

**CITY COUNCIL WORK SESSION
MAY 16, 2011
6:00 P.M.
NEWBERG PUBLIC SAFETY BUILDING
401 EAST THIRD STREET**

WORK SESSIONS ARE INTENDED FOR DISCUSSION. NO ACTION WILL BE TAKEN ON THE AGENDA ITEMS AND NO DECISIONS WILL BE MADE. NO ORAL OR WRITTEN TESTIMONY WILL BE HEARD OR RECEIVED FROM THE PUBLIC.

- I. CALL MEETING TO ORDER**
- II. ROLL CALL**
- III. REVIEW OF COUNCIL AGENDA AND MEETING**
- IV. COUNCIL HOUSEKEEPING ITEMS**

PRESENTATION FROM THE PLANNING DEPARTMENT ON THE SOUTH INDUSTRIAL AREA MASTER PLAN INFRASTRUCTURE FINANCING PLAN.

- V. ADJOURNMENT**

ACCOMMODATION OF PHYSICAL IMPAIRMENTS:

In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical accommodations you may need as far in advance of the meeting soon as possible and no later than 48 hours prior to the meeting. To request these arrangements, please contact the city recorder, at (503) 537-1283. For TTY service please call (503) 554-7793.

● City Manager's Office: e-mail: dan.danicic@newbergoregon.gov Fax: 537-5013 ●
Admin: 537-1261 ● Building: 537-1240 ● Public Works: 537-1273 ● Finance: 538-9421 ● Fire: 537-1230
Library: 538-7323 ● Municipal Court: 537-1203 ● Police: 538-8321 ● Maintenance: 537-1234 ● Utilities: 537-1205
Municipal Court Fax: 538-5393 ● Public Works Fax: 537-1277 ● Library Fax: 538-9720

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REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 16, 2011

Order ___ Ordinance ___ Resolution ___ Motion ___ Information XX
No. No. No.

SUBJECT: Proposed Infrastructure Financing Plan for Newberg South Industrial Area Master Plan (SIAMP)

Contact Person (Preparer) for this Information: **David Beam, AICP**
Dept: **Planning and Building**
File No.: **Grant 09-005**

EXECUTIVE SUMMARY: At the Council’s May 16 workshop, staff will present a draft financing plan for the South Industrial area. The South Industrial area is along Wyooski Road, and is proposed to be expanded along Highway 219. The area currently lacks the street, wastewater, and water infrastructure needed to accommodate industrial development. The draft financing plan presents a strategy for getting this infrastructure in place so businesses can locate in this area and bring jobs and prosperity to the community.

The City has been working for several years to create a successful industrial area in the Wyooski Road/Highway 219 area. Creating this industrial area is an important part of the City’s overall vision of a community where citizens can both work and live. The effort began with Ad Hoc Committee on Newberg’s Future, who recommended this industrial area be expanded to meet future industrial land needs. The City continued the effort by creating the South Industrial Area Master Plan (SIAMP) in 2009. The City Council accepted the SIAMP through Resolution 2009-2872. The City is currently in the process of including a portion of the area into the UGB.

City staff developed the South Industrial Infrastructure Financing Plan over the past year with the help of a number of partners. Oregon’s Land Conservation and Development Department granted the City \$30,000 to create the plan. The City used a portion of the funds to hire Angelo Planning Group and Cardno WRG to create much of the plan’s supporting materials. City Planning Division staff also worked closely with the City’s Engineering Division, private utility companies, and state and other governmental agencies to determine the best plan strategies.

City staff held a workshop with project stakeholders to help determine the best financing strategies. The November 2010 workshop included property owners, City Council, Planning Commission, Budget Committee, and Citizens Rate Review Committee representatives, real estate agents, industry representatives, and others from the community. City staff used stakeholder input to develop the draft plan.

At the May workshop, City staff will present the recommended financing strategy. The Council will not be asked to take any specific action on the strategy at that time, but the Council will be invited to share comments and suggestions.

FISCAL IMPACT: None at this time. Actions taken by the Council in the future on specific tasks in the plan will have financial effects.

STRATEGIC ASSESSMENT: Newberg needs to continually strengthen its business sector in order to maintain a sound economic foundation and a healthy, balanced community. To accomplish these goals, the community must prepare future industrial lands to a “shovel ready” status that will accommodate growing and new businesses. The SIAMP Infrastructure Financing Plan lays out a financial path to fund the required infrastructure. It treats all its stakeholders in an equitable manner, and all stakeholders and the community at large should reap significant benefits from its successful implementation.

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Newberg South Industrial Area Infrastructure Financing Plan

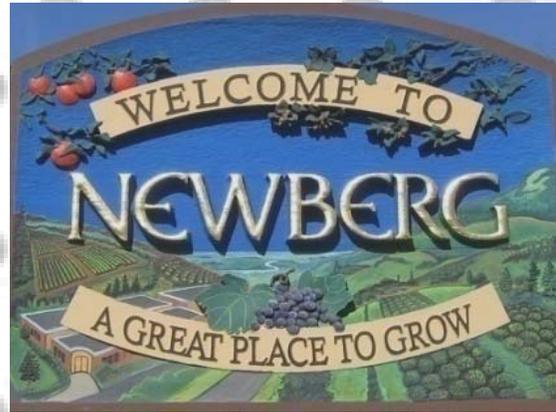


Image by Idea Go

May 2011

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PLAN PARTICIPANTS

NEWBERG CITY COUNCIL

Bob Andrews – Mayor
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Wade Witherspoon – Councilor District 2
Denise Bacon – Councilor District 3
Bart Rierson – Councilor District 4
Stephen McKinney – Councilor District 5
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EXECUTIVE SUMMARY

Newberg is a progressive city that continues to enjoy a strong sense of community. It plans for the future to ensure that future generations will enjoy a high quality of life. To achieve this vision, Newberg believes a community should possess the elements of a balanced lifestyle that allows its citizens to have reasonable access to convenient opportunities in which to live, work, shop and play. Recent population growth confirms that many people are attracted to this vision of a balanced lifestyle. While a growing populace indicates vitality, it also places pressure on other community components to further develop, so that we can maintain our desired balance. One of those components is our economic base.

A strong, economically healthy community is diverse and adaptable. A community that consists of a wide-range of industries and is flexible enough to take advantage of opportunities presented by market changes will be in the best position to weather the ebb and flows of the inevitable economic cycles. It is these characteristics that provide a community with the best chance to maintain a strong economic foundation for the future.

Newberg is fortunate to possess a diversity of businesses. Our community has a wide-range of industries, including core clusters of manufacturing, health care, higher education, and wine/tourism. Many of our businesses are world renowned and maintain this status through constant innovation of their products.

In 2004, the Newberg City Council formed the Ad Hoc Committee on Newberg's Future. One year later, that Ad Hoc Committee returned to City Council with a report on the future needs of the community and recommended actions. Included in the report was an identified need for more developable industrial lands to accommodate the expansion of existing local businesses as well as to attract new businesses. Moreover, the report identified the south industrial area as the best suited to accommodate this need for additional industrial lands. In response to these report recommendations, the City of Newberg has been laying the groundwork for the development of an employment center on lands just south of the city.

In 2009, the City of Newberg developed the South Industrial Area Master Plan (SIAMP). This plan was developed through a collaborative effort between city staff, various state and local government officials, consultants with expertise in the development of industrial property, and the general public, especially the land owners within the planning area. On November 3, 2009, the Newberg City Council passed Resolution No. 2009-2872, accepting the South Industrial Area Master Plan (SIAMP) as a vision for the development of the planning area.

While the preparation of the SIAMP is an important step in the creation of additional industrial lands for Newberg, it is not sufficient to realize the development of new industry. To remain competitive, many businesses today must react quickly in response to ever-changing market trends. This new paradigm means that when a business needs a

new facility, its site selection process is much more rapid than in the past. One critical criteria of that process is the speed in which a facility can be up-and-running for production. To successfully prepare the Newberg south industrial lands for business development, the lands in the area must be staged to a “shovel-ready” status. The State of Oregon defines “shovel-ready” as a development project that should be able to get its building permits and break ground within 180 days of permit application. To achieve this status in Newberg, there are many factors that must be in place, such as:

- Site must be within the city limits;
- Site must be free of any significant legal, natural and/or cultural issues; and,
- Infrastructure must be at the site or easily extended to the site.

Achieving this status takes considerable effort. The City is currently working on bringing in portions of the SIAMP lands into the Urban Growth Boundary (UGB). Review of a property’s legal, natural, and cultural issues is usually done through some form of site certification process. The intent of this plan is to define the infrastructure that is needed for properties within the SIAMP area, where and when the infrastructure should be put into place, and how these facilities are to be financed.

The SIAMP was created in response to the City’s projected industrial land needs over the next 30 years for expansion of existing businesses and recruitment of new industries. The planning area is about 375 acres, of which about 200 acres is developable. This first development phase includes a little over 140 developable acres and is anticipated to help provide sufficient industrial lands for Newberg for the next 20 years.

This plan includes an in-depth analysis of the infrastructure that will be needed to service the SIAMP lands as well as a construction cost estimate for the various infrastructure components. In addition, the plan provides a recommended phasing sequence that is intended to ensure that the infrastructure components are put in place in a manner that efficient and most effectively promotes the lands for development by potential business clients. Finally, the plan provides a description of multiple options in which the infrastructure for the SIAMP lands could be financed. Recommendations regarding a preferred finance package is provided, which includes multiple finance options for the development of different infrastructure needs.

The plan concludes with a list of recommended next steps that the City should take to prepare the SIAMP lands to “shovel-ready” status for industrial development. The recommended steps include the determination and establishment of infrastructure finance mechanisms. Future planning work with various public agencies and private utilities key to the development of the plan area is also described.

PROJECT BACKGROUND

NOTE: Most of this “Project Background” section has been sourced directly from the South Industrial Master Plan.

Establishing the Need for Additional Industrial Lands

Planning for the south study area was sparked by recommendations from the Ad Hoc Committee on Newberg’s Future in their 2005 Report to City Council. The Newberg City Council created the Ad Hoc Committee in 2004 to provide a forum for citizen involvement in planning for Newberg’s future land use patterns and to make recommendations to the City Council for future land use amendments. The Committee considered Newberg’s future land use needs for the 20 year period from 2005 to 2025, and also looked at future land use needs out to the year 2040 to give recommendations for possible Urban Reserve Area expansions. The Committee’s full review included considering future population and housing needs, and the land requirements for residential, industrial, commercial and industrial development. Based on long-range employment forecasts by the Oregon Employment Department and community goals, the Committee determined that Newberg had a long-term need for 4-5 large industrial sites (20+ acres) over the next 20 years in addition to needing other smaller sized industrial parcels. The Committee also discussed ways that industrial development could and should be provided in our community. Their recommendations included the following:

- “Expand the industrial area along Highway 219 south of Wynooski Street and the proposed Newberg-Dundee Bypass interchange to accommodate and encourage large site industrial development; and
- Create zoning standards that maintain large parcels in the area planned for large-lot industrial uses.”

The Report and its recommendations helped identify a need for future planning to accommodate the city’s identified industrial needs. As stated in the report, a commonly repeated value of both community leaders and citizens is that Newberg should be a place where its citizens can live, work, shop and play, while still maintaining our agricultural heritage. To fulfill that desired objective, Newberg must be able to provide enough jobs for its citizens so that it does not become just another commuter suburb to Portland. Providing jobs requires adequate industrial land for businesses to locate and grow. Newberg currently offers a limited selection of industrial sites, and many of them are too small, have height limitations, or offer poor highway access. To provide the employment centers that will meet the growth needs of local and regional businesses over the next 30 years, Newberg must provide “shovel ready” industrial sites that are the right size and in the right location.

Analysis by the City’s consultants, staff, and the Ad Hoc Committee on Newberg’s Future identified an area south of Newberg, on either side of Hwy 219, as the area best suited to meet the City’s needs for large site (20 acres+) industrial development. A portion of this area will need to be brought into Newberg’s Urban Growth Boundary (UGB) to meet the City’s Industrial land needs for the next 20 years. That portion will eventually be annexed into the City and will serve as the first phase of development of the future South Industrial Area.

South Industrial Area Master Plan

In 2009, the City of Newberg developed the South Industrial Area Master Plan (SIAMP). This plan was developed through a collaborative effort between city staff, various state and local government officials, consultants with expertise in the development of industrial property, and the general public, especially the land owners within the planning area. On November 3, 2009, the Newberg City Council passed Resolution No. 2009-2872, accepting the South Industrial Area Master Plan (SIAMP) as a vision for the development of the planning area.

The South Industrial Area Master Plan was developed enable Newberg to create a well-planned industrial area that is ready for development. The Plan contains many components that will help make the area ripe and attractive for development, including: a transportation system that provides for local circulation now and after bypass construction, non-motorized trail connections to existing and planned trails in the area, a utility plan that provides a clear path to development, a small commercial core area to serve the needs of the industrial area, and landscape and design standards to ensure that the overall look of the industrial area is an attractive gateway to the city. In addition, the Plan promotes sustainable policies and infrastructure, a principle that citizens at the community visioning meeting named as being important.

The Plan guides the planning, public investment, and ultimate development of the study area by providing a desired urban form and implementation strategy. This is accomplished by providing a preferred plan layout and specifying the necessary infrastructure components to support the anticipated development demands. In addition, the Plan takes into consideration other long-range planning efforts and capital improvements in and around the study area. The long-range plans considered in the planning process for this Plan include the City's Urban Reserve Area process, the anticipated Newberg-Dundee Bypass, the community's parks and recreation master plans, the City's utility expansion plans, and private property owner's future intentions for their land.

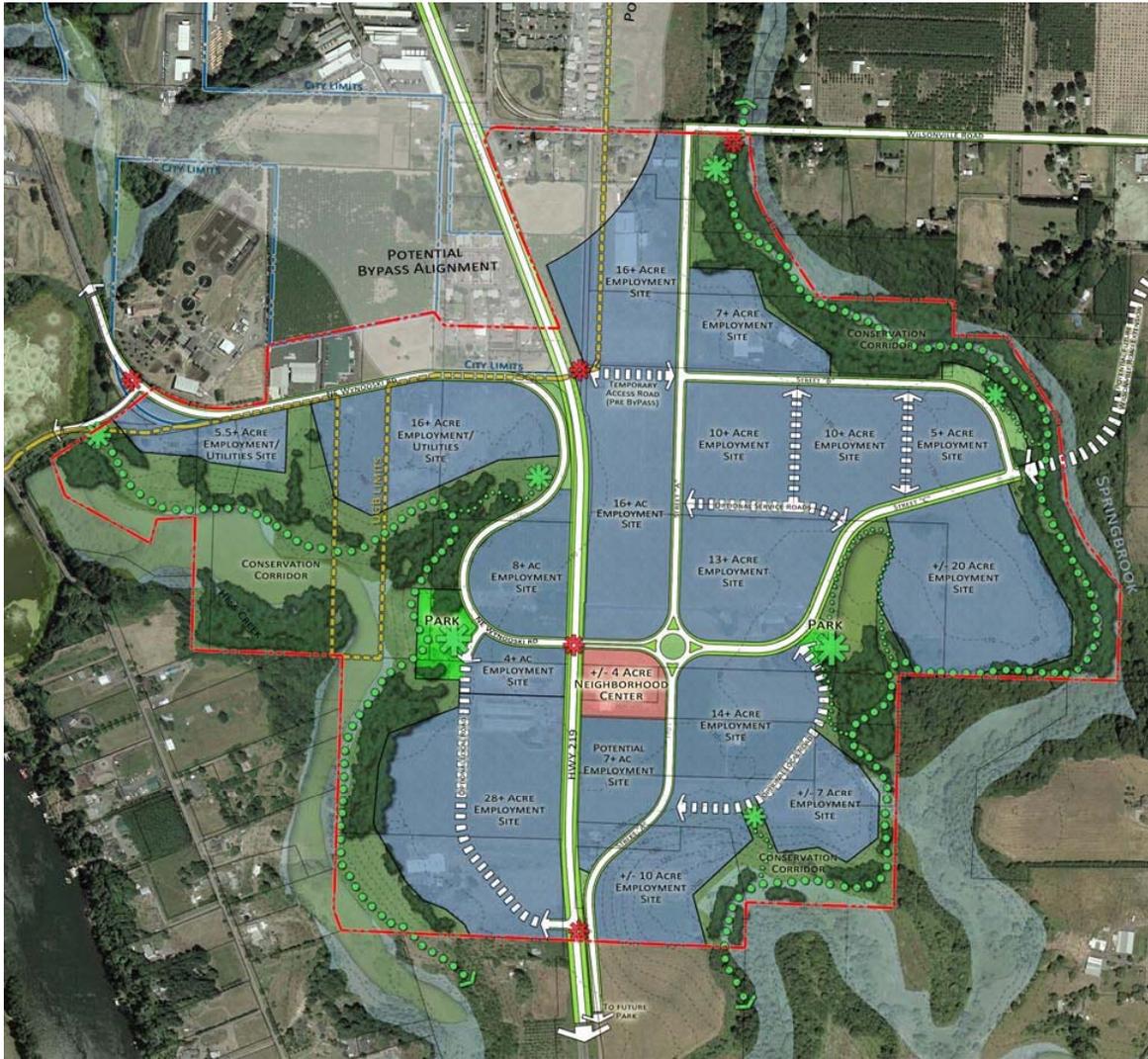
The plan works within Oregon's land use framework and its requirement for careful consideration of the community's actual employment land need when compared to its current inventory and anticipated population growth. The findings and recommendations include logical phasing to ensure that incremental urban growth boundary expansions coincide with infrastructure and development needs.

The Plan also acknowledges anticipated private development and market needs, including careful consideration of parcel size, site configuration and suitability, access, utilities, and quality of life elements. Additionally, the plan considers complementary uses and design elements that will contribute to successful and viable employment centers. The plan is structured so that the initial development can occur without excessive costs, time constraints, and entitlement hurdles.

The potential benefits of developing more industry within the community are manifold, including:

- More job opportunities for Newberg citizens;

- Newberg citizens working and living in town, with less traffic and pollution through commuting;
- New financial resources for the community as well as retention of existing financial resources; and,
- Stronger tax base for city government.



SIAMP Implementation

The SIAMP is structured to provide choice and flexibility to respond to existing and potential employers' needs. The plan has been designed to accommodate a range of development sizes to meet the projected needs of Newberg's target employers. The plan provides a road map for the development of the area from inclusion with the urban growth boundary to designation of "shovel ready" development sites. The plan specifies the necessary infrastructure to support the anticipated development as well as possible funding sources to finance the various capital expenditures. The plan also acknowledges that some areas must be included within the UGB and City Limits. Prior to inclusion of these areas the City will need to adopt standards for development review to ensure the vision of the plan is carried forward.

The initial implementation step of the SIAMP was taken when the Newberg City Council passed Ordinance No. 2009-2720 on December 2, 2009, which established new development code language that would apply to the SIAMP lands. First, this ordinance established a new M-4 zone, which preserves large lots for industrial development. In addition, the ordinance established an Interim Industrial (II) Overlay to allow interim industrial uses of lands "that are planned for future acquisition for right-of-ways, such as the Newberg-Dundee bypass."

EXISTING PLAN AREA



- LEGEND**
-  STUDY AREA BOUNDARY
 -  URBAN GROWTH BOUNDARY (UGB)
 -  NEWBERG MUNICIPAL LIMITS

EXISTING CONDITIONS OF SIAMP LANDS

The plan area is situated just south of the existing city limits. The area remains agricultural and rural in character. Two riparian corridors surround the plan area to create a natural edge to the anticipated employment districts. Highway 219 bisects the area, and Wynooski Road traverses its western portions. The subsequent sections further describe the plan area in terms of natural features, land use, and infrastructure.

SETTING AND NATURAL FEATURES

Topography

The plan area is defined by its topography. The majority of the site is relatively flat and is bordered by sloped riparian corridors. The resulting “plateau” of land is thereby separated from the adjoining residential and agricultural uses to the west, east, and south by a significant barrier in the form of a mature forested riparian corridor.

Natural Hazards

According to the Federal Emergency Management Agency (FEMA), flood hazards are present within the riparian corridors that border the Plan area. A majority of the Plan area lands located in the flood hazard areas are on land classified as being within the 100-year floodplain. A smaller portion of these flood hazards have a more moderate or minimal chance for flooding from principal sources of flooding in the area, but are not considered within the 100-year floodplain.

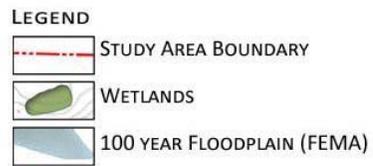
Stream Corridors

Both the western edge and eastern edge of the site are constrained by the two creeks that border the Plan area. The Hess Creek corridor runs from the northwest of the plan area and curves south to define the western edge. Springbrook Creek runs north/south along the eastern edge of the Plan area. The creek corridors are healthy for the most part with little impact from existing development.

Wetlands

According to the National Wetland Inventory, freshwater emergent wetlands and freshwater forested or shrubbed wetlands exist on the western edge of the plan area. The wetlands coincide with the Hess Creek corridor running from the west to the southeast. Additional potential wetland areas exist within the southeast portion of the plan area adjacent the Springbrook Creek corridor. These potential wetlands were identified in coordination with the Oregon Department of State Lands.

EXISTING WETLANDS

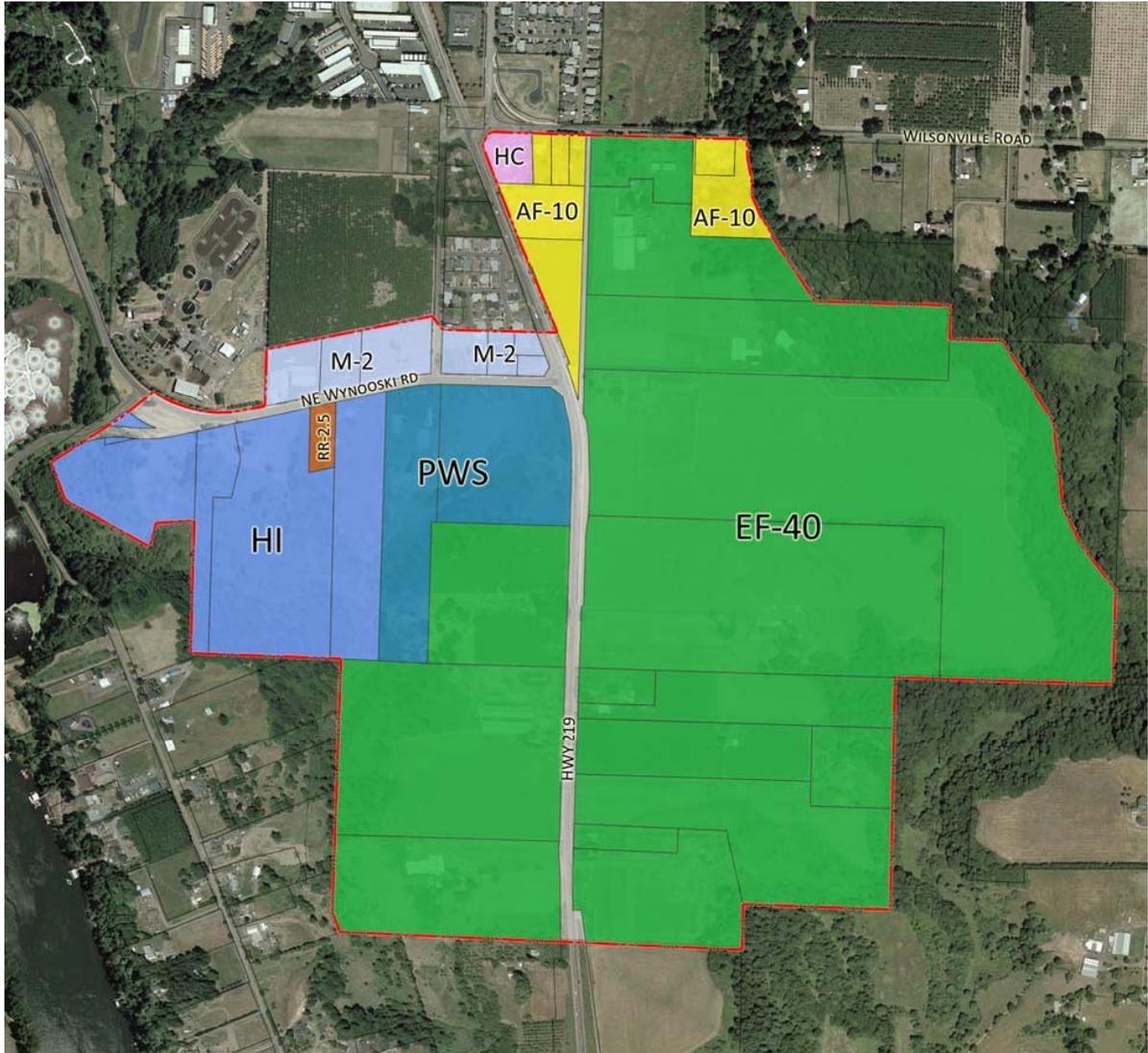


LAND USE

Current Use

A majority of the current land uses within the Plan area are agricultural in nature and include associated residential development on large lots (40+ acres). There are small portions of the northwest section of the site that are within the Urban Growth Boundary and are currently residential, commercial, and industrial in use. The corner of Wynooski Road and Highway 219 is used as a refuse transfer station for the community. There are existing, large agriculture buildings located west of Highway 219 that are currently utilized for processing agricultural goods.

**EXISTING ZONING
DESIGNATIONS**



LEGEND

	AF-10 AGRICULTURE/FORESTRY
	EF-40 EXCLUSIVE FARM USE
	HC HIGHWAY CAMMERCIAL
	HI HEAVY INDUSTRIAL
	M-2 LIGHT INDUSTRIAL
	PWS PUBLIC WORKS SAFETY
	RR-2.5 RURAL RESIDENTIAL

Current Zoning and Comprehensive Plan Designations

A majority of the plan area is located outside of the Newberg City limits. The exception is the area located just north of Wynooski Road in the northwest corner of the plan area, which is within the City limits. This section of the plan area is designated Industrial (IND) under the Newberg Comprehensive Plan and is zoned Light Industrial (M-2). In general, light industrial includes the selling of goods and services for agricultural means, auto sales and repair, manufacturing, and wholesaling.

Located within the Urban Growth Boundary, although not yet within the City limits, the triangular portion of land between Highway 219 and Adolf Road is within the UGB and has been designated Medium Density Residential (MDR) and Commercial (COM) within the Newberg Comprehensive Plan. However, this section does not currently have specific City of Newberg zoning associated with it. The Newberg Comprehensive Plan designations are similar to the designations placed on the subject area by the Yamhill County Comprehensive Plan: Agricultural/Forestry Small Holding and Commercial. Yamhill County has currently placed corresponding zoning on the area as well: Agricultural/Forestry Small Holding District (AF-10) and Highway/Tourist Commercial District (HC) respectively.

A majority of the land in the southern portion of the plan area and to the east of Highway 219 is currently designated as Exclusive Farm Use by the Yamhill County Comprehensive Plan with the corresponding zoning of Exclusive Farm Use – minimum 40 acres (EF-40). The western portion of the plan area, to the west of Highway 219 and South of Wynooski Road is designated Rural Residential, Industrial, and Public Facilities by the Yamhill County Comprehensive Plan, with respective zones of Very Low Density Residential – minimum 2.5 acres (VLDR-2.5) and Public Works/Safety District (PWS).

The Yamhill County zones that encompass the plan area are further discussed below:

AF-10: provides for low density residential lands with small scale or more intensive farming uses. Residential Planned Unit Developments (RPUD) are permitted in this zone.

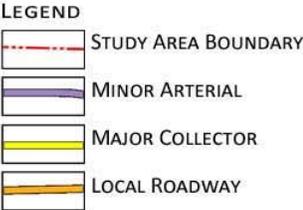
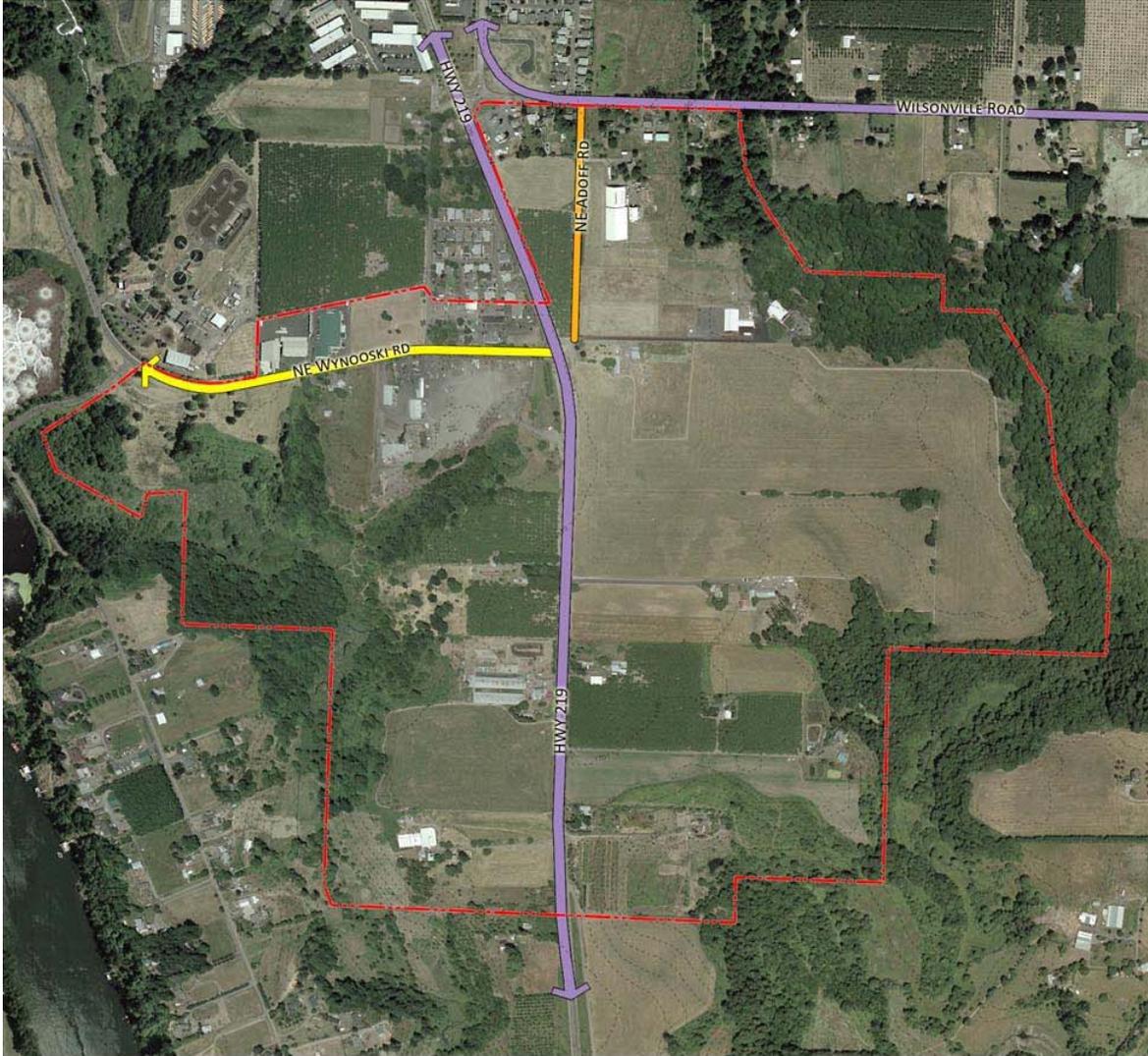
HC: is designed to provide services to the traveling public where space and safety allow. Uses such as restaurants, automobile service stations, and motels are permitted in this zone.

EF-40: provides for larger farm uses and protects prime farmland.

VLDR-2.5: is intended to provide for medium-to-high density rural residential developments and designed to provide minimal services including individual wells and sewage disposal. Small scale and intensive farm and forestry activities are also encouraged.

PWS: is designed to meet the foreseeable demand of public needs for public utilities. Uses permitted include sanitary landfill, municipal sewage collection, and fire stations.

