

Report Accompanying the Madras Housing Urban Renewal District Plan

Madras Housing Urban Renewal District Plan Adopted by the City of Madras

November 12, 2019

Ordinance No. 935

This Plan was also adopted by resolution by Jefferson County on November 6, 2019. Their approval was necessary as there is property in the HURD Boundary that is outside the Madras city limits.



LIST OF PARTICIPANTS

Mayor

Richard Ladeby

City Council

Bartt Brick

Rose Canga

Royce Embanks, Jr.

Jennifer Holcomb

Leticia Montano-Hernandez

Gary Walker

Madras Redevelopment Commission

Bartt Brick, Chair

Royce Embanks, Jr., Vice-Chair

Nick Bowlby

Don Reeder

Blanca Reynoso

Angela Rhodes

Chuck Schmidt

Gary Walker

Rachel Wrought

Planning Commission

Joel Hessel, Chair

Ali Aire, Vice-Chair

Melissa Irvine

Joe Krenowicz

City Administrator

Gus Burrell

Finance Director

Kristal Hughes

Public Works Director

Jeff Hurd

Community Development Director

Nicholas Snead

Associate Planner

Morgan Greenwood

Elaine Howard Consulting, LLC

Elaine Howard

Scott Vanden Bos

Tiberius Solutions, LLC

Nick Popenuk

Ali Danko

Rob Wyman

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA	4
III.	THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS	6
IV.	FINANCIAL ANALYSIS OF THE PLAN	7
V.	THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED.....	13
VI.	THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT	17
VII.	REVENUE SHARING	21
VIII.	IMPACT OF THE TAX INCREMENT FINANCING	22
IX.	COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA	26
X.	EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES	27
XI.	REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN	37
XII.	RELOCATION REPORT.....	37

I. INTRODUCTION

The Report Accompanying the Madras Housing Urban Renewal District Urban Renewal Plan (Report) contains background information and project details that pertain to the Madras Housing Urban Renewal District Plan (HURD Plan). The Report is not a legal part of the HURD Plan but is intended to provide public information and support the findings made by the Madras City Council as part of the approval of the HURD Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The Report accompanying the HURD Plan contains the information required by ORS 457.085, including:

- A description of the physical, social, and economic conditions in the area;(ORS 457.085(3)(a))
- Expected impact of the Plan, including fiscal impact in light of increased services; (ORS 457.085(3)(a))
- Reasons for selection of each urban renewal area; (ORS 457.085(3)(b))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.085(3)(c))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.085(3)(d))
- The estimated completion date of each project; (ORS 457.085(3)(e))
- The estimated amount of funds required in the urban renewal area and the anticipated year in which the debt will be retired; (ORS 457.085(3)(f))
- A financial analysis of the plan; (ORS 457.085(3)(g))
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; (ORS 457.085(3)(h)) and
- A relocation report. (ORS 457.085(3)(i))

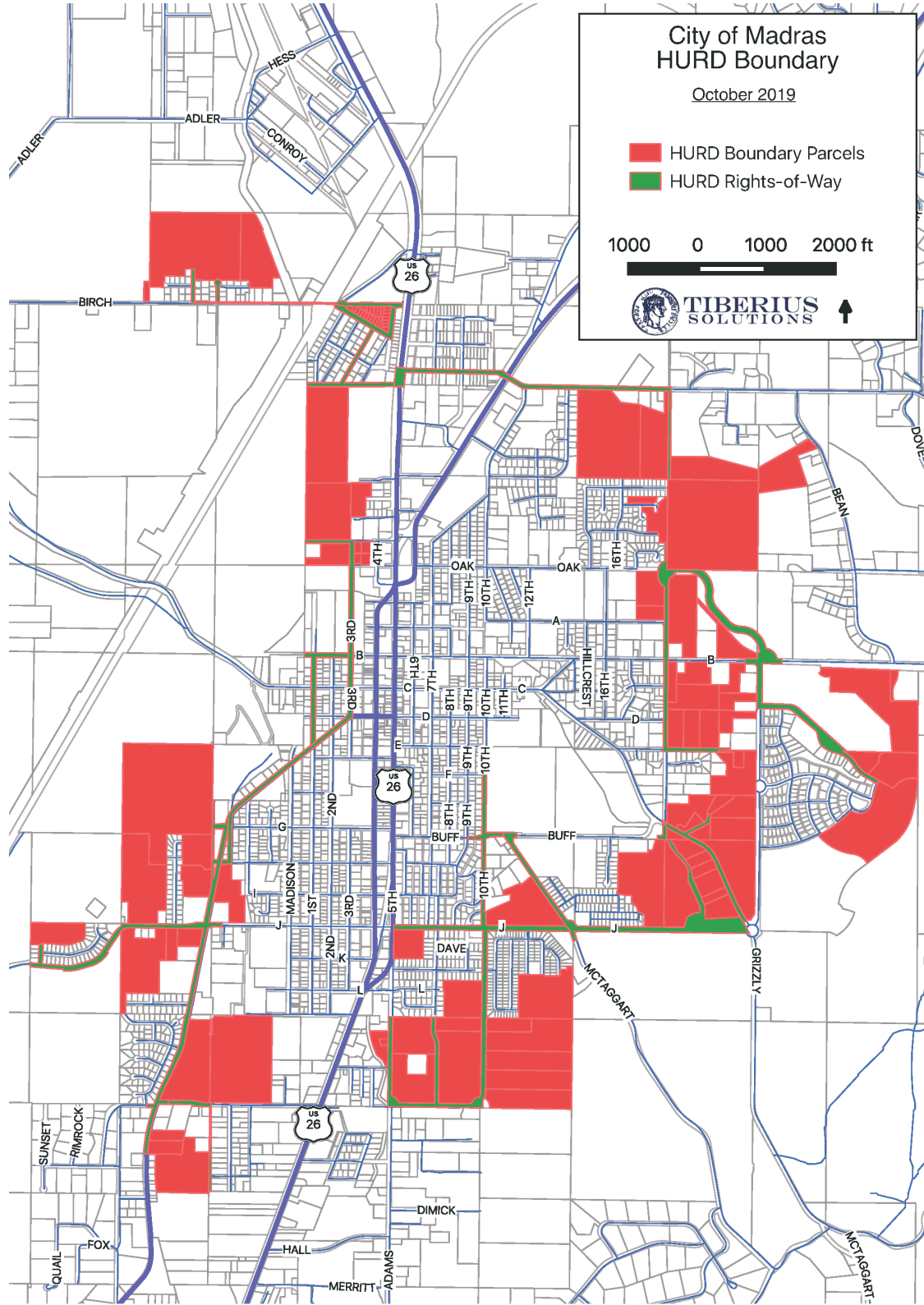
The relationship of the sections of the Report and the ORS 457.085(3) requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

Table 1 - Statutory References

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

The Report provides guidance on how the HURD Plan might be implemented. As the Madras Redevelopment Commission (MRC) will review revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The MRC may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other adjustments to the financials as determined by the MRC. The MRC may also make changes as allowed in the Amendments section of the Plan. These adjustments must stay within the confines of the overall maximum indebtedness of the Plan.

Figure 1 – Madras Housing Urban Renewal District Boundary



Source: Tiberius Solutions LLC and City of Madras

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

The projects identified for the Madras Housing Urban Renewal District (HURD) are described below, including how they relate to the existing conditions in the HURD.

A. Developer/Builder/Property Owner Incentives

The MRC may provide incentives to developers for the development of housing units in the HURD. This will be completed through a development agreement with the developer that stipulates the amount and timing of the development and the amount and timing of the incentive. These incentives can be:

- A direct contribution of funds
- A rebate of a portion of property taxes paid
- Contributions to the developer for infrastructure development
- An agreement for the MRC to complete infrastructure improvements that are otherwise required as a condition of development approval
- A combination of the above

MRC/City staff will conduct pre-development meetings with the developer/builder/property owner to identify the unique financing needs of each site. Staff will recommend a financing package to the MRC that will contain staff's recommendation on the appropriate form of incentive through negotiations with the developer/builder/property owner for the development of the housing units. The MRC will approve the incentives and the ultimate signing of a development agreement containing those incentives and a commitment by the developer/builder/property owner for the production of the housing units.

A guideline for the amount of incentive is established in this Report accompanying the HURD Plan. This is a guideline only, balancing the needs for administration, incentives, and infrastructure needs.

Existing conditions:

The City of Madras completed a Madras Housing Action Plan¹ in 2018. The Housing Action Plan established goals for housing production over the next five years. These goals included 40 units of housing affordable to low-income households earning less than \$30,360 in 2017 dollars and 75 units of housing affordable to moderate and middle income households who have annual earnings of between \$30,360 and \$60,720 in 2017 dollars. The City of Madras adopted an ordinance to provide Systems Development Charge reductions as a direct result of the findings in the Madras Housing Action Plan. However, additional incentives are necessary to stimulate housing production in Madras. The HURD will provide additional financial tools to encourage development of housing in Madras.

