

McMinnville Urban Renewal Feasibility Study



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Executive Summary

The City of McMinnville is considering the possibility of using urban renewal as an implementation tool in the downtown core and the Northeast Gateway area. An analysis of this tool was conducted by Elaine Howard Consulting, LLC and ECONorthwest. A financial analysis was performed for two different scenarios, a low growth scenario that mirrors the City of McMinnville conservative tax growth projections for the next three years and then begins to increase the growth projections, and a medium growth projection which assumes growth in the area as projected in the Northeast Gateway Plan and similar to the history of assessed value growth in the City of McMinnville.

The following facts were established in the urban renewal feasibility study:

1. The area will meet the statutory definition of blight.
2. In a low growth scenario, the area is estimated to produce \$10 million in maximum indebtedness¹ in a 25 year period and \$17 million in a 30 year period. These estimates are based on long term borrowing and paying interest on those funds. The actual tax increment revenue exceeds those estimates, but that excess is anticipated for interest payments.
3. In a medium growth scenario, the area is estimated to produce \$30 million in maximum indebtedness in a 25 year period. As stated in the low growth scenario, these estimates are based on long term borrowing and paying interest on those funds. The actual tax increment revenue exceeds those estimates, but that excess is anticipated for interest payments.

¹ Maximum indebtedness is the amount of the principal of indebtedness (not interest incurred in debt) included in an urban renewal plan to fund projects, programs and administration of the plan.

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Background

The City of McMinnville (City) is exploring the potential of using urban renewal and the associated financing tool, tax increment financing, to assist in the development and redevelopment of the downtown core and the Northeast Gateway Area of McMinnville (Figure 2). These areas are vital to fulfilling the goals of the McMinnville Comprehensive Plan and a multitude of other adopted plans that create the vision for the development of downtown McMinnville.

McMinnville's Comprehensive Plan establishes the goals of *encouraging the continued growth and diversification of McMinnville's economy in order to enhance the general well-being of the community and provide employment opportunities for its citizens and encourage the continued growth of McMinnville as the commercial center of Yamhill County in order to provide employment opportunities, goods, and services for the city and county residents*². The Comprehensive Plan also establishes goals to ensure that commercial and industrial development maximizes the efficiency of land use in the city. The desire to *promote the downtown as the cultural, administrative, service, and retail center of McMinnville* is another stated goal of the Comprehensive Plan. Urban renewal is an implementation tool that will help to ensure that these goals are realized.

McMinnville has adopted additional planning documents for the downtown retail core with the goal of maintaining a strong downtown identity and encouraging continued vibrancy of the area. These plans have been partially implemented, but the full vision for the downtown retail core has yet to be realized. Additional projects need to be funded to support the existing efforts of the downtown businesses.

The Third Street Streetscape Plan was undertaken in 2005 in an effort to make recommendations for streetscape improvements on Third Street that could become standards for all downtown streetscapes. While many of these improvements have been completed, there are still projects that have yet to be funded.

The City of McMinnville Downtown Improvement Plan was completed in 2000, and was *crafted to set achievable goals and implementation measures formulated to build on the values of the community*.³ The plan identifies partnerships that must be forged to promote development of the downtown, programs that will assist in the improvement of the downtown, and specific improvement projects for the area, including streetscape improvements, lighting, signage, developing a public plaza, establishing a district

² City of McMinnville Comprehensive Plan

³ City of McMinnville Downtown Improvement Plan, 2000, p 1.

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parking program, developing the east gateway, and expanding the pedestrian and bicycle access to areas adjacent to downtown.

Task Force 2000 was prepared by the citizens of McMinnville with the mandate to create a “home grown” vision of how McMinnville's central city core will grow and develop over the next 25 years. This plan was presented to the McMinnville City Council in 1996. The list of recommendations identified projects to pursue to implement a new concept in downtown McMinnville. These recommendations included specific capital projects for the core area, including streetscape projects and historic preservation and restoration projects, and encouraged promoting a mixed-use character and culture in the area.

The City is also presently studying the potential development of the Northeast Gateway area, with a Northeast Gateway Plan and Implementation Strategy to be presented to the McMinnville City Council in March 2012. This plan will propose a planning and implementation strategy for the area of McMinnville located in northeast McMinnville, just to the east of the downtown core. The Vision of the Northeast Gateway Plan is defined as:

In the future, Northeast Gateway will be viewed as a unique destination that reflects the authenticity of historic and current uses within the area – a place where things are crafted, experienced, and enjoyed – a place to live, work, and play.

Transformed over time by public and private investment, Northeast Gateway will possess a number of additional key characteristics, including:

- *vibrancy and economic vitality;*
- *a mix of residential, employment, cultural/tourism uses and support service;*
- *attractive and affordable to a broad section of the community;*
- *walkability and accessibility by many modes of transportation;*
- *a range of neighborhood-scale support services making it possible to meet most daily needs within a convenient distance;*
- *attractive streetscaping and signage, signaling a sense of arrival to someplace special.⁴*

This feasibility study will also recommend a series of projects that will implement the Northeast Gateway Plan, including street and streetscape improvements.

Urban renewal and tax increment financing are being evaluated as a potential funding source to both help implement the Northeast Gateway Plan and to add a reliable funding source for projects to support the Downtown Retail Core. Urban renewal is a program authorized under state law and implemented locally that allows for the

⁴ Northeast Gateway Plan & Implementation Strategy, City of McMinnville, March 2012

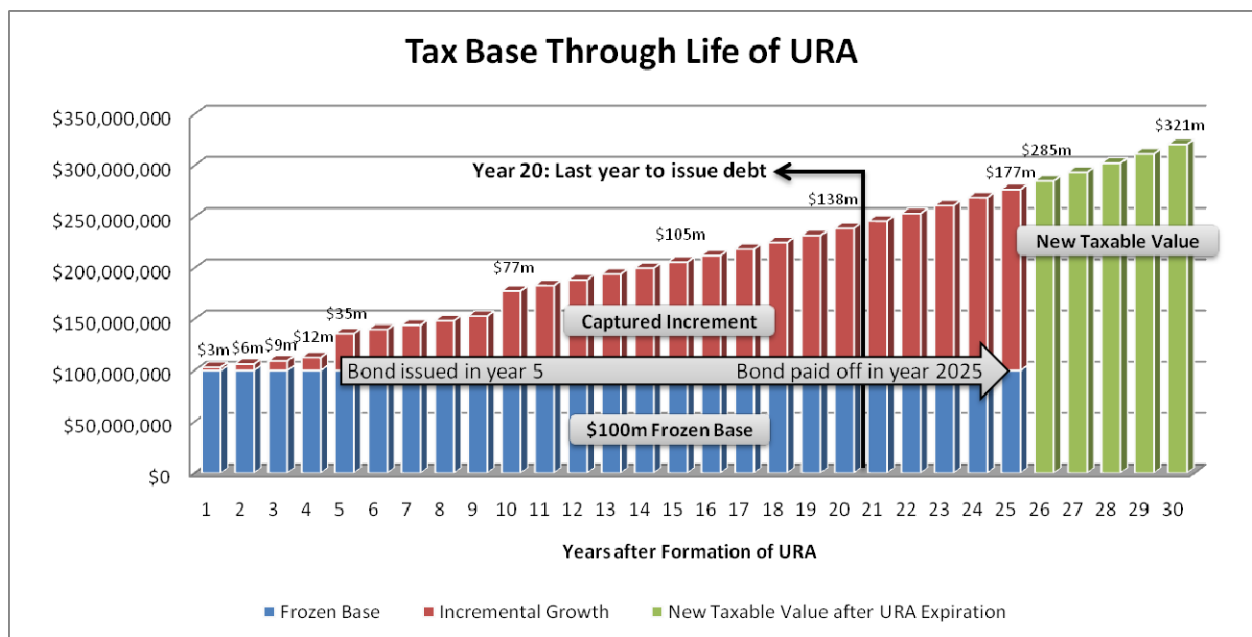
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concentrated use of property tax revenues to upgrade certain designated areas of a city or county. These areas are called “blighted⁵” by state statute and typically contain sections of a city that are underdeveloped and not contributing fully to the local economy. They can have buildings that are in need of renovation, property that should be developed or redeveloped, or utilities and street systems in poor repair or in need of upgrades.

The underpinning theory of urban renewal is that, if these properties and the surrounding infrastructure are upgraded and blight is removed, the entire area will contribute more substantially to both the local economy and property taxes, which, in turn, support all of the taxing jurisdictions.

Urban renewal is one of the few remaining tools for encouraging local economic development. It is unique in that it has its own funding source, tax increment financing. At the time an urban renewal plan is adopted, the county assessor calculates the total assessed value of the area and establishes this value as the “frozen base” for the area. Growth above the base is called the “increment.” Tax increment revenues are the property tax revenues generated off the increase in the assessed values above the frozen base (not including rates for general obligation bonds and local option levies approved by voters after October, 2001). This concept is shown in Figure 1 on the following page

Figure 1 - The Components of Tax Increment Financing over 30 Years



⁵ ORS 457.010(1) defines blight, and is shown in Appendix A.

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The financial impact of urban renewal is borne by the taxing jurisdictions in the area, including the City of McMinnville. The taxing jurisdictions gain revenues through the collection of property taxes. Property tax increases come through new development and the statutory limit of a yearly maximum increase of 3% in assessed values on existing real property. During the use of tax increment financing, the permanent rate property taxes on the **growth** in assessed value in the urban renewal area (URA) are allocated to the urban renewal agency and not the taxing district. The taxing jurisdictions are still able to collect the property tax revenues from the assessed value of the frozen base, but increases in revenues are allocated to the urban renewal agency for use within the urban renewal area. In many urban renewal areas, that growth from new investment would not have occurred but for the use of urban renewal. This will be more fully explained and analyzed in the section of this Study on financial analysis.

The limiting factor of urban renewal plans is the maximum indebtedness. Maximum indebtedness is the total amount of funds that can be spent on projects and programs, including administration, in an urban renewal plan. Maximum indebtedness does not include interest paid on debt. Maximum indebtedness can only be changed by a substantial amendment to an urban renewal plan. A substantial amendment requires the same procedures as adopting a new urban renewal plan, and is, therefore, meant to take considerable effort to enact.

Most individual taxpayers will **not** see an increase in property taxes as a result of urban renewal. If there is an increase, it is due to bonds that were adopted prior to October of 2001 and are still outstanding. There are school district bonds and one City of McMinnville Bond which fit this timeframe. The estimated impact on a property owner with a property valued at \$100,000 is estimated at less than twenty cents a year.

Once an urban renewal plan is adopted in an urban renewal area, taxpayers within that area will see a line item on their property tax statements for urban renewal. This can be quite confusing, because even if the property is not physically located in the area, the property tax statement will include an indication of the impact of urban renewal on the property tax bill of every property owner in the city. The overall tax bill does not increase, but the allocation of revenues received from your payment is changed as a portion of that payment now goes to urban renewal. This is called “division of taxes” and is the administrative way that assessors must calculate the urban renewal revenue. If urban renewal was to be terminated, the property tax bill would not be reduced, but the taxes would be allocated differently, and all taxing jurisdictions would see an increase in their shares of the property taxes.

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This study is a technical study with the purpose of both identifying the potential revenue that could be raised through urban renewal and the impacts of that decision on the taxing jurisdictions. Since it is technical in nature, public input has been limited. If the McMinnville City Council decides not to proceed with urban renewal planning, citywide expectations have not been raised. If the McMinnville City Council decides it would like to pursue the use of urban renewal as an implementation tool in McMinnville, opportunity will be provided for significant input from the stakeholders in the impacted areas and the citizens of McMinnville as a whole.

This McMinnville Urban Renewal Feasibility Study (Study) contains:

- A recommended boundary
- An “Existing Conditions Analysis”
- A “Financial Analysis”
- A list of recommended projects
- Identification of issues to consider
- Identification of next steps

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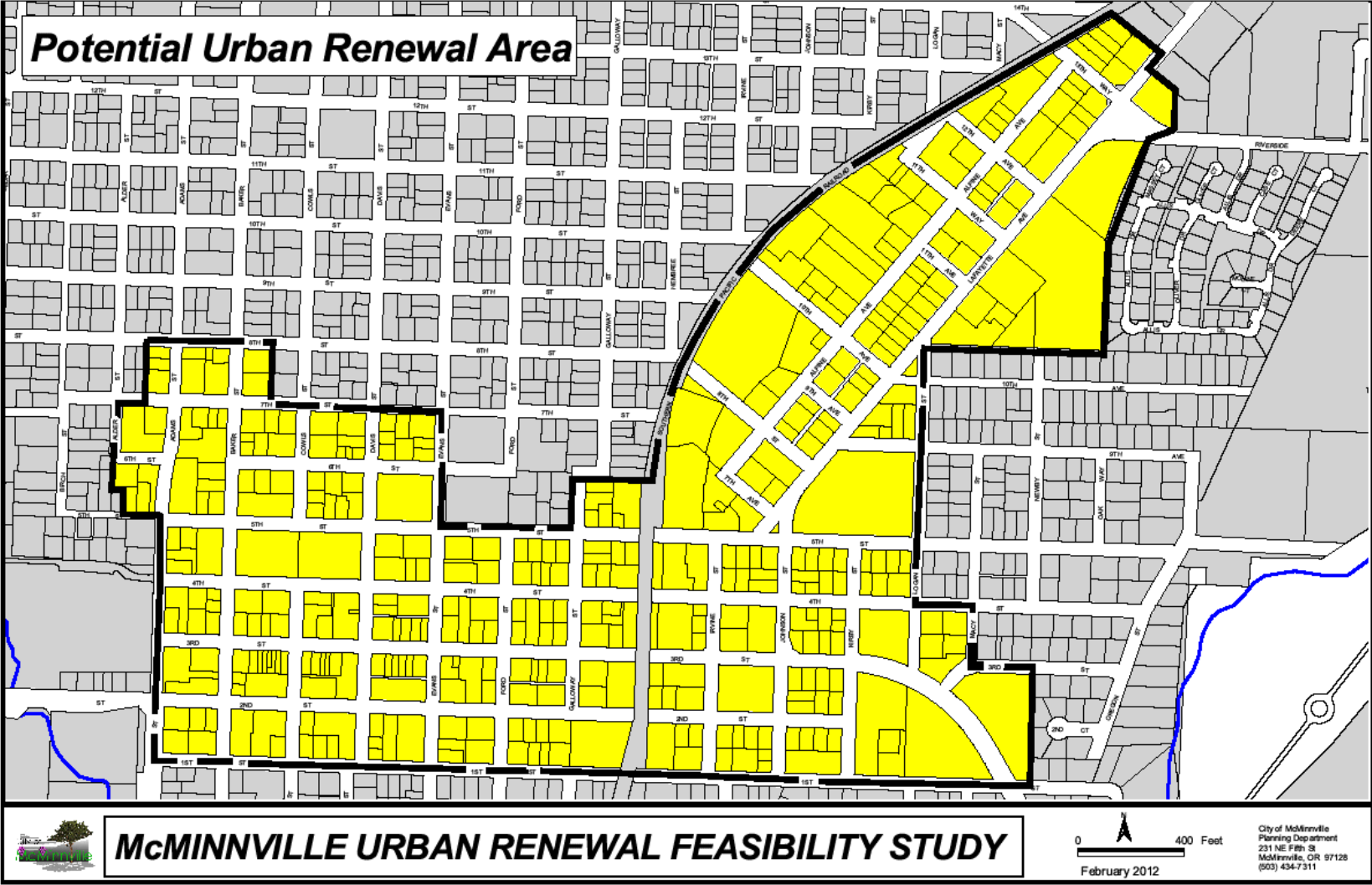
Boundary

The boundary for the Study is shown in Figure 2. It contains the downtown core and the Northeast Gateway Study area. The entire area is bordered by 1st Street to the south, 8th Street and 14th Way to the north, Logan Street and Lafayette Avenue to the east, and Adams Street to the west. This boundary was developed by city staff and stakeholders and refined by a stakeholder group that met on February 14, 2012, to review the boundary and provide input on the Study.

