

CHEADLE LAKE URBAN RENEWAL REPORT

Prepared for:

City of Lebanon
853 Main Street
Lebanon, Oregon 97355-3200

ADOPTED BY ORDINANCE NO. 2270 BY THE LEBANON CITY COUNCIL
ON AUGUST 30, 2000.

ADOPTED BY RESOLUTION 2000-550 BY THE LINN COUNTY COMMISSION
ON OCTOBER 4, 2000.

Prepared by:

The Benkendorf Associates Corporation
522 Southwest Fifth Avenue
Portland, Oregon 97204

and

Tashman Johnson LLC
6585 SW Parkhill Drive
Portland, OR 97201

Table of Contents

I. INTRODUCTION.....	3
II. DESCRIPTION OF EXISTING CONDITIONS AND ANTICIPATED IMPACTS	4
A. PHYSICAL CONDITIONS	4
1. General Description	4
2. Existing Land Use.....	4
3. Comprehensive Plan and Zoning Designations	4
4. Land Use Analysis	7
5. Hazard Areas and Natural Areas	9
B. SOCIAL AND ECONOMIC CONDITIONS	9
1. Housing.....	11
2. Population	17
3. Income	18
4. Employment	19
C. RENEWAL AREA QUALIFICATIONS	20
D. CONDITION OF AREA INFRASTRUCTURE	21
1. Transportation and Access	21
2. Water, Sanitary Sewer and Storm Drainage.....	21
a. Water	21
b. Sanitary Sewer.....	21
c. Storm Drainage.....	21
E. IMPACTS ON CITY SERVICES AND COSTS	22
III. REASONS FOR SELECTION OF THE RENEWAL AREA INVOLVED IN THE PROGRAM.....	23
IV. RELATIONSHIP BETWEEN THE PROJECTS TO BE UNDERTAKEN IN THE PROGRAM AND THE EXISTING CONDITIONS IN THE AREA.....	24
V. CITIZEN PARTICIPATION	25
VI. RELOCATION REPORT	26
VII. PROJECT COSTS AND TIMING.....	27
A. PROJECTS	27
1. Phase I.....	27
2. Phase II.....	27
3. Phase III	28
4. Phase IV.....	28
5. All Phases	28
B. SOURCE OF FUNDS	30
C. PROJECT COSTS.....	30
D. FUTURE PUBLIC IMPROVEMENTS	34
E. ESTIMATED COMPLETION DATE	34
VIII. FINANCIAL ANALYSIS OF THE PLAN	35
A. ANTICIPATED TAX INCREMENT FUNDS	35
B. ESTIMATED AMOUNT OF MONEY REQUIRED UNDER ORS 457	35
C. ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED OR OTHERWISE PROVIDED FOR UNDER ORS 457.450	35
D. PROJECT REVENUES AND EXPENDITURES	35
E. STATEMENT OF FISCAL IMPACT ON OTHER JURISDICTIONS UNDER ORS 457.420-457.440	35

APPENDICES	46
APPENDIX 1 – ORS REQUIREMENTS	46
APPENDIX 2 - HOUSING CONDITIONS SURVEY.....	47

Table of Figures

FIGURE 1 – RENEWAL AREA BOUNDARY	5
FIGURE 2 – EXISTING LAND USES	6
FIGURE 3 – ZONING DISTRICTS	8
FIGURE 4 – CENSUS TRACT 309.01, BLOCK GROUP 4.....	10
TABLE 2-1A – 1990 HOUSING DATA LINN COUNTY, OREGON (TRACT 309.01, BLOCK GROUP 4).....	12
TABLE 2-1B – 1990 DETAILED HOUSING DATA LINN COUNTY, OREGON (TRACT 309.01, BLOCK GROUP 4).....	13
TABLE 2-2 – HOUSING CONDITIONS SURVEY RENEWAL AREA	15
FIGURE 5 – EXISTING HOUSING CONDITIONS	16
TABLE 2-3 – 1990 POPULATION DATA LINN COUNTY, OREGON (TRACT 309.01, BLOCK GROUP 4)	17
TABLE 2-4 – EMPLOYMENT PROJECTIONS 1997-2020 CITY OF LEBANON.....	20
TABLE 2-5 – AREA AND ASSESSED VALUE OF RENEWAL AREAS CITY OF LEBANON	20
FIGURE 6 – URBAN RENEWAL PLAN PROJECTS – ALL PHASES	29
TABLE 7-1 ESTIMATED PROJECT COSTS BY PHASE	31
TABLE 8-1 PROJECTED INCREMENTAL ASSESSED VALUE	37
TABLE 8-2 PROJECTED DEBT SERVICE ON LONG TERM BONDS	38
TABLE 8-3 PROJECTED REVENUES AND EXPENDITURES	39
TABLE 8-4 PROJECT COSTS AND URBAN RENEWAL SHARE.....	40
TABLE 8-5 REVENUES FOREGONE	43
TABLE 8-6 PROJECTED INCREASES IN TAX RATES FOR DOLLAR BASED LEVIES	45

I. INTRODUCTION

The Cheadle Lake Urban Renewal Report has been prepared to provide the essential background information on the area to the Renewal Agency, the City of Lebanon Planning Commission and City Council, the Linn County Board of Commissioners, and the citizens of the community. The report has been prepared to comply with State law regarding Urban Renewal (ORS 457.085). It is intended to be used in conjunction with the *Lebanon Urban Renewal Plan*. The capitalized headings at the beginning of each major-section of this report directly correspond to the information required by ORS 457.

II. DESCRIPTION OF EXISTING CONDITIONS AND ANTICIPATED IMPACTS

A. Physical Conditions

1. General Description

The Renewal Area encompasses a total of 230.1 acres (including existing public street rights of way) or 213.1 acres (parcel areas only - not including existing public street rights of way) and includes 232 tax lots. A total of 161.1 acres (including existing public street rights of way) or 156.5 acres (parcel areas only - not including existing public street rights of way) of the Renewal Area is within Lebanon city limits (based on the May 2000 annexation).

In general, the northern section of the Renewal Area is located to the east of Highway 20 (Santiam Highway/Main Street), south of the Lebanon-Santiam Canal, and west of the Burlington Northern railroad tracks. The southern section of the Renewal Area is located to the south and east of Cheadle Lake and the Lebanon-Santiam Canal, north and east of Santiam Highway, and west of the residential properties located off of Weirich Drive (see Figure 1).

2. Existing Land Use

The Renewal Area contains a broad mix of land uses including: retail and service commercial, public facilities, single and multi-family residential, professional offices, industrial uses and vacant or under-utilized property (see Figure 2). There is a large grocery shopping center at the northwest corner of the Renewal Area. Commercial and service uses along with vacant parcels are located along Main Street. Except for the commercial area along Main Street, the northern portion of the Renewal Area is primarily a single-family residential area with most houses built from 1940 to 1950. There is primarily vacant land with industrial and public utility uses along Weirich Drive in the southern portion of the Renewal Area.

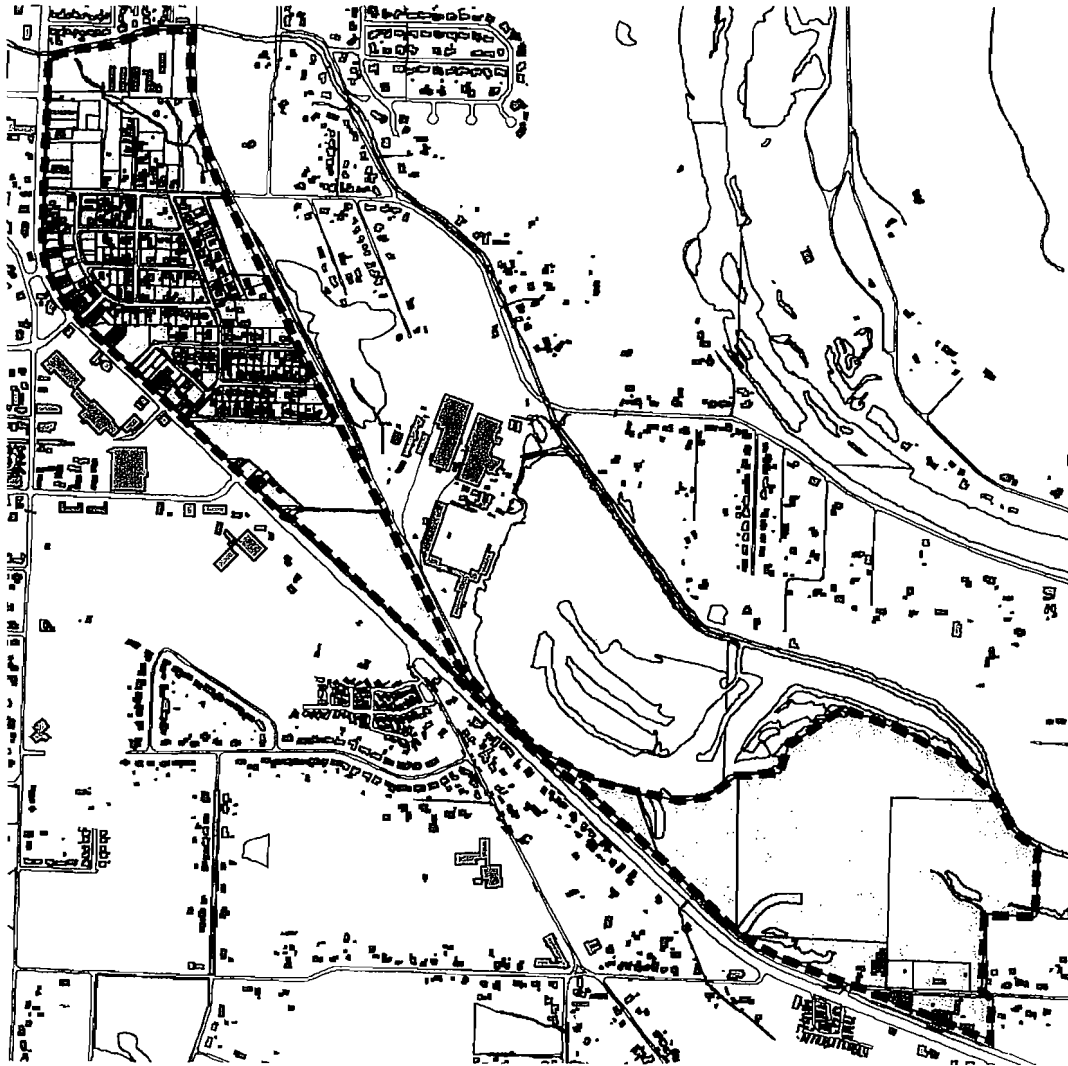
3. Comprehensive Plan and Zoning Designations

A majority of the Urban Renewal Area is located within of City limits, and all of it is located within the City of Lebanon Urban Growth Boundary (UGB). The City of Lebanon has designated the land uses for the entire area within its UGB in its Comprehensive Plan. However, the City of Lebanon has only provided zoning designations for the areas inside of its city limits. Linn County has zoned the areas outside of city limits

The area within the city limits located east of Main Street and roughly west of Mill Street, Primrose Avenue, and Park Way is zoned primarily as a Highway Commercial Zone, except for a small portion north of Russell Drive that is a Mixed Use Zone (Tax Lots 300 and 301, Map 12S02W14CB). The area located east of Main Street and west of the railroad tracks is primarily as a Mixed Use Zone, with the exception of the 5 parcels containing existing uses located along Main Street north of Market Street that are in a Highway Commercial Zone, and the south-eastern tip of the northern portion of the Renewal Area that is in a Limited Industrial Zone. Most of the southern portion of the Renewal Area is within a Mixed Use Zone (including the area recently annexed by the City), with the areas along Cheadle Lake within a General Industrial Zone.

