



## COMMISSIONER UPDATE

7/21/2020

Revenue Comparison		18/19	19/20	Up/Down	
<b>19-20 Budgeted</b> \$ 1,048,000.00  <b>\$ 1,048,000.00</b> 87,333	July	\$ 62,702.00	\$ 46,675.00	\$ (16,027.00)	
	August	\$ 113,836.00	\$ 108,477.00	\$ (5,359.00)	
	September	\$ 84,913.00	\$ 30,657.00	\$ (54,256.00)	
	October	\$ 81,675.00	\$ 97,705.00	\$ 16,030.00	
	November	\$ 52,289.00	\$ 37,595.00	\$ (14,694.00)	
	December	\$ 117,653.00	\$ 102,201.00	\$ (15,452.00)	
	January	\$ 75,749.00	\$ 103,049.00	\$ 27,300.00	
	February	\$ 37,825.00	\$ 58,504.00	\$ 20,679.00	
	March	\$ 136,370.00	\$ 169,303.00	\$ 32,933.00	
	April	\$ 131,377.00	\$ (1,232.00)	\$ (132,609.00)	
	May	\$ 143,565.00	\$ (2,010.00)	\$ (145,575.00)	
	June	\$ 150,132.00	\$ 20,016.00	\$ (130,116.00)	
			\$ 1,188,086.00	\$ 770,940.00	\$ (417,146.00)

M & S Comparison		18/19	19/20	Up/Down	
<b>19-20 Budgeted</b> \$ 581,100.00  48,425	July	\$ 59,846.00	\$ 57,591.00	\$ (2,255.00)	
	August	\$ 38,895.00	\$ 28,860.00	\$ (10,035.00)	
	September	\$ 34,322.00	\$ 36,323.00	\$ 2,001.00	
	October	\$ 42,616.00	\$ 35,813.00	\$ (6,803.00)	
	November	\$ 46,372.00	\$ 56,844.00	\$ 10,472.00	
	December	\$ 32,068.00	\$ 35,903.00	\$ 3,835.00	
	January	\$ 44,549.00	\$ 47,340.00	\$ 2,791.00	
	February	\$ 44,039.00	\$ 45,626.00	\$ 1,587.00	
	March	\$ 66,219.00	\$ 51,553.00	\$ (14,666.00)	
	April	\$ 49,707.00	\$ 51,759.00	\$ 2,052.00	
	May	\$ 71,978.00	\$ 36,187.00	\$ (35,791.00)	
	June	\$ 44,427.00	\$ 77,521.00	\$ 33,094.00	
			\$ 575,038.00	\$ 561,320.00	\$ (13,718.00)

Personnel Services		18/19	19/20	Up/Down	
<b>19-20 Budgeted</b> \$ 952,414.00  79,368	July	\$ 65,981.00	\$ 44,805.00	\$ (21,176.00)	
	August	\$ 79,040.00	\$ 60,847.00	\$ (18,193.00)	
	September	\$ 71,190.00	\$ 61,135.00	\$ (10,055.00)	
	October	\$ 70,121.00	\$ 57,209.00	\$ (12,912.00)	
	November	\$ 70,350.00	\$ 57,129.00	\$ (13,221.00)	
	December	\$ 73,472.00	\$ 59,167.00	\$ (14,305.00)	
	January	\$ 79,728.00	\$ 57,714.00	\$ (22,014.00)	
	February	\$ 65,851.00	\$ 66,145.00	\$ 294.00	
	March	\$ 67,832.00	\$ 58,793.00	\$ (9,039.00)	
	April	\$ 79,451.00	\$ 52,931.00	\$ (26,520.00)	
	May	\$ 54,141.00	\$ 51,838.00	\$ (2,303.00)	
	June	\$ 52,995.00	\$ 51,830.00	\$ (1,165.00)	
			\$ 830,152.00	\$ 679,543.00	\$ (150,609.00)



## Linn County Expo Center

### Personnel Services Comparison

MONTH	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11
July	\$42,850	\$44,948	\$44,144	\$57,568	\$57,218	\$66,671	\$63,207	\$72,046	\$72,806	\$51,970
August	\$53,561	\$51,518	\$56,839	\$49,840	\$48,603	\$57,936	\$58,017	\$60,108	\$51,541	\$70,079
September	\$44,522	\$47,781	\$44,029	\$47,349	\$43,882	\$53,979	\$53,456	\$58,622	\$47,952	\$48,954
October	\$42,385	\$46,346	\$39,617	\$47,767	\$43,822	\$53,363	\$52,783	\$55,013	\$49,344	\$48,660
November	\$42,136	\$46,533	\$42,942	\$48,495	\$45,822	\$54,942	\$56,407	\$56,616	\$50,426	\$49,647
December	\$42,411	\$47,843	\$43,789	\$48,155	\$44,481	\$52,704	\$54,281	\$58,597	\$48,690	\$51,047
January	\$43,093	\$46,130	\$41,011	\$46,807	\$45,364	\$53,400	\$53,024	\$55,861	\$56,397	\$50,488
February	\$44,332	\$47,957	\$43,058	\$48,234	\$47,151	\$53,281	\$53,095	\$53,190	\$55,845	\$48,891
March	\$42,870	\$45,529	\$41,102	\$49,755	\$53,038	\$54,580	\$57,143	\$56,790	\$60,676	\$47,612
April	\$46,057	\$62,533	\$46,986	\$48,895	\$50,972	\$50,625	\$54,858	\$52,342	\$56,817	\$49,337
May	\$43,083	\$42,711	\$45,377	\$48,427	\$52,051	\$50,670	\$53,201	\$53,151	\$54,900	\$50,132
June	\$44,931	\$41,522	\$46,760	\$55,205	\$54,993	\$52,032	\$56,209	\$54,888	\$65,061	\$48,865
<b>YTD TOTALS</b>	<b>\$532,231</b>	<b>\$571,351</b>	<b>\$535,654</b>	<b>\$596,497</b>	<b>\$587,397</b>	<b>\$654,183</b>	<b>\$665,681</b>	<b>\$687,224</b>	<b>\$670,455</b>	<b>\$615,682</b>

MONTH	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
July	\$53,112	\$64,638	\$51,651	\$58,404	\$54,517	\$57,722	\$58,647	\$65,981	\$44,805	\$79,301
August	\$68,446	\$66,073	\$83,358	\$88,480	\$76,213	\$63,775	\$66,949	\$79,040	\$60,847	\$79,302
September	\$54,553	\$51,441	\$52,676	\$50,840	\$56,493	\$56,086	\$59,378	\$71,190	\$61,135	\$79,301
October	\$48,736	\$47,495	\$50,643	\$47,948	\$56,433	\$56,964	\$58,943	\$70,121	\$57,209	\$79,302
November	\$51,177	\$51,062	\$53,086	\$52,220	\$58,222	\$60,006	\$58,965	\$70,350	\$57,129	\$79,301
December	\$52,041	\$53,542	\$52,174	\$55,073	\$57,771	\$63,632	\$64,284	\$73,472	\$59,167	\$79,302
January	\$53,608	\$54,621	\$52,522	\$57,931	\$59,353	\$64,445	\$62,240	\$79,728	\$57,714	\$79,301
February	\$51,235	\$55,754	\$51,458	\$52,022	\$60,181	\$56,498	\$61,620	\$65,851	\$66,145	\$79,302
March	\$51,801	\$55,938	\$52,144	\$53,567	\$57,843	\$55,343	\$60,816	\$67,832	\$58,793	\$79,301
April	\$56,100	\$55,411	\$57,140	\$51,989	\$60,286	\$58,386	\$62,207	\$79,451	\$52,931	\$79,302
May	\$57,029	\$56,224	\$54,400	\$53,405	\$58,199	\$62,497	\$63,691	\$54,141	\$51,838	\$79,301
June	\$53,713	\$54,592	\$56,916	\$51,712	\$58,196	\$58,263	\$65,452	\$52,995	\$51,830	\$79,301
<b>YTD TOTALS</b>	<b>\$651,551</b>	<b>\$666,791</b>	<b>\$668,168</b>	<b>\$673,591</b>	<b>\$713,707</b>	<b>\$713,617</b>	<b>\$743,192</b>	<b>\$830,152</b>	<b>\$679,543</b>	<b>\$951,617</b>



## Linn County Expo Center

### M & S Comparison

MONTH	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11
July	\$21,145	\$19,420	\$21,069	\$9,173	\$10,385	\$26,446	\$46,147	\$34,508	\$25,999	\$33,528
August	\$32,280	\$25,734	\$22,751	\$23,804	\$48,565	\$36,316	\$44,901	\$27,574	\$35,580	\$30,424
September	\$23,112	\$39,958	\$39,980	\$38,166	\$21,959	\$38,035	\$30,987	\$26,257	\$14,757	\$26,635
October	\$30,625	\$29,080	\$19,167	\$25,626	\$25,552	\$32,802	\$16,143	\$33,239	\$18,446	\$26,019
November	\$29,914	\$25,189	\$24,286	\$23,267	\$20,412	\$19,615	\$23,590	\$12,211	\$26,175	\$32,987
December	\$61,126	\$37,469	\$56,282	\$24,226	\$25,929	\$12,582	\$28,806	\$24,542	\$21,741	\$26,431
January	\$28,501	\$34,733	\$25,661	\$23,598	\$22,060	\$27,019	\$23,528	\$44,549	\$26,953	\$25,736
February	\$19,021	\$22,605	\$30,512	\$27,024	\$21,114	\$26,960	\$30,043	\$30,601	\$39,489	\$31,448
March	\$39,751	\$23,220	\$31,047	\$40,810	\$48,299	\$26,539	\$40,729	\$41,635	\$39,790	\$40,199
April	\$37,151	\$27,288	\$31,596	\$38,470	\$64,729	\$46,695	\$38,407	\$41,108	\$36,201	\$49,188
May	\$23,719	\$31,342	\$24,813	\$25,829	\$32,995	\$48,356	\$33,203	\$34,937	\$33,533	\$49,173
June	\$44,000	\$50,284	\$42,784	\$68,921	\$50,804	\$42,980	\$41,169	\$58,667	\$57,944	\$57,094
<b>YTD TOTALS</b>	<b>\$390,345</b>	<b>\$366,322</b>	<b>\$369,948</b>	<b>\$368,914</b>	<b>\$392,803</b>	<b>\$384,345</b>	<b>\$397,653</b>	<b>\$409,828</b>	<b>\$376,608</b>	<b>\$428,862</b>

