



## HRA Board Meeting Minutes January 10, 2023

Chairperson: Robert Duncan, Presiding  
Vice Chairperson: Mike Caughey, Present  
Members Present: Kim Downey, Adam Keaton, Randy Klemm and Charlotte Thomas  
Members Absent: Robert Boese  
Staff Present: City Administrator Michele Eldridge, Public Works Director Chuck Scholz, Finance Officer/ Deputy City Recorder Cathy Nelson and City Recorder/ Municipal Court Clerk Lori Ross  
Location: Harrisburg Municipal Center Located at 354 Smith St

**CALL TO ORDER AND ROLL CALL BY CHAIRPERSON ROBERT DUNCAN at the hour of 8:28pm**

**CONCERNED CITIZEN(S) IN THE AUDIENCE:** All in attendance were there for items on the agenda.

**APPROVAL OF MINUTES:** No comments or concerns.

- Keaton **motioned to approve the minutes for the December 13, 2022 HRA Board Meeting and was seconded by Thomas. The motion passed by a vote of 5-0** (Yes: Caughey, Downey, Keaton, Klemm and Thomas; No: None.)

### **THE MATTER OF ADOPTING RESOLUTION NO. HRA-65 TO TRANSFER FUNDS FROM INFRASTRUCTURE CONSTRUCTION TO REVENUE SHARING IN THE HRA FUND**

**STAFF REPORT:** Nelson stated to pay the taxing districts revenue sharing, she recommends transferring the funds from Infrastructure Construction for the amount of \$104,977 to the newly created line in Government Services titled Revenue Sharing. She is still waiting to hear back from a few districts, but as of now, the School District is the only one not accepting the funds.

- Klemm **motioned to adopt Resolution No. HRA-65 "A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM INFRASTRUCTURE CONSTRUCTION TO REVENUE SHARING IN THE HRA FUND" and was seconded by Caughey. The motion passed by a vote of 5-0.** (Yes: Caughey, Downey, Keaton, Klemm and Thomas. No: None.)

January 10, 2023

**THE MATTER OF HOLDING AN ANNUAL HRA MEETING AS REQUIRED BY THE HRA BYLAWS, ARTICLE III, SECTION 1**

**STAFF REPORT:** Eldridge commented the HRA has only one outstanding Property Improvement Grant which is the IOOF for \$50,000. She is hoping to have \$50,000 for this year and stated the Air-Thai Restaurant has shown interest in applying.

**THE MATTER OF FORMALLY PROCEEDING WITH SUBSTANTIAL AMENDMENT NO. 6 TO THE HARRISBURG URBAN RENEWAL PLAN**

**STAFF REPORT:** Eldridge reviewed the reasoning for HRA Substantial Amendment No. 6. She referred to the updated Exhibit A and Exhibit B that have been provided this evening. (Those exhibits will be included with the minutes.) Eldridge commented that once Amendment No. 6 passes and we go out to bid again on the water project, we would then bring it back to the HRA and pass a resolution stating how the proportionality of the funds will be applied to the project.

- Elaine Howard, with Elaine Howard Consulting, LLC, joined the meeting via Zoom. She referred to Addendum 1 reviewing the steps taken and the future process of Amendment No.6. She stated staff must indicate how much assessed value we want our property taxes levied each year and recommended getting it double checked.
- Klemm asked about the 25% maximum indebtedness and if it was reasonable. Howard responded that it was.
- Eldridge asked about using the 2<sup>nd</sup> bid from the Water Bond Project. Howard responded she doesn't think anyone will challenge it as everyone wants the project finished.
- Klemm **motioned to move forward the Harrisburg Urban Renewal Plan Substantial Amendment through the formal public review process and was seconded by Downey. The motion passed by a vote of 5-0.** (Yes: Caughey, Thomas, Keaton, Klemm and Thomas; No: None.)

**OTHER:** None

**With no further discussions, the HRA Board Meeting adjourned at the hour of 8:53pm to return to the City Council Work Session.**

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Chairperson

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City Recorder

# Exhibit A

## Harrisburg Urban Renewal Plan

### 2023 Substantial Amendment

Proposed new text is shown in double-underline.