While this is the boundary being used for this Study, if an urban renewal plan is recommended, the boundary could be adjusted at that time to either eliminate or add properties. The boundary area (Area) will be reviewed both for the conditions of blight identified in the Oregon Revised Statutes (ORS 457.010) governing urban renewal and for the financial capacity of the Area to produce tax increment revenues.

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Figure 2 - McMinnville Urban Renewal Feasibility Study Area Boundary



Existing Conditions Analysis

Physical Conditions

Land Use

According to data obtained from the City of McMinnville and Yamhill County Assessor’s office, the Area, shown in Figure 2 above, contains 428 parcels and consists of 116.74 acres and 58.26 acres of right-of-way, for a total size of 175 acres.

An analysis of property classification data from the Yamhill County Assessment and Taxation database was used to determine the land use designation of parcels in the Area.

Within the Area, the largest use of land is Commercial - Improved (43.44% of total acreage). Following this, but excluding tax-exempt uses, is Industrial - Improved (16.05%) and then Residential - Improved (7.85%). There were 84 tax-exempt parcels that combine to account for 26.49% of the Area.

Table 1 - Existing Land Use of Area

Land Use	Parcels	Acreage	% of Total Acreage
Commercial - Improved	199	50.72	43.44%
Exempt	84	30.93	26.49%
Industrial - Improved	37	16.05	13.75%
Residential - Improved	61	9.17	7.85%
Industrial - Vacant	16	3.79	3.24%
Commercial - Vacant	14	2.72	2.33%
Unknown	15	2.57	2.20%
Multi Family - Improved	1	0.57	0.49%
Residential - Vacant	1	0.24	0.21%
Total	428	116.74	100.00%

Source: City of McMinnville

Zoning/ Comprehensive Plan

In the City of McMinnville, the zoning code implements the Comprehensive Plan. This code establishes districts to control land use throughout the city, and regulates development standards within these established use districts.

As illustrated in Table 2 and, the large majority (68.42%) of the Area is zoned as General Commercial. This is followed by General Industrial, which is approximately 14.07% of the Area, and after that is General Commercial - Planned Development Overlay, which is 6.26%. All combined, residential zones comprise only 9.23% of the Area and commercial zones comprise 76.48% of the Area.

Table 2 - Existing Zoning and Comprehensive Plan Designations of Area

Zoning	Parcels	Acreage	% of Total Acreage
General Commercial	313	79.87	68.42%
General Industrial	38	16.42	14.07%
General Commercial - Planned Development	21	7.31	6.26%
Single Family Residential	19	5.98	5.12%
Office/Residential	16	2.42	2.07%
Multiple Family Residential	15	2.38	2.04%
Light Industrial	6	2.36	2.02%
Total	428	116.74	100.00%

Source: City of McMinnville

Infrastructure

This section of the Study identifies the existing deficiencies in the infrastructure in the Area.

On May 23, 2011, an existing conditions analysis of the Northeast Gateway Area was completed by a consulting team lead by OTAK, Inc. The information presented in that analysis is used to describe the existing conditions for the portion of the Area that overlaps the Northeast Gateway Plan Area. Some text may be taken directly from this previously completed document.

Streets/Sidewalks/Pathways/Bike Lanes

Access for non-vehicular traffic in the Area is inconsistent. In the downtown section (from Galloway Street to Adams Street), all roads have sidewalks, however, none of them have bike lanes. Many of the sidewalks have large cracks and buckling in the pavement that could prove hazardous to pedestrians. These sections need to be either resurfaced or repaired.

In the east and northeast portion of the Area (anything east of Galloway Street), a number of roads are unimproved. Additionally, many streets do not have sidewalks, and the only bike lane in the Area travels into the Area along Riverside Drive, Lafayette Avenue, Johnson Street, and out of the Area on 3rd Street. On multiple occasions, sidewalks exist on only one side of the street, and there are gaps in the sidewalk network.

The Area would benefit from numerous types of sidewalk improvements, from repaving, to constructing new sidewalks where they do not exist, to clearly identifying crosswalks. The condition of the sidewalks and the lack of bike lanes are factors of blight in the Area.

Table 3, below, shows all streets in the Area, and whether they have sidewalks or bike lanes.

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Table 3 - Existence of Sidewalks and Bike Lanes

Street	Sidewalk	Bike Lane
1 st Street	Yes	No
2 nd Street	Yes	No
3 rd Street	Yes	No ¹
4 th Street	Yes	No
5 th Street	Yes*	No
6 th Street	Yes	No
7 th Street	Yes	No
7 th Avenue	Yes	No
8 th Street	Yes	No
9 th Avenue	No	No
9 th Street	No*	No
10 th Avenue	Yes*	No
11 th Avenue	No	No
11 th Way	No	No
12 th Avenue	No	No
13 th Way	Yes	Yes
Adams Street	Yes	No
Alpine Avenue	No*	No
Baker Street	Yes	No
Cowls Street	Yes	No
Davis Street	Yes	No
Evans Street	Yes	No
Ford Street	Yes	No
Galloway Street	Yes	No
Irvine Street	Yes	No
Johnson Street	Yes	Yes
Kirby Street	Yes	No
Lafayette Avenue	Yes	Yes
Logan Street	Yes*	No
Riverside Drive	Yes	Yes

Source: Visual survey and Otak Memorandum #1, Existing Conditions Analysis, May 23, 201, p 27.

* Partial sidewalks provided.

1. Bike lanes provided east of NE Johnson Street.

The McMinnville Transportation System Plan (TSP) was adopted in 2009, and it identifies the current conditions of the transportation system and what will be needed to meet demand in the long term. Within the plan, a number of projects are identified to address deficiencies within the Area, and these projects are identified in Table 4, below. In addition to these projects, there are major transportation needs in the Northeast

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Gateway Area, including the need to improve Alpine Avenue, which is presently in very poor condition; it does not have full paving, curbs, or sidewalks. There is also a lack of connectivity in the Northeast Gateway Area, with an undefined transportation grid and inconsistent sidewalks throughout the area.

In addition to the projects identified in the McMinnville Capital Improvement Plan, the TSP identifies the following facts and or deficiencies in the Area:

- A number of bicycle and pedestrian crashes on NE Lafayette, as well as in the downtown core⁶, indicating potential safety hazards.
- Lafayette as a High PM Peak Hour Traffic Street.⁷
- Based on continued citywide growth, new traffic signals at Lafayette/Orchard and 2nd/Davis and 5th Street at Lafayette.⁸
- Streetscape enhancements are recommended for 3rd Street, 2nd Street, and 1st Street in downtown McMinnville area.⁹
- 5th Street railroad crossing and Lafayette to Macy.¹⁰
- Macy 5th Street to 3rd Street.¹¹
- Missing curb ramps on a number of intersections throughout the Area, as identified on Exhibit 5-5 of the TSP.
- Lack of sidewalks, as shown on Exhibit 5-6 of the TSP and in Table 3, above.
- New curb extensions should be installed along the Adams/Baker Couplet at 1st Street, 3rd Street, 5th Street, and 8th Street.¹²
- 3rd Street Streetscape Enhancements, including street trees, crosswalks and streets, street lighting, shelters and mid-block crossings, landscaping, benches and bike racks, trash and newspaper units, and sidewalk surfacing.¹³
- 1st and 2nd Street corridor improvements, including curb extensions, pedestrian scale street lighting, improved sight lines for motorists, street design features, and pedestrian crossings.¹⁴
- Designating “sharrows” or shared bike and autos lanes in the downtown on 3rd Street and 5th Street.¹⁵

⁶ McMinnville Transportation Systems Plan, Traffic Accident History, Exhibit 4-3

⁷ *ibid*, Exhibit 4-4 2006 PM Peak Hour Traffic and Level of Service

⁸ *ibid*, p. 4-12

⁹ *ibid*, p. 4-23

¹⁰ *ibid*, p. 5-7

¹¹ *ibid*, p. 5-7

¹² *ibid*, p. 5-11

¹³ *ibid*, p. 5-12 and Exhibit 5-7 Streetscape Furnishing

¹⁴ *ibid*, p. 5-14

¹⁵ *ibid*, p. 6-7

Table 4 - Capital Improvement Plan Projects in the Area

Project	Cost Estimate
2 nd Street from Adams to Cowsls	\$1,097,800
5 th Street from Adams to Lafayette	\$1,203,500
3 rd Street Streetscape	\$2,325,000
Curb extensions on 1 st and 2 nd Streets	\$996,500
New sidewalk on 5 th , near Irvine Street	\$174,200
New sidewalks in Northeast Gateway area*	
Adams/Baker couplet	\$748,000
Total	\$6,370,800

Source: City of McMinnville * shown in Table 5.

The draft Northeast Gateway Plan and Implementation Strategy cites the need to construct improvements to the transportation network in the Northeast Gateway Area, specifically an improved Alpine Avenue that would be pedestrian friendly, a proposed multi-use path along the railroad right-of-way, and new east-west connections to improve circulation in the Northeast Gateway Area. The plan also stresses the need for consistent streetscape treatment along Alpine and Lafayette Avenues.¹⁶ Estimates from OTAK on these improvements are shown in Table 5.

The deficiencies in the street network and sidewalk conditions in the Area are indicators of blight within the Area.



¹⁶ Northeast Gateway Plan and Implementation Strategy Executive Summary, p 2,3.

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Table 5 - Preliminary Cost Estimates for Alpine and Lafayette Avenues

Project		Preliminary Cost Estimate
Alpine Avenue		
Temporary Features		\$520,900
Roadwork		
Removal		\$60,000
Alpine Avenue Woonerf		\$885,088
Alpine Avenue Intersection		\$391,579
Alpine Avenue Festival		\$717,896
Utilities		
Storm Sewer		\$281,481
Undergrounding Utilities		\$260,000
Soft Costs	30%	\$935,083
Construction Contingencies	30%	\$935,083
Construction Engineering	10%	\$311,694
	<i>Sub-Total</i>	<i>\$5,298,804</i>
Lafayette Avenue		
Temporary Features		\$146,800
Roadwork		
Removal		\$6,100
Sidewalk and Widening		\$402,637
Utilities		
Undergrounding Utilities		\$320,000
Soft Costs	30%	\$262,661
Construction Contingencies	30%	\$262,661
Construction Engineering	10%	\$87,554
	<i>Sub-Total</i>	<i>\$1,488,413</i>
	<i>Two Project Total</i>	<i>\$6,787,217</i>

Source: OTAK, 2012

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Water

McMinnville Water and Light is in the process of updating the city’s water master plan. Their Water Superintendent provided the information in Table 6 about future projects within the Area. The need for these projects is an indicator of blight in the Area.

Table 6 - Water Projects in the Area

Project	Budget	Schedule
10 th Ave. @ RR Crossing 8” ductile iron water main 10 th Ave. under RR to Irvine	\$96,000	
11 th Avenue 8" ductile iron water main Lafayette Ave. to Alpine Ave.	\$34,000	FY 12/13
11 th Way 8" ductile iron main from Alpine Ave. to 12 th Ave.	\$79,000	FY 12/13
Evans St. 12" ductile iron water main 6 th St. to 3 rd St.	\$133,000	FY 15/16
tie into existing water main at 5 th St., 4 th St.,		
4 th St. 8" ductile iron water main Evans St. to Galloway St.	\$111,000	FY 15/16
tie into existing water main at Ford St.		
Alpine Ave. replace existing 6" water main from 8 th Ave. to 13 th Way	\$415,000	FY 30/31

Source: McMinnville Water and Light e mail 3/13/2012

Storm Drainage Master Plan

The McMinnville Storm Drainage Master Plan, prepared in 2009, identifies three storm drain projects planned within the Area. These are shown in Table 7, below.

Table 7 - Storm Drain Projects in the Area

Project	Budget
1 st Street from Adams to Evans	\$350,000
4 th Street from Birch to Davis	\$202,100
Alpine Avenue from 7 th to 12 th	\$380,000
Total	\$932,100

Source: City of McMinnville

The costs of the Alpine Avenue improvements are included in the cost estimate for the Alpine Avenue reconstruction, as noted in the draft Northeast Gateway Plan. These required improvements are indications of blight in the Area.

Sanitary Sewer

The Sanitary Sewer Conveyance Plan for McMinnville was updated in 2008, and it, among other things, identifies both the current conditions of the sanitary sewer system and what will be needed to meet long-term demand. As of summer, 2011, when a number of system rehabilitation projects were completed in the Downtown Basin, there

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are no other major improvements to the conveyance system in the Area that are recommended in the Sanitary Sewer Conveyance Plan.

Parks

There are currently no public parks in the Area.

Public Parking

There are seven surface parking lots in the Area, located between 1st and 4th Street and Adams Street and Evans Street. There is also a parking structure located between 5th and 6th on Davis Street.

Wetlands

There are no wetlands in the Area.

Conditions of Buildings

There was no visual survey completed for every building in the Area. However, a quick visual survey shows buildings that are in need of façade improvements, and potentially a large number of buildings that require seismic upgrading, as the historic downtown is full of structures that are at least 50 years old and are typically not built with seismic reinforcements. This potential lack of seismic reinforcements could be a condition of blight in the Area.

Social Conditions

Of the 428 parcels in the Area, only 50 are recorded as residential use, and these account for 9.06% of the acreage, and 11.68% of parcels, in the Area. The 2010 census data that was recently released is used, below, to describe the social conditions within the Area. At the time of publication, only age and race data were available on the census block level. This means that age and race data will be a very accurate portrayal of the demographics within the Area. The income data presented in this Study was, however, only available on the city level, and will be accurate for the City of McMinnville as a whole, but it will be a less accurate portrayal of income levels in the Area.

Age

The age distribution of the Area is shown in Table 8, below. The majority of the population in the Area is between the ages of 15 and 44, and over 87% of the Area is younger than 60 years old.

