

**REPORT ACCOMPANYING
TILLAMOOK URBAN RENEWAL PLAN
AMENDMENT**

Prepared for the City of Tillamook

June 18, 2012

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INTRODUCTION

The Report on the Amendment to the Tillamook Urban Renewal Plan (Report) contains background information and project details pertaining to the Tillamook 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 Tillamook City Council as part of its approval of the amendment to the Plan.

The Report provides the information required in ORS 457.085(3). The format of the Report is based on this statute.

The Tillamook Urban Renewal Plan was established in October of 2006, and was amended in September 2009 and December of 2009. A third amendment – detailed in this report – will increase the maximum indebtedness of the Plan, add and delete property in the urban renewal area (URA), and update the project lists as well as the financial projections. The updated project list does not add new project categories, but does change the proposed allocation of funding to the project areas, as shown in Table 15.

As the additions of property are in excess of 1% of the original acreage of the area, and there is a proposal to increase the maximum indebtedness, this will be considered a substantial amendment, and will require a City Council vote on a non-emergency ordinance.

The limitations of acreage changes for the urban renewal area are shown in Table 1. The proposed changes are shown in Table 2. The properties being added and removed are shown in Table 3 and Figure 1. The additions are within the 20% of the original plan area limit. The proposed new boundary is shown in Figure 2. The property in the Tillamook Urban Renewal Plan as amended by this third amendment will be called the “Area.”

Table 1 – Limitations on Acreage

	Acres
Acres of Tillamook Urban Renewal Area	250.46
20% limitation on increase	0.20
Total amount Area can increase	50.09
Acreage of City	1,121
Limitation on 25% of urban renewal to City acreage(1121 acres in City/.25)	280.25

The properties being added are:

- Parcels in the commercial development parcel on Highway 6
- Parcels along Third Street anticipated for future commercial development
- The former Safeway property on Highway 101, presently owned by the City of Tillamook for future use as a park
- The former Tillamook RV Site on Highway 101, presently owned by the City of Tillamook for future use as a park
- Right of way throughout the city for future addition of curbs and sidewalks
- Child Care Center site

The properties being removed are:

-
- Tillamook Hospital and parking lot
- City shops
- Hoquarton North Property

Table 2 – Acreage Proposed Changes

	Acres
Acres of Tillamook urban renewal area	250.46
Acreage removed	24.14
Sub total	226.32
Acreage added	49.83
Total acreage	276.15

Table 3 – Properties Added and Removed

Removed	Acres	Added	Acres
1S0930BB00900 Hoquarton North	19.15	ROW Old Tillamook RV Site	0.52
1S1025AC04400 City Shops	1.01	ROW to Former Safeway	1.19
1S1025AC04700 Hospital	2.64	ROW Stillwell/9th	3.90
1S1025AC04800 Hospital parking lot	.68	ROW 12th, Main to Miller, CCC	2.85
ROW* City Shops	.66	ROW Evergreen/12th/Marolf	5.85
		ROW Meadow/Dogwood	1.77
Total removed	24.14	ROW Hwy 101 S. Gateway	1.29
		ROW 12 th Gateway to Child Care Center	3.75
		1S0929-00-00205 (Neal)	5.06
		1S0930-BB-00400 (City of Tillamook: Safeway)	5.33
		01S0930DB01506 (Schmitz)	0.73
		1S0919C001400 (City of Tillamook: RV)	1.47
		01S0929CB01200 (Wilks)	0.99
		01S0929CB01101 (Wilks)	1.27
		01S0929AC00700 (Henderson)	0.46
		01S0929AC01500 (Lewallen)	0.46
		01S0929AC01200 (Faudskar)	0.46
		01S0929AC01400 (Wyss)	0.46
		01S0929AC01300 (Hayes)	0.46
		01S0929AC01100 (Naegeli)	1.57
		01S0929AC00900 (Naegeli)	4.62
		01S0929AC00800 (J Brunson)	0.20
		01S0929AC01000 (P Brunson)	3.57
		1S0930CD04000 (Child Care Center)	1.58
		Total added	49.83

Source: City of Tillamook, Tillamook County GIS *Right of way

**City of Tillamook
Urban Renewal District**

Urban Renewal District

- Urban Renewal District
- Proposed Deletions
- Proposed Additions
- Tax Lots
- Tillamook City Limits

