

#### Ad Hoc Urban Renewal Citizens Advisory Committee June 8, 2020 – 5:30 PM Newberg City Hall 414 E First Street (teleconference meeting) <u>https://zoom.us/j/97548037357</u>

Email any comments to <u>doug.rux@newbergoregon.gov</u>

- I. CALL MEETING TO ORDER
- II. ROLL CALL
- III. CONSENT CALENDAR
- III.A Ad Hoc Urban Renewal Citizens Advisory Committee Meeting Minutes April 13, 2020

#### IV. NEW BUSINESS

- City Council and Planning Commission briefing update
- Boundary modification
- Project updates
  - o Projects
  - $\circ~$  Administration
- Draft Feasibility Study

#### V. PUBLIC COMMENTS

(5-minute maximum per person - for items not on the agenda)

#### VI. ITEMS FROM STAFF

#### VII. ITEMS FROM COMMITTEE MEMBERS

#### VIII. ADJOURNMENT

#### **ACCOMMODATION OF PHYSICAL IMPAIRMENTS:**

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Or join by phone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 929 205 6099 or +1 301 715

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#### AD HOC URBAN RENEWAL CITIZENS ADVISORY COMMITTEE MEETING MINUTES Monday April 13, 2020, 5:30 PM

#### CALL MEETING TO ORDER

Chair John Bridges opened the meeting at 5:32 PM.

#### **ROLL CALL**

Members Present:	John Bridges, Chair	Patrick Johnson
	Molly Olson	Loni Parrish
	Shannon Buckmaster	Angel Aguiar
	Cassandra Ulven	Joe Morelock
	Francisco Stoller, Vice Chain	-
Members Absent:	Don Clements	
	Don Griswold	
	Rick Rogers, Mayor, Ex-offi	cio
Staff Present:	Doug Rux, Community Deve Brett Musick, Senior Engine Matt Zook, Finance Director	elopment Director er
Consultants Present:	Elaine Howard Nick Popenuk	

#### Public Comments: none

#### **APPROVAL OF MINUTES**

Approval of Urban Renewal CAC meeting minutes dated March 9, 2020

Sharon Buckmaster noted an error in the motion third line down,

**MOTION:** Angel Aguiar and Molly Olson moved to approve the March 9, 2020 meeting minutes as amended, Motion carried (9 yes/ 0 no).

#### **NEW BUSINESS:**

Financial Analysis:

Elaine Howard / Nick Popenuk presented slides showing boundaries used for the financial analysis. No changes after last meeting but put together information on the acreage amount and assessed value amount as a percentage of the City of Newberg. The limitations are 25% for both assessed value and acreage.

Assessed value is way below the 25%. And the acreage is at 16.74%. Elaine noted she would check but is sure that it is still under 25%.

Nick gave preliminary forecasts for financial capacity for the Urban Renewal Area. Based on the assumptions about future growth in the Urban Renewal Area it is helpful in context to look at the Historical Growth in value. He showed the growth in real market value and in assessed value since 2008 for both County and City. He noted in Oregon there is a big difference in real market value and assessed value. Real market value is volatile and changing annually based on marketing conditions, where assessed value is slow and steady at 3% per year, unless there is new construction that boosts that rate above 3%. Neither the County or the City has seen a loss in assessed value from one year to the next, it has continued to increase in the past 12 years. The long term average for the County has been around 5% and the City has been around 5.5 %.

Question was brought up on the increase in assessed value for the City at 12.76% last year and Nick said he will look into why such an increase.

Nick continued onto the next slide which was the same data but in a chart instead of a table and explained the meaning. Assessed values are consistent, real market values are all over the board and that the City and the County are close together.

Nick continued with the financial projections which is the crux of the analysis. He said what we are looking at is the financial capacity of the Urban Renewal Area and several different measures showing four different growth scenarios for how fast the assessed value could grow in the area. The growth scenarios range from 4% to 7%. 4% would be a conservative assumption which is less than the average growth for the County and the City. We are entering a recession so large industrial development is unpredictable and 4% is conservative but a realistic alternative. The 5% and 6% numbers are just on either side of the historical trend for the City, so that would represent this area receiving its fair share of the growth that the City gets long-term. 7% looks a little aggressive especially compared to historical numbers, but there is a lot of opportunity for new construction in the proposed Urban Renewal Area.

Nick noted those are scenarios, and average annual exception value makes the scenarios more realistic. How much new assessed value has to come on tax roll each year in order to achieve the growth rates that were talking about and make the scenarios happen? How much new construction do we need to achieve our 4% 5% 6% scenarios? On the 4% growth rate scenario that would require only about \$1.8m dollars in new construction activity taking place each year. 5% scenario would require over \$4m dollars of new assessed value each year. 6% scenario we're looking at \$7.7m dollars of new assessed value. In the 7% scenario, it would require \$12m dollars of new assessed value coming on the tax rolls every year.

Nick noted the amount of new construction value sustained long term to get that difference in growth and that those are contrasts in terms of how the future of this proposed Urban Renewal Area would unfold.

Nick continued with maximum indebtedness (total MI). Maximum indebtedness is where we distinguish between the principal amount that you're funding on projects and the interest that you're paying on debt long-term. Looking at the 4% scenario we go from \$62m to \$52.7m dollars the difference between those two is roughly \$10m dollars that we're anticipating would be spent on interest over the life of the Urban Renewal Area. The remaining amount \$52.7m dollars is the total principal amount spent on projects. The Maximum indebtedness figure is key because by State statute that is the limiting factor for Urban Renewal Areas. If the City Council adopts an Urban Renewal Plan, it is required to state a matching indebtedness. That's the total limit amount that can be spent on projects in the Urban Renewal Area and cannot be exceeded.

Nick noted that a lot of the dollars are not going to be available for many years down the road. We look at the timing of when those dollars will be available and adjust for assumed inflation long term and we end up with our estimated capacity in today's dollars which is the 2020 estimate.

Nick also noted it is going to be up to this group and the City to recommend a maximum indebtedness figure and to understand what that likely relates to in terms of how long the Urban Renewal Area would be in order to achieve the maximum indebtedness.

Nick went over one more slide on maximum indebtedness.

Nick explained we think that the maximum statutorily allowed indebtedness would be around a \$146m dollars. On our high forecast of 7% for 30 years we would be looking at a maximum indebtedness of a \$138m dollars. He suggests not going up to your frozen base projection but to leave some cushion just in case your numbers are different from your projections.

There was a question for Nick if he can give the growth for the last 10 years excluding the 2019 number. Nick responded he could run that calculation and provide it before the end of the meeting.

The next question was if there is a typical approach that communities take to selecting one of these numbers.

Nick responded saying, on establishing a growth rate, between wanting to make sure that you're being conservative and assuming projections that are going to be unreasonable and set yourself up for failure long-term, while also not being so overly conservative that you're not giving yourself any room to capture future construction. In reality you wind up having more growth, but you've already set such a low maximum indebtedness for yourself that you can't really take advantage of that growth. All you do is wind up shutting down your Urban Renewal Plan very early because you achieve your maximum indebtedness much faster than you anticipated. It is a balancing act of trying to say what do we think is the most likely outcome here and based on that is it a comfortable impact to the taxing districts that are helping to fund this Urban Renewal Area. You want the dollar amount to be enough to fund the projects.

Nick noted a comfortable impact to the taxing districts helping to fund this before the big jump occurred and the percent of growth in the City was 4.8%.

Matt Zook, City Finance Director explained how the jump in percentage for the City occurred. He noted in 2018 there were a couple major events that occurred. One was the Comcast settlement. Comcast settle with the State and that affected quite a number jurisdictions. In Newberg there was a retrospective amount set of that adjustment as well which moved that 2018 tax assessed value growth artificially down. Because this was a one-time event it makes the following year look artificially higher.

Elaine noted when the feasibility study is written we will work with the City and get input from the advisory committee to figure out what percentage to use, knowing that a large portion of the property is undeveloped land were you're expecting a lot of growth, so you don't want to be too conservative.

Chair Bridges stated he would be comfortable using what our historical trend has been. He didn't feel comfortable with this number because of that outlier.

Member Aguiar asked if we project that on the lower amount and we actually end up having more success than we had actually anticipated, does that not affect us.

Nick replied with a possible situation that could occur. When you're establishing your Urban Renewal Plan, let's assume only 4% growth. You have to be able to justify the maximum indebtedness put into the

plan, let's say no more than 30 years. From that basis, you could establish a financially feasible maximum indebtedness of \$2.7m dollars. If you can get growth that winds up being 7% per year, you could have the ability to fund your \$52.7m dollar maximum indebtedness. Now 15 years down the road and at that point you've now funded all the projects you're allowed to because you've hit your indebtedness and your Urban Renewal Area is going to close down real fast because you were conservative in your projections and actually wound up being much more aggressive than in reality.

Member Olson asked if we went with the scenario on the other end, let's say we went with 7% and got 3% or 4%, what is the impact?

Nick responded, with the other extreme you need to keep in mind that in those situations you can wind up where an Urban Renewal Plan lingers much longer than anyone anticipated. A way to prevent that is to put an expiration date in your plan and the maximum indebtedness is a required limitation. Also choosing to say even though it's not required by law we're not going to issue any debt after 20 -25 years whatever the period time is. In those situations, you can prevent your Urban Renewal Area from lingering on forever because you did put a sunset provision in it, but you still have to deal with the sort of failed expectations for your community where you went out and adopted a plan that told folks we're going to fund a \$100m dollars' worth of projects and in the end you only funding half of those projects. Then there are streets and parks and whatever else that you planned on funding with this that now never gets done.

Member Ulven commented on the sunset clause and maximum indebtedness. She noted we prefer to have a sunset clause because if the plan is not performing to expectations after decades then we don't want to keep writing blank checks.

A question was asked if there is a typical time period that you would do these for if they do have a termination time limit.

Elaine responded it is typically 30 year time limit.

Chair Bridges commented if we have these tools, you can expand the footprint by a certain percentage. If you put in that time limitation, is that something that City Council in 15-20 years can change and if so, how do they do that?

Elaine responded that it depends on how you structure the amendment section of your Urban Renewal Plan.

Elaine also talked of a substantial amendment by statutory requirements. So statutory requirements are if you increase your maximum indebtedness, it's a substantial amendment. But if you change the duration you either address that in the amendment section of your plan separately and or you assume that it's just a minor amendment that can be done by the agency by a resolution.

Member Olson asked if there is a time limit on when you can add an acreage expansion. Elaine responded that there are limitations you can do 1% of the existing acreage by a minor amendment, which is just agency resolution. Anything over 1% of your acreage is a substantial amendment meaning you have to go through the same process as an original Urban Renewal plan.

#### Impacts on Taxing Districts:

Elaine continued with the PowerPoint slide referring to taxing districts. The two districts that are not direct impact are the School District and the Education Service District. All of the other taxing districts are a direct impact to their tax receipts from the assessor. The School District and the Education Service District are indirect impacts because they are funded through the State School Fund on a per pupil

allocation which is set by the legislature. Urban Renewal impacts the permanent rate property tax revenues that go to the state school fund.

Member Morelock asked if the direct and indirect impacts mean that over the 30-year period is about a \$59.5m dollar at 7% impact to the State School Fund. Elaine replied that is correct coming from our local revenue and stays within the community.

Member Olson asked if we got into a 7% scenario that the committee could start funneling money to these groups earlier than the end of the urban renewal.

Elaine noted under any scenario an Urban Renewal Area has the ability to do what is called an Under Levy. An Under Levy really depends on how much money you're getting in and how much money you have obligated to do projects. Also whether you have excess funds that you can redistribute through an Under Levy.

Member Aguiar asked if we have made other attempts previously, has this point of discussion ever come to the forefront as a catalyst for some reason before the rejection of the Urban Renewal Program. Member Aguiar noted he doesn't think that the Urban Renewal District is going to generate enough tax revenues to compensate for the amount that he is losing over the next 30 Years.

Chair Bridges noted using education as an example, under the current law this \$22m dollars is still going to go to the school district. So what we are doing is setting that aside for our benefit of our community. The State does a pupil per pupil funding of schools throughout the whole State. So almost all of that \$22m dollars is still going to go to the school district. It's just going to come indirectly from the State.

Elaine noted this question will be addressed in our open house and Urban Renewal 101 presentation.

Elaine responded to Member Aguiar's discussion on other previous attempts. She noted this Urban Renewal Plan will only have an impact on permanent rate property tax levies. The individual property taxpayer does not see an increase on their property taxes due to Urban Renewal.

Member Ulven asked about the impact from School districts and that all Urban Renewal Districts are statewide. Does it impact the amount of revenue that is sent to the State for redistribution on a per-student basis? Member Ulven doesn't think it's completely accurate to say that there no impacts because it does collectively impact the Statewide revenue which could impact where the state receives money from. Elaine noted that is correct, that is why we say it is indirect.

Chair Bridges asked if a community doesn't have an Urban Renewal District, are they subsidizing all the other communities that do have Urban Renewal Districts.

Elaine responded \$59m dollars stays in your Community and you get to use that in your community instead of it going to the State School fund. Urban Renewal cities who are doing Urban Renewal across the State are able to use funds that would have gone to the State School fund locally in their community and if they don't have Urban Renewal they are not able to do that.

Matt Zook noted the City has never projected only a 3% growth and that \$11m for a 4% growth is not too far off. The City's ongoing revenue at 1% impact might be \$150,000 to our budget but he would have to run through the numbers.

CDD Rux noted back to the conversation of looking at what might be a potential list of projects given the numbers that Nick has put together on the growth rate of 4% to 7% and on the map putting the numbers into our long-range financial model to see what those numbers are and we haven't gotten to that point yet.

CDD Rux said we need to get with the committee to get insight feedback about 4% and 7%. Our last meeting we went through an extensive list of potential projects based upon plans put together from the Riverfront to the Downtown and the subset elements out of our Transportation, Water, Wastewater and Storm Water plans. We need to look at all of the numbers be able to come back and share with the committee.

CDD Rux continued on with the preliminary projects and estimated costs. Last meeting was focused on infrastructure, Transportation, Water, Wastewater, Stormwater system plans and showed the numbers that were updated to 2020 values. The Downtown area is at \$38.5m dollars' worth of projects and that there are some projects that need to be talked about and may not be eligible for Urban Renewal funding. The Riverfront area is about \$49.5m dollars and brings the total over \$88m dollars. CDD Rux has passed on to Brett Musick, City's Senior Engineer and the Committee the identification of the boundary. He noted Brett is going to be working up some numbers, and one of the sub consultants is working on some planning level estimates for undergrounding the overhead utility lines along Second Street, pedestrian, and ADA improvements along Blain Street and Ninth Street. This is a preliminary set of numbers. We will continue to revise and bring those revisions back at a future meeting, likely in June.

#### Preliminary Estimated Cost of Projects:

Chair Bridges asked if there was a developer percentage on these projects or a list showing the amount that we can get out of the Urban Renewal Plan. Elaine responded the answer doesn't come from the consultant that it would typically come from the City. For example the City has SDCs of xx amount that can be allocated towards some of the transportation projects or have other funding source or State grants they might be able to get. Elaine noted we do look to the City for other funding sources and what they anticipate could be funded from their other funding sources.

Nick joined the conversation noting that \$88m dollar project cost is in 2020 dollars. If you're looking at the earlier slide of financial capacity, we don't want to compare that to the maximum indebtedness line item, which is inflated dollars. You want to compare it to the line just below that financial capacity in 2020 dollars. For example if we wound up with a 5% projection over 30 years we would have capacity for \$41m dollars of projects which is less than half of the project list here. It's common for Urban Renewal areas when they're getting set up in the feasibility stage to identify a list of project costs that greatly exceed their estimated capacity. It really is a game of trying to decide which ones are highest priority and which ones you think you could wrangle other funds for, whether City funds, developer funds, SDCs or either building some of these projects directly or paying through an LID or having a supplemental SDCs in place on them. It's all looking for what are other funding sources that we could reasonably assume we might be able to get over the next two or three decades.

Question was asked, Will we have a conversation where the City gives us this information?

Elaine responded, yes, we will be working with the City once we get this list completed as we get ready for both the City Council briefing and for your next meeting which is June 8. We'll be looking at those questions because you don't have to make all those decisions now this is just the feasibility study. It raises all of the issues and says this is the amount of money given these kinds of estimates. The potential project list, other potential funding sources and given that information a decision is made whether or not you then want to take those next steps of preparing an Urban Renewal Plan narrowing down that project list or identifying where there are other sources of funding that will help fund those projects and move forward. You will not have to make all those decisions now, that this is just a feasibility study phase which presents the financial information, boundary and a potential project list.

#### Open House:

Elaine began by saying her Doug and Lacey Dykgraaf had a discussion about having two different scopes of information. The first open house providing Urban Renewal information. What is it? How does it work? Why is the city looking at Urban Renewal, and having an Urban Renewal 101 basically. The second open house was to talk more about what are the kinds of things the City might do, what are the projects and where are the financials. Because of COVID19 we could not have these meetings.

Elaine shared that she created an Urban Renewal 101 for Bend OR, that they taped their audio that went with a PowerPoint it was like a movie. She noted this would be a good idea for the first phase and Lacey could put it on Facebook, the City website and different groups to start giving information. We also have the fact sheet that you all reviewed and Lacey will input some of that text to all the methods she uses to distribute information. Elaine said she could go ahead and develop an Urban Renewal 101 with a voice over that we can post and transmit that would start the process.

Member Ulven brought up the City of Tigard 101 video that was specific to their City. She thought it was clever and we could put something like in Newberg. Also specific things like mailing postcards in advance with its go live date, use the social media platform and challenge those of us on the Committee to share information. You could recruit people to participate if you were to do some kind of town hall type forum.

Elaine noted the expense of the City of Tigard 101 video and that it is not likely Newberg could do this. Chair Bridges noted there are some resources locally, for example Brandon Porter shoots a lot of local video of businesses. There are also at least two or three other kinds of local PR providers that do this on a professional level. He thinks we have the ability to work with some of those younger technology minds to put something that is a bit of what the educational piece is for the Urban Renewal 101 to make Newberg what it is. There are two others locally that might do something like this one owns a retail store and is very artistic and creative.

The discussion continued on other possibilities locally that might do something like this such as Brian Gross with Jungle Media, Pulp Circumstances, Ashley Lippard does graphic design and promotional bits, also to check with George Fox and the opportunity to work with them as well. It was noted that it is a good idea to work with George Fox.

Member Olson asked about the second meeting and if it will be scheduled after the middle of June. Elaine said we don't know yet and that they are still trying to figure out what we can do well for the first one. We will start thinking about what the second one becomes as we get closer and know what our capabilities are.

Elaine noted the next steps going forward:

May 4<sup>th</sup> CDD Rux has a briefing with City Council with updates from the committee on the boundary, financial scenarios and the potential project list so they know where we are. Since there will not be an online open house the briefing will not have any public education. June 8<sup>th</sup> is our next meeting. The open house is to be determined and may not be that date as planned but can be later. There will be the draft feasibility studies for the Committee to review on June 8<sup>th</sup> and then the meeting on June 29<sup>th</sup>.

CDD Rux noted the briefing with City Council would be a virtual/zoom meeting and that he would take support from the Committee members to participate. This will be part of the City Council work session that starts at 6:00pm and concludes no later than 7:00pm as they go into their regular business meeting.

Chair Bridges noted he can assist with the City Council meeting, also Member Buckmaster will log on and give support as well.

Elaine noted sometime in May they should have the video/audio Urban Renewal 101 ready for the Committee to review before getting out for public information. Member Olson mentioned testing with people who haven't been through these meetings because we're probably not a good target audience for a test and the Committee agreed.

#### **Items from Staff:**

Doug noted that the next meeting is June 8 and will be a virtual meeting through Zoom.

#### Items from Committee members: None

Meeting was adjourned at 7:03 p.m.

#### Approved by the Ad Hoc Urban Renewal Citizens Advisory Committee on June 8, 2020.

Doug Rux, Recording Secretary

John Bridges, Ad Hoc Urban Renewal Citizens Advisory Committee Chair



Coordinate System: NAD 1983 HARN StatePlane Oregon North FIPS 3601 Feet Intl Projection: Lambert Conformal Conic Datum: North American 1983 HARN False Easting: 8,202,099.7375 False Northing: 0.0000 Central Meridian: -120.5000 Standard Parallel 1: 44.3333 Standard Parallel 2: 46.0000 Latitude Of Origin: 43.6667 Units: Foot Document Path: O:\GIS\MapRequest\Doug\Proposed Tax Increment Financing Area.mxd Date Saved: 3/12/2020 2:51:31 PM

Author: Keith McKinnon, GIS Analyst

# **Proposed Tax Increment Financing Area**



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This map is created from various data sources and is subject to change without notice. This map is intended for general planning purposes only.



