendments

Major amendments require approval by the Agency by resolution. Major amendments will be reviewed by the Newport Planning Commission and by an ad hoc advisory committee, both of whom will send an advisory recommendation to the Agency. The ad hoc committee will include a representative from the Agate Beach area and from the commercial core area.

Major amendments are amendments that:

1. Increase the duration of the timeframe for the urban renewal area. Any increase in the duration of the timeframe of the urban renewal area will also require consultation with affected taxing districts.
2. Deletion of land that totals more than 1% of the existing area of the urban renewal area.
3. Add any new project where the project cost is in excess of \$500,000 as indexed annually by the inflation rate used in the Report accompanying the adoption of the Newport Northside Urban Renewal Plan or any subsequent Report for a Substantial Amendment, whichever is most current. A new

project is a project that is not already designated in the Plan or does not fall within one of the general categories of projects designated in the Plan.

C. Minor Amendments

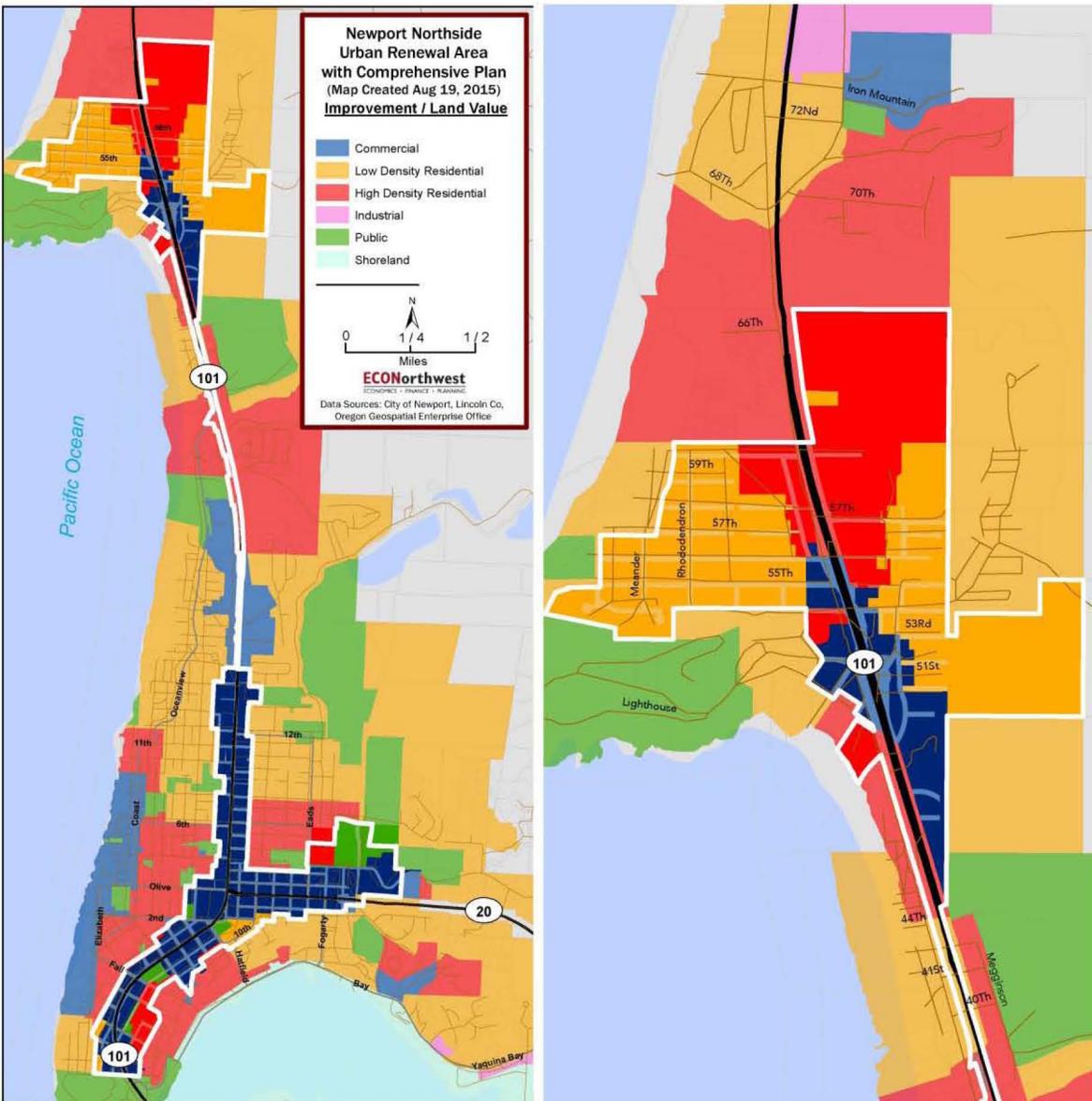
Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457 and are not Major Amendments as defined in this Plan. They require approval by the Agency by resolution.

*D. Amendments to the Newport Comprehensive Plan and/or
Newport Zoning Ordinance*

Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance that affect the Urban Renewal Plan and/or the Urban Renewal Area shall be incorporated automatically within the Urban Renewal Plan without any separate action required by the Agency or the City Council.

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Figure 2 – Comprehensive Plan Designations



X. DURATION OF THE PLAN

This Plan will not exceed 25 years from the date of adoption. The financial analysis projects a 23 year plan. The duration of the Plan was extended to allow for a potential under-levy at some point in the Plan and for slight variations in assessed value projections. Since overall maximum indebtedness remains the same, the impacts on taxing jurisdictions would vary only slightly if the district were extended beyond twenty three years. This variance would be increased costs of interest on debt. Since debt issuance is not guaranteed, nor is an under-levy, the impacts on taxing jurisdictions is predicated on the financial analysis of a 23 year plan.

XI. FISCAL STEWARDSHIP

A. Annual Report

The Agency will prepare an annual report as required by ORS 457.460. In addition to the requirements stated therein, the Agency will send a copy of the annual project and financial report to all taxing jurisdictions. The annual report will include a statement of the remaining maximum indebtedness of the Plan.

B. Revenue Sharing

The Agency will notify the taxing jurisdictions of revenue sharing responsibilities of the Plan as defined in ORS 457.470 and as analyzed in the Report accompanying the Plan and any Substantial Amendment. If ORS 457.470 is amended, this section is amended accordingly. The analysis will include the projected timing of revenue sharing. Revenue sharing commences by statute as detailed in ORS 457.470, but generally described as when the annual tax increment equals 10% of the initial maximum indebtedness of the Plan. When the annual tax increment equals 12.5% of the initial maximum indebtedness, the increment to the Agency is capped at this amount and any excess is shared by the impacted taxing jurisdictions on a pro rata share equal to their tax rate.

C. Under-levy

Under-levy provisions are allowed under ORS 457.455. If ORS 457.455 is amended, this section is amended accordingly. An under-levy is when the Agency asks for less urban renewal tax increment than the total amount for which the Area qualifies. To cause an under-levy, the Agency notifies the county assessor on Form UR-50 by July 15 of the year when the under-levy is desired (ORS 457.440). The amount of increment that is under-levied is returned to the impacted taxing jurisdictions on a pro rata share equal to their tax rate. The Agency must consult and confer with the taxing jurisdictions as there might be

unexpected consequences of an under-levy, especially to local option taxes for education. The specific steps in evaluating an under-levy request are:

1. The taxing jurisdiction will send a formal under-levy request to the Agency. The taxing jurisdiction sending the request will be responsible for any costs associated with the evaluation of the under-levy.
2. The Agency will, within 30 days of the under-levy request, determine whether or not to review the under-levy request. The initial review will be based on whether there is sufficient revenue to under-levy given either current debt requirements or the requirements for the anticipated imminent issuance of debt. If the Agency determines to proceed with review of the under-levy, the Agency will determine the cost to review an under-levy request and notify the requesting taxing jurisdiction of the cost. The cost will include a financial evaluation. It will also include staff time to
 - a) Review bond documents for any bond covenants that may impact an under-levy.
 - b) Consult and confer with all taxing jurisdictions as required by ORS 457.455.
 - c) Participate in meetings required to evaluate the proposal.

D. *Administration*

The Agency is the body designated with implementation of the Plan. The Agency has no paid employees. Actual implementation of the Plan is done by City of Newport (City) employees. In order to ensure sufficient resources are available to efficiently administer the Plan, the cost of administration will be an eligible project of the Plan through reimbursement by the Agency of costs incurred by the City. The costs of administration allocated to the Plan will be evaluated and established in the annual budgeting process. After the annual budget is complete, an Order will be adopted by the Agency to memorialize the agreement between the Agency and the City as to the administrative costs to be incurred that year.

XII. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Newport's Comprehensive Plan, Newport Municipal Code (Section 17: Zoning Ordinance), and the Transportation System Plan. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that *has* been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2. The maximum densities and building requirements are contained in the Newport Zoning Ordinance. The proposed land uses conform to Figure 2.

This is not a comprehensive list of all parts of the Newport Comprehensive Plan that are supported by this Plan. This list includes the major Goals and Policies from the Comprehensive Plan that are supported, however, there may be other Goals and Policies that are not listed, but are still supported by this Plan.

A. City of Newport Comprehensive Plan

Goal: Energy Conservation

To conserve energy.

Policy 3: The city will encourage the use of forms of transportation (e.g. bicycles in mass transit) that are more energy efficient.

Policy 4: The city will encourage neighborhood commercial areas in order to conserve energy.

Policy 5: The city shall encourage the location of high density residential areas near high-capacity transportation corridors in order to achieve greater energy efficiency.

The Plan conforms to the Energy Conservation goal as it contains projects that will complete refinement plans for both the Agate Beach neighborhood and the Commercial Core Areas that will help define projects and project priorities to improve the transportation infrastructure in the Area. The Plan also contains projects that will assist in upgrading of neighborhood commercial areas including streetscape improvements and loans and grants to businesses to upgrade storefront façades, and development and redevelopment assistance programs. The development and redevelopment assistance programs could include high density residential components.

Goal: Housing Goals, Policies, and Implementation Measures

To provide for the housing needs of the citizens of Newport in adequate numbers, price ranges, and rent levels which are commensurate with the financial capabilities of Newport households.

To provide adequate housing that is affordable to Newport workers at all wage levels.

Policy 2. The city shall cooperate with private developers, nonprofits, and federal, state, and local government agencies in the provision and improvement of government assisted and workforce housing.

Policy 3. The city shall encourage diversity and innovation in residential design, development and redevelopment that is consistent with community goals.

Policy 5. The City of Newport shall coordinate planning for housing with provision of infrastructure. The Community Development Department shall coordinate with other city departments and state agencies to ensure the provision of adequate and cost-effective infrastructure to support housing development.

The Plan conforms to the Housing Goals, Policies, and Implementation Measures as it contains projects that will assist in the development of new housing in the Agate Beach residential area as well as programs that will be available for the development and redevelopment of property that could include residential uses. In addition, infrastructure improvements will help increase the livability in the Agate Beach neighborhood. The Plan also provides projects that will provide infrastructure improvements throughout the Area, which will support future residential development.

Goal: Economy

Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs.

Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period.

Policy 2. The city shall encourage growth of tourism-related employment.

Policy 6. The city shall encourage better use of underutilized and/or blighted commercial sites.

Action 6.1 Evaluate creation of urban renewal district north of Yaquina Bay

Policy 7. The city shall insure an adequate supply of commercial and industrial sites

The Plan conforms to the Economy goal as it contains projects that will complete refinement plans for both the Agate Beach neighborhood and the Commercial Core Areas that will help define projects and project priorities to improve the transportation infrastructure in the Area. The Plan contains projects to upgrade the utility

infrastructure, to support existing business and allow for development of new businesses to create jobs, including potential redevelopment of the fairgrounds site. The Plan provides for site aggregation and demolition to facilitate new development. The Plan provides for assistance to property owners in the form of storefront grants or loans. The Plan provides for streetscape improvements and utility undergrounding, both of which help support existing business and attract new businesses in the Area.

In addition, the ability to provide new housing in the Area will help support businesses within the Area by both bringing in new residents and providing potential affordable housing for the workforce.

Goal: Infrastructure and Public Facilities

Make investments in infrastructure and public facilities to support the target industries.

Policy 8. Identify and make infrastructure investments on opportunity sites.

The Plan conforms to the Infrastructure and Public Facilities goal as it contains projects that will complete refinement plans for both the Agate Beach neighborhood and the Commercial Core Areas that will help define projects and project priorities to improve the transportation and utility infrastructure in the Area. The Plan also has a project to assist in the redevelopment of the fairgrounds area, a public facility.

B. Newport Peninsula Urban Design Plan

Policies:

- 3. Improve the vehicular and pedestrian networks in order to improve safety, efficiency, continuity, and relationships connecting the peninsula neighborhoods.*
- 4. Coordinate with the Oregon Department of Transportation (ODOT) highway projects which are compatible with and responsive to these policy objectives and design districts implementing said policies.*
- 6. Preserve and strengthen the ability of peninsula institutions to continue as centers of employment.*
- 7. Improve the built environment in order to strengthen the visual appearance and attractiveness of developed areas.*
- 8. Strengthen the peninsula's economic vitality by improving its desirability through improved appearance, function, and efficiency.*
- 9. Preserve and enhance existing housing supply. Encourage the increase of affordable housing in Newport.*

The Plan conforms to the Newport Peninsula Urban Design Plan as it has projects that will help implement policies within the Newport Peninsula Urban Design Plan. These projects include transportation improvements, utility upgrades, programs to assist

existing and new businesses, programs to help promote new commercial and residential development, streetscape and utility undergrounding projects, and billboard removal.

C. Newport Economic Opportunity Analysis

The Newport Economic Opportunity Analysis is incorporated under the Economy section of the Newport Comprehensive Plan, identified above.

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XIII. APPENDIX A: LEGAL DESCRIPTION

**INSERT TEXT LEGAL DESCRIPTION OF URBAN RENEWAL DISTRICT
BOUNDARY THAT IS CONSISTENT WITH THE ENCLOSED MAP**

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REPORT ACCOMPANYING NEWPORT NORTHSIDE
URBAN RENEWAL PLAN

Adopted by the City of Newport

September 21, 2015

Ordinance No. ____

Newport Northside Urban Renewal Area

Elaine Howard Consulting, LLC

Elaine Howard

ECONorthwest

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Ali Danko

Jeannette Launer, Legal Counsel

I. TABLE OF CONTENTS

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|--|----|
| I. TABLE OF CONTENTS | 1 |
| II. INTRODUCTION..... | 3 |
| III. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES | 5 |
| A. PHYSICAL CONDITIONS..... | 5 |
| B. INFRASTRUCTURE: EXISTING CONDITIONS..... | 10 |
| C. SOCIAL CONDITIONS | 12 |
| D. ECONOMIC CONDITIONS | 16 |
| E. IMPACT ON MUNICIPAL SERVICES | 19 |
| IV. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN | 19 |
| V. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA | 20 |
| VI. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS..... | 22 |
| VII. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT..... | 24 |
| VIII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED | 26 |
| IX. FINANCIAL ANALYSIS OF THE PLAN..... | 31 |
| X. IMPACT OF THE TAX INCREMENT FINANCING..... | 34 |
| XI. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA | 39 |
| XII. RELOCATION REPORT..... | 40 |

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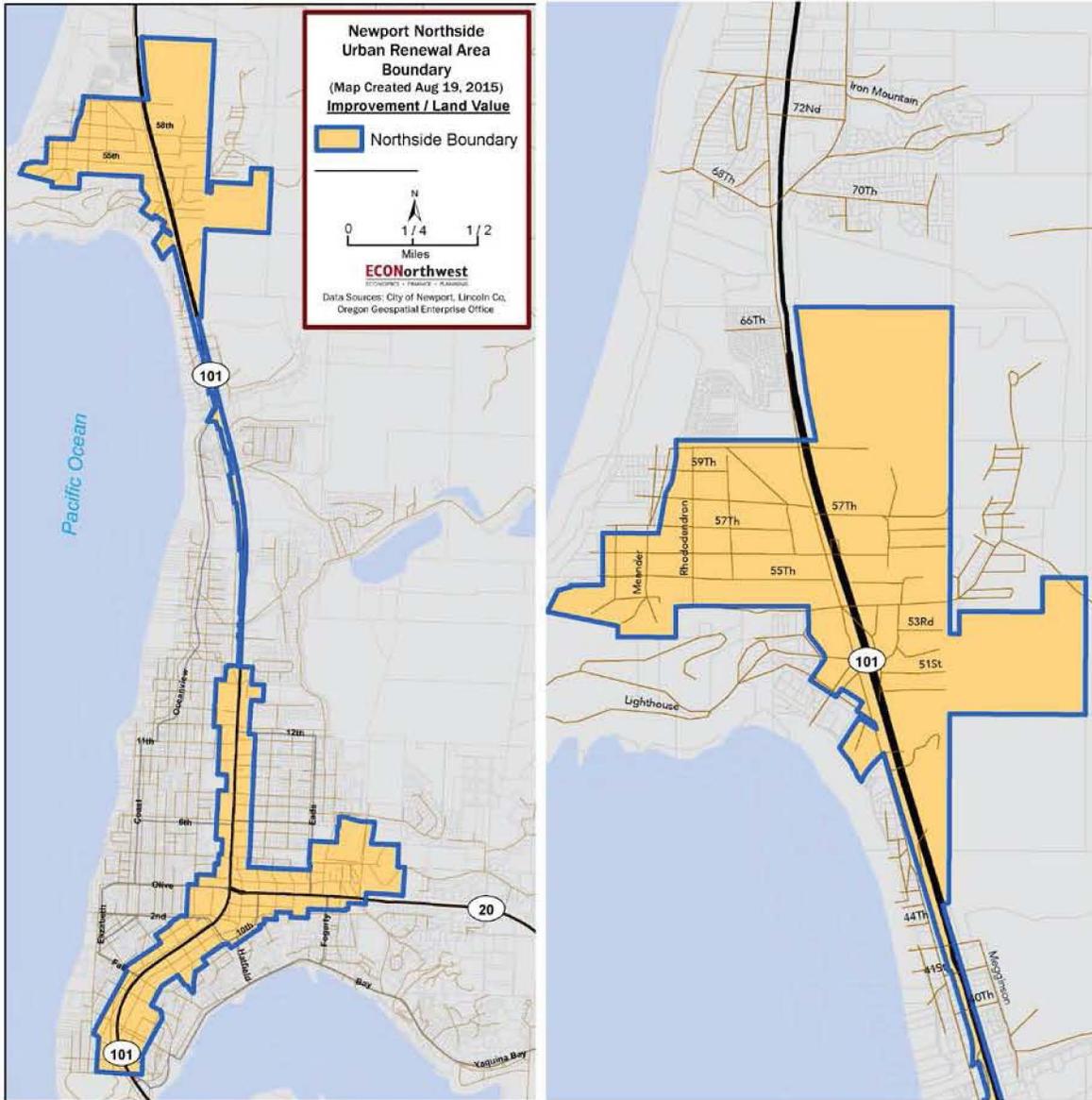
II. INTRODUCTION

The Report on the Newport Northside Urban Renewal Plan (Report) contains background information and project details that pertain to the Newport Northside Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the Newport Northside Urban Renewal Area (Area).

