

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 9/22/20 **Approx. Start Time:** 1:30pm **Approx. Length:** 30 min

Presentation Title: Concurrence of Minor Revision to Molalla Urban Renewal Plan

Department: County Counsel

Presenters: Nathan Boderman, Assistant County Counsel.

Other Invitees: Dan Huff, City Manager, City of Molalla; Elaine Howard, Elaine Howard Consulting, LLC.

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

- Provide an opportunity for the City of Molalla to fulfill its statutory obligation to “consult and confer” with the County with respect to a proposed minor amendment to Molalla’s Urban Renewal Plan.
- Direction from the Board regarding whether the Board concurs with the City’s proposed changes to the urban renewal plan related to the police station project.

EXECUTIVE SUMMARY: The City of Molalla is in the process of preparing an amendment to its Urban Renewal Plan to update the Plan’s project list, which would cause a corresponding extension to the anticipated duration of the Plan by five years. Of particular note is the addition of a project that would authorize the urban renewal district to use urban renewal funds for the acquisition of property and frontage improvements associated with a new police station. Attached to this report are materials provided by the City of Molalla that provide details around the amendment to the Plan, and a more in depth summary of the specific proposal.

Clackamas County is a taxing district affected by the City’s Urban Renewal Plan. Accordingly, ORS 457.089(2)(a) requires the City to provide the proposed amendments and accompanying report to the County, and to “consult and confer” with the County prior to final approval of the amendment. Additionally, since the amendment includes the addition of a public building (police station), ORS 457.089(3) requires the concurrence of “... at least three of the four taxing districts that are estimated to forego the most property tax revenue as computed in the report accompanying the proposed plan.” The City has identified the City of Molalla, Clackamas County, the Molalla Rural Fire District and the Molalla River School District as the four taxing districts that it anticipates will forego the most property tax revenue because of this amendment.

ORS 457.089(3)(c) requires the County to, by written resolution, concur or decline to concur to the inclusion of the public building project in the proposed plan. This resolution can be adopted on the consent agenda at an upcoming Business Meeting. The Board should direct staff to either draft a resolution concurring, or declining to concur, to the inclusion of the public building project in the proposed plan. Even if the County declines to concur, the addition of the police station project may still be added to the Plan if the other three taxing districts identified above concur to the addition of the project in the Plan.

FINANCIAL IMPLICATIONS (current year and ongoing):

The City has summarized the potential financial impact to the County related to the proposed amendment in Table 2 of the “Report on Molalla Urban Renewal Plan Minor Amendment and Concurrence for Public Building Project” which is attached as Exhibit B to the City’s Resolution amending the City’s Urban Renewal Plan. Assuming the net effect of the amendments is to extend the duration of the Plan by five years, the report shows that the urban renewal district would collect approximately \$1.32 million beyond what the District currently projects to collect. The City notes that, without the amendment, the current list of projects use a relatively small portion of the maximum indebtedness authorized by the Plan. Even with the inclusion of the additional projects identified in the amendment, the City would still be well within the overall maximum indebtedness amount authorized by the Plan.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with the County’s Performance Clackamas goals?
 - Build public trust through good government.

LEGAL/POLICY REQUIREMENTS: ORS 457.089.

PUBLIC/GOVERNMENTAL PARTICIPATION: None.

OPTIONS:

1. Direct staff to draft a resolution concurring with the proposed plan amendment and the inclusion of the public building project in Molalla’s Urban Renewal Plan.
2. Direct staff to draft a resolution declining to concur with the proposed plan amendment and the inclusion of the public building project in Molalla’s Urban Renewal Plan.
3. Defer any decision at this time with direction to County staff or City representatives to provide more information to assist with a future decision.

RECOMMENDATION:

County Staff is facilitating this request from the City of Molalla. County staff have no opinions on the merits of the request, and would only encourage the Board to choose between Option #1 or Option #2, since the County is required to take action under state law. If more information is needed in order to make the decision whether to concur with the inclusion of the public building project in Molalla’s Urban Renewal Plan, staff recommends that the Board continue this session to a date certain and revisit this topic at its earliest convenience.

ATTACHMENTS:

Letter from City of Molalla requesting concurrence dated August 7, 2020
Response from County Administrator Schmidt dated September 15, 2020
Molalla Staff Report related to the Urban Renewal Plan Minor Amendment

Resolution Amending the Molalla Urban Renewal Plan with Proposed Amendment (Exhibit A)
and Report (Exhibit B)
Molalla Urban Renewal Plan
Report on the Molalla Urban Renewal Plan
Molalla Urban Renewal District Boundary Map

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Nathan Boderman @ 503-655-8364



City of Molalla – Administration Office
117 N Molalla Avenue, PO Box 248, Molalla, Oregon 97038
Phone: (503) 829-6855 Fax: (503) 829-3676

August 7, 2020

Clackamas County Board of Commissioners
C/O Gary Schmidt, County Administrator
2051 Kaen Road
Oregon City, OR 97045

RE: Molalla Urban Renewal Plan Amendment and Public Building Project

Dear Mr. Schmidt:

The Molalla Urban Renewal Agency is considering a minor amendment to the Molalla Urban Renewal Plan to update the project list. Our updated project list is paired with completion of updated financial projections with assumptions of terminating the division of tax revenue after FYE 2034. This would allow the Agency to undertake an additional \$15,925,000 of projects, \$14,700,000 of that money coming from division of taxes and \$1,225,000 from program income. The full project list is attached in the proposed amendment and is primarily comprised of infrastructure projects.

In addition to the infrastructure projects, one of the projects being proposed is the acquisition of property for and construction of a Police Station. Pursuant to recent legislation adopted in 2019, the addition of a public building project to an urban renewal plan requires concurrence of 3 of the top 4 taxing districts that are estimated to forgo the most property tax revenue as computed in the report accompanying the proposed plan (amendment) (ORS 457.089). Clackamas County is one of those taxing districts. The estimate for the project is \$5,000,000, with approximately 30% percent of that coming from urban renewal revenues. The exact location of the project is still under negotiation, but we hope for construction to commence in late 2021.

Addressing the need for adequate Police Department facilities for the Molalla community has been an ongoing goal for the City for at least seven years. Our officers are cramped, without adequate interview space, training space and restroom/locker room facilities. We will be acquiring property within the District to site a future structure that will include a community room for not only the community's periodic needs, but also training and emergency management. We have prided ourselves in the professional growth of our department and we expect that growth from our staff. The Molalla community is fully behind this project.

We would be happy to meet with your Board or Staff to describe this project more fully if needed. We are asking the Board to pass a resolution in concurrence of adding the public building project to the urban renewal plan. Our urban renewal agency will be considering the amendment, including the public building project and other projects, at their August 12, 2020 meeting. The Molalla City Council will consider the public building project resolution at their August 12, 2020 meeting as well. We ask you to respond to our request within 45 days after receipt of this proposed amendment. We have attached a draft resolution, knowing you might need to add to this or put it into a different format.

Please let us know if we can provide any additional information.

Sincerely,



Dan Huff
City Manager
City of Molalla
503-829-6855



SEPTEMBER 14, 2020

VIA FIRST CLASS MAIL AND E-MAIL: DHUFF@CITYOFMOLALLA.COM

Dan Huff
City of Molalla
PO Box 248
Molalla, OR 97038

Re: Molalla Urban Renewal Plan and Public Building Project

Dear Mr. Huff:

The County is in receipt of your letter dated August 7, 2020 related to the proposed minor amendments to Molalla's Urban Renewal Plan. Your proposal requests that the County pass a resolution that concurs with the proposed addition to your urban renewal plan of a public building project.

State law requires, and your letter requests, that the County respond to you within 45 days of receipt of the plan materials. Given the timing of your request and the Board's schedule, notably a two-week recess at the end of August, the soonest we can have the Board of County Commissioners consider your request is at a policy session on September 22, 2020. If the Board is supportive of your proposal, it could adopt the requested resolution at its October 1, 2020 Business Meeting.

I understand that you have been coordinating with County Counsel's office and are amenable to this schedule even though it exceeds the 45 days set forth in your request and in state law. If you have any questions, or if the City objects to this schedule, please let me know.

Sincerely,

Gary Schmidt
County Administrator

cc:



City of Molalla – Administration Office
117 N Molalla Avenue, PO Box 248, Molalla, Oregon 97038
Phone: (503) 829-6855 Fax: (503) 829-3676

DATE: August 12, 2020
TO: Mayor and City Council
FROM: City Manager
Subject: **Resolution – Molalla Urban Renewal Plan Minor Amendment**

The City of Molalla staff has been reviewing decisions about the Molalla Urban Renewal Plan (Plan) including updating the financial analysis of the Plan, considering what future projects to undertake and analyzing if there is an impact on any of the decisions about projects that would impact the duration of the Plan. Elaine Howard Consulting, LLC and Tiberius Solutions LLC have been assisting staff in providing background information to enable staff to make recommendations on Plan changes. As a result of this review, staff has prepared a Minor Amendment to the Plan to update the project list incorporating information from Tiberius Solutions on the financial capacity of the Molalla Urban Renewal Area (Area). This Minor Amendment would include a new project list and as a result of that, would extend the anticipated duration of the Plan by 5 years.

Financial Update:

The 2020 financial analysis by Tiberius Solutions projected that if the Area terminated in FYE 2029 as shown in the original forecasts, there would be capacity to complete approximately \$8 million in projects, using only \$12.6 million of the \$26,175,000 Maximum Indebtedness (MI). The Area has the capacity to fund \$14.7 million of projects by operating through FYE 2034, an extension of 5 years. The forecasts indicate that the Plan would not reach the full MI of \$26,175,000 million, but would reach about \$19.4 million of MI if it operated through FYE 2034. The Tiberius Solutions forecasts do not guarantee tax increment revenue but provide estimates of future generation of tax increment revenues based on historical revenue generation and projections on future tax increment revenue.

Duration:

In Oregon, urban renewal plans are constrained by a MI amount. Some urban renewal plans also have a duration provision. However, there is not a duration provision in the Molalla Plan. A duration provision is typically a section of its own or duration provisions are sometimes

addressed in the Financing Methods section of the Plan. The consultant reviewed the Plan and did not see a duration provision.

The initial financial projections of the Report on the Molalla Urban Renewal Plan (Report) estimate the Plan would terminate in fiscal year end (FYE) 2029. The Report refers to an end date, but that is typical of all Reports, and it uses the terminology "estimated" (Section 500C). All Plans are required, at the point of adoption, to have a financial analysis that shows the Plan is feasible. The analysis in the Report met that requirement. However, changes in the economy, especially the "Great Recession" impacted tax increment proceeds of a number of urban renewal areas across the state. Given the lower than projected tax increment projections, the timeline for meeting the MI of the Plan is lengthened. This may make some changes to the initial impacts to taxing district projections, but generally those overall impacts remain about the same, but the timeline for the impacts is lengthened. There is no requirement to make an amendment to your Plan in order to continue to operate past FYE 2029.

Project Changes:

The City/Agency may change the projects in the Plan. Section 1100 Plan Amendments of the Plan deals with how to make amendments. Sections B and C cover changes to projects in the Plan.

Section 1100 B of the Plan states: Council Approved Amendments are amendments that include the "addition of improvements or activities which represent a substantial change in the purpose and objectives of this Plan, **and** which cost more than \$750,000.

The consultant, Elaine Howard Consulting, recommends that the projects to be undertaken as a result of the amendment do not represent a substantial change in the purpose and objectives of the Plan, so the amendment is not a Council Approved Amendment.

Section 1000 C of the Plan covers Minor Amendments. Minor Amendments may be approved by the Agency in resolution form. This amendment is considered a Minor Amendment.

Another consideration for the City/Agency when reviewing the proposed project list that includes a public building (Police Station) is the recent changes to ORS 457 by HB 2174. These changes made the implementation of a project involving a public building a more strenuous review and approval process. The changes state the new provisions apply to "(a) The addition on or after the effective date of this 2019 Act of a public building project to an urban renewal plan that is not included in the plan before the effective date of this 2019 Act.(b) An amendment proposed on or after the effective date of this 2019 Act to an urban renewal plan that significantly increases the scope of work for a public building project to be paid for with division of taxes pursuant to ORS 457.420 to 457.460."

The new process requires “(3)(a) An urban renewal plan proposed on or after the effective date of this 2019 Act that includes a public building project requires the concurrence of at least three of the four taxing districts that are estimated to forgo the most property tax revenue as computed in the report accompanying the proposed plan. The question of concurrence shall be determined by a vote of the governing body of each of the four taxing districts.

(b) The urban renewal agency shall include with the urban renewal plan and accompanying report provided pursuant to subsection (2) of this section a request for concurrence in the inclusion of the public building project in the proposed plan.

(c) The governing body of each taxing district described in paragraph (a) of this subsection shall, by written resolution, concur or decline to concur in the inclusion of the public building project in the proposed plan.

(d)(A) If at least three of the four taxing districts described in paragraph (a) of this subsection concur, the public building project may be included in the proposed plan.

(B) If at least two of the four taxing districts described in paragraph (a) of this subsection do not concur, the public building project may not be included in the proposed plan.

(e) If the governing body of a taxing district described in paragraph (a) of this subsection does not respond within 45 days after receiving the plan and report under subsection (2) of this section, the taxing district shall be deemed to have concurred in the inclusion of all public building projects included in the plan.”

The four top taxing districts for the Plan are the City of Molalla, Clackamas County, the Molalla Rural Fire District and the Molalla River School District. If the Agency approves this minor amendment, the public building project for the Police Station will need to be considered through the new public review process. If concurrence of 3 of the 4 taxing districts is not received, the remainder of the Minor Amendment is still in force, it is only the public building project that would be impacted.

