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REPORT
ON THE
NORTH CLACKAMAS
REVITALIZATION PLAN

Clackamas County Urban Renewal Agency
May 25, 2006

REPORT ON THE NORTH CLACKAMAS URBAN RENEWAL PLAN

ACKNOWLEDGEMENTS

The Clackamas County Board of Commissioners appointed a Technical Advisory Committee and a Citizen Advisory Committee to oversee the preparation of the Plan, and provide a forum for citizen involvement in all phases of preparation of the Plan. Members of both committees gave generously of their time and provided excellent direction on all key issues involved in preparing the Plan. Members of the committees are:

Members of the Citizens Advisory Committee

- Norbert Loske, Overland Park Coalition Against Drug Crime
- David Bradley, Southgate CPO
- Judy Kolias, Southgate CPO
- Martha McLennan, NW Housing Alternatives (CC Land Trust)
- Terry Hauck, Clackamas County Planning Commissioner
- Jim Smelser, JD Construction
- Ron Wierenga, Johnson Creek Watershed Council
- David Mansfield, Property Owner
- Greg DeGrazia, N. Clackamas Chamber
- Carl Grossman, Economic Development Commission
- Peter Schraner, Euro Custom Cabinets
- Jerry Foy, Local Developer
- Karen Liebert, Larry's Restaurant

Members of the Technical Advisory Committee

- Elaine Drakulich, North Clackamas School District No. 12
- John Gessner, City of Milwaukie
- Kyle Gorman, Fire District #1
- Eric Rouse, Water Environment Services
- Kevin Poppen, Clackamas County Sheriff
- Betty Dominguez**,** OR Housing & Community Services
- Chuck Robbins, Community Development
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REPORT ON THE NORTH CLACKAMAS URBAN RENEWAL PLAN

TABLE OF CONTENTS

Page

100. INTRODUCTION 1

101. DEFINITION OF BLIGHTING CONDITIONS 1

102. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE URBAN RENEWAL AREA 2

102A. PHYSICAL CONDITIONS 2

102B. SOCIAL AND ECONOMIC CONDITIONS 8

200. EXPECTED FISCAL, SERVICE & POPULATION IMPACTS OF PLAN .. 9

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA 10

400. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA 10

500. FINANCIAL ANALYSIS OF PLAN 10

500A. ESTIMATED PROJECT COST AND REVENUE SOURCES 10

500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES .. 11

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT ... 12

500D. IMPACT OF TAX INCREMENT FINANCING 16

500E. FINANCIAL FEASIBILITY OF PLAN 17

600. RELOCATION 19

REPORT ON THE NORTH CLACKAMAS URBAN RENEWAL PLAN

100. INTRODUCTION

The North Clackamas Urban Renewal Plan consists of Part One – Text and Part Two – Exhibits. The Board of Commissioners of Clackamas County acts as the Governing Body of the Clackamas County Development Agency, the Urban Renewal Agency of Clackamas County, Oregon.

This Plan has been prepared pursuant to Oregon Revised Statute (ORS) Chapter 457, the Oregon Constitution, and all applicable laws and ordinances of the State of Oregon and Clackamas County respectively. All such applicable laws and ordinances are made a part of this Plan, whether expressly referred to in the text or not.

This North Clackamas Urban Renewal Plan for the North Clackamas Urban Renewal Area was approved by the Clackamas County Board of Commissioners on May 25, 2006 by Ordinance No. 01-2006.

101. DEFINITION OF BLIGHTING CONDITIONS

ORS 457.010 defines "blight" as follows: (underlining is added for emphasis)

> *Blighted areas mean areas which, 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 <u>one or more</u> of the following conditions:*
>
> *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, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:*
>
> > *Defective design and quality of physical construction;*
> > *Faulty interior arrangement and exterior spacing;*
> > *Overcrowding and a high density of population;*
> > *Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or 'Obsolescence, deterioration, dilapidation, mixed character or shifting of uses.*
>
> *An economic dislocation, deterioration or disuse of property resulting from faulty planning;*
>
> *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;*

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

The existence of inadequate streets and other rights-of-way, open spaces and utilities;

The existence of property or lots or other areas which are subject to inundation by water;

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;

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

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.

Note that it is not necessary for each of the cited conditions to be present in the Urban Renewal Area, or that these conditions be prevalent in each and every sector of the area.

102. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE URBAN RENEWAL AREA

102A. PHYSICAL CONDITIONS

1. Conditions – Land Area and Conformance with 15% Limit on Acreage

The North Clackamas Urban Renewal Area contains approximately 1008 acres of land. ORS 457.420 provides that the total land area of a proposed urban renewal district, when added to the land area of existing Renewal Areas may not exceed 15% of the County's land area. The County's current land area is approximately 1,202,560 acres. The total number of acres allowed for renewal areas in Clackamas County is 15% of 1,202,560 acres or 180,384 acres.

Urban Renewal Area	Acres
Clackamas Town Center URA	913
Clackamas Industrial Area	1,187
Government Camp Village	8,960
(Proposed) North Clackamas Urban Renewal Area	**1,008**
TOTAL	12,068

The total acreage in all Clackamas County urban renewal areas is 12,068 acres and represents .0099% of the total acreage in Clackamas County. Therefore, the total renewal area acreage including the proposed North Clackamas Urban Renewal Area is well within the 15% limitation prescribed by ORS 457.420.

