

Report Accompanying the Fairview Urban Renewal Plan

Fairview Urban Renewal Plan Adopted by the City of Fairview

November 7, 2018

Ordinance No. 8 - 2018

Fairview Urban Renewal Area



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I. INTRODUCTION

The Report on the Fairview Urban Renewal Plan (Report) contains background information and project details that pertain to the Fairview Urban Renewal Plan (Plan). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Fairview 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 accompanying the Plan 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 Plan 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 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 requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

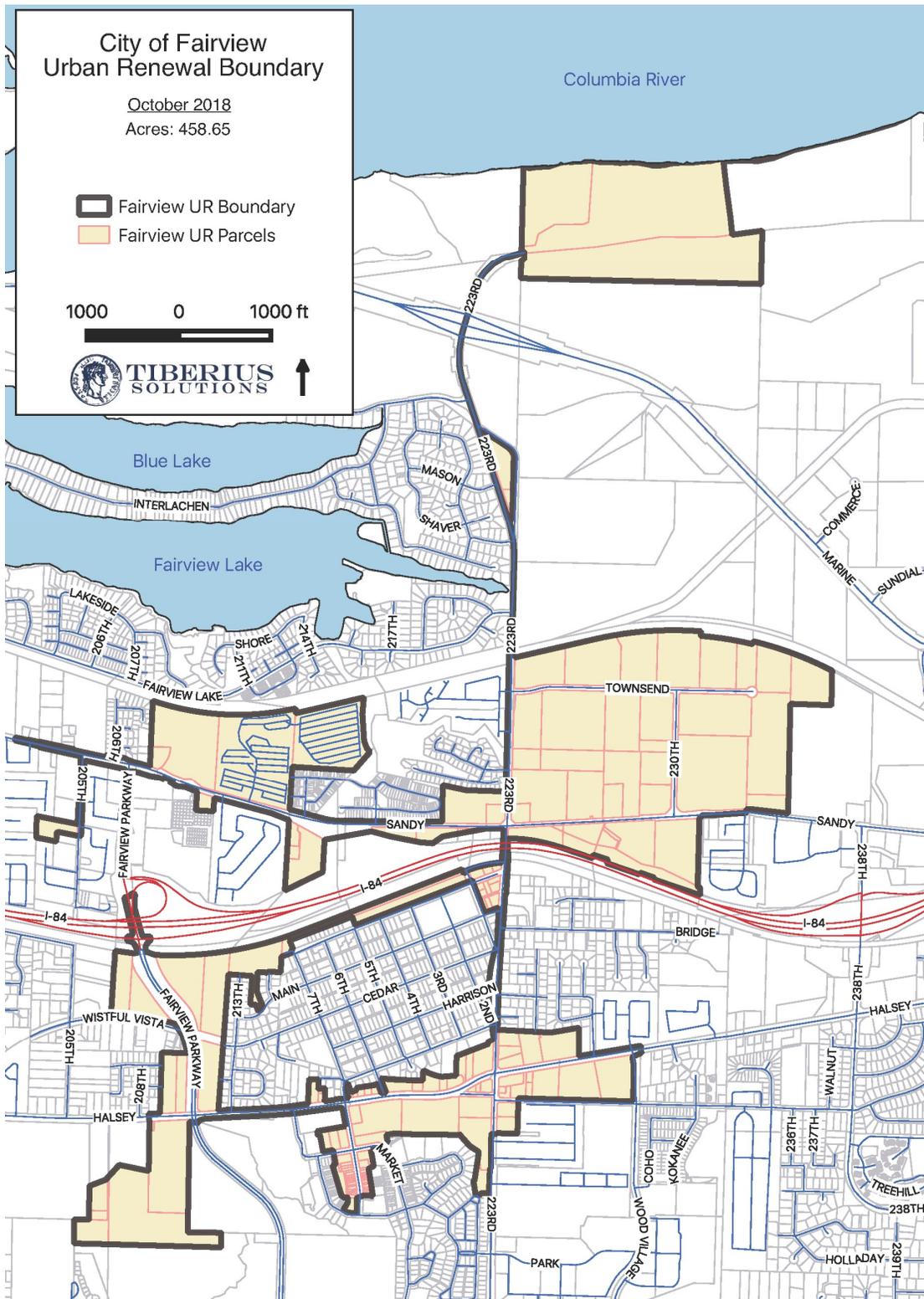
Table 1 - Statutory References

Statutory Requirement	Report Section
ORS 457.085(3)(a)	X
ORS 457.085(3)(b)	XI
ORS 457.085(3)(c)	II
ORS 457.085(3)(d)	III
ORS 457.085(3)(e)	VI
ORS 457.085(3)(f)	IV,V
ORS 457.085(3)(g)	IV,V
ORS 457.085(3)(h)	VIII
ORS 457.085(3)(i)	XII

The Report provides guidance on how the urban renewal plan might be implemented. As the Fairview Urban Renewal Agency (Agency) will review revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. 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.

Figure 1 depicts the Fairview Urban Renewal Area boundary. The right of way (ROW) on NE 223rd from the UP Railroad ROW to the northernmost parcel is a 5 foot cherry stem to allow the area to the north to be contiguous to the remainder of the urban renewal area.

Figure 1 - Fairview Urban Renewal Area Boundary



Source: Tiberius Solutions, LLC

II. THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

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

A. Incentives and Assistance to Private Development

1. **Private Development Loan-to-Grant Program** – Establish a fund for use on loans or grants with private developers in the urban renewal area. This program could address the following issues as well as other issues as designated by the Agency:
 - a. Mitigation of environmental and storm water issues
 - b. Demolition of structures
 - c. Consolidation of multiple adjacent lots into one larger lot
 - d. Resolution of access or infrastructure challenges

Existing conditions: No such fund exists. There are undeveloped properties in the Area that can potentially be developed with assistance.

2. **Utility System Development Charges (SDC) Assistance** – Provide financial assistance to incentivize targeted development through full or partial assistance of Utility SDCs with the Agency reimbursing city utilities.

Existing conditions: SDC assistance was formerly funded by the individual City utilities. In 2018 the City Council determined to curtail that program. There are undeveloped properties in the Area that can potentially be developed with assistance.

B. Public Infrastructure

1. **Water System Well #10** – Pay a portion of the development and construction costs for Water Well #10.¹

Existing conditions: Water System Well #10 is identified in the Capital Improvement Program as a new facility to add additional capacity for future water demands.

2. **Reservoir #1 Rehabilitation** – Pay a portion of the design and construction costs to implement the City Council approved plan for the rehabilitation of Reservoir #1.²

¹ City of Fairview Water System Master Plan 2016 – p B-1

² Ibid. p B-8

Existing conditions: Reservoir 1 is an older reservoir with maintenance and seismic vulnerability concerns. After a cost benefit analysis, it was determined that although there is adequate storage capacity to meet the system requirements within a 20-year planning window (from the 2016 Master Plan) retaining Reservoir 1 provides benefits that include operational flexibility, storage redundancy, and additional storage for emergencies. ³

- 3. Street Improvements including Pedestrian and Bicycle Improvements** – Identify, design and construct street, pedestrian and bicycle infrastructure that is included in the Fairview Transportation Systems Plan (TSP) and meets goals of the Agency. Projects to be undertaken include but are not limited to NE 223rd Avenue, Sandy Boulevard, Depot Street, Trails Next to Rails and a Railroad Pedestrian Undercrossing on NE 223rd Avenue.

Existing conditions: Significant sidewalk gaps and limited crossing opportunities exist along NE Sandy Boulevard. Significant sidewalk gaps exist along NE Fairview Avenue (NE 223rd Avenue), the only north-south street that connects through Fairview from NE Glisan to NE Marine Drive. ⁴ Neither street is built to current Multnomah County design standards for their roadway classification.

Significant gaps in the bicycle network exist on NE Sandy Boulevard and NE Fairview Avenue (NE 223rd Avenue).⁵

The railroad bridge over NE Fairview Avenue (NE 223rd Avenue) provides space for a two-lane roadway only. Pedestrians and bicycles currently have to pass under the bridge on the roadway, ⁶ Fairview Avenue connects residents to Blue Lake Regional Park, Chinook Landing Marine Park, and the city’s new Lakeshore Park. Providing a safe path under the bridge would provide bike and pedestrian access to these recreational facilities for the majority of Fairview’s population residing south of the bridge and providing a regional connection via the Gresham Fairview Trail.

Depot Street also has sidewalk gaps, including the south side from 7th Street to Fairview Elementary.

- 4. Roundabout features on Halsey Street’s major intersections** – Assist with the feasibility study, design and construction of roundabouts at NE Halsey Street and Fairview Parkway and NE Halsey Street and NE Fairview Avenue (NE 223rd Avenue) to improve safety, flow and access, and to create distinct streetscape character along Haslsey .

³ City of Fairview Water System Master Plan 2016 – p B-8

⁴ City of Fairview Transportation Systems Plan p 32 of Feb 4, 2016 memo, p 115 of Vol 2.

