

**DRAFT
REPORT ACCOMPANYING THE
MURPHY CROSSING URBAN
RENEWAL PLAN**

City of Bend
July 14, 2008

TABLE OF CONTENTS

I. INTRODUCTION	1
II. EXISTING PHYSICAL AND ECONOMIC CONDITIONS AND IMPACT ON MUNICIPAL SERVICES	2
A. PHYSICAL CONDITIONS	2
B. INFRASTRUCTURE	9
C. SOCIAL CONDITIONS	11
D. ECONOMIC CONDITIONS.....	11
E. IMPACT ON MUNICIPAL SERVICES.....	12
III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN	13
IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA	13
A. TRANSPORTATION IMPROVEMENTS	13
B. SEWER IMPROVEMENTS	17
C. WATER IMPROVEMENTS	17
D. PARK DEVELOPMENT	17
E. AFFORDABLE HOUSING ASSISTANCE	18
F. COMMERCIAL REVITALIZATION LOAN PROGRAM.....	18
V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS.....	18
VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT	20
VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED	20
VIII. FINANCIAL ANALYSIS OF THE PLAN	25
IX. IMPACT OF THE TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER THE INDEBTEDNESS IS REPAYED, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN THE URBAN RENEWAL AREA	28
X. RELOCATION REPORT.....	30
XI. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA.....	31

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

I. INTRODUCTION

The Murphy Crossing Urban Renewal Report (the “Report”) contains background information and project details for the Murphy Crossing Urban Renewal Plan (the “Plan”). The Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides the information required in ORS 457.085(3). The format of the Report is based on this statute.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

II. EXISTING PHYSICAL AND ECONOMIC CONDITIONS AND IMPACT ON MUNICIPAL SERVICES

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

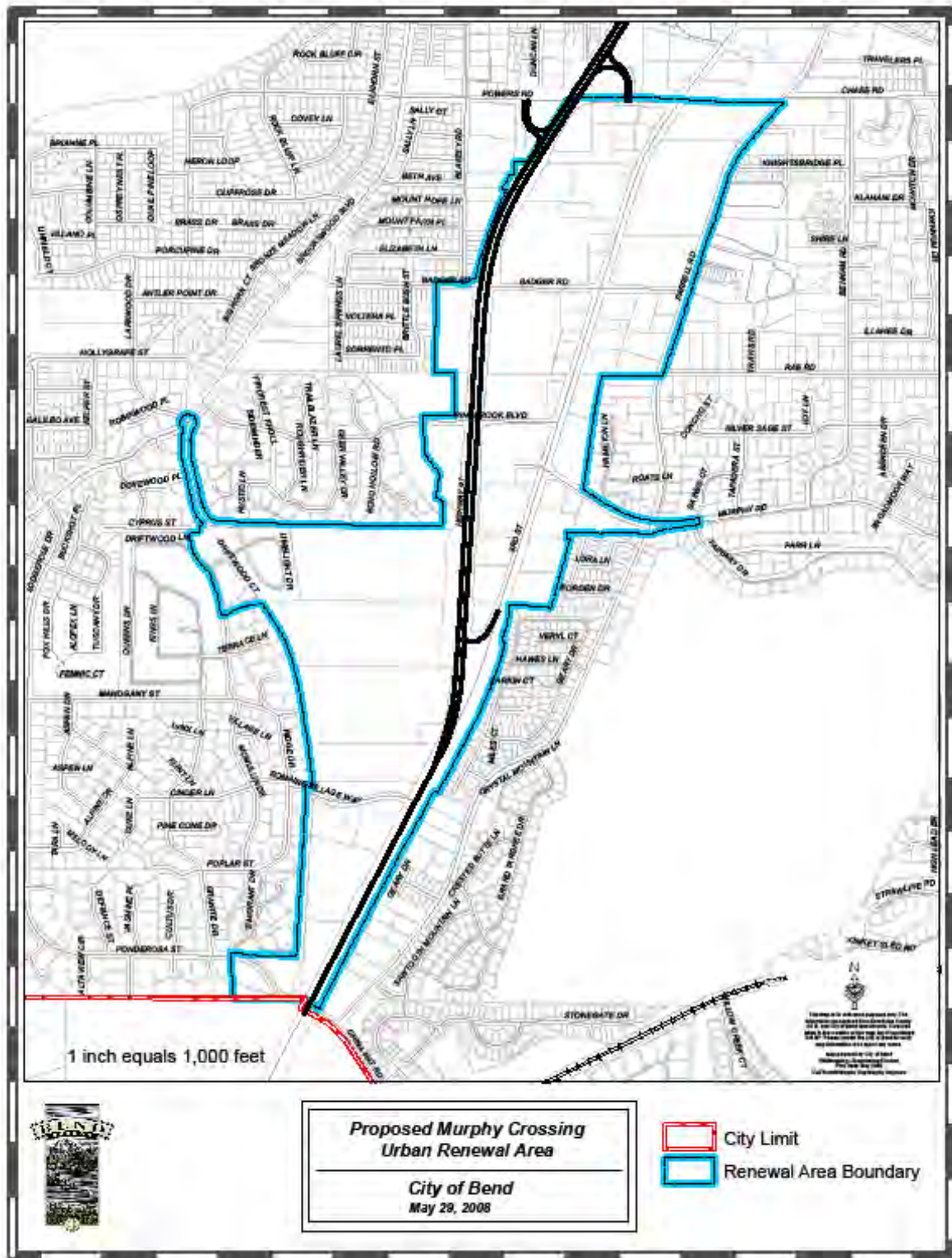
A. Physical Conditions

1. Land Use

The Area, shown in Figure 1 below, contains approximately 238 acres, including public right-of-way (ROW). It includes 73 individual properties. All of the Area is inside Bend city limits and within the Urban Growth Boundary.

DRAFT REPORT ON PROPOSED MURPHY CROSSING URBAN RENEWAL PLAN

Figure 1. Murphy Crossing Boundary



DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

The street classifications of roads within the Area are:

Expressway:

The Area is served by one major transportation corridor, the Bend Parkway which runs north and south through the area and is designated in the Transportation Systems Plan (TSP) as an Expressway.

Principal Arterial:

Highway 97 / Third Street is designated as a Principal Arterial.

Major Collector:

The Major Collectors are Parrell Road, Lodgepole Drive and Ponderosa Street and a proposed major collector through the Area.

Minor Arterial:

Brookwood Boulevard is a Minor Arterial. There is also a proposed Minor Arterial on a western portion of Murphy Road.