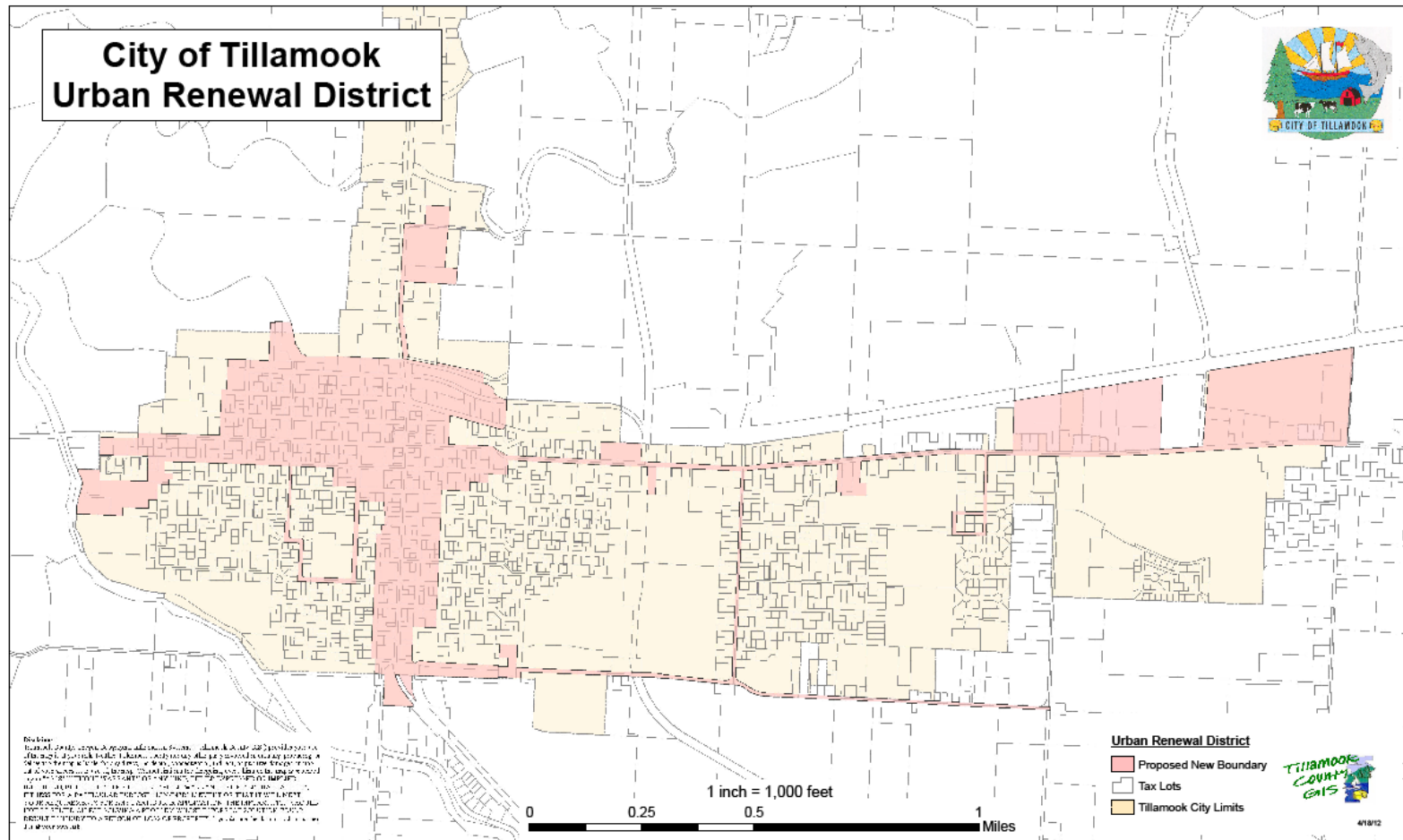
1 inch = 1,000 feet

0 0.25 0.5 1 Miles

Tillamook County OR

4/18/12

Figure 2 – Tillamook Urban Renewal Area



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

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

Physical Conditions

Land Use

The Area, shown in Figure 1 above, contains 486 parcels, including 61 exempt and 425 non-exempt properties. The Area consists of 194197.27 acres in parcels and 78.88 acres of right of way, for a total size of 276.15 acres.

An analysis of property classification data from the Tillamook County Assessment and Taxation database was used to determine the land use designation of parcels in the Area. The largest use of land in the Area is Improved Commercial, and accounts for 28.86% of Area parcel acreage. The two uses most closely following this are Tax-Exempt, which comprises 24.51% of the Area parcel acreage and Residential – Improved, which comprises 16.91% of Area parcel acreage. Commercial – Vacant comprises 17.96% of Area parcel acreage. In total, vacant lands account for 22.49% of the Area’s acreage, a clear indicator of blight. Table 4, below, shows the full distribution of land use, both by parcel and acreage.

Table 4 – Existing Land Use of Area

Land Use	Parcels	Acreage	% of Total Acreage
Commercial – Improved	180	56.93	28.86%
Tax Exempt	61	48.35	24.51%
Residential – Improved	196	33.35	16.91%
Commercial – Vacant	19	35.42	17.96%
Industrial – Vacant	8	8.43	4.27%
Farm	2	6.19	3.14%
Residential – Manufactured Structure	6	4.28	2.17%
Industrial – Improved	8	2.44	1.24%
Commercial – Manufactured Structure	1	1.36	0.69%
Residential – Vacant	5	0.52	0.26%
Total	486	197.27	100.00%

Source: Tillamook County Assessor Data

Zoning and Comprehensive Plan Designations

An analysis of zoning and comprehensive plan data from the City of Tillamook database was used to determine the zoning and comprehensive plan designations of parcels in the Area. The most prevalent zone is Central Commercial, accounting for 28.21% of Area acreage. The two uses most closely following this are Highway Commercial, which comprise 17.78% of Area acreage and Single Family Residential, which comprise 15.59% of Area acreage. Light Industrial zoning accounts for 12.94% of the Area. Table 5, below, shows the full distribution of zoning and comprehensive plan designations, both by parcel and acreage.

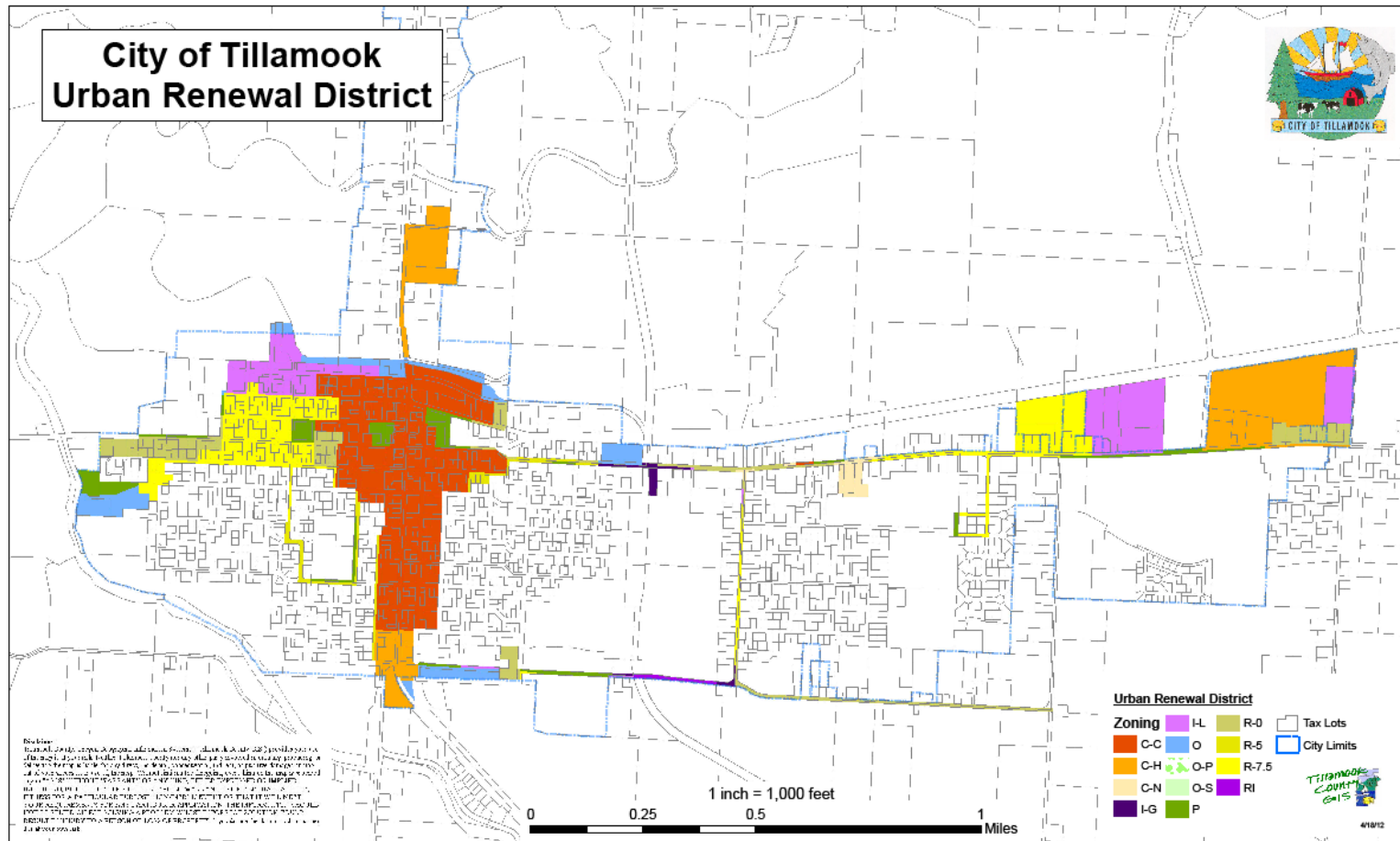
The acreage calculations include right of way and, therefore, are not the same acreage calculations as the land use table above, but they do indicate the overall total acreage of the Area.