⁵ Ibid. p 32 of Feb 4, 2016 memo, p 115 of Vol 2.

⁶ Ibid. p 32 and 36 of Feb 4, 2016 memo, p 115 and 119 of Vol 2.

Existing conditions: Halsey Street’s major intersections at Fairview Parkway and NE 223rd Avenue have congestion and safety issues as identified in the City of Fairview TSP. NE Halsey Street has collision rates that exceed statewide averages for similar facilities.⁷

5. **Streetscape Improvements on Halsey** – Implement the streetscape, gateway and pedestrian safety aspect of the *Main Streets on Halsey Plan*. Streetscape improvements could include pedestrian crossings, bicycle amenities, access improvements, landscaping, benches, bus stop shelters, street trees, wayfinding signage, and lighting (theme light poles that could accommodate banners, flower baskets, lighted decorations and gateway treatments) and other improvements as identified by the Agency. Gateway treatments may include, but are not limited to new signage, public art, and landscaping, with a focus on entering the Halsey corridor from the west end of Fairview.

Existing conditions: The *Main Streets on Halsey Plan* identifies features that will make the Halsey Street corridor through Fairview, Troutdale and Wood Village friendlier to pedestrian and bicycle activity and will create a sense of place for enhancing neighborhood development. Currently none of the features identified in the *Main Streets on Halsey Plan* have been funded or implemented in the Area.

6. **Sandy Sewer Boulevard Trunk Line** – Pay a portion of the design and construction costs for the Sandy Boulevard Sewer trunk line.

Existing conditions: The Sandy Boulevard Trunk Line is identified in the *City of Fairview Sanitary Sewer 2013 Master Plan*, Section 6 Capital Improvement Plan. The line needs to be upsized to provide additional capacity and prevent overflows.⁸

7. **Streetscape and Gateway Improvements on Fairview Parkway** – Visually enhance gateway into Fairview through landscape improvements, overpass treatments, public art and signage from the I-84 overpass to Halsey Street.

Existing conditions: Currently no gateway improvements exist. There is a small “Fairview” sign, but additional gateway treatments such as landscaping, public art, or a larger sign are desired. A gateway concept is identified in Chapter 9 of the *Fairview Comprehensive Plan*.

8. **Fairview Village Parking** – Develop and implement a plan to accommodate parking needs for full development of the Village commercial area.

⁷ Ibid, p 31 of Feb 4, 2016 memo, p 114 of Vol 2.

⁸ *City of Fairview Sanitary Sewer 2013 Master Plan*

Existing conditions: Currently, Village area parking is accommodated in private lots associated with development, through on-street parking, and in the small public lot adjacent to City Hall. The Village was planned as a transit and pedestrian –oriented district that served people without requiring a car. Actual development has not achieved this goal and lack of traditional parking is hampering development of vacant parcels. Additional public parking could provide flexibility to accommodate parking needs for a broader range of permitted commercial uses, and to support businesses and customer s with convenient parking as the Village develops to full buildout.

C. Economic Development

1. **Incentivize Village Live Work Developments** – Develop a loan/grant program that incentivizes and removes barriers to Live-Work developments in the Village.

Existing conditions: Village Live Work is a desired element in this Area. While a few ground floor retail developments have occurred, more is desired. The majority of buildings in the Village Mixed-Use zone along Village Street were built as residential townhomes and require retrofitting to meet building and fire code requirements for commercial use. This program will provide assistance for such conversions to encourage additional live work developments.

2. **Park-n-Ride with Transit and Bike Hub on PPL Property** – Develop and construct a Park-n-Ride Station at the northeast corner of the Fairview Parkway and Halsey Street intersection.

Existing conditions: The PPL Property is currently vacant and is a prime location for a Park-n-Ride Transit and Bike Hub facility. This project was included in the Main Streets on Halsey Plan.

3. **Purchase and Resale of Property for Development or Redevelopment** – Purchase property that is blighted, underdeveloped or vacant; remove the obstacles to development and resell to private ownership that has the interest and capacity to create development that meets the goals of the Agency.

Existing conditions: There is significant vacant property in the Area. Some of the vacant property owners are not currently motivated or lack the capacity to develop the property. This program would allow the Agency to help connect vacant properties with motivated and capable developers. There is no funding in the City of Fairview’s budget to allow for purchase and resale of property for development or redevelopment.

4. **Public Art** - Install public art in the Area to enhance the community’s uniqueness and create economic development.

Existing conditions: There is presently no funding for public art in the Area. One of the City Council goals for 2018 is to Enhance and promote economic development activity

and a specific measure is to use art projects to enhance the community's uniqueness and create economic development.

D. Plan Administration and Planning Refinement

1. **Plan Administration and Planning Refinement** – Fund the administration of the plan.

Examples of eligible projects include:

- Auditing, insurance, bond counsel, and other required administrative costs
- Marketing projects and programs related to the Plan
- 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
- Other consultation or design services related to the administration of Plan projects, which could include the creation and administration of design guidelines, engineering services, or other management costs

Existing conditions: There is currently no urban renewal plan in Fairview. Once a plan is established, there will be annual expenses associated with operating the Plan. This project will pay for those costs and for future planning refinement.

2. **Initial Plan Preparation** – Provide reimbursement to the city of costs of consulting fees, legal description, notices, recording and other costs associated with preparation of the urban renewal plan.

Existing conditions: ORS 457 allows for initial planning for an urban renewal area. This project would allow the city to be reimbursed for some of the costs of the urban renewal plan preparation.

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

The total cost estimates for projects is shown on Table 2 below. These are all estimates acknowledging that the urban renewal portions of these project activities must fit within the maximum indebtedness. These costs are shown in constant 2019 dollars (2019 \$) to equate to the projected amount of funds available for projects in 2019 \$.

The Plan assumes that the Agency/City 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 Fairview General, Street and Utility Funds' revenues or reserves, System Development Charges (SDCs), local, state and federal grants, and other sources as identified by the Agency/City. The Agency /City 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 programs.

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 and Timing of Each Project

Project	2019\$	Year of Expenditure \$	Initial Year FYE	
Private Development LoantoGrant Program	\$1,000,000	\$1,146,400	FYE 2019	\$100k per year
Incentivize Village Live Work Developments	\$1,000,000	\$1,180,790	FYE 2020	\$100k per year
Pedestrian improvements: NE 223rd RR undercrossing	\$500,000	\$500,000	FYE 2019	
Utility SDCs Assistance	\$7,000,000	\$8,373,100	FYE 2022	\$1M per year
Reservoir #1 Rehabilitation	\$90,000	\$92,700	FYE 2020	
Water System Well #10	\$520,000	\$585,260	FYE 2023	
Street and Pedestrian Improvements on NE 223rd	\$800,000	\$900,400	FYE 2023	
Roundabout @ Halsey Street and Fairview Parkway	\$800,000	\$1,075,120	FYE 2029	
ParkinRide on PPL Property	\$920,000	\$1,236,388	FYE 2029	
Streetscape on Halsey	\$2,000,000	\$2,687,800	FYE 2029	
Street and Pedestrian Improvements on Depot Street	\$650,000	\$873,535	FYE 2029	
Property Acquisition and Development	\$4,000,000	\$6,577,500	FYE 2029	first funding
NE 223rd Street and Halsey Roundabout	\$800,000	\$1,140,560	FYE 2031	
Sandy Blvd., Street and pedestrian improvements	\$560,000	\$822,360	FYE 2032	
Sandy Boulevard Sewer Trunkline	\$1,000,000	\$1,468,500	FYE 2032	
Streetscape and Gateway Improvements on Fairview Parkway	\$1,000,000	\$1,512,600	FYE 2033	
Trails Next to Rails	\$1,000,000	\$1,604,700	FYE 2035	
Fairview Village Parking	\$4,000,000	\$7,122,300	FYE 2037	
Public Art	\$500,000	\$958,050	FYE 2041	
Contingency for Projects	\$3,022,486	\$6,208,077	End of Area	
Financing Fees	\$311,859	\$376,000	throughout	
Urban Renewal Plan preparation	\$50,000	\$51,500	FYE 2020	
Administration	\$3,000,000	\$4,506,360	throughout	
Total Expenditures	\$34,524,345	\$51,000,000		

Source: City of Fairview

IV. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through 2044 are based on projections of the assessed value of development within the Area and the consolidated tax rate that will apply in the Area. Table 3 shows the incremental assessed value, tax rates and tax increment revenues each year, adjusted for discounts and delinquencies. Discounts are given by the county assessor for full payment of property taxes by a November date. These adjustments assume 5% for delinquencies and discounts with a portion of those being added back in the following year. The projections in the financial model assume substantial new development coming onto the tax rolls in FYE 2020 through FYE 2026, and then an assessed value growth rate 3.0%. Much of the development projected from FYE 2020 through FYE 2022 is development for which development permits are already approved or discussions with the city have occurred. The projections from FYE 2023 to FYE 2026 assume the programs in the urban renewal plan will help provide incentives for further new development to occur. During the time period between FYE 2020 through FYE 2026 there is also assumed 3% growth on the existing assessed value in the Area. These projections of growth are the basis for the projections in Table 4, Table 5, Table 6, Table 7, Table 8, and Table 9.