If the public building project is approved through this process, and acquisition of property by the Agency is required, the City will need to ratify a Minor Amendment to the Plan to specify the property to be acquired (Plan Section 800(A)(1)). This is typically completed once negotiations for the property acquisition are completed.



Dan Huff
City Manager



RESOLUTION NUMBER 2020-__

**A RESOLUTION OF THE MOLALLA URBAN RENEWAL AGENCY,
OREGON, AMENDING THE MOLALLA URBAN RENEWAL PLAN.**

WHEREAS, the Molalla Urban Renewal Agency (“Agency”) is an urban renewal agency formed under ORS Chapter 457; and

WHEREAS, the Molalla City Council (“City Council”) adopted the Molalla Urban Renewal Plan (“Plan”) on July 24, 2003; and

WHEREAS, the Agency desires to amend the Plan to revise Section 700. Description of Projects to be Undertaken; and

WHEREAS, the Agency desires to amend the Plan to revise Section 800. Property Acquisition and Disposition Procedures; and

WHEREAS, these amendments are show in Exhibit A, Plan Amendment and in Exhibit B Report on the Plan Amendment; and

WHEREAS, the updated project list and estimated impacts to the taxing districts are attached hereto as Exhibit B;

WHEREAS, the Agency has consulted with impacted taxing districts regarding the projects to be undertaken including requesting concurrence for the Police Station project; and

Now, Therefore, the Molalla Urban Renewal Agency Resolves as follows:

Section 1. Findings. The above-stated findings contained in this Resolution are hereby adopted.

Section 2. Purpose. The purpose of this Resolution is to amend the Molalla Urban Renewal Plan to update the project list including adding a public building.

Section 3. Adoption. In accordance with the amendment section of the Molalla Urban Renewal Plan, this is a minor amendment to be adopted by resolution of the Molalla Urban Renewal Agency.

Section 4. Miscellaneous. All pronouns contained in this Resolution and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word “or” is not exclusive. The words “include,” “includes,” and

“including” are not limiting. Any reference to a particular law, statute, rule, regulation, code, or ordinance includes the law, statute, rule, regulation, code, or ordinance as now in force and hereafter amended. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. This Resolution may be corrected by order of the Board to cure editorial and/or clerical errors.

Section 5. The addition of the public building project must receive concurrence of the taxing districts as stipulated in ORS 457.089. Concurrence has been requested from taxing districts. The public building project will be approved as part of this amendment only after concurrence by the taxing districts as stipulated in ORS 457.089,

Adopted this _____ day of _____, 2020

Keith Swigart, Chair

ATTEST:

Christie DeSantis, City Recorder

Exhibit A

Molalla Urban Renewal Plan Amendment

New wording is shown in *italics*, deletions are shown in ~~crossout~~.

The Molalla Urban Renewal Plan ("Plan") is amended as follows:

700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

To achieve the objectives of this Urban Renewal Plan, the following activities will be undertaken by the Urban Renewal Agency in accordance with applicable federal, state, county, and county laws, policies, and procedures, and will be coordinated with the Downtown Master Plan. Renewal Agency may fund these activities in full, in part, or it may seek other sources of funding for them. The Renewal Agency may prepare a Design Plan which will better define project locations. **The listing of projects is not an order of priority.** Priorities will be decided as funds become available, and opportunities arise.

1. PUBLIC IMPROVEMENTS

Definition - Public improvements include the construction, repair, or replacement of curbs, sidewalks, streets, parking, parks and open spaces, pedestrian and bicycle amenities, water, sanitary sewer and storm sewer facilities, utilities, and other public facilities necessary to carry out the goals and objectives of this Plan.

A. Public Parks and Open Spaces

The Renewal Agency may participate in funding the design, acquisition, construction or rehabilitation of public spaces, parks or public recreation facilities within the Urban Renewal Area. Projects that may be undertaken include:

- Develop a pedestrian/bicycle trail along abandoned railroad line.

B. Street, Curb, and Sidewalk Improvements

The Renewal Agency may participate in funding sidewalk and roadway improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of way for *frontage improvements including but not limited to* curbs, streets, and sidewalks. Street, curb, and sidewalk improvements may include:

- Make streetscape improvements identified in the Downtown Master Plan.
- Install, and repair deficiencies in sidewalks in downtown Molalla.

- Install crosswalks and curb extensions in downtown Molalla.
- Participate in widening of Oregon Highways 211 and 213.
- Commercial Parkway extension to South Road and OR Highway 213.
- Molalla Forest Road improvements, including but not limited to
 - ❖ Improve Molalla Forest Road from Mathias to OR Highway 213.
 - ❖ Improve Mathias Road/Main Street Connection.
 - ❖ Widen Mathias Road.
- *Toliver Road (Sawyer Trucking)*
- *Industrial Way*
- *OR 213 Sidewalk*
- *Various other public utility improvements as designated by the Agency.*

C. Public Utilities

The Renewal Agency is authorized to participate in funding improvements to water, storm, and sanitary sewer facilities in the area. Utility improvements that may include:

- Place utilities underground throughout project area as funds permit.
- Provide water, sewer, and storm services as necessary to treat blighting conditions in renewal area, and to meet future development needs in renewal area.
- *Improve W Ross Street (Molalla Avenue to Kennel Avenue) and Kennel Avenue (W Ross to OR 211)*
- *Various other public utility improvements as designated by the Agency.*

D. Streetscape and Neighborhood Beautification Projects

The Renewal Agency is authorized to participate in activities improving the visual appearance of the project area. These improvements may include *frontage improvements*, street furniture, special lighting fixtures, landscaping, street trees, irrigation, decorative pavers, signs, and other fixtures and improvements. Areas for streetscape improvements include:

- Streetscape improvements along Highway 211.

- Streetscape improvements in downtown Molalla.
- *Center Avenue (Main Street to Ross Street)*
- *Center Avenue (E Ross to Robbins Street)*
- *Center Avenue (Robbins Street to Heintz Street)*
- *E. Ross Street (Molalla Avenue to Center Street)*
- *Ross/Center Alleys Improve W Ross Street (Molalla Avenue to Kennel Avenue) and Kennel Avenue (W Ross to OR 211)*

E. Public Safety Improvements

The Renewal Agency may participate in funding improvements needed for public safety purposes. Public safety improvements may include:

- Participate in funding traffic signals and signage at
 - ❖ ~~OR Highway 211 and Thelander.~~
 - ❖ The intersection of Main and Molalla.
 - ❖ ~~OR211 and Ridings.~~
 - ❖ *Molalla Avenue-OR211 Signal*
 - ❖ *OR 211 – Leroy Avenue Signal*

F. Public Buildings and Facilities

The Renewal Agency may participate in development of public facilities in the Renewal Area. The extent of the Renewal Agency’s participation in funding public facilities will be based upon a Renewal Agency finding on the proportional benefit of that project to the Urban Renewal Area, and the importance of the project in carrying out Plan objectives.

Potential public facilities to be funded may include:

- Assist in improvements to fire station and public safety training facility
- Develop new public parking facilities.
- Assist in improvements to, or construction of public facilities, including city hall, and a conference/community center.
- *Acquisition of property for a Police Station and frontage improvements for the Police Station.*
 - ❖ *The Police Station will serve and benefit the urban renewal area by providing improved facilities for the police and establishing a public safety presence in the*

urban renewal area.

800. PROPERTY ACQUISITION AND DISPOSITION PROCEDURES

C. Properties to be acquired.

Property will be acquired for a future Police Station and frontage improvements associated with the Police Station.¹

¹ *This action was taken in the 2020 amendment and concurrence was received by the required taxing districts.*

Exhibit B

Report on Molalla Urban Renewal Plan Minor Amendment and Concurrence for Public Building Project

This Report provides information on the estimated project costs, share of those costs to undertaken with urban renewal funds and the estimated impacts on the overlapping taxing districts. The original Report to the Molalla Urban Renewal Plan (“Plan”) anticipated the full maximum indebtedness (“MI”) of \$26.2 million to be used by FYE 2029. However, analysis by Tiberius Solutions, LLC in April of 2020 indicates the amount of MI to be used through FYE 2029 would only be up to \$12.6M of the \$26.2M maximum indebtedness. This would allow for \$8M of projects between 2020 and 2029.

The Plan language suggests that the FYE 2029 duration is not a hard and fast limit, but was only the estimated completion date. There is no specific duration provision in the Plan. If the duration of the URA is extended five years through FYE 2034, Tiberius projected it would have capacity to fund an additional \$6.7M of projects, using up a total of \$19.4M of the maximum indebtedness, for a total of \$14.7M in projects through FYE 2020 to FYE 2034. It is anticipated that two of the projects will receive developer repayments, OR 211-Leroy Avenue Signal and Toliver Road. The total project costs include the repayment of those funds and re-using them on other future projects. This total anticipated repayment amount is \$1,225,000, for a total amount of \$15,925,000 to be spent on projects.

This amendment proposes to extend the timeframe for taking division of tax revenues to FYE 2034. The financial analysis predicts that approximately \$19.4M of the MI will be used during this timeframe and estimates that the debt will be retired in FYE 2034. The extension of the duration of the Plan estimates that approximately \$6.9 M of the \$26.2 MI will not be used even in the extended timeframe. Expenditure of the program income does not count against the maximum indebtedness. The overall impacts to taxing districts as projected in the original urban renewal plan have not changed as a result of this proposed amendment as the MI of the Molalla Urban Renewal Plan is not being changed. In fact, the overall impacts to the taxing districts are estimated to be smaller than the original estimates as the full MI will not be reached.

Table 1 identifies the proposed projects and project allocations. Table 1a is Phase I and Table 1b is Phase 2. The financial projections prepared by Tiberius Solutions LLC indicate a capacity for \$14.7M of projects in \$2020 dollars. Table 1 indicates the project costs and the anticipated urban renewal share of those costs.

Tables 2 and 3 show the estimated taxing district impacts during the extended timeframe, including FYE 2020. The difference between the dollars for projects and

impacts on taxing districts is due to the inflationary costs of projects over time (the projects table is in FYE 2020 dollars) and the costs of interest payments. By statutory definition, maximum indebtedness includes the principal amount of maximum indebtedness, not the interest paid on debt.

The Molalla River School District and the Clackamas Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the 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. If new school aged students move into these units and attend the local schools, the funding through the State School Fund would increase.

Table 1a - Projects to be Undertaken - Phase I

	PROJECT COST	MURD SHARE	DEVELOPER REPAYMENT/PROGRAM INCOME
Project			
Phase I			
Police Station - Property Acquisition			
Police Station Property Acquisition	\$250,000	\$100,000	
Downtown Streetscape/Public Infrastructure Participation			
Toliver Road (Sawyer Trucking)	\$200,000	\$200,000	\$200,000
Industrial Way	\$13,000	\$13,000	
W Ross St	\$650,000	\$500,000	
Kennel Avenue (W Ross to OR 211)	\$360,000	\$360,000	
Various	\$327,000	\$327,000	
State Highway Local Contribution			
Molalla Ave-OR 211 Signal	\$1,000,000	\$1,000,000	\$1,000,000
Subtotal Phase I		\$2,500,000	\$1,200,000

Source: City of Molalla

Table 1b - Projects to be Undertaken - Phase II

Project	PROJECT COST	MURD SHARE	DEVELOPER REPAYMENT/PROGRAM INCOME
Phase II			
Downtown Streetscape/Public Infrastructure Participation			
Center Avenue (Main St to Ross St)	\$720,000	\$720,000	
Center Avenue (E Ross to Robbins St)	\$1,312,000	\$1,312,000	
Center Avenue (Robbins St to Heintz St)	\$514,000	\$514,000	
E Ross St (Molalla Ave to Center St)	\$869,000	\$869,000	
Ross/Center Alleys	\$361,000	\$361,000	
State Highway Local Contribution			
OR 211-Leroy Avenue Signal	\$1,025,000	\$1,025,000	\$1,025,000
Local Streets-			
Molalla Forest Road	\$13,240,000	\$8,299,000	
Subtotal Phase II		\$13,100,000	\$1,025,000
Total	\$20,591,000	\$15,600,000	\$2,225,000

Source: City of Molalla

Table 2 – Projected Impacts to Taxing Districts – General Government Source: Tiberius Solutions Note: FYE is fiscal year end

