



CITY OF NEWBERG

URBAN RENEWAL PLAN

REPORT ON PLAN

Newberg Urban Renewal Agency
November, 2001

REPORT ON

NEWBERG URBAN RENEWAL PLAN

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SECTION 100 – Physical, Social, and Economic Conditions

History and Purpose of the Renewal Plan

The City of Newberg has undertaken a work effort to form an urban renewal area in the downtown and other predominantly commercial areas of the City. This work effort follows several years of land use and transportation planning efforts involving the City, property owners, residents and business leaders to complete the *Downtown Newberg Vision in 2020*, *Newberg City Council Advance of 2001*, the *Springbrook Oaks Specific Plan* of 1999 and the *City of Newberg Transportation Plan* of 1994. The urban renewal district will provide financing and implementation resources to help achieve the vision established by these earlier studies and plans.

The purpose of the urban renewal plan is to incorporate the vision, policies and recommendations contained in the *Downtown Newberg Vision in 2020*, *Newberg City Council Advance of 2001*, the *Springbrook Oaks Specific Plan* and the *City of Newberg Transportation Plan*.

The Newberg Urban Renewal Area Boundary

City of Newberg staff developed a preliminary draft urban renewal boundary that was analyzed and discussed by consultants to the City, and an Urban Renewal Task Force made up of interested citizens, business owners, residents and officials. The proposed boundary was also discussed at two public workshops hosted by The Task Force on September 19 and October 30, 2001. Suggestions for boundary modifications were made. The proposed boundary resulting from those discussions is shown as Exhibit 1 of this report.

The urban renewal boundary includes Sub-area A-Downtown Newberg extending from Highway 99W as it enters the City from the west to Hess Creek Park on the east, and generally from Hancock Street on the north to 3rd Street to the south. The boundary also includes some older industrial and residential areas along the Southern Pacific Railroad north of downtown, and older residential areas south of downtown and near 9th street. This area contains Newberg's traditional downtown district and immediately adjacent older residential and industrial areas.

A predominantly highway-oriented commercial area, Sub-area B-Highway 99W, which extends from Hess Creek Park to the eastern edge of the city beyond Brutscher Street, is also included within the district. The area includes commercial properties on the north side of Highway 99W and commercial and industrial lands south of Highway 99 to Highway 219.

Also included within the urban renewal boundary is Sub-area C, Springbrook Oaks which is a largely vacant area which lies south of Highway 99W at the far eastern edge of the city. The total land area within the proposed boundary is 653.2 acres. Sub-Areas are shown on Exhibit 2.

An Analysis of Blighting Conditions Within The Proposed Renewal Area

ORS 457.010 defines "blight" as follows:

"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."

Methodology for Evaluating Conditions Within The Proposed Renewal Area

Information describing the existing conditions within the proposed renewal area originates from a variety of sources. The Consultant team reviewed the *Downtown Newberg Vision in 2020*, *Newberg City Council Advance of 2001*, the *Springbrook Oaks Specific Plan* of 1999 and the *City of Newberg Transportation Plan* of 1994. Information was also assembled from the City's GIS system, and confirmed with City and County officials. Additional information, particularly transportation issues and plans, and the adequacy and condition of the Area's infrastructure, was obtained from City staff. The Consultant team also conducted a "window survey" of all properties and streets within the study area. During the investigations and City discussions, the following data was inventoried:

- The use of each parcel.
- The existing zoning of each parcel.
- General observations on the condition of buildings where such could be determined from a "walk-around" perspective.
- The condition of streets: pavement, sidewalks and pedestrian amenities.
- The quality of traffic flow, the ease of vehicular movements and the clarity of routes to traverse the area.
- The existence and adequacy of the public infrastructure, i.e.: storm water drainage; sanitary sewers; water delivery systems; etc.

100A Area Conditions – Use and Zoning within the Area

Existing land use within the Area is summarized in Table 1 by existing zoning, and is shown on Exhibit 3. This information was compiled from the City of Newberg's GIS program. The total area containing zoned properties, both public and private is 510 acres. An additional 143 acres within the Area consists of streets, highways, railways and other public rights of way. The total area within the proposed urban renewal boundary is 653.2 acres. The information in Table 1 is summarized for zoned property only. Table 2 is also included which shows zoned land area and right-of-way within each of the three Sub-areas.

