

REPORT
ON THE
CLACKAMAS INDUSTRIAL AREA
DEVELOPMENT PLAN

PART ONE
REPORT ON AMENDMENT

PART TWO
STATUTORY REQUIREMENTS

PART THREE
APPENDIX

Prepared by
CLACKAMAS COUNTY DEVELOPMENT AGENCY

REPORT
ON THE
**CLACKAMAS INDUSTRIAL AREA DEVELOPMENT
PLAN**

PART ONE
REPORT ON AMENDMENT

**REPORT ON AMENDMENT TO THE
CLACKAMAS INDUSTRIAL AREA
URBAN RENEWAL PLAN**

December 13, 2001

SECTION 100 - INTRODUCTION

This report provides relevant information on the substantial amendment of the Clackamas Industrial Area Urban Renewal Plan (the "Plan") dated December 13, 2001 (the "Amendment"). It follows the same format required for reports on new urban renewal plans.

The Amendment consists of

- (1) a change in the anticipated funding of the Sunrise Corridor Improvements Project, a new limited access road that will serve the Clackamas Industrial Area Development District ("District") and will ultimately connect the Milwaukie Expressway (State Highway 224) and State Highway 26, just west of the city of Sandy and
- (2) a reduction in the size of the District by approximately 50%.

At the time the Plan was adopted, the Sunrise Corridor Improvements Project was anticipated to be funded by the state of Oregon. Subsequently the project was included in the package of improvements that would be funded by bonds issued by the state and repaid by increased gas tax receipts. The increase in gas tax rates was referred to voters, who defeated the measure in November, 2000.

At this time, there are no funds identified in the state budget for the project. However, it is anticipated that funding from the state or federal government will be forthcoming, and that such funding will require a 10% local match. The Amendment authorizes the expenditure of funds under the Plan for the amount of a 10% local match. The project is expected to cost approximately \$200,000,000 in current dollars. With inflation and contingencies the total project cost is estimated at \$230,000,000 in year of expenditure dollars, with the local match being \$23,000,000, also in year of expenditure dollars.

The reduction in the size of the District reflects the completion of projects in parts of the District and the desire to increase property tax revenues to those taxing districts that levy within the District. The property taxes on the incremental assessed value in the areas to be removed from the District will flow to the taxing districts instead of to the Clackamas Development Agency (the "Agency").

The Amendment does not change the maximum indebtedness under the Plan, which remains at \$44,819,300.00.

SECTION 200 - EXISTING CONDITIONS

Those areas that are being removed from the District no longer exhibit the conditions of "blight" that existed at the time of Plan adoption, although the congestion resulting from inadequate road access still affects these areas. Those areas that remain in the District however, are characterized by most of the blighting conditions cited in the original Plan and Report.

SECTION 300 - REASONS FOR SELECTING THE DEVELOPMENT DISTRICT

The reduction in the size of the District reflects the finding by the Board of County Commissioners that the areas to be removed are no longer blighted. The reasons for selecting the remaining area of the District are not affected by the Amendment.

SECTION 400 - RELATIONSHIP BETWEEN PROJECTS AND EXISTING CONDITIONS

The Amendment does not affect the relationship between projects called for in the Plan and the existing conditions described in the original urban renewal report. The Sunrise Corridor Improvement Project is in the original Plan; only the funding source has been changed.

SECTION 500 - PROJECT SCHEDULING, COSTS AND REVENUES

Table 1. below shows the project scheduling, costs and revenues related to the Amendment. The schedule shows projects completed by the end of FY 2005/2006. The total cost of the projects remaining to be completed (FY 2002 through FY 2006) is \$39,671,439. Revenues for these costs are available from the proceeds of previously issued bonds and future bonds, all payable from the annual tax increment revenues to be received pursuant to the Plan, as amended. Section 600 states the total tax increment revenue requirements.

SECTION 600 - TAX INCREMENT REQUIREMENTS

Table 2. below shows the anticipated annual tax increment revenue requirements related to the Amendment. A total of \$16,807,034 is anticipated to be required during the period of FY 2003 through FY 2006.

SECTION 700 - POPULATION, SERVICES AND FISCAL IMPACTS

The Amendment conforms to the Comprehensive Plan and facilities plans of the County and will not result in a higher population than anticipated in those plans. The fiscal impacts of the Amendment on those taxing districts that levy taxes within the Area consist of annual revenues foregone or gained on the increase/decrease in assessed value from the total assessed value in the Area in FY1997/98. (In FY 1997/98 the taxing authority of taxing districts was established by the state Department of Revenue as part of the implementation of Ballot Measure 50. In that year, therefore, there was no fiscal impact of urban renewal.)

Table 3 below shows the projected annual revenues foregone or gained by taxing districts that levy taxes within the Area. (No impacts are shown for the North Clackamas School District #12, because under current school financing provisions, losses in property tax revenues are compensated by state funding.) Note that after the reduction of the size of the District taxing districts gain revenue over and above what was available from the District in FY 1998.

SECTION 800 - RELOCATION

No additional housing units or businesses will have to be relocated as a result of the Amendment.

Report on Amendment to Clackamas Industrial Area Urban Renewal Plan

TABLE 1: PROJECT SCHEDULE AND COSTS

FY ending June 30	2001	2002	2003	2004	2005	2006
Expenditures						
Materials and Services	149,354	875,160	200,000	212,000	224,720	238,203
Projects						
Lawnfield Mather rd Connect			1,806,600			
122nd-130th Frontage Rd			669,110			
Shared Comm. Svce. Facility						
Subtotal						
Bond Projects	3,233,676					
capital construction (82nd)						
102nd Access Improvements			7,895,530			
CSG		4,215				
Jennifer St. Ext to 135						
Sunrise Corridor Improvements			6,000,000	8,000,000	6,000,000	3,000,000
Reg. Storm Drainage Site Acq.,						
CIA Storm Drain Plan		3,788,400				
Hwy 212 Improvements						
Acquisition Blighted Property (Site Cons.)		757,500				
Cow Creek		757,500				
Subtotal	3,383,030	5,425,275	16,571,240	8,212,000	6,224,720	3,238,203
Transfer to Fund 303						
Reserve						
Contingency		542,528	1,657,124	821,200	622,472	323,820
Total	3,383,030	5,967,803	18,228,364	9,033,200	6,847,192	3,562,024
Ending Balance		14,345,354	2,320,443	1,390,448	617,160	91,308

Report on Amendment to Clackamas Industrial Area Urban Renewal Plan

TABLE 2: ANNUAL TAX INCREMENT REQUIREMENTS

FY ending June 30	2001	2002	2003	2004	2005	2006	TOTAL (FY 03-FY 06)
Revenues							
Beginning Balance	781,344	479,480	8,165,227	6,563,894	3,221,436	1,850,031	
Current Year Taxes	5,758,921	7,300,723	3,867,911	4,087,533	4,311,547	4,540,042	16,807,034
Delinquent Taxes	147,793	300,037	287,946	365,036	193,396	204,377	1,350,792
Refunding Bonds							
Other	2,056,218						
Interest	104,495	84,987	242,810	204,973	123,651	91,651	
Total	8,848,771	8,165,227	12,563,894	11,221,436	7,850,031	6,686,100	18,157,825

Report on Amendment to Clackamas Industrial Area Urban Renewal Plan

TABLE 3: REVENUE IMPACTS ON OVERLAPPING TAXING DISTRICTS

FY Ending June 30		2002	2003	2004	2005	2006		
Current Incremental Assessed Value		405,346,131	214,751,722	226,945,424	239,383,001	252,069,329		
Incremental Assessed Value in FY 1997/98		272,179,300	272,179,300	272,179,300	272,179,300	272,179,300		
Difference		133,166,831	-57,427,578	-45,233,876	-32,796,299	-20,109,971		
		Annual Tax Revenues Forgone /- Gained						
Taxing District	Permanent Rate						Total	
Vector Control	0.0065	866	-373	-294	-213	-131	-146	
Port of Portland	0.0701	9,335	-4,026	-3,171	-2,299	-1,410	-1,570	
Fire District 1	2.4012	319,760	-137,895	-108,616	-78,750	-48,288	-53,789	
North Clackamas Parks	0.5382	71,670	-30,908	-24,345	-17,651	-10,823	-12,056	
Clackamas Co. Rural	2.9724	395,825	-170,698	-134,453	-97,484	-59,775	-66,584	
Metro	0.0966	12,864	-5,548	-4,370	-3,168	-1,943	-2,164	
Law Enforcement District	0.7198	95,853	-41,336	-32,559	-23,607	-14,475	-16,124	
Clackamas ESD	0.3687	49,099	-21,174	-16,678	-12,092	-7,415	-8,259	
Clackamas Community College	0.5582	74,334	-32,056	-25,250	-18,307	-11,225	-12,504	