¹ ECONorthwest, *Madras Housing Action Plan* (December 11, 2018).

B. Infrastructure

The MRC may complete infrastructure improvements including but not limited to streets, sidewalks, water, sewer, stormwater, and park projects determined by the MRC to help facilitate housing development and may complete improvements specified in a development agreement that tie the improvements to specific housing development. As these improvements are identified, a minor amendment will be made to the HURD Plan to describe the specific improvement.

Existing conditions:

There are infrastructure needs throughout the HURD as identified in the Section on Existing Conditions of this Report. Some of that infrastructure is needed prior to the construction of housing on adjacent lands. Some of the infrastructure is needed for future capacity needed for overall systems.

C. Public Building Project²

Assist Jefferson County Fire District #1 by providing funds for the expansion to the fire station at the corner of 5th and J Street in the urban renewal area. This project will be funded no sooner than the 10th fiscal year after the HURD is established.

Existing conditions:

The Jefferson County Fire District #1 station is located at 5th and J Street, within the urban renewal area. The Fire District expects future needs for expansion of the station to serve the new housing units being developed as a result of the HURD.

D. Administration

Provide administration of the HURD Plan including but not limited to staff support, financial statements, budget preparation and annual reports pursuant to ORS 457.460.

Existing conditions:

There is no existing administration funding for housing incentive programs as described in the HURD Plan and Report.

² This is a “Public Building Project” as defined by Enrolled HB 2174

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

The total cost estimates for projects are shown in Table 2 below. These costs are shown in both constant 2019\$ (second column), and year of expenditure dollars (third column), which assumes inflation of 3.0% annually. The final column shows costs as a percentage of total project costs. These are estimates only and may be adjusted as the MRC negotiates incentives for projects on an ongoing basis.

The HURD Plan assumes that the MRC will use other funds to assist in the completion of the projects within the HURD. These sources include but are not limited to City of Madras General Funds, System Development Charges (SDCs), local, state and federal grants, and other sources as identified by the MRC/City. The MRC may pursue regional, county, state, and federal funding, private developer contributions and any other sources of funding that may assist in the implementation of the programs.

The MRC will be able to review and update fund expenditures and allocations on an annual basis when the annual budget is prepared.

Table 2 - Estimated Cost of Each Project

Project Title	Project Cost 2019\$	Project Cost Year of Expenditure \$	Percentage of Total
Developer Incentives	\$10,469,536	\$19,038,782	49%
<i>Up front Incentives</i>	<i>\$2,207,571</i>	<i>\$3,807,756</i>	10%
<i>Annual Payments</i>	<i>\$4,085,157</i>	<i>\$7,615,513</i>	20%
<i>Infrastructure</i>	<i>\$4,176,808</i>	<i>\$7,615,513</i>	20%
Public Building Project	\$350,705	\$500,000	1%
Infrastructure/Other Capital Projects	\$8,242,524	\$17,173,158	44%
Administration/Financing fees	\$1,389,924	\$2,320,271	6%
TOTAL:	\$20,452,690	\$39,032,211	100%

Source: City of Madras and Tiberius Solutions LLC – The breakout of types of developer incentives are not added in the total project costs.

IV. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FYE 2050 are calculated based on projections of the assessed value of development within the HURD and the consolidated tax rate that will apply in the HURD.

A. *Development Assumptions*

Two elements contribute to growth in assessed value: appreciation of existing property value and new construction.

In most situations, Oregon's property tax system allows individual properties to appreciate a maximum amount of 3.0% per year. Most properties achieve that maximum growth rate of 3.0% each year. The analysis in this Report assumes that existing property value will appreciate at 3.0% per year.

The Portland State University Population Research Center's 2015 Coordinated Population Forecast and the Madras Housing Action Plan, completed for the City of Madras in December of 2018 provide the basis for assumptions for new construction used in this Plan:

1. *Number of New Homes.*

The Coordinated Population Forecast estimates that Madras will grow by 1.4% per year. This analysis uses the same assumption, forecasting that the number of housing units citywide will grow by 1.4%. Based on conversations with City staff, the analysis assumes that 70% of these new homes will occur within the HURD boundary. According to City staff, Madras currently has about 2,560 total housing units.

2. *Housing Type.*

The Madras Housing Action Plan includes City Council's goal for new housing development over the next five years:

- 40 housing units affordable to low-income households (20% of total units)
- 75 housing units affordable to moderate- and middle-income households (48%)
- 50 housing units affordable to higher income households (32%)

This analysis assumes that the type of new homes built each year in the HURD will reflect the Housing Goal proportionally.

Table 3 shows the total number of new housing units forecast in the HURD from FYE 2020 through FYE 2050. Note that the first 50 housing units affordable to low-income households in the HURD are assumed to be captured in the two multifamily developments estimated to occur in 2021 and 2026.

Note that the forecast includes fractions of housing units. This is due to the method of proportional allocation from the citywide forecast to the subcategories of housing units with the HURD. This approach is reasonable for the purposes of an abstract, long-term forecast.

The projected housing units by category are:

- 193 affordable to low income households
- 462 affordable to moderate- and middle-income households
- 309 affordable to high-income households

Table 3 - New Housing Madras HURD - FYE 2020 through FYE 2050

Calendar Year	Total New Units - Citywide	Total New Units - HURD	Housing Units by Price		
			Low	Mid	High
2020	36.0	25.2	0.0	12.1	8.1
2021	36.0	25.2	25.0	12.1	8.1
2022	37.0	25.9	0.0	12.4	8.3
2023	37.0	25.9	0.0	12.4	8.3
2024	38.0	26.6	0.0	12.8	8.5
2025	38.0	26.6	25.0	12.8	8.5
2026	39.0	27.3	0.0	13.1	8.7
2027	39.0	27.3	0.0	13.1	8.7
2028	40.0	28.0	0.0	13.4	9.0
2029	41.0	28.7	3.3	13.8	9.2
2030	41.0	28.7	5.7	13.8	9.2
2031	42.0	29.4	5.9	14.1	9.4
2032	42.0	29.4	5.9	14.1	9.4
2033	43.0	30.1	6.0	14.4	9.6
2034	44.0	30.8	6.2	14.8	9.9
2035	44.0	30.8	6.2	14.8	9.9
2036	45.0	31.5	6.3	15.1	10.1
2037	45.0	31.5	6.3	15.1	10.1
2038	46.0	32.2	6.4	15.5	10.3
2039	47.0	32.9	6.6	15.8	10.5
2040	47.0	32.9	6.6	15.8	10.5
2041	48.0	33.6	6.7	16.1	10.8
2042	49.0	34.3	6.9	16.5	11.0
2043	49.0	34.3	6.9	16.5	11.0
2044	50.0	35.0	7.0	16.8	11.2
2045	51.0	35.7	7.1	17.1	11.4
2046	51.0	35.7	7.1	17.1	11.4
2047	52.0	36.4	7.3	17.5	11.6
2048	53.0	37.1	7.4	17.8	11.9
2049	54.0	37.8	7.6	18.1	12.1
2050	54.0	37.8	7.6	18.1	12.1
TOTAL:	1,378.00	964.60	193.00	462.90	308.80

Source: Tiberius Solutions LLC

Note: For housing affordable to low-income households, the first 50 units are assumed to be accommodated in two taxable multifamily developments, with the remaining 143 units assumed to be tax-exempt.

3. Assessed Value of New Homes.

For each home by type in the HURD, this analysis calculated assessed value per unit by applying the applicable changed property ratio to the home’s assumed new real market value. Table 4 below shows the underlying assumptions used to calculate assessed value for each home type.

Table 4 - Assessed Value of New Housing Units

Unit Type	RMV	Land Value ³	Net New RMV	CPR ⁴	AV
Affordable to Low-Income Households	Tax exempt ⁵				
Affordable to Moderate- and Middle-Income Households	\$208,000 ⁶	\$4,660	\$203,340	0.57	\$115,395
Affordable to Higher Income Households	\$245,000 ⁷	\$4,660	\$240,340	0.57	\$136,393
Taxable Multifamily Development	\$125,000	\$0 ⁸	\$125,000	0.91	\$113,500
2021: 25 Units					
2026: 25 Units					

Source: Tiberius Solutions LLC
 Note: All numbers in constant 2019 dollars.

³ Assumed land value equal to total existing real market value in HURD boundary divided by the total HURD acreage.

⁴ Source: Jefferson County Assessor, SAL Table 7a, FYE 2019. Note: The CPR is equal to the ratio of aggregate RMV to assessed value (AV) across Jefferson County for a given property type. This ratio is applied to the RMV of all new development to determine the initial AV of the development. The CPR for each property type is updated by the Jefferson County Assessor each year.