EXISTING TRANSPORTATION NETWORK

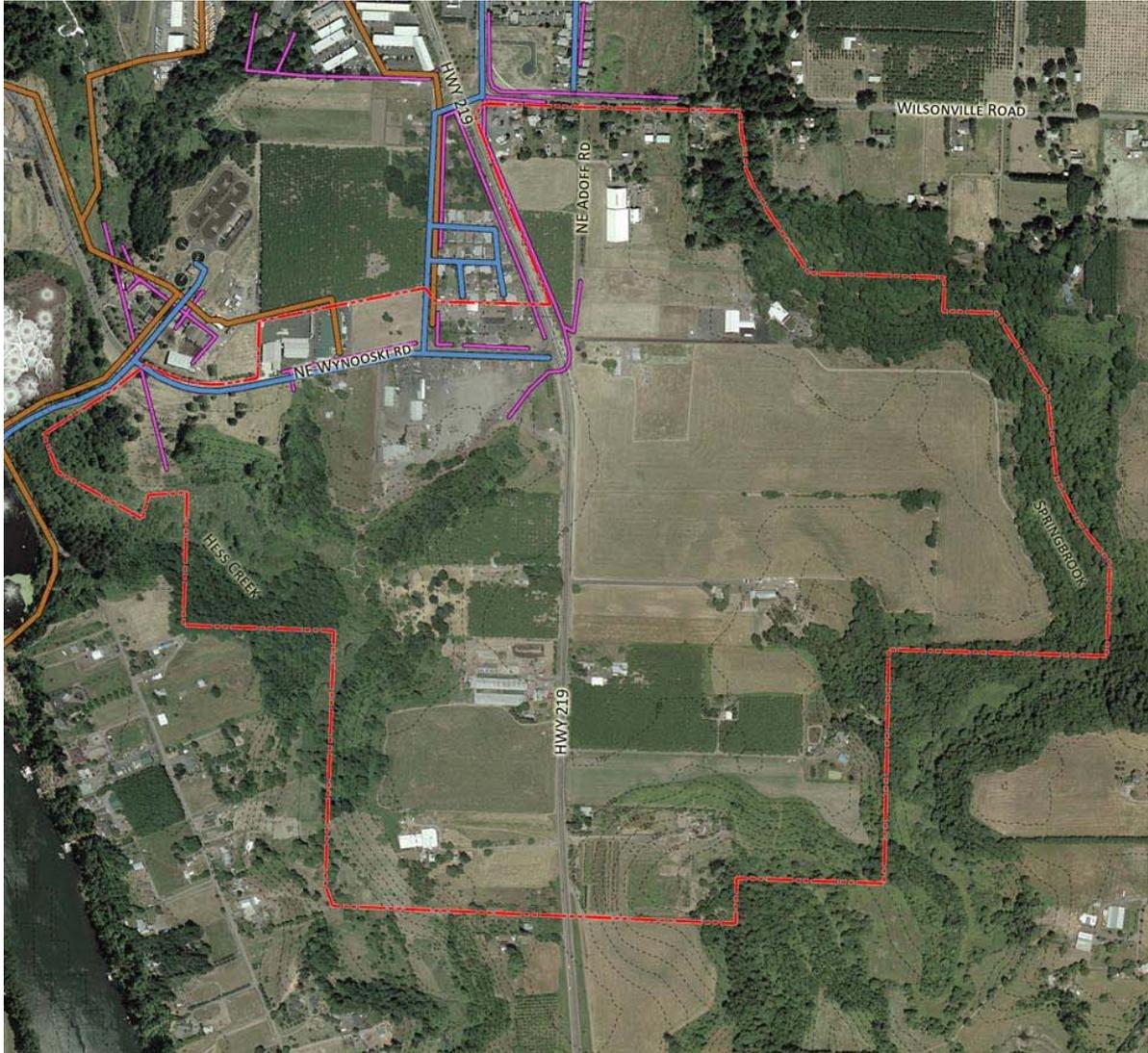


ACCESS

Primary access to the plan area is taken from Highway 219 which runs north/south through the middle of the plan area. Highway 219 is the highest order street that runs through the immediate vicinity of the plan area. The western portion of the site currently has secondary access through several local streets that connect to properties within the plan area. There are no major roads or access points on the eastern side of the plan area. A portion of the northwest section of the plan area is identified on the Newberg-Dundee Bypass Project map as the approved corridor location for the Newberg Oregon 219 interchange. The following table describes the both the existing improvement and the City's current improvement plans for roadways within the plan area:

Existing Transportation System			
Street Name	Functional Classification	Existing Improvement	Preliminary Improvement Plans
State Highway 219	Minor Arterial	3 lanes	5 lanes
Springbrook	Minor Arterial	2 lanes	3 lanes
Wilsonville Rd	Minor Arterial	2 lanes	3 lanes
Wynooski Rd	Major Collector	2 lanes	3 lanes

EXISTING UTILITY NETWORK



LEGEND

-  STUDY AREA BOUNDARY
-  WATER LINE (EXISTING)
-  SEWER LINE (EXISTING)
-  STORM FACILITY (EXISTING)

UTILITIES

The storm, wastewater, and water utility connections are all located near the west and northwest borders of the plan area.

Water

An eighteen-inch water line runs east-west along Wynooski Road to intersect with Sandoz Road. The eighteen-inch line continues along Sandoz Road to Springbrook Road. Several six-inch lines spur off of the Sandoz line to serve local development. A twelve-inch line runs along Wynooski Road from the Wynooski-Sandoz intersection up to dead end around Highway 219.

Wastewater

Currently, there is no city wastewater service available east and south of the Wastewater Treatment Plant to the SIAMP lands.

Storm Water

The storm sewer system borders the plan area in a more continuous manner. It runs south along both sides of Highway 219 to the intersection of Wynooski Road and Adolf Road where it turns west and continues down the northern side of Wynooski Road for approximately 1,300 feet. It also runs east along Wilsonville Road and terminates at the 28805 Wilsonville Road property.

Recycled Water

The City of Newberg provides recycled water for irrigation use in an effort to reduce the amount of demand on the potable water system. It also reduces the amount of treated effluent that is directly discharged into the Willamette River. Wastewater is treated at the City of Newberg Wastewater Treatment Plant and conveyed through a “purple pipe” to private properties.

Power

Power is readily available to serve the South Industrial area. There is a Portland General Electric power substation located on Springbrook Road and an existing power line running to the corner of Highway 219 and Wynooski Road. According to PGE, 10 megawatts of power (and possibly more as needed) could be available to serve the site upon development.

Natural Gas

There is a 12-inch high pressure natural gas line located west of the South Industrial area in Wynooski Road. The gas line has adequate capacity to serve future development in the South Industrial area and can be extended to serve the site as necessary.

OPPORTUNITIES AND CONSTRAINTS MAP



ISSUES, OPPORTUNITIES, AND CONSTRAINTS

Issues

Much of the land in the Plan area is currently used for agricultural purposes. Due to the availability of water and the alluvial character of the land, there is concern regarding how the proposed redevelopment of the area will impact existing agricultural users within and adjacent to the Plan area. There is a perception among some community members that the Plan area is uniquely suitable for agricultural uses and should be retained as such. Some raised a concern that, as a result of the topography and previous agricultural uses, the soil may not be stable enough to support industrial development, though this concern was not based on any knowledge of soil stability issues.

There is evidence to suggest that planning initiatives to urbanize farmland may face opposition in the initial land use process. Some members of the community question the need for additional industrial lands within the City of Newberg, while others see the need as so dire that there is not enough time to wait while the City completes the planning process to add new lands to the UGB and annex it into the City.

There are concerns about the cost of providing services for future development, and how the Community will pay for the capital improvements to attract new businesses to the Plan area. Currently, the Plan area does not contain the infrastructure necessary to serve industrial uses. Development of this area coupled with other regional growth may necessitate improvements to the Interstate 5 Aurora interchange.

New industrial development in the Plan area could generate secondary impacts to the surrounding residents. Of primary concern are air and noise pollution as well as lighting impacts to the night sky. There is a strong awareness in the community of potential impact to the local aquifers and the protection of water quality for other rural users and for the benefit of the natural environment. There is concern regarding how new development in the Plan area will impact the carrying capacity of the local transportation infrastructure, particularly in the time before the Newberg-Dundee Bypass is constructed.

Opportunities

The Plan area benefits from the proximity of a good transportation network in Highway 99W, Highway 219, and the future Newberg-Dundee Bypass. The area is accessible to Interstate 5 to the east via Highway 99W. Moreover, the Donald/Aurora interchange at I-5 is about a 15 minute drive from the plan area via Highway 219 and McKay Road; a route that rarely experiences traffic congestion. The Plan area is adjacent to the southeastern City limits and is a logical area to annex into the City and UGB. The Plan area is buffered by riparian corridors on three sides from the existing surrounding residential and non-industrial development.

The creation of a large area within the City designated for development of future employment uses allows several opportunities for including the creation of a coherent campus-type development with consistent standards for design and a streamlined process for permit approval through the City. Several community members indicated that a well-

planned industrial area would include requirements for sustainability such as green building, stormwater management, and increased open space.

Constraints

The Plan area currently consists of portions of twenty nine (29) parcels, and a smaller corresponding number of property owners. The City expects to face some difficulty gaining unanimous support from the property owners for the eventual annexation and re-zoning of the entire Plan area.

The Plan area is bisected by Highway 219, which provides good regional access to Interstate 5. However, the Plan area does not currently have sufficient secondary access to and through the various parcels. As a result, the redevelopment of the Plan area will require the construction of a new road network.

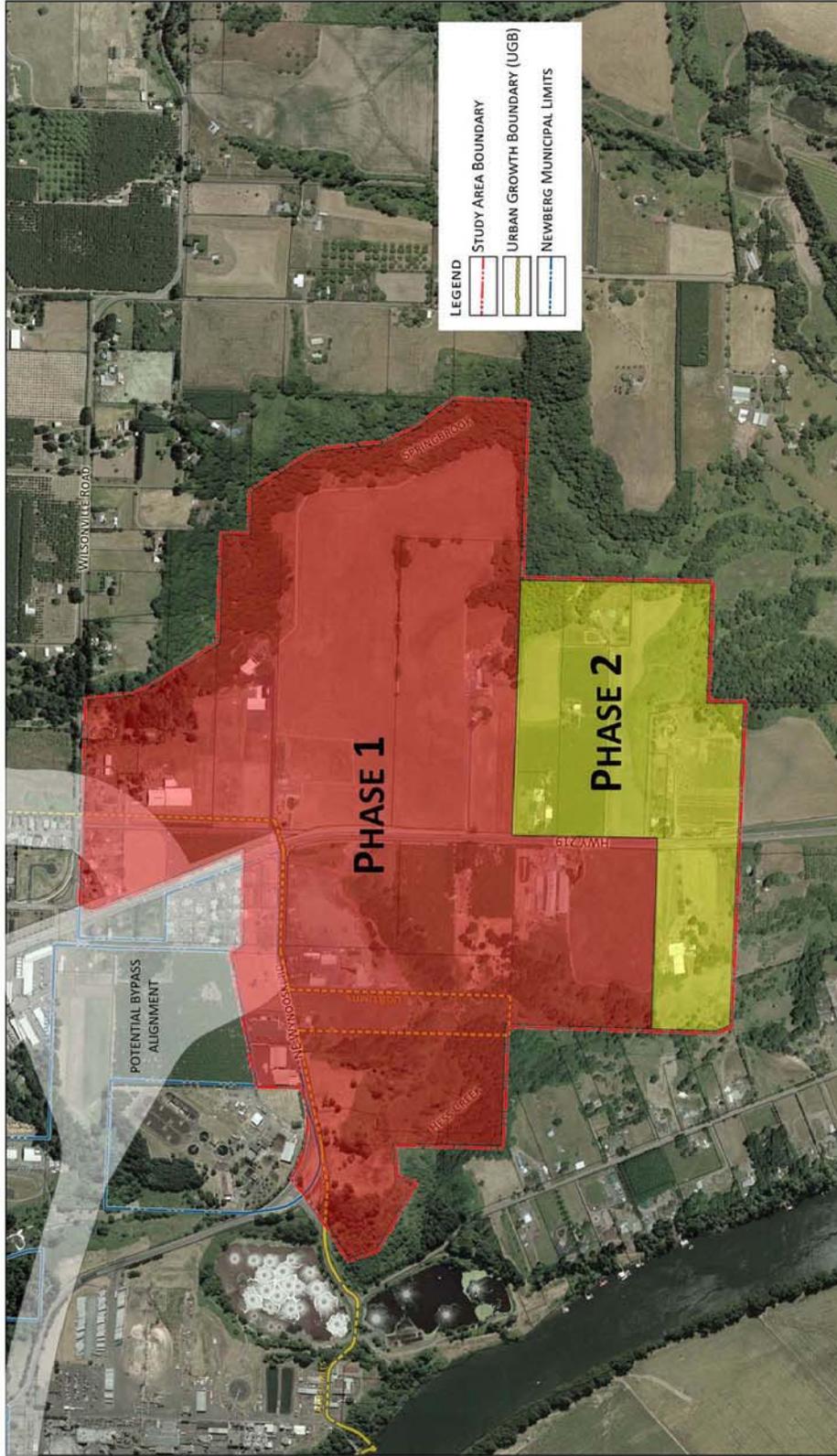
Infrastructure financing is a constraint that will need to be overcome to successfully develop the area. As several public infrastructure improvements will be required for the Plan area, the City will need to develop a plan and gain public support for funding of the required improvements.

SIAMP INFRASTRUCTURE FINANCING PLAN

Plan Area

The SIAMP was created in response to the City's projected industrial land needs over the next 30 years for expansion of existing businesses and recruitment of new industries. The planning area is about 375 acres, of which about 200 acres is developable. The plan area is expected to be developed in two phases. Phase I includes about 140 developable acres and is expected to help provide the City's industrial land supply needs for the next 20 years. Phase II includes about 60 developable acres, which is expected to be a sufficient supply for the subsequent 10 years. The project area involves lands that are within the city limits, its urban growth boundary, and its urban reserve.

The following map illustrates the lands included in Phase I development of the SIAMP as well as Phase II.



Newberg South Industrial Area Master Plan

DEVELOPMENT PHASING PLAN



NEWBERG, OREGON

Infrastructure Needs Assessment

A foundation of this plan is created through a detailed identification of the infrastructure requirements of the area. In addition, the plan includes a cost estimate regarding the implementation of that infrastructure. These calculations must be made prior to determining the preferred financing mechanisms that will fund the construction of the SIAMP's infrastructure needs. It should be noted that the authors of this plan utilized the infrastructure concepts developed in the SIAMP as a guide. In addition, it is important to anticipate the sequencing of the infrastructure construction to ensure it is done in the most effective manner possible.

Below is a summary of the estimated infrastructure costs for the SAIMP:

Transportation	\$ 17,930,000
Sanitary Sewer	\$ 6,870,000
Water	\$ 1,910,000
Parks	\$ 800,000
<u>Storm Drainage</u>	<u>\$ 90,000</u>
TOTAL	\$ 27,600,000

Preliminary discussions with the private franchise utilities (power, natural gas, and telecommunications) indicated that extensions of these utilities can be accomplished in a manner that will prepare the lands to shovel-ready development status. Extension of these utilities will be paid for by the utility companies and developers.

The following table describes a list of infrastructure that is needed within the plan area as well as the estimated costs of those specific projects. Appendix A discusses the methodology used to determine infrastructure needs and estimated costs.

Newberg South Industrial Financing Plan
Infrastructure Project List

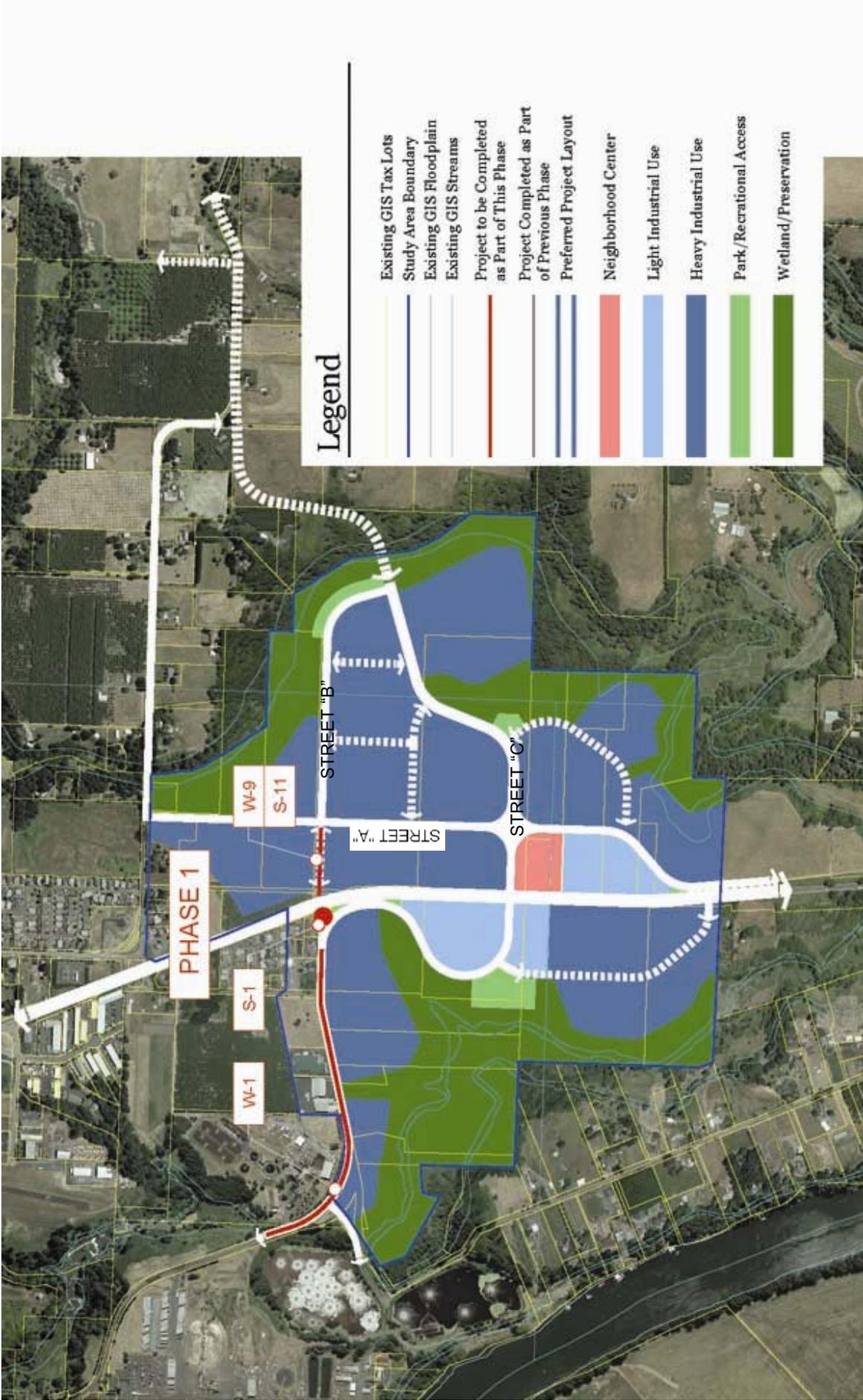
Category	Project ID	Improvement Type	Location	Beginning	End	Size	unit	Quantity	units	Unit Cost	Total Cost	Phase
Transport.	T-1	Road upgrade	Wynooski Road	Dog Ridge Road	Highway 219 (current)	Major Collector		2400	feet	\$ 496.00	\$1,190,000	2C
Transport.	T-2	New Road	Wynooski Road	Wynooski Rd. (current)	Highway 219	Major Collector		2000	feet	\$ 1,192.50	\$2,390,000	3C
Transport.	T-3	Road upgrade	Highway 219	Wynooski Rd. (current)	Street "C"	Minor Arterial		1485	feet	\$ 715.50	\$1,060,000	2A
Transport.	T-4	Traffic Signal	Highway 219	Wynooski Rd. (current)	Street "C"	Minor Arterial		1	each	\$ 750,000.00	\$ 750,000	
Transport.	T-5	Road upgrade	Highway 219	Street "C"	Street "A"	Minor Arterial		1680	feet	\$ 715.50	\$1,200,000	4C
Transport.	T-6	New Road	Street "C"	Highway 219	Street "A"	Major Collector		550	feet	\$ 1,311.75	\$ 720,000	3A
Transport.	T-7	Roundabout	Street "C"	Street "C"	Street "A"	Major Collector		380	feet	\$ 1,500.00	\$ 570,000	3B
Transport.	T-8	New Road	Street "C"	Street "A"	Street "B"	Major Collector		2380	feet	\$ 1,192.50	\$2,840,000	4A
Transport.	T-9	New Road	Street "A"	Highway 219	Street "C"	Local Street		1670	feet	\$ 954.00	\$1,590,000	5
Transport.	T-10	New Road	Street "A"	Street "C"	Street "B"	Major Collector		1525	feet	\$ 1,192.50	\$1,820,000	3B
Transport.	T-11	New Road	Street "A"	Street "B"	Wilsonville Road	Major Collector		1345	feet	\$ 1,192.50	\$1,600,000	2B
Transport.	T-12	New Road	Street "B"	Street "A"	Street "C"	Local Street		2110	feet	\$ 954.00	\$2,010,000	4B
Transport.	T-13	Trail	Hess Creek	Dog Ridge Rd.	CPRD Park	Trail		5000	feet	\$ 15.00	\$ 80,000	
Transport.	T-14	Trail	Springbrook	Wilsonville Rd.	CPRD Park	Trail		7500	feet	\$ 15.00	\$ 110,000	
Sewer	S-1	Sewer Pump Station	Near Dog Ridge Road					1	each	\$3,125,000.00	\$3,130,000	1
Sewer	S-2	Sewer Trunk Line	Wynooski Road	New WTP near Dog Ridge Rd.	Highway 219	24	inch	2400	feet	\$ 425.00	\$1,020,000	2C
Sewer	S-3	Sewer Trunk Line	Highway 219	Wynooski Rd. (current)	Street "C"	24	inch	1485	feet	\$ 425.00	\$ 630,000	2A
Sewer	S-4	Sewer Trunk Line	Highway 219	Street "C"	Street "A"	24	inch	1600	feet	\$ 425.00	\$ 680,000	4C
Sewer	S-5	Sewer Trunk Line				12	inch	300	feet	\$ 165.00	\$ 50,000	3C
Sewer	S-6	Sewer Trunk Line	Street "C"	Highway 219	Street "A"	12	inch	550	feet	\$ 165.00	\$ 90,000	3A
Sewer	S-7	Sewer Trunk Line	Street "C"	Street "A"	Street "B"	12	inch	2380	feet	\$ 165.00	\$ 390,000	4A
Sewer	S-8	Sewer Trunk Line	Street "A"	Local Road	Street "C"	10	inch	930	feet	\$ 130.00	\$ 120,000	5
Sewer	S-9	Sewer Trunk Line	Street "A"	Street "C"	Street "B"	10	inch	1525	feet	\$ 130.00	\$ 200,000	3B
Sewer	S-10	Sewer Trunk Line	Street "A"	Street "B"	Wilsonville Road	10	inch	1345	feet	\$ 130.00	\$ 170,000	2B
Sewer	S-11	Sewer Trunk Line	Street "B"	Highway 219	Street "A"	12	inch	650	feet	\$ 165.00	\$ 110,000	1

Category	Project ID	Improvement Type	Location	Beginning	End	Size	unit	Quantity	units	Unit Cost	Total Cost	Phase
Sewer	S-12	Sewer Trunk Line	Street "B"	Street "A"	1430 feet east 675 feet northwest	10	inch	1430	feet	\$ 130.00	\$ 190,000	4B
Sewer	S-13	Sewer Trunk Line	Street "B"	Street "C"	New WTP near Dog Ridge Rd. Wynooski Rd.	10	inch	675	feet	\$ 130.00	\$ 90,000	4B
Water	W-1	Water Line	Wynooski Road	Highway 219	Street "C"	24	inch	2000	feet	\$ 160.00	\$ 320,000	1
Water	W-2	Water Line	Highway 219	Highway 219	Street "C"	18	inch	1485	feet	\$ 140.00	\$ 210,000	2A
Water	W-3	Water Line	Highway 219	Highway 219	Street "C"	18	inch	1680	feet	\$ 140.00	\$ 240,000	4C
Water	W-4	Water Line	Street "C"	Highway 219	Street "A"	18	inch	550	feet	\$ 125.00	\$ 70,000	3A
Water	W-5	Water Line	Street "C"	Street "A"	Street "B"	18	inch	2380	feet	\$ 125.00	\$ 300,000	4A
Water	W-6	Water Line	Street "A"	Highway 219	Street "C"	12	inch	1670	feet	\$ 95.00	\$ 160,000	5
Water	W-7	Water Line	Street "A"	Street "C"	Street "B"	12	inch	1525	feet	\$ 95.00	\$ 140,000	3B
Water	W-8	Water Line	Street "A"	Street "B"	Wilsonville Road	12	inch	1345	feet	\$ 95.00	\$ 130,000	2B
Water	W-9	Water Line	Street "B"	Highway 219	Street "A"	18	inch	650	feet	\$ 125.00	\$ 80,000	1
Parks	P-1	Park	Wynooski Road	Street "A"	Street "C"	Regional		1	each	\$ 400,000.00	\$ 400,000	
Water	W-10	Water Line	Street "B"	Street "A"	Street "C"	18	inch	2110	feet	\$ 125.00	\$ 260,000	4B
Parks	P-2	Park	Street "C"	Street "C"	Street "C"	Regional		1	each	\$ 400,000.00	\$ 400,000	
Local LID	SD-1	Storm Drainage	Varies	Varies	Varies	Regional		1	acre	\$ 31,590.00	\$ 30,000	
Regional Storm System	SD-2	Storm Drainage	Varies	Varies	Varies	Regional		1	acre	\$ 63,180.00	\$ 60,000	
TOTALS (rounded)											\$27,600,000	

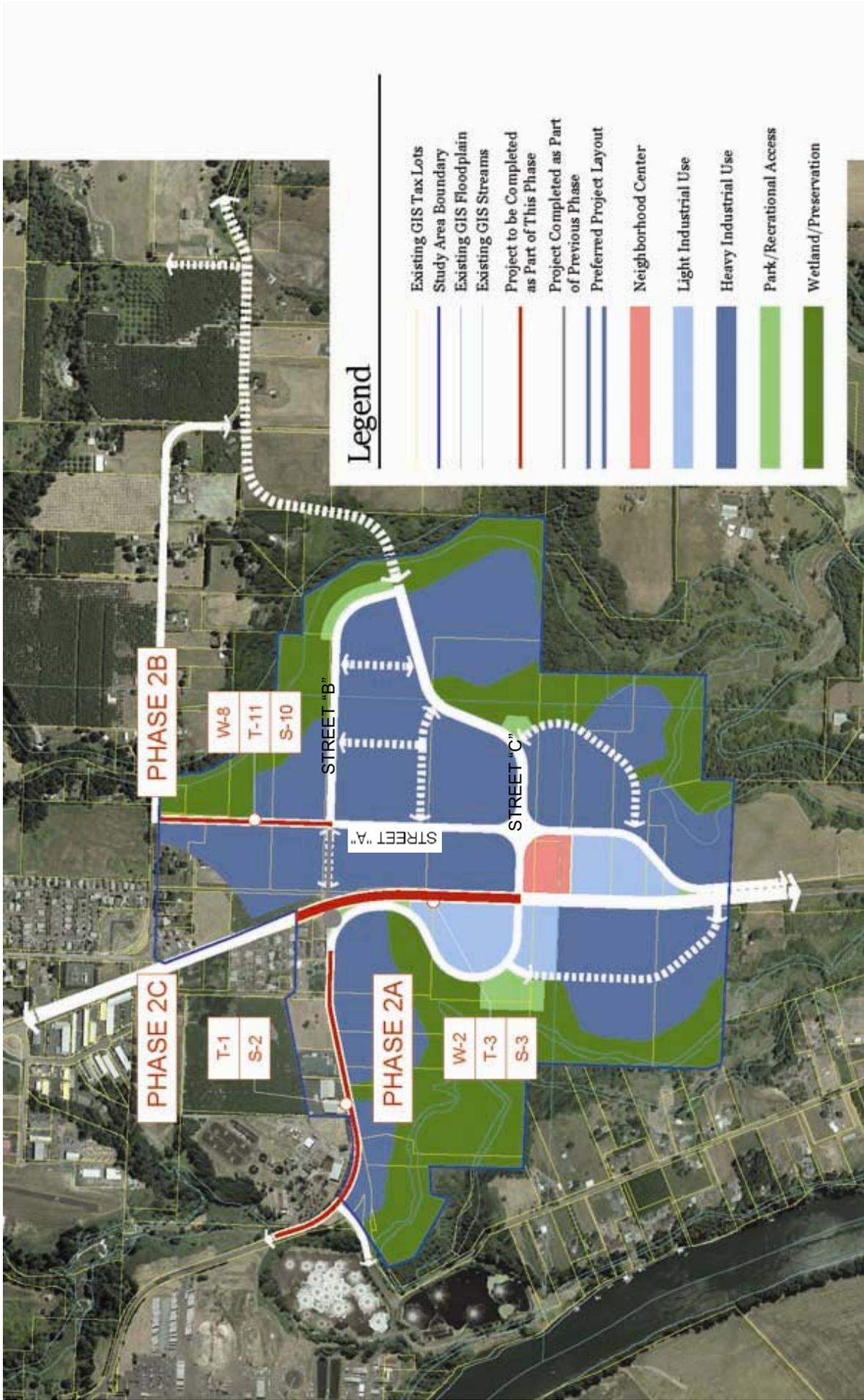
Infrastructure Sequencing

The following maps illustrate the sequencing of infrastructure improvements. Each improvement includes an associated project ID number (e.g. W-2 for a water line; S-6 for a sewer line, etc.). That project ID number can be referenced back to the spreadsheet mentioned above for a full description of the project.

