



City of Sutherlin
Urban Renewal Agency
Monday, May 11, 2020
Civic Auditorium – 6:30 p.m.

AGENDA

Mayor Todd McKnight

Tom Boggs, Debbie Hamilton, Todd McKnight , Forrest Stone
Michelle Sumner, Travis Tomlinson and Seth Vincent

6:30pm Urban Renewal Agency Meeting

1. CALL TO ORDER / FLAG SALUTE

2. ROLL CALL

3. INTRODUCTION OF MEDIA

4. PUBLIC COMMENT

[Citizen comment is to allow citizens to present information regarding agenda items only. A time limit of three minutes per citizen shall apply.]

5. AGENCY BUSINESS

- a. Election of Chair and Vice-Chair
- b. Review of proposed Sutherlin Tax Increment Plan and Report
- c. Initial Expectations

6. ADJOURN

Members of the audience who wish to address the Agency will be invited to do so. Speakers must use the microphone stating their name and address prior to addressing the Agency.



Call to Order & Flag Salute





ROLL CALL





Introduction Of Media





PUBLIC COMMENT

Agenda Items only





AGENCY BUSINESS





Election of Chair and Vice-Chair



SUTHERLIN URBAN RENEWAL AGENCY

Action: Motion to Move Sutherlin Tax Increment Finance Plan Through the Formal Public Review Process

Explanation

The Sutherlin Urban Renewal Agency (Agency) is being asked to review the proposed Sutherlin Urban Renewal Plan (Plan) and to decide whether to recommend the Plan be forwarded through the public review process of urban renewal/tax increment finance plans, including sending to the impacted taxing districts, presentation to the Planning Commission for their review of conformance with the Sutherlin Comprehensive Plan, to the Douglas County Commission for a briefing, and to the Sutherlin City Council for consideration of a non-emergency ordinance to adopt the Plan. The reason for urban renewal/tax increment financing is to provide a financing mechanism to fund improvements including Sports Park Facilities, Downtown, Industrial Park, Central Avenue Corridor and Properties at Exit 136 and Administration to allow for the future development of the Sutherlin Tax Increment Finance Plan Area (Plan Area).

The Plan Area, shown in Figure 1 of the Plan, consists of approximately 615.3 total acres: 516.3 acres of land in tax lots and 98.99 acres of public rights-of-way. It is anticipated that the Plan will take 25 years of tax increment collections to implement. The maximum amount of indebtedness (amount of tax increment financing (TIF) for projects and programs) that may be issued for the Plan is \$23,300,000. The amount of funding for projects, programs and administration in constant 2020\$ is \$15,533,346. The allocations to projects in the Plan and Report Accompanying the Sutherlin Urban Renewal Plan (Report) are predicated on this number.

The finance plan in the Report is for the purpose of establishing financial feasibility of the Plan, a requirement of ORS 457. The finance plan may be adjusted as you implement the Plan. If you are able to receive more favorable financing terms, you may be able to change the dates that the projects will occur.

The process for approval will include the following steps, in accordance with ORS 457.

1. Preparation of a Plan including opportunity for citizen involvement.
2. Agency review of the proposed Plan and accompanying Report
3. Review and recommendation by the Sutherlin Planning Commission
4. Presentation of the Plan to the Douglas County Commission for a briefing
5. Notice to citizens of consideration of an ordinance
6. Forwarding a copy of the proposed Plan and the Report to the governing body of each taxing district.
7. Hearing by Sutherlin City Council and adoption of the proposed Plan and accompanying Report by a non-emergency ordinance. The ordinance must be a non-emergency ordinance, which means that the ordinance does not take effect until 30 days after its approval and during that period of time may be referred to

Sutherlin voters if a sufficient number of signatures are obtained on a referral petition.

Recommendation

Staff recommends that the Sutherlin Urban Renewal Agency pass the following motion.

Draft motion: The Sutherlin Urban Renewal Agency forwards the Sutherlin Tax Increment Finance Plan to the Sutherlin Planning Commission for their review of the Plan's conformance to the Sutherlin Comprehensive Plan, to the Douglas County Commission for briefing and then to the Sutherlin City Council for a public hearing and their review and vote on adoption.

ATTACHMENTS:

- Sutherlin Tax Increment Finance Plan
- Report Accompanying the Sutherlin Tax Increment Finance Plan

Sutherlin Tax Increment Finance Plan

DRAFT

Adopted by the City of Sutherlin

DATE

Ordinance No. ____



If Amendments are made to the Plan, the Resolution or Ordinance Number and date will be listed here. The amendment will be incorporated into the Plan and noted through a footnote.

| Date | Resolution or Ordinance No. | Purpose of Change |
|-------------|------------------------------------|--------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

LIST OF PARTICIPANTS

Mayor

Todd McKnight

City Council

Tom Boggs

Michelle Sumner

Debbie Hamilton

Travis Tomlinson

Seth Vincent

Forrest Stone

Planning Commission

Norman Davidson

Elainna Swanson

Richard Price

Adam Sarnoski

Sam Robinson

Collin Frazier

William Lee

City Manager

Jerry Gillham

Community Development Director

Brian Elliott

Community Development Supervisor

Kristi Gilbert

City Planner

Jamie Chartier

City Recorder

Diane Harris

Deputy City Recorder

Melanie Masterfield

Finance Director

Dan Wilson

Urban Renewal Administrator

Pat Lynch

Tax Increment Plan Task Force

Terry Prestianni, Sutherlin School District

Travis Tomlinson, City Council

Tom Boggs, City Council

Adam Sarnoski, Planning Commission

J. Lindeen Brown, Business Rep.

David Debysingh, Business Rep.

Dan Bartram, Property Owner

Nicole Bennett, Property Owner

Stan McKnight, Property Owner

Scott Cameron, At Large

Pat Fahey, At Large

Gary Fadness, Property Owner/Architect

Tax Increment Plan Consulting Team

Elaine Howard Consulting, LLC

Elaine Howard

Scott Vanden Bos

Tiberius Solutions LLC

Nick Popenuk

Ali Danko

Rob Wyman

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I. DEFINITIONS

“Agency” means the Sutherlin Urban Renewal Agency. The Agency is responsible for administration of this Sutherlin TIF Plan.

“Annual report” is the ORS 457.460 requirement for the production of an annual report that gets distributed to the taxing districts.

“Area” or “TIF Area” means the tax increment finance area established for this Plan pursuant to ORS 457, including the properties and rights-of-way located therein.

“Blight” is defined in ORS 457.010(1)(a-i) and identified in the ordinance adopting a TIF plan.

“Board of Commissioners” means the Douglas County Board of Commissioners.

“City” means the City of Sutherlin, Oregon.

“City Council” or “Council” means the Sutherlin City Council.

“Comprehensive Plan” means the City of Sutherlin Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Douglas County, Oregon.

“Fiscal year” or “FYE” 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 a TIF area at the time of adoption. The county assessor certifies the assessed value after the adoption of a TIF area 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 from the assessor (frozen base).

“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. The maximum indebtedness for this Plan is \$23,700,000.

“Municipality” means any county or any city in the state of Oregon.

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

“Plan” or “Sutherlin TIF Plan” means the official plan for the TIF Area pursuant to ORS 457.

“Planning Commission” means the Sutherlin Planning Commission.

“Project(s)” or “TIF Project(s)” means any work or undertaking carried out under the Sutherlin TIF Plan.

“Report Accompanying Sutherlin TIF Plan” or “Report” means the official report that accompanies the Sutherlin TIF Plan pursuant to ORS 457.085(3).

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

“Tax increment finance area” or “TIF area” means a blighted area included in a TIF plan.

“Tax increment finance area plan” or “TIF plan” means a plan, as it exists or is changed or modified from time to time, for one or more TIF areas, as provided in ORS 457.

“Tax increment finance area project(s)” or “TIF area project(s)” or “project(s)” means any work or undertaking carried out under ORS 457.170 and ORS 457.180 in a TIF area.

“Tax increment finance area report” or “report” means the official report that accompanies the TIF plan pursuant to ORS 457.085(3).

“Tax increment finance” or “tax increment financing” or “TIF” means the funds that are associated with the division of taxes accomplished through the adoption of a TIF plan.

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

“Urban Renewal” means the statutory authority provided in ORS 457. In this Plan it is synonymous with TIF.

II. INTRODUCTION

The Plan for the Area was developed for the Sutherlin City Council with cooperative input from a council appointed Urban Renewal Task Force. The Plan also includes input from the taxing districts through consult and confer letters with the opportunity for follow up with each taxing district, in public meetings, and in hearings before the Planning Commission, City Council, and a public briefing with the Douglas County Board of Commissioners.

Note on language: This Plan, wherever applicable and permissible, uses the term Tax Increment Finance or TIF rather than “urban renewal”. The term TIF is used consistently in other parts of the nation and does not evoke past practices of other urban renewal agencies throughout the country wherein minorities and underrepresented populations were displaced to clear the way for redevelopment. This Plan aims to avoid those connotations and has been created with intention to avoid those outcomes. Utilizing the term TIF does not affect the statutory authority of ORS 457, as it relates to this Plan.

A. Area Context

In 2019 the City of Sutherlin, Oregon completed a feasibility study for a Tax Increment Finance Area (TIF Area) to serve the downtown and other undeveloped property south of the downtown and surrounding Exit 136 off Interstate 5. After review of the feasibility study, the Sutherlin City Council directed staff to prepare a draft Tax Increment Finance (TIF) Plan and Report. The City Council formed a Task Force to review the boundary, potential projects and provide input on the preparation of the TIF Plan and Report. The Task Force met three times. In addition, information about the feasibility study and proposed TIF Plan was posted on the city website.

B. Plan Overview

The Goals and Objectives of this Plan are intended to guide investment by the Sutherlin Urban Renewal Agency (Agency) in the Area over the life of the Plan. Substantial Amendments to the Plan must be approved by City Council as outlined in Section VII. All amendments to the Plan are to be listed numerically on the front page of the Plan and then incorporated into the Plan document and noted by footnote with an amendment number and adoption date.

The relationship between the sections of the Plan and ORS 457.085(2) requirements is shown in Table 2. The specific reference in the table below is the section of this Plan that primarily addresses the statutory reference. There may be other sections of the Plan that also address the statute.

Table 2 - Statutory References

| Statutory Requirement | Plan Section |
|-----------------------|----------------|
| ORS 457.085(2)(a) | V, VI |
| ORS 457.085(2)(b) | V, VI |
| ORS 457.085(2)(c) | XIV |
| ORS 457.085(2)(d) | XIII |
| ORS 457.085(2)(e) | XIII |
| ORS 457.085(2)(f) | IX |
| ORS 457.085(2)(g) | VIII |
| ORS 457.085(2)(h) | III |
| ORS 457.085(2)(i) | VII |
| ORS 457.085(2)(j) | Not applicable |

C. TIF Area Overview

ORS 457 allows for the use of tax increment revenues, a financing source that is unique to TIF areas, to fund projects within an area to improve conditions that impede development. Tax increment revenues - the amount of property taxes generated by the increase in total assessed values within a TIF area from the time an area is first established - are used to repay borrowed funds. The borrowed funds are used to pay for projects within an area and cannot exceed the maximum indebtedness amount set by a TIF plan.

The purpose of a TIF area is to improve specific areas of a municipality that are poorly developed or underdeveloped, called blighted areas in ORS 457. These areas can have property that is undeveloped or underdeveloped, old or deteriorated buildings, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. In general, TIF area projects can include construction or improvement of streets, utilities, and other public facilities, infrastructure, assistance for development, rehabilitation or redevelopment of property, acquisition and re-sale of property (site assembly) from willing sellers, and improvements to public spaces.

The Area, shown in Figure 1, contains 614.75 acres. The Area meets the definition of blight due to its infrastructure deficiencies, including deficiencies in the transportation system, storm drain system, and water system. In addition, there are many underdeveloped properties within the Area and properties that contain wetlands. These blighted conditions are specifically cited in the ordinance adopting this Plan and described in detail in the Report.

The Report contains the information required by ORS 457.085(3), including:

- A description of the physical, social, and economic conditions in the area
- The expected impact of the Plan, including fiscal impact in light of increased services
- Reasons for selection of the Area
- The relationship between each Project to be undertaken and the existing conditions
- The estimated total cost of each Project and the source(s) of funds to pay such costs
- The estimated 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 Area
- A relocation report

III. MAXIMUM INDEBTEDNESS

Maximum indebtedness is a legal term for the total amount of money that can be spent on projects, programs, and administration throughout the life of the Plan. 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 \$23,300,000 (Twenty-three million three 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.

IV. PLAN GOALS AND OBJECTIVES

The Goals and Objectives of the Plan represent its basic intents and purposes. The goals align with the Goals in the 2014 Economic Opportunity Analysis for Sutherlin. The Projects identified in Sections V and VI of the Plan are the specific means of meeting the Goals and Objectives. The Goals and Objectives will be pursued as economically as is feasible and at the discretion of Agency. They are not listed in any order of importance or priority.

A. Actively increase the Economic Vitality of Sutherlin

1. Improve the Downtown to provide a healthy economy, housing and services for our community.
2. Improve the Central Avenue Corridor to support businesses, attract new business, provide critical commercial/retail services to our community and improve the economic and visual conditions along Central Avenue.
3. Improve the Industrial Area for the creation of traded-sector jobs for our citizens.
4. Provide transportation and utility improvements to support the development and diversity of jobs that will increase the economic vitality of the Area.
5. Work with developers and property owners for the development or redevelopment of properties in the Area to serve our residents and encourage tourism investment and activity.
6. Create a Sports Park Complex that will enhance the lives of families and where visitors can recreate in the community.

B. Become a Visible Economic Development Leader within the Umpqua River Valley Region

1. Provide transportation improvements to support the development of jobs and increase the economic vitality of the Area.
2. Work with the Umpqua Valley Wine Growers Association, community leaders, and local wineries to grow this segment of the economy and thus, increase tourism.

C. Establish Sutherlin as a Unique Destination for Overnight Tourism

1. Create a Sports Park Complex where residents and visitors can recreate in the community.
2. Work with the Umpqua Valley Wine Growers Association, community leaders, local wineries and destination-oriented stakeholders to market this segment of the economy and other tourism-oriented activities abundant in our region.
3. Work with developers and property owners for the development or redevelopment of properties in the Area to serve our residents and encourage both tourism and commercial/retail economic investment.

Table 3 shows the project categories and the Goals to which they relate:

Table 3 - Goals Matrix

| Goal | Project Categories |
|--|--|
| A. Actively increase the Economic Vitality of Sutherlin | Sports Park Facilities Downtown Industrial Park Central Avenue Corridor and Properties at Exit 136 |
| B. Become a Visible Economic Development Leader | Industrial Park Downtown Central Avenue Corridor |
| C. Establish Sutherlin as a Unique Destination for Overnight Tourism | Sports Park Facilities Downtown Central Avenue Corridor and Properties at Exit 136 |

[illegible]

9 | Sutherlin Tax Increment Finance Plan

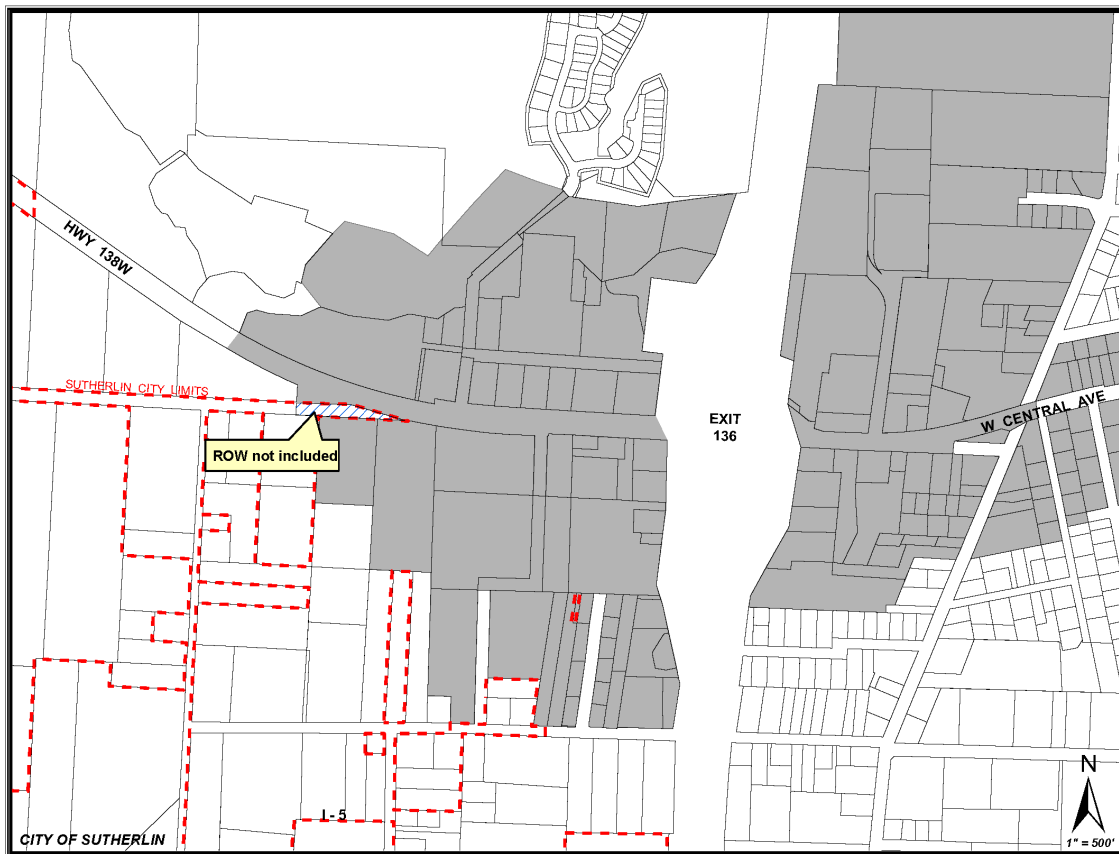
Figure 2 - Tax lot Excluded from Boundary



Source: City of Sutherlin

Tax lot shown on interior in red.