MONTH	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
July	\$25,134	\$20,519	\$47,514	\$46,492	\$39,811	\$39,856	\$42,334	\$59,846	\$57,591	\$49,921
August	\$45,892	\$27,932	\$26,188	\$42,448	\$23,076	\$31,393	\$47,255	\$38,895	\$28,860	\$49,921
September	\$35,610	\$52,811	\$35,077	\$40,681	\$38,861	\$43,367	\$42,338	\$34,322	\$36,323	\$49,921
October	\$21,589	\$36,279	\$58,691	\$27,775	\$44,151	\$48,516	\$40,904	\$42,616	\$35,813	\$49,921
November	\$45,915	\$36,782	\$34,861	\$37,876	\$28,592	\$38,405	\$46,773	\$46,372	\$56,844	\$49,921
December	\$37,796	\$29,750	\$42,099	\$34,400	\$29,233	\$38,897	\$44,970	\$32,068	\$35,903	\$49,920
January	\$29,785	\$60,998	\$39,597	\$32,074	\$38,327	\$36,280	\$38,016	\$44,549	\$47,340	\$49,921
February	\$31,692	\$22,740	\$30,717	\$37,703	\$37,143	\$47,674	\$50,688	\$44,039	\$45,626	\$49,921
March	\$34,995	\$47,431	\$55,819	\$42,481	\$51,103	\$51,245	\$57,591	\$66,219	\$51,553	\$49,921
April	\$60,242	\$50,672	\$51,058	\$67,735	\$59,360	\$45,712	\$62,521	\$49,707	\$51,759	\$49,921
May	\$53,113	\$44,792	\$54,054	\$48,224	\$45,536	\$54,009	\$60,779	\$71,978	\$36,187	\$49,920
June	\$59,039	\$41,767	\$42,209	\$59,519	\$60,349	\$40,383	\$33,609	\$44,427	\$77,521	\$49,921
<b>YTD TOTALS</b>	<b>\$480,802</b>	<b>\$472,473</b>	<b>\$517,884</b>	<b>\$517,408</b>	<b>\$495,542</b>	<b>\$515,737</b>	<b>\$567,778</b>	<b>\$575,038</b>	<b>\$561,320</b>	<b>\$599,050</b>



## Linn County Expo Center

### Revenue Comparison

MONTH	01/02	02/03	03/04	04/05	05/06	06/07	06/07	06/07	08/09	09/10	10/11
July	\$37,044	\$29,401	\$36,325	\$36,951	\$25,202	\$31,598	\$69,529	\$111,707	\$63,204	\$52,131	
August	\$60,482	\$66,517	\$31,184	\$22,344	\$47,647	\$8,853	\$41,993	\$46,401	\$63,109	\$37,433	
September	\$80,389	\$51,497	\$80,549	\$47,744	\$40,630	\$87,440	\$69,635	\$75,646	\$59,413	\$42,621	
October	\$105,383	\$78,975	\$67,732	\$53,332	\$60,746	\$55,466	\$65,339	\$54,104	\$47,088	\$71,402	
November	\$78,358	\$64,937	\$24,640	\$41,703	\$77,016	\$53,566	\$52,976	\$51,738	\$48,316	\$65,207	
December	\$58,084	\$35,078	\$85,536	\$54,140	\$31,940	\$108,104	\$56,650	\$39,033	\$60,918	\$55,351	
January	\$37,053	\$70,378	\$44,051	\$43,030	\$90,865	\$56,218	\$70,678	\$82,452	\$62,188	\$61,639	
February	\$55,600	\$33,574	\$45,842	\$43,773	\$51,129	\$43,401	\$73,757	\$42,063	\$80,920	\$48,250	
March	\$70,392	\$60,180	\$61,781	\$95,207	\$106,217	\$92,095	\$75,750	\$59,361	\$106,321	\$146,429	
April	\$56,302	\$73,656	\$59,972	\$82,631	\$72,427	\$96,561	\$55,360	\$139,746	\$109,587	\$32,466	
May	\$92,319	\$47,366	\$64,415	\$65,304	\$63,144	\$109,937	\$74,703	\$101,973	\$71,474	\$99,511	
June	\$33,240	\$52,883	\$43,793	\$45,162	\$45,219	\$16,806	\$74,650	\$35,112	\$45,922	\$105,294	
<b>YTD TOTALS</b>	<b>\$764,646</b>	<b>\$664,442</b>	<b>\$645,820</b>	<b>\$631,321</b>	<b>\$712,182</b>	<b>\$760,045</b>	<b>\$781,020</b>	<b>\$839,336</b>	<b>\$818,460</b>	<b>\$817,734</b>	

MONTH	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
July	\$64,362	\$39,042	\$52,202	\$71,055	\$56,911	\$54,406	\$31,568	\$62,702	\$46,675	\$87,500
August	\$16,732	\$18,030	\$65,064	\$22,703	\$43,649	\$34,099	\$40,909	\$113,836	\$108,477	\$87,500
September	\$47,034	\$74,005	\$27,695	\$80,802	\$81,450	\$118,263	\$104,008	\$84,913	\$30,657	\$87,500
October	\$81,128	\$72,215	\$117,474	\$103,090	\$99,846	\$63,703	\$57,902	\$81,675	\$97,705	\$87,500
November	\$99,366	\$83,604	\$91,753	\$61,713	\$67,254	\$127,724	\$109,783	\$52,289	\$37,595	\$87,500
December	\$69,609	\$82,996	\$55,059	\$73,914	\$54,090	\$48,269	\$69,107	\$117,653	\$102,201	\$87,500
January	\$44,258	\$86,839	\$53,173	\$128,900	\$76,451	\$63,016	\$51,946	\$75,749	\$103,049	\$87,500
February	\$115,339	\$84,120	\$97,188	\$72,172	\$93,011	\$164,544	\$143,085	\$37,825	\$58,504	\$87,500
March	\$77,955	\$99,766	\$98,739	\$104,169	\$142,854	\$124,759	\$160,048	\$136,370	\$169,303	\$87,500
April	\$79,185	\$123,934	\$143,946	\$158,608	\$92,307	\$67,537	\$112,783	\$131,377	\$1,232	\$87,500
May	\$132,706	\$68,422	\$75,625	\$101,000	\$124,920	\$151,188	\$125,015	\$143,565	-\$2,010	\$87,500
June	\$77,507	\$76,790	\$104,689	\$74,954	\$82,466	\$78,339	\$63,616	\$150,132	\$20,016	\$87,500
<b>YTD TOTALS</b>	<b>\$905,181</b>	<b>\$909,763</b>	<b>\$982,607</b>	<b>\$1,053,080</b>	<b>\$1,015,209</b>	<b>\$1,095,847</b>	<b>\$1,069,770</b>	<b>\$1,188,086</b>	<b>\$770,940</b>	<b>\$1,050,000</b>



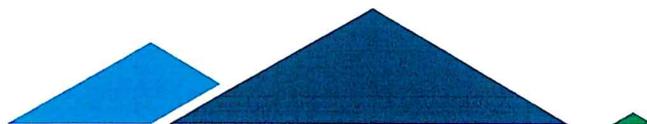
3700 Knox Butte Rd  
Albany, OR 97322  
(541) 926-4314  
(541) 926-8630 fax  
[www.lcfairexpo.com](http://www.lcfairexpo.com)

TO: Board of Commissioners  
FROM: Randy Porter  
DATE: 7-21-2020  
RE: Resolution & Order 2020-221

The following item is scheduled to be heard on 7-21-2020

Resolution & Order 2020-221 will provide LCFEC a two year contract with Oregon Beverage for alcohol management and sales. It will also provide the option for six one year renewals at the discretion of the Board of Commissioners.

2020-221





Community Development  
925 S. Main Street  
Lebanon, Oregon 97355

TEL: 541.258.4906  
cdc@ci.lebanon.or.us  
www.ci.lebanon.or.us

Ralph Wyatt  
County Administrative Officer  
Linn County  
PO Box 100  
Albany, Oregon 97321

*Ralph Wyatt*  
*15 Jun 20*

June 11, 2020

Re: Proposed Mill Race Urban Renewal Plan

Dear Mr. Wyatt:

## **I. PROCESS**

The Lebanon City Council is considering adoption of an ordinance adopting the Mill Race Urban Renewal Plan ("Plan"). To adopt the Plan, the City is legally required to send the proposed Plan to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits the proposed Plan and the Report Accompanying the Mill Race Urban Renewal Plan ("Report"). If you would like to provide written comments, they will be responded to by the Lebanon City Council. Please provide any written comments by July 27, 2020.

During their August 12, 2020 meeting the Lebanon City Council is scheduled to have a hearing to consider an ordinance adopting the proposed Plan. The meeting will be held at the Santiam Travel Station 750 S. 3<sup>rd</sup> Street, Lebanon at 6:00 pm. The City Council is scheduled to vote on the ordinance adopting the Plan at the August 12, 2020 meeting.

## **II. PROPOSAL**

Mill Race Urban Renewal Plan Area ("Plan Area"), shown in Figure 1 of the attached Plan, consists of approximately 51.45 acres, 48.16 acres in tax lots and 3.29 acres in right-of-way.

The Plan creates a single development urban renewal area to provide developer incentives to reimburse the developer for infrastructure required to facilitate development and pay for administrative costs associated with this Plan.

The Plan is estimated to last 8 years, resulting in seven years of tax increment collections. The maximum indebtedness ("MI") of the Plan is \$9,652,364 and is tied to provisions in the Economic Development Agreement between the City and the developer. This MI will cover administrative expenses and will reimburse the

developer for infrastructure improvements as those improvements are completed and property taxes are paid on those new improvements.

While the MI authority of the Plan is \$9,652,364, we anticipate the actual MI amount to be used to be much less, estimated at \$2,295,857 as noted in the attached Report on Table 2, page 9. The difference between the estimated amount and the maximum amount is due to timing assumptions on the development in the Plan Area. While we estimate the impacts to be smaller, we are required to match the MI to the Economic Development Agreement.