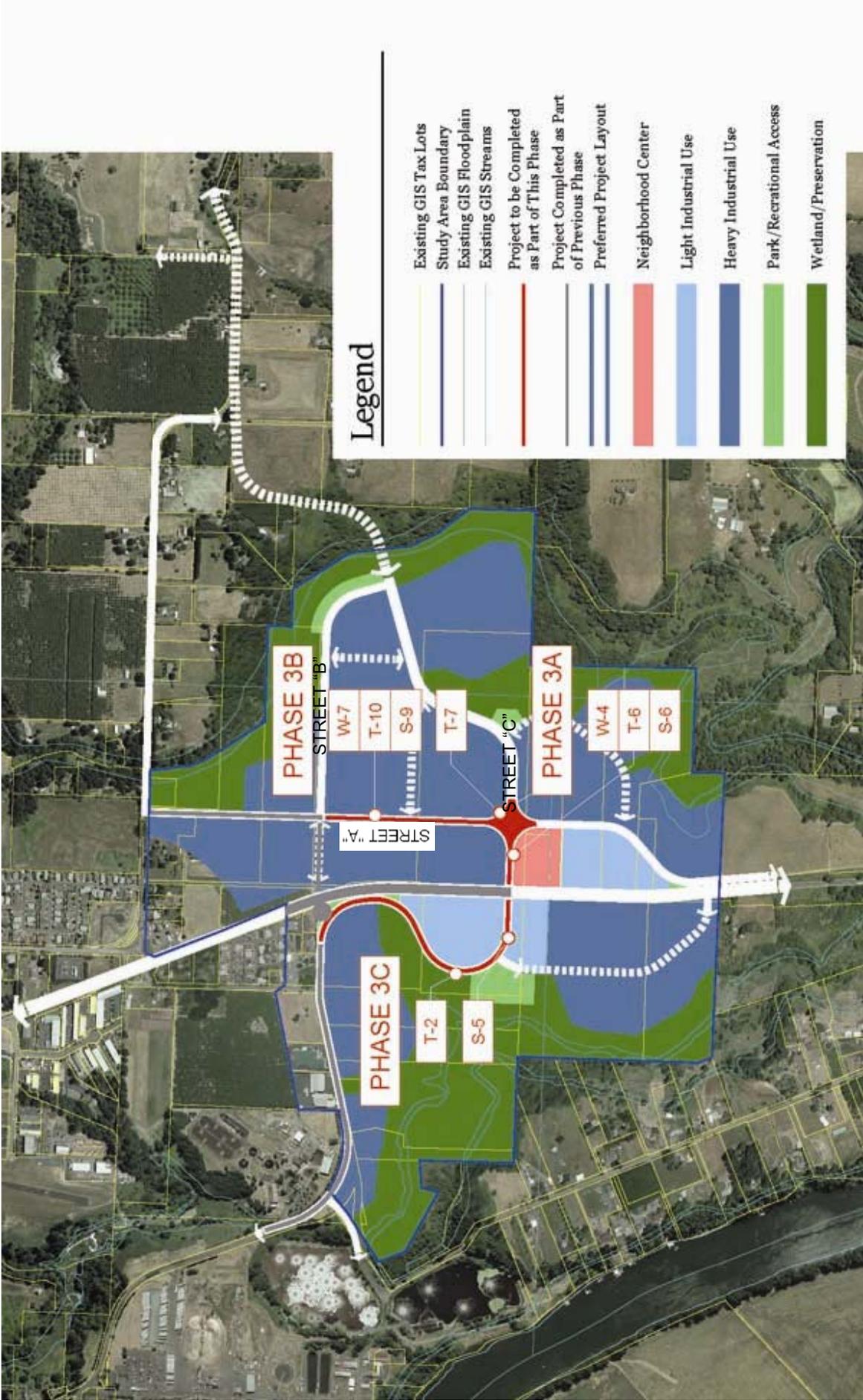
PHASE 1 MAP



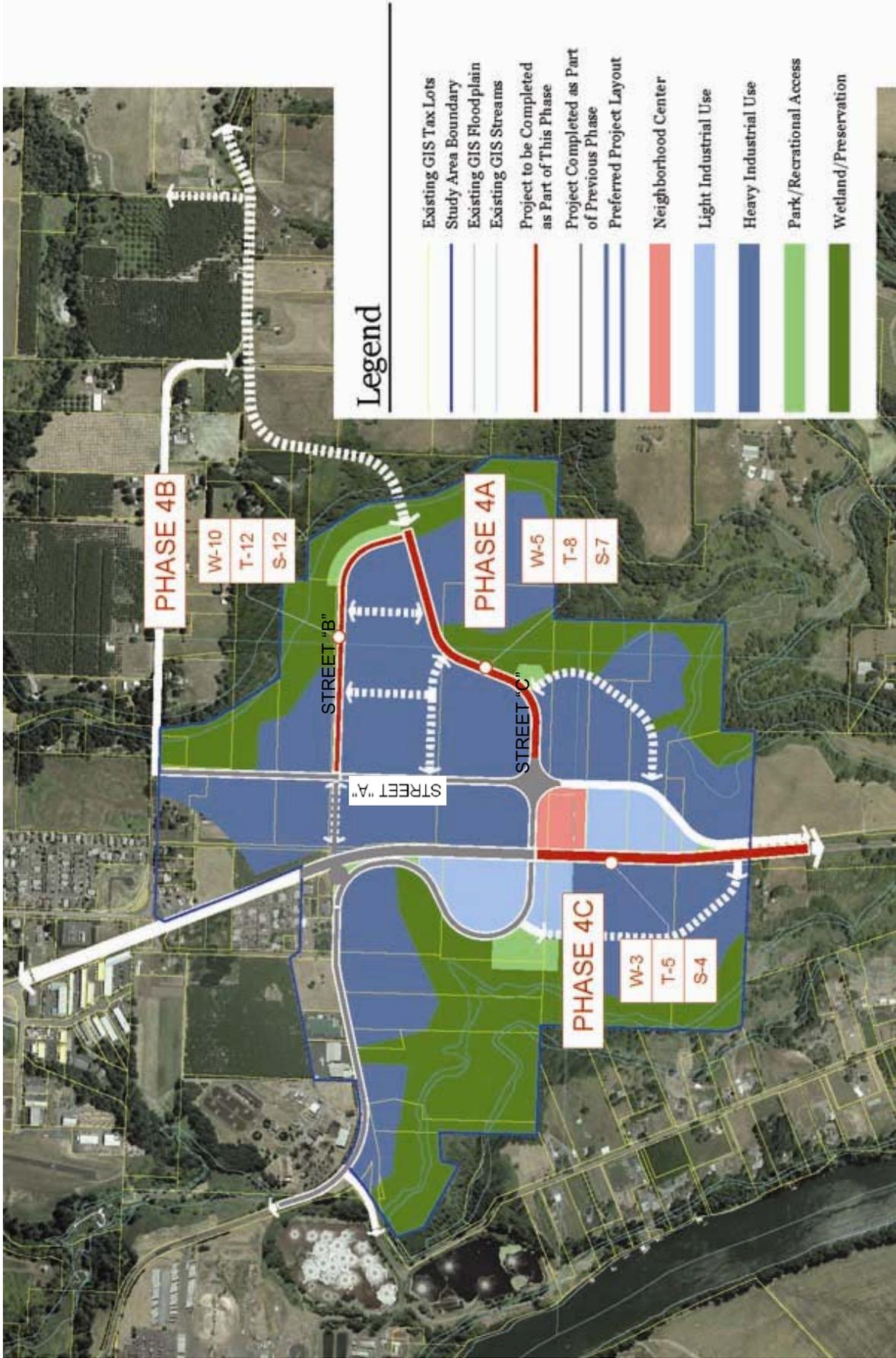
PHASE 2 MAP



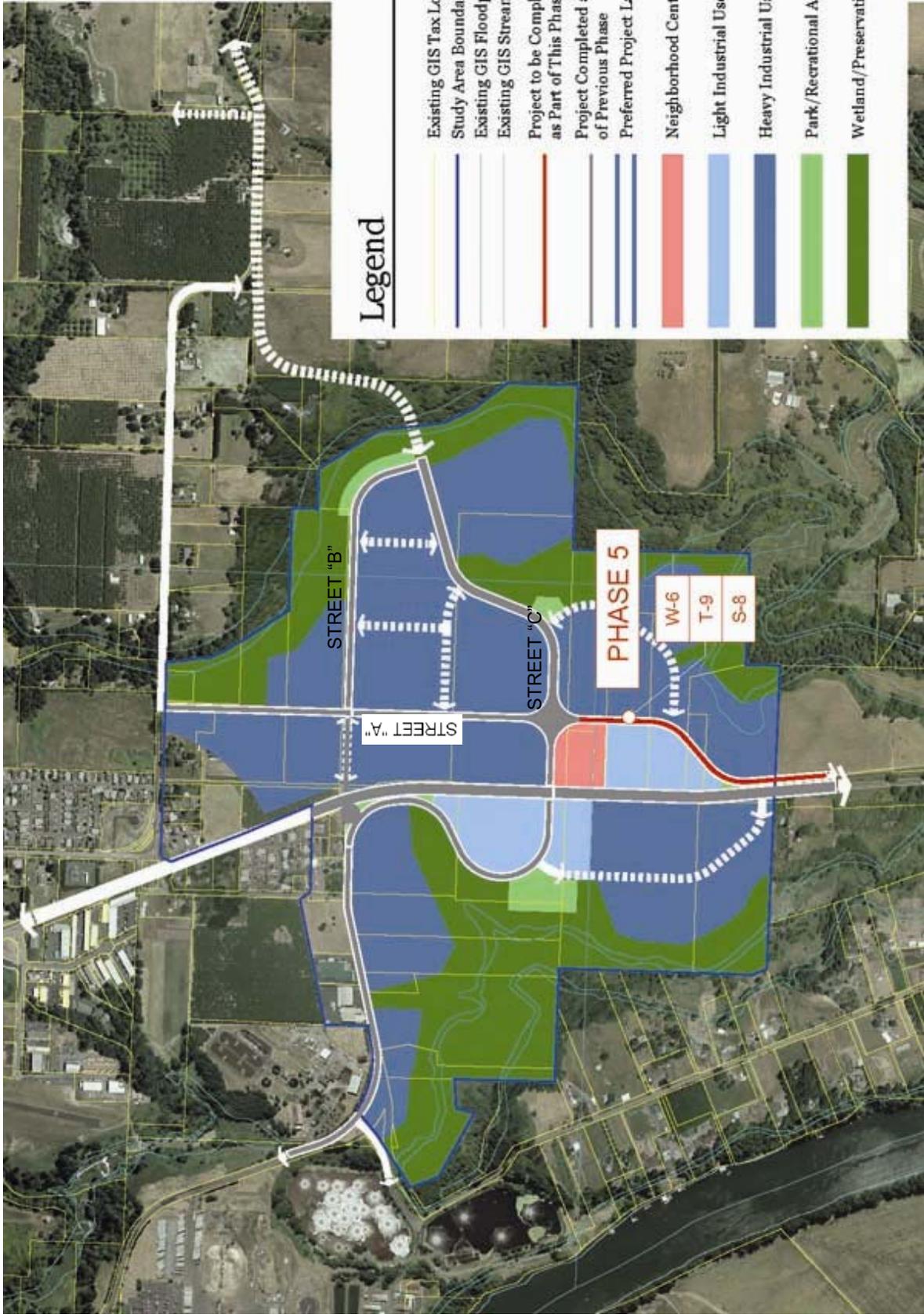
PHASE 3 MAP



PHASE 4 MAP



PHASE 5 MAP



Definition of a Successful Plan

A key factor of a successful community project is achievement of a consensus among the stakeholders on development plan that they feel provides the highest potential of success. To achieve such a consensus, the project stakeholders must feel that the final plan:

- Achieves their goals to a satisfactory level; and,
- Provides an equitable return on their investment.

Like any business transaction, the stakeholders are principally the sellers and the buyers. For this plan, there are two principal sellers: the landowners/developers and the citizens of Newberg. The principal buyers are the prospective businesses that will locate within the project area.

In addition, the City is keenly aware of the importance of having industrial sites ready to accommodate the ever increasing speed of decision-making by businesses. Therefore, another critical component to the successful development of the SIAMP lands is the installation of infrastructure to make the properties “shovel-ready”. This means that construction on a development site should be able to begin within 6 months after applications for planning/building permits are submitted. Regarding infrastructure, this means that infrastructure needs to be in place and/or can be extended concurrently with the development of a site without impeding the construction timeline of the facility. A development site reaches “shovel-ready” status through a certification process performed by a third-party industrial development site expert (a process usually coordinated through the State). Other development related issues outside of infrastructure are reviewed during the certification process, such as zoning land uses, wetland delineation, etc. Please see Appendix B the industrial site certification process.

Financing Options

A variety of financial mechanisms are available (or could be) in Oregon for the development of the needed infrastructure in this plan. The following is a brief description of these options.

System Development Charge – This is an impact fee charged on a new development. Fees collected will be used to help pay a portion of the cost for needed expansion of offsite improvements. Currently, the City already charges such fees for water, sewer, storm sewer, and transportation improvements. CPRD also applies park SDCs to new residential developments. Fee is paid by the developer when building permits are issued.

Supplemental System Development Charge – As the name implies, this is an SDC in addition to the regular SDCs to pay for infrastructure improvements outside of what is considered normal. These charges would only be applied to new development within the plan area.

Advance Financing District – Allows for a developer to pay for the extension of infrastructure for a development outside of the normal development sequencing pattern.

The developer is repaid for portion of the extension by other developments located along the extension as they occur. This is used mostly by large developers with access to significant capital.

Development Exactions – As a condition of approval for a development, a developer is required pay for and/or construct off-site infrastructure improvements.

Windfall “Zoning” Tax – Justification for this tax is that property annexed into the city would be worth considerably more then when in the county, due to its potential for higher intensity uses. The tax would be paid when property is annexed and rezoned. This option would likely require enabling legislation to be passed by the State.

Local Improvement District – An LID is created through an arrangement between property owners in a specified neighborhood and the City that provides for the funding of improvements needed in that district. Property owners benefiting from the improvements within District then pay for the improvements over time. Payments for the improvements are usually made annually over a 10 year period.

General Obligation Bond – This type of bond is issued for the construction of the improvements. The bond is then repaid over time through assessment of all properties within jurisdiction where the improvements are constructed (city-wide) in this case. Exercising this option would require voter approval.

Revenue Bond (with utility surcharge backing) – This type of bond is issued for the construction of the improvements. The bonds are then repaid with a revenue producing utility. For Newberg, this could be applied to water and sewer improvements.

Local Gas Tax – Increases gas taxes collected at fueling stations. Use of extra taxes collected limited to transportation improvements. A state-wide moratorium on local governments implementing this option is in effect until 2013.

Tax Increment Financing – Funding to pay for infrastructure improvements would be provided through the increase in property taxes from new development within the plan area. Taxes collected for this purpose apply only to lands located within an urban renewal district. Once improvements are paid for, all future property taxes of the affected lands are returned to the taxing districts.

Appendix C provides additional information regarding these finance mechanisms.

Stakeholder Input on Financing Options

In an effort to achieve a sense as to what finance options would be acceptable to the project stakeholders, city staff held a stakeholders workshop on November 4, 2010. At that meeting, staff provided stakeholders with an overview of the SIAMP project, with an emphasis on the infrastructure needs of the area and financing options. The final portion of the meeting involved the stakeholders participating in an exercise where small groups

were formed to discuss the list of financing options in this plan. Through this process, each group created a preferred finance package for the development of the areas public infrastructure, using multiple types of financial mechanisms in varying percentages. While no consensus was developed for a preferred financing package, three of the finance mechanism options were indicated to be the most acceptable through this process: local improvement districts (LID), supplemental system development charges (SDC), and: tax increment financing (TIF). Appendix D provide a summary of the stakeholder meeting, a list of participants, and graphics showing the preferred finance option packages from the small group exercise.

LIDs can be formed to fund a variety of improvements and can be used in areas large and small. All property owners within an LID must participate in the repayment for the improvements, regardless of whether or not they choose to further develop their property. LIDs can be effective where property owners expect to develop their properties in the near future, but can be a burden if the owner chooses not to or cannot develop the property quickly, because they may not have a revenue stream to pay the assessment.

Supplemental SDCs can be used for specific types of projects (e.g. water, sewer) and would be paid for by a developer of a property in the SIAMP area at the time of a project's construction permit issuance. These would be in addition to the standard SDC's charged.

TIF is a financing mechanism created through the establishment of an urban renewal district. Through TIF, a variety of public infrastructure improvements can be made and would be paid for from property tax increases generated by new development within the SIAMP area. For a more detailed description of how TIF works, please see Appendix E.

TIF has often been used as a tool to support the development of the industrial areas. For example, the City of Canby started the development of their Pioneer Industrial Park about 10 years ago. City staff recently looked into the Canby project, as the site characteristics of their park appeared to be similar to Newberg's (city size, rural location, access to I-5, etc.) The Park contains about 300 acres, with about 135 acres of the park served with infrastructure improvements. The majority of the funding to install the Park's infrastructure and get its lands prepared to accept business development came from TIF, with the remaining funding coming from a local improvement district. Canby estimates the \$13 million investment from city and the land owners (\$7 million from TIF; \$6 million from the LID) has leveraged about \$50 to \$80 million in outside business investment from the private sector.

Recommended Public Infrastructure Financial Package

This plan recommends using five sources to fund the improvements needed in the South Industrial Area:

- System Development Charges
- Tax Increment Financing
- Developer Installed Improvements

- ODOT
- Special Parks SDC

Each of these is discussed in detail below.

System Development Charges

The plan anticipates that about 20 percent of the total project costs would be paid through system development charges (SDCs). SDCs are paid by developers at the time of development. SDCs would be used to construct the sewer pump station (S-1), and to extend sewer and water lines to the Highway 219/Wynooski Road intersection (S-2, W-1). These critical first phase improvements would open most of the plan area for development upon annexation.

SDCs also would pay extension of sewer lines to Wilsonville Road (S-10), and for oversizing of utilities where costs are not otherwise covered.

These projects already are included in the City sewer and water master plans, and factored into the SDC calculations. However, this plan projects a higher cost for the pump station due to the larger area served, so some adjustment to the wastewater SDC may need to be made.

Tax Increment Financing

The plan anticipates that Tax Increment Financing (TIF) would pay for about 45 percent of the project costs. TIF funds are property taxes paid by property owners in the area and used to fund improvements within that same area. TIF funds would be used to install the collector street system and the main utility lines within those collector streets to serve the area. It also would pay the development costs for the parks and trails system, and the regional storm system. Specific projects could include:

- Construction of the main road network connecting Wynooski Road to Wilsonville Road, except that part funded by ODOT (T-1, T-2, T-4, T-6, T-7, T-10, T-11).
- Construction of backbone water and sewer lines in Highway 219 and Street “A” (S-3, S-4, S-5, S-6, S-9, S-11, W-2, W-3, W-4, W-7, W-8, W-9).
- About one-half of the street, sewer, and water infrastructure in collector Street “C” (T-8, S-7, W-5).
- Improvements to Highway 219 not funded by ODOT (T-3, T-5)
- A regional storm system (SD-2)
- The parks and trails (P-1, P-2, T-13, T-14)

Developer Installed Improvements

The plan anticipates that about 25 of the total project costs would be paid for and constructed by the property owners/developers at the time of development. This would include:

- Construction of local roads and utilities in those roads.
- Installation of sidewalks along each property's frontage.

ODOT

The plan anticipates that about 10 percent of the total project costs would be borne by the Oregon Department of Transportation (ODOT) and constructed as part of the Newberg-Dundee Bypass project.

The project area is along Oregon Highway 219, and near the future interchange with the Newberg-Dundee Bypass. As part of the bypass, ODOT plans on improving Highway 219 south of the interchange, similar to Project T-3. They also plan on realigning Wynooski Road in a fashion similar to project T-2, and realigning Wilsonville Road to the south to connect to Highway 219, similar to project T-6, T-10, and T-11. If ODOT constructs of this section of the bypass concurrent with development in the area, they may construct some of the facilities envisioned in the plan. Even if development in the area precedes bypass construction, ODOT may be persuaded to contribute to local construction of some variation of these plans, similar to the way Springbrook Road was realigned to the north of the bypass interchange. If ODOT does not want to fund some of these projects, then City may be able to use TIF funds for those projects.

Special Parks SDC

The plan envisions creating a special parks system development charge attributable to development in the South Industrial area. This nominal SDC would be used to pay for trail improvements that extend beyond the boundaries of the TIF district. The Chehalem Park and Recreation District (CPRD) currently does not charge a Parks SDC for commercial or industrial uses, so property owners in the area would not have to pay two fees.

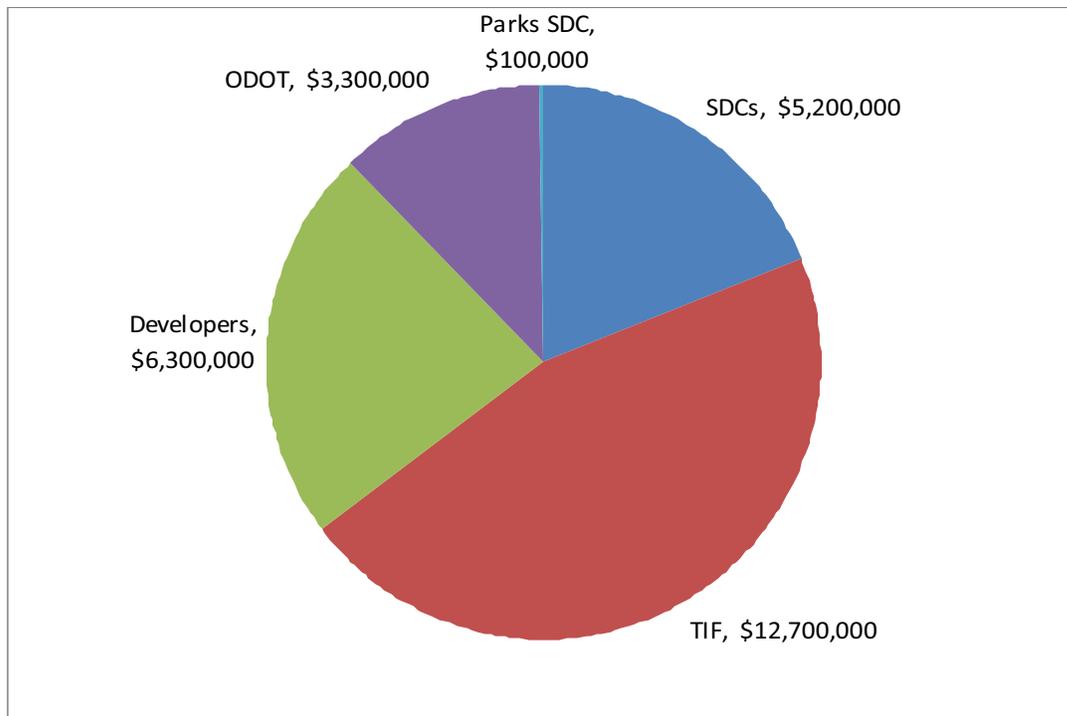
The special SDC also could be used more to create equity among property owners in the area. Because the parks and trails would be a benefit to the property owners, property owners would be asked to dedicate easements or land for these facilities. As a matter of geography, nearly all properties in the area have some frontage to a proposed trail or park. Thus, if each property owner dedicates easements or land, then each would be contributing a roughly proportional share. Property owners who dedicate easements or land would not have to pay the SDC. Property owners with no dedication would pay the SDC. If some property owners dedicate more than a proportionate share, then the SDC funds could be used to credit that property owner for the cost.

Summary of Recommended Financing Plan

Together, these five funding sources would cover the costs of the improvements envisioned in the plan. The table below summarizes these costs. A more detailed project list is shown in Appendix F.

Funding Sources	Amount
SDCs	\$ 5,200,000
TIF	\$ 12,700,000 ¹
Developers	\$ 6,300,000
ODOT	\$ 3,300,000
Parks SDC	\$ 100,000
Total	\$ 27,600,000

The chart below shows the proportions of the funding sources to pay for the improvements.



¹ Anticipated value of tax increment spread over 20 years discounted @5%; assumes 65% development rate. Served land valued at \$150 per s.f.

Staff feels that this financial package treats all stakeholders involved with the development of the SIAMP in an equitable manner: property owners, future businesses, and the citizens of Newberg. All stakeholders will be required to make an investment in this project and all should be able to reap benefits from the effort.

The use of TIF should provide benefits for the City of Newberg and its citizens in the near term and the future. New businesses developed through the SIAMP will provide new jobs and infuse new revenues that will be circulated throughout the community. In addition, once the TIF obligations are completed, local taxing districts will realize significantly higher tax revenues from the SIAMP properties than if these investments had not been made (please see Appendix G). Implementing this financial package should lead to results that would greatly strengthen Newberg's overall economy.

Getting it off the Ground

The financing plan presented provides a viable strategy that funds the improvements needed for the South Industrial Area through revenues generated in one way or another by development in the area. The plan does rely on development occurring that will fund the infrastructure. The primary challenge is that until infrastructure is in place, the development that will fund the infrastructure cannot occur. Other challenges include:

- Including land in the UGB, annexing it to the city, creating the financing mechanisms, and actually installing the infrastructure all will take several years to complete.
- The City has a critical shortage of industrial lands. The City could lose economic opportunities if it delays making land shovel ready for several years.
- Some properties in the study area already are in the city and could be developed if infrastructure were there. These properties could have to wait several years to develop if no infrastructure can be installed until all the areas are annexed and all the financing mechanisms are in place.
- Spurring development early in the plan is critical to getting funding for the improvements that will serve later phases.
- Property owners in the areas could be concerned about annexation if that annexation does not mean they could develop properties in a timely manner.

To avoid a potential Catch-22, where development cannot occur until infrastructure is in place, but infrastructure cannot be in place until development occurs to fund it, and to avoid losing economic opportunities due to extended delay, the City should look seriously at installing some basic infrastructure early to kick start development in the area. The infrastructure study shows that if sewer and water were extended to near the Highway 219/Wynooski Road intersection, most of the south industrial area would be opened for development upon annexation. This first phase would get the most critical piece of infrastructure, the wastewater pump station, in place to serve development. From this point, most of the properties would be only a short distance from the sewer and water lines, and thus most properties could front the cost to extend the lines a few

hundred feet. Other improvements, such as transportation frontage improvements, could then be developed as each property develops.

The preliminary costs for this kick-start phase include:

Project Number	Description	Cost
W-1	Water line from Wynooski to Hwy. 219	\$320,000
S-1	Sewer pump station	\$3,130,000
S-2	Sewer trunk line from Wynooski to Hwy. 219	\$1,020,000
	Total	\$4,470,000

The City should consider financing this first phase of improvements through a mechanism such as the Oregon Special Public Works Fund. The fund offers loans for infrastructure projects important for economic development. The Infrastructure Finance Authority offers very attractive interest rates that reflect tax-exempt market rates for highly qualified borrowers. Loan terms can be up to 25 years.

Financing the initial infrastructure would of course mean that a funding source would be needed to repay the loans. SDCs would be sufficient to repay the loan over time. However, since SDC revenues are an unsure funding source, the City would have to pledge a more stable funding source, such as sewer and water rates, to repay the loan should SDC revenues not be collected according to the payment schedule. This could affect short term sewer and water rates, though any short term increase should be able to be repaid in the longer term. In addition, it could affect the City’s ability to borrow for other projects. The City Council will need to carefully evaluate both the advantages and the risks before taking final action.

Next steps

The following steps should be taken to begin the implementation of this plan. Step 1 must be completed prior to the beginning work on other steps. Steps 2 through 6 may be performed as concurrent efforts.

1. Continue with city efforts to expand the UGB and annex land within the SIAMP that are targeted for industrial development.
2. Determine and implement the best option to prepare lands within the plan area to shovel-ready status.
3. Establish an urban renewal district and its corresponding tax increment finance structure. The district will consist of the SIAMP lands included in this infrastructure financing plan.

4. Review sewer SDCs to determine if adequate funds are being collected to fund the sewer pump station.
5. Work with the franchise utilities to develop their facilities to a point where land within the SIAMP can obtain shovel-ready status.
6. Work with the Oregon Department of Transportation to develop a plan where needed improvements to Highway 219 can be put into place in a manner that still meets this plan's goal of having shovel-ready lands ready to market.

APPENDIX A

MEMORANDUM



Shaping the Future

To: David Bean, City of Newberg
From: Richard D. Boyle, PE
Date: August 23, 2010
Project: Newberg South Industrial Area Finance Plan
CardnoWRG#: 210 9440 000 SD 3
Re: Infrastructure Project List - Project Cost Estimation and Phasing

5415 SW Westgate Drive
Suite 100
Portland, Oregon 97221
USA

Phone (503) 419-2500
Fax (503) 419-2600

www.cardnowrg.com

Background:

This memorandum responds to Work Task Order 2 the evaluation of infrastructure needs and estimated costs of the public infrastructure for the area. The focus of this memorandum is to communicate cost estimation sources, means, methods and assumptions utilized to estimate project costs.

Method:

Each line item in the Infrastructure Project List was estimated as a stand along project. Each project estimate is based on costs of materials, labor and equipment with consideration of existing conditions and work requirements such as patching and traffic control. Average in place construction costs were obtained from published bid tabulations from ODOT, Washington County, City of Portland, City of Hillsboro, TVPRD, TVWD, CWS and periodical publications such as Water Works, Wastewater and the Engineering News Record. Average costs were also reconciled with current trends as published by RSMMeans for the Pacific Northwest region.

The in place average construction cost for water, sewer and transportation projects were further adjusted for the cost of permits, consultants and a contingency consisting of 9%, 15% and 35% respectively.

Water:

Water estimates are straight forward considering ductile iron pipe, average pipe depth and standard crushed rock bedding and backfill with the exception of project ID items W-1, W-2 and W-3 that contains consideration for staging and traffic control for working within an existing road.

Sewer:

Project ID S-1 is a pump station that is assumed to be of substantial wet well depth of around 30-feet to serve the majority of the plan area. Due to the depth a value of \$8,333 per acre was used.

Due to the depth of the pump station it was assumed that the installation of the main truck line identified by project ID S-2, S-3 and S-4 would be performed by tunneling or a bore and the cost per lineal foot was adjusted accordingly.



Transportation:

Costs per lineal foot of improvements were established for each street section per the method stated above. Consideration for storm drainage, street lights, signage and franchised utilities were included in the estimate. Further adjustments to the lineal foot costs were made to those improvements to existing streets identified by project ID T-1, T-3 and T-4.

Trails:

Trails were estimated to be 9-foot wide and consist of soft bark mulch of 6-inch depth over a 3-inch mulch soil compacted layer.

Parks:

Parks were estimated to contain one or more significant amenities such as pavilion or play structure. The estimate also includes landscaping, irrigation, signage and site furnishings typical of a regional park.

Low Impact Development:

This estimate is based on the area required to provide storm water quality assuming that each acre of industrial land is developed with an impervious surface covering 90% of the property. The resulting water quality volume requirement was assumed to be contained in an area with a maximum of 5-foot of depth with 1-foot of freeboard. This resultant area was assumed to be valued at \$390,000 per acre.

Regional Storm System:

The regional storm system was based on the above Low Impact Development scenario with the typical assumption that the storm water detention requirement is roughly double the storm water quality volume under current regulations. Please note that the Oregon DEQ is revising the requirements for the Storm Water NPDES Permit which may require this volume to triple.

Phasing:

The critical path investment for the establishment of public infrastructure for the Newberg South Industrial Area is the provision of franchised utilities, sanitary sewer and water services to the intersection of the Wynooski Road and HWY 219. Currently the area is without sanitary sewer and potable water services and has minimal franchised utilities. Industrial development of the area could be initiated with the extension of sewer services as identified by project ID S-1, S-2 and S-3. The location of S-1 could be relocated to the existing intersection of Wynooski Road and HWY 219 with a force main directed into head works of the treatment plant. This alignment of the sanitary sewer system coincides with the alignment of the water services critical path investment item, project ID W-1. Project ID W-2 would further extend water services to the planned intersection of Wynooski Road and HWY 219. These utility investments would be located within future Right-of-Way and/or along the current Right-of-Way of Wynooski Road and HWY 219. When the proposed Wynooski Road is built these utilities at the former intersection location would remain in a permanent public easement.

It is assumed that transportation and storm drainage improvements can lag behind these improvements and be adjusted or implemented when development warrants. Please note that transportation improvements are a visible improvement of which may entice development. Therefore, early transportation improvements to the intersection of Wynooski Road and HWY 219 may be appropriate.

Industrial Site Readiness & Certification

Industrial land is one of the state's most valuable resources in terms of net contributions to the state's economy and tax base. The traded sector firms that locate on industrial land are an engine of expansion, spurring growth in the service sector and paying family wages to a broad spectrum of workers.

Industrial Site Certification: Oregon's Industrial site certification program is recognized as one of the most comprehensive shovel-ready programs in the country. It is a rigorous program that is trusted by the market and has been a factor in many of the state's largest employment successes (see next page).

Decision Ready Sites: Most sites will move through a new 'Decision Ready' designation before they become certified. The Decision Ready designation is

a fast track tool that allows site owners and communities to quickly assess the readiness of their industrial sites and sticks to the primary tenants of certification. While the decision ready designation does not offer the 180-day employment ready guarantee, it does reduce risk for potential employers and developers while also helping communities and the state make policy and investment decisions. All sites that are granted the Decision Ready designation by Business Oregon will be eligible to be entered into the Industrial Site Certification program.



Business Oregon's mission is to create, retain, expand and attract businesses that provide sustainable, family-wage jobs for Oregonians through public-private partnerships, to leverage funding and support of economic opportunities for Oregon companies and entrepreneurs.

Business Oregon, a.k.a. the Oregon Business Development Department, houses the Infrastructure Finance Authority, the Office of Minority, Women, and Emerging Small Business, the Oregon Arts Commission, the Oregon Cultural Trust, and is the fiscal agent for the Oregon Film and Video Office.

Business Oregon's business development officers are in the field helping existing businesses grow. To locate your representative visit, www.oregon4biz.com. For Land Readiness assistance contact, Mike Williams, 503.986.0141.



Certification Successes

- Certified 65 sites in the last seven years.
- Companies are adding jobs on certified sites, even in the current downturn.
- Communities in the process of applying for certification:
 - Albany
 - Burns
 - Estacada
 - Forest Grove
 - Independence
 - McMinnville
 - Newport
 - Ontario
 - Pendleton
 - Prineville
 - Redmond
 - Roseburg
 - Salem
 - The Dalles
 - Toledo



For more information contact:

Michael Williams, Industrial Lands Specialist
 Ph: 503.986.0141 ~ email: michael.williams@state.or.us

APPENDIX B Decision Ready Checklist

OWNER

- Signed Owner Letter
- Preliminary Title Report and/or Description of Liens/ Easements/Encumbrances
- Description/Photographs of Improvements

MAPS

- Site/Aerial Map
- Topographic Map
- Floodplain Map / Letter
- Transportation Access Map

LOCAL SUPPORT

- Letter from Highest Ranking Elected Official

LAND USE

- Confirmation of UGB, Annexation, Zoning
- Applicable Zoning Code
- Outline of Planned/Pending Land Use Actions

ENVIRONMENTAL & WETLANDS

- Phase I Environmental Report
- Determination Letter/Ruling from Dept. of State Lands
- Soils Description
- Threatened & Endangered Species Letter
- Confirmation of ambient air quality non-attainment of maintenance area

TRANSPORTATION

- Local Transportation Letter and Documentation
- State Transportation Letter and Documentation

UTILITY LETTERS

- Water & Sewer Provider Info and Letter
- Electricity Provider Letter
- Natural Gas Provider Letter
- Telecom Provider Letter
- Stormwater Requirements Letter

CULTURAL

- Letter from State Archaeologist

Decision Ready Document Requirements

Owner

- I. Signed Letter of the Owner or Owner Representative (template available)
 - Proposed Pricing with any qualifications (i.e. onsite improvements, current level of investment, includes parcelization, etc...)
 - Acreage
 - Full legal property description
 - Marketing Flyer- Report
- II. Preliminary Title Report & Description of Liens & Encumbrances
 - Preliminary Title Report
 - Documentation of any easement, lien, rental contract or similar encumbrance (legal of physical) on or with respect to the property
 - Illustrative map and description of all encumbrances suggested. Alta survey optional.
- III. On Site Improvements
 - Descriptions and Photographs of on-site improvements
 - Print-out of tax lot information

Maps

- I. Site Map
 - Aerial Preferred
 - Site clearly labeled and Outlined
 - Tax Lots clearly identified and labeled
 - Gross Acreage
 - North Arrow
 - Title & Sourcing
- II. Topographic Map
 - Smallest Contours available
 - Site Outlined
 - North Arrow
 - Title & Sourcing
- III. Area Floodplain Map

- IV. Transportation access map with likely access points marked and roads labeled.
- V. Zoning Map
 - Zoning of site & surrounding parcels clearly labled.

Local Support (template available)

- I. Signed Letter by Local Elected Official
 - Support of development for the purposes of local investment and job creation that is consistent with current or planned zoning

Land Use Letter

- I. Letter from local planning official
 - Confirmation that the site is in UGB or other acceptable unincorporated community boundary
 - Confirmation of Annexation within city limits
 - Confirmation of zoning
- II. Provide essential zoning and development codes
- III. Documentation of any known process that could impact UGB, annexation, zoning
- IV. Identification of other district overlays (historic districts, enterprise zones, urban renewal areas, etc...) and relevant maps

Environmental & Wetlands

- I. Phase I Environmental Review from licensed company.
- II. Wetland Determination by the Department of State Lands.
- III. Department of Fish and Wildlife response regarding the presence of threatened or endangered animal species.
- IV. Department of Agriculture response regarding the presence of any threatened or endangered plant species (public sites only).
- V. Designation as an air quality non-attainment or maintenance area.