Figure 3 - Right of Way Not Included in Boundary



Source: City of Sutherlin

V. TIF AREA PROJECT CATEGORIES

In relationship to the Goals and Objectives described in the Chapter IV, the Projects within the Area fall into the following categories:

A. Sports Park Facilities

B. Downtown

C. Industrial Park

D. Central Avenue Corridor and Properties at Exit 136

E. Plan Administration

VI. TIF AREA PROJECTS

TIF Area Projects authorized by the Plan are described below. No project currently includes a public building. If any project proposes a public building, the public building criteria in ORS 457.010 and ORS 457.035 to 457.320 will need to be addressed at the time the project is considered.

A. Sports Park Facilities:

Kick-start the creation of a community sports park complex that will also stimulate greater community fundraising for a full-service community center. This project will construct a service roadway onto the site, establish a gravel parking lot, provide utility services on site and assign \$500,000 as a grant match for ODOT Safe Routes to Schools (Waite Street) and a Transportation Enhancement grant (Red Rock Road).

The project components are:

- Set-aside for Safe Routes to School and Transportation Enhancement grants
- Initial road access and parking
- Contingency including utility services and other project components

B. Downtown:

Provide for ongoing investment in future development and redevelopment in the downtown. This project includes an initial demonstration to infuse improvements that will stimulate immediate economic investment and demonstrate the enormous positive impacts of a TIF Area. The initial project is to purchase land for needed parking, provide building façade improvement grants, recruit targeted businesses into downtown and conduct specific land, building and infrastructure improvements that reveal a need for financial investment as projects are executed. These same tools and other tools that may be identified as the initial project is implemented will be provided for the long-term to assist in the development and redevelopment of downtown.

The project components are:

- One-block Initial Demonstration Project
- Property acquisition
- Building restoration grants
- Location Incentives
- Contingency
- New and Redevelopment in downtown

C. Industrial Park:

The County and City own 43 acres of industrially zoned land that is currently inundated by wetlands. The project will pay for wetlands consultation, purchase of wetlands credits, on-site mitigation requirements that will come out of the consultant's analysis, business recruitment incentives and infrastructure improvements for adjacent and on-site services. The project includes expending monies for immediate impact development.

Initial project work:

- Wetlands credits
- Wetlands plan
- Location incentives
- Contingency
- Infrastructure (water, sewer, streets)

D. Central Avenue Corridor and Properties at Exit 136:

Construct transportation improvements at Interstate 5 at Exit 136. These funds would kick-start the design, engineering and construction of the Interchange Area Master Plan (IAMP) in partnership with the Oregon Department of Transportation (ODOT).

Develop at least one multi-family housing development along Central Avenue. This project would entail the purchase of one significantly blighted area and use monies to incite a public/private partnership for construction of a multi-family housing complex on this property.

Create an Umpqua Wine Interpretative Center with public and private partners.

The project components are:

- Property acquisition
- Blight cleanup
- Housing partnership
- Exit 136 area improvements (streetlights/transportation, etc.)
- Gateway Partnership with Umpqua Wine Interpretive Center

E. Administration

Provide for the administration of the Plan.

Examples of eligible projects include:

- Auditing, annual reports, insurance, bond counsel, and other required administrative costs
- Preparation of financial plans and/or financial analyses of projects and proposals
- Personnel, materials, and other associated administrative costs
- Professional consulting services to refine urban design concepts
- Environmental analyses
- Assisting in the preparation of the annual financial report required by this Plan and ORS 457
- Any other powers granted by ORS 457 in connection with the implementation of this Plan

VII. 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 Agency, 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, as required by ORS 457.120.

Substantial Amendments shall be processed in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:

1. Add land to the Area, except for an addition of land that totals not more than 1% of the existing area of the Area;¹ or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

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 Agency by resolution.

The projects proposed in the Plan and Report are organized by project categories. If the Agency determines that the allocation of funds within a project category should be adjusted based on needs within the Area, they may do so through a Minor Amendment.²

¹ Unless otherwise permitted by state law, no land equal to more than 20 percent of the total land area of the original Plan shall be added to the urban renewal area by amendments, and the aggregate amount of all amendments increasing the maximum indebtedness may not exceed 20 percent of the Plan's initial maximum indebtedness, as adjusted, as provided by law, with increases beyond that amount requiring concurrence as stated in ORS 457. .

² Project costs may be impacted by grants, timing, cost savings, inflation, or other external forces unanticipated at this time but which may occur over the 25 year life of this Area.

VIII. 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. If property is proposed to be acquired it will first be identified in the Plan through a Minor Amendment, as described in Section VII. Identification of property to be acquired and its anticipated disposition is required by ORS 457.085(2)(g).

A. Property acquisition for public improvements

The Agency may acquire 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 for private development or redevelopment from willing sellers

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

C. Land disposition

The Agency will dispose of property acquired under Subsection A of this Section VIII for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement.

The Agency may dispose of property acquired under Subsection B of this Section VIII 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 Agency, 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 the 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 Agency determines is reasonable.

IX. RELOCATION METHODS

If the Agency 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 Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. No specific acquisitions that would result in relocation benefits have been identified in the Plan.

X. TAX INCREMENT FINANCING OF PLAN

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

Tax increment revenues are annual property taxes imposed on the cumulative *increase* in assessed value within the Area over the total assessed value at the time the Plan is adopted, with the exception of property taxes for General Obligation (GO) bonds and local option levies. (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 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, Local Improvement Districts and Reimbursement Districts and
- Any other public or private source

Revenues obtained by the Agency 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

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, 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.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of Sutherlin in connection with the preparation of this Plan or prior planning efforts related to this Plan may be repaid from tax increment revenues from the Area when and if such funds are available.

D. Under-levy

The Agency may determine to under-levy pursuant to ORS 457.455 notwithstanding any of the foregoing provisions.

XI. VALIDITY

Should a court of competent jurisdiction find any work, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

XII. ANNUAL REPORT

The Agency shall file an Annual Report in compliance with ORS 457.460.

XIII. RELATIONSHIP TO LOCAL OBJECTIVES

ORS 457.085 requires that the Plan describe the relationship of the plan to definite local objectives. This section provides that analysis. Relevant local planning and development objectives are contained within the *Sutherlin Comprehensive Plan, Sutherlin Parks and Open Space Plan, Sutherlin Transportation System Plan, and the Sutherlin Development Code*. The following section describes the purpose and intent of these plans, the main applicable goals and policies within each plan, and an explanation of how this Plan conforms to the applicable goals and policies.

The numbering of the goals and policies within this section reflects the numbering that occurs in the original document. The language from the original document is in *italics*.

Comprehensive Plan designations for all land in the Area are shown in Figure 4. All proposed land uses conform to Figure 4. Maximum densities and building requirements for all land in the Area are contained in the Sutherlin Development Code described in subsection C of this Section XIII. The zoning designations are shown in Figure 4.

A. Sutherlin Comprehensive Plan

The analysis of how the Plan conforms to the Comprehensive Plan covers the most relevant sections but may not cover every section of the Comprehensive Plan that relates to the Plan.

If the Comprehensive Plan policies identified in the Plan are updated in the future, this document will automatically incorporate those updates without the Plan having to be formally amended. If a Substantial Amendment is completed in the future, this section of the Plan should be updated at that point.

Below are applicable Comprehensive Plan policies and statements of the Plan's conformance to Comprehensive Plan policies.

Citizen Involvement

Goal: *To establish a framework for a planning and policy process which involves citizens and is a basis for all decisions and actions related to land use, and which ensures that an adequate factual base is available for such decisions and actions.*

Finding: The Plan conforms to the Citizen Involvement chapter as there was a Task Force created to review projects and financials for the Plan. There were public hearings conducted by the Planning Commission and City Council and a briefing was provided to the Douglas County Commission. Information on the Feasibility Study and Plan were provided on the City of Sutherlin website.

Housing Element

Goal: Enable all members of the community to live in housing appropriate to their needs.

Finding: The Plan conforms to the Housing Element chapter as the projects include the development of parks which are an amenity for housing and the ability to assist in the development of multi-family housing within the Area.

Economy

Goals: to broaden, improve and diversify the economy of Sutherlin while enhancing the environment.

Finding: The Plan conforms to the Economy chapter as there are projects, programs, and expenditures identified for incentivizing development in the Area, providing transportation improvements, working with the Umpqua Wine Growers Association, and creating a Sports Park to encourage economic activity in the Area.

Public Facilities

Goal: To provide efficient public facilities and services in an orderly planned manner so as to meet the needs of Sutherlin's residents and businesses.

Ensure that as new development occurs, public facilities and services to support the development are available or will be available within a reasonable time.

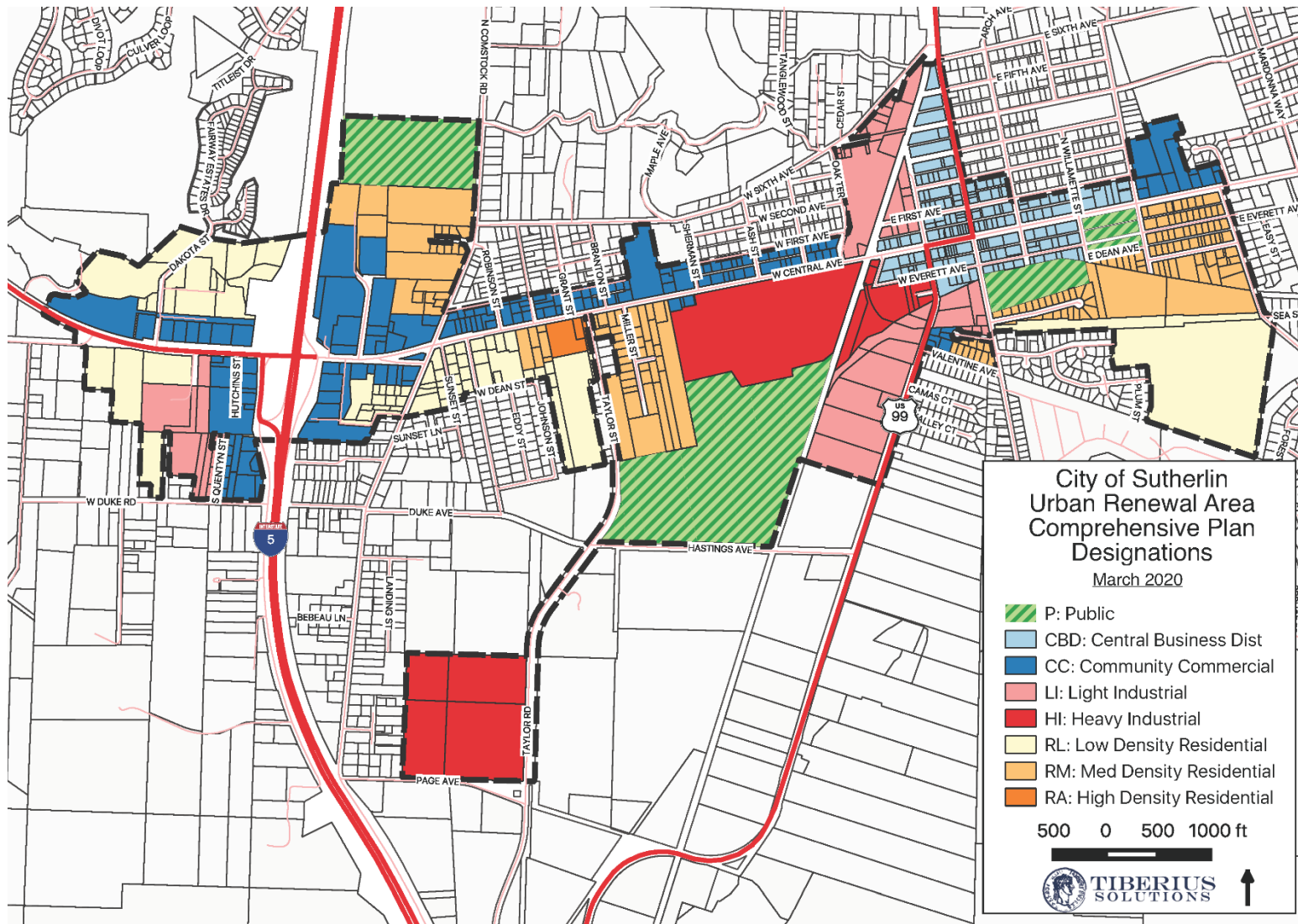
Goal: To provide and encourage a safe, convenient, aesthetic and economical transportation system.

Encourage the expansion of the street improvement program and also coordinate the program with the future street plan, and thus ensure that those streets that have been designated to carry high volumes of traffic (arterials and collectors) are in satisfactory and safe condition.

13. The city shall work with the Oregon Department of Transportation and Douglas County to improve the city's transportation system to a level consistent with the goals and policies of the Comprehensive Plan and the Public Facilities Plan.

Finding: The Plan conforms to the Public Facilities chapter as there are specific projects identified for transportation and utility infrastructure improvements in the Area.

Figure 4 - TIF Area Comprehensive Plan Designations



Source: Tiberius Solution

B. Sutherlin Parks and Open Space Plan³

The *Sutherlin Open Space Plan* established the need for additional open space and parks facilities in the Area. The specific recitation is shown below. The table is from the *Sutherlin Open Space Plan* document.

Section 6.2 Existing and Future Parks

Based on an assumption of shared facility use, the Needs Analysis identified a need for 6 to 12 neighborhood parks and 4 to 10 community parks (Section 5.2, Needs Assessment). Not all neighborhood and community parks need to be the same, containing the same or similar array of elements. Indeed, quality park and open space planning recognizes unique qualities of a particular site and develops a specific park plan around a balance of a site's unique features with the overall community need for park resources. Thus, the array of identified neighborhood and community parks in Sutherlin can have variety. In particular, the 5 identified community parks (3 community parks and 2 sports parks) each has a unique, identifiable focus. Table 6.3 of the City of Sutherlin Parks and Open Space Plan outlines this approach.

Table 6.3 – Park Functions⁴

| Community Park | Park Function |
|--|---|
| <i>Central Park / Festival Grounds (C-1)</i> | <i>Functions as a host location for community events and festivals</i> |
| <i>Cooper Creek Reservoir (C-2) facility</i> | <i>Functions as a boating and picnicking destination</i> |
| <i>Ford's Pond (C-3)</i> | <i>Could function as an open expanse of informal open space</i> |
| <i>Westside Sports Park (S-1)</i> | <i>A host location for tournament-level regulation sports such as softball and soccer</i> |
| <i>Eastside Sports Park (S-2)</i> | <i>A shared location with the Sutherlin School District for baseball and football</i> |

Finding: The Plan conforms to the *Sutherlin Parks and Open Space Plan* as there is a project for creating a Sports Park Facility in the Area.

