

REPORT ACCOMPANYING LA PINE URBAN RENEWAL PLAN

Adopted by the City of La Pine

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La Pine Urban Renewal Area

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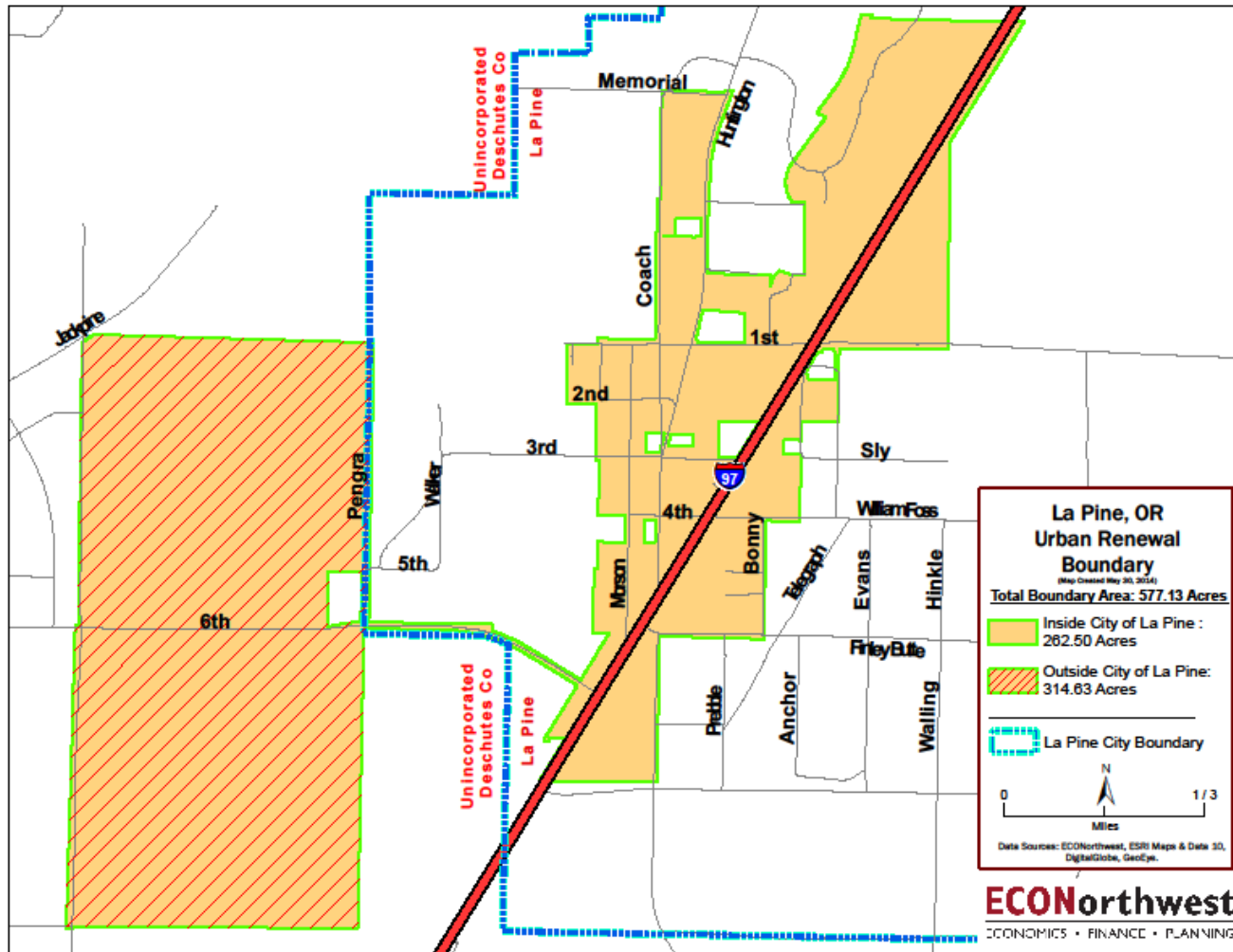
INTRODUCTION

The Report on the La Pine Urban Renewal Plan (Report) contains background information and project details that pertain to the La Pine Urban Renewal Plan (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. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the La Pine Urban Renewal Area (Area).

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. However, the Report provides only guidance on how the urban renewal plan might be implemented. As the urban renewal agency reviews revenues and potential projects each year, they have the authority to make adjustments to the assumptions in this Report. They may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes, as allowed in the amendments section of the Plan.

Figure 1 – La Pine Urban Renewal Plan Area Boundary



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

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

Physical Conditions

Land Use

According to data obtained from the City of La Pine and Deschutes County Assessor’s office, the Area, shown in Figure 1 above, contains 194 parcels and consists of 498.02 acres and 79.11 acres of public right-of-way, for a total size of 577.13 acres, 262.50 of which is in the city of La Pine.

An analysis of property classification data from the City of La Pine and Deschutes County Assessment and Taxation database was used to determine the land use designation of parcels in the Area. Within the Area, the largest land use category is Exempt (67% of total acreage). This includes the parcel that is presently owned by the Bureau of Land Management (BLM) and outside the city limits. Commercial – Vacant (12% of the total) is the next largest category, followed by Commercial – Improved which comprises 9% of the Area.

Table 1 – Existing Land Use of Area

| Land Use | Parcels | Acreage | % of Total Acreage |
|-----------------------------|---------|---------|--------------------|
| Industrial | 3 | 3.98 | 0.80% |
| Commercial Partially Exempt | 2 | 0.55 | 0.11% |
| Commercial Improved | 73 | 44.03 | 8.84% |
| Commercial Vacant | 29 | 61.66 | 12.38% |
| Misc. Commercial Improved | 2 | 2.47 | 0.50% |
| Manufactured residential | 4 | 13.44 | 2.70% |
| Manufactured structure | 1 | 2.37 | 0.48% |
| State Responsibility | 2 | 1.10 | 0.22% |
| Misc. | 2 | 0.02 | 0.00% |
| Tract | 54 | 31.475 | 6.32% |
| Multi Family | 1 | 0.766 | 0.15% |
| Exempt | 21 | 336.163 | 67.50% |
| Total | 194 | 498.02 | 100.00% |

Source: Deschutes County Assessor Data

Zoning and Comprehensive Plan Designations

The zoning code establishes districts to control land use throughout the city and regulates development standards within these established use districts.

As illustrated in Table 2a, the large majority (62%) of the Area is zoned as Public Land. This is followed by Traditional Commercial, which is approximately 25% of the Area. In terms of parcels of land, the vast majority are zoned Traditional Commercial, 182 of the 194 parcels.

