

**REPORT ACCOMPANYING
MCMINNVILLE URBAN RENEWAL
PLAN**

Adopted by the City of McMinnville

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Ordinance No. 4972

McMinnville Urban Renewal Area

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INTRODUCTION

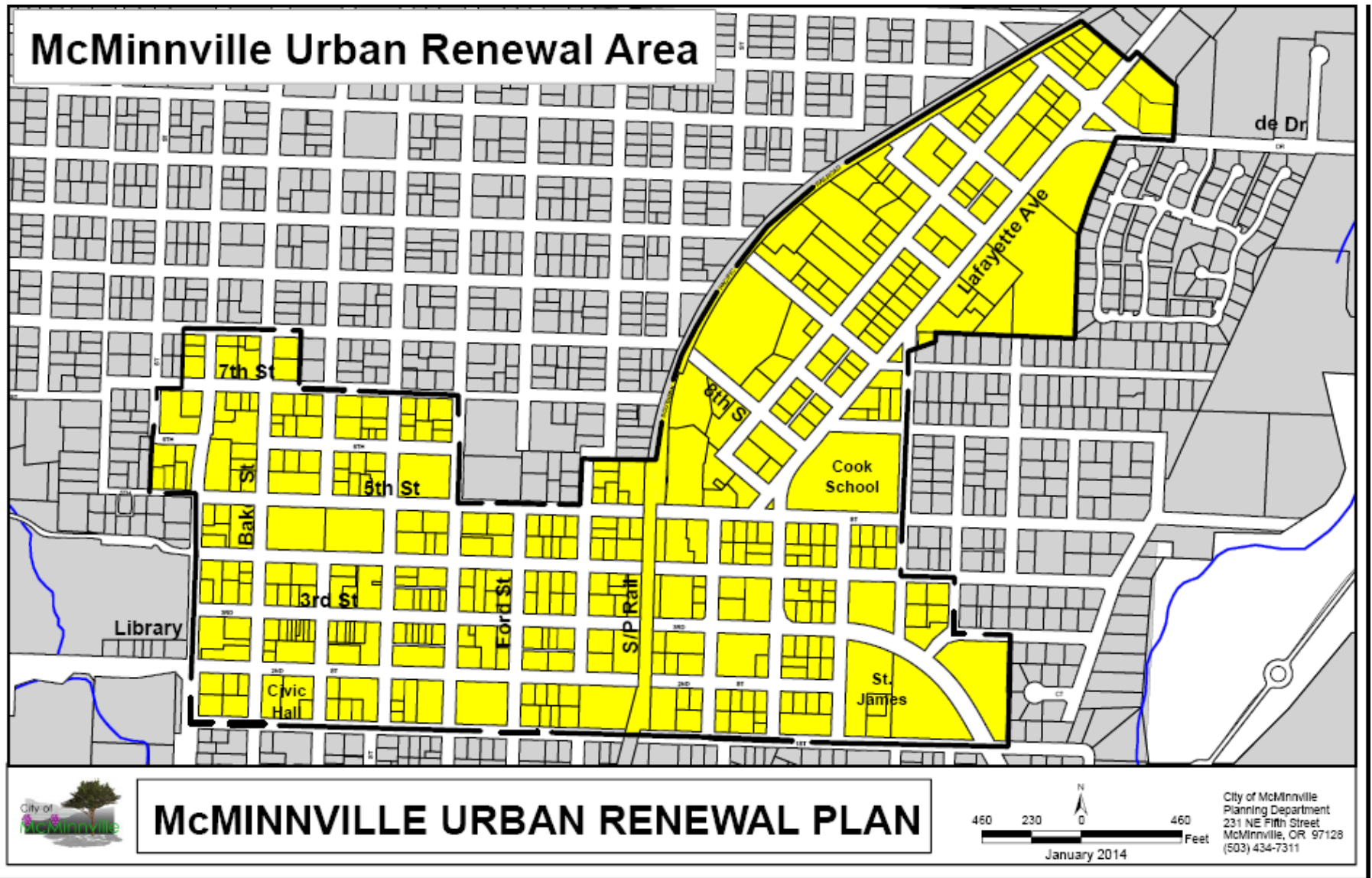
The Report on the McMinnville Urban Renewal Plan (Report) contains background information and project details that pertain to the McMinnville Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides the information required in ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the McMinnville Urban Renewal Area (Area).

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. However, the Report provides only guidance on how the urban renewal plan might be implemented. As the urban renewal agency reviews revenues and potential projects each year, they have the authority to make adjustments to the assumptions in this Report. They may allocate budgets differently; they may adjust the timing of the projects; they may also decide to incur debt at different timeframes than projected in this Report and make other changes as allowed in the amendments section of the Plan.

The financial assumptions used in the Report include assumptions in the Northeast Gateway Plan, adopted by the McMinnville City Council on July 28, 2012. If the development projected in the Northeast Gateway Plan does not occur on that schedule, the assumptions in this Report will need to be adjusted accordingly.

Figure 1 - McMinnville Urban Renewal Plan Area Boundary



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

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

Physical Conditions

Land Use

According to data obtained from the City of McMinnville and Yamhill County Assessor’s office, the Area, shown in Figure 1 above, contains 428 parcels and consists of 116.74 acres and 58.26 acres of public right-of-way, for a total size of 175 acres.

An analysis of property classification data from the City of McMinnville and 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 are 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: Yamhill County Assessor Data and City of McMinnville

Zoning and Comprehensive Plan Designations

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.