³ SATRE Associates, *City of Sutherlin Parks and Open Space Plan*, April 30, 2005.

⁴ SATRE Associates, *City of Sutherlin Parks and Open Space Plan*, Table 6.3, 44.

C. Sutherlin Transportation System Plan⁵

The Sutherlin Transportation System Plan (TSP) goals and objectives serve as the basis for the TSP for needs analysis, policy and ordinance development and project selection. These goals and objectives reflect the transportation goals of the City and the overall transportation vision for the Sutherlin area. The goals and objectives will maximize mobility, safety, efficiency and accessibility to the transportation system and will address the requirements of the Oregon Transportation Planning Rule (TPR) and the Oregon Transportation Plan (OTP).

Goal 1. Overall Transportation System

Provide a transportation system for the Sutherlin area that supports safe, efficient and accessible movement.

Goal 2. Transportation and Land Use

Maximize the efficiency of Sutherlin's transportation system through effective land use planning.

Objectives

A. Facilitate development or redevelopment on sites that are best supported by the overall transportation system and that reduce motor vehicle dependency by promoting walking, bicycling, transit and personal electric vehicle use. This may include altering land use patterns through changes to type, density, and design.

B. Plan land uses to increase opportunities for multi-purpose trips.

C. Support mixed-use development where zoning allows.

Goal 4. Street System

Provide a well-planned, comprehensive street system that serves the needs of the Sutherlin area.

Objectives

C. Make better use of the southern interchange by connecting an east-west route to the southern interchange on both sides of I-5.

D. Identify opportunities to improve flow of people and goods east-west across I-5.

E. Identify alternative east-west routes to improve traffic flow and improve emergency vehicle access. This includes alternative routes to relieve traffic congestion on Central Avenue such as connecting Fourth Avenue to Sixth Avenue across the railroad tracks north of Central Avenue. Other alternative east-west routes include a connection between the southern interchange and the eastern city limits. Identify options for improved access to the Sutherlin Industrial Park.

⁵ Parsons Brinckerhoff, *City of Sutherlin Transportation System Plan*, July 2005

Goal 6. Transportation that Supports Economic Development

Facilitate the provision of a multi-modal transport system for the efficient, safe, and competitive movement of goods and services to, from, and within the Sutherlin area.

Objectives

- A. Promote accessibility to transport modes that fulfill the needs of freight shippers.*
- B. Strive to balance the needs of moving freight with community livability.*
- F. Designated arterial routes and freeway access are essential for efficient movement of goods. Design these facilities and adjacent land uses to reflect the needs of goods movement.*

Goal 7. Funding Transportation System Improvements

Implement the transportation plan by working cooperatively with federal, State, regional, and local governments, the private sector, and residents. Create a stable, flexible financial system for funding transportation improvements.

Objectives

- C. Coordinate transportation projects, policy issues, and development actions with all affected governmental units in the area. Key agencies for coordination include Douglas County, Oregon Department of Transportation, Umpqua Regional Council of Governments (URCOG), and Umpqua Transit.*
- G. Working in partnership with Oregon Department of Transportation, Douglas County, and other jurisdictions and agencies, develop a long-range financial strategy to make needed improvements to the transportation system and support operational and maintenance requirements.*

Finding: The Plan conforms to the *Sutherlin Transportation System Plan* as there are projects for improving transportation facilities in the Area.

D. Sutherlin Economic Opportunities Analysis⁶

B.2 Community Economic Development Objectives

Goal 1: Actively Increase the Economic Vitality of Sutherlin

Goal 2: Become a Visible Economic Development Leader

Goal 3: Establish Sutherlin as a Unique Destination for Overnight Tourism

Finding: The Plan conforms to the *Sutherlin Economic Opportunities Analysis* as there are projects, programs, and expenditures for improving transportation facilities, sports facilities, and development partnerships in the Area.

E. Sutherlin Development Code

The land uses in the Area will conform to the zoning designations in the *Sutherlin Development Code*, including maximum densities and building requirements, and those provisions of the *Sutherlin Development Code*, are incorporated by reference herein. The following zoning districts are currently present in the Area:

Low Density Residential (R1)
Medium Density Residential (R2)
Multi-family Residential (R3)
Downtown Commercial (C1)
Community Commercial (C3)
Public (CG)
Light Industrial (M1)
General Industrial (M2)
High Density Residential (RH)
Medium Density Residential (RM)

As the *Sutherlin Development Code* is updated, the references to the Sutherlin Development Code in this document will be deemed to incorporate those updates without the Plan having to be formally amended. If a Substantial Amendment to this Plan is completed in the future, this section will be updated to match the current zoning designations. When any Project is undertaken, the provisions of the Sutherlin Development Code in effect at the time of the Project will apply.

⁶ FCS Group, *Economic Opportunities Analysis*, November 2014.

Section 2.2.100 – RESIDENTIAL DISTRICTS

A. Purpose. *The residential districts provide for neighborhoods ranging in densities from very low to moderately high. The differences in these densities and regulations are intended to support the varying lifestyles of the City's residents. The districts provide for a range of residential habitation including residential-hillside, single family, multifamily, manufactured home, and combinations thereof, together with home occupations, schools, parks, and public services necessary for neighborhood living.*

- 2. Low density residential (R-1); This district is a low density area that protects established single family neighborhoods and preserves the residential quality, value identity environmental privacy, light and air and outdoor space that is meant to conform to systems and facilities which support the residential quality of the area.*
- 3. Medium density residential (R-2); This district is a medium density area allowing a compatible mix of both single family and multiple family housing protected as to residential quality, value, identity, environmental privacy, light and air and outdoor space that is meant to conform to systems and facilities which support the residential quality of the area.*
- 4. Multifamily residential (R-3); This district is a medium to high density area meant to serve as a general residential district allowing a large variety of housing and densities without conflict together with certain nonresidential uses.*

Section 2.3.100 – COMMERCIAL ZONING DISTRICTS

A. Purpose. *The purpose of the commercial districts is to:*

- 1. Allow a mixture of complimentary land uses that may include, retail, offices, commercial services, civic uses, and housing to create economic and social vitality and to encourage the linking of trips;*
- 2. Develop commercial and mixed-use areas that encourage walking as an alternative to driving, and provide more employment and housing options;*
- 3. Provide flexibility in the siting and design of new developments and redevelopment to anticipate changes in the marketplace;*
- 4. Provide both formal and informal community gathering places;*
- 5. Provide roadway and pedestrian connections from the commercial districts to neighborhoods and other employment areas;*
- 6. Maintain, preserve and enhance the distinct storefront character, which identifies the downtown commercial district;*
- 7. Encourage efficient land use by facilitating compact development and minimizing the amount of land needed for surface parking;*
- 8. Facilitate development (land use mix, density and design) that can be served by public transit where applicable;*

9. *Provide appropriate locations and design standards for automobile and truck-dependent uses;*
10. *Maintain mobility along traffic corridors and statewide highways; and*
11. *Provide for automobile-oriented uses, while preventing strip-commercial development in highway corridors.*

B. Applicability. *Commercial zoning districts fall under two categories:*

1. *Downtown Commercial (C-1); and*
2. *Community Commercial (C-3).*

Section 2.4.100 – SECTION 2.4 – PUBLIC/SEMI-PUBLIC DISTRICTS

A. Purpose. *The purpose of this district is to provide for the review and location of public and semi-public facilities and related uses, which by necessity, character, or effect will be compatible with surrounding uses.*

B. Applicability. *The public/semi-public district applies to lands that have been so designated on the zoning map. Such designation is made upon a finding of public need for public/semi-public uses or facilities. Public (C-3)*

SECTION 2.5.100 – INDUSTRIAL DISTRICTS

A. Purpose. *The industrial districts accommodate a range of heavy manufacturing, assembly, and processing of raw materials, junk yard, motor vehicle wrecking yards, light manufacturing, warehousing and distribution, industrial-office uses, automobile-oriented uses (e.g., lodging, restaurants, auto-oriented retail), and similar uses which are not appropriate in the downtown. The district's standards are based on the following principles:*

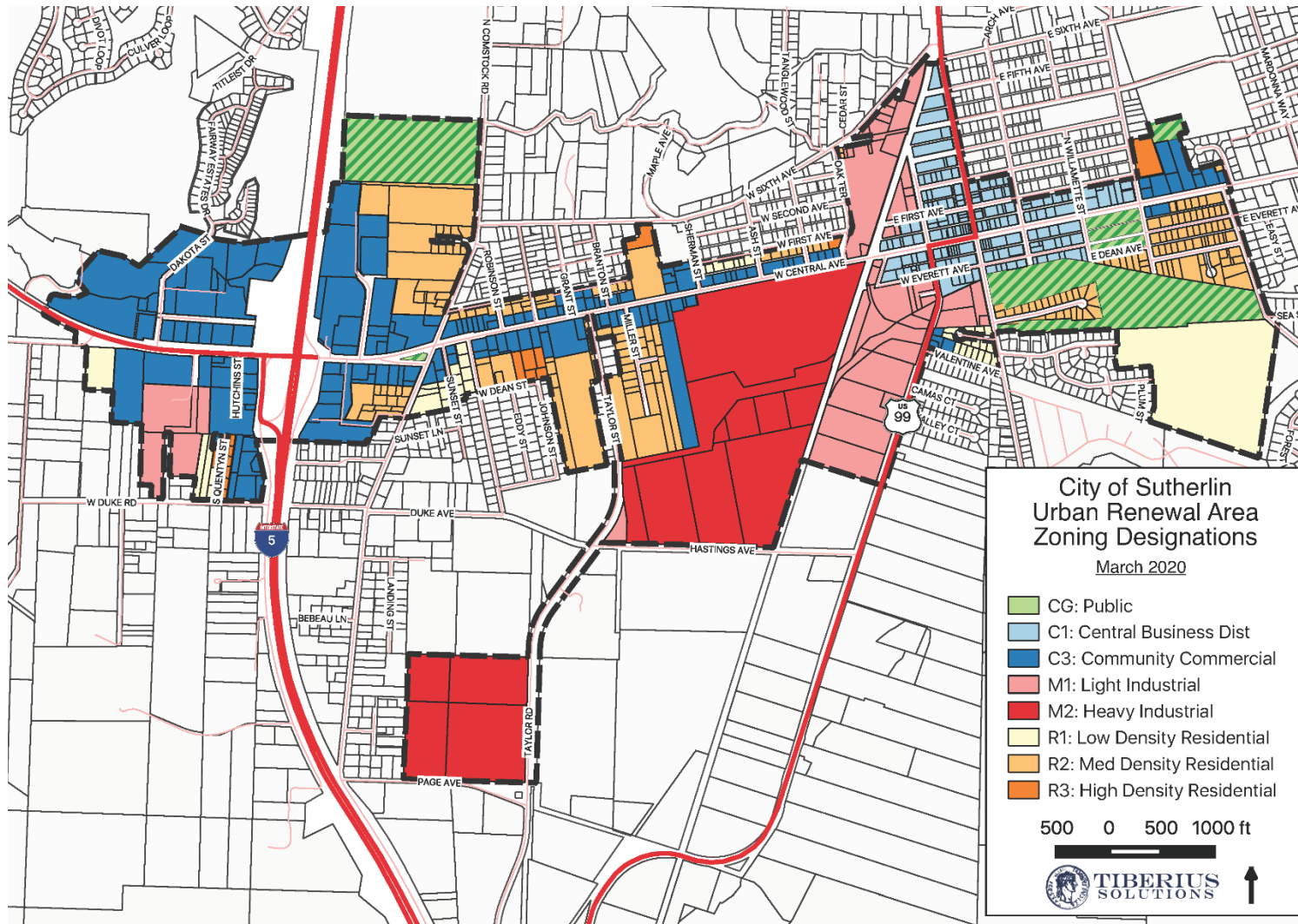
1. *Ensure efficient use of land and public services.*
2. *Provide a balance between jobs and housing, and encourage mixed-use development.*
3. *Provide transportation options for employees and customers.*
4. *Provide business services close to major employment centers.*
5. *Ensure compatibility between industrial uses and nearby residential areas.*
6. *Provide appropriately zoned land with a range of parcel sizes for industry.*
7. *Provide for automobile-oriented uses, while preventing strip-commercial development in highway corridors.*

B. Applicability. *Industrial zoning districts fall under two categories:*

1. *Light industrial (M-1); and*
2. *General industrial (M-2).*

Finding: The Plan conforms to the Sutherlin Development Code as projects, programs, and expenditures proposed in the Plan conform to the requirements in the Sutherlin Development Code and support the types of uses allowed in the zoning districts present in the Area.

Figure 5- TIF Area Zoning Designations



Source: Tiberius Solutions

XIV. LEGAL DESCRIPTION

Report Accompanying the Sutherlin Tax Increment Finance Plan

DRAFT

Sutherlin Tax Increment Finance Plan

Adopted by the City of Sutherlin

DATE

Ordinance No. ____



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LIST OF PARTICIPANTS

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City Council

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I. DEFINITIONS

“Agency” means the Sutherlin Urban Renewal Agency. The Agency is responsible for administration of this Sutherlin TIF Plan.

“Annual report” is the ORS 457.460 requirement for the production of an annual report that gets distributed to the taxing districts.

“Area” or “TIF Area” means the tax increment finance area established for this Plan pursuant to ORS 457, including the properties and rights-of-way located therein.

“Blight” is defined in ORS 457.010(1)(a-i) and identified in the ordinance adopting a TIF plan.

“Board of Commissioners” means the Douglas County Board of Commissioners.

“City” means the City of Sutherlin, Oregon.

“City Council” or “Council” means the Sutherlin City Council.

“Comprehensive Plan” means the City of Sutherlin Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Douglas County, Oregon.

“Fiscal year” or “FYE” 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 a TIF area at the time of adoption. The county assessor certifies the assessed value after the adoption of a TIF area 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 from the assessor (frozen base).

“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. The maximum indebtedness for this Plan is \$23,700,000.

“Municipality” means any county or any city in the state of Oregon.

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

“Plan” or “Sutherlin TIF Plan” means the official plan for the TIF Area pursuant to ORS 457.

“Planning Commission” means the Sutherlin Planning Commission.

“Project(s)” or “TIF Project(s)” means any work or undertaking carried out under the Sutherlin TIF Plan.

“Report Accompanying Sutherlin TIF Plan” or “Report” means the official report that accompanies the Sutherlin TIF Plan pursuant to ORS 457.085(3).

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

“Tax increment finance area” or “TIF area” means a blighted area included in a TIF plan.

“Tax increment finance area plan” or “TIF plan” means a plan, as it exists or is changed or modified from time to time, for one or more TIF areas, as provided in ORS 457.

“Tax increment finance area project(s)” or “TIF area project(s)” or “project(s)” means any work or undertaking carried out under ORS 457.170 and ORS 457.180 in a TIF area.

“Tax increment finance area report” or “report” means the official report that accompanies the TIF plan pursuant to ORS 457.085(3).

“Tax increment finance” or “tax increment financing” or “TIF” means the funds that are associated with the division of taxes accomplished through the adoption of a TIF plan.

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

“Urban Renewal” means the statutory authority provided in ORS 457. In this Plan it is synonymous with TIF.

II. INTRODUCTION

This Report on the Sutherlin Tax Increment Finance Plan (Report) contains background information and project details that pertain to the Sutherlin TIF Plan (Plan) for the Sutherlin Tax Increment Area (Area). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Sutherlin 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 Report contains the information required by ORS 457.085, including:

- A description of the physical, social, and economic conditions in the area; (ORS 457.085(3)(a))
- Expected impact of the Plan, including fiscal impact in light of increased services; (ORS 457.085(3)(a))
- Reasons for selection of the Area; (ORS 457.085(3)(b))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.085(3)(c))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.085(3)(d))
- The estimated completion date of each project; (ORS 457.085(3)(e))
- The estimated amount of funds required in the area and the anticipated year in which the debt will be retired; (ORS 457.085(3)(f))
- A financial analysis of the Plan; (ORS 457.085(3)(g))
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal or TIF Area; (ORS 457.085(3)(h)) and
- A relocation report. (ORS 457.085(3)(i))

The relationship of the sections of the Report and the ORS 457.085(3) requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statute. There may be other sections of the Report that also address the statute.