However, the Report provides only guidance on how reviews revenues and potential projects each year, they have the authority to make adjustments to the assumptions in this Report. They may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes, as allowed in the amendments section of the Plan.

Figure 1 – Newport Northside Urban Renewal Plan Area Boundary



III. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Newport Northside Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

1. Land Use

According to data obtained from the City of Newport and Lincoln County Assessor’s office, the Area, shown in Figure 1 above, contains 1,243 parcels and consists of 396.3 acres in parcels and 149.6 acres of public right-of-way, for a total size of 545.9 acres.

An analysis of property classification data from the City of Newport and Lincoln County Assessment and Taxation database was used to determine the land use designation of parcels in the Area. Within the Area, the largest use of land by acreage is Commercial (28% of total acreage). The second largest use by acreage is Single-family Residential (26%).

Table 1 – Existing Land Use of Area

| Land Use | Acres | | Parcels | |
|---------------------------|--------------|-------------|--------------|-------------|
| | Number | Percent | Number | Percent |
| Condominium | 0.5 | 0.10% | 10 | 0.80% |
| Single-family residential | 101.8 | 25.70% | 524 | 42.20% |
| Multi-family residential | 9.6 | 2.40% | 17 | 1.40% |
| Commercial | 111.2 | 28.10% | 398 | 32.00% |
| Industrial | 8.8 | 2.20% | 24 | 1.90% |
| Rural / Ag / Farm | 33.2 | 8.40% | 2 | 0.20% |
| Public / Exempt | 55.7 | 14.10% | 81 | 6.50% |
| Vacant | 74.8 | 18.90% | 187 | 15.00% |
| Other | 0.7 | 0.20% | 0 | 0.00% |
| Total | 396.3 | 100% | 1,243 | 100% |

Source: Lincoln County Assessor Data

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2. Zoning and Comprehensive Plan Designations

The zoning code establishes districts to control land use throughout the city and regulates development standards within these established use districts. Medium Density Single-family Residential zoning accounts for 38% of the acreage in the Area. Retail and Service Commercial accounts for 23% of the acreage in the Area.

Table 2a – Existing Zoning Plan Designations of Area

| Zone Designation | Acres | | Parcels | |
|---|--------|---------|---------|---------|
| | Number | Percent | Number | Percent |
| Medium Density Single -family Residential | 150.6 | 38.00% | 423 | 34.00% |
| Retail and Service Commercial | 92.5 | 23.30% | 397 | 31.90% |
| Heavy Commercial | 69.6 | 17.60% | 250 | 20.10% |
| Exempt/Institutional | 41.4 | 10.50% | 41 | 3.30% |
| High Density Multi- family Residential | 35.3 | 8.90% | 121 | 9.70% |
| Single Family/Multi-family | 2.6 | 0.70% | 2 | 0.20% |
| Commercial/Multi- family | 1.8 | 0.40% | 2 | 0.20% |
| Commercial/Single- family | 1.5 | 0.40% | 2 | 0.20% |
| Low Density Single -family | 0.9 | 0.20% | 3 | 0.20% |
| Medium Density Multi-family | 0.1 | 0.00% | 2 | 0.20% |
| Total | 396.3 | 100% | 1,243 | 100% |

Source: Lincoln County Assessor Data

As illustrated in Table 2b, 44% of the acreage is designated as commercial in the comprehensive plan. Low Density Residential accounts for 25% of the acreage by comprehensive plan designation.

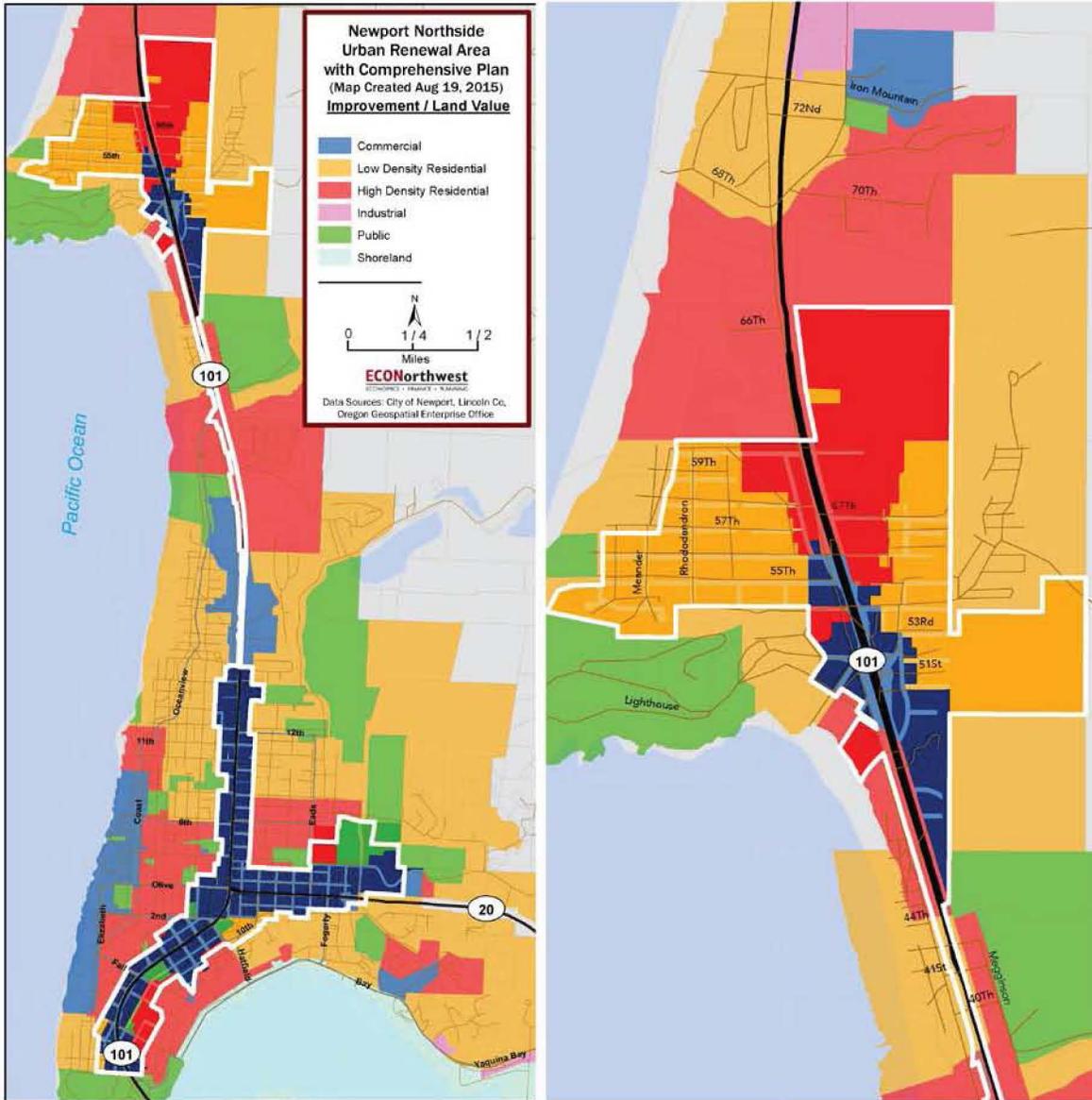
Table 2b – Existing Comprehensive Plan Designations of Area

| Comprehensive Plan Designation | Acres | | Parcels | |
|--------------------------------|--------|---------|---------|---------|
| | Number | Percent | Number | Percent |
| Commercial | 175.1 | 44.20% | 669 | 53.80% |
| Low Density Residential | 111.3 | 28.10% | 405 | 32.60% |
| High Density Residential | 88.2 | 22.30% | 149 | 12.00% |
| Public | 21.8 | 5.50% | 20 | 1.60% |
| Total | 396.3 | 100% | 1,243 | 100% |

Source: Lincoln County Assessor Data

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Figure 2 – Area Comprehensive Plan Designations



B. Infrastructure: Existing Conditions

Existing conditions are examined within an urban renewal area to help identify blighting conditions in the urban renewal area. **This does not mean that a project has been identified in the urban renewal plan to address each deficiency, this is solely to identify conditions that are deficient within the Area, as required by statute.**

1. Infrastructure

This section of the study identifies the existing deficiencies in the infrastructure in the Area. The street conditions information is from the Newport Transportation Systems Plan (TSP), the Newport Comprehensive Plan and the Newport Public Infrastructure System Development Charge Methodology.

a) Streets

The following improvements are identified in the TSP.

Widen US 101 to five lanes (NE 31st Street to North City Limits)

Widen US 20 to five lanes (John Moore Road to US 101)

Improve to 3-Lane urban standard NE 1st Street from US 101 US 20 to provide westbound two northbound bypass of US 101 and US 20 intersection

b) Transportation Management System Improvements

US 101 revisions (between OR 20 and Yaquina Bay Bridge)

NE 52nd Street area improvements - improve Northeast Lucky Gap between NE. 52nd Street in North E. 54th Street; provide access from Longview Hills to North E. 52nd Street

NW 56th Street improvement area – Eliminate Old Highway Loop between NW 55th Street and NW 58th Street, extend NW 56th Street to US 101, improve NW Gladys Street between NW 56th Street and NW 60th Street as a frontage road.

Surface parking lots for US 101 business

NE 57th - eliminate US 101 access; cul-de-sac NE. 57th Street on its western terminus; connect NE Hazel Court to NE 60th Street

US 101/US 20 - signal revisions/improvements; realign E Olive Street

US 101 at NW 11th Street - realign intersection to eliminate slight offset. Consider need for additional east/west turning lanes and/or signalization improvements.

US 101 at NW 6th Street - realign intersection to eliminate offset. Consider need for added east/west turning lanes and/or improved signal to address congestion problem.

US 101, US 20 North to NW 12th Street - evaluate opportunities for driveway and/or minor street closures or consolidation.

US 101 at US 20 - add second southbound left turn lane. Widen eastbound US 22 received two lanes of traffic, transition to one lane east of US 101.

US 20 at NE Coos Street - add signal and improve intersection to encourage North/S. Local St. alternative to US 101. Signal could help relieve congestion at NE Eads Street.

c) Traffic Signals

US 101 at Northeast 36th Street

d) Pedestrian and Bicycle Facility Improvements

US 101 crossings:

NW 68th Undercrossing - an undercrossing at US 101 at Northwest 68th Street midblock between 16th and 17th streets - add median, raised stop bars, appropriate signage, and striped continental crosswalk

e) Sidewalks

There are numerous sidewalk deficiencies throughout the Area.

Avery Street - US 101 to end of street

NE 3rd Street – NE Eads to NE Harney

NE 2nd Street – US 01 to NE Eads Street

f) Sidewalks and Bike Lanes

NE Harney Street - US 20 to NE 3rd Street

US 20 NE Harney Street/SE Moore Drive to US 101 intersection

g) Bicycle System Improvements

NE Eads Street – NE 12th Street to NE 3rd Street – provide a bike route

NE 3rd Street – Eads Street to Harney Road – provide a bike route

h) Shared roadways/bicycle boulevards

NE Eads Street – US 20 to NE 12th Street

i) Water

The City of Newport Water Master Plan, prepared in October 2008, identifies the following projects in the Capital Improvement Project summary.

Agate Beach lower storage tank

Agate Beach upper storage tank

Highway 101 Northeast 36 to North East 40th water line

Highway 101 N. East 40th to circle way water line

j) Storm Water

The city of Newport is currently developing a Storm Water Master plan.

Agate Way Storm Drainage Improvements. The project is to include approximately 500-lf of 18-inch storm drainage piping. The project is needed to correct existing deficiencies but components should be doubled in size to provide additional capacity for potential future development.

k) Sanitary Sewer

48th Street Lift Station Upgrade. The 48th Street pump station is located near 48th Street and Highway 101. The 1996 Facilities Plan recommends that the station be upgraded to a firm pumping capacity of around 3 MGD (2,100 gpm). The station will require significant upgrades with only minor station components being adequate to be reused as part of the upgrade. The project includes approximately 1,500 lf of 12-inch diameter force main that is to be installed through a pipe bursting technique.

l) Parks

West Agate Beach Park Development Located in the northern portion of the City, this existing park is only partially developed and capable of limited service to park users. Under this project, the existing park would be improved to provide a higher level of service and increase the ability of the park to accommodate additional users.

C. Social Conditions

An analysis of the social conditions of the area was compiled using data from the U.S. Census Bureau, 2013 update and Social Explorer. The data was retrieved from block group summaries that roughly correspond to the Agate Beach residential area and then block group summaries that correspond to the city of Newport as a whole in order to also include the other residential neighborhood surrounding US 20 that is also within the urban renewal area. The charts include the Agate Beach information and the information for the city of Newport as a whole.

2. Age

The age distribution of the Area is shown in Table 3. The majority of the population in the Area is between the ages of 25 and 74.

Table 3 – Age Distribution of Area

| Age | Total Agate Beach Areas | | Total Newport | |
|-------------------|-------------------------|---------|---------------|---------|
| | Number | Percent | Number | Percent |
| 0 to 4 Years | 412 | 6% | 622 | 6% |
| 5 to 9 Years | 282 | 4% | 570 | 5% |
| 10 to 14 Years | 313 | 5% | 566 | 5% |
| 15 to 17 Years | 162 | 2% | 364 | 3% |
| 18 to 24 Years | 425 | 7% | 695 | 7% |
| 25 to 34 Years | 811 | 12% | 1,306 | 12% |
| 35 to 44 Years | 773 | 12% | 1,225 | 11% |
| 45 to 54 Years | 838 | 13% | 1,399 | 13% |
| 55 to 64 Years | 1,115 | 17% | 1,846 | 17% |
| 65 to 74 Years | 776 | 12% | 1,187 | 11% |
| 75 to 84 Years | 388 | 6% | 585 | 5% |
| 85 Years and over | 198 | 3% | 310 | 3% |
| Total | 6,493 | 100% | 10,675 | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

3. Race

The racial characteristics of the Area are shown in Table 4. The majority of people (88%) identify themselves as white and the second largest group (4% in the Agate beach area and 3% in Newport as a whole) that people identify with is “some other race.” The U.S. Census does not provide a breakout on race that includes Hispanic in their definitions, Hispanic are those people who classify themselves in one of the specific Spanish, Hispanic, or Latino categories listed in the U.S. Census questionnaire. Hispanic or Latino of any race in Newport is 15.3% of the population.

Table 4 – Racial Characteristics of the Area

| Race | Total Agate Beach Areas | | Total Newport | |
|--|-------------------------|-------------|---------------|-------------|
| | Number | Percent | Number | Percent |
| White Alone | 5,724 | 88% | 9,346 | 88% |
| Black or African American Alone | 39 | 1% | 59 | 1% |
| American Indian and Alaska Native Alone | 124 | 2% | 186 | 2% |
| Asian Alone | 31 | 0% | 117 | 1% |
| Native Hawaiian and Other Pacific Islander Alone | 120 | 2% | 161 | 2% |
| Some Other Race Alone | 249 | 4% | 319 | 3% |
| Two or More races | 206 | 3% | 487 | 5% |
| Total | 6,493 | 100% | 10,675 | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

4. Educational Attainment

Thirty five percent of the residents in the Agate Beach area and 37% of Newport as a whole have some college. An additional 17% of Agate Beach area and 19% of Newport as a whole have a Bachelor’s degree, 7% of both areas have a Master’s degree.

Table 5 – Educational Attainment of the Area

| Educational Attainment | Total Agate Beach Areas | | Total Newport | |
|---|-------------------------|-------------|---------------|-------------|
| | Number | Percent | Number | Percent |
| Less Than High School | 550 | 11% | 737 | 9% |
| High School Graduate (includes equivalency) | 1,313 | 27% | 1,978 | 25% |
| Some college | 1,718 | 35% | 2,878 | 37% |
| Bachelor's degree | 839 | 17% | 1,468 | 19% |
| Master's degree | 358 | 7% | 589 | 7% |
| Professional school degree | 28 | 1% | 55 | 1% |
| Doctorate degree | 93 | 2% | 153 | 2% |
| Total | 4,899 | 100% | 7,858 | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

5. Travel time to work

Forty-one percent of the residents of the Agate Beach area and 43% of Newport as a whole travel less than 10 minutes to work. Another 29% of the Agate Beach area and 28% of Newport as a whole travel less than 20 minutes.