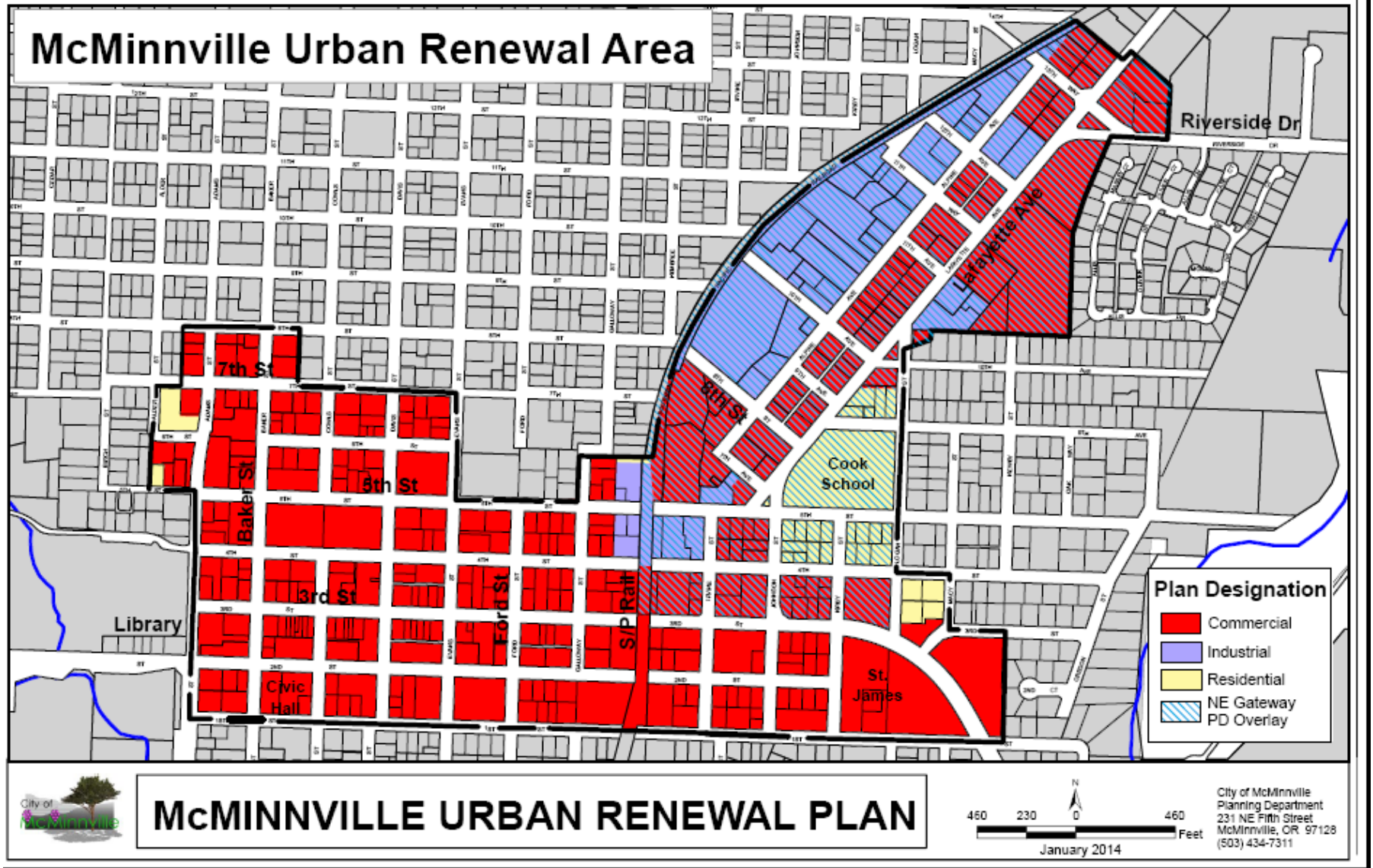
As illustrated in Table 2, the large majority (68.42%) of the Area is zoned as General Commercial. This is followed by General Industrial, which is approximately 14.07% of the Area, and after that is General Commercial – Planned Development Overlay, which is 6.26%. All combined, residential zones comprise 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%
Multi-family Residential	15	2.38	2.04%
Light Industrial	6	2.36	2.02%
Total	428	116.74	100.00%

Source: City of McMinnville

Figure 2 – Area Zoning and Comprehensive Plan Designations



Infrastructure: Existing Conditions

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 led 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.

1. 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 shows all streets in the Area, and whether or not they have sidewalks or bike lanes.

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 transportation related deficiencies within the Area, and these projects are identified in Table 4. In addition to these projects, there are major transportation needs in the Northeast Gateway Area, including the need to improve Alpine Avenue. Alpine Avenue 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 core,¹ indicating potential safety hazards.
- Lafayette as a High PM Peak Hour Traffic Street.²
- Based on continued citywide growth, new traffic signals at Lafayette/Orchard and 2nd/Davis and 5th Street/Lafayette.³
- Streetscape enhancements are recommended for 3rd Street, 2nd Street, and 1st Street in downtown McMinnville area.⁴
- 5th Street railroad crossing and Lafayette to Macy.⁵
- Macy 5th Street to 3rd Street.⁶
- Missing curb ramps on a number of intersections throughout the Area, as identified in Exhibit 5-5 of the TSP.
- Lack of sidewalks, as shown in 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.⁷
- 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.⁸
- 1st and 2nd Street corridor improvements, including curb extensions, pedestrian scale street lighting, improved sight lines for motorists, street design features, and pedestrian crossings.⁹

¹ McMinnville Transportation Systems Plan, Traffic Accident History, Exhibit 4-3

² *ibid*, Exhibit 4-4 2006 PM Peak Hour Traffic and Level of Service

³ *ibid*, p. 4-12

⁴ *ibid*, p. 4-23

⁵ *ibid*, p. 5-7

⁶ *ibid*, p. 5-7

⁷ *ibid*, p. 5-11

⁸ *ibid*, p. 5-12 and Exhibit 5-7 Streetscape Furnishing

⁹ *ibid*, p. 5-14

- Designating “sharrows,” or shared bike and auto lanes, in the downtown on 3rd Street and 5th Street.¹⁰

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

* The projects and costs do not include below grade infrastructure improvements and reflect only the cost of those improvements required to address transportation related needs.

** shown in Table 5.

The City of McMinnville Engineering staff also notes that many of the streets in the Area need to resurfaced, and that work can not occur until the utility work/upgrades are completed. The figures noted in the above table do not include such costs.

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.¹¹ 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.



Alpine Avenue in the Northeast Gateway area

¹⁰ *ibid*, p. 6-7

¹¹ Northeast Gateway Plan and Implementation Strategy Executive Summary, p 2,3.
Report Accompanying McMinnville Urban Renewal Plan

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

2. 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 Ave. 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 email 3/13/2012

3. 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.

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.

4. Sanitary Sewer

The Sanitary Sewer Conveyance Plan for McMinnville was updated in 2008, and it identifies both the current conditions of the sanitary sewer system and what will be needed to meet long-term demand. The City of McMinnville Engineering staff notes

that there are a number of sanitary sewer mainlines and laterals that need to be upgraded within the basin boundary, including work on the sanitary sewers between 2nd Street and 5th Street. In addition, there are areas within the study area boundary where there are not separate storm sewers, meaning the street drainage is tied to the sanitary sewer. A long-term goal of the city is to provide separated storm sewers as part of a larger project.

5. Parks

There are currently no public parks in the Area.

6. Public Parking

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

7. Wetlands

There are no wetlands in the Area.

8. 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 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 level of detail 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 though it will be accurate for the City of McMinnville as a whole, 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. 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. 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. 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

In the last 10 years, McMinnville has increased in population, except for between 2009 to 2010, when the data shows 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	.0009%
2012	32,435	.005%

Source: Portland State University Population Research Center

Economic Conditions

Taxable Value of Property Within the Area

The estimated 2011/2012 total assessed value of the real property in the Area is \$87,815,281. The estimated assessed value of the utility properties in the Area is \$2,058,238. The Yamhill County Assessor has indicated they would apportion a share of the total citywide utility value of \$40,432,100 in the same proportion as the ratio of real property real market value in the Area to real property assessed market value in the City (5.09%). The total estimated value of personal property in the Area is \$3,445,625. This is based on calculating the share of personal property within the city and using that same percentage as a factor for the Area (5.09%). The total estimated assessed value, including all real, personal, and utility properties, is \$93,319,144. 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 does not exceed the statutory limitations in any event. This data is summarized in Table 12.