Table 2a – Existing Zoning Plan Designations of Area

| Zoning | Parcels | Acreage | % of Total Acreage |
|-------------------------|----------------|----------------|---------------------------|
| Traditional Commercial | 182 | 122.47 | 24.59% |
| Forest Use 1 | 9 | 20.36 | 4.09% |
| Public Facility | 1 | 8.38 | 1.68% |
| Master Plan Residential | 1 | 37.21 | 7.47% |
| Public Land/BLM | 1 | 309.60 | 62.17% |
| Total | 194 | 498.02 | 100.00% |

Source: Deschutes County Assessor Data

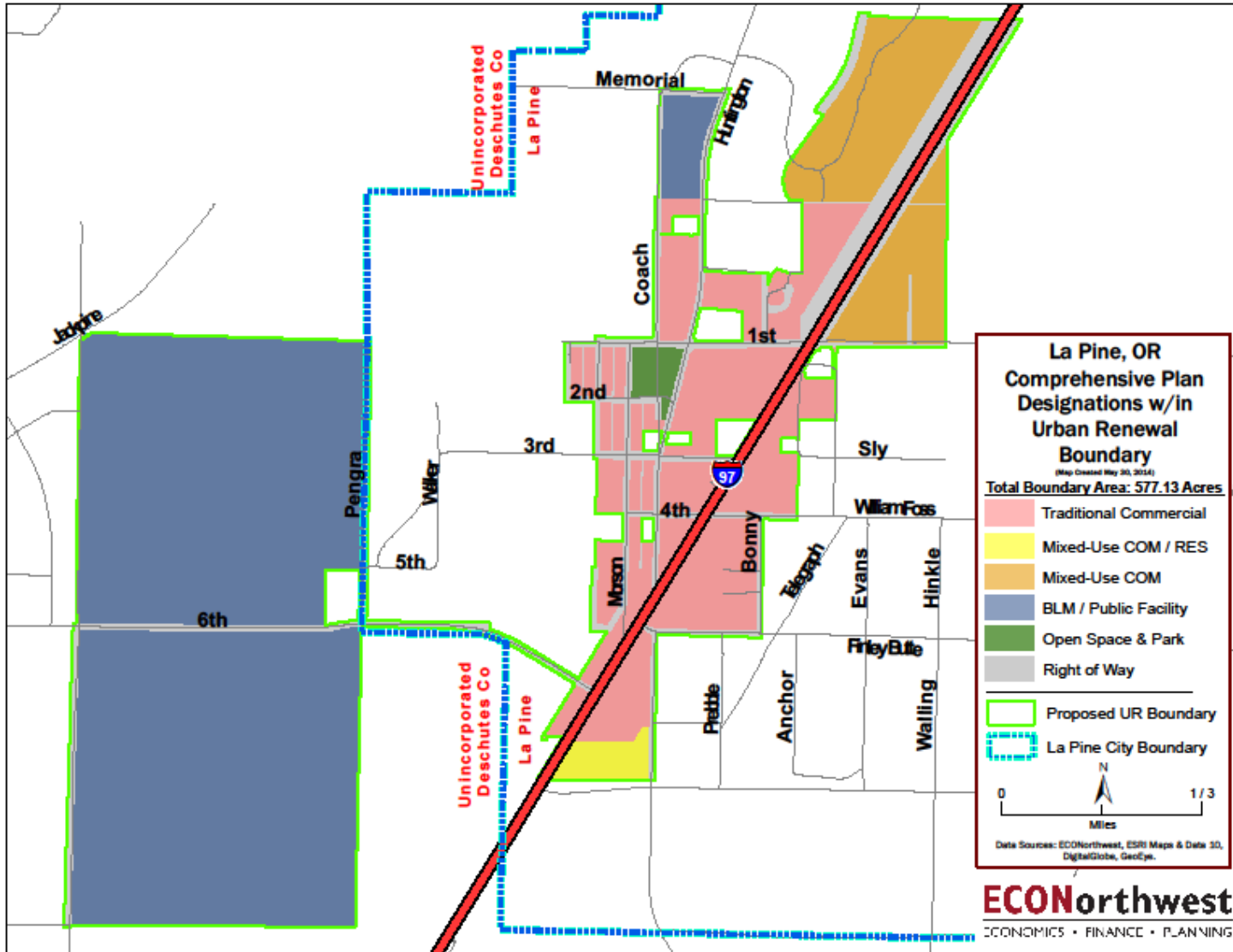
As illustrated in Table 2b, the large majority (62%) of the Area has a Public Land comprehensive plan designation. This is followed by Traditional Commercial, which is approximately 24% of the Area. In terms of parcels of land, the vast majority are designated as Traditional Commercial, 179 of the 194 parcels. These can be seen in Figure 2.

Table 2b – Existing Comprehensive Plan Designations of Area

| Comprehensive Plan | Parcels | Acreage | % of Total Acreage |
|---------------------------|----------------|----------------|---------------------------|
| Traditional Commercial | 179 | 117.91 | 23.67% |
| Open Space and Park | 3 | 4.56 | 0.92% |
| Mixed Use | 10 | 57.57 | 11.56% |
| Public Facility | 1 | 8.38 | 1.68% |
| Public Land/BLM | 1 | 309.60 | 62.17% |
| Total | 194 | 498.02 | 100.00% |

Source: Deschutes County Assessor Data

Figure 2 – Area Comprehensive Plan Designations



Infrastructure: Existing Conditions

Infrastructure

The streets within the Area have the following classifications, as identified in the La Pine Transportation Systems Plan (TSP):

| | |
|------------------------|---------------------------------|
| Highway 97 | Highway |
| Huntington Road | Downtown Arterial/Arterial |
| Morson Street | Downtown Arterial |
| 4 th Street | Major Collector |
| 3 rd Street | Major Collector/Minor Collector |
| 6 th Street | Minor Collector |

All other streets are local streets.

This section of the study identifies the existing deficiencies in the infrastructure in the Area. The street conditions information is from the TSP. This does not mean that a project has been identified in the urban renewal plan to address each deficiency, this is solely to identify conditions that are deficiencies within the Area.

1. Streets/Sidewalks/Pathways/Bike Lanes

The following deficiencies are identified in the TSP.

- Huntington Road needs to be improved to Downtown Arterial standards from US 97 to 1st Street.
- South Huntington Road intersection with Highway 97 needs to be realigned.
- Morson Street needs to be improved to Downtown Arterial standards.
- 3rd Street to 6th Street needs to be upgraded to Minor Collector/Major Collector standards.
- 4th Street needs to be upgraded to Major Collector standards.
- 1st Street needs to be upgraded to Downtown Arterial standards.

Intersection improvements

- US 97/Ashton Eaton Blvd/ 1st Street/Reed Road
- US 97/Ashton Eaton Blvd/ Finley Butte Road-Morson Street
- US 97/Ashton Eaton Blvd/6th Street

Safety projects

- US 97/Ashton Eaton Blvd/ 1st Street
- US 97/Ashton Eaton Blvd/ Finley Butte Road-Morson Street
- US 97/Ashton Eaton Blvd/6th Street
- Huntington Road

Transit system

- Downtown area connection for service to Bend

Sidewalks

Highway 97/Ashton Eaton Blvd has sidewalks on the east side, but not continuous sidewalks on the west side of the street from 6th Street to 1st Street.

Huntington Road has non-continuous sidewalks.

3rd Street has sidewalks on a single side from Huntington to Highway 97/Ashton Eaton Blvd and no sidewalks west of Huntington Road.

1st Street has sidewalks on a single side in some portions.

4th Street has sidewalks on both sides from Huntington to Highway 97/Ashton Eaton Blvd and no sidewalks west of Huntington Road.

The Area would benefit from numerous types of sidewalk and streetscape improvements, from repaving, to constructing new sidewalks where they do not exist, to clearly identifying crosswalks. The condition of the sidewalks and the lack of bike lanes are factors of blight in the Area.

2. Water

Most water lines in the Area were constructed in 2001 and are in good condition. There are some areas that could benefit from an increased number of fire hydrants.

Information for the La Pine Rural Fire District in May 2014 is shown below.

The goal for the amount of water flow for fire flow is 3,500 gallons per minute (gpm) for common commercial areas. Not all of the commercial area in La Pine meets this gpm. For example, the flow at Ace Hardware is only 2,076 to 2,405 gpm. The water system booster fire pumps are not operational nor are they automatic.