2. Conditions – Building Conditions

The North Clackamas project area is primarily residential in character. Assessor's data shows the project area contains 2,330 tax lots. There are 1,811 tax lots classified as single family residential, thus comprising almost 78% of the total area classifications. Of the 2,330 tax lots, approximately 2,200 tax lots are shown as having building values. Again, the great majority of these buildings are single family residential structures.

Visual inspection of the area reveals a wide range of building conditions. Because of development patterns in this unincorporated area over several decades, poor and good building conditions often show in checkerboard fashion, with pockets of buildings in poor condition scattered through much of the project area. For purposes of this report, "poor" condition includes only obvious external conditions that include deteriorating siding, roofing, or other signs of structural deterioration. "Fair" condition would include properties showing signs of deferred maintenance, including moss-covered roofing, badly peeling or cracking paint, broken windows, etc. By this definition, there are many properties in the area that require repair and rehabilitation in order to continue their useful life.

Some of the pockets of buildings in poor condition include Overland Street, Bell Avenue, Lamphier Street, Jordan Street, and May Street.

While building age is not necessarily an indicator of building condition, older buildings do tend to require frequent and sometimes costly maintenance. For owners or investors with limited incomes or finances, the cost of proper maintenance can result in deterioration of older properties. Assessor's data provides building dates for 1,719 properties in the project area. Of those, only 89 are twenty years old or less. Only 238 are thirty years old or less.

3. Conditions – Basic Infrastructure

A. Water Service

Water service in the area is adequate for existing development. More intensive development in the area may require water service upgrades.

B. Sewer Service

Owing to its roots as a semi-rural unincorporated area, major parts of the North Clackamas Urban Renewal Area developed using septic systems, rather than with connection to sewer service. The condition continues to exist. There are 1,300 properties in the project area without sewer connections. Lack of sewer service is a major impediment to investment in the North Clackamas Urban Renewal Area.

C. Storm Water Service

Many streets in the project area lack adequate storm water service. For the most part, these are streets not built to County standards, and lack the curb and paving needed for a proper drainage system. Information from Clackamas County staff notes that most of the street system in the area of SE 55th to 82nd, and between SE Monroe and Clatsop lacks adequate storm water service. Specific streets cited include:

- Overland
- Lamphier
- Drew
- Needham
- Otty
- Bell
- Linwood
- Stanley

D. Streets, Curbs and Sidewalks

As noted in the section on Storm Water Service, there are major streets in the project area that are not developed to County standards. Most of the street system in the area of SE 55th to 82nd, and between SE Monroe and Clatsop does not meet County standards, with all, or portions of streets lacking curb, or sidewalk or lacking both curb and sidewalk. The specific streets cited in Storm Water Service are also cited here.

Many streets in the project area are in need of maintenance and repair. In addition, the area contains a substantial number of dirt or gravel private roads and driveways.

4. Conditions – Street Lighting

Again, owing to the development history of the area, street lighting is missing or inadequate in many parts of the project area. For example:

- Overland Street lacks streetlights between 77th and 82nd Avenue.
- Lamphier Street, from Bell Avenue to Linwood Avenue, lacks adequate street lighting.
- Fuller Road, north of Johnson Creek Boulevard, lacks street lighting.
- Bell Avenue lacks street lighting in all but a small segment.
- Most of the residential area west of Bell Avenue, east of Linwood Avenue, and north of King Road, lacks street lighting.
- The manufactured and mobile home parks in the area are not served by street light

5. Conditions - Flooding

The North Clackamas Urban Renewal Area lies within the Johnson Creek Watershed and experiences flooding on a regular basis. According to the Johnson Creek Watershed Council, flood stage is reached at a flow of around 1,080 cfs, which occurs on average about 1.8 times each year. Major floods with flows of 1,650 cfs occur every 3-4 years. Johnson Creek is primarily precipitation fed with peak flows typically in December through February and low flow in late summer and early fall.

As shown in Table 1, an estimated 89 acres or 10% of the Area's total acreage is within the 100-Year Floodplain. A total of 199 tax lots intersect or are fully contained within the 100-Year Floodplain.

Table 1: Floodplain Properties

Land Use	Acres	No. of Parcels	% of Total
Single Family Residence	45.96	143	51.9%
Vacant Residential	9.39	22	10.6%
Improved Commercial	0.55	2	0.6%
Improved Industrial	16.91	20	19.1%
Vacant Industrial	15.16	10	17.1%
Improved Miscellaneous	0.36	1	0.4%
Vacant Miscellaneous	0.27	1	0.3%
TOTAL	**88.60**	**199**	**100.0%**
TOTAL VACANT	**24.81**	**33**	**28.0%**
TOTAL IMPROVED	**63.79**	**166**	**72.0%**

Source: Metro RLIS, May 2005

6. Conditions - Health and Safety Hazards

The extensive lack of curb and sidewalks, and the lack of street lighting previously cited constitute safety hazards for area residents, especially for pedestrians and bicyclists. In addition, the volume of traffic, and traffic patterns on 82nd Avenue, present safety hazards to pedestrian and bicycle users.