Local Roads:

Transportation within the Area is conducted along local roads.

An analysis of property classification data from Deschutes County's 2007-08 Assessment and Taxation database was used to determine the land use designation of parcels in the Area. The largest portion (56.87 percent) of the Area is classified as Commercial General use, as shown in Table 1, "Existing Land Use (FY 2007-08)".

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 1. Existing Land Use of Area (FY 2007-2008)

Land Use	# Lots	Acreage	% of Total (Acres)
Vacant Land: Residential	1	0.70	0.33%
Vacant Land: Potential Dividable	5	14.14	6.66%
Vacant Land: State	1	1.68	0.79%
Vacant Land: Church	1	0.83	0.39%
Improved: Potential Dividable	4	11.95	5.63%
Vacant Land: Commercial	10	60.60	28.54%
Commercial Improved	32	60.15	28.33%
Mobile Home Park	4	13.86	6.53%
Public Property	7	11.51	5.42%
Residential Improved	1	0.36	0.17%
Improvement Only	4	34.41	16.21%
Misc.	3	2.11	0.99%
Total	73	212.31	100.00%

Source: Bend GIS from Deschutes County Assess

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

2. Zoning

As illustrated in Table 2 and Figure 1, 101.24 acres (47.68 percent) of the Area is in commercial general use. About 2.75 acres (1.30 percent) is mixed employment and 46.73 acres (22.00 percent) is zoned for some type of residential use. Some of the parcels have a variety of zoning districts attributed to them.

Table 2. Existing Zoning of Area

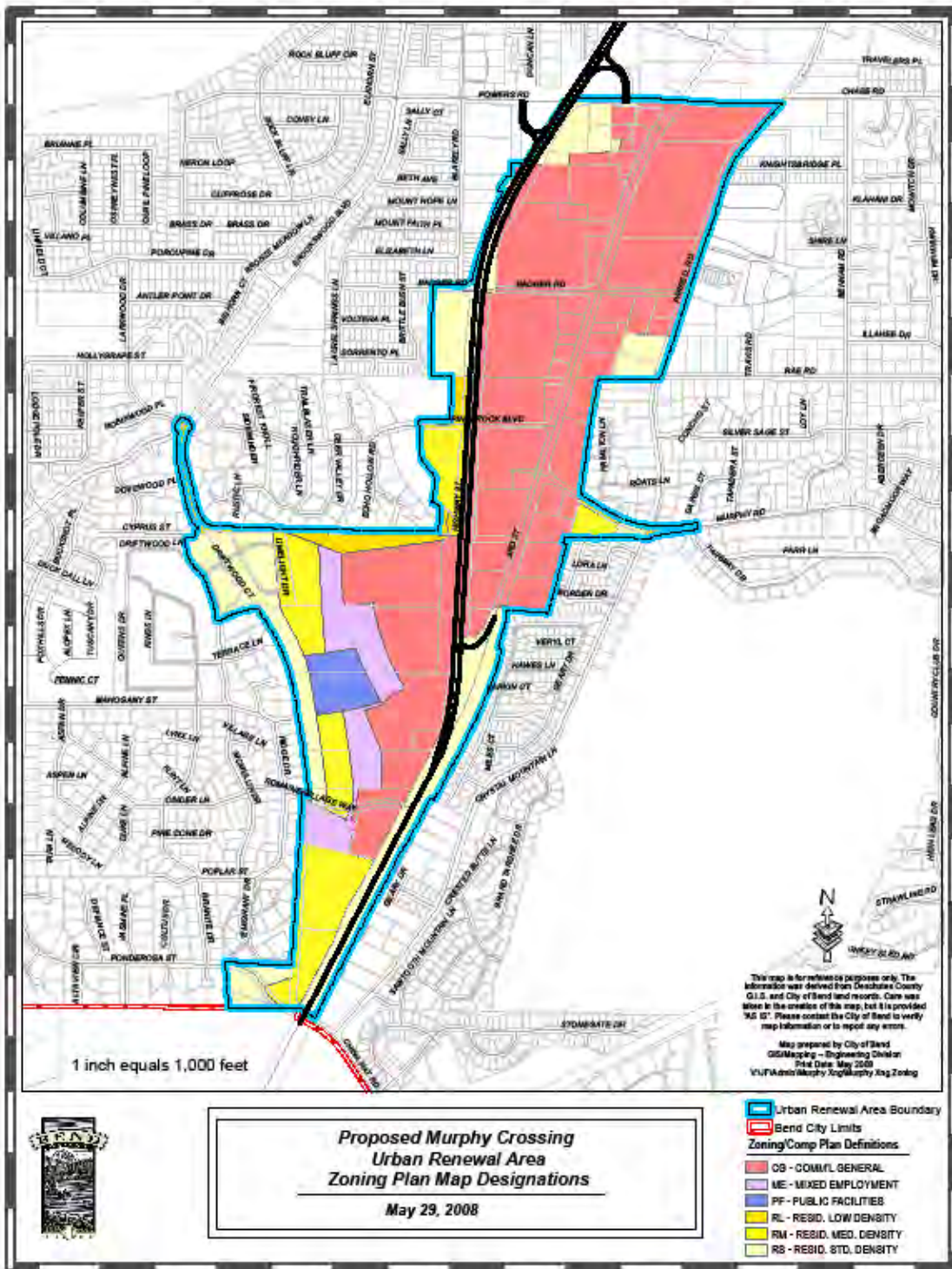
Zone	# Lots	Acreage	% of Total (Acres)
General Commercial (CG)	47	101.24	47.68%
CG/ME/PF/RM/RS*	2	34.56	16.28%
CG/ME/RM	1	17.64	8.31%
CG/ME/RM/RS	2	9.39	4.42%
Mixed Employment (ME)	1	2.75	1.30%
Residential Medium Density (RM)	5	15.89	7.48%
RM/RS	2	5.99	2.82%
Residential Standard Density (RS)	12	24.02	11.31%
Residential Low Density (RL)	1	0.83	0.39%
Total	73	212.31	100.00%