FYE	City of Molalla Permanent	Clackamas County City Permanent	Clackamas County Rural Permanent	County Extension & 4H Permanent	County Library Permanent	County Soil Conservation Permanent	FD 73 Molalla Permanent	PK Molalla Aquatic Permanent	Port of Portland Permanent	Vector Control Permanent	Subtotal Gen. Govt.
2020	\$ (210,263)	\$ (95,276)	\$ (864)	\$ (1,996)	\$ (15,864)	\$ (1,996)	\$ (31,269)	\$ (11,577)	\$ (2,798)	\$ (259)	\$ (372,162)
2021	\$ (222,719)	\$ (100,920)	\$ (931)	\$ (2,114)	\$ (16,806)	\$ (2,114)	\$ (33,125)	\$ (12,264)	\$ (2,964)	\$ (275)	\$ (394,232)
2022	\$ (238,832)	\$ (108,221)	\$ (1,000)	\$ (2,267)	\$ (18,022)	\$ (2,267)	\$ (35,522)	\$ (13,151)	\$ (3,179)	\$ (295)	\$ (422,758)
2023	\$ (253,982)	\$ (115,086)	\$ (1,072)	\$ (2,411)	\$ (19,166)	\$ (2,411)	\$ (37,778)	\$ (13,986)	\$ (3,381)	\$ (313)	\$ (449,587)
2024	\$ (336,168)	\$ (152,327)	\$ (1,146)	\$ (3,187)	\$ (25,332)	\$ (3,187)	\$ (49,930)	\$ (18,486)	\$ (4,468)	\$ (414)	\$ (594,646)
2025	\$ (431,928)	\$ (195,718)	\$ (1,223)	\$ (4,091)	\$ (32,514)	\$ (4,091)	\$ (64,088)	\$ (23,727)	\$ (5,735)	\$ (532)	\$ (763,646)
2026	\$ (452,534)	\$ (205,055)	\$ (1,301)	\$ (4,286)	\$ (34,068)	\$ (4,286)	\$ (67,150)	\$ (24,861)	\$ (6,010)	\$ (557)	\$ (800,109)
2027	\$ (472,585)	\$ (214,141)	\$ (1,382)	\$ (4,477)	\$ (35,581)	\$ (4,477)	\$ (70,132)	\$ (25,965)	\$ (6,276)	\$ (582)	\$ (835,598)
2028	\$ (493,238)	\$ (223,499)	\$ (1,466)	\$ (4,673)	\$ (37,139)	\$ (4,673)	\$ (73,203)	\$ (27,102)	\$ (6,551)	\$ (607)	\$ (872,151)
2029	\$ (514,511)	\$ (233,139)	\$ (1,552)	\$ (4,875)	\$ (38,744)	\$ (4,875)	\$ (76,366)	\$ (28,273)	\$ (6,834)	\$ (634)	\$ (909,801)
2030	\$ (536,422)	\$ (243,067)	\$ (1,640)	\$ (5,083)	\$ (40,397)	\$ (5,083)	\$ (79,624)	\$ (29,479)	\$ (7,126)	\$ (661)	\$ (948,581)
2031	\$ (558,990)	\$ (253,293)	\$ (1,732)	\$ (5,297)	\$ (42,099)	\$ (5,297)	\$ (82,980)	\$ (30,722)	\$ (7,426)	\$ (689)	\$ (988,523)
2032	\$ (582,235)	\$ (263,826)	\$ (1,826)	\$ (5,517)	\$ (43,853)	\$ (5,517)	\$ (86,436)	\$ (32,001)	\$ (7,735)	\$ (717)	\$ (1,029,665)
2033	\$ (606,178)	\$ (274,675)	\$ (1,922)	\$ (5,745)	\$ (45,659)	\$ (5,745)	\$ (89,996)	\$ (33,319)	\$ (8,054)	\$ (747)	\$ (1,072,040)
2034	\$ (630,838)	\$ (285,850)	\$ (2,022)	\$ (5,979)	\$ (47,519)	\$ (5,979)	\$ (93,663)	\$ (34,677)	\$ (8,382)	\$ (777)	\$ (1,115,686)
Total	\$ (6,541,422)	\$ (2,964,093)	\$ (21,079)	\$ (61,998)	\$ (492,761)	\$ (61,998)	\$ (971,263)	\$ (359,589)	\$ (86,921)	\$ (8,060)	\$ (11,569,186)

Source: Tiberius Solutions

Table 3 – Projected Impacts to Taxing Districts – Education

FYE	Clackamas Community College Permanent	Clackamas ESD Permanent	Molalla River SD Permanent	Subtotal Education	Total All
2020	\$ (22,283)	\$ (14,718)	\$ (187,624)	\$ (224,625)	\$ (596,787)
2021	\$ (23,606)	\$ (15,592)	\$ (198,763)	\$ (237,961)	\$ (632,192)
2022	\$ (25,314)	\$ (16,720)	\$ (213,147)	\$ (255,182)	\$ (677,940)
2023	\$ (26,921)	\$ (17,782)	\$ (226,681)	\$ (271,384)	\$ (720,971)
2024	\$ (35,582)	\$ (23,502)	\$ (299,602)	\$ (358,686)	\$ (953,332)
2025	\$ (45,671)	\$ (30,166)	\$ (384,550)	\$ (460,387)	\$ (1,224,033)
2026	\$ (47,853)	\$ (31,608)	\$ (402,928)	\$ (482,389)	\$ (1,282,498)
2027	\$ (49,978)	\$ (33,011)	\$ (420,819)	\$ (503,808)	\$ (1,339,406)
2028	\$ (52,166)	\$ (34,457)	\$ (439,246)	\$ (525,869)	\$ (1,398,020)
2029	\$ (54,420)	\$ (35,946)	\$ (458,226)	\$ (548,592)	\$ (1,458,393)
2030	\$ (56,742)	\$ (37,479)	\$ (477,775)	\$ (571,996)	\$ (1,520,577)
2031	\$ (59,134)	\$ (39,059)	\$ (497,911)	\$ (596,103)	\$ (1,584,627)
2032	\$ (61,597)	\$ (40,686)	\$ (518,651)	\$ (620,933)	\$ (1,650,598)
2033	\$ (64,134)	\$ (42,361)	\$ (540,013)	\$ (646,508)	\$ (1,718,548)
2034	\$ (66,747)	\$ (44,087)	\$ (562,016)	\$ (672,850)	\$ (1,788,537)
Total	\$ (692,147)	\$ (457,174)	\$ (5,827,951)	\$ (6,977,272)	\$ (18,546,459)

Source: Tiberius Solutions Note: FYE is fiscal year end

Exhibit A

The Molalla Urban Renewal Plan

**Prepared for:
The Molalla City Council**

July, 2008

MOLALLA URBAN RENEWAL PLAN

ACKNOWLEDGEMENTS

The Molalla City Council appointed a citizen advisory body to direct the public involvement and management efforts for preparation of this renewal plan. Members of the advisory committee and City of Molalla staff gave generously of their time in providing direction and assistance on all key issues involved in preparing the plan.

Members of the Advisory Committee

Name		Affiliation
Bill	Avison	Avison Rock
Gary	Deardorff	Doubletrees Land & Timber
Todd	Gary	Molalla Fire Dist. No. 73
Jamie	Johnk	Clackamas County
Wayne	Kostur	Molalla River School District
Steve	Loutzenhiser	Molalla Communications
Mitch	Magenheimer	Edward Jones
Steve	Morris	Chamber of Commerce
Gary	Musgrove	Prudential Northwest Properties
Linda	Ohta	Inkbrary
Jim	Needham	City Council
Shane	Potter	City of Molalla
Beth	Smith	PGE
Pattie	Smith	Mill Barn
Ed	Stafford	Windermere Realty
Jim	Taylor	Champion Raceway
Kristine	Wheeler	Citizen

Staff Assistance

John Atkins, City Manager
Shane Potter, Planning Director
Zach Pelz, Assistant Planner

Urban Renewal Consultants

Charles Kupper, Spencer & Kupper

MOLALLA URBAN RENEWAL PLAN

TABLE OF CONTENTS

PART 1: TEXT

	Page
100. INTRODUCTION	1
200. CITIZEN PARTICIPATION	1
300. BOUNDARY DESCRIPTION.....	1
400. RELATIONSHIP TO LOCAL OBJECTIVES: GOALS	1
500. PROPOSED LAND USES	2
600. OUTLINE OF DEVELOPMENT	4
700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN	4
800. PROPERTY ACQUISITION PROCEDURES.....	7
900. REDEVELOPER’S OBLIGATIONS	8
1000. RELOCATION	9
1100. PLAN AMENDMENTS	9
1200. MAXIMUM INDEBTEDNESSS.....	10
1300. FINANCING METHODS.....	10
1400. DEFINITIONS	11
 PART 2: EXHIBITS	 13
EXHIBIT 1, MAP OF PLAN BOUNDARY AND ZONING	14
ATTACHMENT A, BOUNDARY DESCRIPTION.....	15

100. INTRODUCTION

The Molalla Urban Renewal Plan consists of Part One: Text, and Part Two: Exhibits. 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 City of Molalla respectively. All such applicable laws and ordinances are made a part of this Plan, whether expressly referred to in the text or not.

This urban renewal plan for the Molalla Urban Renewal Area was approved by the City Council of City of Molalla on ___ by Ordinance No. ___.

200. CITIZEN PARTICIPATION

The Molalla urban renewal plan was developed in an extensive series of public meetings. Renewal planning was initiated in September, 2007 with a renewal feasibility study. The feasibility study included three public work session meetings with a committee consisting of Council members and citizens. The feasibility report was presented at a meeting of the Molalla City Council in February, 2008. After discussion of the feasibility report, the City Council approved proceeding with preparation of an urban renewal plan.

Work on a renewal plan started in April, 2008. Four public meetings were held during the preparation of the renewal plan. Each meeting was built around discussion and public input on key elements of the urban renewal plan. Meeting topics included basic information on urban renewal and tax increment financing, development of project goals and objectives, development of a list of project activities, and a thorough review of the revenues, costs, and tax impacts of carrying out the project.

The City of Molalla Planning Commission met to review the Plan on July 29, 2008 at 7 p.m. in City Hall. The City Council scheduled a public hearing on adoption of this Plan on Aug. 13, 2008 at 7 p.m. in the Molalla Adult Center, 315 Kennel St. Additional notice for the City Council's hearing on adoption of the Plan was provided, as required by ORS 457.120.

300. BOUNDARY DESCRIPTION

The boundary of the renewal area is shown in Exhibit 1, attached to this plan. A legal description of the project boundary is included as Attachment "A" of this plan. If inconsistencies exist between Exhibit 1 and Attachment A, Attachment A governs.

400. RELATIONSHIP TO LOCAL OBJECTIVES: GOALS

The purpose of this Renewal plan is to eliminate blighting influences found in the Renewal Area, to implement goals and objectives of the City of Molalla Comprehensive Plan, the Molalla Downtown Development Plan, and the Oregon Highway 211 Streetscape Plan.

In addition, the renewal plan committee developed a set of renewal plan goals and objectives in its public meetings on the plan. Those goals are:

- Carry out public improvements, pursue acquisitions and provide incentives to attract economic investment and redevelopment in Molalla.
- Encourage creation and expansion of enterprises that will provide goods and services the community needs.
- Provide more family wage jobs in Molalla.
- Increase property values in Molalla.
- Enhance overall community appearance and livability.
- Help diversify the city’s economic base.
- Help implement the city’s comprehensive plan, downtown master plan, and enhance recreational opportunities in the community.

500. PROPOSED LAND USES

A. Land Use Plan

The use and development of land in the Renewal Area shall be in accordance with the regulations prescribed in the City’s Comprehensive Plan, Zoning Ordinance, Sign Ordinance, Subdivision Ordinance, City Charter, or any other applicable local, county, state or federal laws regulating the use of property in the Urban Renewal Area.

Zoning Classifications in the Renewal Area

Zoning in the renewal area is shown in the boundary map attached as Exhibit 1 of this plan. Zoning classifications in the area are:

ZONING DISTRICT	DESCRIPTION
C1 Central Commercial	The CI Central Commercial district allows for a broad range of uses in keeping with Molalla's historic commercial area and central business districts. Development in the CI district is intended to be characterized by high building coverage and close placement of buildings. Development is also to be pedestrian-oriented with a strong emphasis on a pleasant streetscape.
C2 General Commercial	The C2 district is intended to provide for those types of retail, wholesale, transportation, and service uses which because of traffic, size and other requirements depend upon particular

locations to serve the needs of the community and its trading area. Thus, the zone allows a full range of retail and service businesses with a local or regional market, and is to be characterized by attractive development, an open and pleasant street appearance, and compatibility with adjacent residential areas. Development is expected to be generally auto-oriented, and intended to be aesthetically pleasing for motorists, pedestrians, and the businesses themselves.

M1 Light Industrial

Light Industrial areas are designated for non-polluting industries, which are generally compatible with residential and commercial activities. In the M1, Light Industrial district, attention is given to the protection of surrounding areas from off-site impacts.

M2 Heavy Industrial

This M2 District is designated for uses that have a strong industrial orientation. Specific regulations protect the health, safety and welfare of the public, address the character of the area and provide certainty to property owners, developers and neighbors about the limits of what is allowed.

R1 Residential

The R1 District is primarily intended for single-family detached dwellings and manufactured homes on lots consisting of not less than six thousand, three hundred (6,300) square feet.

R2 Residential

The R2 District is primarily intended for single-family detached dwellings on lots of not less than six thousand, three hundred (6,300) square feet or duplex/two-family dwellings on lots of not less than seven thousand, five hundred (7,500) square feet.

R3 Residential

The R3 District is primarily intended for duplex and multi-family dwelling structures on lots consisting of seven thousand, five hundred (7,500) square feet but also allows for single-family detached structures on lots consisting of six thousand, three hundred (6,300) square feet.

Public/Semi-public

The purpose and function of this district is for the siting of public or semi-public facilities. The regulations in this chapter are to ensure that these facilities are properly located and that they are compatible with surrounding neighborhoods.

B. Plan and Design Review

The Urban Renewal Agency shall be notified of any Comprehensive Plan/Zoning amendment application, building permit, conditional use or other development permits requested within the Area.

600. OUTLINE OF DEVELOPMENT

The Urban Renewal project consists of activities and actions which treat the causes of blight and deterioration in the Molalla Urban Renewal Area. Project activities further are intended to implement the goals in Section 400 of this plan. Project activities to treat blighting conditions and to implement community and comprehensive plan goals include:

- Making improvements to streets, sidewalks, and crossings in the renewal area
- Making improvements to deficient water, sewer and storm drainage in the area
- Contributing to funding improvements to public facilities and in the renewal area
- Improving the physical appearance of the renewal area
- Improving parking availability in the renewal area.
- Providing incentives for the repair and rehabilitation of substandard structures in the project area.
- Providing incentives to new public and private building investments in the renewal area.
- Section 700 of this plan provides further description of each urban renewal project to be undertaken within the Urban Renewal Area.