### **III. IMPACT ON TAXING JURISDICTIONS**

The impact of tax increment financing on overlapping taxing districts consists of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. The projections for impacts on the taxing jurisdictions are estimated through fiscal year end (FYE) 2028, 7 years of tax increment collections. These impacts are relative as they relate to the new development in the Area that would not occur but for the incentives to the developer for improvements in the Area. Other than for administrative expenses, these impacts will only happen if development occurs.

The property taxes presently being paid on the properties in the proposed Plan Area is very low. For Linn County, these properties are presently paying \$558 a year. The taxing districts retain their taxes on the present assessed value, only foregoing taxes on the increases in the present assessed value limited to 3% annually and taxes on new development in the Plan Area. Therefore, the amount of actual loss to the taxing districts is very low, up to 3% annually on the \$558, which equates to \$17 the first year.

The proposed Plan would result in a decrease in permanent rate property tax collections. This is attributable to the length of time that the Agency collects tax increment revenue to pay off the Plan's maximum indebtedness. Table 1 – Projected Impact shows the estimated impact to the permanent rate collections over the life of the Plan. The total maximum impact to the Linn County over the 7 years is estimated at \$197,844. However, if development exceeds expectations, the total impact could exceed these numbers as shown in Table 2 – Impact of Economic Development Agreement.

Table 1 – Projected Impact

<b>FYE</b>	<b>Projected Linn County Impact</b>	
2022	\$	1,725
2023	\$	1,789
2024	\$	16,560
2025	\$	30,461
2026	\$	38,398
2027	\$	52,392
2028	\$	56,519
<b>Total</b>	<b>\$</b>	<b>197,844</b>

Source: Tiberius Solutions LLC based on City of Lebanon development assumptions

Table 2 – Impact of Economic Development Agreement

<b>Taxing District</b>	<b>Potential Total MI Impact</b>
Linn County	\$831,788

Source: Tiberius Solutions LLC

#### **IV. TAX REVENUES AFTER TERMINATION OF TAX INCREMENT FINANCING**

Upon termination of the Area, all revenue will be distributed to overlapping taxing districts. ORS 457 requires the Report to the Plan identify the tax revenues for affected taxing districts in the year after the termination of the Area. These numbers are shown in Table 3 below. These are estimates only; changes in the economy may impact the projections.

Table 3 - Tax Revenues After Termination of Tax Increment Financing

<b>Revenue from Frozen Base</b>	<b>Revenue from Excess Value</b>	<b>Total Revenue</b>
\$ 558	\$ 79,728	\$ 80,286

Source: Tiberius Solutions LLC

#### **V. SUMMARY OF IMPACTS**

The key takeaways regarding the impact of the proposed Plan are summarized below:

- The estimated overall impact of the Plan to the Linn County is \$197,844
- The maximum indebtedness of the Lebanon Tax Increment Finance Plan is \$9,652,364. If this full maximum indebtedness is reached, the impact could be higher, up to \$831,788.

- The division of taxes for the Plan is expected to last 7 years, until FYE 2028.

**VI. PROCESS FOR REVIEW**

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

June 10, 2020	Lebanon Urban Renewal Agency review
June 11, 2020	Send formal notice to taxing jurisdictions
July 15, 2020	Planning Commission review
July 2020	Presentation to Linn County Commission
July/August 2020	Notice of City Council hearing
August 12, 2020	City Council Public Hearing and Vote

The draft Mill Race Urban Renewal Plan and Report Accompanying the Mill Race Urban Renewal Plan are enclosed with this letter. For more information, please contact Kelly Hart, Community Development Director at 541.258.4252 or [khart@ci.lebanon.or.us](mailto:khart@ci.lebanon.or.us).

Sincerely,



Ron Whitlatch  
Interim City Manager/City Engineer  
City of Lebanon

Attachments:

- A: Mill Race Urban Renewal Plan
- B: Report Accompanying the Mill Race Urban Renewal Plan

# Mill Race Urban Renewal Plan

DRAFT

Mill Race Urban Renewal District Plan Adopted by the City of Lebanon

Date

Ordinance No. \_\_\_\_\_

If Amendments are made to the Plan, the Resolution or Ordinance Number and date will be listed here. The amendment will be incorporated into the Plan and noted through a footnote.



## LIST OF PARTICIPANTS

### **Mayor**

Paul R. Aziz

### **City Council**

Robert Furlow, Ward 1

Wayne Rieskamp, Ward 1

Rebecca Grizzle, Ward 2

Karin Stauder, Ward 2

Jason Bolen, Ward 3

Michelle Steinhebel, Ward 3

### **Urban Renewal Agency**

**Same as City Council**

### **Planning Commission**

Jeremy Salvage, Chair

Don Robertson, Vice-Chair

Joshua Galka

David McClain

Josh Port

Todd Prenoveau

Samuel Brackeen (alternate)

### **Interim City Manager/City Engineer**

Ron Whitlatch

### **Community Development Director**

Kelly Hart

### **Finance Director**

Matt Apken

### **Consulting Team**

#### **Elaine Howard Consulting, LLC**

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## I. DEFINITIONS

“Agency” is the City of Lebanon Urban Renewal Agency created under ORS 457.035 and 457.045. The Agency is responsible for administration of this Mill Race Urban Renewal Plan and other urban renewal plans previously adopted in the City of Lebanon.

“Annual report” is the ORS 457.460 requirement for the production of an annual report that gets distributed to the taxing districts.

“Area” means the tax increment finance area established for this Plan pursuant to ORS 457, and described in Section XIII of the Plan including the properties and rights-of-way located therein.

“Assessed value” means the total assessed value as of real, personal, utility and manufactured structures assessed value as determined by the county assessor.

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

“Board of Commissioners” means the Linn County Board of Commissioners.

“City” means the City of Lebanon, Oregon.

“City Council” or “Council” means the Lebanon City Council.

“Comprehensive Plan” means the City of Lebanon Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Linn County, Oregon.

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

“Fiscal Year End” or “Fiscal Year Ending” or “FYE” means the year that the fiscal year ends.

“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 Value” 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 frozen base 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.

“Municipality” means any county or any city in the state of Oregon.

“ORS” means the Oregon Revised Statutes and specifically Chapter 457, which relates to urban renewal and tax increment financing.

“Plan” or “Urban Renewal Plan” means the official plan for the urban renewal area pursuant to ORS 457.

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

“Planning Commission” means the Lebanon Planning Commission.

“Project(s)” or “Urban Renewal Project(s)” means any work or undertaking carried out under an urban renewal plan.

“Report Accompanying the Mill Race Urban Renewal Plan” or “Report” means the official report that accompanies Plan pursuant to ORS 457.085(3).

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

“Tax increment finance” or “tax increment financing” or “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.

“TSP” is the City of Lebanon Transportation System Plan.

“Urban Renewal” means the statutory authority provided in ORS 457.

“URA” means urban renewal area and in this document refers to the urban renewal areas that exist in the City of Lebanon.

## II. INTRODUCTION

The Mill Race Urban Renewal Plan (“Plan”) was developed for the Lebanon City Council (“City Council”). Pursuant to the Lebanon City Charter, this Plan will go into effect when it has been adopted by the City Council.

### A. Background

The Plan creates a single development tax increment finance zone to provide developer incentives to reimburse the developer for infrastructure required to facilitate development. The Plan includes input from the community received at public meetings at the Agency and hearings before the City of Lebanon Planning Commission (“Planning Commission”), and the Lebanon City Council.

Mill Race Urban Renewal Plan Area (“Plan Area”), shown in Figure 1, consists of approximately 51.45 acres, 48.16 acres in tax lots and 3.29 acres in right-of-way.

The Plan is estimated to last 8 years, resulting in seven years of tax increment collections.

The Plan is to be administered by the Lebanon Urban Renewal Agency (“Agency”). Substantial amendments to the Plan must be approved by City Council as outlined in Section VII of this Plan. All amendments to the Plan are to be listed numerically on the cover of the Plan and then incorporated into the Plan document and noted by footnote with an amendment number and adoption date.

The relationship between the sections of the Plan and the ORS 457.085 requirements is shown in Table 1. The specific reference in the table below is the section of this Plan that primarily addresses the statutory reference. There may be other sections of the Plan that also address ORS 457.

Table 1 - Statutory References

<b>Statutory Requirement</b>	<b>Plan Section</b>
ORS 457.085(2)(a)	V, VI
ORS 457.085(2)(b)	V, VI
ORS 457.085(2)(c)	XIII
ORS 457.085(2)(d)	XI
ORS 457.085(2)(e)	XI
ORS 457.085(2)(f)	IX
ORS 457.085(2)(g)	VIII
ORS 457.085(2)(h)	III
ORS 457.085(2)(i)	VII

## ***B. Mill Race Urban Renewal Overview***

Urban renewal allows for the use of tax increment financing, 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 borrowed funds are used to pay for urban renewal programs and projects. The amount of funds used for projects, programs and administration cannot exceed the maximum indebtedness amount set by the urban renewal plan.

The Mill Race Urban Renewal Area meets the definition of blight due to its infrastructure deficiencies and underdeveloped properties. These blighted conditions are specifically cited in the ordinance adopting the Plan and described in detail in the Report Accompanying Mill Race Urban Renewal Plan (“Report”).

The Report contains the information required by ORS 457.085, including:

- 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 the area;
- The relationship between each project to be undertaken and the existing conditions;
- The estimated 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 area; and,
- A relocation report.

### **III. MAXIMUM INDEBTEDNESS**

Maximum Indebtedness ("MI") is the total amount of money that can be spent on projects, programs and administration throughout the life of the Plan. The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon the redevelopment agreement between the developer of the site and good faith estimates of the scope and costs of projects in the Plan is \$9,652,364 (Nine Million, Six Hundred Fifty-Two Thousand, Three Hundred Sixty-Four 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 debt proceeds.

### **IV. PLAN GOALS**

The goals of the Plan represent its basic intent and purpose. Accompanying the goal is an objective, which describes how the Agency intends to meet the goal. The projects identified in Sections V and VI of the Plan are the specific means of meeting the objective. The goal and objective will be pursued as economically as is feasible and at the discretion of the Agency.

#### ***A. Development Incentives***

To provide job development, attraction of new businesses and new residents, provide an increase in community wealth and the development of housing and commercial opportunities.

