

EXHIBIT "B"

**REPORT ACCOMPANYING NORTHWEST
LEBANON URBAN RENEWAL PLAN
FOURTH AMENDMENT**



Prepared for the City of Lebanon

July 11, 2012

Northwest Lebanon Urban Renewal Area

City of Lebanon

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INTRODUCTION

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

The Report provides the information required in ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also the existing conditions in the Northwest Lebanon Urban Renewal Area (Area). Documentation of the existing conditions of the Area is required because this is a substantial amendment to the Northwest Lebanon Urban Renewal Plan. Many of the projects identified in this Report for the existing conditions of the infrastructure of the Area are projects identified in a city master plan or capital improvement plan, but are not necessarily identified as projects in the Northwest Lebanon Urban Renewal Plan. They are included as they establish the deficiencies in the infrastructure and help document conditions of blight within the Area.

The Northwest Lebanon Urban Renewal Plan was established in September of 1989 and has completed many projects towards its purpose of eliminating blight in Lebanon and bringing new employment opportunities, including facilitating the development of the Lowe's Distribution Center bringing hundreds of long-term jobs and millions of dollars of input to the local economy.

To date, there have been three amendments, the most recent of which was passed in 2008. These amendments have, among other things, established the Area as an Option One Urban Renewal Plan, added projects to the Plan and specified parcels for acquisition, adjusted the boundary, and established the maximum indebtedness. The amendment that this Report addresses – the Fourth Amendment to the Northwest Lebanon Urban Renewal Plan – seeks to add property to the Area, update the project list, and increase the Maximum Indebtedness (MI) of the Plan by \$8,547,822, bringing the total MI to be incurred to \$33,228,592. This will be considered a substantial amendment, and will require a City Council vote on a non-emergency ordinance. As there is property within the area that is unincorporated, it will also require the approval of the Linn County Commission.

The addition will add 80.75 acres and will comply with the limitation of expansion of an urban renewal area to 20% of the original acreage, as shown in Table 1 below.

Table 1 - Acreage Limitations

	Acres
Original Acreage	657.79
20% of Original	131.56
Acreage of Amendment	80.75

Source: City of Lebanon: original acreage of Plan

The properties being added are shown in Table 2.

Table 2 - Parcels and Right-of-Way Added

	Map No.	Tax Lot No.	Acreage
Parcel 1	12S02W16	302	44.72
Parcel 2	12S02W16	303	11.03
Right-of-Way			25
Total			80.75

Source: City of Lebanon:

Figure 1 - Northwest Lebanon Urban Renewal Plan Area Boundary with Additions

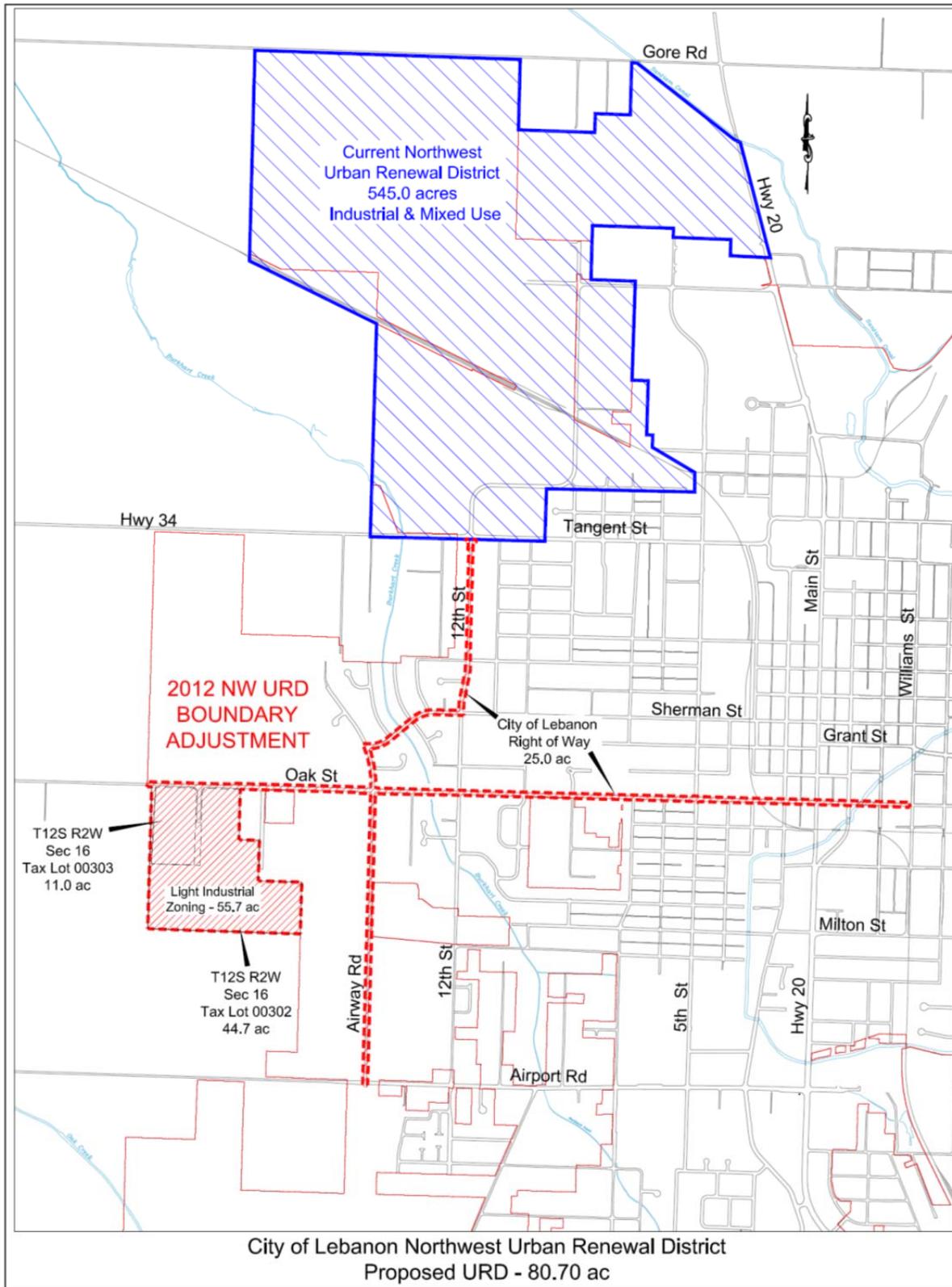
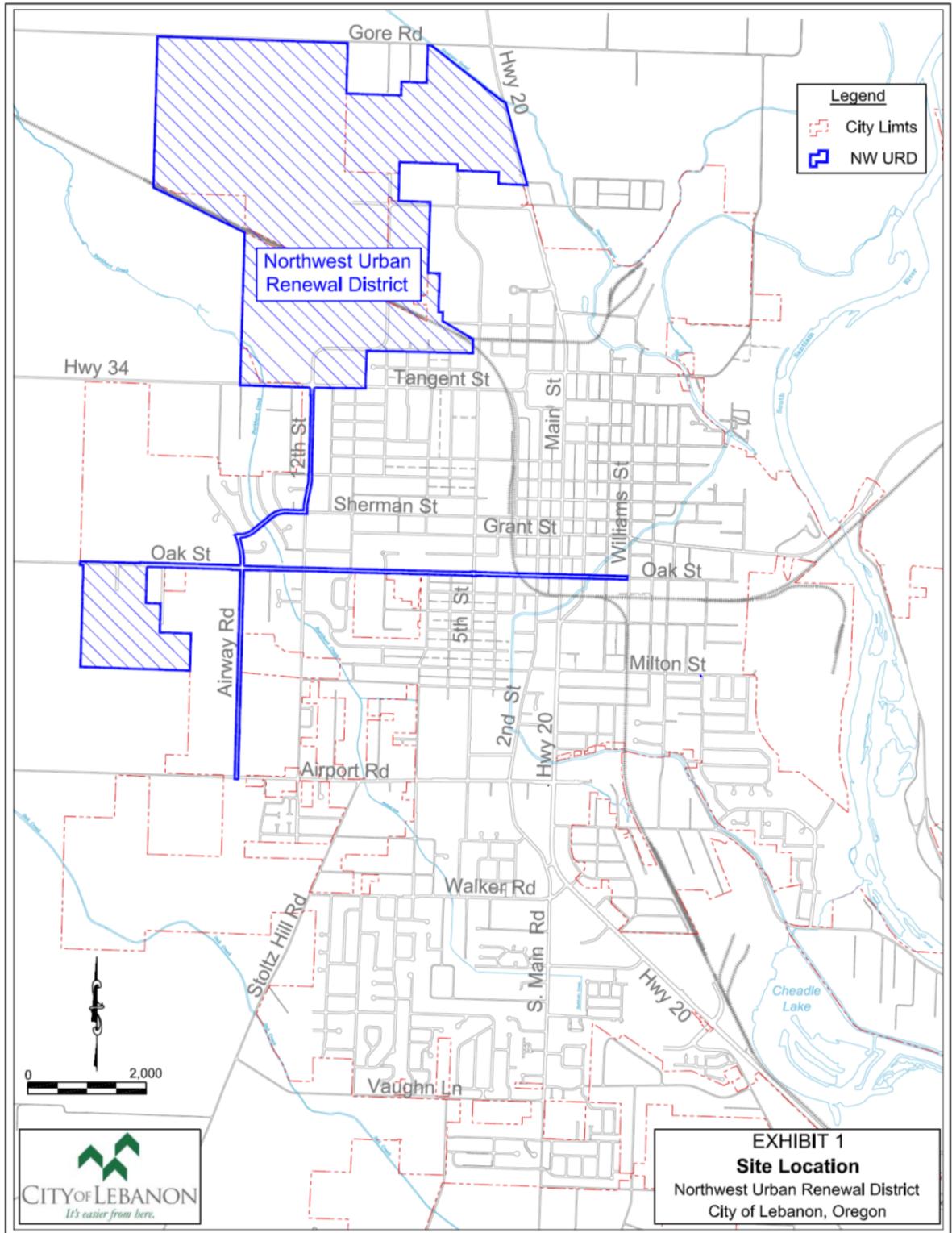


