

ORDINANCE NO. 1992

(An ordinance making certain determinations and findings relating to and approving the **4th**
Amendment to the Columbia Cascade Development Plan

WHEREAS, on September 14, 1987 the City of Hood River City Council (“City Council”) adopted Ordinance #1589, which approved the Columbia Cascade Development Plan (“Plan”), which Plan has been amended from time to time.

WHEREAS, the Hood River Urban Renewal Agency (“Agency”) is the City’s urban renewal agency and exercises the powers of an urban renewal agency in accordance with ORS Chapter 457;

WHEREAS, the Agency has determined that some projects authorized by the Plan have not yet been completed, and that various provisions of the Plan needed to be amended to allow sufficient time to complete such projects.

WHEREAS, the City Council, pursuant to the requirements of ORS 457.085(1) and (2), has caused the preparation of an Amendment to the Plan to remove various time limits and allow completion of the projects (“Amendment”), which is attached to this Ordinance as Exhibit A and incorporated herein by this reference.

WHEREAS, the City Council has caused the preparation of a report accompanying the Amendment as required by ORS 457.085(3) (“Report”), which Report is dated November 8, 2010 and is attached to this Ordinance as Exhibit B and incorporated herein by this reference;

WHEREAS, the Amendment and the Report, dated, were forwarded to the Hood River Planning Commission on October 4, 2010, along with a Staff Report, which is attached to this Ordinance as Exhibit C for its recommendation, and the Planning Commission considered the Plan, Report and Staff Report and acted to forward a recommendation to the Council that the Plan be approved by the City Council

WHEREAS, the Amendment was considered by the Agency at its October 21, 2010 meeting and the Agency has proposed that the City Council approve the Amendment.

WHEREAS, the Plan and the Report were forwarded on October 14, 2010 to the governing body of each taxing district affected by the Plan, and the City Council thereafter consulted and conferred with each taxing district;

WHEREAS, the City Council has received one written recommendation from the governing bodies of the affected taxing districts, and has considered the recommendation;

WHEREAS, on October 27, 2010 the City Council caused notice of the City Council hearing on the Plan, together with the required statements of ORS 457.120(3), to be mailed to all residences within the city limits of Hood River and published according to ORS 457.120(4); and

WHEREAS, on November 8, 2010 the City Council held a public hearing to review and consider the Plan, the Report, the recommendation of the Planning Commission, and the public testimony received on that date, and does by this Ordinance desire to approve the Amendment.

NOW, THEREFORE, THE CITY OF HOOD RIVER ORDAINS AS FOLLOWS:

Section 1. The City Council hereby determines and finds that the Amendment complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1) through (7), in that, based on the information provided in the Report, information provided in the Staff Report, the recommendation of the Planning Commission, and the public testimony before the City Council:

1. The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section II of the Report, including the underdevelopment of property within the Area, the lack of adequate streets and other rights of way serving property in the Area, and the insufficiency of facilities and improvements at the recreational sites in the Area;
2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety and welfare of Hood River because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support public services and will fail to develop and/or redevelop according the goals of the City's Comprehensive Plan;
3. The Plan conforms to the Comprehensive Plan of Hood River as a whole, and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapters III and V of the Plan;
4. There is no residential displacement occurring as a result of the acquisition and disposition of land and redevelopment activities proposed in the Plan;
5. Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax

increment revenues derived from a division of taxes pursuant to section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in Sections V, VII and VIII of the Report; and

6. The City, by and through its Agency, shall assume and complete any activities prescribed it by the Plan.

Section 2. The City Council expressly accepts the written recommendations of the Hood River Valley Parks and Recreation District as follows: support the proposal as presented.

Section 3. In accordance with the findings set forth above, the public testimony and the information presented to the City Council, the City Council approves the Amendment to the Plan.

Section 4. The City Clerk shall forward a copy of this Ordinance to the Agency. The Agency shall deliver a copy of the Plan to Hood River County to be recorded in the Records of Hood River County, Oregon.

Section 5. In accordance with ORS 457.095 and 457.115, notice of the adoption of this Ordinance approving the Plan, and the provisions in ORS 457.135, shall be published in the Hood River News no later than four days following adoption of this Ordinance.

Read for the first time: November 8, 2010.

Read for the second time and passed: November 22, 2010, to become effective thirty (30) days hence.

Signed Nov 22, 2010



Arthur Babitz, Mayor

ATTEST:



Jennifer Gray, City Recorder



Tashman Johnson LLC

Consultants in Policy, Planning & Project Management

MEMORANDUM

TO: Bob Francis
FROM: Jeff Tashman
SUBJECT: Substantial Amendment of Downtown Urban Renewal Plan
DATE: September 24, 2010

This technical memo is for your use and our discussion in connection with the draft substantial amendment of the Downtown Urban Renewal Plan. In addition to any changes that need to be made to the proposed amendment and the report on the proposed amendment, I will be drafting a transmittal letter to overlapping taxing districts, a memo to Council, an ordinance for adoption by the Council and a notice that the amendment has been adopted.

The statutes require that the amendment and the report on the amendment be presented to the Planning Commission, for which Cindy wanted the draft report today. So that is driving the drafting of the amendment and report. This memo discusses the amendment and report for your information, so we can then talk over changes you might want.

AMENDMENT

The amendment changes the provisions that are date limits on the tax increment financing and other provisions of the plan and the definition of substantial amendments going forward.

Regarding the date limits, I have reviewed the Plan and the correspondence with Deborah Phillips. The information she cites in the urban renewal reports is relevant for supporting legal arguments and is well thought out. However, I have only addressed provisions in the plan itself, because the plan is considered the governing document and the reports are informational not binding. I would be happy to talk with you and Deborah about this.

The changes proposed in the amendment are outlined in the memo to the PC and the actual amendments and the report on the amendments are attached to the PC memo. The proposed changes are as follows:

- Parts of Section 701 would be repealed. These parts state that the tax increment financing process shall be terminated not more than twenty years after approval of the Plan. The tax increment financing of the plan will need to continue to provide funding for the projects to be

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completed. The estimates for the report on the amendment are that the tax increment financing would continue through Fiscal Year 2017/18.

- Section 1301 would be repealed This section states that the Downtown Plan shall remain in full force and effect not more than twenty five years from the effective date of approval, which would be October 16, 2011. The plan will need to remain in full force until the projects are completed and all debt is repaid.
- Ordinance 1646 adopted on August 26, 1991 established a last date for issuance of bonded indebtedness of June 30, 2010. In state law, this type of limit was replaced by the Maximum Indebtedness limit. The amendment would repeal the last date for issuance of bonded indebtedness.
- Ordinance 1646 also redefined what amendments are to be considered "substantial". These would be changed as follows. Underlined language would be added. Stricken through language would be deleted.

{1} adding land to the Urban Renewal Area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.

~~{2} extending the date after which no bonded indebtedness should be issued with respect to the Columbia-Cascade Development Plan or any project undertaken or to be undertaken under the Columbia-Cascade Development Plan;~~

{3 2} Increasing the maximum amount of bonded indebtedness excluding bonded indebtedness issued to refinance or refund existing bonded indebtedness issued or to be issued under the urban renewal plan.

(This ordinance does not appear to have been codified in the plan, so there's no section number to cite. After the plan is amended we can prepare a complete amended plan that has all the prior and current amendments.)

