

CITY OF FLORENCE

REPORT ON THE FLORENCE DOWNTOWN PRESERVATION AND RENEWAL PLAN

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Exhibit B

**REPORT ON THE
CITY OF FLORENCE DOWNTOWN PRESERVATION AND RENEWAL PLAN**

ACKNOWLEDGEMENTS

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REPORT ON THE CITY OF FLORENCE DOWNTOWN PRESERVATION AND RENEWAL PLAN

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REPORT ON THE CITY OF FLORENCE DOWNTOWN PRESERVATION AND RENEWAL PLAN

PROJECT BACKGROUND

The City of Florence has invested considerable time and money in study efforts on downtown and Old Town Florence. Among the studies are a 1998 Downtown Plan, a 1999 Implementation Plan, and a Downtown Plan Update Report. The missing catalyst for implementing the recommendations in these reports was a reliable source for financing their recommendations.

On March 23, 2005, Florence City Council appointed a Downtown Urban Renewal Advisory Committee (DURAC), and gave it these charges:

- Find a funding method to complete the Council Approved Downtown Plan
- Evaluate the feasibility of establishing a Downtown Urban Renewal District
- Provide advice on any matter relating to updating and/or implementing the Downtown Plan

Over the next several months the Committee developed a Vision Statement, a list of objectives for the Downtown Area, and gathered information on the workings of Urban Renewal and tax increment financing. The Committee's work included visits to several cities with renewal programs to discuss their experience, and get their advice on urban renewal. Based on its work, the Committee made a recommendation that the City develop an urban renewal plan for the Downtown Plan area. The City of Florence hired an urban renewal consultant, and the Urban Renewal Advisory Committee started work on the urban renewal plan in January, 2006.

The Urban Renewal Plan is formally titled "The Florence Downtown Preservation and Renewal Plan". "Renewal Plan" in this text refers to the "Florence Downtown Preservation and Renewal Plan".

DEFINITION OF BLIGHTING CONDITIONS

ORS 457.010 defines "blight" as follows: (underlining is added for emphasis)

"Blighted areas mean areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

"The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

"Defective design and quality of physical construction;
"Faulty interior arrangement and exterior spacing;
"Overcrowding and a high density of population;
"Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
'Obsolescence, deterioration, dilapidation, mixed character or shifting of uses."

"An economic dislocation, deterioration or disuse of property resulting from faulty planning;

"The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;

"The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;

"The existence of inadequate streets and other rights-of-way, open spaces and utilities;

"The existence of property or lots or other areas which are subject to inundation by water;

"A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;

"A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare; or

"A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere."

Note that it is not necessary for each of the cited conditions to be present in the renewal area, or that these conditions be prevalent in each and every sector of the urban renewal area.

100. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE RENEWAL AREA

100A. PHYSICAL CONDITIONS

1. Land Area and Conformance with 25 % limit on acreage

The Florence Renewal Plan Area is focused on the Old Town area of Florence, and areas immediately adjacent to Highway 101. The Renewal Plan Area contains approximately 337.6 acres. ORS 457.420 provides that the total area of a proposed urban renewal district, when added to the acreage of existing Renewal Areas may not exceed 25% of the City's land area. The City's current acreage is approximately 3327 acres. The total of all acreage in renewal areas represents 10.14 % of the City's acreage. Total renewal area acreage is within the 25% limitation prescribed by ORS 457.420.

2. Existing Land Use and Development

The Florence Renewal Plan Area contains a mixture of residential and commercial land uses. Community-oriented commercial development is concentrated along Highway 101, which runs through the project area. There is a tourism-related commercial area in the Old Town area, adjacent to the Siuslaw River. The acreage by zoning designation of the renewal area is shown in Table 1, below.

Florence Renewal Plan	
Table 1 - Acres, by Zoning Class	
ACRES	DISTRICT
7.98	Single Family Residential
24.23	Main Street "B"
54.94	Main Street
6.6	Commercial
18.35	Multi-Family Residential
17.95	Waterfront/Marine District
3.4	Highway District
30.11	Old Town District
41.54	Old Town District "A"
8.84	Restricted Residential
91.14	Water Area
337.56	TOTAL

3. Conditions – Building conditions

Visual inspection of building exteriors in the area shows the overall level of building conditions and upkeep in residential properties is fair to good. The commercial portions of the renewal area on and adjacent to Highway 101 contain many poorly maintained or under-utilized properties.