Table 5 – Existing Zoning and Comprehensive Plan Designations of Area

	Acreage	% of Total Acreage
Central Commercial (C-C)	77.92	28.21%
Highway Commercial (C-H)	49.12	17.78%
Single Family Residential (R -7.5)	43.07	15.59%
Light Industrial (L-I)	35.74	12.94%
Multiple Use Residential (R-0)	25.2	9.12%
Open Space (O)	12.34	4.47%
Public and Semi-Public (P)	19.73	7.14%
Single Family and Duplex Residential (R-5)	5.45	1.97%
Neighborhood Commercial (C-N)	4.12	1.49%
General Industrial (I-G)	3.56	1.29%
Total	276.25	100.00%

Source Tillamook County GIS from City of Tillamook Data

Figure 3 - Area Zoning and Comprehensive Plan Designations



Infrastructure

Street and Sidewalk Conditions

The following street repair projects are listed on the Capital Improvement Plan for the City of Tillamook. In addition to these projects, there are areas without sidewalks and areas where the sidewalks are in poor repair and need to be replaced. The sidewalks in the town center area, in particular, are in poor repair and need to be upgraded.

Table 6 – Street Paving Projects

Street Projects	Estimate
2nd Stillwell to Ivy	\$9,698
10th Pacific to Miller	\$7,636
10th Main to Pacific	\$6,894
4th Elm to Stillwell	\$33,919
Birch 3rd	\$6,872
Cedar 3rd	\$6,872
Ash 3rd-4th	\$9,687
Douglas Front to 1st	\$11,373
11th Stillwell to Main	\$12,296
10th Stillwell to Main	\$10,435
7th Pacific to Miller	\$4,582
Meadow Dogwood to end	\$40,732
Nestucca 3rd to 4th	\$9,687
Stillwell Front to 2nd	\$21,635
Stillwell 1st to 2nd A	\$11,184
Stillwell 1st to 2nd B	\$20,964
Stillwell 1st to 2nd C	\$20,964
Stillwell 2nd to 3rd	\$18,255
Stillwell 1st to 3rd	\$49,858
Stillwell 1st to 3rd	\$22,500
2nd Ivy to Stillwell	\$10,131
4th Pacific to Ocean	\$37,907
Ocean to 3rd	\$9,142
Total	\$393,223

Source: City of Tillamook

Table 7 – Public Works Committee Recommendations/Street Projects

Public Works Committee Recommendations		
Stillwell Front to 1st	21635	\$21,635
Stillwell 1st-3rd	4988	\$49,858
2nd Ivy – Stillwell		\$10,131
6th at Elm	12250	\$12,250
Total		\$93,874

Source: City of Tillamook

Stormwater

The following projects are identified by the City Engineer as deficiencies in the Area and are part of the Capital Improvement Recommendations.

Table 8 – Storm Water Projects

Storm Collection System	Estimate
Improvements to ODOT main line Main Ave from 6th St to Hoquarton Slough	\$290,000
Piping Improvements along Birch Ave from 5th Street to 1st Street	\$180,000
Piping Improvements 2 systems outfall Front Street along Elm and Fir Avenues	\$194,000
Piping Improvements Front St and Stillwell Avenue	\$320,000
Improvements to large linear system Pacific Avenue, outfalling to Holden Creek	\$500,000
Replacement of upper branch lines in 4th Street and Elm Avenue	\$88,000
Replacement of pipes in Ivy Ave	\$32,000
Replacement of branch lines in 2nd, 3rd, 4th Streets between Laurel and Ivey Avenues	\$84,000
Total	\$1,688,000

Source: City of Tillamook

Wastewater

The following projects are identified by the City Engineer as deficiencies in the Area and are part of the Capital Improvement Recommendations. Some of the projects are system-wide projects but are impacted by the Area.

Table 9 – Wastewater Projects

Wastewater Projects	Estimate
1st Street Overflows	\$195,000
Smoke testing and video	\$120,000
Upgrade STEP systems in Sub Basin 5	\$390,000
Construct a new Southside Interceptor	\$1,580,000
Construct a new 12th Street Interceptor	\$1,000,000
Construct Interceptor to Fairview Area	\$1,660,000
Upgrade 12th Street Pump Station and Forcemain	\$405,000
Total	\$5,350,000

Source: City of Tillamook

Water

The Tillamook Water Commission published the Tillamook Water Master Plan in April of 1997. The following projects are identified as deficiencies in the Area.

Table 10 – Water Projects

Water System	Estimate
2nd to Elm , 2nd to 1st	\$14,625
Cedar 1st to 3rd	\$31,590
Laurel Avenue 10th to 11th	\$14,625
Hoquarton west bridge crossing	\$13,000
Total	\$73,840

Source: City of Tillamook

Social Conditions

There are 207 parcels in the Area with residential uses, accounting for 20% of the acreage and 43% of parcels in the Area. The 2010 census data that was recently released is used below to describe the social conditions within the Area. Due to the fact that this data is for the City of Tillamook as a whole, not just the URA, some variation can be expected between the values represented in the tables and the actual values within the URA. The percentages presented here, however, should provide a reasonably accurate picture of what demographic exists within the Tillamook Urban Renewal Area.