Table 1 - Statutory References

| Statutory Requirement | Report Section |
|------------------------------|-----------------------|
| ORS 457.085(3)(a) | XI |
| ORS 457.085(3)(b) | XII |
| ORS 457.085(3)(c) | III |
| ORS 457.085(3)(d) | IV |
| ORS 457.085(3)(e) | VII |
| ORS 457.085(3)(f) | V, VI |
| ORS 457.085(3)(g) | V, VI |
| ORS 457.085(3)(h) | IX |
| ORS 457.085(3)(i) | XIII |

The Report provides guidance on how the Plan might be implemented. The Sutherlin Urban Renewal Agency (Agency) has the authority to make adjustments to the implementation assumptions in this Report, as it reviews revenues and potential projects each year. The Agency 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 adjustments to the financials as determined by the Agency. The Agency may also make changes as allowed in the Amendments section of the Plan. These adjustments must stay within the confines of the overall maximum indebtedness of the Plan and statutory limitations.

Note on language: This Report, wherever applicable and permissible, uses the term Tax Increment Financing or TIF rather than “urban renewal”. Utilizing the term TIF does not affect the statutory authority of ORS 457, as it relates to this Report.

City of Sutherlin
Urban Renewal Boundary
 March 2020

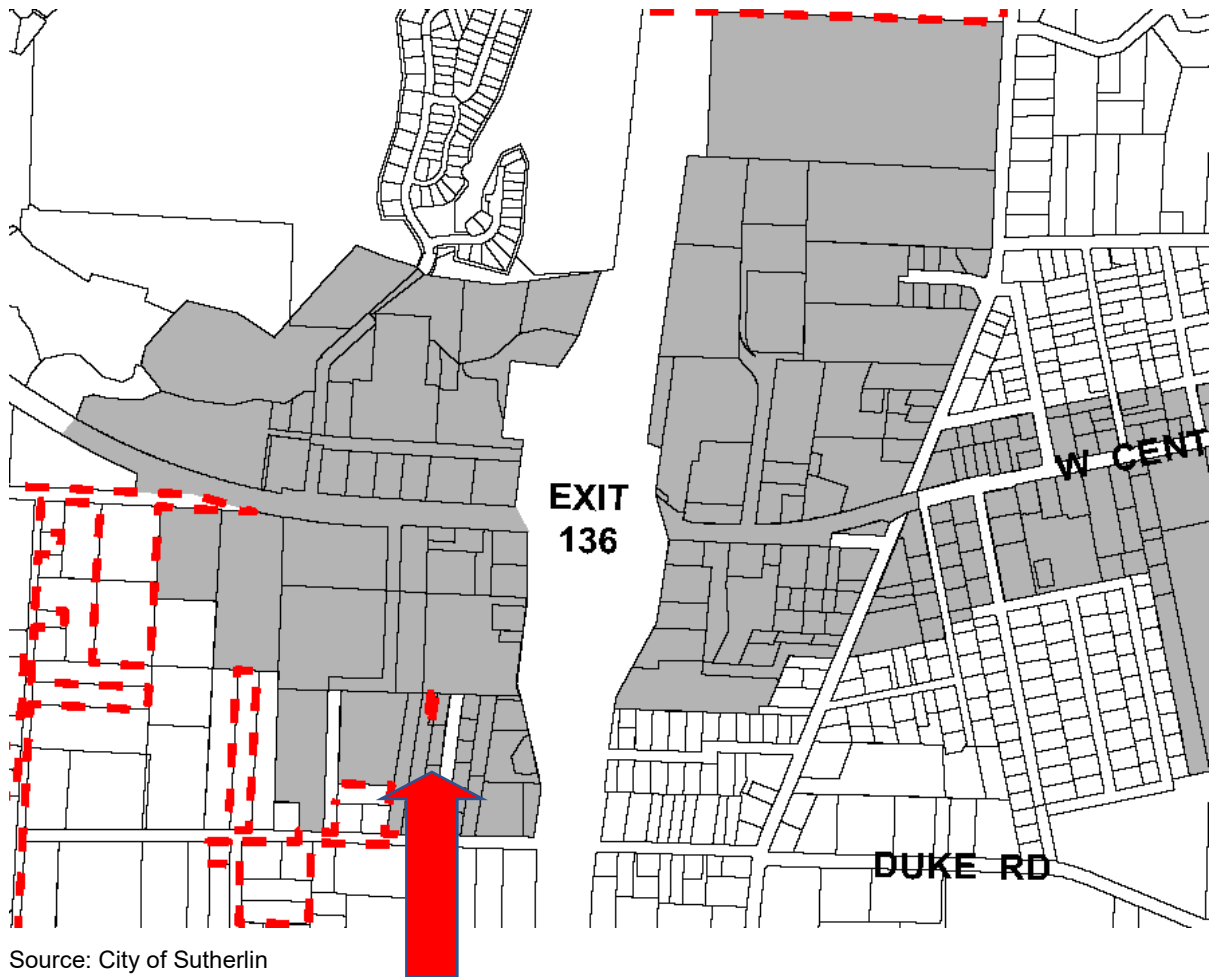
Urban Renewal Boundary
 Urban Renewal Parcels
 Urban Renewal Rights-of-Way

500 0 500 1000 ft

The map displays the city of Sutherlin, Oregon, with its urban renewal boundary. The boundary is defined by a dashed black line. Areas within the boundary are shaded green, representing urban renewal parcels. Yellow areas represent urban renewal rights-of-way. The map includes a legend, a scale bar (0 to 1000 feet), and the Tiberius Solutions logo. Major roads shown include Interstate 5, Highway 99, and various local streets such as Foster Ave, Maple Ave, and Hastings Ave. The map also shows the city's proximity to the Oregon-Idaho border and the Snake River.

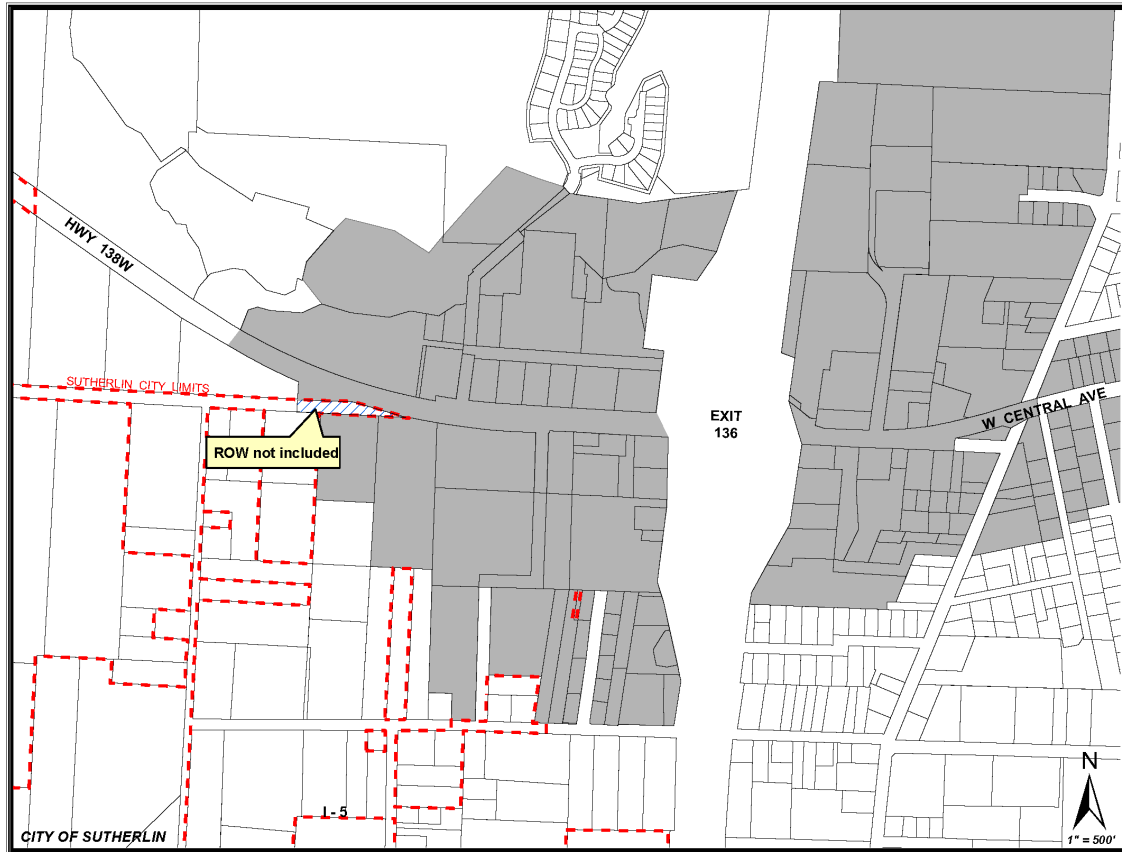
5 | Report Accompanying the Sutherlin TIF Plan

Figure 2 - Tax lot Excluded from Boundary



Source: City of Sutherlin
Tax lot shown on interior in red.

Figure 3 - Right of Way Not Included in Boundary



Source: City of Sutherland

III.THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN TIF AREA PROJECTS AND THE EXISTING CONDITIONS IN THE AREA.

The Projects identified and authorized for the Area are described below, including how they relate to the existing conditions in the Area. The existing conditions were identified by City staff and city documents.

A. Sports Park Facilities:

Kick-start the creation of a community sports park complex that will also stimulate greater community fundraising for a full-service community center. This project will construct a roughed-in roadway onto the site, establish a gravel parking lot, provide utility services on site and assign \$500,000.00 as a grant match for ODOT Safe Routes to Schools (Waite Street) and a Transportation Enhancement grant (Red Rock Road).

The project components are:

- Set-aside for Safe Routes to School and Transportation Enhancement
- Initial road access and parking
- Contingency including utility services and other project components

Existing Conditions: This is now an undeveloped property with the intent to make it a Sports Park Facility. It is without a transportation network.

B. Downtown:

Provide for ongoing investment in future development and redevelopment in the downtown. This project includes an initial demonstration to infuse improvements that will stimulate immediate economic investment and demonstrate the enormous positive impacts of a TIF Area. The initial project is to purchase land for needed parking, provide building façade improvement grants, recruit targeted businesses into downtown and conduct specific land, building and infrastructure improvements that reveal a need for financial investment as projects are executed. These same tools and other tools that may be identified as the initial project is implemented will be provided for the long-term to assist in the development and redevelopment of downtown.

The project components are:

- One-block Initial Demonstration Project
- Property acquisition
- Building restoration grants
- Location Incentives
- Contingency
- Property Acquisition
- Building restoration grants

- Location Incentives
- New and Redevelopment in downtown
- Contingency

Existing Conditions: The Downtown has many un-developed and underdeveloped properties. Only thirteen percent of the tax lots in the Area have an improvement to land ratio of over 2:1, which is a conservative ratio for improvement value to land value in a town the size of Sutherlin. See the I:L table on page 44.

C. Industrial Park:

The County and City own 43 acres of industrially zoned land that is currently inundated by wetlands. The project will pay for wetlands consultation, purchase of wetlands credits, on-site mitigation requirements that will come out of the consultant's analysis, business recruitment incentives and infrastructure improvements for adjacent and on-site services. The project includes expending monies for immediate impact development.

Initial project work:

- Wetlands credits
- Wetlands plan
- Location incentives
- Contingency
- Infrastructure (water, sewer, streets)

Existing Conditions: The location of this is on city and county owned property that is currently inundated by wetlands and not served by a full transportation network nor fully served by utilities. The property is undeveloped.

D. Central Avenue Corridor and Properties at Exit 136:

Construct transportation improvements at the Interstate 5 Exit #136. These funds would kick-start the design, engineering and construction of the Interchange Area Master Plan (IAMP) in partnership with ODOT.

Develop at least one multi-family housing development along Central Avenue. This project would entail the purchase of one significantly blighted area and use monies to encourage a public/private partnership for construction of a multi-family housing complex on this property.

Create an Umpqua Wine Interpretative Center with public and private partners.

The project components are:

- Business Recruitment and Support
- Tourism Partnership/gateway facility
- Property acquisition
- Blight cleanup

- Housing partnership
- Exit 136 area improvements (streetlights/transportation, etc.)
- Gateway Partnership with Umpqua Wine Interpretive Center

Existing Conditions: The single most negative detriment to economic investment is the dramatically antiquated transportation network at Exit #136. It is both now dangerous and significantly insufficient to accommodate existing traffic flow, notwithstanding any new economic investment. The interchange and roadways in the project area have operational, geometric, and structural deficiencies. The existing deficiencies will be exacerbated by traffic increases resulting from development in the area. The Transportation System Plan (TSP) identifies a need to provide an interchange with increased capacity to serve the adopted land use plan for the Area.¹ As shown in the Existing Conditions analysis in Chapter XI of this Report, there are operational and safety deficiencies and structural and geometric deficiencies of the interchange.

There are blighted and underdeveloped properties along the Central Avenue Corridor where potential new housing could add to the health of the downtown. There is presently no Umpqua Wine Interpretive Center, but a burgeoning wine industry and opportunity to bring tourists to the area to support this industry. There is an existing golf course pro shop building that would be converted into a wine center.

¹ 136 Interchange Area Management Plan, Oregon Department of Transportation

E. Administration

Provide for the administration of the Plan.

Examples of eligible projects include:

- Auditing, annual reports, insurance, bond counsel, and other required administrative costs
- Preparation of financial plans and/or financial analyses of projects and proposals
- Personnel, materials, and other associated administrative costs
- Professional consulting services to refine urban design concepts
- Environmental analyses
- Assisting in the preparation of the annual financial report required by this Plan and ORS 457
- Auditing, insurance, bond counsel, financing fees and other required administrative costs and
- Any other powers granted by ORS 457 in connection with the implementation of this Plan

Existing Conditions: There is no existing urban renewal area in Sutherlin, therefore no ability to collect tax increment revenues. Once this Plan is adopted, a tax increment revenue stream will be established, providing a revenue source to pay for administration in the Area.

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

The cost estimates for Projects are shown are in Table 2 below. These are all estimates acknowledging that the Area portions of these project activities must fit within the maximum indebtedness. These costs are shown in year of expenditure (YOE) dollars, which assumes inflation of 3.0% annually.

The Plan assumes that the Agency will use other funds to assist in the completion of the projects within the Area. These sources include but are not limited to City of Sutherlin General Funds, SDCs, local, state and federal grants, and other sources as identified by the Agency. The Agency may pursue regional, county, state, and federal funding, private developer contributions and any other sources of funding that may assist in the implementation of the projects.

The Agency will be able to review and update fund expenditures and allocations on an annual basis when the annual budget is prepared.

Table 2 - Estimated Cost of Each Project

| Project Title | Project Cost (YOE\$) | Percentage of Total Project Cost |
|--------------------------------------|----------------------|----------------------------------|
| Sports Park Facilities | \$1,139,182 | 4.89% |
| Downtown | \$6,133,656 | 26.35% |
| Industrial Park | \$2,590,858 | 11.13% |
| Central Avenue Corridor and Exit 136 | \$12,616,186 | 54.20% |
| Plan Administration ² | \$797,581 | 3.43% |
| TOTAL: | \$23,277,463 | 100.00% |

Source: City of Sutherlin and Tiberius Solutions

² Plan Administration includes \$178,706 of financing fees

V. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FYE 2046 are calculated based on projections of the growth assessed value of existing property and new development within the Area, and the consolidated tax rate that will apply to the Area.

Recent historical trends in the City of Sutherlin were reviewed in the Urban Renewal Feasibility Study to determine a reasonable growth rate to use for the analysis. Table 3 shows historical growth in assessed value in both the City of Sutherlin and Douglas County from 2008 to 2020. This shows annual growth varying from .7% per year to 5.9% per year in the City of Sutherlin with an average annual growth rate from 2008-2020 of 3.47%. The annual growth rate in Douglas County varies from 1.8% to 4.7% in, with an average annual growth rate from 2008-2020 of 2.92%.

