

# REPORT ACCOMPANYING FOOTHILLS URBAN RENEWAL PLAN

Ordinance 2601: Exhibit B  
Adopted December 18, 2012

City of Lake Oswego

Mayor:

Jack D. Hoffman

City Council:

Jeff Gudman

Donna Jordan

Mike Kehoe

Sally Moncrieff

Mary Olson

Bill Tierney

Planning Commission Chair:

Bill Gaar

Vice Chair:

Jon Gustafson

Commissioners:

Randy Arthur, Puja Bhutani, Jim Johnson,  
Todd Prager, Sandi Swinford

City Manager:

David Donaldson

Assistant City Manager:

Brant Williams

Finance Director:

Ursula Euler

Assistant Planning Director:

Denny Egner, AICP

Development Project Manager:

Sidaro Sin, LEED AP

Economic Development Manager:

Jane Blackstone

City Engineer:

Guy Graham, P.E.

Assistant City Engineer:

Erica Rooney, P.E.

Administrative Assistant:

Anne-Marie Simpson

Urban Renewal Plan Work Group:

Mary Bosch, Lakewood Neighborhood Association, Foothills  
District Citizens Advisory Committee (FDCAC)  
Linda Brown, Lake Oswego School District, FDCAC  
Ron Gronowski, FAIA, LEED AP B+C, FDCAC  
Chuck O'Leary, Lake Oswego Chamber of Commerce, FDCAC  
Paden Prichard, Evergreen Neighborhood Association, FDCAC  
Dick Reamer, Old Town Neighborhood Association, FDCAC  
Peter Sweet, First Addition, Forest Hills Neighborhood  
Association  
Sandi Swinford, Lake Oswego Planning Commission  
Ralph Tahrn, Foothills District Oversight Committee

Consultant Team:

Elaine Howard Consulting, LLC  
Elaine Howard  
James Vanden Bos  
ECONorthwest  
Abe Farkas, Lorelei Juntunen  
Nick Popenuk, Rob Wyman  
Jeannette Launer, Legal Counsel  
Leslie Vanden Bos, Editor

**TABLE OF CONTENTS**

---

**I. INTRODUCTION .....4**

**II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES..... 6**

**PHYSICAL CONDITIONS.....6**

**INFRASTRUCTURE: EXISTING CONDITIONS .....8**

**SOCIAL CONDITIONS.....16**

**ECONOMIC CONDITIONS .....16**

**IMPACT ON MUNICIPAL SERVICES .....18**

**III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN.....19**

**IV. THE URBAN RENEWAL PROJECTS AND THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA.....19**

**V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS .....27**

**VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT .....30**

**VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED .....31**

**VIII. FINANCIAL ANALYSIS OF THE PLAN .....36**

**IX. IMPACT OF THE TAX INCREMENT FINANCING.....39**

**X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA .....44**

**XI. RELOCATION REPORT .....44**

## I. INTRODUCTION

---

The Report on the Foothills Urban Renewal Plan (Report) contains background information and project details pertaining to the Foothills Urban Renewal Plan (Plan). The Plan area boundary is shown in Figure 1. 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 by ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan (Section IV), but also the existing conditions in the Foothills Urban Renewal Plan Area (Area). Some of the projects in the Existing Conditions section in this Report are projects identified in a master plan or capital improvement plan, and indicate deficient conditions, but are not necessarily identified as projects in the Foothills Urban Renewal Plan.

Figure 1 – Foothills Urban Renewal Plan Area Boundary



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

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

### Physical Conditions

#### *Land Use*

According to data from the Clackamas County Assessor’s Office, the Area, shown in Figure 2 below, contains 31 parcels, including one sliver of a parking lot parcel, and consists of 46.97 acres in tax lots and 10.94 acres of right-of-way, for a total size of 57.91 acres.

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

Within the Area, the largest use of land is industrial (63.86% of total acreage). Following this, the next largest land use categories are vacant land (12.09%) and public use (11.71%). The land use data indicates one single-family parcel and two multi-family parcels, neither of which contain residential structures.

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

Land Use	Parcels	Acreage	% of Total Acreage
Industrial	15	29.99	63.86%
Vacant	8	5.68	12.09%
Public Use	1	5.50	11.71%
Multi-Family Residence	2	2.64	5.62%
Commercial	4	2.12	4.51%
Single Family Residence	1	1.04	2.21%
Total	31	46.97	100.00%

*Source: Clackamas County Assessor*

#### *Comprehensive Plan Designation*

In the Area, the zoning code designations and the comprehensive plan designations are the same, with the exception of parcels that have a comprehensive plan designation of Foothills Mixed-Use. A large part of the Area that was primarily designated Industrial was re-designated to Foothills Mixed-Use in order to facilitate redevelopment within the Area. The comprehensive plan designations can be seen on Figure 2.

As illustrated in Table 2, the largest portion (40.62%) of the Area is designated as Foothills Mixed-Use. This is followed by parcels with mixed Foothills Mixed-Use/Public Facilities designation, which account for approximately 27.28% of the Area. Parcels zoned Park and Natural Area are 24.96% of the Area.

**Table 2 – Comprehensive Plan Designations of Area**

Comprehensive Plan	Parcels	Acreage	% of Total Acreage
Foothills Mixed-Use	18	19.08	40.62%
Park and Natural Area	8	11.72	24.96%
Foothills Mixed-Use/Public Facilities	2	12.81	27.28%
Foothills Mixed-Use/Park and Natural Area	3	3.35	7.14%
Total	31	46.97	100.00%

Source: Clackamas County Assessor

### Zoning

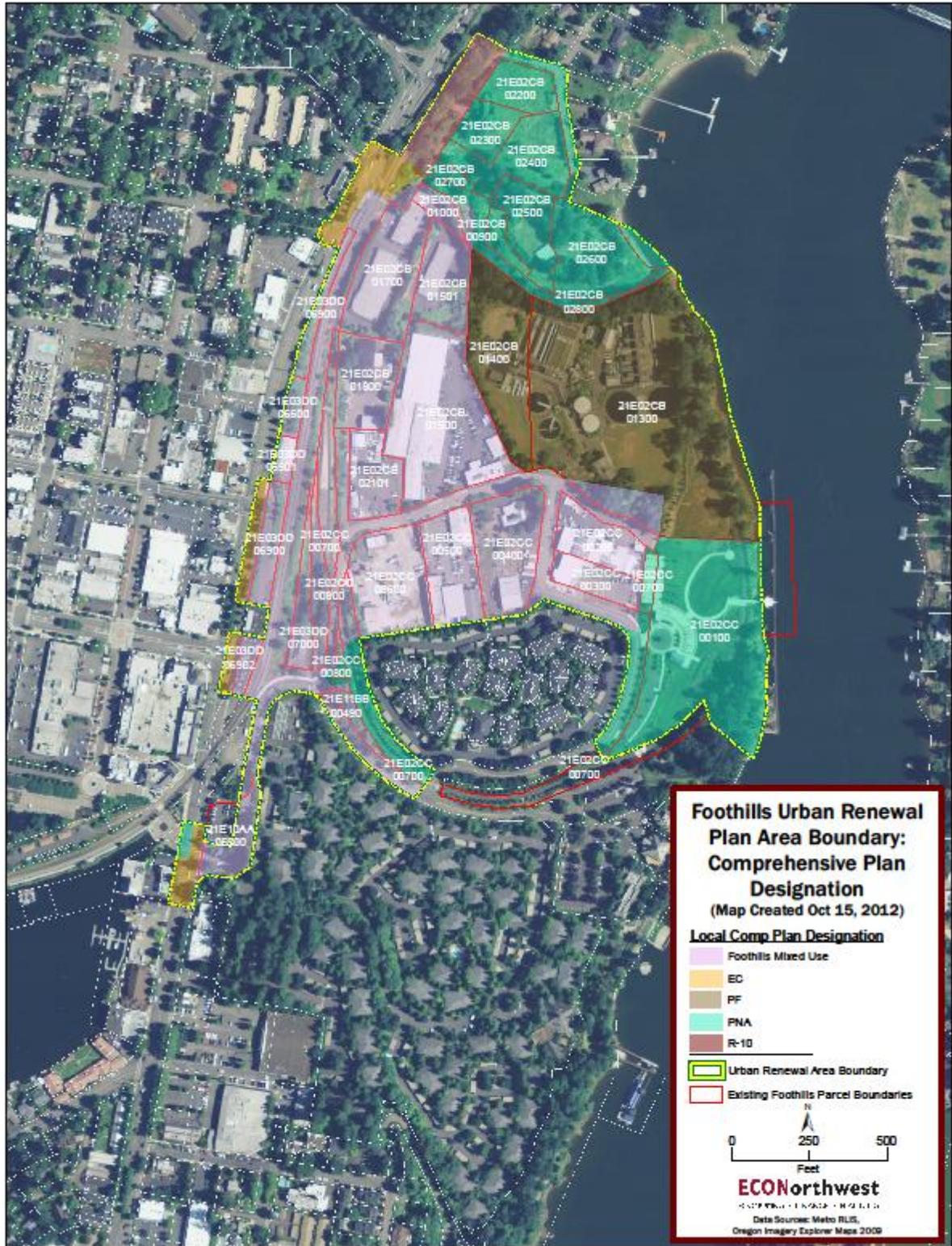
At the time of this Report, some parcels retain their original zoning of Industrial , Parks and Natural Area, Public, East End Commercial District/R-0 High Density or East End Commercial District, even though their comprehensive plan designation is now Foothills Mixed-Use. The Foothills Mixed-Use zone will be applied to these parcels on an individual basis or through a blanket rezone of the area. The zoning code implements the comprehensive plan, regulates land use throughout the City, and defines development standards within established zones. The current zoning of the Area is shown in Table 3, below.

**Table 3 – Zoning of Area**

Zoning	Parcels	Acreage	% of Total Acreage
Industrial District	12	16.61	35.37%
Park and Natural Area	10	14.36	30.58%
Public Functions	2	12.81	27.28%
East End Commercial District	5	2.38	5.07%
East End Commercial District/Residential-0	2	0.80	1.69%
Total	31	46.97	100.00%

Source: Clackamas County Assessor

Figure 2 – Comprehensive Plan Designations



## **Infrastructure: Existing Conditions**

An existing conditions analysis is one way of identifying blight within an urban renewal area. When describing the existing conditions and need for infrastructure within an urban renewal area, the current best practice is to pull information from existing plans for the area, such as the capital improvement plan, comprehensive plan, or various master plans if there is no current capital improvement plan. This Report refers to the project list from the 2012/13 Lake Oswego Capital Improvement Plan (CIP) to describe the existing conditions and various deficiencies within the Area. This does not mean that the projects identified in the CIP are all projects to be funded by the Plan. There are 21 projects that will potentially be funded by the Plan, and they are described in the Foothills Urban Renewal Plan and later in this Report in the section titled, “The Urban Renewal Projects and the Relationship Between Urban Renewal Projects and the Existing Conditions in the Urban Renewal Area.”