The age distribution in Tillamook is fairly evenly spread out, with a skew toward the younger ages. People 29 years or younger account for over 44.5% of the total population, and people 60 years or older account for only 18.9% of the City of Tillamook's total population. The full age distribution is shown in Table 11, below.

Table 11 – Age

Age	Population	% of Population
Under 14 years	1127	22.8%
15 to 29 years	1072	21.7%
30 to 44 years	905	18.3%
45 to 59 years	898	18.2%
60 to 74 years	561	11.4%
75 years and over	372	7.5%
Total Population	4935	100.0%

Source: 2010 US Census Data

The racial characteristics of the City of Tillamook are shown in Table 12, below. The majority of people (89.4%) in Tillamook identify themselves as white and the second largest group (7.6%) that people identify with is some other race than what is identified in this table.

Table 12 – Racial Characteristics

Race alone or in combination with one or more other races: [4]	Population	% of Population
White	4,411	89.4
Black or African American	24	0.5
American Indian and Alaska Native	123	2.5
Asian	85	1.7
Native Hawaiian and other Pacific Islander	73	1.5
Some other race	376	7.6

Source: 2010 US Census Data

The US Census chooses to describe Hispanic or Latino demographics in a table separate from the other races. This data is shown below in Table 13, and is simply another representation of the racial characteristics of Tillamook. Of the total population, 17.2% of residents identify themselves as Hispanic or Latino, and the majority of these respondents (15.8% of the total population) also identify themselves as Mexican. The variation in population counts between the table below and the table above can be explained by the fact that some respondents to the 2010 census chose to answer one question or the other, but did not answer both. Because to this, they will be represented in only one of the two tables, and the numbers will not be completely consistent.

Table 13 – Racial Characteristics (Hispanic or Latino)

Hispanic or Latino	Population	% of Population
Total population	4,935	100
Hispanic or Latino (of any race)	847	17.2
Mexican	778	15.8
Puerto Rican	4	0.1
Cuban	7	0.1
Other Hispanic or Latino [5]	58	1.2
Not Hispanic or Latino	4,088	82.8

Source: 2010 US Census Data

Economic Conditions

Taxable Value of Property Within the Area

The estimated 2011/2012 frozen base assessed value of the real, personal, manufactured, and utility property in the Area is \$60,466,942. The projected frozen base after this Amendment will be \$62,100,663, which includes the assessed value of the properties to be added plus a deletion of property with assessed value. The assessor will certify the new frozen base once the Amendment is adopted by the Tillamook City Council, and it may vary slightly from these projections.

Improvement 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 Tillamook Urban Renewal Area would be 2:1 or more. This ratio is very conservative; many small towns in Oregon expect a 4:1 improvement to land ratio. Because the Area has a variety of improvement types, including a large residential component, we have lowered those expectations.

Table 14, below, shows the improvement to land ratios for taxable properties within the Area. By acreage, 24.51% of the Area (48.35 acres) has no appraised improvement value because it is tax exempt; see Land Use Table, Table 4.

A large portion of the Area, 25.92%, has no appraised improvement value, an indicator of underdevelopment and blight in the Area. Over 58.24 %of the Area has an I:L ratio of 1.5 or less, also an indication of depreciated values within the Area. Only approximately 10.69% of the parcels in the Area meet the improvement ratio of 2.0; the I:L ratios for improved properties in the Area are very low.

Table 14 – I:L Ratio of Parcels in the Area

I:L Ratio	Parcels	Acreage	% of Total Acreage
No Improvements	38	51.13	25.92%
0.01 - 0.50	50	17.24	8.74%
0.51 - 1.00	118	24.58	12.46%
1.01 - 1.50	103	21.94	11.12%
1.51 - 2.00	58	12.95	6.56%
2.01 - 3.00	38	11.21	5.68%
3.01 - 4.00	9	3.06	1.55%
4.01 - 5.00	7	4.13	2.09%
>5.0	4	2.68	1.36%
Tax Exempt	61	48.35	24.51%
Total	486	197.27	100.00%

Source: Tillamook County Assessor data

Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in the section on Financial Analysis, and Tables 19 and 20 of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services from the properties added to the Area.

The addition of significant rights of way will provide a funding source for much-needed street projects throughout the Area. These street improvement projects include areas around the public schools, making safer passages to schools, and residential areas in close proximity to the downtown core.

The large parcel on Highway 6 being added to the Area will potentially provide new development to the City of Tillamook. There is potential for new commercial development on this parcel. This new development will require city services, including utilities and police and fire protection.

The developments will also provide employment and shopping opportunities for citizens of Tillamook. Once urban renewal is terminated, the developments will provide additional tax base for the taxing districts.

REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the areas to be included in the Plan is to cure blight. Additional explanation for the various areas follows:

The large parcel on Highway 6, is not presently developed and has depreciated values given the development potential of the site; this is an indicator of blight.

The parcels on Third Street are potential future redevelopment parcels, as Third Street is improved. These properties exhibit depreciated values and could add more to the tax base, which is an indicator of blight. Some of the parcels could benefit from assistance, including potential façade loans.

The sites on Highway 101 (former Safeway and Tillamook RV) are owned by the City of Tillamook. They were former commercial developments, but were frequently inundated by water and declared uninhabitable by the Federal Emergency Management Agency (FEMA), an indicator of blight. The City has an interest in developing them for future park use.

The parcel off 12th Street may be considered for a redevelopment loan.

The rights of way are in poor repair, lacking curbs and gutters, and are in need of upgrading.

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

The categories of projects as updated through this Amendment are the same as identified in the original Plan and Report, however, the expenditures per category have been changed. A summary of the changes is shown in Table 15. Some activities have already been completed including \$400,000 for parking facilities.

Table 15 – Project Allocations

Project Category	Original Report (2006)	Present Allocation
Public Parks and Open Spaces	1,871,250	1,300,000
Street, Curb, and Sidewalk Improvements	1,996,000	2,400,000
Public Utilities	1,497,000	1,585,000
Streetscape and Neighborhood Beautification (Town Center and Gateway)	1,996,000	1,600,000
Pedestrian, Bicycle, Transit, and Parking	998,000	400,000*
Public Safety	124,750	
Public Buildings and Facilities	1,247,500	500,000
Development and Redevelopment **	1,497,000	1,050,000
Plan Administration and Financing	1,000,000	1,260,000
Total	12,227,500	\$10,095,000

*Source: Tillamook Urban Renewal Plan * \$400,000 already spent on parking **including technical assistance, facades, signage*

The existing conditions identified in the Report dated October 11, 2006 remain the same. Existing conditions for new projects in the Area are identified below:

1. Former Safeway and Tillamook RV Site: These sites will be redeveloped into recreational vehicle parking with park features.