Table 8 - Age Distribution of Area

Age Bracket	Population
0 to 14 years	151
15 to 29 years	209
30 to 44 years	202
45 to 59 years	132
60 to 74 years	68
75 years and older	29
Total	791

Source: US Census 2010, block level data

Race

The racial characteristics of the Area are shown in Table 9, below. The majority of people (72.4%) identify themselves as white and the second largest group (18.1%) that people identify with is some other race. It should be noted that Mexican or Latino was not a race option for this question in the census, but it can be inferred that a large amount of respondents who selected the some other race option might be Mexican or Latino.

Table 9 - Racial Characteristics of the Area

Race	Population
White alone	573
Black or African American alone	17
American Indian and Alaska Native alone	16
Asian alone	7
Native Hawaiian and Other Pacific Islander alone	1
Some Other Race alone	143
Two or More Races	34
Total	791

Source: US Census 2010, block level data

Income

Again, the income data for the 2010 census was not available on the census block level, so data for the entire City of McMinnville was used to create Table 10, shown below. The mean household income for the City of McMinnville in 2010 was \$57,769.

Table 10 - Household Income for the City of McMinnville

Income	Percent of Population
Less than \$10,000	6.70%
\$10,000 to \$14,999	9.00%
\$15,000 to \$24,999	12.90%
\$25,000 to \$34,999	11.50%
\$35,000 to \$49,999	18.00%
\$50,000 to \$74,999	15.90%
\$75,000 to \$99,999	10.20%
\$100,000 to \$149,999	11.10%
\$150,000 to \$199,999	3.00%
\$200,000 or more	1.70%
Mean Income	\$57,769

Source: US Census 2010, city level data

Population

Information from the Portland State University Population and Research Center provides the data for the following table. In the last 10 years, McMinnville has increased in population, except for between 2009 to 2010, where their data indicates a 1.61% decrease in population. This change is typical of readjustments performed by the Portland State University Population and Research Center after reviewing the 2010 Census data.

Table 11 - Population in McMinnville

Year	Population	% Change
2001	27,500	
2002	28,200	2.48%
2003	28,890	2.39%
2004	29,200	1.06%
2005	30,020	2.73%
2006	30,950	3.00%
2007	31,665	2.26%
2008	32,400	2.27%
2009	32,760	1.10%
2010	32,240	-1.61%
2011	32,270	0.09%

Source: Portland State University Population Research Center

Economic Conditions

Taxable value of property in Area

The estimated 2011/2012 total assessed value of the real property in the Area is \$89,498,529. The estimated assessed value of the utility properties in the Area is \$2,483,219. The Yamhill County Assessor has indicated they would apportion a share of the total city-wide utility value of \$50,636,473 in the same proportion as the ratio of real property real market value in the Area to real property real market value in the City (4.9040%). The total estimated value of personal property in the Area is \$3,666,307. This is based on calculating the share of personal property within the city and using that same percentage as a factor for the Area (4.0965%). The total estimated assessed value, including all real, personal, and utility properties, is \$95,648,055. An estimate was not made for manufactured properties as a look at the data gave a figure that seemed too high given the knowledge of manufactured structures in the Area. Therefore, the estimate is somewhat conservative, but certainly not exceeding the statutory limitations in any event. This data is summarized in Table 12, below.

Table 12 - Total Estimated Assessed Value

Property Type	Study Area	City	Percent Factor Used to Apportion
Real Property	\$89,498,529	\$1,975,914,449	
Utility Property	\$2,483,219	\$50,636,473	4.9040%
Personal Property	\$3,666,307	\$80,942,534	4.0965%
Manufactured		\$32,062,303	
Total	\$95,648,055	\$2,139,555,759	

Source: Yamhill County Assessor

The frozen base is estimated to be \$95,648,055. If an urban renewal plan is adopted, the Yamhill County Assessor will calculate the frozen base using tax accounts for all of the real, personal, manufactured, and utility properties in the Area. The total assessed value of the City of McMinnville is \$2,139,555,759¹⁷.

¹⁷ Data from Yamhill County Assessor’s 2011-12 tax roll summary

Improvement to Land Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property’s improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the “Improvement to Land Ratio,” or “I:L.” The values used are real market values. In urban renewal areas, the I:L may be used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 4:1 or more.

An important fact to note about Table 13, below, is that there are 54 parcels with no improvements on them. These are vacant parcels that account for 12.75 acres of underutilized land that are located very close to downtown McMinnville. In general, there is a very low IL ratio in the Area. Over 84% of the Area does not achieve the desired ratio of 4:1 or better.

Table 13 - IL Ratio of Parcels in the Area

I:L Ratio	Parcels	Acreage	% of Total Acreage
Not Taxable	35	9.50	8.14%
No Improvements	54	14.89	12.75%
0.01 - 0.50	44	11.89	10.18%
0.51 - 1.00	79	17.87	15.31%
1.01 - 1.50	54	13.14	11.26%
1.51 - 2.00	46	6.89	5.90%
2.01 - 3.00	56	16.52	14.15%
3.01 - 4.00	23	8.01	6.86%
4.01 - 5.00	11	3.70	3.17%
>5.0	26	14.35	12.29%
Total	428	116.74	100.00%

Source: Yamhill County Assessor Real Market Value data



Under-development in the area

Financial Analysis

There are existing permits for the Area that will not have been calculated in the 2011 assessments, and will add future assessed value to the Area. Permits in excess of \$50,000 and for taxable properties are shown in Table 14, below.

Table 14 - Permits in Area

Address	Commercial	Industrial	Residential
755 NE Alpine	\$252,000		
825 NE 3 rd	\$84,000		
611 NE 3 rd	\$50,000		
315 NE 3 rd	\$80,000		
610 NE Cows			\$180,000
813 NE 2 nd	\$1,271,000		
920 NE 8 th	\$57,500		
729 NE 3 rd	\$68,000		
330 NE Kirby	\$60,000		
330 NE Kirby	\$100,000		
1255 NE Alpine		\$412,240	
Total Permit Values	\$2,022,500	\$412,240	\$180,000
Change Property Ratio	.580	.795	.828
Estimated Assessed Values	\$1,173,050	\$327,731	\$149,040

Source: City of McMinnville

Projections for future development in the Northeast Gateway Plan and one projection for development in the downtown core area are shown in Table 15, below. These projections are not specifically included in the overall tax increment projections for the Area in the low growth scenario, but are included in the medium growth scenario. They are indicators that future growth can be anticipated.

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Real market values of these development projections were made by Urban Land Economics, Attachment III.

Table 15 - Development Projections for Area

Development Assumptions								
Northeast Gateway Plan	Short Term to 2015			Long Term 2015-2025				
	Retail sf	Non-retail Employment	950 sf Apartment Units	Retail sf	Non-retail Employment	950 sf Apartment Units	1500 sf Townhomes	
Granary District	9,000	23,000	30	7,000	23,000	30	10	
South End	7,500	15,000	20	13,500	13,500	50		
North End				15,000	30,500	140	70	
Total	16,500	38,000	50	35,500	67,000	220	80	
Estimated Real Market Value 2012 dollars	\$2,805,000	\$3,420,000	\$5,500,000	\$6,035,000	\$6,030,000	\$24,200,000	\$8,800,000	
Change Property Ratio	0.58	0.795	0.828	0.58	0.795	0.828	0.828	
Estimated Assessed Value	\$1,626,900	\$2,718,900	\$4,554,000	\$3,500,300	\$4,793,850	\$20,037,600	\$7,286,400	
Downtown								
Hotel Development	\$3,000,000							
Change Property Ratio	0.828							
Assessed Value	\$2,484,000							

Northeast Gateway Plan and Urban Land Economics

Historical assessed value growth in the City of McMinnville is shown in Table 16.

Table 16 – Historical Assessed Value Growth for City of McMinnville

Year	Total Assessed Value	Percentage Growth
2011	\$2,140,278,448	1.59%
2010	\$2,106,858,078	3.55%
2009	\$2,034,615,980	4.95%
2008	\$1,938,723,856	7.78%
2007	\$1,798,840,920	7.34%
2006	\$1,675,906,871	

Yamhill County Assessor's data

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The projected assessed values of development in the Area are shown in Tables 17a and 17b below. The growth percentages are shown in the last column and reflect very conservative assumptions about growth in Table 17a. The first three years’ projections mirror the city’s projections of growth of 1%. Table 17b shows moderate assumptions that include potential new development projections, shown in Table 15.

Table 17a - Projected Assessed Value Growth: Low

Low Growth Scenario					
Assessed Value					Percent
FYE	Real	Personal	Utility	Total	Growth
2012	\$ 89,498,529	\$ 3,666,271	\$ 2,483,219	\$ 95,648,019	
2013	\$ 90,393,514	\$ 3,666,271	\$ 2,483,219	\$ 96,543,004	0.94%
2014	\$ 91,297,449	\$ 3,666,271	\$ 2,483,219	\$ 97,446,939	0.94%
2015	\$ 92,210,423	\$ 3,666,271	\$ 2,483,219	\$ 98,359,913	0.94%
2016	\$ 94,515,684	\$ 3,666,271	\$ 2,483,219	\$ 100,665,174	2.34%
2017	\$ 97,823,733	\$ 3,702,934	\$ 2,508,051	\$ 104,034,718	3.35%
2018	\$ 101,247,564	\$ 3,739,963	\$ 2,533,132	\$ 107,520,659	3.35%
2019	\$ 105,803,704	\$ 3,777,363	\$ 2,558,463	\$ 112,139,530	4.30%
2020	\$ 110,564,871	\$ 3,815,137	\$ 2,584,048	\$ 116,964,056	4.30%
2021	\$ 115,540,290	\$ 3,853,288	\$ 2,609,888	\$ 122,003,466	4.31%
2022	\$ 120,739,603	\$ 3,891,821	\$ 2,635,987	\$ 127,267,411	4.31%
2023	\$ 126,172,885	\$ 3,930,739	\$ 2,662,347	\$ 132,765,971	4.32%
2024	\$ 131,850,665	\$ 3,970,046	\$ 2,688,970	\$ 138,509,681	4.33%
2025	\$ 137,783,945	\$ 4,009,746	\$ 2,715,860	\$ 144,509,551	4.33%
2026	\$ 143,984,223	\$ 4,049,843	\$ 2,743,019	\$ 150,777,085	4.34%
2027	\$ 149,023,671	\$ 4,090,341	\$ 2,770,449	\$ 155,884,461	3.39%
2028	\$ 154,239,499	\$ 4,131,244	\$ 2,798,153	\$ 161,168,896	3.39%
2029	\$ 159,637,881	\$ 4,172,556	\$ 2,826,135	\$ 166,636,572	3.39%
2030	\$ 165,225,207	\$ 4,214,282	\$ 2,854,396	\$ 172,293,885	3.40%
2031	\$ 171,008,089	\$ 4,256,425	\$ 2,882,940	\$ 178,147,454	3.40%
2032	\$ 176,993,372	\$ 4,298,989	\$ 2,911,769	\$ 184,204,130	3.40%
2033	\$ 183,188,140	\$ 4,341,979	\$ 2,940,887	\$ 190,471,006	3.40%
2034	\$ 189,599,725	\$ 4,385,399	\$ 2,970,296	\$ 196,955,420	3.40%
2035	\$ 196,235,715	\$ 4,429,253	\$ 2,999,999	\$ 203,664,967	3.41%
2036	\$ 203,103,965	\$ 4,473,546	\$ 3,029,999	\$ 210,607,510	3.41%
2037	\$ 210,212,604	\$ 4,518,281	\$ 3,060,299	\$ 217,791,184	3.41%
2038	\$ 217,570,045	\$ 4,563,464	\$ 3,090,902	\$ 225,224,411	3.41%
2039	\$ 225,184,997	\$ 4,609,099	\$ 3,121,811	\$ 232,915,907	3.42%
2040	\$ 233,066,472	\$ 4,655,190	\$ 3,153,029	\$ 240,874,691	3.42%
2041	\$ 241,223,799	\$ 4,701,742	\$ 3,184,559	\$ 249,110,100	3.42%
2042	\$ 249,666,632	\$ 4,748,759	\$ 3,216,405	\$ 257,631,796	3.42%

Source: ECONorthwest

Table 17b - Projected Assessed Value Growth: Medium

Medium Growth Scenario					
	Assessed Value				Percent
FYE	Real	Personal	Utility	Total	Growth
2012	\$ 89,498,529	\$ 3,666,271	\$ 2,483,219	\$ 95,648,019	
2013	\$ 93,018,283	\$ 3,666,271	\$ 2,483,219	\$ 99,167,773	3.68%
2014	\$ 95,111,194	\$ 3,666,271	\$ 2,483,219	\$ 101,260,684	2.11%
2015	\$ 100,203,241	\$ 3,666,271	\$ 2,483,219	\$ 106,352,731	5.03%
2016	\$ 112,348,230	\$ 3,666,271	\$ 2,483,219	\$ 118,497,720	11.42%
2017	\$ 120,306,690	\$ 3,776,259	\$ 2,557,716	\$ 126,640,665	6.87%
2018	\$ 128,641,628	\$ 3,889,547	\$ 2,634,447	\$ 135,165,622	6.73%
2019	\$ 137,368,295	\$ 4,006,233	\$ 2,713,480	\$ 144,088,008	6.60%
2020	\$ 146,502,796	\$ 4,126,420	\$ 2,794,884	\$ 153,424,100	6.48%
2021	\$ 156,061,720	\$ 4,250,213	\$ 2,878,731	\$ 163,190,664	6.37%
2022	\$ 166,062,153	\$ 4,377,719	\$ 2,965,093	\$ 173,404,965	6.26%
2023	\$ 176,522,089	\$ 4,509,051	\$ 3,054,046	\$ 184,085,186	6.16%
2024	\$ 187,460,062	\$ 4,644,323	\$ 3,145,667	\$ 195,250,052	6.07%
2025	\$ 201,707,459	\$ 4,783,653	\$ 3,240,037	\$ 209,731,149	7.42%
2026	\$ 210,784,295	\$ 4,927,163	\$ 3,337,238	\$ 219,048,696	4.44%
2027	\$ 220,269,588	\$ 5,074,978	\$ 3,437,355	\$ 228,781,921	4.44%
2028	\$ 230,181,719	\$ 5,227,227	\$ 3,540,476	\$ 238,949,422	4.44%
2029	\$ 240,539,896	\$ 5,384,044	\$ 3,646,690	\$ 249,570,630	4.44%
2030	\$ 251,364,191	\$ 5,545,565	\$ 3,756,091	\$ 260,665,847	4.45%
2031	\$ 262,675,580	\$ 5,711,932	\$ 3,868,774	\$ 272,256,286	4.45%
2032	\$ 274,495,981	\$ 5,883,290	\$ 3,984,837	\$ 284,364,108	4.45%
2033	\$ 286,848,300	\$ 6,059,789	\$ 4,104,382	\$ 297,012,471	4.45%
2034	\$ 299,756,474	\$ 6,241,583	\$ 4,227,513	\$ 310,225,570	4.45%
2035	\$ 313,245,515	\$ 6,428,830	\$ 4,354,338	\$ 324,028,683	4.45%
2036	\$ 327,341,563	\$ 6,621,695	\$ 4,484,968	\$ 338,448,226	4.45%
2037	\$ 342,071,933	\$ 6,820,346	\$ 4,619,517	\$ 353,511,796	4.45%

Source: ECONorthwest

The growth in FY 2016 indicates substantial new development as projected in Table 15. The next nine years indicate additional growth as projected in the Northeast Gateway Plan.