Table 1
Existing Land Use and Zoning
Newberg Urban Renewal Area
November 2001

	City of Newberg Zoning Designations												
	C-2	C-3	M-1	M-2	R-2	R-3	M-1/SP	C-2/SP	R-P/SP	I	R-P		
<u>Primary landuse</u>	Community commercial	Central Business District	Limited Industrial District	Light Industrial District	Medium Density Residential	High Density Residential	Limited Industrial District Specific Plan	Community Commercial Specific Plan	Residential Professional Specific Plan	Institutional	Residential Professional	TOTAL	% OF TOTAL
single family	8.31	1.37	0	1.49	26.09	4.39	0	0	0	0	0	41.65	8.16
apartment	1.31	0	0	0	0.28	7.05	0	0	0	0	0	8.64	1.69
office/commercial	16.81	5.96	5.64	5.12	3.9	0	0	0	0	0	2.66	40.09	7.85
retail	70.64	5.21	0	4.61	0	0	0	0	0	0	0	80.46	15.76
industrial	8.7	0.86	7.41	21.09	1.13	0	0	0	0	0	0	39.19	7.68
church	1.85	0.06	0	0	1.79	0.24	0	0	0	0	0	3.94	0.77
vacant	37.03	0.82	1.48	2.92	5.99	0.13	81.97	7.53	69.34	0	0	207.21	40.60
services/lodging	7.11	1.17	0	0	0	0	0	0	0	0	0	8.28	1.62
other	29.23	7.02	10.72	1.46	8.8	9.93	0	0	0	13.78	0	80.94	15.86
GRANDTOTAL	180.99	22.47	25.25	36.69	47.98	21.74	81.97	7.53	69.34	13.78	2.66	510.4	
% OF TOTAL	35.46	4.40	4.95	7.19	9.40	4.26	16.06	1.48	13.59	2.70	0.52		
Units in acres													

The predominant existing land use within the urban renewal boundary, about 41% of the land area, is vacant land, particularly in Sub-area C-Springbrook Oaks area, and vacant commercial land along the Highway 99W corridor in Sub-area B. Retail and office/commercial uses make up the majority of developed land within the district, accounting for 24% of the land area. Existing residential uses are about 10% of the land area, and industrial uses about 8%.

Approximately 41% of the land area is zoned for commercial purposes, either C-3 Central Business District in Sub-Area A-Downtown and C-2 Community Commercial in Downtown and along the Highway 99W corridor in Sub-Area B. Industrial zoning, both in Sub-areas A and B and in the Spring Oaks area Sub-area C, make up about 28% of the total land area. Residential zoning, including mixed-use Residential Professional designations in the Springbrook Oaks area, account for about 27% of the land area.

Table 2
Zoning by Sub-area
Newberg Urban Renewal Area
November 2001

	City of Newberg Zoning Designations												
Sub-district	C-2	C-3	I	M-1	M-1/SP	M-2	R-2	R-3	R-P	R-P/SP	C-2/SP	Net Total	Gross Total
A-Downtown	26.95	22.47	1.43	0	0	19.34	47.98	20.99	0	0	0	139.16	210.17
B-Hwy.99W	154.04	0	12.35	13.33	0	17.35	0	0.75	2.66	0	0	200.48	272.27
C-Spg.Oaks	0	0	0	11.92	81.97	0	0	0	0	69.34	7.53	170.76	170.76
Total	180.99	22.47	13.78	25.25	81.97	36.69	47.98	21.74	2.66	69.34	7.53	510.4	653.2
Units are acres													

100B Area Conditions - General Building Conditions

The overall condition of residential structures within the Downtown A Sub-Area is good, although a significant number of smaller single-family structures could benefit from general maintenance, and probably modernization. Most housing appears constructed prior to 1930. Clusters of residential structures are in need of more significant rehabilitation, notably along Garfield, Washington and Blaine Streets north of Hancock Street, between Blaine and College Streets south of 3rd Street, and south of 9th Street from Blaine to River Streets. These areas include some of the older residential structures in the City. Few residential structures appear vacant.

The old Central School is located on a 1.4-acre site between Blaine and School Streets at Sheridan Street. The old school building is vacant and is owned by the Chehalem Park and Recreation District. The school building is in need of significant rehabilitation.

Many commercial structures along 1st Street and to a lesser extent along both Hancock and 2nd Streets were constructed prior to 1930. There are vacant storefronts along 1st Street. Building conditions vary considerably from recently renovated, to needing significant improvements. In general, façade improvements such as awnings, modern storefronts, lighting and signage need upgrading.

Generally, commercial structures are located along both sides of Highway 99W in Sub-Area B. These buildings are newer, and appear in good condition. No vacant structures were noted. Light industrial structures are found south of Highway 99W along Hancock Street and Highway 219 appear in good condition.

Sub-Area C is vacant except for an existing 12-acre light industrial use located off Brutscher Street.

100C Area Conditions – Transportation Needs within the Area

A *Transportation System Plan and Addendum Report*, Kittelson & Associates, Inc., June 1994 was adopted by the city and contains an assessment of the condition of the current transportation system, identifies short term improvement needs to address current problems, forecasts long-term transportation needs, and includes a recommended transportation improvement plan to address those needs.