City of Lebanon Eastside Urban Renewal Area

Figure 1 Renewal Area Boundary



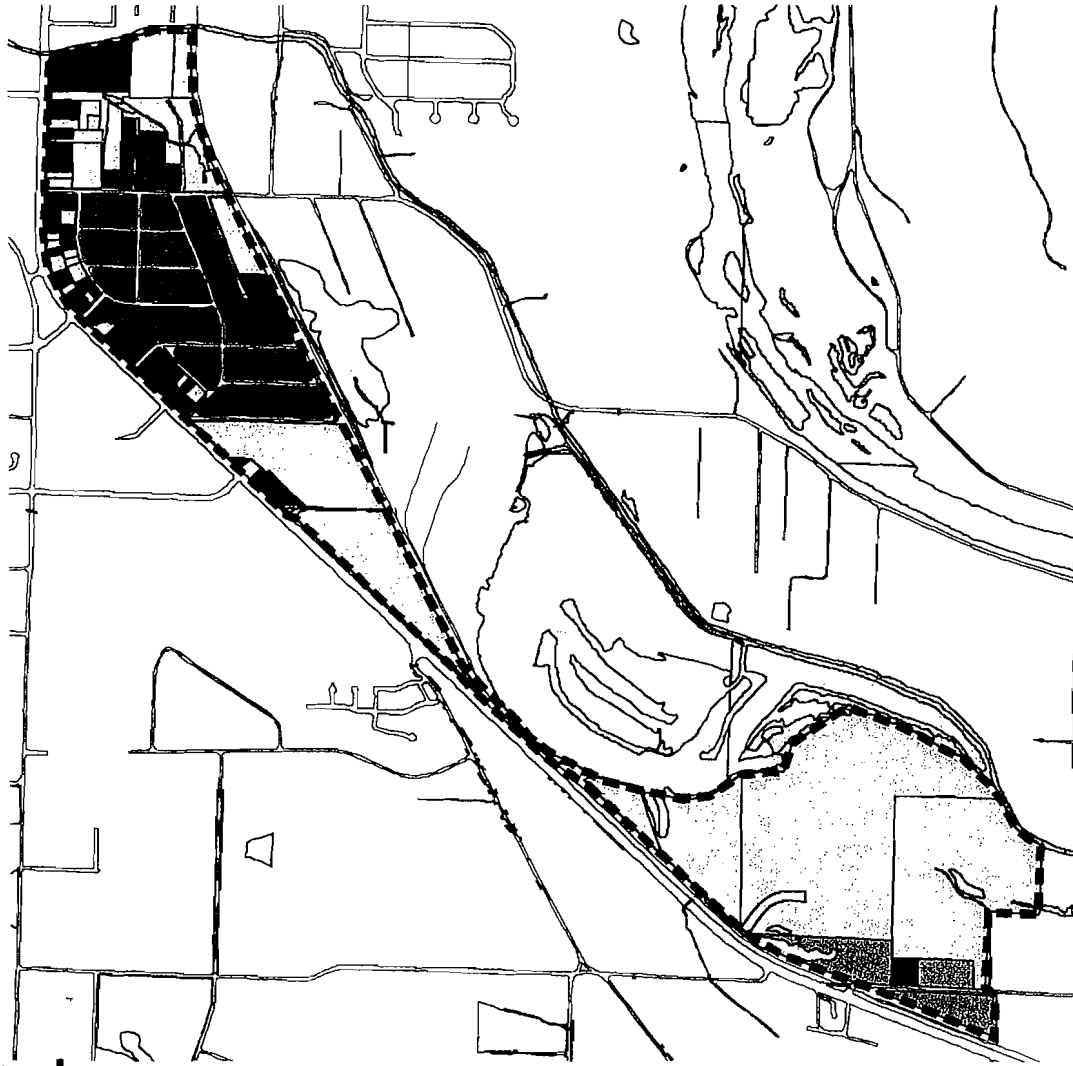
Scale: 1" = 1500' (1:18,000)



The Benkendorf Associates Corp.

City of Lebanon Eastside Urban Renewal Area

Figure 2 Existing Land Uses

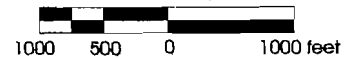


Legend

- Single-Family Residential
- Multi-Family Residential
- Commercial
- Industrial
- Utility
- Vacant (residential)
- Vacant or not surveyed



Scale: 1" = 1500' (1:18,000)



The Benkendorf Associates Corp.

The City of Lebanon Comprehensive Plan designations for the area within the city limits are generally “Commercial” for the areas zoned as Highway Commercial Zone, “Special Development District” for the areas zoned Mixed Use Zone and “Industrial” for the areas zoned as Limited Industrial Zone and General Industrial Zone.

The portion of the Renewal Area located outside of city limits is designated Mixed Density Residential for single-family, duplex, and multi-family uses in the City of Lebanon Comprehensive Plan, except for the portion of this area located north of Russell Drive which is designated Special Development District. As discussed above, this area is not zoned by the City, but by Linn County. Most of the portion of the Renewal Area located outside of city limits is zoned UGA-UGM-10 (Urban Growth Area – Urban Growth Management) by Linn County. One parcel (Tax Lot 100, Map 12S02W14CB) is zoned UGA-HI (Urban Growth Area – Heavy Industrial) and one parcel (Tax Lot 1000, Map 12S02W14CB) is zoned UGB-RCM (Urban Growth Area – Rural Commercial).

See Figure 3 for an illustration of zoning districts.

4. Land Use Analysis

The City of Lebanon Zoning Code provides general descriptions of zoning designations within the Renewal Area as follows:

Mixed Use: This zone is intended to provide areas with the potential for several types of combinations of different land uses (residential, commercial, and industrial). It is also intended to achieve an environment in which different land uses can co-exist by providing building groupings for privacy, usable and attractive open spaces, safe circulation and the general well-being of the inhabitants.

General Industrial: Most of the industrial land in the Lebanon area is utilized by heavy industries. The existing industrial sites are all devoted to lumber and wood products manufacturing, and are located on the City’s eastern boundary adjacent to rail and highway access and needed water resources.

Limited Industrial: Existing light industrial areas are devoted to light manufacturing, warehousing or related activities with limited external effect on adjacent land uses.

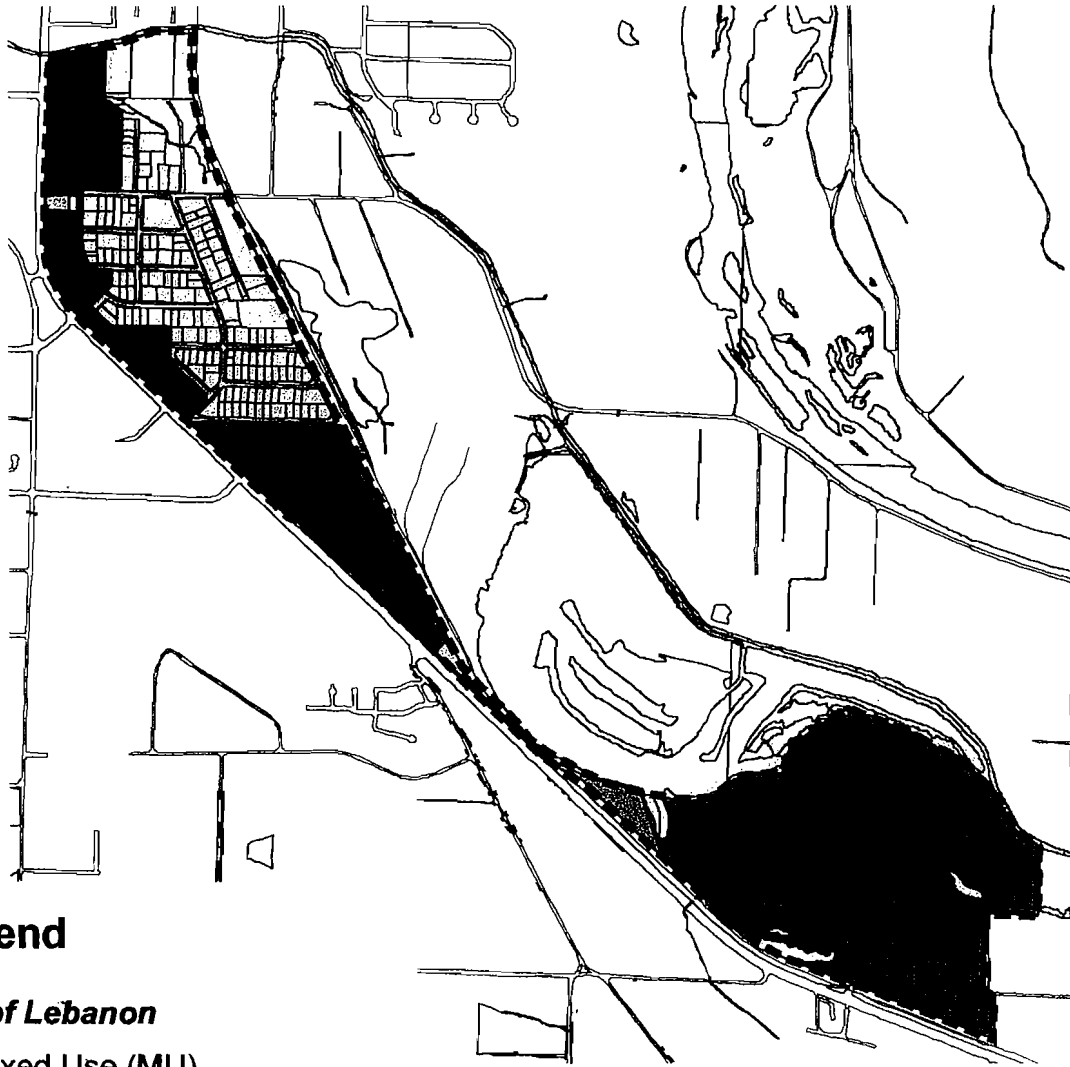
Highway Commercial: This zone is intended to provide areas suitable for a wide range of auto-oriented commercial and business uses. In order to limit highway accesses and to avoid continuance of “strip commercial” development, this zone calls for businesses to develop in clusters adjacent to major thoroughfares.

The Linn County Land Development Code provides general descriptions of the zoning designations within the Renewal Area as follows:

UGA-UGM-10 (Urban Growth Area – Urban Growth Management): The intention of the zoning district is to protect the UGA land for future urban density development. UGA-UGM zoning allows limited low-density and moderate-scale uses until more intensive urban-scale land use activity occurs in conjunction with city annexation or delayed annexation.

City of Lebanon Eastside Urban Renewal Area

Figure 3 Zoning Districts



Legend

City of Lebanon

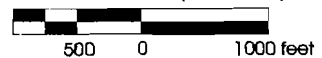
- Mixed Use (MU)
- Highway Commercial (CH)
- ▨ General Industrial (MG)
- ▧ Limited Industrial (ML)

Linn County

- UGA - Urban Growth Management (UGA-UGM-10)
- UGA - Heavy Industrial (UGA-HI)
- ▨ UGA - Rural Commercial (UGB-RCM)



1000
Scale: 1" = 1500' (1:18,000)



The Benkendorf Associates Corp.