Figure 2 - Northwest Lebanon Urban Renewal Plan Area Boundary Incorporating Additions of the Fourth Amendment



EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

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

Physical Conditions

Land Use

According to the Linn County Assessor’s Office, the Area, shown in Figure 1 above, contains 65 parcels, and consists of 571.62 acres and 55.23 acres of right-of-way, for a total size of 626.85 acres.

An analysis of property classification data from the Linn County Assessment and Taxation database was used to determine the land use designation of parcels in the Area.

Within the Area, the largest use of land is Industrial Improved (39.95% of total acreage). Following this is Industrial Vacant (18.74%) and then Tract Improved (15.97%). Residential uses only account for 0.80% of the Area, by acreage.

Table 3 – Existing Land Use of Area

Land Use	Parcels	Acreage	% of Total Acreage
Industrial Improved	12	228.38	39.95%
Industrial Vacant	8	107.13	18.74%
Tract Improved	19	91.29	15.97%
Farm Use	1	44.72	7.82%
Vacant Tract	5	43.09	7.54%
HBU Farm No Special Assmt Vacant	1	38.00	6.65%
Commercial Improved	3	5.78	1.01%
Commercial Vacant	2	4.66	0.82%
Residential Improved	10	4.28	0.75%
HBU Farm No Special Assmt Improv	1	3.00	0.52%
Tract With Mfg Structure	1	0.99	0.17%
Residential Vacant	2	0.3	0.05%
Total	65	571.62	100.00%

Source: Linn County Assessor, HBU is highest and best use

Zoning

As illustrated in Table 4, the largest portion (69.22%) of the Area is zoned Industrial. Excluding parcels with a county designation for their zoning, the remaining zoning designations account for less than 1.50% of the Area's acreage. The county designations are Exclusive Farm Use (EFU) and Urban Growth Management (UGM).

Table 4 - Existing Zoning of Area

Zoning	Parcels	Acreage	% of Total Acreage
Industrial	37	395.65	69.22%
County Exclusive Farm Use	8	129.61	22.67%
County Urban Growth Management	15	38.4	6.72%
Highway Commercial	2	4.66	0.82%
Split - Industrial	1	1.78	0.31%
Mixed Use	2	1.52	0.27%
Total	65	571.62	100.00%

Source: City of Lebanon

Comprehensive Plan Designations

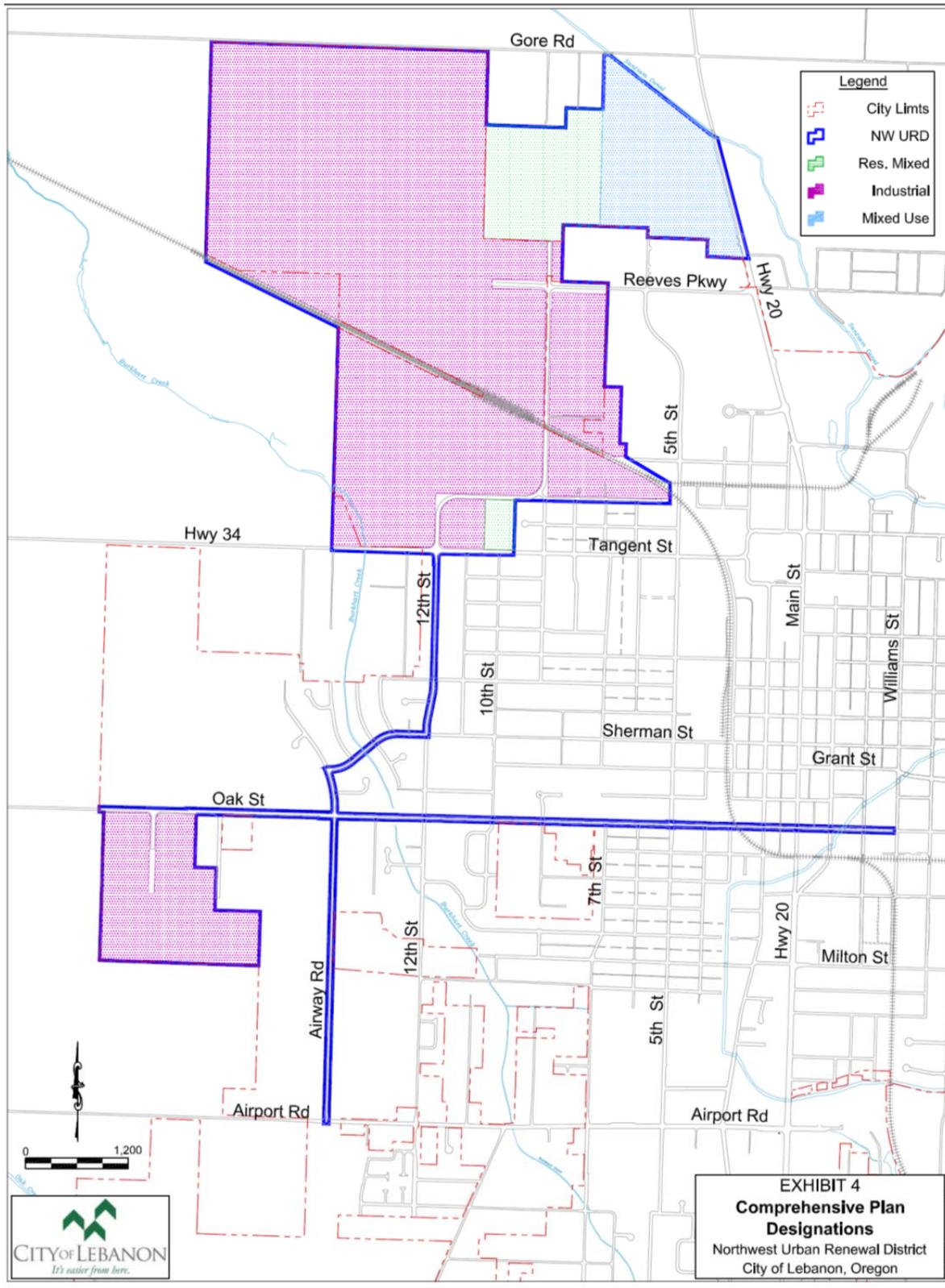
As illustrated in Table 5 and Figure 3, the largest portion (81.43%) of the Area is designated by the Lebanon Comprehensive Plan as Industrial. This is followed by Mixed Use, which is approximately 9.77%, and close after that is Residential (8.64%).