700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

To achieve the objectives of this Urban Renewal Plan, the following activities will be undertaken by the Urban Renewal Agency in accordance with applicable federal, state, county, and county laws, policies, and procedures, and will be coordinated with the Downtown Master Plan. Renewal Agency may fund these activities in full, in part, or it may seek other sources of funding for them. The Renewal Agency may prepare a Design Plan which will better define project locations. **The listing of projects is not an order of priority.** Priorities will be decided as funds become available, and opportunities arise.

1. PUBLIC IMPROVEMENTS

Definition - Public improvements include the construction, repair, or replacement of curbs, sidewalks, streets, parking, parks and open spaces, pedestrian and bicycle amenities, water, sanitary sewer and storm sewer facilities, utilities, and other public facilities necessary to carry out the goals and objectives of this Plan.

A. Public Parks and Open Spaces

The Renewal Agency may participate in funding the design, acquisition, construction or rehabilitation of public spaces, parks or public recreation facilities within the Urban Renewal Area. Projects that may be undertaken include:

- Develop a pedestrian/bicycle trail along abandoned railroad line.

B. Street, Curb, and Sidewalk Improvements

The Renewal Agency may participate in funding sidewalk and roadway improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of way for curbs, streets, and sidewalks. Street, curb, and sidewalk improvements may include:

- Make streetscape improvements identified in the Downtown Master Plan.
- Install, and repair deficiencies in sidewalks in downtown Molalla.
- Install crosswalks and curb extensions in downtown Molalla.
- Participate in widening of Oregon Highways 211 and 213.
- Commercial Parkway extension to South Road and OR Highway 213.
- Molalla Forest Road improvements, including
 - ❖ Improve Molalla Forest Road from Mathias to OR Highway 213.
 - ❖ Improve Mathias Road/Main Street Connection.
 - ❖ Widen Mathias Road.

C. Public Utilities

The Renewal Agency is authorized to participate in funding improvements to water, storm, and sanitary sewer facilities in the area. Utility improvements that may include:

- Place utilities underground throughout project area as funds permit.
- Provide water, sewer, and storm services as necessary to treat blighting conditions in renewal area, and to meet future development needs in renewal area.

D. Streetscape and Neighborhood Beautification Projects

The Renewal Agency is authorized to participate in activities improving the visual appearance of the project area. These improvements may include street furniture, special lighting fixtures, landscaping, street trees, irrigation, decorative pavers, signs, and other fixtures and improvements. Areas for streetscape improvements include:

- Streetscape improvements along Highway 211.
- Streetscape improvements in downtown Molalla.

E. Public Safety Improvements

The Renewal Agency may participate in funding improvements needed for public safety purposes. Public safety improvements may include:

- Participate in funding traffic signals and signage at
 - ❖ OR Highway 211 and Thelander.
 - ❖ The intersection of Main and Molalla.
 - ❖ OR211 and Ridings.

F. Public Buildings and Facilities

The Renewal Agency may participate in development of public facilities in the Renewal Area. The extent of the Renewal Agency's participation in funding public facilities will be based upon a Renewal Agency finding on the proportional benefit of that project to the Urban Renewal Area, and the importance of the project in carrying out Plan objectives.

Potential public facilities to be funded may include:

- Assist in improvements to fire station and public safety training facility
- Develop new public parking facilities.
- Assist in improvements to, or construction of public facilities, including city hall, and a conference/community center.

2. PRESERVATION AND REHABILITATION

This activity will help improve the condition and appearance of buildings in the project area, and encourage infill and reuse in the Urban Renewal Area. The Renewal Agency may participate, through loans, grants, or both, in maintaining and improving exterior and interior conditions of public and private buildings or properties within the Urban Renewal Area.

3. DEVELOPMENT AND REDEVELOPMENT

The Renewal Agency also is authorized to provide loans or other forms of financial assistance to parties wishing to develop or redevelop land or buildings within the Urban Renewal Area. The Agency may make this assistance available as it deems necessary to achieve the objectives of this Plan. Examples of such assistance include, but are not limited to:

- Grants, and below market interest rate loans.
- Write down of land acquisition costs.
- Provision of public parking to assist development.
- Assistance in providing utilities and other infrastructure.
- Technical assistance, including architectural assistance, and zoning change work.
- Transfer of assembled sites at fair reuse value.

4. PROPERTY ACQUISITION AND DISPOSITION

In order to carry out the objectives of this Plan, the Renewal Agency is authorized to acquire land or buildings for public and private development purposes. The procedures for acquiring and disposing of property are described in Sections 800 of this Plan.

5. PLAN ADMINISTRATION

Tax increment funds may be utilized to pay indebtedness associated with preparation of this Plan, to carry out design plans, miscellaneous land use and public facility studies, engineering, market, and other technical studies as may be needed during the course of the

Plan. Project funds also may be used to pay for personnel and other administrative costs incurred in management of the Plan.

800. PROPERTY ACQUISITION AND DISPOSITION PROCEDURES

The Renewal Agency is authorized to acquire property within the Area, if necessary, by any legal means to achieve the objectives of this Plan. Property acquisition is hereby made a part of this Plan and may be used to achieve the objectives of this Plan. The use of eminent domain is allowed for all public purposes of this plan. However, private property within the Renewal District shall not be taken by eminent domain for the purpose of conveying ownership interest in all or part of the property to a private party for economic development by or the commercial benefit of the private party. All authorized uses of eminent domain will require approval by the City Council. All acquisitions of property will require an amendment to the plan as set forth in Section 1100.

A. Acquisition requiring City Council approval.

Acquisitions described in Section 800 A1, and A2 of this plan will require an amendment as set forth in Section 1100C4. City Council ratification is required for Renewal Agency acquisitions for the following purposes:

1. Acquisition of land for development by the public or private sector.
2. Acquisition for any purpose that requires the use of the Agency's powers of eminent domain.

B. Acquisition not requiring City Council approval.

Land acquisition not requiring City Council ratification requires a minor amendment to this Plan as set forth in Section 1100C5. The minor amendment to the Renewal Plan may be adopted by the Renewal Agency by Resolution. The Agency may acquire land without Council ratification where the following conditions exist:

Where it is determined that the property can be acquired without condemnation and is needed to provide public improvements and facilities as follows:

1. Right-of-way acquisition for streets, alleys or pedestrian ways.
2. Right of way and easement acquisition for water, sewer, and other utilities.
3. Where the owner of real property within the boundaries of the Area wishes to convey title of such property by any means, including by gift.

C. Properties to be acquired

At the time this Plan is prepared, no properties are identified for acquisition. If plan amendments to acquire property are approved, a map exhibit shall be prepared showing the properties to be acquired and the property will be added to the list of properties to be

acquired. The list of properties acquired will be shown in this section of the Plan. The map exhibit shall be appropriately numbered and shall be included in Part Two as an official part of this Urban Renewal Plan.

D. Property Disposition Policies and Procedures

The Renewal Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property which has been acquired, in accordance with the provisions of this Plan.

All real property acquired by the Renewal Agency for redevelopment in the Urban Renewal Area shall be disposed of for development for the uses permitted in the Plan at its fair re-use value. All persons and entities obtaining property from the Renewal Agency shall use the property for the purposes designated in this Plan, and shall commence and complete development of the property within a period of time which the Renewal Agency fixes as reasonable, and shall comply with other conditions which the Renewal Agency deems necessary to carry out the purposes of this Plan.

To provide adequate safeguards to insure that the provisions of this Plan will be carried out to prevent the recurrence of blight, all real property disposed of by the Renewal Agency, as well as all other real property the development of which is assisted financially by the Renewal Agency, shall be made subject to this Plan. Leases, deeds, contracts, agreements, and declarations of restrictions by the Renewal Agency may contain restrictions, covenants, and conditions running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Plan.

No property acquisition is under consideration at the time this plan is adopted, therefore no specific disposition schedule is included. It is anticipated that any property acquired by the renewal agency will be disposed of within five years of its acquisition.

900. REDEVELOPER'S OBLIGATIONS

A Redeveloper is any individual or group acquiring property from the Urban Renewal Agency or receiving financial assistance for the physical improvement of privately or publicly held structures and land. Redevelopers within the Urban Renewal Area will be subject to controls and obligations imposed by the provisions of this Plan. Redevelopers also will be obligated by the following requirements:

1. The Redeveloper shall develop or redevelop property in accordance with the land-use provisions and other requirements specified in this Plan.
2. The Renewal Agency may require the redeveloper to execute a development agreement acceptable to the Renewal Agency as a condition of any form of assistance by the Renewal Agency. The Redeveloper shall accept all conditions and agreements as may be required by the Renewal Agency.
3. The Renewal Agency may require the Redeveloper to submit plans and specifications for the property as a condition of Renewal Agency assistance. The

Redeveloper shall submit all plans and specifications for construction of improvements on the land to the Renewal Agency or its designated agent, for review and approval prior to distribution of these plans to any additional zoning, planning, or design review bodies required by the City.

4. The Redeveloper shall commence and complete the development of such property for the use provided in this Plan within a reasonable period of time as determined by the Agency.
5. The Redeveloper shall not effect any instrument whereby the sale, lease, or occupancy of the real property, or any part thereof, is restricted upon the basis of age, race, color, religion, sex, marital status, or national origin.

1000. RELOCATION

The Renewal Agency will provide relocation assistance to all persons or businesses displaced by project activities. Those displaced will be given assistance in finding replacement facilities. All persons or businesses which may be displaced will be contacted to determine such 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 Chapter 35 of the Oregon Revised Statutes, and any other applicable laws or regulations. The Renewal Agency may contract with Oregon Department of Transportation (ODOT), or other appropriate agencies or parties for assistance in administering its relocation program.

1100. PLAN AMENDMENTS

It is anticipated that this renewal plan will be reviewed periodically during the execution of the Project. The plan may be changed, modified, or amended as future conditions warrant. Types of plan amendments are:

A. Substantial Amendments per ORS Chapter 457

1. Increasing the maximum amount of indebtedness that can be issued or incurred under the Plan.
2. Adding land to the urban renewal area that is in excess of one percent of the existing area of the Plan.

Substantial Amendments shall require the same notice, hearing and approval procedure required of the original Plan, including public involvement, consultation with taxing districts, presentation to the Planning Commission and adoption by the City Council by non-emergency ordinance after a hearing requiring “special notice” per ORS 457. 120.

B. Other Amendments Requiring Approval by Ordinance of City Council

The following types of amendments will require adoption by a non-emergency Ordinance of the City Council, and require consultation with taxing districts, and presentation to the

Planning Commission, but will not require the special notice prescribed in ORS 457.120.

1. The addition of improvements or activities which represent a substantial change in the purpose and objectives of this Plan, and which cost more than \$750,000. The \$750,000 amount will be adjusted annually from the year 2008 according to the “Engineering News Record” construction cost index for the Northwest area.

C. Minor Amendments.

Minor amendments may be approved by the Renewal Agency in resolution form. Such amendments are defined as:

1. Amendments to clarify language, add graphic exhibits, make minor modifications in the scope or location of improvements authorized by this Plan, or other such modifications which do not change the basic planning or engineering principles of the Plan.
2. Addition of a project substantially different from those identified in Sections 700 of the Plan or substantial modification of a project identified in Section 700 if the addition or modification of the project costs less than \$750,000. The \$750,000 amount will be adjusted annually from the year 2008 according to the “Engineering News Record” construction cost index for the Northwest area.
2. Increases in the Urban Renewal Area boundary that are less than one percent of the existing area of the Plan.
3. Acquisition of property for purposes specified in Section 800A1 and 800A2 of this Plan. **Note – Minor amendments to the plan to acquire properties specified in Sections 800A1 and A2 must be ratified by the City Council.** The City Council approval may be in the form of a resolution.
4. Acquisition of properties for purposes specified in Section 800B of this plan. These acquisitions do not require approval by the City Council.

1200. MAXIMUM INDEBTEDNESS

The maximum indebtedness authorized under this plan is Twenty-Six million, one hundred and seventy-five thousand dollars (\$26,175,000). This amount is the principal of indebtedness, and does not include interest on indebtedness.

1300. FINANCING METHODS

A. General

The Urban Renewal Agency may borrow money and accept advances, loans, grants and other forms of financial assistance from the federal government, the state, city, county or other public body, or from any sources, public or private for the purposes of undertaking and carrying out this Plan. In addition, the Agency may borrow money from, or lend money to a public agency in conjunction with a joint undertaking of a project authorized by this Plan. If such funds are loaned, the Agency may promulgate rules and procedures for the methods and conditions of payment of such loans. The funds obtained by the Agency

shall be used to pay or repay any costs, expenses, advances and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457.

B. Tax Increment Financing

This urban renewal plan will be financed in whole, or in part, by tax increment revenues. The ad valorem taxes levied by all taxing districts in which all or a portion of the Molalla is located shall be divided as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 to 457.460.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the Urban Renewal Agency or the City in connection with preplanning for this Urban renewal plan shall be repaid from tax increment proceeds generated pursuant to this section.

1400. DEFINITIONS

The following definitions will govern the construction of this Plan unless the context otherwise requires:

“Area” means the area included within the boundaries of the Molalla Urban Renewal Area.

“Bonded Indebtedness” means any formally executed written agreement representing a promise by a unit of government to pay to another a specified sum of money, at a specified date or dates at least one year in the future.

“County” means Clackamas County, Oregon.

“City Council” means the City Council of City of Molalla, Oregon.

“Comprehensive Plan” means the City's Comprehensive Land Use Plan and its implementing Ordinances, policies and development standards.