The first year of tax increment collections is anticipated to be FYE 2020. Gross TIF is calculated by multiplying the tax rate times the excess value used. The tax rate is per thousand dollars of value, so the calculation is “tax rate times excess value used divided by one thousand.” The consolidated tax rate includes permanent tax rates only and excludes general obligation bonds (GO) and local option levies issued after October 2001, which would not be impacted by this Plan. In the final year of the plan the Fairview Urban Renewal Agency will voluntarily underlevy as not to exceed the maximum indebtedness set forth in the Plan.

In most new urban renewal plans there are no GO bonds issued prior to 2001. We have noted that there is one GO Bond still in effect for the Reynolds School District that will have an impact on property tax payers in Fairview for one year. Tiberius Solutions has estimated the impact to be 7 cents per \$100,000 of assessed value. Therefore, a property with an assessed value of \$200,000 would pay an additional 14 cents of property taxes for the first year only of the urban renewal area. a property with an assessed value of \$300,000 would pay an additional 21 cents of property taxes in the first year only of the urban renewal area. The Reynolds School District will still receive their full share of the bond proceeds.

Table 3 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Total Assessed Value	Frozen Base	Increment	Tax Rate	Gross TIF	Adjustments	Prior Year TIF	Net TIF
2020	144,290,729	139,121,341	5,169,388	15.5217	80,238	(4,012)	0	76,226
2021	165,538,950	139,121,341	26,417,609	14.6922	388,133	(19,407)	1,525	370,251
2022	201,361,937	139,121,341	62,240,595	14.6922	914,451	(45,723)	7,375	876,103
2023	216,076,288	139,121,341	76,954,947	14.6922	1,130,637	(56,532)	17,375	1,091,480
2024	231,510,470	139,121,341	92,389,128	14.6922	1,357,400	(67,870)	21,482	1,311,012
2025	247,694,077	139,121,341	108,572,735	14.6922	1,595,172	(79,759)	25,791	1,541,204
2026	264,658,392	139,121,341	125,537,050	14.6922	1,844,415	(92,221)	30,308	1,782,502
2027	271,997,236	139,121,341	132,875,895	14.6922	1,952,239	(97,612)	35,044	1,889,671
2028	279,556,246	139,121,341	140,434,905	14.6922	2,063,298	(103,165)	37,093	1,997,226
2029	287,342,026	139,121,341	148,220,684	14.6922	2,177,688	(108,884)	39,203	2,108,007
2030	295,361,380	139,121,341	156,240,038	14.6922	2,295,510	(114,776)	41,376	2,222,110
2031	303,621,314	139,121,341	164,499,973	14.6922	2,416,866	(120,843)	43,615	2,339,638
2032	312,129,046	139,121,341	173,007,705	14.6922	2,541,864	(127,093)	45,920	2,460,691
2033	320,892,010	139,121,341	181,770,669	14.6922	2,670,611	(133,531)	48,295	2,585,375
2034	329,917,863	139,121,341	190,796,522	14.6922	2,803,221	(140,161)	50,742	2,713,802
2035	339,214,492	139,121,341	200,093,151	14.6922	2,939,809	(146,990)	53,261	2,846,080
2036	348,790,020	139,121,341	209,668,679	14.6922	3,080,494	(154,025)	55,856	2,982,325
2037	358,652,813	139,121,341	219,531,472	14.6922	3,225,400	(161,270)	58,529	3,122,659
2038	368,811,490	139,121,341	229,690,149	14.6922	3,374,654	(168,733)	61,283	3,267,204
2039	379,274,927	139,121,341	240,153,586	14.6922	3,528,385	(176,419)	64,118	3,416,084
2040	390,052,268	139,121,341	250,930,927	14.6922	3,686,727	(184,336)	67,039	3,569,430
2041	401,152,929	139,121,341	262,031,588	14.6922	3,849,820	(192,491)	70,048	3,727,377
2042	412,586,609	139,121,341	273,465,268	14.6922	4,017,806	(200,890)	73,147	3,890,063
2043	424,363,301	139,121,341	285,241,960	14.6922	4,190,832	(209,542)	76,338	4,057,628
2044	436,493,293	139,121,341	297,371,952	14.6922	4,369,048	(218,452)	79,626	4,230,222
TOTAL:					\$62,494,718	\$(3,124,737)	\$1,104,389	\$60,474,370

Source: Tiberius Solutions, LLC

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

Table 4, Table 5, and Table 6 show the resources and expenditures..

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the urban renewal area in 2044.

The maximum indebtedness is \$51,000,000 (fifty-one million dollars). The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$51,000,000 is \$60,135,749.

These tables show the expected revenues for both current years and prior years collections of delinquencies. It also shows a projection of when borrowing might occur.

The Area is anticipated to undertake its first borrowing in FYE 2019. The analysis assumes the initial borrowing would be a long-term bank loan with \$3,400,000 in principal, a 20-year amortization period, and an interest rate of 3.5%. Actual loan terms will be determined through negotiations with lending institutions and are subject to change based on broader market conditions. The finance plan assumes the city of Fairview (City) would provide a full faith and credit pledge to secure this loan. This is because the Area will not have collected any tax increment funding (TIF) revenue in FYE 2019 when the loan is incurred, and therefore would not be capable of incurring a loan of this size until several years in the future. The support of the City allows the Area to begin investing in projects immediately, jump starting economic development in the area, and fueling future growth in assessed value.

In addition to the full faith and credit pledge, it is assumed the City would provide a bridge loan of \$650,000 to the Area, which would be used by the Area to cover a portion of debt service payments on the bank loan through FYE 2021, when TIF revenue is anticipated to be sufficient to cover the annual debt service. The Area is forecast to be capable of repaying the general fund loan, with interest, by FYE 2022. This general fund loan is not expected to count against the maximum indebtedness, as it is not intended to directly fund any new projects, but rather to repay other formal debt (similar to a refinancing). In Table 4, proceeds from the general fund loan are shown in the Tax Increment Fund, which is why the total resources shown in the Tax Increment Fund in Tables 4,5 and 6, are higher than the total TIF revenue shown in Table 3. Ultimately, the City may choose to use a different fund structure that clearly delineates TIF revenue from other resources, such as the assumed general fund loan.

Later years of the finance plan assume additional bank loans, each assumed to have an interest rate of 5%, reflecting the likelihood that rates will increase over time. Amortization periods for future borrowings range from 13 to 20 years, with terms structured to be as long as possible, while still allowing all debt to be retired by FYE 2044. The principal amount of future loans is sized to ensure annual TIF revenues achieve a minimum debt service coverage ratio of 1.5 in all years.

The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If the economy is slower, it may take longer; if the economy is more robust than the projections, it may take a shorter time period. The Agency may decide to change the assumptions on the incentive required for both programs. These assumptions show one scenario for financing and that this scenario is financially feasible.

Table 4 - Tax Increment Revenues and Allocations to Debt Service, page 1

	TOTAL:	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Resources									
Beginning Balance		-	410,772	249,825	14,242	363,284	-	-	-
Interest Earnings	5,190	-	2,054	1,249	71	1,816	-	-	-
General Fund Loan	650,000	650,000	-	-	-	-	-	-	-
TIF: Current Year	59,039,723	-	76,226	368,726	868,728	1,074,105	1,289,530	1,515,413	1,752,194
TIF: Prior Years	1,104,388	-	-	1,525	7,375	17,375	21,482	25,791	30,308
Total Resources	60,799,300	650,000	489,052	621,324	890,415	1,456,580	1,311,012	1,541,204	1,782,502
Expenditures									
Debt Service									
Loan A	(4,784,553)	(239,228)	(239,228)	(239,228)	(239,228)	(239,228)	(239,228)	(239,228)	(239,228)
Loan B	(9,629,110)	-	-	-	-	(481,456)	(481,456)	(481,456)	(481,456)
Loan C	(10,777,125)	-	-	-	-	-	-	-	-
Loan D	(2,906,242)	-	-	-	-	-	-	-	-
Repayment of General Fund Loan	(655,758)	-	-	(367,855)	(287,903)	-	-	-	-
Total Debt Service	(28,752,789)	(239,228)	(239,228)	(607,082)	(527,131)	(720,683)	(720,683)	(720,683)	(720,683)
Debt Service Coverage Ratio		-	0.32	1.55	3.66	1.51	1.82	2.14	2.47
Transfer to URA Projects Fund	(32,046,511)	-	-	-	-	(735,897)	(590,329)	(820,520)	(1,061,819)
Total Expenditures	(60,799,300)	(239,228)	(239,228)	(607,082)	(527,131)	(1,456,580)	(1,311,012)	(1,541,204)	(1,782,502)
Ending Balance		410,772	249,825	14,242	363,284	-	-	-	-