UGA-HI (Urban Growth Area – Heavy Industrial): The purpose of the Urban Growth Area–Heavy Industrial (UGA–HI) zoning district is to provide areas appropriate for heavy industrial development which does not require full urban services. The designation allows manufacturing and related businesses which have the potential for conflicts with surrounding land uses.

UGB-RCM (Urban Growth Area – Rural Commercial): The Urban Growth Area–Rural Commercial (UGA–RCM) zoning district is designed to protect areas adjacent to urban centers from the type and intensity of land division or development that would impede future urbanization of the area. Until annexation, the uses, minimum property size and development of land within an UGA–RCM zoning district shall be consistent with the Comprehensive Plan designation of the affected city.

The area along Highway 20 is suitable for continued commercial use. Commercial use is also suitable for the area along the west side and the northern end of the east side of the proposed new frontage road. Residential uses are appropriate for the east side of the southern part of the proposed new frontage road and for the current residential area..

The vacant land north of Cheadle Lake is currently designated a “Special Development District” – and is open to all types of development – including residential, commercial, and industrial. The vacant land south of Cheadle Lake is suitable for active recreational uses, with continued industrial uses in developed land along the highway and Weirich Drive, and residential uses along the south-eastern portion of the Renewal Area.

5. Hazard Areas and Natural Areas

No identified hazard areas exist within the Renewal Area. There are no areas of natural or biological significance.

B. Social and Economic Conditions

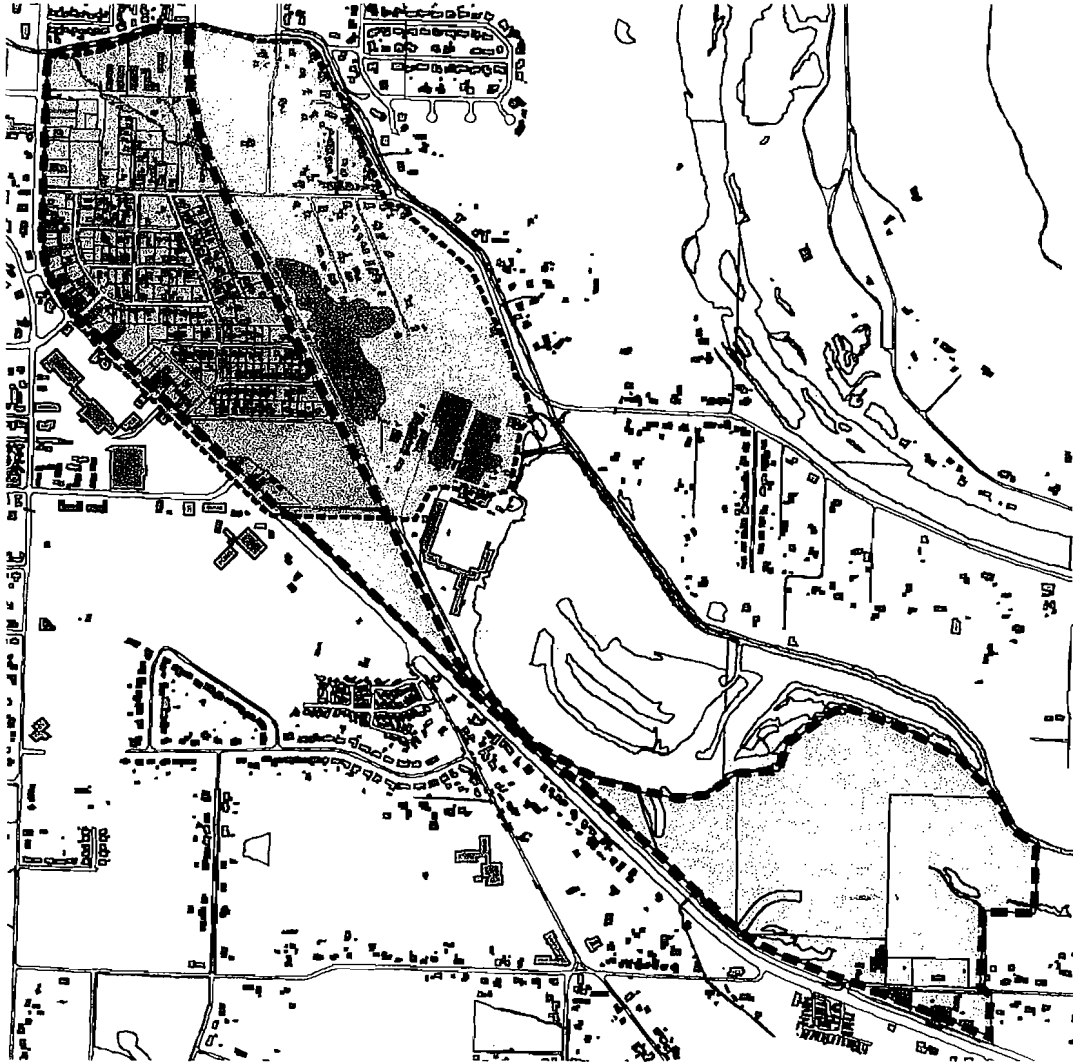
The information in this section is based on three primary sources:

- 1) *Analysis of Regional Economy and Housing for Linn and Benton Counties* (prepared for Cascade West Council of Governments by ECONorthwest, June 1999, revised November 1999)
- 2) 1990 Census of Population and Housing (U.S. Census Bureau)
- 3) Housing Conditions Survey conducted by TBAC in February 2000

In the 1990 Census, Linn County Census Tract 309.01, Block Group 4 includes the area south and west of the Lebanon-Santiam Canal, east of Santiam Highway (Main Street) and north of Market Street (see Figure 4). This Block Group encompasses most of Area 1 except the triangular vacant land area south of Market Street, east of Santiam Highway and west of the Burlington Northern railroad tracks. Block Group 4 also includes the area outside of Area 1 east of the Burlington Northern railroad tracks and west and south of the Lebanon-Santiam Canal. However, the Block Group boundaries are close enough to Area 1 to provide a rough approximation of the socio-economic characteristics of the area in 1990.

City of Lebanon Eastside Urban Renewal Area

Figure 4 Census Tract 309.01, Block Group 4



Legend

□ Block Group 4



Scale: 1" = 1500' (1:18,000)



The Benkendorf Associates Corp.

Based on the residential survey conducted by TBAC in the spring of 2000 and on an analysis of the GIS maps and data of the area provided by the City of Lebanon, the following is an estimate of the residential units located in the Renewal Area, and of the residential units located outside the Renewal Area to the east of the Burlington Northern railroad tracks in Block Group 4 of Census Tract 309.01.

In Renewal Area

149 SF houses
2 duplexes (4 units)
2 MF buildings (6 units and 4 units)
total: approx. 163 units

East of Burlington Northern railroad in Census Tract 309.01, Block Group 4 (outside of Renewal Area)

57 SF houses
1 duplex
total: approx. 59 units

The estimated number of residential units in the two areas is approximately 222 units. This compares with the 240 housing units tabulated in the Block Group in the 1990 Census (see Table 2-1a below).

1. Housing

Tables 2-1a and 2-1b below shows the housing data from the 1990 Census for Census Tract 309.01, Block Group 4 9 (discrepancies between the two tables are based on sampling techniques used by the Census Bureau). As shown in the Table 2-1a, the Block Group was estimated to have 240 housing units in 1990, of which 229 were occupied. Approximately 66% of the housing units were owner-occupied, with the remainder renter-occupied. In 1990, the median value of owner-occupied units was \$33,000 and the median contract rent for rental units was \$250. As shown in Table 2-1b, almost 94% of the houses were identified as being served by individual wells (either dug or drilled), while almost 92 percent of the houses were identified as having an individual septic tank or cesspool.

Housing affordability was not identified as a strong concern, with only 6% of surveyed homeowners paying more than 30% of gross monthly income, and 8.5% of renters paying more than 30% of gross monthly income for housing costs.

**Table 2-1a – 1990 Housing Data
Linn County, Oregon (Tract 309.01, Block Group 4)**

HOUSING		
Total housing units		240
OCCUPANCY AND TENURE		
Occupied housing units		229
Owner occupied		151
Percent owner occupied		65.9
Renter occupied		78
Vacant housing units		11
For seasonal, recreational, or occasional use		0
Homeowner vacancy rate (percent)		0.7
Rental vacancy rate (percent)		4.9
Persons per owner-occupied unit		2.53
Persons per renter-occupied unit		2.97
Units with over 1 person per room		9
UNITS IN STRUCTURE		
1-unit, detached		201
1-unit, attached		6
2 to 4 units		8
5 to 9 units		1
10 or more units		0
Mobile home, trailer, other		24
VALUE		
Specified owner-occupied units		126
Less than \$50,000		109
\$50,000 to \$99,000		17
\$100,000 to \$149,000		0
\$150,000 to \$199,999		0
\$200,000 to \$299,999		0
\$300,000 or more		0
Median (dollars)		33,000
CONTRACT RENT		
Specified renter-occupied units paying cash rent		72
Less than \$250		36
\$250 to \$499		36
\$500 to \$749		0
\$750 to \$999		0
\$1,000 or more		0
Median (dollars)		250
RACE AND HISPANIC ORIGIN OF HOUSEHOLDER		
Occupied housing units		229
White		222
Black		0
Percent of occupied units		0
American Indian, Eskimo, or Aleut		5
Percent of occupied units		2.2
Asian or Pacific Islander		1
Percent of occupied units		0.4
Other race		1
Hispanic origin (of any race)		6
Percent of occupied units		2.6
Source: 1990 U.S. Census of Population and Housing - STF 3A		

**Table 2-1b – 1990 Detailed Housing Data
Linn County, Oregon (Tract 309.01, Block Group 4)**

Total housing units	238
YEAR STRUCTURE BUILT	
1989 to March 1990	0
1985 to 1988	0
1980 to 1984	0
1970 to 1979	32
1960 to 1969	42
1950 to 1959	60
1940 to 1949	60
1939 or earlier	44
BEDROOMS	
No bedroom	7
1 bedroom	20
2 bedroom	55
3 bedroom	140
4 bedroom	8
5 or more bedrooms	8
SELECTED CHARACTERISTICS	
Lacking complete plumbing facilities	7
Lacking complete kitchen facilities	0
Condominium housing units	0
SOURCE OF WATER	
Public system or private company	15
Individual drilled well	216
Individual dug well	7
Some other source	0
SEWAGE DISPOSAL	
Public sewer	20
Septic tank or cesspool	218
Other means	0
Occupied housing units	227
HOUSE HEATING FUEL	
Utility gas	117
Bottled, tank, or LP gas	7
Electricity	22
Fuel oil, kerosene, etc	0
Coal or coke	0
Wood	67
Solar energy	0
Other fuel	14
No fuel used	0
YEAR HOUSEHOLDER MOVED INTO UNIT	
1989 to March 1990	64
1985 to 1988	74
1980 to 1984	8
1970 to 1979	21
1960 to 1969	15
1959 or earlier	45
TELEPHONE	
No telephone in unit	28
VEHICLES AVAILABLE	
Occupied housing units	227
None	15