For each 1,000 required gpm in the business district, there should be a fire hydrant within 250 feet. Deficiencies in this are in the following locations:

- South County Service Center needs 1 more on E side of 97 (has 1 on Huntington)
- City Hall needs 1 more (has 1 on Huntington and 6th)
- Shop smart needs 1 more on E side of 97 (has 2 on Huntington)
- La Pine Dental Center needs 1 on E side of 97
- High lakes feed area needs 1 more on E side of 97 (has 1 on Finely Butte)
- Aspen Alley needs 2 on E side of 97
- Los 3 Caballeros/Whispering Pines needs 1 on east side of 97
- La Pine Square needs 2 on E. side of 97
- Industrial Warehouse on Bluewood place needs 3
- Strip malls on Bluewood Court need 1 more (has 1 in cul-de-sac)

3. Storm Water

The storm water system in the Area needs significant improvement. There is no complete storm water system in the Area.

4. Sanitary Sewer

Sanitary sewer lines that are in good condition exist throughout in the Area.

5. Parks

Heritage Park is located at the corner of 1st from Huntington to Munson.

6. Conditions of Buildings

A quick visual survey shows buildings that are in need of façade improvements.

Social Conditions

Of the 194 parcels in the Area, only 10 are recorded as mixed-use that could include residential use, and these account for 11.56% of parcels in the Area. The 2010 census data is used, below, to describe the social conditions within the Area. As of the 2010 census, there were 1,653 people in La Pine.

Age

The age distribution of the Area is shown in Table 3. The majority of the population in the Area is between the ages of 15 and 44, and over 87% of the Area is younger than 60 years old.

Table 3 – Age Distribution of Area

| Age Bracket | Population |
|----------------|------------|
| 0 to 17 years | 22.40% |
| 18 to 24 years | 6.80% |
| 25 to 44 years | 22.50% |
| 45 to 64 years | 30.40% |
| 65 and older | 17.80% |
| Total | 100% |

Source: US Census 2010

Race

The racial characteristics of the Area are shown in Table 4. The majority of people (93.5%) identify themselves as white and the second largest group (1.8%) that people identify with is “some other race.” Hispanic or Latino of any race account for 5.8% of the population.

Table 4 – Racial Characteristics of the Area

| Race | Population |
|---|------------|
| White alone | 95.84% |
| Black or African American alone | 0.09% |
| American Indian and Alaska Native alone | 1.28% |
| Asian | 0.24% |
| Pacific Islander | 0.10% |
| Some other race alone | 0.55% |
| Two or more races | 1.90% |
| Total | 100% |

Source: US Census 2010

Income

The median income for a household in the Area is \$29,859, and the median income for a family is \$33,938.

Population

In the last few years, La Pine has remained stable in population. This change is typical of readjustments performed by the Portland State University Population and Research Center after reviewing the 2010 Census data.

Table 5 – Population in La Pine

| Year | Population | % Change |
|------|------------|----------|
| 2010 | 1,660 | 0.60% |
| 2011 | 1,670 | 0.00% |
| 2012 | 1,670 | 0.00% |
| 2013 | 1,670 | 0.00% |

Source: Portland State University Population Research Center

Economic Conditions

Taxable Value of Property Within the Area

The estimated 2013/2014 total assessed value of the real property in the Area is \$26,466,444. The Deschutes County Assessor has recommended to apportion a share of the total citywide utility value in the same proportion as the ratio of real property real market value in the Area to real property assessed market value in the City (3.97%), for an estimated utility value of \$1,082,274. The Assessor did caution that the personal property values may end up higher, so the boundary was adjusted to allow for the chance that the values of the personal properties are higher than estimated. The total estimated value of personal property in the Area is estimated at \$1,257,672. This is based on calculating the share of personal property within the city and using that same percentage as a factor for the Area (4.62%). The total estimated assessed value, including all real, personal, and utility properties, is \$28,945,892. This data is summarized in Table 6.

Table 6 – Total Estimated Assessed Value

| Property Type | Urban Renewal Area | Citywide | % Factor Used to Apportion |
|---------------|--------------------|---------------|----------------------------|
| Real | \$26,466,444 | \$114,364,898 | |
| Personal | 1,257,672 | 5,278,720 | 4.62% |
| Manufactured | 139,502 | 585,520 | 0.51% |
| Utility | 1,082,274 | 4,542,537 | 3.97% |
| Total | \$28,945,892 | \$124,771,675 | |

Source: Deschutes County Assessor's data

If an urban renewal plan is adopted, the Deschutes County Assessor will calculate the frozen base using tax accounts for all of the real, personal, manufactured, and utility properties in the Area. The

total assessed value of the City of La Pine is \$124,771,675.¹ Using the figures in this Report, the Urban Renewal Area’s estimated assessed value equals 23.20% of the total assessed value of the City.

Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property’s improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the “Improvement to Land Ratio,” or “I:L.” The values used are real market values. In urban renewal areas, the I:L may be used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 3:1 or more.

An important fact to note about Table 7 is that there are 59 parcels with no improvements on them. These are vacant parcels that account for 83.91 acres of underutilized land within the urban renewal area. There are also 24 parcels that are presently non-taxable, accounting for 346 total acres. In general, there is a very low I:L ratio in the Area. Over 97% of the Area (even excluding the Rodeo site) does not achieve the desired ratio of 3:1 or better.

Table 7 – I:L Ratio of Parcels in the Area

| I:L Ratio | Parcels | Acreage | % of Total Acreage | % of total acreage except Rodeo |
|-----------------|---------|---------|--------------------|---------------------------------|
| Not Taxable | 24 | 345.63 | 69.40% | 19.71% |
| No Improvements | 59 | 83.91 | 16.85% | 44.21% |
| 0.01 - 0.50 | 37 | 20.65 | 4.15% | 10.88% |
| 0.51 - 1.00 | 34 | 22.23 | 4.46% | 11.71% |
| 1.01 - 1.50 | 21 | 10.93 | 2.19% | 5.76% |
| 1.51 - 2.00 | 7 | 6.71 | 1.35% | 3.54% |
| 2.01 - 3.00 | 6 | 4.09 | 0.82% | 2.15% |
| 3.01 - 4.00 | 3 | 2.851 | 0.57% | 1.50% |
| 4.01 - 5.00 | 2 | 0.86 | 0.17% | 0.45% |
| >5.0 | 1 | 0.16 | 0.03% | 0.08% |
| Total | 194 | 498.02 | 100.00% | 100.00% |

Source: Deschutes County Assessor Real Market Value data

¹ Data from Deschutes County Assessor’s 2012-13 tax roll summary

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 of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal are primarily district identity/transportation, business improvement/development, and public facilities projects. The use of urban renewal funding for these projects allows the City to match other funding sources to actually construct the improvements. It also allows the City to tap a different funding source besides the City of La Pine's general funds to make these improvements.

It is anticipated that these improvements will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require city services. As the development will be new construction or redevelopment, it will be up to current building code and will aid in any fire protection needs.

These impacts will be countered by providing transportation funding for vital connections to La Pine and major parcels of undeveloped and underdeveloped land. This land will provide future jobs to the La Pine area and future increased tax base for all taxing jurisdictions.

REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

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

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

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. The projects are listed in no particular order.

A. Storefront loans/grants

Establish a program to allow for assistance to property owners for improvements to the facades on their properties.

B. District Identity/Transportation Improvements

1. Sidewalk improvements

Improve sidewalks within the Area to allow for greater access for pedestrians to the commercial district.

2. Signage: business and way-finding

Support effective signage for businesses and for way-finding to allow citizens and visitors to frequent the commercial area and to know of other opportunities the La Pine community has to offer.

3. Streetscape

Improve the streetscape in the Area to encourage citizens and visitors to visit the Area. Streetscape includes sidewalks, signage, trees, benches, landscaping, public art, archways, bus shelters, lighting, and other improvements to enhance the overall appearance of the Area and encourage development and redevelopment of the Area.