Objectives:

1. Provide financial incentives for the reimbursement of expenditures on infrastructure to facilitate development of the Area.

#### ***B. Administration***

To provide administrative support for the implementation of the Plan.

Objectives:

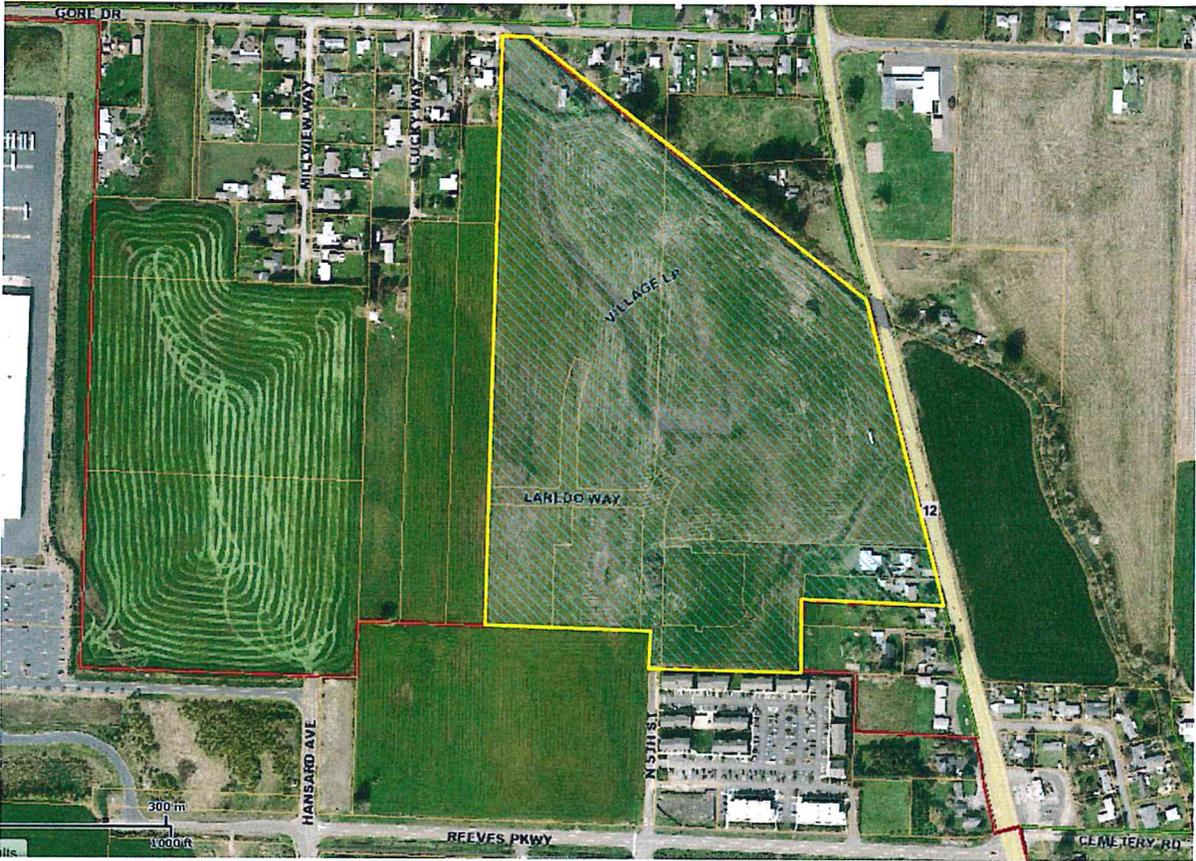
1. Provide resources to administer Development Incentives of the Plan.
2. Provide for ongoing administration of the Plan.

Figure 1 – Mill Race Urban Renewal Area Boundary - 51.45 acres



Source: City of Lebanon

Figure 2 – Mill Race Urban Renewal Plan Boundary Aerial View



Source: City of Lebanon

## **V. PROJECT CATEGORIES**

The projects within the Plan Area fall into the following categories:

### ***A. Development Incentives***

### ***B. Administration***

## **VI. PROJECTS**

TIF District projects authorized by the Plan are described below.

### ***A. Development Incentives***

The Agency may provide incentives to developers for the provision of infrastructure required to facilitate development in the Plan Area. This will be completed through a development agreement with the developer/builder/property owner that stipulates the amount and timing of the incentive. These incentives will be a rebate based on of the property taxes paid within the Plan Area and in conformance to the Economic Development Agreement.

The amount of incentive is established in the Report Accompanying the Plan and in the Economic Development Agreement.

### ***B. Administration***

The Agency may provide administration of the Plan including but not limited to reimbursement of costs associated with preparing the Plan, staff support, legal counsel assistance, review of annual payments, financial statements, budget preparation and annual reports pursuant to ORS 457.460.

## **VII. 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 Lebanon, 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:<sup>1</sup>

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

### ***B. Minor Amendments***

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

### ***C. Amendments to the Lebanon Comprehensive Plan and/or Lebanon Municipal Code, Title 16: Development Code***

Amendments to the Lebanon Comprehensive Plan (“Comprehensive Plan”) and/or Lebanon Municipal Code, Title 16: Development Code that affect the Plan and/or the Plan Area shall be incorporated automatically within the Plan without any separate action required by the Agency or City Council. When a substantial amendment is completed, the Relationship to Local Objectives section will be updated.

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<sup>1</sup> Unless otherwise permitted by state law, no land equal to more than 20 percent of the total land area of the original Plan shall be added to the urban renewal area by amendments, and the aggregate amount of all amendments increasing the Maximum Indebtedness may not exceed 20 percent of the Plan’s initial maximum indebtedness, as adjusted, as provided by law.

## **VIII. PROPERTY ACQUISITION AND DISPOSITION**

The Plan does not anticipate property acquisition and disposition as an eligible activity.

## **IX. RELOCATION METHODS**

As acquisition is not an eligible activity, relocation is not a part of this Plan.

## **X. TAX INCREMENT FINANCING OF PLAN**

Tax increment financing consists of using annual tax increment revenues to make payments on debt. In this Plan, the debt is a contractual obligation to provide developer incentives and agreement to reimburse the Agency for administration of the Plan.

Tax increment revenues equal the annual permanent rate property taxes imposed on the cumulative *increase* in assessed value within an Area over the total assessed value at the time a plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies are not part of the tax increment revenues.)

### ***A. General Description of the Proposed Financing Methods***

The Plan will be financed using tax increment revenues. Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) developer incentives (2) planning or undertaking project activities, or (3) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the planning and implementation of this Plan, including preparation of the Plan.

### ***B. Tax Increment Financing***

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 Plan 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.

### ***C. Under-levy***

The Agency may determine to under-levy pursuant to ORS 457.455 notwithstanding any of the foregoing provisions. The Agency may determine alternate ways to reimburse taxing districts for excess tax increment revenues collected.

## **XI. RELATIONSHIP TO LOCAL OBJECTIVES**

ORS 457.085 requires that the Plan conform to local objectives. This section provides that analysis. Relevant local planning and development objectives are contained within the *Lebanon Comprehensive Plan*. Further, this section addresses the *City of Lebanon Municipal Code, Title 16: Development Code* and the *Lebanon 2040 Vision*.

The following section describes the purpose and intent of these plans, the main applicable goals and policies within each plan, and an explanation of how the plans relate to the applicable goals and policies.

**The numbering of the goals and policies within this section reflects the numbering that occurs in the original document. *Italicized text* is text that has been taken directly from an original document.**

The zoning designation is Mixed Use and the Comprehensive Plan designation for the area is Mixed Use. Density requirements and development standards for all land in the Plan Area are contained in the *City of Lebanon Municipal Code, Title 16: Development Code*, shown in Section B below.

### **A. Lebanon Comprehensive Plan**

#### **Chapter 4 - Land Use**

The City's Land Use Goals include:

*G-2: Promoting the orderly development and conservation of lands for urban uses, such as homes, businesses, industries, and streets, as well as parks, open space, and wetlands.*

*G-3: Encouraging land developments that utilize innovative design and technology, energy conservation, and the protection and conservation of cultural and natural resources. Examples of innovative residential developments include: common wall or "zero lot line" dwellings (e.g., row houses and townhouses), dwellings designed and sited to utilize solar energy, and planned developments that provide for variety in housing types and uses.*

*G-4: Promoting and encouraging planned development methods for special lands that display the following characteristics: property of large sizes or those that are well situated in relation to the street and traffic circulation network; properties that have natural features that limit development potential; and properties that involve significant natural or cultural resources, particularly active or passive recreational opportunities.*

**Finding:**

The Plan conforms to the Land Use goals of the Comprehensive Plan as providing incentives for new development within the Area will promote the orderly development of lands for urban uses, incorporate a variety of housing types and uses and promote orderly development of a large sized property. The development is planned to include single family residences, multi-use complexes, apartment buildings, a senior care center, retail buildings, a fueling station, restaurant and industrial uses.

**Chapter 5 - Population and Economy**

The City's Economic Goals include the following:

*G-1 Providing employment opportunities for its citizens.*

*G-2: Providing a viable tax base for the community in order to pay for essential community services.*

*G-3: Encouraging a diversified economic base for the community which broadens and improves long-term employment opportunities in all sectors, including, retail, service, and industrial.*

*G-4: Providing the opportunity for a full range of commercial, cultural, recreational, educational, health services, and other professional services to meet the needs of the City's residents and visitors.*

*G-5: Supporting the establishment of new employment and the expansion of existing employment to strengthen the City's economic base in order to provide adequate employment opportunities and maintain community livability.*

*G-6: Seeking balanced, concurrent growth in the commercial, industrial and residential sectors that are within the carrying capacity of community resources.*

**Finding:**

The Plan conforms to the Population and Economy goals of the Comprehensive Plan as providing incentives for new development within the Area will provide employment opportunities, help to provide a viable tax base by encouraging new development, encourage a diversified economic base, provide for a full range of uses, support the establishment of new employment by both construction jobs and long term jobs in the commercial and industrial uses in the Area and seek balanced concurrent growth in the commercial, industrial and residential sectors. The development is planned to include single family residences, multi-use complexes, apartment buildings, a senior care center, retail buildings, a fueling station, restaurant and industrial uses.