Source: Bend GIS

* PF: Public Facilities

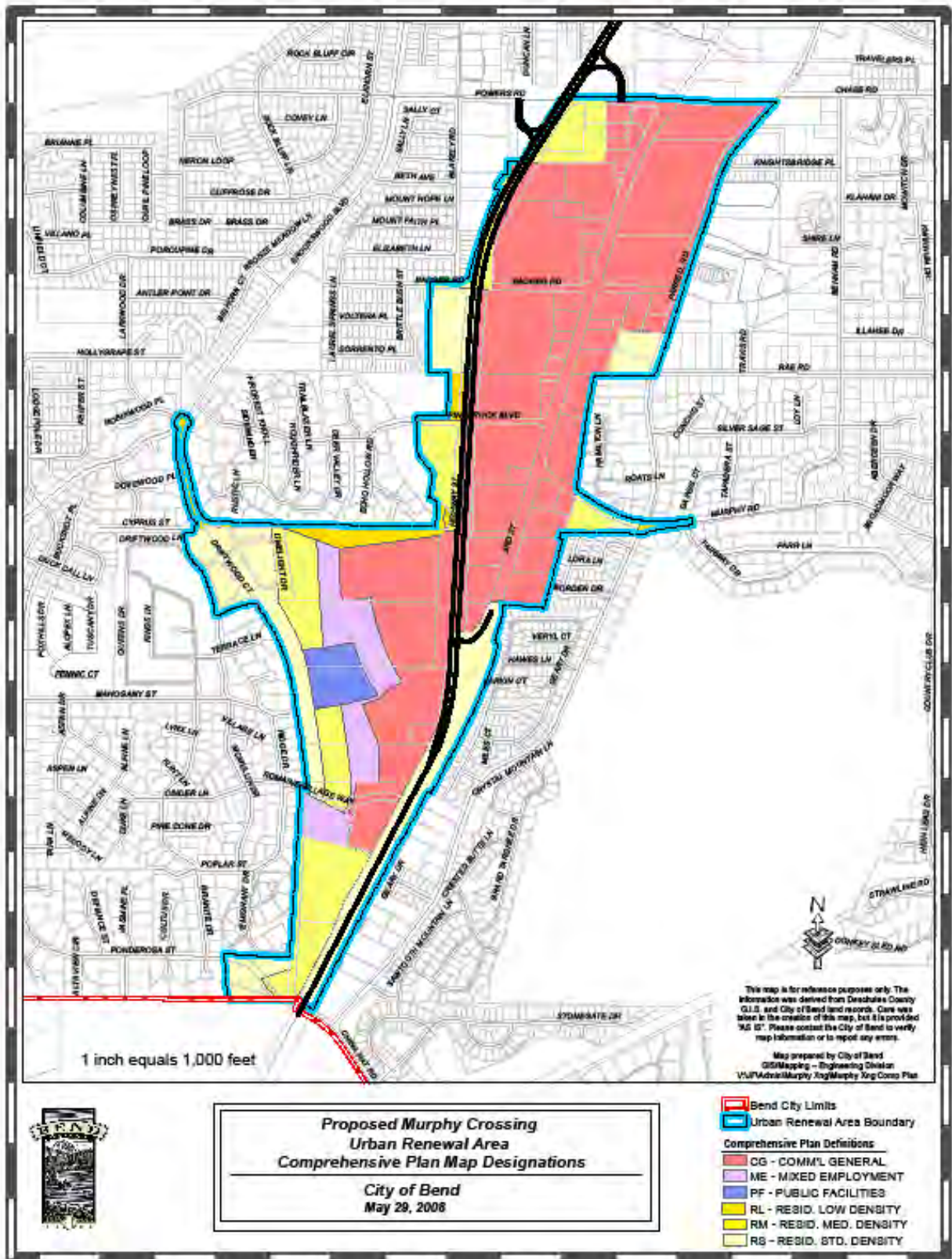
DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Figure 2. Murphy Crossing Urban Renewal Area Zoning



DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Figure 3. Murphy Crossing Urban Renewal Area Comprehensive Plan



DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

B. Infrastructure

1. Transportation

Lands in the URA west of the Bend Parkway / US 97 are undeveloped and have virtually no access from either the Parkway or the existing local street system. Lands in the URA east of the Parkway are served by Third Street.

Prior to construction of the Parkway earlier in this decade, US 97, the regional arterial between California and Washington, followed Third Street through the Bend urban area. Consequently, the Third Street corridor developed with highway oriented commercial uses.

With the diversion of regional traffic to the Parkway, Third Street now functions as a local arterial. However, existing roadway improvements remain more suited to high-speed, high-volume regional traffic than to pedestrian-oriented, neighborhood-serving uses.

The transportation system existing within the Area is inadequate to meet the demands which will result from development of the Area.

2. Water, Sewer and Storm Drainage Facilities

Currently, the Area lacks adequate water, sewer and storm drainage facilities to support higher-intensity industrial uses consistent with the City's Comprehensive Plan.

The URA west of the Bend Parkway is undeveloped. It is assumed that construction of a local wastewater collection system in this area will be funded from a source other than urban renewal, such as a local improvement district.

The URA east of the Parkway, in the Third Street corridor, has complete sewer infrastructure.

Water service is provided by Avion Water Company and Roats Water Company.

The water, sewer and storm drainage facilities within the Area are inadequate to meet the demands which will result from development of the Area.

3. Parks and Open Space

There is one four acre proposed park in the Area. It is located west of Limelight Drive.

4. Public Spaces

Other than the parks above, there are no other public spaces in the area.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