Table 5 - Existing Comprehensive Plan Designations of Area

Comprehensive Plan	Parcels	Acreage	% of Total Acreage
Industrial	48	465.47	81.43%
Mixed Use	8	55.83	9.77%
Residential (Mixed Density)	8	49.38	8.64%
Urban Growth Management	1	0.94	0.16%
Total	65	571.62	100.00%

Source: City of Lebanon

Figure 3 – Area Comprehensive Plan Designations



The legend on this map shows Exhibit 4, which is the Exhibit in the Northwest Gateway Urban Renewal Plan.

Infrastructure: Existing Conditions

Much of this section is taken directly from the City of Lebanon Capital Improvement Plan 2011-2016.

The Capital Improvement Program (CIP) of the City of Lebanon is a planning tool intended to help prioritize, identify, arrange financing, and allow for timely technical design and application of projects and programs to better serve the citizens of Lebanon. Generally, the projects identified in this document have a significant impact on the City's infrastructure and are intended to help the City provide better and timely services. The identified projects indicate the deficiencies in the infrastructure in the Area.

Transportation System: Street and Sidewalk Conditions

The City adopted the Transportation System Plan (TSP) in January, 2007 in order to comply with the Transportation Planning Rule. The TSP will act as a planning tool and "roadmap" in guiding future development of streets, and will also aid in securing street funding. The projects identified in the CIP for this Area are:

Airway Road

This existing portion of Airway Road is a county standard street consisting of two travel lanes with narrow shoulders and deep ditches. This project will improve Airway Road with wider travel lanes, underground storm drain system and a separated pedestrian pathway.

12th Street: Hwy 34 to Vine Street

Most of this existing street is a rock surface with a surface ditch storm drainage network. A short segment is a developed street section with curb, gutter, and sidewalk. However, the street surface condition on this segment has completely failed and must be replaced. This project will construct a new street with curbs, gutter, sidewalks, and an underground storm drain collection system on the rock surface segment. The existing paved segment will have the asphalt replaced by grind/inlay process.

Sherman Street: 12th to Airway to Oak

Currently this section of Sherman Street and Airway Road is paved and includes sidewalk, curb, and gutter. The pavement condition is very poor and the roadway itself has multiple areas of base failure. This section of Sherman Street also crosses Burkhart Creek, at which point there is an extreme vertical curve that will be taken out and replaced with a longer/flatter curve meeting ASHTO Standards. This project will include a complete reconstruction of approximately one block (Burkhart Creek

Crossing) and removal/replacement of all existing asphalt. The project will also include installation of sidewalk access ramps at intersections that don't currently have them. The project will be coordinated with the replacement of water and sewer lines within the same right of way alignment.

Oak Street: Williams to Airway

This section of Oak Street serves as the main east/west truck route into Lebanon. The existing condition includes paved roadway sidewalk, curb, and gutter. The pavement condition is poor in most areas and the roadway itself has multiple areas of extreme base failure. The bridge on Oak Street at the Albany/Lebanon Canal has failing approaches due to scour from the canal. This project will include new approaches at the existing bridge, roadway base repair, minor waterline installation, and a new paved roadway surface using the grind/inlay process. This project will also include evaluation of pedestrian/vehicle safety amenities that could be incorporated into the overall design. This may include a pedestrian pathway from the west end of the URD boundary on Oak east to Airway Road, a pedestrian refuge island at the school crossing at 12th Street, additional street lighting in the section between 2nd Street and Grove Street that would be compatible in concept to the lighting in the downtown section of Main Street north of Oak Street, enhancements to the pedestrian crossings at the intersection of Oak Street and Park Street, and pedestrian pathway improvements east of Park Street to Grove Street along the southern boundary of Ralston Park.

Airway: Oak to Airport

The existing street section is a narrow asphalt surface with gravel shoulders and deep storm drainage ditches. This project will construct a storm drain system and widen the existing roadway to accommodate the industrial truck traffic that utilizes the road. A separated pedestrian pathway is proposed for the east side of the alignment.

Table 6 – Projects in Area in the Capital Improvement Plan and Identified by City Staff

Streets	Estimated Cost
12th Street – Highway 34 – Sherman Street	\$750,000
Sherman Street – 12th Street – Oak Street	\$750,000
Oak Street – Williams Street – Airway	\$1,000,000
Airway – Oak Street – Airport	\$500,000

Source: City of Lebanon Capital Improvement Plan and Updated Project list for Area

Storm Drainage System

During periods of heavy rain it is important to have infrastructure in place to collect, transport, or potentially infiltrate stormwater in a safe and efficient manner that protects against flooding and minimizes environmental impacts. To accomplish this goal, it is important that the City understand how the existing stormwater system performs, plan for future infrastructure needs, adapt to new regulatory requirements, and understand new methods and technologies for protecting Lebanon’s water resources. To aid in this effort, Public Works performs system maintenance, which includes routine cleaning of catch basins, pipes, and ditches to ensure the system can adequately convey stormwater runoff. Deficiencies in the Area are:

12th Street Storm Drain: Hwy 34 to Vine Street

This section of 12th Street is an unimproved gravel road with a drainage system consisting of roadside ditches, area inlets, and culverts at driveway locations. The project will construct an underground storm drain collection system as part of the street construction project.

Airway Road Storm Drain: Oak Street to Airport Road

This section of Airway road has deep drainage ditches that transport surface runoff. When the street is widened and repaved, the ditches will need to be enclosed in underground pipes. This project will construct an underground storm drain network. The project will be coordinated with the street widening and repaving project.

Stormwater projects planned in the Area are shown in Table 7.

Table 7 – Storm Drainage Projects in the Area Listed in the Capital Improvement Plan and Identified by City Staff

Storm Drainage	Estimated Cost
Airway Street – Oak Street – Airport	\$500,000
12 th Street – Highway 34 – Vine Street	\$200,000

Source: City of Lebanon Capital Improvement Plan and Updated Project list for Area

Wastewater System

The Lebanon Wastewater Treatment Plant (WWTP) is located at 33110 Tennessee Road. The wastewater collection system conveys wastewater from its sources to the Wastewater Treatment Plant for processing. The entire Lebanon sewer collection system is currently made up of approximately 46 miles of wastewater collection pipe lines that vary in size from 6 to 54 inches in diameter. Currently, the City contracts

with CH2MHill/Operations Management International (OMI) to run the Wastewater Treatment Plant.