Existing Conditions: These are Federal Emergency Management Administration (FEMA) buyout properties. As they are in a floodplain, very little can be done to develop the properties. Recreational vehicle and park usage is an improved use for the properties.

2. Holden Creek: Improvements to the creek to reduce impacts of flooding.

Existing Conditions: Holden Creek often floods into the adjacent properties. In a coordinated effort with adjacent property owners, the city will perform flood mitigation measures to the creek.

3. Third Street sidewalk improvements: The project will construct sidewalks on Third Street.

Existing Conditions: There are no sidewalks in this location.

4. Liberty School area sidewalks: Sidewalks to be upgraded. This project is near a school and may be part of a Safe Routes to School project.

Existing Conditions: The existing sidewalks in this location are deteriorating and in need of upgrading.

5. Meadow area sidewalks: The project will construct sidewalks in the Meadow area.

Existing Conditions: There are no sidewalks in this location.

6. 12th Street Sewer Extension: This project will run a new sewer line able to service the proposed new development in the Area.

Existing Conditions: The existing sewer line does not have the capacity to service the proposed new development.

7. CIP water line improvements, CIP wastewater line improvements, storm water upgrades: These projects are all identified in the existing conditions earlier in this document, Tables 8, 9, and 10.

Existing Conditions: The Capital Improvement Plan identifies deficiencies and proposes upgrades as shown in Tables 8, 9, and 10 of this Report.

8. City Shop improvements: This project is a relocation of the city shops.

Existing Conditions: The city shops property is becoming hospital property. The city shops will need to be relocated.

A significant amount of new rights of way have been added to the Area. The existing conditions of those rights of way include a lack of curbs and sidewalks along streets. It is the intent of the City of Tillamook to construct curbs and sidewalks on those streets.

The right of way for gateway signage is unimproved and the City is in need of adequate signage.

The projects identified for the Area are shown in Table 11 and Table 16.

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

The estimated Tax Increment Financing (TIF) expenditures are estimates only. The Tillamook Urban Renewal Agency (Agency) may decide to reallocate these project expenditures throughout the life of the plan, typically through the annual budgeting process. The estimated expenditures are in today's dollars. The estimates in inflated dollars (3.5% rate) are in Table 17.

Table 16 – Estimated Total Projects Cost and Sources of Moneys

Projects	Project Estimate
3rd Street Project Phase I	\$1,000,000
Administration	\$1,250,000
Technical, Architectural, Zoning	\$100,000
Facades and Signs	\$600,000
City Shops	\$300,000
Town Center Improvements	\$400,000
Alley Improvements	\$50,000
Visitor Sign and Parking Area Signs	\$100,000
Property Acquisition	\$500,000
Public Parking	\$400,000
Goodspeed Park RR	\$300,000
Streetscapes	\$250,000
Janac/IOOF Bldg. 2nd Floor	\$300,000
City Hall Improvements	\$200,000
3rd Street Phase II	\$400,000
Safeway Site	\$200,000
Sue H Elmore Park	\$200,000
Goodspeed Park	\$300,000
Hoquarton Trail Park	\$100,000
Liberty School Sidewalks	\$200,000
Meadow Area Sidewalks	\$200,000
Street/Sidewalk Main & Pacific 4th to 12th	\$200,000
Street/Sidewalk 1st to 5th	\$200,000
Street/Sidewalk 3rd to Trask River Bridge	\$200,000
Stormwater Upgrades	\$300,000
City CIP Water Line	\$385,000
City CIP Wastewater Line	\$400,000
12th St Sewer Line Extension	\$500,000
Holden Creek	\$200,000
City Gateway and Entrance	\$200,000
Assistance Utilities and Infrastructure	\$150,000
Financing Costs	\$10,000
Total	\$10,095,000

Table17 – Projects and Costs in Year of Expenditure

Expenditures	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Loan Repayment to Agency	(\$12,872)	(\$12,872)								
3rd Street Phase I		(\$1,000,000)								
Administration		(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)
Technical, Architectural, Zoning		(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)				
Facades and Signs		(\$100,000)	(\$70,000)	(\$130,000)	(\$100,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	
City Shops		(\$310,500)								
Town Center Improvements		(\$310,500)		(\$55,435)						(\$40,887)
Alley Improvements			(\$53,560)							
Visitor Sign and Parking Area Signs			(\$53,560)	(\$55,435)						
Property Acquisition				(\$554,350)						
Public Parking				(\$443,480)						
Goodspeed Park RR									(\$395,040)	
Streetscapes					(\$50,000)				(\$329,200)	
Janac/IOOF Bldg. 2nd Floor									(\$395,040)	
City Hall Improvements									(\$263,360)	
3rd Street Phase II									(\$526,720)	
Safeway Site										
Sue H Elmore Park										
Goodspeed Park										
Hoquarton Trail Park										
Liberty School Sidewalks										
Meadow Area Sidewalks										
Street/Sidewalk Main & Pacific 4th to 12th										
Street/Sidewalk 1st to 5th										
Street/Sidewalk 3rd to Trask River Bridge										
Stormwater Upgrades										
City CIP Water Line										
City CIP Wastewater Line										
12 St Sewer Line Extension										
Holden Creek										
City Gateway and Entrance										
Assistance Utilities and Infrastructure										
Financing Costs		(\$1,035)		(\$2,217)					(\$3,950)	
Total Expenditures	(\$12,872)	(\$1,814,907)	(\$257,120)	(\$1,320,917)	(\$230,000)	(\$130,000)	(\$110,000)	(\$110,000)	(\$2,023,310)	(\$100,887)
Balance to Carry Over	\$352,741	\$146,498	\$30,205	\$225,885	\$46,934	\$3,641	\$28,255	\$91,067	\$70,078	\$12,430