Fire protection services in the area are adequate for current levels of development. Future development in the area may require upgrades to water flows and additional fire hydrants.

The project area contains a number of properties that are chemically contaminated as a result their use for production of illegal drugs.

7. Conditions – Investment and Utilization of Land

Table 2 below provides an updated analysis of land use in the area. An estimated 61 acres or 7.1% of the area is vacant. Improved residential uses constitute over 66% of the area's total acreage, with an estimated 516 acres of single-family residential development and 54 acres of multifamily residential development. Improved commercial and industrial uses constitute roughly the same share of the Area's existing development, 11 and 12% respectively.

Table 2: NORTH CLACKAMAS Land Use (2004-05)			
Land Use	Acres*	No. of Parcels	% of Total
Improved Agricultural	10.14	2	1.2%
Improved Single Family Residential	516.09	1842	60.2%
Vacant Residential	26.28	109	3.1%
Improved Commercial	97.36	147	11.4%
Vacant Commercial	6.40	24	0.7%
Improved Industrial	106.59	127	12.4%
Vacant Industrial	26.64	30	3.1%
Improved Multifamily Residential	53.55	41	6.2%
Improved Tract Land	13.10	3	1.5%
Miscellaneous	1.33	6	0.2%
TOTAL	**857.51**	**2331**	**100.0%**
TOTAL VACANT	**60.66**	**169**	**7.1%**
TOTAL IMPROVED	**796.85**	**2162**	**92.9%**
Source: Metro RLIS, May 2005 *Analysis does not factor in an estimated 15% ROW			

A. Taxable Value of property within the proposed North Clackamas Urban Renewal Area

The estimated taxable (M50 AV) value of all properties within the proposed North Clackamas Urban Renewal Area for the 2005-06 tax year is $379,600,000. As could be expected from the preponderance of residential property in the area, nearly half that value is in single family residential properties. Commercial and improved multi-family property constitutes approximately 25% of property values in the area.

B. Improvement to Land Value Ratios

The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is a good indicator of how effectively land in an area is being utilized. This relationship is referred to as the "Improvement to Land Ratio." For example, if a property has a land value of $50,000 and an improvement value of $100,000, the improvement to land ratio is 2 to 1. If the improvement value is only $25,000, the ratio would be 0.5 to 1. For purpose of calculating this ratio, real market values are used. A low improvement to land value ratio often indicates poor utilization of land, or evidence of substandard building conditions.

Table 3, below, shows the average improvement to land ratios for major property classifications in the project area.

Table 3: Improvement to Land Ratios by Land Class (FY 2004-05)	
Land Class	**Overall Average Improvement to Land Ratio***
Single Family Residential	1.47
Commercial	1.29
Industrial	1.04
Multifamily Residential	3.38
Mobile Home Park	1.96
Source: Clackamas County, OR 2004-05 Parcel Database	
*Includes all parcels, vacant and improved	

The table indicates that all major property classifications (single family, commercial, and industrial) show low improvement to value ratios. In urban areas, improvement to land value ratios for commercial property are expected to be 4.0 to 1 and above. Ratios for industrial properties are expected to be 2.0 to 1 and above. Ratios for single family residential property vary widely, but well-maintained properties even in older neighborhoods usually have improvement ratios of 1.75 to 1 and above. Since the area values are heavily weighted toward residential uses, the development history of the area again comes into play. Small lot sizes and building areas, inexpensive construction materials, and current condition of the buildings all contribute to this low ratio. The ratios for commercial and industrial land are well below what could be expected in an urbanized area.

8. Conditions – Conformance with 15% Limit on Assessed Land Values and Building Values

It is anticipated that the 2005-06 tax roll will establish the initial base of assessed values for the North Clackamas Urban Renewal Area.

Table 4: Frozen Base Values in Clackamas County Renewal Areas	
Urban Renewal Area	**Frozen Base Value**
Clackamas Town Center URA	$35,799,328
Clackamas Industrial Area	$100,842,497
Government Camp Village	$23,856,470
(Proposed) North Clackamas Urban Renewal Area	$379,600,000
TOTAL	**$540, 098,295**

The total assessed valuation in Clackamas County for the year 2004-05 tax year is $27,617,467,835. Allowing a 4% growth in total assessed value, the estimated 2005-06 value is $28,722,166,548. The total assessed valuation in Clackamas County renewal areas, including the proposed North Clackamas Area is $540,098,295, representing 1.88% of the county's assessed valuation.

102B. SOCIAL AND ECONOMIC CONDITIONS

Demographic data for the North Clackamas Urban Renewal Area prepared by Claritas Inc. shows the following characteristics for the project area.

1. Population

The estimated 2005 population of the project area is 9,650. Population is projected to grow to 9,885 by the year 2010.

2. Age Characteristics

The North Clackamas Urban Renewal Area's population is relatively young. The median population age in the year 2000 was 32.79 years and the average age 34.23 years.

3. Households

Census data for the year 2000 shows 3,854 households in the project area. The average household size is 2.54 persons. Approximately 61% of the households consist of one or two persons.