REPORT ON AMENDMENT

The report drafted for review by the PC has the required information. However, this memo discusses in more detail the financial analysis presented. I have attached an Excel file that contains all the actual calculations and modeling which I would be happy to discuss with you and Lynn, but it is proprietary so please do not share the model itself it with anyone outside the city.

The steps we took in the financial analysis were:

1. We prepared a market assessment and projection of new real market value in the Area. This was done by Nancy Guitteau and is attached. This analysis provided tables on what new real market value would occur in five year periods and the projections were in current dollars. I converted the projections to annual figures (20% of the five year total per year) and included inflation at an annual rate starting at 1% and increasing to 3% by FYE 2017. I converted the annual increase in real market value to assessed value using projected Changed Property Ratios (as used by the assessor). (see tab: *incproj mkt*)

2. I projected the increase in the assessed value of existing property, subject to the 3% limit, based on how property in the urban renewal area is assessed currently in relationship to its real market value. The percentage increase is projected to increase as residential and commercial property, assessed far below market value, becomes a bigger part of the overall assessed value in the urban renewal area. (see tab: *incproj*)
3. Because the plan is an Option 1 plan, the maximum tax increment revenues (division of taxes and special levy combined) is a function of the increase in incremental assessed value. The tax rate only determines the split between division of tax and special levy revenues. I calculated the maximum tax increment revenues based on the increase in incremental assessed value (see tab: *incproj*)
4. I then worked with the debt service fund (see tab: *dsfund*) and the project fund (see tab: *projfund*) tables to program the short and long term debt issues and the project expenditures. I used the priorities you gave for scheduling the projects and inflated the costs at 3% annually. I used the beginning balances in the funds as provided by Lynn. There is only one long term bond shown, a 10 year issue, 5% interest, 1.3 coverage, that is defeased in FYE 2019 according to my projections of available tax increment revenues by that date and the balance remaining on the bonds. The rest is short term debt, basically using the balances in the debt service fund. (Formerly these short term debt issues were done by "du jour bonds" but there's a cheaper and simpler way to do it via an IGA with the City that establishes debt.)
5. I calculated the impacts on taxing districts (see tab: *impacts*) by using the FYE 2019 date as the end of tax increment financing. I converted to current dollars the revenues foregone from FYE 2011 through FYE 2019 and divided the total by nine years to get the average annual. I compared that average annual to the FYE 2010 permanent rate levy.

Please let me know when and how you want to talk this over and how much detail you want in the public documents.

URBAN LAND ECONOMICS

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Market Research/Financial Analysis for
Real Estate/Economic Development

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**DRAFT REPORT FROM URBAN LAND ECONOMICS
HOOD RIVER DOWNTOWN DEVELOPMENT PROJECTION**

Projection of New Redevelopment: Downtown Urban Renewal Area

This analysis of future development in the Columbia-Cascade Urban Renewal Area (“Area”) will be used as the basis for projections of future tax increment revenues and borrowing capacity in connection with a substantial amendment of the Columbia Cascade Urban Renewal Plan (“Downtown Plan”).

Basic to estimating future tax increment revenues are projections of new private development, rehabilitation and redevelopment within the Area. These projections are provided in this section, based on analysis of zoning and current development patterns, improvement-to-land ratios, land values, and redevelopment potential of existing structures.

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Current Downtown Hood River Development Patterns

Downtown Hood River has an exceptionally vital blend of commercial, residential and industrial uses within a small geographic area. With a strong history in food and fruit processing as well as a stunning setting, Hood River has emerged as an internationally known site for wind surfing and kite boarding, and a growing second home market. These conditions have created a market for specialized manufacturing, food and beverage production and high tech industry, as well as destination shopping and dining.

While other cities struggle to establish downtown residential markets, downtown Hood River has a strong residential character, with historic Craftsman style bungalows and new luxury condominiums. This character is further enhanced by the many residential structures that have been successfully converted to commercial use.

The distribution of current land uses is shown below in Table 1. As shown, there are a wide variety of commercial, industrial and residential uses represented, with no single land use dominating. Aggregating the property classes, industrial uses comprise 40.8% of the land area, commercial has 29.9 percent, residential 12.5% and publicly owned and tax-exempt properties take up the remaining 16.8%. However, using parcel data under-represents the importance of residential uses, as there are 59 condominiums with 4.0 percent of total area and 22.9% of the total market valuation.

Another important factor shown in Table 1 that impacts the future growth in the downtown urban renewal district is the relative paucity of vacant parcels. With all property classes combined, only 6.9% of the total area is vacant and a few of these parcels are not suitable for development because of small size or access constraints.

From a valuation standpoint, out of the nearly \$90 million in total market valuation, commercial parcels account for 34.5%, industrial has 16.7% and residential uses comprise 35.4%.

Table 1 Distribution of Area and Total Market Valuation by Property Class Downtown Hood River Urban Renewal District						
Property		Parcels	Area (ac)	% of		TMV
Class	Land Use			Total Area	TMV	
24	Historic Commercial	3	0.64	1.5%	\$3,781,850	4.2%
33	Improve Industrial-State Resp.	3	10.97	25.3%	\$7,142,140	8.0%
100	Residential Vacant	5	0.50	1.2%	\$672,380	0.8%
101	Residential Improved	21	1.92	4.4%	\$7,209,480	8.1%
121	Single Family Improved	7	0.99	2.3%	\$2,593,190	2.9%
130	H&B Use Res Vacant	1	0.24	0.6%	\$147,360	0.2%
200	Commercial Zone Vacant	5	0.68	1.6%	\$244,320	0.3%
201	Commercial Zone Improved	68	11.26	26.0%	\$25,395,490	28.5%
231	Commercial-Ind Zone-Improved	2	0.34	0.8%	\$1,310,630	1.5%
300	Industrial Zone Vacant	7	1.47	3.4%	\$402,350	0.5%
301	Industrial Zone Improved	12	5.23	12.1%	\$7,347,150	8.2%
701	MF Zone 5+ Units	1	0.11	0.3%	\$450,290	0.5%
702	Condominiums a/	59	1.75	4.0%	\$20,441,480	22.9%
911	Church Improved	1	0.27	0.6%	\$493,060	0.6%
941	City Improved	8	2.94	6.8%	\$2,342,990	2.6%
951	County Improved	4	1.17	2.7%	\$5,538,090	6.2%
971	Federal Improved	1	0.29	0.7%	\$503,950	0.6%
981	Benevolent Fraternal	5	1.68	3.9%	\$2,306,570	2.6%
993	Port/Muni Taxable Leased	1	0.92	2.1%	\$905,600	1.0%
TOTAL		214	43.37	100.0%	\$89,228,370	100.0%

a/ Parcels exclude parking/storage

Source: County of Hood River; Urban Land Economics

Development/Redevelopment Opportunities

In most cases, new real estate development occurs when market values generated by rents and prices justify new investment. When rents and prices are increasing, risk is reduced. When the opposite conditions exist, new investment is discouraged. In addition to the

rent/price variable, opportunities for profitable investment are more likely found on parcels with the lowest cost, because there are no improvements or there are improvements that are far below allowable density or quality of surrounding competitive properties.

Consequently, a reliable measure of development/redevelopment opportunity within an urban renewal area can be found in the improvement value-to-land value ratio, or I:L. Beginning with an I:L of zero (no improvements on the parcel), the likelihood of redevelopment occurring gradually diminishes as the value of improvements increases to multiples of the land value. Depending on zoning, allowable height and density and other factors such as parcel size and parking requirements, the I:L above which redevelopment is very unlikely varies. For example, in low density residential zone, a parcel with an I:L above 1.00 may effectively never redevelop. By contrast for a large parcel in a commercial zone with a 60-foot height limit, an I:L of 2.5 for an existing one-story commercial building could be ripe for redevelopment.