“Displaced” person or business means any person or business who is required to relocate as a result of action by the Urban Renewal Agency to vacate a property for public use or purpose.

“Disposition and Development Agreement” means an agreement between the Urban Renewal Agency and a private developer which sets forth the terms and conditions under which will govern the disposition of land to a private developer.

“Exhibit” means an attachment, either narrative or map, to the Urban renewal plan for the Molalla Urban Renewal Area, Part Two - Exhibits.

“ORS” means Oregon Revised Statute (State Law) and specifically Chapter 457 thereof.

“Plan” means the Urban renewal plan for the Molalla Urban Renewal Area, Parts One and Two.

“Planning Commission” means the Planning Commission of the City of Molalla, Oregon.

“Project, Activity or Project Activity” means any undertaking or activity within the Renewal Area, such as a public improvement, street project or other activity which is authorized and for which implementing provisions are set forth in the Urban renewal plan.

“Report” refers to the report accompanying the urban renewal plan, as provided in ORS 457.085 (3)

“Redeveloper” means any individual or group acquiring property from the Urban Renewal Agency or receiving financial assistance for the physical improvement of privately or publicly held structures and land.

“Rehabilitation Loans and Grants” – Funds provided by the Renewal Agency to owners of existing properties within the urban renewal area for the purpose of rehabilitation, renovation, repair, or historic preservation of the property. Loan and grant policies and procedures will be developed by the Renewal Agency, to carry out the Rehabilitation and Conservation activities of this Plan

“Redevelopment Assistance” – Financial assistance provided by the Renewal Agency to private or public developers of property within the urban renewal area. This assistance is intended to make development within the renewal area financially feasible and competitive with other locations, and carry out the redevelopment through new construction activities of this Plan. Redevelopment Assistance may take the form of participation in financing public improvements such as parking, infrastructure, landscaping, and public places, providing technical information and assistance to potential redevelopers, re-sale of land at written down prices, and such other assistance as the Agency determines is within its authority, and necessary.

“State” means the State of Oregon.

“Text” means the Urban renewal plan for the Molalla Urban Renewal Area, Part One - Text.

“Urban Renewal Agency” means the Urban Renewal Agency of City of Molalla, Oregon.

“Urban Renewal Area”, “Molalla Urban Renewal Area”, or “Renewal Area” means the geographic area for which this Urban renewal plan has been approved. The boundary of the Renewal Area is described in Exhibits made a part of this plan.

Molalla Urban Renewal Plan

City of Molalla, Oregon

Part Two: Exhibits

EXHIBITS

Exhibit 1Map of Plan Boundary and Zoning

ATTACHMENTS

Attachment A Boundary Description

CITY OF MOLALLA
PLANNING DEPARTMENT

PO Box 248 Molalla, OR 97038

phone: (503) 829-7526 fax: (503) 829-6872

planner@molalla.net/planner2@molalla.net

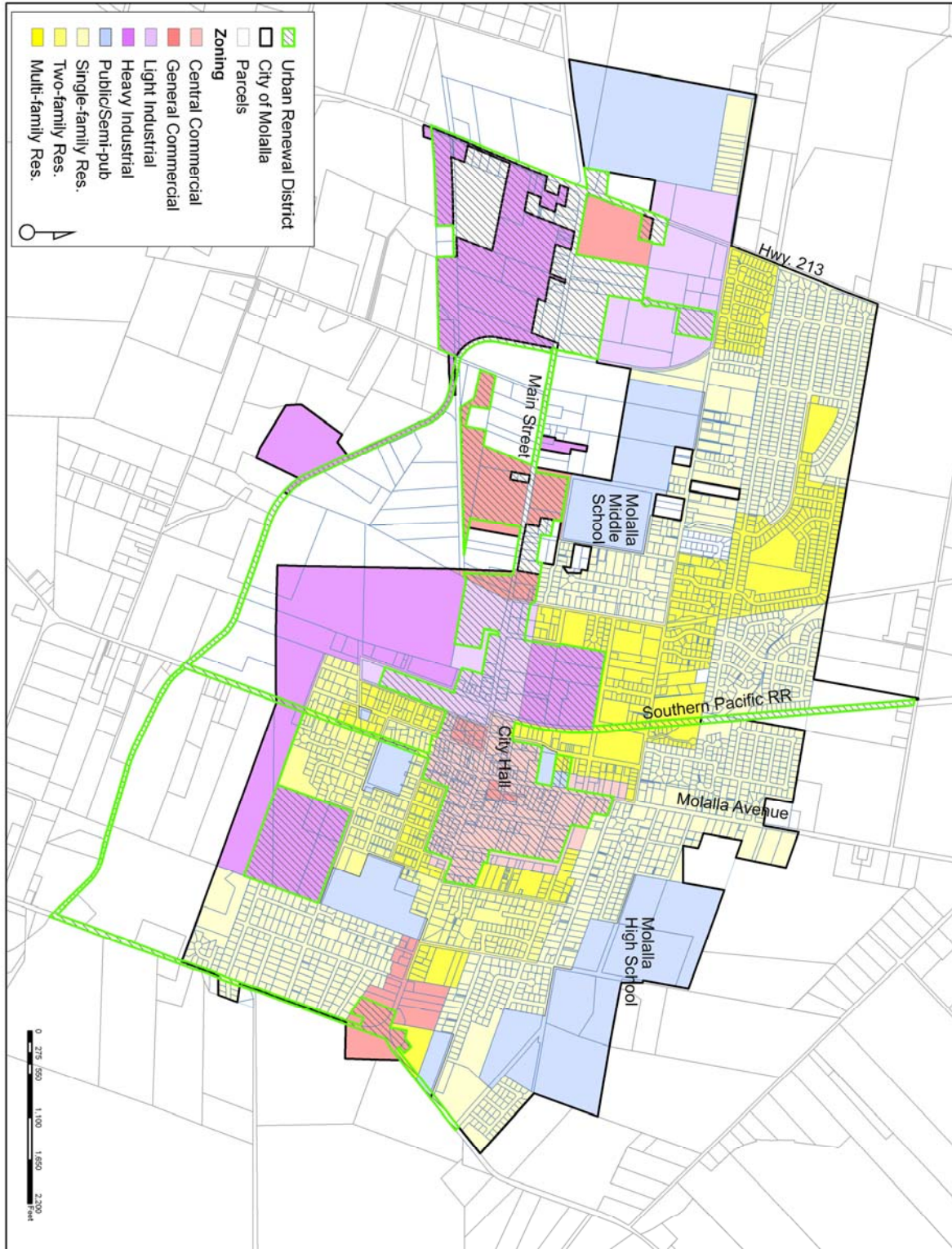


EXHIBIT 1 – BOUNDARY AND ZONING MAP OF MOLALLA URBAN RENEWAL AREA

ATTACHMENT 1 – BOUNDARY DESCRIPTION

July 14, 2008

Legal Description

2008 City of Molalla Urban Renewal District

Clackamas County Assessor's Maps:

5 2E 16	5 2E 9CA	5 2E 8AA
5 2E 16AB	5 2E 9CB	5 2E 8A
5 2E 17A	5 2E 9CC	5 2E 8AC
5 2E 17AA	5 2E 9BC	5 2E 8B
5 2E 16AC	5 2E 5	5 2E 8C
5 2E 9D	5 2E 7A	5 2E 8DB
5 2E 9DC	5 2E 7AA	5 2E 8DD
5 2E 9DA	5 2E 7D	

An urban renewal district situated in the Northwest one-quarter of Township 5 South, Range 2 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon, more particularly described as follows:

Beginning at the Southeast corner of Parcel 2, Partition Plat 1997-147, said Clackamas County Plat Records; thence North 10.13° East, a distance of 405.1 feet; thence North 70° West, a distance of 330 feet; thence North 10.14° East, a distance of 47 feet; thence North 80.01° West, a distance of 173.4 feet to a point along the West line of the Grange Ave. right-of-way, South 16.54° West, a distance of 604.8 feet from the Southwest Corner of Parcel 2, Partition Plat 2000-101, said Clackamas County Plat Records; thence North 10.08° East, a distance of 891.7 feet; thence North 69.76° West, a distance of 500 feet; thence North 10.16° East, a distance of 215.1 feet to a point at the Southeast corner of Parcel 2 of Partition Plat 2003-102, said Clackamas County Plat Records; thence North 70.03° West, a distance of 200 feet; thence North 10.14° East, a distance of 174.6 feet; thence North 70.04° West, a distance of 202.3 feet; thence North 77.18° West, a distance of 58.1 feet to a point along the West edge of the right-of-way of Molalla Ave.; thence South 10.10° West, a distance of 604.6 feet; thence North 79.95° West, a distance of 401.1 feet; thence South 9.82° West, a distance of 200.5 feet; thence South 80.06° East, a distance of 400 feet; thence South 10.13° West, a distance of 200 feet; thence North 80.08° West, a distance of 459 feet; thence South 21.90° West, a distance of 74.6 feet; thence South 9.70° West, a distance of 307 feet; thence South 83.27° West, a distance of 62.6 feet to a point along the West boundary of the Kennel Ave. right-of-way; map 5 2E 8AD missing; thence North 80.30° West, a distance of 180 feet to a point along the East line of the right-of-way of the Southern Pacific R.R. at the intersection of the East line of the Southern Pacific R.R. right-of-way and the South line of the Toliver Rd. right-of-way, North 83.07° East, a distance of 1173.5 feet from the Northeast Corner of Rachel Larkins D.L.C. No. 43, said Clackamas County Plat Records; thence 1699.4 feet North then Northwest following a line coinciding with the East line of the Southern Pacific R.R. right-of-way, South 79.49° East, a distance of 85.7 feet from the Northeast corner of Parcel 1, Partition Plat 1999-62, said Clackamas County Plat Records; thence North 4.90° West, a distance of 3448.2 feet; thence North 79.80° West, a distance of 74.5 feet; thence South 4.74° East, a distance of 4134.5 feet; thence North 80.29° West, a distance of 966.9 feet; thence South 10.11° West, a distance of 600 feet; thence South 80.29° East, a distance of 30 feet; thence South 10.15° West, a distance of 452.5 feet; thence North 81.17° West, a distance of 460.1 feet; thence North 34.43° West, a distance of 76.7 feet to point at the Southeast corner of Clark Estates 3934, said Clackamas County Plat Records; thence North 80.40° West, a distance of 505.1 feet; thence South 9.93° West, a distance of 69.5 feet; thence North 80.21° West, a distance of 350 feet; thence North 9.74° East, a distance of 123 feet along the East edge of the S. Leroy Avenue right-of-way; thence North 80.04° West, a distance of 215 feet; thence North 9.74° East, a distance of 97.5 feet; thence North 80.04° West, a distance of 560.1 feet; thence South 10.19° West, a distance of 424.5 feet; thence North 89.93° West, a distance of 58.9 feet; thence North 79.94° West, a distance of 1527.7 feet along the north right-of-way line of State Hwy 211; thence South 23.79° West, a distance of 56.5 feet; thence South 79.70° East, a distance of 1518.5 feet along the South right-of-way line of State Hwy

211; thence South 22.10° West, a distance of 669 feet; thence North 80.01° West, a distance of 200 feet; thence South 10.16° West, a distance of 266 feet; thence North 76.33° West, a distance of 263.9 feet; thence North 8.72° East, a distance of 249.1 feet; thence north 80.01° West, a distance of 437 feet; thence South 22.10° West, a distance of 209 feet; thence South 77.47° East, a distance of 380.5 feet; thence South 34.05° East, a distance of 211 feet; thence North 88.62° East, a distance of 1891.7 feet; thence North 80.01° West, a distance of 484.1 feet; thence North 10.05° East, a distance of 655.6 feet; thence South 80.06° East, a distance of 616.5 feet along the South right-of-way line of Hwy 211;

thence South 0.73° East, a distance of 590.8 feet; thence South 89.78° East, a distance of 40.2 feet; thence South 79.96° East, a distance of 857.1 feet along the South line of Parcel 1, Partition Plat 2000-62, said Clackamas County Plat Records; thence North 10.12° East, a distance of 336.1 feet; thence North 79.88° West, a distance of 253.3 feet; thence North 10.71° East, a distance of 172.5 feet; thence South 81.44° East, a distance of 18.7 feet; thence North 10.56° East, a distance of 23.9 feet; thence South 83.57° East, a distance of 28.4 feet; thence South 10.99° West, a distance of 125.3 feet; thence South 79.90° East, a distance of 535.6 feet; thence South 17.97° West, a distance of 258.8; thence South 70.35° East, a distance of 335 feet to a point along the east line of the S. Shaver Avenue right-of-way; thence South 20.19° West, a distance of 934.7 feet along the east line of the S. Shaver Avenue right-of-way; thence South 70.29° East, a distance of 240 feet; thence North 20.20° East, a distance of 930.2 feet; thence South 69.71° East, a distance of 367.6 feet; thence South 20.46° West, a distance of 64.5 feet; thence South 79.54° East, a distance of 240 feet; thence South 20.37° West, a distance of 3269.8 feet, to a point at the intersection of the West line of the Molalla Ave. right-of-way and the North line of the Molalla Forest Rd. right-of-way; thence Northeast coinciding with the north line of the Molalla Forest Rd. right-of-way, a distance of approximately 6850 feet to a point at the intersection of the East line of the Molalla Forest Rd. right-of-way and the South line of the State Hwy 211 right-of-way; thence North 78.65° West, a distance of 60.7 feet;