APPENDIX B

Transportation

- I. Letter and Documentation from both local and state transportation authority regarding the following:
 - Indication that site has an approved access point(s)
 - Type of road facility site has access to (state, local, U.S.)
 - Identify permitting agency for access
 - Identification of any known off-site capacity constraints that will need mitigation
 - Are frontage improvements needed to develop the site
 - Would a traffic study be required for development
 - Are there any trip restrictions on the site under the local comp plan, zoning ordinances, or development standards.
 - Are there vested trips available on site
- II. Other Documentation
 - Copies of any TIS/TIA (applicable to site/vicinity), specific regulations
 - Relevant parts of "Transportation System Plan" (TSP)
 - Plans & account of site/traffic mitigation & system improvement, and so forth

Utility Letters

- I. Water Provider Letter
 - Statement whether community water system that is in regulatory compliance or is not in moratorium can serve site.
 - GPD of the system provided above.
 - Gallons Per Minute that could be provided to site
 - Description of planned/pending changes to capacity
- II. Sewer Provider Letter
 - Statement from provider concerning total system capacity.
 - Statement on the existing line size and distance to the site of the wastewater line.
 - Peak flow available from site in Gallons Per Minute
 - Description of planned/pending changes to capacity that could impact site.
- III. Power Provider Letter
 - Distance to nearest substation
 - Megawatts Peak Load Available at site
 - Explanation of planned and pending investments that impact sites capacity
- IV. Storm Water
 - Letter from service provider confirming availability of

storm water discharge point and distance from site, any requirements to treat storm water generate by new on-site development, confirming that on-site detention is required, identifying jurisdictional standards applicable for quality treatment and detention.

V. Natural Gas Provider Letter

- Gas Line Size (inches)
- PSI at site
- Explanation of contingencies possible service enhancements to the site.

VI. Telecommunications Provider Letter

- Formal letter from telecommunication service provider representative(s) about current service at/ for site and/or plans

Cultural Resources Review

- I. Letter from state archaeologist reviewing known archeological conditions on the site.

After fulfilling the Decision Ready (DR) requirements, Business Oregon will help you get your site into Oregon's shovel ready Industrial Site Certification (ISC) program, a national gold standard in industrial site readiness.

All Decision Ready sites will be reviewed by Business Oregon to see if they qualify as shovel ready in 180 days or less. DR sites that meet Oregon's Industrial Site Certification standards will be encouraged to enter into the ISC program and be reviewed by an independent site certifier. DR sites that do not meet all of the shovel ready certification requirements will be given a clear blueprint to what needs to be done to get into the ISC program.

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**South Newberg Industrial Area
Infrastructure Financing Options Comparison**

Mechanism	Who Pays	Timing	Pros	Cons	Other Comments
System Development Charge (SDC)	Developer	One-time fee collected when building permit is issued	Fee is proportional to development impacts. Costs are spread across broad base. Easy to enact through legislative approval.	Higher financing costs and uncertainty about revenue timing. May not fully fund needed improvements.	Most widely used financing tool for capital improvement financing in Oregon. Rates need to be maintained in order for revenue to cover costs. Legislators approve project priorities through budget process. Cash flow uncertainty is a problem.
Add-on SDC (Supplemental SDC)	Developer	One-time fee collected when building permit is issued	Fee is proportional to impact. Addresses "equity" issues for improvements that only benefit a few properties.	Adds to development costs. Costs spread over a more limited area. Higher capital and financing costs.	Funds are dedicated to a small batch of projects but there is an accompanying loss of legislative flexibility for managing the timing and sequence of funded improvements. Cash flow uncertainty becomes a bigger problem.
Advance Financing District (Reimbursement District)	Developer	At the time of development as condition of approval	Allows projects to proceed ahead of normal sequencing. Payback by other property owners monitored by city.	Adds to capital and financing costs. Risk that other property owners may not develop and repay their fair share.	Often used in conjunction with SDCs to let big projects move forward on their own schedule. Districts typically sunset after 10 years but may be extended with legislative approval. Work best with large "deep pocket" developments or consortiums.
Development Exactions (i.e. conditions of approval)	Developer	At the time of development	Privatizes the cost of certain off-site improvements.	Add capital costs. May reduce land values. Limited application based on fair-share doctrine.	There is an added risk that reliance on exactions may result in "hodge-podge" infrastructure extensions and fragmented service delivery capabilities.
Windfall "Zoning" Tax	Property owner/ developer	Collected when property is rezoned from rural to urban use	Share of economic gain from rezoning used to finance infrastructure.	Would impact land values.	Likely would require legislation to authorize local government to enact this kind of tax program and the issue would be politically charged.

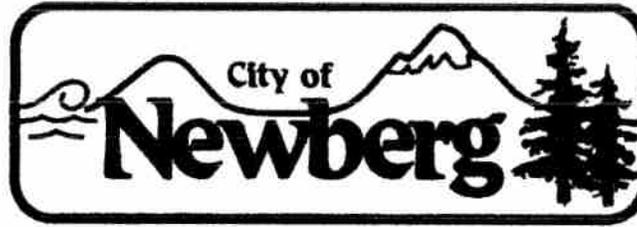


**South Newberg Industrial Area
Infrastructure Financing Options Comparison**

<u>Mechanism</u>	<u>Who Pays</u>	<u>Timing</u>	<u>Pros</u>	<u>Cons</u>	<u>Other Comments</u>
<i>Local Improvement District</i>	Property owner/ developer	Annual Property Tax Assessment	Low interest rates, secure financing, public backing.	Adds to land holding costs; may reduce land value.	Newberg has approved LIDs. The process can be difficult but also flexible with regard to when assessments kick in. Take time to put in place.
<i>General Obligation Bond</i>	Depends on revenue pledge typically property assessments.	Varies based on financing structure.	City's full faith and credit backs the bond issue. Lowest borrowing rate.	Requires voter approval. May affect city's debt capacity and rating. High cost to secure approval.	Newberg's success passing G.O. bond measures is spotty. State approval as tax-free private activity bonds may be difficult to secure. Likely to increase land holding costs.
<i>Revenue Bond w/ Utility Surcharge Backing</i>	Utility customers (i.e. the property owner or lessee)	Monthly fee added to utility bill. May be consumptive based or flat rate.	Shifts capital burden to operations. May reduce borrowing costs if it lowers the interest rate on borrowed funds. Council may approve.	Shifts capital burden to operations. The utility must have sufficient reserves and debt ceiling. Puts general ratepayers at risk.	Newberg does not have a street utility; the city would have to form one to use this approach on transportation projects. Bond holders likely would ask for general rate backing to ensure against default. Capital reserves and borrowing capacity is a significant limitation.
<i>Local Gas Tax *</i>	City residents and pass-through drivers	With every fuel purchase	Limited to transportation projects. Could free up funding for other projects outside the industrial area. Very efficient collection.	Requires voter approval. Historically an unpopular tax.	Local gas tax and/or street utility is under examination across the state because of a growing street maintenance backlog and revenue to finance the non-SDC share of local CIP programs. In Newberg, ~ \$0.02 tax would finance the local street projects in the industrial area but would be a hard sell.
<i>Tax Increment Financing District</i>	Property owner	Annually through regular property tax payments	Capital improvements in essence become self-financing. Ability to add "general public benefit" projects.	Defers general fund revenue to taxing districts from affected properties until district sunsets. Limited debt capacity early on.	TIFDs can be expensive to set up and statutory changes let local taxing districts request voter approval for them. Vacant industrial land arguably provides the highest value-added use of this financing tool. Special district objection risk is relatively small in Newberg.

* - a statutory moratorium on new local gas tax initiatives sunsets in 2013.

City of Newberg
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City Manager
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Planning and Building Department

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Newberg South Industrial Area Infrastructure Financing Workshop Thursday, November 4, 2010, 7 p.m.

MEETING SUMMARY

The meeting began with participant introductions (see attached attendance list). This was followed up with a PowerPoint presentation. Barton Brierley began the presentation with project background information, project purpose, project goals and next steps in the preparation of the infrastructure finance plan. Richard Boyle of Cardno WRG then discussed the multiple infrastructure projects, their costs, and a proposed phasing plan. Finally, DJ Heffernan of APG laid out the various financing tools available to pay for the project as well as the pros and cons of each of the options.

Following the presentation, the meeting participants were split into 3 different groups. Each group performed a "pie chart" exercise where they provided some suggested direction of how we might pay for the infrastructure projects needed. After about 30 minutes, each group presented the results of their exercise (see attached photos). One group preferred the use of supplemental SDCs to pay for all improvements. Another group preferred the use of tax increment financing to pay for most of the projects, with the remainder of the projects paid for through supplemental SDCs and a public general obligation bond (for park improvements) to ensure that the developers and all members of the community have some investment in the success of the project. While the third group did not fill in a pie chart, they did report that they preferred the use of tax increment financing to pay for most of the infrastructure need. In their opinion, TIF is the least regressive way to pay for these costs. Below are some comments provided by Larry Fain, Senior Engineer for the City, after the workshop:

- The maximum burden that the developers/owners felt was competitive was \$2/SF for property valued at \$3/SF. Otherwise an owner could not finance their share of the infrastructure with a mortgage based on the value of the land.
- The actual SDC's should be competitive with other similar communities, not just locally but in OR, WA & ID. The job-making plants will look far and wide in order to find the right land we need to realize that Newberg competes with Hermiston, Kalama, etc.

APPENDIX D

- The preferred method appeared to be tax increment financing. However there seems to be some confusion on exactly how that works. The increases only impact the improved properties.
- There was some mild kick-back over the parks cost. They didn't like have to foot those improvements (sounds like a sale job for CPRD).

Other issues to consider as we continue in the development of the infrastructure finance plan:

- Concerns about the “chicken or the egg?” question. Is the demand for developed land high enough now to make the investment of infrastructure? While it may/may not be at this point in time, we need to keep in mind that we are currently at a low point in the economic business cycle which always turns upward eventually.
- Land owners are concerned about how they can pay for the carrying costs for infrastructure project construction before businesses develop.
- Some stakeholders feel that all players in this process need to have some “skin in the game”. How do we balance this with another sentiment that developers should pay for all the costs and there shouldn't be any public “subsidy.”
- Tax increment financing seems to be a preferred by many. However, this can be a difficult mechanism for the public to understand and develop support for.
- Concern was expressed regarding whether business can be attracted to this location (not next to I5; rail, ports, etc.) Positive Canby experience seems to say we can.
- Raw land value versus cost of infrastructure ratio: about even now? How do we address this?
- The first phase, getting sewer and water to the Highway 219/Wynooski intersection, is very important to open up the area for development. We may need a separate financing mechanism for this improvement alone.

Newberg South Industrial Area Financing Workshop
 Thursday, November 4, 2010, 7 p.m.
 Newberg Public Safety Training Room

APPENDIX D

(Please write legibly)

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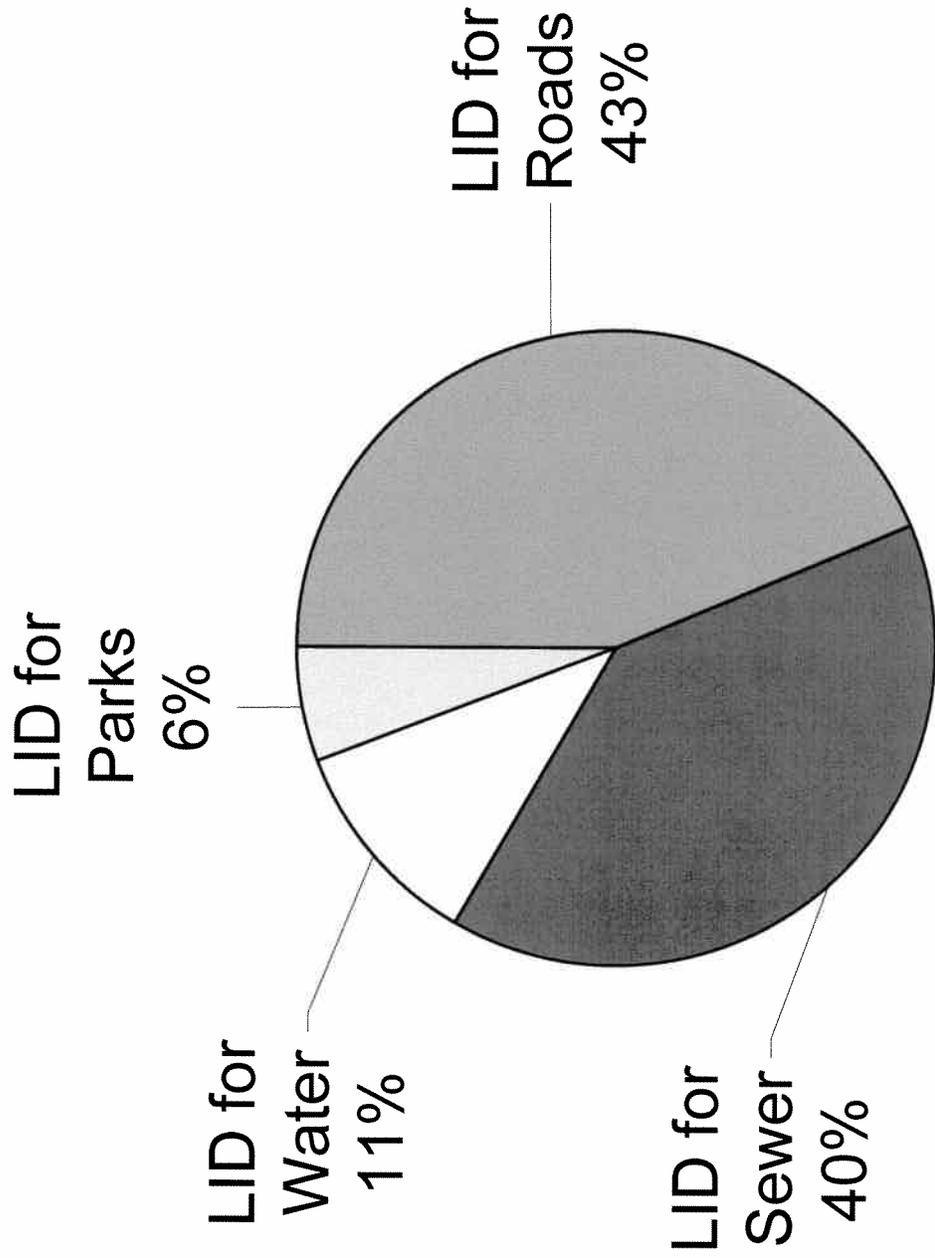
Newberg South Industrial Area Financing Workshop
 Thursday, November 4, 2010, 7 p.m.
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APPENDIX D

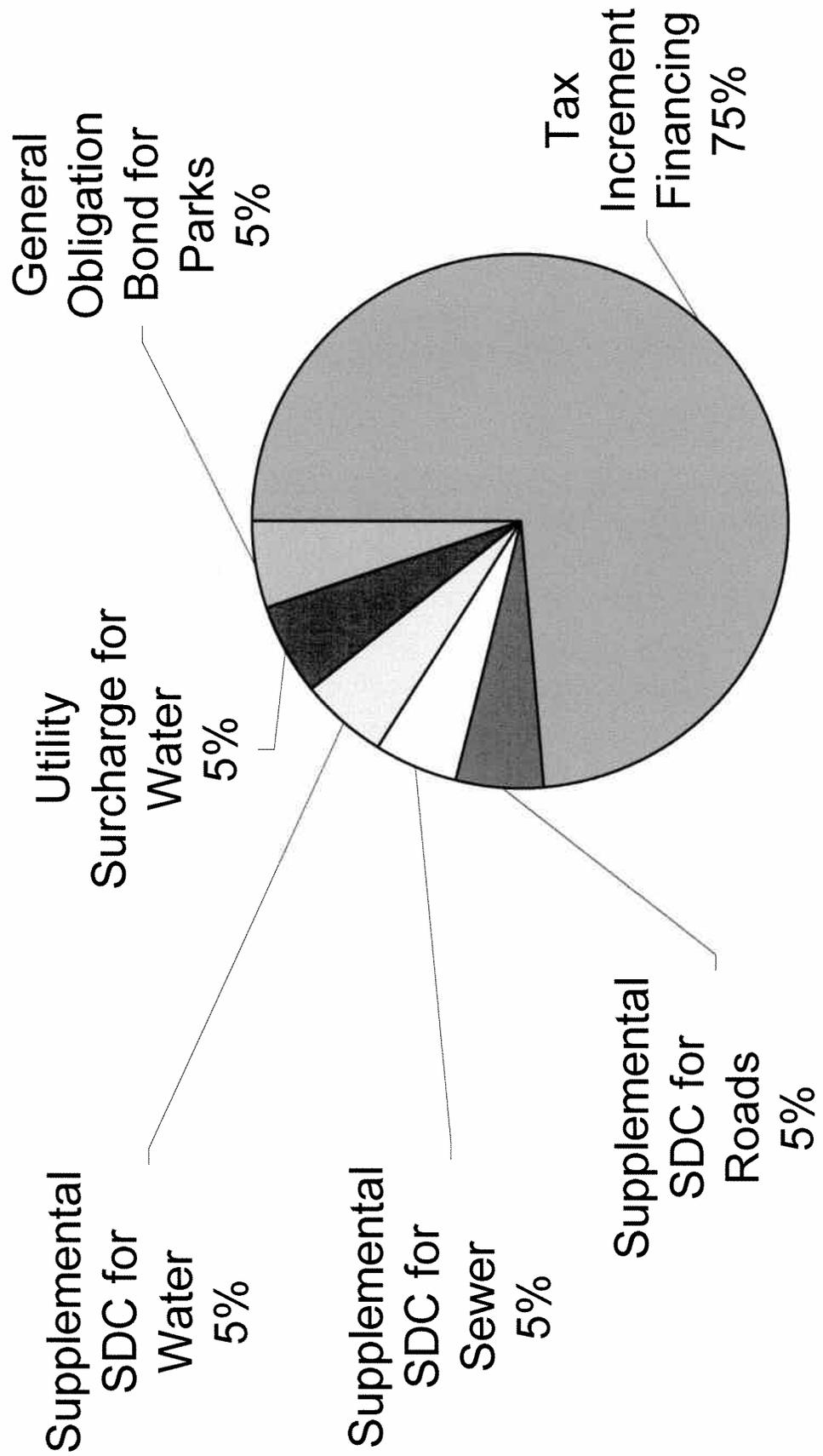
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DAVID BEAM - CITY		
BARTON BRIDLEY - CITY		
BOB CHARLES - CITY		
LARRY TAN - CITY		
RICHARD BOYLE - WRC		
D.J. HEFFERMAN - APC		

SIAMP Financing Stakeholder Meeting Group 1 Preferences



SIAMP Financing Stakeholder Meeting Group 2 Preferences





Tashman Johnson LLC

Consultants in Policy, Planning & Project Management

Oregon Local Leadership Institute (OLLI)

URBAN RENEWAL:

A TOOL FOR COMMUNITY AND ECONOMIC DEVELOPMENT



Jeff Tashman
Tashman Johnson LLC

April, 2010

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I. URBAN RENEWAL SUMMARY

This Urban Renewal Overview provides basic information on urban renewal in Oregon, including a description of the program and how a city or county can use this valuable tool for economic and community development. More detailed information on urban renewal is available at <http://tashmanjohnson.com/resources.html>

A. What Is Urban Renewal?

Urban renewal is a locally controlled program, authorized under state law, to improve specific areas of a city or county that are not achieving local land use and development objectives. These areas can have old deteriorated buildings and bad streets and utilities or they can lack buildings, streets, utilities altogether. Public facilities in these areas (e.g. parks, parking facilities) may be inadequate. The statutes refer to these areas as “blighted areas,” a term that originated in the initial focus of urban renewal on inner city neighborhoods that contained unsafe buildings.

The underlying rationale for urban renewal is that these areas do not generate property tax revenues and do not contribute to the economy – by creating jobs and increasing income - as much as they could if more fully developed. By making needed public investments conditions in the area can be improved and the area can be more productive.

Urban renewal provides tools that are not otherwise available to local governments.

- It allows for the use of tax increment financing (explained below) to fund urban renewal projects and programs.
- It allows for special flexibility in working with private parties to complete development projects.

Urban renewal is a very common program in Oregon. In FY 2009/2010 there were 107 urban renewal plans in 72 cities and counties that were using tax increment financing. Urban renewal is used throughout the state.

For a city or county to start an urban renewal program, it must establish an urban renewal agency and it must adopt an urban renewal plan. The urban renewal plan and the accompanying urban renewal report document the conditions in the urban renewal area that qualify it for the use of urban renewal.

B. What is an Urban Renewal Agency?

Urban renewal agencies are created by state law (ORS Chapter 457) but are “activated” by the city or county which designates an urban renewal agency governing board. The agencies are separate legal bodies from the municipal governing body (city council or county commission), but in most cases the urban renewal agency board has been the municipal governing body itself.

C. What are Urban Renewal Plans?

An urban renewal plan delineates the urban renewal area in which tax increment financing may be used to fund projects and programs. The plan authorizes the projects and

programs that may be undertaken and contains limits on the use of tax increment financing. The plan must be accompanied by an urban renewal report, which is a technical appendix that documents development conditions and contains details on the schedule and cost of urban renewal projects and how they will be paid for. The urban renewal plan must be adopted by the municipal governing body.

D. How is an Urban Renewal Plan Adopted?

To adopt an urban renewal plan:

First, the city council or urban renewal agency decides that it wants to consider an area for a possible plan. This decision is usually in response to interest in the community in revitalizing the area.

Though not required by law, in most cases the next step is to study the eligibility and feasibility of the area for urban renewal. This feasibility study includes information about land and improvement property values, development conditions, availability and condition of streets and utilities and other key factors.

If the municipal governing body, based on the feasibility study and other information, decides that it wishes to proceed, an urban renewal plan and report are prepared. The planning must involve citizens at every stage, and especially when it comes to determining the boundary, what projects and activities are to be undertaken and the financial limits on the plan.

The planning must also take into account the interests and concerns of the taxing districts that levy permanent rate taxes in the proposed urban renewal area (“overlapping taxing districts”). Under certain circumstances a proposed urban renewal plan must receive the “concurrence” of the taxing districts. (This last requirement was added in the 2009 Legislative Session via HB 3056.)

An urban renewal plan must be presented to the Planning Commission (no formal hearing is required) for its recommendations and then must be adopted by the City Council, by non-emergency ordinance, after a public hearing is held. Notice of the public hearing must be sent to each individual household in the city.

Non-emergency ordinances can be referred to voters within 30 days of adoption. The adoption of urban renewal plans is a land use action and any appeal of the adoption would initially be presented to the Land Use Board of Appeals.

E. What Can Happen Under An Urban Renewal Plan?

Urban renewal agencies can do certain projects or activities under an adopted urban renewal plan. These activities include:

1. Construction or improvement of streets, utilities and other public uses.

The most common type of urban renewal project is infrastructure development, including streets and utilities. Urban renewal also commonly funds parks, plazas and pedestrian facilities.

2. Rehabilitation or conservation of existing buildings

An urban renewal agency can assist in rehabilitation projects of any type (residential, commercial, industrial) typically through loans and grants to private property owners.

3. Acquisition and improvement of property

An urban renewal agency can acquire property, for public improvements and/or for re-sale for private or a combination of public/private development. Urban renewal agencies no longer have the power of eminent domain (condemnation) for private redevelopment purposes so these acquisitions must be from willing sellers. Once acquired, urban renewal agencies can clear and improve the properties prior to resale or lease. Any persons or businesses displaced by agency acquisition are entitled to relocation assistance.

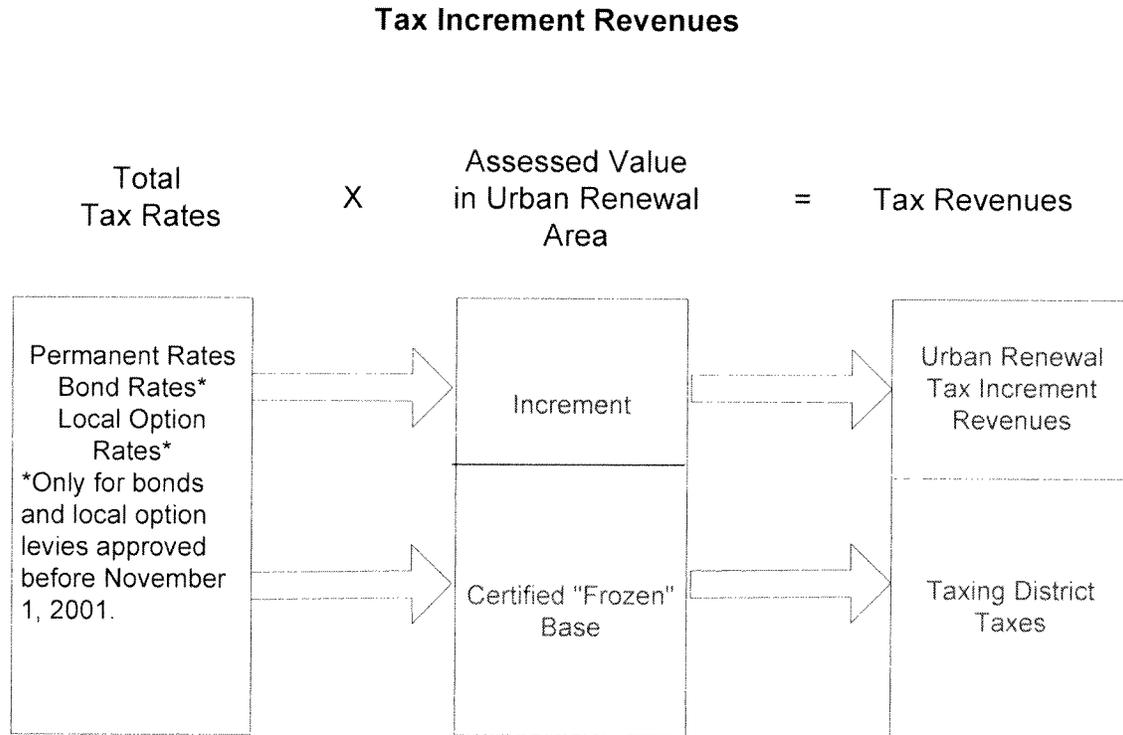
4. Re-sale or lease of property

An urban renewal agency can sell or lease property it owns for redevelopment. Unlike cities and counties, the agency can legally sell for less than fair market value. Property can be sold for its "fair re-use value" which is the value for a specified use required in the urban renewal plan.

F. How are Urban Renewal Plans Financed?

Urban renewal is unique in that it can be funded by tax increment revenues. Tax increment revenues are 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. The assessed value of an urban renewal area at the time the plan is adopted is called the "frozen base". Growth above the base is called the "increment." Tax increment revenues are the taxes resulting from the total property tax rate (less rates for General Obligation Bonds approved by voters after October, 2001.)

The diagram below shows how this works.



Though the amount of tax increment revenue is determined by the growth in assessed value inside the urban renewal area, the taxes are actually raised from all property within the city. The normal taxes paid by each property owner in the city are divided, so that taxing districts and the urban renewal agency get the correct share.

By the terms of the Oregon Constitution (Article IX Section 1c), tax increment revenues must be used to make payments on debt. The amount borrowed (“debt proceeds”) is then used to pay for urban renewal projects. Debt can take many forms, from long term bonds to payment obligations for ongoing intergovernmental agreements or other contractual obligations.

The financial limits on tax increment financing take the form of a “maximum indebtedness” that be incurred under an urban renewal plan. The maximum indebtedness includes the principal amount (not interest) of any borrowing or payment on any contractual obligation.

G. How Does Tax Increment Financing Affect Overlapping Taxing Districts and Property Tax Payers

During the use of tax increment financing, the permanent rate property taxes on the increment – the growth in assessed value in the urban renewal area – from all overlapping taxing districts are allocated to the Urban Renewal Agency and not the taxing district that

levied the taxes. All growth in assessed value is included in the increment, including the increase in existing properties' assessed value by 3% annually unless limited by real market value. This results in property taxes foregone by the overlapping taxing districts.

To the extent that the growth in assessed value occurs *because of* the urban renewal investments, the property taxes on such growth would not have been levied without an urban renewal plan and should not be considered foregone revenues. However, it is common for the analysis of property taxes foregone to consider property taxes on all the increment as revenues foregone.

Some taxing districts may face increased service demands from the implementation of an urban renewal plan. This can compound the impact of the tax increment financing on districts that receive a large share of their revenues from property taxes. Some urban renewal projects benefit service districts by upgrading streets, utilities and public facilities.

H. How Does Tax Increment Financing Show On Property Tax Statements? What Are Its Effects On Measure 5 Compression?

When dividing the taxes of property owners within the city, all the taxes divided for urban renewal – including those for educational district levies and GO Bond levies - are categorized for Measure 5 purposes as general government taxes, and subject to the \$10.00 per \$1,000 real market value Measure 5 limit. This results in general government taxes being higher and educational district and GO Bond taxes being lower, than they would be without tax increment financing. The amount by which taxes are raised and lowered in these categories depends on the amount of incremental assessed value relative to the size of the city.

Property tax statements throughout the city will show a total dollar amount allocated to urban renewal as part of general government taxes. The total taxes in both general government and educational categories are shown before and after Measure 5 compression.

II. HOW TO ESTABLISH AN URBAN RENEWAL PROGRAM

Many communities wish to approach the establishment of an urban renewal program in two stages or phases. The first phase consists of a feasibility study that provides the governing body with a factual basis for deciding whether and/or how to proceed. The second phase consists of preparing an urban renewal plan and report and going through the adoption process. The tasks that commonly are included in the two phases are described below.

A. Phase One: Urban Renewal Feasibility Study

A feasibility study commonly includes the following tasks:

1. Review Existing Plans and Studies

Review comprehensive plan, facilities plans (Water, Sanitary Sewer, Storm Sewer, Transportation, Parks) and other relevant documents.

2. Discussion with City Council/County Commission, Staff, Planning Commission Members and Representatives of Overlapping Taxing Districts and Others to Discuss Urban Renewal

Meet with representatives of the governing body, Planning Commission, property and business owners, representatives of overlapping taxing districts and others to urban renewal and discuss how it has been used in other municipalities and how it might benefit the community.

3. Assess Conditions of Blight Required to Establish Urban Renewal Area

Within an overall study area, generally assess conditions of blight which must be found by the governing body in order to establish an Urban Renewal Area. Blighted conditions include, among other things, substandard buildings, inadequate streets or utilities and underutilized property, as evidenced by the value of improvements to the value of land.

4. Determine Tentative Urban Renewal Area Boundary in Conformance with Assessed Value and Area Limitations

Based on the general assessment of conditions and discussion with the municipality regarding identified project needs, make a preliminary recommendation of an urban renewal boundary that meets statutory limits on assessed value (no more than 25% of the adjusted total assessed value of the municipality) and area (no more than 25% of the total in the municipality).

5. Estimate Potential Revenue Capacity of Urban Renewal Area

Prepare a preliminary estimate of urban renewal tax revenues from the tentatively defined area. These estimates are based on reasonable expectations of new development that could occur with appropriate public investments. This task can be done with greater or lesser specificity.

6. Estimate Impact in Property Taxes Foregone by the Overlapping Taxing Districts

The projections of potential tax increment revenues must be based on projections of growth in assessed value in the potential urban renewal area. These projections also should contain the analysis of the property tax revenues foregone by taxing districts.

B. Phase Two: Urban Renewal Plan and Report

State law [ORS 457.085(2)and(3)] describes in detail the required contents of an urban renewal plan and urban renewal report. Only the plan itself is adopted by the municipality; the report accompanies the plan and provides background information, analysis and support for the findings that must be made in adopting a plan. The urban renewal agency must provide for public involvement in all stages of the preparation of an urban renewal plan.

1. Urban Renewal Plan Contents

An urban renewal plan is required to contain:

- A description of each urban renewal project to be undertaken
- An outline of the major project activities planned for the urban renewal area or areas. (A “project” may be a site specific undertaking, a series of related undertakings or a program of activities.)
- A map and legal description of the urban renewal area.
- An explanation of how the plan relates to local objectives, such as relevant objectives of the comprehensive plan, target area plans and other public policy statements.
- An indication of proposed land uses (which must conform to the comprehensive plan and zoning code).
- A description of relocation methods for residents or businesses that must move because of Agency projects
- If public acquisition of property is required by the plan, a description of property to be acquired by the Agency (if any) and how it will be disposed of (e.g. sale or lease), along with a schedule for acquisition and disposition.
- If the plan calls for the use of tax increment financing, a limit on the maximum amount of indebtedness to be issued to carry out the plan.
- A description of what types of changes to the plan are to be considered substantial amendments. Substantial amendments must be adopted using the same process as the adoption of the original plan. The following amendments must be considered substantial: (1) expanding the urban renewal area by more than one percent; and (2) increasing the maximum amount of indebtedness that may be issued.
- If the plan calls for the development of a public building (e.g. a fire station), an explanation of how the building serves or benefits the urban renewal area.

2. Urban Renewal Report Contents

An urban renewal report must contain:

- A description of the physical, social and economic conditions within the urban renewal area and the impact of the plan, including fiscal impacts, in terms of increased population and the need for additional public services.
- The reasons why the urban renewal area (or areas) was selected.
- The relationship between each urban renewal project and the conditions within the area.
- The estimated costs of the projects and the sources of project funding.
- The completion date for each project.
- The amount of tax increment funds that are estimated to be required and the year in which the Agency plans to pay off all outstanding tax increment indebtedness.

- A financial analysis that shows the plan to be financially feasible.
- An analysis of the impact on the tax rates and/or revenues of the taxing districts that overlap the urban renewal area; and
- A relocation report.