There are residential and commercial properties in need of exterior maintenance scattered throughout the area. In most cases, the maintenance and repair needs are minor, but the condition of some of these properties may make it economically infeasible to rehabilitate or repair them.

4. Conditions – Investment and Utilization of land

Property values in Oregon consist of two components – a value for the land, and a value for the improvements, or buildings on that land. Property tax revenues are generated in large part from the improvement value on land in an area. The proposed urban renewal area contains a very large number of properties with no, or very low, improvement values. Assessor’s data shows there are 452 tax lots in the renewal area. Data on real market values shows that of the 452 lots, 76 taxable properties show no improvement value, another 21 show improvement values less than \$10,000, and 9 show improvement values less than \$20,000. Using those dollar values as a measure, nearly 25% of the taxable lots in the area have improvement values less than \$25,000. From the standpoint of Florence taxpayers, a substantial portion of the renewal area is under-performing in its contribution to property taxes and basic services.

Another measure of tax production and contribution to property values is the ratio of improvement values to land values in an area. For example, a property with an improvement value of \$50,000 and a land value of \$50,000 would have an improvement to land ratio of 1 to 1. If the improvement value was \$100,000, the improvement to land ratio would become 2 to 1. Expectations are that property zoned and developed for commercial use will have improvement to land ratios at least 3 to 1. Residential property ratios usually are lower, but well maintained, good quality properties should show a ratio around 2 to 1 or better. Again, using assessors data on real market values, of 452 tax lots in the area, 221 have improvement to land ratios less than 1 to 1. This means that for nearly 50% of the tax lots in the area, the land is worth more than the improvement made to the land. For a developed, older area of city, this is a extremely high percentage of properties with low improvement values. The overall ratio of improvement to land values is 1.26 to 1, again a disappointingly low ratio for a mature area containing a substantial amount of commercial property. The data points to a lack of investment in the renewal area, depreciated values, and a loss of tax producing ability for the Florence community.

5. Conditions – Basic Infrastructure

a. Streets

There is a pocket of the renewal area bounded by Quince, Harbor, and Oak that lacks paved streets, curb, and sidewalk. In general, the condition of streets in the area appears to be good. Traffic circulation between the Old Town portion of the plan area, and areas west of Highway 101 is limited, and is confusing to the casual user. Highway 101 through the renewal area is a four lane roadway. Crossing Highway 101 in the renewal area is difficult, and potentially dangerous to pedestrians and bicyclists.

b. Curbs and Sidewalks

Portions of Kingswood and Laurel Streets in the renewal area lack curb and sidewalk. As noted previously, the area bounded by Quince, Harbor and Oak lacks curb and sidewalk.

c. Water, Sewer, Storm Sewer

There are deficiencies in water, sewer, and storm sewer systems in the renewal area. Deficiencies are shown in Map Exhibits 1, 2, and 3 attached to this Report on the Plan.

6. Conformance with 25% limit on Assessed Values Land and Building values

It is anticipated that the 2005 tax roll will establish the initial base of assessed values for the Florence Renewal Plan Area. The total assessed valuation for the City of Florence for that tax year was \$596,269,914. The total assessed value of property within the Renewal Plan Area for the 2005 tax year is calculated at \$80,924,627. The total assessed value Florence Renewal Plan Area represents 13.58% of the total assessed value of property within the City of Florence. Total assessed value within the renewal area therefore will be within the maximum 25% of total valuation allowed by urban renewal law.

100B. SOCIAL AND ECONOMIC CONDITIONS

No census data is available for the renewal area. Without demographic data available at the Urban Renewal Area level, it is difficult to reliably compare the social and economic conditions of residents within the Urban Renewal Area to conditions within the city as a whole.

200. EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN

Urban renewal plan activities are aimed at making physical improvements to the renewal area, with the intention that these improvements will lead to increased public and private investment in the area. The urban renewal improvements will provide fiscal and service benefits to the City of Florence by undertaking millions of dollars of improvements to utilities, streets, and public facilities that otherwise would need to be built with city general funds, or bond measures. Experience throughout the state has shown that improvements within the renewal area will, over time, produce additional investment in areas immediately adjacent to the renewal area, and will result in additional property tax revenues for the City of Florence, and other taxing bodies.

Carrying out the Renewal Plan is not expected to result directly in significant population growth for the City of Florence. The Plan is not expected to result in a need for additional police, fire, or other emergency services beyond those already contemplated by the City and other service providers. Carrying out the Renewal Plan will require the use of tax increment revenues. Collection of tax increment revenue will have an impact on revenues of taxing bodies in Florence. The tax impacts of the Renewal Plan are discussed in detail in Section 500 D of this report.

The expenditure of tax increment funds is expected to produce new property values for the City of Florence. The renewal project is estimated to be completed by the year 2026-27. During that period, assessed property values in the renewal area are expected to increase by approximately \$286.6 million. At tax rates expected to prevail at the termination of this plan, the new property values anticipated in the renewal area will contribute approximately \$3.02 million in property tax revenues to all taxing bodies in the first year after the project is ended. Of that revenue, approximately \$879,000 will return to the City of Florence. That property tax revenue will grow as a result of annual assessment increases.

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

The Florence Renewal Plan Area was selected based on the existence of blighting conditions within the area, on goals and objectives from the Florence Comprehensive Plan, and on recommendations from the 1999 Florence Downtown Plan. The project area evidences the following characteristics of blight:

- A lack of proper utilization of land planned for tax producing purposes.
- Deficiencies in water, sewer, and storm sewer systems in the project area
- Deficiencies in streets, curb, and sidewalk in the project area.
- Poor building conditions in portions of the project area.
- A prevalence of low values and lack of investment in the project area, resulting in reduced tax receipts.

Treating these conditions is the reason for selecting this renewal area

400. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA

All project activities described in Section 700 of the Plan are intended to correct the deficiencies described in Section 100 of this Report and summarized in Section 300 of this Report.

1. Utilities, curbs and sidewalks will be improved to city standard throughout the renewal area.
2. Assistance for rehabilitation and new development will attract new investment to the area, produce new property tax revenues, encourage better utilization of land, and improve the building conditions and blighted appearance of the area.
3. Streetscape activities will improve the visual appearance of the area, and provide a better climate for new investment in the project area.

500. FINANCIAL ANALYSIS OF PLAN

500A. ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 2 shows the estimated total costs of the Florence Urban Renewal Project. These costs are the anticipated costs of project activities. The costs and project activities are derived from estimates made by DURAC, and City staff.

Florence Renewal Plan	
Table 2- Proposed Urban Renewal Projects	
<u>Project Activity</u>	<u>Funding</u>
Development and Redevelopment	
Complete interpretative site (North)	\$ 300,000
Develop estuary trail (Hwy 126 to Bridge)	\$ 300,000
Financial & tech assist to bring properties into compliance w/ Downtown Plan	\$ 3,500,000
Create financial incentives to provide "workforce housing"	\$ 3,000,000
Incent development of public parking (e.g. Library, etc.)	\$ 4,000,000
Infrastructure	
Facilitate development of old middle school property	\$ 1,500,000
Upgrade water delivery system to enhance fire safety / Improve sewer capacity	\$ 2,500,000
Storm water abatement in downtown area	\$ 500,000
Pedestrian Safety	
Stripe Hwy 101 for parking	\$ 200,000
Construct bulb outs with planters	\$ 800,000
Install a traffic light at 2nd St. and Hwy 101	\$ 400,000
Install emergency vehicle control of traffic lights	\$ 100,000
Sidewalk improvements including accessibility & visibility	\$ 1,000,000
Public Facilities	
Install Old Town restrooms	\$ 400,000
Complete visitor's center / Chamber office	\$ 800,000
Mini-Park Development & Enhancement including Veterans Park	\$ 1,000,000
Facilitate the development of a new senior center	\$ 1,000,000
Preservation and Rehabilitation	
Repair/replace dilapidated public fishing dock	\$ 300,000
Replace dilapidated Maple St. public boat dock	\$ 300,000
Facilitate rebuild of commercial wharf (Mo's, ICM) / Add Ice Machine facility	\$ 800,000
Streetscape Projects	
Complete downtown antique lighting project	\$ 500,000
Install benches, waste receptacles, planters, bike racks, trees	\$ 1,200,000
Underground existing overhead wires	\$ 1,500,000
Project Totals	\$ 25,900,000