The purpose of the Capital Improvement Program (CIP) for the wastewater system is to identify the projects that are needed to upgrade and expand the existing system for future users and to ensure that the system remains functional for current users. The most pressing project in the wastewater collection system is the replacement of existing deteriorated sanitary sewers. The primary areas of concern at the Wastewater Treatment Plant are the capacity to serve an expanding customer base and making improvements to technology to meet state and federal regulatory requirements.

The *Westside Interceptor (WSI III)* is an existing sanitary sewer line that travels around the north and west part of Lebanon. Studies and field observations have verified that this line is nearing capacity and will not be able to serve the southern part of Lebanon’s Urban Growth Boundary. To aid in continued growth and in order to help relieve over-capacity in the existing Westside Interceptor, a new sewer interceptor will be constructed from the intersection of Highway 34 & 12th Street to the intersection of Stoltz Hill & Walker Road, with a connection to 6th and Walker. This new interceptor will provide extra sewer capacity to the west and southern portion of Lebanon and will relieve the existing Westside Interceptor. This phase of the new WSI will construct a 42” concrete sewer pipe from the intersection of Twelfth and Sherman Street to the intersection of Oak and Airway. Future WSI phases will continue the sewer main from the intersection of Oak and Airway to intersection of Stoltz Hill and Walker Road, with a smaller diameter connection to 6th and Walker

Table 8 – Wastewater Projects in the Area from the Capital Improvement Plan

Wastewater	Estimated Cost
Westside Interceptor Phase III	\$800,000
Westside Interceptor Phase IV	\$6,000,000

Source: City of Lebanon Capital Improvement Plan

Water

The City of Lebanon's water system has two main components – the Water Treatment Plant (WTP) and the Water Distribution System. Lebanon purchased both systems from Pacific Power & Light Co. in fiscal year 1985. Soon afterward, the City contracted with Operation Management International (OMI) to run the water treatment plant. The City contracted with Kramer, Chin & Mayo's in March, 1989, to develop a Water Facility Study. This study was updated in 2006-7 by CH2MHill, who completed a new Water System Master Plan.

The purpose of the Capital Improvement Program for the water system is to further identify and prioritize projects that address water system needs and problems, to ensure an adequate supply of water for all current and future users, and to meet state and federal regulatory requirements. The primary areas of concern in the water distribution system are fire protection, emergency storage, reliability, capacity, waterline structural deterioration, and system extensions to serve un-serviced areas. The primary areas of concern at the Water Treatment Plant are capacity to serve an expanding customer base and current technology to meet state and federal regulatory requirements.

The Water Treatment Plant was constructed in 1946 and the last major modification was in 1981, with the construction of two additional filters over the clear wells. The plant has an effective capacity to produce 3.75 million gallons of treated water per day (mgd). The raw water supply for the canal comes from the Santiam Canal, which is owned and operated by the City of Albany. Lebanon has a Certificate of Water Rights and Permits for 37.1 cubic feet per second (cfs), or 24 mgd, from the Santiam Canal. Currently the average maximum daily demand for water usage in the City of Lebanon is 3.3 mgd.

Most of the water distribution system consists of pipe serving well beyond its design life. A large portion of the system consists of steel pipe installed in the 1930's. This pipe has a design life of 25-30 years. As a result, significant water loss occurs, maintenance costs are increasing, and the reliability of the distribution system is in jeopardy. In an effort to improve the water distribution system, the City is focusing on replacing waterlines that have a history of leak repairs. The benefits of replacing the old pipes with new ductile iron waterlines include better water pressure and quality, reduced water loss, and increased fire protection availability.

New WTP Design and 5th Street Reservoir

The Water System Master Plan, completed in 2007, identified the need for a new WTP and additional water reservoir storage capacity. The City's water treatment plant was originally constructed in 1946, and, in keeping pace with changing water quality needs, has undergone many upgrades and additions since that time. However, the WTP does not have the capacity to meet the projected city water demand, much of it generated by new and anticipated industrial development in the district. A new WTP is planned for construction in 2014-15. A new water storage reservoir is also needed to meet future water storage requirements.

Funds are needed for design of the new WTP and for design and construction of a new water storage tank.

Waterline Replacement Sherman St: 12th to Airway

This project replaces the existing 12-inch asbestos cement waterline along Sherman Street from 12th Street to Airway with ductile iron pipe. The project will be coordinated with the street and sewer replacement project to be constructed within the same right-of-way along the same alignment.

Water projects in the Area mainly address infrastructure deficiencies in fire flow and water transmission.

Table 9 - Water Projects in the Area Listed in the Capital Improvement Plan

Water	Estimated Cost
WTP Design 5th Street Reservoir	\$5,000,000
Water Main Replacement Sherman St: 12 th to Airway	\$363,000

Source: City of Lebanon Capital Improvement Plan

Social Conditions

There are only 12 parcels in the Area with residential uses, and they account for 0.80% of the acreage and 18.46% of the parcels in the Area. The 2010 census data that was recently released is used, below, to describe the social conditions within the Area. Due to the fact that this data is for the census blocks overlapping the Area (and include some area outside of the Area), some variation can be expected between the values represented in the tables and the actual values within the Area. The demographics presented here, however, should provide an accurate picture of what exists within the Northwest Lebanon Area.

There are slight differences in the total number of people reported for the different measures of social conditions in the area. The numbers reported here are still both from the same selection of census blocks, even though a different amount of people responded to each question.

Table 10 - Age

Age	Number	Percent
Under 9 years	99	14.98%
10 to 19 years	96	14.52%
20 to 29 years	107	16.19%
30 to 39 years	87	13.16%
40 to 49 years	88	13.31%
50 to 69 years	132	19.97%
70 years and over	52	7.87%
Total	661	100.00%

Source: 2010 US Census Data

The racial characteristics of the Area are shown in Table 11, below. The majority of people identify themselves as white (90.90%) and the second largest group that people identify with is American Indian, or Alaska Native (4.05%).

Table 11 – Racial Characteristics

Race	Number	Percent
White	629	90.90%
American Indian or Alaska Native	28	4.05%
Some other race	19	2.75%
Black or African American	7	1.01%
Asian	7	1.01%
Native Hawaiian or Other Pacific Islander	2	0.29%
Total	692	100.00%

Source: 2010 US Census Data

The US Census chooses to describe Hispanic or Latino demographics in a table separate from the other races. This data is shown below, in Table 12, and is simply another representation of the racial characteristics of the Area. Total historical population of the City of Lebanon is shown in Table 13, below. The negative number in 2010 is an adjustment made by Portland State after receiving the US Census data from that year.

Table 12 – Racial Characteristics (Hispanic or Latino)

Race	Number	Percent
Not Hispanic or Latino	610	92.28%
Hispanic or Latino	51	7.72%
Total	661	100.00%

Source: 2010 US Census Data

Table 13 – Population of Lebanon

Year	Population	% Change
2001	13,190	
2002	13,110	-0.61%
2003	13,140	0.23%
2004	13,550	3.03%
2005	13,940	2.80%
2006	14,355	2.89%
2007	14,704	2.37%
2008	15,185	3.17%
2009	15,580	2.54%
2010	15,518 ¹	-0.40%
2011	15,565	0.30%

Source: Portland State University Population Research Center

¹ Data from US Census 2010

Economic Conditions

Taxable Value of Property Within the Area

The estimated 2011/2012 total assessed value, including all real, personal, manufactured, and utility properties, in the Existing Northwest Lebanon Urban Renewal Area is \$163,438,337. The frozen base is \$7,965,685. The excess value of the Northwest Lebanon Urban Renewal Area is \$155,742,652.² The assessed value of the properties to be added is \$182,180. The total assessed value of the City of Lebanon is \$920,293,146³.

Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L may be used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 4:1 or more.

Table 14, below, "I:L Ratio of Parcels in the Area," shows the improvement to land ratios for taxable properties within the Area. Over one-half of the Area has no improvements. Approximately 60% of the acreage in the Area (50 parcels) has an improvement ratio below 1.5. Only 35% of the acreage (7 parcels) meets the I:L ratio of 4:1. The I:L ratios for improved properties in the Area are very low.

² Excess value is the "incremental value" over the frozen base in an urban renewal area

³ Data from Linn County Assessor's 2011-12 tax roll summary

Table 14 – I:L Ratio of Parcels in the Area

I:L Ratio	Parcels	Acreage	% of Total Acreage
No Improvements	24	292.10	51.10%
0.01 - 0.50	8	14.65	2.56%
0.51 - 1.00	9	22.77	3.98%
1.01 - 1.50	9	11.22	1.96%
1.51 - 2.00	4	1.44	0.25%
2.01 - 3.00	4	31.01	5.42%
3.01 - 4.00	0	0.00	0.00%
4.01 - 5.00	3	27.37	4.79%
I:L>5.0	4	171.06	29.93%
Total	65	571.62	100.00%

Source: raw data from Linn County Assessor

Impact on Municipal Services

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

The projects being considered for future use of urban renewal are primarily infrastructure projects. The use of urban renewal funding for these projects allows the city to match other funding sources to actually construct the improvements. It also allows the city to tap a different funding source than the City of Lebanon’s general funds to make these improvements.

It is anticipated that these improvements will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require city services, but will also generate systems development charges and revenues from the use of utilities in the Area. As the development will be new construction, it will be up to current building code, and will aid in any fire-protection needs.

The impacts on municipal services will be countered by providing major infrastructure funding for vital connections to the Northwest Lebanon Area and major parcels of undeveloped and underdeveloped land. This land will provide future jobs in the Northwest Lebanon Area, and future increased tax base for all taxing jurisdictions.

Reasons for Selection of Each Urban Renewal Area in the Plan

The reason for selecting the Area has not changed with this amendment. The documented reason for selections was to cure blight within the Area. Both of the parcels added to the boundary are underdeveloped at this time and therefore exhibit conditions of blight.

The Relationship Between Urban Renewal Projects and the Existing Conditions in the Urban Renewal Area

Water

1. Four Million Gallon Water Tank

This project will replace an existing two million gallon (MG) steel tank with a four MG reinforced concrete tank. Additional capacity will ensure adequate supplies are available for the Area development and will substantially reduce the potential risk of failure during a seismic event.

Existing Conditions:

Total water system storage is at 24 hours of capacity. Increasing total storage capacity has been identified as one of the highest priority issues in the current water system facility master plan. The existing two MG steel tank is well beyond its design life and has known interior coating problems and no seismic restraints, both which place the tank at extreme risk of failure and collapse during a moderate seismic event.

2. Water Treatment Plant Design

This project will fund contract services of a professional engineering consultant to design and prepare construction documents and specifications for a new water treatment facility that will provide treatment capacity for up to the next 20 years, with expansion capability to accommodate ultimate build out within the existing urban growth boundary.

Existing conditions:

The existing treatment plant is well beyond its design life and has components that are near failure and have no available replacement parts. System demand has begun to exceed the design production capacity numerous times during the dry weather season. Wet weather source water conditions also limit the wet weather production capability of the plant to near maximum capacity. Repair and rehabilitation costs exceed the feasible value of the limited additional capacity that could be achieved. Even with such an investment in the existing plant, a new facility with additional capacity would be needed within five years of rehabilitation.

The Water Treatment Plant was constructed in 1946 and the last major modification was in 1981, when two additional filters were constructed over the clear wells. The plant has an effective capacity to produce 3.75 million gallons of treated water per day. The raw water supply for the canal comes from the Santiam Canal, which is owned and operated by the City of Albany. Lebanon has Certificate of Water Rights and Permits for 37.1 cubic feet per second (cfs), or 24 mgd, from the Santiam Canal. Currently, the average maximum daily demand for water usage in the City of Lebanon is 3.3 mgd. The identified deficiencies are:

- The Accelator[®] is nearly 60 years old. Deficiencies in existing parts resulting from corrosion have been identified. If the Accelator[®] fails, the WTP cannot operate at its rated capacity without impacts to its treatment effectiveness. At a minimum, this unit must be replaced or rehabilitated.*
- Two of the operating filters are at least 25 years old. This is approaching the range of typical design life. Parts are difficult to procure. Two filters have already been abandoned for structural reasons.*
- Corrosion and weak spots in the filter gallery piping have been identified. Treating pipes for corrosion control will be costly and difficult, and have limited long-term success. Replacing pipes or valves while the system operates will also be difficult.*
- Crumbling concrete in the clearwell requires maintenance to prevent water from corroding underlying reinforcing material.*
- Chemical systems, backwash, Accelator[®] waste handling, and clearwell capacity will need to be expanded to meet future demands. Space within current facilities is very limited, and the overall WTP site is small. Property acquisition may become necessary if existing systems are to be expanded to meet future or buildout demand.*
- Existing facilities lack redundancy, and clearwell storage volume is not large enough to provide water for a prolonged, unplanned shut down. The single Accelator[®] unit and reliance on the Santiam Canal as the sole raw water source are liabilities.*
- Original filter controls are beginning to require maintenance. Parts from an unused control unit are salvaged.⁴*

⁴ Lebanon Water System Master Plan, CH2MHILL, May 2007, pg. ES-6.

3. Linn Benton Community College Assistance

This assistance will aid Linn Benton Community College in the re-development of an existing industrial facility as an advanced automotive technology center providing jobs and technical training in support of the transportation industry.

Existing conditions:

There is no supporting industrial training facility in the Area.

4. 12th Street New Street Section - Highway 34 - Sherman Street

This project will construct a new street with curbs, gutter, sidewalks, and an underground storm drain collection system on the rock surface segment. The existing paved segment will have the asphalt replaced by grind/inlay process.

Existing conditions:

Most of this existing street is a rock surface with a surface ditch storm drainage network. A short segment is a developed street section with curb, gutter, and sidewalk. However, the street surface condition on this segment has completely failed and must be replaced.

5. 12th Street- Highway 34 - Vine Street - Storm Drain

This project will install a piped drainage system and catch basins effectively draining the new roadway and surrounding properties.

Existing conditions:

This section of 12th Street is an unimproved gravel road with a drainage system consisting of roadside ditches, area inlets, and culverts at driveway locations. The existing drainage system functions for an unimproved gravel roadway, but when the roadway is improved to a city standard paved roadway, a new drainage system will need to be installed.

6. Sherman Street - 12th Street to Airway Road

The project will include a complete reconstruction of approximately one block (Burkhart Creek Crossing) and removal/replacement of all existing asphalt. The project will also include installation of sidewalk access ramps at intersections that don't currently have them. The project will be coordinated with the replacement of water and sewer lines within the same right of way alignment.

Existing conditions:

Currently this section of Sherman Street and Airway Road is paved and includes sidewalk, curb, and gutter. The pavement condition is very poor and the roadway itself has multiple areas of base failure. This section of Sherman Street also crosses Burkhart Creek, at which

point there is an extreme vertical curve that will be taken out and replaced with a longer/flatter curve meeting ASHTO Standards.

7. West Side Interceptor 12th – Oak Street

This project will construct a large diameter interceptor sewer that will provide excess capacity for existing and future development. This excess capacity will provide opportunity for industrial growth within the area that might have significant sewage flow contributions.