### *Transportation*

The Area is currently served by only one vehicular access point at the intersection of State Street and Foothills Road. This fact alone constrains development because this lone intersection does not have the capacity to serve the Area if it were fully developed in compliance with the Comprehensive Plan. In addition, the streets within the Area are not laid out in a manner that maximizes development potential: they lack high-quality streetscape improvements and the majority of the streets even lack curbs and sidewalks. In spite of these deficiencies, there is only one transportation project planned for the Area in the 2012/13 Lake Oswego Capital Improvement Plan. The following sections will outline the existing conditions of transportation infrastructure in the Area.

#### *Sidewalks*

There is generally only one very short section of sidewalk in the industrial use area, and it is of poor quality. The Area also has a portion of the multi-use trail (Kincaid Curlicue) that connects State Street to the waterfront parks. Dedicated pedestrian connectivity is non-existent, and this situation would need to be addressed for mixed-use developments to succeed in the Area.

#### *Bike Facilities*

There are currently no dedicated bike lanes or paths located within the Area, but bicyclists do frequent the small portion of multi-use trail that passes through the area. Dedicated bike right-of-way would encourage and support development in the area by reducing potential traffic and parking congestion and providing safe access to the Area from downtown Lake Oswego and surrounding neighborhoods.

## Streets and Intersections

All streets in the Area are classified as Local Streets in the City of Lake Oswego Transportation Systems Plan. While functional, most of these streets do not have any sort of streetscaping improvements and some of them could be realigned to maximize the potential for development and efficient transportation in the Area.

## Railways

Active railroad tracks run along the west side of the Area, parallel to State Street. The tracks also run through the north end of the Area where a new access point from State Street into the Area is being considered.

These tracks act as an impediment to creating an additional vehicular access point. Any new street going from State Street into the Area will necessitate a new railroad crossing.

Transportation Projects from the 2012/13 Lake Oswego Capital Improvement Plan that indicate deficient conditions within the Area:

### **Highway 43 Bike Connection**

Estimate from LOCIP: \$370,000

Project Description: This project adds bike lanes northbound and southbound from Terwilliger Boulevard to McVey Avenue. The total cost of this regional project is estimated at \$3,700,000. This project is contained in Metro's 2035 Regional Transportation Plan. If grants and regional funding are approved in the future, then the cost to Lake Oswego is estimated at 10% of the total project cost.

## *Water*

Otak presented a technical memorandum on March 18, 2011 as part of the studies prepared for the Foothills District Framework Plan. The information that follows on the water, storm water, and sanitary sewer systems in the area is drawn directly from the Otak memorandum, and is presented with only immaterial modifications and omissions.

Within the Area, the water system pipes range in size from 6- to 12-inches, and according to the Lake Oswego City Engineer, there are dead end systems that should be connected to make looped systems in the future. (Stampher, Foothills Park, etc.)

## *Stormwater*

The existing drainage system in the Area consists of inlets and piping that convey stormwater runoff to either Tryon Creek or the Willamette River. Due to high groundwater levels, which result from a shallow basalt rock shelf approximately 10 feet below the surface, infiltration is generally not a suitable stormwater

management strategy for this area. The natural topography of the Area divides it into two separate drainage basins:

**Tryon Creek Basin** – The Tryon Creek basin drains an area of approximately 174 acres, with 37 acres located within the Area. The drainage basin area covers the northern portion of the Area, as well as most of the First Addition Neighborhood (FAN), which includes the historic downtown Lake Oswego area. The portion of this system serving the FAN is connected to the Foothills Area system via a 24-inch pipe which crosses under State Street and the railroad tracks. The system outfalls to Tryon Creek approximately 700 feet upstream of the Willamette River. No existing water quality treatment facilities are located within the Tryon Creek Basin.

A substantial portion of the Tryon Creek System is located within the Federal Emergency Management Agency (FEMA) designated 100-year flood plain. As a result of this condition, a stormwater pump station is situated near the system outfall as a means of providing conveyance in case of flooding. The stormwater pump station is designed to operate in concert with a detention pond located adjacent to the station. A second pump station is also located within this basin to protect a small area south of Foothills Road (the Lakeshore Concrete site) from flooding.

**Willamette River** – The Area contains approximately 10 acres of the Willamette River drainage basin, consisting of mostly riverfront property. Within this basin, most stormwater runoff flows directly into the river or is collected and discharged to the Willamette River via localized drainage systems. No existing water quality treatment facilities are located within this basin.

Although a number of storm drainage improvements have been implemented within the Area over the years, several deficiencies still exist in relation to storm water treatment facilities, pump stations, and conveyance.

[Stormwater Projects from the 2012/13 Lake Oswego Capital Improvement Plan that indicate deficient conditions in the Area:](#)

### **B Avenue Storm System and Street Upgrade**

Estimate from LOCIP: \$1,216,000

**Project Description:** A recent evaluation of the existing drainage system in First Addition Neighborhood, prompted by recurrent localized flooding events, makes recommendations for replacement of several segments of pipe. The B Avenue system conveys runoff from the top of the 100-acre drainage basin and conveys it under Highway 43, the railroad tracks, and through the Foothills Road area to Tryon Creek. This system has been pieced together over the past 100 years and experiences periodic flooding, which is exacerbated by increased impervious areas resulting from ongoing infill and redevelopment.

## **D Avenue Storm Drainage Improvements**

Estimate from LOCIP: \$733,000

Project Description: An evaluation of the existing drainage system in First Addition Neighborhood prompted by recurrent localized flooding events makes recommendations for replacement of several segment of pipe. The D Avenue system is considered a “backbone” of the FAN drainage system. It conveys runoff from the top of the drainage basin to Tryon Creek, just upstream of Highway 43. Improvements to the system will also redirect runoff from a severely eroded outfall to Tryon Creek and reduce the amount of flow which, over the years, has been directed to the B Avenue system.

### *Wastewater*

The Area is situated in the Lake 1 sewer basin. The Lake 1 basin contains a sanitary sewer collection system that serves the Area and surrounding properties, as well as a portion of the First Addition Neighborhood. This system includes gravity sewer lines that convey wastewater flows to the recently reconstructed Foothills Lift Station. The Foothills Lift Station pumps flows into the 14-inch force main that originates from the Willamette Lift Station. The combined flow in this 14-inch pipe discharges to the Lake Oswego Interceptor at the western end of Foothills Road.

Because the Area contains the Tryon Creek Sewage Treatment Plant (owned and operated by the City of Portland), a number of sewer interceptor lines travel through this area as they convey flow to the treatment plant. These include the City of Portland’s Tryon Creek Interceptor, the City of Portland’s Willamette Interceptor, and the Lake Oswego Interceptor.

Though the Lake Oswego Capital Improvement Plan does not currently identify any sewer projects in the Area, City engineers have identified two main deficiencies that exist within the system:

Sanitary Lift Stations – The Foothills Road Lift Station will need to be upgraded or replaced to facilitate redevelopment in the northern half of the Area.

Sanitary Conveyance – The 24-inch diameter segment of the Lake Oswego Interceptor in Foothills Road needs to be upsized to eliminate upstream surcharging. The required replacement pipe diameter is currently unknown.

### *Electric*

The electric power supplied to the Area by Portland General Electric (PGE) is sufficient to support anticipated future development. PGE has two substations at the intersection of Foothills Road and Oswego Point Drive.

## *Gas*

Natural gas is provided to the Area by NW Natural. A main supply line runs along State Street, with a 4-inch poly main that stubs into the property at Foothills Road. Additional main lines enter the Area from State Street near the northern boundary. These main lines currently feed smaller mains and service laterals located throughout the Area.

The main supply line is large enough to support all anticipated future development in the Area.

## *Telecommunications*

Century Link and Comcast both provide telecommunications service to the Area. Both services can accommodate anticipated future development in the Area without requiring any major improvements.

## *Parks and Open Space*

The Area contains two parks, Tryon Cove Park and Foothills Park. Neither of these parks have unfunded projects planned in the Lake Oswego Capital Improvement Plan.

Tryon Cove Park – Land was purchased in 2004 to create a park connecting Tryon Creek State Park to the City of Lake Oswego’s riverfront properties. It consists of a half acre with picnic tables and access to the water for hand carry boats.

Foothills Park – This park consists of nine acres and is located along the Willamette River. It is part of a one-mile section of City of Lake Oswego-owned waterfront property connecting it to Roehr Park and George Rogers Park. Foothills Park features a cobblestone plaza, a reflecting pool, a timber-framed and stone pavilion with a fire place, a water feature, and an amphitheater.

*Parks and Open Space Projects from the 2012/13 Lake Oswego Capital Improvement Plan that indicate deficient conditions in the Area:*

### **Tryon Creek Pedestrian Bridge**

Estimate from LOCIP: \$1,800,000

Project Description: This project includes the design of a pedestrian bridge across Tryon Creek connecting the existing pathway in the north end of Foothills Park to Tryon Cove Park on the north side of the creek. (Note: This project is contingent upon submitting an Metropolitan Transportation Improvement Program (MTIP) funding request for design during the FY14-15 funding request cycle, and then receiving the funds to hire an engineering firm to design the project in FY 15-16. Construction will be contingent upon receiving additional MTIP or regional funding in addition to city funds.)

### **Lake Oswego to Portland Pathway**

Report Accompanying Foothills Urban Renewal Plan

Estimate from LOCIP: \$4,630,000

Project Description: This project creates a pedestrian trail that follows along Highway 43 and spans from downtown Lake Oswego to Portland. The total cost of this regional project is estimated at \$46.3 million. This project is contained in Metro's 2035 Regional Transportation Plan. If grants and regional funding are approved in the future, then the cost to Lake Oswego is estimated at 10% of the total project cost.

### *Public Parking*

The Area boundary contains the southerly portion of a city-owned public parking lot at the intersection of State Street and Foothills Road. There is also public parking, intended for park use at Foothills Park.

