

**DRAFT
REPORT ACCOMPANYING THE BEND
MUNICIPAL AIRPORT URBAN RENEWAL
PLAN**

Deschutes County

June 2008

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I. INTRODUCTION

The Bend Municipal Airport Urban Renewal Report (the “Report”) contains background information and project details for the Bend Municipal Airport 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 County Commission 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.

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

This section of the Report describes existing conditions within the Bend Municipal Airport 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 526.44 acres, 22.63 of which are right of way. It includes fifteen individual tax accounts with the following use classifications as determined by the County assessor: Vacant, Improved Land Receiving Farm Use Value (FUV): Exclusive Farm Use (EFU) zone, Industrial Improvement, Condominiums: Leased Land (hangars) and State Appraised Accounts.

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 (74.70 percent) of the Area is classified as Industrial Improvement and is some type of Airport use.

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

Land Use	Parcels	Acres	% of Total (Acres)
Vacant	2	78.50	15.58%
Improved Land Receiving Farm Use Value: EFU zone	2	34.32	6.81%
Industrial Improvement	4	376.34	74.70%
Condominiums: Leased Land (hangars)	9	.34	.07%
State Appraised Accounts	1	14.31	2.84%
<i>Total</i>	15	503.81	100%
Source: Bend GIS from Deschutes County Assessor			

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2. Zoning

As illustrated in Table 2 and Figure 1, 334.13 acres (66.32 percent) of the Area are zoned for Airport uses. As shown on the Figure 2, some lots have more than one specific airport zone. When comparing the actual land use with the zoning, only 6.81% is classified as farm use by the assessor's office, while 33.68 percent is zoned as Exclusive Farm Use.

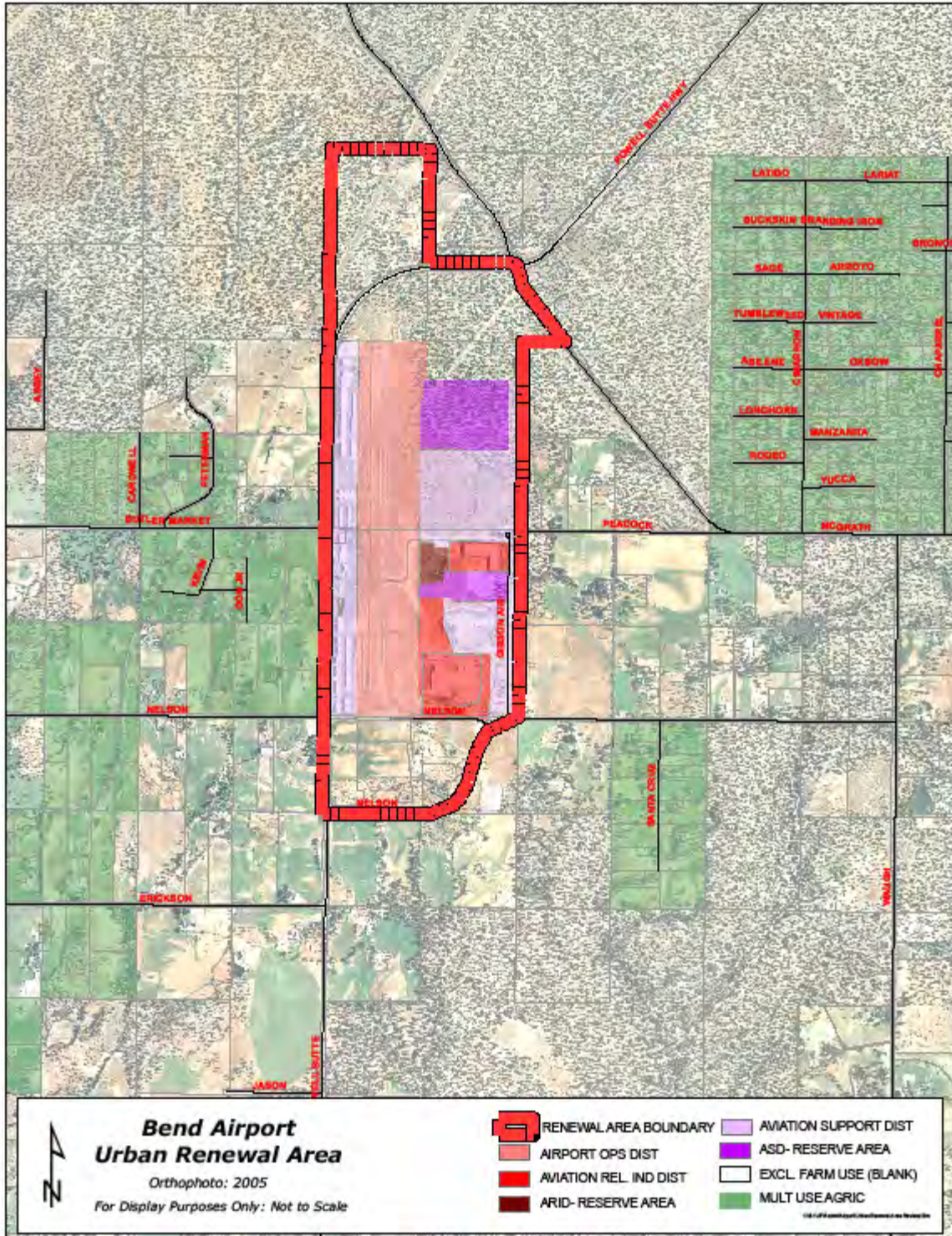
Table 2. Existing Zoning of Proposed Area