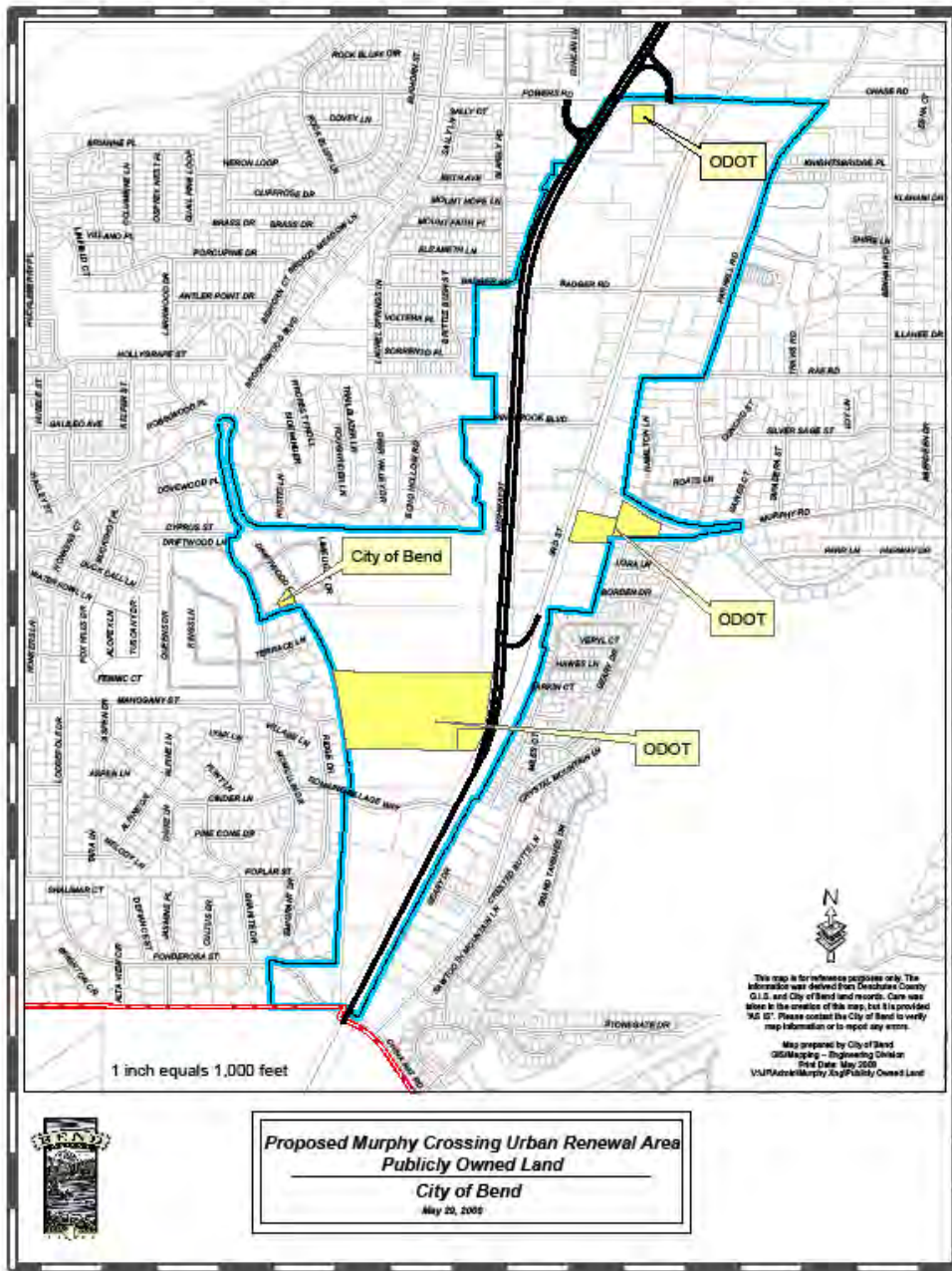
5. Public Parking

There is no public parking in the area.

6. Public Buildings/Public Property

The City of Bend owns a small parcel off of Driftwood Court. The Oregon Department of Transportation owns three parcels, as shown in Figure 4. There are no projects proposed for any of these parcels.

Figure 4. Publicly Owned Property



DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

C. Social Conditions

Currently, the Area contains only 6 residential dwellings. Therefore social conditions are not a significant aspect of the Area and are not examined in detail.

D. Economic Conditions

1. Taxable Value of Property within the Area

The estimated total assessed value of the Area, including all real, personal, personal manufactured and utility properties, is \$66,271,530 or 0.9 percent of Bend's total assessed value. The 2007-08 total assessed value of the City of Bend is \$7,221,670,912.

2. Building to Land Value Ratio

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

Table 3 below, "Improvement to Land Ratio," shows the improvement to land ratios for properties within the study area. As the table shows, 102.52 acres or around 48 percent of the Area is vacant. Approximately 90 percent of the study area has less than a 1.5:1 improvement value; the I:L ratios for improved properties in the urban renewal study area are very low. The I:L for fully improved property in this area would range from over 5.0 for the 3rd Street Corridor to over 12.0 for the Murphy Crossing Refinement Plan area.

Table 3. I:L Ratio of Taxable Parcels in Proposed Area

I:L Ratio	Parcels	Acres	% of Total (Acres)
No Improvements	26	102.52	48.29%
0.0 - 0.5	17	34.34	16.18%
0.5 - 1.0	16	25.88	12.19%
1.0 - 1.5	9	28.24	13.30%
1.5 - 2.0	4	12.12	5.71%
2.0 - 2.5	0	0.00	0.00%
2.5 - 3.0	0	0.00	0.00%
3.0 - 4.0	1	9.20	4.33%
4.0 - 5.0	0	0.00	0.00%
>5.0	0	0.00	0.00%
<i>Total</i>	73	212.30	100.00%

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

E. Impact on Municipal Services

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

Increases in commercial, mixed employment and residential occupancies within the Area will generally result in higher demand for fire, life safety and public safety services. The increased occupancies within the Area will also increase the demand for water, sewer and storm drainage services.

These impacts will be offset by the funding from the Plan for an improved transportation network within the area, increased public infrastructure including water and sewer and storm drainage which will provide incentives for developing sites which will create employment opportunities for the citizens of Bend.

The Plan also proposes improvements to the public park within the Area, which will help offset increased municipal services.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

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

There is one urban renewal area in the Plan and it was selected to improve and prevent the future occurrence of blighted areas as defined in ORS 457.010(1).

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

This section describes the relationship between the urban renewal projects called for in the Plan and conditions generally that were described in Section II of this Report and more particularly described below.

There are existing deficiencies in all urban infrastructure needs in the Murphy Crossing Urban Renewal Area. Deficiencies include inadequate transportation improvements, water, sewer and storm water facilities.

A. Transportation Improvements

1. Phase 1. Local Streets west of Bend Parkway

The local streets west of the Bend Parkway include Murphy Road from the overpass west to the Brookwood Boulevard roundabout and a new street from the central roundabout north to Murphy Road.

Relationship to Existing Conditions

These streets do not presently exist. The transportation network is inadequate in relationship to anticipated future development activity.

2. Phase 2. Murphy Overcrossing of Parkway

This includes an overpass on Murphy Road and a realignment of Murphy Road east of Parkway and a new street from Ponderosa Street north to the central roundabout.

Relationship to Existing Conditions

The overpass on Murphy Road does not exist. Murphy Road is not presently in the alignment east of Bend Parkway which will be necessary to tie into the overcrossing. The proposed new street does not exist. The transportation network is inadequate in relationship to anticipated future development activity.