Existing conditions:

The existing sanitary sewer is undersized to handle current and future sewage flows. This causes system backups and overflows upstream within the collection system.

7. Sherman St: 12th to Airway Waterline Replacement

This project will replace the existing asbestos cement waterline with a same size ductile iron transmission main. The project will be coordinated with the sewer and street project in the same right of way alignment.

Existing Conditions:

Currently this section of waterline is a 12-inch diameter asbestos-cement with an average leak history. While the condition is fair the street and sewer replacement projects that are planned will expose the line to stresses that will lead to numerous failures.

8. Oak Street Road Project – Williams Street to Airway Road

The project will include new approaches at the existing bridge, roadway base repair, minor waterline installation, and a new paved roadway surface using the grind/inlay process. The project will also include evaluation of pedestrian/vehicle safety amenities that could be incorporated into the overall design. This may include a pedestrian pathway from the west end of the URD boundary on Oak east to Airway Road, a pedestrian refuge island at the school crossing at 12th Street, additional street lighting in the section between 2nd Street and Grove Street that would be compatible in concept to the lighting in the downtown section of Main Street north of Oak Street, enhancements to the pedestrian crossings at the intersection of Oak Street and Park Street, and pedestrian pathway improvements east of Park Street to Grove Street along the southern boundary of Ralston Park.

Existing conditions:

This section of Oak Street serves as the main east/west truck route into Lebanon. The existing condition includes paved roadway sidewalk, cur, and gutter. The pavement condition is poor in most areas and the roadway itself has multiple areas of extreme base

failure. The bridge on Oak Street at the Albany/Lebanon Canal has failing approaches due to scour from the canal.

9. Airway Road - Oak Street - Airport - Storm Drain

This project will construct an underground storm drain network. The project will be coordinated with the street widening and repaving project.

Existing conditions:

This section of Airway Road has deep drainage ditches that transport surface runoff. When the street is widened and repaved, the ditches will need to be enclosed in underground pipes.

The Estimated Total Cost of Each Project, the Sources of Moneys to Pay Such Costs, and Anticipated Date of Completion

The costs of the projects are shown in Table 15a. The sources of funds shown in this table are tax increment revenues (TIF). If additional funding is necessary to complete these projects, it will come from water, storm and wastewater rate revenues, system development charges, surface transportation and or gas tax funding. Table 15b shows the estimated time frame for the projects.

Table 15a - Estimated Cost of Projects

Project	TIF Amount
Lowe's Payment	\$3,500,000
Linn Benton Community College	\$1,400,000
Infrastructure:	
4 MG Water Tank	\$3,120,000
Water Treatment Plant Design	\$1,880,000
12th Street New Section Highway 34-Vine	\$550,000
12 Street Storm Drain	\$100,000
Sherman Street Road	\$200,000
Westside Interceptor	\$20,000
Sherman Street Waterline	\$420,000
Oak Street Road Project	\$733,105
Airway Road Storm Drain	\$20,000
Total	\$11,943,105

Source: City of Lebanon

Table 15b - Project Allocations by Year

Projects	2012-13	2013-14	2014-15	2015-16
Lowe's			\$3,500,000	
Linn Benton CC		\$1,400,000		
4 MG Water Tank	\$1,080,000	\$2,040,000		
Water Treatment Plant	\$300,000	\$1,580,000		
12th Street New Section Highway 34-Vine		\$550,000		
12 Street Storm Drain		\$100,000		
Sherman Street Road		\$200,000		
Westside Interceptor		\$20,000		
Sherman Street Waterline		\$420,000		
Oak Street Road Project				\$733,105
Airway Road Storm Drain				\$20,000
Total	\$1,380,000	\$6,310,000	\$3,500,000	\$753,105

Source: City of Lebanon

Amount of Increased Maximum Indebtedness Allowed

ORS 457.220(4)(a) and (b) state that an urban renewal plan's indebtedness may be increased, but is limited to the aggregate of all amendments under this subsection, and may not exceed 20% of the plan's initial maximum indebtedness, as adjusted by the index used in the plan to compute future costs of projects that will be financed under the plan. The computation for the Northwest Lebanon Urban Renewal Plan is shown below. The indexing may begin with one year's increase in 1999. The Plan may be indexed on July 1 of each year. This Amendment will be voted on after July 1 of 2012, so that year is included in the calculation. The initial maximum indebtedness was \$24,680,770. The inflation index in the Plan was 4%.⁵ Therefore, the Plan's maximum indebtedness may be increased by \$8,547,822 to a new maximum indebtedness of \$33,228,592.

Table 16 - Potential Maximum Indebtedness Increase Per Year of Operation

Index Rate	4%
Original Maximum Indebtedness	\$24,680,770
1999	\$25,668,001
2000	\$26,694,721
2001	\$27,762,510
2002	\$28,873,010
2003	\$30,027,930
2004	\$31,229,048
2005	\$32,478,210
2006	\$33,777,338
2007	\$35,128,431
2008	\$36,533,569
2009	\$37,994,911
2010	\$39,514,708
2011	\$41,095,296
2012	\$42,739,108
20%	\$8,547,822
New Maximum Indebtedness	\$33,228,592

⁵ Page VII-4 of the Northwest Lebanon Report, Section 7.C.

The Estimated Amount of Tax Increment Revenues Required and the Anticipated Year in Which Indebtedness Will Be Retired

Table 17 shows the tax increment revenues and their allocation to long term debt service and short term debt, the remaining resources, and their allocations to projects and administration. The Area is projected to reach the revenue sharing triggers, as implemented by the State in ORS 457.470 in FY 2014-15, and this is further described in the section of this Report on Impacts to Taxing Jurisdictions.

The maximum indebtedness is proposed to increase by \$8,547,822 to a new maximum indebtedness of \$33,228,592. This maximum indebtedness is projected to be reached in FY 2015-16, as shown in the last row in Table 17. The estimated total amount of tax increment revenues required to service the increase in maximum indebtedness of \$8,547,822 is \$13,060,011.

Assuming the Amendment is adopted and a \$4,000,000 bond is issued in FY 2013-14 at 5% interest, it could be completely retired in four years due to the current very low interest rate environment and the substantial resources available to the district.

With the proposed increased maximum indebtedness, it is anticipated that the Agency will be able to terminate the urban renewal district at the end of FY 2016-17 when it is estimated to have sufficient funding to either retire existing debt or set up an escrow account to retire the debt in the future. See the last column in Table 17.

The Agency has made the decision to forego the Special Levy in FY 2012-13. The analysis shows that there is a benefit to the overlapping taxing jurisdictions in the “general government” category if the Special Levy is foregone (Table 20). This is due to the impacts of compression.

In addition, the Agency has decided to under-levy for one year, in FY 2012-13. They will request 67% of the division of tax revenues for the Area. The Agency intends to take the full division of taxes in the remaining years of the Plan. The under-levy will provide increased tax revenues to the overlapping taxing jurisdictions in FY 2012-13.

The increased maximum indebtedness could extend the urban renewal area by an estimated three years. The estimates in Table 17 account for the under-levy in FY 2012-13 and revenue sharing with all other taxing districts from FY 2014-15 to the end of the life of the district. Without the proposed increase in maximum indebtedness, the district could terminate after FY 2013-14.