The projected Tax Increment Revenues (TIF) from the assessed value growth are shown in Tables 18a and 18b below. The sub-total column reflects a 25 year and a 30 year plan. The projections in Table 18a are low growth projections of the assessed value increases. Table 18b reflects medium growth projections. The total revenues are dramatically different, estimating \$16.6 million in 25 years in the low growth scenario and \$37.2 million in the

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medium growth scenario. The medium growth scenario reflects the development projected in the Northeast Gateway Plan, but it must be understood that this development will not occur as projected unless the transportation projects also described in the Northeast Gateway Plan are completed.

Table 18a - Tax Increment Revenue Projection: Low

Low Growth Scenario							
FYE	AV	Frozen Base	Increment	Tax Rate	TIF	Sub total	
2012	\$ 95,648,019	\$ 95,648,019	\$ -	14.0444	\$ -		
2013	\$ 96,543,004	\$ 95,648,019	\$ 894,985	14.0018	\$ 12,531		
2014	\$ 97,446,939	\$ 95,648,019	\$ 1,798,920	13.9599	\$ 25,113		
2015	\$ 98,359,913	\$ 95,648,019	\$ 2,711,894	13.9152	\$ 37,737		
2016	\$ 100,665,174	\$ 95,648,019	\$ 5,017,155	13.8764	\$ 69,620		
2017	\$ 104,034,718	\$ 95,648,019	\$ 8,386,699	13.1163	\$ 110,002		
2018	\$ 107,520,659	\$ 95,648,019	\$ 11,872,640	13.1042	\$ 155,581		
2019	\$ 112,139,530	\$ 95,648,019	\$ 16,491,511	12.8956	\$ 212,668		
2020	\$ 116,964,056	\$ 95,648,019	\$ 21,316,037	13.0830	\$ 278,878		
2021	\$ 122,003,466	\$ 95,648,019	\$ 26,355,447	13.0739	\$ 344,568		
2022	\$ 127,267,411	\$ 95,648,019	\$ 31,619,392	13.0645	\$ 413,092		
2023	\$ 132,765,971	\$ 95,648,019	\$ 37,117,952	12.8316	\$ 476,283		
2024	\$ 138,509,681	\$ 95,648,019	\$ 42,861,662	12.8316	\$ 549,984		
2025	\$ 144,509,551	\$ 95,648,019	\$ 48,861,532	12.8316	\$ 626,972		
2026	\$ 150,777,085	\$ 95,648,019	\$ 55,129,066	12.8316	\$ 707,394		
2027	\$ 155,884,461	\$ 95,648,019	\$ 60,236,442	12.8316	\$ 772,930		
2028	\$ 161,168,896	\$ 95,648,019	\$ 65,520,877	12.8316	\$ 840,738		
2029	\$ 166,636,572	\$ 95,648,019	\$ 70,988,553	12.8316	\$ 910,897		
2030	\$ 172,293,885	\$ 95,648,019	\$ 76,645,866	12.8316	\$ 983,489		
2031	\$ 178,147,454	\$ 95,648,019	\$ 82,499,435	12.8316	\$ 1,058,600		
2032	\$ 184,204,130	\$ 95,648,019	\$ 88,556,111	12.8316	\$ 1,136,317		
2033	\$ 190,471,006	\$ 95,648,019	\$ 94,822,987	12.8316	\$ 1,216,731		
2034	\$ 196,955,420	\$ 95,648,019	\$ 101,307,401	12.8316	\$ 1,299,936		
2035	\$ 203,664,967	\$ 95,648,019	\$ 108,016,948	12.8316	\$ 1,386,030		
2036	\$ 210,607,510	\$ 95,648,019	\$ 114,959,491	12.8316	\$ 1,475,114		
2037	\$ 217,791,184	\$ 95,648,019	\$ 122,143,165	12.8316	\$ 1,567,292	\$ 16,668,497	
2038	\$ 225,224,411	\$ 95,648,019	\$ 129,576,392	12.8316	\$ 1,662,672		
2039	\$ 232,915,907	\$ 95,648,019	\$ 137,267,888	12.8316	\$ 1,761,367		
2040	\$ 240,874,691	\$ 95,648,019	\$ 145,226,672	12.8316	\$ 1,863,491		
2041	\$ 249,110,100	\$ 95,648,019	\$ 153,462,081	12.8316	\$ 1,969,164		
2042	\$ 257,631,796	\$ 95,648,019	\$ 161,983,777	12.8316	\$ 2,078,511	\$ 26,003,702	

Source: ECONorthwest

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Table 18b - Tax Increment Revenue Projection: Medium

Medium Growth Scenario						
FYE	AV	Frozen Base	Increment	Tax Rate	TIF	Sub total
2012	\$ 95,648,019	\$ 95,648,019	\$ -	14.0444	\$ -	
2013	\$ 99,167,773	\$ 95,648,019	\$ 3,519,754	14.0018	\$ 49,283	
2014	\$ 101,260,684	\$ 95,648,019	\$ 5,612,665	13.9599	\$ 78,352	
2015	\$ 106,352,731	\$ 95,648,019	\$ 10,704,712	13.9152	\$ 148,958	
2016	\$ 118,497,720	\$ 95,648,019	\$ 22,849,701	13.8764	\$ 317,072	
2017	\$ 126,640,665	\$ 95,648,019	\$ 30,992,646	13.1163	\$ 406,509	
2018	\$ 135,165,622	\$ 95,648,019	\$ 39,517,603	13.1042	\$ 517,847	
2019	\$ 144,088,008	\$ 95,648,019	\$ 48,439,989	12.8956	\$ 624,663	
2020	\$ 153,424,100	\$ 95,648,019	\$ 57,776,081	13.0830	\$ 755,884	
2021	\$ 163,190,664	\$ 95,648,019	\$ 67,542,645	13.0739	\$ 883,046	
2022	\$ 173,404,965	\$ 95,648,019	\$ 77,756,946	13.0645	\$ 1,015,856	
2023	\$ 184,085,186	\$ 95,648,019	\$ 88,437,167	12.8316	\$ 1,134,790	
2024	\$ 195,250,052	\$ 95,648,019	\$ 99,602,033	12.8316	\$ 1,278,053	
2025	\$ 209,731,149	\$ 95,648,019	\$ 114,083,130	12.8316	\$ 1,463,869	
2026	\$ 219,048,696	\$ 95,648,019	\$ 123,400,677	12.8316	\$ 1,583,428	
2027	\$ 228,781,921	\$ 95,648,019	\$ 133,133,902	12.8316	\$ 1,708,321	
2028	\$ 238,949,422	\$ 95,648,019	\$ 143,301,403	12.8316	\$ 1,838,786	
2029	\$ 249,570,630	\$ 95,648,019	\$ 153,922,611	12.8316	\$ 1,975,073	
2030	\$ 260,665,847	\$ 95,648,019	\$ 165,017,828	12.8316	\$ 2,117,443	
2031	\$ 272,256,286	\$ 95,648,019	\$ 176,608,267	12.8316	\$ 2,266,167	
2032	\$ 284,364,108	\$ 95,648,019	\$ 188,716,089	12.8316	\$ 2,421,529	
2033	\$ 297,012,471	\$ 95,648,019	\$ 201,364,452	12.8316	\$ 2,583,828	
2034	\$ 310,225,570	\$ 95,648,019	\$ 214,577,551	12.8316	\$ 2,753,373	
2035	\$ 324,028,683	\$ 95,648,019	\$ 228,380,664	12.8316	\$ 2,930,489	
2036	\$ 338,448,226	\$ 95,648,019	\$ 242,800,207	12.8316	\$ 3,115,515	
2037	\$ 353,511,796	\$ 95,648,019	\$ 257,863,777	12.8316	\$ 3,308,805	\$ 37,276,939

Source: ECONorthwest

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Revenue sharing is part of the 2009 legislative changes to urban renewal and means that at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. The share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness, however the projections do not estimate this threshold is met.

In the 25 year low growth scenario with \$10 million in maximum indebtedness, revenue sharing is projected to commence in FYE 2032, which is 20 years from the start of the urban renewal plan. For a 30 year low growth plan with approximately \$17 million in maximum indebtedness, revenue sharing is expected in FYE 2040.

In the medium scenario, revenue sharing is estimated to commence in FYE 2037, which is 25 years after the inception of the plan, and considered to be the terminating year of the plan. The revenue sharing commences at a later date than the low growth scenario because the amount of maximum indebtedness. The medium growth scenario has a projected maximum indebtedness of \$30 million, so meeting the threshold of \$3 million (10% of the \$30 million maximum indebtedness) is more difficult. Therefore, revenue sharing is not anticipated to be a feature of the medium growth scenario.

The projected revenue sharing with the impacted taxing districts is shown in Tables 19a, 19b, and 19c below (25 years and 30 years for the low growth scenario and 25 years for the medium growth scenario).

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Table 19a - Revenue Sharing 25 year, \$10 million in Maximum Indebtedness: Low

Low Growth Scenario			
FYE	Total TIF	TIF for URA	TIF Shared
2012	\$ -	\$ -	\$ -
2013	\$ 12,531	\$ 12,531	\$ -
2014	\$ 25,113	\$ 25,113	\$ -
2015	\$ 37,737	\$ 37,737	\$ -
2016	\$ 69,620	\$ 69,620	\$ -
2017	\$ 110,002	\$ 110,002	\$ -
2018	\$ 155,581	\$ 155,581	\$ -
2019	\$ 212,668	\$ 212,668	\$ -
2020	\$ 278,878	\$ 278,878	\$ -
2021	\$ 344,568	\$ 344,568	\$ -
2022	\$ 413,092	\$ 413,092	\$ -
2023	\$ 476,283	\$ 476,283	\$ -
2024	\$ 549,984	\$ 549,984	\$ -
2025	\$ 626,972	\$ 626,972	\$ -
2026	\$ 707,394	\$ 707,394	\$ -
2027	\$ 772,930	\$ 772,930	\$ -
2028	\$ 840,738	\$ 840,738	\$ -
2029	\$ 910,897	\$ 910,897	\$ -
2030	\$ 983,489	\$ 983,489	\$ -
2031	\$ 1,058,600	\$ 1,058,600	\$ -
2032	\$ 1,136,317	\$ 1,034,079	\$ 102,238
2033	\$ 1,216,731	\$ 1,054,183	\$ 162,548
2034	\$ 1,299,936	\$ 1,074,984	\$ 224,952
2035	\$ 1,386,030	\$ 1,096,508	\$ 289,522
2036	\$ 1,475,114	\$ 1,118,779	\$ 356,335
2037	\$ 1,567,292	\$ 1,141,823	\$ 425,469
Total	\$ 16,668,497	\$ 15,107,433	\$ 1,561,064

Source: ECONorthwest

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Table 19b - Revenue Sharing 30 year, \$17 million in Maximum Indebtedness: Low

Low Growth Scenario			
FYE	Total TIF	TIF for URA	TIF Shared
2012	\$ -	\$ -	\$ -
2013	\$ 12,531	\$ 12,531	\$ -
2014	\$ 25,113	\$ 25,113	\$ -
2015	\$ 37,737	\$ 37,737	\$ -
2016	\$ 69,620	\$ 69,620	\$ -
2017	\$ 110,002	\$ 110,002	\$ -
2018	\$ 155,581	\$ 155,581	\$ -
2019	\$ 212,668	\$ 212,668	\$ -
2020	\$ 278,878	\$ 278,878	\$ -
2021	\$ 344,568	\$ 344,568	\$ -
2022	\$ 413,092	\$ 413,092	\$ -
2023	\$ 476,283	\$ 476,283	\$ -
2024	\$ 549,984	\$ 549,984	\$ -
2025	\$ 626,972	\$ 626,972	\$ -
2026	\$ 707,394	\$ 707,394	\$ -
2027	\$ 772,930	\$ 772,930	\$ -
2028	\$ 840,738	\$ 840,738	\$ -
2029	\$ 910,897	\$ 910,897	\$ -
2030	\$ 983,489	\$ 983,489	\$ -
2031	\$ 1,058,600	\$ 1,058,600	\$ -
2032	\$ 1,136,317	\$ 1,136,317	\$ -
2033	\$ 1,216,731	\$ 1,216,731	\$ -
2034	\$ 1,299,936	\$ 1,299,936	\$ -
2035	\$ 1,386,030	\$ 1,386,030	\$ -
2036	\$ 1,475,114	\$ 1,475,114	\$ -
2037	\$ 1,567,292	\$ 1,567,292	\$ -
2038	\$ 1,662,672	\$ 1,662,672	\$ -
2039	\$ 1,761,367	\$ 1,761,367	\$ -
2040	\$ 1,863,491	\$ 1,740,873	\$ 122,618
2041	\$ 1,969,164	\$ 1,767,291	\$ 201,873
2042	\$ 2,078,511	\$ 1,794,628	\$ 283,883
Total	\$ 26,003,702	\$ 25,395,328	\$ 608,374

Source: ECONorthwest

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Table 19c - Revenue Sharing 25 years, \$30 million in Maximum Indebtedness: Medium

Medium Growth Scenario			
FYE	Total TIF	TIF for URA	TIF Shared
2012	\$ -	\$ -	\$ -
2013	\$ 49,283	\$ 49,283	\$ -
2014	\$ 78,352	\$ 78,352	\$ -
2015	\$ 148,958	\$ 148,958	\$ -
2016	\$ 317,072	\$ 317,072	\$ -
2017	\$ 406,509	\$ 406,509	\$ -
2018	\$ 517,847	\$ 517,847	\$ -
2019	\$ 624,663	\$ 624,663	\$ -
2020	\$ 755,884	\$ 755,884	\$ -
2021	\$ 883,046	\$ 883,046	\$ -
2022	\$ 1,015,856	\$ 1,015,856	\$ -
2023	\$ 1,134,790	\$ 1,134,790	\$ -
2024	\$ 1,278,053	\$ 1,278,053	\$ -
2025	\$ 1,463,869	\$ 1,463,869	\$ -
2026	\$ 1,583,428	\$ 1,583,428	\$ -
2027	\$ 1,708,321	\$ 1,708,321	\$ -
2028	\$ 1,838,786	\$ 1,838,786	\$ -
2029	\$ 1,975,073	\$ 1,975,073	\$ -
2030	\$ 2,117,443	\$ 2,117,443	\$ -
2031	\$ 2,266,167	\$ 2,266,167	\$ -
2032	\$ 2,421,529	\$ 2,421,529	\$ -
2033	\$ 2,583,828	\$ 2,583,828	\$ -
2034	\$ 2,753,373	\$ 2,753,373	\$ -
2035	\$ 2,930,489	\$ 2,930,489	\$ -
2036	\$ 3,115,515	\$ 3,115,515	\$ -
2037	\$ 3,308,805	\$ 3,077,201	\$ 231,604
Total	\$57,036,396	\$53,235,199	\$ 3,801,197

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

The impacts on taxing jurisdictions are shown in Tables 20a, 20b, and 20c below. Tables 20a and 20b are calculated based on a low growth scenario. Table 20a projects the impacts for a low growth scenario and a 25 year time frame, Table 20b for a low growth scenario and 30 year time frame. Table 20c projects the impacts for a medium growth scenario with a 25 year time frame. These growth projections are depicted in the assessed value projections above. The impacts are shown on an annual basis.