Highway 99W is a primary state highway linking the Portland Metro Area to the Yamhill Valley and Oregon coast, and extends throughout the length of the urban renewal area. This highway carries over 40,000 average daily traffic (ADT) and is expected to carry 65,000 ADT by 2012. The high volumes of truck and auto traffic create a significant barrier to north-south travel within the renewal area both for auto traffic, pedestrians and bicycles. This problem is particularly acute in the downtown area where high traffic volumes and speeds conflict with pedestrian activities and discourage pedestrian use.

The *Transportation System Plan* evaluated pedestrian volumes and ease of pedestrian circulation throughout Newberg, and particularly along 99W and downtown. The highest pedestrian volumes in the city are found on First and Hancock Streets. An analysis of the ability of pedestrians to cross both First and Hancock Streets concluded that the high volumes of auto and truck traffic on these streets conflict with pedestrian crossing opportunities over 85 percent of the time during the PM peak hour.

In a traditional downtown business district like downtown Newberg, these conflicts have a direct impact on business activities that rely on pedestrian access, and account in large part for the high turn over of businesses and the existence of vacant storefronts on 1st Street.

Sections of Hancock Street downtown between Meridian Street and Main Street are identified in the *Transportation System Plan* as hazardous due to the high rate of accidents along the route. Hazardous conditions discourage pedestrian crossing and access along downtown streets, and impact business activities in the area.

In addition to traffic congestion, speeds and high levels of pedestrian conflict downtown, the overall pedestrian environment does not encourage pedestrian use and safety, and does not support businesses that rely on high levels of pedestrian access. This is due to the relatively narrow existing sidewalks, lack of pedestrian amenities such as street furnishings, pocket parks and lighting, lack of a comprehensive street tree program, lack of attractive pedestrian improvements along alleys and between parking lots and business streets, and inadequate signage.

In order to address existing conflicts and problems, the *Transportation System Plan* recommends a number of short-term projects including roadway capacity improvements on collector streets at highway 99W in the downtown area, and system capacity and safety improvements along or at collector streets for improved pedestrian/bicycle access.

Improvements to Highway 99W by the Oregon Department of Transportation (ODOT) are currently underway to reconstruct the westbound lanes, add bike lanes and reconstruct sidewalks the length of the highway through Newberg. A new transition at the 1st Street/River Street intersection is complete which links the one-way couplet downtown (1st Street eastbound and Hancock Street westbound) to the two-way highway segment east of River Street. On-street parking is planned to be removed on the north side of Hancock Street. In addition to these Highway 99W improvements, ODOT is evaluating a Newberg-Dundee Bypass designed to route through auto and truck traffic around both cities. Implementation of the bypass is long-term and is not currently funded.

The *Transportation System Plan* identified long-term transportation improvement needs in order to address growth and development within the city and the urban renewal area. Capacity improvements to the collector/arterial street system within the urban renewal area include Springbrook Road, Brutscher Street, and Fernwood Street. Improvement and extension of Hayes Street was subsequently identified as a needed improvement in the *Springbrook Oaks Specific Plan*. Non-traffic capacity and bicycle/pedestrian improvements within the urban renewal area are River Road, and College Street.

100D Area Conditions - Infrastructure within the Area

The City of Newberg Community Development Department conducted an assessment of the urban renewal area's infrastructure needs, summarized in *Downtown Core Area Infrastructure Needs*, City of Newberg, August 2001. Results of the assessment are summarized below.

Older existing sanitary sewers require replacement in the area between 3rd Street and Hancock Street from River to Main Streets except for recently replaced segments. These existing sewers are constructed of vitrified clay, and are recommended for replacement .

Older existing storm sewers constructed of vitrified clay are in need of replacement between First and 3rd Streets from Blaine to River Streets.

Older cast iron water lines along First Street from Meridian to Main Street and smaller segments on 2nd Street are recommended for replacement including the existing fire hydrants on the south side of First Street.

In addition, the report notes improvement needs for unimproved alleys throughout downtown, street lighting including underground power on First and Hancock Streets, landscaping, lighting and other improvements to the city parking lot on 2nd Street, and street trees provided throughout the downtown area.

The report also notes that the opportunity to provide fiber optic capacity to the area is possible as new technologies are introduced and perfected.

100E Area Conditions - Utilization of Land

The City of Newberg has conducted a buildable lands analysis for all properties within the city including the urban renewal area. An aspect of land utilization is redevelopment opportunity of currently improved properties when the value of improvements on a parcel is less than the value of the land. Table 3 summarizes land utilization within the urban renewal by zoning category.