### **Environmental Conditions**

GeoDesign presented a Phase 1 Environmental Site Assessment (ESA) to Lake Oswego on March 9, 2011 as part of the studies prepared in the Foothills District Framework Plan. The following information on the Foothills Urban Renewal Area's environmental conditions that follows is drawn directly from the GeoDesign report, and is presented with only immaterial modifications and/or omissions. This listing of facilities is not meant to replace or supplement the information provided in the above-mentioned Phase 1 Environmental Site Assessment. For full information about the environmental conditions, please reference the above-mentioned document.<sup>1</sup>

In their ESA, GeoDesign identified sites in the Area where identified and potential environmental conditions or vapor encroachment conditions may exist. Sites they identified were:

- Historical Oregon Iron and Steel Company pipe foundry complex
- Historical and current commercial development of properties situated along State Street, including service stations with auto repair
- Historical and current industrial development of properties located in the vicinity of Foothills Road, including railroad, wood products, boat repair, power substation, wastewater treatment plant, maintenance, fueling,

---

<sup>1</sup> By referencing the ESA, the Consultant is relying entirely on the expertise of GeoDesign. The presentation of this information is without warranty or any assurance of the accuracy or completeness of the ESA. If LORA uses the ESA to support a finding of blight in the Foothills Urban Renewal Area, it agrees that the Consultant has no liability under federal, state, or local environment laws, or for any private causes of action, based on a claim of the inaccuracy or incompleteness of the ESA and that it will defend any action brought against the Consultant based on such claim.

electrical transformer, manufacturing, concrete, general contractor, and truck and automotive repair facilities

- Lake Oswego Chip Facility (current Foothills Park – Department of Environmental Quality (DEQ) issued “No Further Action” (NFA) determinations on February 14, 2005 (site soils) and October 27, 2005 (groundwater))
- Erickson’s Automotive (DEQ issued NFA determination on March 30, 2004)
- Martin Electric (DEQ issued NFA determination on April 22, 1993)

## **Floodplain**

Vigil Agrimis performed a floodplains analysis and submitted a technical memorandum to Lake Oswego on February 15, 2011 as part of the studies prepared in the Framework Plan. Data and information from this section is taken in whole, or in part, from that memorandum.

The majority of the Area, excluding the sewage treatment plant and Foothills Park, as identified by the Framework Plan, will fall within the Lake Oswego Flood Management area and the 100-year floodplain of the Willamette River. Potential sources of flooding include:

Flooding from Tryon Creek and the Willamette River through the existing stormwater outfall to Tryon Creek.

Flooding from the stormwater system that discharges to the detention pond located within the Area.

Overland flow resulting from overtopping of the Lake Oswego banks in the vicinity of Lakewood Bay.

## **Wetlands**

Vigil Agrimis presented a technical memorandum to Lake Oswego on March 2, 2011 as part of the studies prepared in the Foothills District Framework Plan. The information on the Foothills Urban Renewal Area's wetlands that follows is drawn directly from the Vigil Agrimis memorandum, and is presented with only immaterial modifications and/or omissions.

Vigil Agrimis identified one potential wetland in the Area on tax lot 1501 of tax map T2S R21E 02CB. This open water wetland is isolated (not connected to other wetlands or water areas) and completely surrounded by development. Hydrology appears to be fed from storm water via a culvert and other surface water runoff from surrounding development. The wetland is surrounded by steep slopes that are

covered with Himalayan blackberry and black cottonwood, Oregon ash, and big-leaf maple.

Fishman Environmental Services delineated a second, 0.41-acre wetland, in 2003, as part of the Foothills Park project. The forested wetland is located on a terrace above the Willamette River, but below the active part of the park, and just outside of the Area's boundary.

## **Riparian Habitat**

Vigil Agrimis presented a technical memorandum to Lake Oswego on March 2, 2011 as part of the studies prepared in the Foothills District Framework Plan. The information on the Foothills Urban Renewal Area's riparian habitat that follows is drawn directly from this memorandum, and is presented with only immaterial modifications and/or omissions.

The Area is bounded on its east side by the Willamette River. The slopes along the riverbank are steep, with some patches of active erosion. Historically, these banks have been armored in places with large rip rap. The steep fill slopes are mostly dominated by Himalayan blackberry and western clematis with scattered black cottonwood trees and big-leaf maple trees. There are signs of recent and historic beaver activity on the black cottonwood trees. The Willamette River is a major travel corridor for a variety of migrating and resident wildlife species. The forested habitat provides bank stabilization, erosion control, hiding cover, and nesting and perch sites for a variety of birds. The snags and downed trees provide nesting habitat and a food source. Resource value could be greatly increased with the removal of non-native species.

The north border of the Area is Tryon Creek. This area supports good wildlife habitat and recreation opportunities. The mouth of Tryon Creek up to Terwilliger Boulevard is identified on the City of Lake Oswego's Sensitive Lands Atlas. Connectivity was the most significant resource value attributed to this site because of the upstream habitat.

## **Social Conditions**

According to the Clackamas County Assessor's data, there are no full-time residents living in the Area.

## **Economic Conditions**

The estimated total assessed value of the Area, including all real, personal, manufactured, and utility properties, is \$11,684,230, or 0.21% of Lake Oswego's total assessed value. The total assessed value of the City of Lake Oswego is \$5,641,011,665; the value less urban renewal excess is \$5,437,474,019 (data from Clackamas County Assessor's 2012 data).

### *Improvement to Land Ratio*

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

Table 4, below, shows the improvement to land ratios for taxable properties within the Area. As the table shows, over 67% of the Area has less than a 2.01 improvement to land ratio, and over 30% of the Area is undeveloped. The I:L ratios for improved properties in the Area are generally very low. The row titled non-taxable represents the public or non-profit properties in the Area. The row titled no improvements represents those lots shown as having no improvements by the Clackamas County Assessor's data.

**Table 4 – Improvement to Land Ratio**

I:L Ratio	Parcels	Acreage	% of Total Acreage
Not Taxable	1	0.56	1.20%
No Improvements	12	14.53	30.95%
0.01 - 0.50	9	9.47	20.17%
0.51 - 1.00	1	1.17	2.48%
1.01 - 1.50	1	0.99	2.10%
1.51 - 2.00	2	4.97	10.59%
2.01 - 3.00	3	2.90	6.17%
3.01 - 4.00	1	1.92	4.09%
4.01 - 5.00	0	0.00	0.00%
>5.0	1	10.45	22.25%
Total	31	46.97	100.00%

Source: Base data from Clackamas County Assessor (FY 2011-12)

## Impact on Municipal Services

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

The projects being considered for future use of urban renewal funds are transportation, stormwater, sewer, floodplain mitigation, and park and open spaces projects, and assistance with developing affordable housing. The use of urban renewal funding for these projects allows the City to leverage other available City and other funding sources to complete the improvements in the Area. Given the ability to fund much of the planned infrastructure improvements in the Area with urban renewal, other much-needed City transportation projects can be funded with the City's other funding sources, as determined through the annual budgeting process.

It is anticipated that the transportation and other infrastructure development projects will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require City services, such as utilities and fire and police services, but will also generate systems development charges, revenues from the use of utilities in the Area, and school construction excise taxes. As the development will be mostly new construction, the development will meet current building code, which will ensure a minimal level of additional required fire-protection.

These impacts of needed municipal services will be mitigated by providing funding for major transportation facilities creating vital connections to the existing developed parcels and to major parcels of undeveloped and underdeveloped land. The floodplain mitigation measures will allow for development of the land within the Lake Oswego Flood Management Area and the 100-year floodplain. With increased connectivity, this land will be more likely to be improved at a higher intensity of housing and commercial development, which will provide additional future jobs to the Lake Oswego area and future increased tax base for all taxing jurisdictions.

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

---

The reason for selecting the Area is to cure blight. "Blighted areas" are defined in ORS 457.101 as areas that, "by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community." Some of the conditions of blight in the Area will be addressed by implementing the projects identified in the Plan.

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

---

The descriptions of the projects and relationship to existing conditions are shown below.

#### ***A. Foothills Road Phase 1 Curb To Curb (A Avenue To B Avenue)***

This project is the first phase of the realignment and reconstruction of Foothills Road, from the intersection of Foothills Road and Oswego Pointe Drive to its planned intersection with B Avenue. The project includes infrastructure elements required to serve adjacent development, such as, water and wastewater lines, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

*Existing Conditions:*

*As it exists, Foothills Road lacks the amenities required to support the development potential envisioned for the Area. This project begins to add the infrastructure that is expected in high quality mixed-use developments.*

***B. Foothills Road Phase 1 Frontage Improvements (A Avenue To B Avenue)***

This project would build out permanent streetscape improvements on the east and west side of the Phase I section of Foothills Road, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

*Existing Conditions:*

*As it exists, Foothills Road lacks the amenities required to support the development potential envisioned for the Area. This project begins to add the infrastructure that is expected in high quality mixed-use developments.*

***C. Foothills Road Phase 2 Curb To Curb (B Avenue To Tax Lot 1700)***

This project would extend the Phase I Foothills Road project from B Avenue north to the southern property line of tax lot 1700 of tax map T2S R1E 02CB (TL 1700). The project includes infrastructure elements required to serve adjacent development, such as, water and wastewater lines, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

*Existing Conditions:*

*As it exists, Foothills Road lacks the amenities required to support the development potential envisioned for the Area. This project begins to add the infrastructure that is expected in high quality mixed-use developments.*

***D. Foothills Road Phase 2 Frontage Improvements (B Avenue To Tax Lot 1700)***

This project would build out permanent streetscape improvements on the east and west side of the Phase 2 section of Foothills Road, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

*Existing Conditions:*

*As it exists, Foothills Road lacks the amenities required to support the development potential envisioned for the Area. This project finishes adding to Foothills Road the infrastructure that is expected in high quality mixed-use developments.*

***E. North Portal – State Street/D Avenue and E Avenue***

This project is intended to provide an additional access to and from the Foothills Area in the location of the current public rail crossing on the east side of State Street between D and E Avenues. The project cost includes a rebuilt intersection at State Street, a new median and southbound left turn lane on State Street, and a new at-grade crossing of the Union Pacific Railroad (UPR) line. New rail safety and crossing improvements will be included as part of this project. The project will require acquisition of all, or a portion, of TL 1700. The cost estimate for this project assumes that the City will be able to acquire only what it needs for the roadway, or that if full acquisition is required, that the remainder property can be resold to a third party.