The McMinnville School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are replaced with State School Fund revenues, as determined by a funding formula at the State level. The formula for funding schools did not change in the 2012 legislative session.

Michael Wiltfong, Director of the Office of School Finance for the State of Oregon has indicated that there is a potential impact of urban renewal on schools across the state. There are many uses of property taxes in the state, including urban renewal. If the property tax revenue allocated to the state school fund was increased by one million dollars, it would result in an increase of \$1.44 per Average Daily Membership for the school districts. Mr. Wiltfong further states that there are likely indirect benefits of urban renewal that may have a greater return to the State School Fund, such as real estate development, new jobs, and resulting increases in tax revenues. Given that there are urban renewal programs throughout the State of Oregon, adjustments for urban renewal would be felt by the McMinnville Schools regardless of whether there is urban renewal in McMinnville.

Dedicating efforts to maintaining a healthy downtown is one variable in a livable city. These efforts will produce spin-off economic benefits in terms of increased economic development in the area, increased jobs, and expected increases in overall populations, including the student populations in the schools. These increases in the schools' populations will bring in more funding to the schools through the per pupil funding formula.

McMinnville Urban Renewal Feasibility Study

Table 20a - Impacts on Taxing Jurisdictions 25 Year Period: Low

Low Growth Scenario										
FYE	Yamhill County	Yamhill County Ext. Serv.	Yamhill Co. Soil & Water	McMinnville School Dist.	Willamette Regional ESD	City of McMinnville	Chemeketa Library	Chemeketa Comm. Coll.	Total	
	2.5775	0.0449	0.0354	4.1494	0.2967	5.02	0.0818	0.6259	12.8316	
2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2013	\$ 2,307	\$ 40	\$ 32	\$ 3,714	\$ 266	\$ 4,493	\$ 73	\$ 560	\$ 11,484	\$ -
2014	\$ 4,637	\$ 81	\$ 64	\$ 7,465	\$ 534	\$ 9,031	\$ 147	\$ 1,126	\$ 23,083	\$ -
2015	\$ 6,990	\$ 122	\$ 96	\$ 11,253	\$ 805	\$ 13,614	\$ 222	\$ 1,697	\$ 34,798	\$ -
2016	\$ 12,932	\$ 225	\$ 178	\$ 20,818	\$ 1,489	\$ 25,186	\$ 410	\$ 3,140	\$ 64,378	\$ -
2017	\$ 21,617	\$ 377	\$ 297	\$ 34,800	\$ 2,488	\$ 42,101	\$ 686	\$ 5,249	\$ 107,614	\$ -
2018	\$ 30,602	\$ 533	\$ 420	\$ 49,264	\$ 3,523	\$ 59,600	\$ 971	\$ 7,431	\$ 152,345	\$ -
2019	\$ 42,507	\$ 740	\$ 584	\$ 68,430	\$ 4,893	\$ 82,787	\$ 1,349	\$ 10,322	\$ 211,613	\$ -
2020	\$ 54,942	\$ 957	\$ 755	\$ 88,449	\$ 6,324	\$ 107,007	\$ 1,744	\$ 13,342	\$ 273,519	\$ -
2021	\$ 67,931	\$ 1,183	\$ 933	\$ 109,359	\$ 7,820	\$ 132,304	\$ 2,156	\$ 16,496	\$ 338,182	\$ -
2022	\$ 81,499	\$ 1,420	\$ 1,119	\$ 131,202	\$ 9,381	\$ 158,730	\$ 2,586	\$ 19,791	\$ 405,728	\$ -
2023	\$ 95,672	\$ 1,667	\$ 1,314	\$ 154,017	\$ 11,013	\$ 186,332	\$ 3,036	\$ 23,232	\$ 476,283	\$ -
2024	\$ 110,476	\$ 1,924	\$ 1,517	\$ 177,850	\$ 12,717	\$ 215,166	\$ 3,506	\$ 26,827	\$ 549,984	\$ -
2025	\$ 125,941	\$ 2,194	\$ 1,730	\$ 202,746	\$ 14,497	\$ 245,285	\$ 3,997	\$ 30,582	\$ 626,972	\$ -
2026	\$ 142,095	\$ 2,475	\$ 1,952	\$ 228,753	\$ 16,357	\$ 276,748	\$ 4,510	\$ 34,505	\$ 707,394	\$ -
2027	\$ 155,259	\$ 2,705	\$ 2,132	\$ 249,945	\$ 17,872	\$ 302,387	\$ 4,927	\$ 37,702	\$ 772,930	\$ -
2028	\$ 168,880	\$ 2,942	\$ 2,319	\$ 271,872	\$ 19,440	\$ 328,915	\$ 5,360	\$ 41,010	\$ 840,738	\$ -
2029	\$ 182,973	\$ 3,187	\$ 2,513	\$ 294,560	\$ 21,062	\$ 356,363	\$ 5,807	\$ 44,432	\$ 910,897	\$ -
2030	\$ 197,555	\$ 3,441	\$ 2,713	\$ 318,034	\$ 22,741	\$ 384,762	\$ 6,270	\$ 47,973	\$ 983,489	\$ -
2031	\$ 212,642	\$ 3,704	\$ 2,920	\$ 342,323	\$ 24,478	\$ 414,147	\$ 6,748	\$ 51,636	\$ 1,058,600	\$ -
2032	\$ 228,253	\$ 3,976	\$ 3,135	\$ 367,455	\$ 26,275	\$ 444,552	\$ 7,244	\$ 55,427	\$ 1,136,317	\$ -
2033	\$ 244,406	\$ 4,258	\$ 3,357	\$ 393,459	\$ 28,134	\$ 476,012	\$ 7,757	\$ 59,350	\$ 1,216,731	\$ -
2034	\$ 261,120	\$ 4,549	\$ 3,586	\$ 420,365	\$ 30,058	\$ 508,563	\$ 8,287	\$ 63,408	\$ 1,299,936	\$ -
2035	\$ 278,414	\$ 4,850	\$ 3,824	\$ 448,205	\$ 32,049	\$ 542,245	\$ 8,836	\$ 67,608	\$ 1,386,030	\$ -
2036	\$ 296,308	\$ 5,162	\$ 4,070	\$ 477,013	\$ 34,108	\$ 577,097	\$ 9,404	\$ 71,953	\$ 1,475,114	\$ -
2037	\$ 314,824	\$ 5,484	\$ 4,324	\$ 506,821	\$ 36,240	\$ 613,159	\$ 9,991	\$ 76,449	\$ 1,567,292	\$ -
Total	\$ 3,340,782	\$ 58,196	\$ 45,884	\$ 5,378,172	\$ 384,564	\$ 6,506,586	\$ 106,024	\$ 811,248	\$ 16,631,451	

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 20b - Impacts on Taxing Jurisdictions 30 Year Period: Low

Low Growth Scenario										
FYE	Yamhill County	Yamhill County Ext. Serv.	Yamhill Co. Soil & Water	McMinnville School Dist.	Willamette Regional ESD	City of McMinnville	Chemeketa Library	Chemeketa Comm. Coll.	Total	
	2.5775	0.0449	0.0354	4.1494	0.2967	5.02	0.0818	0.6259	12.8316	
2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2013	\$ 2,307	\$ 40	\$ 32	\$ 3,714	\$ 266	\$ 4,493	\$ 73	\$ 560	\$ 11,484	\$ -
2014	\$ 4,637	\$ 81	\$ 64	\$ 7,465	\$ 534	\$ 9,031	\$ 147	\$ 1,126	\$ 23,083	\$ -
2015	\$ 6,990	\$ 122	\$ 96	\$ 11,253	\$ 805	\$ 13,614	\$ 222	\$ 1,697	\$ 34,798	\$ -
2016	\$ 12,932	\$ 225	\$ 178	\$ 20,818	\$ 1,489	\$ 25,186	\$ 410	\$ 3,140	\$ 64,378	\$ -
2017	\$ 21,617	\$ 377	\$ 297	\$ 34,800	\$ 2,488	\$ 42,101	\$ 686	\$ 5,249	\$ 107,614	\$ -
2018	\$ 30,602	\$ 533	\$ 420	\$ 49,264	\$ 3,523	\$ 59,600	\$ 971	\$ 7,431	\$ 152,345	\$ -
2019	\$ 42,507	\$ 740	\$ 584	\$ 68,430	\$ 4,893	\$ 82,787	\$ 1,349	\$ 10,322	\$ 211,613	\$ -
2020	\$ 54,942	\$ 957	\$ 755	\$ 88,449	\$ 6,324	\$ 107,007	\$ 1,744	\$ 13,342	\$ 273,519	\$ -
2021	\$ 67,931	\$ 1,183	\$ 933	\$ 109,359	\$ 7,820	\$ 132,304	\$ 2,156	\$ 16,496	\$ 338,182	\$ -
2022	\$ 81,499	\$ 1,420	\$ 1,119	\$ 131,202	\$ 9,381	\$ 158,730	\$ 2,586	\$ 19,791	\$ 405,728	\$ -
2023	\$ 95,672	\$ 1,667	\$ 1,314	\$ 154,017	\$ 11,013	\$ 186,332	\$ 3,036	\$ 23,232	\$ 476,283	\$ -
2024	\$ 110,476	\$ 1,924	\$ 1,517	\$ 177,850	\$ 12,717	\$ 215,166	\$ 3,506	\$ 26,827	\$ 549,984	\$ -
2025	\$ 125,941	\$ 2,194	\$ 1,730	\$ 202,746	\$ 14,497	\$ 245,285	\$ 3,997	\$ 30,582	\$ 626,972	\$ -
2026	\$ 142,095	\$ 2,475	\$ 1,952	\$ 228,753	\$ 16,357	\$ 276,748	\$ 4,510	\$ 34,505	\$ 707,394	\$ -
2027	\$ 155,259	\$ 2,705	\$ 2,132	\$ 249,945	\$ 17,872	\$ 302,387	\$ 4,927	\$ 37,702	\$ 772,930	\$ -
2028	\$ 168,880	\$ 2,942	\$ 2,319	\$ 271,872	\$ 19,440	\$ 328,915	\$ 5,360	\$ 41,010	\$ 840,738	\$ -
2029	\$ 182,973	\$ 3,187	\$ 2,513	\$ 294,560	\$ 21,062	\$ 356,363	\$ 5,807	\$ 44,432	\$ 910,897	\$ -
2030	\$ 197,555	\$ 3,441	\$ 2,713	\$ 318,034	\$ 22,741	\$ 384,762	\$ 6,270	\$ 47,973	\$ 983,489	\$ -
2031	\$ 212,642	\$ 3,704	\$ 2,920	\$ 342,323	\$ 24,478	\$ 414,147	\$ 6,748	\$ 51,636	\$ 1,058,600	\$ -
2032	\$ 228,253	\$ 3,976	\$ 3,135	\$ 367,455	\$ 26,275	\$ 444,552	\$ 7,244	\$ 55,427	\$ 1,136,317	\$ -
2033	\$ 244,406	\$ 4,258	\$ 3,357	\$ 393,459	\$ 28,134	\$ 476,012	\$ 7,757	\$ 59,350	\$ 1,216,731	\$ -
2034	\$ 261,120	\$ 4,549	\$ 3,586	\$ 420,365	\$ 30,058	\$ 508,563	\$ 8,287	\$ 63,408	\$ 1,299,936	\$ -
2035	\$ 278,414	\$ 4,850	\$ 3,824	\$ 448,205	\$ 32,049	\$ 542,245	\$ 8,836	\$ 67,608	\$ 1,386,030	\$ -
2036	\$ 296,308	\$ 5,162	\$ 4,070	\$ 477,013	\$ 34,108	\$ 577,097	\$ 9,404	\$ 71,953	\$ 1,475,114	\$ -
2037	\$ 314,824	\$ 5,484	\$ 4,324	\$ 506,821	\$ 36,240	\$ 613,159	\$ 9,991	\$ 76,449	\$ 1,567,292	\$ -
2038	\$ 333,983	\$ 5,818	\$ 4,587	\$ 537,664	\$ 38,445	\$ 650,473	\$ 10,599	\$ 81,102	\$ 1,662,672	\$ -
2039	\$ 329,498	\$ 5,740	\$ 4,525	\$ 530,443	\$ 37,929	\$ 641,737	\$ 10,457	\$ 80,013	\$ 1,640,342	\$ -
2040	\$ 334,626	\$ 5,829	\$ 4,596	\$ 538,699	\$ 38,519	\$ 651,726	\$ 10,620	\$ 81,258	\$ 1,665,873	\$ -
2041	\$ 339,933	\$ 5,922	\$ 4,669	\$ 547,242	\$ 39,130	\$ 662,061	\$ 10,788	\$ 82,547	\$ 1,692,291	\$ -
2042	\$ 345,424	\$ 6,017	\$ 4,744	\$ 556,082	\$ 39,762	\$ 672,756	\$ 10,962	\$ 83,880	\$ 1,719,628	\$ -
Total	\$ 5,024,246	\$ 87,522	\$ 69,005	\$ 8,088,302	\$ 578,349	\$ 9,785,339	\$ 159,450	\$ 1,220,048	\$ 25,012,257	

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 20c - Impacts on Taxing Jurisdictions 25 Year Period: Medium