Table 3
Land Utilization –Redevelopable Parcels by Zone
Newberg Urban Renewal Plan
November 2001

ZONE NAME	DESCRIPTION	TOTAL ACRES	# OF PARCELS	ACRES REDEVELOPABLE	% REDEVELOPABLE LAND
C-2	COMMUNITY COMMERCIAL	180.99	272	59.02	32.6
C-3	CENTRAL BUSINESS DISTRICT	22.47	139	1.18	5.3
M-1	LIMITED INDUSTRIAL DISTRICT	25.25	4	1.48	5.9
M-2	LIGHT INDUSTRIAL DISTRICT	36.69	53	6.95	18.9
R-2	MEDIUM DENSITY RESIDENTIAL	47.98	197	10.71	22.3
R-3	HIGH DENSITY RESIDENTIAL	21.74	56	5.61	25.8
M-1/SP	LIMITED INDUSTRIAL DISTRICT SPECIFIC PLAN	81.97	1*	81.97	100.0
C-2/SP	COMMUNITY COMMERCIAL SPECIFIC PLAN	7.53	1*	7.53	100.0
R-P/SP	RESIDENTIAL PROFESSIONAL SPECIFIC PLAN	69.34	1*	69.34	100.0
I	INSTITUTIONAL	13.78	8	0	0.0
R-P	RESIDENTIAL PROFESSIONAL	2.66	24	0	0.0
		510.4	753	243.79	
* Zoning in specific plan areas splits					
parcels up in to parts. Also this is an area that					
is currently not developed but approximately 25%					
of the area will become right of way.					

The table above indicates that a significant number of the tax lots in the area are unproductive, or underproductive from a tax-producing standpoint. This lack of economic productivity is further emphasized by the low improvement to land value ratio in the proposed renewal area boundary. Table 3 indicates that approximately 244 acres, or 48% of the Area excluding rights-of-way, has an improvement value less than the value of the land. A low ratio of improvement values to land values indicates that land in an area is vacant, developed at low intensity, is developed with relatively low-value buildings, or a combination of these factors. Land in this Area has high potential for development and redevelopment due to its location in and in close proximity to downtown Newberg, and significant transportation access provided by Highway 99W. In general, a more appropriate improvement to land ratios for the Area would be in the range of 5- 8 to 1 for commercial and industrial properties, and 3-5 to 1 for residential properties. Land in the Newberg urban renewal area appears underutilized and unproductive for well-located urban land, and offers considerable redevelopment opportunity.

The highest concentration of underutilized properties is commercially zoned parcels on the fringe of the downtown area in Sub-area A and along the Highway 99 corridor in Sub-area B. In addition, vacant land within Sub-area C presents significant development opportunity that is not currently realized.

100F Conformance with Total Acreage Limitations

ORS 457.420(2)(a)(B) provides that the total land area of a proposed urban renewal area, when added to the land area of existing active urban renewal plans, may not exceed 25% of the City's total land area. The total area within the City of Newberg is 3200.56 acres. Table 2 above indicates that the total area within the proposed urban renewal area is 653.2 acres, with 510.4 acres located in both public and private tax lots, and 142.8 acres in street and railroad right of way. The proposed urban renewal area is 20.4% of the City's total land area, and meets the total land area limitation of ORS 457.420.

100G Conformance with Total Assessed Value Limitations

ORS 457.420(2)(a)(A) provides that the assessed value of an urban renewal area, when added to the total assessed values previously certified by the assessor for all other urban renewal areas, may not exceed 25% of the total assessed value of the municipality, exclusive of any increased assessed value for other urban renewal areas.

Data assembled from the Yamhill County Assessor indicates that the total assessed valuations within the City of Newberg is \$777,587,711. The total estimated assessed value within the renewal area boundary, including personal property, and utility property, is estimated at \$130.44 million. The proposed urban renewal area is 16.77% of the City's total assessed value, and meets the total assessed value limitation of ORS 457.420.

100H Conclusions and Findings on Blighting Conditions

Based on the assessment of existing conditions summarized in this report, the Newberg Urban Renewal Area contains blight and blighting influences as defined by ORS 457.010:

- The overall quality of existing residential, commercial and industrial structures is such that improvements and modernization are required;
- There is an underutilization of property in the Area as demonstrated by vacant parcels, and parcels where improvement values are low compared to land values.
- There is an underutilization of developed property in the Area as demonstrated by vacant commercial structures and the high rate of turn-over of businesses in the Area;
- The area contains an inadequate and substandard street, bicycle and pedestrian system;
- Portions of the public infrastructure system are in need of replacement, modernization and improvement, and
- There is a lack of proper utilization of substantial portions of the Area resulting in a stagnant and unproductive condition of land. Such land is potentially useful and valuable for contributing to the public health, safety and welfare of the community.

200. EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN

Urban renewal plan activities are aimed at producing new values, stimulating the creation of new business and jobs, and improving the appearance and physical conditions of the renewal area. The renewal plan will upgrade streets, sidewalks, and infrastructure in the Renewal Area, and provide funds for the rehabilitation and redevelopment of commercial and residential uses in the area. Carrying out the Renewal Plan is not expected to create population growth impacts for the City of Newberg. The Plan is intended to encourage redevelopment and infill of under-utilized land in the renewal area, and to facilitate planned, orderly growth as anticipated in the Comprehensive Plan. The anticipated development within the urban renewal area is not expected to impact the City's overall water and sewer service needs. Upgrades to sanitary sewer and storm water systems are included in the list of renewal project activities.

Renewal plan activities will not create a significant number of new housing units, and therefore the plan should have no impact on the need for new educational facilities in the renewal area, or create a need for additional police and fire services. Traffic and circulation impacts resulting from new development in the renewal area are addressed by activities to be undertaken in carrying out the urban renewal plan, and by traffic and circulation projects in the City of Newberg's Capital Improvements Program.

Carrying out the Renewal Plan will require the use of tax increment revenues. Tax increment financing may affect the property tax revenues and the bond tax rates of other taxing bodies which share values with Newberg's Renewal Agency. The tax impacts of the Renewal Plan are discussed in detail in Section 500D of this report.

The Renewal Plan is expected to produce positive fiscal and service impacts for Newberg. Among the public benefits of the renewal plan are

- Street and circulation improvements will improve public safety and convenience.
- Infrastructure improvements will provide better utility service, and decrease public maintenance costs
- New businesses will provide additional shopping convenience, and reduce vehicular trips and time.
- Rehabilitation programs will preserve and renew historic properties in downtown Newberg
- Rehabilitation programs will assist moderate income housing in the renewal area
- Renovating the Central School building will return to use an important community building.
- An increase in construction expenditures, and purchases kept in Newberg will create secondary jobs.
- Pedestrian and bikeway improvements will enhance safety, and provide recreational opportunities.
- The Renewal Plan will help the City of Newberg fund a number of projects listed in the City's Capital Improvements Program, and in Council and community goals statements.

The public and private investments made in the renewal area are likely to encourage new investment in areas adjacent to the renewal area. The value thus created can not be quantified, but observation of renewal programs around the state indicates that there are spillover investment effects from a successful renewal program. There are other positive effects of a renewal program that do not lend themselves easily to quantification, for they are quality of life issues. Retaining Newberg's small town atmosphere, maintaining the downtown core as the heart of the city, improving cultural and shopping opportunities, and improving the appearance of Newberg all have value to the community. These in fact, have been expressed as important community values, and directly influenced creation of this renewal plan.

The expenditure of tax increment funds is expected to produce new property values for the City of Newberg. The renewal project is estimated to be completed by the year 2019-20. During that period, property values in the renewal area are expected to increase by approximately \$257 million. At current tax rates, the new property values anticipated in the renewal area will contribute over \$3.4 million in property tax revenues in the first year after the project is ended. Of that revenue, approximately \$1.12 million will return to the City of Newberg. That property tax revenue will continue to grow as a result of annual assessment increases.

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

The Urban Renewal Plan Area was selected based on Newberg Comprehensive Plan goals, objectives, and policies and on the existence of blighting conditions within the area. Based on the assessment of existing conditions summarized in this report, the Newberg Urban Renewal Area contains blight and blighting influences as defined by ORS 457.010:

- The overall quality of existing residential, commercial and industrial structures is such that improvements and modernization are required;
- There is an underutilization of property in the Area as demonstrated by vacant parcels, and parcels where improvement values are low compared to land values.
- There is an underutilization of developed property in the Area as demonstrated by vacant commercial structures and the high rate of turn-over of businesses in the Area;
- The area contains an inadequate and substandard street, bicycle and pedestrian system;
- Portions of the public infrastructure system are in need of replacement, modernization and improvement, and
- There is a lack of proper utilization of substantial portions of the Area resulting in a stagnant and unproductive condition of land. Such land is potentially useful and valuable for contributing to the public health, safety and welfare of the community.

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

The renewal plan includes activities that address the following deficiencies noted in Section 100 of the Report on the Plan:

- Deficiencies in the street and circulation system
- Deficiencies in curb and sidewalks in the project area
- Deficient water, storm and sanitary sewer services
- Deteriorated building conditions,
- Underutilized and unproductive land
- Lack of building investment, resulting in low assessed values within the renewal area.

500. FINANCIAL ANALYSIS OF PLAN

500A. ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 4 shows the estimated total costs of the Newberg Urban Renewal Project. These costs are in 2001 dollars. As noted in following text, 2001 project costs will be subject to increase from inflation.