4. Bicycle paths

Add bike paths within the Area to encourage greater access to the commercial district.

5. Gathering spaces

Develop gathering spaces to add to the overall positive environment of the Area, encouraging visits to the Area by citizens of La Pine and visitors to the Area.

6. Parking

Assess parking needs for the Area.

Existing Conditions:

There is no funding source at the City for these programs.

There will be some streetscape improvements with an Oregon Department of Transportation project, but for only a few blocks within the Area. The La Pine parks district is in charge of parks, and any gathering spaces would be coordinated with them. Bike paths and sidewalks were identified as areas of need in the Transportation Systems Plan. Signage is presently not coordinated in terms of a style or specific type.

C. Planning and development assistance programs to support economic development

1. Assist with development of mixed-use area

Encourage development of the mixed-use area by providing amenities to help make the area more desirable.

2. Encourage/support business expansion

Work with business owners to develop and redevelop properties within the Area, leveraging public investment with private investment.

3. Storefront Improvements

Work with business owners to improve the overall appearance of the exteriors of their properties.

4. Support for incubator businesses

Look for opportunities to help facilitate the development of new businesses within La Pine.

Existing Conditions:

There is no funding source at the City for these programs.

D. Public Facilities/Infrastructure

1. Rodeo/Event Site development
2. Development and redevelopment of public facilities that provide vital services (fire, police, and medical), gathering spaces, and other services for the community.
3. Upgrade/provide infrastructure as necessary to allow for the development or redevelopment of parcels within and adjacent to the urban renewal area.

Existing Conditions:

There is no funding source at the City for the Rodeo/Event site development. The site is totally undeveloped at this time.

The City Council would decide whether there was sufficient funding for development or redevelopment of public facilities or upgrading of infrastructure in future city budgets. These are not presently in the city budget.

E. Debt Service and Administration

This project will allow for the repayment of costs associated with the preparation, adoption, and implementation of the La Pine Urban Renewal Plan. This includes the potential repayment of the initial planning costs for the development of the urban renewal plan. It also includes ongoing administration and any financing costs associated with issuing long-term debt, relocations, and other administrative costs.

Existing Conditions:

As there is currently no urban renewal program, these activities do not exist.

F. Property Acquisition

This project will fund willing seller/willing buyer property acquisition and assembly of key properties for redevelopment, public gathering spaces, public parking, or other use consistent with the goals and objectives of this plan.

Existing Conditions:

The City has general fund revenues that can be used for property acquisition. By allowing acquisition in the urban renewal plan, tax increment funds could also be used for property acquisition.

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

The costs of the projects are shown in Table 8. The sources of funds are tax increment revenues. There will be other funding sources sought to leverage urban renewal funds. These sources include grant funds, general funds, state funding, or other sources of funding the City may identify, including private developer contributions.

These figures are in nominal dollars, the cost of the dollar when spent in the future and constant dollars, the dollars in today's dollar. The actual dollars allocated to Planning and Development, District Identity/Transportation and Public Facilities/Infrastructure are roughly the same when using constant dollars. The differences in the nominal dollars is a result of how soon those dollars are spent as inflation increases the amount needed to actually complete projects in the future. For example, the District Identity category receives the largest budget allocation the earliest, over a million dollars in 2018/19. This makes the total amount look smaller, but when you compare in constant dollars, they are very similar. The allocations are the best estimates of expenditures at the time of preparation of the urban renewal plan. The urban renewal agency will be able to review the allocations on an annual basis when they prepare their budgets.

Table 8a – Projects to be Completed Using Urban Renewal Area Funds

| Projects | Urban Renewal constant dollars | Urban Renewal nominal dollars |
|-------------------------------------|--------------------------------|-------------------------------|
| Storefront loans | \$300,000 | \$406,700 |
| Planning and development assistance | \$1,445,000 | \$2,443,900 |
| District identity/transportation | \$1,200,000 | \$1,617,600 |
| Public facilities/infrastructure | \$1,100,000 | \$1,778,200 |
| Parking | \$175,000 | \$341,100 |
| Repay initial planning costs | \$30,000 | \$33,800 |
| Administration | \$212,514 | \$331,065 |
| Financing fees | \$45,880 | \$65,000 |
| | \$4,508,394 | \$7,017,365 |

THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The infrastructure projects will be scheduled as shown in the financing plan in Table 9. The other projects will be ongoing and will be completed as directed by the Urban Renewal Agency (Agency). The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the urban renewal plan. This financing plan shows large allocations to projects in the final year. This is due to the ability to use the debt reserve funds for the bonds that have been defeased in the final year of the plan, FY2040-41. The inflation rate for project costs is 3%. Administration is allocated a 5% amount of the total annual tax increment.

Table 9 – Projects and Costs in Year of Expenditure Dollars

| | Total Estimated | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|-------------------------------------|---------------------|------------------|------------------|------------------|-------------------|---------------------|------------------|------------------|-------------------|
| <i>Expenditures (nominal \$)</i> | | | | | | | | | |
| Storefront loans | \$ 406,700 | \$ 21,900 | \$ 22,500 | \$ 23,200 | \$ 23,900 | \$ 24,600 | \$ 25,300 | \$ 26,100 | \$ 26,900 |
| Planning and Development Assistance | \$ 2,443,900 | | | \$ 29,000 | \$ 29,900 | \$ 30,700 | \$ 31,700 | \$ 32,600 | \$ 26,900 |
| District Identity/Transportation | \$ 1,617,600 | | | | | \$ 1,106,900 | | | |
| Public Facilities/Infrastructure | \$ 1,778,200 | | | | | | | | |
| Parking | \$ 341,100 | | | | | | | | |
| Repay initial planning costs | \$ 33,800 | \$ 10,900 | \$ 11,300 | \$ 11,600 | | | | | |
| URA Admin | \$ 331,065 | \$ 1,640 | \$ 1,690 | \$ 3,190 | \$ 2,690 | \$ 58,110 | \$ 2,850 | \$ 2,935 | \$ 2,690 |
| Financing Fees | \$ 65,000 | \$ - | \$ - | \$ - | \$ - | \$ 23,000 | \$ - | \$ - | \$ - |
| Total Expenditures | \$ 7,017,365 | \$ 34,440 | \$ 35,490 | \$ 66,990 | \$ 56,490 | \$ 1,243,310 | \$ 59,850 | \$ 61,635 | \$ 56,490 |
| | \$ 7,017,365 | | | | | | | | |
| Ending Fund Balance | | \$ 16,615 | \$ 51,174 | \$ 73,688 | \$ 127,163 | \$ 70,812 | \$ 68,048 | \$ 85,549 | \$ 131,534 |

Source: ECONorthwest

Table 9 – Projects and Costs in Year of Expenditure Dollars, continued

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|-------------------------------------|-------------------|---------------------|------------------|------------------|-------------------|-------------------|-------------------|---------------------|
| <i>Expenditures (nominal \$)</i> | | | | | | | | |
| Storefront loans | \$ 27,700 | \$ 28,500 | \$ 29,400 | \$ 30,300 | \$ 31,200 | \$ 32,100 | \$ 33,100 | |
| Planning and Development Assistance | \$ 27,700 | \$ 57,000 | \$ 58,700 | \$ 60,500 | \$ 62,300 | \$ 64,200 | \$ 66,100 | \$ 842,700 |
| District Identity/Transportation | | | | | | | | \$ 510,700 |
| Public Facilities/Infrastructure | \$ 1,140,600 | | | | | | | |
| Parking | | | | | | | | |
| Repay initial planning costs | | | | | | | | |
| URA Admin | \$ 2,770 | \$ 61,305 | \$ 4,405 | \$ 4,540 | \$ 4,675 | \$ 4,815 | \$ 4,960 | \$ 67,670 |
| Financing Fees | \$ - | \$ 22,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,000 |
| Total Expenditures | \$ 58,170 | \$ 1,309,405 | \$ 92,505 | \$ 95,340 | \$ 98,175 | \$ 101,115 | \$ 104,160 | \$ 1,441,070 |
| Ending Fund Balance | \$ 200,669 | \$ 56,549 | \$ 52,307 | \$ 72,039 | \$ 117,301 | \$ 189,617 | \$ 290,587 | \$ 7,887 |
| Inflation Percent | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |

Source: ECONorthwest

Table 9 – Projects and Costs in Year of Expenditure Dollars, continued

| | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 | 2039-40 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| <i>Expenditures (nominal \$)</i> | | | | | | | | | |
| Storefront loans | | | | | | | | | |
| Planning and Development Assistance | \$ 175,400 | \$ 180,600 | \$ 186,000 | \$ 191,600 | \$ 148,000 | \$ 142,300 | | | |
| District Identity/Transportation | | | | | | | | | |
| Public Facilities/Infrastructure | | | | | | | \$ 314,100 | \$ 323,500 | |
| Parking | | | | \$ 143,700 | \$ 197,400 | | | | |
| Repay initial planning costs | | | | | | | | | |
| URA Admin | \$ 8,770 | \$ 9,030 | \$ 9,300 | \$ 16,765 | \$ 17,270 | \$ 7,115 | \$ 15,705 | \$ 16,175 | |
| Financing Fees | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | \$ 184,170 | \$ 189,630 | \$ 195,300 | \$ 352,065 | \$ 362,670 | \$ 149,415 | \$ 329,805 | \$ 339,675 | \$ - |
| Ending Fund Balance | \$ 9,154 | \$ 39,015 | \$ 99,195 | \$ 40,620 | \$ 8,548 | \$ 228,900 | \$ 314,671 | \$ 2,268 | \$ 2,313 |
| Inflation Percent | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |

Source: ECONorthwest

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

Table 10 shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. The Area also reaches the point where revenue sharing is required to begin, as implemented by the State in ORS 457.470, and this is further described in the section of this report on Impacts to Taxing Jurisdictions.

It is anticipated that all debt will be retired by FY2041-42 (any outstanding bonds will be defeased). The maximum indebtedness is \$7,017,000 (seven million, seventeen thousand dollars).

The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$7,017,000 is \$8,769,858.

The interest rate for the bonds is estimated at 5% and the terms of the bonds are varied, depending on time of issuance. The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If the economy is slower, it may take longer; if the economy is more robust than the projections, it may take a shorter time period. The Agency may decide to issue bonds on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and this scenario is financially feasible.

Table 10 – Tax Increment Revenues and Allocations to Debt Service

| | Total | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|-------------------------------------|-----------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| DEBT SERVICE FUND | | | | | | | | | |
| Resources | | | | | | | | | |
| Beginning Fund Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TIF for URA | \$ 8,769,858 | \$ 51,055 | \$ 69,717 | \$ 88,481 | \$ 108,491 | \$ 126,695 | \$ 147,949 | \$ 170,054 | \$ 193,043 |
| Total Resources | \$ 8,769,858 | \$ 51,055 | \$ 69,717 | \$ 88,481 | \$ 108,491 | \$ 126,695 | \$ 147,949 | \$ 170,054 | \$ 193,043 |
| Expenditures | | | | | | | | | |
| <i>Debt Service</i> | | | | | | | | | |
| New Loan 2020 | \$ (1,845,580) | | | | | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) |
| New Loan 2025 | \$ (1,725,258) | | | | | | | | |
| New Loan 2033 | \$ (1,513,636) | | | | | | | | |
| <i>Transfer to D/S Reserve Fund</i> | \$ (1,487,892) | \$ (51,055) | \$ (69,717) | \$ (88,481) | \$ (108,491) | \$ (34,416) | \$ (55,670) | \$ (77,775) | \$ (100,764) |
| Total Expenditures | \$ (6,572,367) | \$ (51,055) | \$ (69,717) | \$ (88,481) | \$ (108,491) | \$ (126,695) | \$ (147,949) | \$ (170,054) | \$ (193,043) |
| DEBT SERVICE RESERVE FUND | | | | | | | | | |
| Resources | | | | | | | | | |
| Beginning Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Earnings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer from D/S Fund | \$ 1,487,892 | \$ 51,055 | \$ 69,717 | \$ 88,481 | \$ 108,491 | \$ 34,416 | \$ 55,670 | \$ 77,775 | \$ 100,764 |
| Transfer from Project Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Resources | \$ 1,487,892 | \$ 51,055 | \$ 69,717 | \$ 88,481 | \$ 108,491 | \$ 34,416 | \$ 55,670 | \$ 77,775 | \$ 100,764 |
| Transfer to Project Fund | \$ (1,487,892) | \$ (51,055) | \$ (69,717) | \$ (88,481) | \$ (108,491) | \$ (34,416) | \$ (55,670) | \$ (77,775) | \$ (100,764) |
| Total Expenditures | \$ (1,487,892) | \$ (51,055) | \$ (69,717) | \$ (88,481) | \$ (108,491) | \$ (34,416) | \$ (55,670) | \$ (77,775) | \$ (100,764) |

Source: ECONorthwest

Table 10 – Tax Increment Revenues and Allocations to Debt Service, continued

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| DEBT SERVICE FUND | | | | | | | | |
| Resources | | | | | | | | |
| Beginning Fund Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TIF for URA | \$ 216,953 | \$ 241,818 | \$ 267,678 | \$ 294,572 | \$ 322,542 | \$ 351,631 | \$ 381,884 | \$ 413,347 |
| Total Resources | \$ 216,953 | \$ 241,818 | \$ 267,678 | \$ 294,572 | \$ 322,542 | \$ 351,631 | \$ 381,884 | \$ 413,347 |
| Expenditures | | | | | | | | |
| <i>Debt Service</i> | | | | | | | | |
| New Loan 2020 | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) |
| New Loan 2025 | | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (88,267) |
| New Loan 2033 | | | | | | | | \$ (80,243) |
| <i>Transfer to D/S Reserve Fund</i> | \$ (124,674) | \$ (61,272) | \$ (87,132) | \$ (114,026) | \$ (141,996) | \$ (171,085) | \$ (201,338) | \$ (152,558) |
| Total Expenditures | \$ (216,953) | \$ (241,818) | \$ (267,678) | \$ (294,572) | \$ (322,542) | \$ (351,631) | \$ (381,884) | \$ (413,347) |
| DEBT SERVICE RESERVE FUND | | | | | | | | |
| Resources | | | | | | | | |
| Beginning Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Earnings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer from D/S Fund | \$ 124,674 | \$ 61,272 | \$ 87,132 | \$ 114,026 | \$ 141,996 | \$ 171,085 | \$ 201,338 | \$ 152,558 |
| Transfer from Project Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Resources | \$ 124,674 | \$ 61,272 | \$ 87,132 | \$ 114,026 | \$ 141,996 | \$ 171,085 | \$ 201,338 | \$ 152,558 |
| Transfer to Project Fund | \$ (124,674) | \$ (61,272) | \$ (87,132) | \$ (114,026) | \$ (141,996) | \$ (171,085) | \$ (201,338) | \$ (152,558) |
| Total Expenditures | \$ (124,674) | \$ (61,272) | \$ (87,132) | \$ (114,026) | \$ (141,996) | \$ (171,085) | \$ (201,338) | \$ (152,558) |