REPORT
ON THE
**CLACKAMAS INDUSTRIAL AREA DEVELOPMENT
PLAN**

PART TWO
STATUTORY REQUIREMENTS

REPORT ON THE
CLACKAMAS INDUSTRIAL AREA DEVELOPMENT PLAN

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SECTION 100 - INTRODUCTION

ORS 457.095(3) requires that an Urban Renewal Plan be accompanied by a report, containing the following information:

- A description of the physical, social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;
- Reasons for selection of each urban renewal area in the plan;
- The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;
- The estimated total cost of each project and the source of funds to pay such costs;
- The anticipated completion date for each project;
- The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.440 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.440;
- A financial analysis of the plan with sufficient information to determine feasibility; and
- A relocation report which shall include:
 - a) An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of Agency actions under ORS 457.170;
 - b) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 281.045 to 281.105; and
 - c) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

The document shall constitute the report to the Clackamas Industrial Area Development Plan, for the Clackamas Industrial Area Development District, as required by State law. It includes the information required by statute, and documents "blight" in the district as defined in ORS 457.010(1)(a).

SECTION 200 - EXISTING CONDITIONS

The Clackamas Industrial Area is located in northern Clackamas County, intersected by I-205 and Highways 224 and 212. It is on the suburban fringe of the rapidly growing Portland Metropolitan Area, about ten miles from downtown Portland.

The Clackamas area is experiencing rapid industrial expansion. During the 1960's and 1970's, since Highway 224 and parts of I-205 have been built, the area has changed from a small residential community (Clackamas) and farming district to the County's main industrial area. Much of the development occurred from 1975 to 1980. The overall area now provides about 16,000 jobs and, when fully developed, about 32,000 jobs are expected.

The Clackamas Industrial Area is the largest industrial complex in Clackamas County and is a major regional job center. Industrial uses in the area have traditionally been outdoor storage and heavy manufacturing operations that use large acreage but employ relatively few workers per acre. The area also includes other uses such as gravel mining, the Oregon National Guard headquarters, office-warehouse complexes, small businesses and some housing.

New development tends to be more employee intensive than in the past. Some of the new firms include the Fred Meyer Distribution Center and Bakery, expansion of the Safeway Distribution Center and Regional Headquarters, Consolidated Metco, and Ford Industries' new plant and headquarters.

210 Blight due to Inadequate Public Facilities

The major blighting influence in the Clackamas Industrial Area is the lack of public facilities needed to support industrial development. Streets, storm drainage, and fire protection are inadequate, creating higher operating costs and risks to existing industries as well as discouraging new development.

Flooding and access problems are increasing the cost of operations for existing businesses. High groundwater in the winter is increasing the cost of site development. The flooding problem along Mt. Scott Creek is getting worse as development increases in the drainage basin. Trucks carrying deliveries are queuing up at intersections causing costly delays in accessing the freeway and major arterials. Industrial Realtors trying to sell vacant sites are reporting that prospective new industries recognize the problem the existing industries are having and frequently decide to go elsewhere. This tends to depress land values and discourage the growth of new jobs.

Fire protection in the area is provided at the west end of the district which limits response time in the east end. In 1981, the fire district purchased a specially equipped high capacity pumper for industrial fires. The District owns property more centrally located in the industrial area and could easily improve service if the new truck could be stationed

there. A shortage of funds has kept the new site from being fully developed.

220 Obsolescence, Deterioration of Housing

Housing in the Clackamas Industrial Area is, on the average, in a condition of obsolescence, deterioration and dilapidation as homes are phased out in favor of industrial uses. Approximately 21% of those houses remaining most likely do not meet building code. The age of the housing stock is progressing with no infusion of new homes in recent years. The value of those homes remaining is far below the value of homes in the Portland area. These conclusions are based on the following data.

The Clackamas County Assessor's Office evaluates the housing stock based on criteria published in the State Department of Revenue's manual, "Cost Factors for Residential Buildings." The system contains eight categories of quality of construction, ranging from Type 1, a cabin that lacks running water, foundation, etc., up to Type 8, a custom-built home with extra features. Types 3 and below generally do not meet building code, Types 4 and above generally do.

Condition of Housing - Houses in the Clackamas Industrial Area have been classified by the Assessor's Office as follows:

15 mobile homes (condition unclassified)

15 dwellings in conjunction with commercial or industrial (condition unclassified)

Assessor's Quality of Construction Factor

Class	1	2	3	4	5	6	7	8
Houses in each Class	0	9	16	38	21	1	0	0

Age of Housing - The Assessor's Office also records the year in which houses were constructed. The following tabulation includes only houses remaining in 1983. It includes placement of mobile homes and other homes not in conjunction with another use.

Decade Built (Number of Houses)

1890's	1900's	1910's	1920's	1930's	1940's	1950's	1960's	1970's	1980's
1	2	3	15	10	15	20	18	3	0

Most of the homes placed in the area during the 60's and 70's were mobile homes. Standard home construction in the area gradually rose through the 50's then effectively stopped in the early 60's due primarily to the application of industrial zoning, which for

the most part, prohibits new residential use.

Average Value of Housing Units - The Assessor's Office determines the value of all housing units. The average value of the 87 units in the Clackamas Industrial Area, not in conjunction with another use is \$30,436. This compares very unfavorably (42.7%) to the average selling price of homes in the Portland Metropolitan Area for 1983 of \$71,311.

230 Disuse of Property

More than half the land in the District remains vacant. Generally, the sites with the best direct access to primary arterials and relatively free from flooding or high groundwater have already been developed. Most of the remaining land area has significant accessibility and/or storm drainage constraints.

Due to the transition in land use, there are still residences in the District and some mixed residential-commercial uses. These are expected to phase out as industrial firms buy up the remaining property. The status of existing land use as counted in 1983 is:

- 62 parcels fully vacant
- 124 parcels partly vacant
- 157 parcels fully developed

Land Use	Acres	Percent of Total
Residential	117	5.7
Office	15	.7
Commercial	39	1.9
Industrial	623	30.2
Public Use	73	3.5
Mix-Undetermined	66	3.2
Vacant	1,131	54.8
TOTAL	2,064	100%

The 1,131 acres of vacant industrial land is particularly significant in light of

Clackamas County's persistently high unemployment rate. The Center for Population Research and Census at Portland State University estimated that the population of Clackamas County dropped by 1,500 people between 1982 and 1983 due to the depressed job market in the region. It's tragic that Oregon workers have to leave to find work while new industries seeking to build in Clackamas County are discouraged due to inadequate public facilities to drain the land and solve traffic congestion. If these problems are solved there is sufficient vacant acreage to allow for the expansion of approximately 16,000 jobs.

240 Inadequate Streets

241 Highway 212 at 82nd Drive

The most severe traffic problem in the area is congestion on Highway 212 east of the I-205 freeway. The highway is designed to handle a capacity of approximately 22,900 vehicles per day at operating level "C" which means full utilization with minimal delays. The same roadway should be able to handle 32,000 vehicles per day at level "F" with backed up traffic and considerable delays. These figures assume a 5% component of truck traffic.

Actual traffic counts indicate that 27,500 vehicles per day use that roadway. Truck traffic makes up approximately 10% of the trips and many of the trucks are making turning movements onto or off the freeway and at Evelyn Street one-half mile to the east. Considering the peaking characteristics of traffic in the late afternoon, this roadway is severely congested for several hours every weekday.