**City Boundaries** City Limit UGB URA Willamette River



		URBAN RENEWAL UPDAT	ED PROJECT COST ESTIN	IATES - 20	20 - SUMN	/IARY	
			May 29, 2020				
Escalation* 2016 to 2020 =	Esca	lation: From Engineering News Rec Index Ian 2016 = 10396 13	ord (ENR) - Seattle Constructio	n Cost Index	(CCI) - Januar	y to January 16.61%	
Escalation* 2010 to 2020 =	1/%	Index Jan 2017 = 10622.66	Index 2020/Index 2017 =	1.17	=>	14 12%	
Escalation* 2018 to 2020 =	6%	Index Jan 2018 = 11444.11	Index 2020/Index 2018 =	1.06	=>	5.93%	
Escalation* 2019 to 2020 =	1%	Index Jan 2019 = 12008.39	Index 2020/Index 2019 =	1.01	=>	0.95%	
		Index Jan 2020 = 12122.45					
*	Escalation ro	unded to the nearest whole number p	ercentage.				
	Dow	ntown Improvement Plan	Planning Level Cost Estir	nates Upo	lated to 20	20 Dollars	
Public Transportation Infrastruc	ture						\$36,998,850
Public Utility Infrastructure (Wa	ter, Waste	water and Storm)					\$10,794,017
SIGNAGE & WAYFINDING NOP	гн/ѕонтч	CONNECTIONS				<b>.</b>	
DOWNTOWN TROLLEY, PARKIN	G*					\$6,677,481 to	\$8,437,406
		-					
PEDESTRIAN FURNITURE, TRASH	I CANS, ET	С.					\$175,600
BUILDING FACADE PROGRAM							\$500,000
SECOND STREET UTILITY UNDER	GROUNDI	NG					\$1,833,200
Downtown Improvement P	lan Area	Project Costs*				\$56,979,148 to	\$58,739,073
	Pivo	front Master Plan Undate	Planning Level Cost Estin	nates lln	dated to 20	120 Dollars	
	Nive		Fiamming Level Cost Lsti	nates opt		J20 Donars	
These planning level co	st estimates	will be further refined with future upd	ates to the City Transportation Sys	tem Plan (TSP	) and City mast	ter plans for Water, Wastewater	r and Storm.
Public Transportation Infrastruc	ture						\$33,311,213
Public Utility Infrastructure (Wa	ter, Waste	water and Storm)					\$13,713,780
Piverfront Trails							\$1 824 070
							<i>Ş</i> 1,024,070
Riverfront Master Plan Are	a Project	Costs					\$48,849,063
ADMINISTRATION**							\$9,930,000
**Assumes 6% growth r	ate with Ma	ximum Indebtedness of \$99,300,00	0 and 10% Administration char	ge.			
			-	*		611E 7E0 211 to	¢117 E10 136
		IE VVAL PROJECT COS				Ş113,/38,211 <sup>10</sup>	\$117,518,130
incidues cost estimate	i unige jor L	πε σετοπα στι σει παι κιτις σαί αθε αί	LEI HULIVES.				

#### URBAN RENEWAL UPDATED PROJECT COST ESTIMATES - Updated to 2020 Dollars May 29, 2020

Escalation: From Engineering News Record (ENR) - Seattle Construction Cost Index (CCI) - January to January Escalation\* 2016 to 2020 = 17% Escalation\* 2017 to 2020 = 14% Escalation\* 2018 to 2020 = 6% Escalation\* 2019 to 2020 = 1% \* Escalation rounded to the nearest whole number percentage.

Downtown Improvement Plan Planning Level Cost Estimates

Public Transportation Infrastruct	ure	r			1				
		Estin	Estimated Project Cost				Other Potential Funding Sources		
			Escalation 2016 to 2020		City System Development Charges	Grants	Other		
Description		2016	17.0%	2020	% Eligible	Source			
Hancock Street Road Diet (College to Garfield) Cost per Block Number blocks Total Cost	TSP Project #S07, ODOT Lead 215,518 5 \$ 1.077,590	\$1,077,590	\$183,190	\$1,260,780	Note 2		LID		
Eirst Street Read Diet	TSR Project #SOT_ODOT Load								
(Harrison to River) Cost per Block Number blocks Total Cost	762,635 3 \$ 9,914,255	\$9,914,255	\$1,685,423	\$11,599,678	Note 2		LID		
Second Street (Harrison to River) Cost per Block Number blocks Total Cost	78,386 13 \$ 1,019,018	\$1,019,018	\$173,233	\$1,192,251	Note 1		Developer		
River Street (First to Sheridan) Cost per Block Number blocks Total Cost	227,541 1.5 \$ 341,312	\$341,312	\$58,023	\$399,334	Note 1		Developer		
Center Street (Third to Sheridan) Cost per Block Number blocks Total Cost	227,541 4 \$ 910,164	\$910,164	\$154,728	\$1,064,892	Note 1		Developer		
Meridian Street (Third to Sheridan) Cost per Block Number blocks Total Cost	227,541 4 \$ 910,164	\$910,164	\$154,728	\$1,064,892	Note 1		Developer		
Edwards Street (Third to Sheridan) Cost per Block Number blocks Total Cost	227,541 4 \$ 910,164	\$910,164	\$154,728	\$1,064,892	Note 1		Developer		
College Street (Third to Sheridan) Cost per Block Number blocks Total Cost	227,541 4 \$ 910,164	\$910,164	\$154,728	\$1,064,892	Note 1		Developer		
School Street (First Street to Shermar Cost per Block Number blocks Total Cost	) 227,541 2 \$ 455,082	\$455,082	\$77,364	\$532,446	Note 1		Developer		
Howard Street (Fifth to First) Cost per Block Number blocks Total Cost	227,541 3 \$ 682,623	\$682,623	\$116,046	\$798,669	Note 1		Developer		
Howard Street (First to Sheridan) Cost for 2 Blocks	1,980,372	\$1,980,372	\$336,663	\$2,317,035	Note 1		Developer		
Blaine Street (Hancock to Sherman) Cost per Block Number blocks Total Cost	227,541 2 \$ 455,082	\$455,082	\$77,364	\$532,446	Note 1		Developer		
Washington Street (Third to Harrison) Cost per Block Number blocks	227,541	\$910,164	\$154,728	\$1,064,892	Note 1		Developer		
Total Cost	\$ 910,164				I	<u> </u>	1		

Garfield Street (First to Sheridan)			\$455,082	\$77,364	\$532,446	Note 1		Developer
Cost per Block		227,541						-
Number blocks		2						
Total Cost	Ś	455.082						
	Ŧ	,						
Main Street (Third to Rail Road Tracks	)		\$1,137,705	\$193,410	\$1,331,115	Note 1		Developer
Cost per Block		227,541						
Number blocks		5						
Total Cost	\$	1,137,705						
	,							
Grant Street (Third to Rail Road Tracks	•)		\$910,164	\$154,728	\$1,064,892	Note 1		Developer
Cost per Block		227,541						
Number blocks		4						
Total Cost	\$	910,164						
Lincoln Street (First to Second)			\$227.541	\$38.682	\$266.223	Note 1		Developer
Cost per Block		227.541		. ,	. ,			•
Number blocks		1						
Total Cost	Ś	227.541						
	Ŧ	,= .						
Harrison Street (First to Second)			\$227,541	\$38,682	\$266,223	Note 1		Developer
Cost per Block		227,541						
Number blocks		1						
Total Cost	Ş	227,541						
Sheridan (Rail Road tracks to 1/2 block	east of Main)		\$341 312	\$58.023	\$399 334	Note 1	City	Developer
Cost per Block		227 541	<i>+/</i>	+,	+		Sidewalk	•
Number blocks		15					Grant	
Total Cost	¢	341 312					Program	
10101 0051	Ŷ	541,512						
Sheridan (Edwards to River)			\$682,623	\$116,046	\$798,669	Note 1	City	Developer
Cost per Block		227,541					Sidewalk	
Number blocks		3					Grant	
Total Cost	\$	682,623					Program	
Third (Grant to Blaine)			\$910,164	\$154,728	\$1,064,892	Note 1	City	Developer
Cost per Block		227,541					Sidewalk	-
Number blocks		. 4					Grant	
Total Cost	\$	910,164					Program	
				4	4-00 000		Ci l	
Inird (Howard to River)			\$682,623	\$116,046	\$798,669	Note 1	City	Developer
Cost per Block		227,541					Sidewalk	
Number blocks		3					Grant	
Total Cost	Ş	682,623					Program	
Sherman (School to Blaine)			\$1,365,246	\$232,092	\$1,597,338	Note 1		Developer
Cost per Block		227,541						
Number blocks		6						
Total Cost	\$	1,365,246						
Blaine (Hancock to Ninth)	TSP Project #S10		\$2,025,000	\$344,250	\$2,369,250	15%		Developer
Cost per Block		225,000						
Number blocks		9						
Total Cost		\$2,025,000						
ADA Curb Ramps - S Blaine Street, E F	irst Street to E Ninth Stre	et	-	-	\$1,052,700	Note 1	ODOT Safe	Developer
DKS							Routes To	
							School	
N College (Hwy 219) at Hancock (Hwy	99) Intersection		-	-	\$1,500,000	Note 1		Developer
Improvement - Add South Bound Righ	t Turn Lane on N College							
TRANSPORTATION TOTAL					\$36,998,850			

	Estim	ated Project Cost		Other Pote	ential Funding	Sources
		- 1.v.		City System		
	:	Escalation 2018 to 2020		Development	Grants	Other
Description	2018	6.0%	2020	% Eligible	Source	
	•					
Vastewater Projects - Downtown						
River Street (C2.b)	\$ 2,764,000.00	\$165,840	\$2,929,840	12%		
1 & I Projects (C1.f. C2.f. C3.f)						
3	\$ 225,400.00	\$13.524	\$238.924	50%		
9	\$ 106.400.00	\$6.384	\$112,784	50%		
10	\$ 218,900.00	\$13,134	\$232.034	50%		
18	\$ 240,200,00	\$14 412	\$254,612	50%		
10	\$ 256 400 00	\$15 38/	\$254,012	50%		
20	\$ 187 300 00	\$11,504	\$108 538	50%		
20	\$ 156,000.00	\$0.284	\$165 784	50%		
22	> 130,400.00	27,304 60 404	\$100,764 \$140,984	50%		
23	\$ 141,400.00	\$8,484	\$149,884	50%		
24	\$ 211,900.00	\$12,714	\$224,614	50%		
ASTEWATER TOTAL			\$4,778,798			
	Ectim	atad Brajact Cast		Other Bot	ntial Eunding	Sourcos
	Estim	ateu Project Cost		Citu Sustem	ential Funding	Jources
		Escalation		City System	<b>.</b>	0.1
		2017 to 2020		Development	Grants	Other
			005-	Charges		
escription	2017	14.0%	2020	% Eligible	Source	
/ater Projects - Downtown						
M-1 Downtown	\$552,000	\$77.280	\$620.280	34%		
Dire Deplecement (various)	\$552,000	\$77,280	<i><b>JU2</b>J</i> <b>,280</b>	3470		
CON of total 20 year plan	ć2 101 000	6424 140	62 F2F 140	0%		
50% of total 20 year plan	\$5,101,000	\$434,140	\$5,555,140	0%		
Water line upgrade in Blaine Street						
- E Sheridan to E First	\$149,450.00	\$20,923	\$170,373	0%		
- E First to E Third	\$149,450.00	\$20.923	\$170.373	0%		
- E Third to E Ninth	\$526,750.00	\$73,745	\$600.495	Note 1		
	<i>+</i> ,	÷·•,··•	,,			
ATER TOTAL	E. 11	ated Brois -t Co. :	\$5,105,661	0th-12.1	ntial Frends	Course -
	Estim	ateu Project COST		Other Pote	enual Funding	Jources
	:	Escalation 2016 to 2020		City System Development Charges	Grants	Other
escription	2016	17.0%	2020	% Eligible	Source	
F						
tormwater Projects - Downtown						
Stormwater Pipe Replacement						
- S Blaine Street (C-1) reduced by portion (C1-B) of the project						
already completed.	\$777,400	\$132,158	\$909,558	5%		
			4000 55-			
IUKMWAIER TOTAL	I		\$909,558			

	Estimated Project Cost			Other Potential Funding Sc		Sources	
					City System		
		Escalation			Development	Grants	Other
		2016 to 2020			Charges		
Description	2016	17.0%	2020		% Eligible	Source	
SIGNAGE & WAYFINDING							
Streetscape &							
Wayfinding Plan	\$120,000	\$20,400	\$140,400		Note 1		
East End Gateway	\$350,000	\$59,500	\$409,500		Note 1		
Secondary Gateway	\$120,000	\$20,400	\$140,400		Note 1		
Artwalk	\$100,000	\$17,000	\$117,000		Note 1		
Wayfinding	-	-	\$350,000		Note 1		
West End Gateway	-	-	\$393,900		Note 1		
Northwest Gateway	-	-	\$135,100		Note 1		
Total			\$1,686,300				
NORTH/SOUTH CONNECTIONS							
North/South Refinement Study	\$100,000	\$17,000	\$117,000		Note 1		
Total			\$117.000				
	1		. ,				-
DOWNTOWN TROLLEY							
Trolly Feasibility Study	\$75,000	\$12,750	\$87,750		Note 1		
Total			\$87 750				
			<i>\$67,730</i>				
PARKING							
Signage (yearly)	\$5,000	\$850	\$5,850		Note 1		
Parking Data collection(Bi-annually)	\$30,000	\$5,100	\$35,100		Note 1		
Business to Business Outreach	\$2,500	\$425	\$2,925		Note 1		
	Estim	ated Project Cos	t				
		Escalation					
	2010	2016 to 2020					
Confere Deubline Estimated Concer	2019	1.0%	2020		N-+- 4		
112 S Plaine Street 27	ŚĘĘQ 600	CE EOE			Note 1		
212 S bialité Street 27	\$535,500	\$3,353 ¢E 1E6	\$505,055				
- 312 E Second Street 25	\$531,000	\$5,150	\$536 714				
- 108 S Howard Street 25	\$519,300	\$5,193	\$524.493				
- S Center / E Second	+,	<i>+-,</i>	<i>+</i> ,				
Street 18	\$389,800	\$3,898	\$393,698				
- 211 N School Street 10	\$130,000	\$1,300	\$131,300				
Total 130			\$2,672,056				
Second Street Parking Garage*					Note 1		
- Alt 1 2 Levels 100	\$2.050.000	\$20,500	\$2.070.500		note 1		
- Alt 2 2 Levels 131	\$2,685,500	\$26,855	\$2,712,355				
- Alt 3 3 Levels 160	\$3,280,000	\$32,800	\$3,312,800				
- Alt 3 3 Levels 185	\$3,792,500	\$37,925	\$3,830,425				
*Existing surface lot has 87 spaces	1						
		E	Stimated Cost Range of S	econd Street			
	1		Parking Garage Alter	natives			
			\$2,070,500 to	\$3,830,425			
Total	+		\$4,786,431 to	\$6,546,356			
TOTAL			\$6,677,481 to	\$8,437,406			

				1			
PEDESTRIAN FURNITURE, TRASH CANS, ETC.							
Benches First Street-12 Blocks. 4 per block	-	-	\$91.500		Note 1		
Trash Cans First Street-12 Blocks, 4 per block	-	-	\$84,100		Note 1		
Total			\$175,600				
							State Historic
		_	\$500.000		Note 1		Preservation
			\$300,000		Note 1		Office (SHPO)
Total			\$500,000				
SECOND STREET UTILITY UNDERGROUNDING			ć4 022 200		Note d		
DKS Grant to River	-	-	\$1,833,200		Note 1		
Total			\$1,833,200				
					Note 1:	Project not i	a current City
						of Newberg	Infrastructure
						Masi	er Plan
				-	Nota2:	Drojoct in	2016 TED No
					Note2.	added	canacity
Public Transportation Infrastructure		\$3	6.998.850				
Public Utility Infrastructure (Water, Wastewater and Storm)		\$1	0.794.017				
, , , , , , , , , , , , , , , , , , , ,			.,.,.				
SIGNAGE & WAYEINDING NORTH/SOUTH CONNECTIONS DOWNTO	WN TROLLEY PARKING*	ć	6 677 /81 to	\$8 437 406			
		Ŷ	0,077,401 10	\$0,437,400			
			¢175 600				
rebestician rokultoke, mastreaks, ere.			\$175,000				
BUILDING FACADE PROGRAM			\$500,000				
SECOND STREET UTILITY UNDERGROUNDING		\$	1,833,200				
Downtown Improvement Plan Area Braiget Costs*		ćE	6 070 149 to	¢E9 720 072			
* Includes and artificate areas for the Good (Girls Costs)		55	0,575,140 10	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
" includes cost estimate range for the Second Street Parking Generation	irage alternatives.						

May 29, 2020

	Escalation: Fr	om Engineering News	Record (ENR) - Sea	ttle Construction (	Cost Index (CCI) - Jan	uary to January		
Index Jan 2019 =	12008.39	Index 2	2020/Index 2019=	1.01				
Index Jan 2020 =	12122.45		=>	0.95%				
		Escalatio	n* 2019 to 2020 =	1%				
		*	* Escalation rounded t	o the nearest whole	number nercentage			
		Riverfront Mast	er Plan Update	Planning Leve	el Cost Estimates			
These planning level cost estim	ates will be fu	rther refined with future	updates to the City Tr	ransportation Syster	m Plan (TSP) and City m	aster plans for Wo	nter, Wastewater	and Storm.
Public Transportation Infrastr	ucture							
<b>-</b>	TSP Project	Functional	_					_
Description	#	Classification	Est	timated Project Co	ost	Other Po	tential Funding	<u>Sources</u>
						City System	Create	Othor
			2010	Eccolation	2020	Development	Grants	Other
			2019	1%	2020	% Fligible	Source	
S Blaine Street Extension				1,0		70 Eligible	Source	
- E Ninth St to S College St	E04	Major Collector	\$1,951,400	\$19,514	\$1,970,914	100%		
Rogers Landing Rd Extension	FOC	Major Collector	¢1 400 400	¢14.004	¢1 422 404	100%		Yamhill
- Willamette River to UGB	EUb	Major Collector	\$1,409,400	\$14,094	\$1,423,494	100%		County
S Collago Street Improvements		Minor Collector					ODOT Safe	
- S Ninth St to E Fourtenth St	-	(includes parking	\$2,925,000	\$29,250	\$2,954,250	Note 1	Routes to	Developer
		both sides)					School	
S River Street Improvements							ODOT Safe	
- S First St to Bypass	S22	Major Collector	\$3,601,800	\$36,018	\$3,637,818	35%	Routes to	Developer
<i>,</i> ,		Maion Calleston					School	
S River Street Improvements		Wajor Collector	\$1,215,000	¢12.150	¢1 227 150	Nota 1		Doveloper
<ul> <li>Bypass to Rogers Landing Rd</li> </ul>	-	Sides	\$1,215,000	\$12,150	\$1,227,130	Note 1		Developei
		<b>B</b> ideb						
Wynooski St Improvements	co.7*		¢000.000	60.000	6040.000	6494		Developer,
- S River St to Bypass (*reduced	537*	Major Collector	\$909,200	\$9,092	\$918,292	61%		Yamhili
								County
E Ninth St Sidewalks	P08	_	\$86,000	\$860	\$86,860	57%		Developer
- S Blaine St to S River St	100		\$00,000	çooo	\$00,000	3770		Developer
E Fourtenth St Sidewalks	P09	-	\$83,000	\$830	\$83,830	34%		Developer
- S College St to S River St								-
E Eleventh St Sidewalks	P12	-	\$78,000	\$780	\$78,780	34%		Developer
- S RIVER St to VVynooski								
-S Blaine St to S River Street	B05	-	\$119,000	\$1,190	\$120,190	57%		
F Eleventh St Bike Boulevard								
- East of S River Street	B19	-	\$121,000	\$1,210	\$122,210	34%		Developer
N Blaine/E Hancock Signal	-	Major Collector	\$900,000	\$9,000	\$909,000	Note 1		Developer
N Blaine/E First Signal	-	Major Collector	\$900,000	\$9,000	\$909,000	Note 1		Developer
E Ninth St Sidewalks			655 000	ćr.co		Not- 1	ODOT Safe	David
- S Blaine St to Charles St	-	-	\$55,000	Ş55U	\$55,550	NOTE 1	Koutes to	Developer
							School	
E Ninth Street Connection - S		Local Residential	65C3 500	¢E COE	ČE CO 405	Nota 1		Douclass
Pacific Street to Wynooski St	-	Street	502,500	\$5,025	۶۵۵۶,125	Note 1		Developer