*Existing Conditions:*

*When more development occurs in the Area, there will be insufficient access to support the amount of traffic that will travel to and from the Area due to the fact that the Foothills Road and State Street intersection is the only access to the Area. The North Portal will add additional access, reduce the traffic burden placed on the State Street and Foothills Road intersection, and reduce congestion in downtown Lake Oswego.*

***F. B Avenue Phase 1 Curb To Curb***

This project is the first phase of the creation of a new B Avenue connection between downtown and the Willamette River, and stretches two blocks east from the intersection of Foothills Road. The project includes fill required to bring the street and adjacent development parcels out of the floodplain, infrastructure elements required to serve adjacent development, such as, water and wastewater lines, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

*Existing Conditions:*

*Inadequate connections throughout the Area currently inhibits development. Extending B Avenue from downtown to the Willamette River will provide proper access to parcels to facilitate development and make it easier for recreational users, visitors, and residents to enjoy the Area.*

### ***G. B Avenue Phase 1 Frontage Improvements***

This project would build out permanent streetscape improvements on the north and south sides of the Phase 1 section of B Avenue, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

#### *Existing Conditions:*

*Inadequate connections throughout the Area currently inhibits development. Extending B Avenue from downtown to the Willamette River will provide proper access to parcels to facilitate development and make it easier for recreational users, visitors, and residents to enjoy the Area.*

### ***H. B Avenue Phase 2 Curb-To-Curb***

This project completes a new B Avenue connection between downtown and the Willamette River, constructing the last block of B Avenue leading to Foothills Park. The project includes fill required to bring the street and adjacent development parcels out of the floodplain, infrastructure elements required to serve adjacent development, such as, water and wastewater lines, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

#### *Existing Conditions:*

*Inadequate connections throughout the Area inhibits redevelopment. Extending B Avenue from downtown to the river will provide safe and efficient access to parcels to facilitate development and make it easier for recreational users, visitors, and residents to enjoy the Area.*

### ***I. B Avenue Phase 2 Frontage Improvements***

This project would build out permanent streetscape improvements on the north and south side of the Phase 2 section of B Avenue, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

#### *Existing Conditions:*

*Inadequate connections throughout the Area currently inhibits development. Extending B Avenue from downtown to the river will provide proper access to parcels to facilitate*

*development and make it easier for recreational users, visitors, and residents to enjoy the Area.*

### ***J. B Avenue Plaza At Park***

At the eastern terminus of B Avenue, a new plaza is proposed to serve as a transition to Foothills Park and an urban gathering space for adjacent neighbors. The project would include a new paved plaza, street furnishings, and grade transitions (stairs and ramps) from the higher elevation of B Avenue. The project would be built concurrent with the B Avenue Phase 2 Curb to Curb project.

*Existing Conditions:*

*Inadequate connections throughout the Area currently inhibit development. This new park will help create a recreational connection between downtown Lake Oswego, development in the Area, and the waterfront parks. The park will enhance the appeal of the Area and will help attract businesses, visitors, and residents.*

### ***K. B Avenue Plaza At Park Upgrades***

In order to provide a higher level of finish for the B Avenue Plaza public space, consistent with the City's design standards and expectations, an allowance for upgrades to the B Avenue Plaza has been identified. This allowance can be used to improve the quality of materials, street furnishings, and landscaping.

*Existing Conditions:*

*Inadequate connections throughout the Area currently inhibit development. These upgrades will enhance the recreational connection between downtown Lake Oswego, development in the Area, and the waterfront parks. These upgrades will further boost the appeal of the Area and will help attract businesses, visitors, and residents.*

### ***L. Relocate Storm Sewer and Storm Transmission Mains***

A number of regional storm and sanitary facilities in the Area currently traverse private property, restricting development potential. This project relocates these regional facilities into public rights-of-way in the Area, and can be divided into two phased components, to be constructed concurrently with other phased street construction and development activity in the Area.

*Existing Conditions:*

*The alignment of some sanitary and storm water infrastructure currently inhibits development in the Area. This project will relocate these pieces of infrastructure, making way for development and improving the provision of sanitary and stormwater services to the Area.*

### ***M. Rebuild Foothills Lift Station and Pressure Mains***

An existing at-capacity lift station will be rebuilt and relocated to serve new development in the northern portion of the Area. When complete, this lift station will have adequate capacity to serve both existing and new development, and will be located away from the primary pedestrian areas of the Area

#### *Existing Conditions:*

*The alignment of some sanitary and stormwater infrastructure currently inhibits development in the Area. This project will relocate these pieces of infrastructure, making way for development and improving the provision of wastewater and stormwater services to the Area.*

### ***N. Willamette Steps***

This significant project provides the primary pedestrian connection between Downtown Lake Oswego and the Area. The project includes new steps within an 80 foot right-of-way, beginning on the east side of State Street, crossing the UPR tracks at grade, and continuing down steps to the Foothills Road/B Avenue intersection. Americans with Disabilities Act (ADA) access will take place on a ramp system to the south of the steps, including a pathway connection leading to the Oswego Pointe Drive/Foothills Road intersection; permanent ADA access will be provided by a public elevator incorporated within the proposed development north of the steps.

#### *Existing Conditions:*

*There is no adequate pedestrian connection from downtown Lake Oswego to the Area. Currently, downtown Lake Oswego pedestrians must either illegally cross railroad tracks, or travel south to the State Street and Foothills Road intersection, to access the Area. This project will create a connection that will provide for pedestrians to enjoyably, directly, and safely travel from downtown Lake Oswego, through the Area, and to the waterfront.*

### ***O. Willamette Steps Upgrades***

This project is an allowance for upgrades to the Steps, in order to provide a higher level of finish consistent with the City's design standards and expectations . This allowance can be used to improve the quality of materials, wall finishes, lighting, street furnishings, and landscaping.

*Existing Conditions:*

*This project will ensure that the Willamette Steps maintain the same high-quality amenities as other parks and connections in the surrounding areas.*

#### ***P. Phase 2a - South Blocks (including Foothills Road at State Street)***

This project includes the extension of Foothills Road south from its Phase I terminus at Oswego Point Drive to the Foothills Road intersection with State Street, and the extension of the east/west street leading from the Foothills Road/State Street intersection east into the Oswego Point Apartments property. The project is intended to be constructed concurrent with adjacent development, and includes curb to curb street improvements, infrastructure improvements for serving adjacent development, stormwater management facilities (including stormwater planters), street lighting, landscaping, and permanent pedestrian improvements. The project may be broken into phases depending on the progression of redevelopment on adjacent parcels.

*Existing Conditions:*

*Inadequate access, connections, and infrastructure throughout the Area currently inhibit development. This project will upgrade this roadway so adjacent development can occur.*

#### ***Q. A Avenue Steps***

This project will provide pedestrian access to and from the Foothills Area from the State Street/A Avenue intersection. The project would require the acquisition of some or all of the property just east of the A Avenue intersection, new stairs, pathways, disabled access down to Foothills Road, and a new pedestrian crossing of the UPR line, similar to the Millennium Plaza crossing.

*Existing Conditions:*

*Inadequate access and connections throughout the Area currently inhibit development by restricting pedestrian access to and from the Area. An additional pedestrian access point will facilitate the flow of people between downtown Lake Oswego and development in the Area.*

#### ***R. Floodplain Mitigation***

Development in the 100 year floodplain will likely require mitigation in the form of balanced cut and fill, which will result in no net loss of floodplain volume or capacity. The mitigation project is anticipated to be developed at Tryon Cove Park and along the Willamette River adjacent to the Tryon Creek Wastewater Treatment Plant. The project cost estimate has been based on similar mitigation projects in the Willamette watershed, which include the creation of floodplain storage, establishment and restoration of riparian habitat, and federal permitting.

*Existing Conditions:*

*Some of the Area is currently in the floodplain. Development in the Area will trigger floodplain mitigation requirements.*

### ***S. State Street Streetscape***

The Foothills Framework Plan recommends new streetscape improvements for the east side of State Street between Foothills Road and B Avenue. The project includes widened sidewalks, landscaping and street trees, street furnishings, and locations for public art and a Downtown/Foothills Area identity feature.

*Existing Conditions:*

*State Street is one of the main transportation corridors in downtown Lake Oswego, and the streetscaping on the east side of State Street is not up to the standards of the rest of downtown Lake Oswego or of development that will occur in the Area. This project will ensure continuous, high-quality, connections between and throughout downtown Lake Oswego and the Area.*

### ***T. Affordable Housing***

This project will assist with financing of affordable housing delivered by private and/or non-profit developers. Assistance would be provided for affordable housing opportunities that are consistent with the Lake Oswego Comprehensive Plan and other City of Lake Oswego-adopted housing policies. This project would contribute toward the Foothills Framework Plan vision by providing a broader mix of housing options for those living and working in Lake Oswego.

*Existing Conditions:*

*There is currently no affordable housing in the Area. This project help work toward the Foothills Framework Plan vision by enabling a wider range of people to locate in the Area.*

### ***U. Administration/Relocation/Repayment of Planning Costs***

This project provides for the administration of the urban renewal area by the City of Lake Oswego. It also allows for funding to relocate existing businesses and the repayment of planning costs to the City of Lake Oswego.

*Existing Conditions:*

*There is currently no funding source dedicated to pay or repay these costs.*

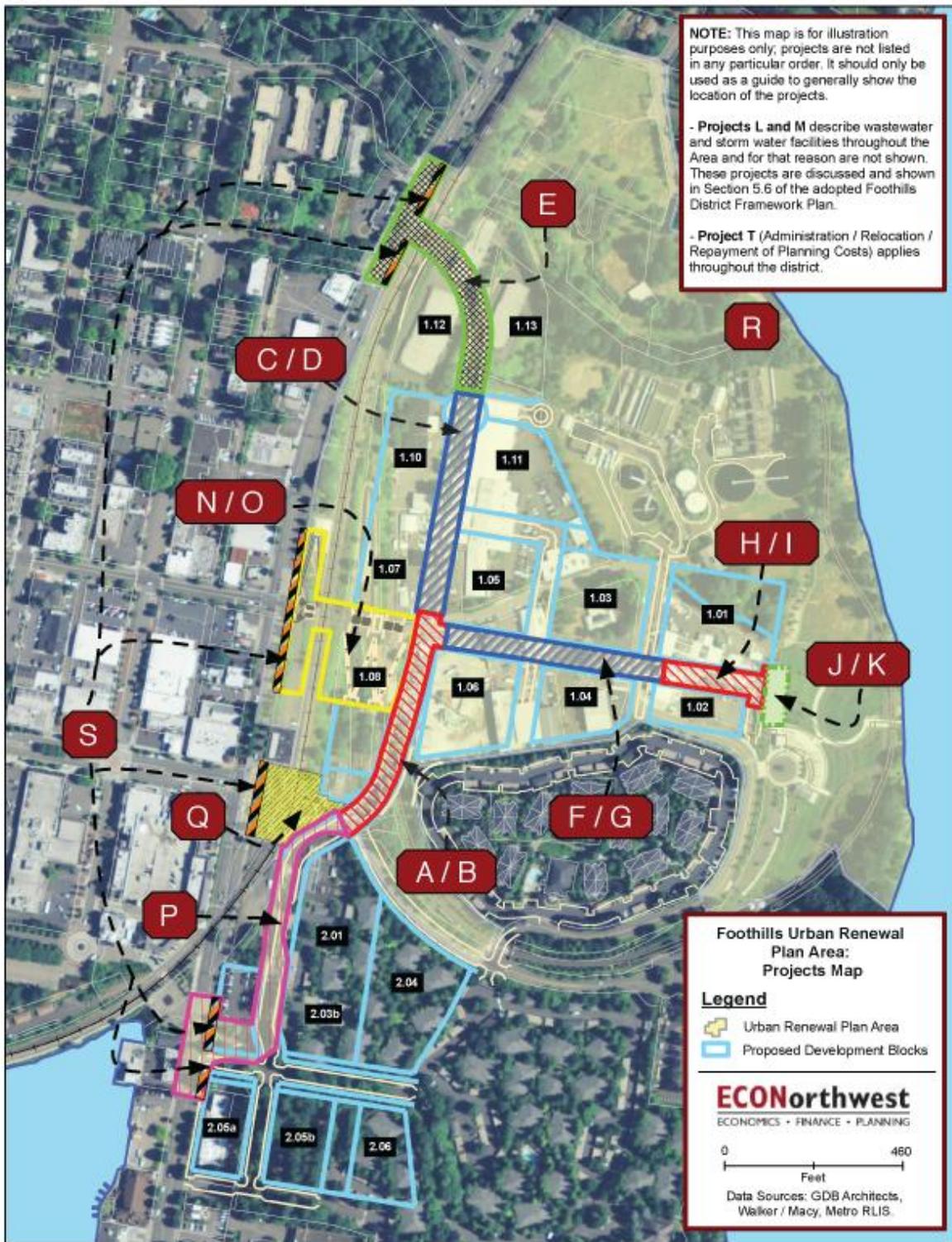
## **V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS**