Table 3 – Assessed Value Growth in the City of Sutherlin and Douglas County

| | Douglas County | | City of Sutherlin | |
|-------------------|-----------------------|----------|--------------------------|----------|
| FYE | AV | % Change | AV | % Change |
| 2008 | \$6,885,723,214 | | \$376,025,801 | |
| 2009 | \$7,212,272,535 | 4.70% | \$395,055,275 | 5.10% |
| 2010 | \$7,401,780,678 | 2.60% | \$417,944,043 | 5.80% |
| 2011 | \$7,538,417,900 | 1.80% | \$435,695,036 | 4.20% |
| 2012 | \$7,734,492,563 | 2.60% | \$448,056,435 | 2.80% |
| 2013 | \$7,934,556,418 | 2.60% | \$451,118,182 | 0.70% |
| 2014 | \$8,147,317,561 | 2.70% | \$463,360,912 | 2.70% |
| 2015 | \$8,394,309,886 | 3.00% | \$475,528,622 | 2.60% |
| 2016 | \$8,576,128,282 | 2.20% | \$481,750,152 | 1.30% |
| 2017 | \$8,899,421,933 | 3.80% | \$495,945,040 | 2.90% |
| 2018 | \$9,136,135,643 | 2.70% | \$509,812,934 | 2.80% |
| 2019 | \$9,504,941,445 | 4.00% | \$534,945,184 | 4.90% |
| 2020 | \$9,727,382,109 | 2.30% | \$566,361,766 | 5.90% |
| FYE 2013-FYE 2020 | | 3.00% | | 3.40% |
| FYE 2008-FYE 2019 | | 2.92% | | 3.47% |

Source: Douglas County Assessor, City of Sutherlin AV: Assessed Value

The assumptions include anticipating properties with Enterprise Zone exemptions to come on the tax rolls when those exemptions expire. One property in the URA boundary is currently receiving an Enterprise Zone abatement on three separate tax accounts. The abatement, totaling \$25.8 million in assessed value in FYE 2020, will be fully taxable in FYE 2023, showing a large jump in increment in that year.³

These projections of growth are the basis for the projections in Table 8, Table 9, and Table 10.

The first year of tax increment collections is anticipated to be FYE 2022. Gross TIF⁴ is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is “tax rate times assessed value used divided by one thousand.” The consolidated tax rate includes permanent tax rates only, and excludes general obligation bonds and local option levies, which will not be impacted by this Plan.

The tax rates in the Area are shown in Table 4.

Table 4 – Taxing District Rates

| Taxing District | Tax Code Area 13001 | Tax Code Area 13001 |
|-------------------------|----------------------------|----------------------------|
| Jurisdiction Name | Rate | Rate |
| Douglas County | 1.1124 | 1.1124 |
| City of Sutherlin | 5.6335 | 5.6335 |
| WC Sutherlin | 0.5079 | |
| SV 4H Extension Service | 0.0600 | 0.0600 |
| Subtotal | 7.3138 | 6.8059 |
| ED Douglas | 0.5296 | 0.5296 |
| SC Sutherlin 130 | 4.0815 | 4.0815 |
| Umpqua CC | 0.4551 | 0.4551 |
| Subtotal | 5.0662 | 5.0662 |
| TOTAL: | 12.3800 | 11.8721 |

Source: Douglas County Assessor

Table 5 shows the incremental assessed value, tax rates and tax increment revenues each year, adjusted for discounts, and delinquencies, truncation loss, and receipt of delinquent taxes from prior years. The projections assume an annual growth rate of 3.0% for assessed value in the Area. Figure 2 shows expected TIF revenues over time and the projected tax revenues after termination of the Area.

³ Note: Historically, the value of the E-Zone property has declined over the past five years but appears to have essentially stabilized in value over the past couple of years. Between now and when the value comes back on the tax roll (FYE 2023), Tiberius Solutions LLC assumed no change in value. In subsequent years, they assumed 3% annual growth in AV for the E-Zone property, so it would be consistent with what was assumed in the rest of the area

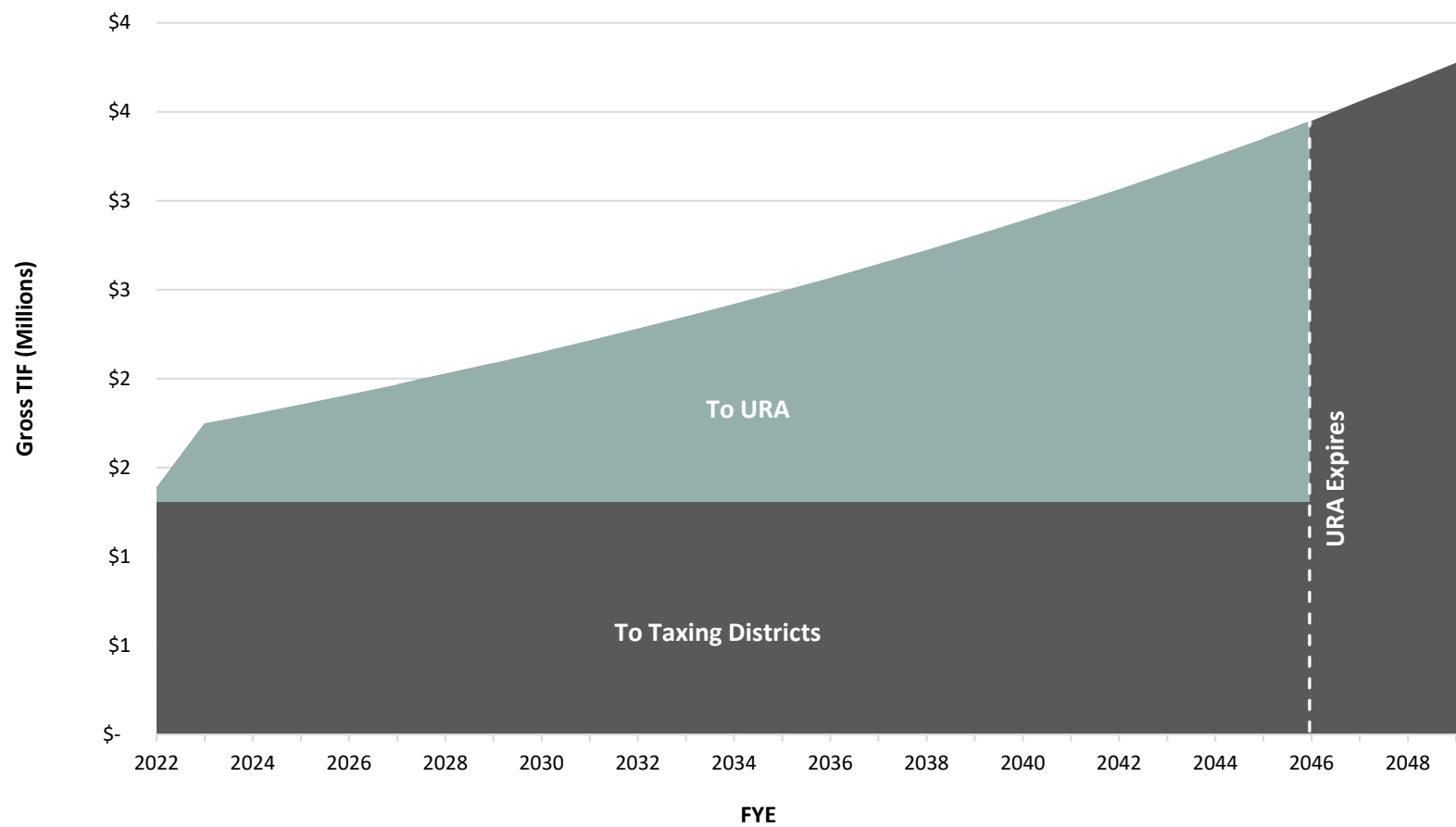
⁴ TIF is also used to signify tax increment revenues

Table 5 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

| FYE | Total AV | Frozen Base AV | Increment Applied | Tax Rate | Gross TIF | Adjustments | Current Year Net | Prior Year Net | Total TIF |
|---------|-------------|----------------|-------------------|----------|------------|-------------|------------------|----------------|------------|
| 2022 | 113,666,771 | 107,141,832 | 6,524,939 | 12.2013 | 79,613 | (3,981) | 75,632 | - | 75,632 |
| 2023 | 142,906,855 | 107,141,832 | 35,765,023 | 12.3304 | 440,995 | (22,050) | 418,946 | 1,134 | 420,080 |
| 2024 | 147,194,059 | 107,141,832 | 40,052,227 | 12.32 | 493,443 | (24,672) | 468,771 | 6,284 | 475,055 |
| 2025 | 151,609,881 | 107,141,832 | 44,468,049 | 12.3114 | 547,464 | (27,373) | 520,091 | 7,032 | 527,123 |
| 2026 | 156,158,177 | 107,141,832 | 49,016,345 | 12.3042 | 603,106 | (30,155) | 572,951 | 7,801 | 580,752 |
| 2027 | 160,842,922 | 107,141,832 | 53,701,090 | 12.298 | 660,417 | (33,021) | 627,397 | 8,594 | 635,991 |
| 2028 | 165,668,209 | 107,141,832 | 58,526,377 | 12.2927 | 719,448 | (35,972) | 683,476 | 9,411 | 692,887 |
| 2029 | 170,638,255 | 107,141,832 | 63,496,423 | 12.2881 | 780,249 | (39,012) | 741,237 | 10,252 | 751,489 |
| 2030 | 175,757,401 | 107,141,832 | 68,615,569 | 12.284 | 842,875 | (42,144) | 800,731 | 11,119 | 811,850 |
| 2031 | 181,030,124 | 107,141,832 | 73,888,292 | 12.2804 | 907,379 | (45,369) | 862,010 | 12,011 | 874,021 |
| 2032 | 186,461,028 | 107,141,832 | 79,319,196 | 12.2772 | 973,818 | (48,691) | 925,128 | 12,930 | 938,058 |
| 2033 | 192,054,858 | 107,141,832 | 84,913,026 | 12.2743 | 1,042,251 | (52,113) | 990,138 | 13,877 | 1,004,015 |
| 2034 | 197,816,504 | 107,141,832 | 90,674,672 | 12.2717 | 1,112,736 | (55,637) | 1,057,100 | 14,852 | 1,071,952 |
| 2035 | 203,750,999 | 107,141,832 | 96,609,167 | 12.2694 | 1,185,337 | (59,267) | 1,126,070 | 15,856 | 1,141,926 |
| 2036 | 209,863,529 | 107,141,832 | 102,721,697 | 12.2673 | 1,260,115 | (63,006) | 1,197,109 | 16,891 | 1,214,000 |
| 2037 | 216,159,434 | 107,141,832 | 109,017,602 | 12.2653 | 1,337,136 | (66,857) | 1,270,279 | 17,957 | 1,288,236 |
| 2038 | 222,644,218 | 107,141,832 | 115,502,386 | 12.2635 | 1,416,468 | (70,823) | 1,345,645 | 19,054 | 1,364,699 |
| 2039 | 229,323,544 | 107,141,832 | 122,181,712 | 12.2619 | 1,498,180 | (74,909) | 1,423,271 | 20,185 | 1,443,456 |
| 2040 | 236,203,251 | 107,141,832 | 129,061,419 | 12.2604 | 1,582,344 | (79,117) | 1,503,226 | 21,349 | 1,524,575 |
| 2041 | 243,289,350 | 107,141,832 | 136,147,518 | 12.259 | 1,669,032 | (83,452) | 1,585,580 | 22,548 | 1,608,129 |
| 2042 | 250,588,030 | 107,141,832 | 143,446,198 | 12.2577 | 1,758,321 | (87,916) | 1,670,405 | 23,784 | 1,694,188 |
| 2043 | 258,105,671 | 107,141,832 | 150,963,839 | 12.2565 | 1,850,288 | (92,514) | 1,757,774 | 25,056 | 1,782,830 |
| 2044 | 265,848,842 | 107,141,832 | 158,707,010 | 12.2554 | 1,945,015 | (97,251) | 1,847,764 | 26,367 | 1,874,131 |
| 2045 | 273,824,309 | 107,141,832 | 166,682,477 | 12.2543 | 2,042,584 | (102,129) | 1,940,454 | 27,716 | 1,968,171 |
| 2046 | 282,039,038 | 107,141,832 | 174,897,206 | 12.2534 | 2,143,079 | (107,154) | 2,035,925 | 29,107 | 2,065,032 |
| TOTAL:: | | | | | 28,891,694 | (1,444,585) | 27,447,109 | 381,168 | 27,828,277 |

Source: Tiberius Solutions

Figure 4 - TIF Projections over Time



Source: Tiberius Solutions

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

Table 6 shows a summary of the financial capacity of the Area, including how the total TIF revenue translates to the ability to fund projects in constant FYE 2020 dollars in five-year increments. Table 8, Table 9, and Table 10 show more detailed tables on the allocation of tax revenues over time.

The Plan is structured to complete all projects and have sufficient tax increment finance revenue to terminate the Area in FYE 2046, a 25-year duration for the Plan. The time frame of the Plan 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. These assumptions show one scenario for financing and that this scenario is financially feasible.

The maximum indebtedness is \$23,300,000 (twenty-three million dollars three hundred thousand dollars). The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$23,300,000 is \$27,828,277 which includes expected interest on debt and financing fees and is from the division of taxes from permanent rate levies.

Table 6 - TIF Capacity of the Area

| | |
|------------------------------|----------------------|
| Net TIF (YOE\$) | \$ 27,800,000 |
| Maximum Indebtedness (YOE\$) | \$ 23,300,000 |
| Capacity (2020\$) | \$ 15,400,000 |
| Years 1-5 | \$ 3,000,000 |
| Years 6-10 | \$ 3,800,000 |
| Years 11-15 | \$ 2,900,000 |
| Years 16-20 | \$ 2,700,000 |
| Years 21-25 | \$ 2,800,000 |

Source: Tiberius Solutions

The financial analysis projects when borrowings might occur as identified in Table 7. The Agency may decide to complete borrowings at different times or for different amounts, depending on their analysis at the time. The table below summarizes the principal amounts of the projected borrowings for the Area. The total amounts, including interest, are shown in the second column of Table 8. There may be opportunities for the City/Agency to accelerate the timing of financial capacity in the early years. For example, the City/Agency may find lenders willing to offer more attractive terms, such as lower interest rates, lower required minimum debt service coverage ratios, or a longer amortization period. Additionally, the City/Agency could explore short-term, interim financing strategies, such as a line of credit with interest only payments. Any line of credit would need to be repaid in full after an agreed upon term, most likely through a longer-term borrowing like the ones shown in this analysis. The success of these financial strategies will depend upon market conditions, and the specific terms and conditions that lenders are willing to offer to the City/Agency.

