

Estacada Downtown Urban Renewal Plan

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ESTACADA DOWNTOWN URBAN RENEWAL PLAN

I. INTRODUCTION

The Estacada Downtown Urban Renewal Plan (the “Plan”) contains goals, objectives and projects for the revitalization of the Estacada Downtown Urban Renewal Area (the “Area”). The Area, shown in Figure 1, is zoned for commercial and residential uses and is contained within the City’s Central Commercial (C-1) and Multiple Family Residential (R-3) zoning districts.

The Area consists primarily of vacant and underdeveloped commercial property in Estacada’s downtown/central business district. South of Highway 224, a cluster of vacant and underutilized residential property overlooking the Clackamas River area is also within the Area. Several Area properties feature low intensity uses, such as storage facilities and utility facilities, which are not consistent with the City’s desire to promote more intensive development of the central business district and increase job density. The Area generally lacks the mix of high quality retail and office development of a size and scale suitable for the downtown area. Further, existing residential and commercial development in the riverfront area does not capitalize on the natural resources and recreational opportunities the Area affords. Information regarding existing conditions in the Area is provided in the Report accompanying the Plan (the “Report”).

The purpose of the Plan is to use the tools provided by urban renewal to promote private investment and facilitate the Area’s redevelopment in a manner that is consistent with the City’s long term planning and development objectives. These tools include tax increment financing (see Section X), which generally means that the property taxes resulting from growth in property value within the Area can be used to finance improvement projects and programs. Urban renewal also allows for the Agency purchase of land from willing sellers and subsequent Agency sale for redevelopment as part of a public/private development partnership.

The Plan is administered by the Estacada Urban Renewal Agency (the “Agency”) which was established by the City Council of the City of Estacada as the City’s Urban Renewal Agency. The Plan may be changed in the future, under the provisions of Chapter XII.

The Plan has a duration of 20 years (see Chapter XI), meaning that no new debt will be incurred after Fiscal Year 2025/2026. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is Six Million Six Hundred Thousand Dollars (\$6,600,000).

II. GOALS AND OBJECTIVES

A. Goal: Promote a Mix of Retail and Office Development Oriented to Pedestrians.

The Area's location in the downtown/central business district makes it an ideal location for a mix of pedestrian-oriented retail and office development.

1. **Objective:** Implement transportation and streetscape improvements that will make the Area a safe and desirable location for pedestrian-oriented retail and office development.
2. **Objective:** Implement gateway improvements on Highway 224 that will welcome tourists and out of town visitors to Estacada, improve multimodal safety, and help create a unique and visually appealing identify for the City and the downtown/central business district.
3. **Objective:** Facilitate the redevelopment and rehabilitation of existing, underutilized commercial buildings to expand the range of retail shopping and commercial services in downtown Estacada.
4. **Objective:** Upgrade water, sewer and storm drainage facilities in order to accommodate higher intensity commercial development and serve the needs of existing and future businesses.
5. **Objective:** Promote high quality development, including office space above ground floor retail space, to attract a broad range of businesses, increase employment density, and create a robust retail shopping environment in downtown Estacada.

B. Goal: Encourage the Development of Businesses that Attract and Serve Tourists

Estacada's location on the way to Mt. Hood and other scenic and natural areas makes it an ideal destination for tourism and related activities. Encouraging the development of businesses that attract and serve tourists will improve the economic vitality of the downtown/commercial core.

C. Goal: Increase Employment and Business Activity within the Area.

Currently, businesses that provide retail and commercial services are predominant in the downtown/central business district. Redevelopment of the Area can increase the number of office and professional services employment opportunities available locally and create a more balanced mix of businesses in downtown Estacada.

1. **Objective:** Create a more attractive development environment for professional and general office space.

The Plan can facilitate the development of streetscape improvements and public amenities that would make the downtown/commercial core a more attractive environment for office development.

D. Goal: Provide opportunities for small businesses and business incubators to locate to the Area by facilitating the rehabilitation and/or redevelopment of existing commercial space that is currently underutilized or vacant.

1. **Objective:** Ensure that public facilities, utilities and services support increased business activity and employment.