The principal method of funding the project share of costs will be through use of tax increment financing as authorized by ORS 457. Revenues are obtained from anticipated urban renewal bond proceeds and the proceeds of short term urban renewal notes.

The total cost of project activities and administration, plus the interest on indebtedness to fund the projects is estimated to be \$25,900,000.

The capacity for urban renewal bonds is based on projections of urban renewal revenues. Anticipated annual revenues are shown in Table 3 of this Report. Table 3 anticipates there will be five long-term bond issues during the life of the plan. The term of the bonds are 20, 15, 10, 8, and 5 years. The term of the bond issues will allow all indebtedness to be retired in the year 2027. Bonds will be issued at such intervals as revenues, project requirements, and overall market conditions dictate. The Agency will make use of short-term indebtedness to carry out project activities not covered by issue of long-term debt. In addition, the Renewal Agency will apply for, and make use of funding from other federal, state, local, or private sources as such funds become available.

500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES

The project activities shown in Table 2 will begin in 2007-08. The sequencing and prioritization of the project activities shown in Table 2 will be done by the Urban Renewal Agency, and any citizen advisory bodies that the Agency calls upon to assist in this process. The priority of projects and annual levels of funding will be as established in the annual budget process. Completion dates for individual activities may be affected by changes to local economic and market conditions, changes in the availability of tax increment funds, and changes in priorities for carrying out project activities.

It is estimated that all activities proposed in this plan will be completed, and project indebtedness paid off by 2026-27. At that time, the tax increment provisions of this plan can be ended.

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT

It is estimated that the project will collect tax increment revenue between the years 2007-08 and 2026-27. The amount of tax increment revenue needed to service all project debt and carry out project activities is estimated at \$25.9 million.

It is anticipated that available project revenues, and funds accumulated in a special fund for debt redemption will be sufficient to retire outstanding bonded indebtedness in the year 2027, and terminate the tax increment financing provisions of the project. After all project debt is retired, and the project closed out, it is estimated that there will be surplus tax increment funds. These funds will be distributed to taxing bodies affected by this plan, as provided in ORS 457. Table 3 of this Report shows the anticipated tax increment receipts and project requirements for each year of the project. Table 3 follows on the next page.

**Table 3 - Florence Renewal Plan
Project Resources and Requirements**

a. Resources	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Beginning Balance	\$0	\$3,131	\$1,327	\$31,885	\$45,834	\$32,750	\$52,415	\$47,488	\$78,779	\$52,045
Tax increment Revenue	\$78,131	\$194,696	\$249,558	\$407,949	\$515,916	\$598,665	\$799,073	\$910,291	\$1,027,266	\$1,168,504
Bond Proceeds										
long term	\$0	\$2,500,000	\$0	\$0	\$2,975,000	\$0	\$0	\$0	\$0	\$3,770,000
Short term	\$0	\$2,500	\$25,000	\$200,000	\$50,000	\$100,000	\$325,000	\$400,000	\$575,000	\$175,000
Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Resources	\$78,131	\$2,700,327	\$275,885	\$639,834	\$3,586,750	\$731,415	\$1,176,488	\$1,357,779	\$1,681,045	\$5,165,549
b. Project Requirements										
Debt Service	\$0	\$194,000	\$194,000	\$194,000	\$479,000	\$479,000	\$479,000	\$479,000	\$479,000	\$979,000
To Project Activities & Admin	\$75,000	\$2,502,500	\$25,000	\$200,000	\$3,025,000	\$100,000	\$325,000	\$400,000	\$575,000	\$3,945,000
Ending Balance	\$3,131	\$1,327	\$31,885	\$45,834	\$32,750	\$52,415	\$47,488	\$78,779	\$52,045	\$66,549