1	62
2	136
3 or more	14
MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS	
Specified owner-occupied housing units	133
With a mortgage	43
Less than \$300	8
\$300 to \$499	29
\$500 to \$699	6
\$700 to \$999	0
\$1,000 to \$1,499	0
\$1,500 to \$1,999	0
\$2,000 or more	0
Median (dollars)	430
Not mortgaged	90
Less than \$100	0
\$100 to \$199	75
\$200 to \$299	15
\$300 to \$399	0
\$400 or more	0
Median (dollars)	171
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1989	
Specified owner-occupied housing units	133
Less than 20 percent	92
20 to 24 percent	23
25 to 29 percent	10
30 to 34 percent	0
35 percent or more	8
Not computed	0
GROSS RENT	
Specified renter-occupied housing units	94
Less than \$200	17
\$200 to \$299	19
\$300 to \$499	50
\$500 to \$749	0
\$750 to \$999	0
\$1,000 or more	0
No cash rent	8
Median (dollars)	327
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1989	
Specified renter-occupied housing units	94
Less than 20 percent	50
20 to 24 percent	7
25 to 29 percent	21
30 to 34 percent	0
35 percent or more	8
Not computed	8
Source: 1990 U.S. Census of Population and Housing - STF 3A	

In February, 2000, TBAC conducted a “windshield survey” of the housing conditions in the existing residential section of the Renewal Area from Russell Drive (including the residential properties north of Russell Drive) to Gilbert Street. Appendix 2 shows an example of the survey instrument used for the Housing Conditions Survey. Housing conditions were scored on a scale from 0-15, with 0 meaning no problems and 15 being the worst score possible. In order for a house to receive a score of 15, it would

have to receive a rating of 5 in each of the three main categories of the survey: roof, foundation (including porch/steps), and other (including yard and fences; walks, drive and garages; chimney,; and exterior walls and windows). Since foundation problems are usually not visible from a cursory inspection, there were not many houses that received a score of 10 or more in the survey. Based on the general condition of much of the area, many houses would likely have a higher score if a more detailed investigation of foundation conditions were conducted.

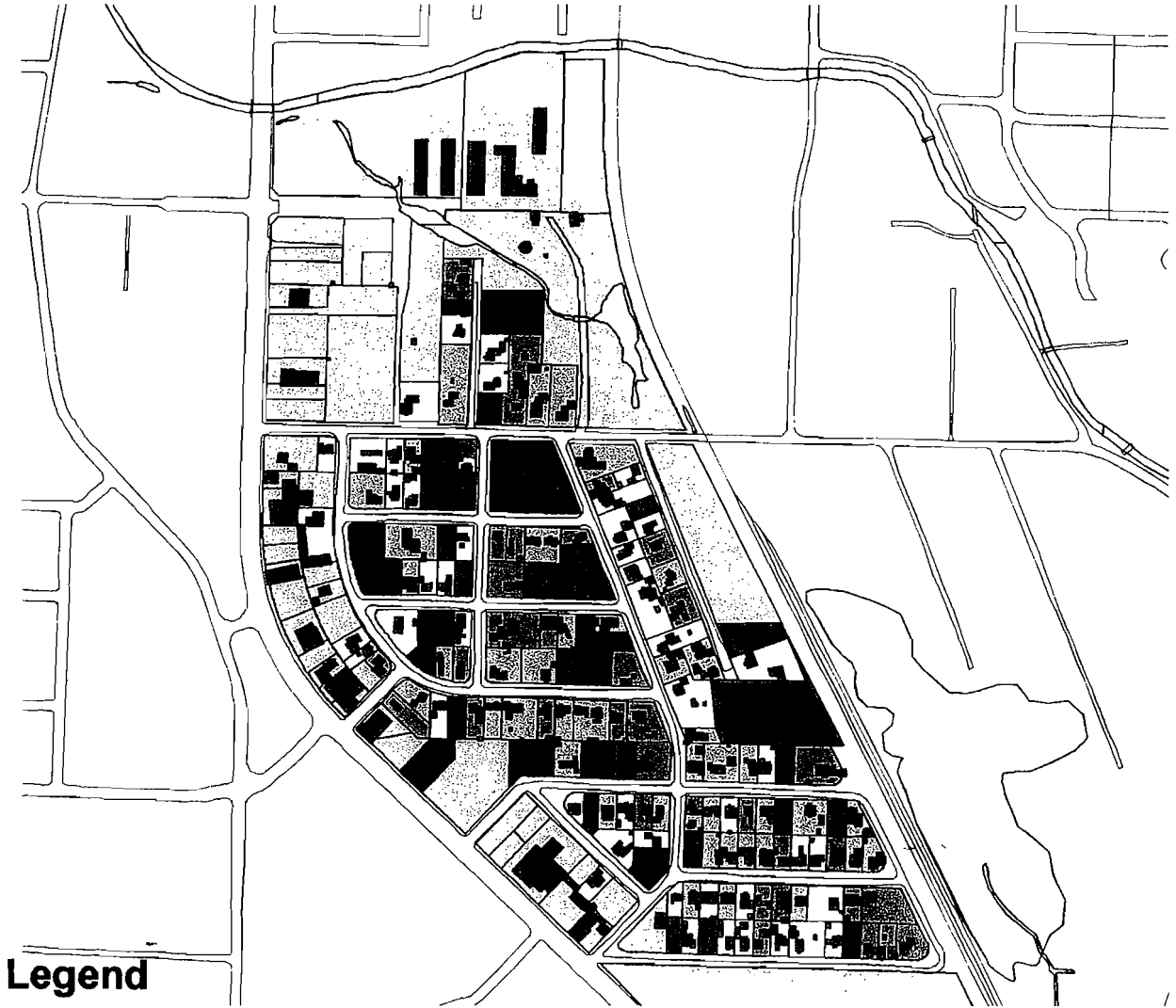
Table 2-2 below summarizes the results of the survey. Of 168 residential properties surveyed, 18 were vacant lots, with a total of 150 occupied properties (see Figure 5). While 11.3% of the houses had no problems identified, and additional 32% had scores of just one or two, a majority of the houses received a score of 3 or more, indicating multiple problems (or at least one severe problem).

**Table 2-2 – Housing Conditions Survey
Renewal Area**

Score	# of properties	Percentage (of non-vacant)
0	17	11.3%
1-2	48	32.0%
3-4	43	28.7%
5-6	25	16.7%
7-9	12	8.0%
10-15	5	3.3%
Subtotal	150	100.0%
Vacant	18	-
Total	168	-
<i>Source: The Benkendorf Associates Corp., 2000</i>		

City of Lebanon Eastside Urban Renewal Area

Figure 5 Existing Housing Conditions



Legend

- Vacant Residential
- Housing Condition = 0 (best)
- Housing Condition = 1 or 2
- ▨ Housing Condition = 3 or 4
- ▩ Housing Condition = 5 or 6
- ▧ Housing Condition = 7-9
- Housing Condition = 10-15 (worst)
- Non-residential



Scale: 1" = 600' (1:7,200)

July 28, 2000

The Benkendorf Associates Corp.

2. Population

Table 2-3 below shows the population data from the 1990 Census for Census Tract 309.01, Block Group 4. As shown in the table, the Block Group was estimated to have 614 people in 1990, with a median age of 33.7. Approximately 29% of the population was under 18 years of age and 15% was over 65. In 1990, the average number of persons per household was 2.68 and the percentage of non-white persons was approximately 5.5%.

Based on persons per household of the figure of 2.68, the population of Area 1 is estimated at 437 people for the 163 inventoried housing units.

**Table 2-3 – 1990 Population Data
Linn County, Oregon (Tract 309.01, Block Group 4)**

POPULATION	
Total population	614
SEX	
Male	313
Female	301
AGE	
Under 1 year	7
1 and 2 years	24
3 and 4 years	18
5 years	9
6 years	11
7 to 9 years	35
10 and 11 years	18
12 and 13 years	25
14 years	7
15 years	10
16 years	9
17 years	6
18 years	3
19 years	6
20 years	10
21 years	5
22 to 24 years	29
25 to 29 years	47
30 to 34 years	38
35 to 39 years	50
40 to 44 years	40
45 to 49 years	24
50 to 54 years	26
55 to 59 years	35
60 and 61 years	13
62 to 64 years	15
65 to 69 years	25
70 to 74 years	19
75 to 79 years	32
80 to 84 years	9
85 years and over	9
Median age	33.7
Under 18 years	179
Percent of total population	29.2
65 years and over	94

Percent of total population	15.3
HOUSEHOLDS BY TYPE	
Total households	229
Family households (families)	162
Married-couple families	133
Percent of total households	58.1
Other family, male householder	11
Other family, female householder	18
Nonfamily households	67
Percent of total households	29.3
Householder living alone	53
Householder 65 years and over	26
Persons living in households	614
Persons per household	2.68
GROUP QUARTERS	
Persons living in group quarters	0
Institutionalized persons	0
Other persons in group quarters	0
RACE AND HISPANIC ORIGIN	
White	580
Black	0
Percent of total population	0
American Indian, Eskimo, or Aleut	15
Percent of total population	2.4
Asian or Pacific Islander	13
Percent of total population	2.1
Other race	6
Hispanic origin (of any race)	32
Percent of total population	5.2
<i>Source: 1990 U.S. Census of Population and Housing - STF 3A</i>	

According to the *Analysis of Regional Economy and Housing for Linn and Benton Counties*, the population in the city of Lebanon is projected to increase from 12,190 to 18,019 from 1997 to 2020, a total increase of 5,829. This is equivalent to a total increase of 47.8% or an annual average growth rate of 1.71% (p. 2-10). These figures represent 17.8% of the total projected Linn County population growth. Since Lebanon's population in 1997 of 12,190 represented 12.1% of the total Linn County population of 100,700, this means that Lebanon's population is projected to grow at a faster rate than that of the county as a whole over the next two decades.

3. Income

The following is a synopsis from *Analysis of Regional Economy and Housing* (pp. 3-8 & 3-9):

Personal income data from the Bureau of Economic Analysis show that per capita income in Linn County has historically been lower than that for Oregon as a whole. Per capita income in Linn County has remained at around 85% of the Oregon average.

Earnings (income from wages and operating a business or farm) is the largest source of personal income in Linn County, at 68% of total personal income. Investment income from Dividends, Interest, and Rent contributed only 16% in Linn County. Transfer Payments from retirement and government programs contributed 20% of personal income.

To describe earnings by industry in Linn County, industries were ranked by their contribution to total earnings, and the share of total earnings contributed by each industry was compared with the industry share in Oregon. The general patterns that emerged from this analysis include the following:

- Farm earnings contribute a much larger share of total earnings in Linn County (5%) than in Oregon (1%).
- At the sector level, Manufacturing contributed the largest share of earnings in Linn County at 35%. This share is much larger than the 19% share of earnings contributed by Manufacturing at the State level.
- Services and Government are the second- and third-largest sectors in terms of their contribution to total earnings in Linn County (16% and 12%, respectively).
- Compared to Oregon, Linn County has a relatively low share of total earnings from industries in the Finance, Insurance, and Real Estate (FIRE) and Mining sectors.
- Industries with the largest contribution to earnings in Linn County are more “blue-collar” industries in the Manufacturing, Construction, and Transportation sectors.
- Lumber & Wood Products is the large contributor to earnings in Linn County, ranking 1st.
- Industries with a large presence in Linn County relative to Oregon are all in the Manufacturing, Farm, and Forestry sectors.