3. Procedural Requirements for Adoption of an Urban Renewal Plan

There are various procedural requirements that relate to adopting an urban renewal plan. In addition, as mentioned above, the Agency must provide for public involvement in all stages of the development of the plan.

a) Planning Commission Review

If the municipality has a planning commission, the plan and report must be presented to the commission for its recommendation before the plan may be presented to the municipal governing body for adoption.

b) Affected Taxing Districts

The plan and report must be sent to the governing body of any taxing district that is affected by the plan. (Taxing districts that levy taxes within the urban renewal area are usually considered to be the affected taxing districts.) Any written recommendations of these taxing districts must be accepted, rejected or modified by the municipal governing body in adopting the plan.

c) Presentation to County

A City proposing to adopt an urban renewal plan must present the proposed Plan to the County Board of Commissioners for their comment. No action is required of the County Commission.

d) Approval of the Plan

To take effect, the plan (not including the report) must be approved by Council by non-emergency ordinance. There is no statutory requirement for a vote on the plan. There are requirements for notice of the hearing at which the ordinance is considered; requirements for the contents of the ordinance; and requirements for a notice after the ordinance is adopted.

e) Notice Requirements

Direct notice of the public hearing on the ordinance adopting the plan must be mailed to each individual or household in any one of the following groups within the city and any portion of the urban renewal area that extends beyond the city: real property owners; registered voters; utility customers; or postal patrons.

The notice must state in plain language:

- the time and location of the hearing;
- that the plan may affect property tax rates;
- that debt may be issued up to a maximum amount;
- that the ordinance adopting the plan may be referred to the voters; and;
- that a copy of the ordinance, plan and report are available for review by contacting a designated person.

f) Public Hearing

At the public hearing on the ordinance, the municipal governing body should hear the report and recommendations of the urban renewal agency, take public testimony and consider the recommendations, if any, of the planning commission and of affected taxing districts. Any written recommendations of the affected taxing districts must be formally accepted, rejected, or modified.

g) Ordinance Requirements

The ordinance must be a non-emergency ordinance and it must incorporate the plan (not the report) by reference. During the period between the adoption of the ordinance and its effective date, the adoption ordinance can be referred to voters for their approval.

The ordinance must contain findings, supported by the contents of the urban renewal report, that:

- Each urban renewal area is blighted;
- The rehabilitation and redevelopment of the area(s) is necessary to protect the public health, safety or welfare.
- The plan conforms to the comprehensive plan and economic development plan, if any, of the municipality and that the plan provides an outline of planned urban renewal projects.
- That relocation requirements have been met.
- That any property acquisition called for in the plan is necessary to achieve the objectives of the plan.
- That the plan is economically sound and feasible.
- That the city or county will assume any responsibilities given to it under the plan.

h) Notice of Adoption of Ordinance

Within four days of adoption of the ordinance adopting the plan, Council must publish a notice that the ordinance has been approved and that 90 days after adoption of the plan, the plan will be conclusively presumed valid.

III. POSSIBLE TIME LINE

The amount of time to prepare feasibility reports and urban renewal plans varies by community. Typical times are:

Phase I: Feasibility Study	4 - 6 months
Phase II	6 - 9 months

The frozen base of a plan is calculated using the assessed value of property (including real property, personal property, mobile home property and utility property) within the urban renewal area as last certified by the assessor at the time the plan takes effect. Tax increment revenues will be received for first time in the fiscal year following the first January 1 after the Plan takes effect. (E.g. a plan taking effect by December 31, 2010 will receive revenues in FY 2011/2012. A plan taking effect between January 1 and December 31, 2011 will receive tax increment revenues in FY 2012/2013.)

IV. RECENT CHANGES IN URBAN RENEWAL LAW

In 2008 and 2009 changes to urban renewal law resulted from LUBA decisions and from HB 3056.

A. LUBA Decision on Portland River District Urban Renewal Plan Amendments

The summaries below are taken from “Oregon Land Use Law – Year in Review (2009):”

When adopting an urban renewal plan under ORS 457.095(1), it is not necessary that every single property in the urban renewal district be “blighted,” only that the area as a whole is blighted in one or more of the ways described in ORS 457.010(1). When adopting an amendment to the urban renewal plan, depending on the time that has lapsed, new findings that the area, as a whole, remain blighted may need to be adopted. Here, after ten years and significant changes to the plan area boundaries, new findings were necessary.

An urban renewal plan area may be comprised of multiple non-contiguous blighted portions, but, under ORS 457.085(2)(j), the public building projects in each portion must have some benefit to the blighted area, as a whole.

B. LUBA Decision on City of Albany’s Oak Creek Urban Renewal Plan

The summaries below are taken from LUBA Headnotes:

41. Urban Renewal Plans. Where a county adopts a resolution approving an urban renewal plan under ORS 457.105 and in approving the plan finds that the plan conforms to the county’s comprehensive plan, the resolution is a land use decision as defined in ORS 197.015(1)(a)(A). *Granada Land Co. v. City of Albany*, 56 Or LUBA 475 (2008).

41. Urban Renewal Plans. ORS 457.105 does not require a county to take action to approve or disapprove urban renewal plans that are located entirely within incorporated cities. *Granada Land Co. v. City of Albany*, 56 Or LUBA 475 (2008).

41. Urban Renewal Plans. ORS 457.085 and 457.095 require a local government to allow testimony on a revised draft of a proposed urban renewal plan. *Granada Land Co. v. City of Albany*, 56 Or LUBA 475 (2008).

41. Urban Renewal Plans. ORS 457.085(5) does not require a local government to re-notice affected taxing districts after a draft urban renewal plan that is initially provided to those taxing districts is revised. *Granada Land Co. v. City of Albany*, 56 Or LUBA 475 (2008).

41. Urban Renewal Plans. ORS 457.120(1) does not require a new notice to be mailed when a governing body considers revisions to a proposed urban renewal plan that has not yet been adopted. *Granada Land Co. v. City of Albany*, 56 Or LUBA 475 (2008).

C. HB 3056

In the 2009 Legislative Session, HB 3056 was passed into law. The bill contains many complex provisions but generally it:

- Limits the maximum indebtedness of a new urban renewal plan based on the size of the certified frozen base, as follows:

CERTIFIED FROZEN BASE	MAXIMUM MAXIMUM INDEBTEDNESS
\$50,000,000	\$50 million
\$150,000,000	\$50 million + 50% of Frozen Base > \$50 million
Over \$150,000,000	\$100 million + 35% of Frozen Base > \$150 million

- Limits the increase in maximum indebtedness of an urban renewal plan to 20% of its original maximum indebtedness as adjusted for inflation.
- Requires sharing of annual tax increment revenues after such revenues reach 10% of the original maximum indebtedness.
- Allows for collection of less than the maximum tax increment revenues on an annual or permanent basis without adjustment of the urban renewal area boundaries.
- Creates special provisions for the City of Portland.

Any and all of the limits in HB 3056 can be waived if the municipality obtains the concurrence in the waiver of the overlapping taxing districts that levy 75% of the permanent rate levies in the urban renewal area. The new law, which took effect on January 1, 2010 encourages and requires greater consultation with overlapping taxing districts.

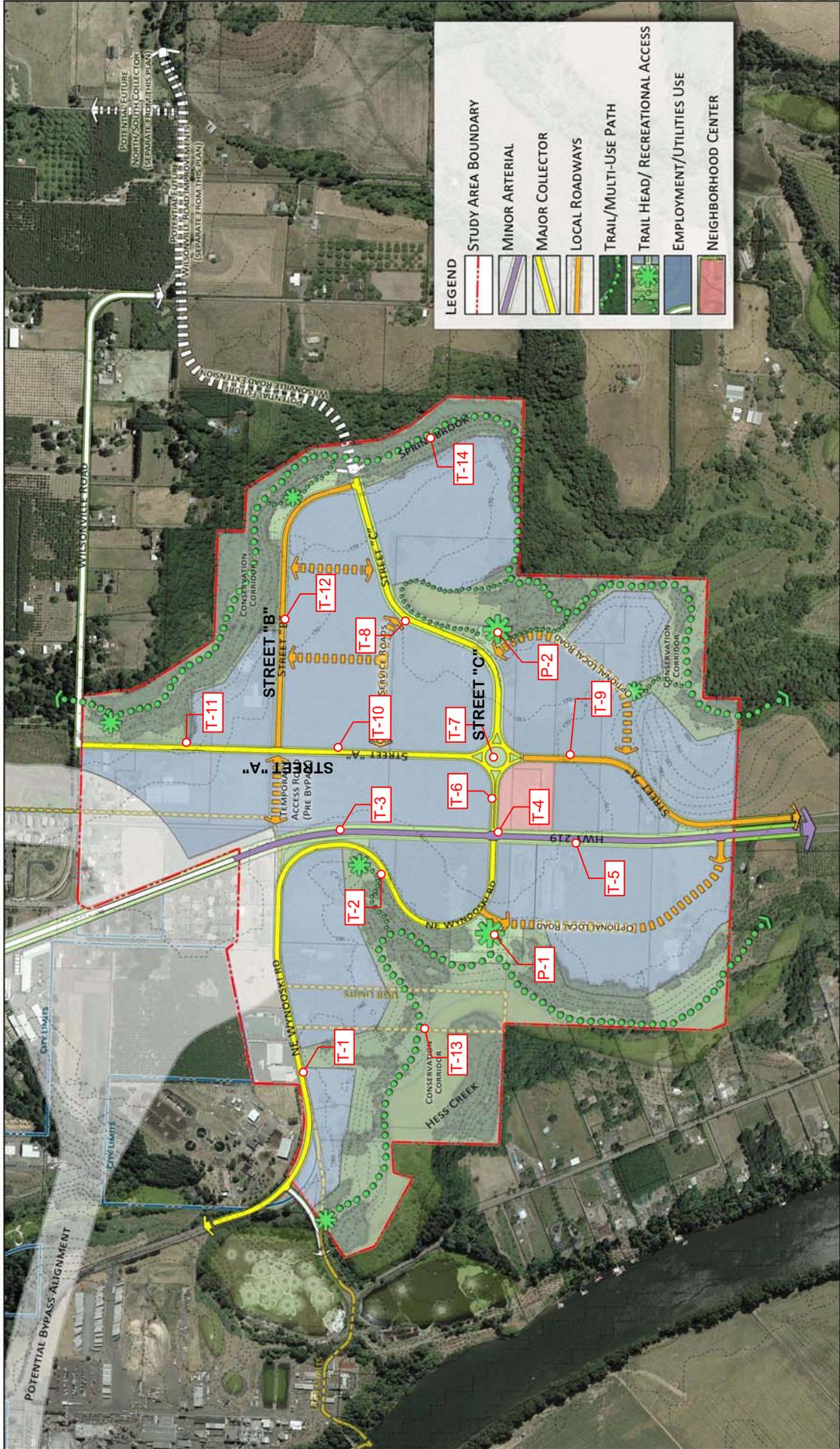
Newberg South Industrial Financing Plan
Project Cost Allocation

Category	ID	Project Improvement Type	Location	Beginning	End	Total Cost	Phase	Developer	TIF	Standard		Parks	
										SDC	SDC	SDC	SDC
Transport.	T-1	Road upgrade	Wynooski Road	Dog Ridge Road	Highway 219 (current)	\$ 1,190,000	2C	\$ 95,200	\$ 1,094,800	\$ -	\$ -	\$ -	\$ -
Transport.	T-2	New Road	Wynooski Road	Wynooski Rd. (current)	Highway 219	\$ 2,390,000	3C	\$ -	\$ 597,500	\$ -	\$ -	\$ -	\$ 1,792,500
Transport.	T-3	Road upgrade	Highway 219	Wynooski Rd. (current)	Street "C"	\$ 1,060,000	2A	\$ -	\$ 530,000	\$ -	\$ -	\$ -	\$ 530,000
Transport.	T-4	Traffic Signal	Highway 219	Wynooski Rd. (current)	Street "C"	\$ 750,000		\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -
Transport.	T-5	Road upgrade	Highway 219	Street "C"	Street "A"	\$ 1,200,000	4C	\$ -	\$ 900,000	\$ 300,000	\$ -	\$ -	\$ -
Transport.	T-6	New Road	Street "C"	Highway 219	Street "A"	\$ 720,000	3A	\$ 14,400	\$ 705,600	\$ -	\$ -	\$ -	\$ -
Transport.	T-7	Roundabout	Street "C"	Street "C"	Street "A"	\$ 570,000	3B	\$ -	\$ 570,000	\$ -	\$ -	\$ -	\$ -
Transport.	T-8	New Road	Street "C"	Street "A"	Street "B"	\$ 2,840,000	4A	\$ 1,278,000	\$ 1,562,000	\$ -	\$ -	\$ -	\$ -
Transport.	T-9	New Road	Street "A"	Highway 219	Street "C"	\$ 1,590,000	5	\$ 1,590,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transport.	T-10	New Road	Street "A"	Street "C"	Street "B"	\$ 1,820,000	3B	\$ 54,600	\$ 1,219,400	\$ -	\$ -	\$ -	\$ 546,000
Transport.	T-11	New Road	Street "A"	Street "B"	Wilsonville Road	\$ 1,600,000	2B	\$ 48,000	\$ 1,072,000	\$ -	\$ -	\$ -	\$ 480,000
Transport.	T-12	New Road	Street "B"	Street "A"	Street "C"	\$ 2,010,000	4B	\$ 2,010,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transport.	T-13	Trail	Hess Creek	Dog Ridge Rd.	CPRD Park	\$ 80,000		\$ -	\$ 64,000	\$ -	\$ 16,000	\$ -	\$ -
Transport.	T-14	Trail	Springbrook	Wilsonville Rd.	CPRD Park	\$ 110,000		\$ -	\$ 66,000	\$ -	\$ 44,000	\$ -	\$ -
Sewer	S-1	Sewer Pump Station	Near Dog Ridge Road	Ridge Road		\$ 3,130,000	1	\$ -	\$ -	\$ 3,130,000	\$ -	\$ -	\$ -
Sewer	S-2	Sewer Trunk Line	Wynooski Road	near Dog Ridge Rd.	Highway 219	\$ 1,020,000	2C	\$ -	\$ -	\$ 1,020,000	\$ -	\$ -	\$ -
Sewer	S-3	Sewer Trunk Line	Highway 219	Wynooski Rd. (current)	Street "C"	\$ 630,000	2A	\$ -	\$ 630,000	\$ -	\$ -	\$ -	\$ -
Sewer	S-4	Sewer Trunk Line	Highway 219	Street "C"	Street "A"	\$ 680,000	4C	\$ 61,200	\$ 476,000	\$ 142,800	\$ -	\$ -	\$ -
Sewer	S-5	Sewer Trunk Line				\$ 50,000	3C	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Sewer	S-6	Sewer Trunk Line	Street "C"	Highway 219	Street "A"	\$ 90,000	3A	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ -
Sewer	S-7	Sewer Trunk Line	Street "C"	Street "A"	Street "B"	\$ 390,000	4A	\$ 175,500	\$ 214,500	\$ -	\$ -	\$ -	\$ -

APPENDIX F

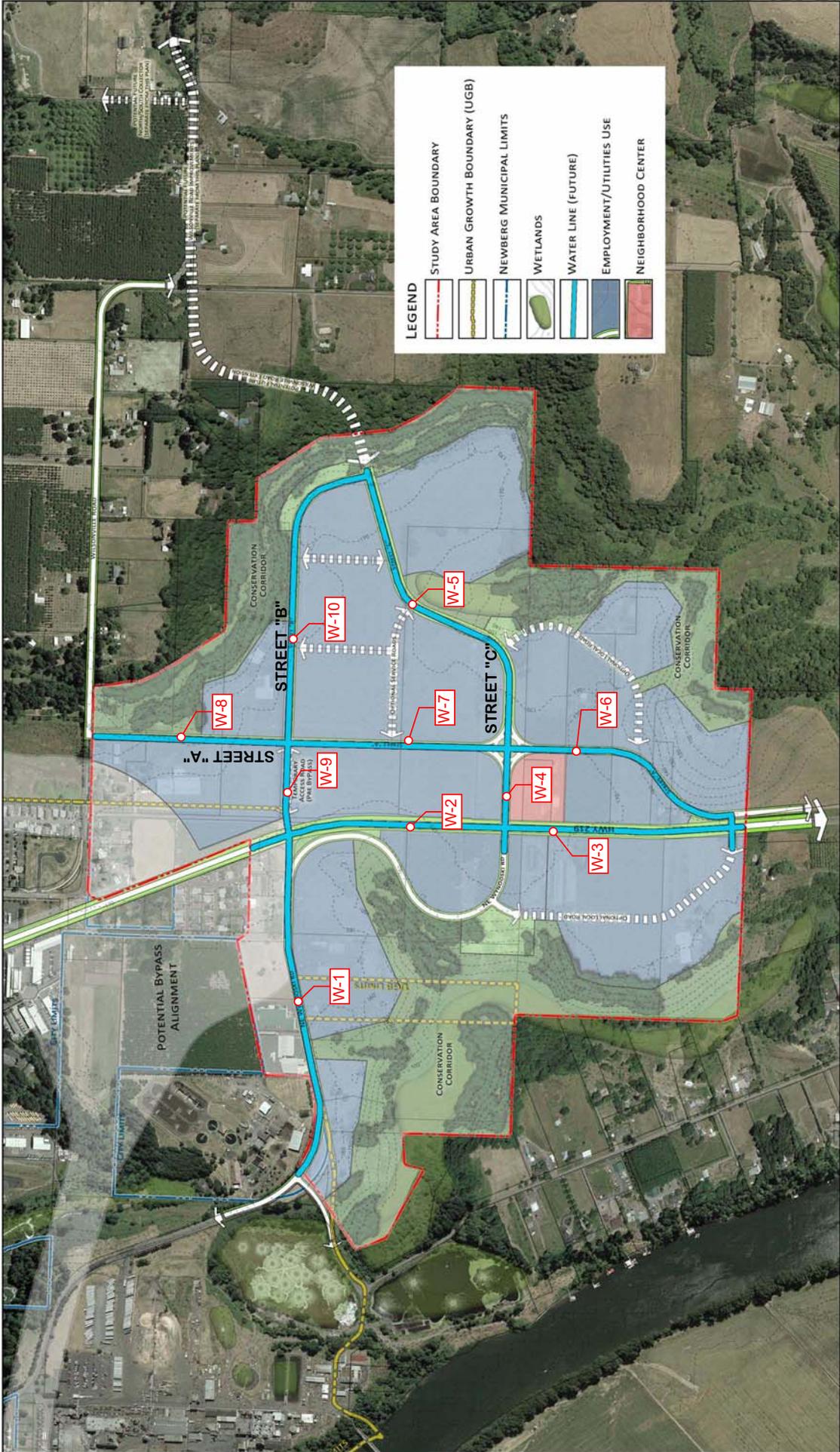
Category ID	Project Improvement Type	Location	Beginning	End	Total Cost	Phase	Developer	TIF	Standard SDC	Parks SDC	ODOT
Sewer	Sewer Trunk Line	Street "A"	Local Road	Street "C"	\$ 120,000	5	\$ 96,000	\$ -	\$ 24,000	\$ -	\$ -
Sewer	Sewer Trunk Line	Street "A"	Street "C"	Street "B"	\$ 200,000	3B	\$ -	\$200,000	\$ -	\$ -	\$ -
Sewer	Sewer Trunk Line	Street "A"	Street "B"	Wilsonville Road	\$ 170,000	2B	\$ -	\$ -	\$170,000	\$ -	\$ -
Sewer	Sewer Trunk Line	Street "B"	Highway 219	Street "A"	\$ 110,000	1	\$ -	\$110,000	\$ -	\$ -	\$ -
Sewer	Sewer Trunk Line	Street "B"	Street "A"	1430 feet east	\$ 190,000	4B	\$190,000	\$ -	\$ -	\$ -	\$ -
Sewer	Sewer Trunk Line	Street "B"	Street "C"	675 feet northwest	\$ 90,000	4B	\$ 90,000	\$ -	\$ -	\$ -	\$ -
Water	Water Line	Wynoooski Road	New WTP near Dog Ridge Rd.	Highway 219	\$ 320,000	1	\$ -	\$ -	\$320,000	\$ -	\$ -
Water	Water Line	Highway 219	Wynoooski Rd. (current)	Street "C"	\$ 210,000	2A	\$ -	\$210,000	\$ -	\$ -	\$ -
Water	Water Line	Highway 219	Street "C"	Street "A"	\$ 240,000	4C	\$ 40,800	\$168,000	\$ 31,200	\$ -	\$ -
Water	Water Line	Street "C"	Highway 219	Street "A"	\$ 70,000	3A	\$ -	\$ 70,000	\$ -	\$ -	\$ -
Water	Water Line	Street "C"	Street "A"	Street "B"	\$ 300,000	4A	\$135,000	\$165,000	\$ -	\$ -	\$ -
Water	Water Line	Street "A"	Highway 219	Street "C"	\$ 160,000	5	\$128,000	\$ -	\$ 32,000	\$ -	\$ -
Water	Water Line	Street "A"	Street "C"	Street "B"	\$ 140,000	3B	\$ -	\$140,000	\$ -	\$ -	\$ -
Water	Water Line	Street "A"	Street "B"	Wilsonville Road	\$ 130,000	2B	\$ -	\$130,000	\$ -	\$ -	\$ -
Water	Water Line	Street "B"	Highway 219	Street "A"	\$ 80,000	1	\$ -	\$ 80,000	\$ -	\$ -	\$ -
Parks	Park	Wynoooski Road			\$ 400,000		\$ -	\$400,000	\$ -	\$ -	\$ -
Water	Water Line	Street "B"	Street "A"	Street "C"	\$ 260,000	4B	\$260,000	\$ -	\$ -	\$ -	\$ -
Parks	Park	Street "C"			\$ 400,000		\$ -	\$400,000	\$ -	\$ -	\$ -
Local LID	Storm Drainage	Varies			\$ 30,000		\$ 30,000	\$ -	\$ -	\$ -	\$ -
Regional Storm System	Storm Drainage	Varies			\$ 60,000		\$ -	\$60,000	\$ -	\$ -	\$ -
TOTALS (rounded)					\$27,600,000		\$6,300,000	\$12,700,000	\$5,200,000	\$100,000	\$ 3,300,000

APPENDIX



Newberg South Industrial Area Master Plan

Conceptual Plan - Preferred Alternative - Transportation Plan

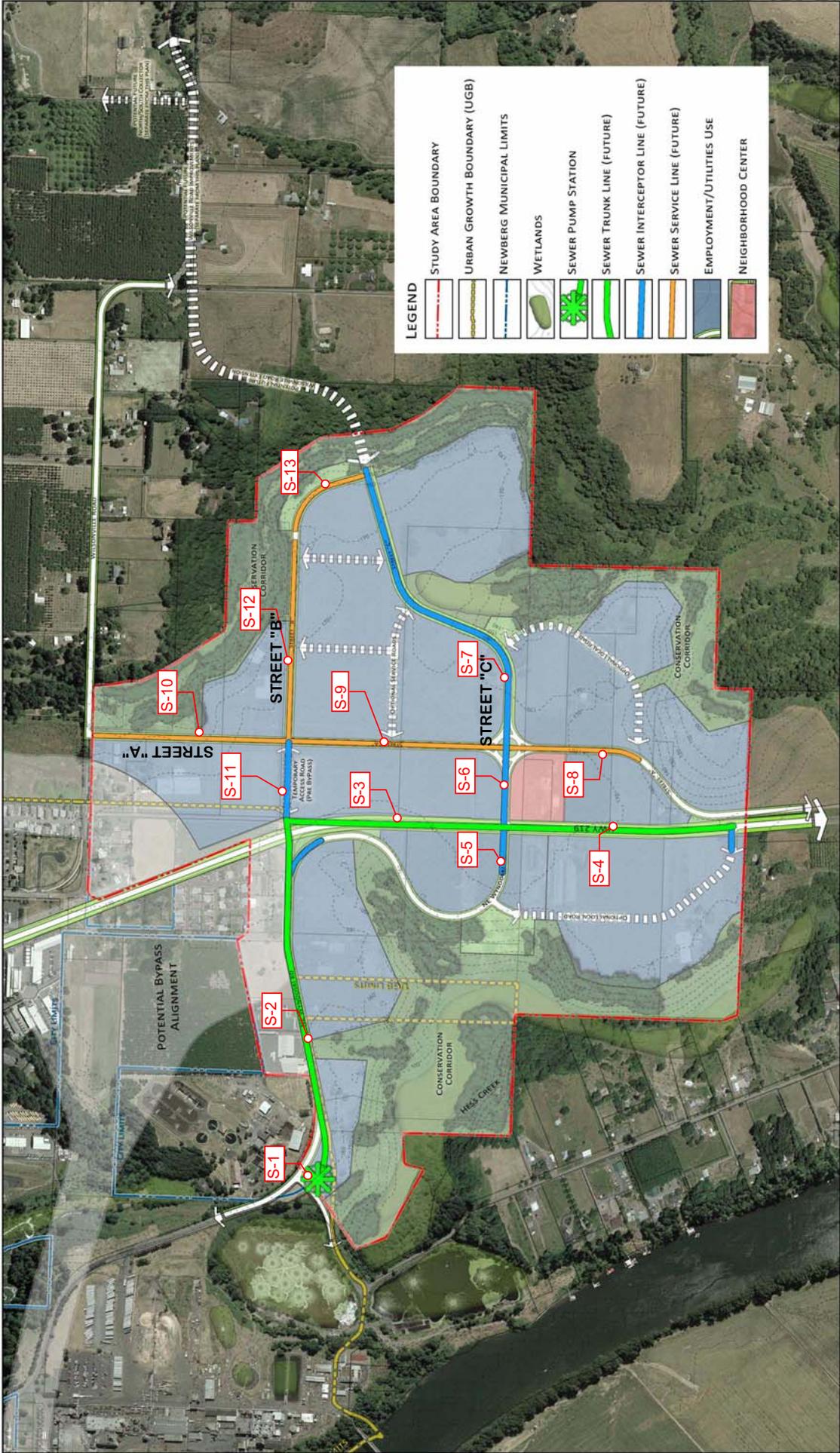


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W R G
 DESIGN INC.

Newberg South Industrial Area Master Plan

Conceptual Plan - Preferred Alternative - Water Plan

NEWBERG, OREGON



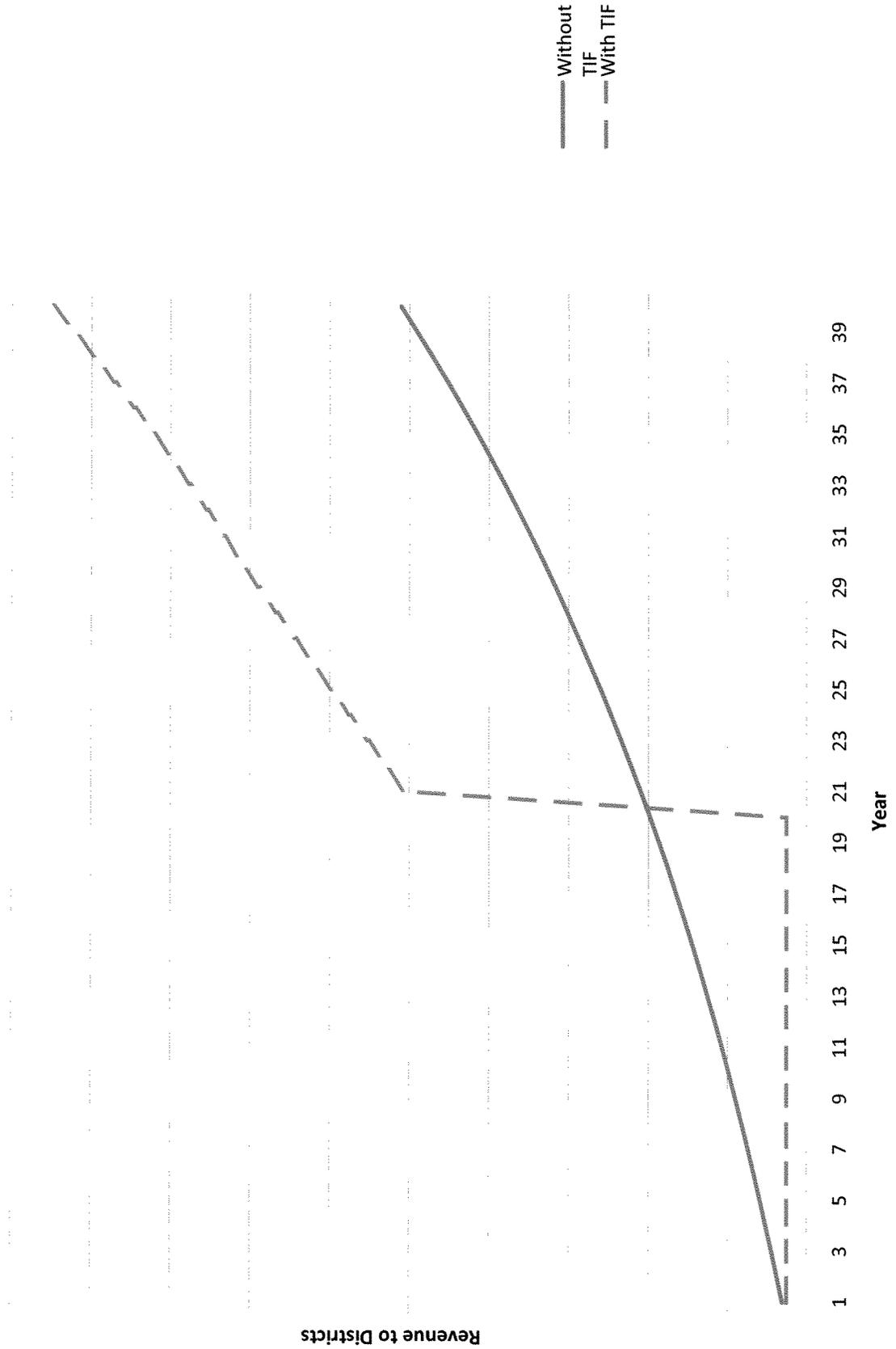
Newberg South Industrial Area Master Plan

Conceptual Plan - Preferred Alternative - Sewer Plan

NEWBERG, OREGON

W R G
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Revenue to Taxing Districts With and without TIF



PLEASE SEE SUPPLEMENTAL INFORMATION FOR ADDITIONAL DETAILS REGARDING INDUSTRY TYPES AND SITE REQUIREMENTS

PROFILE		A	B	C	D	E	F	G	H	I	J
CRITERIA		Regionally to Nationally Scaled Clean-Tech Manufacturer	Globally Scaled Clean Technology Campus	Heavy Industrial / Manufacturing	General Manufacturing	Food Processing	High-Tech Manufacturing or Campus Industrial	Regional (multi-state) Distribution Center	Warehouse / Distribution	Call Center / Business Services	Rural / Frontier Industrial
1	GENERAL REQUIREMENTS	Use is permitted outright, located in UGB or equivalent and outside flood plain; and site (NCDA) does not contain contaminants, wetlands, protected species, cultural resources or has mitigation plan(s) that can be implemented in 180 days or less.									
2	PHYSICAL SITE										
	Total Site** (Acres)	40	100	25	10	20	25	200	25	3	5
3	Competitive Slope:	Maximum Slope									
	Minimum Slope	0 to 5%	0 to 5%	0 to 5%	0 to 5%	0 to 5%	0 to 7%	0 to 5%	0 to 5%	0 to 12%	0 to 5%
4	WORKFORCE										
	Available workforce population in 50 mile radius	150,000	750,000	30,000	30,000	20,000	60,000	75,000	20,000	25,000	1,000
5	TRANSPORTATION										
	TRIP GENERATION:	ADT/Acre									
		50 to 75 (per acre)	50 to 75 (per acre)	42 to 58 (per acre)	76 to 106 (per acre)	75 to 100 (per acre)	50 to 75 (per acre)	64 to 86 (per acre)	65 to 86 (per acre)	144 to 192 (per acre)	5 to 10 (per acre)
6	MILES TO INTERSTATE OR OTHER PRINCIPLE ARTERIAL:	Miles									
		w/ in 10	w/ in 10	w/ in 10	w/ in 20	w/ in 30	w/ in 15	w/ in 5 (only interstate or equivalent)	w/ in 5 (only interstate or equivalent)	N/A	N/A
7	RAILROAD ACCESS:	Dependency									
		Preferred	Preferred	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	N/A
8	PROXIMITY TO MARINE PORT:	Dependency									
		Preferred	Preferred	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	N/A
9	PROXIMITY TO AIRPORT-REGIONAL (Commercial):	Dependency									
		Competitive	Required	Preferred	Preferred	Preferred	Competitive	Preferred	Preferred	Preferred	N/A
10	PROXIMITY TO AIRPORT-INTERNATIONAL:	Dependency									
		Preferred	Competitive	Preferred	Preferred	Preferred	Preferred	Preferred	Preferred	Preferred	N/A
	Distance (Miles)	w/ in 60	w/ in 30	w/ in 60	w/ in 60	w/ in 60	w/ in 30	w/ in 60	w/ in 60	w/ in 60	N/A
	Distance (Miles)	w/ in 100	w/ in 100	w/ in 300	w/ in 300	w/ in 300	w/ in 100	w/ in 300	w/ in 300	w/ in 300	N/A
11	UTILITIES										
	WATER:	Min. Line Size (Inches/Daily)									
		10	10	8"	8"	10"	10"	4"	4"	4"	4"
		Min. Fire Line Size (Inches/Daily)									
		10"	10"	10"	10"	10"	10"	10"	10"	8"	6" (or alternative source)
		High Pressure Water Demanded Dependency									
		Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Not Required	Not Required	Not Required
		Flow (GPD)									
		250,000	1 MGD	38,100	17,000	24,900	65,300	11,700	11,700	4,600	750
		Min. Service Line Size (Inches/Daily)									
		10"	10"	8"	8"	10"	10"	4"	4"	4"	4" (or on-site source)
		Flow (GPD)									
		250,000	1 MGD	32,500	15,300	100,000	58,800	11,700	11,700	4,600	750
13	NATURAL GAS:	Preferred Min. Service Line Size (Inches/Daily)									
		6"	6"	6"	4"	6"	6"	2"	2"	2"	N/A
		On Site									
		Competitive	Competitive	Competitive	Competitive	Preferred	Competitive	Preferred	Preferred	Preferred	Preferred
14	ELECTRICITY:	Minimum Service Demand									
		2 MW	10 MW	1 MW	.25 MW	.25 MW	.25 MW	1 MW	.25 MW	0.15 MW	.1 MW
		Close Proximity to Substation									
		Competitive	Competitive	Competitive	Preferred	Not Required	Competitive	Not Required	Not Required	Preferred	Not Required
		Secondary System Dependency									
		Preferred	Competitive	Required	Not Required	Not Required	Required	Not Required	Not Required	Required	Not Required
15	TELECOMMUNICATIONS:	Major Communications Dependency									
		Required	Required	Preferred	Preferred	Preferred	Required	Preferred	Preferred	Required	Preferred
		Route Diversity Dependency									
		Preferred	Preferred	Not Required	Not Required	Not Required	Required	Not Required	Not Required	Required	Not Required
		Fiber Optic Dependency									
		Preferred	Preferred	Preferred	Preferred	Preferred	Required	Preferred	Preferred	Required	Not Required
16	SPECIAL CONSIDERATIONS	<p>Acresage allotment includes expansion space (often an exercisable option). Very high utility volumes in one or more areas common. Sensitive to nearby uses.</p> <p>Demanding criteria-driven site selection. High material and visitor throughput. Major Commercial Airport a must. Redundancy in trip routes and utilities vital. Surrounding Environmental (vibration, noise, etc). Buffering and expansion space necessary. Sensitive to encroachment activities of nearby uses (residential, institutional, commercial).</p> <p>Adequate distance from sensitive land uses (residential, parks, large retail centers) necessary. High throughput of materials. Large yard spaces and/or buffering required. Often transportation related requiring marine/rail links.</p> <p>Adequate distance from sensitive land uses (residential, parks) necessary.</p> <p>May require high volume/supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. On-site water pre-treatment needed in many instances.</p> <p>Surrounding environment of great concern (vibration, noise, air quality, etc.). Increased setbacks may be required and/or on-site utility service areas. Avoid sites close to wastewater treatment plants, lagoons, and other such land uses. May require high volume/supply of water and sanitary sewer treatment.</p> <p>Transportation routing and proximity to/from major highways is crucial. Expansion options required. Truck Staging requirements mandatory. Does not like to site or have routing issues between site and interstate that have rail crossings, school zones, airport runways, or drawbridges.</p> <p>Transportation infrastructure such as roads and bridges to/from major highways is most competitive factor.</p> <p>Relatively higher parking ratios may be necessary. Will be very sensitive to labor force considerations and the location of other similar centers in the region.</p> <p>Located in more remote locations in the state. Usually without direct access (within 50 miles) of Interstate or City of more than 50,000 people.</p>									

PLEASE SEE SUPPLEMENTAL INFORMATION FOR ADDITIONAL DETAILS REGARDING INDUSTRY TYPES AND SITE REQUIREMENTS

PROFILE	A	B	C	D	E	F	G	H	I	J
CRITERIA	Regionally to Nationally Scaled Clean-Tech Manufacturer	Globally Scaled Clean Technology Campus	Heavy Industrial / Manufacturing	General Manufacturing	Food Processing	High Tech Manufacturing or Campus Industrial	Regional (multi-state) Distribution Center	Warehouse / Distribution	Call Center / Business Services	Rural / Frontier Industrial

Terms:	
More Critical ↑ Less Critical	<p>Required factors are seen as mandatory in a vast majority of cases and have become industry standards</p> <p>Competitive significantly increases marketability and is <i>highly recommended by OBD</i>. May also be linked to financing in order to enhance the potential reuse of the asset in case of default.</p> <p>Preferred increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical</p>
	<p>* Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.</p> <p>**Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space</p>

APPENDIX I

From: Hogue, Thomas [thomas.hogue@state.or.us]
Sent: Thursday, September 30, 2010 1:44 PM
To: David Beam
Subject: FW: farm tax deferral
 Here's the answer on deferral.