Table 12 – Total Estimated Assessed Value

Property Type	Urban Renewal Area	Citywide	% Factor Used to Apportion
Real	\$87,815,281	\$2,044,959,775	
Personal	3,445,625	80,238,487	5.09%
Manufactured		33,514,726	
Utility	2,058,238	40,432,100	5.09%
Total	\$93,319,144	\$2,199,145,088	

Source: Yamhill County Assessor's data

The frozen base is estimated to be \$93,319,144. 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 \$2,199,145,088.¹² Using the figures in this Report, the Urban Renewal Area's estimated assessed value equals 4.24 percent of the total assessed value of the City.

¹² Data from Yamhill County Assessor's 2012-13 tax roll summary

Building to Land Value Ratio

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

An important fact to note about Table 13 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 within the urban renewal area. 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 – I:L 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



Underdevelopment in the Northeast Gateway area

Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in the Section on Impact of Tax Increment Financing of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal are primarily transportation projects. The use of urban renewal funding for these projects allows the city to match other funding sources to actually construct the improvements. It also allows the city to tap a different funding source besides the City of McMinnville's general funds to make these improvements.

It is anticipated that these improvements will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require city services, but will also generate systems development charges and revenues from the use of utilities in the Area. As the development will be new construction, it will be up to current building code, and will aid in any fire protection needs.

These impacts will be countered by providing major transportation funding for vital connections to McMinnville and major parcels of undeveloped and underdeveloped land. This land will provide future jobs to the McMinnville area, and future increased tax base for all taxing jurisdictions.

REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the Area is to provide the ability to fund improvements necessary to cure blight within the Area.

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

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area:

A. Public Infrastructure and transportation improvements

1. Alpine Avenue

This project will design and reconstruct Alpine Avenue in phases, including providing streetscape and district identity improvements. Streetscape features could include sidewalks, signage, landscaping, lighting, public use amenities, shelters, and public art to help improve the physical appearance of the district. It will also create a pedestrian environment that encourages the development (and redevelopment) of active uses such as shopping, entertainment, commercial and craft industrial business activity, and housing development.

Existing Conditions:

Alpine Avenue is a two-lane local street that is in very poor condition. A section on the north end is a gravel surface. The section on the south end is paved, but the width is not consistent and there are no curbs, gutters, or sidewalks. There are no pedestrian amenities, such as streetscape improvements on the full length of Alpine Avenue. There is on-street parking.

2. 3rd Street Streetscape and District Identity Improvements

This project will design and construct streetscape improvements to 3rd Street as identified in the TSP. This project will implement various streetscape and design improvements through the district to establish a high quality and unique aesthetic. Such improvements could include:

- The undergrounding of overhead utilities,
- Gateways and directional signage,
- Landscaping and street tree improvements,
- Historic street lighting and traffic signal standards,
- Additional public use amenities (i.e. benches, bike racks, fountains, restrooms)
- Public sidewalks that integrate historic paving patterns and materials,

- Drafting and implementation of design standards and guidelines for the district (signage),
- Redesign and reconstruction of the US Bank Plaza for public events (should the property owner lease or sell the property to the Urban Renewal Agency),
- Redesign of mid-block crossings,
- Redesign/construction of downtown shelters (kiosks), and
- Public art.

The intent of these improvements is to improve the physical appearance of the district and create a pedestrian environment that encourages the development (and redevelopment) of active uses such as shopping, entertainment, commercial, and craft industrial business activity.

Existing Conditions:

3rd Street is the street that services the downtown commercial core. It is a two-lane street with on-street parking, sidewalks, curbs, and gutters. Streetscape improvements are recommended in the McMinnville TSP (p 4-23) and in the Pedestrian System Plan, Chapter 5 of the TSP, including the chart on p 5-12. Streetscape improvements have also been recommended in a number of adopted city plans, including the most recent Third Street Streetscape Plan, prepared in 2005.

3. Adams/Baker Couplet

This project will provide for the design and reconfiguration of the Adams/Baker couplet by adding curb extensions at major intersections within the corridor, providing new curb ramps for accessibility, adding pedestrian scale lighting, and delineating pedestrian crosswalks with pavers or similar materials.¹³

Existing Conditions:

This project is identified in the TSP, p 4-15. In general, while the sidewalks along Adams and Baker Streets are fairly contiguous and in decent shape, they are too narrow (four-five feet) to carry substantial pedestrian traffic, and there are many obstructions and obstacles within the sidewalk area that impede safe pedestrian travel. Several of the intersections along Adams and Baker Streets include curb ramps that do not meet Americans with Disabilities Act (ADA) guidelines.¹⁴ In addition, this corridor, and the traffic volume it carries, provides a barrier between the historic McMinnville downtown to the east and the public park, aquatic center, library, and residential neighborhoods to the west. Improvements to this corridor, as

¹³ McMinnville Transportation Systems Plan, p 5-10, 5-11.

¹⁴ McMinnville Transportation Systems Plan, p 5-7.

identified in the City's adopted TSP, would help make travel within and across this corridor safer.

4. 5th Street

The 5th Street project will provide for the design and reconfiguration of 5th Street from Lafayette Avenue to Adams Street, as identified in the TSP p 4-12, 4-15, and Appendix D. The project will add critical improvements necessary for 5th Street to function as an alternative to other east-west streets in the downtown commercial core (1st, 2nd, and 3rd streets, in particular). Such improvements would include adding curb extensions at major intersections, curb ramp and sidewalk replacement, as needed, and traffic signals at Adams Street, Baker Street, and Lafayette Avenue. An existing signal would also be removed at 4th and Adams and pavement would be repaired.

Existing Conditions:

5th Street is missing sidewalk and curb ramps at the railroad crossing and at Lafayette Street.. The intersections of 5th and Adams and Baker need to be reconfigured to help reduce congestion and vehicle emissions and increase safety.¹⁵ In addition, the TSP proposes this street function in the future as an east-west alternative for vehicle traffic within and through the downtown area, a function it is not currently designed to accommodate.

5. 1st and 2nd Street Improvements

The 1st and 2nd Street project will improve the corridor's safety and efficiency in moving traffic and pedestrians within the downtown area by providing curb extensions at major intersections and adding pedestrian scale lighting, a new traffic signal at 2nd and Davis, and crosswalk delineation.

Existing Conditions:

1st and 2nd Street each carry a significant volume of vehicular traffic traveling east-west along the southern edge of McMinnville's historic downtown. In so doing, they serve as physical barriers to pedestrian movement between the downtown and residential neighborhoods to the south, and further beyond, Linfield College.