Table 7 - Estimated Borrowings and Amounts

| | Loan A | Loan B | Loan C | Loan D | Loan E |
|------------------|------------|-------------|-------------|-------------|-------------|
| Principal Amount | \$750,000 | \$1,200,000 | \$3,200,000 | \$2,100,000 | \$1,700,000 |
| Interest Rate | 5 % | 5 % | 5 % | 5 % | 5 % |
| Loan Term | 20 | 20 | 20 | 15 | 10 |
| Loan Year | 2020 | 2024 | 2027 | 2032 | 2037 |
| Annual Payment | (\$60,182) | (\$96,291) | (\$256,776) | (\$202,319) | (\$220,158) |

Source: Tiberius Solutions

Table 8 - Tax Increment Revenues and Allocations to Debt Service, Page 1

| | Total | FYE 2022 | FYE 2023 | FYE 2024 | FYE 2025 | FYE 2026 | FYE 2027 | FYE 2028 | FYE 2029 |
|-------------------------------|--------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Resources | | | | | | | | | |
| Beginning Balance | | - | - | - | - | - | - | - | - |
| TIF: Current Year | 27,447,109 | 75,632 | 418,946 | 468,771 | 520,091 | 572,951 | 627,397 | 683,476 | 741,237 |
| TIF: Prior Years | 381,168 | - | 1,134 | 6,284 | 7,032 | 7,801 | 8,594 | 9,411 | 10,252 |
| Total Resources | 27,828,277 | 75,632 | 420,080 | 475,055 | 527,123 | 580,752 | 635,991 | 692,887 | 751,489 |
| Expenditures | | | | | | | | | |
| Debt Service | | | | | | | | | |
| Scheduled Payments | | | | | | | | | |
| Loan A | (1,203,639) | (60,182) | (60,182) | (60,182) | (60,182) | (60,182) | (60,182) | (60,182) | (60,182) |
| Loan B | (1,925,822) | - | - | (96,291) | (96,291) | (96,291) | (96,291) | (96,291) | (96,291) |
| Loan C | (5,135,526) | - | - | - | - | - | (256,776) | (256,776) | (256,776) |
| Loan D | (3,034,782) | - | - | - | - | - | - | - | - |
| Loan E | (2,201,578) | - | - | - | - | - | - | - | - |
| Total Debt Service | (13,501,346) | (60,182) | (60,182) | (156,473) | (156,473) | (156,473) | (413,249) | (413,249) | (413,249) |
| Debt Service Coverage Ratio | | 1 | 7 | 3 | 3 | 4 | 2 | 2 | 2 |
| Transfer to URA Projects Fund | (14,326,931) | (15,450) | (359,898) | (318,582) | (370,650) | (424,279) | (222,742) | (279,637) | (338,240) |
| Total Expenditures | (27,828,277) | (75,632) | (420,080) | (475,055) | (527,123) | (580,752) | (635,991) | (692,887) | (751,489) |

Source: Tiberius Solutions

Table 9 - Tax Increment Revenues and Allocations to Debt Service, Page 2

| | FYE 2030 | FYE 2031 | FYE 2032 | FYE 2033 | FYE 2034 | FYE 2035 | FYE 2036 | FYE 2037 | FYE 2038 |
|-------------------------------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| Resources | | | | | | | | | |
| Beginning Balance | - | - | - | - | - | - | - | - | - |
| TIF: Current Year | 800,731 | 862,010 | 925,128 | 990,138 | 1,057,100 | 1,126,070 | 1,197,109 | 1,270,279 | 1,345,645 |
| TIF: Prior Years | 11,119 | 12,011 | 12,930 | 13,877 | 14,852 | 15,856 | 16,891 | 17,957 | 19,054 |
| Total Resources | 811,850 | 874,021 | 938,058 | 1,004,015 | 1,071,952 | 1,141,926 | 1,214,000 | 1,288,236 | 1,364,699 |
| Expenditures | | | | | | | | | |
| Debt Service | | | | | | | | | |
| Scheduled Payments | | | | | | | | | |
| Loan A | (60,182) | (60,182) | (60,182) | (60,182) | (60,182) | (60,182) | (60,182) | (60,182) | (60,182) |
| Loan B | (96,291) | (96,291) | (96,291) | (96,291) | (96,291) | (96,291) | (96,291) | (96,291) | (96,291) |
| Loan C | (256,776) | (256,776) | (256,776) | (256,776) | (256,776) | (256,776) | (256,776) | (256,776) | (256,776) |
| Loan D | - | - | (202,319) | (202,319) | (202,319) | (202,319) | (202,319) | (202,319) | (202,319) |
| Loan E | - | - | - | - | - | - | - | (220,158) | (220,158) |
| Total Debt Service | (413,249) | (413,249) | (615,568) | (615,568) | (615,568) | (615,568) | (615,568) | (835,726) | (835,726) |
| Debt Service Coverage Ratio | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Transfer to URA Projects Fund | (398,600) | (460,772) | (322,490) | (388,447) | (456,384) | (526,358) | (598,432) | (452,510) | (528,973) |
| Total Expenditures | (811,850) | (874,021) | (938,058) | (1,004,015) | (1,071,952) | (1,141,926) | (1,214,000) | (1,288,236) | (1,364,699) |

Source: Tiberius Solutions

Table 10 - Tax Increment Revenues and Allocations to Debt Service, Page 3

| | FYE 2039 | FYE 2040 | FYE 2041 | FYE 2042 | FYE 2043 | FYE 2044 | FYE 2045 | FYE 2046 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Resources | | | | | | | | |
| Beginning Balance | - | - | - | - | - | - | - | - |
| TIF: Current Year | 1,423,271 | 1,503,226 | 1,585,580 | 1,670,405 | 1,757,774 | 1,847,764 | 1,940,454 | 2,035,925 |
| TIF: Prior Years | 20,185 | 21,349 | 22,548 | 23,784 | 25,056 | 26,367 | 27,716 | 29,107 |
| Total Resources | 1,443,456 | 1,524,575 | 1,608,129 | 1,694,188 | 1,782,830 | 1,874,131 | 1,968,171 | 2,065,032 |
| Expenditures | | | | | | | | |
| Debt Service | | | | | | | | |
| Scheduled Payments | | | | | | | | |
| Loan A | (60,182) | (60,182) | (60,182) | - | - | - | - | - |
| Loan B | (96,291) | (96,291) | (96,291) | (96,291) | (96,291) | - | - | - |
| Loan C | (256,776) | (256,776) | (256,776) | (256,776) | (256,776) | (256,776) | (256,776) | (256,776) |
| Loan D | (202,319) | (202,319) | (202,319) | (202,319) | (202,319) | (202,319) | (202,319) | (202,319) |
| Loan E | (220,158) | (220,158) | (220,158) | (220,158) | (220,158) | (220,158) | (220,158) | (220,158) |
| Total Debt Service | (835,726) | (835,726) | (835,726) | (775,544) | (775,544) | (679,253) | (679,253) | (679,253) |
| Debt Service Coverage Ratio | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Transfer to URA Projects Fund | (607,730) | (688,850) | (772,403) | (918,645) | (1,007,286) | (1,194,878) | (1,288,918) | (1,385,779) |
| Total Expenditures | (1,443,456) | (1,524,575) | (1,608,129) | (1,694,188) | (1,782,830) | (1,874,131) | (1,968,171) | (2,065,032) |

Source: Tiberius Solutions

VII. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The schedule for construction of projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the Agency. The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the Area in FYE 2046, a 25-year program.

The amount of money available for projects in FYE 2020 constant dollars for the Area is \$15,533,346.

Table 11, Table 12 and Table 13, show the \$15,533,346 of project costs in FYE 2020 dollars inflated over the life of the Area, including administrative expenses. All costs shown in Table 11, Table 12 and Table 13 are in year-of-expenditure dollars, which are adjusted by 3.0% annually to account for inflation. Annual expenditures for program administration are also shown. These are predicated on the fact that the Area activities will start off slowly in the beginning years and increase in the final years.

A 3.0% inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470.

Table 11 - Programs and Costs in Year of Expenditure Dollars, Page 1

| | Total | FYE 2022 | FYE 2023 | FYE 2024 | FYE 2025 | FYE 2026 | FYE 2027 | FYE 2028 | FYE 2029 |
|---------------------------|--------------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|-----------|
| Resources | | | | | | | | | |
| Beginning Balance | | - | 97,230 | 3,051 | 283 | 305 | 203 | 212 | 266 |
| Interest Earnings | 532 | - | 486 | 15 | 1 | 2 | 1 | 1 | 1 |
| Transfer from TIF Fund | 14,326,931 | 15,450 | 359,898 | 318,582 | 370,650 | 424,279 | 222,742 | 279,637 | 338,240 |
| Bond/Loan Proceeds | 8,950,000 | 750,000 | - | 1,200,000 | - | - | 3,200,000 | - | - |
| Total Resources | 23,277,463 | 765,450 | 457,614 | 1,521,648 | 370,934 | 424,586 | 3,422,946 | 279,850 | 338,507 |
| Expenditures (YOE \$) | | | | | | | | | |
| Sports Park Facilities | (1,139,182) | | | (49,972) | (15,419) | (17,673) | (146,235) | (11,275) | (13,831) |
| Downtown | (6,133,656) | (318,270) | | (291,730) | (89,962) | (103,528) | (853,305) | (66,254) | (81,159) |
| Industrial Park | (2,590,858) | | (437,080) | (116,714) | (35,938) | (41,435) | (341,297) | (26,476) | (32,359) |
| Central Ave. Corr/Ex. 136 | (12,616,186) | (318,270) | | (1,020,941) | (210,761) | (242,641) | (1,998,219) | (155,310) | (189,979) |
| Financing Fees | (178,706) | (14,706) | | (24,000) | | | (64,000) | | |
| Administration | (618,875) | (16,974) | (17,483) | (18,008) | (18,549) | (19,106) | (19,678) | (20,269) | (20,877) |
| Total Expenditures | (23,277,463) | (668,220) | (454,563) | (1,521,365) | (370,629) | (424,383) | (3,422,734) | (279,584) | (338,205) |
| Ending Balance | | 97,230 | 3,051 | 283 | 305 | 203 | 212 | 266 | 302 |

Source: Tiberius Solutions

Table 12 - Programs and Costs in Year of Expenditure Dollars, Page 2

| | FYE 2030 | FYE 2031 | FYE 2032 | FYE 2033 | FYE 2034 | FYE 2035 | FYE 2036 | FYE 2037 | FYE 2038 |
|---------------------------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-------------|-----------|
| Resources | | | | | | | | | |
| Beginning Balance | 302 | 169 | 142 | 283 | 312 | 194 | 260 | 300 | 253 |
| Interest Earnings | 2 | 1 | 1 | 1 | 2 | 1 | 1 | 2 | 1 |
| Transfer from TIF Fund | 398,600 | 460,772 | 322,490 | 388,447 | 456,384 | 526,358 | 598,432 | 452,510 | 528,973 |
| Bond/Loan Proceeds | - | - | 2,100,000 | - | - | - | - | 1,700,000 | - |
| Total Resources | 398,904 | 460,942 | 2,422,632 | 388,731 | 456,698 | 526,553 | 598,693 | 2,152,812 | 529,227 |
| Expenditures (YOE \$) | | | | | | | | | |
| Sports Park Facilities | (16,530) | (19,102) | (103,221) | (15,860) | (18,908) | (21,968) | (25,033) | (91,565) | (21,961) |
| Downtown | (96,358) | (112,120) | (602,501) | (93,250) | (110,420) | (128,068) | (146,349) | (534,681) | (128,191) |
| Industrial Park | (38,570) | (44,848) | (240,943) | (37,300) | (44,168) | (51,258) | (58,572) | (213,872) | (51,242) |
| Central Ave. Corr/Ex. 136 | (225,775) | (262,583) | (1,410,873) | (218,513) | (258,806) | (300,071) | (342,764) | (1,251,996) | (300,303) |
| Financing Fees | | | (42,000) | | | | | (34,000) | |
| Administration | (21,502) | (22,147) | (22,811) | (23,496) | (24,202) | (24,928) | (25,675) | (26,445) | (27,238) |
| Total Expenditures | (398,735) | (460,800) | (2,422,349) | (388,419) | (456,504) | (526,293) | (598,393) | (2,152,559) | (528,935) |
| Ending Balance | 169 | 142 | 283 | 312 | 194 | 260 | 300 | 253 | 292 |

Source: Tiberius Solutions

Table 13 - Programs and Costs in Year of Expenditure Dollars, Page 3

| | FYE 2039 | FYE 2040 | FYE 2041 | FYE 2042 | FYE 2043 | FYE 2044 | FYE 2045 | FYE 2046 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | | | |
| Beginning Balance | 292 | 260 | 263 | 455 | 523 | 288 | 490 | 466 |
| Interest Earnings | 1 | 1 | 1 | 2 | 3 | 1 | 2 | 2 |
| Transfer from TIF Fund | 607,730 | 688,850 | 772,403 | 918,645 | 1,007,286 | 1,194,878 | 1,288,918 | 1,385,779 |
| Bond/Loan Proceeds | - | - | - | - | - | - | - | - |
| Total Resources | 608,023 | 689,111 | 772,666 | 919,102 | 1,007,812 | 1,195,167 | 1,289,410 | 1,386,247 |
| Expenditures (YOE \$) | | | | | | | | |
| Sports Park Facilities | (25,250) | (28,898) | (32,369) | (38,897) | (42,630) | (50,820) | (54,858) | (276,907) |
| Downtown | (148,171) | (168,690) | (189,751) | (226,866) | (249,463) | (296,992) | (320,770) | (776,807) |
| Industrial Park | (59,268) | (67,368) | (75,900) | (90,632) | (99,667) | (118,716) | (128,350) | (138,885) |
| Central Ave. Corr/Ex. 136 | (347,018) | (394,994) | (444,426) | (531,526) | (584,186) | (695,624) | (751,465) | (159,142) |
| Financing Fees | | | | | | | | |
| Administration | (28,056) | (28,898) | (29,765) | (30,658) | (31,578) | (32,525) | (33,501) | (34,506) |
| Total Expenditures | (607,763) | (688,848) | (772,211) | (918,579) | (1,007,524) | (1,194,677) | (1,288,944) | (1,386,247) |
| Ending Balance | 260 | 263 | 455 | 523 | 288 | 490 | 466 | - |

Source: Tiberius Solutions

VIII. REVENUE SHARING

Revenue sharing is defined in ORS 457.470. The statute identifies certain thresholds where the impacted taxing jurisdictions will receive a share of the incremental growth in the Area. The first threshold is when annual tax increment finance revenues exceed 10% of the original maximum indebtedness of the Plan (10% of \$23,300,000 is \$2,330,000). In the year after reaching the 10% threshold, the Agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The threshold is not projected to be met in the Plan. If actual assessed value growth is higher than projected, revenue sharing could be realized.

The second threshold is when annual tax increment finance revenues exceed 12.5% of the maximum indebtedness (\$2,912,500). If this threshold is met, revenue for the Area would be capped at 12.5% of the maximum indebtedness, with all additional tax revenue being shared with affected taxing districts. This threshold is not projected to be met.

IX. IMPACT OF THE TAX INCREMENT FINANCING

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

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 Table 14 and Table 15.

The Sutherlin School District and the Douglas Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the Plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level.

Table 14 and Table 15 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 14 shows the general government levies, and Table 15 shows the education levies.