Tom Hogue | 503-373-0050 x323

From: Daniels, Katherine
Sent: Thursday, September 30, 2010 1:40 PM
To: Hogue, Thomas
Subject: RE: farm tax deferral

As long as land is zoned EFU, whether inside or outside a UGB or city, it gets automatic farm tax deferral, provided there is farming going on that is "primarily to make a profit in farming". Otherwise, people must apply to the county tax assessor for farm tax deferral and show that the land meets a minimal income requirement. Here is a link for land in EFU zones. Embedded in the first paragraph is a link for land not in EFU zones:
http://www.oregon.gov/DOR/PTD/IC_303_644.shtml

Hope this helps!

Katherine

Katherine Daniels, AICP | Farm and Forest Lands Specialist
 Planning Services Division
 Oregon Dept. of Land Conservation and Development
 635 Capitol Street NE, Suite 150 | Salem, OR 97301-2540
 Office: (503) 373-0050 ext. 329 | Fax: (503) 378-5518
katherine.daniels@state.or.us | www.oregon.gov/LCD

From: Hogue, Thomas
Sent: Thursday, September 30, 2010 1:14 PM
To: Daniels, Katherine
Subject: farm tax deferral

Do you have a reference source? The question has come up in Newberg about land brought into a UGB but still being farmed for some period of time. Can they and how do they continue to claim farm tax deferral? Any other taxing/value info welcomed.

How does annexation play a role?

Thanks

Tom Hogue | Economic Development Specialist
 Oregon Dept. of Land Conservation and Development
 635 Capitol Street NE, Suite 150 | Salem, OR 97301-2540
 Office: (503) 373-0050 ext. 323 | Fax: (503) 378-5518
thomas.hogue@state.or.us | www.oregon.gov/LCD

Assessment of Farmland in an Exclusive Farm-Use Zone



This information circular explains farm-use assessments on farmland in an exclusive farm-use (EFU) zone. If you are not sure if your land is within a farm-use zone, check with your planning office or your county assessor's office. For information about farm-use assessment on land not in an EFU zone, see the information circular, "Assessment of Farmland Not in an Exclusive Farm-Use Zone," 150-303-645, at www.oregon.gov/DOR or write: Publications, Oregon Department of Revenue, 955 Center Street NE, Salem OR 97301-2555.

What land qualifies for farm-use assessment?

If land is in an EFU zone and **is used primarily to make a profit in farming**, it qualifies for special farm-use assessment. The qualification of farmland for special assessment is determined as of January 1.

To qualify, your land must currently be used, and have been used in the previous year **exclusively** for farm use (see farm use definition below).

Farm use defined

Oregon Revised Statute 308A.056 defines "farm use" in part, as follows:

"Farm use" means **the current employment of land for the primary purpose of obtaining a profit in money** by:

- Raising, harvesting, and **selling** crops;
- Feeding, breeding, management, and **sale** of, or the production of, livestock, poultry, fur-bearing animals, or honeybees;
- Dairying and selling dairy products;
- Stabling or training equines;
- Breeding, raising, kenneling, or training greyhounds;
- Propagation, cultivation, maintenance, and harvesting of aquatic, bird, and animal species allowed by rules adopted by the State Fish and Wildlife Commission;

- Preparation, storage, and disposal by marketing or otherwise, of the products or by-products raised on such land for human and animal use;
- Any other agricultural or horticultural use, animal husbandry, or any combination thereof; or
- Growing cultured Christmas trees and hybrid hardwoods (cottonwoods) on cropland under intensive cultivation.

Farm use may also include:

- Water impoundments lying in or adjacent to and in common ownership with the farm-use land;
- A woodlot, not to exceed 20 acres, contiguous to and owned by the owner of the farm-use land;
- Wastelands, dry or covered with water, neither economically tillable nor grazeable, lying in or adjacent to, and in common ownership with the farm-use land;
- Land under farm related buildings and certain processing facilities.

Land under dwellings and on-site developments to the homesite used in conjunction with the farming operation receives a special valuation.

The farming activity needs to be in accordance with an "accepted farming practice," which means the farming is conducted in a "mode of operation that is common to farms of a similar nature, necessary for the operation of such farms to obtain a profit in money, and customarily utilized in conjunction with farm use."

"Accepted farming practice" varies widely depending on the farming activity being conducted and geographical differences. An excellent source of information is the county's Oregon State University Extension Service.

How farm-use specially assessed value (SAV) is determined

Farm-use value for each land class is determined using an income method. Using this approach, the assessor must determine the capitalization rate and the net income per acre of farmland. The net income is the typical gross annual return (farmland rent), minus typical expenses. The capitalization rate is the five-year average Farm Credit Services mortgage rate, plus the local property tax rate. When the net income per acre is divided by the capitalization rate, the result is the farm-use value per acre of farmland.

Farm use land assessment

Land receiving farm-use special assessment will be assessed for each land class on the lesser of the specially assessed value (SAV), described above, or maximum specially assessed value (MSAV). The MSAV for each land class is the prior year's assessed value increased by 3 percent or the prior year's MSAV, which ever is greater.

Disqualification from special assessment

Farmland will be disqualified from special assessment for any of the following reasons:

- It is no longer used as farmland;
- The land is removed from an exclusive farm-use zone; or
- Approval is given for a nonfarm dwelling or parcel.

If your land is disqualified from farm-use special assessment, it may qualify for special assessment as Forestland or Wildlife Habitat. Check with your county assessor for more information about changing special assessments.

Additional taxes levied against disqualified farmland

If your farmland loses its special assessment, it will be assessed at the lesser of its market value or maximum assessed value and you may be assessed an additional tax.

The additional tax is based on the difference between the tax you paid and the tax you would have been paying if your land had not received the farm-use special assessment. This tax difference is based on the number of years the land received farm-use assessment, up to a maximum of 10 years. If the land is located within an urban growth boundary, the maximum is five years.

You will be assessed an additional tax if your farmland is disqualified and you:

- Change the use of the land to be incompatible with returning it to a farm use (see note below);
- Request and receive a change to a zone that is not an exclusive farm-use zone; or
- Receive approval for a nonfarm dwelling or parcel.

The additional taxes will be added to the next tax roll if you decide not to prepay them.

Note: If your land is disqualified because it is no longer used for farming and you use it for a purpose that is compatible with its return to farm-use, the additional tax will remain a notation to the assessment and tax rolls as a "potential additional tax." This potential additional tax must be paid if, sometime in the future, the land is used for something incompatible with farm-use.

Have questions? Need help?

General tax information www.oregon.gov/DOR
Salem 503-378-4988
Toll-free from an Oregon prefix..... 1-800-356-4222

Asistencia en español:
En Salem o fuera de Oregon 503-378-4988
Gratis de prefijo de Oregon..... 1-800-356-4222

TTY (hearing or speech impaired; machine only):
Salem area or outside Oregon..... 503-945-8617
Toll-free from an Oregon prefix..... 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers above for information in alternative formats.

Assessment of Farmland Not in an Exclusive Farm-Use Zone



This information circular explains farm-use assessments on farmland that is not in an exclusive farm-use (EFU) zone. If you are not sure in what zone your land is located, check with your local planning office or your county assessor's office. For information about farm-use assessment on land in an EFU zone, see the information circular, "Assessment of Farmland in an Exclusive Farm-Use Zone," 150-303-644. Write: Publications, Oregon Department of Revenue, 955 Center Street, NE, Salem OR 97301-2555.

What land qualifies for farm-use assessment?

If land is not in an EFU zone but is used as farmland, it may receive the same assessment given to all qualifying EFU farmland. The qualification of farmland to special assessment is determined as of January 1.

To qualify, you must file an application with your county assessor on or before **April 1** of the first year you desire special assessment. Additionally, the land must meet these standards:

- Your land must be currently used, and have been used, for the two previous years *exclusively* for farm use (see farm use definition), **and**
- Your land must meet the income requirement in three of the five previous years (see Income Requirement).

Owners and lessees of farm land must file a Schedule F showing farm income and, if applicable, a schedule showing rental income with their excise or personal income tax return to qualify for farm-use special assessment.

Farm use defined

Oregon Revised Statute 308A.056 defines "farm use" in part, as follows:

"Farm use" means the current employment of land for the primary purpose of obtaining a profit in money by:

- Raising, harvesting, and selling crops;
- Feeding, breeding, management, and sale of, or the production of, livestock, poultry, fur-bearing animals, or honeybees;
- Dairying and selling dairy products;

- Stabling or training equines;
- Breeding, raising, kenneling, or training greyhounds;
- Propagation, cultivation, maintenance, and harvesting of aquatic, bird, and animal species allowed by rules adopted by the State Fish and Wildlife Commission;
- Preparation, storage, and disposal by marketing or otherwise, of the products or by-products raised on such land for human and animal use;
- Any other agricultural or horticultural use, animal husbandry, or any combination thereof; or
- Growing cultured Christmas trees and hybrid hardwoods (cottonwoods) on cropland under intensive cultivation.

Farm use may also include:

- Water impoundments lying in or adjacent to and in common ownership with farm-use land;
- A woodlot, not to exceed 20 acres, contiguous to and owned by the owner of the farm-use land;
- Wasteland and land under dwellings (including dwelling on-site improvements) used in conjunction with the farm may also receive a special valuation if:
 1. The farm unit produces over one-half of the adjusted gross personal income the owner(s) receives; **and**
 2. You file an application on or before April 15 **each year** with the county assessor.
- Land under farm related buildings.

Note: Land under farm processing facilities does not qualify for farm use in non-EFU zones.

The farm use activity needs to be in accordance with an "accepted farming practice," which means the farming is conducted in a "mode of operation that is common to farms of a similar nature, necessary for the operation of such farms to obtain a profit in money, and customarily utilized in conjunction with farm use."

"Accepted farming practice" varies widely depending on the farming activity being conducted and geographical differences. An excellent source of information is the county's Oregon State University Extension Service.

Income requirement

If the land is six and one half acres or less, your gross income from the farm use must be at least \$650. If the land is more than six and one half but fewer than 30 acres, your gross income from the farm use must be \$100 multiplied by the number of acres. A fraction of an acre should be applied as a percentage in the calculation of the gross income requirement. (Example: 25.83 acres x \$100 = \$2,583 gross income.) If the land is 30 or more acres, your gross income from the farm must be at least \$3,000. If your land is leased for farming to someone else, check with your county assessor for additional income requirements.

How farm use specially assessed value (SAV) is determined

Farm-use value for each land class is determined using an income method. Using this approach, the assessor must determine the capitalization rate and the net income per acre of farmland. The net income is the typical gross annual return (farmland rent), minus typical expenses. The capitalization rate is the five-year average Farm Credit Services mortgage rate, plus the local property tax rate. When the net income per acre is divided by the capitalization rate, the result is the farm-use value per acre of farmland.

Farm-use land assessment

Land receiving farm-use special assessment will be assessed for each land class on the lesser of the specially assessed value (SAV), described above, or maximum specially assessed value (MSAV). The MSAV for each land class is the prior year's assessed value increased by 3 percent or the prior year's MSAV, whichever is greater.

Disqualification from special assessment

Farmland will be disqualified from special assessment for any of the following reasons:

- You notify the assessor in writing to remove the land from special assessment;
- You sell or transfer your land to any ownership making it exempt from property tax;
- You no longer use your land as farmland;
- Your land is platted for subdivision. (This land may requalify for special assessment after payment of the additional tax.); or
- Your land does not meet the income test.

If your land is disqualified from farm-use special assessment, it may qualify for special assessment as Forestland or Wildlife Habitat. Check with your county assessor for more information about changing special assessments.

Additional taxes levied against disqualified farmland

If your farmland loses its special assessment, it will be assessed at the lesser of its market value or maximum assessed value and you may be assessed an additional tax.

The additional tax is based on the difference between the tax you paid and the tax you would have been paying if your land had not received the farm-use special assessment. This tax difference is based on the number of years the land received farm-use assessment, up to a maximum of five years.

You will be assessed an additional tax if your farmland is disqualified and you:

- Transfer the land to an ownership that makes the land exempt from property tax.
- Change the use of the land to be incompatible with returning it to a farm use (see note below); or
- Subdivide the property.

These additional taxes are added to the next tax roll if you choose not to pre-pay them.

Note: If your land is disqualified because it is no longer used for farming, and you use it for a purpose that is compatible with its return to farm use, the additional tax will remain a "potential additional tax." This potential additional tax must be paid if, sometime in the future, the land is used for something incompatible with farm-use.

If your land is disqualified because it does not meet the income test, but you continue to farm the land, then for each year you farm your land, one year of potential additional tax will be abated (eliminated). You may abate the number of years your land received farm-use assessment up to the maximum of five years until there are no potential additional tax years remaining.

Questions?

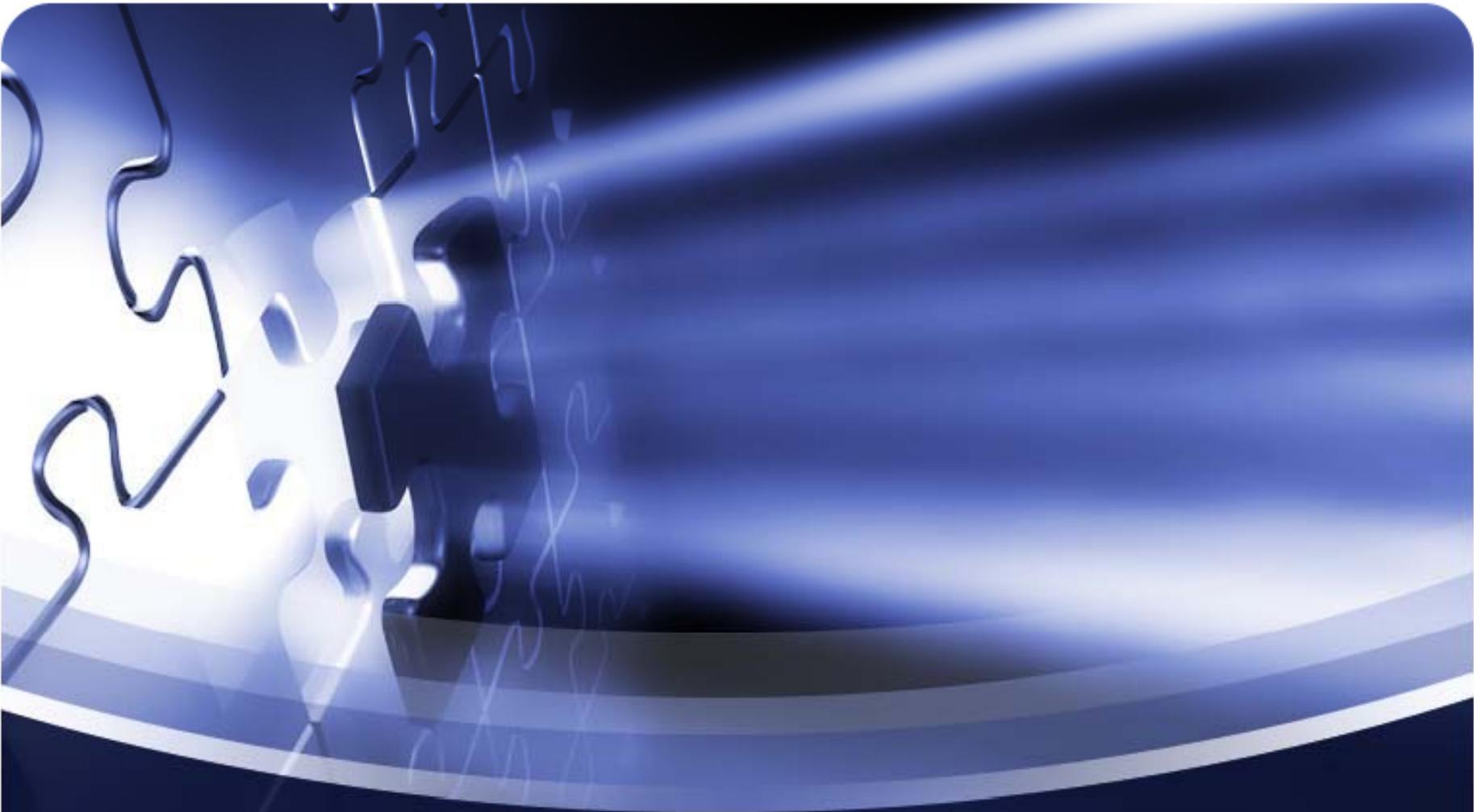
For general tax information: www.oregon.gov/DOR

Telephone: Salem503-378-4988
Toll-free within Oregon...1-800-356-4222

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA): This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis al 1-800-356-4222 en Oregon.



SIAMP Infrastructure Financing Plan

Newberg City Council Work Session

May 16, 2011



SIAMP Infrastructure Financing Plan

BACKGROUND

- Ad Hoc Committee on Newberg's Future found a need for industrial land, and specifically for large industrial sites (20+ acres), over the next 20 years
- In part, the Committee recommended:
 - Expand the industrial area along Hwy 219 south of Wynooski Road and the proposed Bypass interchange to accommodate and encourage large site industrial development
 - Create zoning standards that maintain large parcels in the area
- The City Council accepted the South Industrial Area Master Plan on 11/2/09 per Ordinance No. 2720 and Resolution No. 2872



SIAMP Infrastructure Financing Plan

- Location: South of Newberg, on either side of Highway 219
- Size: ~376 total acres (including right-of-way), ~362 acres in land area (in parcels), ~200 acres buildable land.



SIAMP Infrastructure Financing Plan

Purpose/goals of the Plan

- Match infrastructure needs with resources available
- Realistically within the means of those paying costs
- Supported by the community

NOTE: Secured \$30,000 grant from State of Oregon to help support plan development via consultant assistance



SIAMP Infrastructure Financing Plan

Stakeholders involved in Plan development

- City of Newberg staff
- City Councilors
- Property owners
- Other interested parties in community
- Business Oregon
- DLCDC
- ODOT
- Private utilities

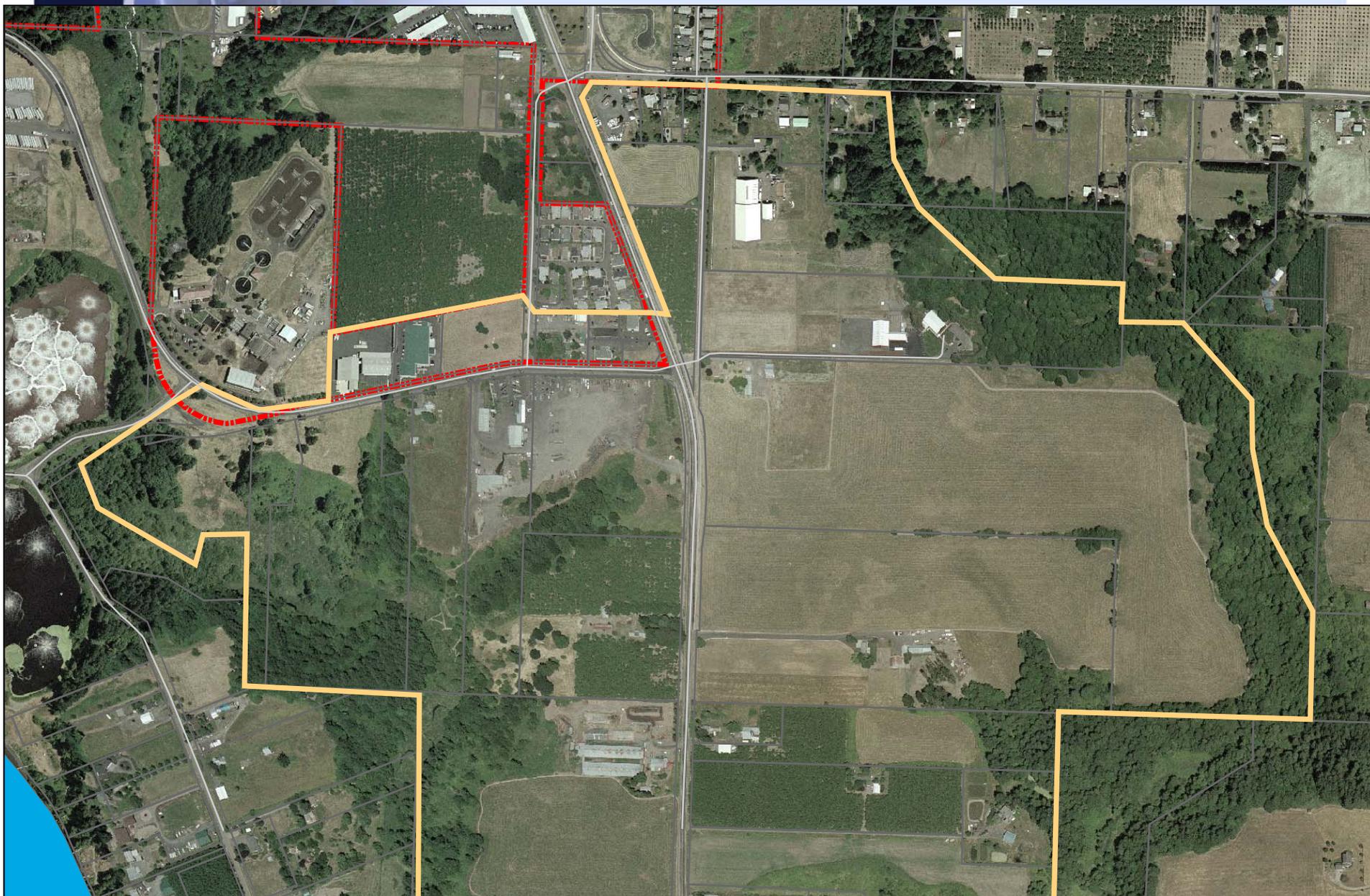


SIAMP Infrastructure Financing Plan

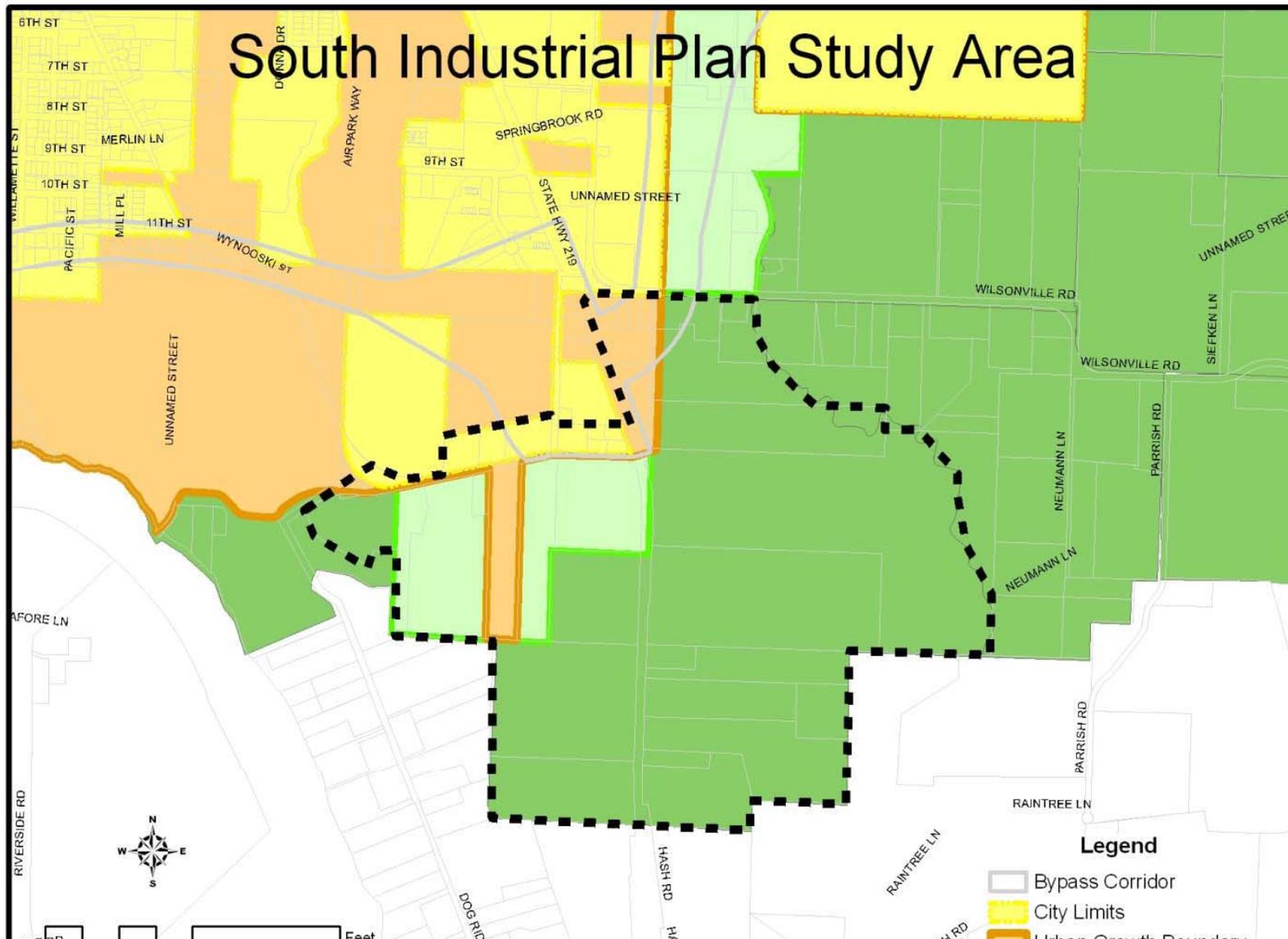
Plan development process

- Review SIAMP and other background materials
- Evaluate infrastructure needs
 - Costs
 - Phasing
- Develop financing options
- Input from project stakeholders
- Development of draft plan
 - Staff recommendation