Zoning	Parcels	Acres	% of Total (Acres)
Aviation Uses: multiple categories	10	334.13	66.32%
Exclusive Farm Use	5	169.68	33.68%
Total	15	503.81	100.00%

Source: Bend GIS

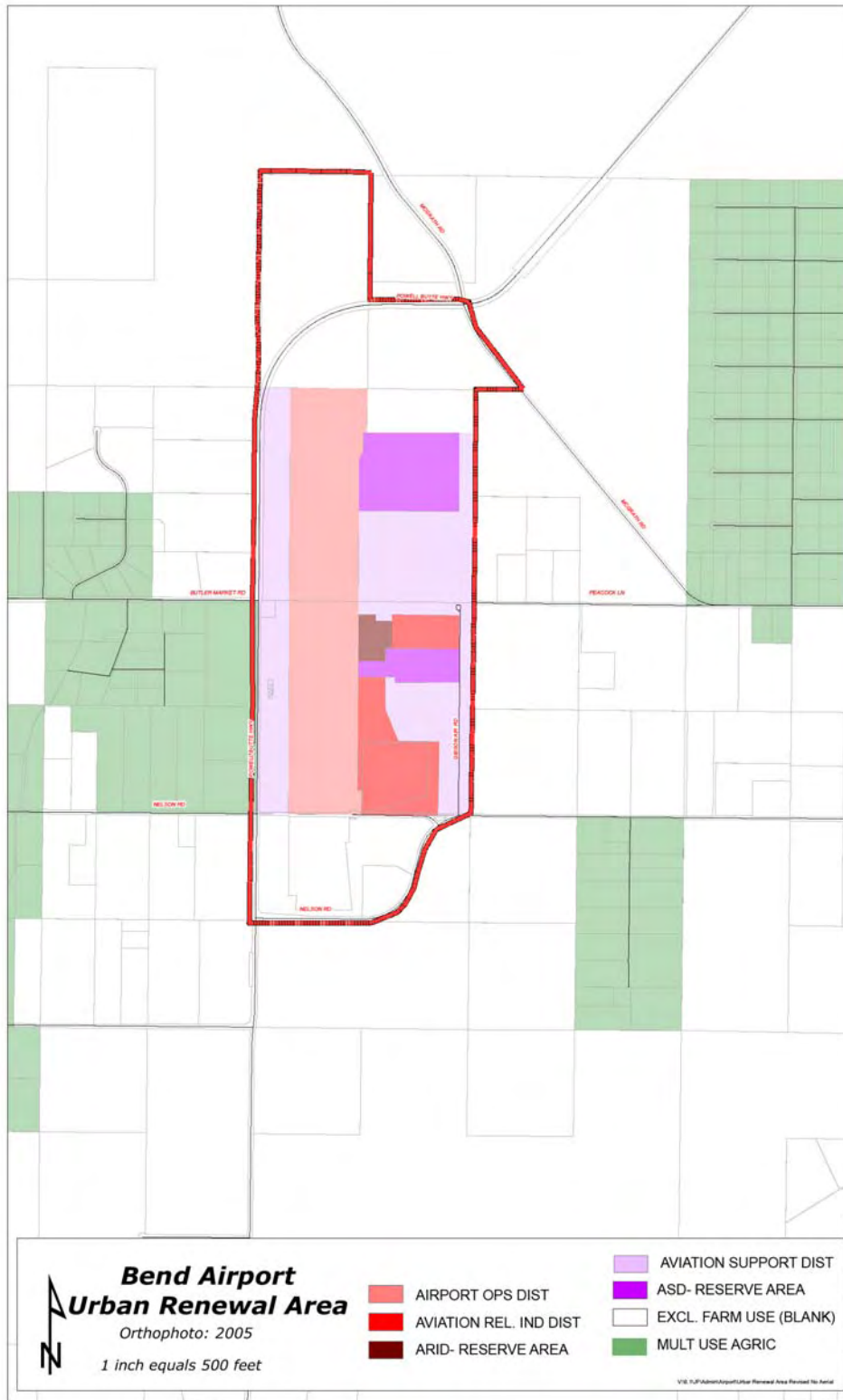
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Figure 1. Urban Renewal Area Boundary



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Figure 2. Zoning/Comprehensive Plan Designations



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B. Infrastructure

1. Airport Facilities

The Airport currently has one taxiway which is in need of reconstruction. The Airport requires an additional taxiway on the east side of the Airport to support expansion of facilities on the east side. There is an existing 75 foot runway. The runway needs to be lengthened and widened and needs additional weight bearing capacity to serve demand at the Airport. There is no air traffic control tower. One of the current users of the Airport, Cessna Aircraft has recently testified at the Bend City Council regarding the need for an air traffic control tower. There is an existing compass rose which does not meet certification standards and has deteriorated. There is existing barb wire fencing along Powell Butte Highway which is both unsightly and does not provide adequate security. The Airport administrative office is in the current Fixed Base Operator (FBO) building. The office is too small to serve the needs of the staff and there is no conference room space. There is no maintenance facility operated by the Airport. There are existing hangars, but the demand for hangar space exceeds the supply of hangars.