4. Employment

The following is an excerpt from *Analysis of Regional Economy and Housing* (p. 3-17):

Lebanon “serves as a center for shopping and services for residents in surrounding rural communities, so Lebanon’s employment is less dominated by manufacturing firms than other small communities in the two-county region. Employment growth in Lebanon has been led by firms in the Trade, Construction, and Services sectors, and these sectors should continue to grow with population in Lebanon and surrounding communities. Lumber and Wood Products is the largest Manufacturing industry in Lebanon, and the outlook for this industry is mixed – employment is expected to decline in the region and Oregon, but consolidation of mills and the nearby supply of private timber may allow Lumber employment in Lebanon to remain at existing levels or grow slightly. Lebanon also has Manufacturing employment in Industrial Machinery and Rubber & Plastics; these industries should experience modest growth. Lebanon reported a substantial inventory of buildable lands, and it may be able to attract other manufacturing firms, particularly with the recent improvements to Hwy 34 that increased the city’s access to I-5.”

The *Analysis of Regional Economy and Housing for Linn and Benton Counties* report includes employment forecasts broken down by local communities. In 1997, based on Oregon Employment Department Data, Linn County had 42,347 employees in 2,997 firms with an average payroll per employee of \$26,616 (ECONorthwest, p. 3-11). Lebanon had 6,446 employees in 1997, or 15.2% of the county total and had the following share of county employment by site category in 1997 (p. 3-20, 5-10):

- 19.1% Commercial
- 19.5% Office
- 12.9% Industrial
- 12.3% Public

Employment in Lebanon is projected to increase by 1,885 to 8,331 from 1997 to 2020, a total increase of 29.2% or an annual average growth rate of 1.12% (p. 3-21). This figure represents 16.3% of the total

projected Linn County employment growth. This means that Lebanon’s employment is projected to grow at a slightly faster rate than that of the county as a whole.

Employment growth for 1997-2020 in Lebanon is projected as follows (p. 3-21):

**Table 2-4 – Employment Projections
1997-2020
City of Lebanon**

	Commercial	Office	Industrial	Public	Total
Lebanon	218	975	489	203	1,885
	11.6%	51.7%	25.9%	10.8%	100%

C. Renewal Area Qualifications

ORS 457.420 specifies that the Renewal Area identified in the Plan along with other renewal areas in the City may not exceed 25% of the City’s land area or 25% of the City’s assessed value. This plan meets that requirement.

The City has two existing Urban Renewal Districts: one in the northwestern part of the city and the second in the southern part of the City called South Main Road. The land in the northwestern district is planned for Light Industrial, Mixed Density Residential and Special Development District. The land in the South Main Road district is planned primarily for Commercial purposes. The South Main Road District includes 35 acres and the Northwestern District includes 318 acres within the City limits. The amount of assessed value in the existing districts is \$1,392,269. in the South Main Road District and \$8,151,059. and the Northwestern District

The total land area in the new Renewal Area is approximately 230.1 acres (not including existing public street rights of way), 161.1 acres of which are in Lebanon city limits. The City’s total land area is approximately 3,485 acres (TBAC, based on May, 2000 annexations, the City of Lebanon GIS system and the City of Lebanon Zoning Map). If the new Renewal Area were entirely annexed to the City, the three Urban Renewal Districts would encompass 16.7% of the City’s total land area (see Table 2-5 below).

The total assessed value of the new Renewal Area as of 2000 was approximately \$16,999,728. If the new Renewal Area were entirely annexed to the City, the three Urban Renewal Districts would encompass 6.3% of the City’s total assessed value (see Table 2-5 below).

**Table 2-5 – Area and Assessed Value of Renewal Areas
City of Lebanon**

	Land Area	Assessed Value
City of Lebanon	3,485	\$418,560,500
South Main Road District	35	\$1,392,269
Northwestern District	318	\$8,151,059
New	230	\$16,699,728
Total Renewal Areas	583	\$26,243,056
% of City	16.7%	6.3%

D. Condition of Area Infrastructure

1. Transportation and Access

Transportation linkage to the Renewal Area includes highways, rail and the Lebanon State Airport located across town. State Highway 20 (Santiam Highway) runs along the western boundary of the Renewal Area. The highway, which is also Main Street as it passes through Lebanon, connects the Renewal Area to the Central Business District (CBD) of Lebanon, to U.S. Interstate 5 to the north, and to the cities of Albany to the north and Sweet Home, Redmond, and Bend to the south and east. While not adjacent to the Renewal Area itself, the nearby Lebanon State Airport provides General Aviation service only. There is no instrument landing equipment at the airport. In addition, there are two companies providing taxi service in the community; Lebanon Town Taxi and ABC Taxi. The Dial A Bus provides transit service to seniors and the Linn County Shuttle provides service to Sweet Home, Albany and Lebanon.

Many of the local access streets in the developed portions of the Renewal Area are substandard. For example, there are no sidewalks on the streets in the developed residential area, and Russell Street, Center Street, and Railroad Street all are surfaced with gravel.

Additionally, traffic congestion on Highway 20 is a problem and there is a need for a frontage road along Highway 20 for accessibility to the Renewal Area.

2. Water, Sanitary Sewer and Storm Drainage

a. Water

Water service is deficient in the Renewal Area. There is no water service to the developed residential area. All houses are served by individual wells. There is an existing line running along Highway 20 south as far as the commercial area north of Market Street. The remainder of the Renewal Area does not have water service.

b. Sanitary Sewer

Sewer service is deficient in the Renewal Area. There is no sewer service to the developed residential area. All houses are served by individual septic tanks.

There is an existing line running from east of the railroad tracks near the Market Street area and north along Highway 20 to the commercial area north of Market Street. There is an existing 12-inch line running from just north of Russell Drive south along Primrose Avenue and southwest on Dewey Street to Highway 20. There is an existing 10-inch line running south from the Oriole Drive area to Russell Drive.

c. Storm Drainage

The existing residential area has a serious problem with standing water in winter. There is no curb and gutter drainage or storm water system in the area.

There is an existing line running east to west to the north of Oriole Drive. There is an existing line running along Highway 20

E. Impacts on City Services and Costs

Improvements to the existing streets and infrastructure in the Renewal Area will encourage rehabilitation as well as additional development in the area. By encouraging the use of vacant or under-utilized land, the base assessed value within the area should increase substantially. This improved assessed value will benefit the taxing districts when the tax increment process is completed since the districts will then have a much higher assessed valuation on which to levy taxes. Without the new streets and infrastructure, it is unlikely that any rehabilitation or new development will occur.

The redevelopment and revitalization of industrial and commercial property within the area may result in added demands on the City Police Department in terms of patrols, property crime enforcement, and traffic enforcement. Likewise, greater development will mean an increase in the demand for fire protection services. Additionally, the annexation of the developed residential area into the city will increase the service area for these departments. However, given the assumption that over the next eighteen years the City will grow as projected, renewal should not require significantly larger budgets than already planned.

III. REASONS FOR SELECTION OF THE RENEWAL AREA INVOLVED IN THE PROGRAM

The geographic area of the City and the part remaining in the County was selected for an Urban Renewal district to eliminate the inhibiting conditions to economic development and improve the condition and quality of the residences. The major conditions limiting the productive use of this area for urban purposes are described below.

There are a variety of blighting conditions within the study area. For the area within the city limits, the major condition inhibiting the productive use of the land is traffic congestion and lack of access. Because of the traffic volumes on Highway 20, the amount and level of commercial development is limited. This limitation is controlled by restricted access to the highway and the lack of access to the land east of the existing commercial development. In order for the opportunity for new commercial development to be fully utilized, a new frontage road is needed.

The existing residential area in unincorporated Linn County and bounded by Russell Drive on the north and Gilbert Street on the south has several blighting conditions. First, there is a lack of public sewer, water and storm drainage systems in the area. In addition, the existing streets lack curbs and sidewalks and have not been improved to a recognized street standard. Finally, several of the residences are in disrepair and many abandoned vehicles, trailers and other debris are occupying the lots.

There is also vacant property within the study area that will be more suited for development with improved accessibility and adequate public services.

IV. RELATIONSHIP BETWEEN THE PROJECTS TO BE UNDERTAKEN IN THE PROGRAM AND THE EXISTING CONDITIONS IN THE AREA

The Urban Renewal Area as expressed above, is an area around which projects have been planned. The existing conditions in the area include deficiencies related to the lack of infrastructure/public amenities which prevents proper development and investment in the area. The proposed projects are designed to correct the deficiencies described in this Report. The projects will provide the infrastructure necessary to encourage development and revitalization of the Renewal Area in accordance with both the City's and County's Comprehensive Plans.

V. CITIZEN PARTICIPATION

The activities and projects identified in the Plan and Report were undertaken with the participation of citizens of the community and owners of land within the Renewal Area.

The City Council appointed an Advisory Committee made up of representatives of the City Council, Linn County Board of Commissioners and existing businesses and property owners. The Advisory Committee met approximately every two weeks beginning in late May through August, 2000.

In mid-August all property owners within the district were notified of the intent of the City to create an Urban Renewal District. Following receipt of the letter, a City representative was available for approximately six hours in a prominent location within the neighborhood to explain the purpose of the district and answer any questions.

In addition, the City Council and Linn County Commissioners were provided a status report of the preparation of the plan and report at a public meeting on July 26 and August 1, 2000, respectively.

On August 8 the Lebanon Planning Commission conducted a public hearing and reviewed the Draft Urban Renewal Plan and Report for consistency with the City's Comprehensive Plan and Zoning Ordinance. On August 30th, the Urban Renewal Agency and the City Council conducted public hearings on the Urban Renewal Plan and Report.

The Linn County Board of Commissioners conducted a public hearing and reviewed the Urban Renewal Plan and Report in September, 2000.

In addition, in accordance with ORS 457.120, all property owners of the City of Lebanon were notified in writing by the City of the intent of the City Council to adopt the Urban Renewal Plan and Report on August 30, 2000.

VI. RELOCATION REPORT

The Urban Renewal Plan anticipates the acquisition and redevelopment of property which may result in the displacement of residents. Although the Agency has not identified specific parcels which will require acquisition at this point in time, it does intend to establish a Relocation Policy which will call for the Agency's assistance to those residents that may be displaced when a formal acquisition analysis is completed. When the Agency does acquire developed and/or occupied property, it will assist displaced persons in finding replacements facilities. All displaced persons shall be contacted to determine relocation needs and shall be provided information on available space and be given assistance in moving. All relocation activities will be undertaken and payments make in accordance with the requirements of Oregon Revised Statutes (ORS) 281.045 to 281.105, and any other applicable laws or regulations.

VII. PROJECT COSTS AND TIMING

A. Projects

The anticipated projects to implement the objectives of the Plan are described in the following section. The projects have been organized and grouped into four phases that reflect the incremental receipt of project funding. The following is a description of the projects and the phases in which they will be implemented (see Figure 6).