Table 14 - Projected Impact on Taxing District Permanent Rate Levies - General Government

| FYE | Douglas County | City of Sutherlin | WC Sutherlin | 4H and Extension | Subtotal |
|---------------|-----------------------|--------------------------|---------------------|-----------------------------|---------------------|
| 2022 | (6,895) | (34,920) | (2,040) | (372) | (44,228) |
| 2023 | (37,899) | (191,932) | (15,601) | (2,044) | (247,476) |
| 2024 | (42,893) | (217,224) | (17,276) | (2,314) | (279,706) |
| 2025 | (47,628) | (241,201) | (18,814) | (2,569) | (310,211) |
| 2026 | (52,504) | (265,897) | (20,399) | (2,832) | (341,632) |
| 2027 | (57,527) | (291,334) | (22,031) | (3,103) | (373,995) |
| 2028 | (62,701) | (317,534) | (23,712) | (3,382) | (407,329) |
| 2029 | (68,029) | (344,520) | (25,444) | (3,669) | (441,663) |
| 2030 | (73,518) | (372,316) | (27,227) | (3,965) | (477,026) |
| 2031 | (79,171) | (400,945) | (29,064) | (4,270) | (513,451) |
| 2032 | (84,994) | (430,434) | (30,956) | (4,584) | (550,969) |
| 2033 | (90,992) | (460,807) | (32,905) | (4,908) | (589,612) |
| 2034 | (97,169) | (492,092) | (34,913) | (5,241) | (629,414) |
| 2035 | (103,532) | (524,314) | (36,980) | (5,584) | (670,411) |
| 2036 | (110,086) | (557,504) | (39,110) | (5,938) | (712,637) |
| 2037 | (116,836) | (591,689) | (41,303) | (6,302) | (756,130) |
| 2038 | (123,789) | (626,900) | (43,563) | (6,677) | (800,928) |
| 2039 | (130,950) | (663,167) | (45,890) | (7,063) | (847,070) |
| 2040 | (138,326) | (700,523) | (48,287) | (7,461) | (894,596) |
| 2041 | (145,924) | (738,998) | (50,755) | (7,871) | (943,548) |
| 2042 | (153,749) | (778,629) | (53,298) | (8,293) | (993,969) |
| 2043 | (161,809) | (819,448) | (55,917) | (8,728) | (1,045,902) |
| 2044 | (170,111) | (861,491) | (58,615) | (9,175) | (1,099,393) |
| 2045 | (178,662) | (904,796) | (61,394) | (9,637) | (1,154,489) |
| 2046 | (187,470) | (949,400) | (64,256) | (10,112) | (1,211,238) |
| TOTAL: | (2,523,167) | (12,778,015) | (899,748) | (136,093) | (16,337,023) |

Source: Tiberius Solutions

Table 15 - Projected Impact on Taxing District Permanent Rate Levies – Education

| FYE | ED Douglas | Sutherlin School District | Umpqua Community College | Subtotal Education | Total All |
|---------------|-----------------------|--------------------------------------|-------------------------------------|-------------------------------|---------------------|
| 2022 | (3,283) | (25,300) | (2,821) | (31,404) | (75,632) |
| 2023 | (18,043) | (139,056) | (15,505) | (172,604) | (420,080) |
| 2024 | (20,421) | (157,380) | (17,548) | (195,349) | (475,055) |
| 2025 | (22,675) | (174,751) | (19,485) | (216,911) | (527,123) |
| 2026 | (24,997) | (192,644) | (21,480) | (239,121) | (580,752) |
| 2027 | (27,388) | (211,073) | (23,535) | (261,996) | (635,991) |
| 2028 | (29,851) | (230,055) | (25,652) | (285,558) | (692,887) |
| 2029 | (32,388) | (249,607) | (27,832) | (309,827) | (751,489) |
| 2030 | (35,001) | (269,745) | (30,077) | (334,823) | (811,850) |
| 2031 | (37,693) | (290,487) | (32,390) | (360,570) | (874,021) |
| 2032 | (40,465) | (311,852) | (34,772) | (387,089) | (938,058) |
| 2033 | (43,320) | (333,857) | (37,226) | (414,403) | (1,004,015) |
| 2034 | (46,261) | (356,523) | (39,753) | (442,537) | (1,071,952) |
| 2035 | (49,290) | (379,869) | (42,357) | (471,515) | (1,141,926) |
| 2036 | (52,410) | (403,915) | (45,038) | (501,363) | (1,214,000) |
| 2037 | (55,624) | (428,682) | (47,799) | (532,106) | (1,288,236) |
| 2038 | (58,934) | (454,192) | (50,644) | (563,771) | (1,364,699) |
| 2039 | (62,344) | (480,468) | (53,574) | (596,386) | (1,443,456) |
| 2040 | (65,855) | (507,532) | (56,591) | (629,979) | (1,524,575) |
| 2041 | (69,473) | (535,408) | (59,700) | (664,580) | (1,608,129) |
| 2042 | (73,198) | (564,120) | (62,901) | (700,220) | (1,694,188) |
| 2043 | (77,035) | (593,694) | (66,199) | (736,928) | (1,782,830) |
| 2044 | (80,988) | (624,155) | (69,595) | (774,738) | (1,874,131) |
| 2045 | (85,059) | (655,529) | (73,094) | (813,682) | (1,968,171) |
| 2046 | (89,252) | (687,845) | (76,697) | (853,794) | (2,065,032) |
| TOTAL: | (1,201,249) | (9,257,738) | (1,032,267) | (11,491,254) | (27,828,277) |

Source: Tiberius Solutions Please refer to the explanation of the schools funding in the preceding section

Table 16 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2047.

The Frozen Base is the assessed value of the Area established by the county assessor at the time the Area is established. Excess Value is the increased assessed value in the Area above the Frozen Base. The Frozen Base indicated in the table below is the consultant's estimate. It is expected the number may vary slightly as the assessor determines the Frozen Base after the Area is established.

Table 16 - Additional Revenues Obtained after Termination of Tax Increment Financing, FYE 2047.

| Taxing District | Tax Rate | From Frozen Base | From Excess Value | Total |
|---------------------------|-----------------|-------------------------|--------------------------|--------------------|
| General Government | | | | |
| Douglas County | 1.1124 | 119,185 | 203,968 | 323,153 |
| City of Sutherlin | 5.6335 | 603,584 | 1,032,950 | 1,636,534 |
| WC Sutherlin | 0.5079 | 35,268 | 69,740 | 105,008 |
| 4H Extension Service | 0.06 | 6,428 | 11,002 | 17,430 |
| Subtotal | 7.3138 | 764,465 | 1,317,660 | 2,082,125 |
| Education | | | | |
| ED Douglas | 0.5296 | 56,742 | 97,107 | 153,849 |
| SC Sutherlin 130 | 4.0815 | 437,300 | 748,377 | 1,185,677 |
| Umpqua CC | 0.4551 | 48,760 | 83,446 | 132,206 |
| Subtotal | 5.0662 | 542,802 | 928,930 | 1,471,732 |
| TOTAL: | 12.38 | \$1,307,267 | \$2,246,590 | \$3,553,857 |

Source: Tiberius Solutions

X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AND TIF AREAS

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in a TIF area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the Frozen Base (assumed to be FYE 2020 values), including all real, personal, personal, manufactured, and utility properties in the Area, is projected to be \$104,034,472. The Douglas County Assessor will set the Frozen Base once the Plan is adopted. The total assessed value of the City of Sutherlin in FYE 2020 is \$566,361,766⁵.

The percentage of assessed value of the TIF area in Sutherlin is 18.37%, below the 25% threshold.

The Area contains 614.75 acres, including public rights-of-way. This puts 15.13% of the City's acreage in a TIF area, which is below the 25% statutory threshold. The information on acreage and assessed value percentages is shown below in Table 17.

Table 17 – TIF Area Conformance with Assessed Value and Acreage Limits

| | Assessed Value | Frozen Base | Acreage |
|-----------------------------|-----------------------|--------------------|----------------|
| City of Sutherlin | \$566,361,766 | | 4,064 |
| Sutherlin TIF Area | | \$104,034,472 | 614.75 |
| % in Urban Renewal/TIF Area | 18.37% | | 15.13% |

Source: Compiled by Elaine Howard Consulting, LLC with data from City of Sutherlin and Douglas County Department of Assessment and Taxation (FYE 2020)

⁵ Douglas County FYE 2020 Sal 4a

XI. 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 Area measures 614.75 total acres in size, which is composed of 642 individual parcels encompassing 516.24 acres, and an additional 98.51 acres in public rights-of-way. An analysis of FYE 2019-2020 property classification data from the Douglas County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the Area. By acreage, Exempt uses account for the most prevalent land use within the Area (34.90%). This was followed by Commercial (25.03%). Detailed land use designations in the Area can be seen in Table 18.

Table 18 - Land Use in the Area

| Land Use | Parcels | Acreage | Percent of Acreage |
|-----------------|----------------|----------------|---------------------------|
| Exempt | 69 | 180.15 | 34.90% |
| Commercial | 242 | 129.21 | 25.03% |
| Industrial | 35 | 98.64 | 19.11% |
| Residential | 252 | 67.94 | 13.16% |
| Multi-Family | 37 | 31.09 | 6.02% |
| Recreation | 2 | 8.92 | 1.73% |
| TOTAL: | 642 | 516.24 | 100.00% |

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Sutherlin using the Douglas County Department of Assessment and Taxation database (FYE 2020)

2. Comprehensive Plan Designations

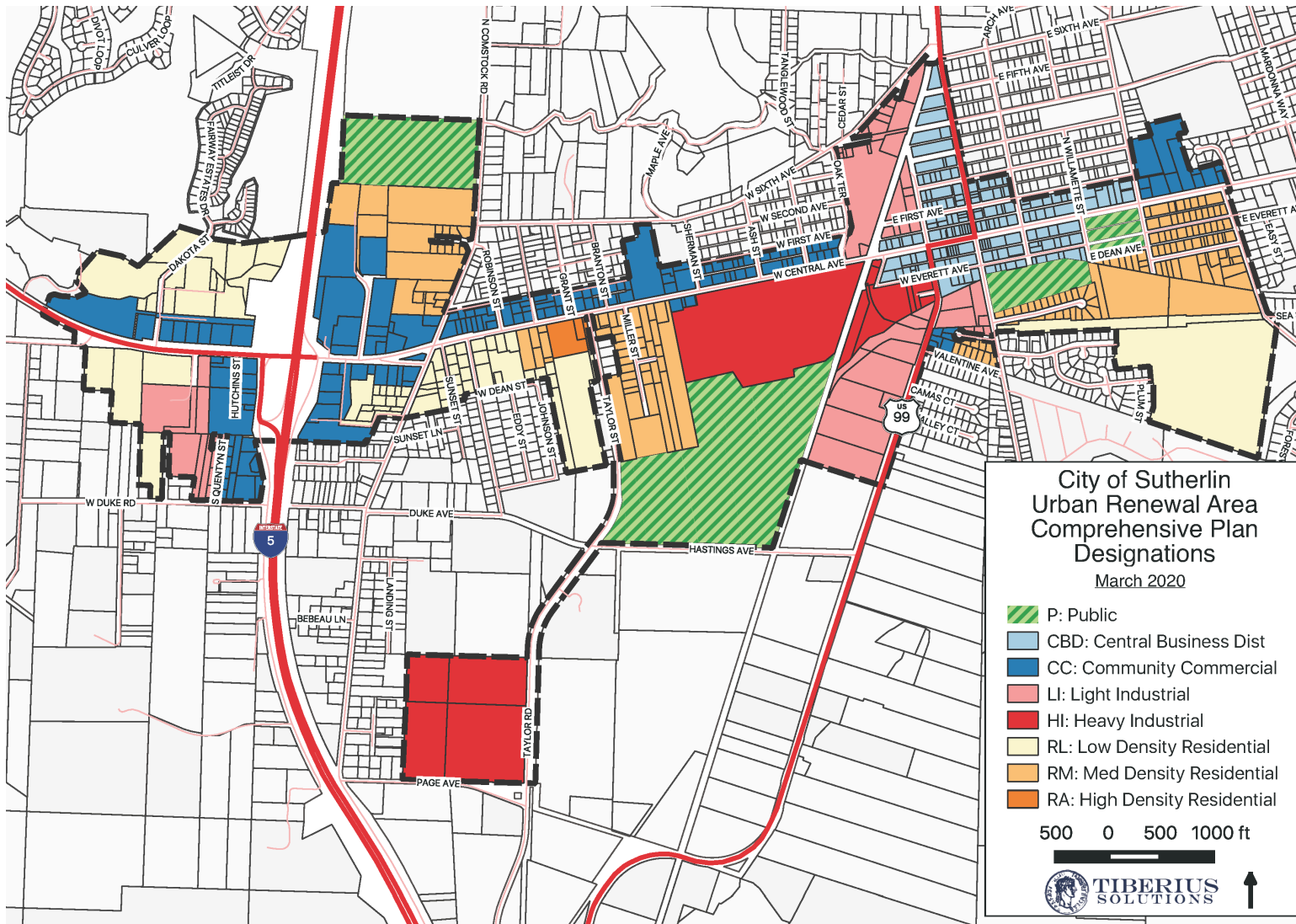
The most prevalent comprehensive plan designation by acreage in the Area is Medium Density Residential (23.94%). The second most prevalent comprehensive plan designation in the Area is Low Density Residential (20.47%). Detailed comprehensive plan designations in the Area can be seen in Table 19.

Table 19 – Comprehensive Plan Designations in the Area

| Comprehensive Plan Designation | Parcels | Acreage | Percent of Acreage |
|---------------------------------------|----------------|----------------|---------------------------|
| Medium Density Residential | 173 | 123.58 | 23.94% |
| Low Density Residential | 81 | 105.66 | 20.47% |
| Commercial Community | 153 | 82.58 | 16.00% |
| Public | 13 | 76.3 | 14.78% |
| Light Industrial | 48 | 56.04 | 10.86% |
| Heavy Industrial | 12 | 39.54 | 7.66% |
| Commercial Business District | 158 | 29.62 | 5.74% |
| High Density Residential | 4 | 2.92 | 0.57% |
| TOTAL: | 642 | 516.24 | 100.00% |

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Sutherlin

Figure 5 – TIF Area Comprehensive Plan Designations



Source: Tiberius Solutions

3. **Zoning Designations**

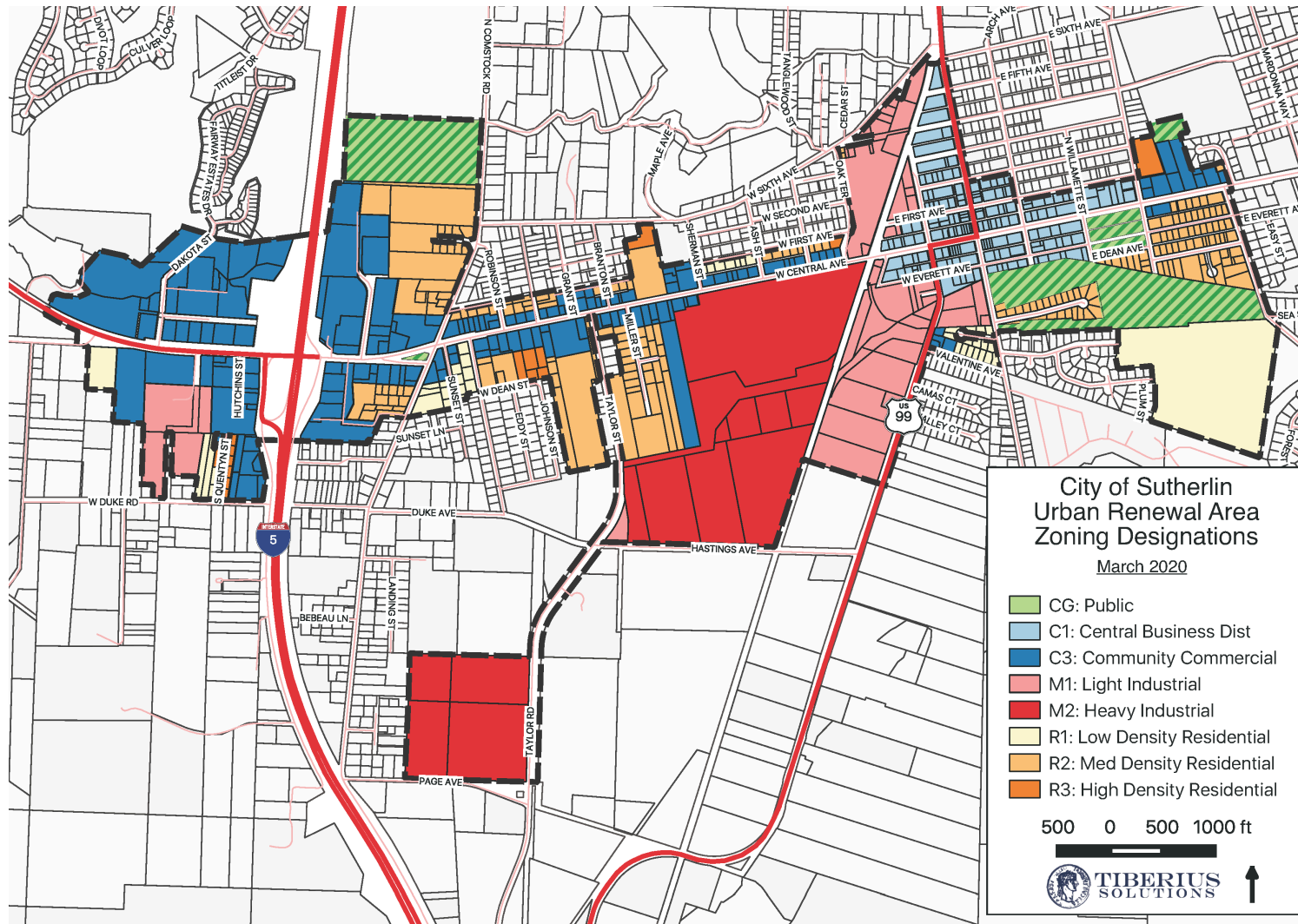
The most prevalent zoning designation by acreage in the Area is Community Commercial (23.04%). The second most prevalent zoning designation in the Area is General Industrial (22.62%). Detailed zoning designations in the Area can be seen in Table 20.