E. Goal: Improve Access, Safety and Connectivity Throughout the Area.

Transportation improvements will make the Area a more attractive and accessible location for retail, business and recreational activities.

1. **Objective:** Provide additional off-street and on-street public parking to promote convenient access to shopping and encourage retail and commercial activity in the downtown/central business district.
2. **Objective:** Develop a contiguous system of pedestrian and bicycle facilities to improve multimodal access and circulation in the downtown/central business district.
3. **Objective:** Implement street system improvements that will increase traffic circulation and safety.
4. **Objective:** Promote land uses and design that are efficient in their use of transportation.

Mixed use (retail/office) projects can eliminate the need for some trips. For example, a restaurant located within the Area can serve Area residents, patrons and employees with no need for a vehicle trip.

III. OUTLINE OF PROJECTS

The Plan identifies transportation projects, including street improvements, streetscape improvements, bicycle and pedestrian improvements, and gateway improvements, which will increase multimodal connectivity throughout the Area and make it a safer, more accessible and attractive destination for pedestrians, bicyclists and vehicular users and draw more tourists and out of town visitors to Estacada. The Plan also includes public facilities projects that will improve the Area's sewer and water infrastructure and allow for more intensive development in the downtown/ central business district and the riverfront area south of Highway 224. The Plan authorizes assistance for development of new fire and life safety facilities. Lastly, the Plan recommends public facilities improvements in the riverfront area, such as a riverwalk, and improvements to the existing multiuse recreational trail, which will make the Area a more desirable location for residential and tourist-oriented development and recreational activities.

Planning and Development Assistance Programs identified in the Plan will facilitate the development, redevelopment and rehabilitation of private property in the Area. The programs will encourage Area business and property owners to invest in projects that will improve the health and economic vitality of the downtown/central business district and support the goals and objectives of the Estacada Comprehensive Plan.

IV. MAP AND LEGAL DESCRIPTION OF URBAN RENEWAL AREA

Figure 1. shows the urban renewal area boundaries. Exhibit A is a legal description of the Area.



Figure 1: Estacada Urban Renewal Area

ESTACADA DOWNTOWN URBAN RENEWAL PLAN

**EXHIBIT A
ESTACADA URBAN RENEWAL PLAN
LEGAL DESCRIPTION**

[Insert Legal Description]

V. URBAN RENEWAL PROJECTS

Urban renewal projects authorized under the Plan, which may be undertaken by the Agency, are described below and shown in Figures 2 and 3. Property acquisition may be required for these projects. Further, some of the projects described herein will require participation of other public agencies.

Tax increment revenues generated within the urban renewal area may be used to finance projects without an alternative dedicated funding source. Urban renewal can also provide additional financing for projects with a committed funding source, including projects under ODOT and Clackamas County's jurisdiction, by funding elements that are not identified in the existing project scope. Examples of such elements may include streetscape and landscape improvements and development standards that differ from those of the agency financing the lion's share of the project.

A. Transportation

1. Central Business District Streetscape Improvements

Pedestrian system improvements identified in the Estacada Transportation System Plan, including landscaping features, street lighting, street furniture, sidewalks and other streetscape improvements that will enhance the physical appearance of the central business district and attract a broader range of users, including shoppers, tourists and commercial employers, is a project under the Plan.

2. Highway 224 Gateway Improvements

The design and construction of gateway improvements along Highway 224 that demarcate the entrance to Estacada's downtown/central business district is a project under the Plan. Establishing a formal gateway to the City and the central business district will increase the visibility of Estacada to tourists and out of town visitors, improve multimodal safety and help create distinct and visually appealing identify for the downtown area.

3. Area-Wide Street Pavement Improvements

The existing condition of pavement on many of the Area's streets is poor. To improve multimodal safety and traffic circulation, Area-wide street pavement improvements are a project under the Plan.

4. Public Parking

The design and construction of centrally located public parking facilities is a project under the Plan. The provision of additional on-street and off-street parking downtown will help ensure that business patrons and employees who work in the Area have adequate and convenient access to parking.