Mill Place Extension - E Ninth Street (Connection) to South Terminus	-	Local Residential Street	\$180,000	\$1,800	\$181,800	Note 1		Developer
Rail Crossing Improvements Crossing No. 40A-000.60 (College Street)	-	Minor Collector	\$450,000	\$4,500	\$454,500	Note 1		Developer, LID, Cost Recovery Agreement
Rail Crossing Improvements Crossing No. 40A-000.40 (River Street)	-	Major Collector	\$415,000	\$4,150	\$419,150	Note 1		Developer, LID, Cost Recovery Agreement
E Fourtenth Street - S College St to S River St (Sidewalks in TSP Project P09)	-	Local Residential Street	\$640,000	\$6,400	\$646,400	Note 1		Developer
Waterfront Street - S College St to UGB	-	Local Residential Street	\$2,160,000	\$21,600	\$2,181,600	Note 1		Developer, Yamhill County
E Fourtenth Street Extension - S River St to NE Dog Ridge Rd	-	Local Commercial/ Industrial Street	\$3,060,000	\$30,600	\$3,090,600	Note 1		Developer, ODOT Immediate Opportunity Fund
E <i>Industrial St (1)</i> - E Fourtenth St Ext to Wynooski St	-	Local Commercial/ Industrial Street	\$2,868,750	\$28,688	\$2,897,438	Note 1		Developer, ODOT Immediate Opportunity Fund
S <i>Industrial St (2) -</i> Bypass to E Fourtenth St Ext	-	Local Commercial/ Industrial Street	\$1,338,750	\$13,388	\$1,352,138	Note 1		Developer, ODOT Immediate Opportunity Fund
S <i>Industrial St (3)</i> - E Industrial St (1) to E Fourtenth St Ext	-	Local Commercial/ Industrial Street	\$1,434,375	\$14,344	\$1,448,719	Note 1		Developer, ODOT Immediate Opportunity Fund
Wynooski Street - Bypass to NE Dog Ridge Road	-	Major Collector	\$1,923,750	\$19,238	\$1,942,988	Note 1		Developer, ODOT Immediate Opportunity
NE Dog Ridge Road -E Fourtenth Street Extension to Wynooski Street	-	Local Commercial/ Industrial Street	\$1,434,375	\$14,344	\$1,448,719	Note 1		Developer, Yamhill County
ADA Curb Ramps - E Ninth Street, S Blaine Street to S Pacific Street ( <i>DKS</i> )	-	-	-	-	\$1,587,900	Note 1	ODOT Safe Routes to School	Developer
ADA Curb Ramps - Intersections Around Scott Leavitt Park, E Eleventh Street, S Willamette Street, S Columbia Street, E Tenth Street ( <i>DKS</i> )	-	-	-	-	\$593,800	Note 1		Developer
Projects in the City's 2016 Tran System Plan	sportation	TOTAL	\$30,821,300		\$33,311,213		1	I
System Fian								

Riverfront Trails								
Description			Es	timated Project Co	ost	Other Po	tential Funding	Sources
			2019	Escalation	2020	City System Development Charges	Grants	Other
		1		1%		% Eligible	Source	
Ewing Young Park Nature Trail			\$339,000	\$3,390	\$342,390	Note 1	State Parks	CPRD SDC
Hess Creek Nature Trail			\$226,000	\$2,260	\$228,260	Note 1	State Parks	CPRD SDC
Chehalem Creek Urban Multi- Use Trail			\$480,810	\$4,808	\$485,618	Note 1	State Parks	CPRD SDC
S River Street to S College Street Urban Multi-Use Trail			\$97,200	\$972	\$98,172	Note 1	State Parks, ODOT Connect Oregon	CPRD SDC
Esplanade West of S River Street Urban Multi-Use Trail			\$152,000	\$1,520	\$153,520	Note 1	State Parks, ODOT Connect Oregon	CPRD SDC
Esplanade South of Mill Urban Multi-Use Trail			\$394,000	\$3,940	\$397,940	Note 1	State Parks, ODOT Connect Oregon	CPRD SDC
Roger Landing Road Urban Multi-			\$117,000	\$1,170	\$118,170	Note 1	State Parks	CPRD SDC
Use Irail		τοται	\$1,806,010		\$1 824 070			
Public Utility Infrastructure (M	Vater Wast	rewater and Storm)	\$1,800,010		\$1,824,070			
WATER	rater, trase	enater and storing						
Description		Sub-basin Served	Es	timated Project Co	ost	Other Po	tential Funding	<u>Sources</u>
;			2019	Escalation	2020	City System Development Charges	Grants	Other
		<u>†                                    </u>		1%		% Eligible	Source	
Water Main		B, C, D	\$3,712,000	\$37,120	\$3,749,120	Note 1		Developer
WASTEWATER		т						
Description	Master Plan Project #	Sub-basin Served	Es	timated Project Co	ost	<u>Other Po</u>	utential Funding	<u>Sources</u>
			2019	Escalation	2020	City System Development Charges	Grants	Other
				1%		% Eligible	Source	
Riverfront Lift Station*	C3.b	В	\$770,000	\$7,700	\$777,700	91%		Developer
Force Main B1*	C3.b	В	\$119,000	\$1,190	\$120,190	91%		Developer
Gravity Main B1		В	\$832,000	\$8,320 \$5,120	\$840,320	Note 1		Developer
Gravity Main B2	<u> </u>	B	\$1.088.000	\$5,120	\$517,120	Note 1		Developer
Gravity Main B3	C3 h	ABCD	\$505,000	\$5,050	\$510,050	91%		Developer
Gravity Main C1	03.0	C.	\$160.000	\$1,600	\$161.600	Note 1	1	Developer
Gravity Main D1		D	\$840,000	\$8,400	\$848,400	Note 1		Developer
*Projects in the City's 2018 Wastewater Master Plan		TOTAL	\$4,826,000		\$4,874,260			
STORM								
Description		Sub-basin Served	Es	timated Project Co	ost	<u>Other Po</u>	tential Funding	<u>Sources</u>
			2019	Escalation	2020	City System Development Charges	Grants	Other
				1%		% Eligible	Source	
Stormwater Mains		A, B, C, D	\$5,040,000	\$50,400	\$5,090,400	Note 1		Developer
						Note 1:	Project not in a Newberg Inj	current City of frastructure

Master Plan

Public Transportation Infrastructure	\$33,311,213	
Public Utility Infrastructure (Water, Wastewater and Storm)	\$13,713,780	
Riverfront Trails	\$1,824,070	
Riverfront Master Plan Area Project Costs	\$48,849,063	

## Newberg Urban Renewal Feasibility Study

DRAFT 06012020











#### <mark>DATE</mark>

Doug Rux Community Development Director City of Newberg Newberg, Oregon

Dear Doug,

The Urban Renewal Feasibility Study for Newberg is attached. The study has been completed by Elaine Howard Consulting, LLC, Tiberius Solutions LLC, JLA Public Involvement and DKS. It identifies a potential urban renewal area boundary and shows that the potential urban renewal area could be adopted and comply with both the statutory acreage and assessed value limitations. It identifies blighting conditions that will allow for formation of an urban renewal agency. It identifies the potential amount of tax increment revenues that could be received and the resulting dollars available for projects in the urban renewal area over a 30-year duration given four different growth assumptions. It also identifies potential projects to be completed in the urban renewal area.

Thank you to your staff who has been very responsive and helpful in providing information for the completion of this study.

The next steps to consider, if the Newberg City Council decides to proceed, are identified in the study.

Sincerely,

Maine Admond

Elaine Howard, Principal Elaine Howard Consulting, LLC 4763 SW Admiral Street Portland, Oregon 97221

elainehowardconsulting@gmail.com www.elainehowardconsulting.com

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#### I. Definitions

"Average Annual Exception Assessed Value" means the average amount of assessed value generated by new development or substantial rehabilitation that must occur each year in addition to assumed 3% growth from appreciation of existing property to achieve the stated assessed value growth rate for each scenario. This is used in Table 1 and Table 9.

"AV" means assessed value. This is the value on which property taxes are paid in Oregon.

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

"Capacity (2020\$)" means the financial capacity of the Area as stated in constant 2020 dollars. This is equal to the Maximum Indebtedness of the Area, less financing fees, adjusted to account for inflation over time. This is necessary as you need to know the total value of projects in today's dollars to be able to identify projects for the Plan. The inflation rate used in the analysis is 3% annual inflation on costs. This is a typical inflation rate used in our financial analysis. This rate can be adjusted based on the input of the locality. This is used in Table 1 and Table 9.

"City" means the City of Newberg, Oregon.

"City Council" or "Council" means the Newberg City Council.

"Compound Annual Growth Rate" (CAGR) means the average growth rate for a value over a specific time period, accounting for the impacts of compound growth. In this report, it is most often used to refer to growth in assessed value.

"Exception Value" means the value of new assessed value growth in an urban renewal area.

"Feasibility Study" means the study to determine the boundary, potential projects, and financial capacity of a potential urban renewal area.

"Fiscal Year" means the year commencing on July 1 and closing on June 30 of the specified years.

"Fiscal Year Ending" means the fiscal year ending on June 30 of the specified years.

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

"Growth rate" means the annual percentage growth expected in the Area. Three percent assessed value growth is the limit for existing properties. Growth above that is achieved through either substantial rehabilitation or new development. The average assessed value growth rates for Newberg and Yamhill County are shown in Table 8.

"Increment value" means the assessed value of an urban renewal area that exceeds the initial assessed value of the area specified in the certified statement from the assessor (frozen base).

"Maximum indebtedness" means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness. The maximum indebtedness is the figure that is adopted by a city council when an urban renewal plan is adopted. This is used in Table 1 and Table 9. "ORS" means the Oregon revised statutes and specifically Chapter 457, which relates to urban renewal.

"Revenue sharing" means sharing tax increment proceeds with affected taxing districts as defined in ORS 457.470.

"Study Area" means the area in the potential urban renewal area boundary.

"Tax increment financing," "tax increment revenues," or "TIF" mean the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan and allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

"Truncation Loss" means the reduction in revenue that occurs when the "taxes to be raised" are converted into "taxes extended" through the calculation and imposition of the division of tax urban renewal rate. The tax urban renewal rate is "truncated" (i.e., rounded down) after the fourth decimal place, resulting in a minor loss of revenue.

"Urban renewal area" or "URA" means a blighted area included in an urban renewal plan.

"Total Net TIF" means the total amount of tax increment funds (taxes paid off increased assessed value) given the growth rate in the proposed Study Area. This is used in Table 1 and Table 9.

#### II. Executive Summary

The City of Newberg, Oregon is conducting an urban renewal feasibility study (Feasibility Study) for an urban renewal area (Study Area) to serve the downtown and riverfront area. The purpose of this Feasibility Study is shown below with the results in bold following the purpose statements.

- determine if the Study Area boundary meets the limitations imposed under ORS 457 on acreage and assessed value in an urban renewal area,
  - The Study Area boundary meets both the assessed value and acreage limitations as shown in Table 5 as shown in Section VIII
- establish that blight occurs in the Study Area,
  - The list of needed improvements in the Study Area indicate that blighting conditions exist in the Study Area. These conditions are sufficient to make the finding of blight in an ordinance adopting a potential urban renewal plan, further detailed in Section XIV.
- examine the financial feasibility of urban renewal in the Study Area, and to
  - The financial feasibility information indicates there are tax increment revenues that can assist in completing projects in the Study Area as shown in Tables 10-21 in Section XII and Section XIII
- examine the impacts on taxing districts as a result of the potential of creating an urban renewal area in Newberg.
  - The impacts to the taxing districts are detailed for the different financial scenarios as shown in Tables 10-21 in Section XIII.

The methods used for this Feasibility Study to establish potential maximum indebtedness and define impacts on the taxing jurisdictions included the following key steps:

- 1. Establish an Ad Hoc Urban Renewal Citizens Advisory Committee (CAC)
- 2. Define boundary options.
- 3. Identify funding available for projects.
- 4. Determine applicable tax rates.
- 5. Forecast growth in assessed value.
- 6. Calculate tax increment revenue and revenue sharing.
- 7. Compile list of potential projects
- 8. Present Feasibility Study to CAC
- 9. Present Feasibility Study to Newberg City Council.

This Feasibility Study provides the City of Newberg with baseline data to understand the financial capacity of an urban renewal area (URA). The consulting team analyzed four growth scenarios for projecting potential tax increment revenue proceeds for the Study Area. Summary information for each growth scenario is shown in Table 1. The terminology for this table is defined in the Definitions Section of this document. The most important row in this table is the Capacity in 2020\$ for funds to be spent on projects in the Study Area. This can be directly compared to the dollars needed to complete projects in the Study Area. The table indicates the amount of dollars that are estimated to be available under differing growth scenarios. All scenarios indicate that there is funding that can be used to assist in completing projects in the Study Area. If it is determined to proceed with the creation of an urban renewal area, one of the growth scenarios will need to be selected as the appropriate scenario to use in the plan and report documents.

Projected Annual Growth in AV	4%	5%	6%	7%
Avg Annual Exception AV (2020 \$)	\$1,700,000	\$4,100,000	\$7,400,000	\$11,700,000
Total Net TIF (Over 30 Years)	\$59,300,000	\$84,400,000	\$115,900,000	\$154,300,000
Maximum Indebtedness	\$50,300,000	\$72,000,000	\$99,300,000	\$132,800,000
Capacity (2020 \$)	\$27,900,000	\$39,400,000	\$53,700,000	\$71,100,000
Years 1-5	\$2,500,000	\$3,300,000	\$4,000,000	\$4,800,000
Years 6-10	\$3,900,000	\$5,100,000	\$6,600,000	\$8,100,000
Years 11-15	\$5,100,000	\$7,000,000	\$9,200,000	\$11,900,000
Years 16-20	\$5,200,000	\$7,500,000	\$10,200,000	\$13,700,000
Years 21-25	\$5,400,000	\$8,000,000	\$11,300,000	\$15,600,000
Years 26-30	\$5,700,000	\$8,500,000	\$12,400,000	\$17,100,000

Table 1	I – Preliminar	v Tax	Increment	Finance	Forecast
		утал	morement	i manec	1 0100031

Source: Tiberius Solutions

Urban renewal is not a new tax and does not increase property tax rates. The impact of tax increment financing is on the overlapping taxing districts. The summary information for impacts on taxing districts is shown in Table 2 and Table 3. There are individual tables in this Feasibility Study that show the total impacts to each taxing district for a 30-year urban renewal area for each of the four assessed value growth scenarios. These are shown in Section XIII.

Table 2 – Total Estimated Im	pacts to General Government	Taxing Districts

Annual Growth of AV	Yamhill County	Yamhill County Extension	Yamhill County Soil & Water	City of Newberg	Tualatin Valley Fire & Rescue	Chehalem Park & Recreation District	Subtotal General Government
4%	(\$12,080,969)	(\$210,450)	(\$165,923)	(\$10,830,306)	(\$7,148,746)	(\$4,254,001)	(\$34,690,395)
5%	(\$17,203,263)	(\$299,680)	(\$236,274)	(\$15,422,321)	(\$10,179,793)	(\$6,057,684)	(\$49,399,015)
6%	(\$23,622,189)	(\$411,498)	(\$324,433)	(\$21,176,739)	(\$13,978,104)	(\$8,317,943)	(\$67,830,907)
7%	(\$31,459,295)	(\$548,020)	(\$432,069)	(\$28,202,521)	(\$18,615,603)	(\$11,077,577)	(\$90,335,085)

Source: Tiberius Solutions, LLC

Table 3 – Total Estimated Impacts to Education Taxing Districts

Annual Growth of AV	Newberg School District 29J	Willamette Education Service District	Portland Community College	Subtotal Education	Total General Gov/ Education
4%	(\$21,849,329)	(\$1,390,659)	(\$1,325,508)	(\$24,565,496)	(\$59,255,892)
5%	(\$31,113,377)	(\$1,980,294)	(\$1,887,520)	(\$34,981,191)	(\$84,380,207)
6%	(\$42,722,482)	(\$2,719,187)	(\$2,591,796)	(\$48,033,465)	(\$115,864,371)
7%	(\$56,896,469)	(\$3,621,328)	(\$3,451,674)	(\$63,969,470)	(\$154,304,555)

Source: Tiberius Solutions, LLC

A summary of the projects identified in master plans and area planning documents that overlap the proposed URA by City of Newberg staff is show in Table 4. This table shows the major categories; the categories with individual projects is included in Attachment 9. Administration is allocated assuming a six percent assessed value growth rate and a ten percent administration charge. The administration charge pays for staff time in completing the projects and administrative requirements including reporting requirements in the urban renewal plan over the thirty years of the life of the Plan. These are summary estimates only and could be reevaluated in the preparation of an urban renewal plan.

Table 4 – Potential Projects and Administration in the Study Area

Area	Total Estimated Cost
Downtown Improvement Plan	\$56,979,148 to \$58,739,073
Riverfront Master Plan	\$48,849,063
Administration	\$9,930,000
TOTAL:	\$115,758,211 to \$117,518,136

Source: City of Newberg

#### III. Background

The City of Newberg (City) has completed substantial planning as background to the preparation of the Urban Renewal Feasibility study, see Figure 1. This has included the 2016 Economic Development Strategy (Updated in November 2019), 2016 Newberg Strategic Tourism Plan, 2016 Newberg Downtown Improvement Plan, 2016 Transportation System Plan, 2017 Water Master Plan, 2018 Wastewater Master Plan, 2019 Newberg Housing Needs Analysis, 2019 A NewBERG Community Visioning program, 2019 Riverfront Master Plan, and continuing activities to evaluate a possible urban growth boundary expansion through an Economic Opportunities Analysis. The Economic Opportunities Analysis and this Urban Renewal Feasibility Study are in progress. This planning has provided the background to determine the goals and potential projects in the potential urban renewal area. An urban renewal program was identified as an economic development tool within the Economic Development Strategy, Newberg Downtown Improvement Plan, Newberg Housing Needs Analysis, A NewBERG, and Riverfront Master Plan.

The process to determine if an urban renewal program is viable for Newberg involves the following:

- 1. Urban Renewal Feasibility Study (draft and final)
- 2. Continued input from the Citizens Advisory Committee
- 3. Public input
- 4. Establishment of an Urban Renewal Agency
- 5. Urban Renewal Plan and Report preparation
- 6. Urban Renewal Agency review
- 7. Confer and consult with overlapping taxing districts
- 8. Planning Commission review for conformance with Newberg Comprehensive Plan
- 9. Yamhill County review and approval of the urban renewal plan by resolution<sup>1</sup>
- 10. City Council review and vote on non-emergency ordinance

<sup>&</sup>lt;sup>1</sup> If there is property outside the city limits, the county must also approve an urban renewal plan and may do so by resolution.

#### Figure 1 - Planning Background

## **URBAN RENEWAL**

What work has been done? What determines which projects will be funded? Where will the dollars go?

The Urban Renewal Feasibility Study is being conducted after years of the City of Newberg developing plans. The City of Newberg has engaged in multiple long-range planning projects to determine what projects matter to Newberg Residents and where money from a possible Urban Renewal Area should go. Previous plans also informs the City on what boundaries are being considered for an Urban Renewal Area.