**Table 3 (continued)
Project Resources and Requirements**

a. Resources	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Beginning Balance	\$66,549	\$60,854	\$66,564	\$45,586	\$45,146	\$52,796	\$51,436	\$49,323	\$80,089	\$87,758
Tax increment Revenue	\$1,298,305	\$1,434,710	\$1,578,023	\$1,728,560	\$1,886,651	\$2,052,640	\$2,226,887	\$2,409,766	\$2,601,669	\$2,803,003
Bond Proceeds										
long term	\$0	\$0	\$0	\$3,730,000	\$0	\$0	\$2,450,000	\$0	\$0	\$0
Short term	\$325,000	\$450,000	\$620,000	\$150,000	\$300,000	\$475,000	\$50,000	\$200,000	\$1,200,000	\$1,400,000
Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Resources	\$1,689,854	\$1,945,564	\$2,264,586	\$5,654,146	\$2,231,796	\$2,580,436	\$4,778,323	\$2,659,089	\$3,881,758	\$4,290,761
b. Project Requirements										
Debt Service	\$979,000	\$979,000	\$979,000	\$1,579,000	\$1,579,000	\$1,579,000	\$2,179,000	\$2,179,000	\$1,394,000	\$1,394,000
To Project Activities & Admin	\$325,000	\$450,000	\$620,000	\$3,880,000	\$300,000	\$475,000	\$2,500,000	\$200,000	\$1,200,000	\$1,400,000
Ending Balance	\$60,854	\$66,564	\$45,586	\$45,146	\$52,796	\$51,436	\$49,323	\$80,089	\$87,758	\$96,761

500D. IMPACT OF TAX INCREMENT FINANCING

The passage of Ballot Measure changed Oregon's property tax system, and the impacts of urban renewal on taxpayers, and other taxing bodies. Prior to BM50, collection of tax increment revenues for a renewal agency resulted in an increase in the taxpayer's property tax rate. Taxing bodies suffered no revenue losses, unless there was overall compression of property tax revenues.

Under Ballot Measure 50, the taxpayers' permanent rates will not change. However, collection of tax increment revenue will impact the potential property tax revenues received by overlapping tax bodies. These taxing bodies will not be able to apply their permanent BM50 tax rates against the new values added within the urban renewal area. As a result, the taxing bodies will forego revenue they otherwise might have had if there was no renewal plan in effect. The presence of the urban renewal program could slightly impact the tax rates for future local option levies, or exempt bond issues by taxing bodies, for the tax rates for these bonds and levies will be calculated without the incremental values within the urban renewal area.

Table 4 shows the anticipated cumulative incremental values in the Renewal Area over the life of the Plan, and the anticipated property tax revenues foregone as a result of taxing bodies not being able to apply their permanent BM50 tax rates to those values.

Table 4 actually presents a worst case picture of revenue foregone, for it assumes that all the new values in the Florence Renewal Area would occur, even without the investment of urban renewal funds. In fact, however, it is more realistic to assume that the public expenditures on renewal activities will have some effect on the growth of values within the urban renewal area. Table 4 does not make this adjustment.

More important, Table 4 expresses all revenue foregone in 2006 dollars. It therefore does not take into account the fact that a dollar in the future is not as valuable as today's dollar. A present value calculation of the revenues foregone, using just a 3.5 % rate would substantially reduce the revenue foregone total. Evidence of that reduction is shown in the bottom row of Table 4.

Also, during the plan period, overall values in Florence will increase, and those value increases will diminish the tax foregone impact on the budgets of taxing bodies.

Note on Impact on Schools

Under the current method of funding K-12 level education, the urban renewal program will not result in revenue losses for those educational units of government. The level of funding per student is not dependent on the amount of property tax raised locally.