Source: ECONorthwest

Table 10 – Tax Increment Revenues and Allocations to Debt Service, continued

| | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 | 2039-40 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| DEBT SERVICE FUND | | | | | | | | | |
| Resources | | | | | | | | | |
| Beginning Fund Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 433,077 |
| TIF for URA | \$ 446,068 | \$ 480,097 | \$ 515,489 | \$ 552,295 | \$ 590,575 | \$ 630,385 | \$ 671,787 | \$ 714,845 | \$ 722,407 |
| Total Resources | \$ 446,068 | \$ 480,097 | \$ 515,489 | \$ 552,295 | \$ 590,575 | \$ 630,385 | \$ 671,787 | \$ 714,845 | \$ 1,155,484 |
| Expenditures | | | | | | | | | |
| <i>Debt Service</i> | | | | | | | | | |
| New Loan 2020 | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) | \$ (92,279) | |
| New Loan 2025 | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (88,267) | \$ (401,253) |
| New Loan 2033 | \$ (80,243) | \$ (80,243) | \$ (80,243) | \$ (80,243) | \$ (80,243) | \$ (80,243) | \$ (80,243) | \$ (80,243) | \$ (791,449) |
| <i>Transfer to D/S Reserve Fund</i> | \$ (185,279) | \$ (219,308) | \$ (254,700) | \$ (291,506) | \$ (329,786) | \$ (369,596) | \$ (410,998) | \$ (20,979) | \$ - |
| Total Expenditures | \$ (446,068) | \$ (480,097) | \$ (515,489) | \$ (552,295) | \$ (590,575) | \$ (630,385) | \$ (671,787) | \$ (281,768) | \$ (1,192,703) |
| DEBT SERVICE RESERVE FUND | | | | | | | | | |
| Resources | | | | | | | | | |
| Beginning Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Earnings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer from D/S Fund | \$ 185,279 | \$ 219,308 | \$ 254,700 | \$ 291,506 | \$ 329,786 | \$ 369,596 | \$ 410,998 | \$ 20,979 | \$ - |
| Transfer from Project Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Resources | \$ 185,279 | \$ 219,308 | \$ 254,700 | \$ 291,506 | \$ 329,786 | \$ 369,596 | \$ 410,998 | \$ 20,979 | \$ - |
| Transfer to Project Fund | \$ (185,279) | \$ (219,308) | \$ (254,700) | \$ (291,506) | \$ (329,786) | \$ (369,596) | \$ (410,998) | \$ (20,979) | \$ - |
| Total Expenditures | \$ (185,279) | \$ (219,308) | \$ (254,700) | \$ (291,506) | \$ (329,786) | \$ (369,596) | \$ (410,998) | \$ (20,979) | \$ - |

Source: ECONorthwest.

FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2040-41, 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. The assumptions include new development projects, as identified by the City of La Pine, and minimum growth rates at 4%. There is substantial acreage in the Area that is undeveloped where the full future development value will add to the incremental assessed value of the Area.

Table 11 – Historical Assessed Value Growth for City of La Pine

| City of La Pine - City Boundaries | | | | | | |
|-----------------------------------|---------------|----------------|--------------------|---------------|--------------------|--------------------|
| FYE | | | | | M50 Assessed Value | |
| | Real Value | Personal Value | Manufactured Value | Utility Value | Total AV | Annual Growth Rate |
| 2006 | | | | | Unincorporated | |
| 2007 | | | | | Unincorporated | |
| 2008 | \$110,142,209 | \$6,188,560 | \$682,140 | \$3,016,747 | \$120,029,656 | |
| 2009 | \$116,105,105 | \$6,437,010 | \$655,270 | \$3,035,608 | \$126,232,993 | 5.20% |
| 2010 | \$122,122,053 | \$7,807,300 | \$683,310 | \$3,133,730 | \$133,746,393 | 6.00% |
| 2011 | \$120,412,805 | \$6,168,920 | \$592,710 | \$3,453,463 | \$130,627,898 | -2.30% |
| 2012 | \$114,428,058 | \$5,677,600 | \$545,850 | \$5,193,676 | \$125,845,184 | -3.70% |
| 2013 | \$113,192,354 | \$5,503,650 | \$526,010 | \$4,493,122 | \$123,715,136 | -1.70% |
| 2014 | \$114,364,898 | \$5,278,720 | \$585,520 | \$4,542,537 | \$124,771,675 | 0.90% |
| AAGR | 0.63% | -2.62% | -2.51% | 7.06% | 0.65% | |

Source: Deschutes County Assessor's data

Table 12 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 16. Revenue sharing is projected to be a feature of this urban renewal plan in the final year, FY 2040/41. However, if growth occurs at a faster pace, the Area will commence revenue sharing at the time required by the stature, the year after the tax increment proceeds equal 10% of the initial maximum indebtedness.

Table 12a – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

| FYE | Assessed Value | Frozen Base | Excess Value | Tax Rate | TIF |
|------|----------------|---------------|---------------|----------|------------|
| 2014 | \$ 29,727,252 | \$ 29,727,252 | \$ - | 14.2205 | \$ - |
| 2015 | \$ 30,916,342 | \$ 29,727,252 | \$ 1,189,090 | 14.1930 | \$ - |
| 2016 | \$ 33,366,466 | \$ 29,727,252 | \$ 3,639,214 | 14.0291 | \$ 51,055 |
| 2017 | \$ 34,701,124 | \$ 29,727,252 | \$ 4,973,872 | 14.0166 | \$ 69,717 |
| 2018 | \$ 36,089,168 | \$ 29,727,252 | \$ 6,361,916 | 13.9079 | \$ 88,481 |
| 2019 | \$ 37,532,734 | \$ 29,727,252 | \$ 7,805,482 | 13.8993 | \$ 108,491 |
| 2020 | \$ 39,034,044 | \$ 29,727,252 | \$ 9,306,792 | 13.6132 | \$ 126,695 |
| 2021 | \$ 40,595,406 | \$ 29,727,252 | \$ 10,868,154 | 13.6131 | \$ 147,949 |
| 2022 | \$ 42,219,222 | \$ 29,727,252 | \$ 12,491,970 | 13.6131 | \$ 170,054 |
| 2023 | \$ 43,907,990 | \$ 29,727,252 | \$ 14,180,738 | 13.6130 | \$ 193,043 |
| 2024 | \$ 45,664,309 | \$ 29,727,252 | \$ 15,937,057 | 13.6131 | \$ 216,953 |
| 2025 | \$ 47,490,881 | \$ 29,727,252 | \$ 17,763,629 | 13.6131 | \$ 241,818 |
| 2026 | \$ 49,390,516 | \$ 29,727,252 | \$ 19,663,264 | 13.6131 | \$ 267,678 |
| 2027 | \$ 51,366,136 | \$ 29,727,252 | \$ 21,638,884 | 13.6131 | \$ 294,572 |
| 2028 | \$ 53,420,782 | \$ 29,727,252 | \$ 23,693,530 | 13.6131 | \$ 322,542 |
| 2029 | \$ 55,557,613 | \$ 29,727,252 | \$ 25,830,361 | 13.6131 | \$ 351,631 |
| 2030 | \$ 57,779,917 | \$ 29,727,252 | \$ 28,052,665 | 13.6131 | \$ 381,884 |
| 2031 | \$ 60,091,114 | \$ 29,727,252 | \$ 30,363,862 | 13.6131 | \$ 413,347 |
| 2032 | \$ 62,494,759 | \$ 29,727,252 | \$ 32,767,507 | 13.6131 | \$ 446,068 |
| 2033 | \$ 64,994,549 | \$ 29,727,252 | \$ 35,267,297 | 13.6131 | \$ 480,097 |
| 2034 | \$ 67,594,331 | \$ 29,727,252 | \$ 37,867,079 | 13.6131 | \$ 515,489 |
| 2035 | \$ 70,298,104 | \$ 29,727,252 | \$ 40,570,852 | 13.6131 | \$ 552,295 |
| 2036 | \$ 73,110,028 | \$ 29,727,252 | \$ 43,382,776 | 13.6131 | \$ 590,575 |
| 2037 | \$ 76,034,428 | \$ 29,727,252 | \$ 46,307,176 | 13.6131 | \$ 630,385 |
| 2038 | \$ 79,075,805 | \$ 29,727,252 | \$ 49,348,553 | 13.6131 | \$ 671,787 |
| 2039 | \$ 82,238,837 | \$ 29,727,252 | \$ 52,511,585 | 13.6131 | \$ 714,845 |
| 2040 | \$ 85,528,391 | \$ 29,727,252 | \$ 55,801,139 | 13.6131 | \$ 759,626 |