4. Household Income

Year 2000 data shows that approximately 31% of the households in the area have incomes below $25,000. Another 17% have incomes between $25,000, and $34,999. The average household income is $43,426, with the median income at $36,373.

5. Education

The education level of the working age population of an area often is an indicator of household income levels. For the project area, year 2000 data shows that 32.1% of those over the age of 25 are high school graduates, and another 31.1% have some college but no degree. Roughly 9.9% have a bachelor's or advanced college degrees.

6. Housing Tenure

Year 2000 data shows 3,781 households reporting whether they were owners or tenants. Of that number 2,148 (57%) were owners, 1,633 (43%) were renters.

7. Crime and Safety

Crime, especially drug use and production, is an issue of serious concern in the North Clackamas Urban Renewal Area. Several Neighborhood Watch groups are active in the area, and at least one citizen group has formed around combating drug crime. Most of North Clackamas Urban Renewal Area is located in Reporting Grid B8 for the Clackamas County Sheriff's Department. The boundaries of Grid B8 are the Multnomah County line on the north, King Road on the south, 82nd Avenue on the east, and the Milwaukie city line on the west. Crime statistics for 2004 show this area as having had 672 Part I (major) crimes reported in 2004. That number places the area second among four "82nd Side" reporting grids, with roughly twice the reported Part I crimes as the third-placed grid.

200. EXPECTED FISCAL, SERVICE & POPULATION IMPACTS OF PLAN

Urban Renewal Plan activities are aimed at alleviating blighting conditions in the project area. These include street, curb, and sidewalk improvements, improvements to storm water and street lighting systems, assistance in transitioning the area from septic to sewer systems, providing additional open space, and assistance in maintaining and improving building conditions in the project area.

The project area is largely built out, with few major tracts of vacant land for residential development. Therefore, carrying out the Urban Renewal Plan is not expected to result in any sudden or large population additions to the area, or large scale commercial developments. As a result, over a 25-year duration, the Plan is not expected to require a need for new schools, police, fire, or other emergency services beyond those already contemplated by County service providers.

Carrying out the Urban Renewal Plan will require the use of tax increment revenues. The tax impacts of the Urban Renewal Plan are discussed in detail in Section 500D of this Report. The Urban Renewal Plan is expected to produce positive fiscal and service benefits for Clackamas County. The public benefits of the Urban Renewal Plan include:

- Street and circulation improvements will improve public safety, and access to the Urban Renewal Area.
- Provision of new park and recreation opportunities, and other public buildings and facilities will improve the livability of the area.
- Rehabilitation programs and other housing incentives will help maintain housing affordability in the area.
- The Urban Renewal Plan will help Clackamas County fund a number of projects listed in the County's Capital Improvements Program.
- Actions to stabilize and improve conditions in the area can help reduce service and sheriff demands, providing cost savings to the County.

In addition, public and private investments made in the Urban Renewal Area are likely to encourage new investment in areas adjacent to the area. There are other positive effects of a renewal program that do not lend themselves easily to quantification, for they are quality of life issues. Retaining the residential character of the area, providing incentives for appropriately scaled new development, providing assistance to ensure that housing in the area remains affordable, and improving the overall appearance of the area all have economic value to the community.

The expenditure of tax increment funds is expected to produce new property values for Clackamas County. The revitalization project is estimated to be completed by the year 2030-31. During that period, assessed property values in the Urban Renewal Area are expected to increase by approximately $632.3 million. At tax rates expected to prevail at the termination of this Plan, the new property values anticipated in the project area will contribute approximately $8.22 million in property tax revenues to all taxing bodies in the first year after the project ends. Of that revenue, approximately $2.03 million will return to Clackamas County. Thereafter, the property tax revenues will grow as a result of annual assessment increases**.**

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

The North Clackamas Urban Renewal Area was selected based on the Clackamas County Comprehensive Plan goals, objectives, and policies and on the existence of blighting conditions within the area. The project area evidences the following characteristics of blight:

- Deficiencies in streets, curb, sidewalk, street lighting, storm drainage, and sewer services in the project area.
- The presence of flooding conditions in parts of the Urban Renewal Area.
- Deteriorated building conditions in portions of the project area.
- A prevalence of low values and lack of investment in the project area, resulting in reduced tax receipts.

Conditions exist within the Urban Renewal Area which meet the definitions of blight found in ORS 457.010. Treating these conditions is the reason for selecting this area.

400. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA

All project activities described in Section 700 of the Plan are intended to correct the deficiencies described in Section 100 of this Report and summarized in Section 300 of this Report.

1. Infrastructure deficiencies - The Urban Renewal Plan will fund in whole, or in part, improvements to streets, curbs and sidewalks, and street lighting in the area.
2. Substandard building conditions – The Urban Renewal Plan will provide assistance for rehabilitation and new development, thereby improving substandard building conditions and attracting new investment to the area.
3. Lack of sewer service – The Urban Renewal Plan will provide assistance in getting the area connected to sewer service, removing a blighting influence, and helping bring new investment to the area.
4. Flooding conditions – The Urban Renewal Plan can help fund technical work on flood control issues, or help the agency to participate in mitigation efforts.
5. Lack of investment in area – The Urban Renewal Plan's funding of infrastructure, parks and open space, public buildings, and provision of funds and incentives for rehabilitation and new development will help improve the area, upgrade building conditions and values, and attract new investment to the area.
6. Assistance for housing programs will help keep the area accessible to households with lower and moderate incomes.