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Figure 2: Transportation Projects

B. Public Facilities

1. Water System Improvements

The provision of water improvements throughout the Area, in accordance with the Water System Master Plan, is a project under the Plan. Improvements may include but not be limited to the following locations:

- 2nd Street and Cedar Street
- Wade Street and Zobrist Street alley
- Main Street and Broadway alley
- Main Street and Currin Street alley by the fire station
- 3rd Street and Main Street, on both sides of Main for 100 feet

Replacing existing water lines with higher capacity lines will accommodate the needs of existing users as well as the increased demand for water services that is anticipated to occur as the Area redevelops and attracts more businesses.

2. Sewer System Improvements

The provision of sewer improvements throughout the Area, in accordance with the Waste Water Plan, is a project under the Plan. Improvements may include but not be limited to the following locations:

- 2nd Street and Cedar Street
- Cedar Street and Wade Street alley
- Wade Street and Zobrist Street alley
- Main Street and Broadway alley
- Main Street and Currin Street alley by the fire station
- Currin Street, from 5th to the fire station
- Short Street, from 5th to Highway 224

Replacing existing sewer lines with higher capacity lines will ensure that the needs of current and future users will be met as the Area grows and develops, attracting more intensive uses.

3. Riverfront Improvements

The provision of a comprehensive system of riverfront improvements is a project under the Plan. Improvements may include but are not limited to a riverwalk, finger piers, non-motorized boat launches, bird watching facilities, picnicking sites and a covered pavilion.

Upgrading existing public facilities, including the multi-use trail along the Clackamas River, and developing new river-related public facilities will facilitate increased recreational and tourism-related activities in the riverfront area.

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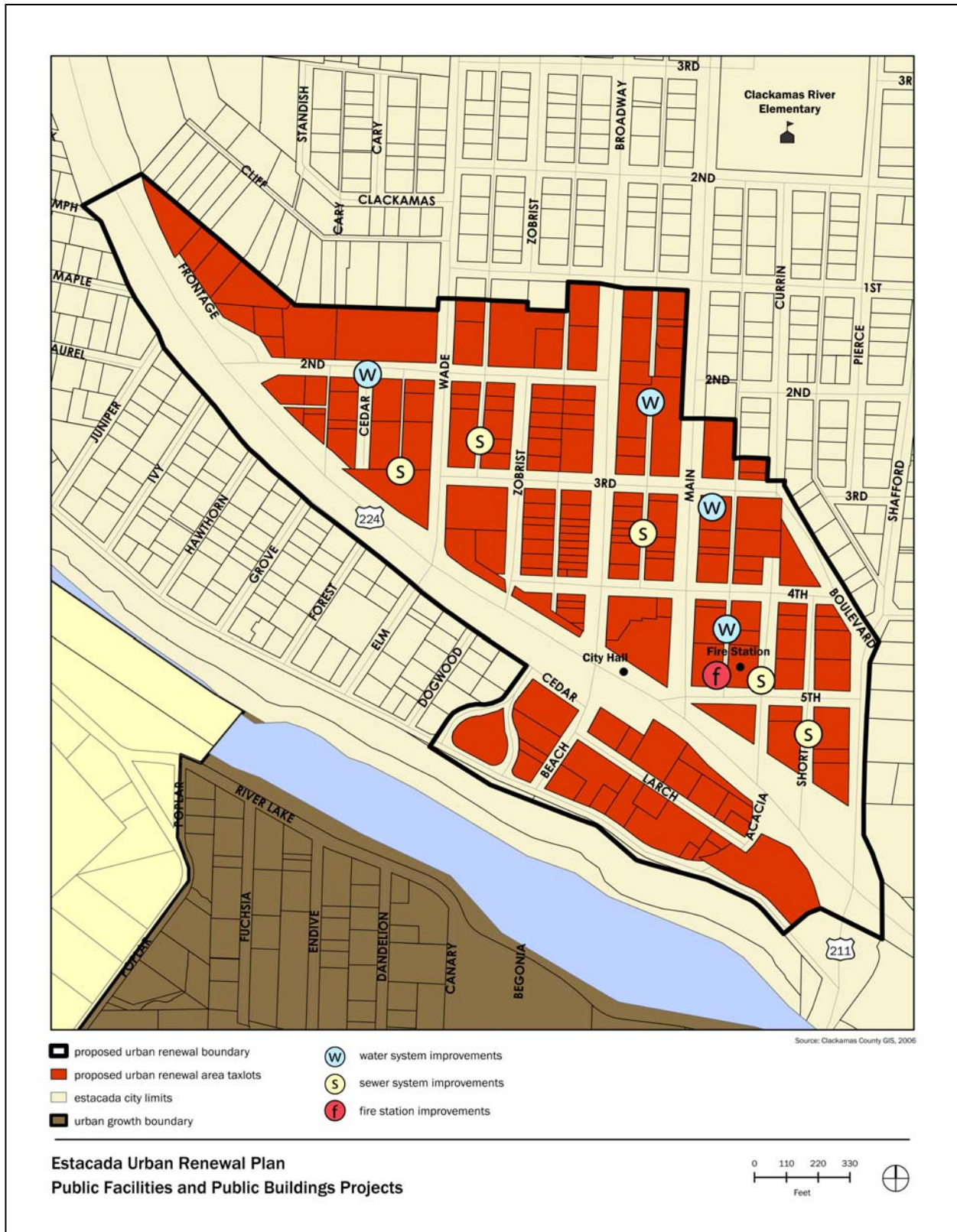