The State is making improvements along the length of Highway 212 in two phases. The first phase is to be completed in 1984 and the second in 1985. These improvements will help traffic flow and turning movements through the industrial area but will not relieve congestion on the highway segment just east of the freeway. The bottleneck will remain.

At present there is no alternate way for traffic originating in the industrial area to access the freeway. One of the Development Agency's projects -- the Evelyn Street crossing -- would offer an alternate route for traffic to bypass the Highway 212 interchange using the Gladstone interchange.

The Evelyn Street crossing over the Southern Pacific Railroad tracks is particularly important considering that the industrial land generating much of the traffic is about one-half vacant. If most of the vacant land does develop, assumed to happen by year 2003, average daily traffic is projected to reach 53,000 or roughly twice the capacity of the Highway 212 interchange.

242 Milwaukie Expressway, Lake Road to Johnson Road

Another increasing problem for industrial traffic is access to Highway 224 (the Milwaukie Expressway) from Lake, Pheasant, and Johnson Roads. The intersections of these three roads with the Expressway are controlled with signals 1000 to 2000 feet apart. These signals and others to the west are the major limiting factor to capacity of the Expressway which is approximately 30,000 vehicles per day.

Currently traffic on the Expressway averages 22,500 vehicles per day. Many of these are trucks making turning movements at all three intersections causing congestion at peak hours. About half of the industrial land remains vacant. When almost all the industrial land is developed in year 2003, the increased industrial traffic, together with overall traffic increases, is projected to be 40,000 vehicles per day. Before that time, grade separated interchanges will be necessary.

This Plan proposes a frontage road on the north side of the expressway to provide local access independent of the Regional System.

243 Circulation and Connectivity

The existing road network within the Industrial Area is generally sparse with several missing links. For instance, a business near Mather Road cannot send a truck over to the Lawnfield Road area less than a quarter mile away without routing it out to Highway 212, through the bottleneck intersection, through the community of Clackamas, and across the railroad tracks to its destination -- a trip of about 2 miles.

Similarly, an employee of Safeway living near Sunnyside Road cannot get to work without driving on Highway 212, or 82nd Drive -- both of which are seriously congested and include out of direction travel.

The industrial area west of the I-205 freeway is isolated from the industries to the east. A truck trying to make that trip would have to get on the interstate freeway for two miles and use Highway 212 or 82nd Drive to get to its destination. This trip would impact the regional system where a local route would be more suitable.

Near the east end of the development area the extension of Hubbard Road is planned to be constructed to intersect with Highway 212 at 135th Avenue. Unless 135th is improved and linked to Jennifer Street, traffic from Hubbard would have to use a part of Highway 212 rather than simply cross the highway to access businesses to the south.

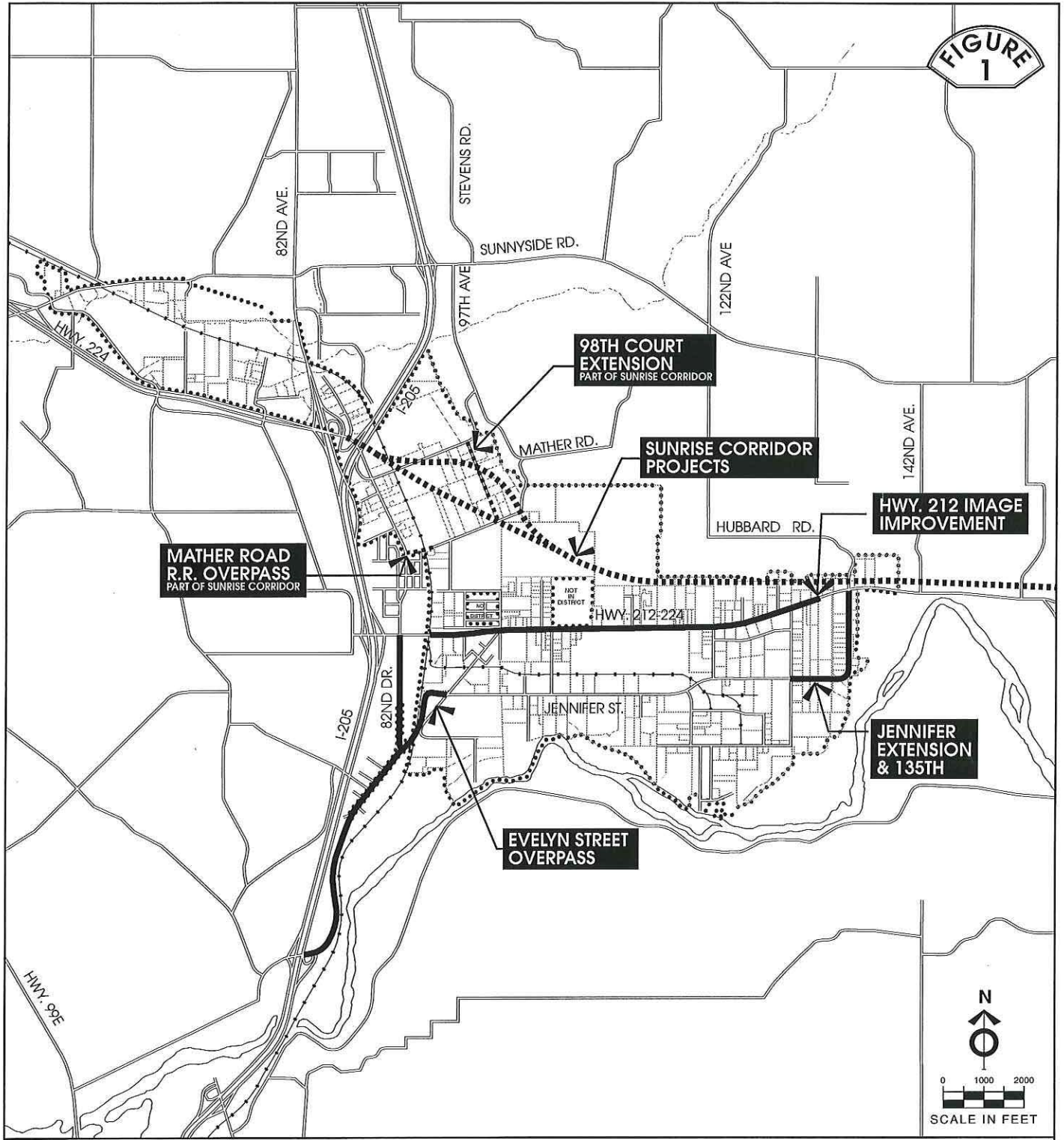
Until these missing links are constructed traffic flow is expected to remain inefficient, congestion on the arterials will continue, and access to the regional transportation system will worsen.

244 Sunrise Corridor

A new highway has been proposed through the Clackamas Industrial Area, which will replace the through traffic functions of existing Highway 212 to primarily serve the industrial functions of the area, and impact overall circulation and road classification.

A number of street improvements will be needed to accommodate the new Sunrise Corridor. New or improved feeder roads, intersection improvements, additional signalization, and completion of street networks within the industrial area will be needed to make the new highway most efficient and maximize benefit. The Plan proposes a number of road projects to support the Corridor.

FIGURE 1



REPORT ON THE CLACKAMAS INDUSTRIAL AREA DEVELOPMENT PLAN NEEDED TRANSPORTATION IMPROVEMENTS

Tentative Alignments Subject To Final Design Engineering

250 **Flooding and Inadequate Storm Drainage**

There are two major drainage basins in the area: Kellogg Creek and the Clackamas River. The two major basins have the following subdrainage areas: Kellogg Creek - Mt. Scott Creek, Deer Creek and Phillips Creek; Clackamas River - Cow Creek and direct Clackamas River drainage. The industrial lands located in the lowland reaches of these drainages have served in the past as general ponding areas during floods. However, development of the industrial and commercial land, as well as the upland residential areas, will dramatically increase covered surfaces, worsen surface runoff conditions, and create even greater problems for any adjacent vacant properties.