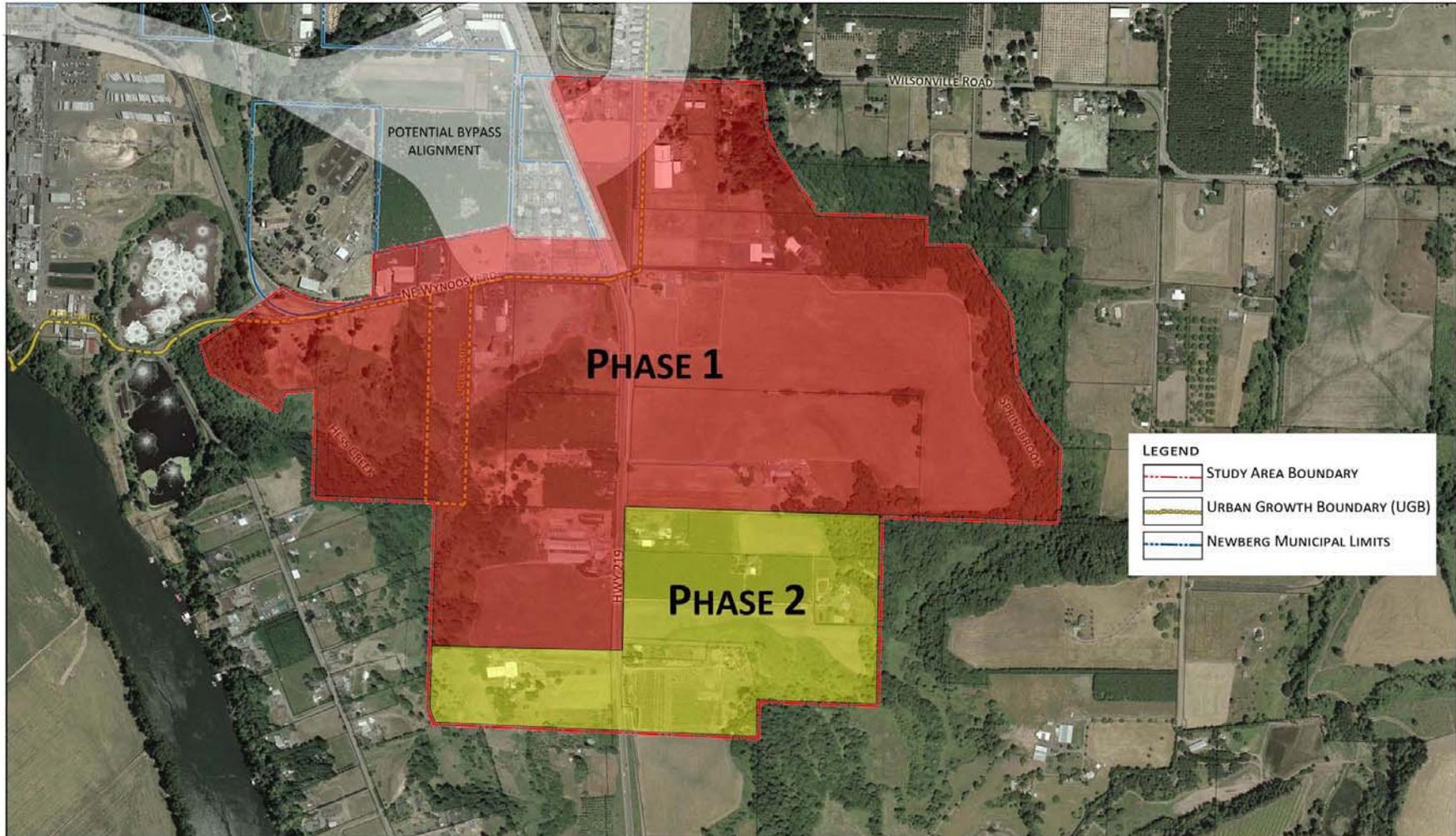
SIAMP Infrastructure Financing Plan



SIAMP Infrastructure Financing Plan



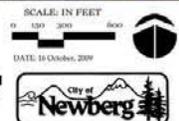
SIAMP Infrastructure Financing Plan



Newberg South Industrial Area Master Plan

DEVELOPMENT PHASING PLAN

NEWBERG, OREGON



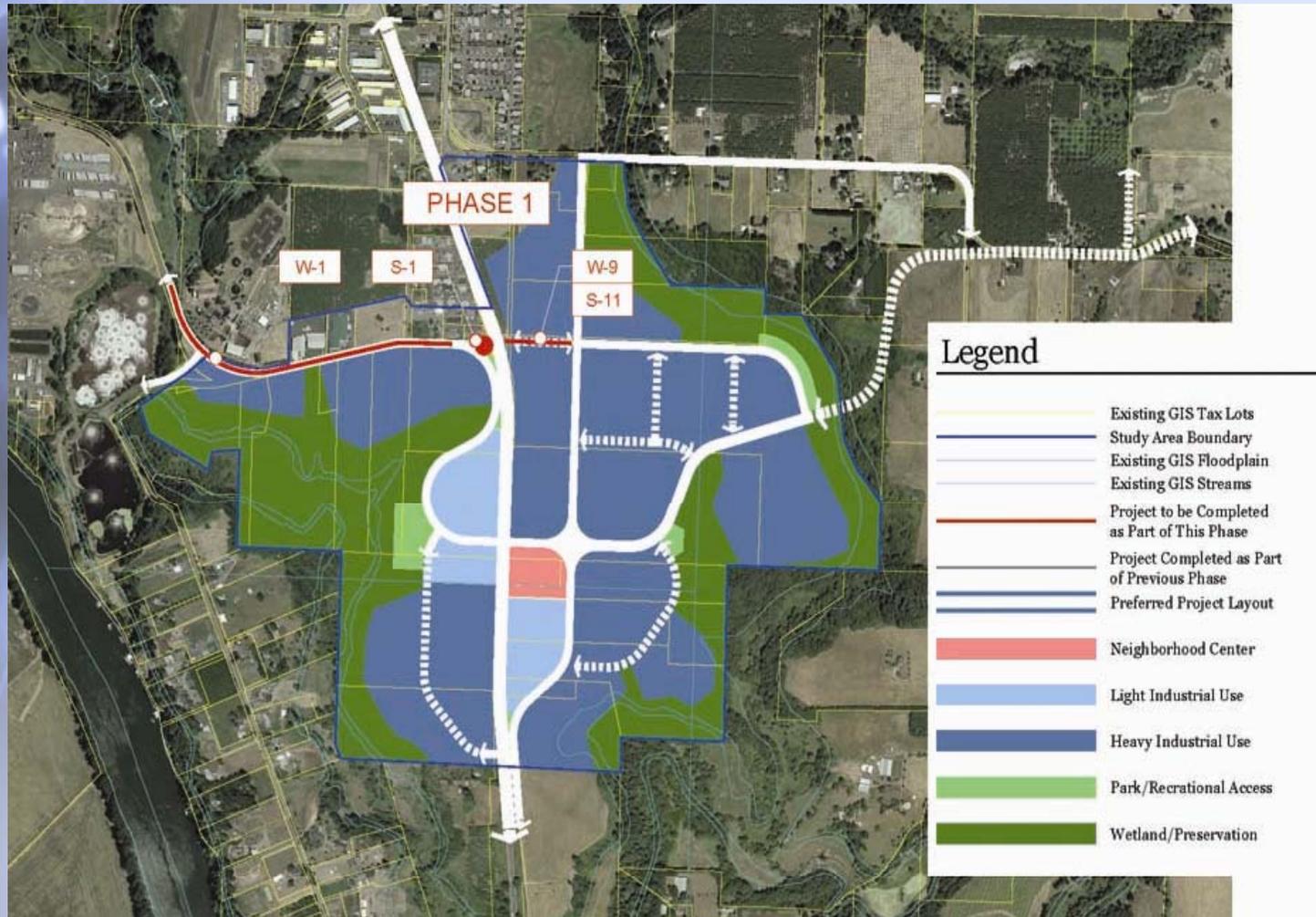


SIAMP Infrastructure Financing Plan

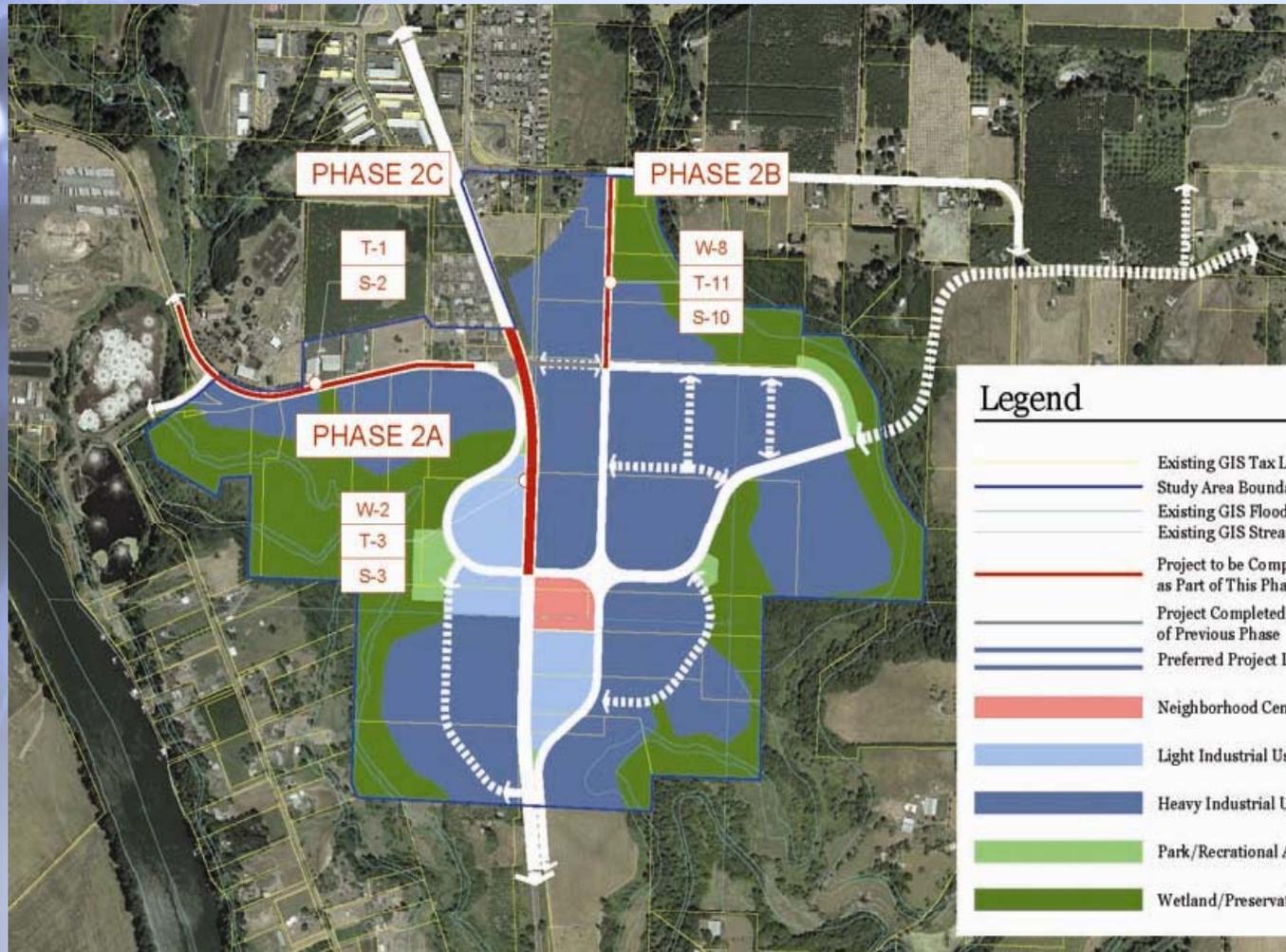
Size of each phase and development timeline

- Phase I is about 140 developable acres for next 20 years
- Phase II is about 60 developable acres for the subsequent 10 years

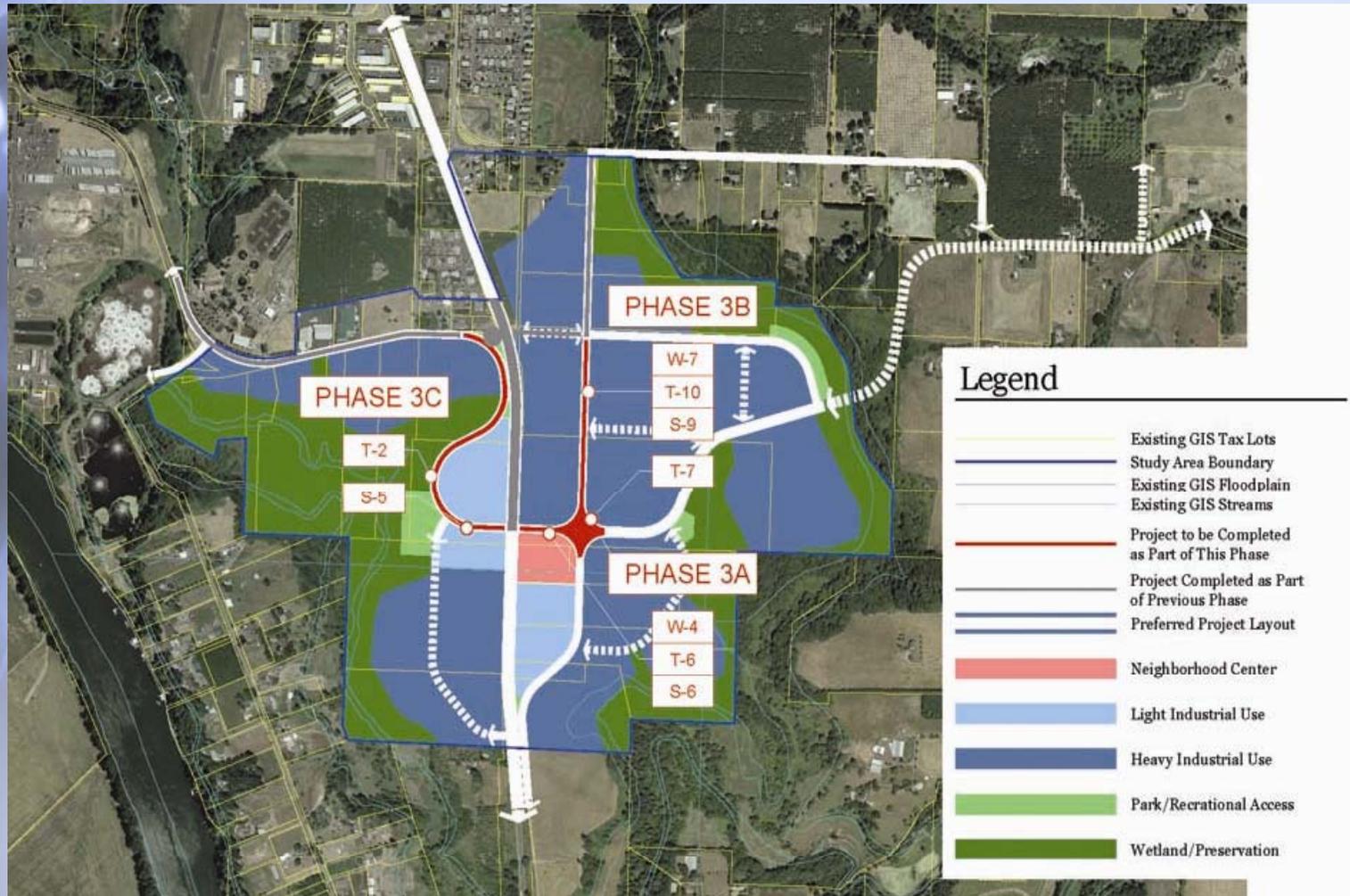
SIAMP Infrastructure Financing Plan



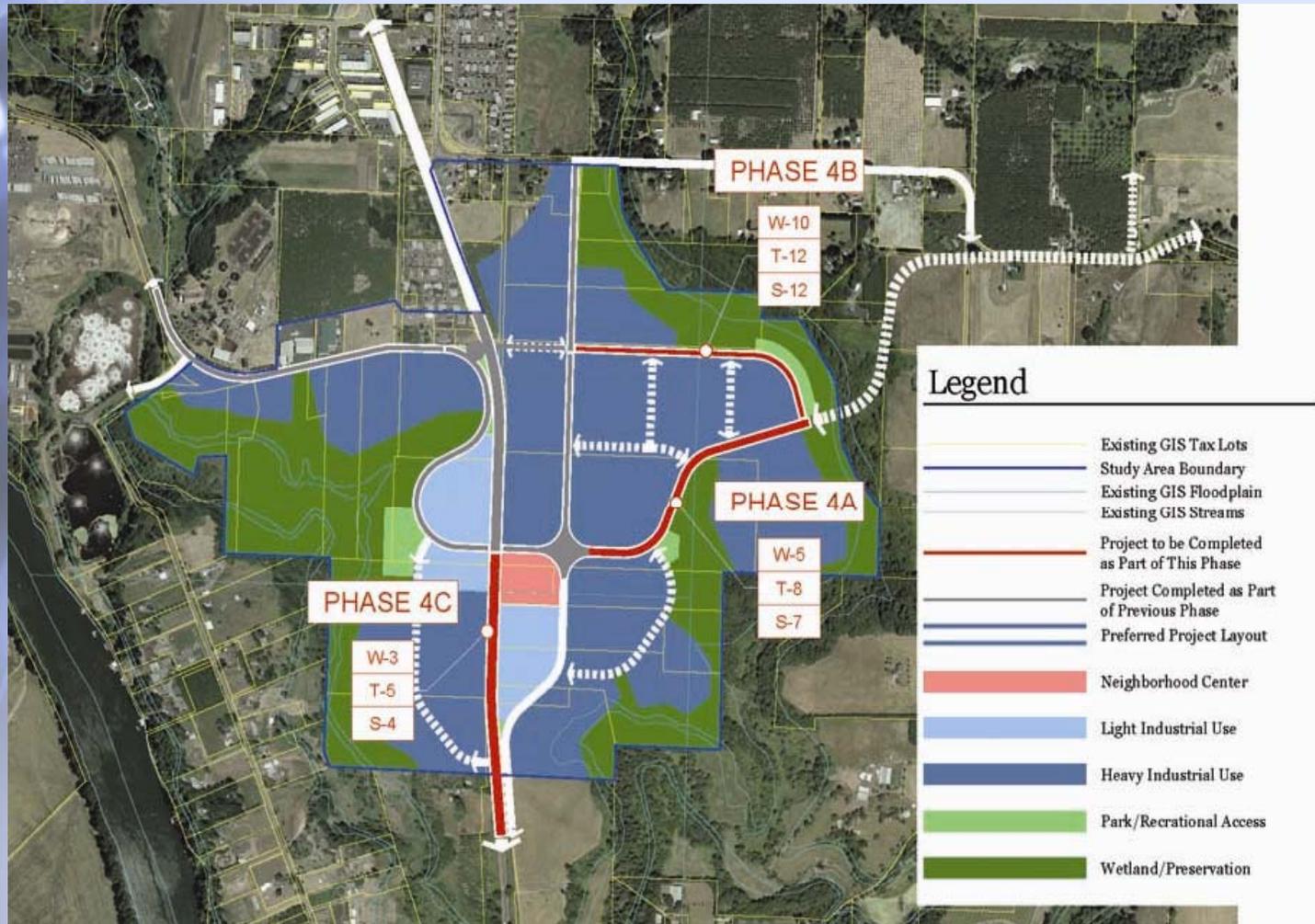
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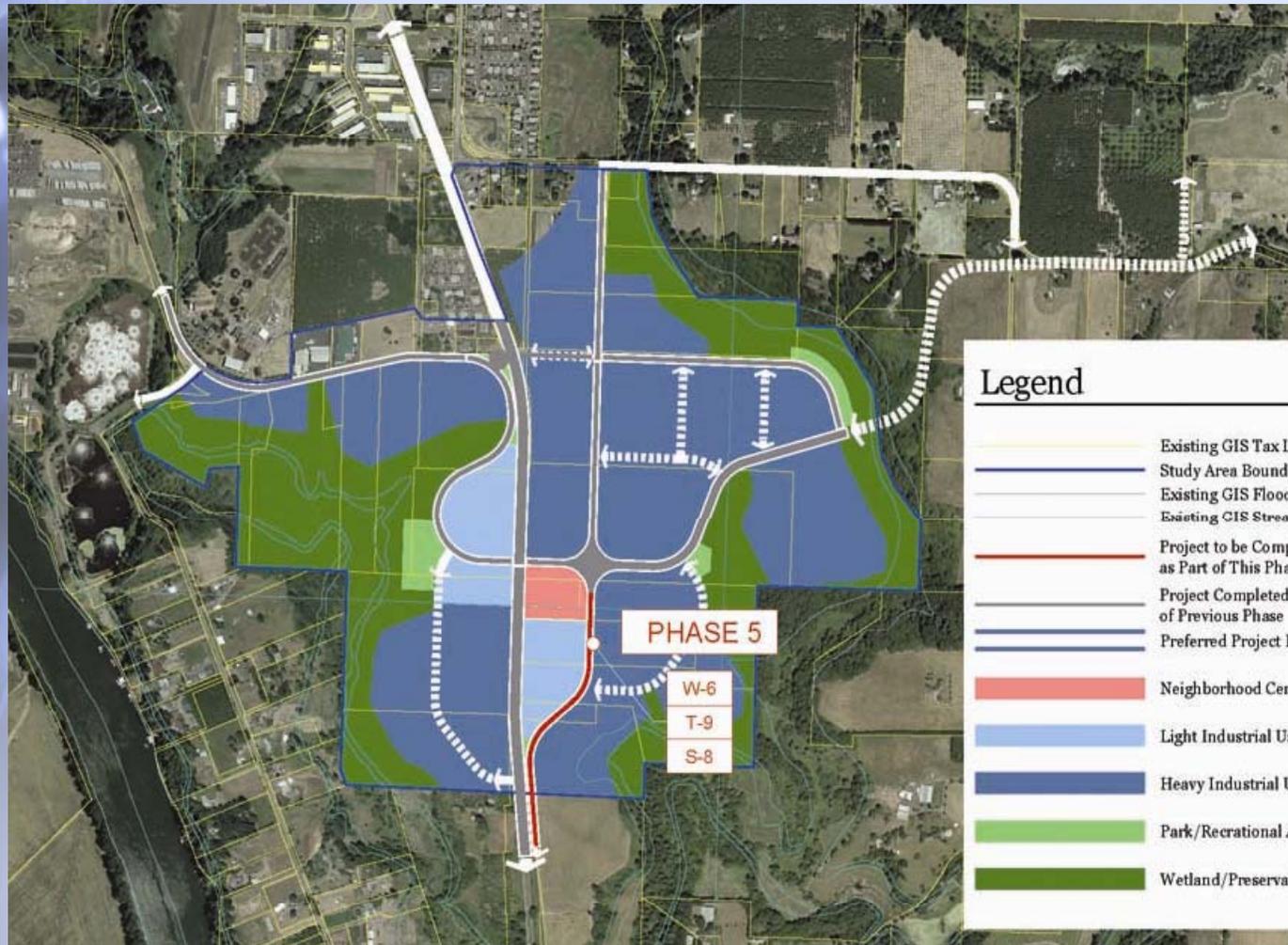
SIAMP Infrastructure Financing Plan



SIAMP Infrastructure Financing Plan



SIAMP Infrastructure Financing Plan



SIAMP Infrastructure Financing Plan

Infrastructure Costs

Transportation	\$17,930,000
Sanitary Sewer	\$ 6,870,000
Water	\$ 1,910,000
Parks	\$ 800,000
<u>Storm Drainage</u>	<u>\$ 90,000</u>
TOTAL	\$27,600,000



SIAMP Infrastructure Financing Plan

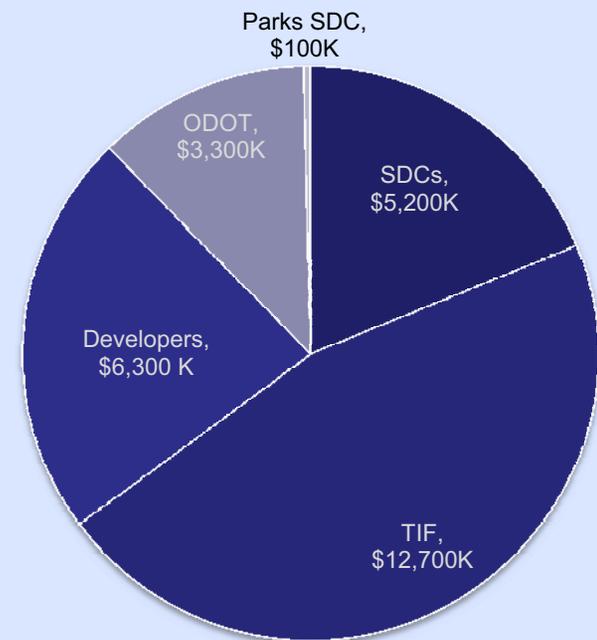
Financing Options Considered

- System Development Charges
- Supplemental System Development Charges
- Advance Financing District
- Development Exactions
- Windfall “Zoning” Tax
- Local Improvement District
- General Obligation Bond
- Revenue Bond (with utility surcharge backing)
- Local Gas Tax
- Tax Increment Financing

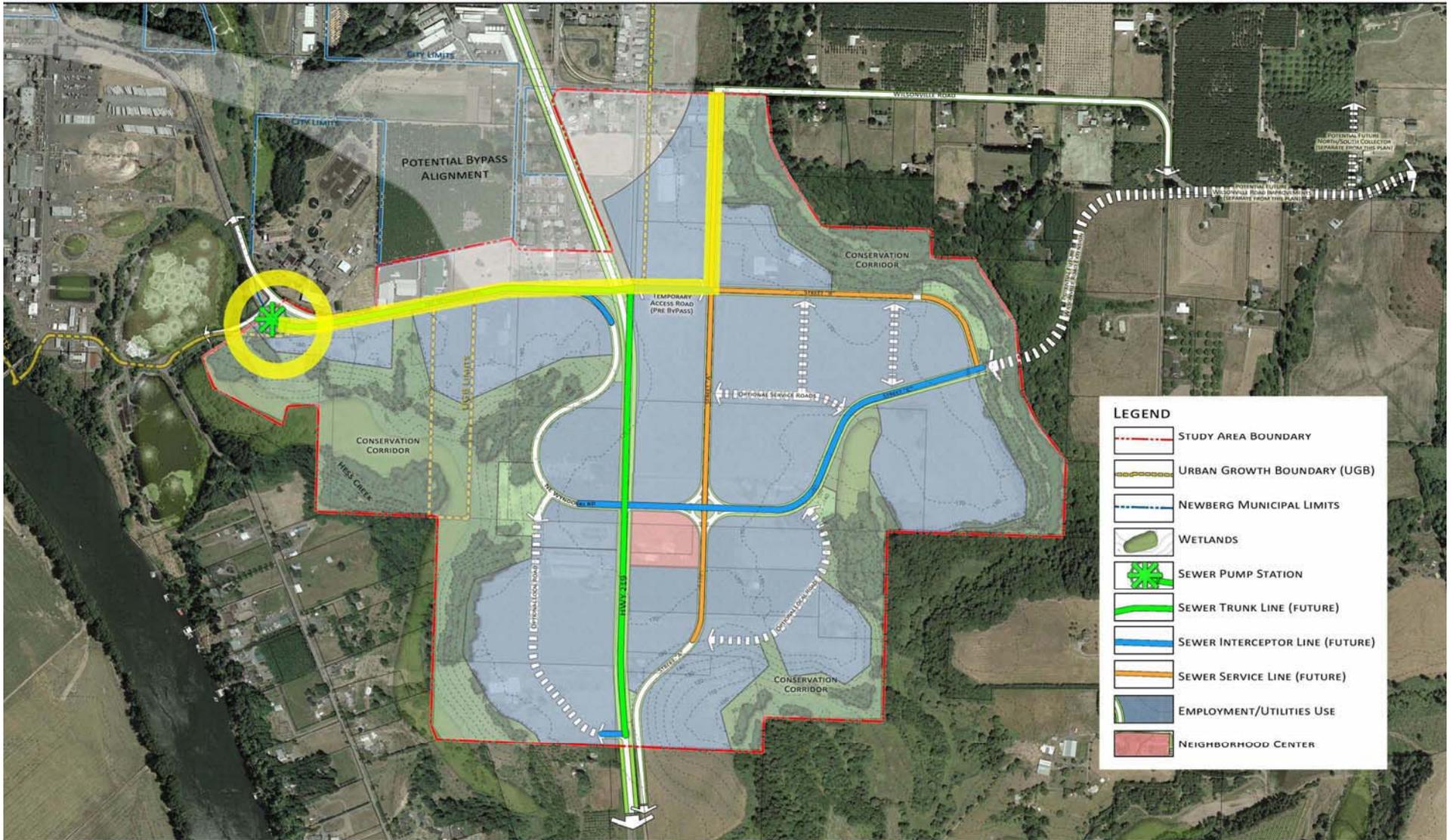
Recommended Tools

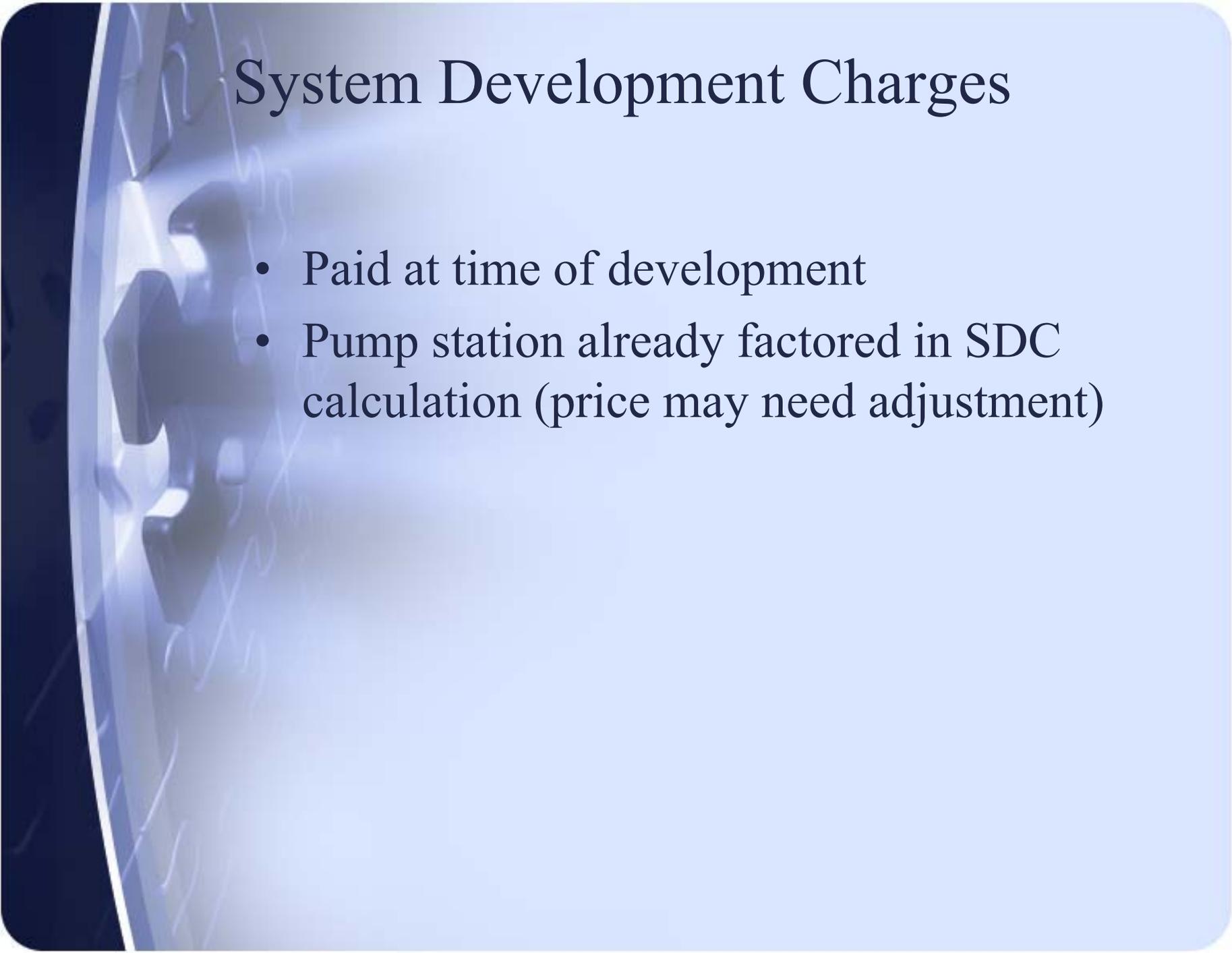
- System Development Charges
- Tax Increment Financing
- Developer Installed Improvements
- ODOT
- Special Parks SDC

Revenue Source



System Development Charge Projects

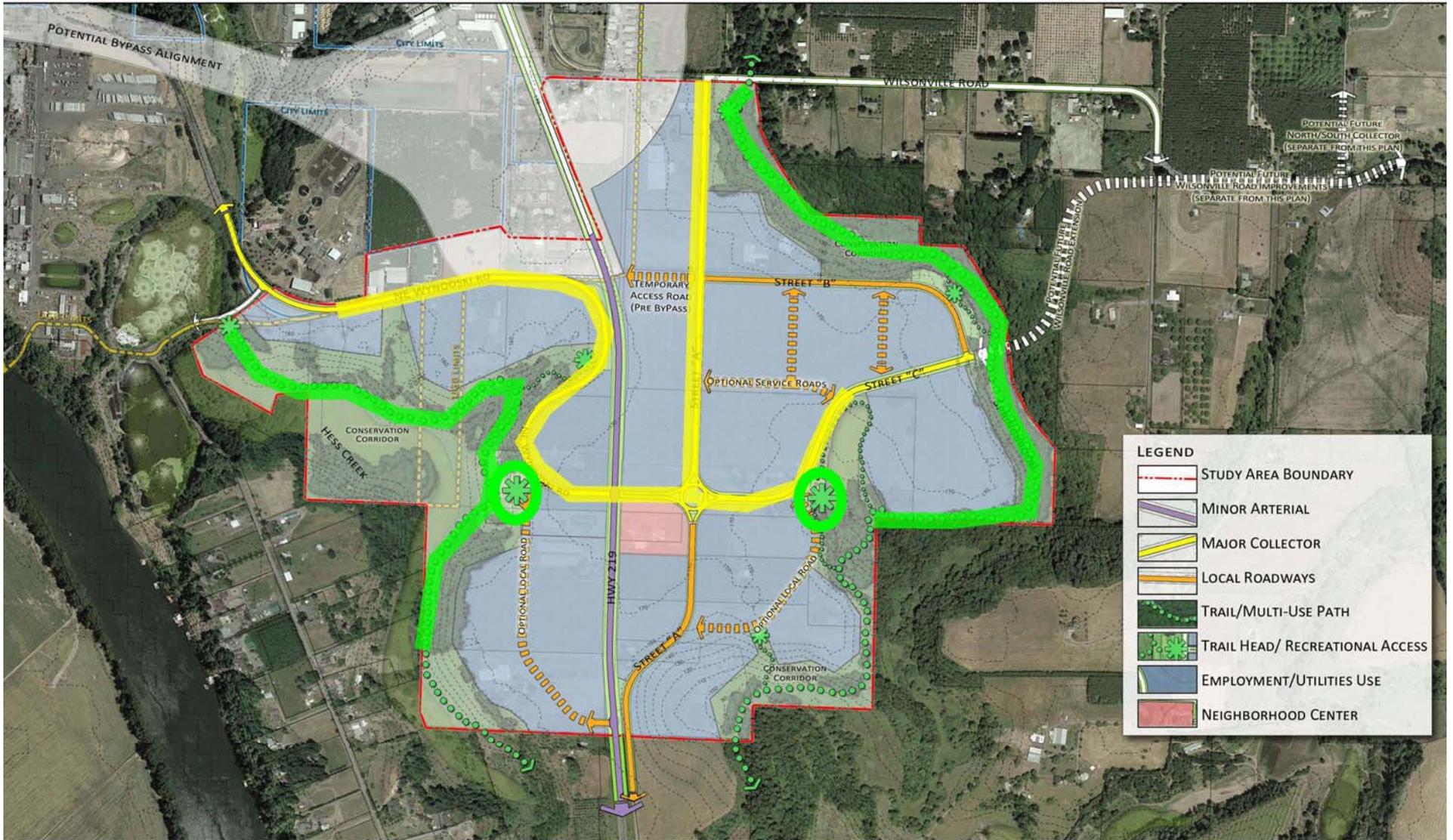


A person wearing a white protective suit and mask is working in a laboratory or cleanroom environment. The person is positioned on the left side of the frame, facing right. The background is a light blue gradient with a faint, circular pattern. The overall scene is dimly lit, with a strong light source from the left, creating a silhouette effect on the person.