thence North 24.75° East, a distance of 56.9 feet; thence North 10.17° East, a distance of 281.8 feet; thence North 15.11° East, a distance of 250.9 feet; thence North 80.01° West, a distance of 835.5 feet to a point at the Northwest corner of Parcel 3, Partition Plat 1993-141, said Clackamas County Plat Records; thence North 10.09° East, a distance of 436.5 feet; thence South 80.30° East, a distance of 30 feet; thence North along the East line of the Industrial Way right-of-way, a distance of approximately 509 feet to a point South 49.98° East, a distance of 67.6 feet from the Southeast corner of Parcel 4, Partition Plat 2000-05, said Clackamas County Plat Records; thence South 80.17° East, a distance of 309.6 feet; thence North 10.11° East, a distance of 470.9 feet to a point along the South line of the Toliver Rd. right-of-way; thence North 80.39° West, a distance of 368 feet; thence South along the West line of the Industrial Way right-of-way to a point South 10.13° West, a distance of approximately 977 feet, to a point a distance of 522 feet from the Southeast corner of Parcel 4, Partition Plat 2000-05, said Clackamas County Plat Records; thence North 80.60° West, a distance of 409.2 feet; thence South 10.21° West, a distance of 933 feet to a point along the North line of the State Hwy 211 right-of-way; thence North 79.82° West, a distance of 733.1 feet; thence North 42.56° West, a distance of 62.7 feet to a point along the East line of the State Hwy 213 right-of-way; thence North 20.35° East, a distance of 717.8 feet; thence South 80.34° East, a distance of 320.7 feet; thence North 9.66° East, a distance of 182.5 feet; thence South 80.34° East, a distance of 17.8 Feet; thence North 10.05° East a distance of 150 feet; thence North 80.66° West, a distance of 337.9 feet; thence South 20.61° West, a distance of 843.6 feet; thence North 84.32° West, a distance of 304.7 feet; thence South 9.75° West, a distance of 341.3 feet;

thence North 81.26° East, a distance of 272.7 feet; thence South 21.98° West along the West line of the State Hwy 213 right-of way, a distance of 2163.7 feet; thence North 85.31° East, a distance of 524.9 feet; thence North 87.34° East, a distance of 150.8 feet; thence North 88.61° East, a distance of 613.4 feet; thence North 0.89° East, a distance of 231 feet; thence North 88.89° East, a distance of 404.5 feet; thence South 1.36° East a distance of 220 feet; thence 89.19° East, a distance of 1179.3 feet to a point along the East line of the Ona Way right-of-way; thence North 22.14° East, a distance of 236.8 feet to a point at the intersection of the South line of the Molalla Forest Rd. right-of-way and the West line of the Ona Way right-of-way, South 22.14° East, a distance of 236.805 feet from the Northwest corner of D.L.C No.43, said Clackamas County Plat Records; thence coinciding with the South line of the Molalla Forest Rd. right-of-way

Southeast, a distance of approximately 5707 feet to a point at the intersection of the South line of the Molalla Forest Rd. right-of-way and the East line of the Molalla Ave. right-of-way, North 20.01° East, a distance of 1727.77 feet from the Southeast corner of the John Larkins CL., said Clackamas County Plat Records; thence continuing along the South line of the Molalla Forest Rd. right-of-way Southeast, a distance of approximately 3676.7 feet to a point at the intersection of the South line of the Molalla Forest Rd. right-of-way and the East line of the Mathias Rd. right-of-way, North 14.72° East, a distance of 1316.6 feet from the Southwest Corner of D.L.C No. 39, said Clackamas County Plat Records; thence North 20.12° East, a distance of 4597.8 feet coinciding with the East line of the Mathias Rd. right-of-way to a point North 68.51° East, a distance of 75.453 feet from the Northeast Corner of the W.M. Engle D.L.C. No. 44, said Clackamas County Plat Records;

thence continuing Northeast along the South line of the State Hwy 213 right-of-way, a distance of approximately 1468.1 feet to a point South 76.96° West, a distance of 448.7 feet of the Northwest Corner of D.L.C No. 53, said Clackamas County Plat Records; thence North 47.45° West, a distance of 60.3 feet to a point along the East line of the State Hwy 213 right-of-way; thence South 51.66° West, a distance of 1273.3 feet to a point South 38.32° East, a distance of 39.1 feet from the Southeast Corner of Parcel 2, Partition Plat 1995-31, said Clackamas County Plat Records; thence North 38.32° West, a distance of 39.1 feet to a point at the Southeast Corner of Parcel 2, Partition Plat 1995-31, said Clackamas County Plat Records; thence North 51.71° East, a distance of 98.6 feet to a point at the Northeast Corner of Parcel 2, Partition Plat 1995-31, said Clackamas County Plat Records; thence North 40.50° West, a distance of 120 feet to a point at the Northwest Corner of Parcel 2, Partition Plat 1995-31, said Clackamas County Plat Records; thence South 51.72° West, a distance of 131.3 feet to a point at the Southwest Corner of Parcel 2, Partition Plat 1995-31, said Clackamas County Plat Records; thence North 78.35° West, a distance of 101.2 feet; thence South 8.32° West, a distance of 220 feet; thence North 70.35° West, a distance of 221.3 feet to a point along the North line of the State Hwy 211 right-of-way North 69.86° West, a distance of 143.2 feet from the Southeast Corner of Parcel 1, Partition Plat 2000-01, said Clackamas County Plat Records; thence South 23.67° West, a distance of 484.2 feet to a point at the Southeast Corner of Parcel 2, Partition Plat 1995-146; thence South 56.36° East, a distance of 257 feet; thence North 20.12° East, a distance of 177 feet; thence South 69.90° East, a distance of 105 feet to a point along the West line of the Co. Rd. No. 925 right-of-way; thence South 21.25° West, a distance of 4129.6 feet to a point at the intersection of the West line of the Mathias Rd. right-of-way and the North line of the Molalla Forest Rd. right-of-way North 12.63° East, a distance of 1416.8 feet from the Southwest Corner of D.L.C. No. 39, said Clackamas County Plat Records; thence Northwest along a line coinciding with the North line of the Molalla Forest Rd. right-of-way, a distance of approximately 3626.6 feet to a point at the intersection of the North line of the Molalla Forest Rd. right-of-way and the East line of the Molalla Ave. right-of-way North 48.45° West, a distance of 627.8 feet from the Northwest corner of Parcel 1, Partition Plat 1194-116, said Clackamas County Plat Records; thence North 20.21° East along the East line of the Molalla Ave. right-of-way, a distance of 1612.8 feet;

thence South 69.94° East, a distance of 2231.1 feet; thence North 20.78° East, a distance of 995.5 feet; thence North 70.77° West, a distance of 1256.5 feet; thence South 20.52° West, a distance of 975.4 feet; thence North 69.81° West, a distance of 987.3 feet to a point along the East line of the Molalla Ave. right-of-way; thence North 20.42° East 1711.2 feet to a point at the intersection of the East line of the Molalla Ave. right-of-way and the North line of the 3rd St. right-of-way South 17.71° West, a distance of 680.1 feet from the Northwest Corner of Wm. Engle D.L.C. No. 44, said Clackamas County Plat Records; thence South 70.04° East, a distance of 254.5 feet; thence North 20.46° East, a distance of 350 feet; thence South 70.04° East, a distance of 851.5 feet; thence North 19.87° East, a distance of 359.6 feet to a point along the North line of the State Hwy 211 right-of-way, North 70.02° West, a distance of 200 feet from the Southwest Corner of Parcel 2, Partition Plat 1997-147, said Clackamas County Plat Records; thence South 70.02° East, a distance of 296.6 feet to the point of Beginning.

Said urban renewal district containing 363.95 acres, more or less. Subject to easements of record.

Exhibit B

Report

On

The Molalla Urban Renewal Plan

**Prepared for:
The Molalla City Council**

July, 2008

REPORT ON THE MOLALLA URBAN RENEWAL PLAN

MOLALLA URBAN RENEWAL PLAN

ACKNOWLEDGEMENTS

The Molalla City Council appointed a citizen advisory body to direct the public involvement and management efforts for preparation of this renewal plan. Members of the advisory committee and City of Molalla staff gave generously of their time in providing direction and assistance on all key issues involved in preparing the plan.

Members of the Advisory Committee

Name		Affiliation
Bill	Avison	Avison Rock
Gary	Deardorff	Doubletrees Land & Timber
Todd	Gary	Molalla Fire Dist. No. 73
Jamie	Johnk	Clackamas County
Wayne	Kostur	Molalla River School District
Steve	Loutzenhiser	Molalla Communications
Mitch	Magenheimer	Edward Jones
Steve	Morris	Chamber of Commerce
Gary	Musgrove	Prudential Northwest Properties
Linda	Ohta	Inkbrary
Jim	Needham	City Council
Shane	Potter	City of Molalla
Beth	Smith	PGE
Pattie	Smith	Mill Barn
Ed	Stafford	Windermere Realty
Jim	Taylor	Champion Raceway
Kristine	Wheeler	Citizen

Staff Assistance

John Atkins, City Manager
Shane Potter, Planning Director
Zach Pelz, Assistant Planner

Urban Renewal Consultants

Charles Kupper, Spencer & Kupper

REPORT ON THE MOLALLA URBAN RENEWAL PLAN

TABLE OF CONTENTS

	Page
PUBLIC INVOLVEMENT.....	1
100. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE RENEWAL AREA	2
100A. PHYSICAL CONDITIONS	2
100B. SOCIAL AND ECONOMIC CONDITIONS	4
200. EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN	4
300. REASONS FOR SELECTING THE URBAN RENEWAL AREA	5
400. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA	6
500. FINANCIAL ANALYSIS OF PLAN	6
500A. ESTIMATED PROJECT COST AND REVENUE SOURCES	6
500B. ANTICIPATED START & FINISH DATES OF PROJECTS.....	7
500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT	8
500D. IMPACT OF TAX INCREMENT FINANCING	10
500E. FINANCIAL FEASIBILITY OF PLAN.....	11
600. RELOCATION	14

REPORT ON THE MOLALLA URBAN RENEWAL PLAN

Public Involvement in the Report on the Plan.

Work on a renewal plan and report started in April, 2008. Four public meetings were held during the preparation of the renewal plan. Each meeting was built around discussion and public input on key elements of the urban renewal plan. Meeting topics included basic information on urban renewal and tax increment financing, development of project goals and objectives, development of a list of project activities, and a thorough review of the revenues, costs, and tax impacts of carrying out the project.

The City of Molalla Planning Commission met to review the Plan on July 29, 2008. The City Council held a public hearing and approved an ordinance adopting this Plan on Aug. 13, 2008. Additional notice for the City Council' hearing on adoption of the Plan was provided, as required by ORS 457.120.

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

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 one or more 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 renewal area, or that these conditions be prevalent in each and every sector of the urban renewal area.

100A. PHYSICAL CONDITIONS

1. Land Area and Conformance with 25 % limit on acreage

Oregon urban renewal law limits the total acreage in urban renewal areas to 25% of the total acreage within a city. City staff advises that Molalla contains approximately 1,474 acres within its City limits. This would allow the City of Molalla to have approximately 368.5 acres in renewal areas. Staff estimates the total acreage in the boundary at 364 acres. The acreage in the proposed renewal area represents 24.7% of the total acreage in Molalla.

2. Existing Land Use and Development

The Molalla Urban Renewal area encompasses the downtown commercial district of Molalla, and some adjacent areas. Assessor’s data shows that of a total of 313 tax accounts in the renewal area, 153 are commercial, 111 are single family residential, and 38 are industrial, with 10 accounts miscellaneous or tax exempt.

3. Blighting Conditions in Renewal Area

A. Depreciated values and reduced utilization of the area: Clackamas County assessor records indicate there are 316 real property accounts in the renewal study area. Of those accounts, 65 show no building value at all. This unutilized land represents approximately 20% of property within the study area. That is a significant percentage of taxable property that currently is producing little property tax for taxing bodies. 60% of the property in the area has real market building values less than \$100,000. The overall taxable value in the area is quite low, considering that the area includes the downtown commercial core of Molalla.

Another measure of the utilization and productivity of land is the ratio of building value to land value. For example, the ratio for a property with a building value of \$100,000, and a land value of \$50,000 would be 2 to 1. High building to land value ratios therefore indicate good utilization of land, while low ratios usually indicate the land is not producing adequate taxable values for the community. The overall ratio of building to land in the proposed study area boundary is just 1.2 to 1. 170 of the property accounts show ratios of 1 to 1 or less. Only 60 accounts show ratios of 2 to 1 or better. In all, the low improvement ratios indicate the proposed renewal area is currently under-utilized.

A preponderance of low value property can lead to service problems for the City and other service providers in Molalla. The low level of property values and lack of proper utilization of the area for tax producing purposes meets the ORS definition of blight.

B. Obsolete and Deteriorated Buildings: A windshield survey of exterior building conditions shows the overall condition of property as fair to good. There are some properties that could benefit from exterior maintenance and repair. Renewal programs typically allocate fund for this purpose.

C. Infrastructure Deficiencies:

Molalla's public works director and city manager surveyed the project area with the consultant in November, 2007, and provided the following list of infrastructure deficiencies in the project area:

Deficiencies in Streets, Curbs, and Sidewalks

- Ross Street is failed, curb and sidewalk missing.
- Kennel Street between Main and Toliver is failed.
- Heintz Street is failed. This collector street also is discontinuous for two blocks, has curb and sidewalk missing.
- Grange Avenue between Main and Heintz is failed, has curb and sidewalk missing.

- All streets in downtown core area are at, or nearing failure.