The Mt. Scott Creek floodplain and its fringe area currently have the most serious water problems and are characterized by an indefinite drainage pattern. The Mt. Scott Creek lowland is flooded frequently by Mt. Scott Creek and is affected by peaty, compressible soils, and wetlands.

A preliminary feasibility study for controlling flooding on Mt. Scott Creek indicates that there are 87 acres currently in the floodplain.

It is important to note that the existing floodplain is based on the level of development existing in the mid 1970's. Development since then has actually made the problem worse.

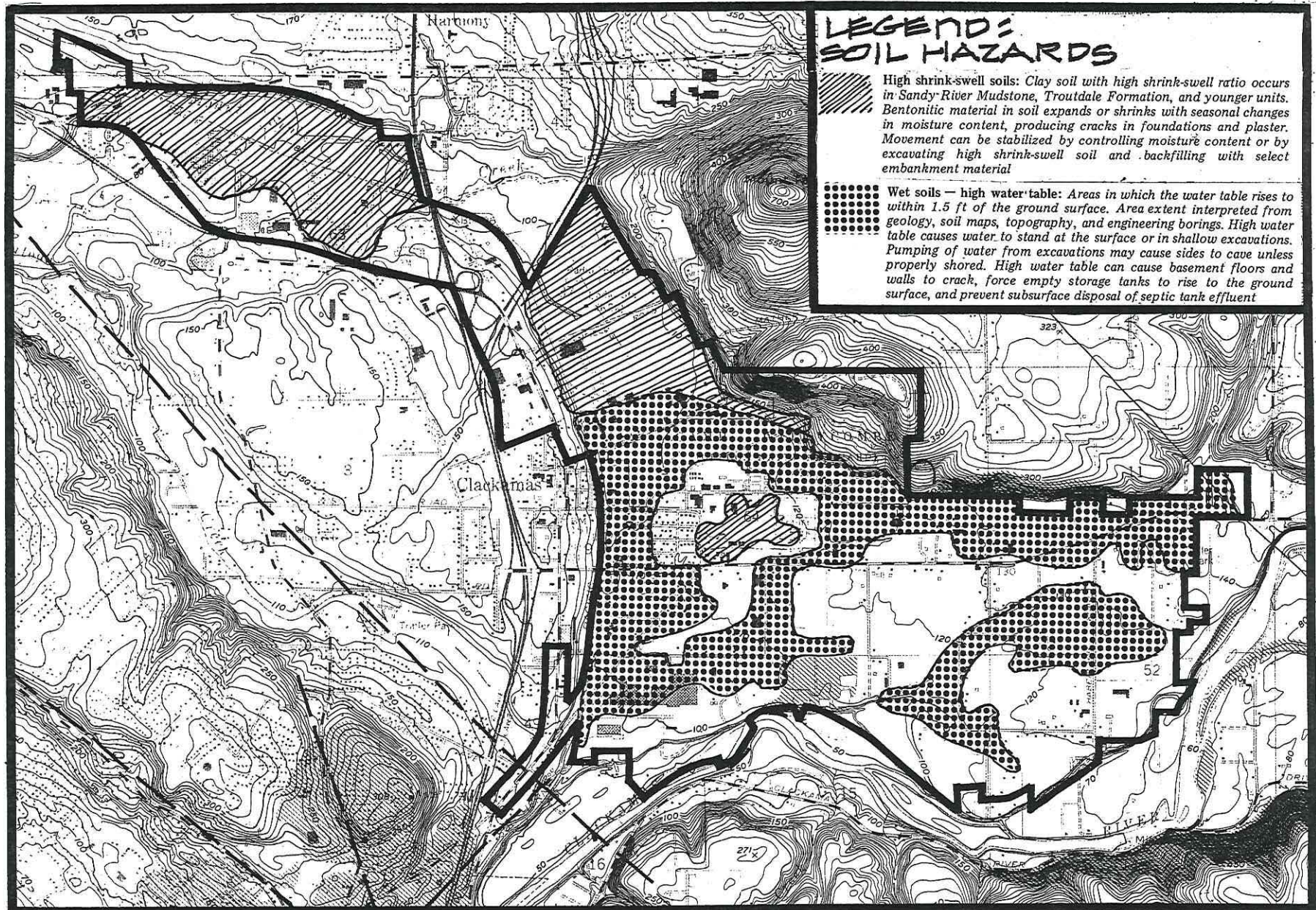
The extent of flooding along Mt. Scott Creek is shown in Figure 2.

In the Highway 212 industrial area, soils tend to have a high, perched water table, causing standing water problems. Drainage from adjacent bluff areas and springs adds to the problem. Industrial development, with large roofs and paved parking substantially reduces soil storage capacity and increases runoff rates.

To date, storm drainage solutions have been piecemeal, installed on an individual development basis, with no long-term provision for maintenance. Lack of an updated, overall master plan or implementing and maintenance authority makes an adequate solution to the Clackamas area's drainage problem impossible.

Figure 3 shows the extent of flooding, wet soils, and high shrink-swell soils associated with seasonal moisture fluctuations. Out of 2,064 acres in the district, 686 acres have wet soils or high water table, and 468 acres have high shrink-swell soil which is poorly drained in the winter months.

This Plan has provided for development of storm drainage plans for both the Mt. Scott Creek and Clackamas (Cow Creek) drainage areas. These plans will be implemented in



WET SOILS & HIGH SHRINK-SWELL SOILS
FIG. 3

partnership with other agencies and private owners as appropriate, i.e., the Oregon Department of Transportation, North Clackamas Parks and Recreation District, Clackamas County Department of Transportation and Development, and any storm Drainage Maintenance district which might be formed for the area.

260 Insufficient Tax Receipts

It might be desirable to solve the problems facing the Industrial Area with regular tax revenue. There simply isn't enough. Projects to solve the problems are expected to cost about \$4.4 million in 1980 dollars.

The general County tax rate exclusive of earmarked revenue - Sheriff's levy and Library levy is 53/\$1,000. Demands for this revenue include the Assessor's office, County Clerk's office, Human Resources, Data Processing, and all general County functions. Even if all the tax receipts from the industrial area could be targeted to pay for improvements to the industrial area, the amount would be \$125,300 per year. At that rate, assuming no inflation on project costs, it would take 35 years to pay for the projects if other demands for the money could be ignored.

SECTION 300 - REASONS FOR SELECTING THE DEVELOPMENT DISTRICT

Land use in the Clackamas Industrial Area Development District has undergone a major shift from an agricultural and residential community to its present development status of about one half industrial and one half vacant, with some remaining houses. It is necessary that this transition be completed in order to provide jobs for existing and future county residents.

The main problems are those of inadequate public facilities to control flooding, traffic and storm drainage. There is an opportunity to enhance specialized industrial fire protection with a relatively small additional investment.

As the remaining houses are phased out they are falling into disrepair. However, this is viewed as a symptom of the transition as lands are converted to more valuable uses.

Prospective new industries have turned down sites in Clackamas in recent years, in part, because of poor access and traffic congestion, flood control and storm drainage needs. These lost opportunities for jobs aggravate the persistently high unemployment in the county. As businesses turn away from Clackamas, there is a sense of urgency that the above problems need to be corrected.

Tax receipts generated by the area, as well as other potential sources of money, are inadequate to solve the problems.

In summary, the Clackamas Industrial Area exhibits deficiencies which qualify it as blighted under the State's urban renewal enabling statute (ORS 457.010(1)(a)). The Clackamas Industrial Area Development Plan is a vehicle designed to correct these deficiencies.

SECTION 400 - RELATIONSHIP BETWEEN PROJECTS AND EXISTING CONDITIONS

The projects set forth in Section 600 of the Clackamas Industrial Area Development Plan are selected to remedy the deficiencies and blighting influences described in this report.

SECTION 500 - PROJECT SCHEDULING AND COSTS

The project activities scheduled to be provided by the Development Agency and the estimated costs and scheduling of such activities are shown in Exhibit B. This project schedule assumes that \$3.4 million dollars of federal transportation revenues will be available to be expended on the transportation projects in the Plan. All non-transportation projects will be funded by the Development Agency in conjunction with local service districts and property owners. Projects have been scheduled according to present understanding of funding availability and relative need. This schedule may be changed as conditions warrant.