⁵ Assumes the housing units affordable to low-income households will be government-subsidized housing and exempt from property tax.

⁶ Source: Housing Action Plan, median sale price for new homes.

⁷ Source: Conversations with developers indicated this maximum price of a home in Madras.

⁸ Given higher density of multifamily development, existing RMV of land per unit is assumed to be negligible, and therefore not factored into the analysis.

B. Incentive Assumptions

The value of the HURD incentive was modeled to equal seven years of tax revenue received by the HURD for any new taxable development. Based on the estimated consolidated tax rate in the HURD, this incentive is expected to equal about 12.2% of new assessed value for each home. For tax-exempt development, incentives are assumed to equal \$10,000 per unit.

There are three proposed options for how the incentive may be applied to any given development:

1. Lump Sum:

Receive incentive at certificate of occupancy, but only equal to 50% of the total incentive amount.

2. Tax Rebate:

Receive 100% of incentive through equal installment payments over the course of seven years.

3. Infrastructure:

City builds infrastructure improvements required as a condition of development with a cost up to 100% of total incentive. Timing of improvements to be determined by City. This analysis assumes that infrastructure improvements occur on average, three years after certificate of occupancy.

This analysis assumes that incentives will be split evenly among the three options. All incentives will be paid on schedule, with the exception of the estimated final year of the HURD, where all outstanding payments are assumed to be paid in full to enable the HURD to close.

C. Financing Assumptions

The finance plan assumes that through FYE 2030, all available revenue will be spent on developer incentives, administration, and debt service. Beginning in FYE 2031, the financial forecast indicates the HURD will have sufficient resources to begin spending money on other infrastructure projects, in addition to continued developer incentives and administration.

Based on conversations with City staff, the following finance assumptions are used in this financial model. Note that there are infinite versions of financing assumptions that could have been modeled based on the specific needs of the HURD. Ultimately, the MRC will make decisions regarding any future indebtedness as part of the annual budget process, based on more concrete loan terms, with the intention to fund specific projects. Note that borrowing capacity is dependent on exact financing terms.

- Inflation rate: 3.0%
- Line of Credit:
 - Interest rate: 3.0%
 - Annual drawdown in FYE 2021 through FYE 2023, totaling \$450,000

- Repayment: FYE 2024
- Long-term Debt:
 - Minimum debt service coverage ratio required: 1.5 times annual TIF revenue
 - Interest rates for new debt: 5.0%
 - Amortization period: 20 years
 - Timing:
 - First loan: FYE 2024
 - Second loan: FYE 2027

Table 5 shows the incremental assessed value, tax rates and tax increment revenues each year, adjusted for discounts, and delinquencies. These projections of growth are the basis for the projections in Table 7, Table 8, Table 9, Table 10, Table 11, and Table 12.

The first year of tax increment collections is anticipated to be fiscal year ending (FYE) 2021. Gross tax increment financing (TIF)⁹ is calculated by multiplying the tax rate times the incremental assessed value used. The tax rate is stated on the basis of dollars per thousand dollars of assessed value, so the calculation is “tax rate times incremental assessed value used divided by one thousand.” The consolidated tax rate includes permanent tax rates only, and excludes general obligation bonds and local option levies, which will not be impacted by this Plan.

Figure 2 shows expected TIF revenues over time, the expected revenue sharing and the projected tax revenues after termination of the HURD.

⁹ TIF is also used to signify tax increment revenues

Table 5 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value			Tax Rate	Current Year			Prior Year	Total TIF
	Total Assessed Value	Frozen Base Assessed Value	Increment (Applied)		Gross TIF	Adjustments	Net TIF	Net TIF	
2021	8,582,248	8,345,170	237,078	15.0093	3,558	(178)	3,380		3,380
2022	11,559,356	8,345,170	3,214,186	15.0093	48,243	(2,412)	45,831	51	45,881
2023	17,901,418	8,345,170	9,556,248	15.0093	143,433	(7,172)	136,261	687	136,948
2024	21,396,429	8,345,170	13,051,259	15.0093	195,890	(9,795)	186,096	2,044	188,140
2025	25,085,481	8,345,170	16,740,311	15.0093	251,260	(12,563)	238,697	2,791	241,489
2026	29,067,279	8,345,170	20,722,109	15.0093	311,024	(15,551)	295,473	3,580	299,054
2027	33,265,814	8,345,170	24,920,644	15.0093	374,041	(18,702)	355,339	4,432	359,771
2028	41,473,622	8,345,170	33,128,452	15.0093	497,235	(24,862)	472,373	5,330	477,703
2029	46,330,796	8,345,170	37,985,626	15.0093	570,138	(28,507)	541,631	7,086	548,716
2030	51,546,984	8,345,170	43,201,814	15.0093	648,429	(32,421)	616,008	8,124	624,132
2031	57,139,474	8,345,170	48,794,304	15.0093	732,368	(36,618)	695,750	9,240	704,990
2032	63,021,602	8,345,170	54,676,432	15.0093	820,655	(41,033)	779,622	10,436	790,058
2033	69,299,382	8,345,170	60,954,212	15.0093	914,880	(45,744)	869,136	11,694	880,830
2034	75,897,572	8,345,170	67,552,402	15.0093	1,013,914	(50,696)	963,219	13,037	976,256
2035	82,928,893	8,345,170	74,583,723	15.0093	1,119,449	(55,972)	1,063,477	14,448	1,077,925
2036	90,457,981	8,345,170	82,112,811	15.0093	1,232,456	(61,623)	1,170,833	15,952	1,186,785
2037	98,364,625	8,345,170	90,019,455	15.0093	1,351,129	(67,556)	1,283,573	17,563	1,301,135
2038	106,773,277	8,345,170	98,428,107	15.0093	1,477,337	(73,867)	1,403,470	19,254	1,422,724
2039	115,598,303	8,345,170	107,253,133	15.0093	1,609,794	(80,490)	1,529,305	21,052	1,550,357
2040	124,993,800	8,345,170	116,648,630	15.0093	1,750,814	(87,541)	1,663,274	22,940	1,686,213
2041	134,967,958	8,345,170	126,622,788	15.0093	1,900,519	(95,026)	1,805,493	24,949	1,830,443
2042	145,428,525	8,345,170	137,083,355	15.0093	2,057,525	(102,876)	1,954,649	27,082	1,981,731
2043	156,549,179	8,345,170	148,204,009	15.0093	2,224,438	(111,222)	2,113,217	29,320	2,142,536
2044	168,360,399	8,345,170	160,015,229	15.0093	2,401,717	(120,086)	2,281,631	31,698	2,313,329
2045	180,739,751	8,345,170	172,394,581	15.0093	2,587,522	(129,376)	2,458,146	34,224	2,492,370
2046	193,848,238	8,345,170	185,503,068	15.0093	2,784,271	(139,214)	2,645,058	36,872	2,681,930
2047	207,722,444	8,345,170	199,377,274	15.0093	2,992,513	(149,626)	2,842,888	39,676	2,882,564
2048	222,254,907	8,345,170	213,909,737	15.0093	3,210,635	(160,532)	3,050,104	42,643	3,092,747
2049	237,651,027	8,345,170	229,305,857	15.0093	3,441,720	(172,086)	3,269,634	45,752	3,315,386
2050	253,960,069	8,345,170	245,614,899	15.0093	3,686,508	(184,325)	3,502,182	49,045	3,551,227
Totals					42,353,419	(2,117,671)	40,235,748	551,003	40,786,751

Source: Tiberius Solutions, LLC

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

Table 6 shows a summary of the financial capacity of the HURD, including how the total TIF revenue translates to the ability to fund urban renewal projects in constant 2019 dollars in five-year increments. Table 7, Table 8, and Table 9, show more detailed tables on the allocation of tax revenues to projects, programs, and administration over time.

The HURD is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the HURD in FYE 2050, which would result in a 30-year urban renewal plan. 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 stronger than projected, it may take a shorter time period. These assumptions show one scenario for financing and that this scenario is financially feasible.

The maximum indebtedness is \$39,100,000 (Thirty-Nine Million One Hundred Thousand Dollars). The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$39,100,000 is \$40,786,751 and is made up of revenues from the division of taxes from permanent rate levies. This number includes interest on the line of credit and other debt incurred to operate the HURD. Interest is not included as part of the Maximum Indebtedness of an urban renewal area.

The financial analysis projects capacity of funding for projects in five-year increments as shown below in Table 4.