1. Phase I

Phase I projects include the following:

- Constructing a new frontage road east of Highway 20 from Airport Road to Market Street
- Local street improvements (Porter Street) in the existing residential area
- Extending a 12-inch sanitary line from Russell Drive parallel to the new Frontage Road and south to Dewey Street + manholes for sanitary sewer
- Extending a 12-inch water line along Airport Road extension and the length of the new frontage road from Airport Road to Market Street
- Installing a new 16-inch water line from the railroad along Russell Drive, Porter Street, and Truman Street to Highway 20
- Extending a 27-inch storm sewer line south for the length of the new frontage road from Airport Road to Market Street + manholes for storm sewer

2. Phase II

Phase II projects include the following:

- Constructing a new frontage road east of Highway 20 from Market Street to Cascade Drive
- Constructing a new signal for the Frontage Road at Cascade Drive
- Constructing site improvements for a formal entrance to the city along Highway 20
- Local street improvements in the existing residential area
- Installing a 24-inch storm sewer line west from the railroad to the new Frontage Road along Russell Drive + manholes for storm sewer
- Installing a new 18-inch sanitary line from the new frontage road to the railroad along Gilbert Street
- Installing a new 8-inch sanitary line from McKinney Street to the railroad along Russell Drive
- Installing new 8-inch sanitary lines throughout the existing residential area + manholes for sanitary sewer
- Extending a 12-inch water line south for the length of the new frontage road from Market Street to Cascade Drive
- Installing a new 12-inch water line along Russell Drive from Highway 20 to Porter Street
- Installing a new 8-inch lateral water line from the new frontage road to the railroad along Gilbert Street
- Installing new 8-inch lateral water lines throughout the existing residential area
- Extending a 24-inch storm sewer line south for the length of the new frontage road from Market Street to Cascade Drive
- Installing 30-inch storm sewer lines throughout the existing residential area + manholes for storm sewer

- Installing 12-inch lateral storm sewer lines throughout the existing residential area + manholes for storm sewer
- Installing a new 30-inch storm sewer line from the new frontage road to the railroad along Gilbert Street
- Installing a new 12-inch lateral storm sewer line from the new frontage road to the railroad along Gilbert Street
- Acquisition of a 5-acre neighborhood park site at the “Site N-6” area in the *City of Lebanon Comprehensive Parks Master Plan* in the north portion of the Renewal Area, north of Russell Drive

3. Phase III

Phase III projects include the following:

- Constructing a realignment of Weirich Drive
- Extending an 18-inch sanitary line from the Weirich Drive realignment north to Cascade Drive parallel to Highway 20 + manholes for sanitary sewer
- Sanitary sewer pump station
- Off-site sanitary sewer improvements
- Installing a new 12-inch water line along the Weirich Drive realignment
- Installing a new 16-inch water line along Highway 20 south from Market Street to the Weirich Drive realignment

4. Phase IV

Phase IV projects include the following:

- Local street improvements in the existing residential area
- Installing new 8-inch sanitary lines throughout the existing residential area + manholes for sanitary sewer
- Installing new 8-inch lateral water lines throughout the existing residential area
- Installing 30-inch storm sewer lines throughout the existing residential area + manholes for storm sewer
- Installing 12-inch lateral storm sewer lines throughout the existing residential area + manholes for storm sewer

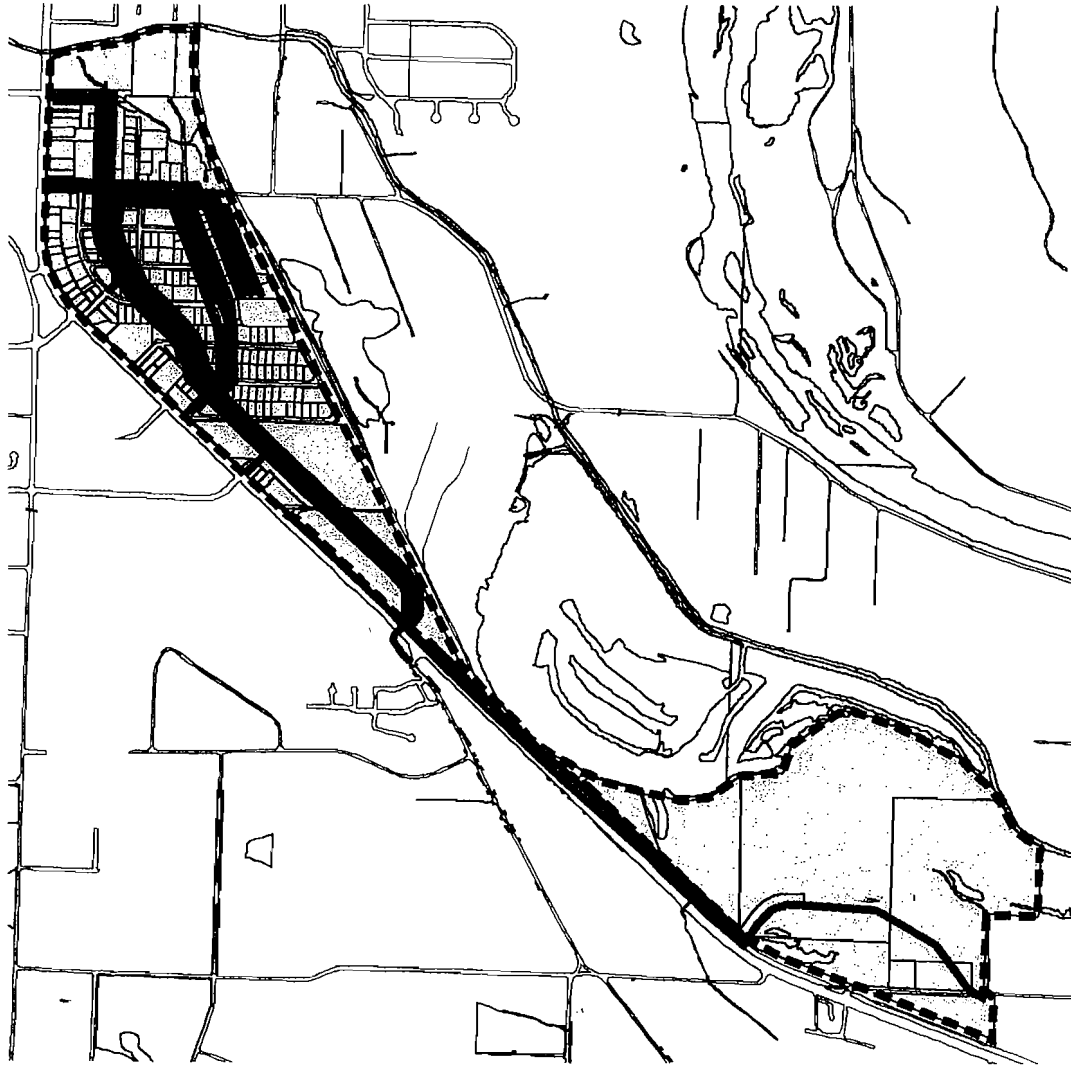
5. All Phases

All phases include the following:

- Constructing and/or reconstructing curbs, gutters, and sidewalks; and installing pedestrian and bicycle amenities along streets, including appropriate landscaping and street furniture to establish a safe and pleasant pedestrian environment.
- Improvement of utilities incidental to Urban Renewal Projects, including, but not limited to, electrical power to lights, new utility vaults at intersections, and undergrounding of utility lines.

City of Lebanon Eastside Urban Renewal Area

Figure 6 Urban Renewal Plan Projects - All Phases



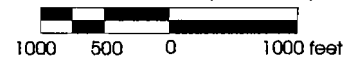
Legend

- Road
- Sanitary Sewer Line
- Water Line
- Storm Sewer Line

Note: drawing is conceptual only
and is not meant to imply exact locations



Scale: 1" = 1500' (1:18,000)



The Benkendorf Associates Corp.

B. Source of Funds

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

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

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

C. Project Costs

Project Costs are listed by phase (see Table 7-1). Design, engineering, administrative costs and contingencies are included and incorporated into the totals.

**Table 7-1
Estimated Project Costs by Phase**

Project Description	Category	Item	Cost/LF (unit)	Linear Feet (unit)	Estimated Cost	notes
Phase I						
Constructing a new frontage road east of Highway 20 from Airport Road to Market Street	Road Construction	D-1 Arterial	\$376.26	3,937	\$1,481,336	includes storm inlets & laterals
Local street improvements (Porter Street) in the existing residential area	Road Construction	B- Residential	\$247.50	1,785	\$441,788	
Extending a 12-inch sanitary line from Russell Drive parallel to the new Frontage Road and south to Dewey Street + manholes for sanitary sewer	Sanitary Sewer Construction	12"; 48" manhole (each at 400' interval)	\$164.46	914	\$150,313	
Extending a 12-inch water line along Airport Road extension and the length of the new frontage road from Airport Road to Market Street	Water Line Construction	12" DI	\$108.00	4,322	\$466,776	
Installing a new 16-inch water line from the railroad along Russell Drive, Porter Street, and Truman Street to Highway 20	Water Line Construction	16" DI	\$135.00	2,446	\$330,210	
Extending a 27-inch storm sewer line south for the length of the new frontage road from Airport Road to Market Street + manholes for storm sewer	Storm Sewer Construction	27"; 48" manhole (each at 400' interval)	\$122.39	3,937	\$481,835	
Subtotal					\$3,352,257	
Design & Engineering (@ 10%)					\$335,226	
Contingencies (@ 20%)					\$670,451	
Total					\$4,357,934	
Phase II						
Constructing a new frontage road east of Highway 20 from Market Street to Cascade Drive	Road Construction	D-1 Arterial	\$376.26	1,580	\$594,491	includes storm inlets & laterals
Constructing a new signal for the Frontage Road at Cascade Drive	Road Construction	-	-	-	\$150,000	
Constructing site improvements for a formal entrance to the city along Highway 20	Landscape Design	-	-	-	\$50,000	
Local street improvements in the existing residential area	Road Construction	B- Residential	\$247.50	1,651	\$408,623	
Installing a 24-inch storm sewer line west from the railroad to the new Frontage Road along Russell Drive + manholes for storm sewer	Storm Sewer Construction	24"; 48" manhole (each at 400' interval)	\$109.47	1,018	\$111,437	
Installing a new 18-inch sanitary line from the new frontage road to the railroad along Gilbert Street	Sanitary Sewer Construction	8"; 48" manhole (each at 400' interval)	\$143.49	825	\$118,376	
Installing a new 8-inch sanitary line from McKinney Street to the railroad along Russell Drive	Sanitary Sewer Construction	8"; 48" manhole (each at 400' interval)	\$143.49	215	\$30,850	
Installing new 8-inch sanitary lines throughout the existing residential area + manholes for sanitary sewer	Sanitary Sewer Construction	8"; 48" manhole (each at 400' interval)	\$143.49	2,768	\$397,170	
Extending a 12-inch water line south for the length of the new frontage road from Market Street to Cascade Drive	Water Line Construction	12" DI	\$108.00	1,173	\$126,684	