3. Phase 3. Frontage Roads

This improvement includes construction of Frontage Road from Murphy Road north to Pinebrook Blvd. and from Pinebrook Blvd. north to Badger Road.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Relationship to Existing Conditions

This section of road does not exist. The transportation network is inadequate in relationship to anticipated future development activity.

4. Phase 4. Parkway Improvements

Parkway improvements include a Third Street flyover ramp, a southbound off ramp and a northbound on ramp.

Relationship to Existing Conditions

One portion of this interchange presently exists: North bound 97 off ramp to Third Street.

The remainder of the proposed improvements do not exist. The transportation network is inadequate in relationship to anticipated future development activity.

5. Phase 5. Third Street Corridor Improvements

- a. Third Street improvements from Pinebrook Blvd. to Powers Road include streetscape improvements such as sidewalks, landscaping, parking bays, median treatments and street lighting.

Relationship to Existing Conditions

Third Street is presently an auto-oriented street without sufficient pedestrian related improvements. There are no street trees, the sidewalks are narrow and incomplete, there is no pedestrian level lighting, and no streetscape improvements. The transportation network is inadequate in relationship to anticipated future development activity.

- b. Intersection improvements at Third Street and Powers Road, streetscape improvements including street lighting, sidewalks, bike lanes, landscape strips.

Relationship to Existing Conditions

The intersection at Third Street and Powers Road is presently a high-speed auto-oriented intersection, and will be improved to a pedestrian scale intersection. Third Street is presently an auto-oriented street without sufficient pedestrian related improvements. The transportation network is inadequate in relationship to anticipated future development activity.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

- c. Intersection improvements at Powers Road /Parrell Road /Chase Road and improving the street connections to city standards from Chase Road to Brosterhouse Road.

Relationship to Existing Conditions

Most of the existing improvements are to a rural standard and need to be brought up to an urban standard. The transportation network is inadequate in relationship to anticipated future development activity.

- d. Improvements from Parrell Road from Chase Road to Murray Road to modernize Parrell Road to bring it up to city standards.

Relationship to Existing Conditions

Most of the existing improvements are to a rural standard and need to be brought up to an urban standard. The transportation network is inadequate in relationship to anticipated future development activity.

- 6. Murphy Road overcrossing Brosterhous Road to 15th Street
A three lane bridge from Brosterhous Road to 15th Street intersection will be constructed. The project includes roundabout intersection improvements at Brosterhous Road and 15th Street.

Relationship to Existing Conditions

Murphy Road in this location does not presently exist. This overcrossing does not exist nor does the roundabout intersection at Brosterhous Road and 15th Street. It is estimated by the Bend Transportation Department that 25 percent of the traffic for this improvement will be generated by development in the Area. The transportation network is inadequate in relationship to anticipated future development activity.

Balancing transportation needs will be a critical component for providing safe and accessible routes for trucks, automobiles, bicyclists and pedestrians as the Area's commercial, residential and mixed employment development intensifies. Figure 5 shows the proposed transportation network.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Figure 5. Proposed Transportation Network

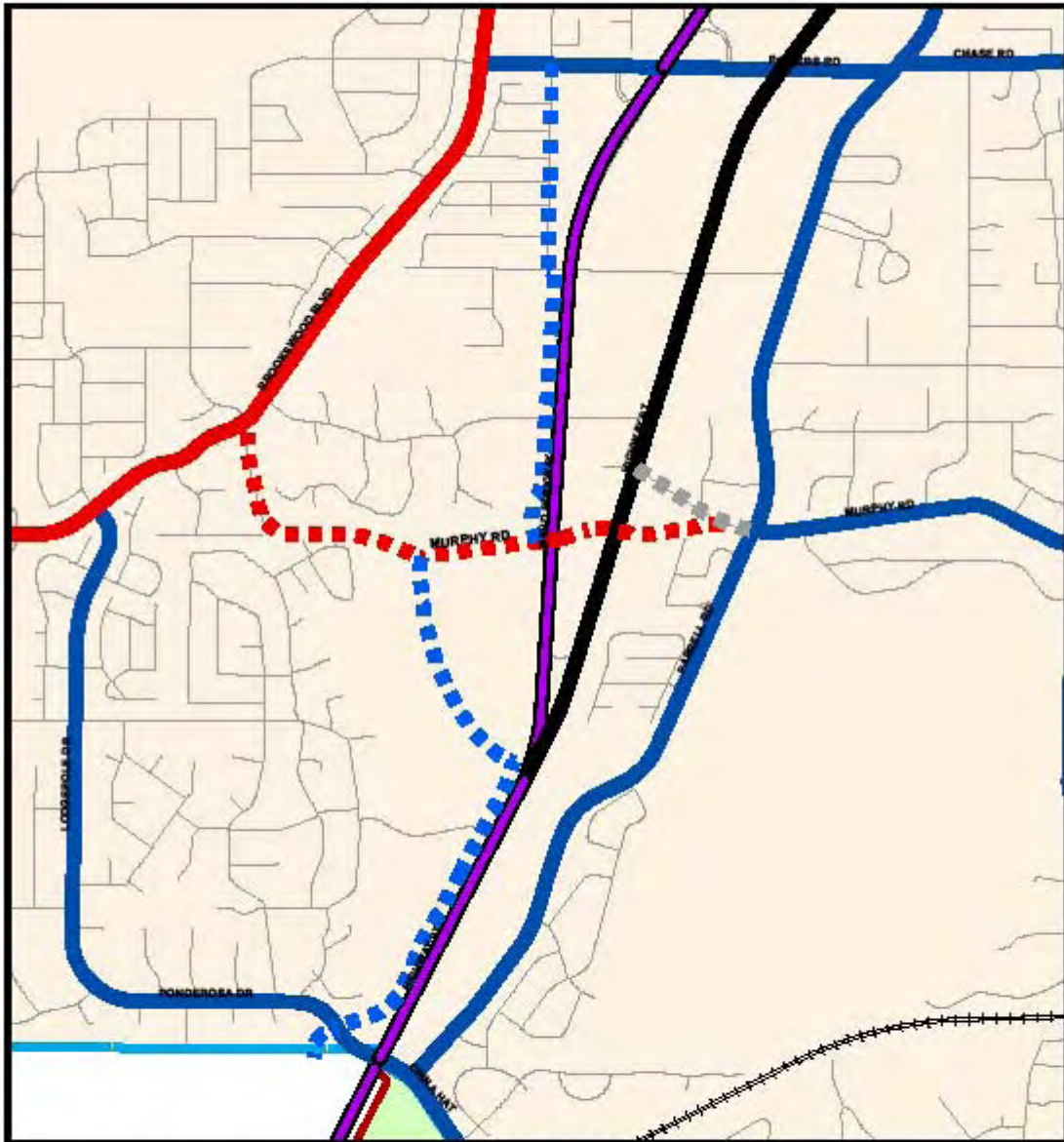


EXHIBIT B
PROPOSED BEND URBAN AREA TRANSPORTATION PLAN AMENDMENTS

<ul style="list-style-type: none"> Expressway Principal Arterial Minor Arterial Proposed Minor Arterial Major Collector 	<ul style="list-style-type: none"> Proposed Major Collector Proposed Local Railroad UGB - Urban Growth Boundary 	 <p>FOR DISPLAY PURPOSES</p>
---	--	---