The project schedule includes repayment of \$33,000 indebtedness incurred from the County's Community Development Division for preparation of this Plan.

EXHIBIT 'B'

CLACKAMAS INDUSTRIAL AREA PROGRAM FORECAST						
FY ending June 30	2007	2008	2009	2010	2011	Totals
BEGINNING BALANCE	36,670,970	23,450,970	15,370,970	14,290,970	1,010,970	
EXPENDITURES						
Materials and Services	800,000	800,000	600,000	800,000	500,000	3,500,000
Projects						
Lawnfield/Mather				2,000,000		2,000,000
SE 102nd to Mather				8,000,000		8,000,000
SE 122nd						
Blighted Properties		300,000	300,000	300,000	300,000	1,200,000
Rail Spur	1,000,000					1,000,000
Sunrise Corridor	10,500,000					10,500,000
CSG	500,000					500,000
SE 172nd Avenue		6,800,000				6,800,000
Misc. Projects	100,000	100,000	100,000	100,000	100,000	500,000
Project Contingency - 20%	320,000	80,000	80,000	2,080,000	80,000	2,640,000
BALANCE	23,450,970	15,370,970	14,290,970	1,010,970	30,970	

SECTION 600 - TAX INCREMENT REQUIREMENTS

The project activities described in the Development Plan, Section 600, and shown with schedule and cost estimates in Section 500 of this report, will require an estimated \$28,500,000 in tax increment revenues to accomplish. This will be levied over an 8 year period and collected over 10 years, with annual revenues increasing substantially over the life of the district.

1. Annual Tax Increment

Total revenue of \$28,500,000 is projected for the Clackamas Industrial Area Development District over an 8 year period. TIF revenues have been projected using development and inflation assumptions reflecting the economic trends apparent in 1984. Only 82% of the actual projected tax increment revenue is expected to be collected in a given year, with 15% collected in year two and 2% in the third year, totaling 99% of the expected annual revenue collected within three years. (The County's actual collection rate is normally 99.9% in three years).

2. Interest from Carryover Funds

Any carryover or reserve funds will be invested and earn interest at prevailing rates and the ensuing revenue will be used as annual revenues from the district. Interest revenues were assumed to be 6% simple interest.

3. Annual Expenditures

Annual project expenditures are shown in this column. These expenditures are detailed out in Section 600, Table 1. The project schedule minimizes debt service costs, while still providing rational scheduling of projects.

4. Annual Carryover

The annual carryover column is the revenues left over after each year's expenditures. It is included the following year as expendable revenue, and interest is earned on the balance. If the Development Agency should sell bonds or warrants, or utilize other debt financing that requires a bond reserve fund, the carryover balance shall serve as that fund. Projects may have to be delayed in order to maintain a sufficient reserve fund.

610 Duration of Tax Increment Financing

Based upon the project schedule, and the TIF revenue projections, estimated duration periods of the project, TIF revenue collection, and the Plan, will be as follows:

- TIF assessments will be terminated in the 14th year and all true cash value growth (increment) in the District will be made available to the various taxing districts in year 15.
- The Plan will be in force until the 21st year, with administration funded from previously committed revenues through the 16th year to close out projects and perhaps continue bond payments if necessary.

CLACKAMAS INDUSTRIAL AREA DEVELOPMENT PLAN
SOURCE OF DEVELOPMENT AGENCY FUNDS AND DISPOSITION OF SUCH FUNDS

FISCAL YEAR	ANNUAL TAX INCREMENT		Interest	TOTAL ANNUAL REVENUES	Annual Expend.	Annual Carryover
	Assessed	Collected				
1985-86	321.0	272.9	0.0	272.9	226.4	46.4
1986-87	698.0	631.8	3.9	635.7	576.7	105.5
1987-88	1157.0	1073.6	9.0	1082.6	906.9	281.1
1988-89	1807.0	1688.8	23.9	1712.7	1610.7	383.1
1989-90	2317.0	2209.4	32.6	2242.0	2277.7	347.4
D I S T R I C T D I S O L V E D						
1990-91	0.0	314.2	29.5	343.7	498.7	192.5
1991-92	0.0	46.3	16.4	62.7	90.0	165.2
TOTAL	6300.0	6237.0	115.3	6352.3	6187.1	

SECTION 700 - POPULATION, SERVICES AND FISCAL IMPACTS

ORS 457.085(3)(a) requires that an analysis be prepared of the “expected impact, including fiscal impact, of the plan in light of added services and increased population.” This section will discuss population, requirements for additional services, and impacts on the true cash value available to affected taxing district.

710 Population Impacts

Currently about 250 people live in the Development District. As a result of the Development Agency's activities, the area is expected to convert to industrial uses more rapidly than otherwise, displacing most of the current residents.

The impact on jobs available in the District is more significant. In 1980, there were about 16,000 jobs located in the District and nearby in the Clackamas Town Center Development District. If industrial development occurs as planned, there could be in excess of 32,000 jobs by year 2000.

These additional jobs will have a major impact on population outside the District. The County has hundreds of acres of land in the Sunnyside Corridor and around the Town Center ready for residential development at a variety of densities. Additional job opportunities nearby, but separated in elevation by a 150-foot bluff, will make the residential areas more attractive and reduce average commuting distance.

The area between 82nd Avenue and 172nd Avenue, the Multnomah County line and the Clackamas River had 17,638 people in 1980. This population is expected to grow to 51,035 people by year 2000, a 189% increase. This population growth is a direct result of building the projects in the Plan and the consequent stimulation of jobs. The Sunnyside area would probably grow anyway although perhaps not as rapidly and commuting distances would be greater as more residents would have to drive to more distant employment centers. A better balance between population and employment is expected to result with North Clackamas becoming less of a bedroom community.

720 Services Impacts

The activities of the Development Agency will have a minimal direct impact on the need for services in the Development District. Industrial land does not generate many school children for the school district to educate. Police protection needs should not increase much as many of the larger firms have private security protection. Fire protection needs for industrial firms are specialized; however, the fire district has already purchased equipment and trained their personnel to meet this need, and the Development Agency plans to assist the fire district with a new centrally located station to improve deployment of their equipment. Water lines are being upgraded by local improvement districts as

needed. Some new road construction, such as Hubbard Road, will be necessary outside the District to connect the District to residential areas.

There will be impacts outside the district caused by residential growth. People generally create a higher demand for services than industry. Children need to be educated. Police will be in more demand. Fire protection will be necessary. Libraries and parks may be needed. Streets, water and sewer lines will need to be constructed; however, these are usually built at the time of residential construction.

The above increases in services are generally necessary in any growing community. If a large increase in jobs nearby stimulates residential growth and if the Development Plan's projects stimulate jobs, it might be said that this Plan will stimulate the demand for more services. The effect is indirect and in the long run builds a stronger community.

730 Fiscal Impacts

It should be clearly understood that the tax increment proceeds going to the Development Agency will not be taken from local taxing districts, as is popularly held to be the case. Rather, the process has no effect on the normal flow of tax proceeds to these agencies.

They will continue to collect the amount of taxes the voters have approved either a tax base* to be increased no more than 6% annually, or by special levy, bond levy, etc. The specific amount of which is approved by the voters of the District.

Detrimental impacts are caused only when tax increment financing causes a large portion of the taxable property value of a local taxing district to be temporarily set aside for generating revenue for Development Agency projects, thus increasing the tax rate to such heights that voters will not approve the District's levy request.

There are 8 taxing districts affected by the Clackamas Industrial Area Development District. They are listed below along with their true cash value, tax rate, and the relationship by value to the Development District as it overlaps taxing districts. Fire District #71 is affected the most with 45% of its true cash value included in the Development District. Fire District #71 is affected in the sense that increases in value on 45% of the land in its boundaries will not be available for the next 14 years to share in carrying the burden of the district's tax levies. The existing value in the Development District and the value of land outside the Development District, including any increases in value on land outside, will share the burden. At the end of 14 years all of the value in the fire district at that time will again be available to carry the fire District's tax burden.