Source: ECONorthwest projections of TIF

Table17 – Projects and Costs in Year of Expenditure Dollar

Expenditures	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Loan Repayment to Agency													
3rd Street Phase I													
Administration	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$70,000)	(\$70,000)	(\$70,000)	(\$70,000)	(\$70,000)	(\$70,000)	
Technical, Architectural, Zoning													
Facades and Signs													
City Shops													
Town Center Improvements	(\$28,212)												
Alley Improvements													
Visitor Sign and Parking Area Signs													
Property Acquisition													
Public Parking													
Goodspeed Park RR													
Streetscapes													
Janac/IOOF Bldg. 2nd Floor													
City Hall Improvements													
3rd Street Phase II													
Safeway Site		(\$73,000)	(\$113,333)	(\$117,300)									
Sue H Elmore Park				(\$312,800)									
Goodspeed Park				(\$469,200)									
Hoquarton Trail Park				(\$156,400)									
Liberty School Sidewalks				(\$312,800)									
Meadow Area Sidewalks				(\$312,800)									
Street/Sidewalk Main & Pacific 4th to 12th				(\$312,800)									
Street/Sidewalk 1st to 5th				(\$312,800)									
Street/Sidewalk 3rd to Trask River Bridge				(\$125,120)		(\$201,048)							
Stormwater Upgrades							(\$260,100)	(\$269,205)					
City CIP Water Line									(\$371,500)	(\$192,250)			(\$181,178)
City CIP Wastewater Line										(\$192,250)	(\$397,960)		(\$213,150)
12 St Sewer Line Extension											(\$248,725)		(\$799,313)
Holden Creek													(\$426,300)
City Gateway and Entrance													(\$426,300)
Assistance Utilties andInfrstructure													(\$319,725)
Financing Costs				(\$6,256)									
Total Expenditures	(\$88,212)	(\$133,000)	(\$173,333)	(\$2,498,276)	(\$60,000)	(\$261,048)	(\$330,100)	(\$339,205)	(\$441,500)	(\$454,500)	(\$716,685)	(\$70,000)	(\$2,365,965)
Balance to Carry Over	\$9,809	\$6,234	\$7,693	\$21,185	\$21,553	\$28,691	\$18,836	\$53,758	\$42,152	\$75,267	\$115,872	\$1,232,579	\$118,754

Source: ECONorthwest projections of TIF

THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The projects will be ongoing throughout the life of the Plan and will be determined in the annual budgeting process of the Agency. Table 17 identifies the projects through FY 2033/34, the life expectancy of the Area.

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

A review of recent urban renewal legislation limiting increases in Maximum Indebtedness (MI) indicates the MI of this Plan may be increased \$2.9 million without concurrence from impacted taxing districts. (Indexing the current MI of \$12,228,000 from October 2006 to October 2011 by 3.5%, the percentage inflation indicated in the original Tillamook Urban Renewal Plan.) This increase is considered a substantial amendment, and all taxing jurisdictions must be notified. The estimated amount of tax increment revenues required to pay project costs and interest is \$15,590,678, and it is anticipated that the Plan will be retired after maximum indebtedness is reached in FY 2033-34.

Table 18 – Estimate of Maximum Indebtedness to Increase

Index Rate	3.5%
Original MI	\$12,228,000
Indexed 2007	\$12,655,980
Indexed 2008	\$13,098,939
Indexed 2009	\$13,557,402
Indexed 2010	\$14,031,911
Indexed 2011	\$14,523,028
20% of Indexed 2011	\$2,904,606
New MI	\$15,132,606

FINANCIAL ANALYSIS OF THE PLAN

Table 19 shows the projected assessed value, projected tax rates, and annual tax increment revenues (TIF) of the Area through FY 2033, not adjusted for under-collection, penalties, and interest. The projections in the original Plan were through FY 2031, so the increase in maximum indebtedness causes a potential two-year extension in the Area. This increase is due to both the increase in maximum indebtedness and also partially due to the fact that the original Plan did not use inflation factors when projecting costs. The inflation factors increase the costs of the projects, thereby increasing the timeframe for the Area. Revenue sharing could commence in FY 2033 if the actual revenues at that point exceed thresholds established in ORS 457.470. Revenue sharing commences when the tax increment revenues are equal to 10% of the original maximum indebtedness of the Plan (\$1,228,000). This revenue sharing will be minimal and is not expected to impact the length of the tax increment financing.

Table 19 – Projected Tax Increment Funds in the Area

Fiscal Year	Total				
Ending	AV	Frozen Base	Increment	Tax Rate	TIF
2012	\$84,199,573	\$60,446,942	\$23,752,631	10.3779	\$246,502
2013	\$88,839,914	\$62,120,813	\$26,719,101	10.3739	\$277,182
2014	\$91,949,309	\$62,120,813	\$29,828,496	10.3708	\$309,345
2015	\$95,167,536	\$62,120,813	\$33,046,723	10.3681	\$342,633
2016	\$98,498,399	\$62,120,813	\$36,377,586	10.3659	\$377,085
2017	\$101,945,843	\$62,120,813	\$39,825,030	10.3639	\$412,743
2018	\$105,513,948	\$62,120,813	\$43,393,135	10.3622	\$449,650
2019	\$109,206,936	\$62,120,813	\$47,086,123	10.3608	\$487,848
2020	\$113,029,178	\$62,120,813	\$50,908,365	10.3595	\$527,383
2021	\$116,985,200	\$62,120,813	\$54,864,387	10.3583	\$568,300
2022	\$121,079,683	\$62,120,813	\$58,958,870	10.3573	\$610,652
2023	\$125,317,473	\$62,120,813	\$63,196,660	10.3563	\$654,486
2024	\$129,703,585	\$62,120,813	\$67,582,772	10.3555	\$699,852
2025	\$134,243,210	\$62,120,813	\$72,122,397	10.3547	\$746,807
2026	\$138,941,723	\$62,120,813	\$76,820,910	10.3540	\$795,407
2027	\$143,804,683	\$62,120,813	\$81,683,870	10.3534	\$845,707
2028	\$148,837,847	\$62,120,813	\$86,717,034	10.3528	\$897,766
2029	\$154,047,170	\$62,120,813	\$91,926,357	10.3523	\$951,648
2030	\$159,438,823	\$62,120,813	\$97,318,010	10.3518	\$1,007,415
2031	\$165,019,182	\$62,120,813	\$102,898,369	10.3513	\$1,065,136
2032	\$170,794,853	\$62,120,813	\$108,674,040	10.3509	\$1,124,876
					\$13,151,921

Source: ECONorthwest

Table 20 shows tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. It is anticipated that all debt will be retired by the end of FY 2033. The maximum indebtedness is \$15,132,606, of which \$1,065,096 has already been used. The estimated total amount of tax increment revenue required to service the remaining maximum indebtedness is \$15,590,678.