However, it should be noted that real estate is owned by individuals, families and various corporate and business enterprises that have their own financial goals and interests. Although investment opportunities may appear to exist, a particular property owner may be perfectly satisfied with existing improvements. So assessment of the likelihood of redevelopment needs to acknowledge that property owners may choose not to redevelop a property that may have a much higher potential value.

Zoning, development patterns and valuations for parcels within the downtown urban renewal district were studied to identify which parcels would likely redevelop within the 20-year time horizon of this study. As shown above in Table 1, there are relatively few vacant parcels. In addition, most of the vacant parcels are small and noncontiguous, and some of them are not suitable for development because of access issues.

Table 2 presents a summary by zone of parcels judged to be likely to redevelop in the next 20 years, as identified by I:L ratios of 1.5 or less. (For the R2: Standard Density Residential parcels, only vacant parcels are noted, as all of the developed R2 parcels were deemed to be unlikely to redevelop because of their high market value. [wouldn't this show up as an I:L of over 1.5] As shown, there are no vacant or low value light industrial parcels. In total there are 23 properties, totaling approximately seven acres. Real market values for land are consistent among land uses: between \$10.00-\$16.00 per square foot for commercial properties that could be developed as retail, office or condominiums; \$7.50 for industrial land; and \$25.00-\$26.00 for residential parcels.

Table 2 Summary of Parcels with High Redevelopment Potential (I:L < 1.5) Downtown Hood River Urban Renewal Area					
Zoning	Current Use	Parcels	Area (ac)	Total RMV	RMV/SF
C1: Office Residential	Vacant	2	0.21	\$127,500	\$13.75
C2: General Commercial	Vacant	1	0.11	\$49,650	\$9.93
	Commercial Improved	8	3.02	\$2,050,730	\$15.61
I: Industrial	Vacant, zoned industrial	3	0.77	\$338,080	\$10.02
	Vacant, zoned residential	1	0.12	\$130,000	\$25.09
	Industrial Improved	4	2.17	\$721,080	\$7.61
LI: Light Industrial	All uses	0	0	\$-	\$-
R2: Standard Density Res.	Vacant	4	0.60	\$684,160	\$26.18
Total		23	7.01	\$4,101,200	\$13.43

Table 3 shows parcels in the downtown urban renewal district that are improved, but with structures that may be removed or expanded to come up to the valuations levels of comparable properties downtown. These properties have an I:L between 1.5 and 4.0.

Table 3 Summary of Parcels with Moderate Redevelopment Potential (1.5<I:L <4.0) Downtown Hood River Urban Renewal Area					
Zoning	Current Use	Parcels	Area (ac)	Total RMV	RMV/SF
C2: General Commercial	Commercial Improved	18	3.72	\$6,425,830	\$39.63
I: Industrial	Industrial Improved	2	1.08	\$860,180	\$18.32
Total		20	4.80	\$7,286,010	\$34.85

There are only 20 parcels totaling less than five acres that appear likely to redevelop in the next 20 years. The relatively small number of low valuation parcels is consistent with the fact that downtown Hood River has been a focus of fairly intense development activity in that past 8-10 years and many properties have already been improved or redeveloped. With a healthy industrial base providing employment, new condo development supplementing the existing downtown population and a vibrant commercial district, many parcels have already been the targets of new investment. For example, with downtown Hood River being an obviously desirable place to live, there were no

improved residential parcels with values so low that redevelopment seemed imminent. Certainly, homes could be torn down and replaced. However, the existing R2 zoning will prohibit removal of single-family homes for more dense multi-family projects.

Methodology for Estimating Future Redevelopment and Market Value

With this background on I:L distributions, the methodology for estimating future development in the proposed urban renewal district is as follows:

1. Parcels were aggregated into two groups (shown above in Tables 2 and 3)
 - Parcels with I:L ratios of less than 1.5
 - Parcels with I:L ratios greater than 1.5 and less than 4.0.[where does a property with exactly 1.5 fall?]

The first group is considered to have a higher potential for redevelopment; the second group is also assumed to have potential for redevelopment, but with a lower probability of investment.
2. As it is unrealistic to assume that all parcels will be redeveloped, given different needs and motivations of property owners, a redevelopment factor was applied to each group, 70% and 50%, respectively, over the 20-year period.
3. An average floor area ratio of 0.6 was assumed for commercial properties and .35 for industrial properties. With the current in lieu parking fee of \$1,000 per required space not provided on site, maximizing leasable area is a reasonable strategy.
4. Residential development was assumed to be single family based on zoning requirements and small parcel sizes. Although condominium development can and has occurred within C2 zones, there was no assumption made that a new condo project would occur. However, future development of condos could take place.
5. Development timing by 5-year increments was estimated, with slightly earlier development expected for the parcels in the higher I:L groups, as upgrading of existing buildings generally precedes new construction.
6. Parcels under public or not-for-profit ownership and therefore not subject to property taxation were excluded from the analysis. In addition, very small parcels were also removed from the analysis.
7. Data on recent property sales and current listing prices were collected to estimate per square foot valuations for new development, supplemented with capitalized values of pro forma lease rates.
8. The resulting total value of new development over time was calculated and the final net additional market value was estimated by subtracting current market valuations, based on assessor's market value.

Property Valuation Projections

Ordinarily, valuation estimates would be based on recent sales of comparable properties. However, in the current recession, there has been very little commercial market activity

and very few sales. Table 4 shows recent local sales activity that ranges from \$410 per square foot for building in The Dalles with a national tenant to \$95 per square for the Hood River Center. The only sale within the downtown study area is the Franz Hardware Building that sold in 2008 for \$100 per square foot.

Table 4 Recent Sales of Commercial Property: Hood River and The Dalles						
Location	Type of Property	Site (AC)	Building SF	Sales Price		Date of Sale
				Total	Per SF	
Hood River Center 1803 12 th (Rosauer's)	Neighborhood Commercial	8.32	108,554	\$10,300,000	\$94.88	Oct. 2009
1413 12th	Gas Station	0.22	2,174	\$275,000	\$126.49 \$28.70 (land)	Jan. 2009
Franz Hardware Bldg 116 Oak	3-story historic commercial	0.11	15,000	\$1,500,000	\$100.00	Mar. 2008
503 Mt. Hood St (Shari's) The Dalles	Restaurant	30,825	4,950	\$740,000	\$149.49	Apr. 2008
515 Mt. Hood (Walgreen's) The Dalles	Drug Store	N/A	15,053	6,175,000	\$410.22	Apr. 2006

Source: Loopnet.com; Urban Land Economics

Unfortunately, there are few recent sales and none for downtown buildings that are new or newly renovated. An alternative methodology for estimating value of future development involved capitalizing pro forma rents, as shown below in Table 5.

Table 5 Proforma Commercial/Industrial Rents Downtown Hood River		
	Industrial	Commercial
Gross Rent/SF a/	\$9.00	\$16.00
Deductions:		
Vacancy	5%	8%
Reserves	5%	5%
Net Income	\$8.10	\$13.92
Capitalization Rate	7%	7%
Capitalized Value/SF	\$115.71	\$198.86
a/ Assumes triple net leases with tenant paying property taxes, insurance and utilities.		