Table 6 – Travel Time to Work in the Area

| Travel Time to Work | Total Agate Beach Areas | | Total Newport | |
|----------------------|-------------------------|---------|---------------|---------|
| | Number | Percent | Number | Percent |
| Less than 10 minutes | 1,105 | 41% | 1,990 | 43% |
| 10 to 19 minutes | 785 | 29% | 1,301 | 28% |
| 20 to 29 minutes | 223 | 8% | 347 | 8% |
| 30 to 39 minutes | 318 | 12% | 510 | 11% |
| 40 to 59 minutes | 107 | 4% | 139 | 3% |
| 60 to 89 minutes | 14 | 1% | 50 | 1% |
| 90 or More minutes | 64 | 2% | 76 | 2% |
| Worked at home | 55 | 2% | 200 | 4% |
| Total | 2,671 | 100% | 4,613 | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

6. Means of Transportation to Work

Seventy-three percent of the residents of Agate Beach and 74% of Newport as a whole drove alone to work. Fifteen percent of the residents of Agate Beach and 14% of Newport as a whole carpoled.

Table 7 – Means of Transportation to Work in the Area

| Means of Transportation to Work | Total Agate Beach Areas | | Total Newport | |
|---|-------------------------|---------|---------------|---------|
| | Number | Percent | Number | Percent |
| Drove Alone | 1,957 | 73% | 3,427 | 74% |
| Carpoled | 392 | 15% | 628 | 14% |
| Public transportation (Includes Taxicab) | 98 | 4% | 115 | 2% |
| Motorcycle | - | 0% | 0 | 0% |
| Bicycle | 4 | 0% | 9 | 0% |
| Walked | 131 | 5% | 200 | 4% |
| Other means | 34 | 1% | 34 | 1% |
| Worked at home | 55 | 2% | 200 | 4% |
| Total | 2,671 | 100% | 4,613 | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

7. Population

In the last few years, Newport has remained stable in population. There are annual projections performed by the Portland State University Population and Research Center after reviewing the 2010 Census data. The overall population of Newport in the 2014 adjustment by Portland State University was 10,095 people, and the 2010 data indicates Newport had 10,030 people.

D. Economic Conditions

1. Taxable Value of Property Within the Area

The estimated 2014/2015 total assessed value of the real property in the Area is \$210,510,678. The total estimated assessed value, including all real, personal, and utility properties, is \$237,000,136. This data is summarized in Table 8.

Table 8 – Total Estimated Assessed Value

| Property Type | Urban Renewal Area |
|---------------|--------------------|
| Real | \$210,510,678 |
| Personal | 15,386,790 |
| Manufactured | 1,004,350 |
| Utility | 10,098,308 |
| Total | \$237,000,136 |

Source: Lincoln County Assessor's data

If an urban renewal plan is adopted, the Lincoln County Assessor will calculate the frozen base using tax accounts for all of the real, personal, manufactured, and utility properties in the Area. The total assessed value of the City of Newport is \$1,243,361,351.¹

2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L may be

¹ Data from Lincoln County Assessor's 20114/15 tax roll summary

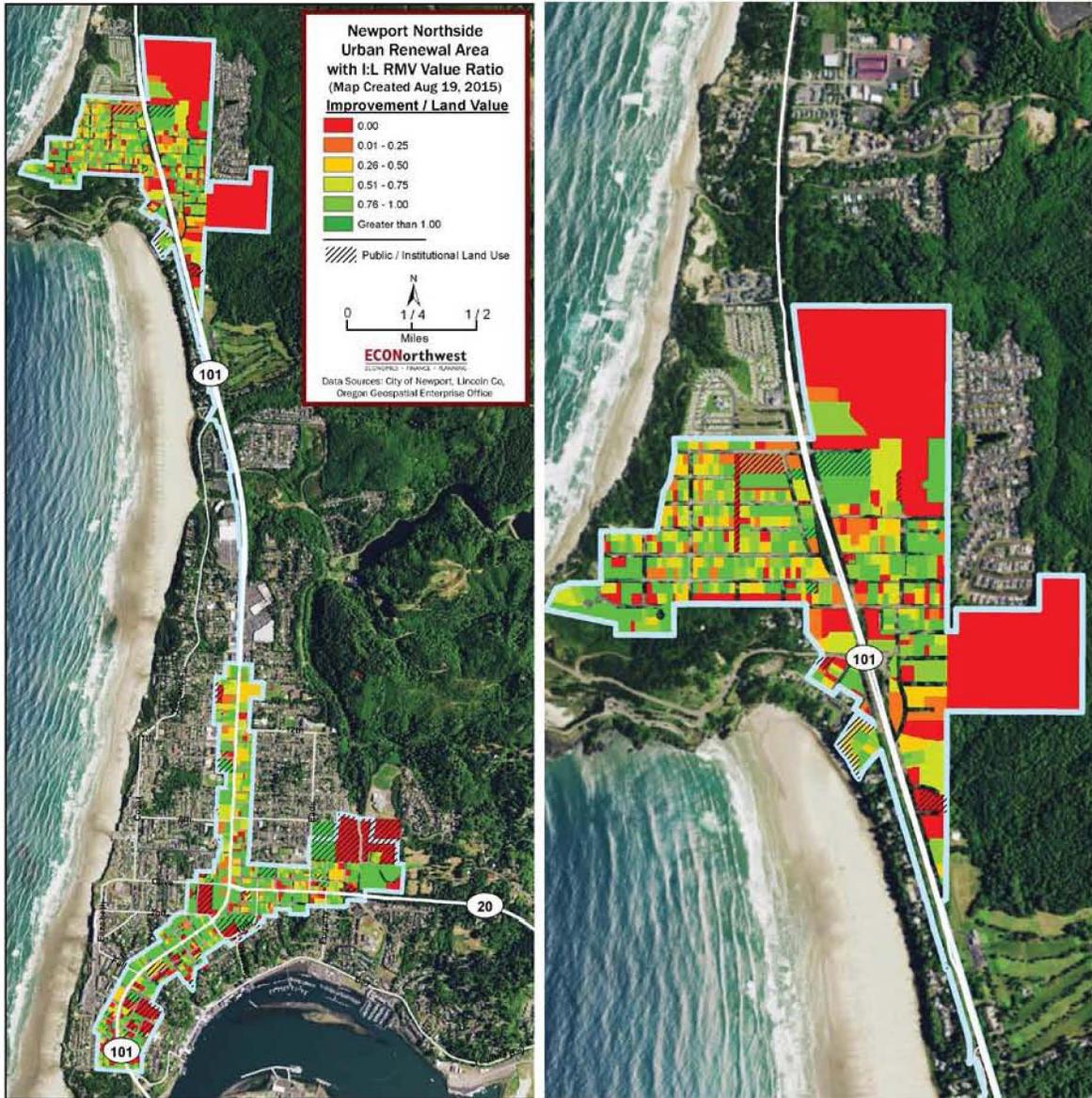
used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 2:1 or more, for both residential and commercial properties. Non-taxable parcels account for 17% of the total acreage. Properties with no improvements account for 27% of the total acreage. An additional 49% of the acreage is below the 2:1 threshold. Many of the properties in the Area are under-utilized and or underdeveloped.

Table 9 – I:L Ratio of Parcels in the Area

| I:L Ratio | Parcels | Acreage | % of Total Acreage |
|-----------------|--------------|---------------|--------------------|
| Not Taxable | 115 | 69.91 | 17.34% |
| No Improvements | 194 | 110.14 | 27.31% |
| No land value | 61 | 4.25 | 1.05% |
| 0.01 - 0.50 | 197 | 48.64 | 12.06% |
| 0.51 - 1.00 | 311 | 75.03 | 18.60% |
| 1.01 - 1.50 | 171 | 40.02 | 9.92% |
| 1.51 - 2.00 | 98 | 23.45 | 5.81% |
| 2.01 – 2.51 | 43 | 11.79 | 2.92% |
| 2.51 – 3.00 | 22 | 10.05 | 2.49% |
| >3.01 | 31 | 10.01 | 2.48% |
| Total | 1,243 | 403.29 | 100.00% |

Source: Lincoln County Assessor Real Market Value data The acreage total number is different from the total acreage number due to some double counts on parcels in the GIS system. This double count is very minor and does not impact the analysis of the data.

Figure 3 – Improvement to Land Ratios



E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in the Section on Impact of Tax Increment Financing of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal are primarily district identity/transportation, business improvement/development, and public facilities projects. The use of urban renewal funding for these projects allows the City to match other funding sources to actually construct the improvements. It also allows the City to tap a different funding source besides the City of Newport's general funds and system development charges funds to make these improvements.

It is anticipated that these improvements will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require city services. However, since the property is within the city limits, the city has anticipated the need to provide infrastructure to the Area. As the development will be new construction or redevelopment, it will be up to current building code and will aid in any fire protection needs.

These impacts will be countered by providing transportation funding for vital connections to Newport and major parcels of undeveloped and underdeveloped land. This land will provide future jobs to the Newport area and future increased tax base for all taxing jurisdictions.

IV. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the Area is to provide the ability to fund improvements necessary to cure blight within the Area.

V. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. The projects are listed in no particular order.

1. *Refinement Plans*

a) Commercial Core Areas Revitalization Plan

The Commercial Core Areas Revitalization Plan (CCARP) will analyze key transportation infrastructure issues within the commercial core areas in the Plan. The CCARP boundary for the study will be defined at the point that the plan is undertaken. It will study key transportation issues including traffic flow, safety, and parking issues within the study area. The CCARP will help define the transportation system enhancements and the priority of implementation of those enhancements that are undertaken as projects in this Plan.

Existing Conditions:

There is no revitalization plan for the commercial core areas. The Oregon Department of Transportation has indicated a desire to study transportation issues in the Area, but requires a match for part of the funding. There is a need to identify solutions to traffic flow, safety and parking issues within the area.

b) Agate Beach Neighborhood Plan

The Agate Beach Neighborhood Plan (ABNP) will analyze key transportation infrastructure issues within the Agate Beach neighborhood. The ABNP will help define the transportation system enhancements and infrastructure needs and the priority of implementation of those enhancements and needs that are undertaken as projects in this Plan.

Existing Conditions:

There is no revitalization plan for the Agate Beach area. There is a need to identify define and prioritize the needed transportation and infrastructure system enhancements in Agate Beach.

2. Public Buildings

The fairgrounds property has future renovation potential as a multipurpose building. This project would incorporate supporting infrastructure to the site and potential funding for the structure. The project will be further defined as the county moves through the process of planning for that area.

Existing Conditions:

The existing fairgrounds area is underutilized and underdeveloped. The area has capacity to attract new uses for both existing residents and tourists to the area, expanding the economy through the provision of business and recreational activities in Newport.

3. Transportation and Utility Enhancements

Transportation system enhancements include enhancements to the commercial core areas as well as to US 101 and US 20. These enhancements could include street upgrades, potential couplet if defined in the CCARP, widening, intersection realignments, local street right-of-way improvements, parking improvements right-of-way acquisition, signal installation or adjustment, storm drainage improvements, and water, sewer and other utility line relocation and capacity upgrades. The exact location and further definition of these transportation enhancements will come as a result of the CCAARP in addition to the Transportation System Plan and the other city utility master plans.

Existing Conditions:

There is a need to identify solutions to traffic flow, safety and parking issues within the area. In addition to those transportation needs, there are storm drainage and water line capacity deficiencies in the area.

4. Economic Development

Economic development projects include but are not limited to site preparation for reuse including demolition and lot aggregation, storefront façade loans and grants, strategic site acquisition for economic development, including potential mixed use development, street tree and landscape island enhancements, benches, public art, public spaces, wayfinding improvements, utility undergrounding and billboard removal.

Existing Conditions:

There are properties within the area that are underdeveloped and underutilized. There are properties that are in need of façade improvements. The streetscape within

the area is deficient and can be enhanced through the provision of street tree and landscape island enhancements, benches, public art, public spaces wayfinding improvements, utility undergrounding and billboard removal.

5. Debt service and project administration

This project will allow for the repayment of costs associated with the implementation of the Newport Northside Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

Existing Conditions:

As there is currently no urban renewal program for this area, these activities do not exist.

VI. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 8. The sources of funds are tax increment revenues. There will be other funding sources sought to leverage urban renewal funds. These sources include system development charge funds (SDC) grant funds, general funds, state funding, or other sources of funding the City may identify, including private developer contributions.

These figures are in **total dollars to be spent on the projects through the life of the urban renewal area**. The Agency will be able to review the allocations on an annual basis when they prepare their budgets.

Table 10 – Projects to be Completed Using Urban Renewal Area Funds

| Project Name | Urban Renewal Share | Total Cost |
|---|---------------------|---------------------|
| <u>Newport Northside Urban Renewal Plan</u> | | |
| Infrastructure Refinement Plans | | |
| Commercial Core Area Revitalization Plan | \$100,000 | \$100,000 |
| Agate Beach Neighborhood Plan | \$100,000 | \$100,000 |
| Public Buildings | | |
| Multi-purpose building (includes supporting infrastructure) | \$3,000,000 | \$9,000,000 |
| Transportation System Enhancements | | |
| Commercial core area highway/street upgrades | \$12,500,000 | \$25,000,000 |
| Intersection realignment | \$2,000,000 | \$4,500,000 |
| Local street right-of-way improvements | \$2,000,000 | \$3,000,000 |
| Parking improvements | \$800,000 | \$1,500,000 |
| Right-of-way acquisition | \$600,000 | \$1,200,000 |
| Signal installation or adjustment | \$500,000 | \$1,000,000 |
| Storm drainage improvements | \$1,500,000 | \$2,000,000 |
| Water,sewer, utility line relocation and capacity upgrades | \$600,000 | \$1,200,000 |
| Economic Development | | |
| Benches, public art | \$250,000 | \$250,000 |
| Billboard removal | \$450,000 | \$500,000 |
| Site prep for reuse | \$2,500,000 | \$2,500,000 |
| Storefront façade loans/grants | \$1,500,000 | \$1,000,000 |
| Strategic site acquisition for economic development | \$5,000,000 | \$5,000,000 |
| Street tree and landscape island enhancements | \$250,000 | \$250,000 |
| Wayfinding improvements | \$200,000 | \$200,000 |
| Utility undergrounding | \$4,000,000 | \$8,000,000 |
| Total | \$37,850,000 | \$66,300,000 |

Source: City of Newport with ECONorthwest

VII. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The projects will be scheduled as shown in the financing plan in Table 11. The projects will be ongoing and will be completed as directed by the Urban Renewal Agency (Agency). The projects are set up in five phases. The first phase is using “pay as you go” from the annual increment. The next four phases are predicated on bond placements and additional “pay as you go” tax increment proceeds.. They are allocated in four year intervals. The table shows the earliest that the bond issue could be placed, but the Agency will determine actual placement depending on financial and project considerations at the time. The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the urban renewal plan.

The inflation rate for project costs is not a factor in this Plan as the project costs were set at a “not to exceed” amount in the direction from the city council for a not to exceed maximum indebtedness of \$39,920,000 for this Plan. For the purposes of calculating the maximum indebtedness in the future, an inflation percentage of 3% should be used. Administration is allocated at approximately 4% of the total project/programs costs.

Table 11 – Projects and Costs in Year of Expenditure Dollars

| Revenues | | | | | | | | | | | | | | | |
|--|----|---------|-----|-----------|-----|-----------|-----|------------|-----|------------|-----|------------|---------|-----------|-----------|
| Total TIF Revenue | \$ | 799,857 | \$ | 3,779,305 | \$ | 7,148,287 | \$ | 11,165,859 | \$ | 33,487,555 | \$ | 56,380,863 | | | |
| Debt Service | \$ | - | -\$ | 1,765,336 | -\$ | 3,851,644 | -\$ | 6,339,164 | -\$ | 32,578,496 | -\$ | 44,534,640 | | | |
| Pay as you go | \$ | 799,857 | \$ | 2,013,969 | \$ | 3,296,643 | \$ | 4,826,695 | \$ | 1,179,836 | \$ | 12,117,000 | | | |
| Bond/Loan proceeds | \$ | - | \$ | 5,500,000 | \$ | 6,500,000 | \$ | 7,750,000 | \$ | 8,000,000 | \$ | 27,750,000 | | | |
| Interest earnings | \$ | 500 | \$ | 3,400 | \$ | 7,900 | \$ | 11,100 | \$ | 30,100 | \$ | 53,000 | | | |
| Total Revenue for Projects | \$ | 800,357 | \$ | 7,517,369 | \$ | 9,804,543 | \$ | 12,587,795 | \$ | 9,209,936 | \$ | 39,920,000 | | | |
| Expenditures | | | | | | | | | | | | | | | |
| Finance Fees | \$ | - | \$ | 110,000 | \$ | 130,000 | \$ | 155,000 | \$ | 160,000 | \$ | 555,000 | | | |
| Admin Costs | \$ | 50,000 | \$ | 312,000 | \$ | 347,000 | \$ | 394,000 | \$ | 412,000 | \$ | 1,515,000 | | | |
| Amount available for projects | \$ | 750,357 | \$ | 7,095,369 | \$ | 9,327,543 | \$ | 12,038,795 | \$ | 8,637,936 | \$ | 37,850,000 | | | |
| Total Expenditures | \$ | 800,357 | \$ | 7,517,369 | \$ | 9,804,543 | \$ | 12,587,795 | \$ | 9,209,936 | \$ | 39,920,000 | | | |
| Project Detail | | | | | | | | | | | | | | | |
| Downtown Revitalization Plan | \$ | 100,000 | | | | | | | | | | \$ | 100,000 | | |
| Agate Beach Neighborhood Plan | \$ | 100,000 | | | | | | | | | | | \$ | 100,000 | |
| Multi-purpose building (and infrastructure) | | | \$ | 3,000,000 | | | | | | | | | | \$ | 3,000,000 |
| Downtown highway/street upgrades | | | | | \$ | 2,000,000 | \$ | 4,500,000 | \$ | 6,000,000 | \$ | 12,500,000 | | | |
| Intersection realignment | | | \$ | 250,000 | \$ | 250,000 | \$ | 500,000 | \$ | 1,000,000 | \$ | 2,000,000 | | | |
| Local street ROW improvements | \$ | 300,000 | \$ | 1,000,000 | \$ | 500,000 | \$ | 200,000 | | | | | \$ | 2,000,000 | |
| Parking improvements | | | | | \$ | 500,000 | \$ | 300,000 | | | | | \$ | 800,000 | |
| ROW acquisition | \$ | 100,000 | \$ | 100,000 | \$ | 200,000 | \$ | 200,000 | | | | | \$ | 600,000 | |
| Signal installation or adjustment | | | \$ | 250,000 | \$ | 250,000 | | | | | | | \$ | 500,000 | |
| Storm drainage improvements | | | \$ | 1,000,000 | \$ | 500,000 | | | | | | | \$ | 1,500,000 | |
| Water line capacity upgrades | | | \$ | 600,000 | | | | | | | | | \$ | 600,000 | |
| Benches, public art | | | | | \$ | 100,000 | \$ | 150,000 | | | | | \$ | 250,000 | |
| Billboard removal | | | | | \$ | 100,000 | \$ | 150,000 | \$ | 200,000 | \$ | 450,000 | | | |
| Site prep for reuse | | | | | \$ | 1,500,000 | \$ | 500,000 | \$ | 500,000 | \$ | 2,500,000 | | | |
| Storefront façade loans/grants | | | | | \$ | 1,000,000 | \$ | 500,000 | | | | | \$ | 1,500,000 | |
| Strategic site acquisition for ec dev | | | \$ | 500,000 | \$ | 1,500,000 | \$ | 1,500,000 | \$ | 1,500,000 | \$ | 5,000,000 | | | |
| Street tree and landscape island enhancement | | | | | | | \$ | 100,000 | \$ | 150,000 | \$ | 250,000 | | | |
| Wayfinding improvements | | | | | \$ | 100,000 | \$ | 100,000 | | | | | \$ | 200,000 | |
| Utility undergrounding | | | \$ | 500,000 | \$ | 500,000 | \$ | 1,000,000 | \$ | 2,000,000 | \$ | 4,000,000 | | | |
| Total | \$ | 600,000 | \$ | 7,200,000 | \$ | 9,000,000 | \$ | 9,700,000 | \$ | 11,350,000 | \$ | 37,850,000 | | | |
| Ending Balance | \$ | 150,357 | \$ | 45,726 | \$ | 373,269 | \$ | 2,712,064 | \$ | - | \$ | - | | | |

Source: City of Newport with ECONorthwest

VIII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 12 shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. The Area reaches the point where revenue sharing is required to begin, as implemented by the State in ORS 457.470, and this is further described in the section of this report on Impacts to Taxing Jurisdictions.