Source: Tiberius Solutions LLC

Table 5 - Tax Increment Revenues and Allocations to Debt Service. page 2

	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035
Resources									
Beginning Balance	-	-	-	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-	-	-	-
General Fund Loan	-	-	-	-	-	-	-	-	-
TIF: Current Year	1,854,627	1,960,133	2,068,804	2,180,734	2,296,023	2,414,771	2,537,080	2,663,060	2,792,819
TIF: Prior Years	35,044	37,093	39,203	41,376	43,615	45,920	48,295	50,742	53,261
Total Resources	1,889,671	1,997,226	2,108,007	2,222,110	2,339,638	2,460,691	2,585,375	2,713,802	2,846,080
Expenditures									
Debt Service									
Loan A	(239,228)	(239,228)	(239,228)	(239,228)	(239,228)	(239,228)	(239,228)	(239,228)	(239,228)
Loan B	(481,456)	(481,456)	(481,456)	(481,456)	(481,456)	(481,456)	(481,456)	(481,456)	(481,456)
Loan C	-	-	(673,570)	(673,570)	(673,570)	(673,570)	(673,570)	(673,570)	(673,570)
Loan D	-	-	-	-	-	(223,557)	(223,557)	(223,557)	(223,557)
Repayment of General Fund Loan									
Total Debt Service	(720,683)	(720,683)	(1,394,254)	(1,394,254)	(1,394,254)	(1,617,811)	(1,617,811)	(1,617,811)	(1,617,811)
Debt Service Coverage Ratio	2.62	2.77	1.51	1.59	1.68	1.52	1.60	1.68	1.76
Transfer to URA Projects Fund	(1,168,988)	(1,276,542)	(713,753)	(827,857)	(945,384)	(842,881)	(967,565)	(1,095,991)	(1,228,270)
Total Expenditures	(1,889,671)	(1,997,226)	(2,108,007)	(2,222,110)	(2,339,638)	(2,460,691)	(2,585,375)	(2,713,802)	(2,846,080)
Ending Balance	-	-	-	-	-	-	-	-	-

Source: Tiberius Solutions LLC

Table 6 - Tax Incremental Revenues and Allocations to Debt Service, page 3

	FYE 2036	FYE 2037	FYE 2038	FYE 2039	FYE 2040	FYE 2041	FYE 2042	FYE 2043	FYE 2044
Resources									
Beginning Balance	-	-	-	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-	-	-	-
General Fund Loan	-	-	-	-	-	-	-	-	-
TIF: Current Year	2,926,469	3,064,130	3,205,921	3,351,966	3,502,391	3,657,329	3,816,916	3,981,290	3,820,338
TIF: Prior Years	55,856	58,529	61,283	64,118	67,039	70,048	73,147	76,338	79,626
Total Resources	2,982,325	3,122,659	3,267,204	3,416,084	3,569,430	3,727,377	3,890,063	4,057,628	3,899,963
Expenditures									
Debt Service									
Loan A	(239,228)	(239,228)	(239,228)	-	-	-	-	-	-
Loan B	(481,456)	(481,456)	(481,456)	(481,456)	(481,456)	(481,456)	(481,456)	-	-
Loan C	(673,570)	(673,570)	(673,570)	(673,570)	(673,570)	(673,570)	(673,570)	(673,570)	(673,570)
Loan D	(223,557)	(223,557)	(223,557)	(223,557)	(223,557)	(223,557)	(223,557)	(223,557)	(223,557)
Repayment of General Fund Loan									
Total Debt Service	(1,617,811)	(1,617,811)	(1,617,811)	(1,378,583)	(1,378,583)	(1,378,583)	(1,378,583)	(897,127)	(897,127)
Debt Service Coverage Ratio	1.84	1.93	2.02	2.48	2.59	2.70	2.82	4.52	4.35
Transfer to URA Projects Fund	(1,364,515)	(1,504,849)	(1,649,393)	(2,037,501)	(2,190,847)	(2,348,794)	(2,511,480)	(3,160,501)	(3,002,836)
Total Expenditures	(2,982,325)	(3,122,659)	(3,267,204)	(3,416,084)	(3,569,430)	(3,727,377)	(3,890,063)	(4,057,628)	(3,899,963)
Ending Balance	-	-	-	-	-	-	-	-	-

Source: Tiberius Solutions LLC

VI. 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. Estimated project timing is shown in Table 2. Annual expenditures for program administration is also shown. These are predicated on the fact that urban renewal activities will start off slowly in the beginning years and increase in the final years of the Area.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the Area in 2044, a 25 program.

The amount of money available for projects in 2019 constant dollars for the Fairview Urban Renewal Area is \$34,319,864.

Table 7, Table 8, and Table 9 show the \$34,319,864 of 2019 project dollars inflated over the life of the Area along with administrative expenses. All costs shown in Table 7, Table 8, and Table 9 are in year-of-expenditure dollars, which are adjusted by 3.0% annually to account for inflation.

The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan. They may allocate project amounts from one project to another as long as the total maximum indebtedness is not exceeded.

Table 7 - Programs and Costs in Year of Expenditure Dollars, page 1

	TOTAL:	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Resources									
Beginning Balance		-	2,732,000	2,271,860	1,943,731	511,086	4,158,218	3,239,062	2,499,565
Interest Earnings	153,489	-	13,660	11,359	9,719	2,555	20,791	16,195	12,498
Transfer from TIF Fund	32,046,511	-	-	-	-	735,897	590,329	820,520	1,061,819
Bond/Loan Proceeds	18,800,000	3,400,000	-	-	-	6,000,000	-	-	-
Other	-								
Total Resources	51,000,000	3,400,000	2,745,660	2,283,219	1,953,450	7,249,538	4,769,338	4,075,777	3,573,882
Expenditures (YOE \$)									
Private Development Loan-to-Grant Program	(1,146,400)	(100,000)	(103,000)	(106,090)	(109,270)	(112,550)	(115,930)	(119,410)	(122,990)
Incentivize Village Live Work Developments	(1,180,790)		(103,000)	(106,090)	(109,270)	(112,550)	(115,930)	(119,410)	(122,990)
Pedestrian improvements: NE 223rd RR undercrossing	(500,000)	(500,000)							
Utility SDCs Assistance	(8,373,100)				(1,092,700)	(1,125,500)	(1,159,300)	(1,194,100)	(1,229,900)
Reservoir #1 Rehabilitation	(92,700)		(92,700)						
Water System Well #10	(585,260)					(585,260)			
Street and Pedestrian Improvements on NE 223rd	(900,400)					(900,400)			
Round-a-bout @ Halsey Street and Fairview Parkway	(1,075,120)								
Park-in-Ride on PPL Property	(1,236,388)								
Streetscape on Halsey	(2,687,800)								
Street and Pedestrian Improvements on Depot Street	(873,535)								
Property Acquisition and Development	(6,577,500)								
NE 223rd Street and Halsey Round-a-bout	(1,140,560)								
Sandy Blvd., Street and pedestrian improvements	(822,360)								
Sandy Boulevard Sewer Trunk-line	(1,468,500)								
Streetscape and Gateway Improvements on Fairview Parkway	(1,512,600)								
Trails Next to Rails	(1,604,700)								
Fairview Village Parking	(7,122,300)								
Public Art	(958,050)								
Contingency for Projects	(6,208,077)								
Financing Fees	(376,000)	(68,000)				(120,000)			
Urban Renewal Plan preparation	(51,500)		(51,500)						
Administration	(4,506,360)		(123,600)	(127,308)	(131,124)	(135,060)	(139,116)	(143,292)	(147,588)
Total Expenditures	(51,000,000)	(668,000)	(473,800)	(339,488)	(1,442,364)	(3,091,320)	(1,530,276)	(1,576,212)	(1,623,468)

Source: Tiberius Solutions LLC

Notes: TIF is tax increment revenues. Tax rates are expressed in terms of dollars per \$1,000 of assessed value.