* The term "tax base" correctly refers to a voter approved amount that can be collected each year by a taxing district, and which can be increased annually by no more than 6% without a vote of the people.

**PERCENT OF TAXING DISTRICTS' TRUE CASH VALUE (TCV)
IN DEVELOPMENT DISTRICT 1983-84**

Taxing District	TCV in Thousands \$	Tax Rate \$	% of Development District in Taxing District	% of Taxing District in Development District
Clackamas County	8,717,386	1.50	100	3
Fire District #71	494,940	2.40	85	45
Clackamas ESD	8,503,818	.81	100	3
Clackamas Community College	6,343,281	1.19	100	4
North Clackamas SD #12	2,504,105	11.21	100	10
Metro	6,068,632	.15	100	4
Port of Portland	8,717,386	.17	100	3
Fire District #1	533,209	3.54	15	15

During the time when the increases in assessed value are set aside to generate taxes for the Development District tax rates of affected taxing districts will be higher than they otherwise would have been.

Eight taxing districts are affected, each to a different degree. Since each piece of property is served by more than one taxing district, the effect of the program on the tax rate for a piece of property is cumulative. This cumulative effect depends upon location, i.e. the combination of affected taxing districts that provide services to that property.

Table 2 refers to the four categories of areas that are affected by the Development District. Tax Code 12-51, of which Ford Industries is an example, is served by North

TABLE 2

SUMMARY

TAX RATES FOR SELECTED AREAS PER TRUE CASH VALUE

 TAX CODE
 LOCATION . WITHOUT WITH DIFFERENCE %
 YEAR

A ,12-51
 Ford Ind.

TAX CODE	WITHOUT	WITH	DIFFERENCE	% CHANGE
1983-84	\$17.44	\$17.44	\$0.00	0.00%
1984-85	\$17.28	\$17.28	\$0.00	0.00%
1985-86	\$17.12	\$17.26	\$0.15	0.85%
1986-87	\$16.96	\$17.26	\$0.30	1.79%
1987-88	\$16.80	\$17.28	\$0.48	2.88%
1988-89	\$16.64	\$17.37	\$0.73	4.40%
1989-90	\$16.48	\$17.39	\$0.90	5.48%
1990-91	\$16.33	\$16.06	(\$0.27)	-1.63%
1991-92	\$16.18	\$15.84	(\$0.33)	-2.06%
1992-93	\$16.03	\$15.63	(\$0.40)	-2.49%

B ,12-61
 United Groc.

TAX CODE	WITHOUT	WITH	DIFFERENCE	% CHANGE
1983-84	\$18.58	\$18.58	\$0.00	0.00%
1984-85	\$18.40	\$18.40	(\$0.00)	0.00%
1985-86	\$18.23	\$18.33	\$0.09	0.52%
1986-87	\$18.06	\$18.26	\$0.19	1.08%
1987-88	\$17.89	\$18.20	\$0.31	1.71%
1988-89	\$17.73	\$18.18	\$0.46	2.57%
1989-90	\$17.56	\$18.11	\$0.55	3.15%
1990-91	\$17.40	\$17.22	(\$0.18)	-1.02%
1991-92	\$17.23	\$17.01	(\$0.22)	-1.30%
1992-93	\$17.07	\$16.80	(\$0.27)	-1.58%

C ,12-02
 Milwaukie

TAX CODE	WITHOUT	WITH	DIFFERENCE	% CHANGE
1983-84	\$19.27	\$19.27	\$0.00	0.00%
1984-85	\$19.09	\$19.09	\$0.00	0.00%
1985-86	\$18.91	\$18.99	\$0.08	0.42%
1986-87	\$18.73	\$18.89	\$0.16	0.87%
1987-88	\$18.56	\$18.81	\$0.26	1.38%
1988-89	\$18.38	\$18.76	\$0.38	2.07%
1989-90	\$18.21	\$18.67	\$0.46	2.54%
1990-91	\$18.04	\$17.89	(\$0.15)	-0.82%
1991-92	\$17.87	\$17.69	(\$0.19)	-1.04%
1992-93	\$17.71	\$17.48	(\$0.22)	-1.27%

D ,62-02
 Oregon City

TAX CODE	WITHOUT	WITH	DIFFERENCE	% CHANGE
1983-84	\$26.12	\$26.12	\$0.00	0.00%
1984-85	\$25.88	\$25.88	\$0.00	0.00%
1985-86	\$25.64	\$25.64	\$0.01	0.03%
1986-87	\$25.40	\$25.41	\$0.02	0.06%
1987-88	\$25.16	\$25.18	\$0.03	0.10%
1988-89	\$24.92	\$24.96	\$0.04	0.15%
1989-90	\$24.69	\$24.74	\$0.05	0.18%
1990-91	\$24.46	\$24.45	(\$0.02)	-0.06%
1991-92	\$24.23	\$24.21	(\$0.02)	-0.08%
1992-93	\$24.01	\$23.98	(\$0.02)	-0.09%

NOTES:

TIF ends 5 years after base year (1984-85)

Town Center taken off TIF in 1987-88)

Clackamas SD, Fire District #71¹, and all the county-wide taxing districts. The cumulative effect on tax rates of being included in that combination of affected districts is shown by comparing projected tax rates with and without this program.

United Grocers is representative of Tax Code 12-61 which includes North Clackamas School District, Fire District #1, and all the county-wide taxing districts. Tax rates with and without this program can be compared.

Tax Code 12-02 which includes most of the land in the City of Milwaukie is served by North Clackamas School District as well as the county-wide taxing districts. The effect of the program is less on those properties because they are not included in either of the affected fire districts.

There are large parts of the County included in county-wide taxing districts such as Clackamas County itself, Clackamas Community College, ESD, Metro, Port of Portland. Tax Code 62-02 in Oregon City shown on the Table is representative of those areas. Since each of the countywide taxing districts is affected only slightly, the cumulative effect is slight.

¹ However, one of the Development Plans projects is to help construct a needed new fire district facility. This will reduce the taxes that must be raised, and thus the tax rate impact on Fire District #71.

SUMMARY OF IMPACTS ON TAXING DISTRICTS:

The extension of the urban renewal district will have no impact on the actual tax revenues received by each taxing district. However, it can affect districts' tax rates. The urban renewal district composite tax rate will increase during the TIF extension to an estimated peak of \$27.46 (FY 1998-99). This is slightly higher than the estimated composite tax rate of \$27.26 if the Plan had not been extended. At the end of the extension, however, tax rates will drop substantially, to an estimated \$24.28 in 1999-2000. Without urban renewal, tax rates in 1999-2000 are estimated to be \$27.68, climbing as high as \$31.68 by the fiscal year 2008-09. Thus, the long term impact of urban renewal is to lower the overall tax rate.²

COMPOSITE TAX RATE IMPACTS OF THE EXTENSION OF THE URBAN RENEWAL PLAN

Overall Tax Rate

Fiscal Year	With Urban Renewal	Without Urban Renewal
1990-91	\$24.18	\$24.08
1991-92	\$24.89	\$24.73
1992-93	\$25.35	\$25.14
1993-94	\$25.59	\$25.33
1994-95	\$25.57	\$25.32
1995-96	\$25.80	\$25.56
1996-97	\$26.25	\$26.02
1997-98	\$27.00	\$26.78
1998-99	\$27.46	\$27.26
<i>End of TIF District</i>	-----	-----
1999-2000	\$24.28	\$27.68
2000-2001	\$24.56	\$28.11
2001-2002	\$24.83	\$28.53
2002-2003	\$25.11	\$28.97
2003-2004	\$25.40	\$29.41
2004-2005	\$25.69	\$29.85
2005-2006	\$25.98	\$30.30
2006-2007	\$26.27	\$30.75
2007-2008	\$26.57	\$31.21
2008-2009	\$26.87	\$31.68
AVERAGE	\$25.11	\$27.45

The years after 1998-1999 are years of “pay back” to taxpayers in the community. The negative number indicates that during those years tax rates will be lower than they otherwise would have been. This is because all of the taxable value will again be available to carry each district’s tax

² All of the impact models assume that growth in the Clackamas Industrial Area will be much slower if the urban renewal district is not in place. These models also assume that taxing districts will increase their tax bases by the maximum 6% allowable by law.

burden and taxable values will be greater than they would have been because the road and storm drainage projects stimulated new investment in the area.