NOT TO SCALE

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

B. Sewer Improvements

1. Provide additional capacity for the sewer system through the development of the master-planned Southeast Sewer Interceptor.
2. Upgrade the existing sewer system to accommodate projected increased flows.

Relationship to Existing Conditions

The Southeast Sewer Interceptor is in the master plan, but not yet constructed. The existing sewer system is comprised of a small diameter pipe which will need to be upgraded or supplemented by larger diameter transmission mains in anticipation of increased usage. The sewer facilities are inadequate in relationship to anticipated future development activity.

C. Water Improvements

1. Upgrade the regional storage and transmission facilities of Avion Water Company. Construct a 16-18 inch water transmission main from Avion's existing reservoir to the Area.
2. Upgrade the regional storage and transmission facilities of Roats Water Company. This upgrade will be facilitated by the upgrade to Avion's line as Roat's line is interconnected.

Relationship to Existing Conditions

The 16-18 inch water transmission main does not exist. The existing system is inadequate in relationship to anticipated future development activity.

D. Park Development

1. Provide partial funding to assist in the development of a four acre park in the Area. Provide additional funding to develop a pathway from the park.

Relationship to Existing Conditions

The park is now vacant land which has not been developed as a park. The park facilities in the Area are insufficient to serve anticipated future development. There is no pathway and the existing pedestrian facilities are inadequate to serve anticipated future development.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

E. Affordable Housing Assistance

1. Establish an affordable housing assistance fund. The fund will be established by the Agency upon adoption of the Plan.

Relationship to Existing Conditions

There is no affordable housing assistance fund for this area. The funding for affordable housing assistance in the Area is inadequate.

F. Commercial Revitalization Loan Program

1. Establish a commercial revitalization loan program. The fund will be established by the Agency upon adoption of the Plan.

Relationship to Existing Conditions

There is no commercial revitalization loan program for this area. The funding for commercial loan revitalization assistance in the Area is inadequate.

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

Table 4 below shows the estimated total cost of each project and the estimated sources of funds to address such costs, with all figures in year of expenditure dollars. This analysis is based on known projects at the time of preparation of the Plan and does not include projects authorized by the Plan, but unknown at this time.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 4. Estimated Project Expenditures and Revenues (In Year of Expenditure Dollars)

Transportation Improvements	UR Funds	Other Funds
Phase 1. Local streets west of Parkway		
Murphy overpass west to Brookwood roundabout	0	5,400,000
New street from central roundabout north to Murphy	0	6,500,000
SUBTOTAL	0	11,900,000
Phase 2. Murphy overcrossing of Parkway		
Murphy overpass	1,000,000	7,800,000
Murphy realignment east of Parkway	1,600,000	
New street from Ponderosa north to central roundabout	3,400,000	
SUBTOTAL	6,000,000	7,800,000
Phase 3. Frontage roads		
Frontage road from Murphy north to Pinebrook	1,200,000	
Frontage road from Pinebrook north to Badger	1,900,000	
SUBTOTAL	3,100,000	
Phase 4. Parkway improvements		
Third Street flyover ramp	4,500,000	
Southbound off-ramp	1,600,000	
Northbound on-ramp	1,100,000	
SUBTOTAL	7,200,000	
TOTAL Phases 1-4, local street connectivity & Parkway improvements	16,300,000	19,700,000
Phase 5. Third Street corridor improvements		
Third Street boulevard improvements, Pinebrook to Powers (sidewalks, landscaping, parking bays, median treatments, street lighting)	6,000,000	1,000,000
Powers Road, Parkway to Parrell (intersection improvements at Third / Powers, street lighting, sidewalks, bike lanes, landscape strips)	3,000,000	2,000,000
Powers / Chase improvements (intersection improvement at Powers / Parrell / Chase, street connection to City standards from Chase to Brosterhous)	4,000,000	2,000,000
Parrell Road, Chase to Murphy (modernize to City standards)	7,000,000	2,000,000
SUBTOTAL THIRD STREET	20,000,000	7,000,000
Phase 6. Murphy Road overcrossing Brosterhous to 15 th (25% to Area)	3,250,000	9,750,000

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

TOTAL TRANSPORTATION IMPROVEMENTS	39,550,000	36,450,000
Sewer Improvements		
Southeast Sewer Interceptor	3,400,000	
Upgrades to existing sewer system	400,000	
Total Sewer	3,800,000	
Water Improvements: 75% of costs	637,500	212,500
Total Sewer and Water	4,437,500	212,500
Park Improvements: new park development	425,000	
Trail system to park	60,000	
Affordable Housing Assistance	1,150,000	
Commercial Revitalization Loan Program	1,150,000	
Total Other Projects	2,785,000	0
Administration @approx 10%	5,227,500	0
TOTAL Project Costs	\$52,000,000	36,662,500

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

Projects will be ongoing and accomplished in increments. Estimated phasing is shown in the project chart above. Project implementation dates are, in many projects, tied to a Cooperative Improvement Agreement with the State of Oregon.

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

Table 5 shows the yearly tax increment revenues and their allocation to loan repayments, reimbursements, debt service and debt service reserve funds. It is anticipated that all debt will be retired by the end of FY 2033/2034. The total amount of tax increment revenues required to service debt is \$ 59,091,853.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 5. Tax Increment Revenues, Debt Service and Debt Service Reserves

FY Ending June 30	2010	2011	2012	2013	2014	2015
Beginning Balance	0	393,535	474,140	474,140	474,140	1,143,896
Tax Increment Revenues	467,675	575,573	896,596	982,603	1,301,364	1,399,972
Interest	0	7,871	9,483	9,483	9,483	22,878
From Bond Proceeds	300,000				400,000	
Total	767,675	976,978	1,380,219	1,466,226	2,184,987	2,566,745
FY Ending June 30	2010	2011	2012	2013	2014	2015
Debt Service by Year						
Bond 1	374,140	374,140	374,140	374,140	374,140	374,140
Bond 2					666,951	666,951
Bond 3						
Total Long Term Debt Service	374,140	374,140	374,140	374,140	1,041,092	1,041,092
Reserve	374,140	374,140	374,140	374,140	1,041,092	1,041,092
Short Term	0	128,698	531,939	617,945	0	384,562
Balance	19,395	100,000	100,000	100,000	102,804	100,000

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 5. Tax Increment Revenues, Debt Service and Debt Service Reserves, continued.