Source: ECONorthwest

Table 12b – Projected Revenue Sharing

| FYE | TIF Total | TIF for URA | TIF Shared |
|------|--------------|----------------|---------------|
| 2014 | \$0 | \$0 | \$0 |
| 2015 | \$0 | \$0 | \$0 |
| 2016 | \$51,055 | \$51,055 | \$0 |
| 2017 | \$69,717 | \$69,717 | \$0 |
| 2018 | \$88,481 | \$88,481 | \$0 |
| 2019 | \$108,491 | \$108,491 | \$0 |
| 2020 | \$126,695 | \$126,695 | \$0 |
| 2021 | \$147,949 | \$147,949 | \$0 |
| 2022 | \$170,054 | \$170,054 | \$0 |
| 2023 | \$193,043 | \$193,043 | \$0 |
| 2024 | \$216,953 | \$216,953 | \$0 |
| 2025 | \$241,818 | \$241,818 | \$0 |
| 2026 | \$267,678 | \$267,678 | \$0 |
| 2027 | \$294,572 | \$294,572 | \$0 |
| 2028 | \$322,542 | \$322,542 | \$0 |
| 2029 | \$351,631 | \$351,631 | \$0 |
| 2030 | \$381,884 | \$381,884 | \$0 |
| 2031 | \$413,347 | \$413,347 | \$0 |
| 2032 | \$446,068 | \$446,068 | \$0 |
| 2033 | \$480,097 | \$480,097 | \$0 |
| 2034 | \$515,489 | \$515,489 | \$0 |
| 2035 | \$552,295 | \$552,295 | \$0 |
| 2036 | \$590,575 | \$590,575 | \$0 |
| 2037 | \$630,385 | \$630,385 | \$0 |
| 2038 | \$671,787 | \$671,787 | \$0 |
| 2039 | \$714,845 | \$714,845 | \$0 |
| 2040 | \$759,626 | \$722,407 | \$37,220 |

Source: ECONorthwest

IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the 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 and local option levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FY 2040-41, and are shown in Tables 13a and 13b.

Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. The share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness, however the projections do not estimate this threshold is met. Revenue sharing is projected to commence during the final year of the 25-year life of tax increment proceeds of the Plan.

The La Pine School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the State level. The formula for funding schools did not change in the 2012 legislative session.

Dedicating efforts to maintaining a healthy downtown is one variable in a livable city. These efforts will produce spin-off economic benefits in terms of increased economic development in the area, increased jobs, and expected increases in overall populations, including the student populations in the schools. These increases in the schools' populations will bring in more funding to the schools through the per pupil funding formula.

Tables 13a and 13b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables in this Report, a 4% average annual growth rate in assessed value. Table 13a shows the general government levies and Table 13b shows the education levies.

Table 13a – Projected Impact on Taxing District Permanent Rate Levies General Government

| FYE | DESCHUTES COUNTY | COUNTY LIBRARY | COUNTYWIDE LAW ENFORCEMENT | RURAL LAW ENFORCEMENT | COUNTY EXTENSION / 4H | 911 | CITY OF LAPINE | LAPINE RURAL FIRE DISTRICT | LAPINE PARKS AND REC | SUBTOTAL |
|-------|------------------|----------------|----------------------------|-----------------------|-----------------------|-----------|----------------|----------------------------|----------------------|-------------|
| 2016 | (4,652) | (2,002) | (3,457) | (5,095) | (82) | (589) | (7,024) | (5,603) | (1,092) | (29,596) |
| 2017 | (6,358) | (2,736) | (4,725) | (6,963) | (111) | (805) | (9,600) | (7,658) | (1,492) | (40,448) |
| 2018 | (8,132) | (3,499) | (6,044) | (8,907) | (143) | (1,029) | (12,279) | (9,795) | (1,909) | (51,737) |
| 2019 | (9,978) | (4,293) | (7,415) | (10,928) | (175) | (1,263) | (15,065) | (12,018) | (2,342) | (63,477) |
| 2020 | (11,897) | (5,119) | (8,842) | (13,030) | (208) | (1,506) | (17,962) | (14,330) | (2,792) | (75,686) |
| 2021 | (13,893) | (5,977) | (10,325) | (15,215) | (243) | (1,758) | (20,975) | (16,734) | (3,260) | (88,380) |
| 2022 | (15,968) | (6,871) | (11,867) | (17,489) | (280) | (2,021) | (24,109) | (19,234) | (3,748) | (101,587) |
| 2023 | (18,127) | (7,799) | (13,472) | (19,853) | (318) | (2,294) | (27,369) | (21,834) | (4,254) | (115,320) |
| 2024 | (20,372) | (8,765) | (15,140) | (22,312) | (357) | (2,579) | (30,759) | (24,538) | (4,781) | (129,603) |
| 2025 | (22,707) | (9,770) | (16,875) | (24,869) | (398) | (2,874) | (34,284) | (27,351) | (5,329) | (144,457) |
| 2026 | (25,136) | (10,815) | (18,680) | (27,529) | (440) | (3,182) | (37,950) | (30,276) | (5,899) | (159,907) |
| 2027 | (27,661) | (11,901) | (20,557) | (30,294) | (485) | (3,501) | (41,763) | (33,317) | (6,492) | (175,971) |
| 2028 | (30,287) | (13,031) | (22,509) | (33,171) | (531) | (3,834) | (45,728) | (36,481) | (7,108) | (192,680) |
| 2029 | (33,019) | (14,207) | (24,539) | (36,162) | (579) | (4,179) | (49,853) | (39,771) | (7,749) | (210,058) |
| 2030 | (35,860) | (15,429) | (26,650) | (39,274) | (628) | (4,539) | (54,142) | (43,193) | (8,416) | (228,131) |
| 2031 | (38,814) | (16,700) | (28,846) | (42,509) | (680) | (4,913) | (58,602) | (46,751) | (9,109) | (246,924) |
| 2032 | (41,887) | (18,022) | (31,129) | (45,875) | (734) | (5,302) | (63,241) | (50,452) | (9,830) | (266,472) |
| 2033 | (45,082) | (19,397) | (33,504) | (49,374) | (790) | (5,706) | (68,066) | (54,301) | (10,580) | (286,800) |
| 2034 | (48,406) | (20,827) | (35,974) | (53,014) | (848) | (6,127) | (73,084) | (58,304) | (11,360) | (307,944) |
| 2035 | (51,862) | (22,314) | (38,542) | (56,799) | (909) | (6,564) | (78,302) | (62,467) | (12,171) | (329,930) |
| 2036 | (55,456) | (23,861) | (41,214) | (60,736) | (972) | (7,019) | (83,729) | (66,797) | (13,015) | (352,799) |
| 2037 | (59,195) | (25,469) | (43,992) | (64,830) | (1,037) | (7,493) | (89,373) | (71,299) | (13,892) | (376,580) |
| 2038 | (63,082) | (27,142) | (46,881) | (69,088) | (1,105) | (7,985) | (95,243) | (75,982) | (14,805) | (401,313) |
| 2039 | (67,126) | (28,881) | (49,886) | (73,516) | (1,176) | (8,496) | (101,347) | (80,852) | (15,753) | (427,033) |
| 2040 | (67,836) | (29,187) | (50,414) | (74,294) | (1,189) | (8,586) | (102,419) | (81,707) | (15,920) | (431,552) |
| Total | (822,793) | (354,014) | (611,479) | (901,126) | (14,418) | (104,144) | (1,242,268) | (991,045) | (193,098) | (5,234,385) |