## **Chapter 6 - Housing**

The City's Housing Goals include:

*G-1: Providing housing policies and practices that increase housing opportunities for all citizens.*

*G-2: Encouraging the availability of adequate numbers of needed housing units at price ranges and rent levels that are commensurate with the financial capabilities of community households, and to allow flexibility of housing location, type and density.*

*G-4: Providing for connectivity in new developments and to promote efforts to extend trails, pedestrian ways, and bikeways through existing residential areas.*

*G-5: Cooperating with builders, developers, and others involved in the provision of housing in creating a positive image of the City as a desirable place to live, work, and do business.*

### **Finding:**

The Plan conforms to the Housing goals of the Comprehensive Plan as providing incentives for new development within the Area will provide new housing options for existing and new residents to Lebanon, increasing the availability of needed housing units in a variety of price ranges including single family residences, multi-use complexes, apartment buildings and a senior care center. The development will provide connectivity through the residential area. By encouraging the development, the City will be cooperating with developers in the provision of housing creating a positive image of the City as a desirable place to live, work, and do business.

## **Chapter 7 - Community Friendly Development**

The City's Community Friendly Development Goals include:

*G-1: Encouraging development patterns that make efficient use of land and energy resources, provide a variety of housing choices, and create multiple transportation options.*

*G-2: Supporting infill development and other development options on large or underutilized residential or commercial lots guided by clear and objective neighborhood compatibility standards.*

*G-3: Encouraging policies and ordinances that lead to well-designed, aesthetically pleasing neighborhoods that foster a sense of community and personal interaction.*

*G-5: Developing streets whose purpose is not solely to move automobiles safely and efficiently, but also to create pedestrian and bicycle friendly environment.*

*G-6: Developing sidewalks, crosswalks, and multi-use paths that not only meet ADA standards, but also enhance a pedestrian and bicycle friendly environment throughout the community.*

*G-8: Promoting denser development in select locations in order to realize potential savings on infrastructure provision and maintenance.*

*G-9: Providing density bonuses for developers who incorporate specific design amenities into their developments.*

*G-10: Allowing appropriately scaled neighborhood commercial centers, subject to provisions of the Zoning Ordinance, and residential zones in order to: (1) provide ease of access to basic daily household needs, to eliminate unnecessary automobile trips, and to provide convenience centers for neighborhood social interaction; and, (2) within the Mixed Density Residential Zones in order to allow for commercial activity closer to the source of the customers and to allow the pedestrian access to retail services.*

**Finding:**

The Plan conforms to the Community Friendly Development goals of the Comprehensive Plan as the development will be on a parcel that is in the city limits but is presently undeveloped, encouraging development patterns that make efficient use of land and energy resources, provide a variety of housing choices, and create multiple transportation options, supporting development on large parcels, developing streets for automobiles, bicyclists and pedestrians, enhancing a pedestrian and bicycle friendly environment, supplying denser development to realize savings on infrastructure provision and maintenance and allowing for appropriately scaled neighborhood commercial centers. The development will be a planned development and meet the requirements of the City of Lebanon. The development is planned to include single family residences, multi-use complexes, apartment buildings, a senior care center, retail buildings, a fueling station, restaurant and industrial uses.

**Chapter 8 - Transportation**

The City's Transportation Goals include:

*G-1: An equitable, balanced and well connected multi-modal transportation system.*

*G-2: Convenient facilities for pedestrians and bicyclists.*

*G-3: Transit service and amenities that encourage a higher level of ridership.*

*G-4: Efficient travel to and through the City.*

*G-5: Safe and active residents.*

*G-6: A sustainable transportation system.*

*G-7: A transportation system that supports a prosperous and competitive economy.*

*G-8: Coordinate with local and state agencies and transportation plans.*

**Finding:**

The Plan conforms to the Transportation goals of the Comprehensive Plan as the development will be on a parcel that is in the city limits but is presently underserved by a transportation network. The development will provide an improved transportation network for all modes of travel, helping to create a transportation system providing convenient facilities for pedestrians and bicyclists and efficient travel to and through the city. The transportation system improvements will help support a prosperous and competitive economy and will be in a planned development and meet the requirements of the City of Lebanon and the requirements of the Lebanon Transportation System Plan.

**Chapter 10 - Public Facilities and Services**

The City's Public Facilities and Services Goals include:

*G-1: Providing Public Facilities Policies and Plans as a guide for the location and development of future community facilities and utilities consistent with long-range community needs.*

*G-2: Planning and developing a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban development for both existing and planned land uses.*

*G-3: Continuing and enhancing coordination and cooperation between the City and other public and private providers of public services to maximize the orderly and efficient development and provision of all services.*

*G-4: Ensuring that essential public facilities and service capabilities (transportation, storm drainage, sewer and water service) are either in place before new development occurs and/or are constructed concurrently with such development.*

*G-5: Ensuring that the extensions of essential public facilities and services to a development site is accomplished either by the city through the implementation of the Capital Improvement Program, or by the site developer at their expense with cost sharing and oversizing reimbursement options.*

*G-6: Promoting water conservation.*

**Finding:**

The Plan conforms to the Public Facilities and Services goals of the Comprehensive Plan as the development will be on a parcel that is in the city limits but is presently underserved by public facilities and services. The development will be a planned development and meet the requirements of the City of Lebanon to ensure the essential public facilities and service capabilities are either in place before new development occurs and/or are constructed concurrently with such development.

## **B. City of Lebanon Municipal Code Title 16: Development Code**

The *City of Lebanon Municipal Code Title 16: Development Code* provides general descriptions of zoning designations within the Area. The requirements on the land uses, maximum densities and building requirements can be found in the *Development Code*. General descriptions are included herein.

As the *Development Code* is updated, this document will be updated by reference. If a substantial amendment is completed in the future, this section will be updated to match the current zoning designations. Zoning descriptions are shown in *italics*.

### *Chapter 16.06 Mixed-Use Land Use Zone*

- A. *The purpose of the Mixed-Use Zone is to provide lands that possess potential for several types of land use or combinations of different land uses. The intent of this designation is to achieve an environment in which different land uses can co-exist by providing building groupings for privacy, usable and attractive open spaces, and safe circulation, thus promoting the general well being of the residents, businesses, and other occupants. Effective mixed-use zones not only allow the co-location of various types of uses, but they also promote compatible architectural design and connectivity of buildings to streets and paths. Residential mixed-use encourages planners and developers to look beyond the traditional subdivision design and think about new and efficient utilization of land. Such innovative designs can provide residents access to commercial services as well as amenities such as parks, trails, and open spaces, and hence promote community-friendly development that is highly compatible with surrounding uses and promotes a sense of community.*
- B. *Mixed-Use lands are open to all types of development including residential, commercial, and light (Class I and II Impacts) industrial land uses.*
- C. *The Mixed-Use Zone is intended to:*
  - 1. *Promote efficient use of land and urban services.*
  - 2. *Create a mixture of land uses that encourages employment and housing options in close proximity to one another.*
  - 3. *Encourage pedestrian-oriented development in all mixed-use areas.*
  - 4. *Provide connections to and appropriate transitions between residential areas and commercial areas.*
  - 5. *Promote independence of movement, especially for the young and the elderly who can conveniently walk, cycle, or ride transit.*

### **C. Lebanon 2040 Vision Plan**

*The Lebanon 2040 Vision (Vision) and the Lebanon Community Strategic Action Plan (Strategic Action Plan) constitute the community's aspirations for what Lebanon should look and feel like by the year 2040, and a plan for how to get there. The Vision and the Strategic Action Plan were developed over nearly two years with extensive public input to ensure the community's values and priorities provided the foundation for the future physical, economic, and social attributes that will define the community. The Vision and the Strategic Action Plan serve as two constituent parts of a comprehensive process of public engagement. First, the Vision represents the citizens' overarching description of the community they aspire to attain by 2040. The first element of the Vision, the Vision Statement, expresses this aspiration succinctly: The Vision is supported by seven focus areas that expand the Vision Statement concept, elaborating on the specific elements that comprise the community's ambitions for the future. Each focus area provides a brief narrative description of a topic (e.g., education, jobs, arts, etc.) that supports and delineates the intent of the Vision Statement. Second, the Strategic Action Plan charts a course for implementing the Vision over the next five years. It identifies 17 strategies that provide direction for accomplishing the Vision and offers guidance for community leaders helping to achieve its realization. Each strategy includes one or more actions to help move it forward. Each action provides a tangible project, program, or activity to implement the strategy it supports. The Strategic Action Plan was developed as a direct outgrowth of the Vision, allowing each part of the plan to be traced back to the Vision Statement, ensuring fidelity and maintaining the integrity of the Vision as originally conceived.*

*Vision Statement: Lebanon is a friendly and thriving community.*

*Focus Areas:*

#### **JOBS & GROWTH**

*Industry & Business: Lebanon encourages and supports a variety of new and existing businesses that provide local jobs and living wages.*

*Managed Growth: Lebanon welcomes growth and reinforces its plans for the future.*

*Infrastructure: Lebanon sustains an infrastructure system (transportation, telecommunications, power, water and sewer) that supports future growth plans.*

#### **Finding:**

The Plan conforms to the *Lebanon 2040 Vision and Community Strategic Action Plan* as the project in the Plan provides for development incentives and facilitates development that will foster local jobs and growth in the community and manages growth by providing infrastructure to support the new development. The proposed

development includes commercial and industrial uses and provides increased housing opportunities for Lebanon citizens. .

**XII. ANNUAL REPORT**

The Agency shall file Annual Reports in compliance with ORS 457.460.

