

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Session Worksheet**

**Presentation Date:** 7/12/16   **Approx Start Time:** 10:30 am   **Approx Length:** 30 min

**Presentation Title:** Proposed Milwaukie Urban Renewal Plan

**Department:** County Administration

**Presenters:** Nancy Newton, Deputy County Administrator; City of Milwaukie Mayor Mark Gamba; Elaine Howard, Consultant for the City of Milwaukie

**Other Invitees:** City of Milwaukie Councilor Wilda Parks; Alma Flores, City of Milwaukie Community Development Director; Denny Egner, City of Milwaukie Planning Director

**WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

No action is requested at this time. Representatives from the City of Milwaukie are appearing before the Board in order to provide information regarding amendments to their proposed urban renewal plan and answer any questions the Board may have. The City has provided official transmission of the proposed Milwaukie Urban Renewal Plan which is included in the policy session materials.

The legal requirements for the adoption of an urban renewal plan stipulate that the proposed urban renewal plan be sent to representatives of overlapping taxing districts. Although the approval of the overlapping taxing districts is not required, the City Council for the City of Milwaukie is required to respond specifically to any written recommendations of the districts. Written comments must be submitted to the City of Milwaukie by July 19, 2016.

**EXECUTIVE SUMMARY:**

This policy session comes before the Board of County Commissioners after substantial work, analysis and review conducted by the City of Milwaukie Council, staff, consultants, stakeholders and public. The proposed Milwaukie Urban Renewal Plan is the result of the Moving Forward Milwaukie project that began in June 2012 and was completed in December 2015. The goal of the Moving Forward Milwaukie project was to remove barriers and encourage appropriate development in Milwaukie's commercial areas, including Downtown Milwaukie, Central Milwaukie and the Neighborhood Main streets of 32<sup>nd</sup> and 42<sup>nd</sup> avenues. As a result of the efforts, the planning actions included opportunity site planning, approval of an Action and Implementation Work Program, zoning text and map amendments, revisions to the Downtown and Riverfront Framework Plan, and adoption of a new Central Milwaukie Land Use and Transportation Framework Plan. Urban Renewal was recommended as an implementation tool in in both the Downtown and Central Milwaukie documents.

The urban renewal process began in May, 2015 when the City of Milwaukie Council adopted its goals for the 2015-16 fiscal year which included developing an "Urban Renewal Strategy for the Downtown and North Industrial Area."

The City of Milwaukie Council held several work sessions to study issues related to urban renewal and heard presentations from ECONorthwest and consultant Elaine Howard. In December, 2015 the City of Milwaukie Council adopted a resolution directing staff and the

consultant team to develop a draft urban renewal plan for the downtown and central Milwaukie urban renewal area. On February 2, 2016 the Council adopted a resolution creating the Milwaukie Urban Renewal Advisory Group (MURAG) and appointed members to the group.

The MURAG was comprised of community leaders, staff and taxing district representatives. They met to review components of the Plan and Report (Report) accompanying the Plan, specifically the goals and objectives, projects, amendment procedures, duration of the Plan, funding and financial tables in the Report. MURAG voted unanimously with one abstention to forward the Plan and Report to the Milwaukie Redevelopment Commission for their consideration. In June, 2016 the City of Milwaukie Redevelopment Commission reviewed the proposed Plan and passed a motion to send it through the formal review process.

The Milwaukie City Council is scheduled to have a public hearing on the proposed Milwaukie Urban Renewal Plan on August 2, 2016. They will vote on the proposed Milwaukie Urban Renewal Plan on August 16, 2016. Both meetings will be held at the Milwaukie City Hall on 10722 SE Main Street at 6:00 pm.

The proposed Milwaukie Urban Renewal Plan area (Area) consists of approximately 260.62 acres of land including rights of way and incorporates the majority of the downtown properties and key properties in central Milwaukie. The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped. The Area has many properties that are undeveloped or underdeveloped and lacks sufficient infrastructure. The specific projects proposed (Sections IV and V) include economic development, infrastructure and public amenities. Examples include business tenant improvements; a small business development fund; developer assistance; downtown Main Street enhancements and many improvements along McLoughlin Boulevard. Other proposed transportation projects include improving pedestrian crossings at 37<sup>th</sup> Avenue, Oak Street, Monroe Street and Harrison Street.

Proposed public amenities include implementation of Phases 3 and 4 of the Riverfront Park master plan (including an amphitheater, fountain and restrooms); improvements to Dogwood Park and Scott Park and the creation of new parks and open spaces in Central Milwaukie. The Plan also proposes the removal of the Kellogg Dam which currently blocks fish passage through Kellogg Creek. This project would remove the dam, restore habitat and construct a bike/pedestrian undercrossing between downtown and Riverfront Park.

#### FINANCIAL IMPLICATIONS (current year and ongoing):

The proposed maximum indebtedness, the limit on the amount of funds that may be spent on administration, projects and programs in the Area is \$92,500,000. The maximum indebtedness does not include interest paid on any borrowing by the urban renewal agency. There is a proposed financing plan in the Report that shows that the Plan is financially feasible. It is understood that the Agency may make changes to the financing plan as needs and opportunities arise, typically during the annual budgeting process.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies applied to the growth in assessed value in the Area. The projections for impacts on the taxing jurisdictions are estimated through FY 2045-46, twenty-nine years of tax increment collections.

Clackamas Community College and the North Clackamas School District have outstanding general obligation bonds approved by voters prior to 2001. In accordance with ORS 457, these bonds will be included in the tax rate used to calculate tax increment revenues for a new urban renewal area. Both of these bonds are scheduled to be repaid in full by FYE 2020. As shown on the table below (Table 16 from the "Report Accompanying Milwaukie Urban Renewal Plan"), the proposed Milwaukie Urban Renewal Area will cause a very small increase in the amount of these tax rates through FYE 2020, when the bonds expire.

FYE	Impact of Milwaukie UR on Tax Rates (per \$1,000 AV)			GO Bond Tax Rates (per \$1,000 AV)		Annual GO Bond Property Tax Paid per \$100,000 AV		
	Clackamas CC	N. Clack. SD	Total	Without UR	With UR	Without UR	With UR	Impact of UR
2016	0.0000	0.0000	0.0000	0.9779	0.9779	\$97.79	\$97.79	\$0.00
2017	0.0000	0.0000	0.0000	0.9477	0.9477	\$94.77	\$94.77	\$0.00
2018	0.0000	0.0006	0.0006	0.9441	0.9447	\$94.41	\$94.47	\$0.06
2019	0.0001	0.0000	0.0001	0.1564	0.1565	\$15.64	\$15.65	\$0.01
2020	0.0001	0.0006	0.0007	0.4170	0.4177	\$41.70	\$41.77	\$0.07
<b>Total</b>						<b>\$344.31</b>	<b>\$344.45</b>	<b>\$0.14</b>

The combined increase in tax rates will be no more than \$0.0007 per \$1,000 of assessed value in any year. For a property with \$100,000 in assessed value, the annual impact on property tax bills would be no more than \$0.07, with a cumulative impact of \$0.14 over the life of the Plan. Any bonds issued after October, 2001 would not be impacted by the creation of a new urban renewal area.

One of the changes made by the 2009 Oregon legislature was instituting revenue sharing with impacted taxing jurisdictions. Revenue Sharing is based on the actual tax increment revenues generated and occurs at stipulated trigger points in the life of a Plan. The first trigger point is when the annual tax increment revenues are equal to 10% of the maximum indebtedness established for the Area. Revenue Sharing is not projected to commence before the termination of the Plan as the Area is not projected to meet revenue sharing targets at 10% of initial maximum indebtedness in the life of the Plan. If actual assessed value growth in the urban renewal area exceeds the projections made in the Plan, revenue sharing could occur.

**LEGAL/POLICY REQUIREMENTS:**

There are no legal changes or policy requirements at this time.

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

This policy session is in addition to the official notification provided by the City of Milwaukie. There is no official action needed from the Board.

**OPTIONS:**

If the Board desires to submit written comments, they must be submitted as specified above. Staff does not have any additional options to present at this time.

**RECOMMENDATION:**

There is no staff recommendation for this policy session.

**ATTACHMENTS:**

- June 22, 2016 letter from City of Milwaukie City Manager Bill Monahan to Deputy County Administrator Nancy Newton
- Taxing District Tables
- Milwaukie Urban Renewal Plan (draft)
- Report Accompanying the Milwaukie Urban Renewal Plan (draft)

**SUBMITTED BY:** Nancy Newton, Deputy County Administrator

For information on this issue or copies of attachments, please contact Nancy Newton at (503) 742-5918
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JUN 27 2016

DK, NN

June 22, 2016

Donald Krupp, County Administrator  
Clackamas County  
2051 Kaen Road  
Oregon City OR 97045

Re: Proposed Milwaukie Urban Renewal Plan

Dear Taxing District Representative,

The Milwaukie City Council is considering adoption of an ordinance to establish an urban renewal area that encompasses both downtown and central Milwaukie properties. The tax increment revenues from urban renewal would assist with economic development, infrastructure and public amenity projects that would enable this area to develop.

The legal requirements for the adoption of an urban renewal plan stipulate that the proposed urban renewal plan be sent to representatives of overlapping taxing districts. Although the approval of overlapping taxing districts is not required, the City Council is required to respond specifically to any written recommendations of the districts. This letter is the official transmission of the proposed Milwaukie Urban Renewal Plan. If you would like to provide written comments, they will be responded to by the Milwaukie City Council. Please provide any written comments by July 19, 2016.

The Milwaukie City Council is scheduled to have a public hearing on the proposed Milwaukie Urban Renewal Plan on August 2, 2016. They will vote on the proposed Milwaukie Urban Renewal Plan on August 16, 2016. Both meetings are at the Milwaukie City Hall 10722 SE Main Street, at 6:00 pm.

## BACKGROUND

The City of Milwaukie has had the following actions of urban renewal in the last year.

**June 21, 2016:** The Milwaukie Redevelopment Commission reviewed the Plan and passed a motion to send it through the formal review process.

**June 7, 2016:** The Council received a briefing from Elaine Howard on the Plan and Report and the process of preparing these documents to date.

**February 2, 2016:** The Council adopted a resolution creating the Milwaukie Urban Renewal Advisory Group and appointed members to group.

**December 15, 2015:** The Council adopted a resolution directing staff and the consultant team to develop a draft urban renewal plan for the downtown and central Milwaukie urban renewal area.



**December 1, 2015:** The Council held a work session and heard a presentation from Nick Popenuk of ECONorthwest regarding urban renewal feasibility in Milwaukie.

**November 3, 2015:** The Council held a work session at which the City's consultant team consisting of ECONorthwest and Elaine Howard provided an overview of issues related to urban renewal.

**June 30, 2015:** The City Council held a study session regarding their 2015 Goal to develop an urban renewal strategy for the downtown and the north industrial area.

**May 19, 2015:** The City Council adopted goals for the 2015-16 fiscal year including a goal to develop an "Urban Renewal Strategy for the Downtown and the North Industrial Area."

The Milwaukie Urban Renewal Plan (Plan) has been developed for the Milwaukie City Council (City Council) with the cooperative input of the Milwaukie Urban Renewal Advisory Group (MURAG), the Milwaukie Planning Commission meeting, the Milwaukie City Council hearing and the Clackamas County Commission meeting.

The MURAG was comprised of community leaders, staff and taxing district representatives. They met to review components of the Plan and Report accompanying the Plan (Report), specifically the goals and objectives, projects, amendment procedures, duration of the Plan, funding, and financial tables in the Report. MURAG voted unanimously with one abstention, to forward the Plan and Report to the Milwaukie Redevelopment Commission (MRC) for their consideration.

A public meeting was held on April 20, 2016 at which approximately eight citizens participated. There were presentation boards and staff and consultants who answered questions. In addition, the consultant was present at two Farmers' Markets, and two First Friday events where considerable input was received on project prioritization. Citizens responded that Economic Development was the top priority and Public Amenities, including park improvements, was the second priority.

The Plan contains goals, objectives, and projects for the development of the Milwaukie Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to overcome obstacles to the proper development of the Area.

## **PROPOSAL**

The Milwaukie Urban Renewal Plan area (Area) consists of approximately 260.62 acres of land including rights of way. The Area encompasses the majority of the downtown properties and key properties in central Milwaukie.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped. These areas can have old deteriorated buildings, public spaces which need improvements, a lack of investment, streets and utilities in poor condition or they can lack streets and utilities altogether. The Area has many properties that are undeveloped or under developed, and lacks sufficient infrastructure within the Area. The specific projects proposed in this Plan are outlined in Sections IV and V of the Plan and include economic development, infrastructure and public amenities.

Urban renewal is unique in that it brings its own financing source: tax increment financing (TIF). Tax increment revenues - the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to repay borrowed funds. The funds borrowed are used to pay for urban renewal projects.

Urban renewal is put into effect by the local government (the city in this case) adopting an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds borrowed for urban renewal projects, and states how the plan may be changed in the future.

The goals of the Plan are listed in Section III of the attached Plan.

## **FINANCING**

The proposed maximum indebtedness, the limit on the amount of funds that may be spent on administration, projects and programs in the Area is \$92,500,000. The maximum indebtedness does not include interest paid on any borrowing by the urban renewal agency. There is a proposed financing plan in the Report that shows that the Plan is financially feasible. It is understood that the Agency may make changes to the financing plan as needs and opportunities arise, typically during the annual budgeting process.

### **Impact on Taxing Jurisdictions**

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. The projections for impacts on the taxing jurisdictions are estimated through fiscal year (FY) 2045/46, twenty-nine years of tax increment collections.

Revenue sharing was a feature of the 2009 legislative changes in urban renewal law. Revenue sharing is based on the actual tax increment revenues generated and occurs at stipulated trigger points in the life of a Plan. Revenue sharing is based on the actual tax increment revenues generated and occurs at stipulated trigger points in the life of a Plan. The first trigger point is when the annual tax increment revenues are equal to 10% of the maximum indebtedness established for the Area. Revenue Sharing is not projected to commence before the termination of the Plan, as the Area is not projected to meet revenue sharing targets at 10% of initial maximum indebtedness in the life of the Plan. If actual assessed value growth in the urban renewal area exceeds the projections made in the urban renewal plan, revenue sharing could occur.

Two jurisdictions, Clackamas Community College and the North Clackamas School District, have outstanding general obligation (GO) bonds approved by voters prior to 2001. In accordance with ORS 457, these bonds will be included in the tax rate used to calculate tax increment revenues for a new urban renewal area. Both of these bonds are scheduled to be repaid in full by FYE 2020. As shown in Table 16, the Milwaukie Urban Renewal Area will cause a very small increase in the amount of these tax rates through FYE 2020, when the bonds expire. The combined increase in tax rates will be no more than \$0.0007 per \$1,000 of assessed value in any year. For a property with \$100,000 in assessed value, the annual impact on property tax bills would be no more than \$0.07,

with a cumulative impact of only \$0.14 over the life of the Urban Renewal Plan. Any bonds issued after October, 2001 would not be impacted by the creation of a new urban renewal area.

The North Clackamas 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 urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the State level.

### **PROCESS FOR REVIEW**

The process for final review of the Plan and Report include the following steps:

July 12	Planning Commission review
July	Presentation to Clackamas County Commission
June/July	Notice to property owners in Milwaukie Pilot
August 2	City Council Public Hearing
August 16	City Council Vote

The draft Milwaukie Urban Renewal Plan and Report are enclosed with this letter. For more information, please contact Denny Egner, Planning Director at (503) 786-7654  
EgnerD@milwaukieoregon.gov.

Sincerely,



Bill Monahan  
City Manager

#### Attachments:

1. Taxing District Tables
2. Milwaukie Urban Renewal Plan (draft)
3. Report Accompanying the Milwaukie Urban Renewal Plan (draft)



Tables 1a and 1b show the projected impacts to the taxing districts as a result of the proposed Milwaukie Urban Renewal Plan.

**Table 1a – Projected Impact on Taxing District Permanent Rate Levies - General Government**

FYE	Clackamas County Perm	County Extension & 4H Perm	County Library Perm	County Soil and Water Perm	Fire District #1 Perm	North Clackamas Park Perm	City of Milwaukie Perm	Port of Portland Perm	Metro Perm	Vector Control Perm	Subtotal
2018	-\$19,262	-\$401	-\$3,184	-\$401	-\$19,238	-\$4,312	-\$33,143	-\$562	-\$774	-\$52	-\$81,329
2019	-\$38,606	-\$803	-\$6,381	-\$803	-\$38,557	-\$8,642	-\$66,425	-\$1,126	-\$1,551	-\$104	-\$162,998
2020	-\$70,205	-\$1,460	-\$11,604	-\$1,460	-\$70,117	-\$15,716	-\$120,795	-\$2,047	-\$2,821	-\$190	-\$296,415
2021	-\$156,119	-\$3,247	-\$25,806	-\$3,247	-\$155,925	-\$34,949	-\$268,621	-\$4,552	-\$6,273	-\$422	-\$659,161
2022	-\$192,521	-\$4,004	-\$31,823	-\$4,004	-\$192,281	-\$43,097	-\$331,255	-\$5,613	-\$7,735	-\$521	-\$812,854
2023	-\$250,718	-\$5,214	-\$41,442	-\$5,214	-\$250,405	-\$56,125	-\$431,389	-\$7,310	-\$10,074	-\$678	-\$1,058,569
2024	-\$292,110	-\$6,075	-\$48,284	-\$6,075	-\$291,746	-\$65,391	-\$502,609	-\$8,517	-\$11,737	-\$790	-\$1,233,334
2025	-\$364,634	-\$7,583	-\$60,272	-\$7,583	-\$364,179	-\$81,626	-\$627,395	-\$10,632	-\$14,651	-\$986	-\$1,539,541
2026	-\$410,929	-\$8,546	-\$67,924	-\$8,546	-\$410,416	-\$91,990	-\$707,049	-\$11,982	-\$16,511	-\$1,111	-\$1,735,004
2027	-\$443,647	-\$9,227	-\$73,332	-\$9,227	-\$443,094	-\$99,314	-\$763,346	-\$12,936	-\$17,826	-\$1,199	-\$1,873,148
2028	-\$474,045	-\$9,859	-\$78,357	-\$9,859	-\$473,454	-\$106,119	-\$815,649	-\$13,822	-\$19,047	-\$1,282	-\$2,001,493
2029	-\$505,659	-\$10,516	-\$83,582	-\$10,516	-\$505,028	-\$113,196	-\$870,043	-\$14,744	-\$20,317	-\$1,367	-\$2,134,968
2030	-\$538,537	-\$11,200	-\$89,017	-\$11,200	-\$537,865	-\$120,556	-\$926,614	-\$15,702	-\$21,638	-\$1,456	-\$2,273,785
2031	-\$572,730	-\$11,911	-\$94,669	-\$11,911	-\$572,015	-\$128,210	-\$985,447	-\$16,699	-\$23,012	-\$1,548	-\$2,418,152
2032	-\$608,291	-\$12,651	-\$100,547	-\$12,651	-\$607,532	-\$136,171	-\$1,046,633	-\$17,736	-\$24,441	-\$1,645	-\$2,568,298
2033	-\$645,274	-\$13,420	-\$106,660	-\$13,420	-\$644,469	-\$144,450	-\$1,110,268	-\$18,814	-\$25,927	-\$1,745	-\$2,724,447
2034	-\$683,737	-\$14,220	-\$113,018	-\$14,220	-\$682,884	-\$153,060	-\$1,176,447	-\$19,936	-\$27,472	-\$1,849	-\$2,886,843
2035	-\$723,738	-\$15,052	-\$119,630	-\$15,052	-\$722,835	-\$162,015	-\$1,245,274	-\$21,102	-\$29,080	-\$1,957	-\$3,055,735
2036	-\$765,339	-\$15,917	-\$126,506	-\$15,917	-\$764,384	-\$171,328	-\$1,316,853	-\$22,315	-\$30,751	-\$2,069	-\$3,231,379
2037	-\$808,604	-\$16,816	-\$133,658	-\$16,816	-\$807,595	-\$181,013	-\$1,391,296	-\$23,577	-\$32,489	-\$2,186	-\$3,414,050
2038	-\$853,600	-\$17,752	-\$141,095	-\$17,752	-\$852,535	-\$191,085	-\$1,468,717	-\$24,889	-\$34,297	-\$2,308	-\$3,604,030
2039	-\$900,396	-\$18,725	-\$148,830	-\$18,725	-\$899,273	-\$201,561	-\$1,549,234	-\$26,253	-\$36,178	-\$2,434	-\$3,801,609
2040	-\$949,064	-\$19,738	-\$156,875	-\$19,738	-\$947,879	-\$212,456	-\$1,632,972	-\$27,672	-\$38,133	-\$2,566	-\$4,007,093
2041	-\$999,678	-\$20,790	-\$165,241	-\$20,790	-\$998,431	-\$223,786	-\$1,720,060	-\$29,148	-\$40,167	-\$2,703	-\$4,220,794
2042	-\$1,052,317	-\$21,885	-\$173,942	-\$21,885	-\$1,051,004	-\$235,570	-\$1,810,631	-\$30,683	-\$42,282	-\$2,845	-\$4,443,044
2043	-\$1,107,061	-\$23,023	-\$182,991	-\$23,023	-\$1,105,680	-\$247,825	-\$1,904,825	-\$32,279	-\$44,481	-\$2,993	-\$4,674,181
2044	-\$1,163,995	-\$24,208	-\$192,402	-\$24,208	-\$1,162,543	-\$260,570	-\$2,002,787	-\$33,939	-\$46,769	-\$3,147	-\$4,914,568
2045	-\$1,223,207	-\$25,439	-\$202,189	-\$25,439	-\$1,221,680	-\$273,825	-\$2,104,667	-\$35,665	-\$49,148	-\$3,307	-\$5,164,566
2046	-\$1,284,787	-\$26,720	-\$212,368	-\$26,720	-\$1,283,184	-\$287,610	-\$2,210,622	-\$37,461	-\$51,622	-\$3,474	-\$5,424,568
<b>Total</b>	<b>-\$18,098,810</b>	<b>-\$376,402</b>	<b>-\$2,991,629</b>	<b>-\$376,402</b>	<b>-\$18,076,228</b>	<b>-\$4,051,568</b>	<b>-\$31,141,066</b>	<b>-\$527,713</b>	<b>-\$727,204</b>	<b>-\$48,934</b>	<b>-\$76,415,956</b>