500. FINANCIAL ANALYSIS OF PLAN

500A. ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 5 shows the estimated total costs of the North Clackamas Urban Renewal Area Project.

Table 5	
Estimated Cost of Project Activities	**Cost in 2005 Dollars**
PROJECT ACTIVITIES (FROM REVITALIZATION PLAN SECTION 700)	
Public Utilities (Section 700, 1C)	$1,000,000
Public Parks and Open Spaces (Section 700, 1A)	$6,000,000
Land Acquisition (Section 700, 6)	$3,000,000
Public Buildings and Facilities (Section 700, 1G)	$6,000,000
Street, Curb & Sidewalk Improvements (Section 700, 1B)	$13,000,000
Streetscape and Neighborhood Beautification Projects (Section 700, 1D)	$2,500,000
Preservation and Rehabilitation (Loans & Grants) (Section 700, 2)	
Housing	$3,000,000
Commercial	$1,500,000
Development and Redevelopment (Section 700, 2)	
Housing	$5,000,000
Commercial	$5,000,000
Plan Administration (Section 700, 7)	$4,000,000
TOTAL	**$50,000,000**

These costs are the anticipated costs of project activities **in 2005 dollars**. The cost estimates for project activities are derived from data on comparable project activities provided by Clackamas County staff or other service providers. The principal method of funding the project share of costs will be through use of tax increment financing as authorized by ORS 457. Revenues are obtained from anticipated urban renewal bond proceeds and the proceeds of short term urban renewal notes.

Table 5 shows that the total costs of project activities estimated in 2005 dollars is $50,000,000. When adjusted for inflation at 3.5%, the estimated principal amount of tax increment revenues needed to cover the 2005 cost is $86,050,000.

The capacity for urban renewal bonds is based on projections of urban renewal revenues. Anticipated annual revenues are shown in Table 6 of this Report. It is anticipated there will be six bond issues during the life of the Plan. The first five bond issues have 10 year terms, the sixth issue, a seven year term. The Agency will make use of short-term indebtedness to carry out project activities not covered by issue of long-term debt. In addition, the Renewal Agency will apply for, and make use of funding from other federal, state, local, or private sources as such funds become available.

500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES

The project activities shown in Table 5 will begin in 2006-07. Initial project activities will be preparation of a design plan for the project area, rehabilitation program funding, and small scale beautification projects. As tax increment revenues grow, larger-scale

projects can be undertaken. Identification of these projects, and priority for funding are to be developed in the urban design process started early in 2006.

The sequencing and prioritization of individual project activities shown in Table 5 will be done by the Urban Renewal Agency, and any citizen advisory bodies that the Urban Renewal Agency calls upon to assist in this process. The priority of projects and annual funding will be as established in the annual budget process for the renewal agency.

All project activities in the Urban Renewal Plan can be completed, allowing for cost inflation, by the year 2031.

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT

It is estimated that the project will collect tax increment revenue between the years 2006-2007 and 2030-2031. The amount of tax increment revenue needed to service all project debt and carry out project activities is estimated at $93,423,298.

It is anticipated that available project revenues, and funds accumulated in a special fund for debt redemption will be sufficient to retire outstanding bonded indebtedness by the year 2031, and terminate the tax increment financing provisions of the project. After all project debt is retired, and the project closed out, it is estimated that there will be surplus tax increment funds. These funds will be distributed to taxing bodies affected by this Plan, as provided in ORS 457. Table 6 of this Report shows the anticipated tax increment receipts and project requirements for each year of the project. Table 6 follows on the next page.

Table 6									
Project Resources & Requirements									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
A. Tax Increment Revenue	$212,576	$433,655	$663,577	$902,696	$1,151,380	$1,410,011	$1,678,988	$1,958,723	$2,249,648
Uncollectible @ 4%	$8,503	$17,346	$26,543	$36,108	$46,055	$56,400	$67,160	$78,349	$89,986
Net Tax increment proceeds	$204,073	$416,309	$637,034	$866,588	$1,105,325	$1,353,611	$1,611,828	$1,880,374	$2,159,662
B. Resources									
Beginning Balance	0	$26,073	$34,049	$40,750	$116,172	$59,831	$84,776	$34,939	$55,647
Net Tax Increment Proceeds	$204,073	$416,309	$637,034	$866,588	$1,105,325	$1,353,611	$1,611,828	$1,880,374	$2,159,662
Borrowing Proceeds									
Long term	$0	$2,400,000	$0	$2,400,000	$0	$3,600,000	$0	$0	$4,700,000
Short term	$200,000	$100,000	$300,000	$150,000	$500,000	$200,000	$500,000	$700,000	$450,000
Interest	$2,000	$25,000	$3,000	$25,500	$5,000	$38,000	$5,000	$7,000	$51,500
Total Resources	$406,073	$2,967,382	$974,083	$3,482,838	$1,726,497	$5,251,442	$2,201,605	$2,622,313	$7,416,809
C. Project Requirements									
To Project Activities & Admin	$200,000	$2,500,000	$300,000	$2,550,000	$500,000	$3,800,000	$500,000	$700,000	$5,150,000
Debt service - long term	$0	$333,333	$333,333	$666,666	$666,666	$1,166,666	$1,166,666	$1,166,666	$1,749,999
Debt service - short term	$180,000	$100,000	$300,000	$150,000	$500,000	$200,000	$500,000	$700,000	$450,000
Total Requirements	$380,000	$2,933,333	$933,333	$3,366,666	$1,666,666	$5,166,666	$2,166,666	$2,566,666	$7,349,999
D. Ending Balance	$26,073	$34,049	$40,750	$116,172	$59,831	$84,776	$34,939	$55,647	$66,810
Note: All projects can be funded and all debt paid off in 2030-31									