Figure 3: Public Facilities and Public Buildings Projects

C. Public Buildings

1. Fire Station Improvements

Building improvements and site improvements to the Estacada Rural Fire Department's Main Station No. 110 are a project under the Plan. Should the existing fire station be replaced by a new facility, the Agency's participation in the project shall be proportional to the benefits of the facility to the Area. Anticipated benefits specific to the Area include enhanced fire protection and life safety services, which will support and encourage new commercial and residential development and ensure that existing residents and businesses continue to be adequately served.

Before allocating Agency funds for this project, the Agency shall be required to adopt a minor amendment of the Plan that states findings of proportionality and benefits to the Area specific to the allocation of funds.

D. Planning and Development Assistance

Offering the following types of planning and development assistance to support the development, redevelopment and rehabilitation of private property in the Area is a project under the Plan. Detailed rules and regulations for the administration of financial and technical assistance programs will be established by the Agency after adoption of the Plan in order to ensure that urban renewal funds are used in compliance with the Plan and for the agreed upon Plan purposes. The adoption and amendment of such programs, rules and regulations are not changes to the Plan.

1. Rehabilitation/Redevelopment Grant/Loan Program

The Urban Renewal Plan authorizes loans and/or grants for the rehabilitation and redevelopment of commercial property. Loans may be at or below market rates, and assistance can include direct loans or guarantees of loans made by third parties.

2. New Development Grant/Loan Program

In addition to providing rehabilitation and redevelopment assistance, the Urban Renewal Plan authorizes loans and/or grants for new commercial development. Loans may be at or below market rates, and assistance can include direct loans or guarantees of loans made by third parties.

3. Technical Assistance Program

The Urban Renewal Plan authorizes technical assistance in the form of site studies, market studies, feasibility analyses, engineering and design and other activities directly related to development of property in the urban renewal area. An example of such technical assistance may include structural analysis of buildings to promote the rehabilitation of underutilized buildings.

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4. Commercial Façade Improvement Loans

To create a distinct identity for Estacada's downtown/central business district that is visually appealing and unified, the Urban Renewal Plan authorizes façade improvement loans for commercial development. Improvements will be used to enhance the architectural integrity and character of historic commercial buildings and storefronts in need of a "face lift."

VI. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan addresses local planning and development objectives contained in the City's Comprehensive Plan, Development Code, Transportation System Plan (TSP), Wastewater Plan Update and Water System Master Plan. Adopted in 1980 and last revised in June 1994, the Comprehensive Plan identifies goals and policy objectives that will promote growth that is both sustainable and supportive of the community's desire to maintain high livability standards. The City's Development Code is updated on an ongoing basis and the TSP was adopted in May 1999. The Wastewater Facilities Plan Update was adopted in May 2000 and the Water System Master Plan was adopted in September 1993.