Installing a new 12-inch water line along Russell Drive from Highway 20 to Porter Street	Water Line Construction	12" DI	\$108.00	982	\$106,056	
Installing a new 8-inch lateral water line from the new frontage road to the railroad along Gilbert Street	Water Line Construction	8" DI	\$90.00	825	\$74,250	
Installing new 8-inch lateral water lines throughout the existing residential area	Water Line Construction	8" DI	\$90.00	1,271	\$114,390	
Extending a 24-inch storm sewer line south for the length of the new frontage road from Market Street to Cascade Drive	Storm Sewer Construction	24"	\$100.80	1,173	\$118,238	
Installing 30-inch storm sewer lines throughout the existing residential area + manholes for storm sewer	Storm Sewer Construction	12"; 48" manhole (each at 400' interval)	\$152.63	200	\$30,525	
Installing 12-inch lateral storm sewer lines throughout the existing residential area + manholes for storm sewer	Storm Sewer Construction	12"; 48" manhole (each at 400' interval)	\$81.75	1,683	\$137,538	
Installing a new 30-inch storm sewer line from the new frontage road to the railroad along Gilbert Street	Storm Sewer Construction	12"; 48" manhole (each at 400' interval)	\$81.75	825	\$67,441	
Installing a new 12-inch lateral storm sewer line from the new frontage road to the railroad along Gilbert Street	Storm Sewer Construction	12"; 48" manhole (each at 400' interval)	\$81.75	825	\$67,441	
Acquisition of a 5-acre neighborhood park site at the "Site N-6" area in the City of Lebanon Comprehensive Parks Master Plan in the north portion of the Renewal Area, north of Russell Drive	-	-	-	-	\$175,000	
Subtotal					\$2,878,509	
Acquisition and assembly of key properties for redevelopment					\$500,000	
Design & Engineering (@ 10%)					\$287,851	
Contingencies (@ 20%)					\$575,702	
Total					\$4,242,061	
Phase III						
Constructing a realignment of Weirich Drive	Road Construction	C-Collector	\$300.38	2,415	\$725,418	
Extending an 18-inch sanitary line from the Weirich Drive realignment north to Cascade Drive parallel to Highway 20 + manholes for sanitary sewer	Sanitary Sewer Construction	18"; 48" manhole (each at 400' interval)	\$176.49	3,381	\$596,700	
Sanitary sewer pump station	Sanitary Sewer Construction	-	-	-	\$150,000	
Off-site sanitary sewer improvements	Sanitary Sewer Construction	-	-	-	\$132,000	
Installing a new 12-inch water line along the Weirich Drive realignment	Water Line Construction	12" DI	\$108.00	2,415	\$260,820	
Installing a new 16-inch water line along Highway 20 south from Market Street to the Weirich Drive realignment	Water Line Construction	16" DI	\$135.00	4,813	\$649,755	
Subtotal					\$2,514,693	
Acquisition and assembly of key properties for redevelopment					\$500,000	
Design & Engineering (@ 10%)					\$251,469	
Contingencies (@ 20%)					\$502,939	
Total					\$3,769,101	
Phase IV						

Local street improvements in the existing residential area	Road Construction	B-Residential	\$247.50	830	\$205,425	
Installing new 8-inch sanitary lines throughout the existing residential area + manholes for sanitary sewer	Sanitary Sewer Construction	8"; 48" manhole (each at 400' interval)	\$143.49	2,768	\$397,170	
Installing new 8-inch lateral water lines throughout the existing residential area	Water Line Construction	8" DI	\$90.00	400	\$36,000	
Installing 30-inch storm sewer lines throughout the existing residential area + manholes for storm sewer	Storm Sewer Construction	12"; 48" manhole (each at 400' interval)	\$152.63	200	\$30,525	
Installing 12-inch lateral storm sewer lines throughout the existing residential area + manholes for storm sewer	Storm Sewer Construction	12"; 48" manhole (each at 400' interval)	\$81.75	1,683	\$137,538	
Subtotal					\$806,658	
Design & Engineering (@ 10%)					\$80,666	
Contingencies (@ 20%)					\$161,332	
Total					\$1,048,656	
Total - All Projects					\$13,417,751	

D. Future Public Improvements

As private development occurs within the Renewal Area, or as the Agency attempts to stimulate it, future public improvements including streets, sidewalks, water, storm sewer, lighting, drainage, etc. will be undertaken to permit, or compliment the new development.

E. Estimated Completion Date

The projects are estimated to be completed no later then 2018. No further tax increment revenues will be assessed and the district will be terminated on June 30, 2019.

VIII. FINANCIAL ANALYSIS OF THE PLAN

A. Anticipated Tax Increment Funds

As stated in Oregon Revised Statutes Chapter 457 (ORS 457), tax increment funds are anticipated from growth in assessed value within the Area over the course of the Plan. Growth in assessed value is projected to occur through appreciation in property values (“appreciation percentage”), limited to no more than three percent annually, and through changes in property that add value that is “excepted” from the three percent limit. Such “exception value” results from factors such as subdivision or rezoning of land and from construction of improvements.

Table 8-1 shows the projections of growth in assessed value and the anticipated tax increment funds. The projections are based on reasonable expectations of future development and have been prepared taking into consideration the amount of residential and commercial development that is likely to occur in Lebanon and within the Area.

B. Estimated Amount of Money Required Under ORS 457

The Plan anticipates a total of \$16,530,187 in tax increment revenues which will be used in its entirety to repay indebtedness issued or incurred to finance the projects contained in the Plan. An additional \$4,696,936 is projected to be received from earnings on reserve fund balances.

C. Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided for Under ORS 457.450

Table 8-3 shows the anticipated revenues and expenditures for the Plan. The revenues result from the issuance of long term and short term debt and interest earnings on project fund balances. The expenditures are based on the estimated project costs and the share of those costs that will be assumed by the Agency pursuant to the Plan. The total project costs and the Plan’s share of those costs are shown in Table 8-4. Revenues other than tax increment revenues will include the City of Lebanon’s utility funds, federal and state grants and participation by private property owners.

D. Project Revenues and Expenditures

Table 8-3 shows the anticipated revenues and expenditures for the Plan. The revenues result from the issuance of long term and short term debt and interest earnings on project fund balances. The expenditures are based on the estimated project costs and the share of those costs that will be assumed by the Agency pursuant to the Plan. The total project costs and the Plan’s share of those costs are shown in Table 8-4.

E. Statement of Fiscal Impact on Other Jurisdictions Under ORS 457.420-457.440

The use of tax increment financing creates a fiscal impact on the taxing districts (e.g. the City, the County, the Community College) that levy taxes within the Area. This impact consists of those districts foregoing the taxes that would have been levied on the increase in assessed value within the Area while tax increment financing is in effect.

In order to project these impacts, it is necessary to estimate the growth in assessed value that would have occurred without the Plan. The Plan's projects are anticipated to create assessed value growth that would not occur but for the Plan. Therefore the taxes that are foregone are those resulting from projected development without the public improvements developed under the Plan.

These impacts are shown in Table 8-5. The table shows the rates of appreciation of existing properties (which are the same as with the Plan), the percent of the exception value under the Plan that is projected to occur without the Plan, and the resulting incremental assessed value. The revenues foregone by the taxing districts equal their permanent tax rates times the projected incremental assessed value. Note that the property tax revenues foregone by the Lebanon School District do not result in revenue losses to the School District because of the system of state funding of K-12 education. The impacts are shown to illustrate what they would be if the school funding system is materially changed and property tax revenues become directly relevant.

Within a relatively short amount of time after the tax increment revenues terminate, the additional revenues that are available to these taxing districts are projected to repay the districts for revenues foregone during the Plan.

F. Impacts on Taxpayers

In addition to the revenues foregone by taxing districts, the financing of the Plan may impact tax payers, in that the rates calculated by the County Assessor for dollar based levies (such as bonds or dollar based local option levies) will be slightly higher. This is a result of the incremental assessed value within the Area being excluded from the rate calculation.

Table 8-6 shows the projected tax rate increases for each current levy that is dollar based. For taxpayers within the City of Lebanon, whose taxes are impacted the most, the increase in rates stays under \$0.122 (12.2 cents) per \$1,000 for the life of the Plan.

**Table 8-1
Projected Incremental Assessed Value**

Fiscal Year Ending June 30	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Prior Year Total		16,999,728	17,484,220	18,512,521	20,540,127	25,258,921	27,008,800	38,382,103	45,263,780	51,768,731
Appreciation Percentage		2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
Exception Value		530,000	1,500,000	4,133,400	1,030,000	10,603,552	5,787,787	5,214,933	6,140,263	9,413,321
Total Assessed Value	16,999,728	17,484,220	18,512,521	20,540,127	25,258,921	27,008,800	38,382,103	45,263,780	51,768,731	59,384,403
Incremental Assessed Value		484,492	1,512,793	3,540,399	8,259,193	10,009,072	21,382,375	28,264,052	34,769,003	42,384,675
Fiscal Year Ending June 30	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Prior Year Total	59,384,403	70,490,180	73,729,024	81,699,753	85,332,969	89,108,875	93,032,712	97,109,905	101,346,071	
Appreciation Percentage	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	
Exception Value	1,229,874	5,869,453	1,304,773	1,343,916	1,384,234	1,425,761	1,468,534	1,512,590	1,557,967	
Total Assessed Value	70,490,180	73,729,024	81,699,753	85,332,969	89,108,875	93,032,712	97,109,905	101,346,071	105,747,024	
Incremental Assessed Value	53,490,452	56,729,296	64,700,025	68,333,241	72,109,147	76,032,984	80,110,177	84,346,343	88,747,296	

**Table 8-2
Projected Debt Service on Long Term Bonds**

FY ending June 30	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Long Term Debt Service	0	0	0	137,433	137,433	355,803	355,803	578,556	578,556
FY ending June 30	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Long Term Debt Service	578,556	943,975	943,975	943,975	1,199,896	1,199,896	1,199,896	1,199,896	1,199,896

**Table 8-3
Projected Revenues And Expenditures**

FY ending June 30	2002	2003	2004	2005	2006	2007	2008	2009	
REVENUES									
Beginning Balance		27,709	100,494	87,340	246,877	132,501	104,041	26,464	
Debt Proceeds	31,151	72,904	1,228,454	138,798	1,902,390	398,991	1,918,491	561,679	
Interest Earnings	1,558	5,031	30,148	26,202	74,063	39,750	31,212	7,939	
Total	32,709	105,644	1,359,096	252,340	2,223,330	571,242	2,053,744	596,083	
EXPENDITURES									
Frontage Road	0	0	1,031,109	0	468,816	0	59,956	0	
Other Street Improvements	0	0	235,342	0	249,674	130,664	201,876	861,320	
Sanitary Sewer System Improvements	0	0	0	0	113,265	0	95,435	0	
Storm Sewer System Improvements	0	0	0	0	363,076	0	211,237	0	
Water System Improvements	0	0	0	0	600,551	0	228,978	41,725	
Acquisition for Redevelopment	0	0	0	0	289,819	0	614,937	0	
Park Land Acquisition	0	0	0	0	0	0	236,751	0	
Reimbursements and Loan Repayments	0	0	0	0	0	0	0	0	
Administration	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	
FY ending June 30	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES									
Beginning Balance	346,333	69,311	481,555	175,972	179,120	189,661	163,979	114,329	636,789
Debt Proceeds	790,370	2,632,802	782,463	857,278	1,763,933	824,763	908,720	995,951	1,086,576
Interest Earnings	103,900	20,793	144,466	52,792	53,736	56,898	49,194	34,299	191,037
Total	1,240,602	2,722,906	1,408,484	1,086,042	1,996,789	1,071,321	1,121,892	1,144,579	1,914,402
EXPENDITURES									
Frontage Road	0	0	0	0	0	0	0	0	0
Other Street Improvements	0	184,832	0	0	0	0	0	0	0
Sanitary Sewer System Improvements	303,638	331,615	357,354	0	0	0	0	0	0
Storm Sewer System Improvements	0	0	151,215	0	0	0	0	0	0
Water System Improvements	0	954,515	32,391	0	0	0	0	0	0
Acquisition for Redevelopment	0	671,958	0	0	0	0	0	0	0
Park Land Acquisition	0	0	0	0	0	0	0	0	0
Reimbursements and Loan Repayments	0	0	500,000	900,000	1,800,000	900,000	1,000,000	500,000	600,000
Administration	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024