---

The total project cost as identified in the Foothills District Framework Plan, the project cost accounting for inflation, the tax increment portion of the project costs and the anticipated other sources of revenues are shown in Table 5. The sources of funds for the project costs are tax increment revenues (TIF) and a variety of other funding sources as identified by the City of Lake Oswego (City). The “other” sources include systems development charges, general obligation bonds, street fund contribution, general fund contributions, local improvement district(s), developer contributions or other sources identified by the City.

The projects are anticipated to be constructed according to the schedule shown in Table 6. The project locations can be seen on Figure 3.

Figure 3 - Project Locations



**Table 5 – Estimated Cost of Projects and Sources of Moneys**

Project Description		Nominal Dollars				Constant	
		TIF	Trans. SDC	Parks SDC	Utility Rev.	2012 \$	
					Total	Total	
A	Foothills Road Phase I Curb to Curb (A to B)	\$2,528,000	\$90,000	\$0	\$0	\$2,618,000	\$2,375,000
B	Foothills Road Phase I Frontage Improvements (A to B)	\$0	\$514,000	\$0	\$0	\$514,000	\$415,000
C	Foothills Road Phase II Curb to Curb (B to Tax Lot 1700)	\$995,000	\$995,000	\$0	\$0	\$1,990,000	\$1,353,000
D	Foothills Road Phase II Frontage Improvements (B to Tax Lot 1700)	\$179,000	\$179,000	\$0	\$0	\$358,000	\$233,000
E	North Portal - D/E	\$1,490,000	\$1,023,000	\$0	\$0	\$2,513,000	\$1,629,000
F	B Avenue Phase 1 Curb to Curb	\$2,331,000	\$90,000	\$0	\$0	\$2,421,000	\$2,197,000
G	B Avenue Phase 1 Frontage Improvements	\$0	\$842,000	\$0	\$0	\$842,000	\$694,000
H	B Avenue Phase 2 Curb-to-Curb	\$1,621,000	\$0	\$0	\$0	\$1,621,000	\$1,184,000
I	B Avenue Phase 2 Frontage Improvements	\$612,000	\$0	\$0	\$0	\$612,000	\$442,000
J	B Avenue Plaza at Park	\$263,000	\$0	\$263,000	\$0	\$526,000	\$385,000
K	B Avenue Plaza at Park Upgrades	\$103,000	\$0	\$103,000	\$0	\$206,000	\$150,000
L	Relocate SS and Storm Transmission Mains	\$1,393,000	\$0	\$0	\$1,393,000	\$2,786,000	\$2,140,000
M	Rebuild Foothills Lift Station and Pressure Mains	\$388,000	\$0	\$0	\$388,000	\$776,000	\$705,000
N	Willamette Steps	\$534,000	\$0	\$1,245,000	\$0	\$1,779,000	\$1,382,000
O	Willamette Steps Upgrades	\$292,000	\$0	\$681,000	\$0	\$973,000	\$750,000
P	Phase 2a - South Blocks (Foothills Rd from State St to Oswego Point Dr)	\$1,239,000	\$1,239,000	\$0	\$0	\$2,478,000	\$1,706,000
Q	A Avenue Steps	\$4,802,000	\$0	\$650,000	\$0	\$5,452,000	\$3,740,000
R	Floodplain Mitigation	\$4,260,000	\$0	\$2,412,000	\$0	\$6,672,000	\$4,900,000
S	State Street Streetscape	\$3,132,000	\$0	\$0	\$0	\$3,132,000	\$2,023,000
T	Affordable Housing	\$8,817,000	\$0	\$0	\$0	\$8,817,000	\$6,500,000
U	Administration / Relocation / Repayment of Planning Costs / Financing	\$8,221,000	\$0	\$0	\$0	\$8,218,000	\$6,410,000
<b>Total</b>		<b>\$43,200,000</b>	<b>\$4,972,000</b>	<b>\$5,354,000</b>	<b>\$1,781,000</b>	<b>\$55,304,000</b>	<b>\$41,313,000</b>

Source: City of Lake Oswego and ECONorthwest, rounded totals  
 All costs include only local share, and exclude State/Federal grants and private contributions

## VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The project schedule is shown in Table 6. The projects will be ongoing and will be completed as directed by the Lake Oswego Redevelopment Agency (LORA). The anticipated construction start dates are shown below, with completion depending on project specifics identified at the time of construction. All projects are anticipated to be completed by FY 2027-28. The Area will continue to collect tax increment revenues through FY 2034-35.

**Table 6 – Anticipated Completion Dates**

Project Name	Anticipated Beginning Date	Anticipated Completion Date
A Foothills Road Phase I Curb to Curb (A to B)	2014	2016
B Foothills Road Phase I Frontage Improvements (A to B)	2017	2019
C Foothills Road Phase II Curb to Curb (B to Tax Lot 1700)	2022	2025
D Foothills Road Phase II Frontage Improvements (B to Tax Lot 1700)	2023	2027
E North Portal - D/E	2024	2026
F B Avenue Phase 1 Curb to Curb	2014	2016
G B Avenue Phase 1 Frontage Improvements	2015	2020
H B Avenue Phase 2 Curb-to-Curb	2020	2022
I B Avenue Phase 2 Frontage Improvements	2020	2023
J B Avenue Plaza at Park	2020	2022
K B Avenue Plaza at Park Upgrades	2021	2022
L Relocate SS and Storm Transmission Mains	2014	2024
M Rebuild Foothills Lift Station and Pressure Mains	2014	2016
N Willamette Steps	2018	2020
O Willamette Steps Upgrades	2019	2020
P Phase 2a - South Blocks (Foothills Rd from State St to Oswego Point Dr)	2022	2024
Q A Avenue Steps	2022	2024
R Floodplain Mitigation	2017	2024
S State Street Streetscape	2018	2028
T Affordable Housing	2017	2025
U Administration / Relocation / Repayment of Planning Costs / Financing	Ongoing	Ongoing

Source: ECONorthwest, City of Lake Oswego, dependent on financing plan modeled by the City

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

Tables 7 and 8 show how the tax increment revenues and other resources will be used to fund projects and debt service. Table 7 shows the Debt Service Fund, including annual TIF revenues and anticipated debt service payments. It is anticipated that TIF revenues each year will achieve a minimum coverage ratio of 1.5 times debt service. It is anticipated that all debt will be retired by the end of FY 2034-35. The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$43,200,000 is \$72,000,000 (nominal dollars).

**Table 7 – Debt Service Fund**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TIF Revenue	-	-	\$5,003	\$10,121	\$636,409	\$974,339	\$1,538,972	\$2,250,652	\$2,841,620	\$3,177,604	\$3,856,000	\$4,506,174
<b>Debt Service</b>												
Interim Loan	-	-	-	-	\$7,900,000	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	\$422,500	\$536,500	\$11,266,500	-	\$997,500	-	-	-
Bonds - Series A	-	-	-	-	-	-	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191
Bonds - Series B	-	-	-	-	-	-	-	-	\$665,724	\$665,724	\$665,724	\$665,724
Bonds - Series C	-	-	-	-	-	-	-	-	-	-	-	\$843,678
Bonds - Series D	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	-	-	-	-	\$8,322,500	\$536,500	\$12,290,691	\$1,024,191	\$2,687,415	\$1,689,915	\$1,689,915	\$2,533,593
Coverage Ratio	1.00	1.00	1.00	1.00	1.51	1.82	1.50	2.20	1.68	1.88	2.28	1.78
<b>TIF Revenue After D/S</b>												
Annual	-	-	\$5,003	\$10,121	\$213,909	\$437,839	\$514,781	\$1,226,461	\$1,151,705	\$1,487,689	\$2,166,085	\$1,972,581
Cumulative	-	-	\$5,003	\$15,124	\$229,033	\$666,872	\$1,181,653	\$2,408,114	\$3,559,819	\$5,047,508	\$7,213,593	\$9,186,174

Source: ECONorthwest

**Table 7 – Debt Service Fund, continued**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TIF Revenue	\$4,506,946	\$4,566,471	\$4,694,295	\$4,739,078	\$4,785,204	\$4,832,714	\$4,881,649	\$4,932,052	\$4,983,968	\$5,037,441	\$4,209,333
<b>Debt Service</b>											
Interim Loan	-	-	-	-	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-	-	-	-	-	-
Bonds - Series A	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191	\$1,024,191	\$9,217,719
Bonds - Series B	\$665,724	\$665,724	\$665,724	\$665,724	\$665,724	\$665,724	\$665,724	\$665,724	\$665,724	\$665,724	\$7,322,964
Bonds - Series C	\$843,678	\$843,678	\$843,678	\$843,678	\$843,678	\$843,678	\$843,678	\$843,678	\$843,678	\$843,678	\$11,811,492
Bonds - Series D	-	\$383,361	\$383,361	\$383,361	\$383,361	\$383,361	\$383,361	\$383,361	\$383,361	\$383,361	\$4,216,971
<b>Total Debt Service</b>	<b>\$2,533,593</b>	<b>\$2,916,954</b>	<b>\$32,569,146</b>								
Coverage Ratio	1.78	1.57	1.61	1.62	1.64	1.66	1.67	1.69	1.71	1.73	1.44
<b>TIF Revenue After D/S</b>											
Annual	\$1,973,353	\$1,649,517	\$1,777,341	\$1,822,124	\$1,868,250	\$1,915,760	\$1,964,695	\$2,015,098	\$2,067,014	\$2,120,487	\$1,292,379
Cumulative	\$11,159,527	\$12,809,044	\$14,586,385	\$16,408,509	\$18,276,759	\$20,192,519	\$22,157,214	\$24,172,312	\$26,239,326	\$28,359,813	-

Source: ECONorthwest

Notes: Interim loan assumes 10% interest on indebtedness incurred from FY 2012-13 to FY 2015-16; bank loan assumes 5% interest-only payments until refinanced with bonds; bonds assume 4% interest and 25-year term.