A. **Estacada Development Code**

The City of Estacada Development Code establishes zoning districts, which govern allowed uses and contain development standards. The Area encompasses property within the City's Central Commercial (C-1) and Multiple Family Residential (R-3) zoning districts.

According to the City's Development Code, the purpose of the C-1 District is to attract a broad range of economically and socially desirable commercial uses, including retail uses conducted primarily indoors. The purpose of the R-3 District is to encourage high-density, multifamily housing development, including both ownership and rental housing. A detailed description of development standards for the C-1 and R-3 Districts is provided in Section VII below.

The Plan supports public investments necessary to generate development that is consistent with land use and development standards established for the Central Commercial and Multiple Family Residential Districts. Further, the Plan will help ensure that the Area develops efficiently, with high quality, attractive development that creates a unique identity for downtown Estacada and the riverfront area south of Highway 224.

B. **Estacada Comprehensive Plan Goals and Policies**

The Estacada Comprehensive Plan identifies goals, objectives and policies that address the City of Estacada's long range planning and development objectives. Of particular relevance to the Plan are goals and policy directives contained in the Economics, Public Facilities and Services and Transportation Elements.

Economics Element

The Comprehensive Plan identifies objectives and policy directives intended to diversify and improve the economy of Estacada.

The Plan supports the following Economics objective:

Objective 6: Preserve the existing commercial area and encourage the location of new commercial and retails in it.

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Economics policies supported by the Plan include:

- Policy 2: The city should attempt to introduce new high multiplier industries and commercial activities into the area.
- Policy 7: Encourage development of businesses that attract and serve tourists.
- Policy 9: Ensure high quality of the commercial area through implementation of the design review ordinance.
- Policy 11: Encourage the provisions of off-street parking for commercial area employees and reservations of on-street parking for customers in conformance with standards set forth in the zoning ordinance.

One of the Plan's stated goals is to "Increase employment and business activity in the Area." The Plan's transportation projects will increase multimodal access, safety and circulation to and within Estacada's downtown/central business district and make the Area a more attractive destination for commercial and tourist activities. Coupled with proposed development assistance programs outlined in Section V(f), which can leverage development that is consistent with the City's long term vision for the Area, these projects will help strengthen the downtown business climate.

Public Facilities and Services Element

The Comprehensive Plan identifies objectives and policy directives that are intended to promote orderly and efficient public facilities and services to adequately meet the needs of Estacada residents.

Public Facilities and Services objectives supported by the Plan include:

- Objective 2: Protect the general health of local residents by providing adequate storm sewerage, sewage treatment, solid waste disposal and water facilities.
- Objective 4: Implement a capital improvements program for streets, sidewalks and street signs.

Public Facilities and Services policies supported by the Plan include:

- Policy 1: The city should develop a capital improvements plan and program that anticipates and finances future growth needs.

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Policy 2: With approval of affected citizens, the city will improve the sewerage treatment systems and extend it to services all land within the city.

Policy 4: The city will consider the needs of the handicapped and those with limited mobility in the design of public improvements.

The Plan identifies Area-wide water and sewer improvements as priority projects. These projects will help ensure that the Area's municipal water and sewer facilities can continue to provide adequate and efficient service to both existing and future users as the Area revitalizes and attracts higher intensity commercial uses.

Transportation Element

The Comprehensive Plan identifies policies that are designed to provide safe and efficient multimodal circulation to and within Estacada's downtown/central business district and between downtown and adjacent areas.

Transportation objectives supported by the Plan include:

Objective 1: Provide good local access and circulation.

Objective 2: Move traffic quickly and safely.

Objective 3: Preserve the aesthetic quality of the community.

Objective 4: Ensure pedestrian safety.

Transportation policies supported by the Plan include:

Policy 1: Off-street parking will be required in new commercial and industrial developments in conformance with the standards set forth in the zoning ordinance.

Policy 5: The city will promote and develop pedestrian and bike routes to accommodate recreation and commuter trips.