6. Lafayette Avenue

This project provides for the design and construction of Lafayette Avenue beautification and safety improvements. Lafayette Avenue will continue to serve vehicles as an arterial and freight route with new pedestrian safety improvements.

¹⁵ McMinnville Transportation Systems Plan, p 4-12. 4-15.

Streetscaping and gateway treatments will help to calm traffic on the corridor and make it safer and more attractive for pedestrians through the use of better signage and wayfinding treatments, high-visibility crosswalks, and landscaping and other pedestrian, bicycle, and transit-oriented amenities.

Existing Conditions:

Lafayette Avenue is a three-lane minor arterial (a lane in each direction and a center refuge or turning lane). There are sidewalks but no street trees or furnishings and little sense of physical protection for the pedestrian. There is a bike lane, and no on-street parking.

7. Downtown Signal Improvements

The McMinnville TSP identifies a number of traffic signals that need to be upgraded to current standards, including accessibility improvements and interconnectivity. There are five existing signals in the Area that need to be upgraded. These are at: 3rd/Johnson, 3rd/Ford, 3rd/Davis, 2nd/Adams, and 2nd/Baker.

Existing Conditions:

The existing traffic control signals within the area need to be replaced in order to improve safety, traffic flow, and capacity at critical intersections.

8. Public Off-Street Parking

This project will provide additional public parking facilities to accommodate the anticipated increase in demand for parking. This parking could be public or could be a joint venture with the private sector.

Existing Conditions:

The current amount of parking provided in the Area will not be sufficient to support the anticipated level of development. As the downtown core continues to develop, additional parking will be required and parking may be a necessary component of the development of the Northeast Gateway Area.

9. 2nd Street Project

The project will provide for better movement through the 2nd Street and Adams Street intersection. The physical improvements are curb extensions at Baker Street, additional westbound travel lane if feasible and traffic signal replacement and timing.

Existing Conditions:

There is heavy east west traffic queuing in this area, with a lack of traffic signal capacity. This impedes traffic flow as well as impeding pedestrian flow through this intersection.

10. Public Infrastructure

The public infrastructure project includes public utilities or infrastructure projects as identified in adopted master plans. These projects would go in tandem with the street and streetscape improvement projects.

Existing Conditions:

There are public infrastructure needs in some of the streets designated for street and sidewalk improvements. There are old sanitary sewer, storm drainage, and water facilities in the area that will need to be upgraded. These public infrastructure improvements will need to be coordinated to occur at the same time as the other street and sidewalk improvements. There are also overhead utility lines in the area that should be located underground.

B. Planning and Development Assistance Programs

This project will establish and manage a package of low interest loan and/or small grant programs for business and residents to improve their property's appearance and condition, consistent with the goals and objectives of this plan (i.e., storefront and tenant improvement programs, signage, historic preservation, and financial and technical assistance).

Existing Conditions:

There are presently no loan or grant programs offered by the city to assist in the improvement of properties in the Area.

C. Debt Service and Administration

This project will allow for the repayment of costs associated with the preparation, adoption, and implementation of the McMinnville Urban Renewal Plan. This includes the potential repayment of the initial planning costs for the development of the urban renewal plan and feasibility study. It also includes ongoing administration and any financing costs associated with issuing long term debt, relocations and other administrative costs.

Existing Conditions:

As there is currently no urban renewal program, these activities do not exist.

D. Property Acquisition

This project will fund willing seller/willing buyer property acquisition and assembly of key properties for redevelopment, public open space, public parking, trail corridor, housing, or other use consistent with the goals and objectives of this plan.

Existing Conditions:

The city has general fund revenues and revenues from other specific funds such as systems development charges that can be used for property acquisition. By allowing acquisition in the urban renewal plan, tax increment funds could also be used for property acquisition.

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

The costs of the projects are shown in Table 14. The sources of funds are tax increment revenues. There will be other funding sources allocated where the estimated cost exceeds the tax increment revenues. These sources include general funds, system development charges, or other sources of funding the city may identify, including private developer contributions.

Table 14 – Projects to be Completed Using Urban Renewal Area Funds

Project	Estimated Cost	Urban Renewal Portion	Other Funding
Alpine Street Improvements	\$5,300,000	\$5,300,000	
3 rd Street Streetscape	\$2,325,000	\$2,325,000	
Loan/Grant Programs	\$940,000	\$940,000	
Adams/Baker	\$600,000	\$600,000	
5 th Street	\$1,200,000	\$1,200,000	
1 st /2 nd Street	\$1,000,000	\$1,000,000	
Lafayette Avenue	\$1,500,000	\$1,500,000	
Downtown Signals	\$1,200,000	\$700,000	\$500,000
Public Parking	\$1,000,000	\$1,000,000	
2 nd Street	\$1,100,000	\$1,100,000	
Property Acquisition	\$450,000	\$450,000	
Public Infrastructure	\$590,000	\$590,000	
Financing Fees	\$218,895	\$218,895	
Administration	\$1,129,996	\$1,129,996	
Reimbursement of UR Planning	\$50,000	\$50,000	
Present Value of Total Expenditures	\$18,103,891	\$18,603,891	\$500,000

Source: City of McMinnville

THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The infrastructure projects will be scheduled as shown in the financing plan in Table 15. The other projects will be ongoing and will be completed as directed by the Urban Renewal Agency (Agency). The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the urban renewal plan. This financing plan shows large allocations to projects in the final year. This is due to the ability to use the debt reserve funds for the bonds that have been defeased in the final year of the plan, FY2038-39. The inflation rate is 3.5%. Administration is started at \$30,000 a year and inflated at 3.5% annually.

The financing plan anticipates up-front funding for some of the infrastructure costs in the Northeast Gateway area to allow for the projected development to occur. This funding could come through other city funding sources or through an agreement with a developer to pay for some of the infrastructure costs as part of the development, to be re-paid when tax increment revenues are generated. The street system (Alpine Avenue) is most imperative, as development will not occur in that area unless the street is improved. If this up-front funding and the resulting infrastructure improvements do not occur, the projections for tax increment revenue will not be met.