Medium Growth Scenario										
FYE	Yamhill County	Yamhill County Ext. Serv.	Yamhill Co. Soil & Water	McMinnville School Dist.	Willamette Regional ESD	City of McMinnville	Chemeketa Library	Chemeketa Comm. Coll.	Total	
	2.5775	0.0449	0.0354	4.1494	0.2967	5.02	0.0818	0.6259	12.8316	
2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2013	\$ 9,072	\$ 158	\$ 125	\$ 14,605	\$ 1,044	\$ 17,669	\$ 288	\$ 2,203	\$ 45,164	\$ 45,164
2014	\$ 14,467	\$ 252	\$ 199	\$ 23,289	\$ 1,665	\$ 28,175	\$ 459	\$ 3,513	\$ 72,019	\$ 72,019
2015	\$ 27,591	\$ 481	\$ 379	\$ 44,418	\$ 3,176	\$ 53,738	\$ 876	\$ 6,700	\$ 137,358	\$ 137,358
2016	\$ 58,895	\$ 1,026	\$ 809	\$ 94,813	\$ 6,780	\$ 114,706	\$ 1,869	\$ 14,302	\$ 293,199	\$ 293,199
2017	\$ 79,884	\$ 1,392	\$ 1,097	\$ 128,601	\$ 9,196	\$ 155,583	\$ 2,535	\$ 19,398	\$ 397,685	\$ 397,685
2018	\$ 101,857	\$ 1,774	\$ 1,399	\$ 163,974	\$ 11,725	\$ 198,379	\$ 3,233	\$ 24,734	\$ 507,074	\$ 507,074
2019	\$ 124,854	\$ 2,175	\$ 1,715	\$ 200,997	\$ 14,372	\$ 243,169	\$ 3,962	\$ 30,319	\$ 621,563	\$ 621,563
2020	\$ 148,918	\$ 2,594	\$ 2,045	\$ 239,736	\$ 17,142	\$ 290,036	\$ 4,726	\$ 36,162	\$ 741,359	\$ 741,359
2021	\$ 174,091	\$ 3,033	\$ 2,391	\$ 280,262	\$ 20,040	\$ 339,064	\$ 5,525	\$ 42,275	\$ 866,680	\$ 866,680
2022	\$ 200,419	\$ 3,491	\$ 2,753	\$ 322,645	\$ 23,070	\$ 390,340	\$ 6,361	\$ 48,668	\$ 997,746	\$ 997,746
2023	\$ 227,947	\$ 3,971	\$ 3,131	\$ 366,961	\$ 26,239	\$ 443,954	\$ 7,234	\$ 55,353	\$ 1,134,790	\$ 1,134,790
2024	\$ 256,724	\$ 4,472	\$ 3,526	\$ 413,289	\$ 29,552	\$ 500,002	\$ 8,147	\$ 62,341	\$ 1,278,053	\$ 1,278,053
2025	\$ 294,049	\$ 5,122	\$ 4,039	\$ 473,377	\$ 33,848	\$ 572,697	\$ 9,332	\$ 71,405	\$ 1,463,869	\$ 1,463,869
2026	\$ 318,065	\$ 5,541	\$ 4,368	\$ 512,039	\$ 36,613	\$ 619,471	\$ 10,094	\$ 77,236	\$ 1,583,428	\$ 1,583,428
2027	\$ 343,153	\$ 5,978	\$ 4,713	\$ 552,426	\$ 39,501	\$ 668,332	\$ 10,890	\$ 83,329	\$ 1,708,321	\$ 1,708,321
2028	\$ 369,359	\$ 6,434	\$ 5,073	\$ 594,615	\$ 42,518	\$ 719,373	\$ 11,722	\$ 89,692	\$ 1,838,786	\$ 1,838,786
2029	\$ 396,735	\$ 6,911	\$ 5,449	\$ 638,686	\$ 45,669	\$ 772,691	\$ 12,591	\$ 96,340	\$ 1,975,073	\$ 1,975,073
2030	\$ 425,333	\$ 7,409	\$ 5,842	\$ 684,725	\$ 48,961	\$ 828,390	\$ 13,498	\$ 103,285	\$ 2,117,443	\$ 2,117,443
2031	\$ 455,208	\$ 7,930	\$ 6,252	\$ 732,818	\$ 52,400	\$ 886,574	\$ 14,447	\$ 110,539	\$ 2,266,167	\$ 2,266,167
2032	\$ 486,416	\$ 8,473	\$ 6,681	\$ 783,058	\$ 55,992	\$ 947,355	\$ 15,437	\$ 118,117	\$ 2,421,529	\$ 2,421,529
2033	\$ 519,017	\$ 9,041	\$ 7,128	\$ 835,542	\$ 59,745	\$ 1,010,850	\$ 16,472	\$ 126,034	\$ 2,583,828	\$ 2,583,828
2034	\$ 553,074	\$ 9,635	\$ 7,596	\$ 890,368	\$ 63,665	\$ 1,077,179	\$ 17,552	\$ 134,304	\$ 2,753,373	\$ 2,753,373
2035	\$ 588,651	\$ 10,254	\$ 8,085	\$ 947,643	\$ 67,761	\$ 1,146,471	\$ 18,682	\$ 142,943	\$ 2,930,489	\$ 2,930,489
2036	\$ 625,818	\$ 10,902	\$ 8,595	\$ 1,007,475	\$ 72,039	\$ 1,218,857	\$ 19,861	\$ 151,969	\$ 3,115,515	\$ 3,115,515
2037	\$ 618,121	\$ 10,768	\$ 8,489	\$ 995,085	\$ 71,153	\$ 1,203,868	\$ 19,617	\$ 150,100	\$ 3,077,201	\$ 3,077,201
Total	\$ 7,417,718	\$ 129,217	\$ 101,879	\$ 11,941,447	\$ 853,866	\$ 14,446,923	\$ 235,410	\$ 1,801,261	\$ 36,927,714	

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

The projections for long term borrowing are shown in Tables 21a and 21b below. The data for the low growth scenario shows that the revenue in the early years is limited, with the first ability to place a loan in FY 2021/22. For the years up to that date, the revenues would be allocated on a pay-as-you go basis. The projections for long term borrowing for the medium growth scenario are shown in Table 21b below. The data shows that the revenue in the early years is also limited in this scenario, with the first ability to place a loan in FY 2017/18.

The issue with many urban renewal areas is that there is a need for revenues in the early years to finance infrastructure which will enable development to proceed. This is true in McMinnville. There are projections for development for the Northeast Gateway Area in our revenue projections that will not occur if Alpine Avenue is not improved. We used the timing assumptions in the OTAK report for the development projections. The cost of improving Alpine Avenue is \$5.3 million in today’s dollars. This amount of tax increment revenue is not available until FY 2027/28 in the low growth scenario and FY 2021/22 in the medium growth scenario.

The options are for the city to identify a means to pay the upfront costs of the improvements and then use the tax increment revenues to repay those costs, to partially fund the improvements through a Local Improvement District (LID), or to wait until the financing is available through tax increment proceeds. If the decision is to wait for tax increment proceeds to be sufficient to pay for the improvements, the revenue forecasts in this Study should be updated to reflect development not occurring until later than projected in the Northeast Gateway Plan. A list of alternative funding mechanisms can be found at the end of this Study.

Table 21a - Long Term Loan Projections: Low

FY	Bond/Loan Projections 25 year Plan
21/22	\$3,300,000
27/28	\$3,500,000
Total Long Term Debt	\$6,800,000

Source: ECONorthwest

Table 21b - Bond/Long Term Loan Projections: Medium

FY	Bond/Loan Projections 25 year Plan
17/18	\$2,500,000
21/22	\$5,000,000
24/25	\$10,000,000
28/29	\$2,500,000
32/33	\$2,300,000

Source: ECONorthwest

Draft long term financing plans are shown in Tables 22a, 22b, and 22c. They project the TIF revenue and the allocation to long and short term debt throughout the term of the district. Two scenarios are shown for the termination of the district for the low growth scenario, one at 25 years and one at 30 years. One scenario is shown for the medium growth scenario, to 25 years. This data reflects a minimum debt service coverage ratio of 1.25 once long term debt is issued. The highlighted cells show the revenues which are available on either a pay as you go scenario or on loan proceeds. The amount of maximum indebtedness projected for the low growth scenario for a 25 year plan with long term borrowing is approximately \$10 million dollars and \$17 million for a 30 year plan. The amount of maximum indebtedness projected for a medium growth scenario is approximately \$30 million for a 25 year plan.

The borrowing rates used were 4% interest for a 7 year term and 4.5% interest for a 20 year term.

McMinnville Urban Renewal Feasibility Study

Table 22a - Financing Plan for 25 years to FY 2020/21: Low

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
TIF Revenue	\$ 12,531	\$ 25,113	\$ 37,737	\$ 69,620	\$ 110,002	\$ 155,581	\$ 212,668	\$ 278,878	\$ 344,568	\$ 413,092
Revenue Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIF Revenue to District	\$ 12,531	\$ 25,113	\$ 37,737	\$ 69,620	\$ 110,002	\$ 155,581	\$ 212,668	\$ 278,878	\$ 344,568	\$ 413,092
<i>Debt Service</i>										
Pay-as-you-go	\$(12,531)	\$(25,113)	\$(37,737)	\$(69,620)	\$(110,002)	\$(155,581)	\$(212,668)	\$(278,878)	\$(275,000)	\$ -
Long-Term Loan (2021)										\$ (253,691)
Long-Term Loan (2027)										
Total Debt Service	\$(12,531)	\$(25,113)	\$(37,737)	\$(69,620)	\$(110,002)	\$(155,581)	\$(212,668)	\$(278,878)	\$(275,000)	\$(253,691)
Coverage Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.63
TIF Revenue After Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,568	\$ 159,401
<i>Resources</i>										
Beginning Balance	\$ -	\$ 12,531	\$ 37,644	\$ 75,381	\$ 145,001	\$ 255,003	\$ 410,584	\$ 623,252	\$ 902,130	\$ 1,177,130
Pay-as-you-go	\$ 12,531	\$ 25,113	\$ 37,737	\$ 69,620	\$ 110,002	\$ 155,581	\$ 212,668	\$ 278,878	\$ 275,000	\$ -
Bond/Loan Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,300,000
Total Resources	\$ 12,531	\$ 37,644	\$ 75,381	\$ 145,001	\$ 255,003	\$ 410,584	\$ 623,252	\$ 902,130	\$ 1,177,130	\$ 4,477,130
Reserves from additional coverage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,568	\$ 228,969
Interest on reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 22a- Financing Plan for 25 years to FY 2030/31: Low

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
TIF Revenue	\$ 476,283	\$ 549,984	\$ 626,972	\$ 707,394	\$ 772,930	\$ 840,738	\$ 910,897	\$ 983,489	\$ 1,058,600
Revenue Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIF Revenue to District	\$ 476,283	\$ 549,984	\$ 626,972	\$ 707,394	\$ 772,930	\$ 840,738	\$ 910,897	\$ 983,489	\$ 1,058,600
<i>Debt Service</i>									
Pay-as-you-go	\$ (40,000)	\$ (75,000)	\$ (125,000)	\$ (175,000)	\$ (225,000)	\$ -	\$ (50,000)	\$ (100,000)	\$ (150,000)
Long-Term Loan (2021)	\$ (253,691)	\$ (253,691)	\$ (253,691)	\$ (253,691)	\$ (253,691)	\$ (253,691)	\$ (253,691)	\$ (253,691)	\$ (253,691)
Long-Term Loan (2027)						\$ (269,067)	\$ (269,067)	\$ (269,067)	\$ (269,067)
Total Debt Service	\$ (293,691)	\$ (328,691)	\$ (378,691)	\$ (428,691)	\$ (478,691)	\$ (522,758)	\$ (572,758)	\$ (622,758)	\$ (672,758)
Coverage Ratio	1.62	1.67	1.66	1.65	1.61	1.61	1.59	1.58	1.57
TIF Revenue After Debt Service	\$ 182,592	\$ 221,293	\$ 248,281	\$ 278,703	\$ 294,239	\$ 317,980	\$ 338,139	\$ 360,731	\$ 385,842
<i>Resources</i>									
Beginning Balance	\$ 4,411,130	\$ 4,451,130	\$ 4,526,130	\$ 4,651,130	\$ 4,826,130	\$ 5,051,130	\$ 8,481,130	\$ 8,531,130	\$ 8,631,130
Pay-as-you-go	\$ 40,000	\$ 75,000	\$ 125,000	\$ 175,000	\$ 225,000	\$ -	\$ 50,000	\$ 100,000	\$ 150,000
Bond/Loan Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000	\$ -	\$ -	\$ -
Total Resources	\$ 4,451,130	\$ 4,526,130	\$ 4,651,130	\$ 4,826,130	\$ 5,051,130	\$ 8,551,130	\$ 8,531,130	\$ 8,631,130	\$ 8,781,130
Reserves from additional coverage	\$ 412,257	\$ 635,839	\$ 888,243	\$ 1,173,304	\$ 1,476,426	\$ 1,806,139	\$ 2,159,042	\$ 2,537,834	\$ 2,945,267
Interest on reserves	\$ 2,290	\$ 4,123	\$ 6,358	\$ 8,882	\$ 11,733	\$ 14,764	\$ 18,061	\$ 21,590	\$ 25,378

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 22a - Financing Plan for 25 year period to FY 2036-37: Low

	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
TIF Revenue	\$ 1,136,317	\$ 1,216,731	\$ 1,299,936	\$ 1,386,030	\$ 1,475,114	\$ 1,567,292
Revenue Sharing	\$ 102,238	\$ 162,548	\$ 224,952	\$ 289,522	\$ 356,335	\$ 425,469
TIF Revenue to District	\$ 1,034,079	\$ 1,054,183	\$ 1,074,984	\$ 1,096,508	\$ 1,118,779	\$ 1,141,823
<i>Debt Service</i>						
Pay-as-you-go	\$ (200,000)	\$ (250,000)	\$ (325,000)	\$ (400,000)	\$ -	\$ -
Long-Term Loan (2021)	\$ (253,691)	\$ (253,691)	\$ (253,691)	\$ (253,691)	\$ (253,691)	\$ (1,268,455)
Long-Term Loan (2027)	\$ (269,067)	\$ (269,067)	\$ (269,067)	\$ (269,067)	\$ (269,067)	\$ (2,959,737)
Total Debt Service	\$ (722,758)	\$ (772,758)	\$ (847,758)	\$ (922,758)	\$ (522,758)	\$ (4,228,192)
Coverage Ratio	1.57	1.57	1.53	1.50	2.82	0.37
TIF Revenue After Debt Service	\$ 311,321	\$ 281,425	\$ 227,226	\$ 173,750	\$ 596,021	\$ (3,086,369)
<i>Resources</i>						
Beginning Balance	\$ 8,781,130	\$ 8,981,130	\$ 9,231,130	\$ 9,556,130	\$ 9,956,130	\$ 9,956,130
Pay-as-you-go	\$ 200,000	\$ 250,000	\$ 325,000	\$ 400,000	\$ -	\$ -
Bond/Loan Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Resources	\$ 8,981,130	\$ 9,231,130	\$ 9,556,130	\$ 9,956,130	\$ 9,956,130	\$ 9,956,130
Reserves from additional coverage	\$ 3,281,966	\$ 3,592,844	\$ 3,852,890	\$ 4,062,568	\$ 4,697,118	\$ 1,651,375
Interest on reserves	\$ 29,453	\$ 32,820	\$ 35,928	\$ 38,529	\$ 40,626	\$ 46,971

ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 22b below shows a 30 year term of urban renewal, which allows the Area to establish approximately \$17 million in maximum indebtedness.