It is anticipated that all debt will be retired by FY2038/39 (any outstanding bonds will be defeased). The maximum indebtedness is \$39,920,000 (thirty nine million nine hundred twenty thousand dollars and no cents).

The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$39,920,000 is \$56,380,863.

The interest rate for the bonds is estimated at 5% and the terms of the bonds are varied, depending on time of issuance. The Agency may decide to issue bonds on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and this scenario is financially feasible.

Table 12a – Tax Increment Revenues and Allocations to Debt Service

| | Total | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|-------------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| DEBT SERVICE FUND | | | | | | | | |
| Resources | | | | | | | | |
| Beginning Fund Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TIF for URA | \$56,380,863 | \$315,650 | \$484,207 | \$660,348 | \$844,416 | \$1,036,767 | \$1,237,774 | \$1,447,826 |
| Total Resources | \$56,380,863 | \$315,650 | \$484,207 | \$660,348 | \$844,416 | \$1,036,767 | \$1,237,774 | \$1,447,826 |
| Expenditures | | | | | | | | |
| <i>Debt Service</i> | | | | | | | | |
| New Loan 2019 | -\$8,826,680 | | | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 |
| New Loan 2023 | -\$10,431,540 | | | | | | | -\$521,577 |
| New Loan 2027 | -\$12,437,600 | | | | | | | |
| New Loan 2031 | -\$12,838,820 | | | | | | | |
| Total Debt Service | -\$44,534,640 | \$0 | \$0 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | -\$962,911 |
| Coverage Ratio | | 0.00 | 0.00 | 1.50 | 1.91 | 2.35 | 2.80 | 1.50 |
| <i>Transfer to D/S Reserve Fund</i> | -\$68,624,964 | -\$315,650 | -\$484,207 | -\$219,014 | -\$403,082 | -\$595,433 | -\$796,440 | -\$484,915 |
| Total Expenditures | -\$113,159,604 | -\$315,650 | -\$484,207 | -\$660,348 | -\$844,416 | -\$1,036,767 | -\$1,237,774 | -\$1,447,826 |
| Ending Fund Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Source: ECONorthwest

Table 12a – Tax Increment Revenues and Allocations to Debt Service, continued

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| DEBT SERVICE FUND | | | | | | | | |
| Resources | | | | | | | | |
| Beginning Fund Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TIF for URA | \$1,667,331 | \$1,896,713 | \$2,136,417 | \$2,386,908 | \$2,648,671 | \$2,922,214 | \$3,208,066 | \$3,506,781 |
| Total Resources | \$1,667,331 | \$1,896,713 | \$2,136,417 | \$2,386,908 | \$2,648,671 | \$2,922,214 | \$3,208,066 | \$3,506,781 |
| Expenditures | | | | | | | | |
| <i>Debt Service</i> | | | | | | | | |
| New Loan 2019 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 |
| New Loan 2023 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 |
| New Loan 2027 | | | | -\$621,880 | -\$621,880 | -\$621,880 | -\$621,880 | -\$621,880 |
| New Loan 2031 | | | | | | | | -\$641,941 |
| Total Debt Service | -\$962,911 | -\$962,911 | -\$962,911 | -\$1,584,791 | -\$1,584,791 | -\$1,584,791 | -\$1,584,791 | -\$2,226,732 |
| Coverage Ratio | 1.73 | 1.97 | 2.22 | 1.51 | 1.67 | 1.84 | 2.0 | 1.6 |
| <i>Transfer to D/S Reserve Fund</i> | -\$704,420 | -\$933,802 | -\$1,173,506 | -\$802,117 | -\$1,063,880 | -\$1,337,423 | -\$1,623,275 | -\$1,280,049 |
| Total Expenditures | -\$1,667,331 | -\$1,896,713 | -\$2,136,417 | -\$2,386,908 | -\$2,648,671 | -\$2,922,214 | -\$3,208,066 | -\$3,506,781 |
| Ending Fund Balance | \$ - |

Source: ECONorthwest

Table 12a – Tax Increment Revenues and Allocations to Debt Service, continued

| | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| DEBT SERVICE FUND | | | | | | | | |
| Resources | | | | | | | | |
| Beginning Fund Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TIF for URA | \$3,818,938 | \$4,145,143 | \$4,115,507 | \$4,204,563 | \$4,297,626 | \$4,394,877 | \$4,496,505 | \$507,616 |
| Total Resources | \$3,818,938 | \$4,145,143 | \$4,115,507 | \$4,204,563 | \$4,297,626 | \$4,394,877 | \$4,496,505 | \$507,616 |
| Expenditures | | | | | | | | |
| <i>Debt Service</i> | | | | | | | | |
| New Loan 2019 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | -\$441,334 | |
| New Loan 2023 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 | -\$521,577 |
| New Loan 2027 | -\$621,880 | -\$621,880 | -\$621,880 | -\$621,880 | -\$621,880 | -\$621,880 | -\$621,880 | -\$621,880 |
| New Loan 2031 | -\$641,941 | -\$641,941 | -\$641,941 | -\$641,941 | -\$641,941 | -\$641,941 | -\$641,941 | -\$641,941 |
| Total Debt Service | -\$2,226,732 | -\$1,785,398 |
| Coverage Ratio | 1.7 | 1.9 | 1.8 | 1.9 | 1.9 | 2.0 | 2.0 | 0.3 |
| <i>Transfer to D/S Reserve Fund</i> | -\$1,592,206 | -\$1,918,411 | -\$1,888,775 | -\$1,977,831 | -\$2,070,894 | -\$2,168,145 | -\$2,269,773 | \$1,277,782 |
| Total Expenditures | -\$3,818,938 | -\$4,145,143 | -\$4,115,507 | -\$4,204,563 | -\$4,297,626 | -\$4,394,877 | -\$4,496,505 | -\$507,616 |

Source: ECONorthwest

Note: The debt service ratio in FY 2038/39 is .3. This is because the financial assumptions show that not all tax increment revenues will be necessary in this year and the debt will be defeased.

Table 12b – Projected Annual Debt Service Schedule

| FYE | Debt Service | | | | Total D/S | Total TIF | Debt Service Coverage | Remaining after D/S |
|------|--------------|------------|------------|------------|--------------|-------------|-----------------------|---------------------|
| | 2019 | 2023 | 2027 | 2031 | | | | |
| 2016 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00 | \$0 |
| 2017 | \$0 | \$0 | \$0 | \$0 | \$0 | \$315,650 | 0.00 | \$315,650 |
| 2018 | \$0 | \$0 | \$0 | \$0 | \$0 | \$484,207 | 0.00 | \$484,207 |
| 2019 | -\$441,334 | \$0 | \$0 | \$0 | -\$441,334 | \$660,348 | -1.50 | \$219,014 |
| 2020 | -\$441,334 | \$0 | \$0 | \$0 | -\$441,334 | \$844,416 | -1.91 | \$403,082 |
| 2021 | -\$441,334 | \$0 | \$0 | \$0 | -\$441,334 | \$1,036,767 | -2.35 | \$595,433 |
| 2022 | -\$441,334 | \$0 | \$0 | \$0 | -\$441,334 | \$1,237,774 | -2.80 | \$796,440 |
| 2023 | -\$441,334 | -\$521,577 | \$0 | \$0 | -\$962,911 | \$1,447,826 | -1.50 | \$484,915 |
| 2024 | -\$441,334 | -\$521,577 | \$0 | \$0 | -\$962,911 | \$1,667,331 | -1.73 | \$704,420 |
| 2025 | -\$441,334 | -\$521,577 | \$0 | \$0 | -\$962,911 | \$1,896,713 | -1.97 | \$933,802 |
| 2026 | -\$441,334 | -\$521,577 | \$0 | \$0 | -\$962,911 | \$2,136,417 | -2.22 | \$1,173,506 |
| 2027 | -\$441,334 | -\$521,577 | -\$621,880 | \$0 | -\$1,584,791 | \$2,386,908 | -1.51 | \$802,117 |
| 2028 | -\$441,334 | -\$521,577 | -\$621,880 | \$0 | -\$1,584,791 | \$2,648,671 | -1.67 | \$1,063,880 |
| 2029 | -\$441,334 | -\$521,577 | -\$621,880 | \$0 | -\$1,584,791 | \$2,922,214 | -1.84 | \$1,337,423 |
| 2030 | -\$441,334 | -\$521,577 | -\$621,880 | \$0 | -\$1,584,791 | \$3,208,066 | -2.02 | \$1,623,275 |
| 2031 | -\$441,334 | -\$521,577 | -\$621,880 | -\$641,941 | -\$2,226,732 | \$3,506,781 | -1.57 | \$1,280,049 |
| 2032 | -\$441,334 | -\$521,577 | -\$621,880 | -\$641,941 | -\$2,226,732 | \$3,818,938 | -1.72 | \$1,592,206 |
| 2033 | -\$441,334 | -\$521,577 | -\$621,880 | -\$641,941 | -\$2,226,732 | \$4,145,143 | -1.86 | \$1,918,411 |
| 2034 | -\$441,334 | -\$521,577 | -\$621,880 | -\$641,941 | -\$2,226,732 | \$4,115,507 | -1.85 | \$1,888,775 |
| 2035 | -\$441,334 | -\$521,577 | -\$621,880 | -\$641,941 | -\$2,226,732 | \$4,204,563 | -1.89 | \$1,977,831 |
| 2036 | -\$441,334 | -\$521,577 | -\$621,880 | -\$641,941 | -\$2,226,732 | \$4,297,626 | -1.93 | \$2,070,894 |
| 2037 | -\$441,334 | -\$521,577 | -\$621,880 | -\$641,941 | -\$2,226,732 | \$4,394,877 | -1.97 | \$2,168,145 |
| 2038 | -\$441,334 | -\$521,577 | -\$621,880 | -\$641,941 | -\$2,226,732 | \$4,496,505 | -2.02 | \$2,269,773 |
| 2039 | \$0 | -\$521,577 | -\$621,880 | -\$641,941 | -\$1,785,398 | \$507,616 | -0.28 | -\$1,277,782 |

Source: ECONorthwest

IX. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2038/39, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The assumptions include assessed value growth rates at 4.5%. There is substantial acreage in the Area that is undeveloped where the full future development value will add to the incremental assessed value of the Area.

Table 13 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Tables 11 and 12. Revenue sharing is projected to be a feature of this urban renewal plan in FY 2033/34. However, if growth occurs at a faster pace, the Area will commence revenue sharing at the time required by the statute, the year after the tax increment proceeds equal 10% of the initial maximum indebtedness. At the point that tax increment revenues equal 12.5% of the initial maximum indebtedness, the annual increment is capped at that number and the remaining increment is divided among the taxing jurisdictions. This is not anticipated as shown in the following table.

Note the revenues to the urban renewal area is FYE 3039 are lower than the prior year, anticipating an under-levy in that year as all of the available tax revenues would not be needed to pay off the remaining debt.

Table 13a – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

| FYE | Assessed Value | Frozen Base | Excess Value | Tax Rate | TIF |
|-------|----------------|---------------|---------------|----------|--------------|
| 2015 | \$236,886,829 | \$236,886,829 | \$0 | 14.4797 | \$0 |
| 2016 | \$247,546,737 | \$236,886,829 | \$0 | 14.4797 | \$0 |
| 2017 | \$258,686,341 | \$236,886,829 | \$21,799,512 | 14.4797 | \$315,650 |
| 2018 | \$270,327,226 | \$236,886,829 | \$33,440,397 | 14.4797 | \$484,207 |
| 2019 | \$282,491,952 | \$236,886,829 | \$45,605,123 | 14.4797 | \$660,348 |
| 2020 | \$295,204,091 | \$236,886,829 | \$58,317,262 | 14.4797 | \$844,416 |
| 2021 | \$308,488,275 | \$236,886,829 | \$71,601,446 | 14.4797 | \$1,036,767 |
| 2022 | \$322,370,247 | \$236,886,829 | \$85,483,418 | 14.4797 | \$1,237,774 |
| 2023 | \$336,876,907 | \$236,886,829 | \$99,990,078 | 14.4797 | \$1,447,826 |
| 2024 | \$352,036,368 | \$236,886,829 | \$115,149,539 | 14.4797 | \$1,667,331 |
| 2025 | \$367,878,005 | \$236,886,829 | \$130,991,176 | 14.4797 | \$1,896,713 |
| 2026 | \$384,432,516 | \$236,886,829 | \$147,545,687 | 14.4797 | \$2,136,417 |
| 2027 | \$401,731,979 | \$236,886,829 | \$164,845,150 | 14.4797 | \$2,386,908 |
| 2028 | \$419,809,918 | \$236,886,829 | \$182,923,089 | 14.4797 | \$2,648,671 |
| 2029 | \$438,701,364 | \$236,886,829 | \$201,814,535 | 14.4797 | \$2,922,214 |
| 2030 | \$458,442,926 | \$236,886,829 | \$221,556,097 | 14.4797 | \$3,208,066 |
| 2031 | \$479,072,858 | \$236,886,829 | \$242,186,029 | 14.4797 | \$3,506,781 |
| 2032 | \$500,631,136 | \$236,886,829 | \$263,744,307 | 14.4797 | \$3,818,938 |
| 2033 | \$523,159,538 | \$236,886,829 | \$286,272,709 | 14.4797 | \$4,145,143 |
| 2034 | \$546,701,717 | \$236,886,829 | \$309,814,888 | 14.4797 | \$4,486,027 |
| 2035 | \$571,303,294 | \$236,886,829 | \$334,416,465 | 14.4797 | \$4,842,250 |
| 2036 | \$597,011,942 | \$236,886,829 | \$360,125,113 | 14.4797 | \$5,214,504 |
| 2037 | \$623,877,479 | \$236,886,829 | \$386,990,650 | 14.4797 | \$5,603,509 |
| 2038 | \$651,951,966 | \$236,886,829 | \$415,065,137 | 14.4797 | \$6,010,019 |
| 2039 | \$681,289,804 | \$236,886,829 | \$444,402,975 | 14.4797 | \$6,434,822 |
| Total | | | | | \$66,955,301 |

Source: ECONorthwest

Table 13b – Projected Revenue Sharing

| FYE | TIF | | |
|-------|--------------|--------------|--------------|
| | Total | for URA | Shared |
| 2015 | \$0 | \$0 | \$0 |
| 2016 | \$0 | \$0 | \$0 |
| 2017 | \$315,650 | \$315,650 | \$0 |
| 2018 | \$484,207 | \$484,207 | \$0 |
| 2019 | \$660,348 | \$660,348 | \$0 |
| 2020 | \$844,416 | \$844,416 | \$0 |
| 2021 | \$1,036,767 | \$1,036,767 | \$0 |
| 2022 | \$1,237,774 | \$1,237,774 | \$0 |
| 2023 | \$1,447,826 | \$1,447,826 | \$0 |
| 2024 | \$1,667,331 | \$1,667,331 | \$0 |
| 2025 | \$1,896,713 | \$1,896,713 | \$0 |
| 2026 | \$2,136,417 | \$2,136,417 | \$0 |
| 2027 | \$2,386,908 | \$2,386,908 | \$0 |
| 2028 | \$2,648,671 | \$2,648,671 | \$0 |
| 2029 | \$2,922,214 | \$2,922,214 | \$0 |
| 2030 | \$3,208,066 | \$3,208,066 | \$0 |
| 2031 | \$3,506,781 | \$3,506,781 | \$0 |
| 2032 | \$3,818,938 | \$3,818,938 | \$0 |
| 2033 | \$4,145,143 | \$4,145,143 | \$0 |
| 2034 | \$4,486,027 | \$4,115,507 | \$370,520 |
| 2035 | \$4,842,250 | \$4,204,563 | \$637,688 |
| 2036 | \$5,214,504 | \$4,297,626 | \$916,878 |
| 2037 | \$5,603,509 | \$4,394,877 | \$1,208,632 |
| 2038 | \$6,010,019 | \$4,496,505 | \$1,513,514 |
| 2039 | \$6,434,822 | \$507,616 | \$5,927,206 |
| Total | \$66,955,301 | \$56,380,863 | \$10,574,438 |

Source: ECONorthwest

X. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FY 2038/39, and are shown in Tables 14a and 14b.

Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. The share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness, however the projections do not estimate this threshold is met. Revenue sharing is projected to commence during the final year of the 25-year life of tax increment proceeds of the Plan. Note that the total impact to taxing jurisdictions equals the total amount to the Agency in Table 12b above, \$56,380,863.

The Newport School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the State level.

Dedicating efforts to maintaining a healthy downtown is one variable in a livable city. These efforts will produce spin-off economic benefits in terms of increased economic development in the area, increased jobs, and expected increases in overall populations, including the student populations in the schools. These increases in the schools' populations will bring in more funding to the schools through the per pupil funding formula.

Tables 14a and 14b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. The table is based on fiscal year end (FYE) impacts. It assumes the growth as projected in the other tables in this Report, a 4.5% average annual growth rate in assessed value. Table 14a shows the general government levies and Table 14b shows the education levies.

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Table 14a – Projected Impact on Taxing District Permanent Rate Levies General Government

| FYE | LINCOLN COUNTY GENERAL | LINCOLN COUNTY ANIMAL SVC | LINCOLN COUNTY EXTENSION | LINCOLN COUNTY TRANSPORT | PORT OF NEWPORT | CITY OF NEWPORT | PACIFIC COMMUNITIE S HEALTH | SUBTOTAL |
|--------------|------------------------|---------------------------|--------------------------|--------------------------|--------------------|-----------------------|-----------------------------|-----------------------|
| 2015 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2016 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2017 | (\$61,479) | (\$2,398) | (\$983) | (\$2,123) | (\$1,328) | (\$121,942) | (\$7,902) | (\$198,155) |
| 2018 | (\$94,309) | (\$3,678) | (\$1,508) | (\$3,257) | (\$2,037) | (\$187,059) | (\$12,122) | (\$303,970) |
| 2019 | (\$128,615) | (\$5,017) | (\$2,057) | (\$4,442) | (\$2,777) | (\$255,106) | (\$16,532) | (\$414,546) |
| 2020 | (\$164,466) | (\$6,415) | (\$2,630) | (\$5,680) | (\$3,552) | (\$326,215) | (\$21,140) | (\$530,098) |
| 2021 | (\$201,930) | (\$7,876) | (\$3,229) | (\$6,974) | (\$4,361) | (\$400,524) | (\$25,956) | (\$650,850) |
| 2022 | (\$241,080) | (\$9,403) | (\$3,855) | (\$8,326) | (\$5,206) | (\$478,177) | (\$30,988) | (\$777,036) |
| 2023 | (\$281,992) | (\$10,999) | (\$4,510) | (\$9,739) | (\$6,089) | (\$559,324) | (\$36,246) | (\$908,900) |
| 2024 | (\$324,745) | (\$12,666) | (\$5,193) | (\$11,216) | (\$7,013) | (\$644,124) | (\$41,742) | (\$1,046,698) |
| 2025 | (\$369,421) | (\$14,409) | (\$5,908) | (\$12,759) | (\$7,977) | (\$732,738) | (\$47,484) | (\$1,190,697) |
| 2026 | (\$416,108) | (\$16,230) | (\$6,654) | (\$14,371) | (\$8,986) | (\$825,341) | (\$53,485) | (\$1,341,175) |
| 2027 | (\$464,896) | (\$18,133) | (\$7,435) | (\$16,056) | (\$10,039) | (\$922,111) | (\$59,756) | (\$1,498,426) |
| 2028 | (\$515,880) | (\$20,122) | (\$8,250) | (\$17,817) | (\$11,140) | (\$1,023,235) | (\$66,310) | (\$1,662,752) |
| 2029 | (\$569,157) | (\$22,200) | (\$9,102) | (\$19,657) | (\$12,291) | (\$1,128,910) | (\$73,158) | (\$1,834,474) |
| 2030 | (\$624,833) | (\$24,371) | (\$9,992) | (\$21,580) | (\$13,493) | (\$1,239,341) | (\$80,314) | (\$2,013,923) |
| 2031 | (\$683,013) | (\$26,640) | (\$10,923) | (\$23,589) | (\$14,749) | (\$1,354,740) | (\$87,792) | (\$2,201,447) |
| 2032 | (\$743,812) | (\$29,012) | (\$11,895) | (\$25,689) | (\$16,062) | (\$1,475,333) | (\$95,607) | (\$2,397,409) |
| 2033 | (\$807,346) | (\$31,490) | (\$12,911) | (\$27,883) | (\$17,434) | (\$1,601,352) | (\$103,774) | (\$2,602,190) |
| 2034 | (\$801,574) | (\$31,265) | (\$12,819) | (\$27,684) | (\$17,309) | (\$1,589,903) | (\$103,032) | (\$2,583,586) |
| 2035 | (\$818,919) | (\$31,941) | (\$13,096) | (\$28,283) | (\$17,684) | (\$1,624,307) | (\$105,261) | (\$2,639,492) |
| 2036 | (\$837,045) | (\$32,648) | (\$13,386) | (\$28,909) | (\$18,075) | (\$1,660,260) | (\$107,591) | (\$2,697,914) |
| 2037 | (\$855,987) | (\$33,387) | (\$13,689) | (\$29,563) | (\$18,484) | (\$1,697,830) | (\$110,026) | (\$2,758,966) |
| 2038 | (\$875,781) | (\$34,159) | (\$14,005) | (\$30,246) | (\$18,912) | (\$1,737,090) | (\$112,570) | (\$2,822,764) |
| 2039 | (\$98,868) | (\$3,856) | (\$1,581) | (\$3,415) | (\$2,135) | (\$196,102) | (\$12,708) | (\$318,665) |
| Total | (\$10,981,256) | (\$428,315) | (\$175,611) | (\$379,258) | (\$237,133) | (\$21,781,064) | (\$1,411,496) | (\$35,394,133) |

Table 14b – Projected Impact on Taxing District Permanent Rate Levies Education

| FYE | LINCOLN COUNTY SCHOOL | OR COAST COM COLLEGE | LINN-BENTON ESD | SUBTOTAL | TOTAL |
|--------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| 2015 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2016 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2017 | (\$107,018) | (\$3,830) | (\$6,647) | (\$117,495) | (\$315,650) |
| 2018 | (\$164,166) | (\$5,875) | (\$10,196) | (\$180,237) | (\$484,207) |
| 2019 | (\$223,885) | (\$8,013) | (\$13,905) | (\$245,802) | (\$660,348) |
| 2020 | (\$286,291) | (\$10,246) | (\$17,781) | (\$314,318) | (\$844,416) |
| 2021 | (\$351,506) | (\$12,580) | (\$21,831) | (\$385,917) | (\$1,036,767) |
| 2022 | (\$419,655) | (\$15,019) | (\$26,064) | (\$460,738) | (\$1,237,774) |
| 2023 | (\$490,871) | (\$17,568) | (\$30,487) | (\$538,926) | (\$1,447,826) |
| 2024 | (\$565,292) | (\$20,232) | (\$35,109) | (\$620,633) | (\$1,667,331) |
| 2025 | (\$643,062) | (\$23,015) | (\$39,939) | (\$706,016) | (\$1,896,713) |
| 2026 | (\$724,331) | (\$25,924) | (\$44,987) | (\$795,242) | (\$2,136,417) |
| 2027 | (\$809,258) | (\$28,963) | (\$50,261) | (\$888,482) | (\$2,386,908) |
| 2028 | (\$898,006) | (\$32,140) | (\$55,773) | (\$985,919) | (\$2,648,671) |
| 2029 | (\$990,748) | (\$35,459) | (\$61,533) | (\$1,087,740) | (\$2,922,214) |
| 2030 | (\$1,087,663) | (\$38,927) | (\$67,552) | (\$1,194,143) | (\$3,208,066) |
| 2031 | (\$1,188,940) | (\$42,552) | (\$73,843) | (\$1,305,334) | (\$3,506,781) |
| 2032 | (\$1,294,773) | (\$46,340) | (\$80,416) | (\$1,421,529) | (\$3,818,938) |
| 2033 | (\$1,405,370) | (\$50,298) | (\$87,285) | (\$1,542,953) | (\$4,145,143) |
| 2034 | (\$1,395,322) | (\$49,939) | (\$86,660) | (\$1,531,921) | (\$4,115,507) |
| 2035 | (\$1,425,516) | (\$51,019) | (\$88,536) | (\$1,565,070) | (\$4,204,562) |
| 2036 | (\$1,457,068) | (\$52,148) | (\$90,495) | (\$1,599,712) | (\$4,297,626) |
| 2037 | (\$1,490,040) | (\$53,328) | (\$92,543) | (\$1,635,912) | (\$4,394,878) |
| 2038 | (\$1,524,496) | (\$54,562) | (\$94,683) | (\$1,673,741) | (\$4,496,505) |
| 2039 | (\$172,102) | (\$6,160) | (\$10,689) | (\$188,951) | (\$507,616) |
| Total | (\$19,115,379) | (\$684,137) | (\$1,187,215) | (\$20,986,731) | (\$56,380,863) |

Source: ECONorthwest Please refer to the explanation of the schools funding in the preceding section

Table 15 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2040.

Table 15 – Projected Revenue to Taxing Jurisdictions after Termination of Urban Renewal

| Tax District Name | Tax Rate | Tax Revenue in FYE 2040 (year after expiration) | | |
|---------------------------------|------------------|---|--------------------|---------------------|
| | | From Frozen | From Excess | Total |
| | | Base | Value | |
| General Government | | | | |
| Lincoln County | \$2.8202 | \$668,068 | \$1,339,767 | \$2,007,835 |
| Lincoln County - Animal Service | \$0.1100 | \$26,058 | \$52,257 | \$78,315 |
| Lincoln County Extension | \$0.0451 | \$10,684 | \$21,425 | \$32,109 |
| Lincoln County Transportation | \$0.0974 | \$23,073 | \$46,271 | \$69,344 |
| Port of Newport | \$0.0609 | \$14,426 | \$28,931 | \$43,357 |
| City of Newport | \$5.5938 | \$1,325,098 | \$2,657,396 | \$3,982,494 |
| H-PAC Community Health | \$0.3625 | \$85,871 | \$172,210 | \$258,081 |
| Total General Government | \$9.0899 | \$2,153,278 | \$4,318,257 | \$6,471,535 |
| Education | | | | |
| Lincoln County School | \$4.9092 | \$1,162,925 | \$2,332,170 | \$3,495,095 |
| Oregon Coast Community College | \$0.1757 | \$41,621 | \$83,468 | \$125,089 |
| ESD | \$0.3049 | \$72,227 | \$144,846 | \$217,073 |
| Total Education | \$5.3898 | \$1,276,773 | \$2,560,484 | \$3,837,257 |
| Total | \$14.4797 | \$3,430,051 | \$6,878,741 | \$10,308,792 |

Source: ECONorthwest

XI. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, personal manufactured, and utility properties in the Area, is projected to be \$236,886,829. The total assessed value of the City of Newport is \$1,243,361,351. The excess value of the South Beach Urban Renewal Area is \$136,869,617. Excess value is the growth of assessed value over the frozen base in an urban renewal area. The total urban renewal assessed value is 23.4% of the total assessed value of the city, minus excess value, below the 25% maximum. The Urban Renewal Area has 545.9 acres, including right-of-way, and the City of Newport has 7,166.53 acres. Given the acreages of the exiting South Beach Plan and the McLean Point Plan, 24.96% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 16 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

| Urban Renewal Area | Assessed Value | Acres |
|--|-----------------|----------|
| South Beach Urban Renewal Area | \$18,548,383 | 1,168.84 |
| McLean Point Urban Renewal Area | \$3,514,349 | 73.79 |
| Newport Northside Urban Renewal Area | \$236,886,829 | 545.9 |
| Total in Urban Renewal | \$258,949,561 | 1,788.53 |
| City of Newport | \$1,243,361,351 | 7,166.53 |
| Excess AV in South Beach | \$136,869,617 | |
| Percent of Newport Assessed Value in Urban Renewal | 23.40% | |
| Percent of Newport Acreage in Urban Renewal | | 24.96% |

Source: City of Newport, Lincoln County Assessor

XII. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

DRAFT

McLean Point Urban Renewal Plan

Adopted by the City of Newport

Date

Ordinance No.

Elaine Howard Consulting, LLC

ECONorthwest

Jeannette Launer

List of Participants

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City Council: Ralph Busby, President
David Allen
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Bob Berman
William Branigan
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Gary East
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Community Development Director: Derrick Tokos
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TABLE OF CONTENTS

| | |
|---|----|
| I. DEFINITIONS | 4 |
| II. INTRODUCTION | 6 |
| III. GOALS AND OBJECTIVES | 9 |
| IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES | 11 |
| V. URBAN RENEWAL PROJECTS | 11 |
| VI. PROPERTY ACQUISITION AND DISPOSITION | 13 |
| VII. RELOCATION METHODS | 14 |
| VIII. TAX INCREMENT FINANCING OF PLAN | 14 |
| IX. FUTURE AMENDMENTS TO PLAN | 16 |
| X. DURATION OF THE PLAN | 19 |
| XI. FISCAL STEWARDSHIP | 19 |
| XII. RELATIONSHIP TO LOCAL OBJECTIVES | 20 |
| XIII. APPENDIX A: LEGAL DESCRIPTION | 25 |

I. DEFINITIONS

“Advisory Committee” means the committee composed of public officials and consultants to provide input on the McLean Point Urban Renewal Plan. Those members are identified on the acknowledgement page of the urban renewal plan.

“Agency” means the Newport Urban Renewal Agency. This Agency is responsible for administration of the urban renewal plan. In Newport, the Agency is the Newport City Council.

“Annual report” means annual report on impacts to taxing jurisdictions and former year and following year budgets as required in ORS 457.460.

“Area” means the properties and rights of way located with the McLean Point urban renewal boundary.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the urban renewal plan.

“City” means the city of Newport, Oregon.

“City Council” or “Council” means the City Council of the city of Newport.

“Comprehensive Plan” means the city of Newport comprehensive land use plan and its implementing ordinances, policies and standards.

“County” means Lincoln County.

“Fiscal year” means the year commencing on July 1 and closing on June 30.

“Frozen base” means the total assessed value including all real, personal, manufactured and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

“Maximum indebtedness” 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.

“Newport Transportation Systems Plan (TSP)” means the transportation system plan adopted by the Newport City Council.

“ORS” means the Oregon revised statutes and specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Newport Planning Commission.

“Revenue Sharing” means sharing tax increment proceeds as defined in ORS 457.470.

“Tax increment financing (TIF)” means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“Under-levy” means taking less than the available tax increment in any year as defined in ORS 457.455.

“Urban renewal agency” or “Agency” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for administration of the urban renewal plan.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3).

II. INTRODUCTION

The McLean Point Urban Renewal Plan (Plan) has been developed for the Newport City Council (City Council) with the cooperative input of an Urban Renewal Advisory Committee (Advisory Committee) and community input from two urban renewal public meetings.

The Advisory Committee met six times to review components of the Plan and Report accompanying the Plan (Report), specifically the goals and objectives, projects, amendment procedures, duration of the Plan, under-levy provisions, socio-economic data, funding, and financial tables in the Report. The Advisory Committee also reviewed the input from the public meetings. The Advisory Committee voted unanimously of those present to forward the Plan and Report to the Newport Urban Renewal Agency for their consideration. There were representatives of the community at the majority of the Advisory Committee meetings.

The first public meeting was held on July 27, 2015 at which approximately 47 citizens participated. Staff and the consultant provided background information on urban renewal, the proposed plan and on the process for adoption of an urban renewal plan. Comment forms were available for interested parties to complete. The comments received were compiled and placed on the city of Newport website. In addition, where appropriate, responses to the comments were drafted and also posted to the website and distributed at the second open house and to the Newport Urban Renewal Agency as part of the staff report on the process of preparing the urban renewal plan.

The second public meeting was an urban renewal open house on August 31, 2015 at which 75 people signed in and others attended, but chose not to sign in. Staff provided general urban renewal information, background information on why to consider urban renewal at this time, an overview of the potential projects, and answered questions. Attendees were provided opportunities to provide input at 5 different stations in the room, one of which was for the McLean Point Urban Renewal Area. Although comments were received in writing at every other station, there were no comments received on the McLean Point Urban Renewal Plan.

In addition, the consultant and city staff briefed the Newport Port Commission on both urban renewal plans on August 18, 2015. Staff briefed the Lincoln County Commission on September 2, 2015.

There was also opportunity for public input at the Advisory Committee meetings, the Newport Urban Renewal Agency (Agency) meeting, the Newport Planning

Commission (Planning Commission) meeting, the Newport Port Commission meeting, and the City Council meeting.

The Plan contains goals, objectives, and projects for the development of the McLean Point Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to overcome obstacles to the proper development of the Area.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in ORS 457. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The McLean Point Area has infrastructure needs as identified in the Report accompanying the McLean Point Urban Renewal Plan and specifically cited in the ordinance for adoption of the urban renewal plan.

Urban renewal allows for the use of tax increment financing (TIF), a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to repay borrowed funds. The funds borrowed are used to pay for urban renewal projects.

In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities; assistance for rehabilitation or redevelopment of property; acquisition and re-sale of property (site assembly) from willing sellers; and improvements to public spaces. The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Newport, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 73.44 total acres: 66.93 acres of land in parcels and 6.54 acres of public right-of-way.