Source: Urban Land Economics

As shown, industrial rents are assumed to average \$9.00 per square foot per year, which is considerably higher than typical industrial rents of \$4.00-\$6.00. These rents assume

that some of the industrial property will be developed as office space, as is currently happening in downtown Hood River. There is one building under construction on Industrial Loop that has space advertised between \$8.40 and \$15.00 per square foot. Average value for industrial development for this analysis will be \$115.00.

For commercial properties, there is a wide range of potential development types including housing in mixed-use projects. This analysis assumes a two- to three story development with ground floor retail that rents for between \$19-\$21 per square foot and upper level office space that rents for less, with the average for the entire building of \$16.00. Under these assumptions, average per square foot market value is approximately \$200.00.

Finally, valuation of future housing within the urban renewal district assumes an average market value of \$500,000, based on the following average values:

- Assessor's current average market value for existing downtown single-family home: \$356,000
- Average current listing price of downtown single family homes: \$501,545
- Average current listing price of downtown condos: \$536,000

It is assumed that new development will have high valuations due to high site costs and continued market demand for downtown housing.

Redevelopment Timing and Growth in Market Values

As described above in the methodology, parcels judged to be likely to redevelop were grouped in two categories based on current improvement to land ratios (I:L): parcels with I:L ratios less than 1.5; and parcels with I:L ratios greater than 1.5 but less than 4.0.

The first category is shown in Table 6 (parcels are grouped by development type from zoning categories shown above in Table 2). Because of the near full development of downtown Hood River and the scarcity of development opportunities, it is assumed that 70% of the commercial and industrial parcels and 100% of the residential parcels will be developed in the 20 year time horizon. In the second group of parcels, shown in Table 7, the redevelopment scenario assumes that 50% of the parcels with low I:L ratios will redevelop, all of which are for commercial or industrial development.

A summary of the increase in market valuation in the downtown Hood River urban renewal district is shown in Table 8. Of the total \$23.4 million in additional market value generated by new development on vacant parcels and redevelopment of existing buildings, \$16.5 million would come from commercial retail/office development, \$3.1 million from residential development and the remaining \$3.8 million from development on industrial property. Because Hood River already has experienced investment in high value development in its downtown, market demand is expected to continue, with two-thirds of the projected increase in valuation to occur within the first 10 ten years of the 20-year projection period.

Table 6
Downtown Redevelopment & Growth in Real Market Values
Parcels with High Redevelopment Potential (I.L. <1.5)

	<u>Commercial</u>	<u>Residential</u>	<u>Industrial</u>
Total Area (ac)	3.13	0.93	2.95
Total Area (sf)	136,377	40,586	128,470
Redevelopment Factor	70%	100%	70%
Redevelopment (SF Land)	95,464	40,586	89,929
Projected Dev. Timeframe			
Years 0-5	25%	50%	25%
Years 6-10	35%	50%	25%
Years 11-15	30%	0	25%
Years 16-20	10%	0	25%
Land/Unit Development (SF)			
Years 0-5	23866	20293	22482
Years 6-10	33412	20293	22482
Years 11-15	28639	0	22482
Years 16-20	9546	0	22482
Floor Area Ratios (FAR) a/	0.6	1/5,000	0.35
New Development			
Years 0-5	14320	4	7869
Years 6-10	20047	4	7869
Years 11-15	17183	0	7869
Years 16-20	5728	0	7869
Market Value/SF/Unit	\$200	\$500,000	\$115
Value of New Development			
Years 0-5	\$2,863,907	\$2,029,301	\$904,909
Years 6-10	\$4,009,469	\$2,029,301	\$904,909
Years 11-15	\$3,436,688	\$0	\$904,909
Years 16-20	\$1,145,563	\$0	\$904,909
Current Market Value for Land Developed			
Years 0-5	\$367,567	\$470,830	\$81,914
Years 6-10	\$514,593	\$470,830	\$81,914
Years 11-15	\$441,080	\$-	\$81,914
Years 16-20	\$147,027	\$-	\$81,914
Incremental Market Value			
Years 0-5	\$2,496,340	\$1,558,471	\$822,995
Years 6-10	\$3,494,876	\$1,558,471	\$822,995
Years 11-15	\$2,995,608	\$0	\$822,995
Years 16-20	\$998,536	\$0	\$822,995

a/ Assumes 1 unit per 5,000 sf land.

Table 7 Downtown Redevelopment and Growth in Market Values Parcels with Moderate Redevelopment Potential (1.5<I:L<4.0)		
	<u>Commercial</u>	<u>Industrial</u>
Total Area (ac)	3.72	1.08
Total Area (sf)	162137	46941
Redevelopment Factor	50%	50%
Redevelopment(SF Land)	81,068	23,471
Projected Dev. Timeframe		
Years 0-5	30%	25%
Years 6-10	40%	50%
Years 11-15	20%	25%
Years 16-20	10%	0%
Land/Unit Development (SF)		
Years 0-5	24,321	5,868
Years 6-10	32,427	11,735
Years 11-15	16,214	5,868
Years 16-20	8,107	0
Floor Area Ratios (FAR) a/	0.6	0.35
New Development		
Years 0-5	14,592	2,054
Years 6-10	19,456	4,107
Years 11-15	9,728	2,054
Years 16-20	4,864	0
Market Value/SF/Unit	\$200	\$115
Value of New Development		
Years 0-5	\$2,918,465	\$236,174
Years 6-10	\$3,891,287	\$472,347
Years 11-15	\$1,945,843	\$236,174
Years 16-20	\$972,822	\$-
Current Market Value for Land Developed		
Years 0-5	\$963,875	\$107,523
Years 6-10	\$1,285,166	\$215,045
Years 11-15	\$642,583	\$107,523
Years 16-20	\$321,292	\$-
Incremental Market Value		
Years 0-5	\$1,954,591	\$128,651
Years 6-10	\$2,606,121	\$257,302
Years 11-15	\$1,303,060	\$128,651
Years 16-20	\$651,530	\$-

Table 8
Summary of Growth in Market Values
Downtown Hood River Urban Renewal Area

Incremental Market Value	<u>Commercial</u>	<u>Residential</u>	<u>Industrial</u>	<u>TOTAL</u>
Years 0-5	\$4,450,931	\$1,558,471	\$951,646	\$6,961,048
Years 6-10	\$6,100,997	\$1,558,471	\$1,080,297	\$6,739,765
Years 11-15	\$4,298,669	\$0	\$951,646	\$5,250,315
Years 16-20	<u>\$1,650,066</u>	<u>\$0</u>	<u>\$822,995</u>	<u>\$2,473,061</u>
TOTAL	\$16,500,663	\$3,116,942	\$3,806,585	\$23,424,189

URBAN RENEWAL PROJECTS
DETAILED COST ESTIMATE
2010 URA Cost Summary

Project	Construction Cost	Engineering	Administration	Contingency	Total Cost
Oak & Front- 1st to State	\$664,069.00	\$132,813.80	\$33,203.45	\$99,610.35	\$929,696.60
6th Street - Cascade to State	\$591,237.61	\$118,247.52	\$29,561.88	\$88,685.64	\$827,732.66
State Street - Front to 6th	\$2,313,592.80	\$462,718.56	\$115,679.64	\$347,036.92	\$3,239,029.92
State Street Sewer & Water - 9th to 13th	\$1,392,885.00	\$278,577.00	\$69,644.25	\$208,932.75	\$1,950,039.00
Oak Street North Sidewalk - 5th to 7th	\$31,082.50	\$6,216.50	\$1,554.13	\$4,662.38	\$43,515.50
TOTALS	\$4,992,866.91	\$998,573.38	\$249,643.35	\$748,930.04	\$6,990,013.68

NOTE: The estimated costs shown do not include those portions of State Street from the Hood River bridge to Front Street or from 6th Street west 220 feet.