Source: ECONorthwest



**Table 1b – Projected Impact on Taxing District Permanent Rate Levies – Education**

FYE	Clackamas CC	Clackamas ESD	North Clackamas SD	Subtotal	Total
	Perm	Perm	Perm		
2018	-\$4,472	-\$2,954	-\$39,019	-\$46,445	-\$127,774
2019	-\$8,963	-\$5,920	-\$78,202	-\$93,085	-\$256,083
2020	-\$16,300	-\$10,766	-\$142,211	-\$169,277	-\$465,692
2021	-\$36,247	-\$23,942	-\$316,245	-\$376,434	-\$1,035,595
2022	-\$44,699	-\$29,524	-\$389,983	-\$464,206	-\$1,277,060
2023	-\$58,211	-\$38,449	-\$507,870	-\$604,530	-\$1,663,099
2024	-\$67,821	-\$44,797	-\$591,718	-\$704,336	-\$1,937,670
2025	-\$84,660	-\$55,919	-\$738,627	-\$879,206	-\$2,418,747
2026	-\$95,408	-\$63,019	-\$832,403	-\$990,830	-\$2,725,834
2027	-\$103,005	-\$68,036	-\$898,680	-\$1,069,721	-\$2,942,869
2028	-\$110,062	-\$72,698	-\$960,256	-\$1,143,016	-\$3,144,509
2029	-\$117,402	-\$77,546	-\$1,024,294	-\$1,219,242	-\$3,354,210
2030	-\$125,036	-\$82,588	-\$1,090,894	-\$1,298,518	-\$3,572,303
2031	-\$132,975	-\$87,832	-\$1,160,158	-\$1,380,965	-\$3,799,117
2032	-\$141,231	-\$93,285	-\$1,232,192	-\$1,466,708	-\$4,035,006
2033	-\$149,818	-\$98,957	-\$1,307,108	-\$1,555,883	-\$4,280,330
2034	-\$158,748	-\$104,856	-\$1,385,020	-\$1,648,624	-\$4,535,467
2035	-\$168,035	-\$110,990	-\$1,466,049	-\$1,745,074	-\$4,800,809
2036	-\$177,694	-\$117,370	-\$1,550,320	-\$1,845,384	-\$5,076,763
2037	-\$187,739	-\$124,005	-\$1,637,960	-\$1,949,704	-\$5,363,754
2038	-\$198,186	-\$130,905	-\$1,729,107	-\$2,058,198	-\$5,662,228
2039	-\$209,051	-\$138,082	-\$1,823,899	-\$2,171,032	-\$5,972,641
2040	-\$220,351	-\$145,545	-\$1,922,483	-\$2,288,379	-\$6,295,472
2041	-\$232,102	-\$153,307	-\$2,025,011	-\$2,410,420	-\$6,631,214
2042	-\$244,324	-\$161,380	-\$2,131,639	-\$2,537,343	-\$6,980,387
2043	-\$257,034	-\$169,775	-\$2,242,534	-\$2,669,343	-\$7,343,524
2044	-\$270,253	-\$178,506	-\$2,357,863	-\$2,806,622	-\$7,721,190
2045	-\$284,001	-\$187,587	-\$2,477,805	-\$2,949,393	-\$8,113,959
2046	-\$298,298	-\$197,031	-\$2,602,546	-\$3,097,875	-\$8,522,443
<b>Total</b>	<b>-\$4,202,126</b>	<b>-\$2,775,571</b>	<b>-\$36,662,096</b>	<b>-\$43,639,793</b>	<b>-\$120,055,749</b>

Source: ECONorthwest



Table 2 shows the tax revenues projected to be available to taxing jurisdictions once the Area is terminated. These are estimates only; changes in the economy may impact the projections. The table depicts the taxes from the frozen base of the Area that the taxing jurisdictions receive throughout the life of the Plan, and the taxes estimated from the additional taxes which will be received by the taxing jurisdictions once the Plan is terminated, estimated to be in FYE 2047. The final column estimates the total amount of taxes estimated for the year that the Plan is expected to be terminated.

**Table 2 – Additional Revenues Projected After Termination of Tax Increment Financing**

Taxing District	Tax Rate	Tax Revenue in FYE 2047 (year after expiration)		
		From Frozen Base	From Excess Value	Total
<b>General Government</b>				
Clackamas County	2.4042	\$332,940	\$1,419,821	\$1,752,761
County Extension & 4H	0.0500	\$6,924	\$29,528	\$36,452
County Library	0.3974	\$55,033	\$234,688	\$289,721
County Soil and Water	0.0500	\$6,924	\$29,528	\$36,452
Fire District #1	2.4012	\$332,525	\$1,418,050	\$1,750,575
North Clackamas Park	0.5382	\$74,531	\$317,839	\$392,370
City of Milwaukie	4.1367	\$572,861	\$2,442,964	\$3,015,825
Port of Portland	0.0701	\$9,708	\$41,398	\$51,106
Metro	0.0966	\$13,377	\$57,048	\$70,425
Vector Control	0.0065	\$900	\$3,839	\$4,739
<i>Subtotal</i>	10.1509	\$1,405,724	\$5,994,702	\$7,395,687
<b>Education</b>				
Clackamas CC	0.5582	\$77,301	\$329,650	\$406,951
Clackamas ESD	0.3687	\$51,059	\$217,739	\$268,798
North Clackamas SD	4.8701	\$674,425	\$2,876,080	\$3,550,505
<i>Subtotal</i>	5.7970	\$802,784	\$3,423,469	\$4,226,254
<b>Total</b>	<b>15.9414</b>	<b>\$2,207,608</b>	<b>\$9,414,333</b>	<b>\$11,621,941</b>

Source: ECONorthwest



# Milwaukie Urban Renewal Plan

DRAFT

Adopted by the City of Milwaukie

Date

Ordinance No.

Draft 4 – June 22, 2016

ECONorthwest

Elaine Howard Consulting, LLC

List of Participants

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Wilda Parks, Position 3  
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Associate Planner: Vera Kolias  
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City Manager Bill Monahan (Ex-Officio)  
Casey Camors, Finance Director (Ex-Officio)  
Sine Adams, Planning Commission Chair  
Ray Bryan, Downtown Milwaukie Neighborhood  
Kim Travis, Ardenwald Neighborhood  
Zac Perry, Linwood Neighborhood  
Kathy Lyle, Downtown Business Association  
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Troy Reichlein, business owner  
Dave Knight, business owner  
Kimberly Maguire, business owner  
Tory McVay, Milwaukie School District  
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## I. DEFINITIONS

“Advisory Group” means the committee composed of public officials and stakeholders to provide input on the Milwaukie Urban Renewal Plan. Those members are identified on the acknowledgement page of the urban renewal plan.

“Redevelopment Commission” means the Milwaukie Redevelopment Commission. This Redevelopment Commission is the urban renewal agency responsible for administration of the urban renewal plan. In Milwaukie, the Redevelopment Commission is the Milwaukie City Council.

“Annual report” means annual report on impacts to taxing jurisdictions and former year and following year budgets as required in ORS 457.460.

“Area” means the properties and rights of way located with the Milwaukie urban renewal boundary.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the urban renewal plan.

“City” means the city of Milwaukie, Oregon.

“City Council” or “Council” means the City Council of the city of Milwaukie.

“Comprehensive Plan” means the city of Milwaukie comprehensive land use plan and its implementing ordinances, policies and standards.

“County” means Clackamas County.

“Fiscal year” means the year commencing on July 1 and closing on June 30.

“Frozen base” means the total assessed value including all real, personal, manufactured and utility values within an urban renewal area at the time of adoption. The County Assessor certifies the assessed value after the adoption of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“Milwaukie Transportation Systems Plan (TSP)” means the transportation system plan adopted by the Milwaukie City Council.

“ORS” means the Oregon revised statutes and specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Milwaukie Planning Commission.

“Revenue Sharing” means sharing tax increment proceeds as defined in ORS 457.470.

“Tax increment financing (TIF)” means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“Under-levy” means taking less than the available tax increment in any year as defined in ORS 457.455.

“Urban renewal agency” or “Agency” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for administration of the urban renewal plan.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3).

## II. INTRODUCTION

The Milwaukie Urban Renewal Plan (Plan) has been developed for the Milwaukie City Council (City Council) with the cooperative input of an Urban Renewal Advisory Group (Advisory Group) and additional community input.

The Advisory Group met four times to review components of the Plan and Report accompanying the Plan (Report), specifically the boundary, goals and objectives, projects, amendment procedures, duration of the Plan, financing and draft Plan and Report. The Advisory Group voted unanimously with one abstention, to forward the Plan and Report to the Milwaukie Redevelopment Commission for their consideration.

Several additional opportunities were available for public input including an Open House on April 20, 2016, two First Friday events, and two Farmer's Market events. Staff and the consultant provided background information on the proposed plan, projects and on the process for adoption of an urban renewal plan. Information was also placed on the city's website.

In addition, the consultant and city staff briefed the Clackamas County Board of County Commissioners in July, 2016.

There was also opportunity for public input at the Milwaukie Redevelopment Commission (Redevelopment Commission) meeting, the Milwaukie Planning Commission (Planning Commission) meeting, and the City Council meeting.

The Plan contains goals, objectives, and projects for the development of the Milwaukie Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing (TIF) to overcome obstacles to the proper development of the Area.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in ORS 457. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities that are inadequate or in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area has infrastructure needs as identified in the Report and specifically cited in the ordinance for adoption of the urban renewal plan.

Urban renewal allows for the use of tax increment financing (TIF), a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed value in the urban renewal area from the time the urban renewal area is first established – are used to repay borrowed funds. The funds borrowed are used to pay for urban renewal projects.

In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities; assistance for rehabilitation or redevelopment of property; acquisition and re-sale of property (site assembly) from willing sellers; and improvements to public spaces. The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Milwaukie, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 260.62 total acres: 168.13 acres of land in parcels and 92.49 acres of public right-of-way.

The Plan will be administered by the Redevelopment Commission, which was established by the Milwaukie City Council as the city's Urban Renewal Agency. Substantial changes to the plan must be approved by the City Council as outlined in Section X of this Plan.

The Plan is accompanied by the Report that contains additional information, as required by ORS 457.085. The technical information in the Report includes:

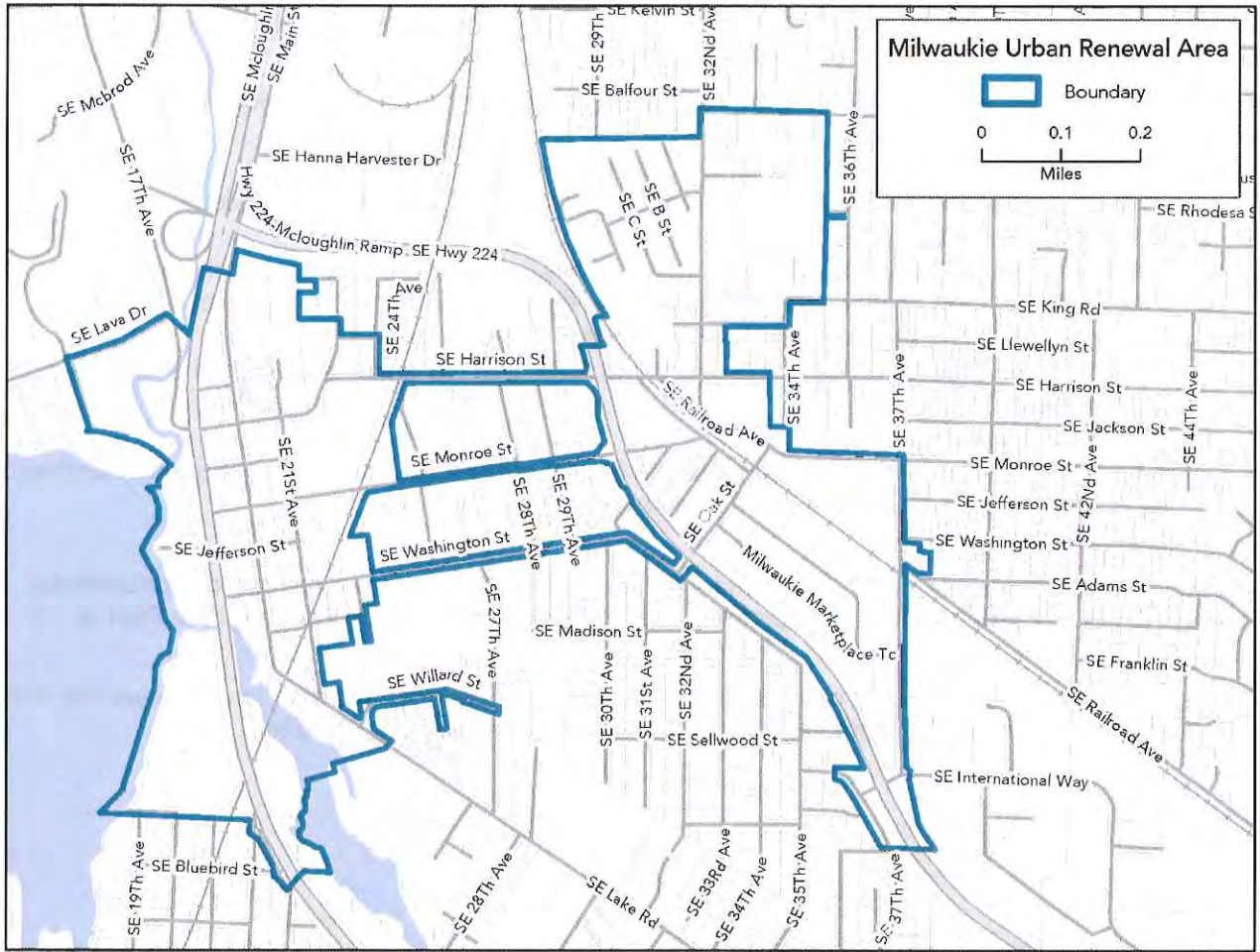
- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The estimated total cost of each project and the source of funds to pay such costs;
- The anticipated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

It is anticipated that the Plan will take 29 years to implement. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$92,500,000.

Future amendments will be listed numerically in this section of the Plan and then incorporated into the Plan document and noted by footnote as to amendment number and date adopted.



Figure 1 - Urban Renewal Area





### III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Redevelopment Commission intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XI, and were developed with input from the Milwaukie Urban Renewal Advisory Group. The goals and objectives will be pursued as economically as is feasible and at the discretion of the Redevelopment Commission. The goals and objectives are not ranked by priority.

#### **Goal 1: PUBLIC INVOLVEMENT**

- Provide opportunities for public input throughout the implementation process.
- Engage and inform stakeholders to maximize diverse participation in the revitalization of the downtown and Central Milwaukie.
- Ensure the opportunity for citizens to be involved in all phases of the urban renewal implementation process by providing accurate and timely information and genuinely encouraging public input and involvement.

#### **Objectives:**

1. Utilize ad hoc Advisory Groups to review major changes to projects, programs or goals and objectives in the Plan as identified in the Amendments section of the Plan in meetings that are open to the public.
2. Public participation might involve public meetings, surveys, open houses, workshops, polling, citizen's Advisory Groups and other forms of direct involvement with the public with the aim of offering opportunities to a diverse and typically unengaged groups of our citizenry.
3. Establish an ongoing Citizens' Advisory Group to assist the Redevelopment Commission in decisions regarding plan implementation as identified in the Amendments section of the Plan.

#### **Goal 2: ECONOMIC DEVELOPMENT/DEVELOPMENT**

- Reactivate Main Street to reestablish and strengthen lively storefront retail character with a pedestrian emphasis and 18-hour use.
- Enhance economic opportunities in downtown and Central Milwaukie.
- Support a downtown that is lively and active and includes a range of housing options.
- Complement, protect, and promote the continued growth and vitality of current businesses.
- Remove barriers and constraints to development.
- Capitalize on the light rail investment to serve as a catalyst for future investment and development.

#### **Objectives:**

1. Invest in catalyst projects that leverage public-private partnerships, incentives, and other tools that contribute to advancing multiple objectives of the Urban Renewal Plan.
2. Support the development of transit-oriented residential, commercial, employment and recreational uses that will benefit from and support light rail.

3. Implement pedestrian and bicycle system improvements that will enhance connectivity between downtown and central Milwaukie and surrounding residential and commercial areas.
4. Create a tool kit of Public-Private Partnership (PPP) tools that can be used to invest in appropriate catalyst projects.
5. Promote programs that help mitigate the impacts of gentrification by assisting existing businesses with their growth and viability.
6. Develop and implement wayfinding systems plans for the downtown and Central Milwaukie areas.
7. Encourage adaptive re-use of developed sites with vacant or underperforming buildings.
8. Encourage a mix of retail uses to support a downtown that is lively and active.
9. Encourage housing as part of new-mixed use development.
10. Proactively encourage development on vacant parcels.
11. Make publicly-owned sites available to developers.
12. Support affordable housing development.

**Goal 3: INFRASTRUCTURE: PUBLIC SPACES and TRANSPORTATION**

- Provide adequate infrastructure and public amenities to support new development.
- Enhance McLoughlin Boulevard as the primary entry point into downtown Milwaukie from the north and south.
- Improve pedestrian connections from the downtown commercial area to Riverfront Park and the Trolley Trail to enhance the sense of place for downtown visitors.
- Improve significant parks and open spaces.
- Improve access to and within Central Milwaukie for pedestrians, cyclists, and vehicles.

**Objectives:**

1. Improve connectivity in Downtown Milwaukie including streetscape improvements.
2. Enhance existing downtown parks.
3. Assist with funding of streetscape improvements (Public Area Requirements identified in the Public Works Standards) for catalyst projects.
4. Upgrade pedestrian and bicycle connections across McLoughlin Boulevard.
5. Provide gateway and entryway improvements along McLoughlin Boulevard.
6. Construct the South Downtown Plaza.
7. Provide additional public space amenities in Central Milwaukie.
8. Address transportation infrastructure deficiencies for Central Milwaukie.
9. Improve connectivity within the Central Milwaukie district with easily accessible multimodal pathways that are safe and attractive.

10. Facilitate creation of a more connected and complete street network within Central Milwaukie, especially through the Murphy and McFarland opportunity sites.
11. Improve external connections to the Central Milwaukie district.
12. Assist in the development of parking solutions in Downtown Milwaukie.

**Goal 4: SENSE OF PLACE**

- Build on existing assets Downtown, including local businesses, existing buildings, and the City's unique character.
- Foster a sense of place in Central Milwaukie by enhancing the identity of the area.
- Maintain an overall character complementary to and protective of surrounding neighborhoods.
- Feature the natural environment, especially the Willamette River.
- Strengthen Main Street as a source of pride and to ensure economic success.