SECTION 800 - RELOCATION

810 Relocation Requirements

In this initial report on the Clackamas Industrial Area Development Plan, the exact location of the properties to be acquired, thus displacing occupants to be relocated, is not known. This will be determined by final design, engineering and project feasibility work to be done at the time of acquisition. The first acquisition project expected under the Plan is in year one of the Plan.

820 Relocation Reports and Plans

When the exact location of properties to be acquired is determined, and if such acquisition impacts persons or organizations eligible for relocation assistance under Section 815 of this report, a relocation report and plan will be prepared by the Development Agency for that property pursuant to ORS 457.085(3)(h). No acquisition shall occur until such relocation report and plan is approved by both the Development Agency and the Board of County Commissioners.

830 Eligibility for Relocation Assistance

The following shall be eligible for Advisory Services, Housing Referral, Relocation Assistance for Businesses and Non-Profit Organizations, and Relocation Payments as appropriate:

- All persons, both owners and renters, residing in real property to be acquired by the Development Agency.
- All businesses and nonprofit organizations, both those that own the property they are located on and those that lease, occupying real property to be acquired by the Development Agency, if such acquisition will cause the business/organization to be shut down or will otherwise cause substantial economic injury to the business/organization.

In addition, Advisory Services will be offered to the following:

- * All persons, businesses or organizations occupying property immediately adjacent to the real property acquired when the Agency determines that such persons or organizations are caused substantial economic injury because of the acquisition.
- * All persons who, because of the acquisition of real property used for a business operation, move from other real property used for a dwelling, or move their personal property from such other real property.

840 Advisory Services

For all persons and organizations eligible for advisory services the Agency Administrator will discuss and explain the relocation services available and the eligibility requirements, assist in completing any applications or other forms required, and determine the need of the displaced person/organization for assistance. In addition, the Agency will provide or have provided the following information and assistance:

- Information as needed on the availability, prices, and rentals of comparable for-sale and rental housing and of comparable commercial properties. Information will be compiled from all available sources, such as multiple listing services, newspaper advertisements, private listings, builders, etc.
- Information concerning federal and state housing programs, disaster loan programs, and other federal or state programs offering assistance to displaced persons.
- Assistance to prospective homeowners in obtaining mortgage financing, including help in the preparation and submission of purchase offers, obtaining credit reports, verification of employment and making any other arrangements with lending institutions.
- Home ownership counseling to prospective homeowners as needed.
- Assistance in filing a Housing Discrimination Complaint with appropriate agencies if a family or individual is unable to purchase or rent a replacement dwelling because of discrimination based on race, color, creed, source of income or national origin.
- All families and individuals will be provided with access to needed social services and counseling, both prior to and subsequent to relocation. Necessary services and counseling also shall be made available to those residents who do not move, whenever the need exists. The agency also will provide or have provided necessary job, financial, educational, health, and other services and counseling as needed, and will follow up to determine that the service has been provided.
- Other assistance in obtaining housing as needed, such as assistance in obtaining priority for admission to public housing and federally assisted low- and moderate-income housing.

850 Housing Referral

At this time, no residential properties are expected to be impacted by property acquisition for the Development Plan. However, since it is not known exactly which properties will be acquired, this information is provided as a guideline in the event that residential properties ever are impacted. None of these activities will be carried out until exact

locations for property acquisition are identified and a relocation plan prepared and approved by the Agency and Board of County Commissioners for each acquisition affecting residents.

Housing referral will be provided for all residential displacees as follows:

- Displacees will be referred to housing which is comparable, decent, safe and sanitary and adequate in size to meet the needs of each family and individual being displaced.
- Displacees will be referred to housing which is within the family's or individual's ability to pay. Families and individuals shall not be expected to pay more than 25% of their adjusted gross income for housing expense. Adjusted gross income is projected annual income from all sources of each member of the family who is at least 18 years of age residing in the household, except that the income of a head of household or their spouse who is under 18 shall be included.
- No displacee shall be referred to a replacement dwelling unit which is in a location subject to unreasonably adverse environmental conditions, natural or manmade, or which is generally less desirable than the location of the acquired dwelling with respect to public utilities and other public and commercial facilities. Consideration also will be given to the proximity of the dwelling unit to the displaced person's place of employment.

The Agency will not list or refer any property which is not open to all persons without regard to race, color, religion or national origin, in a manner consistent with Title VIII of the Civil Rights Act of 1968, or available without discrimination based on sex or source of income. All cases of unlawful discrimination will be turned over to the Civil Rights Division of the Department of Labor, State of Oregon, and/or filed with HUD.

The Agency shall take affirmative actions to provide displaced families and individuals maximum opportunities for selection of replacement housing within the community's total housing supply and to lessen racial, ethnic, and economic concentrations. The following are examples of affirmative actions that the Agency may take:

- a) Make full use of HUD-acquired properties, multiple listing services, and normal real estate management and brokerage services.
- b) Inform members of minority groups of housing opportunities in nontraditional neighborhoods and provide services to familiarize them with such neighborhoods.
- c) Provide escort service to brokers' offices.
- d) Cooperate fully with fair housing groups, human relations bodies, and other social, civic, and religious groups interested in facilitating freedom of choice of residence.

The Agency will take all available legal action to ensure that housing listings and referrals will be in keeping with the requirements of Title VIII of the Civil Rights Act of 1968.

860 Relocation Assistance for Businesses & Non-Profit Organizations

Businesses and nonprofit organizations displaced by property acquisition by the Agency should be relocated in the Clackamas Industrial Area Development District whenever an appropriate location is available. Examples of services to be provided to businesses and nonprofit organizations eligible for relocation assistance are as follows:

- Consult with the owner or operator of a business to determine the need for relocation assistance. Among the items to be considered are space, traffic patterns, markets, licensing and permit requirements.
- Provide current and continuing information on the availability, cost and square footage of comparable commercial or industrial locations, and obtain referrals from real estate brokers who may be able to assist in obtaining suitable accommodations.
- Assist in obtaining information relative to property values, growth potentials in various areas, zoning ordinances, and other general and economic information which may assist the business in site selection.

870 Relocation Payments

At the earliest possible date, after the specific location of the property acquisition has been determined and the relocation plan prepared and approved, the Agency shall notify all persons who may be displaced or otherwise affected by the acquisition, and who are eligible for relocation payments under the plan, of the availability of relocation payments, the location where detailed information about the payments can be obtained, and the dates governing eligibility for payments. The Agency will provide all displacees eligible to receive a payment with the proper claim forms, and will provide assistance in the preparation of claims for relocation payments.

A claim for a relocation payment shall be submitted to the Agency within a period of 18 months after displacement of claimant. The 18-month provision may be waived by the Agency for good cause on a case-by-case basis. Payments will be made as promptly as possible after eligibility has been determined. Limited advance payments may be made in hardship cases if the Agency determines such advances to be appropriate.

If a person or organization disagrees with the amount of the relocation payment, they are entitled to a hearing. The hearing will be substantially of the character required in ORS 183.415, 183.425, 183.470 and 183.480.

880 Occupancy of Properties Acquired by the Agency Board, Evictions

After acquisition of real property for a specific purpose as stated in the Development Plan, Section 710, a property may be maintained in a usable condition and occupied by either the original resident or business/organization or a subsequent leasee, for a period of time to be stated in the lease agreement. In such a case, the occupant may defer their eligibility for relocation advice, referral, assistance and payment until such time as they may be displaced from the property. In addition, occupants of property to be acquired by the Agency subject to relocation may occupy the property for a period of time after it has been acquired while they are undergoing the relocation process.