**Table 8-4
Project Costs and Urban Renewal Share**

	Project Description	Project Cost	Percent of Total Cost from Urban Renewal	Urban Renewal Cost
Phase I				
	Constructing a new frontage road east of Highway 20 from Airport Road to Market Street	1,925,736	70%	1,348,015
	Local street improvements (Porter Street) in the existing residential area	574,324	75%	430,743
	Extending a 12-inch sanitary line from Russell Drive parallel to the new Frontage Road and south to Dewey Street + manholes for sanitary sewer	195,407	50%	97,703
	Extending a 12-inch water line along Airport Road extension and the length of the new frontage road from Airport Road to Market Street	606,809	50%	303,404
	Installing a new 16-inch water line from the railroad along Russell Drive, Porter Street, and Truman Street to Highway 20	429,273	50%	214,637
	Extending a 27-inch storm sewer line south for the length of the new frontage road from Airport Road to Market Street + manholes for storm sewer	626,385	50%	313,193
	Acquisition and assembly of key properties for redevelopment			
Phase II				
	Constructing a new frontage road east of Highway 20 from Market Street to Cascade Drive	772,838	50%	386,419
	Constructing a new signal for the Frontage Road at Cascade Drive	195,000	25%	48,750
	Constructing site improvements for a formal entrance to the city along Highway 20	65,000	75%	48,750
	Local street improvements in the existing residential area	531,209	50%	265,605
	Installing a 24-inch storm sewer line west from the railroad to the new Frontage Road along Russell Drive + manholes for storm sewer	144,868	40%	57,947
	Installing a new 18-inch sanitary line from the new frontage road to the railroad along Gilbert Street	153,889	40%	61,556
	Installing a new 8-inch sanitary line from McKinney Street to the railroad along Russell Drive	40,104	40%	16,042
	Installing new 8-inch sanitary lines throughout the existing residential area + manholes for sanitary sewer	516,321	40%	206,528

Extending a 12-inch water line south for the length of the new frontage road from Market Street to Cascade Drive	164,689	40%	65,876
Installing a new 12-inch water line along Russell Drive from Highway 20 to Porter Street	137,873	40%	55,149
Installing a new 8-inch lateral water line from the new frontage road to the railroad along Gilbert Street	96,525	40%	38,610
Installing new 8-inch lateral water lines throughout the existing residential area	148,707	40%	59,483
Extending a 24-inch storm sewer line south for the length of the new frontage road from Market Street to Cascade Drive	153,710	40%	61,484
Installing 30-inch storm sewer lines throughout the existing residential area + manholes for storm sewer	39,683	40%	15,873
Installing 12-inch lateral storm sewer lines throughout the existing residential area + manholes for storm sewer	178,799	40%	71,520
Installing a new 30-inch storm sewer line from the new frontage road to the railroad along Gilbert Street	87,673	40%	35,069
Installing a new 12-inch lateral storm sewer line from the new frontage road to the railroad along Gilbert Street	87,673	40%	35,069
Acquisition of a 5-acre neighborhood park site at the "Site N-6" area in the City of Lebanon Comprehensive Parks Master Plan in the north portion of the Renewal Area, north of Russell Drive	192,500	100%	192,500
Acquisition and assembly of key properties for redevelopment	500,000	100%	500,000
Phase III			
Constructing a realignment of Weirich Drive	943,043	70%	660,130
Extending an 18-inch sanitary line from the Weirich Drive realignment north to Cascade Drive parallel to Highway 20 + manholes for sanitary sewer	775,710	60%	465,426
Sanitary sewer pump station	195,000	60%	117,000
Off-site sanitary sewer improvements	171,600	60%	102,960
Installing a new 12-inch water line along the Weirich Drive realignment	339,066	60%	203,440
Installing a new 16-inch water line along Highway 20 south from Market Street to the Weirich Drive realignment	844,682	60%	506,809
Acquisition and assembly of key properties for redevelopment	500,000	100%	500,000

Phase IV				
	Local street improvements in the existing residential area	267,053	50%	133,526
	Installing new 8-inch sanitary lines throughout the existing residential area + manholes for sanitary sewer	516,321	50%	258,160
	Installing new 8-inch lateral water lines throughout the existing residential area	46,800	50%	23,400
	Installing 30-inch storm sewer lines throughout the existing residential area + manholes for storm sewer	39,683	50%	19,841
	Installing 12-inch lateral storm sewer lines throughout the existing residential area + manholes for storm sewer	178,799	50%	89,400

**Table 8-5
Revenues Foregone**

Fiscal Year Ending June 30	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assessed Value without Urban Renewal										
Appreciation %	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
% Exception Value without Urban Renewal		100%	100%	50%	25%	25%	25%	25%	25%	25%
Exception Value		530,000	1,500,000	2,066,700	257,500	2,650,888	1,446,947	1,303,733	1,535,066	2,353,330
Total Assessed Values	16,999,728	18,014,220	20,027,626	22,665,113	23,568,569	26,891,161	29,104,506	31,237,717	33,663,058	36,975,786
Incremental Assessed Value without Urban Renewal		1,014,492	3,027,898	5,665,385	6,568,841	9,891,433	12,104,778	14,237,989	16,663,330	19,976,058
		Revenues Foregone								
Taxing District	Permanent Tax Rates									
Linn County	1.2736		3,856	7,215	8,366	12,598	15,417	18,134	21,222	25,442
City of Lebanon	5.1364		15,552	29,100	33,740	50,806	62,175	73,132	85,590	102,605
Lebanon Rural Fire	2.4723		7,486	14,007	16,240	24,455	29,927	35,201	41,197	49,387
Lebanon Schools**	4.5105		13,657	25,554	29,629	44,615	54,599	64,220	75,160	90,102
ESD	0.3129		947	1,773	2,055	3,095	3,788	4,455	5,214	6,251
LBCC	0.5016		1,519	2,842	3,295	4,962	6,072	7,142	8,358	10,020
Fiscal Year Ending June 30		2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value without Urban Renewal										
Appreciation		2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
% Exception Value without Urban Renewal		25%	25%	25%	25%	25%	25%	25%	25%	25%
Exception Value		307,468	1,467,363	326,193	335,979	346,058	356,440	367,133	378,147	389,492
Total Assessed Values		38,337,064	40,897,033	42,388,792	43,932,852	45,530,996	47,185,070	48,896,978	50,668,689	52,502,239
Incremental Assessed Value without Urban Renewal		21,337,336	23,897,305	25,389,064	26,933,124	28,531,268	30,185,342	31,897,250	33,668,961	35,502,511

Taxing District	Permanent Tax Rates	Revenues Foregone								
		2010	2011	2012	2013	2014	2015	2016	2017	2018
Linn County	1.2736	27,175	30,436	32,336	34,302	36,337	38,444	40,624	42,881	45,216
City of Lebanon	5.1364	109,597	122,746	130,408	138,339	146,548	155,044	163,837	172,937	182,355
Lebanon Rural Fire	2.4723	52,752	59,081	62,769	66,587	70,538	74,627	78,860	83,240	87,773
Lebanon Schools**	4.5105	96,242	107,789	114,517	121,482	128,690	136,151	143,873	151,864	160,134
ESD	0.3129	6,676	7,477	7,944	8,427	8,927	9,445	9,981	10,535	11,109
LBCC	0.5016	10,703	11,987	12,735	13,510	14,311	15,141	16,000	16,888	17,808

	Total Revenues Foregone
Linn County	440,001
City of Lebanon	1,774,513
Lebanon Rural Fire	854,125
Lebanon Schools**	1,558,278
ESD	108,100
LBCC	173,292

**Table 8-6
Projected Increases in Tax Rates for Dollar Based Levies**

Fiscal Year Ending June 30	2002	2003	2004	2005	2006	2007	2008	2009	
Tax Rate Impacts									
Linn County - Local Option, Bonds	0.0006	0.0014	0.0030	0.0035	0.0072	0.0091	0.0107	0.0125	
City of Lebanon – Bonds	0.0031	0.0067	0.0142	0.0159	0.0308	0.0372	0.0420	0.0468	
Lebanon Rural Fire – Bonds	0.0001	0.0004	0.0008	0.0017	0.0019	0.0036	0.0044	0.0050	
Lebanon School District – Bonds	0.0008	0.0023	0.0049	0.0106	0.0119	0.0233	0.0284	0.0322	
LBCC Bonds	0.0000	0.0001	0.0001	0.0003	0.0003	0.0007	0.0008	0.0009	
Total	0.0046	0.0107	0.0231	0.0320	0.0520	0.0739	0.0862	0.0973	
Fiscal Year Ending June 30	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tax Rate Impacts									
Linn County - Local Option, Bonds	0.0151	0.0153	0.0167	0.0169	0.0171	0.0173	0.0174	0.0176	0.0178
City of Lebanon – Bonds	0.0539	0.0527	0.0552	0.0538	0.0524	0.0511	0.0497	0.0483	0.0469
Lebanon Rural Fire – Bonds	0.0056	0.0065	0.0064	0.0067	0.0065	0.0064	0.0062	0.0060	0.0059
Lebanon School District – Bonds	0.0361	0.0420	0.0411	0.0432	0.0422	0.0412	0.0401	0.0391	0.0380
LBCC Bonds	0.0010	0.0012	0.0012	0.0012	0.0012	0.0012	0.0011	0.0011	0.0011
Total	0.1117	0.1177	0.1205	0.1219	0.1194	0.1170	0.1146	0.1121	0.1096

APPENDICES

Appendix 1 – ORS Requirements

The following matrix describes where in the Urban Renewal Report the requirements of ORS 457.085 are satisfied.

ORS Requirement	Applicable Urban Renewal Plan Sections
457.085(3)(a)	II
457.085(3)(b)	III
457.085(3)(c)	IV
457.085(3)(d)	VII
457.085(3)(e)	VII
457.085(3)(f)	VII, VIII
457.085(3)(g)	VIII
457.085(3)(h)	VIII

Appendix 2 - Housing Conditions Survey

Housing Conditions Survey Lebanon, Oregon - February, 2000

Address:

Yard & Fences						
Fences deteriorating or down	1					
Trash, wrecks, or nuisances	1					
Poor upkeep of landscaping	1					
Tree deteriorated to dangerous condition	1					
Total (max 1):						

Walks, Drive and Garages						
No garage or carport	1					
Walks and drive gravel or missing (on owner's property)	1					
Walks and drive cracked or up/lifted	1					
Total (max 1):						

Chimney						
Missing bricks or mortar	1					
Leaning or separating from building	1					
Total (max 1):						

Exterior Walls and Windows						
Bad paint	1					
Rot or mildew	1					
Missing or cracked siding	2					
Decaying window frames, bad putty	1					
Broken or missing windows	1 per					
Total (max 2):						

Foundation Porch/Steps						
Steps/porch sagging	1					
Steps missing	1					
Post and pier foundation	5					
Visible cracks	3					
Total (max 5):						

Roof						
Sagging	3					
Moss	1					
Missing shingles/ exposed interior	5					
Gutter system missing or in bad repair	2					
Total (max 5):						