	Description	Units	Quantity	Unit Cost	Amount
1	Mobilization and Demobilization	LS	1	\$52,817.00	\$52,817.00
2	Traffic Control and Flaggers	LS	1	\$3,000.00	\$3,000.00
3	Quality Control Testing	LS	1	\$2,500.00	\$2,500.00
4	Erosion Control	LS	1	\$1,000.00	\$1,000.00
5	Rock Excavation	CY	23	\$150.00	\$3,750.00
6					
7	DEMOLITION				
8	Remove Concrete Sidewalk	SY	417	\$22.50	\$9,375.00
9	Remove Concrete Curb	LF	840	\$1.00	\$840.00
10	Remove AC Pavement	SY	1956	\$10.00	\$19,555.56
11					
12	SANITARY SEWER				
13	8-inch sewer main, complete in place	LF	200	\$100.00	\$20,000.00
14	Construct New 48" Manhole	EA	1	\$3,100.00	\$3,100.00
15					
16	WATER				
17	8-inch water main, complete in place	LF	480	\$95.00	\$45,600.00
18					
19	STORM WATER				
20	12" Storm Sewer Main	LF	0	\$80.00	\$0.00
21	Construct New 48" Manhole	EA	0	\$2,800.00	\$0.00
22	Construct New Catch Basin	EA	0	\$2,000.00	\$0.00
23					
24	STREET, SIDEWALK, CURB AND GUTTER				
25	Concrete curb and gutter	LF	880	\$20.00	\$17,600.00
27	Concrete commercial driveway (6" thickness)	SY	00	\$90.00	\$5,400.00
29	Concrete sidewalk	SY	420	\$55.00	\$23,100.00
31	Street resurfacing - 4" AC, 10" base rock	SY	2040	\$150.00	\$306,000.00
32	Keystone retaining wall	SF	120	\$30.00	\$3,600.00
33					
34	POWER & COMMUNICATIONS UTILITIES				
35	Undergrounding	LS	1	\$68,000.00	\$68,000.00
36					
37	LANDSCAPING & IRRIGATION				
38	Street Trees	EA	0	\$850.00	\$0.00
39	Tree Well Irrigation System	LS	0		\$0.00
40					
41	STREET LIGHTING				
42	Cobra Lights	EA	4	\$1,500.00	\$6,000.00

TOTAL CONSTRUCTION COST = \$591,237.61
 DESIGN AND CONST. ENGINEERING (20%) = \$118,247.52
 ADMINISTRATION (5%) = \$29,561.88
 CONTINGENCY (15%) = \$88,685.64
 TOTAL PROJECT COST = \$827,732.66

	Description	Units	Quantity	Unit Cost	Amount
1	Mobilization and Demobilization	LS	1	\$2,507.50	\$2,507.50
2	Traffic Control and Flaggers	LS	1	\$2,000.00	\$2,000.00
3	Quality Control Testing	LS	1	\$1,000.00	\$1,000.00
4	Erosion Control	LS	1	\$500.00	\$500.00
5	Rock Excavation	CY	0	\$150.00	\$0.00
6					
7	DEMOLITION				
8	Remove Concrete Sidewalk	SY	257	\$22.50	\$5,775.00
9	Remove Concrete Curb	LF	0	\$1.00	\$0.00
10	Remove AC Pavement	SY	0	\$10.00	\$0.00
11					
12	SANITARY SEWER				
13	8-inch sewer main, complete in place	LF	0	\$100.00	\$0.00
14	Construct New 48" Manhole	EA	0	\$3,100.00	\$0.00
15					
16	WATER				
17	8-inch water main, complete in place	LF	0	\$95.00	\$0.00
18					
19	STORM WATER				
20	12" Storm Sewer Main	LF	0	\$80.00	\$0.00
21	Construct New 48" Manhole	EA	0	\$2,800.00	\$0.00
22	Construct New Catch Basin	EA	0	\$2,000.00	\$0.00
23					
24	STREET, SIDEWALK, CURB AND GUTTER				
25	Concrete curb and gutter	LF	0	\$20.00	\$0.00
27	Concrete commercial driveway (6" thickness)	SY	10	\$90.00	\$900.00
29	Concrete sidewalk	SY	257	\$60.00	\$15,400.00
31	Street resurfacing - 4" AC, 10" base rock	SY	0	\$150.00	\$0.00
32	Support column repairs	LS	1	\$3,000.00	\$3,000.00
33					
34	POWER & COMMUNICATIONS UTILITIES				
35	Undergrounding	LS	0		\$0.00
36					
37	LANDSCAPING & IRRIGATION				
38	Street Trees	EA	0	\$650.00	\$0.00
39	Tree Well Irrigation System	LS	0		\$0.00
40					
41	STREET LIGHTING				
42	Classic Street Lights	EA	0	\$1,500.00	\$0.00

Degraded supports for steel catwalk

TOTAL CONSTRUCTION COST= \$31,082.50
 DESIGN AND CONST. ENGINEERING (20%) = \$6,216.50
 ADMINISTRATION (5%) = \$1,554.13
 CONTINGENCY (15%) = \$4,662.38
 TOTAL PROJECT COST = \$43,515.50

	Description	Units	Quantity	Unit Cost	Amount
1	Mobilization and Demobilization (10% Const Cost)	LS	1	\$117,535.00	\$117,535.00
2	Traffic Control and Flaggers	LS	1	\$15,000.00	\$15,000.00
3	Dually Control Testing	LS	1	\$7,500.00	\$7,500.00
4	Erosion Control	LS	1	\$2,500.00	\$2,500.00
5	Rock Excavation	CY	500	\$150.00	\$75,000.00
6					
7	DEMOLITION				
8	Remove Concrete Sidewalk	SY	0	\$22.50	\$0.00
9	Remove Concrete Curb	LF	0	\$1.00	\$0.00
10	Remove AC Pavement	SY	1625	\$10.00	\$16,250.00
10	Remove Concrete Pavement	SY	2800	\$50.00	\$140,000.00
11					
12	SANITARY SEWER				
13	8-inch sewer main, complete in place	LF	1580	\$90.00	\$142,200.00
14	12-inch sewer main, complete in place	LF	450	\$125.00	\$56,250.00
15	Construct New 48" Manhole	EA	7	\$3,100.00	\$21,700.00
16					
17	WATER				
18	8-inch water main, complete in place	LF	1270	\$85.00	\$107,950.00
19					
20	STORM WATER				
21	12" Storm Lateral	LF	0	\$80.00	\$0.00
22	Construct New 48" Manhole	EA	0	\$2,800.00	\$0.00
23	Construct New Catch Basin	EA	2	\$2,000.00	\$4,000.00
24					
25	STREET, SIDEWALK, CURB AND GUTTER				
26	Concrete curb and gutter	LF	0	\$20.00	\$0.00
27	Concrete commercial driveway (6" thickness)	SY	0	\$90.00	\$0.00
28	Concrete sidewalk	SY	150	\$55.00	\$8,250.00
29	Street resurfacing - 4" AC, 10" base rock	SY	4425	\$150.00	\$663,750.00
30	Reconstruct sloping driveways	EA	6	\$2,500.00	\$15,000.00
31					
32	POWER & COMMUNICATIONS UTILITIES				
33	Undergrounding	LS	1	\$0.00	\$0.00
34					
35	LANDSCAPING & IRRIGATION				
36	Street Trees	EA	0	\$650.00	\$0.00
37	Tree Well Irrigation System	LS	0	\$7,500.00	\$0.00
38					
39	STREET LIGHTING				
40	Classic Street lights	EA	0	\$6,500.00	\$0.00