Newberg Water

Master Plan

Newberg Downtown

Improvement Plan

Transportation System Plan

Newberg Strategic

Tourism Plan

2017

2018

Urban Renewal **Feasibility Study** (in progress) Economic **Opportunities Analysis** (in progress) **Newberg Housing** Needs Analysis Newberg Riverfront Masterplan A NewBERG Community Vision for 2040 Newberg Wastewater Master Plan Plan Plan Newberg Water Newberg Water Newberg Water Master Plan Master Plan Master Plan Newberg Downtown Newberg Downtown Newberg Downtown Improvement Plan Improvement Plan Improvement Plan Transportation System Plan Transportation System Plan Transportation System Plan Newberg Strategic Newberg Strategic Newberg Strategic Tourism Plan Tourism Plan Tourism Plan Updated Economic Development

Strategy

2019

Newberg Downtown

Improvement Plan

Newberg

Transportation System Plan

Newberg Strategic

**Tourism Plan** 

Newberg Economic Development

Strategy

2016

Source: City of Newberg

2020

#### IV. Citizens Advisory Committee

The Newberg City Council established an Ad Hoc Urban Renewal Citizens Advisory Committee (CAC) comprised of the following members:

John Bridges, Chair	Attorney
Francisco Stoller, Vice Cha	air Real Estate Broker
Angel Aguilar	First Federal Savings and Loan Association
Shannon Buckmaster	CEO, Chehalem Valley Chamber of Commerce
Don Clements	Superintendent, Chehalem Park and Recreation District
Don Griswold	Citizen
Patrick Johnson	City Council
Joe Morelock	Superintendent, Newberg Public Schools
Molly Olson	Executive Director, Newberg Downtown Coalition
Loni Parrish	Downtown Property Owner and Business Owner
Rick Rogers	City Council – Mayor, Ex-officio
Cassandra Ulven	Public Affairs Chief, Tualatin Valley Fire & Rescue
The CAC met five times in	the preparation of this Feasibility Study:
January 23, 2020	Orientation meeting to the urban renewal feasibility study and plan
	and report process
Attachment 1 background	material provided to the Advisory Committee
February 10, 2020	Background and review of potential boundary, Urban Renewal at a
	Glance, Public Input Options (Community Engagement Toolbox),
	and the Urban Renewal Fact Sheet
	Attachment 2 - Urban Renewal at a Glance.
	Attachment 3 - Urban Renewal Community Engagement Toolbox
	Attachment 4 - Urban Renewal Feasibility Study Fact Sheet
March 9, 2020	Boundary review and review of potential projects compiled from a
	number of master plans and area planning documents. Discussion
	on future Open House. The Citizens Advisory Committee finalized
	the proposed boundary at this meeting.
	Attachment 5 - Presentation materials from the meeting
April 13, 2020	Review and discuss the preliminary financial analysis information
	based on the proposed urban renewal area boundary. The
	discussion included:
	The statutory limitations on plan area and assessed value,
	Historical assessed value growth for the County and City,
	• Maximum indebtedness estimates using 4, 5, 6 and 7% assessed
	value growin estimates
	Impacts on taxing districts, and     Preliminary project cost estimates
	<ul> <li>Public engagement</li> </ul>

	Attachment 6 - Presentation materials from the meeting Attachment 7 - Initial Financial Summary memorandum
June 8, 2020	Review of updated project list and draft Feasibility Study
	Attachment 8 - Presentation materials from the meeting
June 29, 2020	Review of final Feasibility Study and recommendation to City Council. The CAC recommended>

#### V. City Council Briefings

October 15, 2018	Adopted Resolution No. 2018-3503 authorizing the City Manager to expend \$100,000 from the Economic Development Revolving Loan Fund (EDRLF) for the purpose of conducting an urban renewal Feasibility, Urban Renewal Plan and public outreach
October 7, 2019	Background on urban renewal
November 4, 2019	Adopted Resolution No. 2019-3615 indicating the intent to seek reimbursement for expenditure of funds from Fund 14 Economic Development Fund for funds authorized by Resolution No. 2018-3503 to conduct an urban renewal feasibility study and plan
December 9, 2019	Adopted Resolution No. 2019-3623 authorizing the City Manager to enter into a professional services agreement with Elaine Howard Consulting, LLC to assist the City in conducting the urban renewal feasibility study
January 6, 2020	Request for Council Action was brought forward by the Mayor for appointment of members to the Ad Hoc Urban Renewal Citizens Advisory Committee for terms beginning January 2020 – April 2021
May 4, 2020	Briefing by staff and consultant team in City Council Work Session (materials shown in attachments already noted in CAC meetings)
July 6, 2020	Briefing by staff on draft Feasibility Study

#### VI. Planning Commission Briefings

May 14, 2020	Briefing by staff on City Council Work Session (materials shown in attachments already noted in CAC meetings plus Planning Commission Power Point Presentation)
July 9, 2020	Briefing by staff on draft Feasibility Study

#### VII. Public Engagement

A Fact Sheet was developed by JLA Public Involvement (Attachment 4). This Fact Sheet has been translated into Spanish and both versions will be used by city staff on both the website and for handouts. A series of videos have been developed to explain the intricacies of urban renewal. A Public Open House was not held due to COVID-19 issues. If the City Council determines to move forward with the preparation of an urban renewal plan, future public engagement will be conducted. A full list of options is shown in Attachment 3.

#### VIII. Define Boundary Options

The CAC defined the boundary option as shown in Figure 2. It encompasses 599.73 acres and has an estimated \$152,610,424 in assessed value as determined by the Yamhill County Assessor's 2019/20 tax roll.

The boundary encompasses the downtown and the riverfront areas and two major transportation connections between the two areas (S. Blaine Street and S. River Street). It also encompasses property zoned for higher density uses along S. Blaine Street.

ORS 457 limits the total amount of assessed value and acreage that can be included in urban renewal districts in a city the size of Newberg to 25% of acreage and 25% of assessed value. This potential URA does not exceed the assessed value and acreage statutory authority for urban renewal in Newberg, see Table 5. The assessed value of the proposed URA is based on fiscal year end (FYE) 2020 data.

	Acreage	Assessed Value
Potential Urban Renewal Area	599.73	\$152,610,424
City of Newberg	3,719	\$2,037,958,279
Percent in URA	16.13%	7.49%

Table 5 - Statutory Limitation on Assessed Value and Acreage

Source: City of Newberg and Yamhill County Assessor

In addition to limitation on the percentage of assessed value and acreage, there is a statutory limitation<sup>2</sup> on the amount of maximum indebtedness (MI) that may be set for a new urban renewal plan. The MI limitations are based on total assessed values of the city and given Statutory limitations on MI based on the assessed values for this potential URA are between \$142 and \$145 million.

The timing of establishing an urban renewal area given boundary considerations is important. There are obsolete land uses on properties in the Riverfront Area, including buildings, machinery and equipment that are no longer in use but retain significant taxable assessed value. It is anticipated that most of the machinery and equipment will be removed and buildings demolished in the coming years. As a result of that, the assessed value of those properties will be reduced. If the assessed value is reduced after the properties are in an urban renewal area, it would have a significant negative impact on the tax increment collections for the area. Therefore, the City and consultant team in coordination with the county assessor will need to evaluate the timing on including these properties in an urban renewal area. This is an issue that would be pursued if the city determines to proceed with developing an urban renewal plan.

In addition, there are properties in the potential URA that are either under construction or proposed for new development. The timing on inclusion of these properties is also important if the city wishes to capture the increased assessed value for the potential URA.

#### Figure 2 – Feasibility Study Boundary



### Proposed Tax Increment Financing Area

#### IX. Potential Projects

The potential projects shown in Table 6 – Projects by Category come from the *Downtown Improvement Plan,* t *Riverfront Master Plan and the City's functional plans (Transportation, Water, Stormwater and Wastewater).* The estimated costs have been updated by city staff using the Engineering News Record Seattle Construction Cost Index. Some additional costs were obtained from DKS Associates for undergrounding utilities along Second Street and ADA Ramps along S Blaine Street and E Ninth Street. A full list of potential projects is shown in Attachment 9. The costs of potential projects exceeds the financial capacity of the URA. Some of these projects may have other funding sources in addition to urban renewal, noted in Attachment 9. The Administration estimate assumes a six percent growth rate with a Maximum Indebtedness of \$99,300,000 and ten percent administration charge. If the City Council determines to move forward with the preparation of an urban renewal plan, a specific list of projects would be identified for urban renewal funding. This list would match the expected financial capacity of the URA or show the other potential funding sources for the projects.

Downtown Improvement Plan	Estimated Costs
Public Transportation	\$36,998,850
Public Utility	\$10,794,017
Signage/Wayfinding/N/S Connections, Trolley, Parking	\$6,677,481 to \$8,437,406
Pedestrian Furniture	\$175,600
Building Façade	\$500,000
Second Street Utility Undergrounding	\$1,833,200
Subtotal	\$56,979,148 to \$58,739,073
Riverfront Master Plan	
Public Transportation	\$33,311,213
Public Utility	\$13,713,780
Riverfront Trails	\$1,824,070
Subtotal	\$48,849,063
Administration	\$9,930,000
TOTAL	\$115,758,211 to \$117,518,136

Table 6 – Projects by Category

Source: City of Newberg

#### X. Determine Applicable Tax Rates

All properties within the boundary are located within tax code area 29 and 29.2. Tax code area 29.2 is not in the Newberg city limits. Details of the applicable permanent rate tax rate are shown below in Table 7. There are no general obligation (GO) bonds or local option levies impacted by the proposed boundary as Oregon statutes preclude new urban renewal areas from including any general obligation bond or local option levy tax rates in the calculation of TIF. Tax rate information was obtained from Yamhill County Assessor Summary Table 4a and the Yamhill County FYE 2020 Tax Book.

The Newberg School District 29J and the Willamette Regional Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the charts. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone because of the use of Tax Increment Financing are replaced, as determined by a funding formula at the State level with State School Fund revenues.

Taxing District	Tax Code Area 29	Tax Code Area 29.2
Jurisdiction Name	Rate	Rate
Yamhill County	2.5775	2.5775
City of Newberg	2.5750	-
Yamhill County Soil and Water	0.0354	0.0354
Yamhill County Extension	0.0449	0.0449
Tualatin Valley Fire & Rescue	1.5252	1.5252
Chehalem Park & Rec District	0.9076	0.9076
Subtotal	7.6656	5.0906
Willamette Education Service District	0.2967	0.2967
Newberg School District 29J	4.6616	4.6616
Portland Community College	0.2828	0.2828
Subtotal	5.2411	5.2411
TOTAL	12.9067	10.3317

 Table 7 - Applicable Tax Rates for Newberg Urban Renewal Feasibility Study, FYE20

Source: Yamhill County Assessor Tax Book FYE 2020

#### XI. Forecast Growth in Assessed Value

As part of preparing financial projections, the historical growth rates for assessed value in the area are examined. Growth rates for assessed value vary over time, depending on market cycles and new development. In Oregon, assessed value appreciation on existing development is capped at 3.0% per year, which means any growth above 3.0% per year requires new development to occur.

Recent historical trends in the City of Newberg and Yamhill County were reviewed to provide information for determining the growth rate to use. Table 8 shows the historical growth in assessed value for both the City of Newberg and Yamhill County from FYE 2008 to FYE 2020. The annual assessed value (AV) growth rate in Yamhill County varies from 1.22% to 7.46%, with a compound annual growth rate (CAGR) from 2008-2020 of 4.30%. The City of Newberg annual assessed value growth varies from 1.09% per year to 7.41% per year with a citywide CAGR from 2008-2020 of 4.78%. This is also shown in Table 8 and Chart 1.

There is a growth in real market value (RMV) in Yamhill County starting in 2017. According to the Yamhill County Assessor, the real estate market in Yamhill County has been very strong since 2016. Additionally, the assessor's office converted to a new software system in 2017. The new software platform allowed for the completion of more data analysis than in the past. Due to the new software, the assessor's office was able to complete better statistical analysis to bring its real market value (RMV) data up to date.

	Yamhill (	County	City of Newberg							
FYE	RMV	AV	RMV	AV						
2008	12.95%	4.72%	19.07%	7.41%						
2009	4.17%	7.46%	-1.29%	6.60%						
2010	-3.24%	4.45%	-2.30%	7.26%						
2011	-1.90%	3.93%	0.28%	5.70%						
2012	-9.96%	1.22%	-10.83%	2.63%						
2013	-3.03%	3.00%	-2.25%	3.36%						
2014	2.75%	3.03%	0.92%	1.09%						
2015	5.93%	3.92%	8.98%	5.27%						
2016	6.23%	5.44%	4.58%	4.24%						
2017	10.92%	4.33%	8.22%	4.95%						
2018	33.30%	4.13%	21.24%	4.19%						
2019	9.24%	4.68%	8.26%	2.67%						
2020	8.10%	5.72%	13.80%	7.00%						
CAGR	5.35%	4.30%	4.92%	4.78%						

Table 8 – Assessed Value Growth in the City of Newberg and Yamhill County

Source: Yamhill County Assessor, Tiberius Solutions

RMV - Real Market Value

AV - Assessed Value

CAGR – Compounded Average Annual Growth rate



#### Chart 1 – Historical Growth Information

Source: Yamhill County Assessor, Tiberius Solutions

#### XII. Calculate Tax Increment Revenue and Revenue Sharing

Calculating tax increment revenue is done by forecasting assessed value based on assumed assessed value growth and then subtracting the initial assessed value (the frozen base) to determine the "excess value" (also known as "increment value"). The excess value includes both assessed value from new development (exception value) and the annual appreciation of existing assessed values within the URA. This excess value is multiplied by the applicable tax rate to determine the total amount of tax increment revenue, also referred to as TIF. Then, the revenue sharing thresholds are applied to determine the portion of tax increment revenue that will be collected by the URA and the portion that will be shared with overlapping taxing districts.

The following tables show the projections of assessed value, tax increment revenues, adjustments (including discounts, delinquencies, compression, and rate truncation) and the portion of TIF projected to be received by the potential URA. Tax increment revenues would begin in FYE 2023 if an urban renewal plan is adopted by the Newberg City Council by December 1, 2021.<sup>3</sup> If the URA is approved after that date, the first year of tax increment is delayed.

The amounts projected to be available for projects over incremental time periods are shown in Table 9. Definitions for terms used in Table 9 are in the Definitions section at the beginning of this document.

The City of Newberg entered into an agreement with Tualatin Valley Fire & Rescue in 2018 to provide service to the city. As part of that agreement, the city amended their charter to roll back their tax rate to \$2.50 while TVF&R established a rate of \$1.5252. The charter amendment allows the city to increase the tax rate by 3% annually, not to exceed their original rate of \$4.3827. The rate for the City of Newberg for FY 2019/20 is \$2.5750. This is the rate used in the financial forecasts in this study. The city has the ability to increase that rate by 3% annually. If the rate is increased, that would also increase the amounts collected through the division of tax revenues.

The difference between dollars for projects and maximum indebtedness is due to inflation increasing the project costs over time. In addition, financing fees are excluded from the reported capacity. If an urban renewal plan is drafted, the cost for projects to be accomplished in the URA will be identified in constant 2020\$. However, the actual cost of those projects increases over time. The URA is projected to last 30 years, so there is inflation throughout that time period. For example, a project estimated to cost \$1 million in 2020\$ will actually cost approximately \$1.3 million in year 10, using a 3% inflation rate.

The capacity is shown in 5-year increments. The amount available in the first years is smaller and grows as the incremental value grows.

<sup>&</sup>lt;sup>3</sup> An urban renewal area is adopted through a non-emergency ordinance which does not go into effect for thirty days after adoption.
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Projected Annual Growth in AV	4%	5%	6%	7%
Avg Annual Exception AV (2020 \$)	\$1,700,000	\$4,100,000	\$7,400,000	\$11,700,000
Total Net TIF (Over 30 Years)	\$59,300,000	\$84,400,000	\$115,900,000	\$154,300,000
Maximum Indebtedness	\$50,300,000	\$72,000,000	\$99,300,000	\$132,800,000
Capacity (2020 \$)	\$27,900,000	\$39,400,000	\$53,700,000	\$71,100,000
Years 1-5	\$2,500,000	\$3,300,000	\$4,000,000	\$4,800,000
Years 6-10	\$3,900,000	\$5,100,000	\$6,600,000	\$8,100,000
Years 11-15	\$5,100,000	\$7,000,000	\$9,200,000	\$11,900,000
Years 16-20	\$5,200,000	\$7,500,000	\$10,200,000	\$13,700,000
Years 21-25	\$5,400,000	\$8,000,000	\$11,300,000	\$15,600,000
Years 26-30	\$5,700,000	\$8,500,000	\$12,400,000	\$17,100,000

Source: Tiberius Solutions

#### XIII. Impacts to Taxing Districts

Tax increment financing through urban renewal is not finding "new" money. These tax revenues are generated from the existing property tax rates of other taxing districts that overlap the URA. An URA would impact these affected taxing districts by redirecting a portion of these property tax revenues to the URA. The impact to other taxing districts is measured in terms of "foregone revenue". The impacts to taxing districts tables for each scenario summarize the amount of foregone revenue that would be caused by the proposed URA. Note that the foregone revenue for the Newberg School District 29J and Willamette Education Service District does not have a direct impact on school funding, as funding is equalized at the State level.

The amount of foregone revenues is roughly equal to the amount of tax increment revenue needed to pay debt service on the maximum indebtedness.

In general, these impacts start off small and grow over time as the assessed value of the URA grows. For example, assuming 6% annual growth in assessed value as shown in Table 17, the City of Newberg is estimated to have a total impact of \$43,890 in FYE 2023 (the first year in which tax increment would be collected), and an impact of \$1,832,053 in FYE 2052 (the 30<sup>th</sup> year tax increment would be collected).

To the extent that urban renewal investment is successful in stimulating new taxable development, not all of the foregone revenues should truly be categorized as impacts to taxing districts. Successful URAs cause new development to occur, above and beyond the level that would have occurred without urban renewal. In these situations, the property taxes would not have existed but for the URA's targeted investments, so even though these tax revenues show up as tax increment revenue and as foregone revenues, they really should not be counted as a negative impact to taxing districts. Note that the analysis was **not c**onducted at the detailed level required to estimate the portion of tax increment revenue in the proposed URA that would likely be generated by new development dependent upon urban renewal investment.

The tables below show both the estimated TIF revenue and projected impacts to taxing districts by assessed value percentage growth in each of the four scenarios. There are three tables for each scenario, the first is a tax increment revenue projection and the next two are estimated impacts to the taxing districts.

#### Table 10 - Projected TIF Revenues over a 30 Year Period – 4% Growth

	A	ss	essed Value					Tax Increment Finance								
											Ne	t TIF (Current	Ν	et TIF (Prior		
FYE	Total		Frozen Base	Inc	rement - Used	-	Tax Rate	Gross TIF	A	djustments		Year)		Year)	Ne	et TIF (Total)
2023	\$ 171,665,973	\$	158,714,840	\$	12,951,133	\$	12.6424	\$ 163,733	\$	(8,187)	\$	155,546	\$	-	\$	155,546
2024	\$ 178,532,612	\$	158,714,840	\$	19,817,772	\$	12.6424	\$ 250,544	\$	(12,527)	\$	238,016	\$	2,333	\$	240,350
2025	\$ 185,673,916	\$	158,714,840	\$	26,959,076	\$	12.6424	\$ 340,827	\$	(17,041)	\$	323,785	\$	3,570	\$	327,355
2026	\$ 193,100,872	\$	158,714,840	\$	34,386,032	\$	12.6424	\$ 434,721	\$	(21,736)	\$	412,985	\$	4,857	\$	417,842
2027	\$ 200,824,906	\$	158,714,840	\$	42,110,066	\$	12.6424	\$ 532,371	\$	(26,619)	\$	505,752	\$	6,195	\$	511,947
2028	\$ 208,857,903	\$	158,714,840	\$	50,143,063	\$	12.6424	\$ 633,927	\$	(31,696)	\$	602,231	\$	7,586	\$	609,817
2029	\$ 217,212,219	\$	158,714,840	\$	58,497,379	\$	12.6424	\$ 739,545	\$	(36,977)	\$	702,568	\$	9,033	\$	711,602
2030	\$ 225,900,706	\$	158,714,840	\$	67,185,866	\$	12.6424	\$ 849,388	\$	(42,469)	\$	806,919	\$	10,539	\$	817,458
2031	\$ 234,936,735	\$	158,714,840	\$	76,221,895	\$	12.6424	\$ 963,625	\$	(48,181)	\$	915,444	\$	12,104	\$	927,548
2032	\$ 244,334,204	\$	158,714,840	\$	85,619,364	\$	12.6424	\$ 1,082,432	\$	(54,122)	\$	1,028,310	\$	13,732	\$	1,042,042
2033	\$ 254,107,574	\$	158,714,840	\$	95,392,734	\$	12.6424	\$ 1,205,990	\$	(60,300)	\$	1,145,691	\$	15,425	\$	1,161,115
2034	\$ 264,271,877	\$	158,714,840	\$	105,557,037	\$	12.6424	\$ 1,334,491	\$	(66,725)	\$	1,267,766	\$	17,185	\$	1,284,952
2035	\$ 274,842,750	\$	158,714,840	\$	116,127,910	\$	12.6424	\$ 1,468,132	\$	(73,407)	\$	1,394,725	\$	19,017	\$	1,413,742
2036	\$ 285,836,461	\$	158,714,840	\$	127,121,621	\$	12.6424	\$ 1,607,118	\$	(80,356)	\$	1,526,762	\$	20,921	\$	1,547,683
2037	\$ 297,269,919	\$	158,714,840	\$	138,555,079	\$	12.6424	\$ 1,751,664	\$	(87,583)	\$	1,664,081	\$	22,901	\$	1,686,983
2038	\$ 309,160,716	\$	158,714,840	\$	150,445,876	\$	12.6424	\$ 1,901,992	\$	(95,100)	\$	1,806,893	\$	24,961	\$	1,831,854
2039	\$ 321,527,143	\$	158,714,840	\$	162,812,303	\$	12.6424	\$ 2,058,333	\$	(102,917)	\$	1,955,416	\$	27,103	\$	1,982,520
2040	\$ 334,388,228	\$	158,714,840	\$	175,673,388	\$	12.6424	\$ 2,220,928	\$	(111,046)	\$	2,109,881	\$	29,331	\$	2,139,213
2041	\$ 347,763,757	\$	158,714,840	\$	189,048,917	\$	12.6424	\$ 2,390,026	\$	(119,501)	\$	2,270,525	\$	31,648	\$	2,302,173
2042	\$ 361,674,306	\$	158,714,840	\$	202,959,466	\$	12.6424	\$ 2,565,888	\$	(128,294)	\$	2,437,594	\$	34,058	\$	2,471,652
2043	\$ 376,141,278	\$	158,714,840	\$	217,426,438	\$	12.6424	\$ 2,748,785	\$	(137,439)	\$	2,611,346	\$	36,564	\$	2,647,910
2044	\$ 391,186,930	\$	158,714,840	\$	232,472,090	\$	12.6424	\$ 2,938,998	\$	(146,950)	\$	2,792,048	\$	39,170	\$	2,831,218
2045	\$ 406,834,407	\$	158,714,840	\$	248,119,567	\$	12.6424	\$ 3,136,819	\$	(156,841)	\$	2,979,978	\$	41,881	\$	3,021,859
2046	\$ 423,107,783	\$	158,714,840	\$	264,392,943	\$	12.6424	\$ 3,342,553	\$	(167,128)	\$	3,175,425	\$	44,700	\$	3,220,125
2047	\$ 440,032,094	\$	158,714,840	\$	281,317,254	\$	12.6424	\$ 3,556,516	\$	(177,826)	\$	3,378,691	\$	47,631	\$	3,426,322
2048	\$ 457,633,377	\$	158,714,840	\$	298,918,537	\$	12.6424	\$ 3,779,038	\$	(188,952)	\$	3,590,086	\$	50,680	\$	3,640,767
2049	\$ 475,938,711	\$	158,714,840	\$	317,223,871	\$	12.6424	\$ 4,010,461	\$	(200,523)	\$	3,809,938	\$	53,851	\$	3,863,789
2050	\$ 494,976,261	\$	158,714,840	\$	336,261,421	\$	12.6424	\$ 4,251,141	\$	(212,557)	\$	4,038,584	\$	57,149	\$	4,095,733
2051	\$ 514,775,312	\$	158,714,840	\$	356,060,472	\$	12.6424	\$ 4,501,448	\$	(225,072)	\$	4,276,375	\$	60,579	\$	4,336,954
2052	\$ 535,366,324	\$	158,714,840	\$	376,651,484	\$	12.6424	\$ 4,761,767	\$	(238,088)	\$	4,523,678	\$	64,146	\$	4,587,824
Total								\$ 61,523,201	\$	(3,076,160)	\$	58,447,041	\$	808,850	\$	59,255,892