Table 6 - TIF Capacity of the HURD

Gross TIF (YOES)	\$42,400,000
Net TIF	\$40,800,000
Maximum Indebtedness (YOES)	\$39,100,000
Capacity (2019\$)	\$20,500,000
Years 1-5	\$1,200,000
Years 6-10	\$1,800,000
Years 11-15	\$2,700,000
Years 16-20	\$3,400,000
Years 21-25	\$4,800,000
Years 26-30	\$6,500,000

Source: Tiberius Solutions, LLC

This financial analysis shows borrowings as identified in Table 7, Table 8, and Table 9. These are only one scenario for how the MRC may decide to implement this Plan, and this scenario is financially feasible. The MRC may decide to do borrowings at different times or for different amounts, depending on their analysis at the time. The timeframes on these borrowings are designed to have all borrowings paid off at the termination of the District in FYE 2050.

Table 7 - Tax Increment Revenues and Allocations to Debt Service, page 1

	Total	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Resources										
Beginning Balance										
Proceeds from Refunding - LOC Share	450,000				450,000					
TIF: Current Year	40,235,748	3,380	45,831	136,261	186,096	238,697	295,473	355,339	472,373	541,631
TIF: Prior Years	551,003		51	687	2,044	2,791	3,580	4,432	5,330	7,086
Total Resources	41,236,751	3,380	45,881	136,948	638,140	241,489	299,054	359,771	477,703	548,716
Expenditures										
Debt Service										
Scheduled Payments										
Loan A	(2,086,307)				(104,315)	(104,315)	(104,315)	(104,315)	(104,315)	(104,315)
Loan B	(2,567,763)							(128,388)	(128,388)	(128,388)
Line of Credit - Interest	(25,800)		(3,600)	(8,700)	(13,500)					
Line of Credit - Principal	(450,000)				(450,000)					
Total Debt Service, Scheduled Only	(4,679,870)	-	(3,600)	(8,700)	(117,815)	(104,315)	(104,315)	(232,704)	(232,704)	(232,704)
Total Debt Service	(5,129,870)	-	(3,600)	(8,700)	(567,815)	(104,315)	(104,315)	(232,704)	(232,704)	(232,704)
Debt Service Coverage Ratio		15.74	1.60	2.31	2.87	1.55	2.05	2.36	2.68	3.03
Transfer to URA Projects Fund	(36,106,881)	(3,380)	(42,281)	(128,248)	(70,324)	(137,173)	(194,738)	(127,068)	(245,000)	(316,013)
Total Expenditures	(41,236,751)	(3,380)	(45,881)	(136,948)	(638,140)	(241,489)	(299,054)	(359,771)	(477,703)	(548,716)
Ending Balance		-	-	-	-	-	-	-	-	-

Source: Tiberius Solutions LLC

Table 8 - Tax Increment Revenues and Allocations to Debt Service. page 2

	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036	FYE 2037	FYE 2038	FYE 2039	FYE 2040
Resources											
Beginning Balance											
Proceeds from Refunding - LOC Share											
TIF: Current Year	616,008	695,750	779,622	869,136	963,219	1,063,477	1,170,833	1,283,573	1,403,470	1,529,305	1,663,274
TIF: Prior Years	8,124	9,240	10,436	11,694	13,037	14,448	15,952	17,563	19,254	21,052	22,940
Total Resources	624,132	704,990	790,058	880,830	976,256	1,077,925	1,186,785	1,301,135	1,422,724	1,550,357	1,686,213
Expenditures											
Debt Service											
Scheduled Payments											
Loan A	(104,315)	(104,315)	(104,315)	(104,315)	(104,315)	(104,315)	(104,315)	(104,315)	(104,315)	(104,315)	(104,315)
Loan B	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)
Line of Credit - Interest											
Line of Credit - Principal											
Total Debt Service, Scheduled Only	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)
Total Debt Service	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)	(232,704)
Debt Service Coverage Ratio	3.40	3.79	4.20	4.63	5.10	5.59	6.11	6.66	7.25	7.87	8.52
Transfer to URA Projects Fund	(391,429)	(472,287)	(557,355)	(648,127)	(743,552)	(845,222)	(954,082)	(1,068,432)	(1,190,020)	(1,317,653)	(1,453,510)
Total Expenditures	(624,132)	(704,990)	(790,058)	(880,830)	(976,256)	(1,077,925)	(1,186,785)	(1,301,135)	(1,422,724)	(1,550,357)	(1,686,213)
Ending Balance	-	-	-	-	-	-	-	-	-	-	-

Source: Tiberius Solutions LLC

Table 9 - Tax Incremental Revenues and Allocations to Debt Service, page 3

	FYE 2041	FYE 2042	FYE 2043	FYE 2044	FYE 2045	FYE 2046	FYE 2047	FYE 2048	FYE 2049	FYE 2050
Resources										
Beginning Balance										
Proceeds from Refunding - LOC Share										
TIF: Current Year	1,805,493	1,954,649	2,113,217	2,281,631	2,458,146	2,645,058	2,842,888	3,050,104	3,269,634	3,502,182
TIF: Prior Years	24,949	27,082	29,320	31,698	34,224	36,872	39,676	42,643	45,752	49,045
Total Resources	1,830,443	1,981,731	2,142,536	2,313,329	2,492,370	2,681,930	2,882,564	3,092,747	3,315,386	3,551,227
Expenditures										
Debt Service										
Scheduled Payments										
Loan A	(104,315)	(104,315)	(104,315)							
Loan B	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)				
Line of Credit - Interest										
Line of Credit - Principal										
Total Debt Service, Scheduled Only	(232,704)	(232,704)	(232,704)	(128,388)	(128,388)	(128,388)	-	-	-	-
Total Debt Service	(232,704)	(232,704)	(232,704)	(128,388)	(128,388)	(128,388)	-	-	-	-
Debt Service Coverage Ratio	9.21	18.02	19.41	20.89						
Transfer to URA Projects Fund	(1,597,739)	(1,749,028)	(1,909,833)	(2,184,941)	(2,363,982)	(2,553,542)	(2,882,564)	(3,092,747)	(3,315,386)	(3,551,227)
Total Expenditures	(1,830,443)	(1,981,731)	(2,142,536)	(2,313,329)	(2,492,370)	(2,681,930)	(2,882,564)	(3,092,747)	(3,315,386)	(3,551,227)
Ending Balance	-	-	-	-	-	-	-	-	-	-

Source: Tiberius Solutions LLC

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The schedule for providing incentives and construction of infrastructure will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the MRC as shown in the following three tables. Annual expenditures for program administration are also shown.

The HURD is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the HURD in FYE 2050, a 30-year program.

The amount of money available for projects in the HURD including administrative expenses is \$20,452,690 in constant 2019 dollars.

Table 10, Table 11, and Table 12 show the \$20,4452,690 of project costs in 2019 constant dollars inflated 3.0% annually over the life of the HURD, totaling \$39,032,211 in year of expenditure dollars.

The 3.0% inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470.

The MRC may change the project completion dates in their annual budgeting process or as project decisions are made in administering the Plan.

Table 10 - Programs and Costs in Year of Expenditure Dollars, Page 1

	Total	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Resources										
Beginning Balance			6,272	1,495	6,481	476,702	279,592	113,170	1,319,989	1,143,192
Interest Earnings	25,330		31	7	32	2,384	1,398	566	6,600	5,716
Transfer from TIF Fund	36,106,881	3,380	42,281	128,248	70,324	137,173	194,738	127,068	245,000	316,013
Bond/Loan Proceeds - After LOC	2,450,000				850,000			1,600,000		
Line of Credit Proceeds	450,000	120,000	170,000	160,000						
Other										
Total Resources	39,032,211	123,380	218,585	289,750	926,838	616,260	475,728	1,840,803	1,571,589	1,464,921
Expenditures (YOE \$)										
Developer Incentives - Up Front	(3,807,756)	(53,952)	(118,614)	(58,654)	(60,415)	(64,012)	(65,931)	(142,593)	(71,588)	(75,798)
Developer Incentives - Annual Payments	(7,615,513)	(15,415)	(49,304)	(66,063)	(83,324)	(101,613)	(120,451)	(161,192)	(166,230)	(153,997)
Developer Incentives - Infrastructure	(7,615,513)	-	-	(107,904)	(237,227)	(117,308)	(120,831)	(128,024)	(131,862)	(285,185)
Public Project	(500,000)									
Other Capital Projects	(17,173,158)									
Financing Fees	(49,000)				(17,000)			(32,000)		
Administration	(2,271,271)	(47,741)	(49,172)	(50,648)	(52,169)	(53,735)	(55,346)	(57,006)	(58,716)	(60,476)
Total Expenditures	(39,032,211)	(117,108)	(217,090)	(283,269)	(450,135)	(336,668)	(362,559)	(520,814)	(428,397)	(575,456)
Ending Balance		6,272	1,495	6,481	476,702	279,592	113,170	1,319,989	1,143,192	889,465