### **XIII. LEGAL DESCRIPTION**

AN AREA OF LAND IN THE NORTHEAST, NORTHWEST, SOUTHEAST AND SOUTHWEST QUARTERS OF SECTION 3 IN TOWNSHIP 12 SOUTH OF RANGE 2 WEST OF THE WILLAMETTE MERIDIAN, CITY OF LEBANON, LINN COUNTY, OREGON BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 1 OF LINN COUNTY PARTITION PLAT NO. 2019-34 AS RECORDED ON JUNE 19, 2019 IN THE LINN COUNTY RECORD OF PLATS; THENCE ALONG THE WEST BOUNDARY OF PARCEL 1 AND PARCEL 2 OF SAID PLAT, NORTH 00° 35' 00" WEST 1367.41 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST BOUNDARY OF SAID PARCEL 2, NORTH 00° 36' 26" WEST 635.05 FEET TO A POINT ON THE SOUTH RIGHT OF WAY OF GORE DRIVE (COUNTY ROAD NO. 701); THENCE ALONG THE SOUTH RIGHT OF WAY OF GORE DRIVE, SOUTH 89° 59' 38" EAST 82.45 FEET TO A POINT IN THE CENTER OF THE ALBANY SANTIAM CANAL; THENCE LEAVING SAID SOUTH RIGHT OF WAY AND FOLLOWING THE CENTER OF SAID CANAL, SOUTH 53° 41' 03" EAST 204.98 FEET TO A POINT; THENCE CONTINUING ALONG THE CENTER OF SAID CANAL, SOUTH 54° 20' 09" EAST 1313.95 FEET TO A POINT ON THE CENTERLINE OF US HIGHWAY NO. 20; THENCE ALONG THE CENTERLINE OF SAID US HIGHWAY NO. 20, SOUTH 16° 41' 36" EAST 1,030.67 FEET TO A POINT; THENCE LEAVING SAID CENTERLINE, SOUTH 89° 57' 42" WEST 510.03 FEET TO A POINT; THENCE SOUTH 00° 22' 34" EAST 239.72 FEET TO A POINT; THENCE SOUTH 89° 55' 13" WEST 520.21 FEET TO A POINT; THENCE NORTH 00° 32' 31" WEST 114.16 FEET TO A POINT; THENCE SOUTH 89° 53' 46" WEST 560.79 FEET TO THE POINT OF BEGINNING.

SUBJECT TO A CANAL EASEMENT RECORDED IN LINN COUNTY DEED RECORDS IN BOOK K, PAGE 789.

CONTAINS 51.45 ACRES ±

# Report Accompanying the Mill Race Urban Renewal Plan

DRAFT

Mill Race Urban Renewal District Plan Adopted by the City of Lebanon

Date

Ordinance No. \_\_\_\_\_



## LIST OF PARTICIPANTS

### **Mayor**

Paul R. Aziz

### **City Council**

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### **Interim City Manager/City Engineer**

Ron Whitlatch

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## I. DEFINITIONS

“Agency” is the City of Lebanon Urban Renewal Agency created under ORS 457.035 and 457.045. The Agency is responsible for administration of this Mill Race Urban Renewal Plan and other urban renewal plans previously adopted in the City of Lebanon.

“Annual report” is the ORS 457.460 requirement for the production of an annual report that gets distributed to the taxing districts.

“Area” means the tax increment finance area established for this Plan pursuant to ORS 457, and described in Section XIII of the Plan including the properties and rights-of-way located therein.

“Assessed value” means the total assessed value as of real, personal, utility and manufactured structures assessed value as determined by the county assessor.

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

“Board of Commissioners” means the Linn County Board of Commissioners.

“City” means the City of Lebanon, Oregon.

“City Council” or “Council” means the Lebanon City Council.

“Comprehensive Plan” means the City of Lebanon Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Linn County, Oregon.

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

“Fiscal Year End” or “Fiscal Year Ending” or “FYE” means the year that the fiscal year ends.

“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 Value” 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 frozen base 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.

“Municipality” means any county or any city in the state of Oregon.

“ORS” means the Oregon Revised Statutes and specifically Chapter 457, which relates to urban renewal and tax increment financing.

“Plan” or “Urban Renewal Plan” means the official plan for the urban renewal area pursuant to ORS 457.

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

“Planning Commission” means the Lebanon Planning Commission.

“Project(s)” or “Urban Renewal Project(s)” means any work or undertaking carried out under an urban renewal plan.

“Report Accompanying the Mill Race Urban Renewal Plan” or “Report” means the official report that accompanies Plan pursuant to ORS 457.085(3).

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

“Tax increment finance” or “tax increment financing” or “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.

“TSP” is the City of Lebanon Transportation System Plan.

“Urban Renewal” means the statutory authority provided in ORS 457.

“URA” means urban renewal area and in this document refers to the urban renewal areas that exist in the City of Lebanon.

## II. INTRODUCTION

The Report on Mill Race Urban Renewal Plan (“Report”) contains background information and project details that pertain to Mill Race Urban Renewal Plan (“Plan”). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Lebanon City Council (“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 Report accompanying the Plan contains the information required by ORS 457.085, including:

- A description of the physical, social, and economic conditions in the area; (ORS 457.085(3)(a))
- Expected impact of the Plan, including fiscal impact in light of increased services; (ORS 457.085(3)(a))
- Reasons for selection of the area; (ORS 457.085(3)(b))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.085(3)(c))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.085(3)(d))
- The estimated completion date of each project; (ORS 457.085(3)(e))
- The estimated amount of funds required in the area and the anticipated year in which the debt will be retired; (ORS 457.085(3)(f))
- A financial analysis of the Plan; (ORS 457.085(3)(g))
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; (ORS 457.085(3)(h)) and
- A relocation report. (ORS 457.085(3)(i))

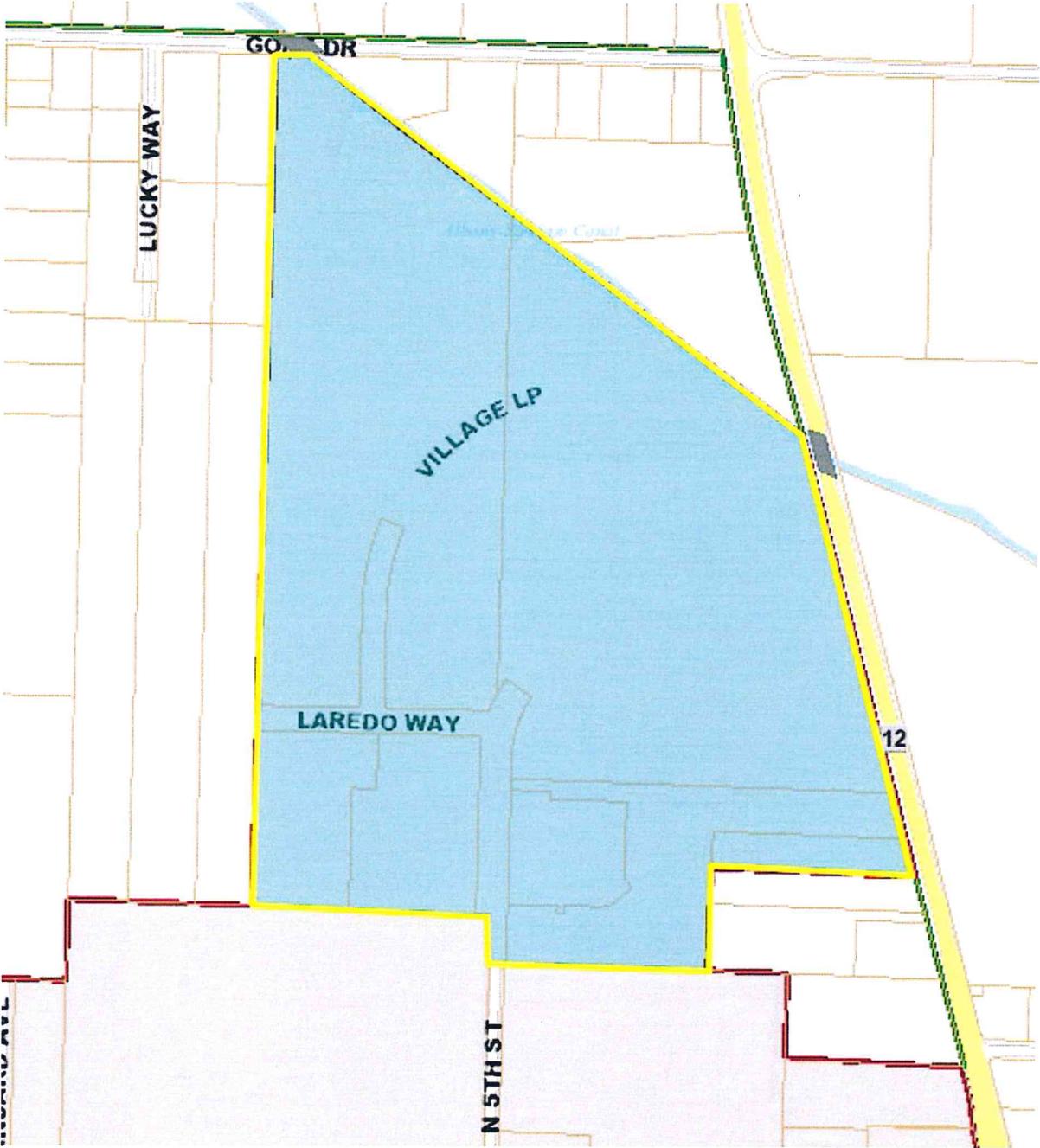
The relationship of the sections of the Report and the ORS 457.085 requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

Table 1 - Statutory References

<b>Statutory Requirement</b>	<b>Report Section</b>
ORS 457.085(3)(a)	X
ORS 457.085(3)(b)	XI
ORS 457.085(3)(c)	III
ORS 457.085(3)(d)	IV
ORS 457.085(3)(e)	VI
ORS 457.085(3)(f)	IV,V
ORS 457.085(3)(g)	IV,V
ORS 457.085(3)(h)	VIII
ORS 457.085(3)(i)	XII

The Report provides guidance on how the Plan might be implemented. As the Lebanon Urban Renewal Agency (“Agency”) reviews revenues and potential projects each year, it has the authority to adjust the implementation assumptions in this Report. The Agency may allocate budgets differently, adjust the timing of the projects and make other adjustments to the financials as determined by the Agency. The Agency may also make changes as allowed in the Amendments section of the Plan. These adjustments must stay within the confines of the overall maximum indebtedness of the Plan.

Figure 1 – Mill Race Urban Renewal Area Boundary - 51.45 acres



Source: City of Leban

Figure 2 – Mill Race Urban Renewal Plan Boundary Aerial View



Source: City of Lebanon

### III. THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN URA PROJECTS AND THE EXISTING CONDITIONS IN THE URA

The projects identified for the Mill Race Urban Renewal Area (“Plan Area” or “Area”) are described below, including how they relate to the existing conditions in the Plan Area.