Table 15 – Projects and Costs in Year of Expenditure Dollars

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Expenditures (nominal \$)									
Alpine Avenue		\$1,108,700		\$593,900		\$890,600		\$1,362,900	
3rd Street		\$110,900	\$132,000	\$1,282,700		\$928,800		\$408,900	
Loan/Grant Programs		\$55,400				\$127,200		\$68,100	
Adams/Baker								\$204,400	\$183,400
5th Street									
1st and 2nd Street									
Lafayette Avenue									
Downtown Signal Improvements				\$59,400	\$122,900		\$197,500		
Public Parking									
Property Acquisition									
2nd Street									
Public Infrastructure									
Reimbursement of UR Planning				\$50,000					
Administration	\$32,100	\$33,300	\$35,600	\$38,200	\$40,900	\$43,800	\$46,900	\$50,300	\$53,800
Financing Fees	\$0	\$27,000	\$0	\$40,000	\$0	\$40,000	\$0	\$40,000	\$0
Total Expenditures	\$32,100	\$1,335,300	\$167,600	\$2,064,200	\$163,800	\$2,030,400	\$244,400	\$2,134,600	\$237,200
Ending Fund Balance	\$26,503	\$39,791	\$16,091	\$19,784	\$29,979	\$83,780	\$39,512	\$25,434	\$21,139
Inflation Percent	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Source: ECONorthwest

Table 15 – Projects and Costs in Year of Expenditure Dollars, continued

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Expenditures (nominal \$)									
Alpine Avenue			\$938,400			\$1,734,000	\$89,700	\$297,200	\$384,500
3rd Street									
Loan/Grant Programs	\$51,100		\$78,200		\$83,800	\$26,000	\$71,800	\$37,200	\$96,100
Adams/Baker	\$467,200								
5th Street	\$1,752,000								
1st and 2nd Street			\$547,400	\$80,900	\$201,000	\$780,300	\$53,800		
Lafayette Avenue									
Downtown Signal Improvements	\$131,400	\$226,700	\$93,800						
Public Parking			\$703,800						
Property Acquisition			\$610,000	\$97,100					
2nd Street									
Public Infrastructure									
Reimbursement of UR Planning									
Administration	\$57,700	\$61,800	\$66,200	\$70,900	\$75,900	\$81,400	\$87,200	\$93,400	\$100,000
Financing Fees	\$48,000	\$0	\$60,000	\$0	\$0	\$50,000	\$0	\$0	\$0
Total Expenditures	\$2,507,400	\$288,500	\$3,097,800	\$248,900	\$360,700	\$2,671,700	\$302,500	\$427,800	\$580,600
Ending Fund Balance	\$36,736	\$40,535	\$52,699	\$29,687	\$15,973	\$16,694	\$18,766	\$33,589	\$39,828
Inflation Percent	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Source: ECONorthwest

Table 15 – Projects and Costs in Year of Expenditure Dollars, continued

	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
Expenditures (nominal \$)							
Alpine Avenue	\$179,100						
3rd Street							
Loan/Grant Programs	\$99,500	\$103,000	\$106,600	\$110,300	\$114,200	\$118,200	\$440,300
Adams/Baker							
5th Street							
1st and 2nd Street							
Lafayette Avenue			\$703,400	\$992,700	\$1,164,500	\$496,300	
Downtown Signal Improvements							\$244,600
Public Parking	\$348,200	\$669,300	\$106,600				
Property Acquisition							
2nd Street						\$685,300	\$1,981,200
Public Infrastructure							\$1,443,100
Reimbursement of UR Planning							
Administration	\$107,100	\$114,800	\$122,900	\$131,700	\$141,100	\$151,100	\$161,900
Financing Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$733,900	\$887,100	\$1,039,500	\$1,234,700	\$1,419,800	\$1,450,900	\$4,271,100
Ending Fund Balance	\$43,423	\$51,202	\$70,995	\$67,346	\$58,029	\$55,557	\$12,243
Inflation Percent	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Source: ECONorthwest

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

Table 16 shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. The Area also reaches the point where revenue sharing is required to begin, as implemented by the State in ORS 457.470, and this is further described in the section of this report on Impacts to Taxing Jurisdictions.

It is anticipated that all debt will be retired by FY2039-40 (any outstanding bonds will be defeased). The maximum indebtedness is \$30,000,000 (thirty million dollars).

The estimated total amount of tax increment revenues required to service the increase in maximum indebtedness of \$30,000,000 is \$38,578,333.

The interest rates for the bonds is estimated at 5% and the terms of the bonds are varied, depending on time of issuance. The first bonds are for a 25 year term, with the term reducing at each issuance to allow for pay off after 25 years of urban renewal. The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If the economy is slower, it may take longer; if the economy is more robust than the projections, it may take a shorter time period. The Agency may decide to issue bonds on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and this scenario is financially feasible. This scenario is dependent on new development in the NE Gateway Area that is predicated on infrastructure being developed to help facilitate the development.

On the last page of Table 16, the debt coverage ratio in FY 2038-39 is below the coverage ratio desired by issuing agencies. This is because this is the last year of the plan and the debt is defeased and the debt service coverage funds are freed up to be used towards projects.

Table 16 – Tax Increment Revenues and Allocations to Debt Service

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
TIF Revenue									
Total TIF	\$58,603	\$118,320	\$263,632	\$365,006	\$471,108	\$581,921	\$697,852	\$818,848	\$931,231
Total for URA	\$58,603	\$118,320	\$263,632	\$365,006	\$471,108	\$581,921	\$697,852	\$818,848	\$931,231
Debt Service									
Pay-as-you-go	\$58,603	-\$1,412	\$143,900	\$67,893	\$173,995	\$84,201	\$200,132	\$120,522	\$232,905
Long-Term Bonds A		\$95,786	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786
Long-Term Bonds B				\$141,905	\$141,905	\$141,905	\$141,905	\$141,905	\$141,905
Long-Term Bonds C						\$160,485	\$160,485	\$160,485	\$160,485
Long-Term Bonds D								\$160,485	\$160,485
Long-Term Bonds E									
Long-Term Bonds F									
Long-Term Bonds G									
Long-Term Bonds H									
Total Debt Service	\$ 58,603	\$ 94,374	\$ 239,686	\$ 305,584	\$ 411,686	\$ 482,377	\$ 598,308	\$ 679,183	\$ 791,566
Coverage Ratio	0.00	1.24	2.75	1.54	1.98	1.46	1.75	1.47	1.67
<i>TIF After Debt Service</i>									
Annual	\$0	\$23,946	\$23,946	\$59,422	\$59,422	\$99,544	\$99,544	\$139,665	\$139,665
Cumulative	\$0	\$23,946	\$47,892	\$107,315	\$166,737	\$266,281	\$365,825	\$505,490	\$645,155
Cumulative D/S									
Remaining	\$38,520,736	\$38,426,363	\$38,186,677	\$37,881,093	\$37,469,407	\$36,987,030	\$36,388,723	\$35,709,540	\$34,917,973
Underlevy Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Resources									
Beginning Balance	\$0	\$26,503	\$39,791	\$16,091	\$19,784	\$29,979	\$83,780	\$39,512	\$25,434
Pay-as-you-go	\$58,603	-\$1,412	\$143,900	\$67,893	\$173,995	\$84,201	\$200,132	\$120,522	\$232,905
Bond/Loan Proceeds	\$0	\$1,350,000		\$2,000,000		\$2,000,000		\$2,000,000	
Total Resources	\$58,603	\$1,375,091	\$183,691	\$2,083,984	\$193,779	\$2,114,180	\$283,912	\$2,160,034	\$258,339