Source: Tiberius Solutions, LLC

Table 11 - Programs and Costs in Year of Expenditure Dollars, Page 2

	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036	FYE 2037	FYE 2038	FYE 2039	FYE 2040
Resources											
Beginning Balance	889,465	829,813									
Interest Earnings	4,447	4,149									
Transfer from TIF Fund	391,429	472,287	557,355	648,127	743,552	845,222	954,082	1,068,432	1,190,020	1,317,653	1,453,510
Bond/Loan Proceeds - After LOC											
Line of Credit Proceeds											
Other											
Total Resources	1,285,341	1,306,249	557,355	648,127	743,552	845,222	954,082	1,068,432	1,190,020	1,317,653	1,453,510
Expenditures (YOE \$)											
Developer Incentives - Up Front	(87,751)	(96,084)	(101,307)	(104,349)	(109,701)	(116,366)	(119,854)	(125,877)	(129,655)	(136,542)	(143,601)
Developer Incentives - Annual Payments	(162,311)	(172,502)	(183,158)	(194,134)	(184,737)	(197,530)	(210,118)	(221,011)	(230,602)	(240,670)	(251,885)
Developer Incentives - Infrastructure	(143,177)	(151,595)	(175,502)	(192,169)	(202,613)	(208,698)	(219,403)	(232,731)	(239,708)	(251,754)	(259,311)
Public Project		(500,000)									
Other Capital Projects		(321,910)	(31,306)	(89,408)	(176,390)	(250,416)	(330,331)	(412,204)	(511,147)	(607,412)	(714,999)
Financing Fees											
Administration	(62,289)	(64,157)	(66,083)	(68,067)	(70,110)	(72,212)	(74,376)	(76,608)	(78,908)	(81,275)	(83,714)
Total Expenditures	(455,528)	(1,306,249)	(557,355)	(648,127)	(743,552)	(845,222)	(954,082)	(1,068,432)	(1,190,020)	(1,317,653)	(1,453,510)
Ending Balance	829,813	-	-	-	-	-	-	-	-	-	-

Tiberius Solutions, LLC

Table 12 - Programs and Costs in Year of Expenditure Dollars, Page 3

	FYE 2041	FYE 2042	FYE 2043	FYE 2044	FYE 2045	FYE 2046	FYE 2047	FYE 2048	FYE 2049	FYE 2050
Resources										
Beginning Balance										
Interest Earnings										
Transfer from TIF Fund	1,597,739	1,749,028	1,909,833	2,184,941	2,363,982	2,553,542	2,882,564	3,092,747	3,315,386	3,551,227
Bond/Loan Proceeds - After LOC										
Line of Credit Proceeds										
Other										
Total Resources	1,597,739	1,749,028	1,909,833	2,184,941	2,363,982	2,553,542	2,882,564	3,092,747	3,315,386	3,551,227
Expenditures (YOE \$)										
Developer Incentives - Up Front	(147,909)	(155,707)	(164,091)	(169,015)	(177,158)	(185,639)	(191,205)	(201,242)	(211,412)	(221,733)
Developer Incentives - Annual Payments	(262,801)	(274,042)	(286,681)	(299,006)	(312,578)	(326,606)	(340,207)	(355,445)	(371,361)	(1,620,539)
Developer Incentives - Infrastructure	(273,085)	(287,203)	(295,818)	(311,415)	(328,182)	(338,030)	(354,316)	(371,278)	(382,410)	(1,268,776)
Public Project										
Other Capital Projects	(827,720)	(943,263)	(1,071,767)	(1,311,284)	(1,449,017)	(1,603,308)	(1,893,879)	(2,058,739)	(2,240,979)	(327,679)
Financing Fees										
Administration	(86,225)	(88,812)	(91,476)	(94,221)	(97,047)	(99,959)	(102,956)	(106,043)	(109,224)	(112,500)
Total Expenditures	(1,597,739)	(1,749,028)	(1,909,833)	(2,184,941)	(2,363,982)	(2,553,542)	(2,882,564)	(3,092,747)	(3,315,386)	(3,551,227)
Ending Balance	-	-	-	-	-	-	-	-	-	-

Source: Tiberius Solutions, LLC

VII. REVENUE SHARING

Revenue sharing means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in tax revenue in the HURD. The first threshold is when annual tax increment finance revenues exceed 10% of the original maximum indebtedness of the Plan (\$3,910,000). At the 10% threshold, the MRC 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 (\$4,887,500). If this threshold is met, revenue for the HURD would be capped at 12.5% of the maximum indebtedness, with all additional tax revenue being shared with affected taxing districts.

Revenue sharing targets are not projected to be reached during the anticipated 30-year duration of the HURD. If assessed value in the HURD grows more quickly than projected, the revenue sharing triggers could be reached during the life of the HURD.

VIII. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the HURD.

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 HURD. These projections are for impacts estimated through FYE 2050 and are shown in Table 13 and Table 14.

The Madras 509J School District and the Jefferson County 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.

Table 13 and Table 14 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 13 shows the general government levies, and Table 14 shows the education levies.

As this Report accompanies a Plan with a Public Building Project as defined by enrolled HB 2174 it requires a special approval known as concurrence. HB 2174 defines concurrence as “concurrence (approval) of at least three of the four taxing districts that are estimated to forgo the most property tax revenue as computed in the report accompanying the proposed plan. The question of concurrence shall be determined by a vote of the governing body of each of the four taxing districts.” The four taxing districts with the greatest estimated impacts for this Plan are the Madras School District (\$12,465,131), the City of Madras (\$11,212,667), Jefferson County (\$9,690,905), and Jefferson County Fire District #1 (\$3,219,343). The districts whose approval is required for concurrence are indicated with a * in Table 13 and Table 14. As noted in the ordinance adopting the Plan, concurrence from Jefferson county, City of Madras and the Madras School District was received prior to the adoption of the ordinance approving the Madras Housing Urban Renewal District Plan.

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

FYE	Jefferson County*	City of Madras*	Jefferson County Fire District #1*	MAC Recreation District	Jefferson County Library District	Subtotal
2021	(803)	(929)	(267)	(56)	(98)	(2,154)
2022	(10,901)	(12,613)	(3,621)	(764)	(1,329)	(29,230)
2023	(32,539)	(37,648)	(10,809)	(2,281)	(3,968)	(87,246)
2024	(44,702)	(51,721)	(14,850)	(3,134)	(5,451)	(119,858)
2025	(57,378)	(66,388)	(19,061)	(4,022)	(6,997)	(153,846)
2026	(71,055)	(82,213)	(23,605)	(4,981)	(8,665)	(190,519)
2027	(85,481)	(98,905)	(28,397)	(5,992)	(10,425)	(229,200)
2028	(113,502)	(131,325)	(37,706)	(7,957)	(13,842)	(304,331)
2029	(130,375)	(150,847)	(43,311)	(9,140)	(15,899)	(349,572)
2030	(148,293)	(171,580)	(49,263)	(10,396)	(18,084)	(397,617)
2031	(167,505)	(193,809)	(55,646)	(11,743)	(20,427)	(449,129)
2032	(187,717)	(217,195)	(62,360)	(13,159)	(22,892)	(503,324)
2033	(209,285)	(242,149)	(69,525)	(14,671)	(25,522)	(561,152)
2034	(231,958)	(268,382)	(77,057)	(16,261)	(28,287)	(621,945)
2035	(256,114)	(296,332)	(85,082)	(17,954)	(31,233)	(686,716)
2036	(281,979)	(326,259)	(93,674)	(19,767)	(34,388)	(756,067)
2037	(309,149)	(357,694)	(102,700)	(21,672)	(37,701)	(828,916)
2038	(338,038)	(391,120)	(112,297)	(23,697)	(41,224)	(906,377)
2039	(368,364)	(426,208)	(122,371)	(25,823)	(44,922)	(987,688)
2040	(400,643)	(463,556)	(133,095)	(28,086)	(48,859)	(1,074,239)
2041	(434,912)	(503,206)	(144,479)	(30,488)	(53,038)	(1,166,123)
2042	(470,858)	(544,797)	(156,420)	(33,008)	(57,421)	(1,262,505)
2043	(509,065)	(589,004)	(169,113)	(35,687)	(62,081)	(1,364,949)
2044	(549,645)	(635,956)	(182,594)	(38,532)	(67,030)	(1,473,756)
2045	(592,186)	(685,176)	(196,725)	(41,514)	(72,217)	(1,587,819)
2046	(637,225)	(737,288)	(211,688)	(44,671)	(77,710)	(1,708,582)
2047	(684,895)	(792,444)	(227,524)	(48,013)	(83,523)	(1,836,400)
2048	(734,835)	(850,226)	(244,114)	(51,514)	(89,613)	(1,970,302)
2049	(787,734)	(911,431)	(261,687)	(55,222)	(96,065)	(2,112,139)
2050	(843,769)	(976,266)	(280,302)	(59,150)	(102,898)	(2,262,386)
TOTAL:	(9,690,905)	(11,212,667)	(3,219,343)	(679,355)	(1,181,809)	(25,984,087)