The Plan will be administered by the Newport Urban Renewal Agency (Agency), which was established by the Newport City Council as the City's Urban Renewal Agency. Substantial changes to the plan must be approved by the city Council. Major changes to the Plan, if necessary, must be approved by the City Council, after recommendation from an advisory committee comprised of the Newport Port Commission and a representative of property owners in the Area, as appointed by the City Council, and an

ad-hoc advisory committee as outlined in the Amendments Section, Section IX of this Plan.

The Plan is accompanied by an Urban Renewal Report (Report) that contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

It is anticipated that the Plan will take 20 years to implement. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$2,080,000.

Future amendments will be listed numerically in this section of the Plan and then incorporated into the Plan document and noted by footnote as to amendment number and date adopted.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XII, and were developed with input from the Newport Urban Renewal Plan Advisory Committee. The goals and objectives will be pursued as economically as is feasible and at the discretion of the Agency. The goals and objectives are not ranked by priority.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal implementation process.

Objectives:

1. Provide opportunities for public input throughout the implementation process.
2. Establish the Port Commission as the ongoing Citizens' Advisory Committee to assist the Urban Renewal Agency in decisions regarding plan implementation as identified in the Amendments section of the Plan. Provide for one member of the CAC to be a representative of the property owners within the Area, as appointed by the Agency.
3. Utilize ad hoc advisory committees to review major changes to projects, programs or goals and objectives in the Plan as identified in the Amendments section of the Plan.

Goal 2: *PUBLIC PARTNERSHIPS: PORT*

Coordinate with the Port of Newport on shared economic development objectives.

Objectives:

1. Collaborate with the Port of Newport on the implementation of its Capital Improvement Plan.
2. Coordinate adequate infrastructure to facilitate development opportunities in the Area.
3. Coordinate provision of infrastructure to the International Terminal.

Goal 3: *ECONOMY*

Collaborate with the Port of Newport on the implementation of its Capital Improvement Plan. Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs. Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities.

Objectives:

1. Build utility infrastructure to accommodate growth in the Area.
2. Assist in the improvement of transportation infrastructure to support existing development and allow for future development.

Goal 4: *INFRASTRUCTURE*

Assure adequate planning for public facilities to meet the changing needs of the City of Newport urbanizable area. Provide a storm water drainage system, water system, wastewater collection and treatment system with sufficient capacity to meet the present and future needs of the Newport urbanizable area. Provide a safe and efficient multi-modal transportation system consistent with the Transportation System Plan.

Objectives:

1. Build utility infrastructure to accommodate growth in the Area.
2. Identify and make infrastructure investments on opportunity sites.
3. Assist in the improvement of transportation infrastructure to support existing development and allow for future development.

Goal 5: *FISCAL STEWARDSHIP*

Work with taxing jurisdictions to both inform them of the annual project and financial activities of the urban renewal area and to evaluate opportunities to share tax increment revenues.

Objectives:

1. Send a copy of the annual project and financial report to all taxing jurisdictions, informing them of the activities of the urban renewal area.
2. Notify taxing jurisdictions of revenue sharing responsibilities and the timing of those responsibilities.
3. Reimburse city for annual costs in administering the urban renewal area.

Figure 1 – McLean Point Urban Renewal Area Boundary



Newport McLean Point UR Option

- Port_Option_7-7-15 : McLean Point Proposed Boundary
- Parcel Boundaries

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IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The projects within the Area include:

Public infrastructure and transportation improvements

Debt Service and plan administration

V. URBAN RENEWAL PROJECTS

Urban renewal projects authorized by the Plan are described below. Public improvements authorized under the Plan include upgrading of infrastructure including transportation and utilities to encourage development.

A. *Infrastructure Improvements*

1. Upgrade/provide infrastructure as necessary to allow for the development or redevelopment of parcels within and adjacent to the urban renewal area. The specific projects include:

- Sewer pump station and mains

Install a sewer pump station, which will likely be situated at the northeast corner of the Area, adjacent to Bay Boulevard. This pump station would replace the smaller facility at the intersection of Running Springs and Bay Boulevard that is undersized and was constructed to serve the upslope residential development. A sewer main would be constructed from the new pump station west along Bay Boulevard to tie into the City's existing gravity main just west of the intersection of SE Vista Drive and Bay Boulevard. Planning level design requirements will be included in the sewer master plan that the City of Newport is preparing.

- Storm drainage improvements

A storm drainage system will be constructed to collect and manage the run-off. Drainage improvements will also be needed to manage run-off attributed to the reconfiguration or mitigation of on-site wetlands so that the site can reach its industrial development potential.

- Water line or other utility extensions and upgrades

Water service is available from Bay Boulevard; however, public mains will need to be extended into the site to support industrial uses. Mains will need to be extended in a manner that will allow a future, under bay crossing. The under bay crossing would be a separate project that is not part of the urban

renewal project scope, but is likely to be needed so that the city has a second redundant line for providing water to portions of the city south of the bay. Electrical, fiber, and natural gas extensions to new industrial buildings are also necessary.

- Street improvements

Street improvements may include turn lanes and other traffic management improvements at access points onto Bay Boulevard to ensure safe points of ingress and egress for industrial users. A public or private street might also be extended into the Area to serve development.

B. Debt Service and Plan Administration

This project will allow for the repayment of costs associated with the implementation of the McLean Point Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

The way the projects relate to the goals and objectives is shown in Table 1.

Table 1 – Projects and Relationship to Goals and Objectives

| Projects | Goals and Objectives |
|-----------------------------------|--|
| Sewer pump station and mains | Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3 |
| Storm drainage | Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3 |
| Other utility extensions/upgrades | Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3 |
| Street improvements | Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3 |
| Administration | Goal 1, Obj. 1,2,3; Goal 5, Obj. 1,2,3 |

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use.

A. Property acquisition for public improvements

The Agency may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

B. Property acquisition – from willing sellers

The Plan authorizes Agency acquisition of any interest in property within the Area that the Agency finds is necessary to support private redevelopment, but only in those cases where the property owner wishes to convey such interest to the Agency. The Plan does not authorize the Agency to use the power of eminent domain to acquire property from a private party to transfer property to another private party for private redevelopment. Property acquisition from willing sellers may be required to support development of projects within the Area.

C. Land disposition

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement.

The Agency may dispose of property acquired under Subsection B of this Section VI by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal agency, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in such plan. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

VII. RELOCATION METHODS

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance.

VIII. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on loans, usually in the form of tax increment bonds. The proceeds of the bonds are used to finance the urban renewal projects authorized in the Plan. Bonds may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from the federal, state, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$2,080,000 (two million and eighty thousand dollars). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds. It does include initial bond financing fees and interest earned on tax increment proceeds, separate from interest on bond proceeds.

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IX. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Agency, the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Newport, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:

1. Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

B. Major Amendments

Major amendments require adoption of a resolution by the Agency. Major amendments will be reviewed by an advisory committee comprised of the Newport Port Commission and a representative of property owners in the Area, as appointed by the City Council, and by an ad hoc advisory committee, both of whom will send an advisory recommendation to the Agency.

Major amendments are amendments that:

1. Increase in the duration of the timeframe for the urban renewal area. Any increase in the duration of the timeframe of the urban renewal area will also require consultation with affected taxing districts.
2. Deletion of land that totals more than 1% of the existing area of the urban renewal area.
3. Addition of any new project where the project cost is in excess of \$500,000 as indexed annually by the inflation rate used in the Report accompanying the adoption of the McLean Point Urban Renewal Plan or any subsequent Report for a Substantial Amendment, whichever is most current. A new

project is a project that is not already designated in the Plan or does not fall within one of the general categories of projects designated in the Plan.

C. *Minor Amendments*

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457 and are not Major Amendments as defined in this Plan. Minor Amendments require approval by the Agency by resolution.

D. *Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance*

Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance that affect the Urban Renewal Plan and/or the Urban Renewal Area shall be incorporated automatically within the Urban Renewal Plan without any separate action required by the Agency or the City Council.

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Figure 2 – Comprehensive Plan Designations



Newport McLean Point UR - Comprehensive Plan Designations

- | | |
|--|--|
|  Commercial |  Industrial |
|  Low Density Residential |  Public |
|  High Density Residential |  Shore |

0 500 ft

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X. DURATION OF THE PLAN

This Plan will not exceed 20 years from the date of adoption. The financial analysis projects a 16 year plan.

XI. FISCAL STEWARDSHIP

A. Annual Report

The Agency will prepare an annual report as required by ORS 457.460. In addition to the requirements stated therein, the Agency will send a copy of the annual project and financial report to all taxing jurisdictions.

B. Revenue Sharing

The Agency will notify the taxing jurisdictions of revenue sharing responsibilities of the Plan as defined in ORS 457.470 and as analyzed in the Report accompanying the Plan and any Substantial Amendment. The analysis will include the projected timing of revenue sharing.

C. Administration

The Agency is the body designated with implementation of the Plan. The Agency has no paid employees. Actual implementation of the Plan is done by City of Newport (City) employees. In order to ensure sufficient resources are available to efficiently administer the Plan, the cost of administration will be an eligible project of the Plan through reimbursement by the Agency of costs incurred by the City. The costs of administration allocated to the Plan will be evaluated and established in the annual budgeting process. After the annual budget is complete, an Order will be adopted by the Agency to memorialize the agreement between the Agency and the City as to the administrative costs to be incurred that year.

XII. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Newport's Comprehensive Plan, Newport Municipal Code (Section 17: Zoning Ordinance), and the Transportation System Plan. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that *has* been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2. The maximum densities and building requirements are contained in the Newport Zoning Ordinance. The proposed land uses conform to Figure 2.

This is not a comprehensive list of all parts of the Newport Comprehensive Plan that are supported by this Plan. This list includes the major Goals and Policies from the Comprehensive Plan that are supported, however, there may be other Goals and Policies that are not listed, but are still supported by this Plan.

A. City of Newport Comprehensive Plan

Goal: Economy

Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs.

Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period.

Policy 1. The City shall help facilitate growth of employment in the marine and ocean observing research and education cluster.

Policy 3. The City shall coordinate with the Port of Newport on shared economic development objectives.

Policy 4. The City shall encourage growth of businesses involved with fishing and value-added seafood.

Policy 6. The City shall encourage better use of underutilized and/or blighted commercial sites.

Action 6.1 Evaluate creation of urban renewal district north of Yaquina Bay

Policy 7. The city shall ensure an adequate supply of commercial and industrial support sites.

The Plan conforms to the Economy goal as it contains projects to upgrade the transportation and utility infrastructure, to support existing business and allow for development of new businesses to create jobs, utilizing underutilized and/or blighted sites. Those jobs could help facilitate the growth of the Marine and ocean observing research and education clusters, and encourage growth of businesses involved with fishing and value added seafood. The Plan conforms to the Economy goal as it coordinates with the Port of Newport on shared economic development objectives.

Goal: Infrastructure and Public Facilities

Make investments in infrastructure and public facilities to support the target industries.

Policy 8. Identify and make infrastructure investments on opportunity sites.

Action 8.2 Coordinate provision of infrastructure to the International Terminal.

Action 8.4 Develop infrastructure needed to support fishing and seafood processing.

The Plan conforms to the Infrastructure and Public Facilities goal as it contains projects that will upgrade the infrastructure in the area to allow for future development providing jobs in the area. This infrastructure includes infrastructure to the International Terminal and infrastructure needed to support fishing and seafood processing.

Goal: Yaquina Bay and Estuary

To recognize and balance the unique economic, social, and environmental values of the Yaquina Bay Estuary.

Policy 1. Balanced use of estuary. The City of Newport shall continue to ensure that the overall management of the Yaquina Bay estuary shall provide for the balance development, conservation, and natural preservation of the Yaquina Bay estuary as appropriate in various areas.

Policy 3. Use priorities. The general priorities (from highest to lowest) for management and use of Yaquina Bay estuary resources as implemented through the management unit designation and permissible use requirements listed below shall be:

a.) uses which maintain the integrity of the estuarine ecosystem;

- b.) *water dependent uses requiring S during location, as consistent with the overall Oregon Estuarine Classification;*
- c.) *water related uses which do not degrade or reduce the natural estuarine resources and values;*
- d.) *nondependent, nonrelated uses which do not alter, reduce, or degrade estuarine resources and values.*

Policy 5: Dredged Material Disposal Sites. Dredged material disposal sites identified in the Yaquina Bay and River Dredged Material Disposal Plan, which are located within the Newport urban growth boundary, shall be protected. Development that would preclude the future use of these sites for dredged material disposal shall not be allowed unless a demonstration can be made that adequate alternative disposal sites are available.

Policy 6. Protection of Mitigation Sites. The city shall work with Lincoln County, the Port of Newport, and state and federal agencies to assure that potential mitigation or restoration sites are protected from new uses of activities that would prevent their ultimate use for mitigation or restoration. No potential mitigation sites have been identified or designated within Newport urban growth boundary.

Policy 7. Bayfront Uses. The city shall encourage a mix of uses on the bayfront. Preferentially given to water dependent or water related uses for properties adjacent to the bay. Non-water dependent or related uses shall be encouraged to locate on upland properties.

Policy 8: Water Dependent Zoning Districts. Areas especially suited for water dependent development shall be protected for that development by the application of the W 1/"Water Dependent" zoning district. Temporary uses that involve minimal capital investment and no permanent structures shall be allowed, and uses in conjunction with and incidental to water dependent uses may be allowed.

Policy 10: Impact Assessment. Actions and estuary which-- by their size, duration, or location relative to important natural resources-- would potentially alter the estuarine ecosystem shall be preceded by a clear presentation of the impacts of the proposed alteration. Such activities include dredging, fill, in water structures, riprap, log storage, application of pesticides and herbicides, water intake or withdrawal and effluent discharge, slow lane disposal of dredge material, and other activities which could affect that estuaries physical processes or biological resources.

This urban renewal plan conforms to the Yaquina Bay and Estuary goal by facilitating the development of water dependent industrial uses in and around the Port of Newport's International Terminal consistent with the "development" designation given to the area in the Yaquina Bay Estuary Management Plan. As required by Statewide Planning Goal 16, and consistent with Policy 1 of this goal, the Yaquina Bay Estuary Management Plan classifies areas in the estuary and bay into natural, conservation, and development management units. Portions of the bay and estuary adjacent to this urban renewal plan fall within Estuarine Management Unit No. 5, which covers areas along the north shore of the bay from the Yaquina Bay Bridge to McLean Point. This estuarine management unit was given a "development" designation in the Estuary Management Plan because of the presence of port facilities and the water-dependent uses that exist along the waterfront. The management objective for this portion of the estuary is to promote port development and the development of other water dependent uses in keeping with the scenic, historic, and unique characteristics of the area. The urban renewal plan furthers this objective by providing funding to cover the cost of infrastructure needed to support water dependent industrial development at the recently reconstructed International Terminal and adjacent undeveloped land at McLean Point.

Relevant portions of the Estuary Management Plan, along with detailed explanations of the Estuarine Management Units and their associated management objectives have been incorporated into the City of Newport's Comprehensive Plan and Zoning Ordinance. Water dependent zoned land within the urban renewal plan area prioritize uses and prohibit development that does not need contact with or use of water for transportation, recreation, energy production or water supply consistent with Yaquina Bay and Estuary Policies 3, 7, and 8. The urban renewal plan does not include projects that would preclude the disposal of dredge material in upland areas, as provided in Policy 5, and lands subject to the plan have not been designated as mitigation or restoration sites as outlined in Policy 6. The Newport Zoning Ordinance requires impact assessments for in-water development, consistent with Policy 10, in the event that infrastructure that is to be funded with this plan extends into the estuary.

Heavy industrial zoned lands within the urban renewal plan are not adjacent to the estuary and are not subject to the Yaquina Bay and Estuary Goal. The City of Newport Comprehensive Plan contains policies that are relevant to natural and conservation estuarine management units. Those policies are not listed in this

plan because the management units are not present within the urban renewal area.

B. Newport Economic Opportunity Analysis

The Newport Economic Opportunity Analysis is incorporated under the Economy section of the comprehensive plan, identified above.

C. Port of Newport Capital Facilities Plan

The Port of Newport's Strategic Business Plan establishes the vision of the future within the Port's sphere of influence. It embodies what the Port wants to be at a chosen point in time. The determination of needed facility improvements, estimated project costs, and the scheduling over time of improvement implementation are the essential tasks of Capital Facilities Plan (CFP). The scheduling is based on a series of priorities according to need, desire, and importance, and to the Port's ability to pay. Capital improvement planning provides the vital link between the Ports' Strategic Plan and the actual construction of improvements. The CFP states when the improvements will be built and what they will cost.

| | |
|---|-----------|
| Projects | |
| Pavement Reconstruction/Seal Coating | \$400,030 |
| International Terminal Fire Water Line Loop | \$127,355 |

XIII. APPENDIX A: LEGAL DESCRIPTION

**INSERT TEXT LEGAL DESCRIPTION OF URBAN RENEWAL DISTRICT BOUNDARY
THAT IS CONSISTENT WITH THE ENCLOSED MAP**

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REPORT ACCOMPANYING MCLEAN POINT URBAN RENEWAL PLAN

Adopted by the City of Newport

DATE

Ordinance No. ____

McLean Point Urban Renewal Area

Elaine Howard Consulting, LLC

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ECONorthwest

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Table of Contents

| | |
|---|----|
| I. INTRODUCTION | 4 |
| II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES | 6 |
| III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN | 11 |
| IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA | 12 |
| V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS | 15 |
| VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT | 16 |
| VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED | 19 |
| VIII. FINANCIAL ANALYSIS OF THE PLAN..... | 23 |
| IX. IMPACT OF THE TAX INCREMENT FINANCING..... | 28 |
| X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA..... | 33 |
| XI. RELOCATION REPORT | 34 |

I. INTRODUCTION

The Report on the McLean Point Urban Renewal Plan (Report) contains background information and project details that pertain to the McLean Point Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the McLean Point Urban Renewal Area (Area).