Table 6 (Continued)									
Project Resources & Requirements									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
A. Tax Increment Revenue	$2,552,210	$2,866,875	$3,194,126	$3,534,467	$3,888,421	$4,256,534	$4,639,372	$5,037,522	$5,451,599
Uncollectible @ 4%	$102,088	$114,675	$127,765	$141,379	$155,537	$170,261	$185,575	$201,501	$218,064
Net Tax increment proceeds	$2,450,122	$2,752,200	$3,066,361	$3,393,088	$3,732,884	$4,086,273	$4,453,797	$4,836,021	$5,233,535
B. Resources									
Beginning Balance	$66,810	$73,933	$122,467	$89,162	$66,417	$27,968	$50,908	$45,371	$47,727
Net Tax Increment Proceeds	$2,450,122	$2,752,200	$3,066,361	$3,393,088	$3,732,884	$4,086,273	$4,453,797	$4,836,021	$5,233,535
Borrowing Proceeds									
Long term	$0	$0	$0	$10,800,000	$0	$0	$0	$12,500,000	$0
Short term	$700,000	$1,300,000	$1,700,000	$950,000	$1,200,000	$2,000,000	$2,400,000	$800,000	$1,650,000
Interest	$7,000	$13,000	$17,000	$117,500	$12,000	$20,000	$24,000	$133,000	$16,500
Total Resources	$3,223,932	$4,139,133	$4,905,828	$15,349,750	$5,011,301	$6,134,241	$6,928,704	$18,314,393	$6,947,762
C. Project Requirements									
To Project Activities & Admin	$700,000	$1,300,000	$1,700,000	$11,750,000	$1,200,000	$2,000,000	$2,400,000	$13,300,000	$1,650,000
Debt service - long term	$1,749,999	$1,416,666	$1,416,666	$2,583,333	$2,583,333	$2,083,333	$2,083,333	$4,166,666	$3,583,333
Debt service - short term	$700,000	$1,300,000	$1,700,000	$950,000	$1,200,000	$2,000,000	$2,400,000	$800,000	$1,650,000
Total Requirements	$3,149,999	$4,016,666	$4,816,666	$15,283,333	$4,983,333	$6,083,333	$6,883,333	$18,266,666	$6,883,333
D. Ending Balance	$73,933	$122,467	$89,162	$66,417	$27,968	$50,908	$45,371	$47,727	$64,429
Note: All projects can be funded and all debt paid off in 2030-31									

Table 6 (Continued)							
Project Resources & Requirements							
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
A. Tax Increment Revenue	$5,882,239	$6,330,105	$6,795,885	$7,280,296	$7,784,084	$8,308,024	$8,852,921
Uncollectible @ 4%	$235,290	$253,204	$271,835	$291,212	$311,363	$332,321	$354,117
Net Tax increment proceeds	$5,646,950	$6,076,901	$6,524,050	$6,989,085	$7,472,721	$7,975,703	$8,498,804
B. Resources							
Beginning Balance	$64,429	$98,545	$18,112	$87,829	$43,580	$86,967	$241,670
Net Tax Increment Proceeds	$5,646,950	$6,076,901	$6,524,050	$6,989,085	$7,472,721	$7,975,703	$8,498,804
Borrowing Proceeds							
long term	$0	$0	$0	$0	$0	$0	$0
Short term	$2,050,000	$2,600,000	$2,900,000	$5,000,000	$5,400,000	$7,900,000	$8,000,000
Interest	$20,500	$26,000	$29,000	$50,000	$54,000	$79,000	$80,000
Total Resources	$7,781,878	$8,801,446	$9,471,162	$12,126,913	$12,970,301	$16,041,670	$16,820,474
C. Project Requirements							
To Project Activities & Admin	$2,050,000	$2,600,000	$2,900,000	$5,000,000	$5,400,000	$7,900,000	$8,000,000
Debt service - long term	$3,583,333	$3,583,333	$3,583,333	$2,083,333	$2,083,333	$0	$0
Debt service - short term	$2,050,000	$2,600,000	$2,900,000	$5,000,000	$5,400,000	$7,900,000	$8,000,000
Total Requirements	$7,683,333	$8,783,333	$9,383,333	$12,083,333	$12,883,333	$15,800,000	$16,000,000
D. Ending Balance	$98,545	$18,112	$87,829	$43,580	$86,967	$241,670	**See Note**

500D. IMPACT OF TAX INCREMENT FINANCING

The passage of Ballot Measure 50 changed Oregon's property tax system, and the impacts of urban renewal on taxpayers, and other taxing bodies. Prior to Ballot Measure 50, collection of tax increment revenues for an urban renewal agency resulted in an increase in the taxpayer's property tax rate. Taxing bodies suffered no revenue losses, unless there was overall compression of property tax revenues.