Table 8 - Programs and Costs in Year of Expenditure Dollars, page 2

	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035
Resources									
Beginning Balance	1,950,414	1,456,978	1,018,469	35,013	696,941	334,166	769,638	46,939	956,205
Interest Earnings	9,752	7,285	5,092	175	3,485	1,671	3,848	235	4,781
Transfer from TIF Fund	1,168,988	1,276,542	713,753	827,857	945,384	842,881	967,565	1,095,991	1,228,270
Bond/Loan Proceeds	-	-	7,300,000	-	-	2,100,000	-	-	-
Other									
Total Resources	3,129,154	2,740,805	9,037,314	863,045	1,645,810	3,278,718	1,741,051	1,143,165	2,189,255
Expenditures (YOE \$)									
Private Development Loan-to-Grant Program	(126,680)	(130,480)							
Incentivize Village Live Work Developments	(126,680)	(130,480)	(134,390)						
Pedestrian improvements: NE 223rd RR undercrossing									
Utility SDCs Assistance	(1,266,800)	(1,304,800)							
Reservoir #1 Rehabilitation									
Water System Well #10									
Street and Pedestrian Improvements on NE 223rd									
Round-a-bout @ Halsey Street and Fairview Parkway			(1,075,120)						
Park-in-Ride on PPL Property			(1,236,388)						
Streetscape on Halsey			(2,687,800)						
Street and Pedestrian Improvements on Depot Street			(873,535)						
Property Acquisition and Development			(2,687,800)						
NE 223rd Street and Halsey Round-a-bout					(1,140,560)				
Sandy Blvd., Street and pedestrian improvements						(822,360)			
Sandy Boulevard Sewer Trunk-line						(1,468,500)			
Streetscape and Gateway Improvements on Fairview Parkway							(1,512,600)		
Trails Next to Rails									(1,604,700)
Fairview Village Parking									
Public Art									
Contingency for Projects									
Financing Fees			(146,000)			(42,000)			
Urban Renewal Plan preparation									
Administration	(152,016)	(156,576)	(161,268)	(166,104)	(171,084)	(176,220)	(181,512)	(186,960)	(192,564)
Total Expenditures	(1,672,176)	(1,722,336)	(9,002,301)	(166,104)	(1,311,644)	(2,509,080)	(1,694,112)	(186,960)	(1,797,264)

Source: Tiberius Solutions LLC

Table 9 - Programs and Costs in Year of Expenditure Dollars, page 3

	FYE 2036	FYE 2037	FYE 2038	FYE 2039	FYE 2040	FYE 2041	FYE 2042	FYE 2043	FYE 2044
Resources									
Beginning Balance	391,991	1,560,130	1,166,092	857,395	876,351	988,045	237,696	-	-
Interest Earnings	1,960	7,801	5,830	4,287	4,382	4,940	1,188	-	-
Transfer from TIF Fund	1,364,515	1,504,849	1,649,393	2,037,501	2,190,847	2,348,794	2,511,480	3,160,501	3,002,836
Bond/Loan Proceeds	-	-	-	-	-	-	-	-	-
Other									
Total Resources	1,758,466	3,072,780	2,821,315	2,899,183	3,071,581	3,341,778	2,750,364	3,160,501	3,002,836
Expenditures (YOE \$)									
Private Development Loan-to-Grant Program									
Incentivize Village Live Work Developments									
Pedestrian improvements: NE 223rd RR undercrossing									
Utility SDCs Assistance									
Reservoir #1 Rehabilitation									
Water System Well #10									
Street and Pedestrian Improvements on NE 223rd									
Round-a-bout @ Halsey Street and Fairview Parkway									
Park-in-Ride on PPL Property									
Streetscape on Halsey									
Street and Pedestrian Improvements on Depot Street									
Property Acquisition and Development						(1,916,100)	(1,973,600)		
NE 223rd Street and Halsey Round-a-bout									
Sandy Blvd., Street and pedestrian improvements									
Sandy Boulevard Sewer Trunk-line									
Streetscape and Gateway Improvements on Fairview Parkway									
Trails Next to Rails									
Fairview Village Parking		(1,702,400)	(1,753,500)	(1,806,100)	(1,860,300)				
Public Art						(958,050)			
Contingency for Projects							(539,932)	(2,916,565)	(2,751,580)
Financing Fees									
Urban Renewal Plan preparation									
Administration	(198,336)	(204,288)	(210,420)	(216,732)	(223,236)	(229,932)	(236,832)	(243,936)	(251,256)
Total Expenditures	(198,336)	(1,906,688)	(1,963,920)	(2,022,832)	(2,083,536)	(3,104,082)	(2,750,364)	(3,160,501)	(3,002,836)

Source: Tiberius Solutions LLC

VII. REVENUE SHARING

Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the Area. Revenue sharing targets are not projected to be reached during the life of the Area. If assessed value in the Area grows more quickly than projected, the revenue sharing triggers could be reached.

The first threshold is 10% of the original maximum indebtedness (\$5,100,000). At 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 second threshold is set at 12.5% of the maximum indebtedness. If this threshold is met, revenue for the district would be capped at 12.5% of the maximum indebtedness, with all additional tax revenue being shared with affected taxing districts.

In the final year of the plan the Fairview Urban Renewal Agency will voluntarily underlevy as not to exceed the maximum indebtedness set forth by the Plan. This will result in a voluntary revenue sharing of an estimated \$330,258

VIII. 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 2044 and are shown in Table 10 and Table 11.

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

Table 10 and Table 11 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 10 shows the general government levies, and Table 11 shows the education levies.

Table 10 - Projected Impact on Taxing District Permanent Rate Levies - General Government

FYE	Multnomah County	Port of Portland	City of Fairview	East Multnomah Soil/Water - Gov	Metro	Multnomah County Library	Subtotal
2020	21,330	344	17,140	451	474	5,795	45,534
2021	109,456	1,767	87,955	2,316	2,434	29,737	233,665
2022	258,999	4,180	208,122	5,480	5,760	70,364	552,905
2023	322,670	5,208	259,286	6,827	7,176	87,662	688,829
2024	387,570	6,255	311,437	8,200	8,620	105,294	827,376
2025	455,620	7,353	366,120	9,640	10,133	123,781	972,647
2026	526,954	8,505	423,442	11,150	11,720	143,161	1,124,932
2027	558,636	9,016	448,900	11,820	12,424	151,768	1,192,564
2028	590,432	9,529	474,450	12,493	13,132	160,407	1,260,443
2029	623,182	10,058	500,767	13,186	13,860	169,304	1,330,357
2030	656,914	10,602	527,873	13,899	14,610	178,468	1,402,366
2031	691,658	11,163	555,792	14,634	15,383	187,907	1,476,537
2032	727,445	11,741	584,549	15,392	16,179	197,630	1,552,936
2033	764,305	12,335	614,168	16,172	16,999	207,644	1,631,623
2034	802,271	12,948	644,676	16,975	17,843	217,958	1,712,671
2035	841,376	13,579	676,100	17,802	18,713	228,582	1,796,152
2036	881,654	14,229	708,465	18,655	19,609	239,525	1,882,137
2037	923,140	14,899	741,802	19,532	20,531	250,796	1,970,700
2038	965,871	15,589	776,139	20,436	21,482	262,405	2,061,922
2039	1,009,884	16,299	811,507	21,368	22,460	274,362	2,155,880
2040	1,055,217	17,031	847,935	22,327	23,469	286,678	2,252,657
2041	1,101,910	17,784	885,456	23,315	24,507	299,363	2,352,335
2042	1,150,005	18,560	924,102	24,332	25,577	312,429	2,455,005
2043	1,199,541	19,360	963,908	25,381	26,679	325,887	2,560,756
2044	1,152,932	18,608	926,454	24,394	25,642	313,224	2,461,254
TOTAL:	\$17,778,972	\$286,942	\$14,286,545	\$376,177	\$395,416	\$4,830,131	\$37,954,183

Source: Tiberius Solutions LLC

Table 11 - Projected Impact on Taxing District Permanent Rate Levies – Education

FYE	Multnomah ESD	Reynolds School District	Mt Hood CC	East Soil Conserv - Edu	Subtotal Education	Total All
2020	2,247	21,916	2,415	40	26,618	72,152
2021	11,532	112,460	12,391	204	136,587	370,252
2022	27,287	266,107	29,320	483	323,197	876,102
2023	33,995	331,525	36,528	602	402,650	1,091,479
2024	40,832	398,206	43,875	723	483,636	1,311,012
2025	48,002	468,124	51,579	850	568,555	1,541,202
2026	55,517	541,416	59,655	983	657,571	1,782,503
2027	58,855	573,967	63,241	1,042	697,105	1,889,669
2028	62,205	606,636	66,841	1,101	736,783	1,997,226
2029	65,656	640,285	70,548	1,162	777,651	2,108,008
2030	69,209	674,942	74,367	1,225	819,743	2,222,109
2031	72,870	710,640	78,300	1,290	863,100	2,339,637
2032	76,640	747,409	82,351	1,357	907,757	2,460,693
2033	80,524	785,280	86,524	1,425	953,753	2,585,376
2034	84,523	824,288	90,822	1,496	1,001,129	2,713,800
2035	88,643	864,467	95,249	1,569	1,049,928	2,846,080
2036	92,887	905,850	99,809	1,644	1,100,190	2,982,327
2037	97,258	948,475	104,505	1,722	1,151,960	3,122,660
2038	101,760	992,378	109,343	1,801	1,205,282	3,267,204
2039	106,397	1,037,599	114,325	1,883	1,260,204	3,416,084
2040	111,173	1,084,177	119,457	1,968	1,316,775	3,569,432
2041	116,092	1,132,151	124,743	2,055	1,375,041	3,727,376
2042	121,159	1,181,565	130,188	2,145	1,435,057	3,890,062
2043	126,378	1,232,462	135,796	2,237	1,496,873	4,057,629
2044	121,467	1,184,573	130,519	2,150	1,438,709	3,899,963
TOTAL:	\$1,873,108	\$18,266,898	\$2,012,691	\$33,157	\$22,185,854	\$60,140,037

Source: Tiberius Solutions LLC

Please refer to the explanation of the schools funding in the preceding section

Table 12 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2045.