When the project is completed, an estimated \$286.6 million in assessed values will be placed back on the tax roll. In the following year, the permanent rates of the overlapping taxing bodies will generate property tax revenues estimated to at approximately \$3.02 million. Given just a 3% inflation of assessed values in the area, the revenues foregone by the overlapping taxing bodies will be repaid in a period of nine years after the project is completed.

500E. FINANCIAL FEASIBILITY OF PLAN

The total capital cost and interest on indebtedness to carry out the project activities shown in Table 2 are estimated \$25.9 million. The principal source of revenue to carry out project activities will be annual tax increment revenues of the Renewal Agency. Anticipated tax increment revenues are shown in Table 3. The tax increment revenues shown in Table 3 are based on the following assumptions:

- The duration of the renewal plan will be 20 years
- A frozen base assessed value of \$81 million
- The plan would be adopted by August 31 of the calendar year. Adoption in August 2006 is used here, for illustrative purposes only
- The first tax increment revenue receipt is in November 2007
- 2.75% annual growth in existing incremental values in the area,
- PLUS \$174.6 million in “new building” values (assessors’ term is “exception” value) during the renewal plan. (See Note below)
- A \$9.8569 combined tax rate used to calculate tax increment revenue

Note - The \$174.6 million in new building values during the renewal plan are based on assumptions regarding anticipated new development. Table 5 summarizes projects identified by the DURAC which are expected to add new building value to the tax base and are the basis for this calculation. The real market value shown in Table 5 is in 2006 dollars. For estimating the real market value at the estimated time of completion for these properties, a 4% annual increase in property value is assumed. Development in years 2014, 2015, and 2017-2026 does not identify specific projects, but rather assumes \$8 million (in 2006 dollars) in new building value is contributed for each of these years.

Florence Renewal Plan			
Table 5- Potential Development Projects			
Development	Description	2006 Est. Real Mkt. Value**	Est. Completion Yr.
Bridgeport Landing	Condo - Commercial	4.0	2007
Korando	Condo Phase 1	9.0	2008
Korando	Condo Phase 2	6.0	2010
Korando	Condo Phase 3	6.0	2012
Stillwater	Condos & Commercial	3.5	2008
N. Bay	Condos	4.0	2009
Safeway	Remodel & Gas Station	0.8	2007
Hoberg	New bldg 3600 sf	1.2	2008
Middle School	Major Develop- Phase 1	10.0	2010
Middle School	Major Develop- Phase 2	20.0	2013
Middle School	Major Develop- Phase 3	10.0	2016
Peace Harbor	Renovate 4000 sf	0.5	2007
Howey Goldstein	Renovation	0.2	2008
Lumber Yard	Sold - use unknown	2.0	2010
Board Walk	For lease = unknown	10.0	2011
Estimated 2014	Estimated new RMV	8.0	2014
Estimated 2015	Estimated new RMV	8.0	2015
Estimated 2017-2026	\$8MM per year	80.0	2017-2026
Total	In millions	183.2	

** Property taxes in Oregon are based on assessed value, not real market value. The assessor will convert the real market values in Table One to assessed values by applying a reduction factor to the real market value. This factor is called the “change property ratio”. A change property ratio of .6300 was used to estimate the assessed values of the properties in Table 5.

The revenues shown in Table 3 are expected to be sufficient to carry out all project activities currently shown on the Urban Renewal Plan, and to retire project indebtedness within a 20 year period. It is financially feasible to carry out the Renewal Plan for the Florence Urban Renewal Area.

