

REPORT ACCOMPANYING MCLEAN POINT URBAN RENEWAL PLAN

Adopted by the City of Newport

DATE

Ordinance No. ____

McLean Point Urban Renewal Area

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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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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

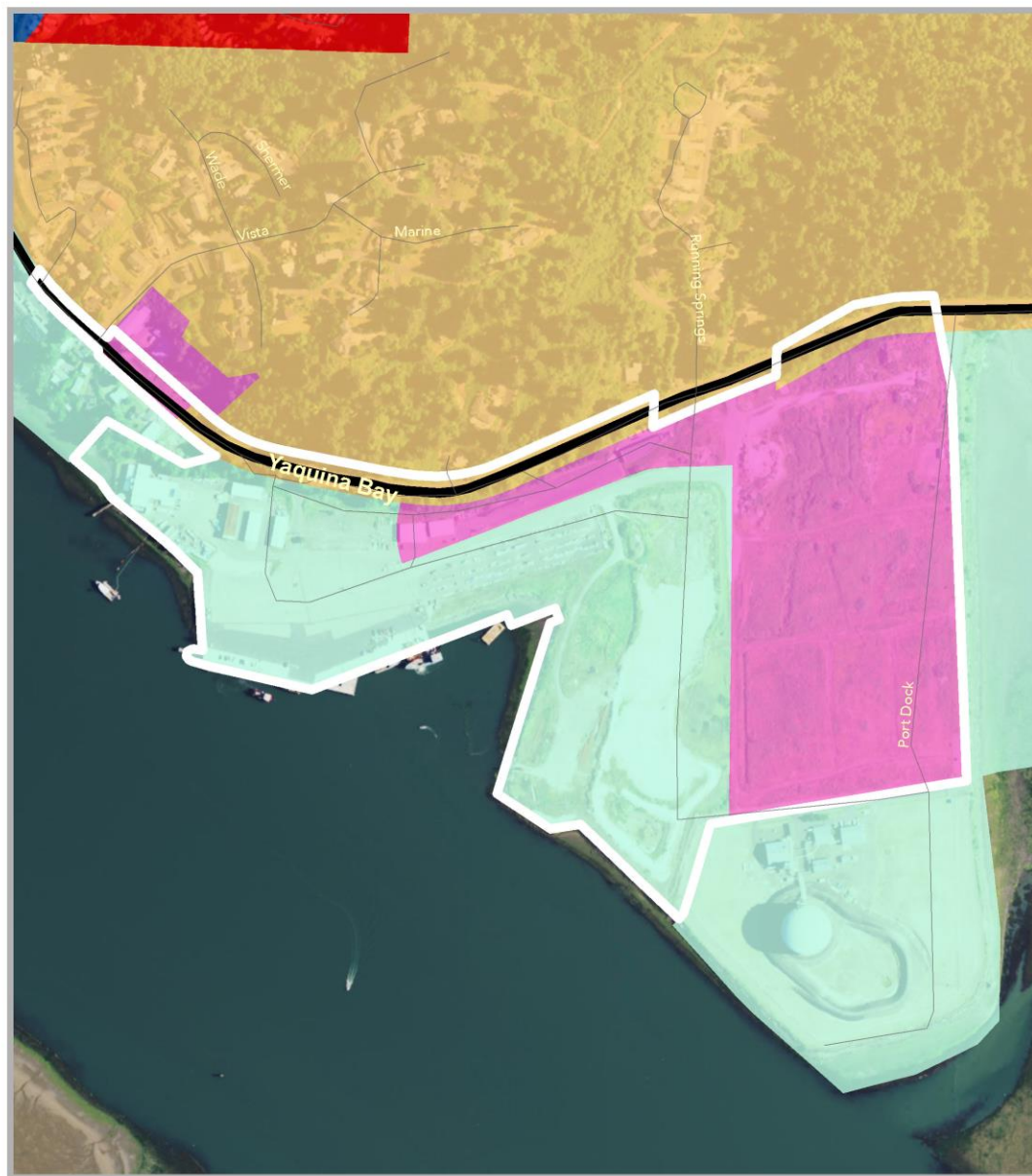
As illustrated in Table 2b, 62% of the acreage is both Industrial and Shoreland in the Comprehensive Plan. This is the largest parcel, and the comprehensive plan designations are split on this parcel. These can be seen in Figure 2.

Table 2b – Existing Comprehensive Plan Designations of Area

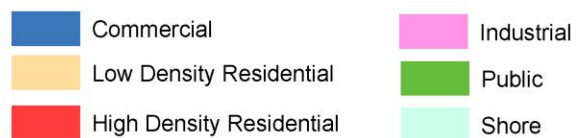
Comprehensive Plan	Parcels	Acreage	% of Total Acreage
Industrial and Shoreland	1	41.3	61.7%
Shoreland	2	13.2	19.7%
Industrial	3	12.4	18.6%
Total	6	66.9	100%

Source: Lincoln County Assessor Data

Figure 2 – Area Comprehensive Plan Designations



Newport McLean Point UR - Comprehensive Plan Designations



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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.

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

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 Increment 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	-160,485	-160,485	-160,485	-160,485	-160,485	-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

FYE	General Government							SUBTOTAL
	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUNITIES HEALTH	
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

Education OR COAST					
FYE	LINCOLN COUNTY SCHOOL	COM COLLEGE	ESD	SUBTOTAL	TOTAL
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 Revenue in FYE 2032 (year after				
Tax District Name	Tax Rate	From	From Excess	Total
		Frozen Base	Value	
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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