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.

Table 12 - Additional Revenues Obtained after Termination of Tax Increment Financing

Taxing District	Type	Tax Rate	From Frozen Base	From Excess Value	Total
General Government					
Multnomah County	Permanent	4.3434	604,260	1,345,871	1,950,131
Port of Portland	Permanent	0.0701	9,752	21,722	31,474
City of Fairview	Permanent	3.4902	485,561	1,081,494	1,567,055
East Multnomah Soil/Water - Gov	Permanent	0.0919	12,785	28,477	41,262
Metro	Permanent	0.0966	13,439	29,933	43,372
Multnomah County Library	Permanent	1.1800	164,163	365,642	529,805
Subtotal		9.2722	1,289,960	2,873,139	4,163,099
Education					
Multnomah ESD	Permanent	0.4576	63,662	141,795	205,457
Reynolds School District	Permanent	4.4626	620,843	1,382,807	2,003,650
Mt Hood CC	Permanent	0.4917	68,406	152,361	220,767
East Soil Conserv - Edu	Permanent	0.0081	1,127	2,510	3,637
Subtotal		5.4200	754,038	1,679,473	2,433,511
Total		14.6922	2,043,998	4,552,612	6,596,610

Source: Tiberius Solutions LLC

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

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population . As noted below, the frozen base (assumed to be FYE 2019 values), including all real, personal, personal, manufactured, and utility properties in the Area, is projected to be \$139,121,341. The total assessed value of the City of Fairview is \$716,606,333. The percentage of assessed value in the Urban Renewal Area is 19.41%, below the 25% threshold.

The Area contains 458.65 acres, including public rights-of-way, and the City of Fairview contains 2,258 acres. This puts 20.31% of the City’s acreage in an urban renewal which is below the 25% threshold.

Table 13 - Urban Renewal Area Conformance with Assessed Value and Acreage Limits

	Assessed Value	Acreage
In URA	\$139,121,341	458.65
In City	\$716,606,333	2,258.00
Percent in URA	19.41%	20.31%

Source: Compiled by Elaine Howard Consulting, LLC with data from City of Fairview and Multnomah County Department of Assessment and Taxation (FYE 2018)

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

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

A. Physical Condition

1. Land Use

The Area measures 458.65 total acres in size, which is composed of 164 individual parcels encompassing 403.43 acres, and an additional 55.21 acres in public rights-of-way. An analysis of FYE 2018 property classification data from the Multnomah County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the Area. By acreage, Commercial accounts for the most prevalent land use within the area (67.86%). This was followed by Multi-Family (10.16%). Detailed land use designations in the area can be seen in Table 14.

Table 14 - Land Use in the Area

Land Use	Parcels	Acreage	Percent of Acreage
Commercial	89	273.78	67.86%
Multi-Family	6	40.97	10.16%
Residential	56	28.52	7.07%
Farm	1	26.04	6.45%
Recreation	4	15.07	3.74%
Miscellaneous	7	14.27	3.54%
Tract	1	4.79	1.19%
TOTAL:	164	403.44	100.00%

Source: Compiled by Tiberius Solutions LLC with data from the Multnomah County Department of Assessment and Taxation (FYE 2018)

2. Comprehensive Plan Designations

The most prevalent comprehensive plan designation by acreage in the Area is General Industrial (41.88%). The second most prevalent comprehensive plan designation in the Area is Commercial (17.79%). Detailed comprehensive plan designations in the Area can be seen in Table 15.

Table 15 – Comprehensive Plan Designations in the Area

Comprehensive Plan Designation	Parcels	Acreage	Percent of Acreage
General Industrial	34	168.98	41.88%
Commercial	49	71.78	17.79%
River Oriented	2	48.28	11.97%
Parks	12	43.16	10.70%
Residential Medium Density	4	36.85	9.13%
Residential Light Density	15	14.27	3.54%
Village	39	11.49	2.85%
Light Industrial	2	4.50	1.11%
Public	7	4.13	1.02%
TOTAL:	164	403.44	100.00%

Source: Compiled by Tiberius Solutions LLC with data from the Multnomah County Department of Assessment and Taxation (FYE 2018)

3. Zoning Designations

The most prevalent zoning designation by acreage in the Area is General Industrial (45.01%). The second most prevalent zoning designation in the Area is Town Center Commercial (12.37%). Detailed zoning designations in the Area can be seen in

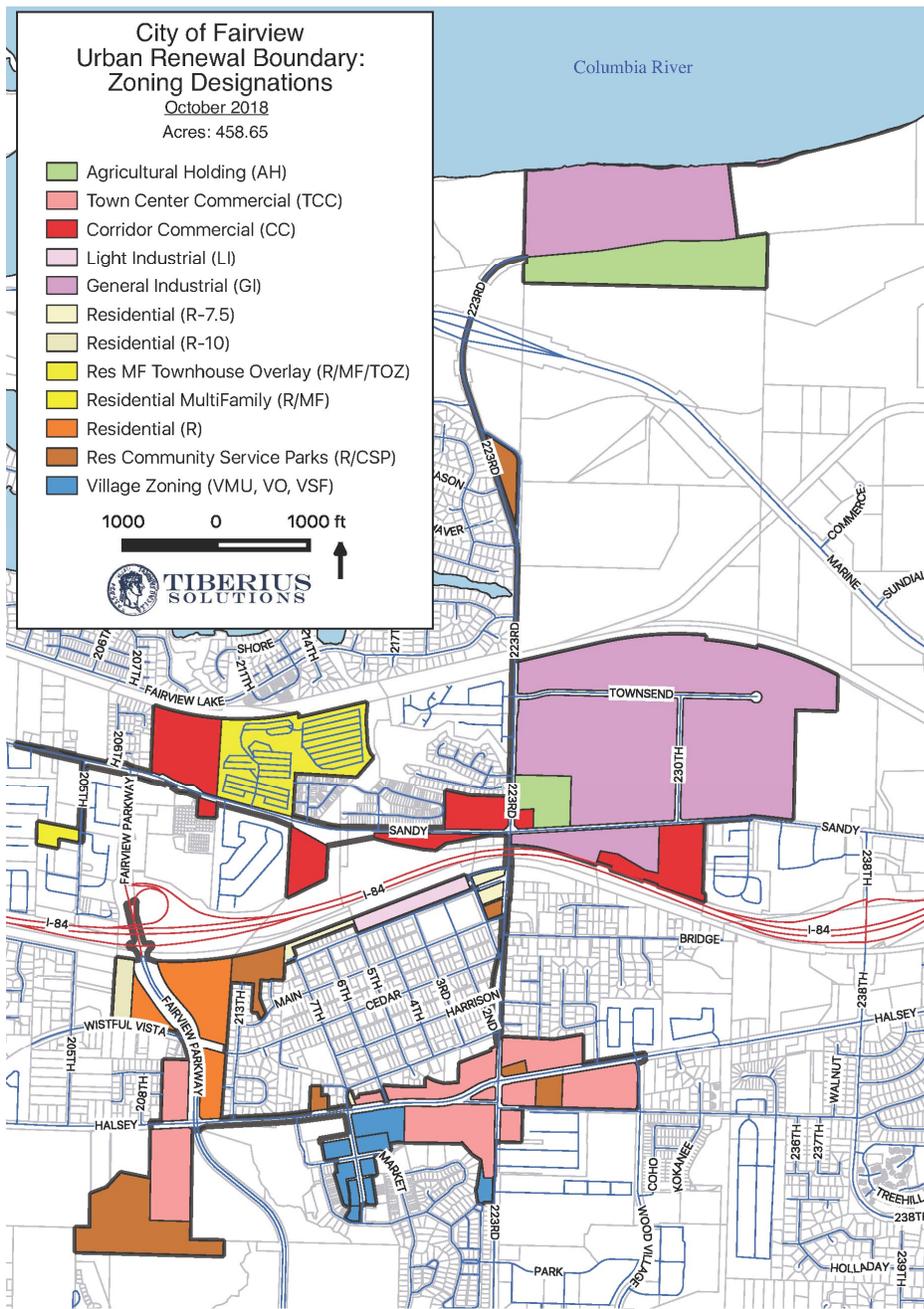
Table 16.

Table 16 - Zoning Designations in the Area

Zoning Designations	Parcels	Acreage	Percent of Acreage
General Industrial	35	181.57	45.01%
Town Center Commercial	38	49.91	12.37%
Corridor Commercial	14	38.07	9.44%
Agricultural Holding	2	33.04	8.19%
Residential - Townhouse	2	30.21	7.49%
Residential - Community Service Parks	16	29.30	7.26%
Residential	3	17.55	4.35%
Village Mixed Use	35	5.69	1.41%
Village Office	3	4.79	1.19%
Light Industrial	2	4.50	1.11%
Residential - 7.5	11	3.01	0.75%
Residential - 10	1	2.95	0.73%
Residential - Multi-Family	1	1.84	0.46%
Village Single Family	1	1.00	0.25%
TOTAL:	164	403.44	100.00%

Source: Compiled by Tiberius Solutions LLC with data from the Multnomah County Department of Assessment and Taxation (FYE 2018)

Figure 2 - Fairview Urban Renewal Area Zoning Designations



Source: Tiberius Solutions LLC

B. Infrastructure

This section identifies the existing conditions in the Area to assist in **establishing blight in the ordinance adopting the Pan Amendment.** There are projects listed in several City of Fairview infrastructure master plans that relate to these existing conditions. The fact that they are listed in a master plan indicates there is a deficiency that needs to be corrected. **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 Sections IV and V of this Report.