#### *A. Developer Incentives*

The Agency may provide incentives to developers for the provision of infrastructure required to facilitate development in the Plan Area. This will be completed through an economic development agreement with the developer/builder/property owner that stipulates the amount and timing of the incentive. These incentives will be a rebate based on of the property taxes paid within the Plan Area and in conformance to the Economic Development Agreement.

**Existing Conditions:** The property is currently underdeveloped. There are plans for full development of the property, but only approximately one-third of the infrastructure has been completed and a very small portion of the planned development has been completed (storage units). The infrastructure needs include streets, sidewalks, water, sewer and storm drainage to serve the new development.

#### *B. Administration*

The Agency may provide administration of the Plan including but not limited to reimbursement of costs associated with preparing the Plan, staff support, legal counsel assistance, review of annual payments, financial statements, budget preparation and annual reports pursuant to ORS 457.460.

**Existing Conditions:** These parcels are presently in the Northwest Lebanon Urban Renewal Area, so administration is allocated in the Northwest Lebanon Urban Renewal Plan. Once this is removed from the Northwest Lebanon Urban Renewal Plan, there will be no administrative dollars allocated until it is put into this new Mill Race Urban Renewal Area.

A table showing the projects and total estimated costs is shown in Table 2. The total costs are estimated based on the projected future assessed value of the project.

#### **IV. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS**

The total cost estimates for the projects are shown in Table 2 below. These costs include both the maximum agreed upon cost stipulated in the Economic Development Agreement, and the anticipated portion of those costs that would actually be incurred based on a forecast of planned development activities in the Area.

These are all estimates acknowledging that these project activities must not exceed the maximum indebtedness. These costs are shown in nominal, year of expenditure (“YOE”) dollars, and do not exceed the maximum indebtedness of \$9,652,364. Any remaining tax increment funds beyond what is necessary to fund the developer rebate and administration of the Plan will be returned to taxing districts through an underlevy of TIF or similar mechanism. The estimated amount of developer incentives were calculated based on a development schedule provided by Lebanon city staff that estimated construction timelines. See Table 3 for a summary of the forecast assessed value from new construction in the Area over time. As the Economic Development Agreement set a higher limit of potential rebate to the developer, the urban renewal plan’s maximum indebtedness authority will match that limit, but the projected amount of tax increment revenues that would be used is much lower.

As per the Economic Development Agreement dated September 25, 2015, the Agency shall reimburse the Developer for the actual cost of the construction of the Public Infrastructure improvements described in the Economic Development Agreement subject to the provisions of the Economic Development Agreement limiting reimbursement to incremental tax revenue actually received by the Agency. The Agency shall reimburse the Developer in an amount equal to 80% of the incremental property tax directly attributable to the Development of the Developer’s Property for five (5) years and seventy-five percent (75%) of the incremental property tax directly attributable to the Development of the Developer’s Property thereafter through FYE 2028.

The Agency will use the amount shown in Table 2 for administration of the Plan. The amount is equivalent to an annual administration cost of \$2,000 (adjusted annually for assumed 3% inflation) plus repayment to the Agency of \$33,500 for the costs associated with preparation of the Plan. These cumulative administrative costs are estimated to total \$46,249 in YOE dollars.

The Agency will be able to review and update fund expenditures and allocations on an annual basis when the annual budget is prepared.

Table 2 - Estimated Cost of Each Project

<b>Project</b>	<b>Estimated Cost</b>	<b>Maximum Cost</b>
Developer Incentives	\$2,249,598	\$9,606,105
Administration	\$46,249	\$46,249
<b>TOTAL</b>	<b>\$2,295,857</b>	<b>\$9,652,354</b>

Source: City of Lebanon and Tiberius Solutions

Table 3 - Estimated Annual Construction Values

<b>Year of Completion</b>	<b>FYE On Tax Roll</b>	<b>Total Value (2020 \$)</b>
2019	2021	\$1,445,400
2020	2022	\$0
2021	2023	\$0
2022	2024	\$10,894,400
2023	2025	\$14,012,350
2024	2026	\$5,940,000
2025	2027	\$13,417,000
2026	2028	\$2,166,500
2027	2029	\$0
<b>TOTAL</b>		<b>\$47,875,650</b>

## V. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through fiscal year ending (“FYE”) 2028 are calculated based on projections of the growth in assessed value of new development within the Area and the consolidated tax rate that will apply in the Area.

Table 3 shows the incremental assessed value, tax rates, and tax increment financing revenues each year (“Gross TIF”), adjusted for discounts (“Net TIF”). In Oregon, when the full amount of the property tax bill is paid by November 15, the taxpayer gets a 3 percent discount. If the taxpayer pays two thirds of the tax by November 15, they get a 2 percent discount. To get a discount on the current year’s tax bill, all delinquent taxes, penalty, and interest must first be paid in full.<sup>1</sup>

The first year of tax increment collections is anticipated to be FYE 2022. Gross TIF is calculated by multiplying the tax rate times the increment. Increment is the increased assessed value over the frozen base. The tax rate is expressed per thousand dollars of assessed value, so the calculation is “tax rate times excess value used divided by one thousand.”

The rebate amount is tied to the terms stipulated in the Economic Development Agreement. The terms of that agreement are outlined in the previous section of this Report. Given the projected development schedule, the total amount of rebate to the developer is anticipated to be less than the allowed amount in the Economic Development Agreement. The total anticipated rebate is \$2,249,598.

The Plan is financially feasible because the only project, other than administration, is the rebate to the developer, and the amount of the rebate is contractually obligated to only be a portion of annual TIF revenue.

The maximum indebtedness (“MI”) of the Plan is equal to the amount of TIF that would need to be generated to provide the developer with the not-to-exceed amount of the rebate as identified in the Economic Development Agreement.

The financial projections, based on assumed development for the Area, suggest that the Area will not reach that MI figure, and instead would generate \$3,007,115 in gross TIF revenue, and have impacts to taxing districts of \$2,295,857 including developer rebates and administrative costs. The remainder of these TIF proceeds would be returned to affected taxing districts through an underlevy or other similar approach.

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<sup>1</sup> [www.oregon.gov/dor](http://www.oregon.gov/dor), Property Tax Payment Procedure

However, in the event that the development was on a faster schedule and/or more valuable than anticipated and the Area did achieve the full amount of MI, then impacts to taxing districts could be as high as \$9,652,364 as shown in Table 7.

Table 4 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Total AV	Frozen Base	Increment	Tax Rate	Gross TIF	Net TIF	Rebate to Developer	To Agency for Admin.	Returned to Taxing Districts
2020	\$438,235	\$438,235	\$0	14.7793	\$0	\$0	\$0	\$0	\$0
2021	\$451,382	\$438,235	\$0	14.7793	\$0	\$0	\$0	\$0	\$0
2022	\$464,924	\$438,235	\$1,560,113	14.7793	\$23,057	\$22,366	\$17,893	\$2,122	\$2,351
2023	\$478,871	\$438,235	\$1,620,064	14.7793	\$23,943	\$23,225	\$18,580	\$2,185	\$2,460
2024	\$493,237	\$438,235	\$13,943,556	14.7793	\$206,076	\$199,894	\$159,915	\$32,251	\$7,728
2025	\$508,034	\$438,235	\$30,619,164	14.7793	\$452,530	\$438,954	\$351,163	\$2,319	\$85,472
2026	\$523,276	\$438,235	\$38,643,556	14.7793	\$571,125	\$553,991	\$443,193	\$2,388	\$108,410
2027	\$538,974	\$438,235	\$56,317,228	14.7793	\$832,329	\$807,359	\$605,519	\$2,460	\$199,380
2028	\$555,143	\$438,235	\$60,764,349	14.7793	\$898,055	\$871,113	\$653,335	\$2,534	\$215,244
<b>Total</b>					<b>\$3,007,115</b>	<b>\$2,916,902</b>	<b>\$2,249,598</b>	<b>\$46,259</b>	<b>\$621,045</b>

Source: Tiberius Solutions

Total AV:	Total Assessed Value
Frozen Base:	The Assessed Value of the properties in the Area at the time the urban renewal area is established
Increment:	The Assessed Value of development in the Area after it is established
Tax Rate:	The tax rate is \$14.7793 per thousand dollars of assessed value.
Gross TIF:	The total amount of tax increment proceeds when multiplying the increment times the tax rate
Net TIF:	The amount of tax increment proceeds after estimates for discounts, delinquencies, truncation loss, and receipt of delinquent taxes from prior years
Rebate:	The amount to be paid to the developer for reimbursement for infrastructure costs
To URA:	The amount to be paid to the Agency for administrative costs
To Tax Districts:	The amount that will be rebated to the impacted taxing districts

The maximum indebtedness is \$9,652,364 (Nine Million, Six Hundred Fifty-Two Thousand, Three Hundred Sixty-Four Dollars). This is also the estimated total amount of tax increment revenues that could be required to service the maximum indebtedness as no formal borrowings or interest payments are anticipated in the Plan. The indebtedness will be retired or terminated in FYE 2029. The last year of tax increment revenues is FYE 2028.

## **VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT**

The schedule for projects will be based on the availability of funding. No rebate to the developer will occur unless there is new development in the Area that provides for tax increment collections. The estimated rebate is shown in Table 4. Annual expenditures for program administration are shown in Table 2.

The Agency is anticipated to complete the project and to terminate the Plan in FYE 2029, a seven (7) year tax rebate program.

## VII. REVENUE SHARING

Revenue sharing targets, as prescribed in ORS 457.470, are **not** projected to be reached during the life of the Plan. However, the financial analysis shows a voluntary under-levy amount each year, shown in the final column of Table 4, *Returned to Taxing Districts*. This amount will be predicated on the terms of the Economic Development Agreement as applied to the actual development in the Area.

Revenue sharing is defined in ORS 457.470 and requires that the impacted taxing jurisdictions will receive a share of the incremental growth in the Plan Area at specifically defined thresholds. The first threshold is when annual tax increment finance revenues exceed 10% of the original maximum indebtedness of the Plan (10% = \$965,236). At the 10% threshold, the 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. If this threshold is met, revenue for the district would be capped at 12.5% of the original maximum indebtedness, with all additional tax revenue being shared with affected taxing districts.