2. Transportation

a) External Transportation System

The Bend Municipal Airport (the "Airport") is served by Powell Butte Highway. Powell Butte Highway is a two lane rural highway that runs north-south along the western boundary of the airport. Powell Butte Highway connects the Airport to Highway 20, the principal access road to and from the Bend area. Butler Market Road approaches the Airport from the west and intersects Powell Butte Highway near the central terminal area. Nelson Road runs east and west near the southern Airport property line.

b) Internal Transportation System

A frontage road paralleling Powell Butte Highway facilitates access to the west side Airport facilities. There is an access road on the eastside of the Airport, however, the property on the east side does not have adequate access to facilitate full development. There is no full perimeter road at the Airport.

The Airport provides transportation services to small aircraft entering Deschutes County for both pleasure and business trips. The Airport is identified as a Category 2, High Activity Business and General Aviation airport by the Oregon Department of Aviation. It is the only Category 2 located east of the Cascade Mountains. There are over 200 aircraft based at

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the airport with over 42,000 estimated annual operations in 2007. More than 18 aviation-related businesses are located on the Airport, employing more than 1000 people, making the Airport one of the largest concentrations of family-wage jobs in the metropolitan Bend area. However, it is anticipated, that future demand for general aviation facilities and aviation-related industrial sites will exceed the capacity of the current Airport and the supply of serviced industrial land.

3. Water, Sewer and Storm Drainage Facilities

The Airport's water supply system contains three ground level storage reservoirs with a total combined storage capacity of .41 million gallons. Reservoirs 1 and 2 are located on the west side of the Airport adjacent to the west side production facility. They are ground level concrete tanks with a storage capacity of 77,500 gallons apiece. Reservoir 3 is located on the east side of the Airport adjacent to the east side production facility. It is a ground level tank with a storage capacity of 250,000 gallons.

The draft Airport Water Master Plan, yet to be adopted by the Bend City Council, has identified inadequacies.

The Airport is connected to the Bend sanitary sewer system and the wastewater treatment plant, located about one mile north of the airport. Sanitary sewer service is provided along the entire west side of the airport and a primary line was extended to the east side of the airport.

4. Parks and Open Space

There are no parks or open spaces in the Area.

5. Public Spaces

There are no public spaces other than the Airport in the Area.

6. Public Parking

There is public parking along the frontage road to the Airport. Approximately 25 paved parking spaces are located adjacent to the Fixed Base Operator (the "FBO")/Terminal building with additional unpaved spaces adjacent to the frontage road. Approximately 100 new parking spaces have been added to the north end of the airport in conjunction with hangar construction. Parking has also been added in conjunction with hangar development at the south end of the airport. Even with the addition of parking, existing parking facilities are inadequate for serving current and future planned activity at the Airport.

7. Public Buildings

The public building in the Area is the FBO building, which provides office space, a restaurant, flight training, and pilot services. (Hangars owned by the City of Bend are leased to private entities for storage of aircraft and

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related aviation related office space and are not considered public buildings). This building is integral to the operation of the Airport.

8. Fire Station

The fire station serving the Airport is Station 304 located at 62420 Hamby Road. It was built in 2003 and is the newest station in the Bend area. The Fire Department voices concern that this station may not be able to adequately serve the airport when future development occurs. The Fire Department also voices needs for an Emergency Services Facility.

C. Social Conditions

According to the Assessor's data, the Area contains 5 residential dwellings. However, the property owner states there are only three residential dwellings. These are rental units and are all under one ownership. 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 in FY 07/08, including all real, personal, personal manufactured and utility properties, is \$7,453,493 or 0.05% of Deschutes County's total assessed value of \$15,823,948,426 this Fiscal Year.

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. The I:L ratio for fully developed industrial property has a very wide range because of the value of machinery and equipment.

Table 3 below, "Improvement to Land Ratio," shows the improvement to land ratios for properties within the study area.

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

I:L Ratio	Parcels	Acres	% of Total Agerage
No Improvements	6	243.50	48.40%
0.0 – 10	3	245.32	48.76%
10 – 20	0		0%
20 – 30	0		0%
30 – 40	0		0%
>40	1	14.31	2.84%
Total	10	503.13	100.00%

Source: Deschutes County Assessor
No land value: leased property on 8 parcels: .68acres allocated

The most relevant aspect of development in the Area is that almost half the Area is undeveloped.

E. Impact on Services (Municipal and County)

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 industrial/aviation 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 partially offset by the funding from the Plan for improvements to the road system which assist providers of fire, life safety and public safety services. Airport facilities improvements, including a Fire Station, will provide incentives for developing sites which in turn will provide employment opportunities for the citizens of Deschutes County. This development will generate additional municipal revenues in fees and property taxes.

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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 described in Section II of this Report and more particularly described below.

A. Taxiway and Runway Improvements

1. Construct New Taxiway B.

Construct a 35 foot wide taxiway the length of the airport at the east side of the airport. Lights would be a component of the taxiway.

Relationship to Existing Conditions

Airport facilities are inadequate in relationship to future activity.

2. Reconstruct Taxiway A

Reconstruction of the taxiway on the west side of the Airport. This reconstruction includes widening the taxiway and adding appropriate lighting and signage, and runup areas.

Relationship to Existing Conditions

Airport facilities are inadequate in relationship to future activity.

3. Widen Runway.

The existing runway will be widened as determined in the Airport Master Plan update.