Table 8 shows proceeds from loans and bonds backed by tax increment revenues, as well as system development charges and utility revenues that will be allocated to projects in the District. The final expenditures on projects is anticipated to occur in FY 2027-28. As shown on Table 7, debt service is projected until 2035.

**Table 8 – Capital Projects Fund**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>RESOURCES</b>												
Beginning Fund Balance	-	-	\$4,500	\$3,399	\$1,073	\$177,907	\$2,118	\$1,910,906	\$17,621	\$6,650,244	\$2,480,529	\$30,089
Interim Loan	\$255,000	\$365,000	\$1,250,000	\$5,025,000	-	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	\$8,450,000	\$2,280,000	-	\$950,000	-	-	-	-
Bonds	-	-	-	-	-	-	\$16,000,000	-	\$10,400,000	-	-	\$13,180,000
Transportation SDCs	-	-	-	\$254,446	\$357,130	\$475,488	\$296,509	\$587,424	\$226,730	\$648,184	\$573,099	\$541,461
Parks SDCs	-	-	-	-	-	-	\$241,246	\$2,819,396	\$51,424	\$315,068	-	\$1,927,325
Other Utility Revenues	-	-	\$131,706	\$654,316	-	-	-	-	\$163,354	\$403,818	-	\$428,411
<b>Total Resources</b>	<b>\$255,000</b>	<b>\$365,000</b>	<b>\$1,386,206</b>	<b>\$5,937,161</b>	<b>\$8,808,203</b>	<b>\$2,933,395</b>	<b>\$16,539,872</b>	<b>\$6,267,727</b>	<b>\$10,859,128</b>	<b>\$8,017,314</b>	<b>\$3,053,628</b>	<b>\$16,107,286</b>
<b>EXPENDITURES</b>												
Foothills Road Phase I Curb to Curb (A to B)	-	-	\$438,651	\$2,179,234	-	-	-	-	-	-	-	-
Foothills Road Phase I Frontage Improvements (A to B)	-	-	-	-	-	\$85,852	\$428,585	-	-	-	-	-
Foothills Road Phase II Curb to Curb (B to Tax Lot 1700)	-	-	-	-	-	-	-	-	-	-	\$330,571	\$817,162
Foothills Road Phase II Frontage Improvements (B to Tax Lot 1700)	-	-	-	-	-	-	-	-	-	-	-	\$58,593
North Portal - D/E	-	-	-	-	-	-	-	-	-	-	-	-
B Avenue Phase 1 Curb to Curb	-	-	\$405,745	\$2,015,755	-	-	-	-	-	-	-	-
B Avenue Phase 1 Frontage Improvements	-	-	-	\$73,967	\$180,771	\$187,998	\$195,524	\$203,348	-	-	-	-
B Avenue Phase 2 Curb-to-Curb	-	-	-	-	-	-	-	-	\$272,779	\$1,348,641	-	-
B Avenue Phase 2 Frontage Improvements	-	-	-	-	-	-	-	-	\$65,482	\$378,904	\$167,261	-
B Avenue Plaza at Park	-	-	-	-	-	-	-	-	\$102,847	\$423,736	-	-
B Avenue Plaza at Park Upgrades	-	-	-	-	-	-	-	-	-	\$206,400	-	-
Relocate SS and Storm Transmission Mains	-	-	\$133,226	\$661,871	-	-	-	-	\$326,708	\$807,636	-	\$856,822
Rebuild Foothills Lift Station and Pressure Mains	-	-	\$130,185	\$646,761	-	-	-	-	-	-	-	-
Willamette Steps	-	-	-	-	-	-	\$344,637	\$1,433,709	-	-	-	-
Willamette Steps Upgrades	-	-	-	-	-	-	-	\$972,750	-	-	-	-
Phase 2a - South Blocks (Foothills Rd from State St to Oswego Point Dr)	-	-	-	-	-	-	-	-	-	-	\$416,804	\$2,060,648
A Avenue Steps	-	-	-	-	-	-	-	-	-	-	\$233,181	\$5,219,249
Floodplain Mitigation	-	-	-	-	-	\$419,685	\$436,485	\$2,269,750	-	-	\$992,110	\$2,554,650
State Street Streetscape	-	-	-	-	-	-	\$108,758	\$542,931	-	-	-	-
Affordable Housing	-	-	-	-	-	\$1,918,560	-	-	\$1,937,055	\$2,064,000	-	\$1,167,840
Administration / Relocation / Repayment of Planning Costs / Financing	\$255,000	\$360,500	\$275,000	\$358,500	\$549,525	\$319,182	\$1,848,477	\$827,618	\$506,513	\$307,468	\$883,612	\$590,193
Refinancing Existing Debt	-	-	-	-	\$7,900,000	-	\$11,266,500	-	\$997,500	-	-	-
<b>Total Expenditures</b>	<b>\$255,000</b>	<b>\$360,500</b>	<b>\$1,382,807</b>	<b>\$5,936,088</b>	<b>\$8,630,296</b>	<b>\$2,931,277</b>	<b>\$14,628,966</b>	<b>\$6,250,106</b>	<b>\$4,208,884</b>	<b>\$5,536,785</b>	<b>\$3,023,539</b>	<b>\$13,325,157</b>
<i>Ending Fund Balance</i>	-	\$4,500	\$3,399	\$1,073	\$177,907	\$2,118	\$1,910,906	\$17,621	\$6,650,244	\$2,480,529	\$30,089	\$2,782,129

Source: ECONorthwest

**Table 8 – Capital Projects Fund, continued**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>RESOURCES</b>											
Beginning Fund Balance	\$2,782,129	\$8,200	\$2,956,516	\$2,066,235	\$2,805	\$2,805	\$2,805	\$2,805	\$2,805	\$2,805	\$2,805
Interim Loan	-	-	-	-	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-	-	-	-	-	-
Bonds	-	\$5,210,000	-	-	-	-	-	-	-	-	-
Transportation SDCs	\$475,430	\$536,795	-	-	-	-	-	-	-	-	-
Parks SDCs	-	-	-	-	-	-	-	-	-	-	-
Other Utility Revenues	-	-	-	-	-	-	-	-	-	-	-
<b>Total Resources</b>	<b>\$3,257,559</b>	<b>\$5,754,995</b>	<b>\$2,956,516</b>	<b>\$2,066,235</b>	<b>\$2,805</b>						
<b>EXPENDITURES</b>											
Foothills Road Phase I Curb to Curb (A to B)	-	-	-	-	-	-	-	-	-	-	-
Foothills Road Phase I Frontage Improvements (A to B)	-	-	-	-	-	-	-	-	-	-	-
Foothills Road Phase II Curb to Curb (B to Tax Lot 1700)	\$841,681	-	-	-	-	-	-	-	-	-	-
Foothills Road Phase II Frontage Improvements (B to Tax Lot 1700)	\$57,937	\$119,349	\$122,932	-	-	-	-	-	-	-	-
North Portal - D/E	\$284,622	\$2,229,072	-	-	-	-	-	-	-	-	-
B Avenue Phase 1 Curb to Curb	-	-	-	-	-	-	-	-	-	-	-
B Avenue Phase 1 Frontage Improvements	-	-	-	-	-	-	-	-	-	-	-
B Avenue Phase 2 Curb-to-Curb	-	-	-	-	-	-	-	-	-	-	-
B Avenue Phase 2 Frontage Improvements	-	-	-	-	-	-	-	-	-	-	-
B Avenue Plaza at Park	-	-	-	-	-	-	-	-	-	-	-
B Avenue Plaza at Park Upgrades	-	-	-	-	-	-	-	-	-	-	-
Relocate SS and Storm Transmission Mains	-	-	-	-	-	-	-	-	-	-	-
Rebuild Foothills Lift Station and Pressure Mains	-	-	-	-	-	-	-	-	-	-	-
Willamette Steps	-	-	-	-	-	-	-	-	-	-	-
Willamette Steps Upgrades	-	-	-	-	-	-	-	-	-	-	-
Phase 2a - South Blocks (Foothills Rd from State St to Oswego Point Dr)	-	-	-	-	-	-	-	-	-	-	-
A Avenue Steps	-	-	-	-	-	-	-	-	-	-	-
Floodplain Mitigation	-	-	-	-	-	-	-	-	-	-	-
State Street Streetscape	-	-	\$417,349	\$2,063,430	-	-	-	-	-	-	-
Affordable Housing	\$1,729,140	-	-	-	-	-	-	-	-	-	-
Administration / Relocation / Repayment of Planning Costs / Financing	\$335,979	\$450,058	\$350,000	-	-	-	-	-	-	-	-
Refinancing Existing Debt	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$3,249,359</b>	<b>\$2,798,479</b>	<b>\$890,281</b>	<b>\$2,063,430</b>	<b>-</b>						
<i>Ending Fund Balance</i>	<i>\$8,200</i>	<i>\$2,956,516</i>	<i>\$2,066,235</i>	<i>\$2,805</i>	<i>\$2,805</i>	<i>\$2,805</i>	<i>\$2,805</i>	<i>\$2,805</i>	<i>\$2,805</i>	<i>\$2,805</i>	<i>\$2,805</i>

Report Accompanying Foothills Urban Renewal Plan



## VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2034-35, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. Table 9 shows the estimated assessed values of the Area and the growth assumptions for projecting those values.

The assumptions include projected new assessed value of \$385,061,147 from projected development projects. This development is shown in Table 10 and in the Assessed Value estimated in Table 9.