Table 4 Description and Cost of Project Activities Newberg Urban Renewal Area November 2001		
Project Description	Project Detail	Estimated 2001 Cost
Alley Improvements	Alley pavement within downtown blocks: between Hancock Street, 2nd Street, Harrison Street and River Street.	\$500,000
Arts & Culture Assistance	Support organized groups, programs involved in arts and culture. Fund public art.	500,000
Building Improvements	Commercial building rehabilitation assistance	500,000
Business Support	Business retention and recruitment program. Participation in renewal area marketing and promotion	200,000
Butler Property Redevelopment	Property acquisition, demolition, clean-up, planning, construction.	1,000,000
Central School	Facilities renovation and program enhancements.	1,000,000
Civic Corridor	Streetscape enhancements, such as accent paving, ornamental lighting, street trees, street furniture.	1,000,000

Downtown Gateways	Monuments, artwork, signage, landscaping at east and west ends of downtown (Highway 99W)	100,000
Downtown Parking Lots	Upgrade existing public parking lots. Purchase and develop new parking lots.	1,000,000
Downtown Public Restrooms	Self-explanatory. Maybe as part of redevelopment of Butler Property.	200,000
Downtown Sidewalk Improvements	Replace sidewalks in poor condition. Fill in missing gaps.	300,000
Downtown Streetscape and Pedestrian Improvements	Streetscape enhancements, such as accent paving, ornamental lighting, street trees, street furniture and curb extensions @ intersections.	\$3,700,000
Downtown-Riverfront Bike Improvements	Install bikeways along the streets of Blaine, River and 11th.	100,000
Hayes St. Extension	Street connection between Deborah Road and Brutscher Street	500,000
Housing Improvements	Housing rehabilitation, infill and redevelopment assistance	500,000
Infrastructure Improvements	Downtown water, storm and sanitary sewer line replacements	500,000
Land Acquisition	Strategic land purchases for redevelopment	1,200,000
Telecom Improvements	Downtown Backbone high-speed data transmission system	500,000
9th Street Area Improvements	Housing rehabilitation and streetscape improvements	200,000
Administration	Implementation of Urban Renewal District program	1,500,000
Total		\$15,000,000

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 capacity for urban renewal bonds is based on projections of urban renewal revenues. Table 5 anticipates there will be four long-term bond issues during the life of the plan. Bonds will be issued as revenues, project requirements, and overall bond market conditions dictate. 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.

Table 4 shows that the 2001 costs of project activities are estimated at \$15,000,000. It is assumed that the 2001 costs will inflate 5% annually. For purpose of estimating a maximum indebtedness figure, it is assumed that the maximum funds available through short or long term debt in each year will be applied to carrying out project activities. A 5% inflation factor then is applied to the balance of uncompleted project activities. This method produces a total estimated cost of \$25,000,000 to complete all project activities. The maximum indebtedness figure inserted in the urban renewal plan is \$25,000,000.

500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES

The project activities shown in Table 4 will begin in 2002-03. It is estimated that all activities proposed in this plan will be completed, and project indebtedness paid off by 2019-20. At that time, the tax increment provisions of this plan can be ended.

The sequencing and prioritization of individual project activities shown in Table 4 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 funding will be as established in the annual budget process. It is anticipated that a five-year Implementation Strategy will also be prepared and utilized to help guide decisions on initial priorities and funding. 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.

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT

It is estimated that the project will collect tax increment revenue between the years 2002-2003 and 2019-20. It is estimated that the project will produce \$28.7 million in tax increment receipts in that period. These funds will be utilized to finance project activities, and pay all debt service costs, including interest, associated with undertaking these project activities.

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 2019-20, 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 5 of this Report shows the anticipated tax increment receipts for each year of the project, and the use of those receipts. Table 5 follows on the next page.