## VIII. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the 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 FYE 2028 and are shown in Table 5 and Table 6.

The Lebanon Community School District #9 and the Linn-Benton-Lincoln Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the 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. If new school aged students move into these units and attend the local schools, the funding through the State School Fund would increase.

In this Plan, the property is largely an undeveloped site. The costs of the infrastructure will impede full development of the site. The urban renewal concept known as “but for urban renewal” means that the development and increased property tax revenue would not have happened but for the ability of urban renewal to lower the costs of development. So, although there are projected impacts to the permanent rate levies, the property value increases and resulting property taxes would not have happened but for the incentives provided through the urban renewal area.

Table 5 and Table 6 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 5 shows the general government levies, and Table 6 shows the education levies. Table 5 and Table 6 indicate the impacts to taxing districts based on the projected development schedule. However, the Economic Development Agreement calls for a higher level of payment to the developer. If those values are met, the impacts to the taxing districts could be higher, shown in Table 7. The maximum indebtedness of the Plan is set according to the Economic Development Agreement.

Table 5- Projected Impact on Taxing District Permanent Rate Levies - General Government

General Government						
FYE	Linn County	City of Lebanon	Lebanon Fire District	Lebanon Aquatic	4H Extension District	Subtotal
2022	\$1,725	\$6,956	\$3,061	\$325	\$95	\$12,161
2023	\$1,789	\$7,217	\$3,175	\$337	\$98	\$12,617
2024	\$16,560	\$66,785	\$29,385	\$3,121	\$910	\$116,761
2025	\$30,461	\$122,849	\$54,053	\$5,740	\$1,674	\$214,778
2026	\$38,398	\$154,857	\$68,137	\$7,236	\$2,110	\$270,738
2027	\$52,392	\$211,297	\$92,970	\$9,873	\$2,880	\$369,412
2028	\$56,519	\$227,941	\$100,293	\$10,651	\$3,106	\$398,510
<b>Total</b>	<b>\$197,844</b>	<b>\$797,902</b>	<b>\$351,075</b>	<b>\$37,282</b>	<b>\$10,874</b>	<b>\$1,394,978</b>

Source: Tiberius Solutions

Table 6 - Projected Impact on Taxing District Permanent Rate Levies – Education

Education					
FYE	Linn-Benton-Lincoln ESD	LBCC	Lebanon Community Schools	<i>Subtotal</i>	Total General Government and Education
2022	\$413	\$680	\$6,761	\$7,854	\$20,015
2023	\$428	\$705	\$7,015	\$8,148	\$20,765
2024	\$3,964	\$6,526	\$64,914	\$75,405	\$192,166
2025	\$7,292	\$12,004	\$119,408	\$138,704	\$353,482
2026	\$9,192	\$15,132	\$150,519	\$174,843	\$445,581
2027	\$12,543	\$20,647	\$205,378	\$238,567	\$607,979
2028	\$13,531	\$22,273	\$221,555	\$257,359	\$655,869
<b>Total</b>	<b>\$47,364</b>	<b>\$77,967</b>	<b>\$775,549</b>	<b>\$900,879</b>	<b>\$2,295,857</b>

Source: Tiberius Solutions

Table 7 - Projected Impact on Taxing District Permanent Rate Levies of Economic Development Agreement

<b>Taxing District</b>	<b>Cumulative Impact</b>
<b>General Government</b>	
Linn County	\$831,788
City of Lebanon	\$3,354,584
Lebanon Fire District	\$1,476,007
Lebanon Aquatic	\$156,744
4H Extension District	\$45,717
<i>Subtotal</i>	<i>\$5,864,840</i>
<b>Education</b>	
Linn-Benton-Lincoln ESD	\$199,130
LBCC	\$327,791
Lebanon Community Schools	\$3,260,603
<i>Subtotal</i>	<i>\$3,787,524</i>
<b>Total</b>	<b>\$9,652,364</b>

Source: Tiberius Solutions

Note: The financial projections do not anticipate this level of development happening; this scenario is tied to the Economic Development Agreement.

Table 8 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2029.

The frozen base is the assessed value of the Plan Area established by the county assessor at the time the Plan is established. Excess value is the increased assessed value in the Plan Area above the frozen base.

Table 8 - Additional Revenues Obtained after Termination of Tax Increment Financing in FYE 2029 (Year after Termination)

<b>Tax Revenue in FYE 2029 (Year after Termination)</b>			
<b>Taxing District</b>	<b>From Frozen Base</b>	<b>From Increment</b>	<b>Total</b>
<b>General Government</b>			
Linn County	\$558	\$79,728	\$80,286
City of Lebanon	\$2,251	\$321,541	\$323,792
Lebanon RFD	\$990	\$141,477	\$142,467
Lebanon Aquatic	\$105	\$15,024	\$15,129
4H Extension District	\$31	\$4,382	\$4,413
<i>Subtotal</i>	<b>\$3,935</b>	<b>\$562,152</b>	<b>\$566,087</b>
<b>Education</b>			
Linn-Benton-Lincoln ESD	\$134	\$19,087	\$19,221
LBCC	\$220	\$31,419	\$31,639
Lebanon Comm SD #9	\$2,188	\$312,533	\$314,721
<i>Subtotal</i>	<b>\$2,541</b>	<b>\$363,039</b>	<b>\$365,580</b>
<b>Total</b>	<b>\$6,477</b>	<b>\$925,190</b>	<b>\$931,667</b>

Source: Tiberius Solutions

**IX. 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 of the Mill Race Urban Renewal Area (assumed to be FYE 2020 values) is projected to be \$438,235. The total assessed value of the City is \$1,261,832,878. To calculate the total percentage of assessed value in urban renewal, the frozen base assessed values of the urban renewal areas are divided by the total assessed value of the City minus the increment of the urban renewal areas, also called excess value. In Lebanon, this results in 6.77% of the City’s assessed value being located in the urban renewal, which is below the 25% threshold. This is shown in Table 9. The acreages of the existing urban renewal areas and the Mill Race Urban Renewal Area are also shown in Table 9. Lebanon has 24.25% of its acreage in urban renewal, below the statutory restriction of 25%.

Table 9a - Assessed Value Statutory Limit Verification

<b>Urban Renewal Area</b>	<b>Frozen Base Assessed Value</b>	<b>Acreage</b>	<b>Excess Value</b>
Northwest Lebanon	\$10,818,045	570.15	\$174,940,514
North Gateway	\$8,365,939	144.16	\$55,520,925
Cheadle Lake	\$23,436,198	295.45	\$25,631,124
Downtown	\$25,048,733	51.30	\$80,225
Mill Race	\$438,235	51.45	0

Table 9b - Assessed Value Statutory Limit Verification

	<b>Assessed Value</b>	<b>Acreage</b>
Total in URA Frozen Base = A	\$68,107,150	1,112.51
City of Lebanon = B	\$1,261,832,878	4,603.86
UR Excess = C	\$256,172,788	
City less UR Excess = B-C	\$1,005,660,090	
Percent of Total A/(B-C)	6.77%	24.25%

Source: Compiled by Elaine Howard Consulting, LLC with data from City of Lebanon and Linn County Department of Assessment and Taxation (FYE 2020) AV – assessed value, Frozen base – assessed value the urban renewal area at the time it is established Increment – increased assessed value over the frozen base URA – urban renewal area

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

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

***A. Physical Conditions***

1. Land Use

The Plan Area measures 51.45 total acres in size. The present land use is largely vacant with some small residential uses and a new storage unit facility.

2. Zoning and Comprehensive Plan Designations

The zoning designation is Mixed Use and the Comprehensive Plan designation for the area is Mixed Use.

***B. Infrastructure***

This section identifies the existing conditions in the Plan Area to assist in **establishing blight in the ordinance adopting the Plan. This does not mean that all of these projects are included as projects to be undertaken in the Plan.** The specific projects that are included in the Plan are listed in Section II of this Report.

1. Transportation

About one-third of the transportation network has been completed in the Area. The other two-thirds of the network is yet to be completed.

2. Other Utilities

About one third of the water, sewer and storm water lines have been completed in the Area. The other two-thirds of the water, sewer and storm water lines area yet to be completed.

***C. Social Conditions***

The Plan Area contains six parcels, two of which have some residential property. The remainder of the property is undeveloped.

## ***D. Economic Conditions***

### ***1. Taxable Value of Property within the Plan Area***

The majority of the Area is presently vacant and not contributing its fair share to the overall tax base of the City. The assessed value in the Area according to the Linn County FYE 2020 assessment data is \$438,235.

### ***2. Improvement to Land Values within the Plan Area***

As of this report, the Assessor's office shows five tax lots. One of those tax lots has been divided, but the Assessor does not yet show that as a separate tax lot. Of the five tax lots, three of the tax lots representing 41.32 acres, or 86% of the tax lot acreage, are undeveloped. One parcel has an improvement to land value ratio of .48, indicating it is highly underdeveloped. This parcel was recently divided, however the overall land to improvement value does not change with this division. The remaining parcel has a land to improvement value of 2.6, but it represents just under an acre of the total Area. The majority of the Area is un/underdeveloped, not contributing its fair share of property tax revenues to the City or other taxing districts.

## ***E. Impact on Municipal Services***

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Plan Area (affected taxing districts) is described in Section VII 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 funding are for developer incentives to assist in development in Lebanon and administration of this project.

Development in the Plan Area will require City services. This development is inside the urban growth boundary and the City is expecting to provide services to the property. There is an existing building permit for the property and the city has proceeded with its typical review of the potential development through review of plans. As the development will be new construction, it will be up to current building code and will aid in any fire protection needs.

The financial impacts from tax increment collections will be countered by construction jobs, new long term employment opportunities, additional housing opportunities and, in the future, adding future increases in assessed value to the tax bases for all taxing jurisdictions, including the City.

**XI. REASONS FOR SELECTION OF EACH PLAN AREA IN THE PLAN**

The reason for selecting the Plan Area is to provide the ability to fund developer incentives necessary to cure blight within the Plan Area. The area is underdeveloped and has a prevalence of depreciated values to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.

**XII. RELOCATION REPORT**

There is no relocation report required for the Plan. No specific acquisitions that would result in relocation benefits have been identified. However, if property is acquired that requires relocation, the Agency shall comply with applicable relocation requirements.