Florence Renewal Plan

Table 4- Taxes Foregone by Affected Taxing Bodies

		<u>County tax rate</u>	<u>City Tax Rate</u>	<u>Library Tax Rate</u>	<u>Port Tax Rate</u>	<u>Amb Dist Rate</u>	<u>LCC</u>	<u>Siuslaw SD</u>	<u>ESD Rate</u>
	Cumulative New	\$1.2773	\$2.8610	\$0.5163	\$0.1474	\$0.3198	\$0.6191	\$3.8928	\$0.2232
	Incremental	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on
Year	Values in area	new values	new values	new values	new values	new values	new values	new values	new values
2007	\$7,988,816	\$10,204	\$22,856	\$4,125	\$1,178	\$2,555	\$4,946	\$31,099	\$1,783
2008	\$19,907,580	\$25,428	\$56,956	\$10,278	\$2,934	\$6,366	\$12,325	\$77,496	\$4,443
2009	\$25,517,196	\$32,593	\$73,005	\$13,175	\$3,761	\$8,160	\$15,798	\$99,333	\$5,695
2010	\$41,712,615	\$53,280	\$119,340	\$21,536	\$6,148	\$13,340	\$25,824	\$162,379	\$9,310
2011	\$52,752,125	\$67,380	\$150,924	\$27,236	\$7,776	\$16,870	\$32,659	\$205,353	\$11,774
2012	\$61,213,214	\$78,188	\$175,131	\$31,604	\$9,023	\$19,576	\$37,897	\$238,291	\$13,663
2013	\$81,704,818	\$104,362	\$233,757	\$42,184	\$12,043	\$26,129	\$50,583	\$318,061	\$18,237
2014	\$93,076,788	\$118,887	\$266,293	\$48,056	\$13,720	\$29,766	\$57,624	\$362,329	\$20,775
2015	\$105,037,392	\$134,164	\$300,512	\$54,231	\$15,483	\$33,591	\$65,029	\$408,890	\$23,444
2016	\$119,478,959	\$152,610	\$341,829	\$61,687	\$17,611	\$38,209	\$73,969	\$465,108	\$26,668
2017	\$132,750,979	\$169,563	\$379,801	\$68,539	\$19,567	\$42,454	\$82,186	\$516,773	\$29,630
2018	\$146,698,333	\$187,378	\$419,704	\$75,740	\$21,623	\$46,914	\$90,821	\$571,067	\$32,743
2019	\$161,352,008	\$206,095	\$461,628	\$83,306	\$23,783	\$51,600	\$99,893	\$628,111	\$36,014
2020	\$176,744,337	\$225,756	\$505,666	\$91,253	\$26,052	\$56,523	\$109,422	\$688,030	\$39,449
2021	\$192,909,062	\$246,403	\$551,913	\$99,599	\$28,435	\$61,692	\$119,430	\$750,956	\$43,057
2022	\$209,881,386	\$268,081	\$600,471	\$108,362	\$30,937	\$67,120	\$129,938	\$817,026	\$46,846
2023	\$227,698,043	\$290,839	\$651,444	\$117,560	\$33,563	\$72,818	\$140,968	\$886,383	\$50,822
2024	\$246,397,354	\$314,723	\$704,943	\$127,215	\$36,319	\$78,798	\$152,545	\$959,176	\$54,996
2025	\$266,019,301	\$339,786	\$761,081	\$137,346	\$39,211	\$85,073	\$164,693	\$1,035,560	\$59,376
2026	\$286,605,593	\$366,081	\$819,979	\$147,974	\$42,246	\$91,656	\$177,438	\$1,115,698	\$63,970
	Total	\$3,391,801	\$7,597,231	\$1,371,007	\$391,413	\$849,212	\$1,643,987	\$10,337,120	\$592,696
	PV @3.5%	\$2,113,985	\$4,735,182	\$854,498	\$243,953	\$529,282	\$1,024,636	\$6,442,747	\$369,405

Note: School and ESD revenue foregone is replaced dollar-for-dollar by State funds, and does not affect per student funding.

PV = Present value of the revenue foregone. This adjusts future dollars to 2006 dollar totals.

600. RELOCATION

A. PROPERTIES REQUIRING RELOCATION

No relocation is anticipated at the adoption of this plan.

B. RELOCATION METHODS

If in the implementation of this Plan, persons or businesses should be displaced by action of the Agency, the Agency shall provide assistance to such persons or businesses to be displaced. Such displacees will be contacted to determine their individual relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045 - 281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060.

No relocation of businesses or residents is anticipated in this plan.

C. HOUSING COST ENUMERATION

The Renewal Plan will remove no existing housing units. Several proposed developments during the life of the plan are assumed to include new residential units.. However, the actual price range, quality, number of units, size, unit mix, and other details regarding these developments are not known at this time. The estimated costs of the project shown in Table 2 include a funding allocation for assistance to workforce housing. This assistance should make housing units proposed for the area more affordable.