**Objectives:**

1. Promote development of gateway and entryway projects.
2. Install downtown and Central Milwaukie wayfinding signage and heritage plaques.
3. Promote high-quality, urban design that is complementary to surrounding areas.
4. Employ parking management measures as needed to limit potential negative impacts of new development on residential parking needs.
5. Explore public-private partnerships to provide additional public space in Central Milwaukie.
6. Assist in the completion of streetscape improvements (Public Area Requirements) in Downtown Milwaukie.
7. Assist in improvements to existing and planned parks, plazas, and open spaces.

**Goal 5: FISCAL STEWARDSHIP**

- Work with taxing jurisdictions to both inform them of the annual project and financial activities of the urban renewal area and to evaluate opportunities to share tax increment revenues.

**Objectives:**

1. Send a copy of the annual report required by ORS 457.460 and financial report to all taxing jurisdictions, informing them of the activities of the urban renewal area.
2. Notify taxing jurisdictions of revenue sharing responsibilities and the timing of those responsibilities.
3. Reimburse city for annual costs in administering the urban renewal area.

#### **IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES**

The projects and activities within the Area are divided into the following main categories:

***Development/Economic Development***

***Infrastructure: Transportation Downtown and Central Milwaukie***

***Public Amenities: Parks and Open Space***

***Debt Service and Plan Administration***

#### **V. URBAN RENEWAL PROJECTS**

Urban renewal projects authorized by the Plan are described below.

***A. Development/Economic Development***

**1. Pre-Development Assistance for Development Opportunities**

Assist with the up-front costs of development on a site such as technical assistance, feasibility studies, and site planning, to name a few. Providing this assistance can incentivize investment in a development project.

**2. Tenant Improvements**

The goal of this program is to partner with downtown property and/or new business owners to encourage and fund high-quality tenant improvements to the interiors of vacant commercial spaces. The program would assist property owners in attracting businesses to locations that are difficult and costly to renovate, and incentivize new retail and restaurant businesses to locate within the Project Area.

**3. Small Business Development Fund**

The goal of this program is to provide funds and/or financing for things such as equipment and machinery, to help small and micro-businesses expand or become established in Milwaukie.

**4. Developer Assistance**

Develop public/private partnership tools that may include but not be limited to programs such as façade/storefront improvement, retail and food-related tenant improvement, a small business start-up fund, developer assistance (for catalytic projects: land assembly, SDC/permit write down, assistance with public area requirements, green building assistance, parking, utility relocations, adaptive re-use and other assistance), community economic development activities such as a bike share, affordable housing assistance (rent stabilization, and other anti-displacement strategies), technical assistance, feasibility studies, and site planning.

**5. Downtown Main Street Enhancements**

Urban renewal could fund a portion of some activities included in a Main Street Program in downtown, focusing on four elements: Design, Economic Vitality, Organization, and Promotions. The intent of a Main Street program is to work collaboratively with both private organizations and established City committees to achieve the following broad goals: create a visually appealing downtown; assist existing businesses in identifying and taking advantage of business opportunities and encourage prospective new businesses to locate in Downtown Milwaukie; develop a highly-functioning Main Street



organization; and promote the program and Downtown Milwaukie. Urban renewal expenditures would focus on design, planning, and capital projects related to the downtown Main Street corridor.

**B. Infrastructure: Transportation Downtown**

1. McLoughlin Boulevard Improvements

Improve the section of McLoughlin Boulevard north of Harrison Street to enhance pedestrian safety and signal visitors that they are entering downtown. Upgrade sidewalks where needed.

2. McLoughlin Boulevard Intersection Upgrades

Improve all existing crossings of McLoughlin Boulevard, using better signage and extended crossing times and distinctive crosswalk paving. Construct improvements at Harrison Street, Monroe Street, Jackson Street, Jefferson Street, and Washington Street to enhance bike/pedestrian crossings.

3. Pedestrian Bridge across McLoughlin Boulevard

Establish a dedicated bicycle and pedestrian connection across McLoughlin Boulevard.

4. Parking Solutions

Develop a variety of parking solutions, such as creative parking management tools, including the potential assistance in the development of structured parking as part of a larger mixed-use development that would service downtown uses.

5. Streetscape Improvements

Improvements to public spaces along streets have been installed at some locations in Downtown Milwaukie, but there are many blocks where the improvements have not been constructed. This project would assist in the installation of sidewalk bulb-outs, lighting, wider sidewalks, and pedestrian amenities consistent with the required public area street standards in Downtown Milwaukie.

**C. Infrastructure: Transportation Central Milwaukie**

1. Bike/Pedestrian Path Connections

The goal is to provide connections to and through Central Milwaukie for pedestrians and bicyclists. The projects include improving bicycle routes and pedestrian ways along Harrison Street, Railroad Avenue, Oak Street, 37th Avenue, and 29th Avenue. Provide connections to and through Central Milwaukie for pedestrians and bicyclists as designated in the Central Milwaukie Land Use & Transportation Plan and the Transportation Systems Plan. These connections include improvements on Campbell Street and Railroad Avenue. These improvements would enhance pedestrian connections and improve bike trails and facilities to increase safe and convenient multimodal access throughout the district. Designate and improve Primary Bicycle Routes along Harrison Street, Railroad Avenue, Oak Street, 37<sup>th</sup> Avenue, and 29<sup>th</sup> Avenue. Implement features to enhance pedestrian and cyclist safety.

Create a bicycle and pedestrian connection through the McFarland site from Railroad Ave to Oak Street which would help to provide better connectivity through Central Milwaukie. It will also provide a more direct connection from Railroad Avenue to the Monroe Street Neighborhood Greenway.

Create a bicycle and pedestrian connection through the Murphy Site from 31<sup>st</sup> Avenue to Meek Street in order to provide a north-south connection to central Milwaukie from the 29<sup>th</sup> Avenue bikeway. This



project would also include a path through the Clackamas County Housing Authority property north of the Murphy site.

Safe pedestrian connections do not currently exist along Oak, Myrtle, Penzance Streets and through the Milwaukie Marketplace commercial area. This project would develop and improve pedestrian connections along Oak, Myrtle, and Penzance Streets and the Milwaukie Marketplace.

2. Improved Access to Opportunity Sites

This project would provide improved vehicle access to the Murphy and McFarland development opportunity sites in Central Milwaukie, which would encourage investment in development of the sites.

3. Highway 224 Intersection Upgrades

This project would improve pedestrian crossings at 37th Avenue, Oak Street, Monroe Street, and Harrison Street. Improve intersection crossing safety for bicyclists at Washington Street and Oak Street.

4. Improve Transit Stops

This project would provide transit shelters as sites are developed and to ensure excellent transit service to Central Milwaukie. It would also add Transit Tracker and LED lighting units at main stops along bus routes.

5. Monroe Street Greenway Includes Monroe Street/Highway224

This project would implement central Milwaukie and downtown improvements for the Monroe Street Neighborhood Greenway which would implement the design concepts developed under an Oregon Department of Transportation grant and are expected to include lane striping, signage, and the application of sharrows, and potential traffic diverters.

**D. Public Amenities: Parks and Open Space**

1. South Downtown Plaza

As identified in the South Downtown Concept Plan, this project would construct a public plaza at the intersection of Adams Street and Main Street that connects the new light rail station with Main Street and creates a focal point at the south end of downtown.

2. Riverfront Park

This project would fund implementation of Phases 3 and 4 of the Riverfront Park master plan, which include a plaza, an amphitheater, a fountain, large restroom facilities, and additional landscaping.

3. Dogwood Park

This project would fund improvements to Dogwood Park as outlined in the South Downtown Concept Plan. An expanded Dogwood Park would be integrated to the north and east with the South Downtown Plaza and Main Street streetscape improvements, and to the south and west with the Kellogg Natural Area. A refined design for the South Downtown Plaza will include integration with Dogwood Park and will identify key improvements for the area.

4. Scott Park

This project would fund completion of remaining phases of improvements to Scott Park per the 1990 Scott Park Master Plan. Specific projects to be determined.

#### 5. New Parks and Open Spaces in Central Milwaukie

There are currently no parks in Central Milwaukie. This project would fund the development of new parks and opens spaces to serve Central Milwaukie as underdeveloped sites are preparing to develop. The project could also include exploring a partnership with Union Pacific Railroad to turn the small area at Railroad Avenue and Oak Street into a public park or install park improvements at the Murphy and McFarland sites.

#### 6. Gateway/Entryway Improvements on McLoughlin Boulevard

This project would install gateway and entryway signage at the north and south entrances to downtown along McLoughlin Boulevard. It would use elements such as gateway features, plantings, lighting, and related improvements to draw more traffic off of McLoughlin Boulevard and into downtown.

#### 7. Wayfinding Signage and Heritage Plaques

This project would fund the implementation of the 2016 downtown Wayfinding Systems Plan, including the installation of wayfinding signage and kiosks to aid residents and visitors in exploring Milwaukie by providing easy access to cultural and recreational opportunities within an area that can be easily accessed by foot, bicycle, and transit. This project would also fund the installation of heritage plaques to celebrate the architectural history of the city and describe Milwaukie's heritage and culture.

#### 8. Kronberg Park

This project would fund the implementation of the adopted 2015 Kronberg Park Master Plan, which includes the construction of a pathway in Kronberg Park to connect Kellogg Lake to south downtown.

#### 9. Kellogg Dam Removal

The Kellogg Dam currently blocks fish passage through Kellogg Creek. This project would replace the McLoughlin Boulevard Bridge over Kellogg Creek, remove the dam, and restore habitat, as well as construct a bike/pedestrian undercrossing between downtown and Riverfront Park.

### **E. Debt Service and Plan Administration**

This activity would allow for the repayment of costs associated with the implementation of the Milwaukie Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long- and short-term debt, relocation costs and other administrative costs, including the potential repayment of costs for any amendments of the urban renewal plan.

## **VI. PROPOSED LAND USES, MAXIMUM DENSITIES AND BUILDING REQUIREMENTS**

The proposed land uses, densities, and building requirements for the Area will comply with the Milwaukie Comprehensive Plan and Milwaukie Municipal Code as stated in those documents and incorporated herein by reference. If those documents change, those changes will be automatically incorporated into this Plan. The specific zones within the Area are:

### **Medium and High Density Residential:**

The medium and high density residential zones are intended to create and maintain higher density residential neighborhoods that blend a range of housing types with a limited mix of neighborhood-scale commercial, office, and institutional uses.

### **Downtown Zones:**

The downtown zones are Downtown Mixed Use Zone DMU and Open Space Zone OS. The zones are shown on Figure 19.304-1. These zones implement the Town Center and Public land use designations in the Milwaukie Comprehensive Plan. The downtown zones implement the Downtown and Riverfront Land Use Framework Plan and Milwaukie Comprehensive Plan.

The downtown and riverfront area is envisioned as the focus of the community. Two zones are designated to distinguish between areas intended for public open space and those intended for downtown development. Specific use, development, and design standards are adopted for the downtown zones to assure an active, attractive, and accessible environment for shoppers, employees, and residents.

#### **Downtown Mixed Use (DMU)**

The Downtown Mixed Use Zone provides for a wide range of uses, including retail, office, commercial, and residential—that will bring visitors to the downtown to live, work, shop, dine, and recreate. The desired character for this zone is a pedestrian-friendly and vibrant urban center, with a prominent main street and connections to the riverfront, and which includes buildings that are built to the right-of-way and oriented toward the pedestrian, with primary entries located along streets rather than parking lots.

#### **Open Space (OS)**

The Open Space Zone provides a specific zone to accommodate open space, park, and riverfront uses. The Open Space Zone is generally applied to lands that are in public ownership along the Willamette River, Kellogg Creek, Spring Creek, and Johnson Creek in the downtown area. The desired character for the Open Space Zone includes parkland, open space, and riverfront amenities.

### **Community Shopping (C-CS):**

Development shall be a community-scale shopping center including uses such as department store uses; drug and/or variety store uses; food supermarkets; and retail specialty shops.

**Business Industrial (BI):**

This section is adopted to implement the policies of the Comprehensive Plan for industrial land uses providing a mix of clean, employee-intensive, industrial and office uses, with associated services, in locations supportive of mass transit and the regional transportation network.

**General Mixed-Use (GMU):**

The General Mixed Use Zone is intended to recognize the importance of central Milwaukie as a primary commercial center and promote a mix of uses that will support a lively and economically robust district. It is also intended to ensure high-quality urban development that is pedestrian-friendly and complementary to the surrounding area.

**Limited Commercial (C-L):**

The Limited Commercial Zone is intended to allow small-scale commercial services within residential neighborhoods. These services provide convenience and whose activities generate a minimal amount of traffic and maintain the general character of a residential neighborhood.

**Low Density Residential:**

The low density residential zones are intended to create, maintain, and promote neighborhoods with larger lot sizes where the land use is primarily single-family dwellings. They allow for some non-household living uses but maintain the overall character of a single-family neighborhood.



## **VII. PROPERTY ACQUISITION AND DISPOSITION**

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use.

### ***A. Property acquisition for public improvements***

The Redevelopment Commission may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

### ***B. Property acquisition – from willing sellers***

The Plan authorizes Redevelopment Commission acquisition of any interest in property within the Area that the Redevelopment Commission finds is necessary to support private redevelopment, but only in those cases where the property owner wishes to convey such interest to the Redevelopment Commission. The Plan does not authorize the Redevelopment Commission to use the power of eminent domain to acquire property from a private party to transfer property to another private party for private redevelopment. Property acquisition from willing sellers may be required to support development of projects within the Area.

### ***C. Land disposition***

The Redevelopment Commission will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Redevelopment Commission may retain such property during the construction of the public improvement.

The Redevelopment Commission may dispose of property acquired under Subsection B of this Section VI by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the Redevelopment Commission, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in such plan. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Redevelopment Commission determines is reasonable.

## **VIII. RELOCATION METHODS**

When the Redevelopment Commission acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Redevelopment Commission shall adopt rules and regulations, as necessary, for the administration of relocation assistance.

## IX. TAX INCREMENT FINANCING OF THE PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on loans, usually in the form of tax increment bonds. The proceeds of the bonds are used to finance the urban renewal projects authorized in the Plan. Bonds may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

### **A. General description of the proposed financing methods**

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from the federal, state, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the Redevelopment Commission will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

### **B. Tax increment financing and maximum indebtedness**

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Redevelopment Commission, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$92,500,000 (ninety-two million five hundred thousand dollars). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds. It does include initial bond financing fees and interest earned on tax increment proceeds, separate from interest on bond proceeds.

## **X. FUTURE AMENDMENTS TO PLAN**

The Plan may be amended as described in this section.

### **A. Substantial Amendments**

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Redevelopment Commission, the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Milwaukie, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:

1. Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.
3. Increase the duration of the Plan beyond 31 years from first year of receipt of tax increment revenue.

### **B. Minor Amendments**

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457. Minor Amendments require approval by the Redevelopment Commission by resolution.

Increasing the duration of the Plan beyond 29 years to a limit of 31 years from first year of receipt of tax increment revenue is a minor amendment.

### **C. Amendments to the Milwaukie Comprehensive Plan and/or Milwaukie Zoning Ordinance**

Amendments to the Milwaukie Comprehensive Plan and/or Milwaukie Zoning Ordinance that affect the Urban Renewal Plan and/or the Urban Renewal Area shall be incorporated automatically within the Urban Renewal Plan without any separate action required by the Redevelopment Commission or the City Council.

## **XI. DURATION OF THE PLAN**

The Agency intends that it not collect tax increment revenues for the Area after FYE 2046. The Agency shall not initiate any urban renewal projects in the Area unless the Agency reasonably projects it will be able to pay for those projects from the proceeds of indebtedness issued on or before FYE 2046, and from other funds available to the Agency. Except as provided in the next sentence, all indebtedness that is secured by the tax increment revenues of the Area shall mature no later than FYE 2046, and the Agency shall structure all its indebtedness so that it can be paid in full from the tax increment revenues of the Area that the Agency reasonably projects it will receive on or before FYE 2046. The Agency may issue refunding indebtedness that matures after FYE 2046, only if issuing that refunding indebtedness is necessary to avoid a default on previously-issued indebtedness.

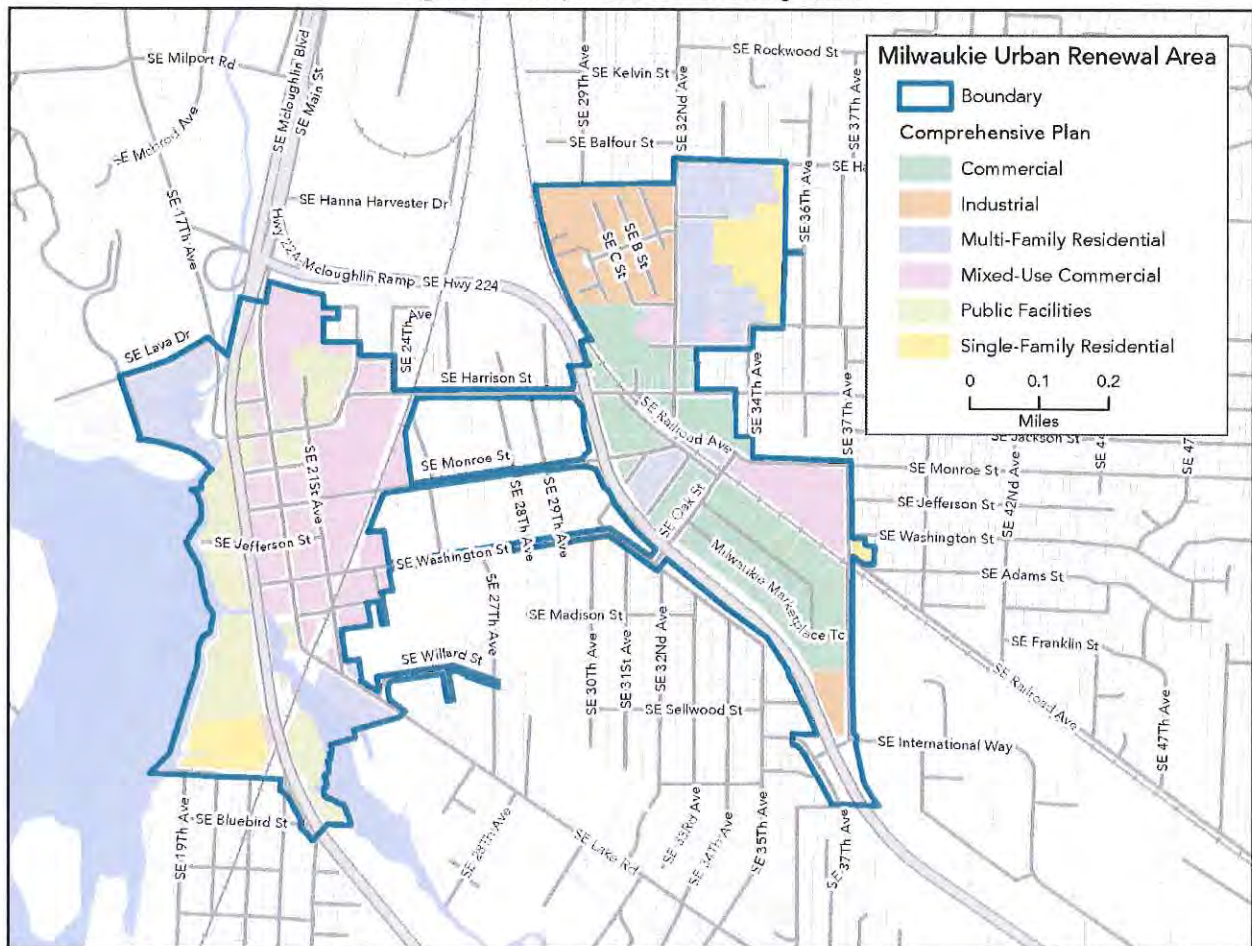


## XII. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the Milwaukie Comprehensive Plan and Municipal Code (Title 19: Zoning Ordinance), and the Transportation System Plan. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that *has* been taken directly from an original planning document. The Comprehensive Plan designations are shown in Figure 2. The maximum densities and building requirements are contained in the Milwaukie Zoning Ordinance. The proposed land uses conform to Figure 2.

This is not a comprehensive list of all parts of the Milwaukie Comprehensive Plan that are supported by this Plan. This list includes the major Goals and Policies from the Comprehensive Plan that are supported; however, there may be other Goals and Policies that are not listed, but are still supported by this Plan.