System Development Charges

- Paid at time of development
- Pump station already factored in SDC calculation (price may need adjustment)

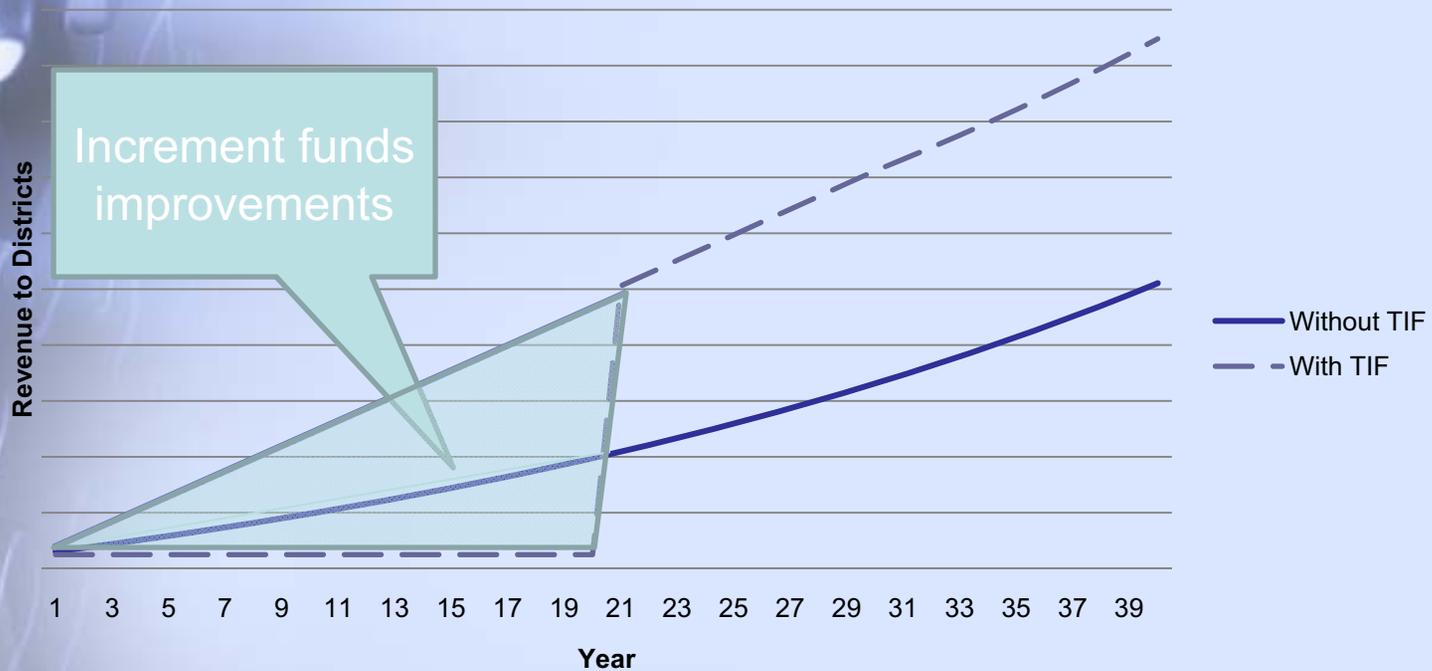
TIF Projects



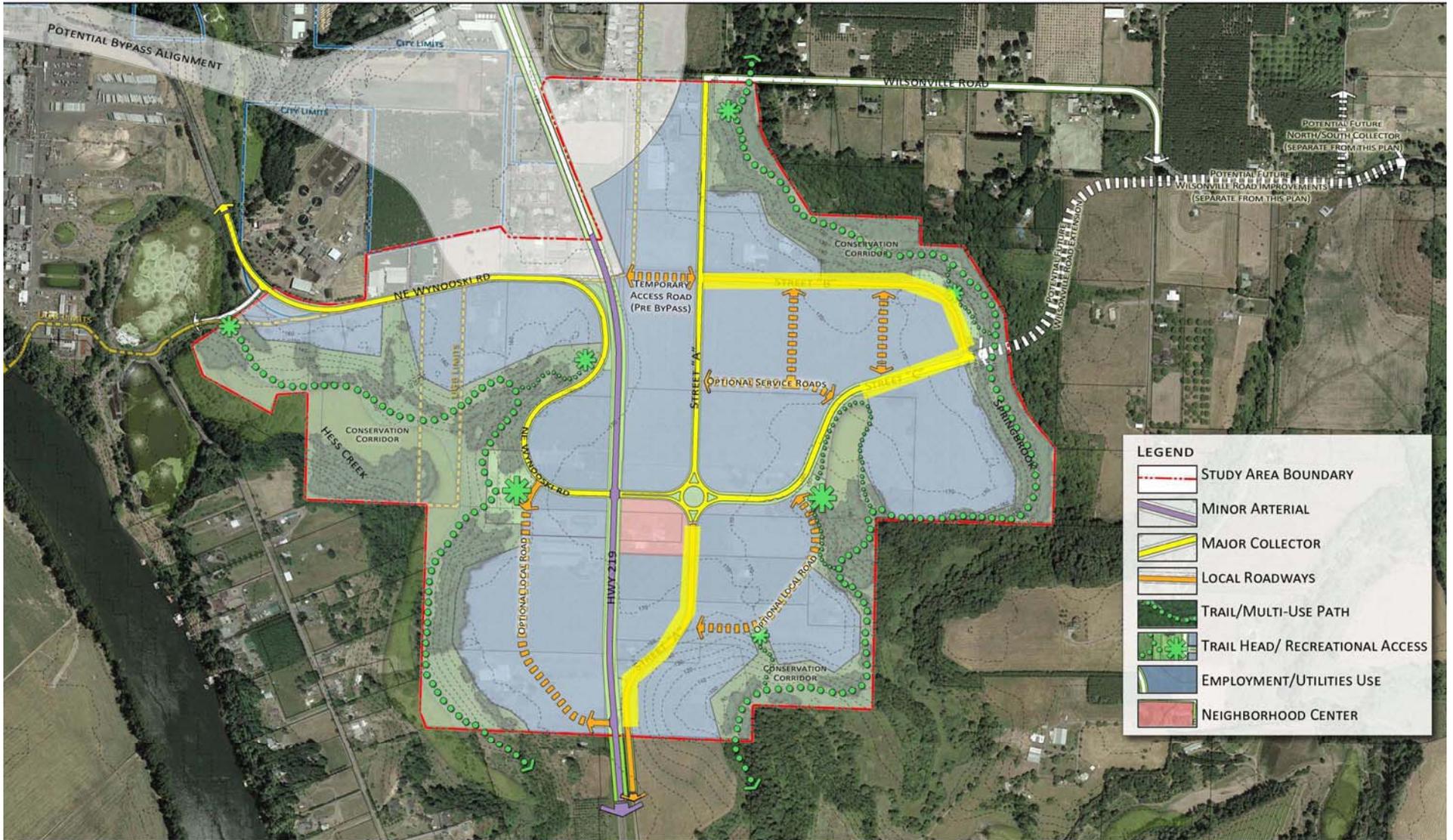
Tax Increment Financing

- Property taxes from increases in value in the area fund improvements

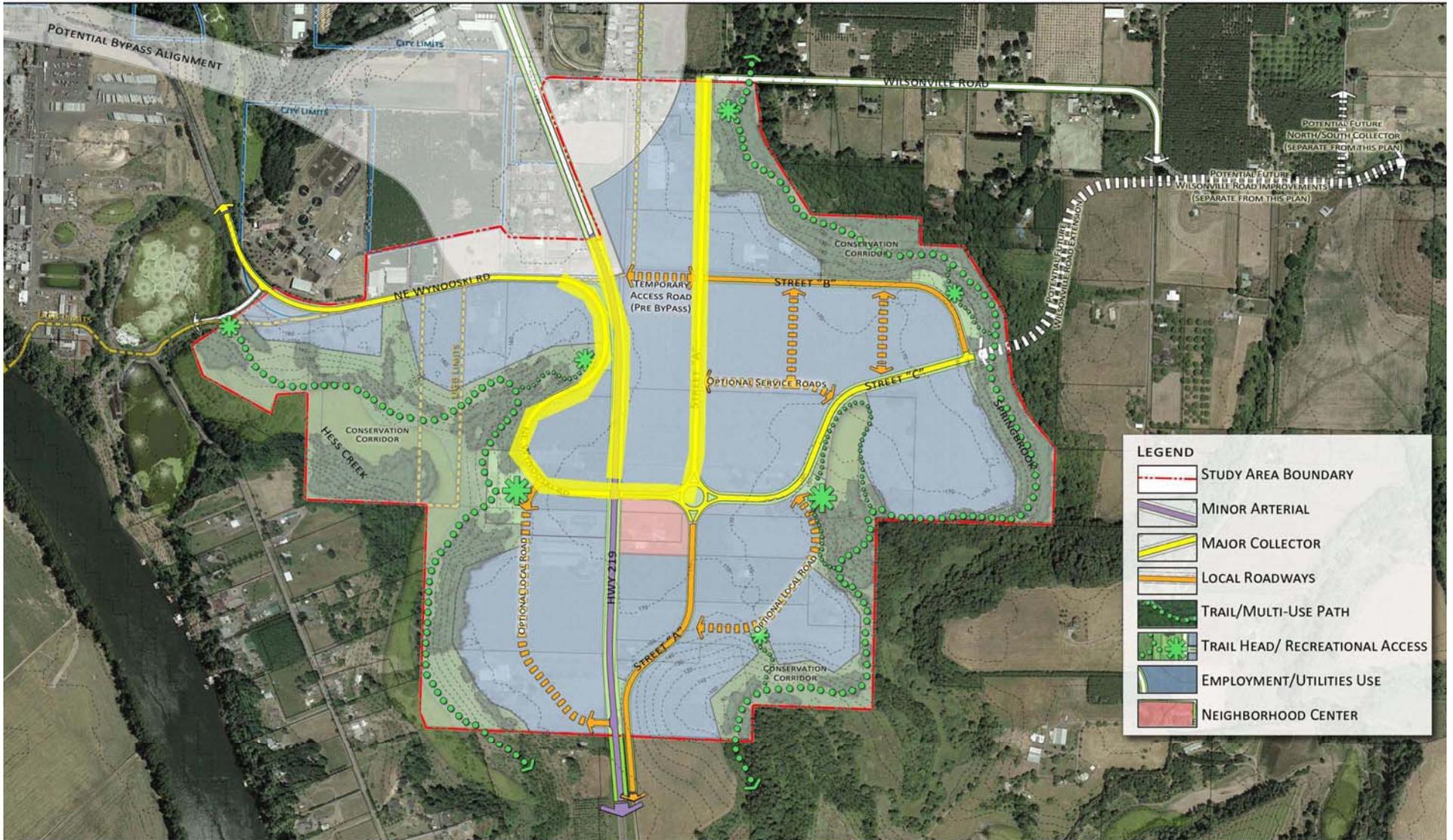
Revenue to Taxing Districts
With and without TIF



Developer Installed



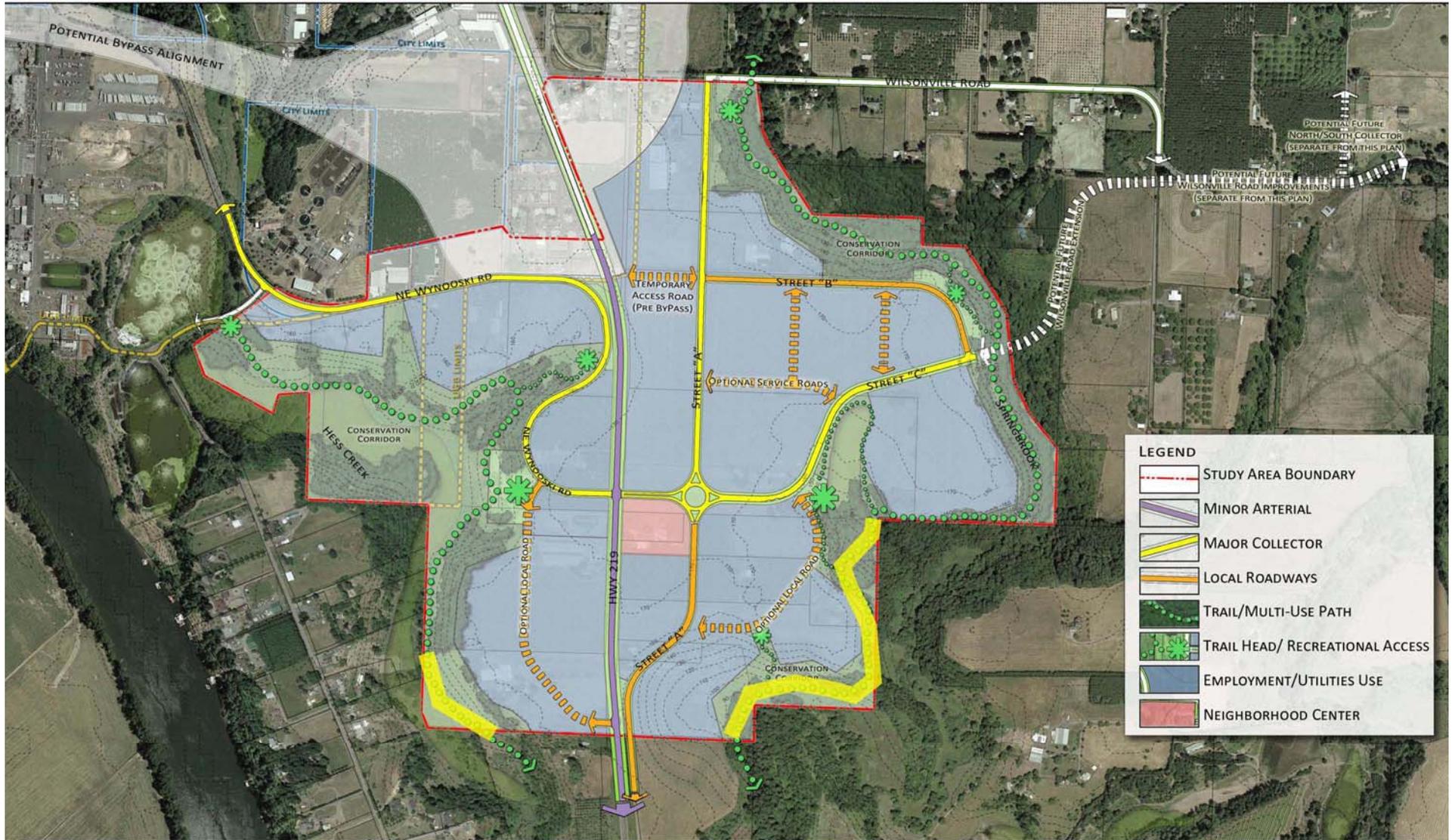
ODOT



Newberg South Industrial Area Master Plan

SCALE: IN FEET
0 1000 2000 4000
DATE: 17 June, 2009

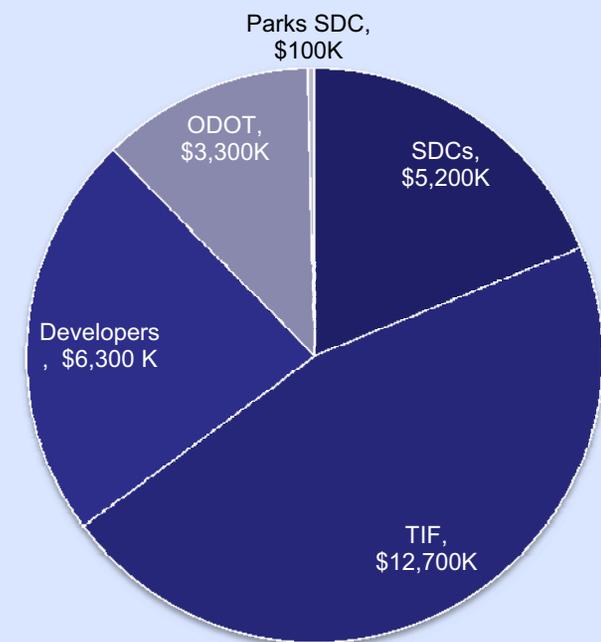
Parks SDC



Recommended Tools

Sources	Amount
SDCs	\$ 5,200,000
TIF	\$ 12,700,000
Developers	\$ 6,300,000
ODOT	\$ 3,300,000
Parks SDC	\$ 100,000
Total	\$ 27,600,000

Revenue Source





SIAMP Infrastructure Financing Plan

Rational for Recommendation

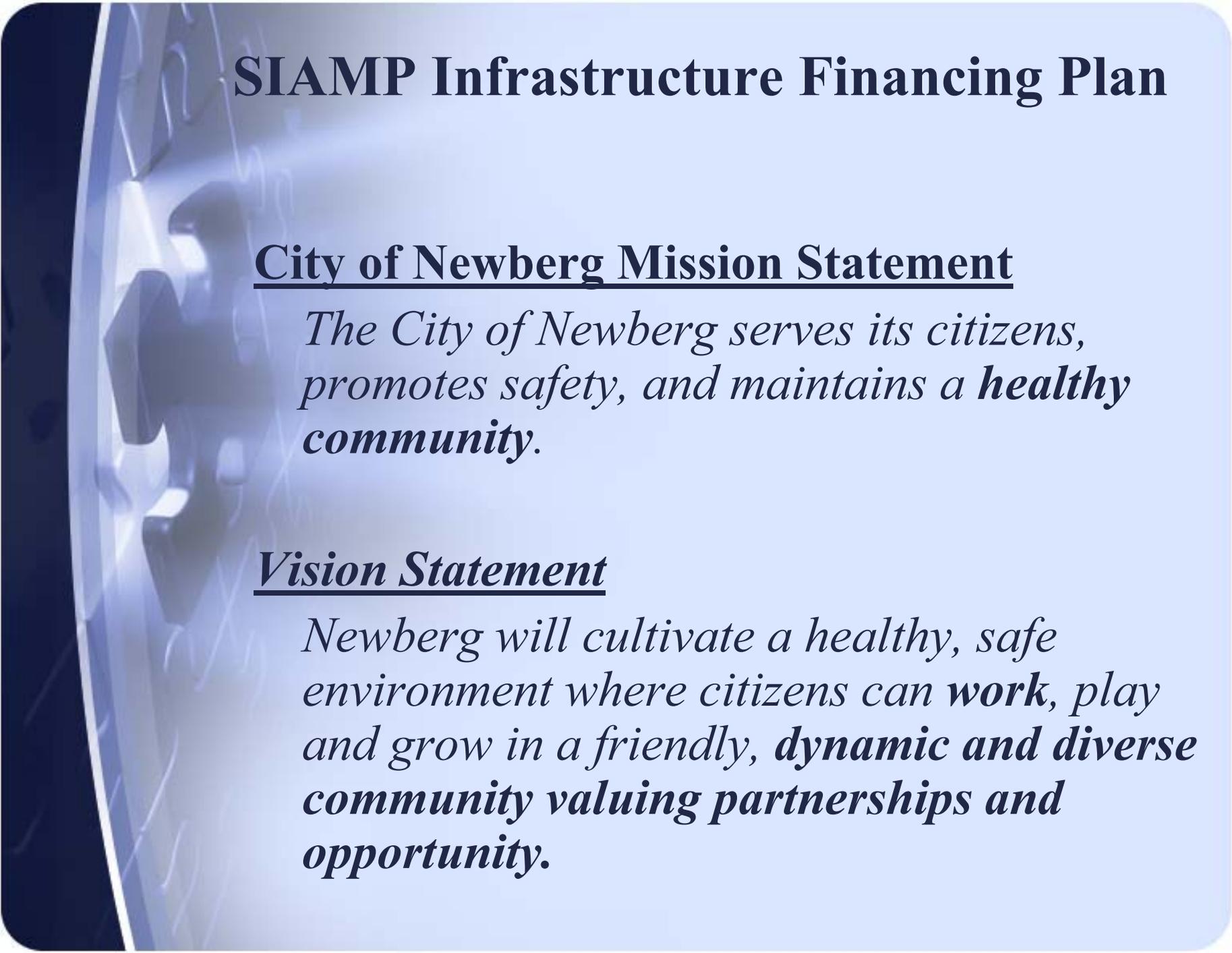
- Money for most of the improvements comes from property owners in the area.
- All stakeholders required to make an investment in the project
- All stakeholders will reap benefits
- Equitable treatment of all stakeholders



SIAMP Infrastructure Financing Plan

Need for “Jump Start” funding

- Potential “Catch-22” scenario
- Revenues for plan depend on the construction of new industrial facilities
- Current available utility services (water and sewer) at a distance from main development area that may impede industrial development
- Recommend upfront investment in utility development (water and sewer lines; sewer pump station)



SIAMP Infrastructure Financing Plan

City of Newberg Mission Statement

*The City of Newberg serves its citizens, promotes safety, and maintains a **healthy community**.*

Vision Statement

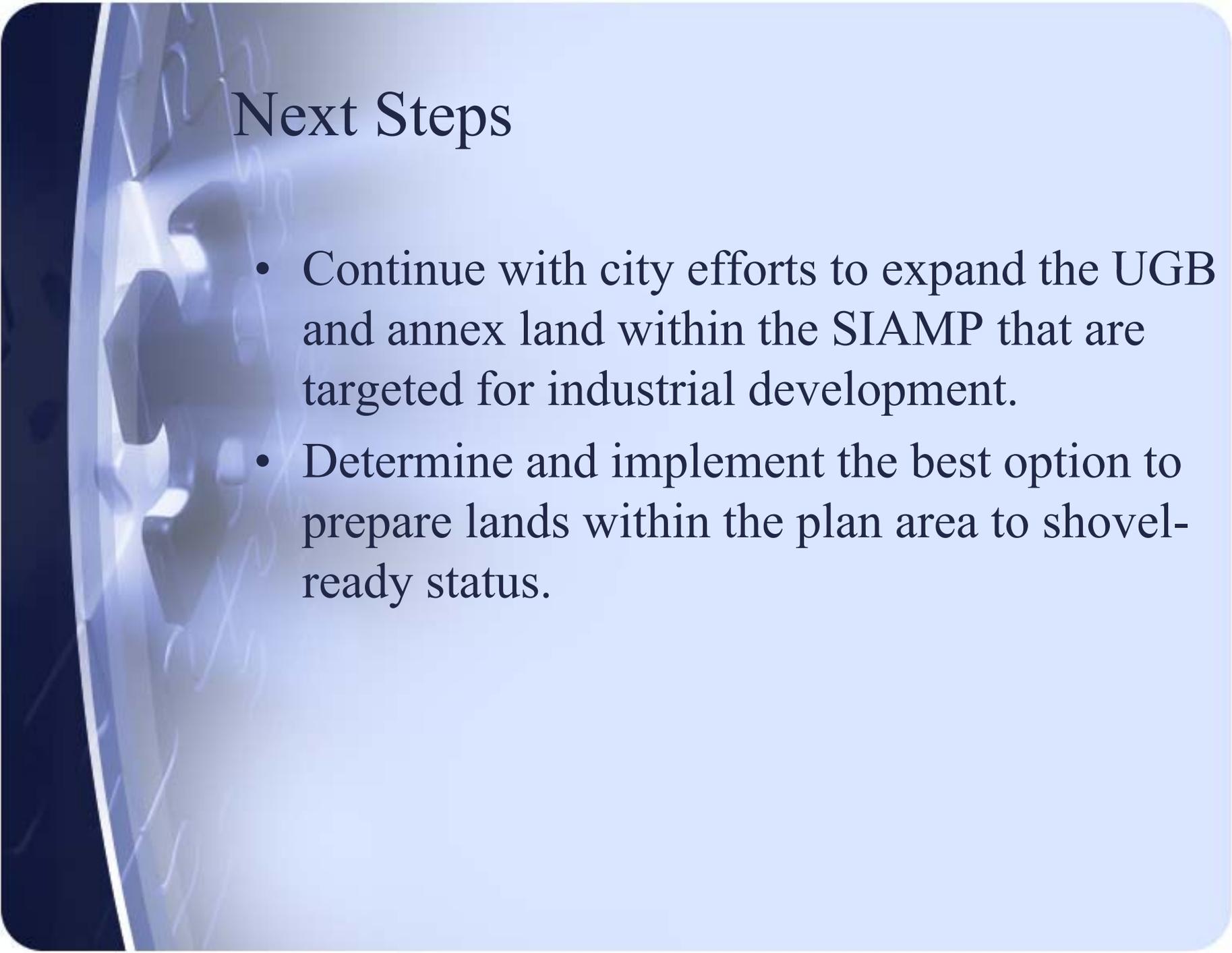
*Newberg will cultivate a healthy, safe environment where citizens can **work, play and grow** in a friendly, **dynamic and diverse community** valuing partnerships and **opportunity**.*



SIAMP Infrastructure Financing Plan

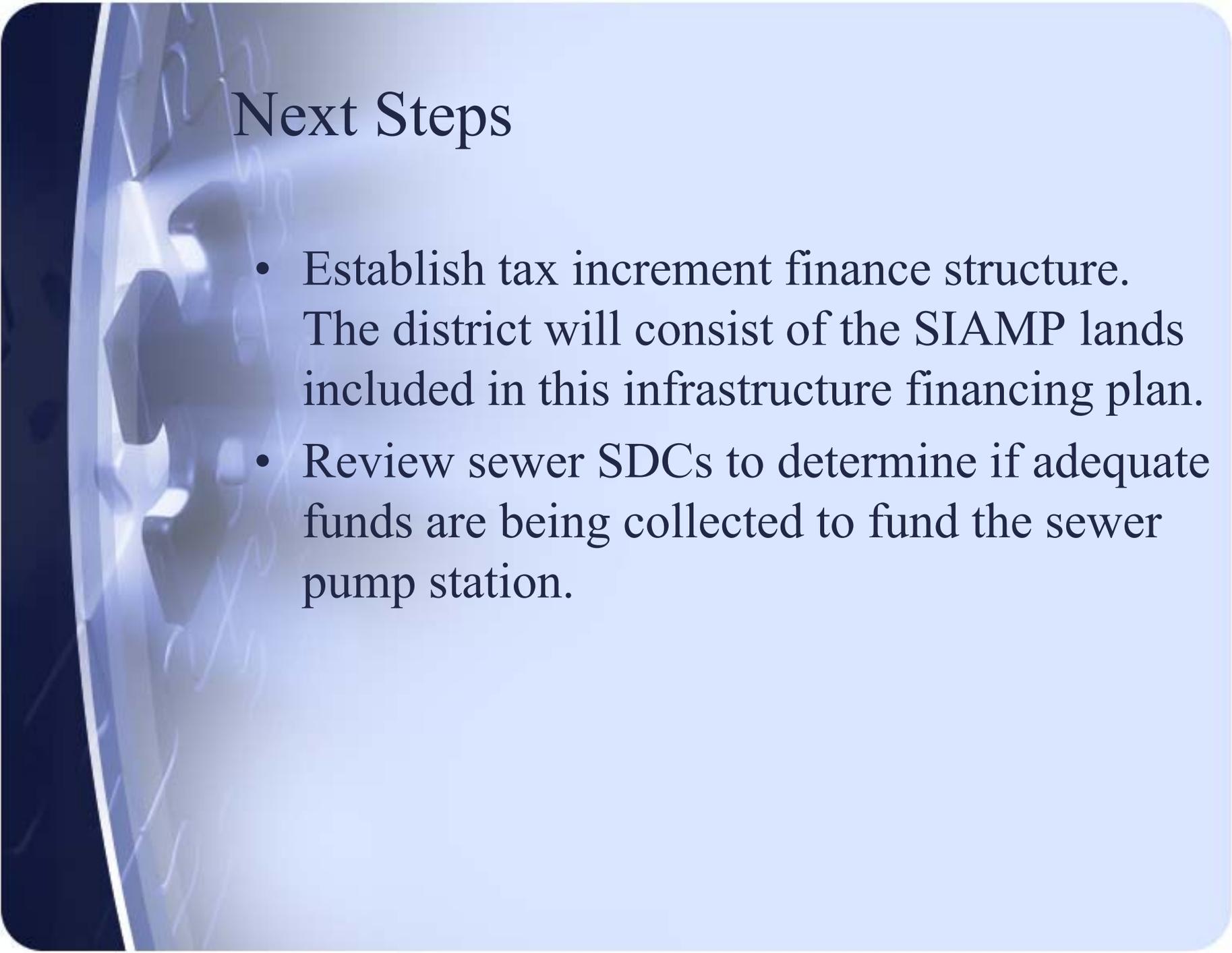
Benefits of the Plan for City

- Helps achieve City's mission and vision
- Added, positive tax revenues for City (over time)
- Stronger, more diverse economic base
- Supports local businesses
- Job opportunities for citizens
- Developers shoulder most of the financial burden of the Plan



Next Steps

- Continue with city efforts to expand the UGB and annex land within the SIAMP that are targeted for industrial development.
- Determine and implement the best option to prepare lands within the plan area to shovel-ready status.



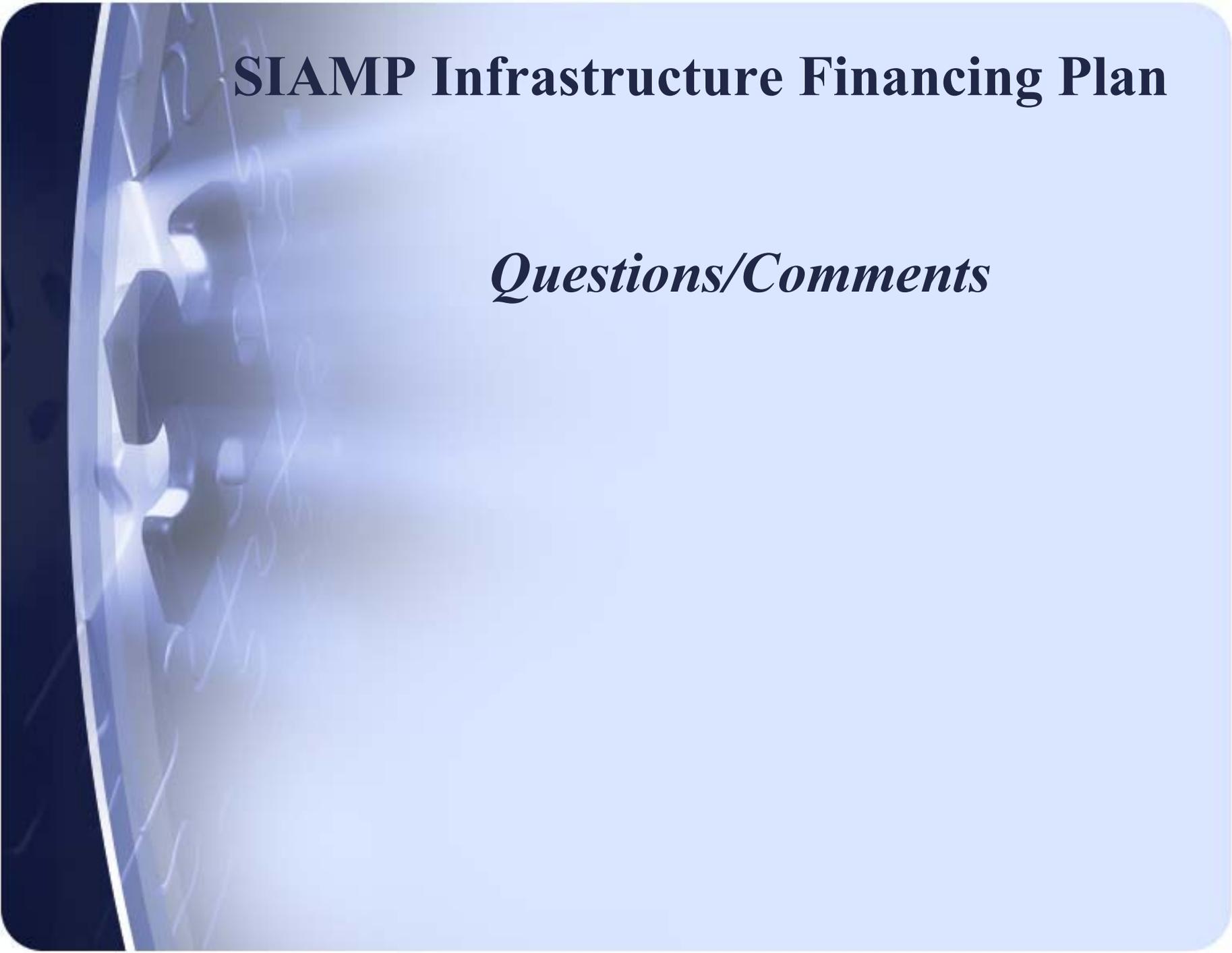
Next Steps

- Establish tax increment finance structure. The district will consist of the SIAMP lands included in this infrastructure financing plan.
- Review sewer SDCs to determine if adequate funds are being collected to fund the sewer pump station.

A person wearing a hard hat and safety vest is working on a large, curved structure, possibly a tunnel or pipe. The scene is dimly lit, with a bright light source creating a strong shadow of the person on the structure. The overall tone is blue and industrial.

Next Steps

- Work with the franchise utilities to develop their facilities to a point where land within the SIAMP can obtain shovel-ready status.
- Work with the Oregon Department of Transportation to develop a plan where needed improvements to Highway 219 can be put into place in a manner that still meets this plan's goal of having shovel-ready lands ready to market.



SIAMP Infrastructure Financing Plan

Questions/Comments