Source: Tiberius Solutions

21 | Newberg Urban Renewal Feasibility Study

			Y	amhill County	Y	amhill County			Т	ualatin Valley	Ch	ehalem Park &		
		Yamhill County	Ex	tension Service		Soil & Water	Ci	ity of Newberg	F	ire & Rescue		Recreation		Subtotal
EVE		Permanent		Permanent		Permanent		Permanent		Permanent		Permanent		Gen Govt
	2023	\$ (31.712)	\$	(552)	\$	(436)	\$	(28.429)	\$	(18 765)	\$	(11 167)	\$	(91.062)
	2023	\$ (49,002)	\$	(854)	Ψ \$	(673)	φ \$	(43,929)	Ψ \$	(10,700)	Ψ \$	(17,255)	\$	(140,709)
	2025	\$ (66,741)	\$	(1,163)	\$	(917)	\$	(59,831)	\$	(39,493)	\$	(23,501)	\$	(191,645)
	2026	\$ (85,189)	\$	(1,484)	\$	(1.170)	\$	(76.370)	\$	(50,409)	\$	(29,997)	\$	(244.619)
	2027	\$ (104.375)	\$	(1,818)	\$	(1,434)	\$	(93,570)	\$	(61,762)	\$	(36,753)	\$	(299.711)
	2028	\$ (124,328)	\$	(2,166)	\$	(1,708)	\$	(111,457)	\$	(73,570)	\$	(43,779)	\$	(357,007)
	2029	\$ (145,080)	\$	(2,527)	\$	(1,993)	\$	(130,061)	\$	(85,849)	\$	(51,086)	\$	(416,596)
	2030	\$ (166,662)	\$	(2,903)	\$	(2,289)	\$	(149,408)	\$	(98,620)	\$	(58,686)	\$	(478,567)
	2031	\$ (189,107)	\$	(3,294)	\$	(2,597)	\$	(169,530)	\$	(111,901)	\$	(66,589)	\$	(543,018)
	2032	\$ (212,449)	\$	(3,701)	\$	(2,918)	\$	(190,456)	\$	(125,714)	\$	(74,809)	\$	(610,046)
	2033	\$ (236,726)	\$	(4,124)	\$	(3,251)	\$	(212,219)	\$	(140,079)	\$	(83,357)	\$	(679,756)
	2034	\$ (261,973)	\$	(4,564)	\$	(3,598)	\$	(234,853)	\$	(155,019)	\$	(92,247)	\$	(752,254)
	2035	\$ (288,231)	\$	(5,021)	\$	(3,959)	\$	(258,392)	\$	(170,557)	\$	(101,493)	\$	(827,652)
	2036	\$ (315,538)	\$	(5,497)	\$	(4,334)	\$	(282,873)	\$	(186,716)	\$	(111,109)	\$	(906,066)
	2037	\$ (343,939)	\$	(5,991)	\$	(4,724)	\$	(308,333)	\$	(203,521)	\$	(121,109)	\$	(987,616)
	2038	\$ (373,475)	\$	(6,506)	\$	(5,129)	\$	(334,811)	\$	(220,998)	\$	(131,509)	\$	(1,072,429)
	2039	\$ (404, 192)	\$	(7,041)	\$	(5,551)	\$	(362,349)	\$	(239,175)	\$	(142,326)	\$	(1,160,634)
	2040	\$ (436,138)	\$	(7,598)	\$	(5,990)	\$	(390,988)	\$	(258,079)	\$	(153,575)	\$	(1,252,367)
	2041	\$ (469,362)	\$	(8,176)	\$	(6,446)	\$	(420,772)	\$	(277,739)	\$	(165,274)	\$	(1,347,770)
	2042	\$ (503,915)	\$	(8,778)	\$	(6,921)	\$	(451,748)	\$	(298,185)	\$	(177,441)	\$	(1,446,988)
	2043	\$ (539,850)	\$	(9,404)	\$	(7,414)	\$	(483,963)	\$	(319,449)	\$	(190,094)	\$	(1,550,176)
	2044	\$ (577,223)	\$	(10,055)	\$	(7,928)	\$	(517,467)	\$	(341,564)	\$	(203,254)	\$	(1,657,490)
	2045	\$ (616,090)	\$	(10,732)	\$	(8,462)	\$	(552,311)	\$	(364,563)	\$	(216,940)	\$	(1,769,098)
	2046	\$ (656,512)	\$	(11,436)	\$	(9,017)	\$	(588,548)	\$	(388,482)	\$	(231,174)	\$	(1,885,170)
	2047	\$ (698,551)	\$	(12,169)	\$	(9,594)	\$	(626,235)	\$	(413,358)	\$	(245,977)	\$	(2,005,884)
	2048	\$ (742,272)	\$	(12,930)	\$	(10,195)	\$	(665,429)	\$	(439,229)	\$	(261,372)	\$	(2,131,427)
	2049	\$ (787,741)	\$	(13,722)	\$	(10,819)	\$	(706,192)	\$	(466,135)	\$	(277,383)	\$	(2,261,992)
	2050	\$ (835,030)	\$	(14,546)	\$	(11,469)	\$	(748,584)	\$	(494,117)	\$	(294,034)	\$	(2,397,780)
	2051	\$ (884,209)	\$	(15,403)	\$	(12,144)	\$	(792,673)	\$	(523,219)	\$	(311,351)	\$	(2,538,999)
	2052	\$ (935,356)	<b>Ş</b>	(16,294)	<b>\$</b>	(12,846)	<b>\$</b>	(838,525)	<b>\$</b>	(553,484)	<b>\$</b>	(329,361)	<b>\$</b>	(2,685,867)
Total		\$ (12,080,969)	\$	(210,450)	\$	(165,923)	\$	(10,830,306)	\$	(7,148,746)	\$	(4,254,001)	\$	(34,690,395)

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Source: Tiberius Solutions

#### Table 12 - Impacts to Taxing Districts, Education 4%

			SD 29J	F	Willamette Regional ESD		Portland Community College		Subtotal		Total
EVE			Permanent		Permanent		Permanent	Education		G	Gen
	2023	¢	(57 354)	¢	(3.650)	¢	(3 479)	¢	(64, 484)	¢	(155 546)
	2023	Ψ \$	(88,624)	Ψ ¢	(5,050)	Ψ \$	(5,479)	φ \$	(04,404)	Ψ ¢	(240 350)
	2025	\$	(120,705)	Ф \$	(7,683)	\$	(7, 323)	\$	(135 711)	\$	(327,356)
	2026	\$	(154,070)	\$	(9,806)	\$	(9,347)	\$	(173,223)	\$	(417,842)
	2027	÷ \$	(188,769)	\$	(12,015)	÷ \$	(11,452)	\$	(212,236)	\$	(511,947)
	2028	\$	(224,857)	\$	(14,312)	\$	(13,641)	\$	(252,810)	\$	(609.817)
	2029	\$	(262.388)	\$	(16,700)	\$	(15,918)	\$	(295.006)	\$	(711.602)
	2030	\$	(301,420)	\$	(19,185)	\$	(18,286)	\$	(338,890)	\$	(817,458)
	2031	\$	(342,013)	\$	(21,768)	\$	(20,749)	\$	(384,530)	\$	(927,548)
	2032	\$	(384,230)	\$	(24,455)	\$	(23,310)	\$	(431,995)	\$	(1,042,042)
	2033	\$	(428,136)	\$	(27,250)	\$	(25,973)	\$	(481,359)	\$	(1,161,115)
	2034	\$	(473,798)	\$	(30,156)	\$	(28,743)	\$	(532,698)	\$	(1,284,952)
	2035	\$	(521,287)	\$	(33,179)	\$	(31,624)	\$	(586,090)	\$	(1,413,742)
	2036	\$	(570,675)	\$	(36,322)	\$	(34,620)	\$	(641,617)	\$	(1,547,683)
	2037	\$	(622,038)	\$	(39,591)	\$	(37,737)	\$	(699,366)	\$	(1,686,983)
	2038	\$	(675,456)	\$	(42,991)	\$	(40,977)	\$	(759,425)	\$	(1,831,854)
	2039	\$	(731,011)	\$	(46,527)	\$	(44,347)	\$	(821,886)	\$	(1,982,520)
	2040	\$	(788,788)	\$	(50,205)	\$	(47,853)	\$	(886,845)	\$	(2,139,213)
	2041	\$	(848,877)	\$	(54,029)	\$	(51,498)	\$	(954,403)	\$	(2,302,173)
	2042	\$	(911,368)	\$	(58,006)	\$	(55,289)	\$	(1,024,664)	\$	(2,471,652)
	2043	\$	(976,359)	\$	(62,143)	\$	(59,232)	\$	(1,097,734)	\$	(2,647,910)
	2044	\$	(1,043,950)	\$	(66,445)	\$	(63,332)	\$	(1,173,728)	\$	(2,831,218)
	2045	\$	(1,114,245)	\$	(70,919)	\$	(67,597)	\$	(1,252,761)	\$	(3,021,859)
	2046	\$	(1,187,351)	\$	(75,572)	\$	(72,032)	\$	(1,334,955)	\$	(3,220,125)
	2047	\$	(1,263,382)	\$	(80,411)	\$	(76,644)	\$	(1,420,438)	\$	(3,426,322)
	2048	\$	(1,342,454)	\$	(85,444)	\$	(81,441)	\$	(1,509,339)	\$	(3,640,767)
	2049	\$	(1,424,689)	\$	(90,678)	\$	(86,430)	\$	(1,601,797)	\$	(3,863,789)
	2050	\$	(1,510,213)	\$	(96, 122)	\$	(91,618)	\$	(1,697,953)	\$	(4,095,733)
	2051	\$	(1,599,158)	\$	(101,783)	\$	(97,014)	\$	(1,797,955)	\$	(4,336,954)
	2052	<b>\$</b>	(1,691,661)	<b>\$</b>	(107,670)	<b>\$</b>	(102,626)	<b>\$</b>	(1,901,957)	<b>\$</b>	(4,587,824)
Total		\$	(21,849,329)	\$	(1,390,659)	\$	(1,325,508)	\$	(24,565,496)	\$	(59,255,892)

Source: Tiberius Solutions

Note that the foregone revenue for the School District and Education Service District does not have a direct impact on school funding, as funding is equalized at the State level.

#### Table 13- Projected TIF Revenues over a 30 Year Period – 5% Growth

	A	sse	essed Value					Tax Increment Finance									
						Ī											
												Net	t TIF (Current	Ne	et TIF (Prior		
FYE	Total	F	Frozen Base	Inc	rement - Used	Т	ax Rate		Gross TIF	Α	djustments		Year)		Year)	N	et TIF (Total)
2023	\$ 181,761,458	\$	161,767,051	\$	19,994,407	\$	12.6424	\$	252,777	\$	(12,639)	\$	240,138	\$	-	\$	240,138
2024	\$ 192,667,145	\$	161,767,051	\$	30,900,094	\$	12.6424	\$	390,650	\$	(19,533)	\$	371,118	\$	3,602	\$	374,720
2025	\$ 204,227,173	\$	161,767,051	\$	42,460,122	\$	12.6424	\$	536,797	\$	(26,840)	\$	509,957	\$	5,567	\$	515,523
2026	\$ 216,480,803	\$	161,767,051	\$	54,713,752	\$	12.6424	\$	691,711	\$	(34,586)	\$	657,126	\$	7,649	\$	664,775
2027	\$ 229,469,651	\$	161,767,051	\$	67,702,600	\$	12.6424	\$	855,921	\$	(42,796)	\$	813,125	\$	9,857	\$	822,982
2028	\$ 243,237,831	\$	161,767,051	\$	81,470,780	\$	12.6424	\$	1,029,984	\$	(51,499)	\$	978,484	\$	12,197	\$	990,681
2029	\$ 257,832,101	\$	161,767,051	\$	96,065,050	\$	12.6424	\$	1,214,490	\$	(60,724)	\$	1,153,765	\$	14,677	\$	1,168,443
2030	\$ 273,302,028	\$	161,767,051	\$	111,534,977	\$	12.6424	\$	1,410,066	\$	(70,503)	\$	1,339,563	\$	17,306	\$	1,356,869
2031	\$ 289,700,150	\$	161,767,051	\$	127,933,099	\$	12.6424	\$	1,617,377	\$	(80,869)	\$	1,536,509	\$	20,093	\$	1,556,602
2032	\$ 307,082,160	\$	161,767,051	\$	145,315,109	\$	12.6424	\$	1,837,127	\$	(91,856)	\$	1,745,271	\$	23,048	\$	1,768,318
2033	\$ 325,507,088	\$	161,767,051	\$	163,740,037	\$	12.6424	\$	2,070,062	\$	(103,503)	\$	1,966,559	\$	26,179	\$	1,992,738
2034	\$ 345,037,513	\$	161,767,051	\$	183,270,462	\$	12.6424	\$	2,316,973	\$	(115,849)	\$	2,201,124	\$	29,498	\$	2,230,622
2035	\$ 365,739,764	\$	161,767,051	\$	203,972,713	\$	12.6424	\$	2,578,698	\$	(128,935)	\$	2,449,763	\$	33,017	\$	2,482,780
2036	\$ 387,684,149	\$	161,767,051	\$	225,917,098	\$	12.6424	\$	2,856,127	\$	(142,806)	\$	2,713,321	\$	36,746	\$	2,750,067
2037	\$ 410,945,198	\$	161,767,051	\$	249,178,147	\$	12.6424	\$	3,150,202	\$	(157,510)	\$	2,992,692	\$	40,700	\$	3,033,392
2038	\$ 435,601,910	\$	161,767,051	\$	273,834,859	\$	12.6424	\$	3,461,921	\$	(173,096)	\$	3,288,825	\$	44,890	\$	3,333,715
2039	\$ 461,738,024	\$	161,767,051	\$	299,970,973	\$	12.6424	\$	3,792,344	\$	(189,617)	\$	3,602,726	\$	49,332	\$	3,652,059
2040	\$ 489,442,305	\$	161,767,051	\$	327,675,254	\$	12.6424	\$	4,142,591	\$	(207,130)	\$	3,935,462	\$	54,041	\$	3,989,503
2041	\$ 518,808,843	\$	161,767,051	\$	357,041,792	\$	12.6424	\$	4,513,854	\$	(225,693)	\$	4,288,161	\$	59,032	\$	4,347,193
2042	\$ 549,937,373	\$	161,767,051	\$	388,170,322	\$	12.6424	\$	4,907,392	\$	(245,370)	\$	4,662,023	\$	64,322	\$	4,726,345
2043	\$ 582,933,616	\$	161,767,051	\$	421,166,565	\$	12.6424	\$	5,324,543	\$	(266,227)	\$	5,058,316	\$	69,930	\$	5,128,246
2044	\$ 617,909,633	\$	161,767,051	\$	456,142,582	\$	12.6424	\$	5,766,723	\$	(288,336)	\$	5,478,386	\$	75,875	\$	5,554,261
2045	\$ 654,984,209	\$	161,767,051	\$	493,217,158	\$	12.6424	\$	6,235,433	\$	(311,772)	\$	5,923,661	\$	82,176	\$	6,005,837
2046	\$ 694,283,262	\$	161,767,051	\$	532,516,211	\$	12.6424	\$	6,732,266	\$	(336,613)	\$	6,395,653	\$	88,855	\$	6,484,508
2047	\$ 735,940,257	\$	161,767,051	\$	574,173,206	\$	12.6424	\$	7,258,909	\$	(362,945)	\$	6,895,964	\$	95,935	\$	6,991,899
2048	\$ 780,096,672	\$	161,767,051	\$	618,329,621	\$	12.6424	\$	7,817,151	\$	(390,858)	\$	7,426,293	\$	103,439	\$	7,529,733
2049	\$ 826,902,473	\$	161,767,051	\$	665,135,422	\$	12.6424	\$	8,408,887	\$	(420,444)	\$	7,988,443	\$	111,394	\$	8,099,837
2050	\$ 876,516,621	\$	161,767,051	\$	714,749,570	\$	12.6424	\$	9,036,127	\$	(451,806)	\$	8,584,321	\$	119,827	\$	8,704,148
2051	\$ 929,107,618	\$	161,767,051	\$	767,340,567	\$	12.6424	\$	9,701,002	\$	(485,050)	\$	9,215,952	\$	128,765	\$	9,344,717
2052	\$ 984,854,075	\$	161,767,051	\$	823,087,024	\$	12.6424	\$	10,405,769	\$	(520,288)	\$	9,885,481	\$	138,239	\$	10,023,720
Total								\$	120,313,875	\$	(6,015,694)	\$	114,298,181	\$	1,566,191	\$	115,864,371