Figure 2 – Comprehensive Plan Designations



#### **A. Milwaukie Comprehensive Plan**

The Plan conforms to the Citizen Involvement, Land Use: Residential Land Use and Housing Element, Economic Base and Industrial/Commercial Land Use Element, Recreational Needs Element, Willamette Greenway Element, Neighborhood Element, Transportation, Public Facilities and Energy Conservation: Transportation Element, Public Facilities and Services Element, Energy Conservation Element sections of the Comprehensive Plan as it contains projects to upgrade the transportation infrastructure, to support existing business and allow for development of new businesses to create jobs, utilizing underutilized and/or blighted sites and improve public amenities throughout the Area.

#### **Chapter 1 - Citizen Involvement**

*Policy: Citizen Involvement To encourage and provide opportunities for citizens to participate in all phases of the planning process, to keep citizens informed and to open lines of communication for the sharing of questions, problems and suggestions regarding the Comprehensive Plan and land use regulations.*

The Plan conforms with the Citizen Involvement Section of the Comprehensive Plan as members of the neighborhood associations were on the Advisory Group and the process included many opportunities for public input including the Advisory Group meetings, Planning Commission hearing, City Council hearing, and six community events at which there was information about the urban renewal plan. Information was also posted to the City of Milwaukie website and articles published in the March, May, June, July and August editions of the Milwaukie Pilot.

#### **Chapter 4 - Land Use - Residential Land Use and Housing Element**

*GOAL STATEMENT: To provide for the maintenance of existing housing, the rehabilitation of older housing and the development of sound, adequate new housing to meet the housing needs of local residents and the larger metropolitan housing market, while preserving and enhancing local neighborhood quality and identity.*

#### **OBJECTIVE #1 — BUILDABLE LANDS**

*To utilize lands in the City according to their relative measure of buildability, based on land type classifications.*

The Plan conforms to the buildable lands objective as one of the goals in the Plan is to develop vacant and underutilized properties within the Area that may have residential uses as a component of the redevelopment. There are specific programs authorized in the Plan that would provide developer assistance.

#### **OBJECTIVE #2 — RESIDENTIAL LAND USE: DENSITY AND LOCATION**

*To locate higher density residential uses so that the concentration of people will help to support public transportation services and major commercial centers and foster implementation of the Town Center Master Plan.*

The Plan conforms to the residential land use: density and location objective as one of the goals in the Plan is to develop vacant and underutilized properties within the Area, , that is also part of the Town Center Master Plan, that may have residential uses as a component of the redevelopment. There are specific programs authorized in the Plan that would provide developer assistance.



**OBJECTIVE #4 — NEIGHBORHOOD CONSERVATION**

*To maximize the opportunities to preserve, enhance and reinforce the identity and pride of existing well-defined neighborhoods in order to encourage the long-term maintenance of the City's housing stock.*

The Plan conforms to the neighborhood conservation objective as a goal of the Plan is to preserve the downtown core and enhance opportunities in central Milwaukie, both of which will help support the existing residential neighborhoods.

**OBJECTIVE #5 — HOUSING CHOICE**

*To continue to encourage an adequate and diverse range of housing types and the optimum utilization of housing resources to meet the housing needs of all segments of the population.*

The Plan conforms to the housing choice objective as one of the goals in the Plan is to develop vacant and underutilized properties within the Area that may have residential as a component of the redevelopment. There are specific programs authorized in the Plan that would provide developer assistance, including affordable housing assistance.

**OBJECTIVE #6 – HOUSING ASSISTANCE**

*To assist low and moderate income households in obtaining housing which is consistent with other housing objectives and policies.*

The Plan conforms to the housing assistance objective as one of the goals in the Plan is to develop vacant and underutilized properties within the Area that may have residential as a component of the redevelopment. There are specific programs authorized in the Plan that would provide developer assistance, including affordable housing assistance.

***Economic Base and Industrial/ Commercial Land Use Element***

*GOAL STATEMENT: To continue to support and encourage the development of a broad industrial base in the City, and to encourage the expansion of service facilities in the community.*

**OBJECTIVE #1 — ECONOMIC DEVELOPMENT**

*The City will encourage an increase in the overall economic development activity within the City, will strive to retain existing businesses as well as actively attract new businesses, particularly those identified as having growth potential.*

The Plan conforms to the economic development objective as there are programs within the Plan designed to increase overall economic development activity for both existing businesses and attracting new businesses.

**OBJECTIVE #2 — EMPLOYMENT OPPORTUNITY**

*To continue to support a wide range of employment opportunities for Milwaukie citizens.*

The Plan conforms to the economic opportunity objective as there are programs within the Plan designed to increase overall economic development activity for both existing businesses and attracting new businesses, providing a range of employment opportunities for Milwaukie citizens.

OBJECTIVE #3 — COORDINATION

*To continue to participate in economic development and employment programs and develop a working partnership with the private sector and various agencies to meet the economic development needs of Milwaukie.*

The Plan conforms to the coordination objective as there are programs within the Plan designed to increase overall economic development activity for both existing businesses and attracting new businesses, coordinating with private sector and other agencies as opportunities occur.

OBJECTIVE #6 — COMMERCIAL LAND USE

*To encourage new commercial uses to locate within designated commercial areas of the City, in order to take maximum advantage of existing access and public facilities serving these areas.*

The Plan conforms to the commercial land use objective as there are underutilized and vacant commercial parcels included within the area where in the city intends to encourage economic development.

OBJECTIVE #8 — COMMERCIAL LAND USE: COMMUNITY CENTER

*To provide for the weekly and comparison goods shopping needs of the City's and surrounding areas' residents.*

The Plan conforms to the commercial land use: community center objective as there are underutilized and vacant commercial parcels included within the area where in the city intends to encourage economic development that could provide for the weekly and comparison goods shopping needs for the community.

OBJECTIVE #12 — TOWN CENTER

*To emphasize downtown Milwaukie and the expanded city center as a Town Center with the major concentration of mixed use and high density housing, office, and service uses in the City*

The Plan conforms to the Town Center objective as the downtown and the expanded city center, including central Milwaukie, are included in the urban renewal area with goals to increase mixed-use and high density housing, office and services in the Area.

OBJECTIVE #13 — MCLOUGHLIN BOULEVARD

*To provide for limited highway service uses along McLoughlin Boulevard while improving the visual and pedestrian-oriented linkages between downtown and the Willamette River, and making McLoughlin Boulevard more attractive.*

The Plan conforms to the McLoughlin Boulevard objective as projects are included within the plan to improve links between downtown and the Willamette River, making McLoughlin Boulevard more attractive.

OBJECTIVE #16 – CENTRAL MILWAUKIE

*To adopt and implement the Central Milwaukie Land Use and Transportation Plan as an ancillary document to the Comprehensive Plan and acknowledge the Central Milwaukie boundary as shown on Map 7.*



The Plan conforms to the Central Milwaukie objective as central Milwaukie is included in the urban renewal area and projects are included within the plan to enhance economic opportunities and improve access to the area for pedestrians, cyclists, and vehicles with the intent to improve central Milwaukie as a commercial center.

**Recreational Needs Element**

*GOAL STATEMENT: To provide for the recreational needs of present and future City residents by maximizing the use of existing public facilities, encouraging the development of private recreational facilities, and preserving the opportunity for future public recreational use of vacant private lands.*

**OBJECTIVE #6 — MAXIMIZATION OF EXISTING PARKS**

*To maximize the use of existing City parks consistent with their natural features and carrying capacity.*

The Plan conforms to the Maximization of Existing Parks objective as there are projects within the Plan to upgrade parks within the Area.

**OBJECTIVE #7 — RIVERFRONT RECREATION**

*To maximize the recreational use of the Willamette River shoreland and waterways.*

The Plan conforms to the Riverfront Recreation objective as one of the projects within the Plan is to assist in the completion of the Willamette Riverfront Park.

**Willamette Greenway Element**

*GOAL STATEMENT: To protect, conserve, enhance, and maintain the natural, scenic, Downtown, agricultural, economic, and recreational qualities of lands along the Willamette River as the Willamette River Greenway.*

**OBJECTIVE #5 — PUBLIC ACCESS AND VIEW PROTECTION**

*To provide, improve, and maintain public access and visual access within the Greenway and to the Willamette River and Kellogg Lake.*

The Plan conforms to the Riverfront Recreation objective as one of the projects within the Plan is to assist in the completion of the Willamette Riverfront Park and assist with improvements to Kellogg Lake.

**Neighborhood Element**

*GOAL STATEMENT: To preserve and reinforce the stability and diversity of the City's neighborhoods in order to attract and retain long-term residents and ensure the City's residential quality and livability.*

**OBJECTIVE #1 — NEIGHBORHOOD CHARACTER**

*To maintain the residential character of designated neighborhood areas.*

The Plan conforms to the neighborhood character objective as improvement to the downtown commercial core in Central Milwaukie will help support the neighborhood residential areas.

## OBJECTIVE #2 — NEIGHBORHOOD NEEDS

*To meet the needs of neighborhood areas for public facilities and services.*

The Plan conforms to the neighborhood needs objective as improvement to the downtown commercial core and Central Milwaukie will help support the neighborhood residential areas.

### **Chapter 5 - Transportation, Public Facilities and Energy Conservation**

*Policy: The City of Milwaukie has a responsibility to its present and future residents to provide a full range of urban services including streets, sewers and water, as well as police and fire protection. In order to create a healthy living environment and efficiently allocate public expenditures, the City believes that these public facilities must be planned prior to future growth, and continually upgraded and maintained once constructed. The Plan elements which address these concerns are:*

#### **Transportation Element**

*The Transportation System Plan (TSP) is an ancillary Comprehensive Plan document that contains the City's long-term transportation goals and policies for pedestrians, cyclists, drivers, transit users, and freight carriers. It provides for the coordination of transportation improvements at the local level and the integration of the local transportation system with the regional transportation system. It also identifies the transportation issues, policies, and projects that are important to the community.*

*Transportation goals form the basis for how the local transportation system will be developed and maintained over the long term. Given their importance, the City involved agency, business, and citizen stakeholders in developing goals that support a multimodal approach to transportation planning that reflects how citizens think about and experience the transportation system. Since they are equally important in different ways, they are not listed in order of importance or priority.*

*GOAL 1: Livability. Design and construct transportation facilities in a manner that enhances the livability of Milwaukie's community.*

The Plan conforms to the livability goal as there are transportation projects, specifically projects to allow the development of underutilized parcels in the Area, within the Plan that will enhance the livability of Milwaukie's community.

*GOAL 2: Safety. Develop and maintain a safe and secure transportation system.*

The Plan conforms to the safety goal as there are transportation projects, specifically projects to allow the development of underutilized parcels in the Area and to improve intersections and other connections and corridors, within the Plan that will enhance the safety of Milwaukie's transportation system.

*GOAL 3 Travel Choices. Plan, develop, and maintain a transportation system that provides travel choices and allows people to reduce the number of trips made by single-occupant vehicles.*

The Plan conforms to the travel choices goal as there are transportation projects, specifically projects to allow the development of underutilized parcels in the Area, and to improve intersections and other connections and corridors, within the Plan that will enhance the livability of Milwaukie's community. These projects include enhanced transportation options for pedestrians and bicyclists.

*GOAL 4: Quality Design. Establish and maintain a set of transportation design and development regulations that are sensitive to local conditions.*

The Plan conforms to the quality design goal as there are transportation projects, specifically projects to allow the development of underutilized parcels in the Area, within the Plan that will enhance the livability of Milwaukie's community. These projects will be constructed in conformance with Milwaukie's transportation design and development regulations.

*GOAL 5: Reliability and Mobility. Develop and maintain a well-connected transportation system that reduces travel distance, improves reliability, and manages congestion.*

The Plan conforms to the reliability and mobility goal as there are transportation projects, specifically projects to allow the development of underutilized parcels in the Area, within the Plan that will reduce travel distance, improve reliability and manage congestion.

*GOAL 6: Sustainability. Provide a sustainable transportation system that meets the needs of present and future generations.*

The Plan conforms to the sustainability goal as there are transportation projects, specifically projects to allow the development of underutilized parcels in the Area, within the Plan that will reduce travel distance, improve reliability and manage congestion. These projects include enhanced transportation options for pedestrians and bicyclists.

*GOAL 7: Efficient and Innovative Funding. Efficiently allocate available funding for recommended transportation improvements, and pursue additional transportation funding that includes innovative funding methods and sources.*

The Plan conforms to the efficient and innovative funding goal as there are transportation projects, specifically projects to allow the development of underutilized parcels in the Area, within the Plan that will allow the city to use funds other than the city's general fund to provide for recommended transportation improvements.

*GOAL 8: Compatibility. Develop a transportation system that is consistent with the City's Comprehensive Plan and coordinates with County, State, and regional plans.*

The Plan conforms to the compatibility goal as there are transportation projects, specifically projects to allow the development of underutilized parcels in the Area, within the Plan that will be coordinated by the city to ensure compliance with the comprehensive plan and coordination with the county, state and regional plans.

*GOAL 9: Economic Vitality. Promote the development of Milwaukie's, the region's and the state's economies through the efficient movement of people, goods and services, and the distribution of information.*

The Plan conforms to the economic vitality goal as there are transportation projects in the area that will promote the development of Milwaukie, the region, and the state economies through the efficient movement of people, goods and services, and the distribution of information.

### ***Public Facilities and Services Element***

*To plan, develop and maintain a timely, orderly and efficient arrangement of public facilities and services to serve urban development.*

### **OBJECTIVE #1 — PRIORITY**

*To ensure that adequate levels of public facilities and services are provided to existing City residents and businesses as a first priority as urban development or growth occurs.*

The Plan conforms to the Priority objective as public facilities including streets bike paths, and pedestrian facilities, will be upgraded within the Area.

#### **OBJECTIVE #2 — COORDINATION**

*To encourage cooperation and coordination between all public service agencies to maximize the efficient provision of all services.*

The Plan conforms to the Coordination objective as the city will coordinate with other public service agencies to maximize the efficient provision of both services. The urban renewal advisory group that helped with the development of the Plan had representatives of the Clackamas Fire District No. 1, Milwaukie School District, Clackamas Community College and Clackamas County.

#### ***Energy Conservation Element***

*GOAL STATEMENT: To conserve energy by encouraging energy efficient land use patterns and transportation systems, and by encouraging the construction industry and private homeowners to participate in energy conservation programs.*

#### **OBJECTIVE #1 — LAND USE**

*To encourage an energy efficient land use pattern.*

The Plan conforms to the commercial land use objective as there are underutilized and vacant commercial parcels included within the Area where in the city intends to encourage economic development that would encourage an energy efficient land use pattern.

#### **OBJECTIVE #2 — TRANSPORTATION SYSTEM**

*To encourage an energy efficient transportation system.*

The Plan conforms to the Transportation System objective as there are transportation projects, specifically projects to allow the development of underutilized parcels in the Area, within the Plan that will encourage an energy efficient transportation system.

#### ***B. Central Milwaukie Land Use and Transportation Plan – Ancillary document to the Milwaukie Comprehensive Plan***

*The Central Milwaukie Land Use and Transportation Plan was adopted by Ordinance #2110 on December 15, 2015. The document presents a land use and transportation framework for development and circulation in Central Milwaukie. Its purpose is to provide a cohesive vision for the area and facilitate future private and public investment that will meet community needs and desires while also achieving economic success.*

*The Guiding Principles are:*

- *Maintain and improve Central Milwaukie as the city's primary commercial center*
- *Foster a sense of place in Central Milwaukie by promoting an identity and*
- *a vision*
- *Enhance economic opportunities in the area*
- *Add a mix of uses to support a district*



- *that is lively and active*
- *Maintain an overall character complementary to and protective of surrounding neighborhoods*
- *Improve access to and within the area for pedestrians, cyclists, and vehicles*

*The Fundamental Concepts are:*

- *Facilitate development of the Murphy and McFarland opportunity sites*
- *Promote high-quality, urban design that is complementary to the surrounding area*
- *Encourage a range of housing types as a part of new mixed-use development*
- *Improve connectivity within the district with easily accessible multimodal pathways that are safe and attractive*
- *Improve external connections to the district*

The Plan conforms to the Central Milwaukie Land Use and Transportation Plan as there are specific projects including transportation upgrades and connectivity projects and programs that provide developer assistance identified within the Plan that will provide implementation tools for the Central Milwaukie Land Use and Transportation Plan.

**C. *Milwaukie Downtown and Riverfront Land Use Framework Plan - Ancillary document to the Milwaukie Comprehensive Plan***

*The Milwaukie Downtown and Riverfront Land Use Framework Plan was adopted by Ordinance #1880 on September 19, 2000, revised by Ordinance #2106, adopted September 1, 2015. The Milwaukie Downtown and Riverfront Land Use Framework Plan (Framework Plan) represents a major opportunity to reinvigorate downtown Milwaukie. With aggressive and focused efforts from both the public and private sectors over the coming years, downtown Milwaukie will be revitalized. This Framework Plan outlines the components necessary to make such a vision of Milwaukie a reality. It foremost builds upon existing assets, capitalizes upon significant existing uses, and features the natural environment. It also sets out a realistic agenda and implementation program that the City and private development can follow.*

*The Guiding Principles are:*

- Creating a Livable Community*
- Ensuring Economic Success*

*The Fundamental Concepts are:*

- Anchors and Attractors*
- The Main Street Retail Spine*
- McLoughlin Boulevard Commercial Corridor*
- 21<sup>st</sup> Avenue Mixed-Use Corridor*
- Connecting to the River*
- South Downtown Planning Area*

The Plan conforms to the Milwaukie Downtown and Riverfront Land Use Framework Plan as there are specific projects including parks projects, transportation upgrades and connectivity projects and programs that provide developer assistance identified within the Plan that will provide implementation tools for the Milwaukie Downtown and Riverfront Land Use Framework Plan.

**D. *Regional Center Master Plan***

*Adopted December 2, 1997 Ordinance #1826*

*The Milwaukie Regional Center Master Plan established the framework for the city center referenced in the Milwaukie Vision Statement. The Master Plan complies the objectives for housing, transportation, commercial, urban design and general land use changes in the Regional Center.*

The Plan conforms to the Regional Center Master Plan, as updated by the Milwaukie Downtown and Riverfront Land Use Framework Plan and the Central Milwaukie Land Use and Transportation Plan, as there are specific projects including transportation upgrades and connectivity projects and programs that provide developer assistance identified within the Plan.

#### **E. Transportation Systems Plan**

*The Milwaukie Transportation System Plan (TSP) is the City's long-term plan for transportation improvements and includes policies and projects that could be implemented through the City Capital Improvement Plan, development review, or grant funding. The 2007 TSP planning process was a great opportunity for the community to fully define its transportation goals and discuss how the whole transportation system could be improved to support livability in Milwaukie. The 2013 TSP update process provided an opportunity to ensure that the plan reflected current conditions and took into account the latest forecasts and projections.*

##### **Goals**

*Transportation goals and policies form the basis for how the local transportation system will be developed and maintained over the next 22 years. The City's transportation goals support a multimodal approach to transportation planning and reflect how citizens think about and experience Milwaukie's transportation system. The City's nine transportation goals are:*

*GOAL 1 Livability: Design and construct transportation facilities in a manner that enhances the livability of Milwaukie's community.*

*GOAL 2 Safety: Develop and maintain a safe and secure transportation system.*

*GOAL 3 TRAVEL CHOICES: Plan, develop, and maintain a transportation system that provides travel choices and allows people to reduce the number of trips made by single-occupant vehicles.*

*GOAL 4 QUALITY DESIGN: Establish and maintain a set of transportation design and development regulations that are sensitive to local conditions.*

*GOAL 5 RELIABILITY AND MOBILITY: Develop and maintain a well-connected transportation system that reduces travel distance, improves reliability, and manages congestion.*

*GOAL 6 SUSTAINABILITY: Provide a sustainable transportation system that meets the needs of present and future generations.*

*GOAL 7 EFFICIENT AND INNOVATIVE FUNDING: Efficiently allocate available funding for recommended transportation improvements, and pursue additional transportation funding that includes innovative funding methods and sources.*

*GOAL 8 COMPATIBILITY: Develop a transportation system that is consistent with the City's Comprehensive Plan and coordinates with County, State, and regional plans.*

*GOAL 9 ECONOMIC VITALITY: Promote the development of Milwaukie's, the region's, and the state's economies through the efficient movement of people, goods, and services, and the distribution of information.*

The Plan conforms to the Transportation Systems Plan as there are specific projects including transportation upgrades and connectivity projects identified within the Plan.

***Parks Master Plans***

There are master plans for Kronberg and Scott parks.

The Plan conforms to these master plans as there are specific projects identified within the Plan for the upgrading of these parks.