Table 22b - Financing Plan for 30 year period to FY 2020-21: Low

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
TIF Revenue	12,531	25,113	37,737	69,620	110,002	155,581	212,668	278,878	344,568	413,092
Revenue Sharing	0	0	0	0	0	0	0	0	0	0
TIF Revenue to District	12,531	25,113	37,737	69,620	110,002	155,581	212,668	278,878	344,568	413,092
<i>Debt Service</i>										
Pay-as-you-go	(12,531)	(25,113)	(37,737)	(69,620)	(110,002)	(155,581)	(212,668)	(278,878)	(344,568)	0
Long-Term Loan (2021)										(253,691)
Long-Term Loan (2027)										
Bank Loan (2033)										
Bank Loan (2037)										
Total Debt Service	(12,531)	(25,113)	(37,737)	(69,620)	(110,002)	(155,581)	(212,668)	(278,878)	(344,568)	(253,691)
Coverage Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.63
TIF Revenue After Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,401
<i>Resources</i>										
Beginning Balance	\$0	\$12,531	\$37,644	\$75,381	\$145,001	\$255,003	\$410,584	\$623,252	\$902,130	\$1,246,698
Pay-as-you-go	\$12,531	\$25,113	\$37,737	\$69,620	\$110,002	\$155,581	\$212,668	\$278,878	\$344,568	\$0
Bond/Loan Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,300,000
Total Resources	\$12,531	\$37,644	\$75,381	\$145,001	\$255,003	\$410,584	\$623,252	\$902,130	\$1,246,698	\$4,546,698
Reserves from additional coverage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$159,401
Interest on reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 22b - Financing Plan for 30 year period to FY 2030-31: Low

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
TIF Revenue	476,283	549,984	626,972	707,394	772,930	840,738	910,897	983,489	1,058,600
Revenue Sharing	0	0	0	0	0	0	0	0	0
TIF Revenue to District	476,283	549,984	626,972	707,394	772,930	840,738	910,897	983,489	1,058,600
<i>Debt Service</i>									
Pay-as-you-go	(40,000)	(75,000)	(125,000)	(175,000)	(225,000)	0	(50,000)	(100,000)	(150,000)
Long-Term Loan (2021)	(253,691)	(253,691)	(253,691)	(253,691)	(253,691)	(253,691)	(253,691)	(253,691)	(253,691)
Long-Term Loan (2027)						(269,067)	(269,067)	(269,067)	(269,067)
Bank Loan (2033)									
Bank Loan (2037)									
Total Debt Service	(293,691)	(328,691)	(378,691)	(428,691)	(478,691)	(522,758)	(572,758)	(622,758)	(672,758)
Coverage Ratio	1.62	1.67	1.66	1.65	1.61	1.61	1.59	1.58	1.57
TIF Revenue After Debt Service	\$182,592	\$221,293	\$248,281	\$278,703	\$294,239	\$317,980	\$338,139	\$360,731	\$385,842
<i>Resources</i>									
Beginning Balance	\$4,480,698	\$4,520,698	\$4,595,698	\$4,720,698	\$4,895,698	\$5,120,698	\$8,550,698	\$8,600,698	\$8,700,698
Pay-as-you-go	\$40,000	\$75,000	\$125,000	\$175,000	\$225,000	\$0	\$50,000	\$100,000	\$150,000
Bond/Loan Proceeds	\$0	\$0	\$0	\$0	\$0	\$3,500,000	\$0	\$0	\$0
Total Resources	\$4,520,698	\$4,595,698	\$4,720,698	\$4,895,698	\$5,120,698	\$8,620,698	\$8,600,698	\$8,700,698	\$8,850,698
Reserves from additional coverage	\$341,993	\$564,880	\$816,581	\$1,100,933	\$1,403,338	\$1,732,327	\$2,084,499	\$2,462,554	\$2,869,241
Interest on reserves	\$1,594	\$3,420	\$5,649	\$8,166	\$11,009	\$14,033	\$17,323	\$20,845	\$24,626

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 22b - Financing Plan for 30 year period to FY 2041-42: Low

	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
TIF Revenue	1,136,317	\$ 1,216,731	\$1,299,936	\$1,386,030	\$1,475,114	\$1,567,292	\$1,662,672	\$1,761,367	\$1,863,491	\$1,969,164	\$2,078,511
Revenue Sharing	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,618	\$201,873	\$283,883
TIF Revenue to District	1,136,317	\$1,216,731	\$1,299,936	\$1,386,030	\$1,475,114	\$1,567,292	\$1,662,672	\$1,761,367	\$1,740,873	\$1,767,291	\$1,794,628
<i>Debt Service</i>											
Pay-as-you-go	(200,000)	-\$275,000	\$0	(\$60,000)	(\$125,000)	(\$200,000)	\$0	\$0	(\$50,000)	(\$500,000)	(\$3,200,000)
Long-Term Loan (2021)	(253,691)	-\$253,691	(\$253,691)	(\$253,691)	(\$253,691)	(\$253,691)	(\$253,691)	(\$253,691)	(\$253,691)	(\$253,691)	(\$253,691)
Long-Term Loan (2027)	(269,067)	-\$269,067	(\$269,067)	(\$269,067)	(\$269,067)	(\$269,067)	(\$269,067)	(\$269,067)	(\$269,067)	(\$269,067)	(\$1,614,402)
Bank Loan (2033)			(\$333,219)	(\$333,219)	(\$333,219)	(\$333,219)	(\$333,219)	(\$333,219)	(\$333,219)	(\$333,219)	
Bank Loan (2037)							(\$333,219)	(\$333,219)	(\$333,219)	(\$333,219)	(\$999,657)
Total Debt Service	(722,758)	-\$797,758	(\$855,977)	(\$915,977)	(\$980,977)	(\$1,055,977)	(\$1,189,196)	(\$1,189,196)	(\$1,239,196)	(\$1,355,977)	(\$5,814,059)
Coverage Ratio	1.57	1.53	1.52	1.51	1.50	1.48	1.40	1.48	1.50	1.45	0.36
TIF Revenue After Debt Service	\$413,559	\$418,973	\$443,959	\$470,053	\$494,137	\$511,315	\$473,476	\$572,171	\$501,677	\$411,314	(\$4,019,431)
<i>Resources</i>											
Beginning Balance	\$8,850,698	\$9,050,698	\$9,325,698	\$11,285,698	\$11,345,698	\$11,470,698	\$11,670,698	\$13,630,698	\$13,630,698	\$13,680,698	\$14,180,698
Pay-as-you-go	\$200,000	\$275,000	\$0	\$60,000	\$125,000	\$200,000	\$0	\$0	\$50,000	\$500,000	\$3,200,000
Bond/Loan Proceeds	\$0	\$0	\$2,000,000	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$0	\$0
Total Resources	\$9,050,698	\$9,325,698	\$11,325,698	\$11,345,698	\$11,470,698	\$11,670,698	\$13,670,698	\$13,630,698	\$13,680,698	\$14,180,698	\$17,380,698
Reserves from additional coverage	\$3,307,425	\$3,755,090	\$4,232,124	\$4,739,728	\$5,276,186	\$5,834,898	\$6,361,136	\$6,991,656	\$7,556,944	\$8,038,175	\$4,094,313
Interest on reserves	\$28,692	\$33,074	\$37,551	\$42,321	\$47,397	\$52,762	\$58,349	\$63,611	\$69,917	\$75,569	\$80,382

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 22c - Financing Plan for 25 years to FY 2020/21: Medium

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
TIF Revenue	\$ 49,283	\$ 78,352	\$ 148,958	\$ 317,072	\$ 406,509	\$ 517,847	\$ 624,663	\$ 755,884	\$ 883,046
Revenue Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIF Revenue to District	\$ 49,283	\$ 78,352	\$ 148,958	\$ 317,072	\$ 406,509	\$ 517,847	\$ 624,663	\$ 755,884	\$ 883,046
<i>Debt Service</i>									
Pay-as-you-go	\$(49,283)	\$(78,352)	\$(148,958)	\$(317,072)	\$(406,509)	\$ -	\$(75,000)	\$(175,000)	\$(275,000)
Bank Loan (2017)						\$(416,524)	\$(416,524)	\$(416,524)	\$(416,524)
Long-Term Loan (2021)									
Long-Term Loan (2024)									
Bank Loan (2028)									
Bank Loan (2032)									
Bank Loan (2035)									
Total Debt Service	\$(49,283)	\$(78,352)	\$(148,958)	\$(317,072)	\$(406,509)	\$(416,524)	\$(491,524)	\$(591,524)	\$(691,524)
Coverage Ratio	1.00	1.00	1.00	1.00	1.00	1.24	1.27	1.28	1.28
TIF Revenue After Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,323	\$ 133,139	\$ 164,360	\$ 191,522
<i>Resources</i>									
Beginning Balance	\$ -	\$ 49,283	\$ 127,635	\$ 276,593	\$ 593,665	\$ 1,000,174	\$ 3,450,174	\$ 3,525,174	\$ 3,700,174
Pay-as-you-go	\$ 49,283	\$ 78,352	\$ 148,958	\$ 317,072	\$ 406,509	\$ -	\$ 75,000	\$ 175,000	\$ 275,000
Bond/Loan Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -
Total Resources	\$ 49,283	\$ 127,635	\$ 276,593	\$ 593,665	\$ 1,000,174	\$ 3,500,174	\$ 3,525,174	\$ 3,700,174	\$ 3,975,174
Reserves from additional coverage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,323	\$ 234,462	\$ 399,835	\$ 593,702
Interest on reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013	\$ 2,345	\$ 3,998

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 22c - Financing Plan for 30 year period to FY 2030-31: Medium

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
TIF Revenue	\$ 1,015,856	\$ 1,134,790	\$ 1,278,053	\$ 1,463,869	\$ 1,583,428	\$ 1,708,321	\$ 1,838,786	\$ 1,975,073	\$ 2,117,443	\$ 2,266,167
Revenue Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIF Revenue to District	\$ 1,015,856	\$ 1,134,790	\$ 1,278,053	\$ 1,463,869	\$ 1,583,428	\$ 1,708,321	\$ 1,838,786	\$ 1,975,073	\$ 2,117,443	\$ 2,266,167
<i>Debt Service</i>										
Pay-as-you-go	\$ -	\$ (100,000)	\$ (200,000)	\$ -	\$ (100,000)	\$ (200,000)	\$ (300,000)	\$ -	\$ (100,000)	\$ (200,000)
Bank Loan (2017)	\$ (416,524)	\$ (416,524)	\$ (416,524)							
Long-Term Loan (2021)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)
Long-Term Loan (2024)				\$ (768,761)	\$ (768,761)	\$ (768,761)	\$ (768,761)	\$ (768,761)	\$ (768,761)	\$ (768,761)
Bank Loan (2028)								\$ (416,524)	\$ (416,524)	\$ (416,524)
Bank Loan (2032)										
Bank Loan (2035)										
Total Debt Service	\$ (800,905)	\$ (900,905)	\$ (1,000,905)	\$ (1,153,142)	\$ (1,253,142)	\$ (1,353,142)	\$ (1,453,142)	\$ (1,569,666)	\$ (1,669,666)	\$ (1,769,666)
Coverage Ratio	1.27	1.26	1.28	1.27	1.26	1.26	1.27	1.26	1.27	1.28
TIF Revenue After Debt Service	\$ 214,951	\$ 233,885	\$ 277,148	\$ 310,727	\$ 330,286	\$ 355,179	\$ 385,644	\$ 405,407	\$ 447,777	\$ 496,501
<i>Resources</i>										
Beginning Balance	\$ 3,975,174	\$ 8,875,174	\$ 8,975,174	\$ 9,175,174	\$ 18,975,174	\$ 19,075,174	\$ 19,275,174	\$ 19,575,174	\$ 22,025,174	\$ 22,125,174
Pay-as-you-go	\$ -	\$ 100,000	\$ 200,000	\$ -	\$ 100,000	\$ 200,000	\$ 300,000		\$ 100,000	\$ 200,000
Bond/Loan Proceeds	\$ 5,000,000	\$ -	\$ -	\$ 10,000,000				\$ 2,500,000	\$ -	\$ -
Total Resources	\$ 8,975,174	\$ 8,975,174	\$ 9,175,174	\$ 19,175,174	\$ 19,075,174	\$ 19,275,174	\$ 19,575,174	\$ 22,075,174	\$ 22,125,174	\$ 22,325,174
Reserves from additional coverage	\$ 812,651	\$ 1,052,473	\$ 1,337,748	\$ 1,658,999	\$ 2,002,663	\$ 2,374,432	\$ 2,780,103	\$ 3,209,254	\$ 3,684,832	\$ 4,213,425
Interest on reserves	\$ 5,937	\$ 8,127	\$ 10,525	\$ 13,377	\$ 16,590	\$ 20,027	\$ 23,744	\$ 27,801	\$ 32,093	\$ 36,848

Source: ECONorthwest

McMinnville Urban Renewal Feasibility Study

Table 22c - Financing Plan for 25 year period to FY 2036-37: Medium

	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
TIF Revenue	\$ 2,421,529	\$ 2,583,828	\$ 2,753,373	\$ 2,930,489	\$ 3,115,515	\$ 3,308,805
Revenue Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,604
TIF Revenue to District	\$ 2,421,529	\$ 2,583,828	\$ 2,753,373	\$ 2,930,489	\$ 3,115,515	\$ 3,077,201
<i>Debt Service</i>						
Pay-as-you-go	\$ (300,000)	\$ -	\$ (100,000)	\$ (250,000)	\$ -	\$ -
Bank Loan (2017)						
Long-Term Loan (2021)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)	\$ (384,381)
Long-Term Loan (2024)	\$ (768,761)	\$ (768,761)	\$ (768,761)	\$ (768,761)	\$ (768,761)	\$ (768,761)
Bank Loan (2028)	\$ (416,524)	\$ (416,524)	\$ (416,524)	\$ (416,524)		
Bank Loan (2032)		\$ (499,829)	\$ (499,829)	\$ (499,829)	\$ (499,829)	\$ (499,829)
Bank Loan (2035)					\$ (833,048)	\$ (833,048)
Total Debt Service	\$ (1,869,666)	\$ (2,069,495)	\$ (2,169,495)	\$ (2,319,495)	\$ (2,486,019)	\$ (2,486,019)
Coverage Ratio	1.30	1.25	1.27	1.26	1.25	1.33
TIF Revenue After Debt Service	\$ 551,863	\$ 514,333	\$ 583,878	\$ 610,994	\$ 629,496	\$ 591,182
<i>Resources</i>						
Beginning Balance	\$ 22,325,174	\$ 22,625,174	\$ 25,565,174	\$ 25,665,174	\$ 25,915,174	\$ 30,815,174
Pay-as-you-go	\$ 300,000	\$ -	\$ 100,000	\$ 250,000	\$ -	\$ -
Bond/Loan Proceeds	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 5,000,000	\$ -
Total Resources	\$ 22,625,174	\$ 25,625,174	\$ 25,665,174	\$ 25,915,174	\$ 30,915,174	\$ 30,815,174
Reserves from additional coverage	\$ 4,802,137	\$ 5,358,604	\$ 5,990,503	\$ 6,655,083	\$ 7,344,484	\$ 8,002,217
Interest on reserves	\$ 42,134	\$ 48,021	\$ 53,586	\$ 59,905	\$ 66,551	\$ 73,445

Source: ECONorthwest

Compliance with Statutory Limits on Assessed Value and Size of Urban Renewal Area

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, and utility properties in the McMinnville Urban Renewal Study Area is estimated at \$95,648,055. The Yamhill County Assessor’s office will certify the frozen base of the Area if an urban renewal plan is adopted.