Source: ECONorthwest

Table 16 – Tax Increment Revenues and Allocations to Debt Service, continued

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
TIF Revenue								
Total TIF	\$1,062,051	\$1,231,353	\$1,410,302	\$1,526,226	\$1,647,324	\$1,773,828	\$1,905,979	\$2,044,030
Total for URA	\$1,062,051	\$1,231,353	\$1,410,302	\$1,526,226	\$1,647,324	\$1,773,828	\$1,905,979	\$2,044,030
Debt Service								
Pay-as-you-go	\$122,997	\$292,299	\$109,964	\$225,888	\$346,986	\$172,421	\$304,572	\$442,623
Long-Term Bonds A	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786
Long-Term Bonds B	\$141,905	\$141,905	\$141,905	\$141,905	\$141,905	\$141,905	\$141,905	\$141,905
Long-Term Bonds C	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485
Long-Term Bonds D	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485
Long-Term Bonds E	\$192,582	\$192,582	\$192,582	\$192,582	\$192,582	\$192,582	\$192,582	\$192,582
Long-Term Bonds F			\$289,027	\$289,027	\$289,027	\$289,027	\$289,027	\$289,027
Long-Term Bonds G						\$240,856	\$240,856	\$240,856
Long-Term Bonds H								
Total Debt Service	\$ 874,240	\$ 1,043,542	\$ 1,150,234	\$ 1,266,158	\$ 1,387,256	\$ 1,453,547	\$ 1,585,698	\$ 1,723,749
Coverage Ratio	1.41	1.64	1.36	1.47	1.58	1.38	1.49	1.60
<i>TIF After Debt Service</i>								
Annual	\$187,811	\$187,811	\$260,068	\$260,068	\$260,068	\$320,281	\$320,281	\$320,281
Cumulative	\$832,966	\$1,020,776	\$1,280,844	\$1,540,912	\$1,800,980	\$2,121,261	\$2,441,542	\$2,761,823
Cumulative D/S Remaining	\$34,043,733	\$33,000,191	\$31,849,957	\$30,583,799	\$29,196,542	\$27,742,996	\$26,157,298	\$24,433,549
Underlevy Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Resources								
Beginning Balance	\$21,139	\$36,736	\$40,535	\$52,699	\$29,687	\$15,973	\$16,694	\$18,766
Pay-as-you-go	\$122,997	\$292,299	\$109,964	\$225,888	\$346,986	\$172,421	\$304,572	\$442,623
Bond/Loan Proceeds	\$2,400,000		\$3,000,000			\$2,500,000		
Total Resources	\$2,544,136	\$329,035	\$3,150,499	\$278,587	\$376,673	\$2,688,394	\$321,266	\$461,389

Source: ECONorthwest

Table 16 - Tax Increment Revenues and Allocations to Debt Service, continued

	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
TIF Revenue								
Total TIF	\$2,188,246	\$2,338,902	\$2,496,286	\$2,660,700	\$2,832,458	\$3,011,890	\$3,199,339	\$3,395,164
Total for URA	\$2,188,246	\$2,338,902	\$2,496,286	\$2,660,700	\$2,832,458	\$3,011,890	\$3,049,835	\$3,092,402
Debt Service								
Pay-as-you-go	\$586,839	\$737,495	\$894,879	\$1,059,293	\$1,231,051	\$1,410,483	\$1,448,428	\$4,227,786
Long-Term Bonds A	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786	\$95,786	\$187,010
Long-Term Bonds B	\$141,905	\$141,905	\$141,905	\$141,905	\$141,905	\$141,905	\$141,905	\$528,347
Long-Term Bonds C	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485
Long-Term Bonds D	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$160,485	\$458,893
Long-Term Bonds E	\$192,582	\$192,582	\$192,582	\$192,582	\$192,582	\$192,582	\$192,582	\$875,469
Long-Term Bonds F	\$289,027	\$289,027	\$289,027	\$289,027	\$289,027	\$289,027	\$289,027	\$564,291
Long-Term Bonds G	\$240,856	\$240,856	\$240,856	\$240,856	\$240,856	\$240,856	\$240,856	\$1,094,918
Long-Term Bonds H	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$ 1,867,965	\$ 2,018,621	\$ 2,176,005	\$ 2,340,419	\$2,512,177	\$2,691,609	\$2,729,554	\$8,097,200
Coverage Ratio	1.71	1.83	1.95	2.08	2.21	2.35	2.38	0.80
<i>TIF After Debt Service</i>								
Annual	\$320,281	\$320,281	\$320,281	\$320,281	\$320,281	\$320,281	\$320,281	(\$5,004,798)
Cumulative	\$3,082,104	\$3,402,386	\$3,722,667	\$4,042,948	\$4,363,229	\$4,683,510	\$5,003,791	(\$1,006)
Cumulative D/S Remaining	\$22,565,584	\$20,546,963	\$18,370,958	\$16,030,539	\$13,518,362	\$10,826,754	\$8,097,200	\$0
Underlevy Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,389
Resources								
Beginning Balance	\$33,589	\$39,828	\$43,423	\$51,202	\$70,995	\$67,346	\$58,029	\$55,557
Pay-as-you-go	\$586,839	\$737,495	\$894,879	\$1,059,293	\$1,231,051	\$1,410,483	\$1,448,428	\$4,227,786
Bond/Loan Proceeds	\$0			\$0				
Total Resources	\$620,428	\$777,323	\$938,302	\$1,110,495	\$1,302,046	\$1,477,829	\$1,506,457	\$4,283,343

Source: ECONorthwest.

FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2038-39, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The assumptions include new development projects, as identified by the City of McMinnville, and minimum growth rates between 2.25-4.5%.

There are existing permits for the Area that may not have been calculated in the 2012 assessments, and will add future assessed value to the Area. Building permits in excess of \$50,000 and for taxable properties are shown in Table 17. These permits show the potential for increasing property values within the Area and support the growth projections for the Area.

Table 17 – 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	
829 NE 5 th	\$300,000		
106 NE 4 th	\$95,000		
340 NE Kirby	\$130,000		
236 NE 3 rd	\$160,000		
KAOS Hotel Project	\$2,800,000		
Total Permit Values	\$5,507,500	\$412,240	\$180,000
Change Property Ratio	0.603	0.603	0.895
Estimated Assessed Values	\$3,321,023	\$248,581	\$161,100

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 18. They are indicators that future growth can be anticipated. Real market values of these development projections were made by

Urban Land Economics, Attachment I. The historical assessed value growth in the City of McMinnville is shown in Table 19

Table 18 – Development Projections for Area

Development Assumptions						
Type	Amount	Units	RMV / Unit	Total RMV	CPR	AV
Hotel (included in permits above)				\$2,800,000	0.6030	\$1,688,400
Short-term to 2015						
Retail	16,500	SF	\$170	\$2,805,000	0.6030	\$1,691,415
Commercial	38,000	SF	\$72	\$2,718,900	0.6030	\$1,639,497
Multi-family Residential	50	Units	\$110,000	\$5,500,000	0.8180	\$4,499,000
Total				\$11,023,900		\$7,829,912
Long-term, 2015-2025						
Retail	35,500	SF	\$170	\$6,035,000	0.6030	\$3,639,105
Commercial	67,000	SF	\$90	\$6,030,000	0.6030	\$3,636,090
Multi-family Residential	220	Units	\$110,000	\$24,200,000	0.8180	\$19,795,600
Townhomes	80		\$110,000	\$8,800,000	0.8950	\$7,876,000
Total				\$45,065,000		\$34,946,795

Northeast Gateway Plan and Urban Land Economics, new Changed Property Ratios since Feasibility Study

Table 19 – Historical Assessed Value Growth for City of McMinnville

Year	Total Assessed Value	Percentage Growth
2012	\$2,199,145,088	2.75%
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

Table 20 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 16. These projections include shared revenue with impacted taxing jurisdictions. Revenue sharing is projected to commence in 2038, the final year of the district.