Table 20 – Tax Increment Revenues, Allocations to Loan Payments

TIF Revenue	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	\$277,182	\$309,345	\$342,633	\$377,085	\$412,743	\$449,650	\$487,848	\$527,383	\$568,300	\$610,652
<i>Debt Service</i>										
1. Janac Loan										
2. Cameron										
3. First Street Parking Lot										
4. Misc. Short-Term Loan	(\$11,000)	(\$11,000)	(\$11,000)	(\$11,000)	(\$11,000)					
5. Consolidated Loans	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)
6. New Loan			(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)
7. New Loan								(\$210,025)	(\$210,025)	(\$210,025)
8. New Loan										
Total Debt Service	(\$168,518)	(\$168,518)	(\$326,036)	(\$326,036)	(\$326,036)	(\$315,036)	(\$315,036)	(\$525,061)	(\$525,061)	(\$525,061)
Coverage Ratio	1.64	1.84	1.05	1.16	1.27	1.43	1.55	1.00	1.08	1.16
TIF Revenue After Debt Service	\$108,664	\$140,827	\$16,597	\$51,049	\$86,707	\$134,614	\$172,812	\$2,322	\$43,239	\$85,591
<i>Resources</i>										
Beginning Balance	\$352,741	\$146,498	\$30,205	\$225,885	\$46,934	\$3,641	\$28,255	\$91,067	\$70,078	\$12,430
Bond/Loan Proceeds	\$1,500,000		\$1,500,000					\$2,000,000		
TIF Revenue After Debt Service	\$108,664	\$140,827	\$16,597	\$51,049	\$86,707	\$134,614	\$172,812	\$2,322	\$43,239	\$85,591
Total Resources	\$1,961,405	\$287,325	\$1,546,802	\$276,934	\$133,641	\$138,255	\$201,067	\$2,093,389	\$113,317	\$98,021

Source: ECONorthwest

Table 20 – Tax Increment Revenues, Allocations to Loan Payments, continued

TIF Revenue	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$654,486	\$699,852	\$746,807	\$795,407	\$845,707	\$897,766	\$951,648	\$1,007,415
<i>Debt Service</i>								
1. Janac Loan								
2. Cameron								
3. First Street Parking Lot								
4. Misc. Short-Term Loan								
5. Consolidated Loans	(\$157,518)	(\$157,518)						
6. New Loan	(\$157,518)	(\$157,518)	(\$157,518)	(\$157,518)				
7. New Loan	(\$210,025)	(\$210,025)	(\$210,025)	(\$210,025)	(\$210,025)	(\$210,025)	(\$210,025)	(\$210,025)
8. New Loan			(\$367,496)	(\$367,496)	(\$367,496)	(\$367,496)	(\$367,496)	(\$367,496)
Total Debt Service	(\$525,061)	(\$525,061)	(\$735,039)	(\$735,039)	(\$577,521)	(\$577,521)	(\$577,521)	(\$577,521)
Coverage Ratio	1.25	1.33	1.02	1.08	1.46	1.55	1.65	1.74
TIF Revenue After Debt Service	\$129,425	\$174,791	\$11,768	\$60,368	\$268,186	\$320,245	\$374,127	\$429,894
<i>Resources</i>								
Beginning Balance	\$9,809	\$6,234	\$7,693	\$21,185	\$21,553	\$28,691	\$18,836	\$53,758
Bond/Loan Proceeds			\$2,500,000					
TIF Revenue After Debt Service	\$129,425	\$174,791	\$11,768	\$60,368	\$268,186	\$320,245	\$374,127	\$429,894
Total Resources	\$139,234	\$181,025	\$2,519,461	\$81,553	\$289,739	\$348,936	\$392,963	\$483,652

Source: ECONorthwest

Table 20 – Tax Increment Revenues, Allocations to Loan Payments, continued

TIF Revenue	2030-31	2031-32	2032-33	2033-34
	\$1,065,136	\$1,124,786	\$1,186,707	\$1,252,140
<i>Debt Service</i>				
1. Janac Loan				
2. Cameron				
3. First Street Parking Lot				
4. Misc. Short-Term Loan				
5. Consolidated Loans				
6. New Loan				
7. New Loan	(\$210,025)			
8. New Loan	(\$367,496)	(\$367,496)		
Total Debt Service	(\$577,521)	(\$367,496)		
Coverage Ratio	1.84	3.06		
TIF Revenue After Debt Service	\$487,615	\$757,290	\$1,186,707	\$1,252,140
<i>Resources</i>				
Beginning Balance	\$42,152	\$75,267	\$115,872	\$1,232,579
Bond/Loan Proceeds				
TIF Revenue After Debt Service	\$487,615	\$757,290	\$1,186,707	\$1,252,140
Total Resources	\$529,767	\$832,557	\$1,302,579	\$2,484,719

Source: ECONorthwest

The estimated tax increment revenues through FY 2033, 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.

IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing due to this Amendment, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the Area. The impact on the prior maximum indebtedness was shown in the original Report to the Tillamook Urban Renewal Plan.

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 2033. Much of this impact is expected to occur in FY 28-33, when, as identified in the financial projections for this Amendment, the Area would have reached its maximum indebtedness if not for the proposed increase in maximum indebtedness in this Amendment, as shown in Table 21a below. The original timeline projections for the Area were to FY 2031.

There is a potential of revenue sharing with the impacted taxing districts in FY FY 2033. The Agency will need to evaluate this potential in the later years of the Area and notify the Assessor once the revenue sharing thresholds in ORS 457.470 are met. It is estimated that revenue sharing will not cause the Area to increase the projected time frame, which is now FY 2033.

Table 21a – Projected Impact of Amendment on Taxing District Permanente Rate Levies during Use of Tax Increment Financing