Deficiencies in Water, Sanitary and Storm Sewer Service

- Ross Street: storm sewer inadequate or missing.
- Kennel Street: storm and sanitary inadequate or leaking, replace or reline.
- Heintz Street: portions lack storm or sanitary sewer.
- Grange Avenue: Storm and sanitary sewer inadequate, need replacement or relining.
- East Main Street: Sewer needs replacement or relining.
- Most streets in downtown core need storm and sewer upgrades or repairs
- Hwy 211: Portions lack curb and sidewalk, portions have open drainage ditches for storm, portions lack sanitary sewer.

Other

- The layout of streets in Molalla results in numerous offset intersections, which can be both confusing and hazardous to motorists.

7. Conformance with 25% limit on Assessed Values Land and Building values

It is assumed the adoption date of the renewal plan will establish January 1, 2007 as the frozen base date for the plan. The assessed value of real, personal and utility property in the renewal area is estimated at \$40,576,676 for the 2007-08 tax year. The total assessed valuation of the City of Molalla for that year is \$384,173,177. The assessed value within the renewal area represents 10.56 % of the total assessed value of property within Molalla. Total assessed value within the renewal area therefore will be well within the maximum 25% of total valuation allowed by urban renewal law.

100B. SOCIAL AND ECONOMIC CONDITIONS

No current census data is available for the residential population of the renewal plan area. Economic conditions, as measured by overall property values, and new investment are reflected in the data in section 100 A.6. above.

200. ANTICIPATED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN

Urban renewal plan activities are intended to assist in attracting new investment and increases in property values and taxes for taxing bodies in Molalla. Renewal activities to improve infrastructure, streets, curbs, sidewalks, parking, public safety, public buildings, and making streetscape improvements, and providing funds for building rehabilitation will make the renewal area more attractive and accessible to the general public.

The public and private investments made in the renewal area are likely to encourage new investment in areas adjacent to the renewal area. There are other positive effects of a renewal program that are quality of life issues. Retaining Molalla's small town atmosphere, maintaining the downtown core as the heart of the city, and improving housing, employment and shopping opportunities; all reflect Molalla's community values.

All the above elements of the Plan are expected to result in positive fiscal and service impacts for residents of Molalla. The Plan is not expected to result in a need for any additional police, fire, or other emergency services beyond those already contemplated by the City and other service providers.

The expenditure of tax increment funds is expected to produce increased property values for Molalla. The renewal project is estimated to be completed by 2029. During that period, assessed property values in the renewal area are expected to increase by approximately \$184.4 million. At tax rates expected to prevail at the termination of this plan, the new property values anticipated in the renewal area will contribute approximately \$2.72 million in property tax revenues to all taxing bodies in the first year after tax increment collection is ended.

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

The Urban Renewal Plan Area was selected based on the existence of blighting conditions within the area, goals developed in the Planning process, and taken from other relevant City studies and documents, including Molalla' Comprehensive Plan. The project area evidences the following characteristics of blight:

- Deficient utilities in the renewal area.
- Deficient streets, curbs and sidewalks in the renewal area.
- Buildings in need of repair and rehabilitation.
- Safety issues arising from offset intersections in the area.
- A lack of proper utilization of land planned for tax producing purposes.
- Low property values in the project area, resulting in reduced tax receipts.

This Report on the Plan concludes that conditions exist within the Renewal area that meet the definitions of blight in ORS457.010. Treating these conditions is the reason for selecting this renewal 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. Improvements to streets serving undeveloped industrial and commercial land will help those lands to develop, and provide property taxes and employment.
2. Assistance for rehabilitation and new development will attract new investment to the area, and improve the building conditions and blighted appearance of the area.
3. Curb, street, and sidewalk improvements will provide better public safety in the area.
4. Signalization and signage improvements will also benefit public safety in the area
5. Streetscape activities in downtown and Highway 211 and will improve the visual appearance of the area, and provide a better climate for new investment in the project area.
6. Improvements to public buildings, will help increase public usage of the area, and improve the climate for new investment in the area.
7. Parking improvements will help maintain and increase commercial investment in the renewal area.

500. FINANCIAL ANALYSIS OF PLAN

500A. ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 1 shows the estimated Renewal Agency share of total costs of the Molalla Urban Renewal Plan. These costs reflect anticipated inflation, and are the basis for the maximum indebtedness of the Plan. It is anticipated that there will be long and short-term borrowings to carry out project activities, and that other sources of public and private funds will be pursued and applied to covering project casts. The costs shown in Table 1 do not include interest on indebtedness undertaken to carry out project activities.

The costs shown in Table 1 are referenced to sections of the urban renewal plan document. Costs of property acquisition authorized in Section 700 (4) are assumed to be covered in the project cost shown in Table 1. No property acquisition is contemplated at the time this plan is prepared.

Table 1		
Molalla Urban Renewal Plan		
Estimated Urban Renewal Cost of Projects		
Authorizations and Projects in Renewal Plan	Percentage	Dollars
Street/Sidewalk Improvements and Public Utilities <i>(This sum is the allocation for projects in Sections 700 1B, C, D, and E of the Urban Renewal Plan)</i>	60.0%	\$15,705,000
Parks/Open Spaces and Public buildings <i>(This sum is the allocation for projects in Sections 700 1A and F of the Urban Renewal Plan)</i>	15.0%	\$3,926,250
Building Preservation/Redevelopment <i>(This sum is the allocation for projects in Sections 700 2 and 700 3 of the Urban Renewal Plan)</i>	15.0%	\$3,926,250
Plan Administration <i>(This sum is the allocation for projects in Section 700 5 of the Urban Renewal Plan)</i>	10.0%	\$2,617,500
Totals	100.00%	\$26,175,000

The principal method of funding the renewal share of costs will be through use of tax increment financing as authorized by ORS 457. Revenues are obtained from anticipated proceeds of long-and-short term urban renewal indebtedness.

Anticipated annual revenues are shown in Table 2 of this Report. The Agency may make use of short-term indebtedness to carry out project activities not covered by issue of long-term debt. Long-term indebtedness may be issued as revenues, project requirements, and overall bond market conditions dictate. 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 1 will begin in 2009, and be completed by 2028-29. The sequencing and prioritization of individual project activities shown in Table 1 will be done by the Urban Renewal Agency, and any citizen advisory bodies that the Agency calls upon to assist in this process. The priority of projects and annual funding will be as established in the annual budget process. Completion dates for individual activities may be affected by changes to local economic and market conditions, changes in the availability of tax increment funds, and changes in priorities for carrying out project activities.

It is estimated that all activities proposed in this plan will be completed, and project indebtedness paid off by 2028-29. At that time, the tax increment provisions of this plan can be ended.

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT

It is estimated that the project will collect tax increment revenue between the 2009-10 and 2028-29 tax years. The amount of tax increment revenue needed to carry out project activities and interest on debt is estimated at \$28,747,450

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 in the 2028-29 tax year, 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 of approximately \$146,000. These funds will be distributed to taxing bodies affected by this plan, as provided in ORS 457. Table 2 of this Report shows the anticipated tax increment receipts and project requirements for each year of the project. Table 2 follows on the next page.

Table 2										
Molalla Urban Renewal Plan										
Resources and Requirements										
a. Resources	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Beginning Balance	\$0	\$14,453	\$31,245	\$25,566	\$17,906	\$11,663	\$9,442	\$33,813	\$10,932	\$34,805
Resources										
A. Tax increment Revenue	\$48,964	\$186,241	\$327,293	\$517,728	\$622,393	\$744,992	\$897,834	\$1,028,645	\$1,195,847	\$1,425,124
B. Bond Proceeds										
long term	\$0	\$1,126,873	\$0	\$0	\$3,768,362	\$0	\$0	\$0	\$0	\$4,543,845
C. Interest	\$490	\$13,131	\$3,273	\$5,177	\$43,908	\$7,450	\$8,978	\$10,286	\$11,958	\$59,690
Total Resources	\$49,453	\$1,326,245	\$330,566	\$522,906	\$4,434,663	\$752,442	\$906,813	\$1,038,932	\$1,207,805	\$6,028,659
b. Project Requirements										
To Long term Debt Service	\$0	\$155,000	\$155,000	\$155,000	\$673,000	\$673,000	\$673,000	\$673,000	\$673,000	\$1,298,000
Projects funded long and short debt	\$35,000	\$1,140,000	\$150,000	\$350,000	\$3,750,000	\$70,000	\$200,000	\$355,000	\$500,000	\$4,700,000
Total, projects and Debt Service	\$35,000	\$1,295,000	\$305,000	\$505,000	\$4,423,000	\$743,000	\$873,000	\$1,028,000	\$1,173,000	\$5,998,000
Ending Balance	\$14,453	\$31,245	\$25,566	\$17,906	\$11,663	\$9,442	\$33,813	\$10,932	\$34,805	\$30,659
Table 2 (continued)										
Resources and Requirements										
a. Resources	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Beginning Balance	\$30,659	\$34,313	\$37,621	\$12,025	\$32,849	\$15,498	\$85,525	\$78,045	\$73,108	\$45,786
Resources										
A. Tax increment Revenue	\$1,660,706	\$1,812,496	\$1,935,668	\$2,062,227	\$2,148,992	\$2,238,144	\$2,329,747	\$2,423,869	\$2,520,580	\$2,619,950
B. Bond Proceeds										
long term	\$0	\$0	\$0	\$0	\$5,019,818	\$0	\$0	\$0	\$0	\$0
C. Interest	\$16,607	\$18,125	\$19,357	\$20,622	\$71,688	\$22,381	\$23,297	\$24,239	\$25,206	\$26,200
Total Resources	\$1,677,313	\$1,830,621	\$1,955,025	\$2,082,849	\$7,240,498	\$2,260,525	\$2,353,045	\$2,448,108	\$2,545,786	\$2,646,150
b. Project Requirements										
To Long term Debt Service	\$1,143,000	\$1,143,000	\$1,143,000	\$625,000	\$1,875,000	\$1,875,000	\$1,875,000	\$1,875,000	\$0	\$0
Projects funded long and short debt	\$500,000	\$650,000	\$800,000	\$1,425,000	\$5,350,000	\$300,000	\$400,000	\$500,000	\$2,500,000	\$2,500,000
Total, projects and Debt Service	\$1,643,000	\$1,793,000	\$1,943,000	\$2,050,000	\$7,225,000	\$2,175,000	\$2,275,000	\$2,375,000	\$2,500,000	\$2,500,000
Ending Balance	\$34,313	\$37,621	\$12,025	\$32,849	\$15,498	\$85,525	\$78,045	\$73,108	\$45,786	\$146,150

(a) In 2028-29, all project debt is paid off, all projects are assumed completed, and an estimated \$146,150 can be distributed to affected taxing bodies

500D. IMPACT OF TAX INCREMENT FINANCING

The passage of Ballot Measure 50 (BM50) changed Oregon's property tax system, and the impacts of urban renewal on taxpayers, and other taxing bodies. Prior to BM50, collection of tax increment revenues for a 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 BM50 tax rates against the new values added within the urban renewal area. As a result, the taxing bodies will forego revenue they otherwise might have had if there was no renewal plan in effect.

Table 3 shows the anticipated cumulative incremental values in the 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 permanent BM50 tax rates to those values. Table 3 actually presents a worst case picture of revenue foregone, for it assumes that all the estimated new values in the Molalla Renewal Area would occur, even without the investment of urban renewal funds. However, it is more realistic to assume that the public expenditures on renewal activities will have some positive effect on the growth of values within and immediately adjacent to the urban renewal area. Table 3 does not make this adjustment

More important, Table 3 expresses all revenue foregone in 2008 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 3.

Also, during the plan period, overall values in Molalla will increase, and those value increases outside the renewal area will reduce the tax foregone impact on the budgets of taxing bodies.

Under the current method of funding K-12 level education, the urban renewal 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 \$184.4 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 \$2.72 million. Given a 4% inflation of assessed values in the area, the revenues foregone by the overlapping taxing bodies will be repaid in a period of 10 years after the project is completed.

500E. FINANCIAL FEASIBILITY OF PLAN

The total capital costs (i.e., exclusive of interest on indebtedness) to implement the project activities shown in Table 1 are estimated at \$26,175,000. The principal source of revenue to implement project activities will be annual tax increment revenues of the Renewal Agency. Anticipated tax increment revenues are shown in Table 2. The tax increment revenues shown in Table 2 are based on the following assumptions:

- Indexed growth in total assessed value at 2.75% annually, AND
- Exception values (i.e., new construction) as shown in Table 4 of this report
- Exception values of \$1 million annually in the period 2023 to 2028.

The maximum indebtedness and project costs undertaken in the plan is derived from assumptions on project values. To the extent those assumptions do not materialize as projected, projects will be delayed, cut back, or dropped. It therefore is financially feasible to carry out this urban renewal plan.