Table 20 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

Tax Increment Projections					
FYE	AV	Frozen Base	Increment	Tax Rate	TIF
2013	\$93,319,144	\$93,319,144	\$0	13.9884	\$0
2014	\$95,294,988	\$93,319,144	\$0	13.9285	\$0
2015	\$97,539,766	\$93,319,144	\$4,220,622	13.8850	\$58,603
2016	\$101,861,977	\$93,319,144	\$8,542,833	13.8502	\$118,320
2017	\$113,473,581	\$93,319,144	\$20,154,437	13.0806	\$263,632
2018	\$121,248,080	\$93,319,144	\$27,928,936	13.0691	\$365,006
2019	\$129,387,058	\$93,319,144	\$36,067,914	13.0617	\$471,108
2020	\$137,905,333	\$93,319,144	\$44,586,189	13.0516	\$581,921
2021	\$146,818,166	\$93,319,144	\$53,499,022	13.0442	\$697,852
2022	\$156,141,666	\$93,319,144	\$62,822,522	13.0343	\$818,848
2023	\$165,892,424	\$93,319,144	\$72,573,280	12.8316	\$931,231
2024	\$176,087,530	\$93,319,144	\$82,768,386	12.8316	\$1,062,051
2025	\$189,281,703	\$93,319,144	\$95,962,559	12.8316	\$1,231,353
2026	\$203,227,620	\$93,319,144	\$109,908,476	12.8316	\$1,410,302
2027	\$212,261,912	\$93,319,144	\$118,942,768	12.8316	\$1,526,226
2028	\$221,699,418	\$93,319,144	\$128,380,274	12.8316	\$1,647,324
2029	\$231,558,184	\$93,319,144	\$138,239,040	12.8316	\$1,773,828
2030	\$241,857,064	\$93,319,144	\$148,537,920	12.8316	\$1,905,979
2031	\$252,615,756	\$93,319,144	\$159,296,612	12.8316	\$2,044,030
2032	\$263,854,842	\$93,319,144	\$170,535,698	12.8316	\$2,188,246
2033	\$275,595,829	\$93,319,144	\$182,276,685	12.8316	\$2,338,902
2034	\$287,861,186	\$93,319,144	\$194,542,042	12.8316	\$2,496,286
2035	\$300,674,389	\$93,319,144	\$207,355,245	12.8316	\$2,660,700
2036	\$314,059,971	\$93,319,144	\$220,740,827	12.8316	\$2,832,458
2037	\$328,043,561	\$93,319,144	\$234,724,417	12.8316	\$3,011,890
2038	\$342,651,939	\$93,319,144	\$249,332,795	12.8316	\$3,199,339
Total					\$35,635,435

Source: ECONorthwest

IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies and local option levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FY 2038-39, and are shown in Table 21.

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.

Revenue sharing is estimated to commence in FYE 2038, which is 25 years after the inception of the plan, and considered to be the terminating year of the plan. Therefore, revenue sharing is not anticipated to be a feature of this urban renewal plan.

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 substantially 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 (2012 data). 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.

Table 21 shows the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables in this Report.

There is always some discussion about the true impact of urban renewal on the taxing jurisdictions as there is one line of thought that some of the growth projected would not occur "but for" urban renewal. In the McMinnville case, this is probably true, as the Northeast Gateway area would not develop fully unless the street system is improved. Table 22 shows the projected impact if the new growth projected in the Northeast Gateway area is not included: it represents a more true scenario of the revenues actually foregone as the projected growth in the Northeast Gateway area would not occur without urban renewal to help facilitate this growth. The table represents the same assumptions used in the low growth scenario in the McMinnville Urban Renewal Feasibility Study, with the initial years at below 1% growth, and increasing slowly to about 4.3% growth for eight years, then decreasing to 3.4% growth. The impacts on the taxing jurisdictions in Table 22 are much less than those shown in Table 21.

Table 21 – Projected Impact on Taxing District Permanent Rate Levies

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
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$10,879	\$190	\$149	\$17,513	\$1,252	\$21,187	\$345	\$2,642	\$54,157
2016	\$22,019	\$384	\$302	\$35,448	\$2,535	\$42,885	\$699	\$5,347	\$109,618
2017	\$51,948	\$905	\$713	\$83,629	\$5,980	\$101,175	\$1,649	\$12,615	\$258,614
2018	\$71,987	\$1,254	\$989	\$115,888	\$8,287	\$140,203	\$2,285	\$17,481	\$358,373
2019	\$92,965	\$1,619	\$1,277	\$149,660	\$10,701	\$181,061	\$2,950	\$22,575	\$462,809
2020	\$114,921	\$2,002	\$1,578	\$185,006	\$13,229	\$223,823	\$3,647	\$27,906	\$572,112
2021	\$137,894	\$2,402	\$1,894	\$221,989	\$15,873	\$268,565	\$4,376	\$33,485	\$686,478
2022	\$161,925	\$2,821	\$2,224	\$260,676	\$18,639	\$315,369	\$5,139	\$39,321	\$806,114
2023	\$187,058	\$3,259	\$2,569	\$301,135	\$21,532	\$364,318	\$5,936	\$45,424	\$931,231
2024	\$213,336	\$3,716	\$2,930	\$343,439	\$24,557	\$415,497	\$6,770	\$51,805	\$1,062,051
2025	\$247,343	\$4,309	\$3,397	\$398,187	\$28,472	\$481,732	\$7,850	\$60,063	\$1,231,353
2026	\$283,289	\$4,935	\$3,891	\$456,054	\$32,610	\$551,741	\$8,991	\$68,792	\$1,410,302
2027	\$306,575	\$5,341	\$4,211	\$493,541	\$35,290	\$597,093	\$9,730	\$74,446	\$1,526,226
2028	\$330,900	\$5,764	\$4,545	\$532,701	\$38,090	\$644,469	\$10,502	\$80,353	\$1,647,324
2029	\$356,311	\$6,207	\$4,894	\$573,609	\$41,016	\$693,960	\$11,308	\$86,524	\$1,773,828
2030	\$382,856	\$6,669	\$5,258	\$616,343	\$44,071	\$745,660	\$12,150	\$92,970	\$1,905,979
2031	\$410,587	\$7,152	\$5,639	\$660,985	\$47,263	\$799,669	\$13,030	\$99,704	\$2,044,030
2032	\$439,556	\$7,657	\$6,037	\$707,621	\$50,598	\$856,089	\$13,950	\$106,738	\$2,188,246
2033	\$469,818	\$8,184	\$6,453	\$756,339	\$54,082	\$915,029	\$14,910	\$114,087	\$2,338,902
2034	\$501,432	\$8,735	\$6,887	\$807,233	\$57,721	\$976,601	\$15,914	\$121,764	\$2,496,286
2035	\$534,458	\$9,310	\$7,340	\$860,400	\$61,522	\$1,040,924	\$16,962	\$129,784	\$2,660,700
2036	\$568,959	\$9,911	\$7,814	\$915,942	\$65,494	\$1,108,119	\$18,057	\$138,162	\$2,832,458
2037	\$605,002	\$10,539	\$8,309	\$973,966	\$69,643	\$1,178,317	\$19,200	\$146,914	\$3,011,890
2038	\$612,624	\$10,672	\$8,414	\$986,236	\$70,520	\$1,193,162	\$19,442	\$148,765	\$3,049,835
Total	\$7,114,642	\$123,937	\$97,714	\$11,453,540	\$818,977	\$13,856,648	\$225,792	\$1,727,667	\$35,418,916