**TABLE 5
NEWBERG URBAN RENEWAL
PLAN
RESOURCES AND
REQUIREMENTS**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
RESOURCES									
Beginning Balance	\$0	\$9,886	\$131,055	\$97,920	\$94,036	\$49,758	\$63,626	\$83,759	\$59,019
Tax Increment Revenue	\$206,785	\$328,792	\$454,155	\$582,965	\$774,868	\$972,048	\$1,174,650	\$1,203,440	\$1,389,591
Delinquency at 3% average	-\$6,204	-\$9,864	-\$13,625	-\$17,489	-\$23,246	-\$29,161	-\$35,239	-\$36,103	-\$41,688
Proceeds of Borrowings	\$0	\$1,287,000	\$0	\$0	\$3,190,000	\$0	\$0	\$5,400,000	\$0
Investment Earnings at 4.5%	\$9,305	\$15,241	\$26,334	\$30,640	\$39,101	\$45,981	\$55,722	\$57,924	\$65,187
Total Resources	\$209,886	\$1,631,055	\$597,920	\$694,036	\$4,074,758	\$1,038,626	\$1,258,759	\$6,709,019	\$1,472,110
REQUIREMENTS									
Outlay on Project Activities	\$200,000	\$1,200,000	\$200,000	\$300,000	\$3,300,000	\$250,000	\$750,000	\$5,500,000	\$200,000
Total project costs funded in year	\$200,000	\$1,200,000	\$200,000	\$300,000	\$3,300,000	\$250,000	\$750,000	\$5,500,000	\$200,000
Debt Service - Long term borrowing	\$0	\$300,000	\$300,000	\$300,000	\$725,000	\$725,000	\$425,000	\$1,150,000	\$1,150,000
Total Outlays	\$200,000	\$1,500,000	\$500,000	\$600,000	\$4,025,000	\$975,000	\$1,175,000	\$6,650,000	\$1,350,000
Total Resources	\$209,886	\$1,631,055	\$597,920	\$694,036	\$4,074,758	\$1,038,626	\$1,258,759	\$6,709,019	\$1,472,110
Ending Balance	\$9,886	\$131,055	\$97,920	\$94,036	\$49,758	\$63,626	\$83,759	\$59,019	\$122,110
<hr/>									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
RESOURCES									
Beginning Balance	\$122,110	\$82,179	\$139,929	\$105,242	\$79,594	\$169,184	\$110,148	\$76,912	\$76,920
Tax Increment Revenue	\$1,580,861	\$1,777,391	\$1,979,326	\$2,186,814	\$2,400,008	\$2,619,065	\$2,844,145	\$3,075,416	\$3,164,415
Delinquency at 3% average	-\$47,426	-\$53,322	-\$59,380	-\$65,604	-\$72,000	-\$78,572	-\$85,324	-\$92,262	-\$94,932
Proceeds of Borrowings	\$0	\$4,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings at 4.5%	\$76,634	\$83,681	\$95,366	\$103,143	\$111,582	\$125,471	\$132,943	\$141,855	\$145,860
Total Resources	\$1,732,179	\$6,389,929	\$2,155,242	\$2,329,594	\$2,519,184	\$2,835,148	\$3,001,912	\$3,201,920	\$3,292,263
REQUIREMENTS									
Outlay on Project Activities	\$500,000	\$4,500,000	\$300,000	\$500,000	\$600,000	\$1,400,000	\$1,600,000	\$1,800,000	\$2,500,000
Total project costs funded in year	\$500,000	\$4,500,000	\$300,000	\$500,000	\$600,000	\$1,400,000	\$1,600,000	\$1,800,000	\$2,500,000
Debt Service - Long term borrowing	\$1,150,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,325,000	\$1,325,000	\$1,325,000	\$600,000
Total Outlays	\$1,650,000	\$6,250,000	\$2,050,000	\$2,250,000	\$2,350,000	\$2,725,000	\$2,925,000	\$3,125,000	\$3,100,000
Total Resources	\$1,732,179	\$6,389,929	\$2,155,242	\$2,329,594	\$2,519,184	\$2,835,148	\$3,001,912	\$3,201,920	\$3,292,263
Ending Balance	\$82,179	\$139,929	\$105,242	\$79,594	\$169,184	\$110,148	\$76,912	\$76,920	\$192,263

500D. IMPACT OF TAX INCREMENT FINANCING

The passage of Ballot Measure 50 has 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, collection of tax increment revenue can 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. In addition, the presence of the urban renewal program could 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 6 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 6 actually presents an absolute worst case picture of revenue foregone, for it assumes that all the new values in the Newberg 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.

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.

When the project is completed, an estimated \$257 million in assessed values will be placed back on the tax roll. In the following year, property tax revenues generated by those values are estimated to be approximately \$3.4 million. Given a 3% inflation of values, the revenues foregone by the overlapping taxing bodies will be repaid in a period of eight years after the project is completed.