Policy 6: The city will discourage drive-in uses in preference to walk-in uses.

The Plan's Central Business District Streetscape Improvements and Highway 224 Gateway Improvements projects will increase multimodal access, circulation and safety throughout the Area through the provision of pedestrian-oriented street lighting, street furniture, landscaping features, street trees, sidewalks and other streetscape improvements. Further, these projects will create a more attractive and livable environment that draws residents, tourists and businesses to the downtown/central

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business district and promotes more active commercial, recreation and entertainment uses.

In addition to the projects described above, the Plan supports the design and construction of public parking facilities. The facilities, which will be located close to retail shopping, entertainment and tourist activity centers, will help ensure that tourists, business patrons and employees who work downtown have adequate and convenient access to parking.

C. Transportation System Plan Goals and Policies

Adopted in 2004 and most recently amended in June 2005, the TSP identifies goals and policy objectives intended to create a transportation system that enhances community livability and facilitates safe and convenient multimodal access to Estacada residents and visitors. The Plan's goals, objectives and transportation projects directly address or correlate to planning needs identified in the TSP's goals and policies.

Of particular relevance to the Plan are the following transportation system goals and policies, identified in Chapter 2 of the TSP:

Goal 1: Promote a balanced, safe, and efficient transportation system.

Objective 1: Develop a multi-modal transportation system that avoids reliance upon one form of transportation as well as minimizes energy consumption and air quality impacts.

Objective 2: Protect the qualities of neighborhoods and the community.

Objective 3: Provide for adequate street capacity and optimum efficiency.

Goal 2: Ensure the adequacy of the roadway network in terms of function, capacity, level of service, and safety.

Objective 3: Identify existing and potential future capacity constraints and develop strategies to address those constraints, including potential intersection improvements, future roadway needs, and future street connections.

Objective 7: Identify existing and potential future safety concerns as well as strategies to address those concerns.

Goal 3: Promote alternative modes of transportation.

Objective 1: Develop a comprehensive system of pedestrian and bicycle routes that link major activity centers within the study area.

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Objective 2: Encourage the use of alternative modes of transportation by providing a system that ensures mobility for all users.

Goal 4: Identify and prioritize transportation improvement needs in the City of Estacada, and identify a set of reliable funding sources that can be applied to these improvements.

Objective 1: Develop a prioritized list of transportation improvements in the study area.

Objective 2: Develop construction cost estimates for the identified projects

Objective 4: Evaluate new innovative funding sources for transportation improvements.

As described in the Transportation Element of Section VI(C) above, the Plan supports streetscape, gateway and street pavement improvements as well as the design and construction of public parking facilities. These projects will make the Area a more desirable location for a broad range of commercial, entertainment, recreation and tourist-related activities and increase the overall visibility of the downtown/central business district. They will increase multimodal access to the Area, encourage more pedestrian activity and improve connections within the downtown/central business district and between downtown and adjacent areas, such as the Highway 224 transportation corridor.

D. Wastewater Facilities Plan Update

The Wastewater Facilities Plan Update provides a comprehensive description of the existing condition of Estacada's sewage treatment facilities and collection system as well as recommended capital improvements. While sewer improvements identified in the Plan are not included in the capital improvement program outlined in Chapter 9, the Wastewater Facilities Plan Update generally supports upgrades to the existing collection system that are needed to maintain adequate service to the Area.

E. Water System Master Plan

The Water System Master Plan provides a comprehensive description of the existing condition of Estacada's municipal water facilities as well as the current and anticipated future demand for water. Chapter 9 of the study prescribes capital improvement programs for distribution system facilities, storage facilities and water treatment facilities. The capital improvement programs identify immediate priority projects as well as 5-year and 20-year projects.

To increase capacity, reduce leakage, and reduce repair and maintenance costs, the Water System Master Plan recommends the replacement of all remaining steel and galvanized mains in the system as a 20-year project. The Plan's Water System Improvements project will help implement the replacement of water lines throughout the Area.