**Table 9 – Assessed Value Estimates**

FYE	Real	Personal	Utility	Total	Percent Growth
2013	\$10,893,157	\$625,422	\$165,651	\$11,684,230	
2014	\$11,002,089	\$631,676	\$167,308	\$11,801,073	1.0%
2015	\$11,222,131	\$644,310	\$170,654	\$12,037,095	2.0%
2016	\$11,558,795	\$663,639	\$175,774	\$12,398,208	3.0%
2017	\$55,724,133	\$683,548	\$181,047	\$56,588,728	356.4%
2018	\$79,558,755	\$704,054	\$186,478	\$80,449,287	42.2%
2019	\$119,380,866	\$725,176	\$192,072	\$120,298,114	49.5%
2020	\$169,582,842	\$746,931	\$197,834	\$170,527,607	41.8%
2021	\$212,198,702	\$769,339	\$203,769	\$213,171,810	25.0%
2022	\$235,962,409	\$792,419	\$209,882	\$236,964,710	11.2%
2023	\$283,997,133	\$816,192	\$216,178	\$285,029,503	20.3%
2024	\$330,003,835	\$840,678	\$222,663	\$331,067,176	16.2%
2025	\$369,736,384	\$865,898	\$229,343	\$370,831,625	12.0%
2026	\$405,230,369	\$891,875	\$236,223	\$406,358,467	9.6%
2027	\$452,312,094	\$918,631	\$243,310	\$453,474,035	11.6%
2028	\$465,881,457	\$946,190	\$250,609	\$467,078,256	3.0%
2029	\$479,857,901	\$974,576	\$258,127	\$481,090,604	3.0%
2030	\$494,253,638	\$1,003,813	\$265,871	\$495,523,322	3.0%
2031	\$509,081,247	\$1,033,927	\$273,847	\$510,389,021	3.0%
2032	\$524,353,684	\$1,064,945	\$282,062	\$525,700,691	3.0%
2033	\$540,084,295	\$1,096,893	\$290,524	\$541,471,712	3.0%
2034	\$556,286,824	\$1,129,800	\$299,240	\$557,715,864	3.0%
2035	\$572,975,429	\$1,163,694	\$308,217	\$574,447,340	3.0%

Source: ECONorthwest

**Table 10 – Projected Development in the Area**

Year Built	First Year on Tax Roll (FYE)	Assessed Value			
		Condo	Senior Housing	Apartments	Total
2013	2015				\$0
2014	2016				\$0
2015	2017			\$44,794,220	\$44,794,220
2016	2018			\$23,167,813	\$23,167,813
2017	2019		\$38,470,411		\$38,470,411
2018	2020			\$47,686,665	\$47,686,665
2019	2021	\$38,626,473			\$38,626,473
2020	2022		\$18,528,787		\$18,528,787
2021	2023			\$42,120,824	\$42,120,824
2022	2024			\$38,686,710	\$38,686,710
2023	2025			\$31,068,353	\$31,068,353
2024	2026			\$25,674,890	\$25,674,890
2025	2027	\$36,236,001			\$36,236,001
2026	2028				\$0
2027	2029				\$0
2028	2030				\$0
2029	2031				\$0
2030	2032				\$0
2031	2033				\$0
2032	2034				\$0
2033	2035				\$0
	<b>Total</b>	<b>\$74,862,474</b>	<b>\$56,999,198</b>	<b>\$253,199,475</b>	<b>\$385,061,147</b>

Source: ECONorthwest

Table 11 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 7. These projections include a potential of shared revenue with impacted taxing jurisdictions starting in FY 2024-25. Approximately \$17.5 million will be shared with taxing jurisdictions over the life of the Plan. For more information on this, see Section IX of this Report on Impacts on Taxing Jurisdictions. The tax rate varies because of impacts from general obligation bond rates (for bonds approved prior to Oct. 6, 2001).

Tables 10 and 11 show that the Plan is feasible.

**Table 11 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues and Revenue Sharing**

FYE	Increment	Levy Rate	TIF Collected		
			to URA	Shared	Total
2013	\$0	14.2859	\$0	\$0	\$0
2014	\$0	14.1830	\$0	\$0	\$0
2015	\$352,865	14.1794	\$5,003	\$0	\$5,003
2016	\$713,978	14.1750	\$10,121	\$0	\$10,121
2017	\$44,904,498	14.1725	\$636,409	\$0	\$636,409
2018	\$68,765,057	14.1691	\$974,339	\$0	\$974,339
2019	\$108,613,884	14.1692	\$1,538,972	\$0	\$1,538,972
2020	\$158,843,377	14.1690	\$2,250,652	\$0	\$2,250,652
2021	\$201,487,580	14.1032	\$2,841,620	\$0	\$2,841,620
2022	\$225,280,480	14.1051	\$3,177,604	\$0	\$3,177,604
2023	\$273,345,273	14.1067	\$3,856,000	\$0	\$3,856,000
2024	\$319,382,946	14.1090	\$4,506,174	\$0	\$4,506,174
2025	\$359,147,395	14.1106	\$4,506,946	\$560,839	\$5,067,785
2026	\$394,674,237	13.4437	\$4,566,471	\$739,411	\$5,305,882
2027	\$441,789,805	13.1673	\$4,694,295	\$1,122,884	\$5,817,179
2028	\$455,394,026	13.1673	\$4,739,078	\$1,257,232	\$5,996,310
2029	\$469,406,374	13.1673	\$4,785,204	\$1,395,611	\$6,180,815
2030	\$483,839,092	13.1673	\$4,832,714	\$1,538,140	\$6,370,854
2031	\$498,704,791	13.1673	\$4,881,649	\$1,684,947	\$6,566,596
2032	\$514,016,461	13.1673	\$4,932,052	\$1,836,157	\$6,768,209
2033	\$529,787,482	13.1673	\$4,983,968	\$1,991,903	\$6,975,871
2034	\$546,031,634	13.1673	\$5,037,441	\$2,152,321	\$7,189,762
2035	\$562,763,110	13.1673	\$4,209,333	\$3,200,738	\$7,410,071
<b>Total</b>			<b>\$71,966,045</b>	<b>\$17,480,183</b>	<b>\$89,446,228</b>

Source: ECONorthwest

## IX. IMPACT OF THE TAX INCREMENT FINANCING

---

This section describes the impact of tax increment financing of the Plan, 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 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, and the shared property tax revenues generated on assessed value in the Area from new development that would not have occurred but for the Plan. These projections are for impacts estimated through FY 2034-35, and are shown in Tables 12 and 13.

To calculate the impact of the Plan on overlapping taxing districts, we first forecast property tax revenues that would accrue to taxing districts without the Plan, and then forecast property tax revenues that would accrue to taxing districts with the Plan. In both scenarios, taxes on the Frozen Base accrue to overlapping taxing districts as normal, so the real impact comes from future growth in assessed value.

Without urban renewal, the Area is not anticipated to experience any redevelopment, as the conditions of blight in the Area are too significant to be overcome by private development. Thus, growth in assessed value would be limited to annual appreciation on the frozen base. With urban renewal, significant new development is anticipated (shown in Table 10). This development leads to significantly faster growth in assessed value, but the associated growth in property tax revenues from permanent tax rates would accrue to the urban renewal agency, and not to the overlapping taxing districts. This is the case until revenue sharing occurs, at which point, some of the tax increment finance revenues are shared with the overlapping taxing districts.

Table 12 shows the impact of the Plan on taxing districts. From 2013-14 to 2023-24 the Plan is anticipated to have negative annual impacts on property tax revenues from permanent tax rates for all overlapping jurisdictions, as these jurisdictions miss out on the growth in assessed value that would have happened in the area without urban renewal investment. In fact, these losses continue throughout the duration of the Plan (anticipated to end in 2034-35), but starting in 2024-25, these losses are counteracted by revenue sharing.

In FY 2023-24, the Area's TIF revenue is projected to meet the 10% of initial maximum indebtedness trigger stated in the ORS statutes (10% of \$43,200,000 is \$4,320,000). Beginning in the year following the year that 10% limit is reached, the affected taxing jurisdictions will begin receiving a portion of the TIF revenues (Revenue Sharing). The Agency will notify the Assessor to initiate Revenue Sharing once this threshold is met. The Foothills Urban Renewal Plan is different from many urban renewal plans in that the revenue sharing trigger is met much sooner in the life of the Plan and will provide revenue to the taxing districts much earlier in the Plan than a typical urban renewal area. Anticipated Revenue sharing is shown in Table 11.

Revenue sharing results in approximately \$17.5 million in positive impacts for overlapping taxing districts over the life of the Plan. By comparison, the negative impact from appreciation on the frozen base that accrues to the urban renewal agency amounts to \$1.2 million over the life of

the Plan. Therefore the total net impact over the life of the plan is positive \$16.3 million over the life of the Plan.

The impacts of the Plan on the Lake Oswego School District (LOSD) and Clackamas Education Service District (CESD) are not easily summarized, as Oregon K-12 school funding is determined under a statewide formula that seeks to equitably allocate funding to each district based primarily on enrollment. The impacts for these education districts shown in Tables 12 and 13 are more accurately categorized as impacts to resources for schools statewide. As this impact is shared with all other school districts statewide, the actual impact to LOSD and CESD funding is significantly less than their amounts summarized in Tables 12 and 13.

Statewide, local property tax revenues for K-12 education derived from permanent levy rates are combined with a fixed biennial allocation from the State's General Fund to effectively form a statewide pool of funds for K-12 public schools and education service districts called the State School Fund (SSF). Allocations from the SSF to individual districts are calculated primarily on a per-student basis, with adjustments for certain demographic and socio-economic factors and costs of transportation, among other things. Thus, the impacts of the Plan on LOSD and CESD permanent rate property tax revenues shown in Table 12 would effectively be spread across all K-12 districts statewide. The final impact of the Plan specific to LOSD and CESD is equal to each district's respective share of SSF revenues, multiplied by the change in statewide revenues for K-12 education districts.

LOSD's current allocation of SSF is approximately 1.08%, and CESD's is 3.39%. Applying these percentages to the projected impacts as summarized on Table 12, we find the cumulative impact over the life of the Plan would be positive and approximately \$59,900 for LOSD and \$15,500 for CESD (nominal dollars, unadjusted for inflation) from Table 12. When these figures are adjusted for inflation (assuming 3.0% per year) and divided by the expected length of the Plan, we find the average annual impact in constant 2012 dollars would be positive \$1,600 for LOSD and \$400 for CESD.

The Lake Oswego School District is presently experiencing impacts of compression on their local option levies. The Lake Oswego School District local option levies are not projected to experience additional losses because of this Plan. As market values increase, compression is less of a concern for all local governments.