Deleted text is shown in ~~striketrough~~.

#### **SECTION 100. INTRODUCTION**

This 2023 Substantial Amendment to the Harrisburg Urban Renewal Plan (Plan) adds parcels and right of way and the following new projects: water quality upgrades as described below in Section 700.

The following are updates to specific portions of the Plan:

#### **SECTION 500. PROPOSED LAND USES**

The parcels inside the City, and to be included in this amendment have an industrial comprehensive plan designation.

Within the City Limits, the southern property is zoned as General Industrial District (M-2) at this time.

- General Industrial District (M-2). The M-2 zoning district accommodates a mix of industrial, manufacturing, processing, and related activities, including intensive uses. The district is intended to provide for efficient use of land and public services, employment opportunities, a variety of parcel sizes and locations for industrial uses.

Outside the City Limits, the northern city-owned property is zoned as EFU, Exclusive Farm Use.

Linn County Rural Resource Zone Code Section 928.320(B)(5)

- Utility facilities necessary for public service, including associated transmission lines as defined by ORS 469.300 and wetland waste treatment systems but not including commercial facilities for the purpose of generating power for public use by sale or transmission towers over 200 feet in height.

#### **SECTION 700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN**

6. North Project Site includes approximately 703,685 sq. ft., or 16.15 acres of property at 23914 Peoria Rd, which includes a portion of both 15S04W040000600 & 15S04W0900700:

CMU Building, Pressure Filters (Already purchased), Chlorine Generator (Already purchased), Degasser, Miscellaneous Chemical Piping, Booster Pumps, Fire Pumps, Electrical, Restrooms, HVAC

1,500,000 Gallon Steel Reservoir and Foundation System, Piping, Coatings, Civil Sitework and Landscaping, Yard Piping, Underground Utilities, Landscaping, Drainage Improvements, Instrumentation and Controls Instruments, Controls, Analyzers, PLC, Emergency Generator Engine Generator, and a new Water production Well and Wellhouse.

**7. South Project Site is 1.5 acres, and the address is 790 S. 2<sup>nd</sup> St., or otherwise known as 15S04W16D, Tax Lot 203:**

CMU Building, Pressure Filters (Already purchased), Chlorine Generator (Already purchased), Degasser, Miscellaneous Chemical Piping, Booster Pumps, Fire Pumps, Electrical, Restrooms, HVAC