Relationship to Existing Conditions

Airport facilities are inadequate in relationship to future activity. The runway is presently 75 feet wide and will not serve future activity.

4. Lengthen Runway.

The existing runway will be lengthened as determined in the Airport Master Plan update.

Relationship to Existing Conditions

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Airport facilities are inadequate in relationship to future activity. The present runway is 5200 feet. The Airport Master Plan update will include specification of needed improvements to the runway.

5. Pavement Expansion (1).

The Westside north ramp will be expanded.

Relationship to Existing Conditions

The Westside north ramp is not presently paved and is inadequate for serving existing and future activity.

6. Pavement Expansion (2).

The Westside south ramp will be expanded.

Relationship to Existing Conditions

The Westside south ramp is not presently paved and is inadequate for serving existing and future activity.

7. Runway Upgrading.

The existing runway will have an additional 2 inches of asphalt to increase weight bearing capacity above 30,000 pounds.

Relationship to Existing Conditions

The present runway has a weight bearing capacity of 15,000 pounds and is inadequate for serving some existing and future activity. The Master Plan update is anticipated to address the demand, timing, and cost.

B. Safety Improvements

1. Air Traffic Control Tower.

Construct an air traffic control tower.

Relationship to Existing Conditions

Airport facilities are inadequate in relationship to future activity. There is not currently an air traffic control tower.

2. Compass Rose.

Construct a roadway for compass calibration/ testing of aircraft.

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Relationship to Existing Conditions

The existing compass rose does not meet certification standards and has deteriorated. The compass rose is inadequate in relationship to future activity.

3. Fencing Improvements: Airport Frontage.

Security fencing along the airport frontage will be installed to protect both the Airport facilities and private property but to also protect the safety of the public and wildlife.

Relationship to Existing Conditions

The current frontage fencing is along Powell Butte Highway only. It is barbwire. The fencing is inadequate in relationship to current and future activity.

4. Fencing Improvements: Install perimeter fencing.

A perimeter security fence with gated openings will be installed to protect both the airport facilities and private property but to also protect the safety of the public and wildlife.

Relationship to Existing Conditions

There is currently no perimeter fencing, only the barb wire fencing along the Powell Butte Highway frontage. The perimeter fencing is inadequate in relationship to current and future activity.

5. Auto Parking Improvements.

Auto parking will be developed to meet increased demand and/or to resolve potential safety hazards.

Relationship to Existing Conditions

The auto parking is insufficient to meet the current demands and is unstructured. The auto parking is inadequate in relationship to future activity.

6. Demolition of Existing Houses

After acquisition, the existing houses within the Area will be demolished.

Relationship to Existing Conditions

There are three homes within the existing 65dBA DNL noise contour.

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C. Development

1. Construct Airport Facilities Building: Administration, Maintenance, Meeting/Conference room and Classroom.

Develop additional space for administrative offices, a maintenance facility, a meeting/conference room and the community college has requested a classroom.

Relationship to Existing Conditions

The airport management is currently housed in a small office in the FBO. The management needs additional office space and space for meetings, maintenance and classroom space. The existing facilities are inadequate at this time and in relationship to future activity.

2. Construct Hangars for Airport to Own and Lease.

Develop additional hangar space to meet growing demand. The Airport may construct those hangars for public ownership and to lease to private individuals for an income source.

Relationship to Existing Conditions

The hangars which are owned by the Airport are fully leased. There is additional demand for hangars. The supply of hangars will be inadequate in relationship to future activity.

3. Expand Heliport/Helipad.

The existing heliport/helipad will be moved to another location on the Airport where there will be more room for this growing use, and fewer conflicts with fixed wing aircraft.

Relationship to Existing Conditions

The heliport/helipad is not currently large enough for the demand and could be in a safer location. The heliport/helipad is inadequate in relationship to current and future activity.

D. Property Acquisition

1. Purchase Property Inside 65 dBA DNL and 70 dBA DNL.

Parcels within the the 65 dBA DNL (4) and 70 (1) dBA DNL noise contours will be purchased for Airport and aviation-related uses. Where part of a parcel is within the contours, acquisition of the entire parcel is anticipated. The homes on these properties may be demolished.

Relationship to Existing Conditions

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There are currently properties, including five homes, within these noise contours. To reduce the impact of the airport on these uses, the properties should be purchased. A noise contour map is included for reference as Exhibit 3.

These parcels are identified by parcel # in Exhibit 4.