Year	TILLAMOOK COUNTY	SCHOOL DIST 9	NW REGIONAL ESD	TILLAMOOK BAY CC	CITY OF TILLAMOOK	FAIRVIEW WATER DISTRICT	TILLAMOOK FIRE DIST	PORT TILLAMOOK BAY	4H-EXTENSION SD	EMCD-911	TILLA TRANSPORTATION	Total
	1.8851	5.0969	0.1538	0.2636	1.8021	0.1498	0.6999	0.0364	0.0690	0.1883	0.2000	10.5449
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	\$1,791	\$4,844	\$146	\$250	\$314	\$146	\$666	\$35	\$65	\$180	\$191	\$8,626
2014	\$1,902	\$5,147	\$155	\$267	\$372	\$149	\$707	\$37	\$68	\$189	\$201	\$9,197
2015	\$2,018	\$5,458	\$165	\$282	\$433	\$154	\$751	\$40	\$74	\$203	\$213	\$9,790
2016	\$2,139	\$5,782	\$174	\$299	\$494	\$160	\$795	\$42	\$77	\$215	\$227	\$10,403
2017	\$2,262	\$6,117	\$185	\$317	\$559	\$166	\$839	\$44	\$84	\$225	\$240	\$11,037
2018	\$2,390	\$6,464	\$195	\$334	\$625	\$171	\$888	\$47	\$86	\$238	\$253	\$11,695
2019	\$2,524	\$6,823	\$207	\$353	\$694	\$177	\$937	\$49	\$92	\$251	\$267	\$12,374
2020	\$2,661	\$7,193	\$216	\$372	\$766	\$183	\$988	\$51	\$97	\$266	\$283	\$13,077
2021	\$2,804	\$7,579	\$229	\$391	\$839	\$190	\$1,040	\$54	\$103	\$279	\$297	\$13,804
2022	\$2,950	\$7,976	\$241	\$412	\$915	\$197	\$1,095	\$58	\$108	\$295	\$313	\$14,559
2023	\$3,102	\$8,387	\$253	\$433	\$994	\$203	\$1,152	\$59	\$114	\$310	\$330	\$15,339
2024	\$3,260	\$8,813	\$267	\$456	\$1,075	\$211	\$1,210	\$63	\$118	\$326	\$347	\$16,146
2025	\$3,423	\$9,255	\$279	\$479	\$1,161	\$219	\$1,271	\$66	\$126	\$342	\$364	\$16,981
2026	\$3,592	\$9,710	\$294	\$503	\$1,247	\$226	\$1,333	\$69	\$133	\$359	\$380	\$17,847
2027	\$3,766	\$10,184	\$307	\$526	\$1,338	\$233	\$1,399	\$72	\$138	\$376	\$400	\$18,741
2028	\$3,947	\$10,673	\$322	\$551	\$1,431	\$242	\$1,465	\$75	\$145	\$395	\$419	\$19,667
2029	\$173,290	\$468,540	\$14,139	\$24,232	\$160,713	\$1,012	\$64,339	\$3,346	\$6,343	\$17,310	\$18,385	\$951,648
2030	\$183,454	\$496,020	\$14,968	\$25,653	\$170,082	\$1,081	\$68,112	\$3,543	\$6,716	\$18,325	\$19,463	\$1,007,415
2031	\$193,974	\$524,463	\$15,827	\$27,124	\$179,780	\$1,151	\$72,019	\$3,745	\$7,100	\$19,376	\$20,579	\$1,065,136
2032	\$204,861	\$553,900	\$16,714	\$28,646	\$189,816	\$1,224	\$76,061	\$3,955	\$7,499	\$20,463	\$21,734	\$1,124,876
2033	\$216,130	\$584,369	\$17,633	\$30,222	\$200,204	\$1,299	\$80,244	\$4,173	\$7,912	\$21,589	\$22,930	\$1,186,707
Total	\$1,016,240	\$2,747,697	\$82,916	\$142,102	\$913,852	\$8,794	\$377,311	\$19,623	\$37,198	\$101,512	\$107,816	\$5,555,065
NPV	\$358,037	\$968,059	\$29,213	\$50,065	\$315,128	\$3,774	\$132,934	\$6,915	\$13,104	\$35,765	\$37,984	\$1,950,978

Source: ECONorthwest

Table 21b – Projected Impact of Amendment on Taxing District Permanent Rate Levies during Use of Tax Increment Financing

Taxing District	Total	NPV
Tillamook County	\$1,016,240	\$358,037
Tillamook School District	\$2,747,697	\$968,059
NW Regional ESD	\$82,916	\$29,213
Tillamook Bay CC	\$142,102	\$50,065
City of Tillamook	\$913,852	\$315,128
Fairview Water District	\$8,794	\$3,774
Tillamook Fire District	\$377,311	\$132,934
Port of Tillamook	\$19,623	\$6,915
4H Extension	\$37,198	\$13,104
EMCD-911	\$101,512	\$35,765
Tillamook Transportation	\$107,816	\$37,984
Total	\$5,555,065	\$1,950,978

Source: ECONorthwest Net present value (NPV) compares the [value](#) of a dollar today to the value of that same dollar in the future, taking inflation and returns into account.

The Tillamook School District and Northwest Regional Education Service District are not *directly* affected by the tax increment financing. 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 replaced, as determined by a funding formula at the State level with State School Fund revenues.

Table 22 shows the increase in permanent rate levy revenues due to this Amendment that would occur in FY 2034 after termination of the tax increment financing in FYE 2033.

Table 22 – Additional Revenues Estimated to be Obtained after Termination of Tax Increment Financing

Taxing District	FY 2034 Estimates
Tillamook County	\$227,793
Tillamook School District	\$615,904
NW Regional ESD	\$18,585
Tillamook Bay CC	\$31,853
City of Tillamook	\$210,956
Fairview Water District	\$1,378
Tillamook Fire District	\$84,575
Port of Tillamook	\$4,398
4H Extension	\$8,338
EMCD-911	\$22,754
Tillamook Transportation	\$24,167
Total	\$1,250,701

Source: ECONorthwest

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

There is one existing urban renewal area in the City of Tillamook. 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 Tillamook Urban Renewal Area for the Area without the Amendment is estimated at \$60,446,942. The estimated assessed value that will be removed from the frozen base is \$110,820. This is the 2005 value of the property, the value that was used to compute the frozen base of the original Plan. The estimated assessed value of the properties being added to the frozen base is \$1,764,541. This amended Plan will have 20.22% of the total assessed value in the City of Tillamook in an urban renewal. The assessed value of the City of Tillamook is \$307,157,830.

Prior to the Amendment, the acreage of the urban renewal area was 250.46. The Amendment proposes removing 24.14 acres and adding 49.83 acres, resulting in a new acreage total of 276.15 acres, or 24.63%, of the total acreage in the City of Tillamook.

Table 23 – Urban Renewal Area Conformance with Assessed Value and Area Limits

Urban Renewal Area	Frozen Base Assessed Value	Acres
Tillamook Urban Renewal Area prior to Amendment	\$60,446,942	250.46
Proposed Removal	(110,820) ¹	-24.14
Proposed Addition	1,764,541	49.83
Proposed 2012 Tillamook Urban Renewal Area	62,100,663	276.15
City of Tillamook	307,157,830 ²	1,121
Percent of AV/Acreage in Urban Renewal	20.22%	24.63%

Source: Assessed values from Tillamook County Assessor. Acreages from Tillamook County GIS and City of Tillamook.

RELOCATION REPORT

There is no relocation anticipated due to this amendment.

¹ Value of property in 2005 when the URA was adopted

² Less Urban Renewal Excess