**XIII. APPENDIX A: LEGAL DESCRIPTION**

**INSERT TEXT LEGAL DESCRIPTION OF URBAN RENEWAL DISTRICT BOUNDARY THAT IS CONSISTENT WITH THE ENCLOSED MAP**





# REPORT ACCOMPANYING MILWAUKIE URBAN RENEWAL PLAN

Urban Renewal Plan Adopted by the City of Milwaukie

DATE Draft 4 – June 22, 2016

Ordinance No. \_\_\_\_

# Milwaukie Urban Renewal Area

ECONorthwest

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Ali Danko

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## **I. INTRODUCTION**

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

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the Milwaukie Urban Renewal Area (Area).

However, the Report provides only guidance on how the urban renewal plan might be implemented. As the Milwaukie Redevelopment Commission (Redevelopment Commission) reviews revenues and potential projects each year, they have the authority to make adjustments to the assumptions in this Report. They may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes, as allowed in the amendments section of the Plan.

## **II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES**

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

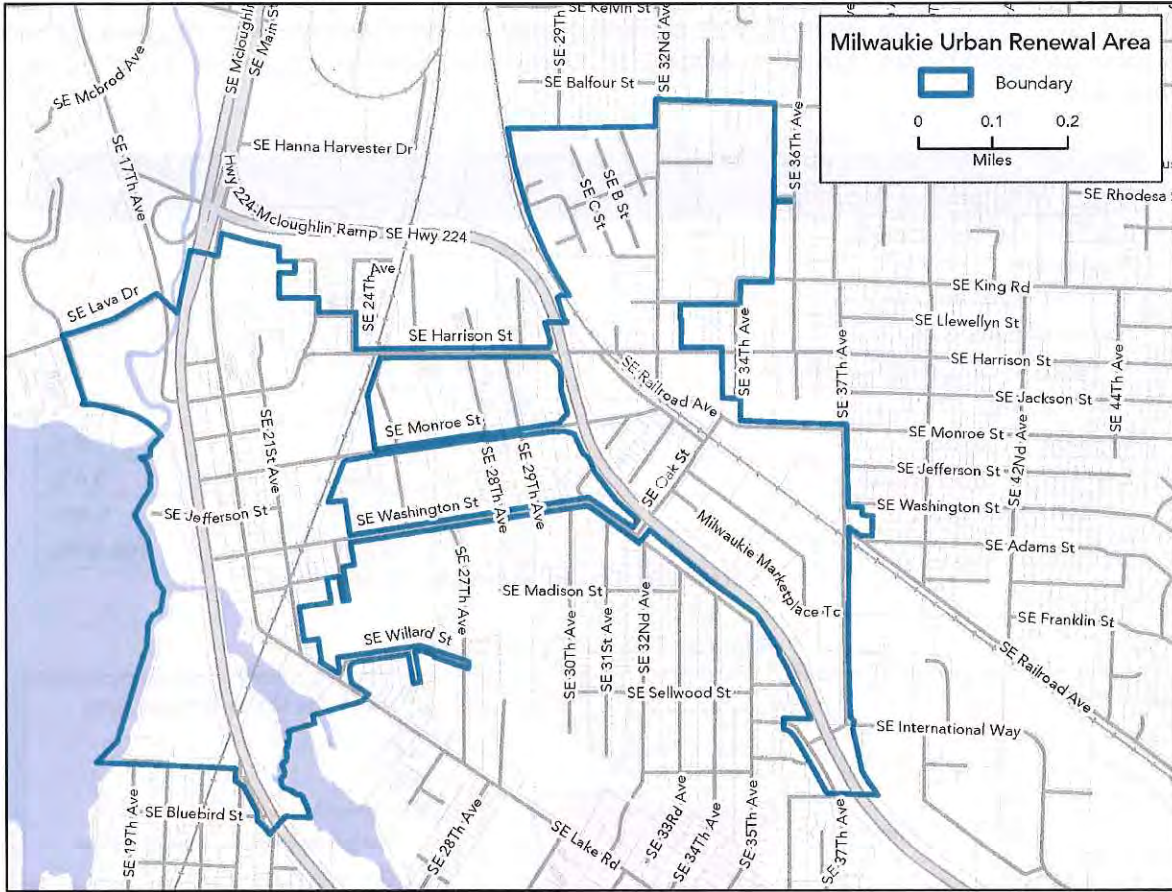
### **A. Physical Conditions**

#### **1. Land Use**

The Milwaukie Urban Renewal Area (Area) shown in Figure 1, contains 318 parcels consisting of 168.13 acres and 92.49 acres of right of way, for a total of 260.62 acres.

The Area is located in Downtown and Central Milwaukie in Clackamas County.

**Figure 1 – Milwaukie Urban Renewal Plan Area Boundary**



The land use designation of parcels in the Area were evaluated, as reported by Metro (RLIS 2016 Quarter 1 GIS data). By acreage, commercial use accounts for the largest land use within the area (56%). This is followed by multi-family residential uses (13%). The total land uses of the Area, by acreage and parcel, are shown in Table 1.

**Table 1 – Existing Land Use of Area**

Existing Land Use	Parcels	Acres	Percent of Acres
Commercial	169	93.35	55.5%
Vacant	45	21.50	12.8%
Multi-Family Residential	45	21.30	12.7%
Single Family Residential	51	13.08	7.8%
Industrial	7	11.45	6.8%
Rural	1	7.45	4.4%
<b>Total</b>	<b>318</b>	<b>168.13</b>	<b>100.0%</b>

Source: Metro RLIS 2016 Quarter 1 GIS data



## 2. Zoning and Comprehensive Plan Designations

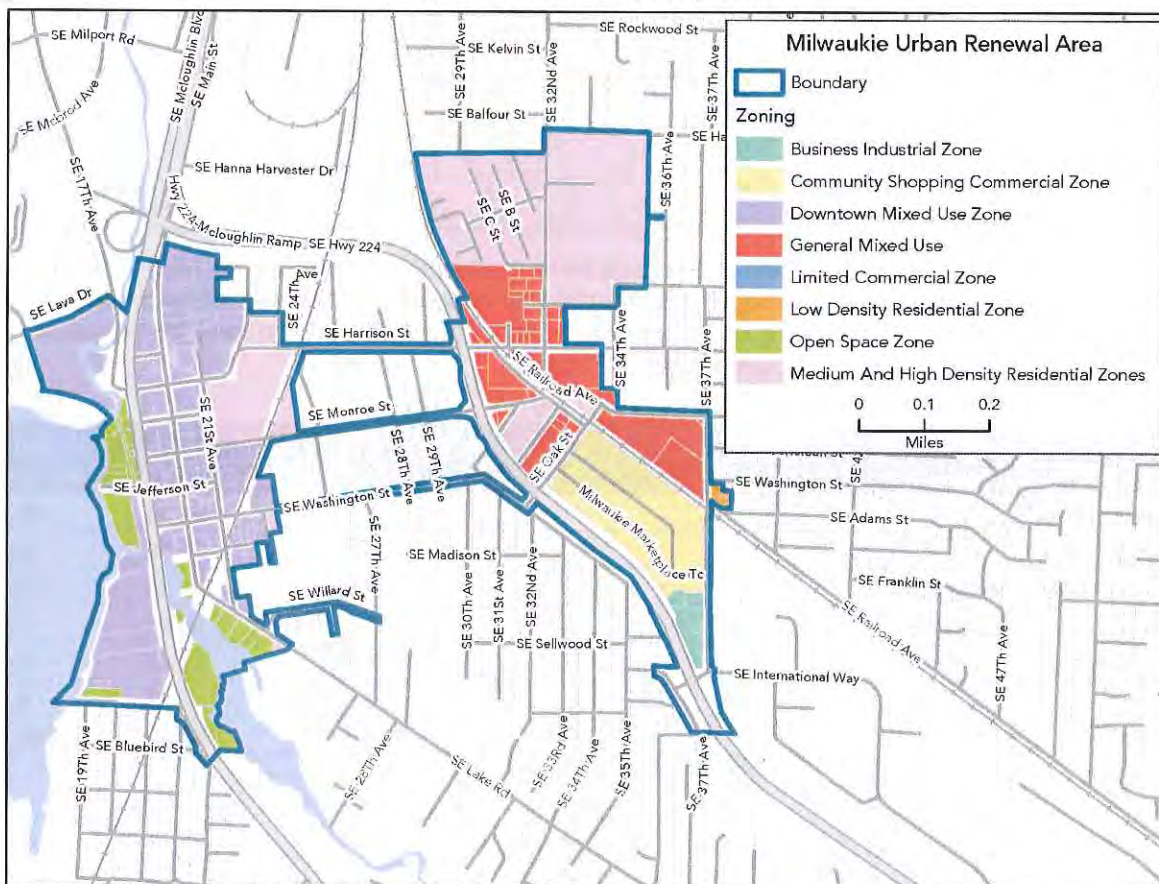
As shown in Table 2 and Figure 2, 31% of these properties are zoned Medium and High Density Residential and 30% are Downtown Mixed Use. Open Space zoning accounts for 9% of the acreage.

**Table 2 – Existing Zoning Plan Designations of Area**

Zoning	Parcels	Acres	Percent of Acres
Medium and High Density Residential	65	52.31	31.2%
Downtown Mixed Use	163	50.98	30.4%
General Mixed Use	39	26.17	15.6%
Community Shopping Commercial	17	19.77	11.8%
Open Space	27	15.34	9.1%
Business Industrial	4	2.67	1.6%
Low Density Residential	2	0.62	0.4%
Limited Commercial	1	0.27	0.2%
<b>Total</b>	<b>317</b>	<b>167.86</b>	<b>100.00%</b>

Source: City of Milwaukie GIS data, provided on 4/13/2016.

**Figure 2 – Area Zoning Designations**



As illustrated in Table 3 and Figure 3, 26% of the acreage is designated as Mixed-Use Commercial and 23% as Commercial in the City of Milwaukie Comprehensive Plan.







## **B. Infrastructure**

This section identifies the existing conditions in the Area, helping to establish deficient conditions in the Area as part of the blight analysis. There are projects listed in City of Milwaukie Capital Improvement Plan (CIP) and the Central Milwaukie Land Use and Transportation Plan (CMLUTP) that identify these existing conditions. **This does not mean all of these projects are included in the urban renewal plan.** The specific projects to be included in the urban renewal plan are listed in Sections IV, V, and VI of this document.

### **1. Transportation**

The transportation needs within the Area as identified in the CIP.

#### Streets and Intersections

##### 1. Monroe Street Greenway Phase 1 Improvements

- Phase 1 Improvements for the Monroe Street Greenway will implement the design concepts developed under an Oregon Department of Transportation grant and are expected to include lane striping, signage, and the application of sharrows.
- Monroe Bicycle Boulevard – Designate as a Bicycle Boulevard and install bicycle boulevard improvements.
- Monroe Street Sidewalks – Fill in sidewalk gaps on both sides of street.

##### 2. Kellogg Creek Dam Removal and Highway 99 East Underpass – Replace Highway 99 East bridge over Kellogg Creek, remove dam, restore habitat; construct pedestrian undercrossing between downtown Milwaukie and Riverfront Park.

##### 3. Public Transit

Downtown transit center improvements – Construct new bus layover facility outside the downtown core. Improve downtown bus stops and shelters and include ample bike parking.

##### 4. Downtown Parking Management

- Downtown Parking Signage – Install wayfinding and identification signage at McLoughlin Boulevard intersections and around public parking lots.
- Downtown Parking Enforcement – Implement parking management system, including dedicated parking manager.
- Downtown Public Parking Lot Improvements – Upgrade and maintain off-street public parking facilities with improved landscaping and lighting.

##### 5. Kronberg Park Trail

##### 6. Intersection Improvements at Highway 224 Crossings

As part of the Highway 224/99 East corridor plan, improve bike and pedestrian crossings at Oak, Monroe, and Harrison Streets.

##### 7. Bike Lanes

- Harrison Street Bike Lanes – Bike lanes on a major road, part of a grid of bike lanes; connects east-west to downtown.
- 37th Avenue Bike Lanes – Bike lanes on a major road, part of a grid of bike lanes; connects north-south.

- Railroad Avenue Bike Lanes – Bike lanes on a major road, part of a grid of bike lanes; continues to south-east.
8. Downtown Streetscape Improvements – Install sidewalk bulb outs, lighting, and pedestrian amenities. Note: According to city staff as of April 2016, 31 block faces have been completed and 38 block faces have not been completed.
  9. McLoughlin Boulevard Sidewalks – Fill in sidewalk gaps on both sides of street.
  10. Union Pacific Mainline Railroad Crossing Improvements at Monroe Street – Upgrade paving materials to concrete or rubberized material to improve longevity and enhance for alternative modes.
  11. Pedestrian Walkway Amenities – Install amenities, such as benches, along key walking routes.
  12. McLoughlin Boulevard Intersection Improvements at 17th Avenue – Prohibit left turn movement from 17th Ave to northbound McLoughlin Boulevard and include in Highway 224 and Highway 99 East Refinement Plan.
  13. Pedestrian Way Signage – Provide maps and wayfinding signage on streets that identify ways to get around the city.
  14. Harrison St Capacity Improvements – Widen to standard 3-lane cross section from 32nd Avenue to 42nd Avenue.
  15. Harrison Street Intersection Improvements at Main Street – Add westbound shared through/right turn lane or eastbound right turn lane.

#### Sidewalk Deficiencies

A 2016 City of Milwaukie survey showed deficiencies on sidewalks within the Area as shown below. The sections identified are those areas that do not comply with city and Americans with Disability Act (ADA) standards. In addition, there is a ramp inventory where numerous ramps within Priority 1 Corridors are rated as failing. Priority 1 corridors are the streets within downtown including McLoughlin Boulevard, Main Street, 21st Avenue, and other streets within the Area including Willard Street, Kronberg Pathway, Harrison Street, Monroe Street, Washington Street, and 32nd Avenue.

Streets that do not comply with sidewalk standards:

1. Main Street west side between Harrison Street and Jefferson Street
2. Main Street east side between Jefferson Street and Washington Street
3. Monroe Street south side from McLoughlin Boulevard to Main Street
4. Jefferson Street north side from Main Street to 21st Avenue
5. Washington Street north side from McLoughlin Boulevard to Main Street
6. Washington Street south side from McLoughlin Boulevard to Main Street and Main Street to 21st Avenue
7. Access to Scott Park

8. Harrison Street south side from 29th Avenue to Highway 224
9. Harrison Street north side to 34th Avenue
10. Lake Road and both sides north of Willard Street
11. Willard Street south side between Lake Road and 27th Avenue
12. Numerous ramps throughout the Area are not ADA compliant

Improvements identified in the Central Milwaukie LUTP

1. Murphy Site Internal Circulation – Provide auto, bike, and pedestrian circulation.
2. McFarland Site Internal Circulation – Provide auto, bike, and pedestrian circulation.
3. Harrison Street/32nd Avenue Intersection – Open the currently closed pedestrian crosswalk on the west leg of the intersection.
4. Oak Street/34th Avenue connection – Provide pedestrian/bike connection between central Milwaukie and nearby residential neighborhood.
5. Northern Bike Route – Bicycle connection through the Murphy site north to 29th Avenue. Exact location to be determined.
6. Campbell Street Upgrades – Pedestrian and bicycle treatments between Monroe Street and Harrison Street.
7. Connection Through Railroad Property – Provide connection between Monroe Street and Campbell Street.
8. Access Point across Harrison at 21st Avenue – Provide connection across Harrison Street between Campbell Street and the Murphy site.
9. Parking Management – Employ parking management measures as needed to limit potential negative impacts of new development on residential streets.
10. Transit – Enhance transit connections to the Area.

**2. Water**

The water system need within the Area as identified in the CIP is full water main replacement between Harrison Street and Harvey Street on 32nd Avenue.

**3. Storm Water**

The stormwater system needs within the Area as identified in the CIP are:

- Kellogg Creek Dam Removal – This project will remove the Kellogg Dam, address contaminated sediments, re-establish fish passage and restore riparian habitat for endangered salmon and native wildlife.
- Washington Street Pipe Replacement – This project will replace existing 18 inch pipe in Washington Street with 24 inch pipe.
- Harrison Street Outfall - This project replaces the existing 24 inch storm pipe in Harrison Street between 21st Avenue and the outfall into Johnson Creek with 36 inch pipe.

**4. Sewer**

The sewer system need within the Area identified in the CIP is clay pipe replacement.

## **5. Parks and Open Space**

The parks and open space needs within the Area as identified in the CIP and CMLUTP are:

- Riverfront Park – The completed park design will include new parking areas north and south of Kellogg Creek, a play area for children, one large and one small restroom facility, an amphitheater for performances, a festival lawn, two overlooks for river viewing and pathways for pedestrians and bikers.
- Install a new lighting system in Scott Park.
- Open Space – Explore public-private partnerships to provide additional public space in Central Milwaukie.

## **6. Other Utilities**

Clackamas County has constructed nearly 200 miles of broadband infrastructure, the Clackamas Broadband exchange, serving Milwaukie. There are broadband lines within the Area on 21st Avenue, 22nd Avenue, Monroe Street, Jefferson Street, Harrison Street and 32nd Avenue.

## **C. Social Conditions**

There are 96 parcels representing 34.38 acres shown as residential use in the county assessor's records. The United States Census Bureau American Community Survey for 2009 to 2013, provides the most current demographic data available for this area. This information is available at the "block group" level. Our analysis was conducted on the block groups that most closely approximate the specific Area boundary, however, this is not an exact match, and the Census block groups comprise an area that is larger than the specific Area boundary. The total population at the block group level is estimated to be 2,528, however, much of this population likely resides in residential neighborhoods adjacent to the Area boundary, but inside the same block groups.



Two-thirds of the population is under 54 years old.

**Table 4 – Age in the Area**

Age	Number	Percent
Under 5 Years	65	3%
5 to 9 Years	85	3%
10 to 14 Years	123	5%
15 to 17 Years	139	5%
18 to 24 Years	275	11%
25 to 34 Years	367	15%
35 to 44 Years	234	9%
45 to 54 Years	352	14%
55 to 64 Years	468	19%
65 to 74 Years	256	10%
75 to 84 Years	96	4%
85 Years and over	68	3%
<b>Total</b>	<b>2,528</b>	<b>100%</b>

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

The majority of the residents are white. The second largest category of race is American Indian and Alaska Native.

**Table 5 – Race in the Area**

Race	Number	Percent
White Alone	2,174	86%
American Indian and Alaska Native Alone	184	7%
Two or More races	130	5%
Black or African American Alone	20	1%
Some Other Race Alone	18	1%
Asian Alone	2	0%
Native Hawaiian and Other Pacific Islander Alone	0	0%
<b>Total</b>	<b>2,528</b>	<b>100%</b>

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

Sixty-three percent of the residents in the Area have at least some college education, with 21% earning a bachelor's degree or higher. Twelve percent of residents in the area have less than a high school education.

**Table 6 – Educational Attainment in the Area**

Educational Attainment	Number	Percent
Some college	766	42%
High School Graduate (includes equivalency)	456	25%
Bachelor's degree	240	13%
Less Than High School	230	12%
Master's degree	116	6%
Professional school degree	23	1%
Doctorate degree	10	1%
<b>Total</b>	<b>1,841</b>	<b>100%</b>

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

The majority of the residents (67 percent) travel less than 30 minutes to work, including those who work at home.

**Table 7 – Travel time to Work in the Area**

Travel Time to Work	Number	Percent
Less than 10 minutes	119	10%
10 to 19 minutes	289	25%
20 to 29 minutes	276	24%
30 to 39 minutes	248	21%
40 to 59 minutes	99	9%
60 to 89 minutes	27	2%
90 or More minutes	10	1%
Worked at home	88	8%
<b>Total</b>	<b>1,156</b>	<b>100%</b>

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

The majority of residents (79 percent) drove alone to work.

**Table 8 – Mode of Transportation to Work in the Area**

Means of Transportation to Work	Number	Percent
Drove Alone	917	79%
Carpooled	45	4%
Public transportation (Includes Taxicab)	43	4%
Motorcycle	0	0%
Bicycle	32	3%
Walked	21	2%
Other means	10	1%
Worked at home	88	8%
<b>Total</b>	<b>1,156</b>	<b>100%</b>

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer



**D. Economic Conditions**

**1. Taxable Value of Property within the Area**

The estimated total assessed value of the Milwaukie Area, including all real, personal, personal manufactured and utility properties, is \$138,482,705. The utility values were calculated by applying the tax code area’s utility to real property value to the urban renewal area’s real property value. This number will be adjusted when the assessor certifies the frozen base. The total assessed value of the City of Milwaukie is \$1,897,526,766. The frozen base value of the Area is 7.3% of Milwaukie’s total assessed value.