Source: Tiberius Solutions LLC

Table 14 - Projected Impact on Taxing District Permanent Rate Levies – Education

FYE	Central Oregon Community College	Madras School District*	Jefferson County ESD	Subtotal Education	Total All
2021	(140)	(1,033)	(54)	(1,227)	(3,381)
2022	(1,896)	(14,022)	(733)	(16,652)	(45,881)
2023	(5,661)	(41,854)	(2,188)	(49,702)	(136,948)
2024	(7,777)	(57,499)	(3,006)	(68,281)	(188,140)
2025	(9,982)	(73,803)	(3,858)	(87,643)	(241,489)
2026	(12,361)	(91,396)	(4,778)	(108,535)	(299,054)
2027	(14,871)	(109,952)	(5,748)	(130,571)	(359,771)
2028	(19,746)	(145,994)	(7,632)	(173,372)	(477,703)
2029	(22,681)	(167,697)	(8,767)	(199,145)	(548,716)
2030	(25,798)	(190,745)	(9,972)	(226,515)	(624,132)
2031	(29,140)	(215,457)	(11,263)	(255,861)	(704,990)
2032	(32,657)	(241,455)	(12,623)	(286,735)	(790,058)
2033	(36,409)	(269,197)	(14,073)	(319,678)	(880,830)
2034	(40,353)	(298,360)	(15,597)	(354,311)	(976,256)
2035	(44,555)	(329,432)	(17,222)	(391,210)	(1,077,925)
2036	(49,055)	(362,702)	(18,961)	(430,718)	(1,186,785)
2037	(53,782)	(397,649)	(20,788)	(472,219)	(1,301,135)
2038	(58,807)	(434,809)	(22,731)	(516,347)	(1,422,724)
2039	(64,083)	(473,816)	(24,770)	(562,668)	(1,550,357)
2040	(69,699)	(515,336)	(26,940)	(611,974)	(1,686,213)
2041	(75,660)	(559,415)	(29,245)	(664,319)	(1,830,443)
2042	(81,914)	(605,651)	(31,662)	(719,226)	(1,981,731)
2043	(88,560)	(654,796)	(34,231)	(777,587)	(2,142,536)
2044	(95,620)	(706,993)	(36,960)	(839,573)	(2,313,329)
2045	(103,021)	(761,711)	(39,820)	(904,552)	(2,492,370)
2046	(110,856)	(819,644)	(42,849)	(973,348)	(2,681,930)
2047	(119,149)	(880,961)	(46,054)	(1,046,164)	(2,882,564)
2048	(127,837)	(945,197)	(49,412)	(1,122,445)	(3,092,747)
2049	(137,039)	(1,013,239)	(52,969)	(1,203,247)	(3,315,386)
2050	(146,788)	(1,085,316)	(56,737)	(1,288,841)	(3,551,227)
TOTAL:	\$(1,685,897)	\$(12,465,131)	\$(651,643)	\$(14,802,666)	\$(40,786,751)

Source: Tiberius Solutions LLC

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

Table 15 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2051.

The Frozen Base is the total assessed value of the HURD established by the county assessor at the time the HURD is established. Excess Value is the increased assessed value in the urban renewal area above the Frozen Base.

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

Taxing District	Tax Rate	From Frozen Base	From Excess Value	Total
General Government				
Jefferson County	3.5662	29,760	937,370	967,130
City of Madras	4.1262	34,434	1,084,565	1,118,999
Jefferson County Fire District #1	1.1847	9,886	311,396	321,282
MAC Recreation District	0.25	2,086	65,713	67,799
Jefferson County Library District	0.4349	3,629	114,314	117,943
Subtotal	9.562	79,795	2,513,358	2,593,153
Education				
Central Oregon Community College	0.6204	5,177	163,071	168,248
SD 509J	4.5871	38,281	1,205,712	1,243,993
Jefferson County ESD	0.2398	2,002	63,031	65,033
Subtotal	5.4473	45,460	1,431,814	1,477,274
TOTAL:	15.0093	125,255	3,945,172	4,070,427

Source: Tiberius Solutions LLC

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

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base (assumed to be FYE 2019 values), including all real, personal, manufactured, and utility properties in the HURD, is projected to be \$8,345,170. The Jefferson County Assessor will set the frozen base once the HURD is adopted.

The assessed value information for the City of Madras, the Madras Urban Renewal Area and the Excess Value are from the Jefferson County SAL 4a reports for FYE 2019. As noted on the prior page, the Frozen Base is the total assessed value of an urban renewal area established by the county assessor at the time the urban renewal area is established. Excess Value is the increased assessed value of an urban renewal area above the Frozen Base.

- The total assessed value of the City of Madras in FYE 2019 is \$377,636,828.
- The excess value in the existing Madras Urban Renewal Area is \$30,416,094.
- The frozen base of the existing Madras Urban Renewal Area is \$41,853,156.
- The projected frozen base of the HURD is \$8,345,170.
- The percentage of assessed value in the urban renewal areas is 14.46%, below the 25% threshold.

The urban renewal areas in Madras must also comply with the 25% of total acreage requirement of ORS 457. The acreage information comes from the City of Madras.

- The HURD contains 701.5¹⁰ acres, including public rights-of-way.
- The City of Madras contains 4,558 acres.
- The existing Madras Urban Renewal Area is 308.29 acres.
- This puts 22.15% of the City’s acreage in an urban renewal area, which is below the 25% threshold.

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

	Assessed Value	Acreage
Madras Urban Renewal Area frozen base	\$41,853,156	308.29
HURD estimated frozen base	\$8,345,170	701.5
Total in Urban Renewal	\$50,198,326	1,009.79
City of Madras	\$377,636,828	4,558*
Excess Value	\$30,416,094	
Amount on which to calculate 25%	\$347,220,734	
25% limitation	86,805,183	1,139.50
Percent in urban renewal	14.46%	22.15%

Source: Compiled by Elaine Howard Consulting, LLC with data from City of Madras and Jefferson County Department of Assessment and Taxation (FYE 2019) * Includes airport annexation.

¹⁰ The 701.5 acre calculation is from the legal description for the HURD.

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

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

A. Physical Conditions

1. Land Use

The HURD measures 701.5¹¹ total acres in size, which is composed of 106 individual parcels encompassing 606.22 acres, and an additional 95.28 acres in public rights-of-way. An analysis of FYE 2018-2019 property classification data from the Jefferson County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the Area. By acreage, Residential uses account for the most prevalent land use within the HURD (82%). This was followed by Tract (11%). Detailed land use designations in the HURD can be seen in Table 17.

Table 17 - Land Use in the HURD

Land Use	Parcels	Acreage	Percent of Acreage
Residential	89	496.7	81.93%
Exempt	5	45.34	7.48%
Tract	12	64.18	10.59%
TOTAL:	106	606.22	100.00%

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Madras using the Jefferson County Department of Assessment and Taxation database (FY 2018-2019)

2. Zoning and Comprehensive Plan Designations

The most prevalent zoning and comprehensive plan designation by acreage in the HURD is Single-Family Residential (R1) at 68%. The second most prevalent zoning and comprehensive plan designation in the HURD is Planned Residential Development (R3) is at 18%. Detailed comprehensive plan designations in the Area can be seen in Table 18.