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

Table 22 - Projected Impact on Taxing District Permanent Rate Levies: Low Growth Scenario/Actual Impacts

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
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$4,550	\$79	\$62	\$7,324	\$524	\$8,861	\$144	\$1,105	\$22,649
2016	\$10,322	\$180	\$142	\$16,617	\$1,188	\$20,103	\$328	\$2,506	\$51,385
2017	\$18,747	\$327	\$257	\$30,180	\$2,158	\$36,512	\$595	\$4,552	\$93,328
2018	\$27,464	\$478	\$377	\$44,212	\$3,161	\$53,489	\$872	\$6,669	\$136,722
2019	\$39,017	\$680	\$536	\$62,811	\$4,491	\$75,990	\$1,238	\$9,475	\$194,237
2020	\$51,085	\$890	\$702	\$82,239	\$5,880	\$99,494	\$1,621	\$12,405	\$254,316
2021	\$63,691	\$1,109	\$875	\$102,533	\$7,332	\$124,046	\$2,021	\$15,466	\$317,072
2022	\$76,859	\$1,339	\$1,056	\$123,732	\$8,847	\$149,692	\$2,439	\$18,664	\$382,627
2023	\$90,614	\$1,578	\$1,245	\$145,876	\$10,431	\$176,483	\$2,876	\$22,004	\$451,106
2024	\$104,983	\$1,829	\$1,442	\$169,008	\$12,085	\$204,468	\$3,332	\$25,493	\$522,640
2025	\$119,994	\$2,090	\$1,648	\$193,173	\$13,813	\$233,703	\$3,808	\$29,138	\$597,367
2026	\$135,674	\$2,363	\$1,863	\$218,416	\$15,618	\$264,243	\$4,306	\$32,946	\$675,430
2027	\$148,450	\$2,586	\$2,039	\$238,983	\$17,088	\$289,124	\$4,711	\$36,048	\$739,030
2028	\$161,668	\$2,816	\$2,220	\$260,263	\$18,610	\$314,869	\$5,131	\$39,258	\$804,836
2029	\$175,346	\$3,055	\$2,408	\$282,281	\$20,184	\$341,508	\$5,565	\$42,580	\$872,926
2030	\$189,498	\$3,301	\$2,603	\$305,064	\$21,813	\$369,070	\$6,014	\$46,016	\$943,379
2031	\$204,141	\$3,556	\$2,804	\$328,638	\$23,499	\$397,590	\$6,479	\$49,572	\$1,016,278
2032	\$219,293	\$3,820	\$3,012	\$353,030	\$25,243	\$427,100	\$6,960	\$53,251	\$1,091,708
2033	\$234,971	\$4,093	\$3,227	\$378,269	\$27,048	\$457,635	\$7,457	\$57,058	\$1,169,758
2034	\$251,193	\$4,376	\$3,450	\$404,385	\$28,915	\$489,230	\$7,972	\$60,998	\$1,250,519
2035	\$267,979	\$4,668	\$3,680	\$431,408	\$30,848	\$521,923	\$8,505	\$65,074	\$1,334,085
2036	\$285,349	\$4,971	\$3,919	\$459,370	\$32,847	\$555,752	\$9,056	\$69,292	\$1,420,555
2037	\$303,322	\$5,284	\$4,166	\$488,304	\$34,916	\$590,757	\$9,626	\$73,656	\$1,510,031
2038	\$291,889	\$5,085	\$4,009	\$469,898	\$33,600	\$568,489	\$9,263	\$70,880	\$1,453,112
Total	\$3,476,099	\$60,553	\$47,742	\$5,596,014	\$400,139	\$6,770,131	\$110,319	\$844,106	\$17,305,096

Source: ECONorthwest.

Table 23 shows the projected increased revenue to the taxing jurisdictions at the end of the Urban Renewal Area. These projections are for FY 2039-40.

Table 23 – Additional Revenues Obtained after Termination of Tax Increment Financing

District Name	Tax Revenues in FY 2039-40		Total
	Frozen Base	Released Increment	
Yamhill County	\$240,530	\$723,084	\$963,614
Yamhill County Ext. Serv.	\$4,190	\$12,596	\$16,786
Yamhill Co. Soil & Water	\$3,303	\$9,932	\$13,235
McMinnville School Dist.	\$387,218	\$1,164,061	\$1,551,279
Willamette Regional ESD	\$27,688	\$83,235	\$110,923
City of McMinnville	\$468,462	\$1,408,296	\$1,876,758
Chemeketa Library	\$7,634	\$22,947	\$30,581
Chemeketa Comm. Coll.	\$58,408	\$175,589	\$233,997
Total	\$1,197,434	\$3,599,740	\$4,797,174

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, personal manufactured, and utility properties in the Urban Renewal Area, is projected to be \$93,319,144. The total assessed value of the City of McMinnville is \$2,199,145,088. This is 4.24% of the total assessed value, well below the 25% maximum. The Urban Renewal Area has 175 acres, including right-of-way, and the City of McMinnville has 6,710 acres; therefore 2.61% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 24 - Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
McMinnville Urban Renewal Area	\$93,319,144	175
City of McMinnville	\$2,199,145,088	6,710
Percent of McMinnville Assessed Value in Urban Renewal	4.24%	
Percent of McMinnville Acreage in Urban Renewal		2.61%

Source: City of McMinnville, Yamhill County Assessor

RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

Attachment I - Urban Land Economics Forecast