**2. Building to Land Value Ratio**

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

Table 9 below shows the improvement to land ratios for taxable properties within Area. These I:L figures represent an area with a mix of uses and development intensities. A healthy I:L in what would be a mixed-use neighborhood, as identified by ECONorthwest, would be 3:1. As the table shows, 16% of the property in the area has no improvement value, meaning it is not developed. Over 72% of the Area has less than a 3.0 improvement value, including the properties with no improvement values. The I:L ratios for improved properties in the urban renewal study area are very low compared to a fully developed urban commercial and residential mixed-use area. The Area, as a whole, is underdeveloped and not contributing fully to the tax base in Milwaukie.

**Table 9 – I:L Ratio of Parcels in the Area**

Improvement/Land Ratio	Parcels	Acres	Percent of Acres
No Improvement Value	57	27.57	16.4%
0.01-0.50	36	31.20	18.6%
0.51-1.00	19	9.01	5.4%
1.01-1.50	38	21.69	12.9%
1.51-2.00	46	13.36	7.9%
2.01-2.50	21	12.38	7.4%
2.51-3.00	16	6.42	3.8%
3.01-4.00	13	11.53	6.9%
> 4.00	72	34.97	20.8%
<b>Total</b>	<b>318</b>	<b>168.13</b>	<b>100.0%</b>

Source: Clackamas County Assessor Real Market Value data

### **E. Impact on Municipal Services**

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

The projects being considered for future use of urban renewal are economic development, infrastructure, and public amenity projects. The use of urban renewal funding for these projects allows the city to implement plans developed for these Areas. Many of the projects could not be constructed without tax increment funds. These funds also allow the city to match other funding sources to actually construct the improvements. It also allows the city to tap a different funding source besides the city's general funds or system development charge (SDC) funds to make these improvements.

It is anticipated that these projects will catalyze development on the undeveloped and underdeveloped parcels. This development will require city services. However, since the property is within the urban growth boundary, the city has anticipated the need to provide infrastructure to the Area. As the development will be new construction or redevelopment, it will be up to current building code and will aid in any fire protection needs.

These impacts will be countered by, in the future, providing jobs to the Milwaukie residents, placing property back on the property tax rolls, and future increased tax base for all taxing jurisdictions.

## **III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN**

The primary reason for selecting the Area is to provide the ability to fund improvements necessary to cure blight within the Area. Secondary reasons are to improve the economic vitality of the Area to enable it to pay its full share of property taxes. This improved vitality includes the upgrading of existing buildings and the development of under-utilized sites and improvements to the infrastructure and public amenities in the Area, setting the stage for economic activity in the Area.

## **IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA**

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

The projects are listed in no particular order. The finance plan specifies an order to project at this point in time. However, the Redevelopment Commission will determine through their annual budgeting process the order of projects to be completed in the Area.



## **A. Development/Economic Development**

### **1. Pre-Development Assistance for Development Opportunities**

Assist with the up-front costs of development on a site such as technical assistance, feasibility studies, and site planning, to name a few. Providing this assistance can incentivize investment in a development project.

**Existing Conditions:** There is no program in existence in the Area to provide this type of assistance.

### **2. Tenant Improvements**

The goal of this program is to partner with downtown property and/or new business owners to encourage and fund high-quality tenant improvements to the interiors of vacant commercial spaces. The program would assist property owners in attracting businesses to locations that are difficult and costly to renovate, and incentivize new retail and restaurant businesses to locate within the Project Area.

**Existing Conditions:** There is a small program in existence in the Area to provide this type of assistance, however there are more needs than the existing program can finance.

### **3. Small Business Development Fund**

The goal of this program is to provide funds and/or financing for things such as equipment and machinery to help small and micro-businesses expand or become established in Milwaukie.

**Existing Conditions:** There is no program in existence in the Area to provide this type of assistance.

### **4. Developer Assistance**

Develop Public/Private Partnership Tools that may include but not be limited to programs such as Façade/Storefront Improvement, Retail and Food-related Tenant Improvement, Small Business Start-up Fund, Developer Assistance (for catalytic projects: land assembly, SDC/Permit write down, assistance with Public Area Requirements, green building assistance, parking, utility relocations, adaptive re-use and other assistance), community economic development activities such as a bike share, affordable housing assistance (rent stabilization, and other anti-displacement strategies), technical assistance, feasibility studies, and site planning.

**Existing Conditions:** The current economic development tools in the city of Milwaukie are sparse. The only available tools in the downtown is a commercial bancrofting program to help offset the costs of eligible SCDs for a mixed-use project, eligible New Market Tax Credit and EB5 Investment Program in census tracts around the downtown and central Milwaukie, and a Metro Storefront program for the downtown. These programs are for eligible projects and are managed by outside entities like the federal government or our Metro Planning agency which serves the region.

There is no city program in existence in the Area to provide this type of assistance.

### **5. Downtown Main Street Enhancements**

Urban renewal could fund a portion of some activities included in a Main Street Program in downtown, focusing on four elements: Design, Economic Vitality, Organization, and Promotions. The intent of a Main Street program is to work collaboratively with both private organizations and established city committees to achieve the following broad goals: create a visually appealing downtown; assist existing businesses in identifying and taking advantage of business

opportunities and encourage prospective new businesses to locate in Downtown Milwaukie; develop a highly-functioning Main Street organization; and promote the program and downtown Milwaukie. Urban renewal expenditures would focus on design, planning, and capital projects related to the downtown Main Street corridor.

**Existing Conditions:** A small amount of seed money for assistance with these activities has been included in the 2017-2018 budget. However, there are more needs than this budget can finance.

## **B. Infrastructure: Transportation Downtown**

### **1. McLoughlin Boulevard Improvements**

Improve the section of McLoughlin Boulevard north of Harrison Street to enhance pedestrian safety and signal visitors that they are entering downtown. Upgrade sidewalks where needed.

**Existing Conditions:** There are inadequate sidewalks and there is no median on McLoughlin Boulevard at this location.

### **2. McLoughlin Boulevard Intersection Upgrades**

Improve all existing crossings of McLoughlin Boulevard, using better signage and extended crossing times. Construct improvements at Harrison Street, Monroe Street, Jackson Street, Jefferson Street, and Washington Street to enhance bike/pedestrian crossings.

**Existing Conditions:** There are specific intersection improvements required at Harrison Street, Monroe Street, Jackson Street, Jefferson Street, and Washington Street. These intersections do not presently have adequate signage, crossing times, nor adequate bike/pedestrian crossings.

### **3. Pedestrian Bridge across McLoughlin Boulevard**

Establish a dedicated bicycle and pedestrian connection across McLoughlin Boulevard.

**Existing Conditions:** There is no pedestrian bridge to provide safe access from the downtown to Milwaukie Riverfront Park.

### **4. Parking Solutions**

Study the need for a variety of parking solutions, such as creative parking management tools, including the assistance in the development of structured parking as part of a larger mixed-use development that would service downtown uses.

**Existing Conditions:** There is surface parking on lots in downtown Milwaukie, and it is hoped that these surface lots are developed in the future. There is presently no structured parking in downtown Milwaukie. Parking management tools need to be established for the Area.

### **5. Streetscape Improvements**

Improvements to public spaces along streets have been installed at some locations in Downtown Milwaukie, but there are many blocks where the improvements have not been constructed. This project would assist in the installation of sidewalk bulb-outs, lighting, wider sidewalks, and pedestrian amenities consistent with the required public area street standards in Downtown Milwaukie.

**Existing Conditions:** These Public Area Requirements improvements have been installed at some locations in downtown Milwaukie, with small portions on Harrison Street, Jackson Street, Monroe Street, Jefferson Street, Washington Street and Adams Street Main Street and 21st

Avenue. These amount to 31 block faces that have been completed. There are an additional 38 block faces that need to be completed in the downtown.

## **C. Infrastructure: Transportation Central Milwaukie**

### **1. *Bike/Pedestrian Path Connections***

The goal is to provide connections to and through Central Milwaukie for pedestrians and bicyclists. The projects include improving bicycle routes and pedestrian ways along Harrison Street, Railroad Avenue, Oak Street, 37th Avenue, and 29th Avenue. Provide connections to and through Central Milwaukie for pedestrians and bicyclists as designated in the Central Milwaukie Land Use & Transportation Plan and the Transportation Systems Plan. These connections include improvements on Campbell Street and Railroad Avenue as well as connections between the residential area made up of Myrtle Street and Penzance Street and the Milwaukie Marketplace. Also included are potential improvements to pedestrian and bicycle circulation through the Milwaukie Marketplace development. These improvements would enhance pedestrian connections and improve bike trails and facilities to increase safe and convenient multimodal access throughout the district. Designate and improve Primary Bicycle Routes along Harrison Street, Railroad Avenue, Oak Street, 37th Avenue, and 29th Avenue. Implement features to enhance pedestrian and cyclist safety.

This project also includes creating a bicycle and pedestrian connection through the McFarland site from Railroad Avenue to Oak Street which would provide a more continuous north-south connection through Central Milwaukie. It will also provide a more direct connection from Railroad Avenue to the Monroe Street Neighborhood Greenway.

This project also includes creating a bicycle and pedestrian connection through the Murphy Site from 31st Avenue to Meek Street in order to provide a north-south connection to central Milwaukie from the 29th Avenue bikeway. This connection would also include the Clackamas County Housing Authority property adjacent to the north of the Murphy site, which would provide a key connection to the other commercial areas in central Milwaukie.

Safe pedestrian connections do not currently exist between Oak, Myrtle, and Penzance Streets and the Milwaukie Marketplace commercial area. This project would develop and improve pedestrian connections between Oak, Myrtle, and Penzance Streets and the Milwaukie Marketplace.

**Existing Conditions:** Central Milwaukie does not have adequate pedestrian and bicycle connections as identified in the TSP and the Central Milwaukie Land Use and Transportation Plan. Virtually no convenient or safe north-south connections exist, limiting multi-modal access to key retail and service commercial nodes in the area, which serves as a central commercial area for several different neighborhoods, multi-family housing, as well as a regional hospital and medical facility.

Safe pedestrian connections currently do not exist between Myrtle Street and Penzance Street and the Milwaukie Marketplace, nor do they exist through the Marketplace development.

The McFarland site is an approximately 7 acre vacant site that was identified as a key opportunity site in central Milwaukie. There are presently no pedestrian or bicycle connections; the vision is to create these connections as well as encourage mixed-use development on the site.

The Murphy site is an approximately 7 acre vacant site that was identified as a key opportunity site in central Milwaukie. There are presently no pedestrian or bicycle connections; the vision is to create these connections as well as encourage mixed-use development on the site.



Safe pedestrian connections currently do not exist between Myrtle Street and Penzance Street and the Milwaukie Marketplace, nor do they exist through the Marketplace development.

## ***2. Improved Access to Opportunity Sites***

This project would provide improved vehicle access to the Murphy and McFarland development opportunity sites in Central Milwaukie, which would encourage investment in development of the sites.

**Existing Conditions:** Both of these identified opportunity sites are over 7 acres in size and present tremendous development opportunity in the area. However, neither has improved. Efficient vehicle access is needed in order to fulfill their development potential.

## ***3. Highway 224 Intersection Upgrades***

This project would improve pedestrian crossing at Freeman Way, 37th Avenue, Oak Street, Monroe Street, and Harrison Street. Improve intersection crossing safety for bicyclists at Washington Street and Oak Street.

**Existing Conditions:** There are specific intersection improvements required at Freeman Way, 37th Avenue, Oak Street, Monroe Street, and Harrison Street. These intersections do not presently have adequate signage, crossing times, nor bike/pedestrian crossings.

## ***4. Improve Transit Stops***

This project would provide transit shelters as sites are developed and ensure excellent transit service to Central Milwaukie. It would also add Transit Tracker and LED lighting units at main stops along bus routes.

**Existing Conditions:** The Harrison Street/32nd Avenue intersection provides frequent service bus transit connections to Downtown Milwaukie and MAX light rail. This provides the Murphy site with excellent transit connectivity. Additionally, the Milwaukie Shuttle provides shopping service to the Milwaukie Marketplace from both Downtown Milwaukie and the Clackamas Town Center. This service may be re-routed to serve the opportunity sites as well. Regional transit integration is provided through bus connections at the Milwaukie Bus Shelter Area on Jackson Street and via the downtown.

## ***5. Monroe Street Greenway Includes Monroe Street/Highway 224***

This project would implement Phase 1 improvements for the Monroe Street Neighborhood Greenway which would implement the design concepts developed under an Oregon Department of Transportation grant and are expected to include lane striping, signage, and the application of sharrows.

**Existing Conditions:** There are specific intersection improvements required on Monroe Street throughout the section designated for the greenway improvements. Monroe Street does not have adequate signage, crossing times, nor bike/pedestrian crossings.

## **D. Public Amenities: Parks and Open Space**

### ***1. South Downtown Plaza***

As identified in the South Downtown Concept Plan, this project would construct a public plaza at the intersection of Adams Street and Main Street that connects the new light rail station with Main Street and creates a focal point at the south end of downtown.



**Existing Conditions:** This does not exist, but is identified in the South Downtown Concept Plan. A small amount of seed money for assistance with this project has been included in the 2017-2018 budget. However, there are more needs than this budget can finance.

## ***2. Riverfront Park***

This project would fund implementation of Phases 3 and 4 of the Riverfront Park master plan, which include a plaza, an amphitheater, a fountain, large restroom facilities, and additional landscaping.

**Existing Conditions:** Phases 1 and 2 have been completed to date. Phases 3 and 4 require additional funding for completion of the plaza, amphitheater, fountain, large restroom facilities, and additional landscaping. These facilities and improvements do not presently exist in the Riverfront Park.

## ***3. Dogwood Park***

This project would fund improvements to Dogwood Park as outlined in the South Downtown Concept Plan. An expanded Dogwood Park would be integrated to the north and east with the South Downtown Plaza and Main Street streetscape improvements, and to the south and west with the Kellogg Natural Area. A refined design for the South Downtown Plaza will include integration with Dogwood Park and will identify key improvements for the area.

**Existing Conditions:** Dogwood is underdeveloped and requires improvements specified in the South Downtown Concept Plan. It is not presently integrated with the South Downtown Plaza and Main Street, nor with the Kellogg Natural Area.

## ***4. Scott Park***

This project would fund completion of remaining phases of improvements to Scott Park per the 1990 Scott Park Master Plan. Specific projects to be determined.

**Existing Conditions:** A Scott Park Master Plan was adopted in 1990, portions of which have been completed, but additional funding is required for full implementation of the plan. The master plan had three phases. In Phase I the Parking Area Improvements have not been fully implemented, the Walk Steps and Viewing Platform have not been constructed. In Phase II, the South Viewing Area on Harrison Street was not constructed. In Phase III, the Picnic Area Improvements, new sidewalk adjacent to east curb of library parking lot, and the viewing terrace along the pond edge north of the amphitheater were not constructed.

## ***5. New Parks and Open Spaces in Central Milwaukie***

There are currently no parks in Central Milwaukie. This project would fund the development of new parks and open spaces to serve Central Milwaukie as underdeveloped sites are preparing to develop. The project could also include exploring a partnership with Union Pacific Railroad to turn the small area at Railroad Avenue and Oak Street into a public park and encourage the development of public/open space in Milwaukie Marketplace.

**Existing Conditions:** There are currently no public parks or open space areas in Central Milwaukie.

## ***6. Gateway/Entryway Improvements on McLoughlin Boulevard***

This project would install gateway and entryway signage at the north and south entrances to downtown along McLoughlin Boulevard. It would use elements such as gateway features, plantings, lighting, and related improvements to draw more traffic off of McLoughlin Boulevard and into downtown.

**Existing Conditions:** There are no gateway or entryway improvements along McLoughlin Boulevard.

### ***7. Wayfinding Signage and Heritage Plaques***

This project would fund the implementation of the 2016 downtown Wayfinding Systems Plan, including the installation of wayfinding signage and kiosks to aid residents and visitors in exploring Milwaukie by providing easy access to cultural and recreational opportunities within an area that can be easily accessed by foot, bicycle, and transit. This project would also fund the installation of heritage plaques to celebrate the architectural history of the city and describe Milwaukie's heritage and culture.

**Existing Conditions:** There is inadequate wayfinding signage and there are no heritage plaques in Milwaukie.

### ***8. Kronberg Park***

This project would fund the implementation of the adopted 2015 Kronberg Park Master Plan, which includes the construction of a pathway in Kronberg Park to connect Kellogg Lake to south downtown.

**Existing Conditions:** There is an adopted Kronberg Park Master Plan and funding does not exist for implementation of the plan. There is no pathway in the park that makes the connection from Kellogg Lake to south downtown. There are no experiential nodes, viewing areas, other multi-use pathways and needed fencing.

### ***9. Kellogg Dam Removal***

The Kellogg Dam currently blocks fish passage through Kellogg Creek. This project would replace the McLoughlin Boulevard Bridge over Kellogg Creek, remove the dam, and restore habitat, as well as construct a bike/pedestrian undercrossing between downtown and Riverfront Park

**Existing Conditions:** There is a dam in Kellogg Lake that inhibits passage of salmon. The habitat is degraded and needs to be reestablished as natural habitat. There is no bike/pedestrian undercrossing between downtown and Riverfront Park through Kellogg Park.

## **E. Debt Service and Administration**

This project will allow for the repayment of costs associated with the implementation of the Milwaukie Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

**Existing Conditions:** As there is currently no urban renewal program, these activities do not exist.

## **V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS**

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The costs of the projects are shown in Table 10. The sources of funds in the urban renewal column are tax increment revenues. There will be other funding sources sought to leverage urban renewal funds. These sources include City of Milwaukie general funds, system development funds, state funding, or other sources of funding the City may identify, including private developer contributions.

The allocations are the best estimates of expenditures at the time of preparation of the urban renewal plan. The Redevelopment Commission will be able to review the allocations on an annual basis when they prepare the budget. The numbers are in constant dollars, or dollars that do not include future inflation. The inflation adjustment was 3% annually. The table shows \$77 million of project costs and \$57.8 million of those costs funded through tax increment revenues. The \$57.8 million equates to \$92.5 million in nominal (inflated) dollars, the maximum indebtedness amount.



Table 10 – Projects to be Completed Using Urban Renewal Area Funds

Projects	Costs (Millions)			
	Total	URA	Other	% of URA Funding
<b>Economic Development:</b>				
<b>New Places to Live, Work, Eat and Shop</b>				
Pre-development assistance for development opportunities	\$2.5	\$2.5	\$0.0	4.33%
Tenant improvements	\$2.2	\$2.2	\$0.0	3.81%
Small business development fund	\$2.0	\$2.0	\$0.0	3.46%
Developer Assistance	\$9.9	\$9.9	\$0.0	17.13%
Downtown Main Street Enhancements	\$0.5	\$0.5	\$0.0	0.87%
<b>Subtotal</b>	<b>\$17.1</b>	<b>\$17.1</b>	<b>\$0.0</b>	<b>29.58%</b>
<b>Infrastructure:</b>				
<b>Getting to, and through Downtown and Central Milwaukie</b>				
<i>Downtown</i>				
McLoughlin Blvd improvements	\$0.5	\$0.5	\$0.0	0.87%
McLoughlin intersection upgrades	\$2.0	\$1.5	\$0.5	2.60%
Pedestrian bridge across McLoughlin	\$2.2	\$1.2	\$1.0	2.08%
Parking Solutions	\$11.5	\$10.5	\$1.0	18.17%
Streetscape Improvements	\$13.3	\$10.3	\$3.0	17.82%
<b>Subtotal</b>	<b>\$29.5</b>	<b>\$24.0</b>	<b>\$5.5</b>	<b>41.52%</b>
<i>Central Milwaukie</i>				
Bike/ped path connections	\$3.4	\$3.0	\$0.4	5.19%
Improved access to opportunity sites	\$0.5	\$0.5	\$0.0	0.87%
Hwy 224 intersection upgrades	\$2.3	\$1.8	\$0.5	3.11%
Improve transit stops	\$0.5	\$0.5	\$0.0	0.87%
Monroe Street Greenway includes Monroe/224	\$2.3	\$1.8	\$0.5	3.11%
<b>Subtotal</b>	<b>\$9.0</b>	<b>\$7.6</b>	<b>\$1.4</b>	<b>13.15%</b>
<b>Public Amenities:</b>				
<b>Parks and Open Space</b>				
South Downtown Plaza	\$1.0	\$1.0	\$0.0	1.73%
Riverfront Park	\$3.0	\$1.5	\$1.5	2.60%
Dogwood Park	\$0.5	\$0.5	\$0.0	0.87%
Scott Park	\$0.5	\$0.5	\$0.0	0.87%
New parks and open spaces in Central Milwaukie	\$1.0	\$1.0	\$0.0	1.73%
Gateway/Entryway improvements on McLoughlin	\$0.3	\$0.3	\$0.0	0.52%
Wayfinding signage, heritage plaques	\$0.2	\$0.2	\$0.0	0.35%
Kronberg Park and path	\$2.9	\$1.0	\$1.9	1.73%
Kellogg dam removal	\$9.9	\$1.0	\$8.9	1.73%
<b>Subtotal</b>	<b>\$19.3</b>	<b>\$7.0</b>	<b>\$12.3</b>	<b>12.11%</b>
<b>Administration</b>	<b>\$2.1</b>	<b>\$2.1</b>	<b>\$0.0</b>	<b>3.63%</b>
<b>Total</b>	<b>\$77.0</b>	<b>\$57.8</b>	<b>\$19.2</b>	<b>100.00%</b>

Source: City of Milwaukie /Milwaukie



## VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The timing of individual projects will vary based on the specific opportunities and priorities that change over time. The projects will be ongoing and will be completed as directed by the Redevelopment Commission. The projections in the financial model are all based on assumptions reviewed with the City of Milwaukie Finance Director and Planning Director.