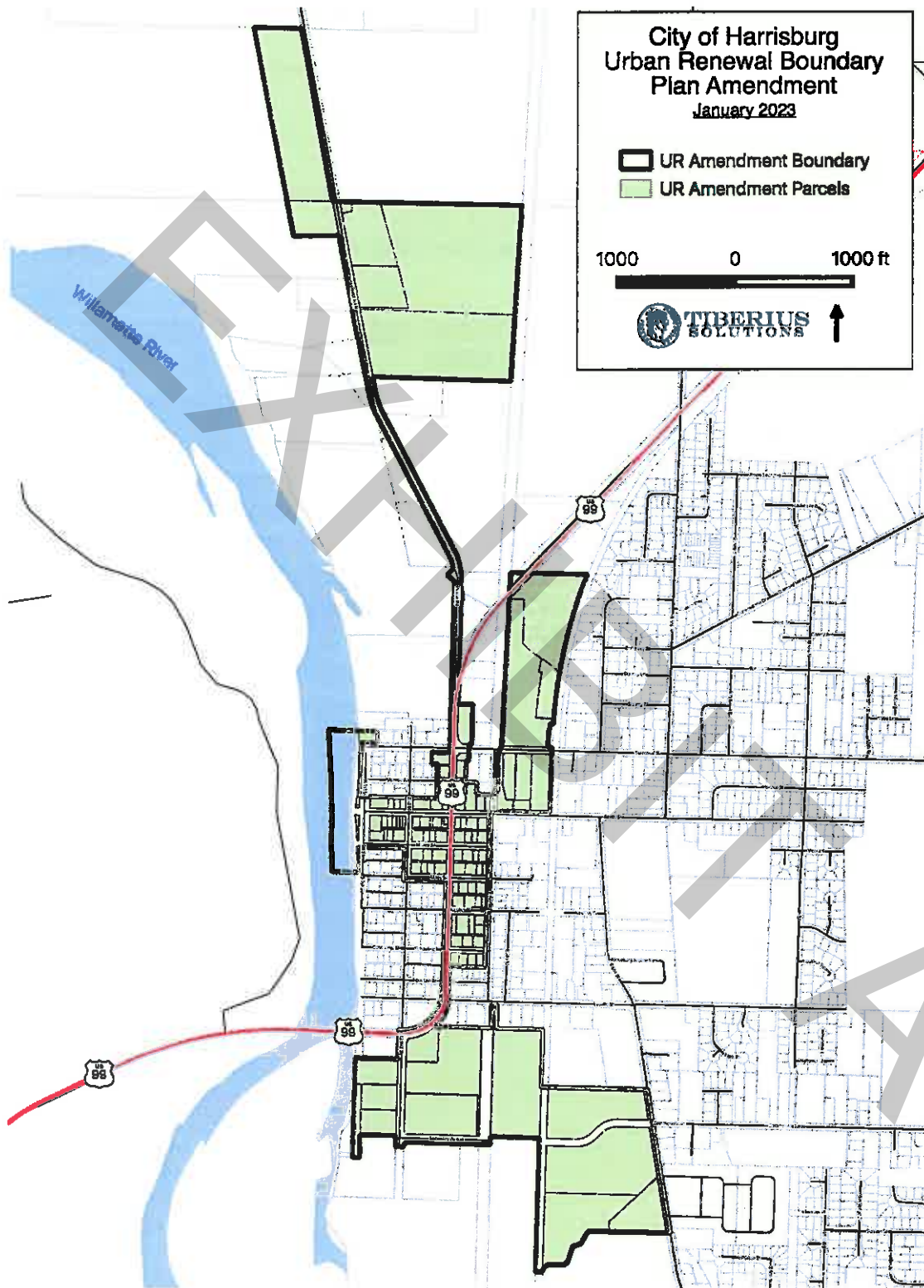
500,000 Gallon Steel Reservoir and Foundation System, Piping, Coatings, Civil Sitework and Landscaping, Yard Piping, Underground Utilities, Landscaping, Drainage Improvements, Instrumentation and Controls Instruments, Controls, Analyzers, PLC, and Emergency Generator Engine Generator.