Figure 3. Noise Contour Map

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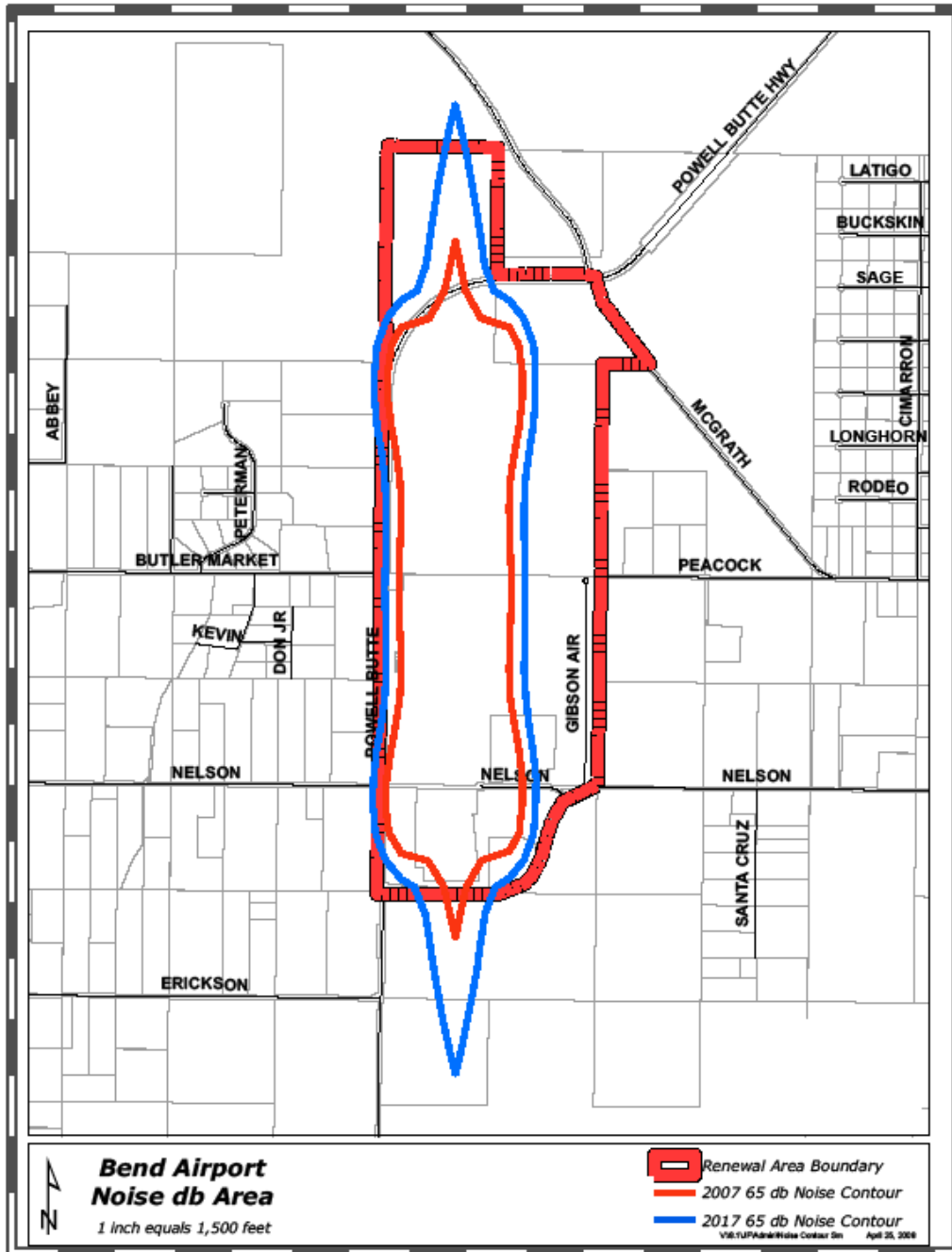
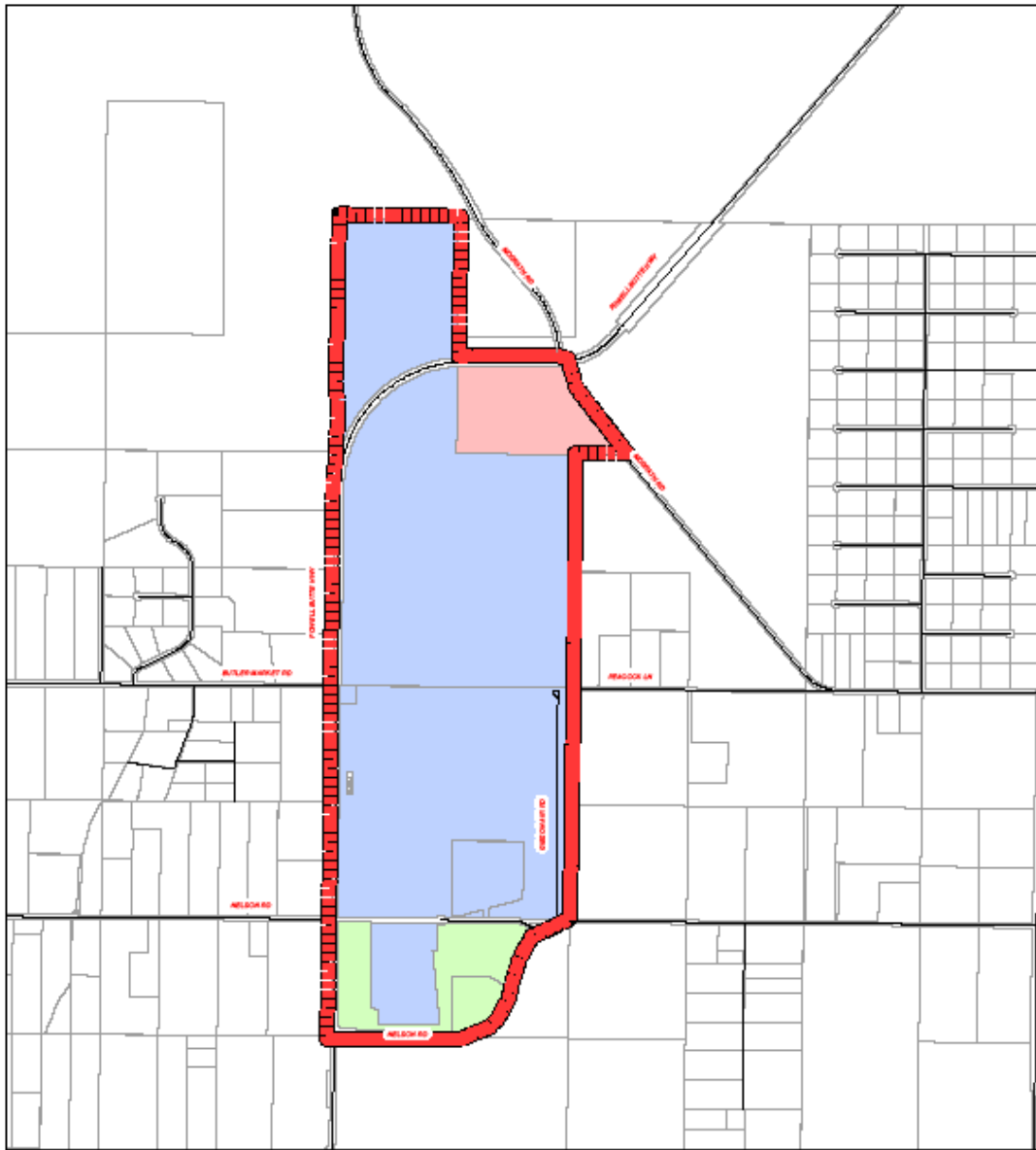