1. Transportation

NE Fairview Parkway is a Major Arterial

Ne Halsey Street is a Minor Arterial

NE 223rd Avenue is a Major Collector

Arata Road is a Major Collector

The projects listed in Table 17 are capital projects in the Area from the City of Fairview Transportation Systems Plan:

Table 17 - Transportation Projects in the Area

Project Number	Name	Cost Estimate
R1	NE Fairview Ave. (NE 223rd Ave.)Reconstruction (Fairview Creek to NE Halsey	\$12,000,000
R2	NE Fairview Ave. (NE 223rd Ave.)Improvements (Fairview Creek to 40-mileloop/NE Marine Dr.)	\$8,000,000
R3	Reconstruct railroad crossing on NE Fairview Ave. (NE 223rd Ave.) (north of I-84)	\$10,400,000
R7	NE Sandy Blvd. Reconstruction (NE 201st Ave.to NE 230th Ave.)	\$8,400,000
R8	NE Sandy Blvd. Improvements (NE 230th Ave. to NE 238th Ave.)	\$800,000
R9	NE Sandy Blvd. Access Management	\$200,000
R12	NE Halsey St. Access Management	\$100,000
M4	NE Fairview Ave. (NE 223rd Ave.)/NE Glisan Street Intersection Improvement	\$970,000
S1	NE Sandy Blvd. Safety Study	\$50,000
S2	NE Halsey St. Safety Study	\$50,000
S3	NE Fairview Ave. (NE 223rd Ave.) Safety Study	\$50,000
A1	NE Sandy Blvd. Pedestrian Crossing Treatments	\$500,000
A16	NE Halsey Street Pedestrian Crossing	\$100,000
A17	E Halsey St at NE 201st Ave Pedestrian Improvements	\$20,000
A19	NE Fairview Parkway Bike Path	\$900,000
A25	NE 223rd Ave. Bike Path	\$2,100,000
A27	NE 223rd Ave. Pedestrian Crossing	\$100,000
A33	Sidewalk Curb Ramp Improvement Program	\$1,000,000

Source: Fairview Transportation Systems Plan

2. Water

The Water System Project Sheets are based on the Water System Master Plan prepared by PACE Engineers, Inc., in December 2010, and updated by Murray, Smith & Associates in 2016. All included projects are eligible for use of SDC fees.

System Summary

The City of Fairview supplies water to residents who live within the City limits except for those in the southwest corner (South of I-84, North of Glisan Street, West of Fairview Parkway) who are supplied water by the Rockwood Water Public Utilities District. The City has five permitted water rights for use of groundwater within the Troutdale Sandstone Aquifer and the Sand and Gravel Aquifer, which total 3,922 gallons per minute (GPM). The source of Fairview's drinking water supply is from four operational wells (three currently active and one reserve).

The wells are connected to the water distribution system which comprises two pressure zones, one pump station, approximately 23 miles of piping, 700 valves, 221 public fire hydrants, three pressure reducing valve vaults and five inter-ties with neighboring water purveyors.

The City maintains a total of 6.2 million gallons of stored water in three welded steel reservoirs. The average day demand for 2010, not including water loss, was 517 gallons per minute, which is approximately 206 gallons per equivalent residential unit. The City supplies water to approximately 1,605 single-family residential, multi-family residential, commercial and school connections.

Funding

The City has three primary methods for collecting revenue to pay for the costs associated with owning and operating a water system. Revenue is generated in the form of water rates, system development charges, and outside sources including grants, loans and bonds.

The projects listed in Table 18 are capital projects in the Area from the City of Fairview Water Master Plan for the next 5 years:

Table 18 - Water Master Plan Projects in the Area

Implementation Year	Capital Improvement Project Description	Cost Estimate	% SDC Eligible
2017-2021	Source Firm Capacity Improvements	\$2,356,000	92%
Multiple	Distribution Piping Replacement	\$4,242,000	17%
2027-2036	Storage Reservoir Coating Maintenance	\$1,648,000	17%
2027-2036	SCADA System Renewal	\$92,000	17%
2017-2021	Reservoir 1 Alternatives Evaluation	\$25,000	0%

Source: *City of Fairview Water Master Plan*

3. Stormwater

The Stormwater system project sheets are based on the 2007 Consolidated Stormwater Master Plan, its associated Capital Improvements Plan (CIP) and updated in August 2016.

System Summary

The primary bodies of water in the City of Fairview managed through the storm water program are Fairview Creek and Fairview Lake. Fairview Creek discharges to Fairview Lake, which discharges to the Columbia Slough. The Columbia Slough is a tributary of the Willamette River. Secondary bodies of water include No Name Creek, Osborn Creek, Raintree Creek, Silent Creek, and Salmon Creek. Salmon Creek is within the Sandy Improvement Drainage District and is pumped to the Columbia River. The other secondary streams in Fairview all drain to the Columbia Slough via Fairview Lake.

The City's stormwater system provides conveyance of surface water runoff for flood control and water quality protection and enhancement. Stormwater management facilities consist of a series of collection and conveyance systems, detention systems, and treatment facilities. Treatment facilities are typically a combination of landscape and structural components that slow, filter, detain, and/or infiltrate stormwater runoff after a rainfall event.

Proper and regular maintenance of the stormwater system, comprised of components such as pipes, inlets and manholes, keeps the system as designed and limits localized flooding. Regular inspection and cleaning of specialized stormwater quality facilities such as detention ponds and grassy swales is also critical. Without proper maintenance stormwater flows may bypass these facilities without any treatment. Public Works personnel perform stormwater system maintenance activities that integrate water-quality friendly practices.

The stormwater sewer system is made up of the following components:

- 13.6 miles of stormwater pipes, culverts, and inlet leads
- 449 Catch basins, 2 water quality manholes, 38 Outfalls, 4 Flow-control quality manholes, 3 Vortex manholes, (4) Sediment MHs (see CF), (5) UICs/Dry Wells (see CF), 5 Detention Ponds, 6 Natural Streams/Creeks, Fairview Lake, and Salish Ponds, various swales and other green street solutions.

Funding

The City has three primary methods for collecting revenue to pay for the costs associated with owning and operating a stormwater system. Revenue is generated in the form of stormwater rates, system development charges, and outside sources including grants, loans and bonds.

There are no deficiencies identified in the Area.

4. Sanitary Sewer

The Sanitary Sewer Program is based on the 2013 *City of Fairview Sanitary Sewer Master Plan* and its associated Capital Improvements Plan (CIP.) All of the projects are eligible for SDC funds.

System Summary

The sanitary sewer system provides sewer service for the collection and discharge of sewage to the Gresham Treatment Plant. The sanitary sewer system is made up of the following components:

Pipelines

The City’s sewer system comprises 27 miles of piping including 24 miles of gravity and 3 miles of forcemain. The major pipeline systems owned and operated by the City of Fairview include:

Fairview Trunk- 15-21inch line aligned in a north-south direction from Sandy Boulevard to the southerly boundary of Fairview.

Sandy Boulevard Trunk – 21 inch line aligned east to west, bounded by NE 223rd Avenue on the east and the Fairview city limits on the west.

Interlachen Trunk – 12 inch line extending from NE Blue Lake Road to the west end of Fairview Lake.

Sandy Boulevard Trunk Improvements

The Sandy Blvd. Trunk is proposed to be upsized to provide additional capacity and prevent overflows. Alternative #1 (discussed in Section 5.3) is the recommended alternative. In light of street reconstruction planned for Sandy Boulevard, the CIP has the Sandy Boulevard Trunk Replacement project scheduled in two phases. Phase 1 is 3350 linear feet of 30-inch pipe and Phase 2 is 3350 linear feet of 27-inch pipe.

Because of the agreement with the City of Wood Village, the proposed Sandy Boulevard Trunk Replacement is identified as a tentative improvement, with the assumption that Wood Village and Multnomah County will be consulted prior to any plans for implementation.

The projects listed in Table 19 are projects in the Area from the *City of Fairview’s Sanitary Sewer Master Plan*:

Table 19 - Sanitary Sewer Master Plan Projects

CIP #	Project	Cost	
6	Sandy Blvd. Trunk Improvement Phase 1	\$2,231,110	TBD
7	Sandy Blvd. Trunk Improvement Phase 2	\$2,033,080	TBD

Source: City of Fairview Sanitary Sewer Master Plan

5. Parks and Open Space

Park Cleone is in the Area. It is classified as a Neighborhood Park and has 4.7 acres as identified in the Comprehensive Plan, Chapter 8 Recreational Needs. The Comprehensive Plan states: “An expansion of the existing Park Cleone could provide an additional community park. This expansion also knows and the 207th Avenue Park is within a power line easement and while it will not be used for sports fields due to neighborhood opposition, other recreational facilities may be located here.” Other amenities include a covered picnic area, a paved walking trail, basketball courts and children’s play equipment.