FY Ending June 30	2016	2017	2018	2019	2020	2021	2022
Beginning Balance	1,141,092	1,141,092	1,141,092	1,799,707	1,803,175	1,803,175	1,803,175
Tax Increment Revenues	1,740,612	1,852,826	2,128,969	2,253,447	2,338,859	2,426,620	2,516,794
Interest	22,822	22,822	22,822	35,994	36,063	36,063	36,063
From Bond Proceeds			210,000				
Total	2,904,526	3,016,739	3,502,882	4,089,148	4,178,097	4,265,858	4,356,033
FY Ending June 30	2016	2017	2018	2019	2020	2021	2022
Debt Service by Year							
Bond 1	374,140	374,140	374,140	374,140	374,140	374,140	374,140
Bond 2	666,951	666,951	666,951	666,951	666,951	666,951	666,951
Bond 3			662,083	662,083	662,083	662,083	662,083
Total Long Term Debt Service	1,041,092	1,041,092	1,703,175	1,703,175	1,703,175	1,703,175	1,703,175
Reserve	1,041,092	1,041,092	1,703,175	1,703,175	1,703,175	1,703,175	1,703,175
Short Term	722,343	834,556	0	582,799	671,748	759,509	849,683
Balance	100,000	100,000	96,532	100,000	100,000	100,000	100,000

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 5. Tax Increment Revenues, Debt Service and Debt Service Reserves, continued.

FY Ending June 30	2023	2024	2025	2026	2027	2028	2029
Beginning Balance	1,803,175	1,803,175	1,429,035	1,429,035	1,429,035	1,429,035	762,083
Tax Increment Revenues	2,609,448	2,704,650	2,802,470	2,902,981	3,006,255	3,112,369	3,221,401
Interest	36,063	36,063	28,581	28,581	28,581	28,581	15,242
From Bond Proceeds							
Total	4,448,687	4,543,889	4,260,086	4,360,596	4,463,870	4,569,984	3,998,726
FY Ending June 30	2023	2024	2025	2026	2027	2028	2029
Debt Service by Year							
Bond 1	374,140	374,140					
Bond 2	666,951	666,951	666,951	666,951	666,951	666,951	
Bond 3	662,083	662,083	662,083	662,083	662,083	662,083	662,083
Total Long Term Debt Service	1,703,175	1,703,175	1,329,035	1,329,035	1,329,035	1,329,035	662,083
Reserve	1,703,175	1,329,035	1,329,035	1,329,035	1,329,035	662,083	662,083
Short Term	942,337	1,411,679	1,502,016	1,602,527	1,705,801	2,478,866	2,574,560
Balance	100,000	100,000	100,000	100,000	100,000	100,000	100,000

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 5. Tax Increment Revenues, Debt Service and Debt Service Reserves, continued.

FY Ending June 30	2030	2031	2032	2033	2034
Beginning Balance	762,083	762,083	762,083	100,000	100,000
Tax Increment Revenues	3,333,432	3,448,544	3,566,821	3,688,350	3,813,222
Interest	15,242	15,242	15,242	2,000	2,000
From Bond Proceeds					
Total	4,110,757	4,225,869	4,344,146	3,790,350	3,915,222
FY Ending June 30	2030	2031	2032	2033	2034
Debt Service by Year					
Bond 1					
Bond 2					
Bond 3	662,083	662,083	662,083		
Total Long Term Debt Service	662,083	662,083	662,083		
Reserve	662,083	662,083	0	0	
Short Term	2,686,590	2,801,702	3,582,062	3,690,350	3,815,222
Balance	100,000	100,000	100,000	100,000	100,000

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues of \$59,091,853 are based on projections of the assessed value of development within the Area and payment of fees. The projections use the same development assumptions used in the Murphy Crossing Refinement Plan plus a certain amount of development in the 3rd Street corridor.

Table 6 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for undercollection, penalties and interest). These, in turn, provide the basis for the projections in Table 5.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 6. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

FY Ending June 30	2008	2009	2010	2011	2012	2013
Prior Year Total Assessed Value	70,000,000	70,000,000	71,050,000	105,450,948	115,259,478	143,625,683
Appreciation Percentage		1.50%	1.50%	2.75%	2.75%	2.75%
Appreciation Value	0	1,050,000	1,065,750	2,899,901	3,169,636	3,949,706
Assessed Value of New Development	0	0	33,335,198	6,908,629	25,196,569	3,112,871
Total Assessed Value	70,000,000	71,050,000	105,450,948	115,259,478	143,625,683	150,688,260
Frozen Base Assessed Value	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
Incremental Assessed Value		1,050,000	35,450,948	45,259,478	73,625,683	80,688,260
Tax Rate	14.8865	14.3865	13.8865	13.3865	12.8187	12.8187
Tax Inc Revenues			492,290	605,866	943,786	1,034,319
Collected @						
95%			467,675	575,573	896,596	982,603

FY Ending June 30	2014	2015	2016	2017	2018	2019
Prior Year Total Assessed Value	150,688,260	176,863,975	184,961,287	212,933,653	222,148,242	244,824,240
Appreciation Percentage	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Appreciation Value	4,143,927	4,863,759	5,086,435	5,855,675	6,109,077	6,732,667
Assessed Value of New Development	22,031,788	3,233,552	22,885,931	3,358,913	16,566,922	3,489,133
Total Assessed Value	176,863,975	184,961,287	212,933,653	222,148,242	244,824,240	255,046,040
Frozen Base Assessed Value	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
Incremental Assessed Value	106,863,975	114,961,287	142,933,653	152,148,242	174,824,240	185,046,040
Tax Rate	12.8187	12.8187	12.8187	12.8187	12.8187	12.8187
Tax Inc Revenues	1,369,857	1,473,654	1,832,224	1,950,343	2,241,019	2,372,050
Collected @						
95%	1,301,364	1,399,972	1,740,612	1,852,826	2,128,969	2,253,447

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 6: Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues, continued.