Table 17 – Tax Increment Revenues and Allocations to Debt Service

	2012-13	2013-14	2014-15	2015-16	2016-17
Resources					
Beginning Fund Balance	\$4,018,191	\$3,603,588	\$2,326,205	\$6,609	\$358,248
TIF	\$1,742,319	\$2,783,204	\$2,723,542	\$2,745,791	\$2,760,927
Bond Proceeds		\$4,000,000			
Total Resources	\$5,760,510	\$10,386,792	\$5,049,746	\$2,752,400	\$3,119,175
Debt Service					
Long-Term Bonds (year)	\$0	\$1,128,047	\$1,128,047	\$1,128,047	\$1,128,047
Existing Bond Debt Service	\$386,540	\$392,540	\$388,090	\$390,000	\$1,600,000
Total Debt Service	\$386,540	\$1,520,587	\$1,516,137	\$1,518,047	\$2,728,047
Remaining for Projects	\$5,373,970	\$8,866,205	\$3,533,609	\$1,234,353	\$391,127
Projects					
Lowe's			\$3,500,000		
Linn Benton CC		\$1,400,000			
4 MG Water Tank	\$1,080,000	\$2,040,000			
Water Treatment Plant	\$300,000	\$1,580,000			
12th Street Highway 34-Vine		\$550,000			
12 Street Storm		\$100,000			
Sherman Street Road		\$200,000			
Westside Interceptor		\$20,000			
Sherman Street Waterline		\$420,000			
Oak Street Road Project				\$733,105	
Airway Road Storm Drain				\$20,000	
Total Projects	\$1,380,000	\$6,310,000	\$3,500,000	\$753,105	
Administration	\$390,382	\$150,000	\$27,000	\$123,000	
Financing fees		\$80,000			
Ending Fund Balance	\$3,603,588	\$2,326,205	\$6,609	\$358,248	\$391,127
Maximum Indebtedness Cumulative Amount	\$22,365,487	\$26,365,487	\$32,352,487	\$33,228,592	

Source: ECONorthwest with project amounts from the City of Lebanon

Financial Analysis of the Plan

The estimated tax increment revenues through FY 2016-17, as shown in Table 17, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The tax rate is the total of all permanent rates, and general obligation bonds issued before October 2001 of taxing districts which levy taxes in the Area.

The assumptions include an anticipation of new assessed value growth based on permits taken out in the Area as provided by the City of Lebanon⁶, new development projects, as identified by the City of Lebanon⁷, and minimum growth rates of 3% starting in FY 2014-15 (2.5% before then). According to the Linn County Assessor, the Entek development currently under construction will have enterprise zone exemptions until 2018. It is assumed that the projects undertaken as a result of this amendment will also facilitate new assessed value growth.

Table 18 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). This includes collecting 67% of the division of taxes authority in FY 2012-13 and no Special Levy for the remainder of the life of the district. These projections also include shared revenue with impacted taxing jurisdictions. Revenue sharing is projected to commence in FY 2014/15 and continue throughout the remaining life of the district. The tax rate varies due to impacts from General Obligation (GO) Bond rates (as assessed values increase, bond rates decrease). These projections of increment are the basis for the projections in Table 17.

⁶ \$2,500,000 of assessed value is indicated by permits issued by the City of Lebanon for the Area

⁷ The Entek project is projected to have a real market value of \$30,000,000

Table 18 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

Fiscal Year	Total AV	Frozen Base	Increment	Tax Rate	Division of Tax Amount	Estimated Compression	Estimated Net Division of Tax
2012-13	\$166,915,657	\$7,695,685	\$159,219,972	16.9567	\$2,699,845	\$25,000	\$2,674,845
2013-14	\$173,420,340	\$7,718,181	\$165,702,159	16.9473	\$2,808,204	\$25,000	\$2,783,204
2014-15	\$178,622,950	\$7,718,181	\$170,904,769	16.9371	\$2,894,631	\$25,000	\$2,869,631
2015-16	\$183,981,638	\$7,718,181	\$176,263,457	16.9271	\$2,983,629	\$25,000	\$2,958,629
2016-17	\$189,501,087	\$7,718,181	\$181,782,906	16.7462	\$3,044,173	\$25,000	\$3,019,173
Total							\$14,305,482

Source: ECONorthwest

Table 18 reflects potential impacts of compression. FY 2012-13 compression loss estimates of approximately \$25,000 were provided by the Linn County Assessor. These same compression loss estimates were used for the following years. If there are additional compression impacts, there are estimated to still be sufficient tax increment revenues to finance the Amendment as there are excess funds available as shown in the “Ending Fund Balance” line on Table 17. However, there may need to be adjustments of project timing and project payments to compensate for compression impacts. It is still anticipated that the District will terminate in the same time frame as shown in Table 17 as there is approximately \$390 thousand dollars in potential excess funds the final year of the district (FY 2016-17) which is estimated to offset any potential compression losses. If compression losses exceed this amount, the District may need to extend an additional year. The Agency will collect only the amount of division of tax revenues in FY 2016-17 sufficient to pay off debt obligations and reach their maximum indebtedness.

Table 19 shows the projected revenue sharing with taxing jurisdictions. The projection for FY 2012-13 is due to the decision to under-levy for that year. The revenue sharing for the following years is predicated on using the “transition amount” as defined in ORS 457.470 as the base for calculations for revenue sharing. The transition amount is defined as “the maximum division of taxes for a plan in the year in which the plan is first substantially amended to increase maximum indebtedness on or after January 1, 2012.” In this case the transition amount is \$2,699,845. Revenue sharing is projected to begin in FY 2014-15. These revenues will be shared on a proportionate basis with the taxing jurisdictions based upon their permanent rate levies.

Table 19 – Projected Tax Increment Revenues and Under-Levy and Revenue Sharing

Fiscal Year	Total TIF	Est. Compression Losses	TIF for URA	TIF Shared from Under -Levy	TIF Shared from Revenue Sharing
2012-13	\$2,699,845	(\$25,000)	\$1,742,319	\$932,526	
2013-14	\$2,808,204	(\$25,000)	\$2,808,204		\$0
2014-15	\$2,894,631	(\$25,000)	\$2,748,542		\$146,090
2015-16	\$2,983,629	(\$25,000)	\$2,770,791		\$212,838
2016-17	\$3,044,173	(\$25,000)	\$2,785,927		\$258,246
Total	\$24,351,751	(\$125,000)	\$22,354,632		\$617,174

Source: ECONorthwest Note: this table does not include the benefits of foregoing the Special Levy. That is shown in Table 20.

Impact of the Tax Increment Financing

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the 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. Any “foregone revenues” projections assume that the same value of development would occur even without the project construction anticipated by this amendment. However, if such taxable development does not occur, then the overlapping tax districts will not forego any future revenues. These projections are for impacts estimated through FY 2016-17. (Table 21) While it’s not possible to accurately estimate the future development as a result of these projects, any such development will increase revenues for all taxing districts from FY 2014-15 to the ending of the district in FY 2016-17.

The decision by the Agency and City Council to eliminate the Special Levy and to under-levy for FY 2012-13 will have a great positive benefit to the taxing jurisdictions. Table 20 estimates compression impacts with and without the Special Levy. There is estimated additional revenue to the “general government” category of taxing jurisdictions, including the City of Lebanon, of a total of \$803,045 as a result of terminating the Special Levy. This is because the tax rate to collect the Special Levy falls under the \$10/1,000 limitation for general government taxes. This data was provided by the Linn County Assessor’s office.

Table 20 – Estimated Compression Impacts General Government Category

	Estimated Compression with Special Levy	Estimated Compression without Special Levy	Difference
Linn County	(\$127,675)	(\$41,521)	\$86,154
Linn County Local Option I	(\$4,787,611)	(\$4,605,470)	\$182,141
Linn County Local Option II	(\$352,629)	(\$339,215)	\$13,414
City of Lebanon	(\$516,250)	(\$167,561)	\$348,689
Lebanon Fire District	(\$226,357)	(\$73,479)	\$152,878
Lebanon Aquatic	(\$24,047)	(\$7,810)	\$16,237
4 H	(\$5,232)	(\$1,700)	\$3,532
Total Impact General Government			\$803,045

Source: Linn County Assessor

In addition to the positive benefits to taxing jurisdictions from the elimination of the Special Levy, the decision by the Agency and City Council to under-levy for one year provides approximately \$932 thousand of additional tax revenues that may be allocated to the taxing jurisdictions in FY 2012-13 (Table 19).