Except as required by emergency, no person or organization will be required to move from property acquired by the Agency without having received at least 90 days prior written notice. Eviction will be used only as a last resort. It shall only be undertaken for one or more of the following reasons:

- Failure to pay rent, except in those cases where the failure to pay is based upon the Agency's failure to keep the premises in habitable condition.
- Maintenance of a nuisance or use of the premises for illegal purposes.
- A material breach of the rental agreement.
- Refusal to accept one of a reasonable number of offers of accommodations meeting HUD relocation standards.
- The eviction is required by State or local law, and cannot be prevented by the Agency.

REPORT
ON THE
CLACKAMAS INDUSTRIAL AREA DEVELOPMENT PLAN

PART THREE

APPENDIX

APPENDIX A

ASSUMPTIONS USED IN REVENUE PROJECTIONS AND EXPENDITURES

- * Known true cash value in Development District 1983-84 = \$262,683,000
- * Year of "Frozen Base" = 1984-85
- * 5 years of tax collections on increment from 1985-86 to and including 1989-90
- * District exists for 2 additional years to collect any delinquent payments
- * Inflation of True Cash Value within District and new growth within District is assumed as follows:

<u>Fiscal Year</u>	<u>% Inflation</u>	<u>New Growth</u>
1983-84	0	0
1984-85	0	\$ 3,800,000
1985-86	5	5,000,000
1986-87	5	8,000,000
1987-88	5.5	11,000,000
1988-89	5.5	22,000,000
1989-90	5.5	12,600,000
1990-91	6.0	13,200,000
1991-92	6.0	13,900,000
1992-93	6.0	14,600,000
1993-94	6.0	15,300,000
1994-95	6.0	16,000,000

* Revenues were calculated as follows:

<u>Fiscal Year</u>	<u>Assumed Statewide Reduction Ratio</u>	<u>Increment (Calculated)</u>	<u>Assumed Tax Rate</u>	<u>Annual TIF Revenue (Calculated)</u>
1983-84	90.0%	0	.02	0
1984-85	89.0%	0	.02	0
1985-86	87.5%	\$16,034,000	.02	\$ 321,000
1986-87	86.0%	34,885,000	.02	698,000
1987-88	84.5%	57,842,000	.02	1,157,000
1988-89	83.0%	90,365,000	.02	1,807,000
1989-90	81.5%	115,826,000	.02	2,317,000

* Tax Delinquency

15% delinquency after 1 year
2% delinquency after 2 years

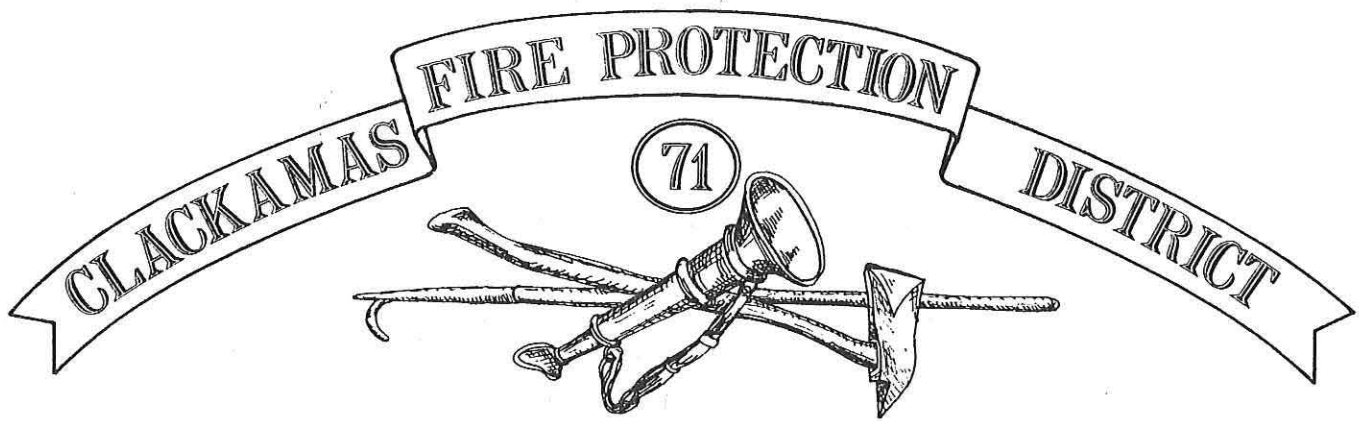
* Interest on unexpended revenues = 8.5%

* Annual Inflation Cost on Projects = 12.5 % from July 1, 1980 to Jan. 1, 1985, 6% per year thereafter

* Assumed no bonding

Assumptions used to calculate effect on taxing districts

- * Annual budget increase for each taxing district = 6%
- * Annual increase in true cash value in each taxing district = 7%
- * No major annexations or city formation
- * Town Center Development Area is taken off TIF in 1987-88.



15711 S.E. 90th P.O. Box 358 Clackamas, Oregon 97015 (503) 656-5262

Thomas J. VanderZanden
Project Development Director
Department of Environmental Services
902 Abernathy Road
Oregon City, Oregon 97045

4/20/84

Dear Mr. VanderZanden:

This letter is in response to your recent request for information regarding Clackamas Fire District and our plans to build a fire station in the Clackamas Industrial Area.

The Fire District provides fire protection services along the 9 square mile east-west corridor that straddles Highway 212 between the communities of Clackamas and Carver. At present, rescue and fire equipment respond from a single station located in the western portion of the District, near the intersection of Highway 212 with I-205. This location has provided good access to the majority of our population, schools, and requests for assistance for nearly 25 years. For those reasons we do not intend to abandon or move the location of our main station, yet rapid change is progressing.

The District has recognized for some time the importance of the Clackamas Industrial Area to the community. Thousands of persons are dependent on the area's commercial activity for their livelihood. At present, about 45% of the value of our Fire District is contained therein. The challenge of providing fire protection to this developing industrial park was first addressed by Clackamas Fire District in 1967 when it purchased a parcel of land near SE 106th and Hwy 212 for a future fire station. Land was being grabbed up rapidly at that time and the District found itself hard pressed to find a suitable location at a fair price.

We soon realized, however, that the 106th site would not replace our present location, and yet, each was too near the other. In 1974 the District sold the 106th property and began the search anew. A 1.93 acre parcel was at last located on SE 130th that suited our needs perfectly. Negotiations for purchase were completed in 1976.

PREVENT

PROTECT

PRESERVE

The property is situated in the geographical center of our Fire District and is in close proximity to main transportation routes. The site will permit rapid deployment of equipment to the industrial area, as well as cut response times to Carver by three to four minutes. Its location in the center of an industrial zone assures that there are few neighbors to be bothered by after-hours training activities or emergency response of emergency equipment. The site enhances the value of the zone by assuring prompt and adequate emergency protection.

A four tiered plan was enacted by the District to fully develop the potentialities of the new fire station site. Briefly stated, the plan is:

1. Site preparation and engineering.
2. Purchase of an industrial fire pumper.
3. Construction of a training facility on-site.
4. Construction of the fire station.

Steps 1 through 3 have been completed at an investment of about \$600,000. Completion of the final phase depends on the ability of the Fire District to generate the approximately \$500,000 necessary for construction of the fire station. The Fire Board has determined that they do not wish to bond due to the long-term burden and high costs such actions place on the taxpayers. So far, we have been able to fund the necessary capital projects from our annual budget while maintaining a modest tax rate.

Our plans call for the fire station to be built by 1988. Last year that task was begun with the creation of a facility development reserve fund in our annual budget. A total of \$60,000 was placed in the fund in fiscal 83-84; we are planning to increase that amount by \$100,000 in fiscal 84-85.

The creation of a tax increment financing district in the Clackamas Industrial zone, without including a fire station as one of the improvement projects, could severely limit the ability of the Fire District to meet the fire protection needs of the area. The Fire Board is opposed to raising taxes, yet would be faced with just that if it were necessary to fund both the normal operation of the Fire Department, and the construction of the fire station, under the "frozen" assessed value created by the TIF. I'm sure that under such conditions the Fire Board would elect not to continue the project, thereby affecting the commercial desirability of the area in the long run. The fire station is a vital part of the Clackamas Industrial Area. It is fitting that it should be an improvement project of the tax increment financing district.

Sincerely,


Conrad R. Kristensen
Fire Chief

c: Board of Directors