AC edges and tapers at W and E ends
Existing is 20' wide

Est. for repair of existing unsafe walks

TOTAL CONSTRUCTION COST = \$1,392,885.00
 DESIGN AND CONST. ENGINEERING (20%) = \$278,577.00
 ADMINISTRATION (5%) = \$69,644.25
 CONTINGENCY (15%) = \$208,932.75
 TOTAL PROJECT COST = \$1,950,039.00

URBAN RENEWAL PROJECTS
DETAILED COST ESTIMATE
Slate Street - Front to 6th

	Description	Units	Quantity	Unit Cost	Amount
1	Mobilization and Demobilization (10% Const Cost)	LS	1	\$204,281.16	\$204,281.16
2	Traffic Control and Flaggers	LS	1	\$20,000.00	\$20,000.00
3	Quality Control Testing	LS	1	\$7,500.00	\$7,500.00
4	Erosion Control	LS	1	\$1,500.00	\$1,500.00
5	Rock Excavation	CY	250	\$150.00	\$37,500.00
6					
7	DEMOLITION				
8	Remove Concrete Sidewalk	SY	2588	\$22.50	\$58,238.75
9	Remove Concrete Curb	LF	2279	\$1.00	\$2,279.00
10	Remove AC Pavement	SY	7289	\$10.00	\$72,888.89
11					
12	SANITARY SEWER				
13	10-inch sewer main, complete in place	LF	1030	\$110.00	\$113,300.00
14	Construct New 48" Manhole	EA	4	\$3,100.00	\$12,400.00
15					
16	WATER				
17	8-inch water main, complete in place	LF	1590	\$95.00	\$147,250.00
18					
19	STORM WATER				
20	12" Storm Lateral	LF	1670	\$80.00	\$133,600.00
21	Construct New 48" Manhole	EA	5	\$2,800.00	\$14,000.00
22	Construct New Catch Basin	EA	10	\$2,000.00	\$20,000.00
23					
24	STREET, SIDEWALK, CURB AND GUTTER				
25	Concrete curb and gutter	LF	2300	\$20.00	\$46,000.00
26	Concrete commercial driveway (6" thickness)	SY	328	\$90.00	\$29,505.00
27	Concrete sidewalk	SY	2600	\$55.00	\$143,000.00
28	Street resurfacing -4" AC, 10" base rock	SY	7289	\$150.00	\$1,093,350.00
29	Decorative retaining wall	SF	500	\$40.00	\$20,000.00
30					East of Horsefeathers to 1st St.
31	POWER & COMMUNICATIONS UTILITIES				
32	Undergrounding (n. side)	LS	1	\$125,000.00	\$125,000.00
33					Mostly telecom, some power
34	LANDSCAPING & IRRIGATION				
35	Street Trees	EA	0	\$850.00	\$0.00
36	Tree Well Irrigation System	LS	0		\$0.00
37					
38	STREET LIGHTING				
39	Cobra Street lights	EA	8	\$1,500.00	\$12,000.00

TOTAL CONSTRUCTION COST = \$2,313,592.80
 DESIGN AND CONST. ENGINEERING (20%) = \$462,718.56
 ADMINISTRATION (5%) = \$115,679.64
 CONTINGENCY (15%) = \$347,038.92
 TOTAL PROJECT COST = \$3,239,029.92

URBAN RENEWAL PROJECTS
DETAILED COST ESTIMATE
Oak & Front-1st to State

	Description	Units	Quantity	Unit Cost	Amount	Notes
1	Mobilization and Demobilization (10% Const Cost)	LS	1	\$59,029.00	\$59,029.00	
2	Traffic Control and Flaggers	LS	1	\$8,000.00	\$8,000.00	
3	Quality Control Testing	LS	1	\$2,500.00	\$2,500.00	
4	Erosion Control	LS	1	\$500.00	\$500.00	
5	Rock Excavation	CY	25	\$150.00	\$3,750.00	
6						
7	DEMOLITION					
8	Remove Concrete Sidewalk	SY	380	\$22.50	\$8,550.00	N. 155 SY - S. 222 SY
9	Remove Concrete Curb	LF	340	\$1.00	\$340.00	
10	Remove AC Pavement	SY	2020	\$10.00	\$20,200.00	
11						
12	SANITARY SEWER					
13	8-inch sewer main, complete in place	LF	450	\$100.00	\$45,000.00	
14	Construct New 48" Manhole	EA	3	\$3,100.00	\$9,300.00	
15						
16	WATER					
17	8-inch water main, complete in place	LF	450	\$95.00	\$42,750.00	
18						
19	STORM WATER					
20	12" Storm Lateral	LF	150	\$80.00	\$12,000.00	
21	Construct New 48" Manhole	EA	1	\$2,800.00	\$2,800.00	
22	Construct New Catch Basin	EA	2	\$2,000.00	\$4,000.00	
23						
24	STREET, SIDEWALK, CURB AND GUTTER					
25	Concrete curb and gutter - N&E	LF	140	\$20.00	\$2,800.00	Leave existing curve and Big Winds C&G & walks
26	Concrete curb and gutter - S&W	LF	200	\$20.00	\$4,000.00	Replace all
27	Concrete commercial driveway (6" thickness) - N&E	SY	30	\$90.00	\$2,700.00	City parking lot
28	Concrete commercial driveway (6" thickness) - S&W	SY	160	\$90.00	\$14,400.00	Consider abandoning driveway on Front St.
29	Concrete sidewalk (w/ 4" of aggregate base) - N&E	SY	130	\$55.00	\$7,150.00	Save existing curve and Big Winds C&G & walks
30	Concrete sidewalk (w/ 4" of aggregate base) - S&W	SY	60	\$55.00	\$3,300.00	
31	Street resurfacing - 4" AC, 10" base rock	SY	2020	\$150.00	\$303,000.00	
32	Keystone retaining wall	SF	100	\$30.00	\$3,000.00	Retaining wall at curve - 2'-3' height x 40' long
33						
34	POWER & COMMUNICATIONS UTILITIES					
35	Undergrounding	LS	1	\$65,000.00	\$65,000.00	West side Front
36						
37	LANDSCAPING & IRRIGATION					
38	Street Trees	EA	10	\$650.00	\$6,500.00	
39	Tree Well Irrigation System	LS	1	\$7,500.00	\$7,500.00	
40						
41	STREET LIGHTING					
42	Classic Street Lights	EA	4	\$6,500.00	\$26,000.00	

TOTAL CONSTRUCTION COST = \$664,069.00
 DESIGN AND CONST. ENGINEERING (20%) = \$132,813.80
 ADMINISTRATION (5%) = \$33,203.45
 CONTINGENCY (15%) = \$99,610.35
 TOTAL PROJECT COST = \$929,696.60

REPORT ON SUBSTANTIAL AMENDMENT OF COLUMBIA CASCADE URBAN RENEWAL PLAN

This report has been prepared for the substantial amendment (of the Columbia Cascade Urban Renewal Plan ("Plan") to be considered by the Hood River City Council on [xx] , 2010 ("Amendment"). It contains background information and project details for the Amendment to the Plan (the "Plan"). The Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides the information required in ORS 457.085(3). The format of the Report is based on this statute.