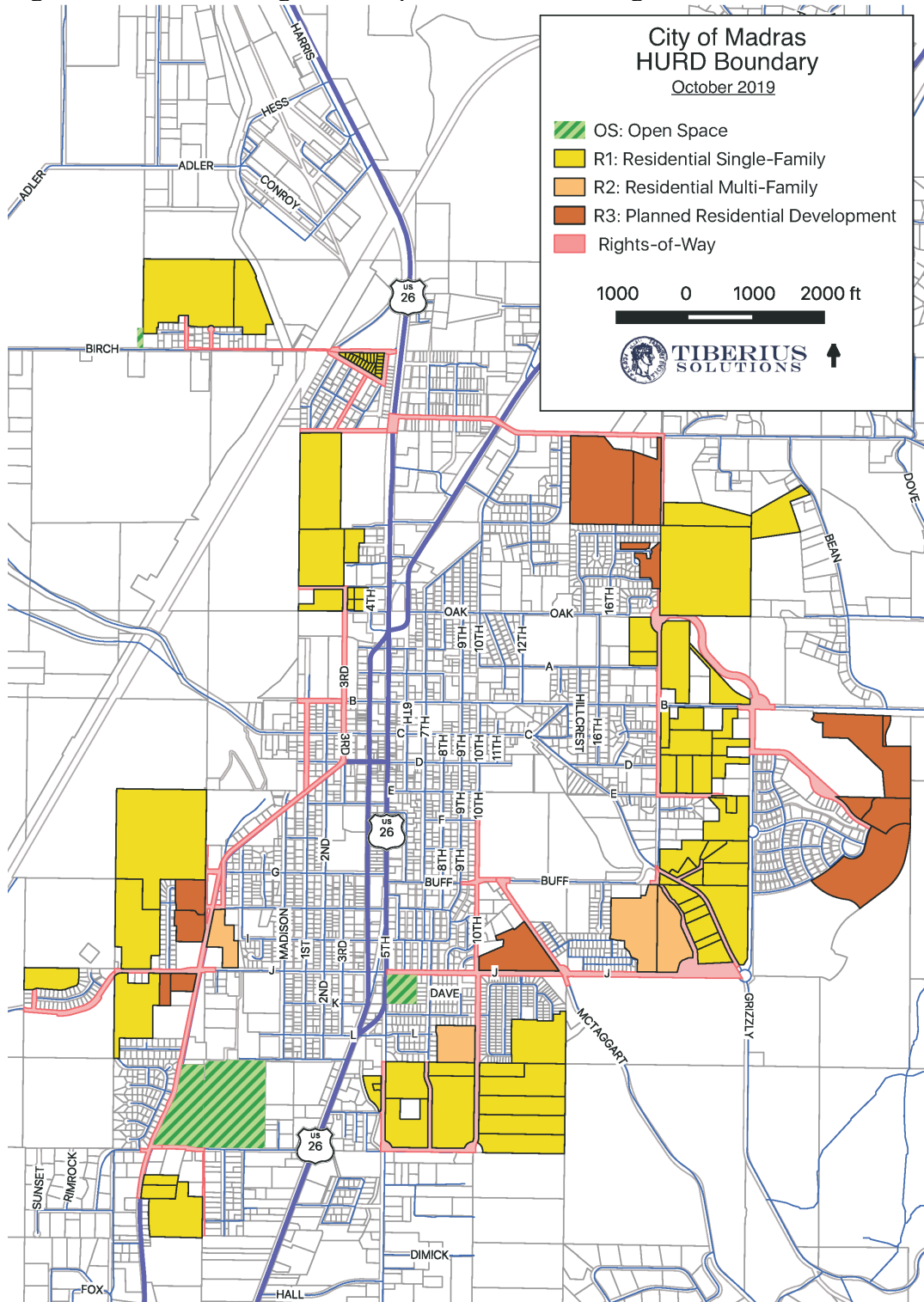
Table 18 – Zoning and Comprehensive Plan Designations in the HURD

Zoning and Comprehensive Plan Designation	Parcels	Acreage	Percent of Acreage
Single Family Residential	85	414.31	68.34%
Planned Residential Development	13	110.78	18.27%
Open Space	4	44.69	7.37%
Multi-Family Residential	4	36.41	6.01%
TOTAL:	106	606.22	100.00%

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Madras using the Jefferson County Department of Assessment and Taxation database (FYE 2018-2019)

¹¹ The 701.5 acre calculation is from the legal description for the HURD.

Figure 2 – HURD Zoning and Comprehensive Plan Designations



Source: Tiberius Solutions LLC with information from the City of Madras

B. Infrastructure

This section identifies the existing conditions in the HURD to assist in **establishing blight in the ordinance adopting the urban renewal plan.** There are projects listed in several City of Madras’ infrastructure master plans that relate to these existing conditions. **This does not mean that all of these projects are included in the urban renewal plan.** The specific projects that are included in the Plan are listed in Sections II and III of this Report.

1. Transportation

The projects listed in Table 19 are capital projects in the HURD from the City of Madras Transportation System Plan:

Table 19 - Transportation Projects in the HURD, page 1

Project Name	Description	Estimate
Marigold Street Extension	Extend Marigold Street from Kinkade to Bean Drive	\$2,000,000
Buff Street Extension	Extend Buff Street to Grizzly Road	\$430,000
Fairgrounds Road Eastern Extension	Extend Fairgrounds Road to 10th Street Extension	\$2,300,000
Hall Street-Fairgrounds Road Connection	Construct new roadway to connect Hall Road Extension to Fairgrounds Road	\$2,100,000
Southern Bean Drive Extension	Extend Bean Drive from B Street to Yarrow Master Plan Area	\$4,000,000
Claremount (City View) Drive Improvement	Improve Claremount (City View) between B Street and Future Kinkade/Oak Intersection	\$1,600,000
16th Street Extension	Extend 16th Street from Loucks Road to Cedar Street Extension	\$880,000
E/W Minor Collector	New Minor Collector between Kinkade Road and 16th Street Extension	\$500,000
Kinkade Road Extension	Extend Kinkade Drive from B Street to Loucks Drive	\$2,400,000
10th Street Extension	Extend 10th Street to Fairground Road Extension	\$2,200,000
Fairgrounds Road to 2nd Street Connection	Construct a roadway connecting Fairgrounds Road and 2nd Street	\$1,300,000
Central Concept Area Connecting Roads	Construct Roadways connecting Lee Street, US 26 and Poplar Street int eh Central Concept Area	\$2,300,000

Source: Madras Transportation Systems Plan

Table 20 - Transportation Projects in the HURD, page 2

Project Name	Description	Estimate
Poplar Street Extension	Extend Poplar Street from 4th Street to the Central Concept Area Connection Roads	\$950,000
Jefferson Street Realignment	Realign Jefferson Street to Connect with Lee Street	\$2,000,000
Kinkade Road Extension	Extend Kinkade Road from Grizzly Road to J Street	\$1,400,000
Road Extension from Lee to Birch	Construct a roadway extension between Lee Street and Birch Land and improve connectivity between central and north Madras	\$2,000,000
Realign 10th Street with McTaggart Road	Realign 10th Street to align with Buff/McTaggart Road intersection. A portion of the existing 10th Street alignment may be vacated or repurposed	\$750,000
Extend Oak Street from eastern terminus to Kinkade	Construct road to Minor Collector Standards	\$600,000
Extend E Street to City View Street/Yarrow Avenue	Construct Road to Minor Collector Standards	\$800,000
Culver Hwy/Fairgrounds Road	Eliminate Intersection Skew Angle	\$500,000
SE 10th Street, Buff Street/McTaggart Road	Construct intersection improvement that connects SE 10th Street, Buff Street and McTaggart Road	\$1,500,000
J Street/McTaggart Road	Construct Intersection Improvement at J Street and McTaggart Road	\$1,500,000
US 26/Lee Street Concept Area Intersection Enhancements	Upgrade intersection to address capacity needs for Concept Area	\$750,000
City View/B Street	Construct Intersection Improvement at City View Drive and B Street	\$1,500,000
Loucks Road/Kinkade	Construct Intersection Improvement at Loucks and Kinkade	\$1,500,000
US 97/Loucks Road Realignment	Reconfigure intersection to eliminate existing alignment issue for vehicles westbound on Loucks Road	\$500,000
J Street/Culver Hwy	Consider long term capacity enhancements	\$300,000

Source: Madras Transportation Systems Plan

Table 21 - Transportation Projects in the HURD, page 3

Project Name	Description	Estimate
J Street/10th Street	Construct intersection improvement at J Street and 10th Street	\$1,500,000
City View Drive/Kinkade Road	Construct Intersection improvement at City View Drive and Kinkade Road	\$1,500,000
H Street/Culver Highway	Consider long term capacity enhancements	\$300,000
Hoffman/Harris Trail Section	6300 linear feet of multiuse path around and through Subdivision over to McTaggart	\$1,260,000
CityView to Grizzly Trail	2200 linear feet of multiuse path from City View to E and City View to Grizzly	\$440,000
Kinkade Trail	2600 linear feet of multiuse path from Oak Street to Loucks along Kinkade	\$520,000
West Concept Commercial Trail	5000 linear feet of multiuse path from Birch to Willow Creek	\$1,000,000
Culver Hwy Walk	15000 linear feet of sidewalk installation from Madison Street to Fairgrounds road	\$1,800,000
J Street Sidewalk	2500 linear feet of Sidewalk on J Street from McTaggart to Grizzly	\$300,000
McTaggart Walk	1600 linear feet of sidewalk on McTaggart from J Street to Buff Street	\$192,000

Source: Madras Transportation Systems Plan

2. Stormwater

There are no stormwater projects identified in City plans within the HURD Plan Area.

3. Wastewater

The wastewater projects in the HURD from the City of Madras' Sanitary Sewer Master Plan.