Source: Tiberius Solutions

24 | Newberg Urban Renewal Feasibility Study

2023 \$ 2024 \$ 2025 \$ 2026 \$ 2027 \$ 2028 \$ 2029 \$	(40,218) (62,451) (85,486) (109,673) (135,069) (161,736) (189,735) (219,135) (250,004)	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(701) (1,088) (1,489) (1,911) (2,353) (2,817) (3,305)	\$ \$ \$ \$ \$ \$ \$ \$	(552) (858) (1,174) (1,506) (1,955)	\$ \$ \$ \$	(36,054) (55,985) (76,636)	\$ \$	(23,798) (36,954)	\$ \$	(14,162) (21,990)	\$	(115,485) (179,326)
2024 \$ 2025 \$ 2026 \$ 2027 \$ 2028 \$ 2029 \$	(62,451) (85,486) (109,673) (135,069) (161,736) (189,735) (219,135) (250,004)	\$ \$ \$ \$ \$ \$ \$	(1,088) (1,489) (1,911) (2,353) (2,817) (3,305)	\$ \$ \$ \$	(858) (1,174) (1,506)	\$ \$ \$	(55,985) (76,636)	\$ ¢	(36,954)	\$	(21,990)	\$	(179,326)
2025 \$ 2026 \$ 2027 \$ 2028 \$ 2029 \$	(85,486) (109,673) (135,069) (161,736) (189,735) (219,135) (250,004)	\$ \$ \$ \$ \$	(1,489) (1,911) (2,353) (2,817) (3,305)	\$ \$ \$ \$	(1,174) (1,506)	\$ \$	(76,636)	¢	(50 505)	•		۰ ۲	
2026 \$ 2027 \$ 2028 \$ 2029 \$	(109,673) (135,069) (161,736) (189,735) (219,135) (250,004)	\$ \$ \$ \$	(1,911) (2,353) (2,817) (3,305)	\$ \$ \$	(1,506)	\$		Ф	(50,585)	\$	(30,102)	Ф	(245,472)
2027 \$ 2028 \$ 2029 \$	(135,069) (161,736) (189,735) (219,135) (250,004)	\$ \$ \$	(2,353) (2,817) (3,305)	\$ \$	(1 055)	Ψ	(98,319)	\$	(64,897)	\$	(38,619)	\$	(314,925)
2028 \$	(161,736) (189,735) (219,135) (250,004)	\$ \$ \$	(2,817)	\$	(1,855)	\$	(121,087)	\$	(79,925)	\$	(47,561)	\$	(387,851)
2029 \$	(189,735) (219,135) (250,004)	\$ \$	(3.305)		(2,221)	\$	(144,992)	\$	(95,705)	\$	(56,951)	\$	(464,422)
2020 φ	(219,135) (250,004)	\$	(-,)	\$	(2,606)	\$	(170,093)	\$	(112,273)	\$	(66,810)	\$	(544,823)
2030 \$	(250,004)		(3,817)	\$	(3,010)	\$	(196,449)	\$	(129,670)	\$	(77,163)	\$	(629,243)
2031 \$	·	\$	(4,355)	\$	(3,434)	\$	(224,123)	\$	(147,937)	\$	(88,033)	\$	(717,885)
2032 \$	(282,417)	\$	(4,920)	\$	(3,879)	\$	(253,180)	\$	(167,117)	\$	(99,446)	\$	(810,959)
2033 \$	(316,451)	\$	(5,513)	\$	(4,346)	\$	(283,691)	\$	(187,255)	\$	(111,430)	\$	(908,686)
2034 \$	(352,186)	\$	(6,135)	\$	(4,837)	\$	(315,727)	\$	(208,401)	\$	(124,013)	\$	(1,011,300)
2035 \$	(389,708)	\$	(6,789)	\$	(5,352)	\$	(349,364)	\$	(230,605)	\$	(137,226)	\$	(1,119,044)
2036 \$	(429,106)	\$	(7,475)	\$	(5,893)	\$	(384,684)	\$	(253,918)	\$	(151,099)	\$	(1,232,175)
2037 \$	(470,475)	\$	(8,196)	\$	(6,462)	\$	(421,769)	\$	(278,397)	\$	(165,665)	\$	(1,350,964)
2038 \$	(513,911)	\$	(8,952)	\$	(7,058)	\$	(460,709)	\$	(304,100)	\$	(180,961)	\$	(1,475,691)
2039 \$	(559,519)	\$	(9,747)	\$	(7,685)	\$	(501,596)	\$	(331,088)	\$	(197,020)	\$	(1,606,655)
2040 \$	(607,408)	\$	(10,581)	\$	(8,342)	\$	(544,527)	\$	(359,425)	\$	(213,883)	\$	(1,744,167)
2041 \$	(657,691)	\$	(11,457)	\$	(9,033)	\$	(589,605)	\$	(389,180)	\$	(231,589)	\$	(1,888,555)
2042 \$	(710,489)	\$	(12,377)	\$	(9,758)	\$	(636,936)	\$	(420,422)	\$	(250,180)	\$	(2,040,162)
2043 \$	(765,926)	\$	(13,342)	\$	(10,519)	\$	(686,635)	\$	(453,226)	\$	(269,701)	\$	(2,199,349)
2044 \$	(824,135)	\$	(14,356)	\$	(11,319)	\$	(738,818)	\$	(487,670)	\$	(290,198)	\$	(2,366,496)
2045 \$	(885,255)	\$	(15,421)	\$	(12,158)	\$	(793,610)	\$	(523,837)	\$	(311,719)	\$	(2,542,000)
2046 \$	(949,430)	\$	(16,539)	\$	(13,040)	\$	(851,142)	\$	(561,812)	\$	(334,317)	\$	(2,726,280)
2047 \$	(1,016,814)	\$	(17,713)	\$	(13,965)	\$	(911,550)	\$	(601,686)	\$	(358,045)	\$	(2,919,773)
2048 \$	(1,087,568)	\$	(18,945)	\$	(14,937)	\$	(974,979)	\$	(643,553)	\$	(382,959)	\$	(3,122,941)
2049 \$	(1,161,859)	\$	(20,240)	\$	(15,957)	\$	(1,041,579)	\$	(687,514)	\$	(409,119)	\$	(3,336,268)
2050 \$	(1,239,865)	\$	(21,598)	\$	(17,029)	\$	(1,111,510)	\$	(733,673)	\$	(436,586)	\$	(3,560,260)
2051 \$	(1,321,771)	\$	(23,025)	\$	(18,154)	\$	(1,184,936)	\$	(782,140)	\$	(465,427)	\$	(3,795,453)
2052 \$	(1,407,772)	\$	(24,523)	\$	(19,335)	\$	(1,262,035)	\$	(833,030)	\$	(495,711)	\$	(4,042,405)
Total \$ (	17,203,263)	\$	(299,680)	\$	(236,274)	\$	(15,422,321)	\$	(10,179,793)	\$	(6,057,684)	\$	(49,399,015)

#### Table 14- Impacts to Taxing Districts, General Government 5%

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Table 15 - Impacts to Taxing Districts, Education 5%

FYE		SD 29J Permanent	F	Willamette Regional ESD Permanent	Portland Community College Permanent	Subtotal Education	G	Total ovt/Education
	2023	\$ (72,737)	\$	(4,630)	\$ (4,413)	\$ (81,779)	\$	(197,265)
	2024	\$ (112,947)	\$	(7,189)	\$ (6,852)	\$ (126,987)	\$	(306,314)
	2025	\$ (154,608)	\$	(9,840)	\$ (9,379)	\$ (173,827)	\$	(419,299)
	2026	\$ (198,352)	\$	(12,625)	\$ (12,033)	\$ (223,010)	\$	(537,934)
	2027	\$ (244,283)	\$	(15,548)	\$ (14,820)	\$ (274,651)	\$	(662,501)
	2028	\$ (292,511)	\$	(18,618)	\$ (17,745)	\$ (328,874)	\$	(793,296)
	2029	\$ (343,150)	\$	(21,841)	\$ (20,818)	\$ (385,808)	\$	(930,631)
	2030	\$ (396,321)	\$	(25,225)	\$ (24,043)	\$ (445,590)	\$	(1,074,833)
	2031	\$ (452,151)	\$	(28,778)	\$ (27,430)	\$ (508,360)	\$	(1,226,245)
	2032	\$ (510,773)	\$	(32,509)	\$ (30,986)	\$ (574,268)	\$	(1,385,227)
	2033	\$ (572,325)	\$	(36,427)	\$ (34,721)	\$ (643,473)	\$	(1,552,159)
	2034	\$ (636,955)	\$	(40,541)	\$ (38,641)	\$ (716,137)	\$	(1,727,437)
	2035	\$ (704,816)	\$	(44,860)	\$ (42,758)	\$ (792,435)	\$	(1,911,478)
	2036	\$ (776,071)	\$	(49,395)	\$ (47,081)	\$ (872,547)	\$	(2,104,722)
	2037	\$ (850,888)	\$	(54,157)	\$ (51,620)	\$ (956,665)	\$	(2,307,629)
	2038	\$ (929,446)	\$	(59,157)	\$ (56,386)	\$ (1,044,989)	\$	(2,520,680)
	2039	\$ (1,011,932)	\$	(64,407)	\$ (61,390)	\$ (1,137,729)	\$	(2,744,384)
	2040	\$ (1,098,543)	\$	(69,920)	\$ (66,644)	\$ (1,235,106)	\$	(2,979,274)
	2041	\$ (1,189,484)	\$	(75,708)	\$ (72,161)	\$ (1,337,353)	\$	(3,225,907)
	2042	\$ (1,284,972)	\$	(81,785)	\$ (77,954)	\$ (1,444,711)	\$	(3,484,873)
	2043	\$ (1,385,234)	\$	(88,167)	\$ (84,036)	\$ (1,557,437)	\$	(3,756,787)
	2044	\$ (1,490,509)	\$	(94,867)	\$ (90,423)	\$ (1,675,800)	\$	(4,042,296)
	2045	\$ (1,601,048)	\$	(101,903)	\$ (97,129)	\$ (1,800,080)	\$	(4,342,081)
	2046	\$ (1,717,115)	\$	(109,290)	\$ (104,170)	\$ (1,930,575)	\$	(4,656,855)
	2047	\$ (1,838,984)	\$	(117,047)	\$ (111,564)	\$ (2,067,595)	\$	(4,987,368)
	2048	\$ (1,966,947)	\$	(125,192)	\$ (119,327)	\$ (2,211,465)	\$	(5,334,406)
	2049	\$ (2,101,308)	\$	(133,743)	\$ (127,478)	\$ (2,362,529)	\$	(5,698,797)
	2050	\$ (2,242,387)	\$	(142,723)	\$ (136,036)	\$ (2,521,146)	\$	(6,081,407)
	2051	\$ (2,390,520)	\$	(152,151)	\$ (145,023)	\$ (2,687,694)	\$	(6,483,147)
	2052	\$ (2,546,060)	\$	(162,051)	\$ (154,459)	\$ (2,862,570)	\$	(6,904,975)
Total		\$ (31,113,377)	\$	(1,980,294)	\$ (1,887,520)	\$ (34,981,191)	\$	(84,380,207)

Source: Tiberius Solutions Note that the foregone revenue for the School District and Education Service District does not have a direct impact on school funding, as funding is equalized at the State level.

Table 16- Projected TIF Revenues over a 30 Year Period – 6% Growth

		A	sse	essed Value					Tax Increment Finance									
													Ne	et TIF (Current	N	et TIF (Prior		
FYE		Total	F	Frozen Base	Inc	rement - Used	-	Tax Rate		Gross TIF	A	djustments		Year)		Year)	Ne	et TIF (Total)
2023	\$	181,761,458	\$	161,767,051	\$	19,994,407	\$	12.6424	\$	252,777	\$	(12,639)	\$	240,138	\$	-	\$	240,138
2024	\$	192,667,145	\$	161,767,051	\$	30,900,094	\$	12.6424	\$	390,650	\$	(19,533)	\$	371,118	\$	3,602	\$	374,720
2025	\$	204,227,173	\$	161,767,051	\$	42,460,122	\$	12.6424	\$	536,797	\$	(26,840)	\$	509,957	\$	5,567	\$	515,523
2026	\$	216,480,803	\$	161,767,051	\$	54,713,752	\$	12.6424	\$	691,711	\$	(34,586)	\$	657,126	\$	7,649	\$	664,775
2027	\$	229,469,651	\$	161,767,051	\$	67,702,600	\$	12.6424	\$	855,921	\$	(42,796)	\$	813,125	\$	9,857	\$	822,982
2028	\$	243,237,831	\$	161,767,051	\$	81,470,780	\$	12.6424	\$	1,029,984	\$	(51,499)	\$	978,484	\$	12,197	\$	990,681
2029	\$	257,832,101	\$	161,767,051	\$	96,065,050	\$	12.6424	\$	1,214,490	\$	(60,724)	\$	1,153,765	\$	14,677	\$	1,168,443
2030	\$	273,302,028	\$	161,767,051	\$	111,534,977	\$	12.6424	\$	1,410,066	\$	(70,503)	\$	1,339,563	\$	17,306	\$	1,356,869
2031	\$	289,700,150	\$	161,767,051	\$	127,933,099	\$	12.6424	\$	1,617,377	\$	(80,869)	\$	1,536,509	\$	20,093	\$	1,556,602
2032	\$	307,082,160	\$	161,767,051	\$	145,315,109	\$	12.6424	\$	1,837,127	\$	(91,856)	\$	1,745,271	\$	23,048	\$	1,768,318
2033	\$	325,507,088	\$	161,767,051	\$	163,740,037	\$	12.6424	\$	2,070,062	\$	(103,503)	\$	1,966,559	\$	26,179	\$	1,992,738
2034	\$	345,037,513	\$	161,767,051	\$	183,270,462	\$	12.6424	\$	2,316,973	\$	(115,849)	\$	2,201,124	\$	29,498	\$	2,230,622
2035	\$	365,739,764	\$	161,767,051	\$	203,972,713	\$	12.6424	\$	2,578,698	\$	(128,935)	\$	2,449,763	\$	33,017	\$	2,482,780
2036	\$	387,684,149	\$	161,767,051	\$	225,917,098	\$	12.6424	\$	2,856,127	\$	(142,806)	\$	2,713,321	\$	36,746	\$	2,750,067
2037	\$	410,945,198	\$	161,767,051	\$	249,178,147	\$	12.6424	\$	3,150,202	\$	(157,510)	\$	2,992,692	\$	40,700	\$	3,033,392
2038	\$	435,601,910	\$	161,767,051	\$	273,834,859	\$	12.6424	\$	3,461,921	\$	(173,096)	\$	3,288,825	\$	44,890	\$	3,333,715
2039	\$	461,738,024	\$	161,767,051	\$	299,970,973	\$	12.6424	\$	3,792,344	\$	(189,617)	\$	3,602,726	\$	49,332	\$	3,652,059
2040	\$	489,442,305	\$	161,767,051	\$	327,675,254	\$	12.6424	\$	4,142,591	\$	(207,130)	\$	3,935,462	\$	54,041	\$	3,989,503
2041	\$	518,808,843	\$	161,767,051	\$	357,041,792	\$	12.6424	\$	4,513,854	\$	(225,693)	\$	4,288,161	\$	59,032	\$	4,347,193
2042	\$	549,937,373	\$	161,767,051	\$	388,170,322	\$	12.6424	\$	4,907,392	\$	(245,370)	\$	4,662,023	\$	64,322	\$	4,726,345
2043	\$	582,933,616	\$	161,767,051	\$	421,166,565	\$	12.6424	\$	5,324,543	\$	(266,227)	\$	5,058,316	\$	69,930	\$	5,128,246
2044	\$	617,909,633	\$	161,767,051	\$	456,142,582	\$	12.6424	\$	5,766,723	\$	(288,336)	\$	5,478,386	\$	75,875	\$	5,554,261
2045	\$	654,984,209	\$	161,767,051	\$	493,217,158	\$	12.6424	\$	6,235,433	\$	(311,772)	\$	5,923,661	\$	82,176	\$	6,005,837
2046	\$	694,283,262	\$	161,767,051	\$	532,516,211	\$	12.6424	\$	6,732,266	\$	(336,613)	\$	6,395,653	\$	88,855	\$	6,484,508
2047	\$	735,940,257	\$	161,767,051	\$	574,173,206	\$	12.6424	\$	7,258,909	\$	(362,945)	\$	6,895,964	\$	95,935	\$	6,991,899
2048	\$	780,096,672	\$	161,767,051	\$	618,329,621	\$	12.6424	\$	7,817,151	\$	(390,858)	\$	7,426,293	\$	103,439	\$	7,529,733
2049	\$	826,902,473	\$	161,767,051	\$	665,135,422	\$	12.6424	\$	8,408,887	\$	(420,444)	\$	7,988,443	\$	111,394	\$	8,099,837
2050	\$	876,516,621	\$	161,767,051	\$	714,749,570	\$	12.6424	\$	9,036,127	\$	(451,806)	\$	8,584,321	\$	119,827	\$	8,704,148
2051	\$	929,107,618	\$	161,767,051	\$	767,340,567	\$	12.6424	\$	9,701,002	\$	(485,050)	\$	9,215,952	\$	128,765	\$	9,344,717
2052	\$	984,854,075	\$	161,767,051	\$	823,087,024	\$	12.6424	\$	10,405,769	\$	(520,288)	\$	9,885,481	\$	138,239	\$	10,023,720
Total									\$	120,313,875	\$	(6,015,694)	\$	114,298,181	\$	1,566,191	\$	115,864,371

Source: Tiberius Solutions

#### Table 17- Impacts to Taxing Districts, General Government 6%

			γ	amhill County	Y	amhill County			Т	ualatin Valley	Ch	ehalem Park &	
		Yamhill County	Ex	tension Service		Soil & Water	Ci	ty of Newberg	F	ire & Rescue		Recreation	Subtotal
FYE		Permanent		Permanent		Permanent		Permanent		Permanent		Permanent	Gen. Govt.
	2023	\$ (48,959)	\$	(853)	\$	(672)	\$	(43,890)	\$	(28,971)	\$	(17,240)	\$ (140,585)
	2024	\$ (76,397)	\$	(1,331)	\$	(1,049)	\$	(68,488)	\$	(45,207)	\$	(26,901)	\$ (219,374)
	2025	\$ (105,104)	\$	(1,831)	\$	(1,444)	\$	(94,223)	\$	(62,194)	\$	(37,010)	\$ (301,805)
	2026	\$ (135,533)	\$	(2,361)	\$	(1,861)	\$	(121,502)	\$	(80,200)	\$	(47,724)	\$ (389,182)
	2027	\$ (167,788)	\$	(2,923)	\$	(2,304)	\$	(150,418)	\$	(99,286)	\$	(59,082)	\$ (481,801)
	2028	\$ (201,978)	\$	(3,518)	\$	(2,774)	\$	(181,069)	\$	(119,518)	\$	(71,121)	\$ (579,978)
	2029	\$ (238,220)	\$	(4,150)	\$	(3,272)	\$	(213,558)	\$	(140,963)	\$	(83,883)	\$ (684,046)
	2030	\$ (276,636)	\$	(4,819)	\$	(3,799)	\$	(247,997)	\$	(163,695)	\$	(97,410)	\$ (794,357)
	2031	\$ (317,357)	\$	(5,528)	\$	(4,359)	\$	(284,503)	\$	(187,792)	\$	(111,749)	\$ (911,287)
	2032	\$ (360,521)	\$	(6,280)	\$	(4,951)	\$	(323,199)	\$	(213,333)	\$	(126,948)	\$ (1,035,233)
	2033	\$ (406,275)	\$	(7,077)	\$	(5,580)	\$	(364,216)	\$	(240,408)	\$	(143,059)	\$ (1,166,616)
	2034	\$ (454,775)	\$	(7,922)	\$	(6,246)	\$	(407,695)	\$	(269,107)	\$	(160,137)	\$ (1,305,882)
	2035	\$ (506,184)	\$	(8,818)	\$	(6,952)	\$	(453,782)	\$	(299,527)	\$	(178,240)	\$ (1,453,503)
	2036	\$ (560,678)	\$	(9,767)	\$	(7,700)	\$	(502,635)	\$	(331,773)	\$	(197,428)	\$ (1,609,982)
	2037	\$ (618,442)	\$	(10,773)	\$	(8,494)	\$	(554,418)	\$	(365,954)	\$	(217,768)	\$ (1,775,850)
	2038	\$ (679,671)	\$	(11,840)	\$	(9,335)	\$	(609,309)	\$	(402,186)	\$	(239,329)	\$ (1,951,669)
	2039	\$ (744,574)	\$	(12,970)	\$	(10,226)	\$	(667,493)	\$	(440,591)	\$	(262,183)	\$ (2,138,038)
	2040	\$ (813,372)	\$	(14,169)	\$	(11,171)	\$	(729,169)	\$	(481,301)	\$	(286,408)	\$ (2,335,589)
	2041	\$ (886,297)	\$	(15,439)	\$	(12,173)	\$	(794,544)	\$	(524,454)	\$	(312,086)	\$ (2,544,993)
	2042	\$ (963,597)	\$	(16,786)	\$	(13,234)	\$	(863,843)	\$	(570,195)	\$	(339,306)	\$ (2,766,962)
	2043	\$ (1,045,536)	\$	(18,213)	\$	(14,360)	\$	(937,299)	\$	(618,682)	\$	(368,159)	\$ (3,002,248)
	2044	\$ (1,132,391)	\$	(19,726)	\$	(15,553)	\$	(1,015,162)	\$	(670,077)	\$	(398,742)	\$ (3,251,652)
	2045	\$ (1,224,458)	\$	(21,330)	\$	(16,817)	\$	(1,097,698)	\$	(724,556)	\$	(431,161)	\$ (3,516,019)
	2046	\$ (1,322,048)	\$	(23,030)	\$	(18,157)	\$	(1,185,185)	\$	(782,304)	\$	(465,525)	\$ (3,796,249)
	2047	\$ (1,425,494)	\$	(24,832)	\$	(19,578)	\$	(1,277,922)	\$	(843,516)	\$	(501,951)	\$ (4,093,293)
	2048	\$ (1,535,146)	\$	(26,742)	\$	(21,084)	\$	(1,376,223)	\$	(908,402)	\$	(540,562)	\$ (4,408,159)
	2049	\$ (1,651,378)	\$	(28,767)	\$	(22,680)	\$	(1,480,422)	\$	(977,180)	\$	(581,490)	\$ (4,741,918)
	2050	\$ (1,774,584)	\$	(30,913)	\$	(24,373)	\$	(1,590,873)	\$	(1,050,085)	\$	(624,874)	\$ (5,095,701)
	2051	\$ (1,905,182)	\$	(33,188)	\$	(26,166)	\$	(1,707,951)	\$	(1,127,365)	\$	(670,860)	\$ (5,470,712)
	2052	\$ (2,043,615)	\$	(35,600)	\$	(28,068)	\$	(1,832,053)	\$	(1,209,281)	\$	(719,606)	\$ (5,868,223)
Total		\$ (23,622,189)	\$	(411,498)	\$	(324,433)	\$	(21,176,739)	\$	(13,978,104)	\$	(8,317,943)	\$ (67,830,907)