The Area's TIF revenue is projected to meet the transition amount trigger stated in the ORS statutes in FY 2014/15 (transition amount is \$2,969,276). At that limit, the affected taxing jurisdictions will begin receiving a portion of the tax revenue from increased property values within the Area.

Table 20 shows the projected impacts to the taxing districts as a result of this Amendment. The table shows the impact that might occur if the time frame of the district is lengthened as a result of the increase in maximum indebtedness. However, the district currently has bonded indebtedness extending to the year 2020. If maximum indebtedness is reached earlier than 2020, which it is projected to do, TIF revenues could be allocated to an escrow deposit until sufficient funding is accumulated to pay off the remaining bonded indebtedness. This is projected in FY 2013-14.

Therefore, if not for this Amendment, the Area would not be collecting tax revenues in the years 2014-15 to 2016-17, so the full collection of tax revenues is a potential impact on taxing districts. The numbers in Table 20 reflect the net effect, as revenue sharing will still distribute excess TIF revenue to taxing districts in these years (the positive of revenue sharing and the negative of division of taxes for tax increment). In accordance with this, FY 2014/15 shows a large jump in the impacts from FY 2013-14.

The Lebanon School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the charts. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, any potential property taxes foregone, because of the use of Tax Increment Financing, are fully replaced as determined by a funding formula at the State level. Table 21 shows the projected impacts to permanent rate levies of taxing districts as a result of this Amendment. FY 2012-13 shows positive benefits to the taxing jurisdictions due to the decision to under-levy. In other words, the City of Lebanon will receive approximately \$268,799 in additional tax revenues as a result of the changes in this Amendment, including the decision to under-levy. **The impacts shown in Table 20 above are additional positive benefits to the districts, which are not included in Table 21.**

Table 21 – Projected Impact on Taxing District Permanent Rate Levies for Addition of Property and New Maximum Indebtedness (based on assumed development occurring even without proposed URD projects)

Fiscal Year	Linn County	4H Extension	City of Lebanon	Lebanon Aquatic	Lebanon RFD	Lebanon School District #9 Perm.	LBL- Education Service District	Linn Benton Community College	Total
2012-13	\$66,649	\$2,721	\$268,799	\$12,559	\$118,270	\$261,268	\$15,956	\$26,266	\$556,670
2013-14	(\$6,114)	(\$250)	(\$24,661)	(\$1,153)	(\$10,850)	(\$23,969)	(\$1,464)	(\$2,410)	(\$70,871)
2014-15	(\$206,679)	(\$8,439)	(\$833,532)	(\$38,947)	(\$366,751)	(\$810,180)	(\$49,479)	(\$81,448)	(\$2,395,455)
2015-16	(\$208,475)	(\$8,512)	(\$840,775)	(\$39,286)	(\$369,939)	(\$817,221)	(\$49,909)	(\$82,156)	(\$2,416,273)
2016-17	(\$211,878)	(\$8,651)	(\$854,500)	(\$39,927)	(\$375,978)	(\$830,561)	(\$50,724)	(\$83,497)	(\$2,455,716)
Total	(\$566,497)	(\$23,131)	(\$2,284,669)	(\$106,754)	(\$1,005,248)	(\$2,220,663)	(\$135,620)	(\$223,245)	(\$6,781,645)

Source: ECONorthwest. Note: This does not include the positive benefits to the taxing districts as a result of foregoing Special Levy shown in Table 20.

Table 22 shows the projected increased revenue to the taxing jurisdictions once the Area is terminated. These projections are for FY 2017-18 and include permanent rates and local option levies. In addition to these revenues, the taxpayers will see a decrease in bond rates as a result of the termination of the district.

Table 22 – Additional Revenues Obtained After Termination of Tax Increment Financing

Taxing Jurisdiction	Estimated Revenues FY 2017-18
Linn County	\$221,913
4H Extension	\$9,061
City of Lebanon	\$894,970
Lebanon Aquatic	\$41,818
Lebanon Rural Fire Department	\$393,784
Lebanon School District #9	\$869,897
LBL-ESD	\$53,126
Linn Benton Community College	\$87,451
Total	\$2,916,337

Source: ECONorthwest

Table 22 shows the impact of reduction of the Urban Renewal Special Levy on the tax payers in the City of Lebanon. The table shows the decrease of property taxes per \$100,000 of assessed value due to the reduction of the Special Levy. The full authority for the FY 2012-12 Special Levy would be an estimated \$158 per \$100 thousand of assessed value.

In any case, whether the Amendment is adopted or not, it is anticipated that the Special Levy would terminate after FY 2012-13, meaning a savings to the property tax payer in Lebanon as shown in Table 23, or about \$161 per \$100 thousand of assessed value.

The initial maximum indebtedness of the Area would have been reached in FY 2012-13, however, the existing urban renewal bond would still need to be paid off. It is estimated the revenue from TIF in FY 2013-14 plus the beginning fund balance would be sufficient to pay off the existing bond or set up an escrow in FY 2013-14 to pay off the bond. Therefore, the Special Levy would only need to be collected for one additional year (FY 2012-13) in order to defease the bonds.

Table 23 – Projected Reduction in Taxes for Property Tax Payers due to Termination of Special Levy

Fiscal Year	UR Levy Amount	Total Citywide AV	Impact per \$100,000 AV
2012-13 (Authority not used)	\$1,486,891	\$938,699,009	(\$158)
2013-14 (Special Levy authority ends)	\$1,550,821	\$962,166,484*	(\$161)

Source: ECONorthwest * estimate based on 2.5% city-wide growth, a conservative estimate

Compliance With Statutory Limits on Assessed Value and Size of Urban Renewal Area

There is one existing urban renewal area in the City of Lebanon. State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, personal manufactured, and utility properties in the Urban Renewal Area, is \$7,695,685. The estimated frozen base of the property to be added is \$182,180, for a total estimated new frozen base of \$7,877,866. There are two other urban renewal areas in the City of Lebanon: North Gateway and Cheadle Lake. The total frozen base assessed value of the three areas is estimated at \$37,887,200. The total assessed value of the City of Lebanon less excess value of the urban renewal area is \$743,233,061. The amount of frozen base assessed value in urban renewal is 4.69% of the total assessed value, well below the 25% maximum. The Northwest Urban Renewal Area has 546.10 acres, including right-of-way, and will add 80.75 acres. The other two urban renewal areas have 344.44 acres. The City of Lebanon has 4,398.26 acres; therefore 22.77% of the City’s acreage is in an urban renewal area, below the 25% state limit.

Table 24 – Urban Renewal Area Conformance with Assessed Value and Area Limits

Urban Renewal Area	Frozen Base/Assessed Value	Acres
Northwest Lebanon Urban Renewal Area	\$7,695,685	546.10
Expansion of Northwest Lebanon	\$182,180	80.75
North Gateway Urban Renewal Area	\$18,643,396	144.00
Cheadle Lake	\$8,365,939	230.44
Total in Urban Renewal	\$34,887,200	1,001.29
City of Lebanon	\$743,233,061*	4,398.26
Percentage in Urban Renewal	4.69%	22.77%

Source: City of Lebanon, Linn County Assessor

*Less Incremental Assessed Value in Urban Renewal Areas of \$177,060,085

Relocation Report

There is no anticipated relocation as a result of this amendment.