Figure 4. Property Ownership

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**Bend Airport
Urban Renewal Area
Land Ownership**

For Display Purposes Only: Not to Scale

RENEWAL AREA BOUNDARY

Ownership:

- CITY OF BEND
- DESCHUTES COUNTY
- GIBSON AIRPARK LLC

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E. Planning

1. Airport Master Plan.

The present Airport Master Plan was adopted in 1994. A Planning Update was adopted in 2002. A new Master Plan will be undertaken that will provide specifications for several of the projects included in the Plan.

Relationship to Existing Conditions

The Master Plan was updated in 2002. It is already outdated and in need of updating. The demand for aviation space and uses is increasing at a phenomenal rate, requiring updating of the Master Plan. The present Master Plan is inadequate in relationship to current and future activity.

2. Administration of Urban Renewal Plan.

Staffing will be required to implement the projects in the urban renewal plan.

Relationship to Existing Conditions

There is presently no urban renewal area, so no administration required.

F. Non-Airport Public Safety

1. Construct Fire Station

In cooperation with Rural Fire District # 2 a fire station in proximity to the Airport will be developed to serve the increase of facilities at the Airport.

Relationship to Existing Conditions

The Airport is presently served by fire station 304 located at 62420 Hamby Road. There is presently no fire station on the airport facility and fire and life safety services will be inadequate with future development at the Airport.

G. Infrastructure Improvements

1. Left Turn lane at Butler Market Road.

A left turn lane from Powell Butte Highway to Butler Market Road will be constructed.

Relationship to Existing Conditions

The transportation analysis in the TSP calls for this additional capacity to avoid congestion and improve safety. The existing conditions will be inadequate with anticipated future development.

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2. Powell Butte Highway Road Improvements.

Improvements will be made to Powell Butte Highway as necessary for Airport operations.

Relationship to Existing Conditions

Powell Butte Highway is presently a two lane road. Increased uses at the Airport require upgrading of the road. The existing conditions will be inadequate with anticipated future development.

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

Table 5 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.

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Table 5. Estimated Project Costs and URA Share of Costs

PROJECT & DESCRIPTION	ESTIMATED COST	ESTIMATED URBAN RENEWAL SHARE	ESTIMATED START DATE
Taxiway and Runway Improvements			
Construct New Taxiway B - Eastside of airport	\$5,400,000	\$270,000	Engineering - 2008 Construction – 2009
Reconstruct Taxiway A - Westside of Airport	\$1,200,000	\$60,000	Spring/Summer 2010
Widen Runway 75 ft. to 100 ft.	\$5,000,000	\$250,000	2015 *
Lengthen 5200 Ft. Runway	\$8,000,000	\$400,000	2020 *
Pavement Expansion - Westside Expand North Ramp	\$108,000	\$5,400	Spring/Summer 2009/10
Pavement Expansion - Westside Expand South Ramp	\$330,000	\$16,500	Spring/Summer 2010/11
Runway Upgrading: add 2" of asphalt	\$1,000,000	\$1,000,000	2014 *
Safety Improvements			
Air Traffic Control Tower	\$4,000,000	\$200,000	2010
Compass Rose	\$200,000	\$10,000	Spring/Summer 2009
Fencing Improvements - Powell Butte Hwy	\$83,333	\$4,167	Spring/Summer 2011/12
Fencing Improvements - Airport Frontage	\$100,000	\$100,000	2010
Fencing Improvements - Install perimeter fencing	\$250,000	\$12,500	2011
Auto Parking Improvements	\$50,000	\$2,500	2009
Demolition of Existing Houses	\$30,000	\$30,000	2010

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Development			
Construct Airport Facilities Building: Administration, Maintenance, Meeting/Conference Room, and Classroom	\$400,000	\$400,000	2011
Construct Hangars for Airport to Own and Lease	\$2,000,000	\$2,000,000	2012
Expand Heliport/Helipad	\$66,000	\$3,300	2013
Property Acquisition			
Purchase property around airport within 65 dBA DNL and higher	\$2,500,000	\$1,075,000	2010
Planning			
Airport Master Plan	\$100,000	\$100,000	Spring/Summer 2008
Non-Airport - Public Safety			
Fire: Emergency Services Facility	\$1,300,000	\$845,000	
Non-Airport Infrastructure Improvements			
Road Improvement - Powell Butte Hwy at Butler Market	\$393,625	\$196,813	2008
Other Road Improvements - Powell Butte Hwy	\$300,000	\$300,000	2012
Contingency/			
Admin @ 8.9%		\$718,820	
Total	\$32,780,958	\$9,700,000	

Leverage of FAA dollars to TI dollars: On FAA participation, FAA will pay 95% of the expected cost.