The estimated schedule of expenditures for four broad categories of projects are shown in Table 11. The Redevelopment Commission may change the completion dates in their annual budgeting process or as project decisions are made in administering the urban renewal plan.

Table 11 – Project Dates

Project Categories	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Total
Economic Development	\$5,000,000	\$5,000,000	\$3,000,000	\$2,500,000	\$1,600,000	<b>\$17,100,000</b>
Infrastructure	\$5,000,000	\$2,500,000	\$11,000,000	\$4,000,000	\$9,100,000	<b>\$31,600,000</b>
Public Amenities	\$0	\$1,000,000	\$1,000,000	\$4,500,000	\$500,000	<b>\$7,000,000</b>
Administration and Finance Fees	\$400,000	\$400,000	\$400,000	\$400,000	\$500,000	<b>\$2,100,000</b>
<b>Total</b>	<b>\$10,400,000</b>	<b>\$8,900,000</b>	<b>\$15,400,000</b>	<b>\$11,400,000</b>	<b>\$11,700,000</b>	<b>\$57,800,000</b>
Project Categories	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Total
Economic Development	48%	56%	19%	22%	14%	30%
Infrastructure	48%	28%	71%	35%	78%	55%
Public Amenities	0%	11%	6%	39%	4%	12%
Administration and Finance Fees	4%	4%	3%	4%	4%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: ECONorthwest

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

Table 12 shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds.

It is anticipated that all debt will be retired by FY 2045-46 (any outstanding bonds will be defeased). The maximum indebtedness is \$92,500,000 (ninety two million five hundred thousand dollars).

The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$92,500,000 is \$120,080,243.

The interest rate for the bonds are estimated at 5% with varying terms. The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If the economy is slower, it may take longer; if the economy is more robust than the projections, it may take a shorter time period. The Redevelopment Commission may decide to issue bonds on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and this scenario is financially feasible.

The remaining amount for debt service in FY 2045-46 will come from the debt service reserve fund.



**Table 12 – Tax Increment Revenues and Allocations to Debt Service**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>DEBT SERVICE FUND</b>									
<b>Resources</b>									
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF for URA	\$135,342	\$258,598	\$477,890	\$1,035,595	\$1,277,060	\$1,663,100	\$1,937,671	\$2,418,748	\$2,725,833
<b>Total Resources</b>	<b>\$135,342</b>	<b>\$258,598</b>	<b>\$477,890</b>	<b>\$1,035,595</b>	<b>\$1,277,060</b>	<b>\$1,663,100</b>	<b>\$1,937,671</b>	<b>\$2,418,748</b>	<b>\$2,725,833</b>
<b>Expenditures</b>									
<i>Debt Service</i>									
New Loan 2020			-\$320,970	-\$320,970	-\$320,970	-\$320,970	-\$320,970	-\$320,970	-\$320,970
New Loan 2022					-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577
New Loan 2025								-\$722,183	-\$722,183
New Loan 2028									
New Loan 2032									
New Loan 2037									
New Loan 2040									
New Loan 2042									
Early Payment of Outstanding Principal									
<b>Total Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$320,970</b>	<b>-\$320,970</b>	<b>-\$842,547</b>	<b>-\$842,547</b>	<b>-\$842,547</b>	<b>-\$1,564,730</b>	<b>-\$1,564,730</b>
<i>Coverage Ratio</i>	<i>0.00</i>	<i>0.00</i>	<i>1.49</i>	<i>3.23</i>	<i>1.52</i>	<i>1.97</i>	<i>2.30</i>	<i>1.55</i>	<i>1.74</i>
Transfer to Project Fund	-\$135,342	-\$258,598	-\$156,920	-\$714,625	-\$434,513	-\$820,553	-\$1,095,124	-\$854,018	-\$1,161,103
<b>Total Expenditures</b>	<b>-\$135,342</b>	<b>-\$258,598</b>	<b>-\$477,890</b>	<b>-\$1,035,595</b>	<b>-\$1,277,060</b>	<b>-\$1,663,100</b>	<b>-\$1,937,671</b>	<b>-\$2,418,748</b>	<b>-\$2,725,833</b>
<b>Ending Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>PROJECT FUND</b>									
<b>Resources</b>									
Beginning Fund Balance	\$0	\$82,342	\$286,752	\$369,506	\$1,027,979	\$16,232	\$775,366	\$1,811,067	\$272,940
Pay-as-you-go (Transfer from D/S Fund)	\$135,342	\$258,598	\$156,920	\$714,625	\$434,513	\$820,553	\$1,095,124	\$854,018	\$1,161,103
Bond/Loan Proceeds	\$0	\$0	\$4,000,000	\$0	\$6,500,000	\$0	\$0	\$9,000,000	\$0
Interest Earnings	\$0	\$412	\$1,434	\$1,848	\$5,140	\$81	\$3,877	\$9,055	\$1,365
<b>Total Resources</b>	<b>\$135,342</b>	<b>\$341,352</b>	<b>\$4,445,106</b>	<b>\$1,085,979</b>	<b>\$7,967,632</b>	<b>\$836,866</b>	<b>\$1,874,367</b>	<b>\$11,674,140</b>	<b>\$1,435,408</b>
<b>Expenditures</b>									
<i>Projects</i>									
Projects			-\$3,939,300		-\$7,761,700			-\$11,156,000	
Admin	-\$53,000	-\$54,600	-\$56,300	-\$58,000	-\$59,700	-\$61,500	-\$63,300	-\$65,200	-\$67,200
Finance Fees	\$0	\$0	-\$80,000	\$0	-\$130,000	\$0	\$0	-\$180,000	\$0
<b>Total Expenditures</b>	<b>-\$53,000</b>	<b>-\$54,600</b>	<b>-\$4,075,600</b>	<b>-\$58,000</b>	<b>-\$7,951,400</b>	<b>-\$61,500</b>	<b>-\$63,300</b>	<b>-\$11,401,200</b>	<b>-\$67,200</b>
<b>Ending Fund Balance</b>	<b>\$82,342</b>	<b>\$286,752</b>	<b>\$369,506</b>	<b>\$1,027,979</b>	<b>\$16,232</b>	<b>\$775,366</b>	<b>\$1,811,067</b>	<b>\$272,940</b>	<b>\$1,368,208</b>

Source: ECONorthwest



Table 12 – Tax Incremental Revenues and Allocations to Debt Service, continued

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
<b>DEBT SERVICE FUND</b>									
<b>Resources</b>									
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF for URA	\$2,942,868	\$3,144,507	\$3,354,210	\$3,572,302	\$3,799,117	\$4,035,005	\$4,280,329	\$4,535,465	\$4,800,807
<b>Total Resources</b>	<b>\$2,942,868</b>	<b>\$3,144,507</b>	<b>\$3,354,210</b>	<b>\$3,572,302</b>	<b>\$3,799,117</b>	<b>\$4,035,005</b>	<b>\$4,280,329</b>	<b>\$4,535,465</b>	<b>\$4,800,807</b>
<b>Expenditures</b>									
<b>Debt Service</b>									
New Loan 2020	-\$320,970	-\$320,970	-\$320,970	-\$320,970	-\$320,970	-\$320,970	-\$320,970	-\$320,970	-\$320,970
New Loan 2022	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577
New Loan 2025	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183
New Loan 2028		-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456
New Loan 2032						-\$621,880	-\$621,880	-\$621,880	-\$621,880
New Loan 2037									
New Loan 2040									
New Loan 2042									
Early Payment of Outstanding Principal									
<b>Total Debt Service</b>	<b>-\$1,564,730</b>	<b>-\$2,046,186</b>	<b>-\$2,046,186</b>	<b>-\$2,046,186</b>	<b>-\$2,046,186</b>	<b>-\$2,668,066</b>	<b>-\$2,668,066</b>	<b>-\$2,668,066</b>	<b>-\$2,668,066</b>
<b>Coverage Ratio</b>	<b>1.88</b>	<b>1.54</b>	<b>1.64</b>	<b>1.75</b>	<b>1.86</b>	<b>1.51</b>	<b>1.60</b>	<b>1.70</b>	<b>1.80</b>
Transfer to Project Fund	-\$1,378,138	-\$1,098,321	-\$1,308,024	-\$1,526,116	-\$1,752,931	-\$1,966,939	-\$1,612,263	-\$1,867,399	-\$2,132,741
<b>Total Expenditures</b>	<b>-\$2,942,868</b>	<b>-\$3,144,507</b>	<b>-\$3,354,210</b>	<b>-\$3,572,302</b>	<b>-\$3,799,117</b>	<b>-\$4,035,005</b>	<b>-\$4,280,329</b>	<b>-\$4,535,465</b>	<b>-\$4,800,807</b>
<b>Ending Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>PROJECT FUND</b>									
<b>Resources</b>									
Beginning Fund Balance	\$1,368,208	\$2,663,987	\$337,328	\$1,573,639	\$3,032,023	\$4,722,214	\$27,764	\$1,557,566	\$3,347,653
Pay-as-you-go (Transfer from D/S Fund)	\$1,378,138	\$1,098,321	\$1,308,024	\$1,526,116	\$1,752,931	\$1,966,939	\$1,612,263	\$1,867,399	\$2,132,741
Bond/Loan Proceeds	\$0	\$6,000,000	\$0	\$0	\$0	\$7,750,000	\$0	\$0	\$0
Interest Earnings	\$6,841	\$13,420	\$1,687	\$7,868	\$15,160	\$23,611	\$139	\$7,788	\$16,738
<b>Total Resources</b>	<b>\$2,753,187</b>	<b>\$9,795,728</b>	<b>\$1,647,039</b>	<b>\$3,107,623</b>	<b>\$4,800,114</b>	<b>\$13,862,764</b>	<b>\$1,640,166</b>	<b>\$3,432,753</b>	<b>\$5,497,132</b>
<b>Expenditures</b>									
<b>Projects</b>									
Admin	-\$69,200	-\$71,300	-\$73,400	-\$75,600	-\$77,900	-\$13,599,800		-\$82,600	-\$85,100
Finance Fees	\$0	-\$120,000	\$0	\$0	\$0	-\$15,000	\$0	\$0	\$0
<b>Total Expenditures</b>	<b>-\$69,200</b>	<b>-\$9,458,400</b>	<b>-\$73,400</b>	<b>-\$75,600</b>	<b>-\$77,900</b>	<b>-\$13,835,000</b>	<b>-\$82,600</b>	<b>-\$85,100</b>	<b>-\$5,348,200</b>
<b>Ending Fund Balance</b>	<b>\$2,683,987</b>	<b>\$337,328</b>	<b>\$1,573,639</b>	<b>\$3,032,023</b>	<b>\$4,722,214</b>	<b>\$27,764</b>	<b>\$1,557,566</b>	<b>\$3,347,653</b>	<b>\$148,932</b>

Source: ECONorthwest



**Table 12 – Tax Incremental Revenues and Allocations to Debt Service, continued**

	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46
<b>DEBT SERVICE FUND</b>											
<b>Resources</b>											
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,115,757	\$5,242,124	\$8,742,696	\$13,374,023
Interest Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,579	\$26,211	\$43,713	\$66,870
TIF for URA	\$5,076,763	\$5,363,756	\$5,662,230	\$5,972,642	\$6,295,471	\$6,631,214	\$6,980,385	\$7,343,525	\$7,721,189	\$8,113,959	\$8,522,441
<b>Total Resources</b>	<b>\$5,076,763</b>	<b>\$5,363,756</b>	<b>\$5,662,230</b>	<b>\$5,972,642</b>	<b>\$6,295,471</b>	<b>\$6,631,214</b>	<b>\$6,980,385</b>	<b>\$9,469,861</b>	<b>\$12,989,524</b>	<b>\$16,900,368</b>	<b>\$21,963,334</b>
<b>Expenditures</b>											
<b>Debt Service</b>											
New Loan 2020	-\$320,970	-\$320,970	-\$320,970	-\$320,970							
New Loan 2022	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577					
New Loan 2025	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183	-\$722,183		
New Loan 2028	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456	-\$481,456
New Loan 2032	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880
New Loan 2037		-\$882,668	-\$882,668	-\$882,668	-\$882,668	-\$882,668	-\$882,668	-\$882,668	-\$882,668	-\$882,668	-\$882,668
New Loan 2040					-\$963,423	-\$963,423	-\$963,423	-\$963,423	-\$963,423	-\$963,423	-\$963,423
New Loan 2042							-\$518,018	-\$518,018	-\$518,018	-\$518,018	-\$518,018
Early Payment of Outstanding Principal											-\$18,436,224
<b>Total Debt Service</b>	<b>-\$2,668,066</b>	<b>-\$3,550,734</b>	<b>-\$3,550,734</b>	<b>-\$3,550,734</b>	<b>-\$4,193,187</b>	<b>-\$4,193,187</b>	<b>-\$4,189,628</b>	<b>-\$4,189,628</b>	<b>-\$4,189,628</b>	<b>-\$3,467,445</b>	<b>-\$21,903,669</b>
<b>Coverage Ratio</b>	<b>1.90</b>	<b>1.51</b>	<b>1.59</b>	<b>1.68</b>	<b>1.50</b>	<b>1.58</b>	<b>1.67</b>	<b>1.75</b>	<b>1.84</b>	<b>2.34</b>	<b>2.46</b>
Transfer to Project Fund	-\$2,408,697	-\$1,813,022	-\$2,111,496	-\$2,421,908	-\$2,102,284	-\$2,436,027	-\$675,000	-\$38,109	-\$57,200	-\$58,900	-\$59,600
<b>Total Expenditures</b>	<b>-\$5,076,763</b>	<b>-\$5,363,756</b>	<b>-\$5,662,230</b>	<b>-\$5,972,642</b>	<b>-\$6,295,471</b>	<b>-\$6,631,214</b>	<b>-\$4,864,628</b>	<b>-\$4,227,737</b>	<b>-\$4,246,828</b>	<b>-\$3,526,345</b>	<b>-\$21,963,269</b>
<b>Ending Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,115,757</b>	<b>\$5,242,124</b>	<b>\$8,742,696</b>	<b>\$13,374,023</b>	<b>\$65</b>
<b>PROJECT FUND</b>											
<b>Resources</b>											
Beginning Fund Balance	\$148,932	\$2,468,074	\$98,036	\$2,114,222	\$4,448,001	\$8,525	\$2,341,895	\$17,304	\$0	\$0	\$0
Pay-as-you-go (Transfer from D/S Fund)	\$2,408,697	\$1,813,022	\$2,111,496	\$2,421,908	\$2,102,284	\$2,438,027	\$675,000	\$38,109	\$57,200	\$58,900	\$59,600
Bond/Loan Proceeds	\$0	\$11,000,000	\$0	\$0	\$10,000,000	\$0	\$4,000,000	\$0	\$0	\$0	\$0
Interest Earnings	\$745	\$12,340	\$490	\$10,571	\$22,240	\$43	\$11,709	\$87	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$2,558,374</b>	<b>\$15,293,436</b>	<b>\$2,210,022</b>	<b>\$4,546,701</b>	<b>\$16,572,525</b>	<b>\$2,446,595</b>	<b>\$7,028,604</b>	<b>\$55,500</b>	<b>\$57,200</b>	<b>\$58,900</b>	<b>\$59,600</b>
<b>Expenditures</b>											
Projects		-\$14,882,400			-\$16,262,400		-\$6,823,500				
Admin	-\$90,300	-\$93,000	-\$95,800	-\$98,700	-\$101,600	-\$104,700	-\$107,800	-\$55,500	-\$57,200	-\$58,900	-\$59,600
Finance Fees	\$0	-\$220,000	\$0	\$0	-\$200,000	\$0	-\$80,000	\$0	\$0	\$0	\$0
<b>Total Expenditures</b>	<b>-\$90,300</b>	<b>-\$15,195,400</b>	<b>-\$95,800</b>	<b>-\$98,700</b>	<b>-\$16,564,000</b>	<b>-\$104,700</b>	<b>-\$7,011,300</b>	<b>-\$55,500</b>	<b>-\$57,200</b>	<b>-\$58,900</b>	<b>-\$59,600</b>
<b>Ending Fund Balance</b>	<b>\$2,468,074</b>	<b>\$98,036</b>	<b>\$2,114,222</b>	<b>\$4,448,001</b>	<b>\$8,525</b>	<b>\$2,341,895</b>	<b>\$17,304</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Source: ECONorthwest.



## VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2045/46, as shown above, are based on projections of the growth in assessed value within the Area and the total tax rate that will apply to the Area. Assessed value growth comes from appreciation as well as new development. Due to Oregon's property tax system, most properties experience appreciation in *assessed value* of 3.0% per year, regardless of market trends that affect *real market values*. Thus, new development is typically needed to experience growth in assessed value above 3.0% per year.

Long-term, beginning in FY 2027-28, we forecast the Area to experience annual growth in assessed value of 4.0% per year, which implies some ongoing new construction activity. This growth rate is similar to citywide and countywide trends in assessed value growth. In the short-term, we provide a more specific forecast of assessed value growth, based on 3.0% appreciation, and hypothetical new development on seven key "opportunity sites" located in the Area. These development assumptions are based on previous analysis conducted by the City for the Moving Forward Milwaukie project in 2014. These assumptions are speculative, and the exact timing, amount, and value of development on these sites is uncertain.

Table 13 shows the assumptions for annual exception value from new development in the Area from FYE 2016 to FYE 2027. Exception Value is new value that is above the frozen base and is usually created by new development or substantial redevelopment within the Area.

**Table 13 – Projected Exception Value from New Development**

FYE	Exception AV
2016	\$0
2017	\$0
2018	\$0
2019	\$4,061,606
2020	\$9,173,491
2021	\$32,539,498
2022	\$9,732,622
2023	\$18,797,147
2024	\$10,675,258
2025	\$23,761,880
2026	\$11,324,975
2027	\$4,773,325

Source: ECONorthwest with input from the City of Milwaukie



Table 14 shows a more detailed forecast of future development within the Area, as provided by ECONorthwest and based on projections done for the Moving Forward Milwaukie project in 2014. The projections are based on the economy being strong and supporting these levels of development.