The estimated total acreage of the urban renewal study area is 175 acres, including public right-of-way. The City of McMinnville has 6,710 acres. Therefore, 2.61% of the acreage in the City would be in an urban renewal area, and an estimated 4.47% of the assessed value of the City would be in an urban renewal area. This is below the statutory limitation of 25% in both cases.

Table 23 - URA Conformance with Assessed Value (AV) and Area Limits

Urban Renewal Area	Assessed Value	Acres
McMinnville Urban Renewal Study Area	\$95,648,055*	175
City of McMinnville	\$2,139,555,759	6,710
Percent of McMinnville AV in Urban Renewal Study Area	4.47%	
Percent of McMinnville Acreage in Urban Renewal Study Area		2.61%

Source: Yamhill County Assessor FY 10/11 tax rolls *This does not include an estimate for manufactured structures, which is thought to be very low.

Recommended Projects

The projects recommended for the urban renewal area come from the existing planning documents including the Third Street Streetscape Plan, Task Force 2000, and the Downtown Improvement Plan, the Northeast Gateway Plan, and the Transportation Systems Plan. A review of these plans with the focus group convened at the beginning of the urban renewal feasibility study identified the following potential projects:

Third Street Improvement Plan:

- Crosswalk and street improvements
- Bollards
- Shelters
- Landscaping
- Benches
- Trash receptacles
- Sidewalk surfacing
- Development and redevelopment loans
- Façade loans
- Parking in the east end of the area

Downtown Improvement Plan:

- Street tree grates
- Public Plaza
- Parking

Task Force 2000:

- Parking
- Relocation of the bus station
- Heritage and historic preservation

Transportation Systems Plan

- A number of transportation improvements in the Downtown Area are listed in the Transportation Systems Plan as identified earlier in this Study.

Northeast Gateway Plan:

- Alpine Avenue improvements
- Lafayette Avenue improvements
- Local street grid
- Bike paths
- Shared-use path/ railroad right-of-way
- Transit stop
- Railroad crossing at 10th Avenue
- Lafayette Avenue/8th Street Safe Routes to School
- Streetscape on Alpine and Lafayette Avenues
- Sidewalk corridor
- Street crossing safety
- Gateways and way-finding
- Plans
 - Alpine LID
 - District Development
 - Landscape and Gateway
- North End Catalyst
- Cook School Catalyst

Recommended Projects

Projects we recommend that we believe will have an impact on the future redevelopment of the Area are:

- Improvements to Alpine Avenue that will allow for the development of vacant and underutilized parcels fronting Alpine and will improve the pedestrian connections throughout the Area;
- Street and streetscape improvements along Alpine Avenue, Lafayette Avenue, and throughout the downtown core, including 2nd Street;
- Low-interest development/redevelopment and façade loans;
- Catalyst projects throughout the Area;
- Pedestrian connections throughout the Area and pedestrian safety features on Lafayette Avenue;
- Providing sufficient parking in the Area; and
- Protecting and rehabilitating the historic resources in the Area.

Identification of Issues/Decision Points

The issues to consider and decisions to make are:

1. Does blight exist in the Area?

An analysis of the existing conditions of the Area indicates that blight exists in the following blight categories:

- deficiencies in the transportation system
- low improvement to land values throughout the Area
- vacant and underutilized parcels in the Area
- infrastructure deficiencies identified in the Area
- conditions of buildings, including the need for seismic reinforcements

The boundary as established for the Study Area encompasses the blight in the Area and the development opportunities in the Area.

2. Can sufficient funds be raised through urban renewal to address the conditions of blight in the Area?

The financial analysis estimates that in a low growth scenario \$16,668,497 in tax increment funding could be raised in a 25-year urban renewal plan to service an approximate \$10 million in maximum indebtedness and \$26,003,702 to service an approximated \$17 million in maximum indebtedness could be raised in a 30-year plan. In a medium growth scenario, the financial analysis estimates that \$37,276,939 in tax increment funding could be raised in a 25-year urban renewal plan to service approximately \$30 million in maximum indebtedness. This amount can be used to finance projects and pay long term borrowing costs throughout the life of the plan. This is a sufficient amount to fund the projects identified in the Northeast Gateway Plan and to have funding for improvements in the Downtown Core Area.

3. What are the impacts on the taxing jurisdictions, including the City of McMinnville?

The estimated impacts on the taxing jurisdictions are shown in Tables 20a, 20b and 20c. The area and assessed value as a percentage of the city area and assessed value is relatively small for urban renewal areas. Twenty-five percent (25%) of area and assessed value is allowed for cities the size of McMinnville. The Study Area is 4.5% of the assessed value of the City and 2.5% of the acreage. This conservative amount of urban renewal allows the impacts on the taxing jurisdictions to be relatively limited.

4. Should McMinnville jump-start investment in the Area?

The financial projections show that the beginning years of urban renewal produce relatively small amounts of tax increment revenues. For the low growth scenario, it

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is projected that the first long term loan could be financed in FY 2021/22. For the medium growth scenario, it is projected that the first long term loan could be financed in FY 2017/18 and the first long term bond in FY 2021/22. These projections assume development as projected in the Northeast Gateway Plan and shown in Table 15 of this Study.

The options for proceeding with projects are (1) to wait until urban renewal is able to produce sufficient revenues to issue tax increment bonds, (2) to use the City's bonding capacity to fund projects ahead of the timetable projected for urban renewal, or (3) use a Local Improvement District (LID) to fund a portion of the project costs.

Urban renewal funds could be pledged to pay back the debt fronted by the City of McMinnville. If a LID is used, it is imperative to structure the LID to ensure its economic viability. We recommend the City consider a way to jump-start the transportation improvements identified in the Northeast Gateway Plan which will enable vacant and underutilized parcels to fully develop.

5. Does urban renewal make sense for the City of McMinnville? If so, the city should give guidance on:
 - Time frame for urban renewal (How long should an urban renewal plan last?) This feasibility study evaluated a 25-year and a 30-year district for the low growth scenario and a 25 year district for a medium growth scenario.
 - How many projects to identify for the urban renewal plan and at what costs? What assumptions should be made about alternative funding sources for the projects?
 - The rate of growth to use for the financial projections in the plan.
 - Amount of maximum indebtedness to establish for the plan. (This Study estimates approximately \$10 million for a 25 year plan and approximately \$17 million for a 30 year plan in a low growth scenario and \$30 million for a 25 year plan in a medium growth scenario.)

Next Steps

After receipt of an urban renewal feasibility study, the McMinnville City Council should decide whether they would like to pursue forming an urban renewal district in the city. This decision typically involves reviewing the financial impacts on the city and other taxing jurisdictions and a review of the boundary to ensure that it meets the needs of the City in focusing improvements in the Area. If the city determines it would like to proceed with urban renewal, the following steps need to be taken.

The recommended next steps in deciding whether to pursue urban renewal are:

1. Review of the feasibility study by the McMinnville City Council.
2. Review of the Study with impacted taxing jurisdictions.
3. Review of the Study with the stakeholders and McMinnville citizens at large.

If a decision is made to proceed, the next steps would be:

1. Form an urban renewal agency.
Decision: Should the agency be the City Council or should it include other parties?
2. Form an advisory committee for proceeding with urban renewal. This should include representatives of the impacted taxing jurisdictions, business and property owners, city staff, and residents of the Area.
3. Hire a consultant for the preparation of an urban renewal plan.
4. Prepare a public participation plan for the development of the urban renewal plan. The plan should include opportunities for public involvement at all stages in the urban renewal planning (ORS 457.085(1)). This could be both an advisory committee and/or a presentation to the citizens of McMinnville at large.
5. Determine the timeline for proceeding. In order to capture the growth in the Area occurring after January 1, 2012, the plan would need to be adopted by the McMinnville City Council by September 1, 2012, as new tax rolls are typically released in October of each year. If the plan is adopted after the County Tax Assessor releases the new tax roll, then the frozen base values would be predicated on the new tax rolls. An urban renewal area effectively loses one year of incremental growth in the Area. This is mostly relevant if there is any new development that you are intending to capture as increment. If you do not adopt a plan before October, 2012, you don't have another time constraint until October of the following year.

Attachment I Alternative Funding Sources

Urban renewal typically cannot generate sufficient revenues to pay for all of the projects in an urban renewal area, especially if there are large infrastructure projects that must be undertaken. In addition, urban renewal often takes a few years to generate the revenue stream that is necessary to place tax increment bonds. If cities are intent on pursuing projects in the Area prior to the tax increment revenue stream being sufficient to fund those improvements, cities may make the decision to front the cost of the projects and get repaid from the tax increment funds once they are sufficient. This is true in areas where the infrastructure is necessary to compel the other anticipated development and where, without the infrastructure, the area would not redevelop.

Tax increment funding may also be used as a “local match” for grants and other governmental funding. Finally, city officials may feel there needs to be a commitment by property owners and businesses to also dedicate revenues to an area that is going to be designated as an urban renewal area. The agreement to fund partial costs through Economic Improvement Districts, Business Improvement Districts, and Local Improvement Districts is evidence of property owner commitment.

Potential alternative sources of funding are listed below:

Economic Improvement District

An Economic Improvement District (EID) is typically for commercial property owners, and is authorized by ORS 223.112. An EID is a funding mechanism to enable an area to fulfill its commercial revitalization plans, including beautification and property improvements, business development recruitment and retention efforts, marketing commercial districts, and other commercial activities.

An EID may be an assessment on the value of the property (commercial property only) or it may be a fee paid by the property owner. If it is an assessment, the assessments cannot exceed 1% of the total assessed value of the properties within the proposed district. The maximum length is five years, but may be renewed indefinitely and may be voluntary or involuntary. If involuntary, it must have two-thirds support of the commercial property owners within the district. It is established through the City Council in an ordinance after two public hearings. Opposition is received either through written communication from the commercial property owner or testimony in opposition at the hearing where the property owner would also present a letter in opposition. A voluntary EID allows those opposing the EID to opt out of the payments. It generally takes nine months to establish an EID.

The McMinnville Downtown Association currently has a very successful EID. It is conceivable that the North Gateway property owners could also use this tool. The

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McMinnville Downtown Association EID raises about \$50,000 to \$55,000 annually. Revenues are raised from assessments on property owners from 3.5 cents to 7 cents per square foot of space, and annual assessments range from \$140 to \$1,800.¹⁸

Business Improvement District (BID)

A Business Improvement District (BID) is for business owners within a specified area and is authorized by ORS 223.112, the same authorization for Economic Business Districts. A BID is enacted through a business license fee imposed by the City Council after receiving a petition for the formation of the BID signed by 33% or more of persons conducting business with the proposed district. A BID is for a maximum of five years, which can be extended. If more than 33% of the persons conducting business within the district oppose the district in writing, the district and the projects it funds will be terminated. It generally takes nine months to establish a BID.

Local Improvement District

Local Improvement Districts are authorized by ORS 223 and Chapter 3.12 of the McMinnville City Code. These bonds are secured by charges or assessments to property owners who benefit from the improvements. These assessments are usually on a proportionate share of total costs. LIDs are formed to collect the assessments. The city code allows for initiation of an LID upon the order of the council or upon the petition of owners of one-half of the property to benefit from the improvements. The city has a specific procedure for making the assessments, and liens are recorded on properties to ensure payment of the LID. Some assessment financings are secured by full faith and credit security.

A LID was used in the development of Keizer Station in Keizer, Oregon in conjunction with urban renewal funds. The LID was with the property owners for the construction of the streets within the area. Keizer Station has been very successful and has brought hundreds of jobs and hundreds of thousands of dollars of assessed value to the City of Keizer. A recent default by one of the property owners caused the City of Keizer to devise a method of paying the LID payments with tax increment funding from the urban renewal district.

Systems Development Charges

Revenues from systems development charges (SDCs) may be used pay for approved improvements and may be used as a revenue stream for revenue bonds. Current SDCs in the City of McMinnville are:

¹⁸ Information from Kris Gullo, McMinnville Downtown Association, 2012

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- Sewer connection fee that is based on the plumbing fixtures that will be installed in a building
- Transportation fee that is determined by the size and use of the building
- Parks fees are paid by new residences; fee based upon levy code

General Obligation Bonds

General obligation (GO) bonds are backed by the full faith and credit and taxing power of the issuing jurisdiction. A general obligation bond must be approved by a ballot election in the jurisdiction. These bonds may be issues for capital construction and improvements having an expected life of more than one year. GO Bonds are supported by an unlimited tax levy outside the limits of property taxes.

Revenue Bonds

Revenue bonds may be issued by the City of McMinnville and are repaid by a dedicated revenue stream. They are authorized under ORS 287A.150 (revenue bonds) and ORS 271.390 (revenue obligations). No property tax revenues are levied or pledged. Revenue bondholders do not have recourse of full faith and credit of the jurisdiction; these bonds are expected to be fully self-supporting. Typical revenue streams are SDCs, gas taxes, utility taxes, or other identifiable sources. Voter approval is usually not required.

Full Faith and Credit Bonds

Full faith and credit bonds are authorized under ORS 271.390 and may be issued by the City of McMinnville. They are backed by the full faith and credit of the City, without a specific revenue source being identified other than the City's general fund. The City is required to use all legally available resources to meet its bond obligations. The City could issue bonds for improvements in the urban renewal area prior to the ability of the urban renewal area to issue its own bonds. Future revenues from the urban renewal area could be pledged to pay the City back for their expenses under the full faith and credit bond. This commitment would be in the form of a binding agreement between the City and the urban renewal agency.

Attachment II ORS 457.010(1) Definition of Blight

(1) “Blighted areas” means areas that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health, or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

(a) The existence of buildings and structures, used, or intended to be used, for living, commercial, industrial, or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

(A) Defective design and quality of physical construction;

(B) Faulty interior arrangement and exterior spacing;

(C) Overcrowding and a high density of population;

(D) Inadequate provision for ventilation, light, sanitation, open spaces, and recreation facilities; or

(E) Obsolescence, deterioration, dilapidation, mixed character, or shifting of uses;

(b) An economic dislocation, deterioration, or disuse of property resulting from faulty planning;

(c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;

(d) The laying out of property or lots in disregard of contours, drainage, and other physical characteristics of the terrain and surrounding conditions;

(e) The existence of inadequate streets and other rights of way, open spaces, and utilities;

(f) The existence of property or lots or other areas that are subject to inundation by water;

(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;

(h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare; or

(i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

Attachment III Urban Land Economics Memorandum