Table 20 - Zoning Designations in the Area

| Zoning Designation | Parcels | Acreage | Percent of Acreage |
|----------------------------|----------------|----------------|---------------------------|
| Community Commercial | 162 | 118.92 | 23.04% |
| General Industrial | 14 | 116.77 | 22.62% |
| Medium Density Residential | 192 | 81.95 | 15.87% 0.00% |
| Light Industrial | 46 | 64.05 | 12.41% |
| Public | 10 | 51.14 | 9.91% |
| Low Density Residential | 44 | 47.69 | 9.24% |
| Downtown Commercial | 161 | 30.08 | 5.83% |
| Multi-family Residential | 13 | 5.64 | 1.09% |
| TOTAL: | 642 | 516.24 | 100.00% |

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Sutherlin

Figure 6 – TIF Area Zoning Designations



Source: Tiberius Solutions;

B. Infrastructure

This section identifies the existing conditions in the Area to assist in **establishing blight in the ordinance adopting the Plan**. There are projects listed in several City of Sutherlin infrastructure master plans that relate to these existing conditions.

There are also deficiencies in the transportation system that have been identified by City staff for inclusion. **This does not mean that all of these projects are included in the Plan**. The specific projects that are included in the Plan are listed in Section III of this Report.

1. Transportation

The Sutherlin Transportation Systems Plan (TSP) identified the following projects in the Capital Improvement List. The project costs were using 2005 construction cost indexes and do not reflect unique costs such as significant environmental mitigation.

The interchange and roadways in the project area have operational, geometric, and structural deficiencies. The existing deficiencies will be exacerbated by traffic increases resulting from development in the area. The Transportation System Plan (TSP) identifies a need to provide an interchange with increased capacity to serve the adopted land use plan for the area.⁶

Interstate 5 Exit 136 Operational and Safety Deficiencies

The configuration of the interchange, particularly as related to the southbound ramps, combined with traffic volume increases that have occurred with development in the west part of Sutherlin, results in operational and safety deficiencies. Some of these were previously identified in the City of Sutherlin Transportation System Plan (TSP). The operational and safety deficiencies are:

- Access points are located closer to ramp terminals than prescribed by ODOT standards and contribute to traffic conflicts, loss of interchange efficiency and potential safety problems.
- There is insufficient capacity at key locations along Oregon Highway 138 (OR 138) to accommodate traffic from planned development.
- With only modest development consistent with adopted plans in the vicinity of the interchange or more distant areas of the west part of Sutherlin, the intersection of OR 138 with Park Hill Lane (which serves as an extension of the southbound ramp terminal) will fail to meet ODOT mobility standards without signalization.

⁶ 136 Interchange Area Management Plan, Oregon Department of Transportation

Interstate 5 Exit 136 Structural and Geometric Deficiencies

The original interchange, constructed decades ago, used different design standards and practices than those used today. When compared to current standards, the interchange exhibits numerous deficiencies. Substantial improvements were made in 2005 and 2006 when the mainline bridge was replaced and modifications were made to the northbound ramps. The principal geometric and structural deficiencies are:

- The southbound ramps use a “gull-wing” configuration that is no longer a standard design.
- Some ramps do not meet design current standards or achieve minimum standards rather than the higher “desirable” standard.

Table 21 - Transportation Projects in the Area

| Block # | Project | Estimated Cost |
|---------|---|---|
| | Waite Street Improvements | \$1,081,698\$2,188,850 |
| | Oregon Highway 138 – 5 lane upgrade from Ft. McKay to Comstock | \$3,406,698 (State) |
| | I-5 Interchange- west side of IC at Oregon 138 Connection from New Parkway to Central | \$2,192,667 (State) \$1,506,566 (City) |
| | Ash Street – Central to 1 st overlay | \$5,952 |
| 300 | Dean Avenue E. overlay | \$17,340 |
| 100 | Everett Avenue W. grind and inlay | \$17,262 |
| 200 | Everett Ave W. overlay | \$10,760 |
| 8-900 | First Avenue W. slurry seal | \$2,248 |
| 100 | First Avenue E. cracking | \$200 |
| 200 | First Avenue E. slurry seal minor cracking | \$2,164 |
| 300 | First Avenue E. slurry seal pitted surfaces | \$9,665 |
| 4-500 | First Avenue W. slurry seal | \$3,408 |
| 1200 | First Avenue W. overlay | \$7,650 |
| 700 | First Avenue W. slurry seal | \$2,088 |
| | Front Street overlay | \$12,600 |
| | Hawthorne Street overlay | \$34,400 |
| | Oak Street grind and overlay | \$49,755 |
| 1300 | Sunset Avenue overlay | \$12,580 |
| | Sunset Street overlay | \$22,450 |
| | Taylor Street slurry seal | \$18,344 |
| | Umatilla Street S. grind and inlay | \$35,860 |
| | Waite Street S. rebuild | \$600,000 |
| | Willamette Street S. overlay | \$18,480 |

Source: City of Sutherlin

2. **Storm Drain**

The Storm Drain Master Plan was completed by The Dyer Partnership Engineers & Planners, Inc. in 2014. The following projects within the Area were identified in the Storm Drain Master Plan.

Table 22 – Storm Drain Projects in the Area

| Project | Estimated Cost |
|--|----------------|
| N. State Street, bound by E. Central and Third Ave | \$230,845 |
| N. Calapooia St, north of E. Central Ave | \$108,795 |
| Between Grant Street and Branton Street, bound by W. Second Avenue and W. Central Avenue | \$166,396 |

Source: City of Sutherlin

3. **Water**

The Water Master Plan was completed by The Dyer Partnership Engineers & Planners, Inc in 2017. The following projects within the Area were identified in the Water Master Plan.

Table 23 – Water Projects in the Area

| Project – Improvement Capital | Estimated Cost |
|---|----------------|
| Alley S. of 1 st . Umpqua/Will (8") | \$60,000 |
| Myrtle Street Water Line Improvement | \$89,000 |
| E. 1 st Street Water Line Improvement – N State Street to N. Umpqua Street | \$273,000 |

Source: City of Sutherlin

4. **Utility Providers**

The following utility providers have services within the City of Sutherlin:
Pacific Power and Light

Avista Utilities
CenturyLink
Charter Communications
Douglas Electric Co-Op
Sutherlin Water Control District
City of Sutherlin Water
City of Sutherlin Sewer

5. **Parks and Open Space**

The *Sutherlin Parks and Open Space Plan* established the need for additional open space and parks facilities in the Area. The specific recitation is shown below. The table is from the *Sutherlin Open Space Plan* document.

Section 6.2 Existing and Future Parks

Based on an assumption of shared facility use, the Needs Analysis identified a need for 6 to 12 neighborhood parks and 4 to 10 community parks (Section 5.2, Needs Assessment). Not all neighborhood and community parks need to be the same, containing the same or similar array of elements. Indeed, quality park and open space planning recognizes unique qualities of a particular site and develops a specific park plan around a balance of a site's unique features with the overall community need for park resources. Thus the array of identified neighborhood and community parks in Sutherlin can have variety. In particular, the 5 identified community parks (3 community parks and 2 sports parks) each has a unique, identifiable focus. Table 6.3 of the Sutherlin Parks and Open Space Plan outlines this approach.

Table 6.3 – Park Functions⁷

| Community Park | Park Function |
|--|---|
| <i>Central Park / Festival Grounds (C-1)</i> | <i>Functions as a host location for community events and festivals</i> |
| <i>Cooper Creek Reservoir (C-2) facility</i> | <i>Functions as a boating and picnicking</i> |
| <i>Ford's Pond (C-3)</i> | <i>Could function as an open expanse of informal open space</i> |
| <i>Westside Sports Park (S-1)</i> | <i>A host location for tournament-level regulation sports such as softball and soccer</i> |
| <i>Eastside Sports Park (S-2)</i> | <i>A shared location with the Sutherlin School District for baseball and football</i> |

6. Wetlands

The Area has significant wetlands as shown in the WD # 2012-0352R Reissuance of Wetland Delineation Report for the Sutherlin Industrial Park.⁸

⁷ *Sutherlin Parks and Open Space Plan*, SATRE Associates, Table 6.3, p. 44.

⁸ The *Wetlands Delineation Determination Report* was transmitted to the Department of State Lands with a determination letter on December 20, 2018 concurring with the wetland and waterway boundaries.

C. Social Conditions

Within the Area, there are 289 tax lots shown as residential use in the land use table. Table 18. According to the US Census Bureau, American Community Survey 2013-2017 Five Year Estimates, the block groups that most closely represent the Area have 2,734 residents, 93% of whom are white. These block groups represent more residents than exist in the Area but are the closest block groups to represent the Area.

Table 24 - Race in the Area

| Race | Number | Percent |
|--|--------|---------|
| White alone | 2,544 | 93.1% |
| Black or African American alone | - | 0.0% |
| American Indian and Alaska Native alone | 59 | 2.2% |
| Asian alone | 45 | 1.6% |
| Native Hawaiian and Other Pacific Islander alone | - | 0.0% |
| Some other race alone | 33 | 1.2% |
| Two or more races | 53 | 1.9% |
| TOTAL: | 2,734 | 100% |

Source: American Community Survey 2013-2017 Five Year Estimates

The largest percentage of residents are between 55 to 64 years of age (16%).

Table 25 - Age in the Area

| Age | Number | Percent |
|-------------------|--------|---------|
| Under 5 years | 271 | 10% |
| 5 to 9 years | 135 | 5% |
| 10 to 14 years | 227 | 8% |
| 15 to 17 years | 54 | 2% |
| 18 to 24 years | 319 | 12% |
| 25 to 34 years | 372 | 14% |
| 35 to 44 years | 224 | 8% |
| 45 to 54 years | 200 | 7% |
| 55 to 64 years | 446 | 16% |
| 65 to 74 years | 241 | 9% |
| 75 to 84 years | 199 | 7% |
| 85 years and over | 46 | 2% |
| TOTAL: | 2,734 | 100% |

Source: American Community Survey 2013-2017 Five Year Estimates

In the block groups, 14% of adult residents have earned a bachelor's degree or higher. Another 30% have some college education without a degree, and 42% have graduated from high school with no college experience.

Table 26 - Educational Attainment in the Area

| Educational Attainment | Number | Percent |
|---|---------------|----------------|
| Less than high school | 135 | 8% |
| High school graduate (includes equivalency) | 730 | 42% |
| Some college | 526 | 30% |
| Associate's degree | 102 | 6% |
| Bachelor's degree | 182 | 11% |
| Master's degree | 53 | 3% |
| Professional school degree | - | 0% |
| Doctorate degree | - | 0% |
| TOTAL: | 1,728 | 100% |

Source: American Community Survey 2013-2017 Five Year Estimates

The most common travel time to work class was 10 to 19 minutes, with 40% of journeys being in this class. This was followed by less than 10 minutes travel time class, which represented 29% of journeys.

Table 27 - Travel Time to Work in the Area

| Travel Time | Number | Percent |
|----------------------|---------------|----------------|
| Less than 10 minutes | 297 | 29% |
| 10 to 19 minutes | 407 | 40% |
| 20 to 29 minutes | 246 | 24% |
| 30 to 39 minutes | 34 | 3% |
| 40 to 59 minutes | 17 | 2% |
| 60 to 89 minutes | - | 0% |
| 90 or more minutes | 7 | 1% |
| TOTAL: | 1,008 | 99% |

Source: American Community Survey 2013-2017 Five Year Estimates

Of the means of transportation used to travel to work, the majority, 86% drove alone with another 9% carpooling

Table 28 - Means of Transportation to Work in the Area

| Means of Transportation | Number | Percent |
|--------------------------------|---------------|----------------|
| Drove alone | 913 | 86% |
| Carpooled | 91 | 9% |
| Bicycle | - | 0% |
| Walked | 4 | 0% |
| Other means | - | 0% |
| Worked at home | 49 | 5% |
| TOTAL: | 49 | 100% |

Source: American Community Survey 2013-2017 Five Year Estimates

D. Economic Conditions

1. Taxable Value of Property within the Area

The estimated total assessed value of the Area calculated with data from the Douglas County Department of Assessment and Taxation for FYE 2020, including all real, personal, manufactured, and utility properties, is estimated to be \$104,122,628.

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 Value Ratio," or "I:L." The values used are real market values. In TIF Areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Table 29 shows the improvement to land ratios (I:L) for properties within the Area. There are 70 parcels totaling 34.90% of the total acreage that are "exempt" from taxation as they are owned by governmental agencies or non-profits. There are 105 parcels totaling 23.17% of the acreage that have no improvement value. Excluding the Exempt parcels, there are 283 parcels representing 39.48% of the acreage that have I:L ratios less than 1.0. In other words, the improvements on these properties are worth less than the land they sit on. A reasonable I:L ratio for properties in the Area is 2.0, or an improvement worth twice as much as the land it is on. One hundred and nine of the parcels in the Area, totaling 13.32% of the acreage, have I:L ratios of 2.0 or more in FYE 2020. In summary, approximately 52.77% of the Area is underdeveloped and not contributing significantly to the tax base in the City.

Table 29 - Improvement to Land Ratios in the Area

| Improvement to Land Ratio | Parcels | Acreage | Percent of Acreage |
|----------------------------------|----------------|----------------|---------------------------|
| Exempt | 69 | 180.16 | 34.90% |
| No Improvement Value | 105 | 119.62 | 23.17% |
| 0.01-0.50 | 63 | 40.15 | 7.78% |
| 0.51-1.00 | 115 | 44.03 | 8.53% |
| 1.01-1.50 | 123 | 39.37 | 7.63% |
| 1.51-2.00 | 58 | 24.1 | 4.67% |
| 2.01-2.50 | 37 | 24.6 | 4.77% |
| 2.51-3.00 | 18 | 9.47 | 1.83% |
| 3.01-4.00 | 23 | 11.57 | 2.24% |
| > 4.00 | 31 | 23.17 | 4.49% |
| TOTAL: | 642 | 516.24 | 100.00% |

Source: Compiled by Elaine Howard Consulting, LLC with data from the Douglas County Department of Assessment and Taxation (FYE 2020)

E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area is described in Section IX 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 tax increment funding are for sports park development, assistance for development and re-development of the Downtown, transportation and utility infrastructure including infrastructure improvements and wetlands mitigation to jumpstart development in the industrial area creating jobs for Sutherlin residents, Central Avenue Corridor transportation improvements, business support and development support including property acquisition, blight cleanup and a Gateway Partnership with the Umpqua Wine Interpretative Center. Tax increment financing is a method for funding projects that would otherwise be funded by the City general fund or SDCs, or delayed until resources are available.

It is anticipated that these improvements will catalyze development on the undeveloped and underdeveloped parcels in the Area. This development will require City services. However, since the property is within the City limits, and the level of redevelopment has been planned for based on the Comprehensive Plan and zoning designations, the City has anticipated the need to provide services to the Area. As the development will be new construction or rehabilitation, it will be constructed to current building codes, which will aid in the needs for fire protection and lessen the burden on fire response.

The financial impacts from tax increment collections will be countered by future economic development, and, in the future, adding increases in assessed value to the tax base for all taxing jurisdictions, including the City.

XII. REASONS FOR SELECTION OF EACH TIF AREA IN THE PLAN

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

XIII. RELOCATION REPORT

When the Agency 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 Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The Agency will comply with all applicable state laws in providing these potential benefits.

There are plans to acquire land for infrastructure in the Area which may trigger relocation benefits in the future. However, no specific acquisitions that would result in relocation benefits have been identified in the Plan. All acquisitions will be reviewed for the potential of applicable relocation benefits.



Initial Expectations (verbal)





ADJOURNMENT



Melanie Masterfield

From: Melanie Masterfield
Sent: Wednesday, May 6, 2020 2:35 PM
To: Ashley (ashley@bciradio.com); DC Commisioners (commissioners@co.douglas.or.us); Erica Welch; KUGN (news@kugn.com); Kyle-KQEN (KYLE@BCIRADIO.COM); News Desk (newsdesk@nrtoday.com); Register Guard (rgnews@registerguard.com); Roseburg Beacon (info@roseburgbeacon.com)
Subject: City of Sutherlin Council Agenda
Attachments: CC AGENDA MAY 11, 2020 Meeting.pdf; URA AGENDA MAY 11.20 Meeting.pdf

Good afternoon. Attached you will find the City Council Agenda and the Urban Renewal Agency Agenda. Both meetings will take place on Monday, May 11, 2020. Urban Renewal will be at 6:30 with Council following at 7pm. Thank you.



Melanie Masterfield
Deputy City Recorder

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