**Table 14 – Development Projections**

	Site 1	Site 2	Site 3	Site 4	Site 5
<b>Square Feet</b>	95,963	50,297	18,763	33,087	23,794
<b>Land Use Type</b>	Apartment	Apartment	Office	Office	Apartment
<b>Total RMV</b>	\$27,856,836	\$10,526,781	\$5,170,169	\$12,322,645	\$4,822,988
<b>CPR</b>	0.715	0.715	0.794	0.794	0.715
<b>Total AV</b>	\$19,917,637	\$7,526,648	\$4,105,114	\$9,784,180	\$3,448,436
<b>Less Existing AV</b>	\$0	\$393,764	\$388,077	\$0	\$0
<b>Exception AV</b>	\$19,917,637	\$7,132,884	\$3,717,037	\$9,784,180	\$3,448,436
<b>Year on Tax Roll</b>	2021	2023	2019	2025	2027

	Murphy Site			
Name	Year 1	Year 2	Year 3	Year 4
<b>Address</b>				
<b>Square Feet</b>	44,141	44,141	44,141	44,141
<b>Land Use Type</b>	Mixed-Use	Mixed-Use	Mixed-Use	Mixed-Use
<b>Total RMV</b>	\$11,432,029	\$11,432,029	\$11,432,029	\$11,432,029
<b>CPR</b>	0.781	0.781	0.781	0.781
<b>Total AV</b>	\$8,928,415	\$8,928,415	\$8,928,415	\$8,928,415
<b>Less Existing AV</b>	\$777,823	\$777,823	\$777,823	\$777,823
<b>Exception AV</b>	\$8,150,592	\$8,150,592	\$8,150,592	\$8,150,592
<b>Year on Tax Roll</b>	2020	2021	2022	2023

	McFarland Site		
Name	Year 1	Year 2	Year 3
<b>Address</b>			
<b>Square Feet</b>	52,115	52,115	52,115
<b>Land Use Type</b>	Senior Housing	Senior Housing	Senior Housing
<b>Total RMV</b>	\$12,230,206	\$12,230,206	\$12,230,206
<b>CPR</b>	0.715	0.715	0.715
<b>Total AV</b>	\$8,744,597	\$8,744,597	\$8,744,597
<b>Less Existing AV</b>	\$317,649	\$317,649	\$317,649
<b>Exception AV</b>	\$8,426,948	\$8,426,948	\$8,426,948
<b>Year on Tax Roll</b>	2024	2025	2026

Source: ECONorthwest with input from the City of Milwaukie AV is assessed value



Table 15 shows the projected incremental assessed value, projected tax rates, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 12.

Revenue Sharing is not projected to commence before the termination of the Plan, as the Area is not projected to meet revenue sharing targets at 10% of initial maximum indebtedness in the life of the Plan.

**Table 15 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues**

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	Tax Increment Finance Revenue			Cumulative TIF
					Gross TIF	Adjust-ments	Net TIF	
2016	\$138,482,705	\$138,482,705	\$0	16.9409	0	0	0	0
2017	\$142,637,186	\$138,482,705	\$0	16.9105	0	0	0	0
2018	\$146,916,301	\$138,482,705	\$8,433,596	16.8926	142,465	(7,123)	135,342	135,342
2019	\$155,385,396	\$138,482,705	\$16,902,691	16.1044	272,208	(13,610)	258,598	393,940
2020	\$169,220,449	\$138,482,705	\$30,737,744	16.3656	503,042	(25,152)	477,890	871,830
2021	\$206,836,561	\$138,482,705	\$68,353,856	15.9479	1,090,100	(54,505)	1,035,595	1,907,425
2022	\$222,774,280	\$138,482,705	\$84,291,575	15.9479	1,344,274	(67,214)	1,277,060	3,184,485
2023	\$248,254,655	\$138,482,705	\$109,771,950	15.9479	1,750,632	(87,532)	1,663,100	4,847,585
2024	\$266,377,553	\$138,482,705	\$127,894,848	15.9479	2,039,654	(101,983)	1,937,671	6,785,256
2025	\$298,130,760	\$138,482,705	\$159,648,055	15.9479	2,546,051	(127,303)	2,418,748	9,204,004
2026	\$318,399,658	\$138,482,705	\$179,916,953	15.9479	2,869,298	(143,465)	2,725,833	11,929,837
2027	\$332,724,972	\$138,482,705	\$194,242,267	15.9479	3,097,756	(154,888)	2,942,868	14,872,705
2028	\$346,033,970	\$138,482,705	\$207,551,265	15.9479	3,310,007	(165,500)	3,144,507	18,017,212
2029	\$359,875,329	\$138,482,705	\$221,392,624	15.9479	3,530,747	(176,537)	3,354,210	21,371,422
2030	\$374,270,342	\$138,482,705	\$235,787,637	15.9479	3,760,318	(188,016)	3,572,302	24,943,724
2031	\$389,241,155	\$138,482,705	\$250,758,450	15.9479	3,999,071	(199,954)	3,799,117	28,742,841
2032	\$404,810,802	\$138,482,705	\$266,328,097	15.9479	4,247,374	(212,369)	4,035,005	32,777,846
2033	\$421,003,234	\$138,482,705	\$282,520,529	15.9479	4,505,609	(225,280)	4,280,329	37,058,175
2034	\$437,843,363	\$138,482,705	\$299,360,658	15.9479	4,774,174	(238,709)	4,535,465	41,593,640
2035	\$455,357,098	\$138,482,705	\$316,874,393	15.9479	5,053,481	(252,674)	4,800,807	46,394,447
2036	\$473,571,382	\$138,482,705	\$335,088,677	15.9479	5,343,961	(267,198)	5,076,763	51,471,210
2037	\$492,514,238	\$138,482,705	\$354,031,533	15.9479	5,646,059	(282,303)	5,363,756	56,834,966
2038	\$512,214,807	\$138,482,705	\$373,732,102	15.9479	5,960,242	(298,012)	5,662,230	62,497,196
2039	\$532,703,399	\$138,482,705	\$394,220,694	15.9479	6,286,992	(314,350)	5,972,642	68,469,838
2040	\$554,011,536	\$138,482,705	\$415,528,831	15.9479	6,626,812	(331,341)	6,295,471	74,765,309
2041	\$576,171,998	\$138,482,705	\$437,689,293	15.9479	6,980,225	(349,011)	6,631,214	81,396,523
2042	\$599,218,879	\$138,482,705	\$460,736,174	15.9479	7,347,774	(367,389)	6,980,385	88,376,908
2043	\$623,187,634	\$138,482,705	\$484,704,929	15.9479	7,730,026	(386,501)	7,343,525	95,720,433
2044	\$648,115,139	\$138,482,705	\$509,632,434	15.9479	8,127,567	(406,378)	7,721,189	103,441,622
2045	\$674,039,745	\$138,482,705	\$535,557,040	15.9479	8,541,010	(427,051)	8,113,959	111,555,581
2046	\$701,001,335	\$138,482,705	\$562,518,630	15.9479	8,970,991	(448,550)	8,522,441	120,078,022

Source: ECONorthwest



## IX. IMPACT OF THE TAX INCREMENT FINANCING

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

Two jurisdictions, Clackamas Community College and the North Clackamas School District, have outstanding general obligation (GO) bonds approved by voters prior to 2001. In accordance with ORS 457, these bonds will be included in the tax rate used to calculate tax increment revenues for a new urban renewal area. Both of these bonds are scheduled to be repaid in full by FYE 2020. As shown in Table 16, the Milwaukie Urban Renewal Area will cause a very small increase in the amount of these tax rates through FYE 2020, when the bonds expire. The combined increase in tax rates will be no more than \$0.0007 per \$1,000 of assessed value in any year. For a property with \$100,000 in assessed value, the annual impact on property tax bills would be no more than \$0.07, with a cumulative impact of only \$0.14 over the life of the Urban Renewal Plan. Any bonds issued after October, 2001 would not be impacted by the creation of a new urban renewal area.

**Table 16 – Projected Impact on Property Owners due to General Obligation Bonds**

FYE	Impact of Milwaukie UR on Tax Rates (per \$1,000 AV)			GO Bond Tax Rates (per \$1,000 AV)		Annual GO Bond Property Tax Paid per \$100,000 AV		
	Clackamas CC	N. Clack. SD	Total	Without UR	With UR	Without UR	With UR	Impact of UR
2016	0.0000	0.0000	0.0000	0.9779	0.9779	\$97.79	\$97.79	\$0.00
2017	0.0000	0.0000	0.0000	0.9477	0.9477	\$94.77	\$94.77	\$0.00
2018	0.0000	0.0006	0.0006	0.9441	0.9447	\$94.41	\$94.47	\$0.06
2019	0.0001	0.0000	0.0001	0.1564	0.1565	\$15.64	\$15.65	\$0.01
2020	0.0001	0.0006	0.0007	0.4170	0.4177	\$41.70	\$41.77	\$0.07
<b>Total</b>						<b>\$344.31</b>	<b>\$344.45</b>	<b>\$0.14</b>

Source: ECONorthwest

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2046, and are shown in Tables 17a and 17b.

Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. The share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the Redevelopment Commission will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness. Revenue sharing is not projected to occur for this urban renewal area, as the Area is expected to cease collecting TIF prior to achieving the revenue sharing thresholds.

The North Clackamas 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 urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the State level.



Tables 17a and 17b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 17a shows the general government levies and Table 17b shows the education levies. These tables assume the growth as projected in the other tables in this Report.

**Table 17a – Projected Impact on Taxing District Permanent Rate Levies General Government**

FYE	Clackamas County Perm	County Extension & 4H Perm	County Library Perm	County Soil and Water Perm	Fire District #1 Perm	North Clackamas Park Perm	City of Milwaukie Perm	Port of Portland Perm	Metro Perm	Vector Control Perm	Subtotal
2018	-\$19,262	-\$401	-\$3,184	-\$401	-\$19,238	-\$4,312	-\$33,143	-\$562	-\$774	-\$52	-\$81,329
2019	-\$38,606	-\$803	-\$6,381	-\$803	-\$38,557	-\$8,642	-\$66,425	-\$1,126	-\$1,551	-\$104	-\$162,998
2020	-\$70,205	-\$1,460	-\$11,604	-\$1,460	-\$70,117	-\$15,716	-\$120,795	-\$2,047	-\$2,821	-\$190	-\$296,415
2021	-\$156,119	-\$3,247	-\$25,806	-\$3,247	-\$155,925	-\$34,949	-\$268,621	-\$4,552	-\$6,273	-\$422	-\$659,161
2022	-\$192,521	-\$4,004	-\$31,823	-\$4,004	-\$192,281	-\$43,097	-\$331,255	-\$5,613	-\$7,735	-\$521	-\$812,854
2023	-\$250,718	-\$5,214	-\$41,442	-\$5,214	-\$250,405	-\$56,125	-\$431,389	-\$7,310	-\$10,074	-\$678	-\$1,058,569
2024	-\$292,110	-\$6,075	-\$48,284	-\$6,075	-\$291,746	-\$65,391	-\$502,609	-\$8,517	-\$11,737	-\$790	-\$1,233,334
2025	-\$364,634	-\$7,583	-\$60,272	-\$7,583	-\$364,179	-\$81,626	-\$627,395	-\$10,632	-\$14,651	-\$986	-\$1,539,541
2026	-\$410,929	-\$8,546	-\$67,924	-\$8,546	-\$410,416	-\$91,990	-\$707,049	-\$11,982	-\$16,511	-\$1,111	-\$1,735,004
2027	-\$443,647	-\$9,227	-\$73,332	-\$9,227	-\$443,094	-\$99,314	-\$763,346	-\$12,936	-\$17,826	-\$1,199	-\$1,873,148
2028	-\$474,045	-\$9,859	-\$78,357	-\$9,859	-\$473,454	-\$106,119	-\$815,649	-\$13,822	-\$19,047	-\$1,282	-\$2,001,493
2029	-\$505,659	-\$10,516	-\$83,582	-\$10,516	-\$505,028	-\$113,196	-\$870,043	-\$14,744	-\$20,317	-\$1,367	-\$2,134,968
2030	-\$538,537	-\$11,200	-\$89,017	-\$11,200	-\$537,865	-\$120,556	-\$926,614	-\$15,702	-\$21,638	-\$1,456	-\$2,273,785
2031	-\$572,730	-\$11,911	-\$94,669	-\$11,911	-\$572,015	-\$128,210	-\$985,447	-\$16,699	-\$23,012	-\$1,548	-\$2,418,152
2032	-\$608,291	-\$12,651	-\$100,547	-\$12,651	-\$607,532	-\$136,171	-\$1,046,633	-\$17,736	-\$24,441	-\$1,645	-\$2,568,298
2033	-\$645,274	-\$13,420	-\$106,660	-\$13,420	-\$644,469	-\$144,450	-\$1,110,268	-\$18,814	-\$25,927	-\$1,745	-\$2,724,447
2034	-\$683,737	-\$14,220	-\$113,018	-\$14,220	-\$682,884	-\$153,060	-\$1,176,447	-\$19,936	-\$27,472	-\$1,849	-\$2,886,843
2035	-\$723,738	-\$15,052	-\$119,630	-\$15,052	-\$722,835	-\$162,015	-\$1,245,274	-\$21,102	-\$29,080	-\$1,957	-\$3,055,735
2036	-\$765,339	-\$15,917	-\$126,506	-\$15,917	-\$764,384	-\$171,328	-\$1,316,853	-\$22,315	-\$30,751	-\$2,069	-\$3,231,379
2037	-\$808,604	-\$16,816	-\$133,658	-\$16,816	-\$807,595	-\$181,013	-\$1,391,296	-\$23,577	-\$32,489	-\$2,186	-\$3,414,050
2038	-\$853,600	-\$17,752	-\$141,095	-\$17,752	-\$852,535	-\$191,085	-\$1,468,717	-\$24,889	-\$34,297	-\$2,308	-\$3,604,030
2039	-\$900,396	-\$18,725	-\$148,830	-\$18,725	-\$899,273	-\$201,561	-\$1,549,234	-\$26,253	-\$36,178	-\$2,434	-\$3,801,609
2040	-\$949,064	-\$19,738	-\$156,875	-\$19,738	-\$947,879	-\$212,456	-\$1,632,972	-\$27,672	-\$38,133	-\$2,566	-\$4,007,093
2041	-\$999,678	-\$20,790	-\$165,241	-\$20,790	-\$998,431	-\$223,786	-\$1,720,060	-\$29,148	-\$40,167	-\$2,703	-\$4,220,794
2042	-\$1,052,317	-\$21,885	-\$173,942	-\$21,885	-\$1,051,004	-\$235,570	-\$1,810,631	-\$30,683	-\$42,282	-\$2,845	-\$4,443,044
2043	-\$1,107,061	-\$23,023	-\$182,991	-\$23,023	-\$1,105,680	-\$247,825	-\$1,904,825	-\$32,279	-\$44,481	-\$2,993	-\$4,674,181
2044	-\$1,163,995	-\$24,208	-\$192,402	-\$24,208	-\$1,162,543	-\$260,570	-\$2,002,787	-\$33,939	-\$46,769	-\$3,147	-\$4,914,568
2045	-\$1,223,207	-\$25,439	-\$202,189	-\$25,439	-\$1,221,680	-\$273,825	-\$2,104,667	-\$35,665	-\$49,148	-\$3,307	-\$5,164,566
2046	-\$1,284,787	-\$26,720	-\$212,368	-\$26,720	-\$1,283,184	-\$287,610	-\$2,210,622	-\$37,461	-\$51,622	-\$3,474	-\$5,424,568
<b>Total</b>	<b>-\$18,098,810</b>	<b>-\$376,402</b>	<b>-\$2,991,629</b>	<b>-\$376,402</b>	<b>-\$18,076,228</b>	<b>-\$4,051,568</b>	<b>-\$31,141,066</b>	<b>-\$527,713</b>	<b>-\$727,204</b>	<b>-\$48,934</b>	<b>-\$76,415,956</b>

Source: ECONorthwest



**Table 17b – Projected Impact on Taxing District Permanent Rate Levies Education**

FYE	Clackamas CC	Clackamas ESD	North Clackamas SD	Subtotal	Total
	Perm	Perm	Perm		
2018	-\$4,472	-\$2,954	-\$39,019	-\$46,445	-\$127,774
2019	-\$8,963	-\$5,920	-\$78,202	-\$93,085	-\$256,083
2020	-\$16,300	-\$10,766	-\$142,211	-\$169,277	-\$465,692
2021	-\$36,247	-\$23,942	-\$316,245	-\$376,434	-\$1,035,595
2022	-\$44,699	-\$29,524	-\$389,983	-\$464,206	-\$1,277,060
2023	-\$58,211	-\$38,449	-\$507,870	-\$604,530	-\$1,663,099
2024	-\$67,821	-\$44,797	-\$591,718	-\$704,336	-\$1,937,670
2025	-\$84,660	-\$55,919	-\$738,627	-\$879,206	-\$2,418,747
2026	-\$95,408	-\$63,019	-\$832,403	-\$990,830	-\$2,725,834
2027	-\$103,005	-\$68,036	-\$898,680	-\$1,069,721	-\$2,942,869
2028	-\$110,062	-\$72,698	-\$960,256	-\$1,143,016	-\$3,144,509
2029	-\$117,402	-\$77,546	-\$1,024,294	-\$1,219,242	-\$3,354,210
2030	-\$125,036	-\$82,588	-\$1,090,894	-\$1,298,518	-\$3,572,303
2031	-\$132,975	-\$87,832	-\$1,160,158	-\$1,380,965	-\$3,799,117
2032	-\$141,231	-\$93,285	-\$1,232,192	-\$1,466,708	-\$4,035,006
2033	-\$149,818	-\$98,957	-\$1,307,108	-\$1,555,883	-\$4,280,330
2034	-\$158,748	-\$104,856	-\$1,385,020	-\$1,648,624	-\$4,535,467
2035	-\$168,035	-\$110,990	-\$1,466,049	-\$1,745,074	-\$4,800,809
2036	-\$177,694	-\$117,370	-\$1,550,320	-\$1,845,384	-\$5,076,763
2037	-\$187,739	-\$124,005	-\$1,637,960	-\$1,949,704	-\$5,363,754
2038	-\$198,186	-\$130,905	-\$1,729,107	-\$2,058,198	-\$5,662,228
2039	-\$209,051	-\$138,082	-\$1,823,899	-\$2,171,032	-\$5,972,641
2040	-\$220,351	-\$145,545	-\$1,922,483	-\$2,288,379	-\$6,295,472
2041	-\$232,102	-\$153,307	-\$2,025,011	-\$2,410,420	-\$6,631,214
2042	-\$244,324	-\$161,380	-\$2,131,639	-\$2,537,343	-\$6,980,387
2043	-\$257,034	-\$169,775	-\$2,242,534	-\$2,669,343	-\$7,343,524
2044	-\$270,253	-\$178,506	-\$2,357,863	-\$2,806,622	-\$7,721,190
2045	-\$284,001	-\$187,587	-\$2,477,805	-\$2,949,393	-\$8,113,959
2046	-\$298,298	-\$197,031	-\$2,602,546	-\$3,097,875	-\$8,522,443
<b>Total</b>	<b>-\$4,202,126</b>	<b>-\$2,775,571</b>	<b>-\$36,662,096</b>	<b>-\$43,639,793</b>	<b>-\$120,055,749</b>

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



Table 18 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2047.

**Table 18 – Additional Revenues Obtained after Termination of Tax Increment Financing**

Taxing District	Tax Rate	Tax Revenue in FYE 2047 (year after expiration)		
		From Frozen Base	From Excess Value	Total
<b>General Government</b>				
Clackamas County	2.4042	\$332,940	\$1,419,821	\$1,752,761
County Extension & 4H	0.0500	\$6,924	\$29,528	\$36,452
County Library	0.3974	\$55,033	\$234,688	\$289,721
County Soil and Water	0.0500	\$6,924	\$29,528	\$36,452
Fire District #1	2.4012	\$332,525	\$1,418,050	\$1,750,575
North Clackamas Park	0.5382	\$74,531	\$317,839	\$392,370
City of Milwaukie	4.1367	\$572,861	\$2,442,964	\$3,015,825
Port of Portland	0.0701	\$9,708	\$41,398	\$51,106
Metro	0.0966	\$13,377	\$57,048	\$70,425
Vector Control	0.0065	\$900	\$3,839	\$4,739
<i>Subtotal</i>	10.1509	\$1,405,724	\$5,994,702	\$7,395,687
<b>Education</b>				
Clackamas CC	0.5582	\$77,301	\$329,650	\$406,951
Clackamas ESD	0.3687	\$51,059	\$217,739	\$268,798
North Clackamas SD	4.8701	\$674,425	\$2,876,080	\$3,550,505
<i>Subtotal</i>	5.7970	\$802,784	\$3,423,469	\$4,226,254
<b>Total</b>	<b>15.9414</b>	<b>\$2,207,608</b>	<b>\$9,414,333</b>	<b>\$11,621,941</b>

Source: ECONorthwest

## X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, manufactured, and utility properties in the Area, is projected to be \$138,482,705, 7.3% of the city's assessed value. The total assessed value of the City of Milwaukie is \$1,897,526,766. The Urban Renewal Area has 260.62 acres, including right-of-way, and the City of Milwaukie has 3,239.5 acres according to the City of Milwaukie GIS; therefore 8.05% of the City's acreage is in an urban renewal area, below the 25% state limit.

**Table 19** – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Frozen Base/Assessed Value	Acres
Milwaukie URA	\$138,482,705	260.62
City of Milwaukie	\$1,897,526,766	3,239.50
Percent of Total	7.30%	8.05%

Source: City of Milwaukie, Clackamas County Assessor

## XI. RELOCATION REPORT

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