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VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

Projects will be ongoing and accomplished in increments. Estimated timeframes for the projects are shown in the Table 5 above. The anticipated completion date for each project is the latest year in which expenditures for the project is shown.

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

A total of \$14,739,987 will be needed for payment of debt service on the \$9,700,000 in maximum indebtedness. Table 6 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 35/36.

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Table 6. Tax Increment Revenues, Debt Service and Debt Service Reserves

FY Ending June 30	2010	2011	2012	2013	2014	2015	2016
Beginning Balance	0	1,796	29,776	82,272	153,866	264,978	400,145
Tax Increment Revenues	1,796	27,980	52,496	71,595	111,112	135,167	320,164
From Bond Proceeds							
Total	1,796	29,776	82,272	153,866	264,978	400,145	720,309
Debt Service							
Bond 1							261,358
Bond 2							
Bond 3							
Bond 4							
Short Term Reserve	0	0	0	0	0	0	0
							261,358
Total	0	0	0	0	0	0	522,717
Ending Balance	1,796	29,776	82,272	153,866	264,978	400,145	197,592
Total Net Proceeds							2,631,426

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Table 6. Tax Increment Revenues, Debt Service and Debt Service Reserves, continued.

FY Ending June 30	2017	2018	2019	2020	2021	2022	2023
Beginning Balance	458,951	551,472	511,207	511,207	615,226	562,308	562,308
Tax Increment Revenues	503,729	520,336	537,276	566,328	592,698	619,463	646,630
From Bond Proceeds							
Total	962,679	1,071,809	1,048,483	1,077,535	1,207,924	1,181,772	1,208,939
Debt Service							
Bond 1	261,358	261,358	261,358	261,358	261,358	261,358	261,358
Bond 2	149,849	149,849	149,849	149,849	149,849	149,849	149,849
Bond 3				51,101	51,101	51,101	51,101
Bond 4							
Short Term Reserve	0	149,395	126,069	0	183,307	157,155	184,322
	411,207	411,207	411,207	462,308	462,308	462,308	462,308
Total	822,414	971,809	948,483	924,617	1,107,924	1,081,772	1,108,939
Ending Balance	140,265	100,000	100,000	152,918	100,000	100,000	100,000
Total Net Proceeds	1,462,056	149,395	126,069	382,754	183,307	157,155	184,322

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Table 6. Tax Increment Revenues, Debt Service and Debt Service Reserves, continued

FY Ending June 30	2024	2025	2026	2027	2028	2029	2030
Beginning Balance	562,308	562,308	562,308	708,429	562,308	562,308	562,308
Tax Increment Revenues	674,205	702,193	730,600	759,434	788,701	818,406	848,557
From Bond Proceeds							
Total	1,236,513	1,264,501	1,292,909	1,467,863	1,351,009	1,380,715	1,410,866
Debt Service							
Bond 1	261,358	261,358	261,358	261,358	261,358	261,358	261,358
Bond 2	149,849	149,849	149,849	149,849	149,849	149,849	149,849
Bond 3	51,101	51,101	51,101	51,101	51,101	51,101	51,101
Bond 4			122,172	122,172	122,172	122,172	122,172
Short Term Reserve	211,896	239,884	0	321,074	204,221	233,926	264,077
	462,308	462,308	584,480	462,308	462,308	462,308	462,308
Total	1,136,513	1,164,501	1,168,961	1,367,863	1,251,009	1,280,715	1,310,866
Ending Balance	100,000	100,000	123,948	100,000	100,000	100,000	100,000
Total Net Proceeds	211,896	239,884	1,268,102	321,074	204,221	233,926	264,077

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Table 6. Tax Increment Revenues, Debt Service and Debt Service Reserves, continued

FY Ending June 30	2031	2032	2033	2034	2035
Beginning Balance	562,308	300,950	151,101	151,101	151,101
Tax Increment Revenues	879,161	910,223	941,751	973,753	1,006,234
From Bond Proceeds					
Total	1,441,469	1,211,173	1,092,853	1,124,854	1,157,335
Debt Service					
Bond 1		0	0	0	0
Bond 2	149,849				
Bond 3	51,101	51,101	51,101	51,101	
Bond 4	122,172	122,172	122,172	122,172	122,172
Short Term Reserve	817,397	886,799	768,478	800,479	935,163
	200,950	51,101	51,101	51,101	0
Total	1,341,469	1,111,173	992,853	1,024,854	1,057,335
Ending Balance	100,000	100,000	100,000	100,000	100,000
Total Net Proceeds	817,397	886,799	768,478	800,479	935,163

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VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues of \$14,739,987 are based on projections of the assessed value of development within the Area and payment of fees. The projections assume future development by Cessna Aircraft, Aero Facilities and Epic Aircraft and the development of hangar space by the City of Bend.