(a) A Description Of Physical, Social And Economic Conditions In The Urban Renewal Areas Of The Plan And The Expected Impact, Including The Fiscal Impact, Of The Plan In Light Of Added Services Or Increased Population

The Amendment does not change the goals, objectives, projects, boundaries or maximum indebtedness of the Plan and therefore relies upon the description of existing conditions and impacts in the Columbia Cascade Urban Renewal Area ("Area").

(b) Reasons For Selection Of Each Urban Renewal Area In The Plan

The Amendment does not change the goals, objectives, projects, boundaries or maximum indebtedness of the Plan and therefore relies upon the reasons for selection of the Area in the report on the Plan.

(c) The Relationship Between Each Project To Be Undertaken Under The Plan And The Existing Conditions In The Urban Renewal Area

The Amendment does not change the goals, objectives, projects, boundaries or maximum indebtedness of the Plan and therefore relies upon the relationships between each project and the existing conditions in the urban renewal area contained in the report on the Plan.

(d) The Estimated Total Cost Of Each Project And The Sources Of Moneys To Pay Such Costs

The costs of the projects remaining to be completed in the Plan are based on engineering estimates of the costs in current dollars and projected inflation. They are as shown in Table 1 below:

EXHIBIT B

Table 1: Estimated Project Costs

Bond Issuance Costs	\$ 139,200
Administrative Costs	\$ 796,209
Oak & Front 1st to State, Street Improvements	\$ 1,078,125
6th Street - Cascade to State, Street Improvements	\$ 854,900
State Street - Front to 6th, Street Improvements	\$ 3,540,435
State Street Sewer & Water - 9th to 13th	\$ 2,068,755
Oak Street North Sidewalk - 5th to 7th	\$ 52,167
Grand Total	\$ 8,529,792

The source of funds for these projects is short and long term debt proceeds payable from the tax increment revenues of the Plan and beginning balances of \$213,100 in the Plan's project fund. Table 2 shows the short and long term debt proceeds:

Table 2: Tax Increment Debt Proceeds

Debt Proceeds	
Long Term	\$ 3,600,000
Short Term	\$ 4,920,000
Total	\$ 8,520,000

The tax increment revenues of the Plan have been projected based on reasonable expectations of increases in the assessed value of existing property and the assessed value of rehabilitation, redevelopment and new development of property in the Area. These projections are shown in Table 3.

Table 3: Projected Tax Increment Revenues

FYE Ending	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Assessed Value	64,516,104	65,606,426	67,719,198	69,753,617	71,920,672	74,232,343	76,712,976	79,601,013	82,587,425
Incremental Assessed Value	51,933,005	53,223,327	55,136,099	57,170,518	59,337,573	61,649,244	64,129,877	67,017,914	70,004,326
Base Assessed Value	12,583,099	12,583,099	12,583,099	12,583,099	12,583,099	12,583,099	12,583,099	12,583,099	12,583,099
Change in Incremental Assessed Value	2.50%	2.48%	3.59%	3.69%	3.79%	3.90%	4.02%	4.50%	4.46%
Maximum Tax Increment Revenues	1,191,201	1,220,798	1,264,671	1,311,335	1,361,042	1,414,065	1,470,964	1,537,208	1,605,708

(e) The Anticipated Completion Date For Each Project

All projects are anticipated to be completed by June 30, 2019, but may require less or more time for completion.

(f) The Estimated Amount Of Money Required In Each Urban Renewal Area Under Ors 457.420 To 457.460 And The Anticipated Year In Which Indebtedness Will Be Retired Or Otherwise Provided For Under Ors 457.420 To 457.460

The estimated amount of tax increment revenues necessary for principal and interest on short term debt is \$15,612,315. It is anticipated that all debt will be retired or otherwise

provided for by June 30, 2019. The tax increment financing of the Plan will continue, however, until all indebtedness is repaid.

(g) A financial analysis of the plan with sufficient information to determine feasibility;

Table 4 shows that the projected tax increment revenues are sufficient to repay the short and long term debt shown in Table 2.

Table 4: Projected Tax Increment Revenues

FY Ending June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019
Beginning Balance	1,404,377	1,926,013	1,284,555	303,203	593,680	739,673	13,323	409,348	999,532
Tax Increment Revenues	1,191,201	1,220,798	1,264,671	1,311,335	1,361,042	1,414,065	1,470,964	1,537,208	1,605,708
Interest	28,088	38,520	25,691	6,064	11,874	14,793	266	8,187	19,991
Total	2,623,666	3,185,331	2,574,917	1,620,602	1,966,595	2,168,531	1,484,554	1,954,740	2,625,231
Long Term Debt Payments	312,969	314,531	0	477,604	477,604	477,604	477,604	477,604	477,604
Long Term Debt Reserve	312,969	314,531	0	477,604	477,604	477,604	477,604	477,604	
SPWF Loan Payment	71,714	71,714	71,714	71,714	71,714				
Short Term Debt		1,200,000	2,200,000		200,000	1,200,000	120,000	0	0
Defeasance									1,674,074
Total	697,652	1,900,776	2,271,714	1,026,922	1,226,922	2,155,208	1,075,208	955,208	2,151,678

(h) A Fiscal Impact Statement That Estimates The Impact Of The Tax Increment Financing, Both Until And After The Indebtedness Is Repaid, Upon All Entities Levying Taxes Upon Property In The Urban Renewal Area

The impact of tax increment financing on the taxing districts that levy permanent rate taxes in the Area (“Overlapping Taxing Districts”) consists of the permanent rate revenues that are not collected on the growth in assessed value in the Area. Table 5 below shows, in current dollars, the revenues foregone during the tax increment financing of the Plan from FYE 2011 through FYE 2019. The table shows the total dollars foregone, the average annual dollars foregone and how that average relates to the FYE 2010 permanent rate levy of each of the Overlapping Taxing Districts. The impacts on the Hood River School District and the Columbia Gorge ESD are indirect because of state funding. The numbers in Table 5 only show, for information purposes, what the direct impacts would be without state funding of K-12 education and educational service districts.

Table 5: Permanent Rate Revenues Foregone (Current Dollars)

Taxing District	Current Dollars		FY 09/10 Permanent Rate Levy	Percent Average Annual Impact of FY 09/10 Levy
	Total	Average Annual		
County General	\$ 596,537	\$ 66,282	\$ 2,408,138	2.8%
911	\$ 237,588	\$ 26,399	\$ 959,256	2.8%
City of Hood River	\$ 1,183,391	\$ 131,488	\$ 1,647,427	8.0%
Port of Hood River	\$ 13,976	\$ 1,553	\$ 52,815	2.9%
Hood River Parks and Rec	\$ 147,250	\$ 16,361	\$ 568,573	2.9%
Hood River Trans. Dist.	\$ 30,435	\$ 3,382	\$ 123,010	2.7%
Columbia Gorge CC	\$ 113,784	\$ 12,643	\$ 441,966	2.9%
Hood River School District	\$ 2,025,598	\$ 225,066	\$ 8,105,258	2.8%
Columbia Gorge ESD	\$ 196,923	\$ 21,880	\$ 788,082	2.8%

It is projected that by the end of FYE 2026, the increase in permanent rate revenues resulting from the urban renewal plan, in current dollars, will exceed the revenues foregone.