FY Ending June 30	2020	2021	2022	2023	2024	2025
Prior Year Total Assessed Value	255,046,040	262,059,807	269,266,451	276,671,279	284,279,739	292,097,432
Appreciation Percentage	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Appreciation Value	7,013,766	7,206,645	7,404,827	7,608,460	7,817,693	8,032,679
Assessed Value of New Development	0	0	0	0	0	0
Total Assessed Value	262,059,807	269,266,451	276,671,279	284,279,739	292,097,432	300,130,111
Frozen Base Assessed Value	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
Incremental Assessed Value	192,059,807	199,266,451	206,671,279	214,279,739	222,097,432	230,130,111
Tax Rate	12.8187	12.8187	12.8187	12.8187	12.8187	12.8187
Tax Inc Revenues	2,461,957	2,554,337	2,649,257	2,746,788	2,847,000	2,949,969
Collected @						
95%	2,338,859	2,426,620	2,516,794	2,609,448	2,704,650	2,802,470

FY Ending June 30	2026	2027	2028	2029	2030	2031
Prior Year Total Assessed Value	300,130,111	308,383,689	316,864,240	325,578,007	334,531,402	343,731,016
Appreciation Percentage	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Appreciation Value	8,253,578	8,480,551	8,713,767	8,953,395	9,199,614	9,452,603
Assessed Value of New Development	0	0	0	0	0	0
Total Assessed Value	308,383,689	316,864,240	325,578,007	334,531,402	343,731,016	353,183,619
Frozen Base Assessed Value	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
Incremental Assessed Value	238,383,689	246,864,240	255,578,007	264,531,402	273,731,016	283,183,619
Tax Rate	12.8187	12.8187	12.8187	12.8187	12.8187	12.8187
Tax Inc Revenues	3,055,769	3,164,479	3,276,178	3,390,949	3,508,876	3,630,046
Collected @						
95%	2,902,981	3,006,255	3,112,369	3,221,401	3,333,432	3,448,544

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 6: Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues, continued.

FY Ending June 30	2032	2033	2034
Prior Year Total Assessed Value	353,183,619	362,896,168	372,875,813
Appreciation Percentage	2.75%	2.75%	2.75%
Appreciation Value	9,712,550	9,979,645	10,254,085
Assessed Value of New Development	0	0	0
Total Assessed Value	362,896,168	372,875,813	383,129,898
Frozen Base Assessed Value	70,000,000	70,000,000	70,000,000
Incremental Assessed Value	292,896,168	302,875,813	313,129,898
Tax Rate	12.8187	12.8187	12.8187
Tax Inc Revenues	3,754,548	3,882,474	4,013,918
Collected @			
95%	3,566,821	3,688,350	3,813,222

IX. IMPACT OF THE TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER THE INDEBTEDNESS IS REPAYED, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN THE URBAN RENEWAL AREA

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value.

The tables below show no impacts on the Bend Public Schools School District or the Educational Service District. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone are replaced with State School Fund revenues.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 7. Projected Impact on Taxing District Permanent Rate Levies During Use of Tax Increment Financing

Present Value Revenues Foregone	Total	Annual
DESCHUTES COUNTY	2,994,712	119,788
SHERIFF (INCP)	2,225,594	89,024
COUNTY LIBRARY	1,288,502	51,540
COUNTY EXTENSION/4H	52,477	2,099
911	379,054	15,162
CITY OF BEND	6,567,844	262,714
BEND METRO PARKS & RECREATION	3,422,729	136,909
C O C C	1,453,430	58,137

The average impact of foregone revenues as a percentage of the total permanent rate levy of each taxing district is shown in Table 8 below.

Table 8: Average Annual Revenues Foregone as Percent of Levy

Present Value Revenues Foregone	FY 07/08 Permanent Rate Levy	Percent of 07/08 Levy Foregone
DESCHUTES COUNTY	19,913,846	0.6%
SHERIFF (INCP)	14,799,463	0.6%
COUNTY LIBRARY	8,568,110	0.6%
COUNTY EXTENSION/4H	348,956	0.6%
911	2,520,582	0.6%
CITY OF BEND	20,245,954	1.3%
BEND METRO PARKS & RECREATION	10,788,310	1.3%
C O C C	9,664,828	0.6%

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

Table 9 shows in the increase in permanent rate levy revenues that would occur after termination of the tax increment financing in FY 2034. By FY 2042/2043, revenues added to the permanent rate levies would exceed the revenues foregone during the use of tax increment financing.

Table 9. Additional Revenues Obtained After Termination of Tax Increment Financing

Present Value Revenues Gained Through FY 2043	
DESCHUTES COUNTY	3,325,516
SHERIFF (INCORP)	2,471,439
COUNTY LIBRARY	1,430,833
COUNTY EXTENSION/4H	58,274
911	420,925
CITY OF BEND	7,293,346
BEND METRO PARK & RECREATION	3,800,813
C O C C	1,613,980

X. RELOCATION REPORT

There are no businesses or residents to be relocated.

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN

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

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 15% for municipalities over 50,000 in population. As noted above, the estimated total assessed value of the Area, including all real, personal, personal manufactured and utility properties is \$66,271,530 or 0.9 percent of the City of Bend’s total assessed value. The estimated total acreage of the Area is 238 acres including public right of way. The other Urban Renewal Areas already in existence in Bend contain 937 acres. The City of Bend is 21,278 acres. Therefore, 5.52 percent of the acreage in the City would be in urban renewal areas, and 1.78 percent of the assessed value of the City would be in urban renewal areas. This is well below the statutory limitation of 15.00 percent.

Table 10. Area and Assessed Value Calculations

Urban Renewal Area	Frozen Base Assessed Value	Acres
Murphy Crossing Urban Renewal Area	\$66,271,530	238
Central Bend Urban Renewal Area	\$48,487,501	236
Juniper Ridge	\$13,753,000	701
Total	\$128,512,031	1175
Total Acreage, City of Bend		21,278
Total Assessed Value City of Bend Less Incremental Assessed Value in Urban Renewal Areas	\$7,221,670,912	
Percent of Bend AV in Urban Renewal Areas	1.78%	
Percent of Bend Area in Urban Renewal Area		5.52%

DRAFT REPORT ON PROPOSED
MURPHY CROSSING URBAN RENEWAL PLAN