Under Ballot Measure 50, the taxpayers' permanent rates will not change. However, collection of tax increment revenue will impact the potential property tax revenues received by overlapping tax bodies. These taxing bodies will not be able to apply their permanent Ballot Measure 50 tax rates against the new values added within the North Clackamas Urban Renewal Area. As a result, the taxing bodies will forego revenue they otherwise might have had if there was no urban renewal plan in effect.

Table 7 shows the anticipated cumulative incremental values in the Urban Renewal Area over the life of the Plan, and the anticipated property tax revenues foregone as a result of taxing bodies not being able to apply their current permanent Ballot Measure 50 tax rates to those values.

Table 7 actually presents a worst case picture of revenue foregone, for it assumes that all the new values in the North Clackamas Urban Renewal Plan Area would occur, even without the investment of urban renewal funds. In fact, however, it is more realistic to assume that the public expenditures on renewal activities will have some effect on the growth of values within the urban renewal area. Table 7 does not make this adjustment.

More important, Table 7 expresses all revenue foregone in 2005 dollars. It therefore does not take into account the fact that a dollar in the future is not as valuable as today's dollar. A present value calculation of the revenues foregone, using just a 3.5 % rate would substantially reduce the revenue foregone total. Evidence of that reduction is shown in the bottom row of Table 7.

The proposed urban renewal area suffers from blighting influences that the Plan seeks to remedy. These negative factors affect the neighborhoods because they depreciate values, impair investment, and create social and economic problems. When these conditions exist, tax revenues become inadequate to pay for the cost of required pubic services.

Fire District #1, Enhanced Law, North Clackamas Parks, Clackamas County, ESD, Metro, Port of Portland and Vector Control have acknowledged that these circumstances exist in this part of the county. They are working together in partnership by investing future revenue increases (from new growth expected as a result of area revitalization) to projects in the area that encourage long term economic growth, health and benefit to the public, and in turn, reverse the declining value trend.

Under the current method of funding K-12 level education, the North Clackamas Urban Renewal Plan program will not result in revenue losses for those educational units of government. The level of funding per student is not dependent on the amount of property tax raised locally.

When the project is completed, an estimated $632.3 million in assessed values will be placed back on the tax roll. In the following year, the permanent rates of the overlapping taxing bodies will generate property tax revenues estimated at approximately $8.22 million. Given just a 3% inflation of assessed values in the area, the revenues foregone by the overlapping taxing bodies will be repaid in a period of ten years after tax increment provisions are terminated in 2031.

1. Compression Effects

The current general government and education tax rates of the North Clackamas Urban Renewal Area's overlapping tax code areas are well within Measure 5 limitations. It therefore is very unlikely that the revenues of any of the overlapping taxing bodies will suffer compression losses as a result of this Plan.

500E. FINANCIAL FEASIBILITY OF PLAN

The total capital costs (i.e., exclusive of interest on indebtedness) after inflation, to carry out the project activities shown in Table 5 are estimated $86.05 million. The principal source of revenue to carry out project activities will be annual tax increment revenues of the Renewal Agency. Anticipated tax increment revenues are shown in Table 6. The tax increment revenues shown in Table 6 are based on an assumed annual growth rate of 4% on the estimated frozen base value of $379,600,000. Support for the 4% growth estimate is provided in a market analysis of the area by Urban Advisors Ltd. The 4% growth estimate is a mid-range of the several growth scenarios developed in that study.

The revenues shown in Table 6 are expected to be sufficient to carry out all project activities currently shown in the Plan, and to retire project indebtedness within a 25 year period. It is financially feasible to carry out the Plan.

Table 7: North Clackamas Urban Renewal Area

Taxes Foregone by Affected Taxing bodies (using permanent rates)