Source: ECONorthwest

Table 13b – Projected Impact on Taxing District Permanent Rate Levies Education

| FYE | SCHOOL DISTRICT #1 | HIGH DESERT ESD | CENTRAL OREGON COMMUNITY COLLEGE | SUBTOTAL | TOTAL |
|-------|--------------------|-----------------|----------------------------------|-------------|-------------|
| 2016 | (17,338) | (351) | (2,258) | (19,947) | (49,543) |
| 2017 | (23,696) | (479) | (3,086) | (27,261) | (67,709) |
| 2018 | (30,309) | (613) | (3,947) | (34,869) | (86,606) |
| 2019 | (37,186) | (752) | (4,843) | (42,781) | (106,258) |
| 2020 | (44,339) | (897) | (5,774) | (51,010) | (126,696) |
| 2021 | (51,777) | (1,048) | (6,743) | (59,568) | (147,948) |
| 2022 | (59,513) | (1,204) | (7,750) | (68,467) | (170,054) |
| 2023 | (67,558) | (1,367) | (8,798) | (77,723) | (193,043) |
| 2024 | (75,926) | (1,536) | (9,887) | (87,349) | (216,952) |
| 2025 | (84,628) | (1,712) | (11,021) | (97,361) | (241,818) |
| 2026 | (93,678) | (1,896) | (12,199) | (107,773) | (267,680) |
| 2027 | (103,090) | (2,086) | (13,425) | (118,601) | (294,572) |
| 2028 | (112,878) | (2,284) | (14,699) | (129,861) | (322,541) |
| 2029 | (123,058) | (2,490) | (16,025) | (141,573) | (351,631) |
| 2030 | (133,646) | (2,704) | (17,404) | (153,754) | (381,885) |
| 2031 | (144,657) | (2,927) | (18,838) | (166,422) | (413,346) |
| 2032 | (156,108) | (3,159) | (20,329) | (179,596) | (446,068) |
| 2033 | (168,017) | (3,400) | (21,880) | (193,297) | (480,097) |
| 2034 | (180,403) | (3,650) | (23,493) | (207,546) | (515,490) |
| 2035 | (193,284) | (3,911) | (25,170) | (222,365) | (552,295) |
| 2036 | (206,680) | (4,182) | (26,915) | (237,777) | (590,576) |
| 2037 | (220,612) | (4,464) | (28,729) | (253,805) | (630,385) |
| 2038 | (235,102) | (4,757) | (30,616) | (270,475) | (671,788) |
| 2039 | (250,170) | (5,062) | (32,578) | (287,810) | (714,843) |
| 2040 | (252,817) | (5,116) | (32,923) | (290,856) | (722,408) |
| Total | (3,066,470) | (62,047) | (399,330) | (3,527,847) | (8,762,232) |

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section

Table 14 shows the impact of the first year of tax increment funds projected to be received in 2016 on the 2014/15 permanent rate levy of the taxing jurisdiction. The impact should be less than this chart shows because the permanent rate levy usually increases each year, so the 2016 permanent rate levy would be higher than the 2014 levy depicted.

Table 14 – Percent of Permanent Rate Levy

| Jurisdiction | 2013/14 levy | 2016 tax increment revenue | percentage of permanent rate levy |
|----------------------------------|--------------|----------------------------|-----------------------------------|
| Deschutes County | 23,747,378 | 4652 | 0.02% |
| County Library | 10,143,587 | 2002 | 0.02% |
| Countywide Law Enforcement | 17,520,004 | 3457 | 0.02% |
| Rural Law Enforcement | 8,381,815 | 5095 | 0.06% |
| County Extension 4H | 414,250 | 82 | 0.02% |
| 911 | 2,984,946 | 589 | 0.02% |
| City of La Pine | 241,294 | 7024 | 2.91% |
| La Pine Rural Fire District | 1,797,468 | 5603 | 0.31% |
| La Pine Parks and Rec | 212,002 | 1092 | 0.52% |
| School District #1 | 60,640,139 | 17,338 | 0.03% |
| High Desert ESD | 1,720,682 | 351 | 0.02% |
| Central Oregon Community College | 11,070,002 | 2258 | 0.02% |

Source: Deschutes County Assessor records

Table 15 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FY 2041/42.

Table 15 – Additional Revenues Obtained after Termination of Tax Increment Financing

| Jurisdiction | Tax Rate | From Frozen Base | From Expiration of URA | Total |
|----------------------------------|-----------|------------------|------------------------|------------|
| Deschutes County | \$ 1.2783 | \$ 38,000 | \$ 75,704 | \$ 113,704 |
| County Library | \$ 0.5500 | \$ 16,350 | \$ 32,572 | \$ 48,922 |
| Countywide Law Enforcement | \$ 0.9500 | \$ 28,241 | \$ 56,261 | \$ 84,502 |
| Rural Law Enforcement | \$ 1.4000 | \$ 41,618 | \$ 82,911 | \$ 124,529 |
| County Extension 4H | \$ 0.0224 | \$ 666 | \$ 1,327 | \$ 1,993 |
| 911 | \$ 0.1618 | \$ 4,810 | \$ 9,582 | \$ 14,392 |
| City of La Pine | \$ 1.9300 | \$ 57,374 | \$ 114,299 | \$ 171,673 |
| La Pine Rural Fire District | \$ 1.5397 | \$ 45,771 | \$ 91,185 | \$ 136,956 |
| La Pine Parks and Rec | \$ 0.3000 | \$ 8,918 | \$ 17,767 | \$ 26,685 |
| School District #1 | \$ 4.7641 | \$ 141,624 | \$ 282,141 | \$ 423,765 |
| High Desert ESD | \$ 0.0964 | \$ 2,866 | \$ 5,709 | \$ 8,575 |
| Central Oregon Community College | \$ 0.6204 | \$ 18,443 | \$ 36,741 | \$ 55,184 |

Source: ECONorthwest

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

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, personal manufactured, and utility properties in the Area, is projected to be \$28,945,892. The total assessed value of the City of La Pine is \$124,771,675. This is 23.20% of the total assessed value, below the 25% maximum. The Urban Renewal Area has 577.13 acres, including right-of-way, and the City of La Pine has 4,474.33 acres; therefore 12.90% of the City’s acreage is in an urban renewal area, below the 25% state limit. It should be noted that over 300 of these acres are the BLM parcel for a future Rodeo/Event site.

Table 16 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

| Urban Renewal Area | Assessed Value | Acres |
|--|----------------|----------|
| La Pine Urban Renewal Area | \$28,945,892 | 577.13 |
| City of La Pine | \$124,771,675 | 4,474.33 |
| Percent of La Pine Assessed Value in Urban Renewal | 23.20% | |
| Percent of La Pine Acreage in Urban Renewal | | 12.90% |

Source: City of La Pine, Deschutes County Assessor

RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.