(i) A Relocation Report Which Shall Include

(A) An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;

(B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500 to 35.530; and

(C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

The Amendment does not change the goals, objectives, projects, boundaries or maximum indebtedness of the Plan and therefore relies upon the relocation report in the report on the Plan.

Oak & Front 1st to State	930,000	3
6th Street - Cascade to State	830,000	1
State street - Front to 8th	3,240,000	2
State Street Sewer & Water - 9th to 13th	1,950,000	1
Oak Street North Sidewal - 5th to 7th	45,000	
	6,995,000	3

Admin 150,000



Tashman Johnson LLC

Consultants in Policy, Planning & Project Management

MEMORANDUM

TO: Hood River Planning Commission

FROM: Jeff Tashman

SUBJECT: Planning Commission Recommendation on Substantial Amendment of Columbia Cascade Urban Renewal Plan

DATE: 23 September 2010

As explained in this memo, the Hood River Planning Commission is being asked to make a recommendation to the City Council regarding the Council's adoption of amendments to the Columbia Cascade Urban Renewal Plan. This action does not require a public hearing, and the Planning Commission is not being asked to approve the action, but rather make a recommendation.

Background

The City of Hood River has two urban renewal plans – the older plan for the downtown is formally called the Columbia Cascade Urban Renewal Plan and informally called the "Downtown Urban Renewal Plan". The newer plan is for the Hood River Waterfront.

The City Council has asked city staff to prepare an amendment to the Downtown Urban Renewal Plan that would basically allow more time, but not more overall funding, to complete the projects that are contained in the plan. These projects are now anticipated to be as follows:

1. Oak & Front 1st to State, Street Improvements
2. 6th Street - Cascade to State, Street Improvements
3. State Street - Front to 6th, Street Improvements
4. State Street Sewer & Water - 9th to 13th
5. Oak Street North Sidewalk - 5th to 7th

The amendment under consideration is considered a "substantial amendment" under state law (Oregon Revised Statutes, Chapter 457) and the process for adopting a substantial amendment includes presentation of the amendment to the Planning Commission for their recommendation to the City Council. This memo discusses how planning commissions normally consider their recommendations and summarizes the proposed amendment.

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EXHIBIT C

Customary Focus of Planning Commission Recommendations on Urban Renewal Plans

The focus of the Planning Commission recommendation on this type of amendment usually is on the land use implications of the amendment, i.e. how the amendment relates to the comprehensive plan. In this case, the amendment does not change the projects in the plan and there are few, if any, land use implications. When the plan was adopted in 1987 and revised in 1991 and 1998, the City Council found that the plan and the amendments conformed to the Comprehensive Plan, and the relationship of the plan to the Comprehensive Plan is not changed by this amendment. Therefore it would be reasonable for the Planning Commission to recommend to the Council that the plan amendment be adopted.

Summary of Plan Amendment

The plan amendment relates to removing the existing time limits on completion of the plan, but does not change the maximum project expenditures (not including interest payments on bonds) under the plan or change the projects to be completed. The maximum expenditures ("Maximum Indebtedness") were limited in 1998 to \$19,298,162. Within this limit, the remaining expenditure limit is \$12,388,199. The cost of the projects anticipated to be completed is approximately \$8.5 million.

The amendment consists of the following changes to the plan. Exhibit A to this memo shows the actual plan amendments and Exhibit B shows the report on the amendments:

- Parts of Section 701 would be repealed. These parts state that the tax increment financing process shall be terminated not more than twenty years after approval of the Plan. The tax increment financing of the plan will need to continue to provide funding for the projects to be completed. The estimates for the report on the amendment are that the tax increment financing would continue through Fiscal Year 2017/18.
- Section 1301 would be repealed. This section states that the Downtown Plan shall remain in full force and effect not more than twenty five years from the effective date of approval, which would be October 16, 2011. The plan will need to remain in full force until the projects are completed and all debt is repaid.
- Ordinance 1646 adopted on August 26, 1991 established a last date for issuance of bonded indebtedness of June 30, 2010. In state law, this type of limit was replaced by the Maximum Indebtedness limit. The amendment would repeal the last date for issuance of bonded indebtedness.
- Ordinance 1646 also redefined what amendments are to be considered "substantial". These would be changed as follows. Underlined language would be added. Striken through language would be deleted.

{1} adding land to the Urban Renewal Area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.

~~{2} extending the date after which no bonded indebtedness should be issued with respect to the Columbia-Cascade Development Plan or any project undertaken or to be undertaken under the Columbia-Cascade Development Plan;~~

{3 2} Increasing the maximum amount of bonded indebtedness excluding bonded indebtedness issued to refinance or refund existing bonded indebtedness issued or to be issued under the urban renewal plan.

SUBSTANTIAL AMENDMENT TO COLUMBIA CASCADE URBAN RENEWAL PLAN

Underlined text is added. Stricken through text is deleted.

1. Section 701 of the Plan is amended as follows.

701: SELF LIQUIDATION OF COSTS OF URBAN RENEWAL INDEBTEDNESS (TAX INCREMENT FINANCING).

The projects may be financed, in whole or in part, by self-liquidation of the costs of urban renewal activities as provided in ORS 457.420 through 457.450. The ad valorem taxes, if any, levied by a taxing body upon the taxable real and personal property situated in the urban renewal areas, shall be divided as provided in ORS 457.440. That portion of the taxes representing the levy against the increase, if any, in the assessed value of property located in the urban renewal areas, or part thereof, over the assessed value specified in the certificate filed under ORS 457.430, shall, after collection by the tax collector, be paid into a special fund of the Urban Renewal Agency and shall be used to pay the principal and interest on any indebtedness incurred by the Agency to finance or refinance this Plan and any projects or activities authorized and undertaken pursuant to the provisions of this Plan.

~~The tax increment financing process, pursuant to ORS 457.420 through 457.450, shall be terminated not more than twenty years after the City Council's approval of this Urban Renewal Plan. Provided, however, the tax increment collection process may be terminated in a period less than 20 years should debts of the Agency be retired earlier.~~

Should the terminal year of tax increment proceed collection be greater than the amount of debt to be retired, the surplus amount of such tax increment proceeds shall be prorated back to the affected taxing bodies as required by subsection (3) of ORS 457.450.

2. Section 1301 of the Plan is repealed in its entirety.

~~(1301 DURATION OF URBAN RENEWAL PLAN~~

~~This Plan shall remain in full force and effect for a period of not more than twenty five (25) years from the effective date of approval of this Plan. Any extension beyond twenty five years shall require an authorized extension as shall be considered as a substantial change pursuant to Section 1203.)~~

3. Section A of Ordinance 1646 adopted on August 26, 1991 is repealed in its entirety.

~~(A. No bonded indebtedness shall be issued by the Hood River Urban Renewal Agency with respect to the Columbia Cascade Development Plan or any project undertaken with respect to the Columbia Cascade Development Plan after June 30, 2010.)~~

4. Section B of Ordinance 1646 adopted on August 26, 1991 is amended as follows:

{1} adding land to the Urban Renewal Area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.

~~{2} extending the date after which no bonded indebtedness should be issued with respect to the Columbia Cascade Development Plan or any project undertaken or to be undertaken under the Columbia Cascade Development Plan;~~

{3 2} Increasing the maximum amount of bonded indebtedness excluding bonded indebtedness issued to refinance or refund existing bonded indebtedness issued or to be issued under the urban renewal plan.