However, the Report provides only guidance on how the urban renewal plan might be implemented. As the urban renewal agency reviews revenues and potential projects each year, they have the authority to make adjustments to the assumptions in this Report. They may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes, as allowed in the amendments section of the Plan.

Figure 1 – McLean Point Urban Renewal Plan Area Boundary



Newport McLean Point UR Option

 Port_Option_7-7-15 : McLean Point Proposed Boundary

 Parcel Boundaries

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0 500 ft

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II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the McLean Point Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

1. Land Use

According to data obtained from the City of Newport and Lincoln County Assessor’s office, the Area, shown in Figure 1 above, contains 6 parcels and consists of 66.9 acres in parcels and 6.54 acres of public right-of-way, for a total size of 73.44 acres.

An analysis of property classification data from the City of Newport and Lincoln County Assessment and Taxation database was used to determine the land use designation of parcels in the Area. Within the Area, the largest use of land is Exempt: Potential Development Improved (96% of total acreage).

Table 1 – Existing Land Use of Area

| Land Use | Parcels | Acreage | % of Total Acreage |
|---------------------------------------|---------|---------|--------------------|
| Exempt Potential Development Improved | 4 | 64.1 | 95.7% |
| Industrial Improved | 2 | 2.8 | 4.3% |
| Total | 6 | 66.9 | 100% |

Source: Lincoln County Assessor Data

2. Zoning and Comprehensive Plan Designations

The zoning code establishes districts to control land use throughout the city and regulates development standards within these established use districts.

As illustrated in Table 2a, the large majority (62%) of the Area by acreage is zoned as I-3/“Heavy Industrial” and W-1/“Water Dependent”.

Table 2a – Existing Zoning Plan Designations of Area

| Zoning | Parcels | Acreage | % of Total Acreage |
|----------------------------------|---------|---------|--------------------|
| Heavy Industrial/Water Dependent | 1 | 41.3 | 61.7% |
| Water Dependent | 2 | 13.2 | 19.7% |
| Heavy Industrial | 2 | 12.4 | 18.5% |
| Total | 6 | 66.9 | 100% |

Source: Lincoln County Assessor Data

As illustrated in Table 2b, 62% of the acreage is both Industrial and Shoreland in the Comprehensive Plan. This is the largest parcel, and the comprehensive plan designations are split on this parcel. These can be seen in Figure 2.

Table 2b – Existing Comprehensive Plan Designations of Area

| Comprehensive Plan | Parcels | Acreage | % of Total Acreage |
|--------------------------|---------|---------|--------------------|
| Industrial and Shoreland | 1 | 41.3 | 61.7% |
| Shoreland | 2 | 13.2 | 19.7% |
| Industrial | 3 | 12.4 | 18.6% |
| Total | 6 | 66.9 | 100% |

Source: Lincoln County Assessor Data

Figure 2 – Area Comprehensive Plan Designations



Newport McLean Point UR - Comprehensive Plan Designations

- | | |
|--|--|
|  Commercial |  Industrial |
|  Low Density Residential |  Public |
|  High Density Residential |  Shore |

0 500 ft

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B. Infrastructure

1. Streets

The streets within the Area do not have turn lanes and require other traffic management improvements at access points onto Bay Boulevard to ensure safe points of ingress and egress for industrial users. There are not sufficient internal streets to allow for development of the Area.

2. Water

Water service is available from Bay Boulevard. There are not sufficient extensions of the water service into the Area to allow for development of the Area.

3. Storm Water

The storm water system in the Area needs significant improvement. As this is a low lying area, McLean Point is on the receiving end of upslope drainage. A storm drainage system will be constructed to collect and manage the run-off. Drainage improvements will also be needed to manage run-off attributed to the reconfiguration or mitigation of on-site wetlands so that the site can reach its industrial development potential.

4. Sanitary Sewer

The Area requires installation of a pump station to facilitate development. The pump station would replace a smaller facility at the intersection of Running Springs and Bay Boulevard that is undersized and was constructed to serve upslope residential development. The Area also requires a sewer main from the new pump station west along Bay Boulevard to tie into the City's existing gravity main just west of the intersection of SE Vista Drive and Bay Boulevard.

5. Other Utilities

Electrical, fiber, and natural gas services are available, but will need to be extended into the area to support development.

C. Social Conditions

There are no residential properties in the Area.

D. Economic Conditions

1. Taxable Value of Property within the Area

The total taxable property in the Area is estimated at \$3,514,349. If an urban renewal plan is adopted, the Lincoln County Assessor will calculate the frozen base using tax accounts for all of the real, personal, manufactured, and utility properties in the Area. The total assessed value of the City of Newport is \$1,243,361,351.¹

2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L may be used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 2:1 or more. Seventy-nine percent of the properties are underdeveloped according to the I:L ratios. The majority of the properties are presently exempt from taxation. The area, as a whole, is underdeveloped and not contributing to the tax base in Newport.

Table 3 – I:L Ratio of Parcels in the Area

| I:L Ratio | Parcels | Acreage | % of Total Acreage |
|-----------------|---------|---------|--------------------|
| No Improvements | 1 | 8.79 | 13.13% |
| 0.00 - 0.50 | 2 | 44.46 | 66.43% |
| 0.51 - 1.00 | 2 | 2.85 | 4.26% |
| >5.0 | 1 | 10.83 | 16.18% |
| Total | 6 | 66.93 | 100.00% |

Source: Lincoln County Assessor Real Market Value data

¹ Data from Lincoln County Assessor's 2014-15 tax roll summary

E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section IX Impact of Tax Increment Financing of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal are utility and transportation projects. The use of urban renewal funding for these projects allows the City to match other funding sources to actually construct the improvements. It also allows the City to tap a different funding source besides the City of Newport's general funds or system development charge (SDC) funds to make these improvements.

It is anticipated that these improvements will catalyze development on the undeveloped and underdeveloped parcels. This development will require city services. However, since the property is within the city limits, the city has anticipated the need to provide infrastructure to the Area. As the development will be new construction or redevelopment, it will be up to current building code and will aid in any fire protection needs.

These impacts will be countered by, in the future, placing property back on the property tax rolls and providing future jobs to the Newport area and future increased tax base for all taxing jurisdictions.

III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the Area is to provide the ability to fund improvements necessary to cure blight within the Area.

IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. McLean Point is an underdeveloped, low lying peninsula that is ideally situated for industrial use that complements the nearby Port of Newport International terminal. The property lacks sewer and water service and includes a number of wetlands that would need to be mitigated and or managed in order for the area to be fully developed.

The projects are listed in no particular order.

A. Infrastructure Improvements

1. Upgrade/provide infrastructure as necessary to allow for the development or redevelopment of parcels within and adjacent to the urban renewal area. The specific projects include:

- Sewer pump station and mains
Install a sewer pump station, which will likely be situated at the northeast corner of the Area, adjacent to Bay Boulevard. This pump station would replace the smaller facility at the intersection of Running Springs and Bay Boulevard that is undersized and was constructed to serve the upslope residential development. A sewer main would be constructed from the new pump station west along Bay Boulevard to tie into the City's existing gravity main just west of the intersection of SE Vista Drive and Bay Boulevard. Planning level design requirements will be included in the sewer master plan that the City of Newport is preparing.

Existing conditions: The Area lacks sewer service and is therefore undevelopable.

- Storm drainage improvements
A storm drainage system will be constructed to collect and manage the run-off. Drainage improvements will also be needed to manage run-off attributed to the reconfiguration or mitigation of on-site wetlands so that the site can reach its industrial development potential.

Existing conditions: The Area is a low lying area, on the receiving end of upslope drainage with some wetlands onsite. The storm drainage system is inadequate in the Area.

- Water line or other utility extensions and upgrades
Water service is available from Bay Boulevard; however, public mains will need to be extended into the site to support industrial uses. Mains will need to be extended in a manner that will allow a future, under bay crossing. The under bay crossing would be a separate project that is not part of the urban renewal project scope, but is likely to be needed so that the city has a second redundant line for providing water to portions of the city south of the bay. Electrical, fiber and natural gas extensions to new industrial buildings are also necessary.

Existing conditions: The Area lacks adequate water service to support industrial uses. There are no electrical extensions to allow for hook up to new industrial buildings.

- Street improvements
Street improvements may include turn lanes and other traffic management improvements at access points onto Bay Boulevard to ensure safe points of ingress and egress for industrial users. A public or private street might also be extended into the Area to serve development.

Existing conditions: The Area lacks street improvements to support industrial uses within the Area and lacks adequate transportation infrastructure to tie into the existing transportation network outside of the Area.

B. Debt Service and Administration

This project will allow for the repayment of costs associated with financing costs associated with issuing long or short-term debt and other administrative costs in administering the Plan.

Existing Conditions: As there is currently no urban renewal program, these activities do not exist.

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V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 4. The sources of funds in the urban renewal column are tax increment revenues. There will be other funding sources sought to leverage urban renewal funds. These sources include Port of Newport funds, city of Newport general funds, system development funds, state funding, or other sources of funding the City may identify, including private developer contributions.

The allocations are the best estimates of expenditures at the time of preparation of the urban renewal plan. The Agency will be able to review the allocations on an annual basis when they prepare the budget.

Table 4 – Projects to be Completed Using Urban Renewal Area Funds

| Projects | Urban Renewal | Estimated total cost |
|-----------------------------------|--------------------|-------------------------|
| Sewer pump station and mains | \$1,000,000 | \$3,000,000 |
| Storm drainage | \$500,000 | \$1,000,000 |
| Other utility extensions/upgrades | \$250,000 | \$500,000 |
| Street improvements | \$250,000 | \$500,000 |
| Total | \$2,000,000 | \$5,000,000 |

Source: City of Newport/Newport Port

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The infrastructure projects will be scheduled as development requires the infrastructure. The projects will be ongoing and will be completed as directed by the Urban Renewal Agency (Agency). The assumptions on the finance plan are that the initial phase of development could proceed with limited public infrastructure. As that development comes on the tax rolls, there would be sufficient revenue to pay for the projects in the Plan. There is also potential that infrastructure projects to allow for development to proceed would be paid for by a source outside of urban renewal, potential the State of Oregon Infrastructure fund or the city of Newport, or other sources, with repayment coming from the urban renewal area in FY 2018/19. The Area is anticipated to go through FY 2030/31. The projections in the financial model are all based on assumptions provided by the developers and their assumptions include assumptions that the economy is strong and development occurs on schedule.

Projected project dates are in Table 5a. The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the urban renewal plan.

A phasing plan is shown in Table 5b.

Table 5a – Projects and Costs in Year of Expenditure Dollars

| | Total | 2016-17 | 2017-18 | 2018-19 |
|--|---------------------|-----------------|------------------|---------------------|
| PROJECT FUND | | | | |
| <i>Resources</i> | | | | |
| Beginning Balance | | \$ - | \$ 3,099 | \$ 47,028 |
| Pay-as-you-go (Transfer from D/S Reserve Fund) | \$ 79,750 | \$ 3,099 | \$ 43,914 | \$ 32,737 |
| Bond/Loan Proceeds | \$ 2,000,000 | \$ - | \$ - | \$ 2,000,000 |
| Interest Earnings | \$ 250 | \$ - | \$ 15 | \$ 235 |
| Total Resources | \$ 2,080,000 | \$ 3,099 | \$ 47,028 | \$ 2,080,000 |
| <i>Expenditures (nominal \$)</i> | | | | |
| Sewer pump station and mains | \$ 1,000,000 | | | \$ 1,000,000 |
| Storm drainage improvements | \$ 500,000 | | | \$ 500,000 |
| Other utility extensions/upgrades | \$ 250,000 | | | \$ 250,000 |
| Street improvements | \$ 250,000 | | | \$ 250,000 |
| URA Admin | \$ 80,000 | | | \$ 80,000 |
| Total Expenditures | \$ 2,080,000 | \$ - | \$ - | \$ 2,080,000 |

Source: ECONorthwest

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Table 5b – Phasing Plan

| | Phase 0 FY2016-2018 | Phase I FY2019-2030 | Total |
|-----------------------------------|------------------------|------------------------|---------------|
| Revenues | | | |
| <i>Total TIF Revenue</i> | \$47,013 | \$3,208,614 | \$3,255,627 |
| <i>Debt Service</i> | \$0 | (\$3,209,700) | (\$3,209,700) |
| Pay as you go | \$47,013 | \$32,737 | \$79,750 |
| Bond/Loan proceeds | \$0 | \$2,000,000 | \$2,000,000 |
| Interest earnings | \$15 | \$235 | \$250 |
| Total Revenue for MI | \$47,028 | \$2,032,972 | \$2,080,000 |
| | | | |
| Expenditures | | | |
| | | | |
| Admin Costs | \$0 | \$80,000 | \$80,000 |
| Project Costs | \$0 | \$2,000,000 | \$2,000,000 |
| Total Expenditures | \$0 | \$2,080,000 | \$2,080,000 |
| | | | |
| Project Detail | | | |
| Sewer pump station and mains | \$1,000,000 | | \$1,000,000 |
| Storm drainage improvements | \$500,000 | | \$500,000 |
| Other utility extensions/upgrades | \$250,000 | | \$250,000 |
| Street improvements | \$250,000 | | \$250,000 |
| Total | \$2,000,000 | | \$2,000,000 |
| | | | |
| Ending Balance | \$47,028 | \$0 | \$0 |

Source: ECONorthwest

VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 6a shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. The Area reaches the point where revenue sharing is required to begin, as implemented by the State in ORS 457.470, and this is further described in the section of this report on Impacts to Taxing Jurisdictions.

It is anticipated that all debt will be retired by FY 2030/31 (any outstanding bonds will be defeased). The maximum indebtedness is \$2,080,000 (two million eight thousand dollars). Table 6b shows the projected debt service, total tax increment revenues and debt service coverage ratio.

The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$2,080,000 is \$3,255,627.

The interest rate for the bond is estimated at 5% with a 20 year term. The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If the economy is slower, it may take longer; if the economy is more robust than the projections, it may take a shorter time period. The Agency may decide to issue bonds on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and this scenario is financially feasible.

Table 6a – Tax Incremental Revenues and Allocations to Debt Service

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-------------------------------------|---------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| DEBT SERVICE FUND | | | | | | | | |
| Resources | | | | | | | | |
| Beginning Fund Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TIF for URA | 3,099 | 43,914 | 199,351 | 226,814 | 297,577 | 260,000 | 260,000 | 260,000 |
| Total Resources | 3,099 | 43,914 | 199,351 | 226,814 | 297,577 | 260,000 | 260,000 | 260,000 |
| Expenditures | | | | | | | | |
| <i>Debt Service</i> | | | | | | | | |
| New Loan 2019 | | | -160,485 | -160,485 | -160,485 | -160,485 | -160,485 | -160,485 |
| Total Debt Service | 0 | 0 | -160,485 | -160,485 | -160,485 | -160,485 | -160,485 | -160,485 |
| Coverage Ratio | 0.00 | 0.00 | 1.24 | 1.41 | 1.85 | 1.62 | 1.62 | 1.62 |
| <i>Transfer to D/S Reserve Fund</i> | -3,099 | -43,914 | -38,866 | -66,329 | -137,092 | -99,515 | -99,515 | -99,515 |
| Total Expenditures | -3,099 | -43,914 | -199,351 | -226,814 | -297,577 | -260,000 | -260,000 | -260,000 |

Source: ECONorthwest

Table 6 – Tax Increment Revenues and Allocations to Debt Service, continued

| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| DEBT SERVICE FUND | | | | | | | |
| Resources | | | | | | | |
| Beginning Fund Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TIF for URA | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 144,872 |
| Total Resources | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 144,872 |
| Expenditures | | | | | | | |
| <i>Debt Service</i> | | | | | | | |
| New Loan 2019 | -160,485 | -160,485 | -160,485 | -160,485 | -160,485 | -160,485 | -160,485 |
| Total Debt Service | -160,485 |
| Coverage Ratio | 1.62 | 1.62 | 1.62 | 1.62 | 1.62 | 1.62 | 0.90 |
| <i>Transfer to D/S Reserve Fund</i> | -99,515 | -99,515 | -99,515 | -99,515 | -99,515 | -99,515 | 15,613 |
| Total Expenditures | -260,000 | -260,000 | -260,000 | -260,000 | -260,000 | -260,000 | -144,872 |

Source: ECONorthwest

Table 6b - Debt Service Schedule

| FYE | Debt Service | Total TIF | Debt Service Coverage | TIF |
|------|--------------|-----------|-----------------------|---------------------|
| | | | | Remaining after D/S |
| 2016 | \$ - | \$0 | 0.00 | \$0 |
| 2017 | \$ - | \$3,099 | 0.00 | \$3,099 |
| 2018 | \$ - | \$43,914 | 0.00 | \$43,914 |
| 2019 | -\$ 160,485 | \$199,351 | 1.24 | \$38,866 |
| 2020 | -\$ 160,485 | \$226,814 | 1.41 | \$66,329 |
| 2021 | -\$ 160,485 | \$297,577 | 1.85 | \$137,092 |
| 2022 | -\$ 160,485 | \$260,000 | 1.62 | \$99,515 |
| 2023 | -\$ 160,485 | \$260,000 | 1.62 | \$99,515 |
| 2024 | -\$ 160,485 | \$260,000 | 1.62 | \$99,515 |
| 2025 | -\$ 160,485 | \$260,000 | 1.62 | \$99,515 |
| 2026 | -\$ 160,485 | \$260,000 | 1.62 | \$99,515 |
| 2027 | -\$ 160,485 | \$260,000 | 1.62 | \$99,515 |
| 2028 | -\$ 160,485 | \$260,000 | 1.62 | \$99,515 |
| 2029 | -\$ 160,485 | \$260,000 | 1.62 | \$99,515 |
| 2030 | -\$ 160,485 | \$260,000 | 1.62 | \$99,515 |
| 2031 | -\$ 160,485 | \$144,872 | 0.90 | -\$15,613 |

Source: ECONorthwest

Note the remaining amount for debt service in FYE 2031 will come from the debt service reserve fund.