EXHIBIT 1 - SEWER DEFICIENCIES

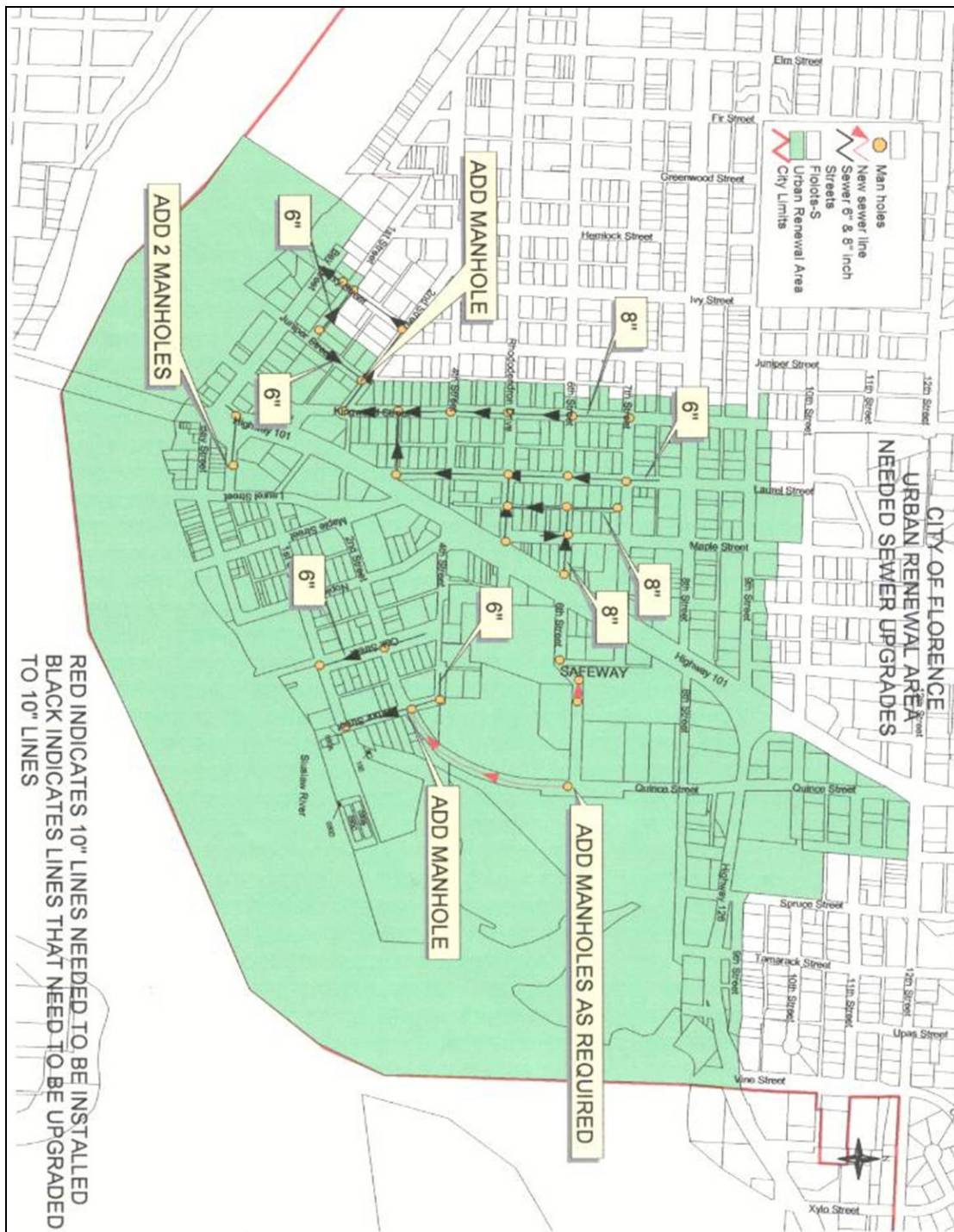


EXHIBIT 3 – WATER DEFICIENCIES