Table 3**Molalla Urban Renewal Plan****Revenue Foregone by Taxing Bodies**

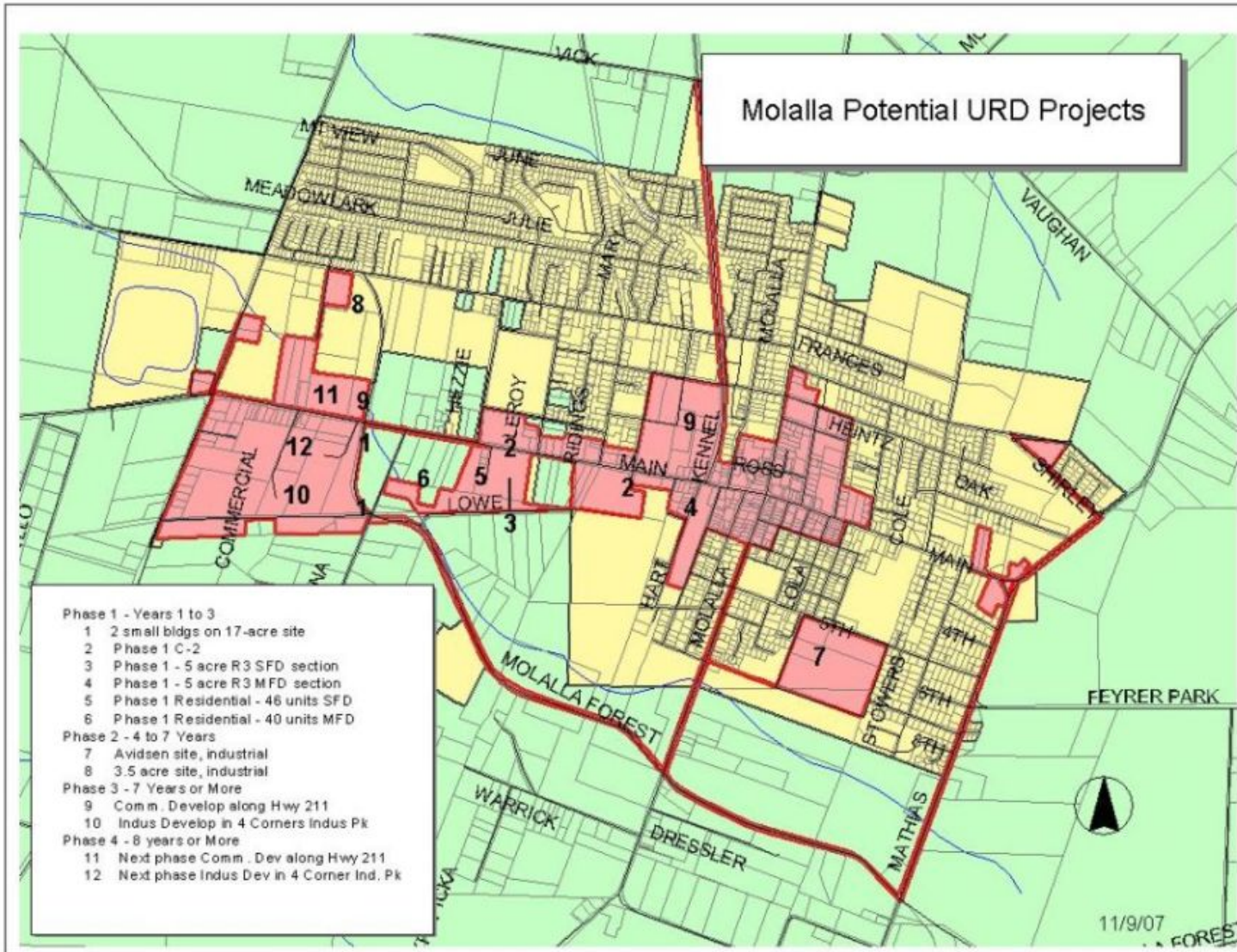
		<u>Clack County tax rate</u>	<u>Molalla Tax Rate</u>	<u>Fire Dist 73</u>	<u>Port of PDX</u>	<u>Vector Control</u>	<u>Soil Conserv.</u>	<u>Molalla Schools</u>	<u>ESD</u>	<u>Clack. CC</u>
		2.4042	5.3058	0.7833	0.069	0.0065	0.0493	4.7001	0.3624	0.5481
	Cumulative New									
	Incremental	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on
Year	Values in area	new values	new values	new values	new values	new values	new values	new values	new values	new values
2009	\$3,447,090	\$8,287	\$18,290	\$2,700	\$238	\$22	\$170	\$16,202	\$1,249	\$1,889
2010	\$13,111,493	\$31,523	\$69,567	\$10,270	\$905	\$85	\$646	\$61,625	\$4,752	\$7,186
2011	\$23,041,667	\$55,397	\$122,254	\$18,049	\$1,590	\$150	\$1,136	\$108,298	\$8,350	\$12,629
2012	\$36,448,447	\$87,629	\$193,388	\$28,550	\$2,515	\$237	\$1,797	\$171,311	\$13,209	\$19,977
2013	\$43,816,946	\$105,345	\$232,484	\$34,322	\$3,023	\$285	\$2,160	\$205,944	\$15,879	\$24,016
2014	\$52,447,995	\$126,095	\$278,279	\$41,083	\$3,619	\$341	\$2,586	\$246,511	\$19,007	\$28,747
2015	\$63,208,187	\$151,965	\$335,370	\$49,511	\$4,361	\$411	\$3,116	\$297,085	\$22,907	\$34,644
2016	\$72,417,384	\$174,106	\$384,232	\$56,725	\$4,997	\$471	\$3,570	\$340,369	\$26,244	\$39,692
2017	\$84,188,459	\$202,406	\$446,687	\$65,945	\$5,809	\$547	\$4,150	\$395,694	\$30,510	\$46,144
2018	\$100,329,745	\$241,213	\$532,330	\$78,588	\$6,923	\$652	\$4,946	\$471,560	\$36,359	\$54,991
2019	\$116,914,917	\$281,087	\$620,327	\$91,579	\$8,067	\$760	\$5,764	\$549,512	\$42,370	\$64,081
2020	\$127,601,049	\$306,778	\$677,026	\$99,950	\$8,804	\$829	\$6,291	\$599,738	\$46,243	\$69,938
2021	\$136,272,424	\$327,626	\$723,034	\$106,742	\$9,403	\$886	\$6,718	\$640,494	\$49,385	\$74,691
2022	\$145,182,262	\$349,047	\$770,308	\$113,721	\$10,018	\$944	\$7,157	\$682,371	\$52,614	\$79,574
2023	\$151,290,614	\$363,733	\$802,718	\$118,506	\$10,439	\$983	\$7,459	\$711,081	\$54,828	\$82,922
2024	\$157,566,946	\$378,822	\$836,019	\$123,422	\$10,872	\$1,024	\$7,768	\$740,580	\$57,102	\$86,362
2025	\$164,015,877	\$394,327	\$870,235	\$128,474	\$11,317	\$1,066	\$8,086	\$770,891	\$59,439	\$89,897
2026	\$170,642,153	\$410,258	\$905,393	\$133,664	\$11,774	\$1,109	\$8,413	\$802,035	\$61,841	\$93,529
2027	\$177,450,652	\$426,627	\$941,518	\$138,997	\$12,244	\$1,153	\$8,748	\$834,036	\$64,308	\$97,261
2028	\$184,446,385	\$443,446	\$978,636	\$144,477	\$12,727	\$1,199	\$9,093	\$866,916	\$66,843	\$101,095
	Total	\$4,865,718	\$10,738,094	\$1,585,274	\$139,645	\$13,155	\$99,775	\$9,512,254	\$733,440	\$1,109,267
	PV @3.5%	\$3,067,821	\$6,770,337	\$999,511	\$88,046	\$8,294	\$62,858	\$5,997,448	\$462,432	\$699,390

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 2007 dollar totals.

Table 4						
Molalla Urban Renewal Plan						
Estimates of Assessed Values added by New Construction in Renewal Area						
PHASE 1 – Values one to four yrs. away	Begin Year	Years phasing	Total RMV	Change Prop. Ratio**	Total AV	Annual AV
2 small buildings on 17 acre site	2007	1	\$1,750,000	0.563	\$985,250	\$985,250
Phase 1 C-2	2008	3	\$34,140,150	0.563	\$19,220,904	\$6,406,968
Phase 1 - 5 acre R3 SFD section	2008	2	\$3,500,000	0.544	\$1,904,000	\$952,000
Phase 1 - 5 acre R3 MFD section	2007	1	\$2,000,000	0.673	\$1,346,000	\$1,346,000
Phase 1 Residential - 46 units SFD	2008	4	\$8,050,000	0.544	\$4,379,200	\$1,094,800
Phase 1 residential - 40 units MFD	2009	3	\$2,000,000	0.673	\$1,346,000	\$448,667
PHASE 2 - Values four to seven yrs. away						
Avison site, industrial	2010	4	\$24,698,520	0.673	\$16,622,104	\$4,155,526
3.5 acre site, industrial	2012	1	\$3,201,660	0.673	\$2,154,717	\$2,154,717
PHASE 3 - Values seven or more yrs. away						
Comm. Develop along Hwy 211	2013	5	\$35,937,000	0.563	\$20,232,531	\$4,046,506
Indus Develop in 4 Corners Ind Park	2014	4	\$13,721,400	0.673	\$9,234,502	\$2,308,626
PHASE 4 - Values eight or more yrs. away						
Next phase Comm. Develop along Hwy 211	2016	5	\$35,937,000	0.563	\$20,232,531	\$4,046,506
Next phase Indus Develop in 4 Corners Ind Park	2015	4	\$13,721,400	0.673	\$9,234,502	\$2,308,626

** The change property ratio is an assessor's conversion of real market value to assessed value (AV). AV is the basis for tax increment revenue



600. RELOCATION

A. PROPERTIES REQUIRING RELOCATION

No relocation is anticipated at the adoption of this plan.

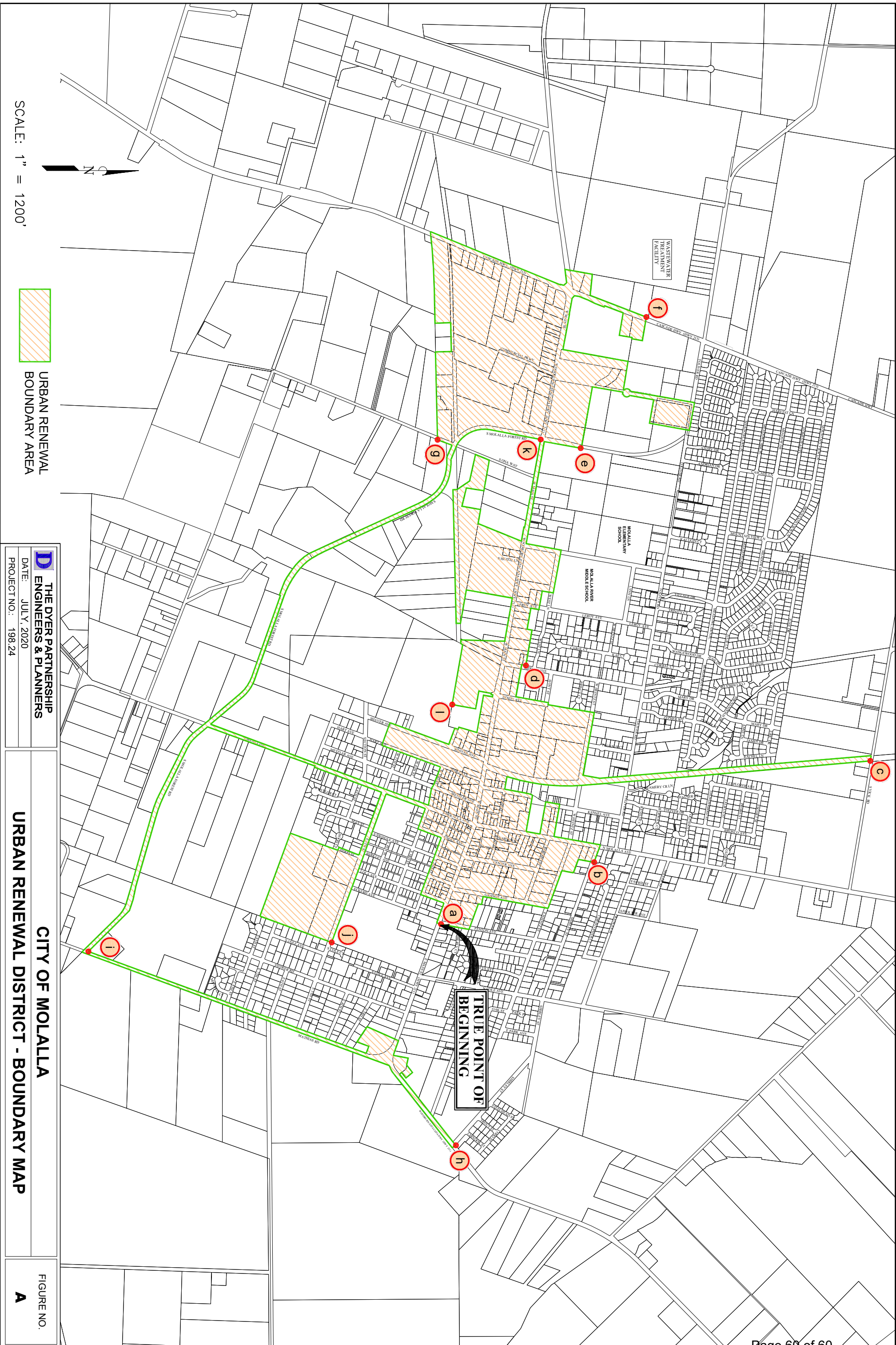
B. RELOCATION METHODS

If in the implementation of this Plan, persons or businesses should be displaced by action of the Agency, the Agency shall provide assistance to such persons or businesses to be displaced. Such displaces will be contacted to determine their individual relocation needs. They will be provided information on available space and will be given assistance in moving.

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


C. HOUSING COST ENUMERATION

No housing units are scheduled for removal under this plan. It is anticipated that the renewal plan will produce new housing units via rehabilitation and new construction. It is expected that housing units will cover a wide range of unit types and affordability.



SCALE: 1" = 1200'


 URBAN RENEWAL
 BOUNDARY AREA


THE DYER PARTNERSHIP
ENGINEERS & PLANNERS
 DATE: JULY, 2020
 PROJECT NO.: 198.24

CITY OF MOLALLA
URBAN RENEWAL DISTRICT - BOUNDARY MAP

FIGURE NO.
A