VII. PROPOSED LAND USES

Land uses within the Area are governed by the City of Estacada Development Code. The Development Code establishes zoning districts that implement the Estacada Comprehensive Plan. The districts govern the allowed uses and contain development standards.

Currently, land in the Area is within the Central Commercial (C-1) and Multiple Family Residential (R-3) zoning districts. The purpose of the districts is described in the Development Code as follows:

A. Central Commercial

The C-1 District is “intended for certain commercial uses as well as governmental uses such as city halls, fire stations, police stations and offices. Commercial uses intended for office, service, and retail uses [are] primarily conducted inside the building. This zone is determined to be economically and socially desirable.”

Uses permitted outright in the C-1 District include:

- Retail stores or shops such as food stores, drug stores, hardware stores and furniture stores;
- Repair shops for the types of goods sold in retail trade establishments permitted in the C-1 District;
- Personal or business service establishments;
- Professional or medical facilities;
- Lodging;
- Indoor commercial amusement or recreation establishments;
- Mortuaries;
- Private museums;
- Restaurants, bars or taverns;
- Automobile service stations;
- Governmental uses; and
- Public parks.

Conditional uses permitted in the C-1 District include but are not limited to:

- Outdoor commercial amusement or recreation establishments;
- Cabinet or similar woodworking shops;
- Sales or storage of lumber or building materials;
- Mini-warehouses;
- Processing or packaging of non-explosive chemical materials and non-environmentally hazardous materials;
- Car washes;
- Auto detail shops;
- RV storage;

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- Auto sales; and
- Radio, television and/or cellular transmission towers.

Development in the C-1 District is not subject to a minimum lot size. Generally, no setbacks are required. However, for lots abutting a residential zoning district, 10-foot side and rear yard setbacks are required. Buildings in the C-1 District shall not exceed a height of 45 feet and a minimum landscaping requirement of five percent of the developed area is prescribed.

B. Multiple Family Residential

The R-3 District is intended to support higher density residential development.

Uses permitted outright in the R-3 District include but are not limited to the following:

- Single family dwellings;
- Factory-built dwellings;
- Manufactured dwellings;
- Public parks;
- Residential homes;
- Duplexes and two-unit commonwall dwellings;
- Multifamily dwellings and commonwall dwellings with more than two units; and
- Apartments.

Conditional uses permitted in the R-3 District include but are not limited to the following:

- Manufactured home parks;
- Mobile home parks;
- Professional offices or medical facilities;
- Churches, nonprofit religious or philanthropic institutions;
- Governmental structures or use of land;
- Lodge of civic or fraternal organizations;
- Private noncommercial recreational clubs;
- Community centers, nursery schools, kindergartens and related facilities;
- Public and private schools;
- Hotels, motels and resorts;
- RV parks and storage; and
- Hospitals, nursing homes, retirement care, convalescent care and similar facilities.

Development in the R-3 District is subject to the following minimum lot sizes and dimensions:

- Single-family dwelling – 5,000 square feet
- Duplex/ commonwall dwelling – 8,000 square feet
- Triplex/ commonwall dwelling – 9,000 square feet
- Fourplex/ commonwall dwelling – 12,000 square feet

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- Apartment (per dwelling unit) – 15,000 square feet plus 1,500 square feet for each unit above five
- Motel, hotel or resort – 1,500 per guest unit

A minimum front-yard setback of 20 feet and a minimum rear-yard setback of 15 feet are generally required. With the exception of the common side of a commonwall dwelling, each side setback shall be a minimum of five feet, but any point of a building exceeding fifteen (15) feet in height must have a setback from a side property line equal to or greater than one-third the height of that point. Two on-site parking spaces shall be provided for each dwelling unit and a maximum height of 35 feet applies to all buildings, except public schools or churches, which may not exceed 45 feet. Buildings, including accessory structures and garages, are subject to a maximum lot coverage of 55 percent of the total lot area.

VIII. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses or other rights to use.

A. Property Acquisition – From Willing Sellers

The Plan authorizes the Agency acquisition of any interest in property within the Area, including fee simple interest, for disposition for private redevelopment, only in those cases where the property owner wishes to convey such interests to the Agency. The Plan does not authorize use of the power of eminent domain to acquire property for private redevelopment. Prior to acquisition of property for private redevelopment, such property shall be identified in this section of the Plan. Identification of property to be acquired may be added to the Plan by minor amendment as described in Chapter XII.