		Co.tax rate	Enhanced	Fire Dist 1	NC Parks	Vector	Port of PDX.	Metro	N.Clack Schools	ESD	Clack. CC
		$2.9766	$0.7198	$2.4012	$0.5382	$0.0065	$0.0701	$0.0906	$4.8701	$0.3687	$0.5582
	Cumulative New Incremental	Clack County foregone on	Enhanced Law tax foregone on	Fire Dist 1 foregone on	NC Parks foregone on	Vector foregone on	Port of PDX. foregone on	Metro tax foregone on	NCSD tax foregone on	ESD tax foregone on	CC tax foregone on
Year	Values in area	new values	new values	new values	new values	new values	new values	new values	new values	new values	new values
2006	$15,184,000	$45,197	$10,929	$36,460	$8,172	$99	$1,064	$1,376	$73,948	$5,598	$8,476
2007	$30,975,360	$92,201	$22,296	$74,378	$16,671	$201	$2,171	$2,806	$150,853	$11,421	$17,290
2008	$47,398,374	$141,086	$34,117	$113,813	$25,510	$308	$3,323	$4,294	$230,835	$17,476	$26,458
2009	$64,478,309	$191,926	$46,411	$154,825	$34,702	$419	$4,520	$5,842	$314,016	$23,773	$35,992
2010	$82,241,442	$244,800	$59,197	$197,478	$44,262	$535	$5,765	$7,451	$400,524	$30,322	$45,907
2011	$100,715,099	$299,789	$72,495	$241,837	$54,205	$655	$7,060	$9,125	$490,493	$37,134	$56,219
2012	$119,927,703	$356,977	$86,324	$287,970	$64,545	$780	$8,407	$10,865	$584,060	$44,217	$66,944
2013	$139,908,812	$416,453	$100,706	$335,949	$75,299	$909	$9,808	$12,676	$681,370	$51,584	$78,097
2014	$160,689,164	$478,307	$115,664	$385,847	$86,483	$1,044	$11,264	$14,558	$782,572	$59,246	$89,697
2015	$182,300,731	$542,636	$131,220	$437,741	$98,114	$1,185	$12,779	$16,516	$887,823	$67,214	$101,760
2016	$204,776,760	$609,539	$147,398	$491,710	$110,211	$1,331	$14,355	$18,553	$997,283	$75,501	$114,306
2017	$228,151,830	$679,117	$164,224	$547,838	$122,791	$1,483	$15,993	$20,671	$1,111,122	$84,120	$127,354
2018	$252,461,903	$751,478	$181,722	$606,212	$135,875	$1,641	$17,698	$22,873	$1,229,515	$93,083	$140,924
2019	$277,744,380	$826,734	$199,920	$666,920	$149,482	$1,805	$19,470	$25,164	$1,352,643	$102,404	$155,037
2020	$304,038,155	$905,000	$218,847	$730,056	$163,633	$1,976	$21,313	$27,546	$1,480,696	$112,099	$169,714
2021	$331,383,681	$986,397	$238,530	$795,718	$178,351	$2,154	$23,230	$30,023	$1,613,872	$122,181	$184,978
2022	$359,823,028	$1,071,049	$259,001	$864,007	$193,657	$2,339	$25,224	$32,600	$1,752,374	$132,667	$200,853
2023	$389,399,949	$1,159,088	$280,290	$935,027	$209,575	$2,531	$27,297	$35,280	$1,896,417	$143,572	$217,363
2024	$420,159,947	$1,250,648	$302,431	$1,008,888	$226,130	$2,731	$29,453	$38,066	$2,046,221	$154,913	$234,533
2025	$452,150,345	$1,345,871	$325,458	$1,085,703	$243,347	$2,939	$31,696	$40,965	$2,202,017	$166,708	$252,390
2026	$485,420,359	$1,444,902	$349,406	$1,165,591	$261,253	$3,155	$34,028	$43,979	$2,364,046	$178,974	$270,962
2027	$520,021,173	$1,547,895	$374,311	$1,248,675	$279,875	$3,380	$36,453	$47,114	$2,532,555	$191,732	$290,276
2028	$556,006,020	$1,655,008	$400,213	$1,335,082	$299,242	$3,614	$38,976	$50,374	$2,707,805	$204,999	$310,363
2029	$593,430,261	$1,766,405	$427,151	$1,424,945	$319,384	$3,857	$41,599	$53,765	$2,890,065	$218,798	$331,253
2030	$632,351,471	$1,882,257	$455,167	$1,518,402	$340,332	$4,110	$44,328	$57,291	$3,079,615	$233,148	$352,979
Total	**25 years**	**$20,690,758**	**$5,003,429**	**$16,691,073**	**$3,741,103**	**$45,182**	**$487,275**	**$629,773**	**$33,852,738**	**$2,562,885**	**$3,880,125**
	PV @ 3.5%	**$11,469,716**	**$2,773,601**	**$9,252,531**	**$2,073,843**	**$270,116**	**$349,108**	**$25,046**	**$18,765,930**	**$1,420,710**	**$2,150,909**

Note: School and ESD revenue foregone is replaced dollar-for-dollar by State funds, and does not affect per student funding.

PV = Present value of the revenue foregone. This adjusts future dollars to 2005 dollar totals.

600. RELOCATION

A. PROPERTIES REQUIRING RELOCATION

No relocation is anticipated at the adoption of this Plan.

B. RELOCATION METHODS

If in the implementation of this Plan, persons or businesses should be displaced by action of the Renewal Agency, the Renewal Agency shall provide assistance to such persons or businesses being displaced. Such displaced persons or businesses will be contacted to determine their relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045 - 281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060.

No relocation of businesses or residents is anticipated in this Plan.

C. HOUSING COST ENUMERATION

The Plan will remove no existing housing units. It is assumed that over the life of the Plan, new housing units of single and multi-family types will be developed in the North Clackamas Urban Renewal Area. Future cost and rental ranges of those properties are not predictable at this time, but it is a goal of this Plan to maintain the area for a range of incomes and housing types.