Table 7 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 6.

Table 7. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

FY Ending June 30	2010	2011	2012	2013	2014	2015	2016
Base	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000
Appreciation %	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Appreciation \$	156,000	159,120	204,597	247,178	280,350	348,987	390,766
New Dev't AV	0	2,114,724	1,924,452	1,411,452	3,151,452	1,740,000	15,675,000
Total	7,956,000	10,229,844	12,358,893	14,017,523	17,449,325	19,538,312	35,604,078
Incremental AV	156,000	2,429,844	4,558,893	6,217,523	9,649,325	11,738,312	27,804,078
Tax Rate	11.7500	11.7500	11.7500	11.7500	11.7500	11.7500	11.7500
TI Revs	1,833	28,551	53,567	73,056	113,380	137,925	326,698

FY Ending June 30	2017	2018	2019	2020	2021	2022	2023
Base	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000
Appreciation %	2.00%	2.00%	2.00%	2.00%	1.50%	1.50%	1.50%
Appreciation \$	712,082	1,067,363	1,097,410	1,128,059	885,465	921,247	957,566
New Dev't AV	17,052,000	435,000	435,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	53,368,159	54,870,523	56,402,933	59,030,992	61,416,457	63,837,704	66,295,269
Incremental AV	45,568,159	47,070,523	48,602,933	51,230,992	53,616,457	56,037,704	58,495,269
Tax Rate	11.2800	11.2800	11.2800	11.2800	11.2800	11.2800	11.2800
TI Revs	514,009	530,955	548,241	577,886	604,794	632,105	659,827

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Table 7. Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues, continued

FY Ending June 30	2024	2025	2026	2027	2028	2029	2030
Base	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000
Appreciation %	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Appreciation \$	994,429	1,031,845	1,069,823	1,108,371	1,147,496	1,187,208	1,227,517
New Dev't AV	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	68,789,698	71,321,544	73,891,367	76,499,737	79,147,233	81,834,442	84,561,958
Incremental AV	60,989,698	63,521,544	66,091,367	68,699,737	71,347,233	74,034,442	76,761,958
Tax Rate	11.2800	11.2800	11.2800	11.2800	11.2800	11.2800	11.2800
TI Revs	687,964	716,523	745,511	774,933	804,797	835,109	865,875
FY Ending June 30	2031	2032	2033	2034	2035		
Base	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000		
Appreciation %	1.50%	1.50%	1.50%	1.50%	1.50%		
Appreciation \$	1,268,429	1,309,956	1,352,105	1,394,887	1,438,310		
New Dev't AV	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000		
Total	87,330,388	90,140,344	92,992,449	95,887,336	98,825,646		
Incremental AV	79,530,388	82,340,344	85,192,449	88,087,336	91,025,646		
Tax Rate	11.2800	11.2800	11.2800	11.2800	11.2800		
TI Revs	897,103	928,799	960,971	993,625	1,026,769		

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IX. IMPACT OF THE TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER THE INDEBTEDNESS IS REPAID, 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.

Although the tables below show impacts on the School District 1 and 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.

Table 8. Projected Impact on Taxing District Permanent Rate Levies During Use of Tax Increment Financing

Present Value Revenues Foregone, FY 09/10 - FY 35/36	Total	Average Annual	FY 07/08 Permanent Rate Levy	Avg. Revs. Foregone as % of FY 07/08 Levy
Deschutes Co	753,061	28,964	19,913,846	0.1%
County Library	324,011	12,462	8,568,110	0.1%
County Law Enforcement	559,656	21,525	14,799,463	0.1%
Rural Law Enforcement	824,756	31,721	7,209,301	0.4%
County Extension	13,196	508	348,956	0.1%
911	95,318	3,666	2,520,582	0.1%
Rural Fire Dist 2	846,318	32,551	2,544,286	1.3%
SD 1	2,806,586	107,946	52,240,483	0.2%
ESD	56,790	2,184	1,501,756	0.1%
COCC	365,485	14,057	9,664,828	0.1%

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

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 2043/44, revenues added to the permanent rate levies would exceed the revenues foregone during the use of tax increment financing.

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

Present Value Revenues Gained, FY 35/36 - FY 43/44	
Deschutes Co	\$805,813
County Library	\$346,708
County Law Enforcement	\$598,860
Rural Law Enforcement	\$882,530
County Extension	\$14,120
911	\$101,995
Rural Fire Dist 2	\$905,602
SD 1	\$3,003,188
ESD	\$60,769
COCC	\$391,087

X. RELOCATION REPORT

There are no businesses to be relocated. There is a potential for residential relocation. As described in Section VII, 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 that are consistent with applicable State and Federal law.

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 \$7,453,493. The total assessed value of Deschutes County is \$15,823,948,426 making .05% of the county's assessed value in urban renewal, well within the 15% statutory limitation. The estimated total acreage of the Area is 526.44 acres. Deschutes County is 1,955,200 acres. Therefore, .03% of the acreage in the County would be in an urban renewal area. This is also well below the statutory limitation of 15%.

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Table 10. Assessed Value and Acreage Calculations

Urban Renewal Area	Assessed Value	Acres
Bend Municipal Airport	7,453,493	526
Deschutes County	15,823,948,426	1,955,200
Percent in Urban Renewal	.05%	.03%