Property acquisition for those public improvements projects authorized in Section IV will be required. The Agency is not granted eminent domain authority under the Plan. Therefore, if the Agency cannot acquire the property needed for the described public improvements through negotiation and voluntary sale, the acquisition will be undertaken by the City of Estacada or other public entity under its independent eminent domain authority.

Property acquisition from willing sellers may be required to support development of retail, office and mixed use projects within the Area.

B. Land Disposition

The Agency may dispose of property acquired under the Plan by conveying any interest in property acquired pursuant to Subsection VIII A. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal agency in its discretion determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved or rehabilitated for the purposes specified in such plan. Because fair reuse value reflects limitations on use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Property disposition may be required to support development of retail, office and mixed use projects within the Area.

IX. RELOCATION METHODS

As described in Section VIII, the Plan authorizes the acquisition of property by willing sellers only. Relocation benefits must be paid for any public acquisition, whether the acquisition is voluntary or involuntary. Therefore, before the Agency acquires any property, the Agency will adopt relocation regulations.

X. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues collected by the Agency to make payments on debt incurred by the Agency, usually in the form of tax increment bonds. The proceeds of the bonds are used to pay for the urban renewal projects authorized in the Plan. Debt, including bonds, may be both long-term and short-term, and does not require voter approval.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative increase in the total assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (“GO”) bonds and local option levies approved after October 6, 2001 are not included in tax increment revenues.)

A. General Description of the Proposed Financing Methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants and any other form of financial assistance from the Federal, State or local governments or other public body;
- Loans, grants, dedications or other contributions from private developers and property owners; and
- Any other source, public or private.

Revenues obtained by the Agency will be used to pay or repay costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

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B. Tax Increment Financing and Maximum Indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Commission based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is Six Million Six Hundred Thousand Dollars (\$6,600,000). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of Estacada in connection with the preparation of this Plan or prior planning efforts related to this Plan may be repaid from tax increment revenues from the Area when and if such funds are available.

D. Impact of Tax Increment Financing on Public Schools

This Plan has been adopted with consideration of information in the Report accompanying the Plan regarding the impact of tax increment financing on the K-12 Public School system. Under current law providing for substantial state funding of K-12 schools, the tax increment financing of this Plan has minimal impacts on the revenues received by the Estacada School District.

XI. DURATION OF PLAN

No new indebtedness to be repaid with tax increment revenues may be incurred after the twentieth anniversary of the effective date of the Plan. As is common practice in urban renewal plans in Oregon, tax increment revenues may continue to be collected beyond this date. Collection may continue until it is found that deposits in the Commission's debt service fund are sufficient to fully pay principal and interest on indebtedness issued during the twenty years following the effective date of the Plan, either through direct payment of the indebtedness or by payment of principal and interest on bonds or notes issued to finance the indebtedness. Tax increment revenues collected after the twentieth anniversary of the Plan may only be used to retire outstanding debt.

XII. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments are solely amendments:

- Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area; or
- Increasing the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing and approval procedure required of the original Plan under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing is provided to individuals or households within the City of Estacada as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and .115

B. Council Amendments

Council Amendments consist solely of amendments which result in:

- Material changes to the goals and objectives of the Plan; or
- Addition or expansion of a project that adds a cost of more than \$500,000 and is materially different from projects previously authorized in the Plan; or
- Increase in the duration of the Plan.

Council Amendments require approval by the Agency by resolution and by the City Council, which may approve the amendment by ordinance.

C. Minor Amendments

Minor Amendments are amendments that are not Substantial or Council Amendments in scope. They require approval by the Agency by resolution.

D. Amendments to the Estacada Comprehensive Plan and/or Development Code

Amendments to Estacada's Comprehensive Plan and/or Development Code that affect the Plan and/or the Area shall be incorporated within the Plan without any action required by the Agency or the City Council.