New commercial and residential development in the Area will be subject to the construction excise taxes that are collected for the Lake Oswego School District. The projected revenues to the Lake Oswego School District as a result of new development in the Area are estimated to be \$1,000,000 over the life of the Plan.

Table 12 shows the projected impacts to permanent rate levies of taxing districts as a result of this Plan. The projections in the Total Impacts column do not exactly match the tax increment projections in Table 10 because in the years 2012-2026 there are GO bonds issued prior to 2001 that have an impact on the overall TIF revenue generation, but are an impact on the tax payer (see Table 14) not on the taxing jurisdictions.

**Table 12– Projected Impact on Taxing District Permanent Rate Levies**

FYE	Portland Comm. Col.	Clackamas ESD*	Lake Oswego Sch. Dist.*	City of Lake Oswego	Clackamas County	County Ext. & 4H	County Library	County Soil and Water	Port of Portland	Metro	Vector Control	Total
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$(84)	\$(109)	\$(1,326)	\$(1,474)	\$(713)	\$(15)	\$(118)	\$(15)	\$(21)	\$(29)	\$(2)	\$(3,906)
2016	\$(170)	\$(221)	\$(2,683)	\$(2,982)	\$(1,443)	\$(30)	\$(238)	\$(30)	\$(42)	\$(58)	\$(4)	\$(7,901)
2017	\$(258)	\$(336)	\$(4,080)	\$(4,536)	\$(2,194)	\$(46)	\$(363)	\$(46)	\$(64)	\$(88)	\$(6)	\$(12,017)
2018	\$(349)	\$(455)	\$(5,519)	\$(6,136)	\$(2,968)	\$(62)	\$(491)	\$(62)	\$(87)	\$(119)	\$(8)	\$(16,256)
2019	\$(443)	\$(577)	\$(7,002)	\$(7,784)	\$(3,765)	\$(78)	\$(622)	\$(78)	\$(110)	\$(151)	\$(10)	\$(20,620)
2020	\$(540)	\$(703)	\$(8,529)	\$(9,482)	\$(4,587)	\$(95)	\$(758)	\$(95)	\$(134)	\$(184)	\$(12)	\$(25,119)
2021	\$(639)	\$(833)	\$(10,102)	\$(11,231)	\$(5,433)	\$(113)	\$(898)	\$(113)	\$(158)	\$(218)	\$(15)	\$(29,753)
2022	\$(741)	\$(967)	\$(11,722)	\$(13,032)	\$(6,304)	\$(131)	\$(1,042)	\$(131)	\$(184)	\$(253)	\$(17)	\$(34,524)
2023	\$(847)	\$(1,104)	\$(13,391)	\$(14,887)	\$(7,201)	\$(150)	\$(1,190)	\$(150)	\$(210)	\$(289)	\$(19)	\$(39,438)
2024	\$(956)	\$(1,246)	\$(15,109)	\$(16,798)	\$(8,125)	\$(169)	\$(1,343)	\$(169)	\$(237)	\$(326)	\$(22)	\$(44,500)
2025	\$10,172	\$13,262	\$160,812	\$178,783	\$86,480	\$1,798	\$14,295	\$1,798	\$2,521	\$3,474	\$233	\$473,628
2026	\$14,371	\$18,737	\$227,188	\$252,576	\$122,174	\$2,541	\$20,194	\$2,541	\$3,563	\$4,909	\$331	\$669,125
2027	\$22,815	\$29,745	\$360,672	\$400,977	\$193,958	\$4,034	\$32,061	\$4,034	\$5,655	\$7,793	\$524	\$1,062,268
2028	\$25,578	\$33,347	\$404,353	\$449,539	\$217,448	\$4,522	\$35,943	\$4,522	\$6,340	\$8,737	\$588	\$1,190,917
2029	\$28,424	\$37,058	\$449,345	\$499,558	\$241,643	\$5,026	\$39,942	\$5,026	\$7,046	\$9,709	\$653	\$1,323,430
2030	\$31,355	\$40,880	\$495,685	\$551,078	\$266,564	\$5,544	\$44,061	\$5,544	\$7,773	\$10,710	\$720	\$1,459,914
2031	\$34,374	\$44,816	\$543,417	\$604,144	\$292,232	\$6,077	\$48,304	\$6,077	\$8,520	\$11,741	\$790	\$1,600,492
2032	\$37,484	\$48,871	\$592,580	\$658,801	\$318,670	\$6,627	\$52,675	\$6,627	\$9,291	\$12,804	\$861	\$1,745,291
2033	\$40,688	\$53,047	\$643,218	\$715,098	\$345,902	\$7,194	\$57,175	\$7,194	\$10,085	\$13,898	\$935	\$1,894,434
2034	\$43,986	\$57,348	\$695,375	\$773,083	\$373,950	\$7,777	\$61,812	\$7,777	\$10,904	\$15,025	\$1,011	\$2,048,048
2035	\$66,354	\$86,508	\$1,048,965	\$1,166,187	\$564,101	\$11,731	\$93,242	\$11,731	\$16,448	\$22,666	\$1,525	\$3,089,458
<b>Total</b>	<b>\$350,574</b>	<b>\$457,068</b>	<b>\$5,542,147</b>	<b>\$6,161,482</b>	<b>\$2,980,389</b>	<b>\$61,982</b>	<b>\$492,641</b>	<b>\$61,982</b>	<b>\$86,899</b>	<b>\$119,751</b>	<b>\$8,056</b>	<b>\$16,322,971</b>

Source: ECONorthwest\*

NOTE: Lake Oswego Schools and the Clackamas Education Service District are not directly impacted, as they are allocated funding through the State School Funding Formula that is based on per pupil counts.

Table 13 shows the tax revenues projected to be available to taxing jurisdictions once the Area is terminated. These are estimates only, and changes in the economy resulting in different assessed value may impact the projections made for the Area. The table depicts the taxes from the *frozen base of the Area that the taxing jurisdictions receive throughout the life of the Plan*, and the taxes estimated from the additional taxes which will be received by the taxing jurisdictions once the Plan is terminated, estimated to be in FY 2034-35. The final column estimates the total amount of taxes estimated for the year that the Plan is expected to be terminated.

**Table 13 – Additional Revenues Projected After Termination of Tax Increment Financing**

Tax Revenues FY 2035-36				
Taxing District	Tax Rate	From Frozen Base	From Increment Released	Total
Portland Community College	0.2828	\$3,304	\$164,023	\$167,327
Clackamas ESD*	0.3687	\$4,308	\$213,845	\$218,153
Lake Oswego Sch. Dist.*	4.4707	\$52,237	\$2,592,990	\$2,645,227
City of Lake Oswego	4.9703	\$58,074	\$2,882,757	\$2,940,831
Clackamas County	2.4042	\$28,091	\$1,394,428	\$1,422,519
County Extension & 4H	0.0500	\$584	\$29,000	\$29,584
County Library	0.3974	\$4,643	\$230,491	\$235,134
County Soil and Water	0.0500	\$584	\$29,000	\$29,584
Port of Portland	0.0701	\$819	\$40,658	\$41,477
Metro	0.0966	\$1,129	\$56,028	\$57,157
Vector Control	0.0065	\$76	\$3,770	\$3,846
<b>Total</b>	<b>13.1673</b>	<b>\$153,849</b>	<b>\$7,636,990</b>	<b>\$7,790,839</b>

Source: ECONorthwest

\*These will not be new direct revenues, due to State School Funding Formula.

Table 14 shows the projected impacts of bond rates on taxpayers as a result of this Plan. This impact is due to the spreading of pre-2001 GO Bond rates to taxpayers to equal the amount that would have been raised from properties in the urban renewal area. In other words, properties within the URA have some property tax revenues diverted from paying GO bonds that go to the urban renewal agency. However, jurisdictions still need to pay 100% of their scheduled debt service payment, so the GO bond tax rate is increased, causing taxpayers to contribute more property tax revenues to offset the loss of tax revenue. For new urban renewal areas, bonds and local option levies issued after 2001 are not impacted by urban renewal.

The last column of Table 14 show what these impacts would be for a property with an assessed value of \$250,000. The impact is negligible, increasing the tax bill on such a property by an average of \$0.06 per year.

**Table 14 – Projected Impact on Bonds**

FYE	Bond Rate			Impact on home with \$250,000 AV
	w/o UR	with UR	Difference	
2013	1.1186	1.1186	0.0000	\$0
2014	1.0157	1.0157	0.0000	\$0
2015	1.0121	1.0122	0.0001	\$0.02
2016	1.0077	1.0078	0.0001	\$0.02
2017	1.0052	1.0053	0.0001	\$0.02
2018	1.0018	1.0020	0.0002	\$0.05
2019	1.0019	1.0021	0.0002	\$0.05
2020	1.0017	1.0020	0.0003	\$0.07
2021	0.9359	0.9362	0.0003	\$0.08
2022	0.9378	0.9381	0.0003	\$0.08
2023	0.9394	0.9398	0.0004	\$0.10
2024	0.9417	0.9421	0.0004	\$0.10
2025	0.9433	0.9437	0.0004	\$0.10
2026	0.2764	0.2765	0.0001	\$0.03

Source: ECONorthwest

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

In cities with a population under 50,000, ORS 457.420 limits the amount of acreage and assessed value in an urban renewal area to 25% of the total acreage in the city and 25% of the assessed value, exclusive of urban renewal excess value. Lake Oswego has two existing urban renewal areas, The East End Redevelopment Area and the Lake Grove Village Center Urban Renewal Area, adopted in 2012. The table below projects the total acreages and assessed values for the East End Redevelopment Area, the Lake Grove Village Center Area and the Foothills Area. The Clackamas County Assessor will establish the frozen base for the Foothills Area once the Plan is approved. The projections below are estimates for the frozen base which were calculated from the Assessor’s records of assessed values in the Area.

**Table 15 –Urban Renewal Areas in Lake Oswego**

Urban Renewal Areas	Frozen Base Assessed Value	Acres
East End Redevelopment Area	\$45,832,170	156
Lake Grove Village Center Area	\$150,834,268	159.3
Foothills Area	\$11,684,230	57.9
Total	\$208,350,668	373.2
City of Lake Oswego Total Assessed Value	\$5,437,474,019*	7,168
% of Total	3.83%	5.21%

Source: City of Lake Oswego

\*Less Incremental Assessed Value in Urban Renewal Area

## XI. RELOCATION REPORT

There is no relocation anticipated due to this Plan. If any property acquisition under the Plan occurs requiring relocation of the occupants of the acquired property, LORA will follow applicable state and federal regulations to relocate such occupants.