Source: Tiberius Solutions

28 | Newberg Urban Renewal Feasibility Study

#### Table 18 - Impacts to Taxing Districts, Education 6%

					Willamette	Portland illamette Community							
			SD 29J	I	Regional ESD		College		Subtotal		Total		
EVE			Pormanont		Dormonont		Dormanant		Education		Gen.		
FTE	0000	•		<b>^</b>	Fernaneni	•	remanent (5.070)	•		G			
	2023	\$ ¢	(88,546)	\$ ¢	(5,636)	\$ ¢	(5,372)	э ¢	(99,553)	\$ ¢	(240,138)		
	2024	¢	(138,170)	¢	(8,794)	¢ ¢	(8,382)	Ъ с	(155,340)	¢ ¢	(374,720)		
	2025	¢	(190,088)	¢	(12,099)	¢ ¢	(11,032)	Ъ с	(213,719)	¢ ¢	(515,523)		
	2020	¢	(245, 121)	¢	(15,601)	¢ ¢	(14,871)	Ъ с	(275,593)	¢ ¢	(004,775)		
	2027	¢ ¢	(303,457)	¢	(19,314)	ф Ф	(18,409)	р с	(341,181)	ъ С	(822,982)		
	2020	¢ ¢	(305,292)	ф Ф	(23,250)	ф Ф	(22, 101)	ф Ф	(410,703)	ф Ф	(990,001)		
	2029	¢ ¢	(430,636)	ф Ф	(21,422)	ው ው	(20, 137)	ф Ф	(404,397)	ф Ф	(1,100,443)		
	2030	¢ ¢	(500,310)	ф Ф	(31,044)	ው ው	(30,352)	ф Ф	(302,312)	ф Ф	(1,330,609)		
	2031	¢ ¢	(573,903)	ф Ф	(30,531)	ф Ф	(34,020)	ф Ф	(040,010)	ф Ф	(1,330,002)		
	2032	φ ¢	(052,029)	φ ¢	(41,500)	φ ¢	(39,550)	ф Ф	(733,003)	ф Ф	(1,700,310)		
	2033	φ Φ	(134,119)	φ ¢	(40,707)	φ ¢	(44,570)	ф Ф	(020, 122)	φ ¢	(1,992,730)		
	2034	φ ¢	(022,494)	φ ¢	(52,330)	φ ¢	(49,097)	φ ¢	(924,741)	φ	(2,230,022)		
	2035	φ ¢	(913,471)	φ ¢	(50,200)	φ ¢	(61,517)	φ Φ	(1,029,277) (1,140,085)	φ ¢	(2,402,700)		
	2000	φ ¢	(1,014,020)	φ ¢	(71 190)	Ψ \$	(67,855)	Ψ ¢	(1,140,000)	φ ¢	(2,730,007)		
	2038	φ \$	(1, 110, 430)	φ \$	(78,238)	Ψ S	(74 573)	Ψ \$	(1,237,042)	φ S	(3,333,715)		
	2039	\$	(1,346,618)	\$	(85,200)	\$	(81 694)	\$	(1,514,021)	\$	(3,652,059)		
	2000	\$	(1,040,010)	\$	(93,628)	\$	(89 242)	\$	(1,653,913)	\$	(3,989,503)		
	2041	\$	(1,602,933)	\$	(102 023)	Ф \$	(97,243)	\$	(1,802,200)	\$	(4,347,193)		
	2042	\$	(1,332,333)	\$	(110,921)	\$	(105, 725)	\$	(1,959,383)	\$	(4,726,345)		
	2043	\$	(1.890.930)	\$	(120.353)	\$	(114,715)	\$	(2,125,998)	\$	(5,128,246)		
	2044	\$	(2.048.014)	\$	(130.351)	\$	(124,245)	\$	(2.302.610)	\$	(5,554,261)		
	2045	\$	(2,214,523)	\$	(140,949)	\$	(134,346)	\$	(2,489,818)	\$	(6,005,837)		
	2046	\$	(2,391,022)	\$	(152, 183)	\$	(145,053)	\$	(2,688,258)	\$	(6,484,508)		
	2047	\$	(2,578,111)	\$	(164,091)	\$	(156,403)	\$	(2,898,606)	\$	(6,991,899)		
	2048	\$	(2,776,426)	\$	(176,713)	\$	(168,434)	\$	(3,121,574)	\$	(7,529,733)		
	2049	\$	(2,986,640)	\$	(190,093)	\$	(181,187)	\$	(3,357,920)	\$	(8,099,837)		
	2050	\$	(3,209,466)	\$	(204,275)	\$	(194,705)	\$	(3,608,446)	\$	(8,704,148)		
	2051	\$	(3,445,662)	\$	(219,308)	\$	(209,034)	\$	(3,874,005)	\$	(9,344,717)		
	2052	\$	(3,696,030)	\$	(235,244)	\$	(224,223)	\$	(4,155,497)	\$	(10,023,720)		
Total		\$	(42,722,482)	\$	(2,719,187)	\$	(2,591,796)	\$	(48,033,465)	\$	(115,864,371)		

Source: Tiberius Solutions

Note that the foregone revenue for the School District and Education Service District does not have a direct impact on school funding, as funding is equalized at the State level.

		As	sessed Value				Tax Increment Finance									
								Net TIF (Current Net TIF (Prior								
FYE	Total	F	rozen Base	Increment - Used	-	Tax Rate		Gross TIF	Α	djustments		Year)		Year)	Ne	et TIF (Total)
2023	\$ 186,954,332	\$	163,293,154	\$ 23,661,178	\$	12.6424	\$	299,133	\$	(14,957)	\$	284,177	\$	-	\$	284,177
2024	\$ 200,041,134	\$	163,293,154	\$ 36,747,980	\$	12.6424	\$	464,582	\$	(23,229)	\$	441,352	\$	4,263	\$	445,615
2025	\$ 214,044,012	\$	163,293,154	\$ 50,750,858	\$	12.6424	\$	641,611	\$	(32,081)	\$	609,530	\$	6,620	\$	616,151
2026	\$ 229,027,093	\$	163,293,154	\$ 65,733,939	\$	12.6424	\$	831,033	\$	(41,552)	\$	789,481	\$	9,143	\$	798,624
2027	\$ 245,058,989	\$	163,293,154	\$ 81,765,835	\$	12.6424	\$	1,033,714	\$	(51,686)	\$	982,028	\$	11,842	\$	993,870
2028	\$ 262,213,118	\$	163,293,154	\$ 98,919,964	\$	12.6424	\$	1,250,583	\$	(62,529)	\$	1,188,054	\$	14,730	\$	1,202,784
2029	\$ 280,568,035	\$	163,293,154	\$ 117,274,881	\$	12.6424	\$	1,482,632	\$	(74,132)	\$	1,408,501	\$	17,821	\$	1,426,321
2030	\$ 300,207,797	\$	163,293,154	\$ 136,914,643	\$	12.6424	\$	1,730,925	\$	(86,546)	\$	1,644,379	\$	21,128	\$	1,665,507
2031	\$ 321,222,342	\$	163,293,154	\$ 157,929,188	\$	12.6424	\$	1,996,599	\$	(99,830)	\$	1,896,769	\$	24,666	\$	1,921,435
2032	\$ 343,707,905	\$	163,293,154	\$ 180,414,751	\$	12.6424	\$	2,280,870	\$	(114,043)	\$	2,166,826	\$	28,452	\$	2,195,278
2033	\$ 367,767,458	\$	163,293,154	\$ 204,474,304	\$	12.6424	\$	2,585,039	\$	(129,252)	\$	2,455,788	\$	32,502	\$	2,488,290
2034	\$ 393,511,179	\$	163,293,154	\$ 230,218,025	\$	12.6424	\$	2,910,501	\$	(145,525)	\$	2,764,976	\$	36,837	\$	2,801,813
2035	\$ 421,056,961	\$	163,293,154	\$ 257,763,807	\$	12.6424	\$	3,258,745	\$	(162,937)	\$	3,095,808	\$	41,475	\$	3,137,282
2036	\$ 450,530,949	\$	163,293,154	\$ 287,237,795	\$	12.6424	\$	3,631,366	\$	(181,568)	\$	3,449,798	\$	46,437	\$	3,496,235
2037	\$ 482,068,117	\$	163,293,154	\$ 318,774,963	\$	12.6424	\$	4,030,071	\$	(201,504)	\$	3,828,567	\$	51,747	\$	3,880,314
2038	\$ 515,812,885	\$	163,293,154	\$ 352,519,731	\$	12.6424	\$	4,456,684	\$	(222,834)	\$	4,233,850	\$	57,429	\$	4,291,279
2039	\$ 551,919,787	\$	163,293,154	\$ 388,626,633	\$	12.6424	\$	4,913,161	\$	(245,658)	\$	4,667,503	\$	63,508	\$	4,731,011
2040	\$ 590,554,174	\$	163,293,154	\$ 427,261,020	\$	12.6424	\$	5,401,591	\$	(270,080)	\$	5,131,512	\$	70,013	\$	5,201,524
2041	\$ 631,892,967	\$	163,293,154	\$ 468,599,813	\$	12.6424	\$	5,924,211	\$	(296,211)	\$	5,628,001	\$	76,973	\$	5,704,974
2042	\$ 676,125,473	\$	163,293,154	\$ 512,832,319	\$	12.6424	\$	6,483,415	\$	(324,171)	\$	6,159,244	\$	84,420	\$	6,243,664
2043	\$ 723,454,256	\$	163,293,154	\$ 560,161,102	\$	12.6424	\$	7,081,763	\$	(354,088)	\$	6,727,675	\$	92,389	\$	6,820,064
2044	\$ 774,096,054	\$	163,293,154	\$ 610,802,900	\$	12.6424	\$	7,721,995	\$	(386,100)	\$	7,335,895	\$	100,915	\$	7,436,811
2045	\$ 828,282,776	\$	163,293,154	\$ 664,989,622	\$	12.6424	\$	8,407,044	\$	(420,352)	\$	7,986,692	\$	110,038	\$	8,096,730
2046	\$ 886,262,570	\$	163,293,154	\$ 722,969,416	\$	12.6424	\$	9,140,046	\$	(457,002)	\$	8,683,043	\$	119,800	\$	8,802,844
2047	\$ 948,300,950	\$	163,293,154	\$ 785,007,796	\$	12.6424	\$	9,924,358	\$	(496,218)	\$	9,428,140	\$	130,246	\$	9,558,385
2048	\$ 1,014,682,018	\$	163,293,154	\$ 851,388,864	\$	12.6424	\$	10,763,572	\$	(538,179)	\$	10,225,393	\$	141,422	\$	10,366,815
2049	\$ 1,085,709,759	\$	163,293,154	\$ 922,416,605	\$	12.6424	\$	11,661,531	\$	(583,077)	\$	11,078,454	\$	153,381	\$	11,231,835
2050	\$ 1,161,709,442	\$	163,293,154	\$ 998,416,288	\$	12.6424	\$	12,622,346	\$	(631,117)	\$	11,991,229	\$	166,177	\$	12,157,406
2051	\$ 1,243,029,104	\$	163,293,154	\$ 1,079,735,950	\$	12.6424	\$	13,650,420	\$	(682,521)	\$	12,967,899	\$	179,868	\$	13,147,767
2052	\$ 1,330,041,142	\$	163,293,154	\$ 1,079,514,065	\$	12.6424	\$	13,647,614	\$	(682,381)	\$	12,965,234	\$	194,518	\$	13,159,752
Total							\$	160,227,155	\$	(8,011,358)	\$	152,215,797	\$	2,088,758	\$	154,304,555

#### Table 19- Projected TIF Revenues over a 30 Year Period – 7% Growth

Source: Tiberius Solutions

Note: Revenue sharing is shown for the final year of tax increment in this scenario.

		Yamhill County	Y Ex	amhill County	Y	amhill County Soil & Water	Ci	ty of Newberg	T F	ualatin Valley Fire & Rescue	CI 8	nehalem Park & Recreation		Subtotal
FYE		Permanent		Permanent		Permanent		Permanent		Permanent		Permanent		Gen. Govt.
	2023	\$ (57,937)	\$	(1,009)	\$	(796)	\$	(51,939)	\$	(34,284)	\$	(20,401)	\$	(166,367)
	2024	\$ (90,851)	\$	(1,583)	\$	(1,248)	\$	(81,446)	\$	(53,760)	\$	(31,991)	\$	(260,878)
	2025	\$ (125,620)	\$	(2,188)	\$	(1,725)	\$	(112,615)	\$	(74,334)	\$	(44,234)	\$	(360,715)
	2026	\$ (162,822)	\$	(2,836)	\$	(2,236)	\$	(145,966)	\$	(96,348)	\$	(57,334)	\$	(467,541)
	2027	\$ (202,628)	\$	(3,530)	\$	(2,783)	\$	(181,651)	\$	(119,902)	\$	(71,350)	\$	(581,845)
	2028	\$ (245,221)	\$	(4,272)	\$	(3,368)	\$	(219,835)	\$	(145,106)	\$	(86,348)	\$	(704,150)
	2029	\$ (290,795)	\$	(5,066)	\$	(3,994)	\$	(260,691)	\$	(172,074)	\$	(102,396)	\$	(835,017)
	2030	\$ (339,560)	\$	(5,915)	\$	(4,664)	\$	(304,408)	\$	(200,930)	\$	(119,567)	\$	(975,044)
	2031	\$ (391,738)	\$	(6,824)	\$	(5,380)	\$	(351,184)	\$	(231,806)	\$	(137,940)	\$	(1,124,873)
	2032	\$ (447,569)	\$	(7,797)	\$	(6,147)	\$	(401,235)	\$	(264,843)	\$	(157,600)	\$	(1,285,190)
	2033	\$ (507,307)	\$	(8,837)	\$	(6,967)	\$	(454,789)	\$	(300, 192)	\$	(178,635)	\$	(1,456,729)
	2034	\$ (571,228)	\$	(9,951)	\$	(7,845)	\$	(512,092)	\$	(338,016)	\$	(201,143)	\$	(1,640,276)
	2035	\$ (639,623)	\$	(11,142)	\$	(8,785)	\$	(573,407)	\$	(378,488)	\$	(225,227)	\$	(1,836,671)
	2036	\$ (712,805)	\$	(12,417)	\$	(9,790)	\$	(639,013)	\$	(421,793)	\$	(250,996)	\$	(2,046,814)
	2037	\$ (791,110)	\$	(13,781)	\$	(10,865)	\$	(709,212)	\$	(468,129)	\$	(278,569)	\$	(2,271,667)
	2038	\$ (874,897)	\$	(15,241)	\$	(12,016)	\$	(784,325)	\$	(517,708)	\$	(308,072)	\$	(2,512,259)
	2039	\$ (964,549)	\$	(16,802)	\$	(13,247)	\$	(864,695)	\$	(570,758)	\$	(339,641)	\$	(2,769,693)
	2040	\$ (1,060,476)	\$	(18,473)	\$	(14,565)	\$	(950,692)	\$	(627,522)	\$	(373,419)	\$	(3,045,148)
	2041	\$ (1,163,118)	\$	(20,261)	\$	(15,975)	\$	(1,042,708)	\$	(688,259)	\$	(409,562)	\$	(3,339,884)
	2042	\$ (1,272,945)	\$	(22,175)	\$	(17,483)	\$	(1,141,166)	\$	(753,248)	\$	(448,235)	\$	(3,655,251)
	2043	\$ (1,390,460)	\$	(24,222)	\$	(19,097)	\$	(1,246,515)	\$	(822,786)	\$	(489,615)	\$	(3,992,695)
	2044	\$ (1,516,202)	\$	(26,412)	\$	(20,824)	\$	(1,359,239)	\$	(897,191)	\$	(533,891)	\$	(4,353,759)
	2045	\$ (1,650,745)	\$	(28,756)	\$	(22,672)	\$	(1,479,854)	\$	(976,805)	\$	(581,267)	\$	(4,740,099)
	2046	\$ (1,794,706)	\$	(31,264)	\$	(24,649)	\$	(1,608,912)	\$	(1,061,992)	\$	(631,959)	\$	(5,153,481)
	2047	\$ (1,948,744)	\$	(33,947)	\$	(26,765)	\$	(1,747,003)	\$	(1,153,142)	\$	(686,200)	\$	(5,595,801)
	2048	\$ (2,113,565)	\$	(36,818)	\$	(29,028)	\$	(1,894,761)	\$	(1,250,673)	\$	(744,237)	\$	(6,069,083)
	2049	\$ (2,289,923)	\$	(39,890)	\$	(31,450)	\$	(2,052,863)	\$	(1,355,030)	\$	(806,337)	\$	(6,575,495)
	2050	\$ (2,478,627)	\$	(43,178)	\$	(34,042)	\$	(2,222,031)	\$	(1,466,693)	\$	(872,784)	\$	(7,117,355)
	2051	\$ (2,680,540)	\$	(46,695)	\$	(36,815)	\$	(2,403,041)	\$	(1,586,172)	\$	(943,883)	\$	(7,697,146)
	2052	\$ (2,682,983)	\$	(46,738)	<b>\$</b>	(36,849)	\$	(2,405,232)	\$	(1,587,618)	\$	(944,743)	<b>\$</b>	(7,704,162)
Total		\$ (31,459,295)	\$	(548,020)	\$	(432,069)	\$	(28,202,521)	\$	(18,615,603)	\$	(11,077,577)	\$	(90,335,085)

#### Table 20- Impacts to Taxing Districts, General Government 7%

Source: Tiberius Solutions

#### Table 21 - Impacts to Taxing Districts, Education 7%

					Willamette		Portland Community				
			SD 29J	F	Regional ESD		College		Subtotal		Total
FYF			Permanent		Permanent		Permanent		Education	G	Gen. ovt/Education
	2023	\$	(104,784)	\$	(6,669)	\$	(6.357)	\$	(117,810)	\$	(284, 177)
	2024	\$	(164.311)	\$	(10,458)	\$	(9,968)	\$	(184,737)	\$	(445.615)
	2025	\$	(227,192)	\$	(14,460)	\$	(13,783)	\$	(255.435)	\$	(616.151)
	2026	\$	(294,475)	\$	(18,743)	\$	(17.865)	\$	(331.083)	\$	(798.624)
	2027	\$	(366,468)	\$	(23,325)	\$	(22,232)	\$	(412,025)	\$	(993,870)
	2028	\$	(443,501)	\$	(28,228)	\$	(26,905)	\$	(498,634)	\$	(1,202,784)
	2029	\$	(525,925)	\$	(33,474)	\$	(31,906)	\$	(591,305)	\$	(1,426,321)
	2030	\$	(614,120)	\$	(39,087)	\$	(37,256)	\$	(690,463)	\$	(1,665,507)
	2031	\$	(708,488)	\$	(45,094)	\$	(42,981)	\$	(796,562)	\$	(1,921,435)
	2032	\$	(809,461)	\$	(51,520)	\$	(49,107)	\$	(910,088)	\$	(2,195,278)
	2033	\$	(917,503)	\$	(58,397)	\$	(55,661)	\$	(1,031,561)	\$	(2,488,290)
	2034	\$	(1,033,108)	\$	(65,755)	\$	(62,674)	\$	(1,161,537)	\$	(2,801,813)
	2035	\$	(1,156,805)	\$	(73,628)	\$	(70,179)	\$	(1,300,612)	\$	(3,137,282)
	2036	\$	(1,289,161)	\$	(82,052)	\$	(78,208)	\$	(1,449,421)	\$	(3,496,235)
	2037	\$	(1,430,782)	\$	(91,066)	\$	(86,800)	\$	(1,608,647)	\$	(3,880,314)
	2038	\$	(1,582,316)	\$	(100,711)	\$	(95,993)	\$	(1,779,020)	\$	(4,291,279)
	2039	\$	(1,744,458)	\$	(111,031)	\$	(105,829)	\$	(1,961,318)	\$	(4,731,011)
	2040	\$	(1,917,950)	\$	(122,073)	\$	(116,354)	\$	(2,156,377)	\$	(5,201,524)
	2041	\$	(2,103,586)	\$	(133,888)	\$	(127,616)	\$	(2,365,090)	\$	(5,704,974)
	2042	\$	(2,302,216)	\$	(146,531)	\$	(139,666)	\$	(2,588,413)	\$	(6,243,664)
	2043	\$	(2,514,751)	\$	(160,058)	\$	(152,560)	\$	(2,827,369)	\$	(6,820,064)
	2044	\$	(2,742,163)	\$	(174,532)	\$	(166,356)	\$	(3,083,051)	\$	(7,436,811)
	2045	\$	(2,985,494)	\$	(190,020)	\$	(181,118)	\$	(3,356,631)	\$	(8,096,730)
	2046	\$	(3,245,858)	\$	(206,591)	\$	(196,913)	\$	(3,649,362)	\$	(8,802,844)
	2047	\$	(3,524,448)	\$	(224,323)	\$	(213,814)	\$	(3,962,585)	\$	(9,558,385)
	2048	\$	(3,822,539)	\$	(243,296)	\$	(231,898)	\$	(4,297,732)	\$	(10,366,815)
	2049	\$	(4,141,496)	\$	(263,597)	\$	(251,247)	\$	(4,656,340)	\$	(11,231,835)
	2050	\$	(4,482,781)	\$	(285,319)	\$	(271,952)	\$	(5,040,051)	\$	(12,157,406)
	2051	\$	(4,847,955)	\$	(308,561)	\$	(294,105)	\$	(5,450,621)	\$	(13,147,767)
	2052	<b>\$</b>	(4,852,374)	<b>\$</b>	(308,842)	<b>\$</b>	(294,373)	<b>\$</b>	(5,455,590)	<b>\$</b>	(13,159,752)
Total		\$	(56,896,469)	\$	(3,621,328)	\$	(3,451,674)	\$	(63,969,470)	\$	(154,304,555)

Source: Tiberius Solutions

Note that the foregone revenue for the School District and Education Service District does not have a direct impact on school funding, as funding is equalized at the State level.