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2030-31, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The assumptions include new development projects, as identified by the City of Newport and the Newport Port Commission, and minimum growth rates at 3%. There is substantial acreage in the Area that is undeveloped where the full future development value will add to the incremental assessed value of the Area.

Table 7 shows the assumptions on when the land within the Area will come on the property tax rolls.

Table 7 – Property to go on Property Tax rolls

| 2014-15 RMV Comes on tax roll (FYE) | | |
|-------------------------------------|---------------|------|
| 11-11-09-D0-00100-00 | \$ 4,477,750 | N/A |
| Phases 1-2 | \$ 1,791,100 | 2018 |
| Phases 3-4 | \$ 1,343,325 | 2020 |
| Phase 5 | \$ 1,343,325 | 2023 |
| 11-11-09-D0-00101-00 | \$ 1,008,080 | 2018 |
| 11-11-09-D0-00102-00 | \$ 16,867,310 | N/A |
| 11-11-09-D0-00103-00 | \$ 889,200 | n/a |

Source: City of Newport, Newport Port Commission and property owners

Table 8 is a projection of future development within the Area, as provided by the property owners. The projections are based on the economy being strong and supporting these levels of development. The cost per square foot is based on information from ECONorthwest.

Table 8 – Development Projections

| New Construction | | | | | | |
|------------------|----------|-----------------------|----------------|-----------|---------------------|-----------------|
| | | Type | SF | Cost / SF | Total Cost | FYE on tax roll |
| Rondy's | Phase 1 | Light Industrial | 48,000 | \$85 | \$4,080,000 | 2019 |
| Rondy's | Phase 2 | Light Industrial | 48,000 | \$85 | \$4,080,000 | 2021 |
| Rondy's | Phase 3a | Waterfront Commercial | 37,500 | \$120 | \$4,500,000 | 2022 |
| Rondy's | Phase 3b | Waterfront Commercial | 15,000 | \$120 | \$1,800,000 | 2023 |
| Rondy's | Phase 4 | Warehouse | 90,000 | \$70 | \$6,300,000 | N/A |
| Rondy's | Phase 5 | Waterfront Industrial | 103,000 | \$85 | \$8,755,000 | 2029 |
| Teevin | | Log Yard | 0 | \$0 | \$6,500,000 | 2019 |
| Total | | | 341,500 | | \$36,015,000 | |

Source: City of Newport, Newport Port Commission and property owners

Table 9 shows the projected assessed value of the property and development identified in Tables 7 and 8. Column 2 indicates the projected real market values and column 3 shows the change property ratio that transfers real market values to assessed values, resulting in the projections of assessed values in column 4.

Table 9 – Projected Assessed Values

| FYE | RMV | CPR | AV |
|------|---------------|--------|---------------|
| 2015 | \$ - | 0.8850 | \$ - |
| 2016 | \$ - | 0.8850 | \$ - |
| 2017 | \$ - | 0.8850 | \$ - |
| 2018 | \$ 3,058,664 | 0.8850 | \$ 2,706,918 |
| 2019 | \$ 11,907,790 | 0.8850 | \$ 10,538,394 |
| 2020 | \$ 1,557,317 | 0.8850 | \$ 1,378,226 |
| 2021 | \$ 4,871,928 | 0.8850 | \$ 4,311,656 |
| 2022 | \$ 5,534,550 | 0.8850 | \$ 4,898,077 |
| 2023 | \$ 3,981,964 | 0.8850 | \$ 3,524,038 |
| 2024 | \$ - | 0.8850 | \$ - |
| 2025 | \$ - | 0.8850 | \$ - |
| 2026 | \$ - | 0.8850 | \$ - |
| 2027 | \$ - | 0.8850 | \$ - |
| 2028 | \$ - | 0.8850 | \$ - |
| 2029 | \$ 13,242,813 | 0.8850 | \$ 11,719,890 |

Source: City of Newport, Newport Port Commission and property owners

Table 10 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 6.

Revenue Sharing is projected to commence early, in FY 2020/21, as the Area is projected to meet the second revenue sharing target at 12.5% of initial maximum indebtedness in that year. The initial revenue sharing threshold is “the latter of the 11th year of the initial approval of the plan or the first year after the year in which the maximum indebtedness equals or exceeds 10 percent of the initial maximum indebtedness of the plan”. The 10% is met before the 11th year, so it is not implemented, however the 12.5% is met before the 11 year, so it is implemented. Once the 12.5% target is met, that caps the tax increment to the Agency and all increment above that amount is distributed to the taxing jurisdictions. The taxing jurisdictions may, upon a vote of those districts representing 75% of the permanent rate levy prior to the year before the Plan is approved, decide to forego the revenue sharing in order to reduce the length of the Plan (ORS 457.470(7)).

The Area is projected to do an under-levy in the final year as all of the increment is not necessary to meet maximum indebtedness and pay off all debt.

Note that the impacts to taxing jurisdictions is based on the \$3,255,627 anticipated to be TIF revenue, the \$2,976,811 of revenue sharing is revenue generated by the urban renewal area, but returned to the taxing jurisdictions once revenue sharing commences. If not for the ability to fund the infrastructure, this revenue would not be generated, so this is an unexpected revenue source for the taxing jurisdictions.

Table 10a – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

| FYE | Assessed Value | Frozen Base | Excess Value | Tax Rate | TIF |
|-------|----------------|--------------|---------------|----------|--------------|
| 2015 | \$ 3,514,349 | \$ - | \$ - | 14.4797 | \$ - |
| 2016 | \$ 3,619,779 | \$ - | \$ - | 14.4797 | \$ - |
| 2017 | \$ 3,728,372 | \$ 3,514,349 | \$ 214,023 | 14.4797 | \$ 3,099 |
| 2018 | \$ 6,547,141 | \$ 3,514,349 | \$ 3,032,792 | 14.4797 | \$ 43,914 |
| 2019 | \$ 17,281,949 | \$ 3,514,349 | \$ 13,767,600 | 14.4797 | \$ 199,351 |
| 2020 | \$ 19,178,634 | \$ 3,514,349 | \$ 15,664,285 | 14.4797 | \$ 226,814 |
| 2021 | \$ 24,065,649 | \$ 3,514,349 | \$ 20,551,300 | 14.4797 | \$ 297,577 |
| 2022 | \$ 29,685,696 | \$ 3,514,349 | \$ 26,171,347 | 14.4797 | \$ 378,953 |
| 2023 | \$ 34,100,304 | \$ 3,514,349 | \$ 30,585,955 | 14.4797 | \$ 442,875 |
| 2024 | \$ 35,123,314 | \$ 3,514,349 | \$ 31,608,965 | 14.4797 | \$ 457,688 |
| 2025 | \$ 36,177,013 | \$ 3,514,349 | \$ 32,662,664 | 14.4797 | \$ 472,946 |
| 2026 | \$ 37,262,323 | \$ 3,514,349 | \$ 33,747,974 | 14.4797 | \$ 488,661 |
| 2027 | \$ 38,380,193 | \$ 3,514,349 | \$ 34,865,844 | 14.4797 | \$ 504,847 |
| 2028 | \$ 39,531,599 | \$ 3,514,349 | \$ 36,017,250 | 14.4797 | \$ 521,519 |
| 2029 | \$ 52,437,438 | \$ 3,514,349 | \$ 48,923,089 | 14.4797 | \$ 708,392 |
| 2030 | \$ 54,010,561 | \$ 3,514,349 | \$ 50,496,212 | 14.4797 | \$ 731,170 |
| 2031 | \$ 55,630,878 | \$ 3,514,349 | \$ 52,116,529 | 14.4797 | \$ 754,632 |
| Total | | | | | \$ 6,232,438 |

Source: ECONorthwest

Table 10b – Projected Revenue Sharing

| FYE | Total | TIF for URA | Shared |
|-------|-----------|----------------|-------------|
| 2017 | \$3,099 | \$3,099 | \$0 |
| 2018 | \$43,914 | \$43,914 | \$0 |
| 2019 | \$199,351 | \$199,351 | \$0 |
| 2020 | \$226,814 | \$226,814 | \$0 |
| 2021 | \$297,577 | \$297,577 | \$0 |
| 2022 | \$378,953 | \$260,000 | \$118,953 |
| 2023 | \$442,875 | \$260,000 | \$182,875 |
| 2024 | \$457,688 | \$260,000 | \$197,688 |
| 2025 | \$472,946 | \$260,000 | \$212,946 |
| 2026 | \$488,661 | \$260,000 | \$228,661 |
| 2027 | \$504,847 | \$260,000 | \$244,847 |
| 2028 | \$521,519 | \$260,000 | \$261,519 |
| 2029 | \$708,392 | \$260,000 | \$448,392 |
| 2030 | \$731,170 | \$260,000 | \$471,170 |
| 2031 | \$754,632 | \$144,872 | \$609,760 |
| Total | | \$3,255,627 | \$2,976,811 |

Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies and local option levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2030, and are shown in Tables 11a and 11b.

Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. The share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness, and this threshold is anticipated in FYE 2024. Revenue sharing is projected to commence in FY 2019/20.

Note that the impacts to taxing jurisdictions is based on the \$3,255,627 anticipated to be TIF revenue, the \$2,976,811 of revenue sharing is revenue generated by the urban renewal area, but returned to the taxing jurisdictions once revenue sharing commences. If not for the ability to fund the infrastructure, this revenue would not be generated, so this is an unexpected revenue source for the taxing jurisdictions.

The Newport School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the State level.

Tables 11a and 11b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables

in this Report, a 3% average annual growth rate in assessed value. Table 8a shows the general government levies and Table 8b shows the education levies.

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Table 11a – Projected Impact on Taxing District Permanent Rate Levies General Government

| General Government | | | | | | | | |
|--------------------|------------------------|---------------------------|--------------------------|--------------------------|-------------------|----------------------|----------------------------|----------------------|
| | LINCOLN COUNTY GENERAL | LINCOLN COUNTY ANIMAL SVC | LINCOLN COUNTY EXTENSION | LINCOLN COUNTY TRANSPORT | PORT OF NEWPORT | CITY OF NEWPORT | PACIFIC COMMUNITIES HEALTH | SUBTOTAL |
| FYE | | | | | | | | |
| 2017 | (\$604) | (\$24) | (\$10) | (\$21) | (\$13) | (\$1,197) | (\$78) | (\$1,945) |
| 2018 | (\$8,553) | (\$334) | (\$137) | (\$295) | (\$185) | (\$16,965) | (\$1,099) | (\$27,568) |
| 2019 | (\$38,827) | (\$1,514) | (\$621) | (\$1,341) | (\$838) | (\$77,013) | (\$4,991) | (\$125,146) |
| 2020 | (\$44,176) | (\$1,723) | (\$706) | (\$1,526) | (\$954) | (\$87,623) | (\$5,678) | (\$142,387) |
| 2021 | (\$57,959) | (\$2,261) | (\$927) | (\$2,002) | (\$1,252) | (\$114,960) | (\$7,450) | (\$186,809) |
| 2022 | (\$50,640) | (\$1,975) | (\$810) | (\$1,749) | (\$1,094) | (\$100,443) | (\$6,509) | (\$163,220) |
| 2023 | (\$50,640) | (\$1,975) | (\$810) | (\$1,749) | (\$1,094) | (\$100,443) | (\$6,509) | (\$163,220) |
| 2024 | (\$50,640) | (\$1,975) | (\$810) | (\$1,749) | (\$1,094) | (\$100,443) | (\$6,509) | (\$163,220) |
| 2025 | (\$50,640) | (\$1,975) | (\$810) | (\$1,749) | (\$1,094) | (\$100,443) | (\$6,509) | (\$163,220) |
| 2026 | (\$50,640) | (\$1,975) | (\$810) | (\$1,749) | (\$1,094) | (\$100,443) | (\$6,509) | (\$163,220) |
| 2027 | (\$50,640) | (\$1,975) | (\$810) | (\$1,749) | (\$1,094) | (\$100,443) | (\$6,509) | (\$163,220) |
| 2028 | (\$50,640) | (\$1,975) | (\$810) | (\$1,749) | (\$1,094) | (\$100,443) | (\$6,509) | (\$163,220) |
| 2029 | (\$50,640) | (\$1,975) | (\$810) | (\$1,749) | (\$1,094) | (\$100,443) | (\$6,509) | (\$163,220) |
| 2030 | (\$50,640) | (\$1,975) | (\$810) | (\$1,749) | (\$1,094) | (\$100,443) | (\$6,509) | (\$163,220) |
| 2031 | (\$28,217) | (\$1,101) | (\$451) | (\$975) | (\$609) | (\$55,967) | (\$3,627) | (\$90,946) |
| Total | (\$634,096) | (\$24,732) | (\$10,142) | (\$21,901) | (\$13,697) | (\$1,257,712) | (\$81,504) | (\$2,043,781) |

Source: ECONorthwest

Table 11b – Projected Impact on Taxing District Permanent Rate Levies Education

| FYE | Education OR COAST | | ESD | SUBTOTAL | TOTAL |
|--------------|--------------------------|-------------------|-------------------|----------------------|----------------------|
| | LINCOLN COUNTY SCHOOL | COM COLLEGE | | | |
| 2017 | (\$1,051) | (\$38) | (\$65) | (\$1,154) | (\$3,099) |
| 2018 | (\$14,889) | (\$533) | (\$925) | (\$16,346) | (\$43,914) |
| 2019 | (\$67,588) | (\$2,419) | (\$4,198) | (\$74,205) | (\$199,351) |
| 2020 | (\$76,899) | (\$2,752) | (\$4,776) | (\$84,427) | (\$226,814) |
| 2021 | (\$100,891) | (\$3,611) | (\$6,266) | (\$110,768) | (\$297,577) |
| 2022 | (\$88,150) | (\$3,155) | (\$5,475) | (\$96,780) | (\$260,000) |
| 2023 | (\$88,150) | (\$3,155) | (\$5,475) | (\$96,780) | (\$260,000) |
| 2024 | (\$88,150) | (\$3,155) | (\$5,475) | (\$96,780) | (\$260,000) |
| 2025 | (\$88,150) | (\$3,155) | (\$5,475) | (\$96,780) | (\$260,000) |
| 2026 | (\$88,150) | (\$3,155) | (\$5,475) | (\$96,780) | (\$260,000) |
| 2027 | (\$88,150) | (\$3,155) | (\$5,475) | (\$96,780) | (\$260,000) |
| 2028 | (\$88,150) | (\$3,155) | (\$5,475) | (\$96,780) | (\$260,000) |
| 2029 | (\$88,150) | (\$3,155) | (\$5,475) | (\$96,780) | (\$260,000) |
| 2030 | (\$88,150) | (\$3,155) | (\$5,475) | (\$96,780) | (\$260,000) |
| 2031 | (\$49,117) | (\$1,758) | (\$3,051) | (\$53,926) | (\$144,872) |
| Total | (\$1,103,785) | (\$39,506) | (\$68,556) | (\$1,211,846) | (\$3,255,627) |

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section

Table 12 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2032.

Table 12 – Additional Revenues Obtained after Termination of Tax Increment Financing

| Tax District Name | Tax Rate | Tax Revenue in FYE 2032 (year after) | | |
|---------------------------------|-----------|--------------------------------------|-------------------|------------|
| | | From Frozen Base | From Excess Value | Total |
| General Government | | | | |
| Lincoln County | \$2.8202 | \$ 9,911 | \$ 151,686 | \$ 161,597 |
| Lincoln County - Animal Service | \$0.1100 | \$ 387 | \$ 5,916 | \$ 6,303 |
| Lincoln County Extension | \$0.0451 | \$ 158 | \$ 2,426 | \$ 2,584 |
| Lincoln County Transportation | \$0.0974 | \$ 342 | \$ 5,239 | \$ 5,581 |
| City of Newport | \$5.5938 | \$ 19,659 | \$ 300,865 | \$ 320,524 |
| H-PAC Community Health | \$0.3625 | \$ 1,274 | \$ 19,497 | \$ 20,771 |
| Total General Government | \$9.0899 | \$ 31,945 | \$ 488,905 | \$ 520,850 |
| Education | | | | |
| Lincoln County School | \$4.9092 | \$ 17,253 | \$ 264,044 | \$ 281,297 |
| Oregon Coast Community College | \$0.1757 | \$ 617 | \$ 9,450 | \$ 10,067 |
| ESD Linn-Benton | \$0.3049 | \$ 1,072 | \$ 16,399 | \$ 17,471 |
| Total Education | \$5.3898 | \$ 18,942 | \$ 289,893 | \$ 308,835 |
| Total | \$14.4797 | \$ 50,887 | \$ 778,798 | \$ 829,685 |

Source: ECONorthwest

X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, personal, manufactured, and utility properties in the Area, is projected to be \$3,514,349. The total assessed value of the City of Newport is \$1,243,361,351. The excess value of the South Beach Urban Renewal Area is \$136,869,617. The total urban renewal assessed value is 1.99% of the total assessed value of the city, minus excess value, below the 25% maximum. Excess value is the growth of assessed value over the frozen base in an urban renewal area. The Urban Renewal Area has 73.79 acres, including right-of-way, and the City of Newport has 7,166.53 acres; therefore 17.34% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 13 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

| Urban Renewal Area | Assessed Value | Acres |
|--|-----------------|----------|
| South Beach Urban Renewal Area | \$18,548,383 | 1,168.84 |
| McLean Point Urban Renewal Area | \$3,514,349 | 73.79 |
| Total in Urban Renewal | \$22,062,732 | 1,242.63 |
| City of Newport | \$1,243,361,351 | 7,166.53 |
| Excess AV in South Beach | \$136,869,617 | |
| Percent of Newport Assessed Value in Urban Renewal | 1.99% | |
| Percent of Newport Acreage in Urban Renewal | | 17.34% |

Source: City of Newport, Lincoln County Assessor

XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

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