Table 22 - Wastewater Projects in HURD

Project Name	Description	Estimate
Mountain View/Sky Ridge Sewer	Extend Public Sewer in the Mountain View/Sky Ridge Subdivision (portion)	\$1,139,000
Willow Creek North Sewer Extension	Extend Public Sewer from J Street to Buff and Grizzly and along Grizzly	\$550,000
Eldorado Estates/The Ridge Sewer Extension	Extend Public Sewer to serve Eldorado Estates and the Ridge Subdivision (now referred to as Hoffman/Harris Subdivision) along 10th Street from Tracie to Fairgrounds	\$456,000
Willow Brook Pump Station	Replace pump station and increase capacity to serve 150 plus lot Willowbrook Subdivision	\$500,000

Source: City of Madras

4. *Water*

The water projects in the HURD from the City of Madras' Water Master Plan.

Table 23 - Water Projects in HURD

Project Name	Description	Estimate
3rd Street Water	Extends an 8" Waterline from 3rd and B Street 390 feet to the north. Replaces services and adds a fire hydrant	\$100,000

Source: City of Madras

5. *Parks*

The parks projects in the HURD from the City of Madras' Park Master Plan.

Table 24 - Parks Projects in HURD

Project Name	Description	Estimate
Hoffman Park	6 acre park dedication to be improved	\$1,800,000
Dog Park	Add a dog park (location to be determined)	\$156,000

Source: City of Madras

C. Social Conditions

According to the US Census Bureau, American Community Survey 2013-2017 Five Year Estimates. As the HURD is situated over many areas of the City of Madras, the following data represents the City of Madras as a whole. It is understood that the majority of parcels in the HURD are presently vacant, so there are few residents presently in the HURD.

In the City of Madras, 74% of the residents are white.

Table 25 - Race in Madras

Race	Number	Percent
White a	4,856	74.11%
Black or African American	63	0.96%
American Indian and Alaska Native	379	5.78%
Asian	87	1.33%
Native Hawaiian and Other Pacific Islander	9	0.14%
Some other race	1,060	16.18%
Two or more races	98	1.50%
TOTAL:	6,552	100%

Source: American Community survey 2013-17 Five Year Estimates

The most common age bracket in Madras is between 35 and 44 years at 15%.

Table 26 - Age in Madras

Age	Number	Percent
Under 5 years	560	8.55%
5 to 9 years	524	8.00%
10 to 14 years	391	5.97%
15 to 17 years	298	4.55%
18 to 24 years	709	10.82%
25 to 34 years	911	13.90%
35 to 44 years	995	15.19%
45 to 54 years	714	10.90%
55 to 64 years	728	11.11%
65 to 74 years	419	6.39%
75 to 84 years	191	2.92%
85 years and over	112	1.71%
TOTAL:	6,552	100.01%

Source: American Community survey 2013-17 Five Year Estimates

In the block groups representing the City of Madras, 12% of adult residents have earned a bachelor’s degree or higher. Another 32% have some college education or an Associate’s degree a degree, and another 32% have graduated from high school with no college experience.

Table 27 - Educational Attainment in Madras

Educational Attainment	Number	Percent
Less than high school	963	23.66%
High school graduate (includes equivalency)	1,301	31.97%
Some college	947	23.27%
Associate's degree	355	8.72%
Bachelor's degree	378	9.29%
Master's degree	119	2.92%
Professional school degree	0	0.00%
Doctorate degree	7	0.17%
TOTAL:	4,070	100%

Source: American Community survey 2013-17 Five Year Estimates

The most common travel time to work class was less than 10 minutes, with 37% of journeys being in this class. This was followed by the 10 to 19 minutes travel time class, which represented 25% of journeys.

Table 28 - Travel Time to Work in Madras

Travel Time	Number	Percent
Less than 10 minutes	871	37.17%
10 to 19 minutes	597	25.48%
20 to 29 minutes	312	13.32%
30 to 39 minutes	177	7.55%
40 to 59 minutes	256	10.93%
60 to 89 minutes	116	4.95%
90 or more minutes	14	0.60%
TOTAL:	2,343	100%

Source: American Community survey 2013-17 Five Year Estimates

Of the means of transportation used to travel to work, the majority, 74% drove alone with another 15% carpooling

Table 29 - Means of Transportation to Work in Madras

Means of Transportation	Number	Percent
Drove alone	1,770	74.46%
Carpooling	350	14.72%
Using Public Transportation	0	0.00%
Motorcycling	0	0.00%
Bicycling	45	1.89%
Walking	178	7.49%
Using Other Means	0	0.00%
Working at home	34	1.43%
TOTAL:	2,377	99.99%

Source: American Community survey 2013-17 Five Year Estimates

Eighty-one percent of the households in Madras have a household income of less than \$74,999.

Table 30 – Household Income in the Past 12 Months in Madras

Income	Number	Percent
Less than \$10,000	257	11%
\$10,000 to \$14,999	151	7%
\$15,000 to \$19,999	175	8%
\$20,000 to \$24,999	245	11%
\$25,000 to \$29,999	125	6%
\$30,000 to \$34,999	160	7%
\$35,000 to \$39,999	92	4%
\$40,000 to \$44,999	89	4%
\$45,000 to \$49,999	116	5%
\$50,000 to \$59,999	100	4%
\$60,000 to \$74,999	299	13%
\$75,000 to \$99,999	381	17%
\$100,000 to \$124,999	46	2%
\$125,000 to \$149,999	-	0%
\$150,000 to \$199,999	9	0%
\$200,000 or more	-	0%
TOTAL:	2,245	100%

Source: American Community survey 2013-17 Five Year Estimates

D. Economic Conditions

1. Taxable Value of Property within the HURD

The estimated total assessed value of the HURD calculated with data from the Jefferson County Department of Assessment and Taxation for FYE 2019, including all real, personal, manufactured, and utility properties, is estimated to be \$8,335,468.

2. Building to Land Value Ratio

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

Table 31 shows the improvement to land ratios (I:L) for properties within the HURD. Tax exempt properties account for 8% of the total properties. Tax exempt properties include properties owned by the City of Madras, Jefferson County and the Jefferson County Fire District #1. The vast majority of the land (81%) in the HURD is undeveloped and showing a prevalence of depreciated values. Less than 1% of the parcels in the HURD have an I:L of above 2.0, further showing a prevalence of depreciated values.

Table 31 - Improvement to Land Ratios in the HURD

Improvement to Land Ratio	Parcels	Acreage	Percent of Acreage
Tax Exempt*	7	51.48	8.47%
No Improvement Value	79	491.56	81.11%
0.01-0.50	6	38.54	6.36%
0.51-1.00	3	11.41	1.88%
1.01-1.50	3	7.72	1.27%
1.51-2.00	1	1.01	0.17%
2.01-2.50	2	1.84	0.30%
2.51-3.00	0	0	0.00%
3.01-3.50	1	0.13	0.02%
>3.5	4	2.6	0.43%
TOTAL:	106	606.22	100.00%

Source: Compiled by Elaine Howard Consulting, LLC with data from the Jefferson County Department of Assessment and Taxation (FY 2018-2019)

*Tax exempt properties are the Fairgrounds and the Fire District properties and properties owned by the City of Madras

E. Impact on Municipal Services

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

The projects being considered for future use of urban renewal funding are for development of properties improvements and infrastructure improvements. The use of tax increment allows the City to add an additional funding source to the City of Madras general fund or system development charges funds to allow these projects to be completed.

It is anticipated that these improvements will catalyze development on the undeveloped and underdeveloped parcels in the HURD. This development will require city services. However, since the property is within the city limits, the city has anticipated the need to provide services to the HURD. As the development will be new construction or rehabilitation, it will be up to current building code and will aid in any fire protection needs.

The temporary, negative financial impacts from tax increment collections will be countered by future economic development, and, after termination of the HURD Plan, increases in assessed value of the tax base for all overlapping taxing jurisdictions, including the City.

XI. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the parcels in the HURD is to provide the ability to fund projects and programs necessary to cure blight within the HURD.

The City of Madras has a need for additional housing as identified in the Madras Housing Action Plan.¹² The Madras Housing Action Plan specified actions that could be taken by the City to help address this need. One of those actions was the creation of an urban renewal area to help fund incentives to assist in the development of housing units for Madras.¹³ The City strategically identified vacant parcels throughout the City for inclusion in the HURD, providing the greatest flexibility to developers/builders and property owners to participate in the HURD incentives.

It is anticipated that without the assistance of the urban renewal incentives to assist in financing development of new housing units, the HURD would remain undeveloped and blighted.

XII. RELOCATION REPORT

If the MRC acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the MRC shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The MRC will comply with all applicable state law in providing these potential benefits.

¹² ECONorthwest, *Madras Housing Action Plan* (December 11, 2018).

¹³ *Ibid*, p 40.