The *2017 Parks and Open Space Master Plan* contains a Capital Improvement Plan intended to direct the development of parks, open space, recreation, and trails in the next five years (from 2017). Under Long Term Goals is the following analysis:

Neighborhood Park Improvements

Park Cleone: Park Cleone’s playground area is located in an open, sunny space. Installation of a covered area would provide shade for children in summer and shelter in rainy months.

Restrooms in City Parks

One of the most common complaints received by the Public Works Department in regards to City Parks is the lack of restroom facilities. Restrooms require the need for additional staff time to consistently maintain restrooms in operable and usable conditions. Based on the great need for restrooms, the City should evaluate the addition of restrooms at the following parks:

- Community Park
- Lakeshore Park
- Park Cleone
- Pelfrey Park

Off-Leash Dog Park

The green space area on 207th Avenue and Halsey would be ideal for an off-leash dog park and bike hub. The site is a Pacific Power and Light (PP&L) easement, and development is contingent upon an agreement with PP&L and available funding. A soccer field has also been proposed on the property to the north of this site, as described in the “Active Recreation Space and Sports Field Development” section below.

Active Recreation Space and Sports Field Development

Active recreation space and sports field development was previously identified as goal in both the Parks Master Plan and the Recreation Masterplan. The previous Parks Masterplan also proposed the development of a major sports park. This would require significant land and development costs, and the City does not currently have the resources to coordinate such a project.

Opportunities for active recreation space can be addressed through working cooperatively with schools and other nearby jurisdictions to improve and better utilize existing fields and indoor active recreation spaces. This addresses the goal of increasing sports-fields capacity through the most cost effective means necessary. A long-term opportunity may exist to acquire an easement on the NE corner of 207th Avenue and Halsey for soccer field development, as described in the following section.

Park Easement at 207th Avenue and Halsey

The 2001 Parks Master Plan identified the area just west of Park Cleone on 207th and Halsey as a potential site for a soccer field. Residents have also voiced the need for an off-leash dog park. The site is owned by Pacific Power & Light (PP&L) and development of a park is contingent on an easement agreement with PP&L. Suggestions for supporting features include a fence, benches, access to water, and installation of dog waste dispensers for disposal of pet waste. Given the limited funding and availability of sites for acquisition, developing a new site through an easement is desirable.

C. Social Conditions

Within the Area, there are 53 tax lots shown as Residential use and 6 tax lots shown as Multi-Family. The Social Conditions are derived from US Census Bureau, American Community Survey 2012-2016 Five Year Estimates and represent areas in close proximity to the urban renewal area as the boundary of the urban renewal area does not directly align with Block Groups. All of the following tables represent this larger area. According to the US Census Bureau, American Community Survey 2012-2016 Five Year Estimates, the Block Groups that represent this Area have 1,462 residents, 83% of whom are white.

Table 20 - Race in the Area

Race	Number	Percent
White	1,216	83.17%
Black or African American	65	4.45%
American Indian and Alaska Native	14	0.96%
Asian	95	6.50%
Native Hawaiian and Other Pacific Islander	0	0.00%
Some other race	24	1.64%
Two or more races	48	3.28%
TOTAL:	1,462	100%

Source: American Community Survey 2012-2016 Five Year Estimates

The largest percentage of residents are between 35 to 44 years of age (23%).

Table 21 - Age in the Area

Age	Number	Percent
Under 5 years	0	0.00%
5 to 9 years	104	7.11%
10 to 14 years	114	7.80%
15 to 17 years	87	5.95%
18 to 24 years	60	4.10%
25 to 34 years	21	1.44%
35 to 44 years	331	22.64%
45 to 54 years	199	13.61%
55 to 64 years	295	20.18%
65 to 74 years	203	13.89%
75 to 84 years	48	3.28%
85 years and over	0	0.00%
TOTAL:	1,462	100%

Source: American Community Survey 2012-2016 Five Year Estimates

In the block groups, 21% of adult residents have earned a bachelor's degree or higher. Another 29% have some college education without a degree, and another 25% have graduated from high school with no college experience.

Table 22 - Educational Attainment in the Area

Educational Attainment	Number	Percent
Less than high school	130	11.85%
High school graduate (includes equivalency)	279	25.43%
Some college	318	28.99%
Associate's degree	145	13.22%
Bachelor's degree	169	15.41%
Master's degree	56	5.10%
Professional school degree	0	0.00%
Doctorate degree	0	0.00%
TOTAL:	1,097	100%

Source: American Community Survey 2012-2016 Five Year Estimates

The most common travel time class was 10 to 19 minutes, with 29% of journeys being in this class. This was followed by the 30 to 39 minutes travel time class, which represented 23% of journeys.

Table 23 - Travel Time to Work in the Area

Travel Time	Number	Percent
Less than 10 minutes	101	16.49%
10 to 19 minutes	177	28.87%
20 to 29 minutes	125	20.39%
30 to 39 minutes	138	22.51%
40 to 59 minutes	52	8.48%
60 to 89 minutes	20	3.26%
90 or more minutes	0	0.00%
TOTAL:	613	100%

Source: American Community Survey 2012-2016 Five Year Estimates

Of the means of transportation used to travel to work, the majority, 82%, Drove alone with another 11% Carpooling.

Table 24 - Means of Transportation to Work in the Area

Means of Transportation	Number	Percent
Drove alone	504	82.22%
Carpooling	65	10.60%
Using Public Transportation	21	3.43%
Motorcycling	0	0.00%
Bicycling	0	0.00%
Walking	23	3.75%
Using Other Means	0	0.00%
Working at home	0	0.00%
TOTAL:	613	100%

Source: American Community Survey 2012-2016 Five Year Estimates

The income in the Block Groups is depicted in Table 25. The median income is \$65,992.

Table 25 - Household Income

Income	Number	Percent
Less than \$10,000	29	4.98%
\$10,000 to \$19,999	21	3.61%
\$20,000 to \$29,999	59	10.14%
\$30,000 to \$39,999	32	5.50%
\$40,000 to \$49,999	40	6.87%
\$50,000 to \$59,999	21	3.61%
\$60,000 to \$74,999	182	31.27%
\$75,000 to \$99,999	99	17.01%
\$100,000 to \$124,999	66	11.34%
\$125,000 to \$149,999	18	3.09%
\$150,000 to \$199,999	15	2.58%
\$200,000 or more	0	0.00%
Total	582	100.00%

Source: American Community Survey 2012-2016 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 Multnomah County Department of Assessment and Taxation, including all real, personal, manufactured, and utility properties, is estimated to be \$135,403,485. This will be established when the Multnomah County Assessor certifies the frozen base.

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 urban renewal 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 26 shows the improvement to land ratios (I:L) for properties within the Area. The Multnomah County database did not list any parcels as exempt in their land use designations, even though there is a park in the Area. This table is based on the land use designations by the county. In the Area 106 parcels representing 80% of the acreage 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. Only 27 of the 164 parcels in the Area, totaling 15% of the acreage have I:L ratios of 2.0 or more in FYE 2018. In summary, the area is underdeveloped and not contributing significantly to the tax base in Fairview.

Table 26 - Improvement to Land Ratios in the Area

Improvement to Land Ratio	Parcels	Acreage	Percent of Acreage
Exempt	0	0.00	0.00%
No Improvement Value	69	191.36	47.43%
0.01-0.50	20	114.99	28.50%
0.51-1.00	17	17.60	4.36%
1.01-1.50	25	13.89	3.44%
1.51-2.00	6	6.53	1.62%
2.01-2.50	10	2.67	0.66%
2.51-3.00	0	0.00	0.00%
3.01-4.00	7	39.14	9.70%
> 4.00	10	17.27	4.28%
Total	164	403.44	100.00%

Source: Compiled by Tiberius Solutions LLC with data from the Multnomah County Department of Assessment and Taxation (FYE 2018)

E. Impact on Municipal Services

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

The projects being considered for future use of urban renewal funding are incentives and assistance to private development, public infrastructure, and economic development. The use of tax increment allows the city to add an additional funding source to the City of Fairview general fund or system development charges (SDC) funds to allow these projects to be completed.

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, the city has anticipated the need to provide services to the Area. Some of the public infrastructure is being completed to enable full services for future development 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 financial impacts from tax increment collections will be countered by future economic development and, in the future, adding future increased increases in assessed value to the tax bases for all taxing jurisdictions, including the city.

XI. REASONS FOR SELECTION OF EACH URBAN RENEWAL 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.

XII. RELOCATION REPORT

There is no relocation report required for the Plan. No specific acquisitions that would result in relocation benefits have been identified. However, if homes are acquired that require relocation, the Agency shall comply with applicable relocation requirements.