#### XIV. Blight Findings

ORS 457.010 defines blight and states that "A blighted area is characterized by the existence of one or more of the following conditions". In ORS 457.010, a full list of blighting conditions follows the general statement. The blight conditions that exist in the feasibility study area are "(e) The existence of inadequate streets and other rights of way, open spaces and utilities" and "(g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered."

The projects identified in Section IX of this Feasibility Study identify projects from Master Plans and area planning documents to be considered in the Area. These projects constitute blight conditions as defined by ORS 457.010. The official blight findings would be made in a future ordinance adopting the urban renewal plan. However, these blight findings are sufficient to allow for the creation of an urban renewal agency.

#### XV. Next Steps

This Urban Renewal Feasibility Study will be presented to the Newberg City Council. If the Council directs staff to pursue the development of an urban renewal plan, the following steps must be completed:

- 1. Establish an Urban Renewal Agency.
- 2. Continue work with the Citizens Advisory Committee.
- 3. Determine and implement a public input strategy.
- 4. Prepare an Urban Renewal Plan (Plan) pursuant to ORS 457.085 including goals and objectives and projects to pursue.
- 5. Decide on the projects to be included in the Plan.
- 6. Complete the Report<sup>4</sup> that accompanies the Plan. This Report must comply with ORS 457.085, both identifying existing conditions and establishing financial feasibility. A decision will be made on which assessed value growth scenario to use for the financial feasibility. In addition, there are two important considerations on boundary inclusion.

Determinations would be made on the timing of including properties in the Riverfront Area that have obsolete uses. If the properties are included before those uses are removed, it could negatively impact the assessed value in the potential URA.

There are properties in the potential URA that are either under construction or proposed for new development. The timing on inclusion of these properties is also important if the city wishes to capture the increased assessed value for the potential URA.

- 7. Present the draft Plan and Report to the Urban Renewal Agency for their review, and if desired, the Agency will pass a resolution to start the formal public review process.
- 8. Present to the Newberg Planning Commission for their finding of conformance of the Newberg Urban Renewal Plan with the Newberg Comprehensive Plan.
- 9. Present to the Yamhill County Commission. They must also adopt the urban renewal plan as there is property outside the Newberg city limits in the proposed boundary.
- 10. Consult and confer with affected taxing districts.
- 11. Conduct a public hearing in front of the Newberg City Council, advertised to a specific group as identified in 457.120. Review of a non-emergency ordinance.
- 12. Publish notice if the ordinance for the Plan is adopted.
- 13. Complete a legal description of the URA. This is done outside of the urban renewal plan consultant's contract. This legal description must be complete by the final action in front of City Council.
- 14. Timing of the adoption of a Plan is important. There are two important factors in timing.

The first is which tax roll will be used to establish the frozen base. If the Plan is adopted and the 30-day period for a non-emergency ordinance occurs prior to the certification of the FY 2021/2022 tax roll by the County Assessor (in early October), the frozen base that is established for the URA uses the FY 2020/2021 assessed values, based on values as of January 1, 2020. This potentially captures increases in assessed value growth as well as any new growth that will come on the tax roll in FY 2021/2022. If you do not adopt a plan by this timeframe, you will use property values as of January 1, 2021 as your frozen base. To meet the deadline of using January 2020 values for your frozen base, the Plan must be adopted by September 1, 2021.

<sup>&</sup>lt;sup>4</sup> This is a separate report from the Feasibility Study and meets the requirements of ORS 457.085(3).

The second important timing factor is when the Urban Renewal Agency will begin tax increment collections. If the Plan is adopted prior to Jan 1, 2022, increment will be distributed in FYE 2023. (This will happen if you meet the prior deadline of September 1, 2021.) If the Plan is adopted after January 1, 2022, the first increment is distributed in FYE 2024. To meet this deadline, the Plan must be adopted by December 1, 2021. The ordinance adopting an urban renewal plan is a non-emergency ordinance which takes 30 days to go into effect, so if it is adopted by December 1 it will go into effect on December 31, 2021.

15. The process of preparing and adopting an Urban Renewal Plan and Report typically takes 6 - 8 months.

#### Attachment 10 - Background Information

#### What is Urban Renewal?

Urban renewal is a state-sanctioned program used by over 70 cities and counties in Oregon to help them implement adopted plans to revitalize specified areas within their jurisdiction. Urban renewal, through the provision of tax increment financing, can provide for capital improvements such as parks, water and wastewater infrastructure, parking facilities, and transportation improvements that stimulate private investment and attract new businesses, jobs, and residents. It can also be used to assist with development activities that are approved in an urban renewal plan, such as storefront improvement loans, property acquisition, and site preparation.

In Oregon, planning and analysis associated with the creation of an URA is guided by state statute (ORS Chapter 457). The statutes stipulate that URA plans must find the proposed URA is eligible for urban renewal because of existing *blight*, typified by conditions such as deteriorated buildings and lack of adequate infrastructure. The plan must also contain authorized urban renewal projects, a limit on the expenditures, specific provisions regarding acquisition and disposition of land, and provisions regarding how the plan may be amended in the future.

#### What is Tax Increment Revenue?

Tax increment financing is the primary funding tool used within URAs. Tax increment revenue is generated within a URA when the assessed value within that area is 'frozen' (often called the *frozen base*). Any taxes generated within that area from growth in assessed value (*excess value*) through either appreciation or new investment becomes the *increment*. Expected new development and substantial rehabilitation is termed *exception value* and becomes part of the excess value. Taxing jurisdictions continue to collect tax income from the frozen base. Taxes off the assessed value above the frozen base is allocated to the URA. This is a two-step process. First, the assessor determines the increase in value above the frozen base and the taxes that would be generated off that increase in value; then, the assessor assigns a portion of that amount to each property tax bills increase, it only means a portion of their tax bill is allocated to the urban renewal agency for use in the URA. The taxes are distributed in this way due to a legal decision in Shilo Inn Portland/205, LLC v. Multnomah County, City of Portland and the Portland Development Commission (April 18, 2002).

The URA then can obtain loans or issue bonds to pay for identified public improvements and/or investments in private projects that are in the public interest. The tax increment is used to pay debt service on these projects.

#### What is Maximum Indebtedness?

Maximum indebtedness (MI) is the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness nor interest paid on debt. This is the total amount that can be spent from tax increment proceeds for projects, programs and administration during the life of an urban renewal plan.

#### What is Revenue Sharing?

In 2009, the Oregon Legislature enacted HB 3056, which, among other things, established a system of revenue sharing for URAs. These revenue sharing provisions only apply to URAs after 2009 and older URAs that have been amended to increase maximum indebtedness since 2009.

When URAs attain certain thresholds of annual tax revenue, some of this tax revenue is released from the URA and shared with the other taxing districts.

When tax revenues reach 10% of the URA's maximum indebtedness, then a portion of the TIF above that level is shared with overlapping taxing districts (specifically 25% of the TIF above this threshold remains with the URA, and the remaining 75% of TIF is returned to taxing districts). Additionally, when TIF revenues for the URA reach 12.5% of the maximum indebtedness, TIF revenues for the URA are capped at that amount, with all TIF revenues above 12.5% of maximum indebtedness being shared with overlapping taxing districts.

The analysis for the study area indicates only the 7% scenario would begin revenue sharing in a projected 30-year lifetime of the URA.

#### How does Oregon Property Tax Work?

Citizen initiatives have changed the way that property taxes are raised in Oregon and have limited the growth of assessed value and property tax revenues for taxing jurisdictions. Measure 5, passed in 1990, introduced tax rate limits. Measure 50 passed in 1996, cut taxes, introduced assessed value growth limits, and replaced most dollar-limited *levies* (an amount) with permanent tax *rate limits*.

Measure 5 introduced limits on the taxes paid by individual properties. It imposed limits of \$5 per \$1,000 of real market value for school taxes and \$10 per \$1,000 of real market value for general government taxes. These limits apply to all property taxes, other than those levied to repay voter-approved general obligation bonds.

Under Measure 50, most levies were replaced by permanent limits on tax rates. The permanent rate limit is fixed and does not change from year to year. In addition to the permanent rate, taxing districts may impose general obligation bond levies and local option levies. The sum of all the tax rates (including permanent rates, local option levy rates, and rates for bonds and other levies) of all taxing districts in a given levy code area is known as the *consolidated tax rate*.

In 2019 the City of Newberg entered into an agreement with Tualatin Valley Fire & Rescue to provide service to the city. As part of that agreement, the city amended their charter to roll back their tax rate to \$2.5750 while TVF &R established a rate of \$1.5252. This amendment allows the city a 3% annual increase not to exceed their original rate of \$4.3827.

#### **Property Taxes and School Funding**

Although schools levy property taxes, these local property tax revenues do not have a *direct* impact on funding for local school districts. This is because the state "equalizes" school funding using a formula that takes into account property tax revenue generated at the local school district level, and revenue from the state's coffers generated by the statewide income tax, Oregon Lottery, and intergovernmental revenues.

Allocation of state revenues to local school districts comes in the form of "general purpose grants." The primary driver of the state allocation is the number of students in each district. The state multiplies the number of students by the general-purpose grant, with some adjustments for teacher experience and other factors. Regardless of local property tax collections, each school district still receives the same amount of funding per student, with state funding making up the difference between local property tax revenues and the general-purpose grant amount.

#### What is Compression?

Some jurisdictions in Oregon do not receive the full amount of property taxes that should be levied, due to "compression," which occurs as a result of the rate limits enacted by Measure 5. These rate limits apply to the *real market value* of properties, rather than to the assessed value. If taxes to be raised on an individual property exceed the Measure 5 limits (\$5 per \$1,000 of real market value for education, or \$10 per \$1,000 of real market value for general government), and the difference between the real market value and the assessed value is not great enough, then the tax bill for that property is reduced or "compressed." Compression loss means some properties pay less in taxes than are calculated by the product of the assessed value and consolidated tax rate.

Due to the tax rates relative to the Measure 5 limits, general government taxing districts could experience compression. The general government tax rates shown in Table 2 do not exceed the \$10 per \$1,000 of real market value limitation. However, the education rates shown in Table 2 do slightly exceed the limitation of \$5 per \$1,000 of real market value. The City of Newberg does not experience significant compression losses, with only \$.89 of compression losses in tax year 2019/20. Yamhill County also experienced very minimal compression losses of \$27.07 in tax year 2019/20.

Urban renewal can have an impact on compression losses because urban renewal changes the effective tax rates of an area. Urban renewal is sometimes referred to as *division of taxes*. That means that a portion of the taxes that would go to a jurisdiction like the City of Newberg is instead divided off and sent to an urban renewal agency. The process that the County Assessor uses to collect tax increment revenues for URAs results in a portion of each taxing jurisdictions tax rate being carved off and turned into a new urban renewal tax rate. A side effect of this process is that education districts that are impacted by urban renewal have their rates reduced a small amount, and that amount is added to the general government side of the compression equation.

This means an URA in Newberg could also help to reduce compression losses for education districts.

#### What are Enterprise Zones?

It is important to understand Enterprise Zones in relation to urban renewal areas because Enterprise Zones provide for a reduction in property tax revenues and this directly impacts revenues collected for the URA.

In May 2014, the City of Newberg received approval for a designated enterprise zone from Business Oregon. The purpose of the enterprise zone is to encourage traded-sector business development by offering limited-time property tax relief (3 to 5 years) on the value of new investments. A map showing areas of Newberg where the enterprise zone is located is below. Businesses within the enterprise zone may qualify for this program.

The City of Newberg understands the importance of supporting local businesses. A healthy business sector is a key component to having a healthy community overall. The city is excited to have secured this enterprise zone designation. It is a great addition to the community's economic development "toolbox" and another way in which the city helps its local businesses stay competitive in a fast-changing, global economy.

Some of the area in this URA feasibility study is also in an Enterprise Zone (Newberg Enterprise Zone map, Figure 2). If properties begin using these benefits, it will have an impact on projected tax increment revenues as Enterprise Zone benefits are tax abatements.

The following information is from the Business Oregon website. In exchange for locating or expanding into any enterprise zone, eligible (generally non-retail) businesses receive total exemption from the property taxes normally assessed on new plant and equipment. Subject to local authorization, timely filings and criteria the benefits include:

- Construction-in-Process Enterprise Zone Exemption—For up to two years before qualified property is placed in service, it can be exempt from local taxes, which can cover more property than the regular exemption for commercial facilities under construction.
- Three to five consecutive years of full relief from property taxes on qualified property, after it is in service.
- Depending on the zone, local incentives also may be available.

#### Criteria for Qualifying Projects

For the basic, three-year enterprise zone exemption period, the business needs to:

- increase full-time, permanent employment of the firm inside the enterprise zone by the greater of one new job or 10% (or less with special-case local sponsor waivers);
- generally have no concurrent job losses outside the zone boundary inside Oregon;
- maintain minimum employment level during the exemption period;
- enter into a first-source agreement with local job training providers; and
- satisfy any additional local condition that has been established (only) in an urban zone.

#### Criteria for extended tax abatement (for a total of four or five years of exemption)

This includes the criteria for the three-year enterprise zone exemption as well as the following:

- compensation of new workers must be at or above 150% of the county average wage as set at the time of authorization.
- there needs to be local approval by written agreement with the local zone sponsor (city, port and county, or tribe); and
- the company also must satisfy additional requirements that the local zone sponsor may reasonably request in the agreement.



### Newberg Enterprise Zone Boundaries

#### What is a Vertical Housing Zone?

It is important to understand Vertical Housing Zones in relation to urban renewal areas because Vertical Housing Zones provide for a reduction in property tax revenues and this directly impacts revenues collected for the urban renewal area.

Implementation of a Vertical Housing Zone was recommended as part of the Newberg Dowtown Improvement Plan and Housing Needs Analysis. That chapter to the Newberg Municipal Code is presently being drafted. The 2017 State Legislature gave administration of Vertical Housing Development Zones (VHDZs) to cities and counties with the passage of Senate Bill 310. The bill lays out more standards to address equity and prescribe a broad implementation outline for cities and counties. Ultimately, cities and counties have the authority to administer the program differently than the Oregon Department of Housing and Community Services, however the law is specific about certain aspects of zone creation and project approval. New zones may be created and administered by the City or county in which it lies. VHDZs encourage mixed-use residential development by allowing a partial property tax exemption in designated areas within a city.

Figure 4 – Proposed Vertical Housing Zone in Newberg shows a potential Vertical Housing Zone for Newberg. This is yet to be adopted by the City Council.

#### Figure 4 – Proposed Vertical Housing Zone in Newberg



#### Vertical Housing Development Zone - Proposed

#### What is a Federal Opportunity Zone?

A Federal Opportunity Zone will not negatively impact property tax collections but may provide an additional tool for incentivizing development in an urban renewal area. The following is taken from the City of Newberg website<sup>5</sup>:

"In 2018, the U.S. Treasury made opportunity zone designations across the country to encourage long-term investments through a federal tax incentive. Governor Brown's nomination resulted in Newberg and 85 other qualified opportunity zones in Oregon.

**Opportunity Zone** is a designation created by the Tax Cuts and Jobs Act of 2017 allowing for certain investments to have tax advantages. Opportunity Zones can deliver significant tax savings on medium- to long-term investments in economically disadvantaged communities. This new tax incentive pertains to both the capital gains invested initially through a qualified opportunity fund, as well as capital gains earned for the investor from businesses or projects in a zone.

Each zone consists of an entire census tract, as established for the decennial U.S. Census. Tracts vary in size but generally align with population density meeting the definition of a "low income community" in terms of median family incomes or poverty rates.

The designations are in effect until December 31, 2028, and offer a predictable basis for private investment decisions over several years.

An investor who realizes certain capital gain income may reinvest the capital gain in an Opportunity Fund within 180 days.

In order to qualify, the Opportunity Fund needs to invest more than 90% of its assets in Qualified Opportunity Zone Property that is located in an Opportunity Zone. The property must be significantly improved, which means it must be an original use or the basis of the property must be doubled of the basis of the non-land assets. Capital gain taxes are deferred for investments reinvested into investments in these zones and, if the investment is held for ten years, all capital gains on the new investment are waived.

An investor will need to invest in an Opportunity Fund by the end of 2019 in order to meet the seven-year holding period and be able to exclude 15% of the deferred capital gain. An investor may exclude 10% of the deferred capital gain by investing in an Opportunity Fund by the end of 2021 in order to meet the five-year holding period.

Opportunity Zones now allow an investor to defer capital gains taxes by trading one asset with another asset in a different asset class.

#### What are the Tax Advantages?

The private capital for projects or businesses in a qualified opportunity zone arise primarily from the unrealized gains of U.S. taxpayers—that is, the increased value of assets (stocks, land, etc.)

<sup>&</sup>lt;u>https://www.newbergoregon.gov/economicdevelopment/page/newberg-secures-opportunity-zone-designation</u>

since they were originally purchased by the individual or corporation currently holding the asset. When an asset is sold and the gains realized, an income tax liability is normally generated.

With the opportunity zone incentive, gains that are transferred into a qualified opportunity fund within 180 days of being realized will have their tax liability delayed or deferred until December 31, 2026, at the latest. The taxpayer decides how much of his/her newly realized gains to invest, when to sell or exit that investment, or even whether to invest other moneys alongside.

In addition to deferring income taxes, by the time the investment of tax deferred gains in the opportunity zone is sold or the end of 2026, whichever is earlier:

The amount subject to taxes shrinks by 10%—in that the basis in the investment increases—if the investment has been held for at least five years.

If held for at least seven years in total, the basis increases by an additional 5% pts (15% in total).

The amount subject to taxes is effectively the fair market value of the investment, if it has declined in value.

If the investment of tax deferred gains appreciates after having been held for at least 10 years, then those new capital gains earned in the zone are themselves completely tax free. Otherwise, the net income or proceeds generated by a zone investment are taxable.

#### Investors

Investors seeking to maximize the after tax return on their tax deferred gains could put money into qualified opportunity zones anywhere in the country, or they might be able to choose qualified opportunity funds that have a regional or other type of emphasis. Despite sharing some common geography, these tax benefits work quite differently from New Market Tax Credits, or for that matter, from any other federal program or incentive. Certain critical details, however, will depend on near term guidelines from the Internal Revenue Service (IRS).

The City of Newberg understands the importance of supporting local businesses. A healthy business sector is a key component to having a healthy community overall. The city is excited to have secured this opportunity zone designation. It is a great addition to our community's economic development "toolbox" and another way in which the city helps our local businesses stay competitive in a fast-changing, global economy."

Attachments

January 23, 2020 Orientation meeting to the urban renewal feasibility study and plan and report process

Attachment 1 background material provided to the Advisory Committee on January 23, 2020

Attachment 2 - Urban Renewal at a Glance.

Attachment 3 - Urban Renewal Community Engagement Toolbox

Attachment 4 - Urban Renewal Feasibility Study Fact Sheet

Attachment 5 - Presentation materials from the meeting 2

Attachment 6 - Presentation materials from the meeting 3

Attachment 7 - Initial Financial Summary memorandum

Attachment 8 - Presentation materials from the meeting 4

**Attachment 9 Potential Projects** 

Attachment 10 Background Material