Newberg Urban Renewal Plan									
	2001-02 Tax Rates	County tax rate	City Tax Rate	Extension Svc	Soils Dist	Chehalem Parks	School Dist	PCC	ESD
		\$2.57	\$4.38	\$0.0049	\$0.04	\$0.91	\$4.66	\$0.28	\$0.36
Year	Cumulative New Incremental Values in area	Yamhill County tax foregone on new values	Newberg tax foregone on new values	Extension Service foregone on new values	Soils District tax foregone on new values	Parks District tax Foregone on new values	School District tax foregone on new values	PCC tax foregone on new values	ESD tax foregone on new values
2002-03	\$13,021,697	\$33,466	\$57,070	\$64	\$461	\$11,818	\$60,702	\$3,683	\$4,707
2003-04	\$20,704,794	\$53,211	\$90,743	\$101	\$733	\$18,792	\$96,517	\$5,855	\$7,485
2004-05	\$28,599,176	\$73,500	\$125,342	\$140	\$1,012	\$25,957	\$133,318	\$8,088	\$10,339
2005-06	\$36,710,653	\$94,346	\$160,892	\$180	\$1,300	\$33,319	\$171,130	\$10,382	\$13,271
2006-07	\$48,795,196	\$125,404	\$213,855	\$239	\$1,727	\$44,287	\$227,464	\$13,799	\$17,639
2007-08	\$61,212,064	\$157,315	\$268,274	\$300	\$2,167	\$55,556	\$285,346	\$17,311	\$22,128
2008-09	\$73,970,396	\$190,104	\$324,190	\$362	\$2,619	\$67,136	\$344,820	\$20,919	\$26,740
2009-10	\$87,079,582	\$223,795	\$381,644	\$427	\$3,083	\$79,033	\$405,930	\$24,626	\$31,479
2010-11	\$100,549,270	\$258,412	\$440,677	\$493	\$3,559	\$91,259	\$468,720	\$28,435	\$36,349
2011-12	\$114,389,375	\$293,981	\$501,334	\$561	\$4,049	\$103,820	\$533,238	\$32,349	\$41,352
2012-13	\$128,610,083	\$330,528	\$563,659	\$630	\$4,553	\$116,727	\$599,529	\$36,371	\$46,493
2013-14	\$143,221,860	\$368,080	\$627,698	\$702	\$5,070	\$129,988	\$667,643	\$40,503	\$51,775
2014-15	\$158,235,461	\$406,665	\$693,499	\$775	\$5,602	\$143,615	\$737,630	\$44,749	\$57,202
2015-16	\$173,661,937	\$446,311	\$761,108	\$851	\$6,148	\$157,616	\$809,542	\$49,112	\$62,779
2016-17	\$189,512,640	\$487,047	\$830,577	\$929	\$6,709	\$172,002	\$883,432	\$53,594	\$68,509
2017-18	\$205,799,237	\$528,904	\$901,956	\$1,008	\$7,285	\$186,783	\$959,354	\$58,200	\$74,396
2018-19	\$222,533,716	\$571,912	\$975,299	\$1,090	\$7,878	\$201,972	\$1,037,363	\$62,933	\$80,446
2019-20	\$239,728,394	\$616,102	\$1,050,658	\$1,175	\$8,486	\$217,577	\$1,117,518	\$67,795	\$86,662
Totals		\$5,259,082	\$8,968,475	\$10,027	\$72,440	\$1,857,254	\$9,539,198	\$578,704	\$739,750

As noted previously, the revenues foregone assume all of the values would occur even without urban renewal investments. This does not appear to be a realistic assumption. Revenues foregone could be reduced if one assumed that some values do not materialize without urban renewal. The totals foregone also may be misleading in another way. The reader should understand that these revenues are foregone annually, over an extended period of time, not all at once. The total does not take into account the fact that dollars twenty years from now are not as valuable as today's dollars. A present value calculation of the revenues foregone, using just a 3.5 % rate would reduce the revenue foregone total by almost 40%. Also, during the plan period, overall values in Newberg will increase, and those value increases will diminish the tax foregone impact on the budgets of taxing bodies.

500E. FINANCIAL FEASIBILITY OF PLAN

Table 4 in Section 500 of the Report to the Plan show the estimated costs of project activities at \$15 million, in year 2001 dollars. 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 5. The tax increment revenues shown in Table 5 are based on the following assumptions:

1. It is assumed that the buildout period for all buildable land in the renewal area will be 25 years. At the time this plan is developed, the only known major addition to project area values is a retirement facility, estimated to have a real market value of \$8 million. That value is estimated to appear on the tax roll in 2002-03.
2. New additions to real market values are held at \$5 million annually through the period ending 2005-06. Thereafter, \$10 million in real market values are estimated in each year. The project is estimated to end before all land in the renewal area is built out.
3. Overall assessed values in the renewal area are indexed upward 2.75% annually.

The revenues shown in Table 5 are expected to be sufficient to carry out all project activities currently shown on the Urban Renewal Plan, and to retire project indebtedness within an 18 year period. It is financially feasible to carry out the Urban Renewal Plan for the Newberg Urban Renewal Area.

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.

C. HOUSING COST ENUMERATION

The Renewal Plan will remove no existing housing units. Project activities include rehabilitation and redevelopment assistance for development of housing in the urban renewal area. It is expected that rental and price ranges of new housing developed in the urban renewal area will be consistent with the current income levels of the renewal area population. New housing therefore is expected to be priced for moderate income households. No estimate of number of new units is possible at this time.