Exhibit 1 Map - Boundary Replaced in its Entirety

Exhibit 3 Planning Commission Findings 2023

Exhibit 4b Location of Proposed Public Improvements

## Exhibit 1. Urban Renewal Boundary Map



### **Exhibit 3. Planning Commission Findings 2023**

#### **GOAL 11: PUBLIC FACILITIES AND SERVICES**

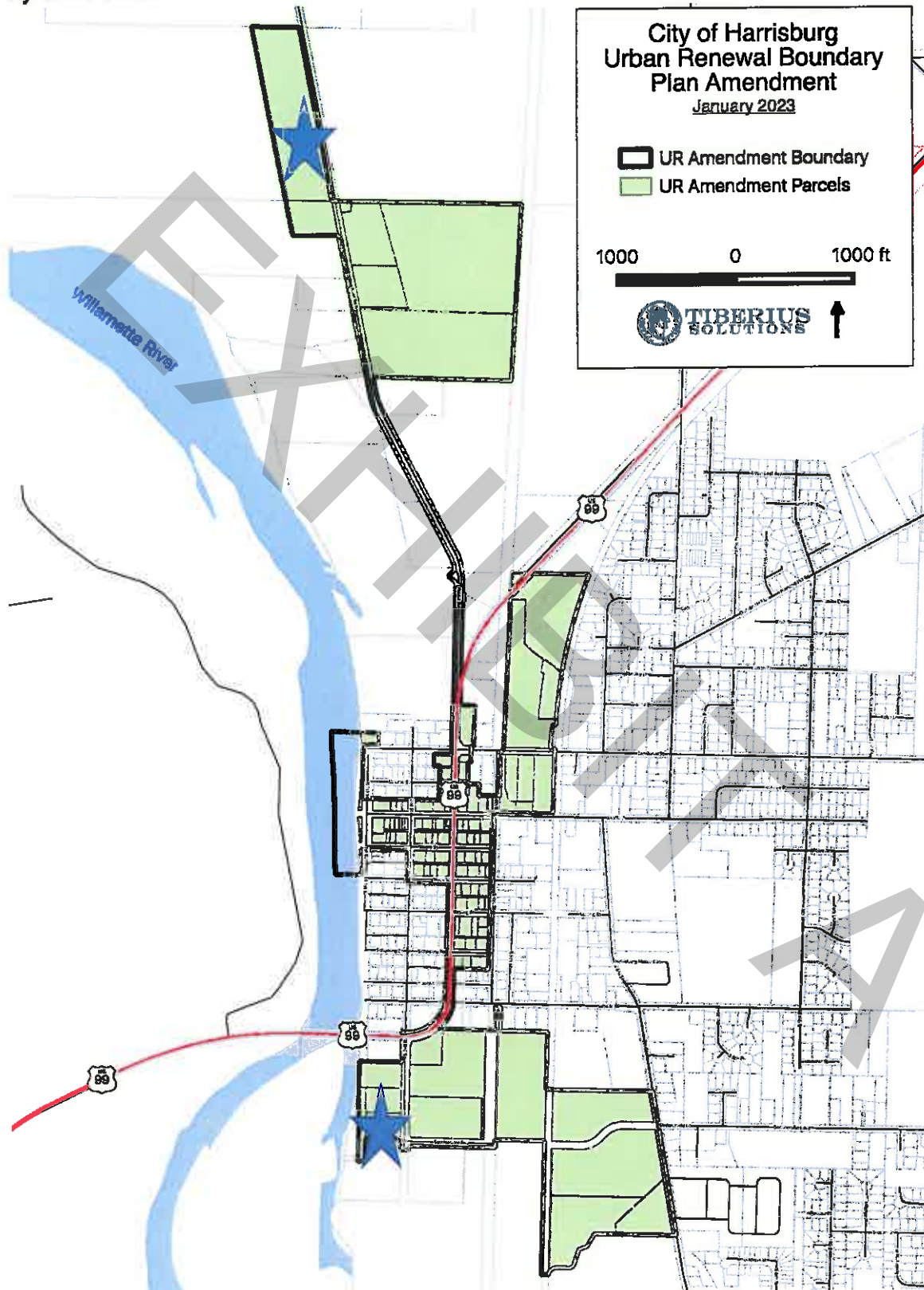
**GOALS:** To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban development.

**POLICIES:**

1. Encourage the development of public and private facilities that meet the community's economic, social, cultural, health, and educational needs.
4. Public facilities and services shall be provided to permit the development of an adequate housing supply.
5. High quality water supply and distribution systems shall be maintained to meet current and future domestic, commercial and industrial needs.
6. Future Street shall be planned in a manner that will ensure city water mains can be looped so that adequate water pressure can be provided in all parts of the city.

The projects being added to the plan include looped water systems, and a library and community center that will help facilitate social cultural health and educational needs of the community. Excellent recreational and library facilities help promote housing development. The water quality project being added to the Plan will address the Public Facilities policy of having a high-quality water supply and distribution system, and plays an important part in marketing both commercial and residential properties in Harrisburg.

Exhibit 4b Location of Proposed Public Improvements – Water Quality Projects shown by Blue Stars





**EXHIBIT B**  
**REPORT ACCOMPANYING THE HARRISBURG**  
**URBAN RENEWAL PLAN**  
**SUBSTANTIAL AMENDMENT**  
**AMENDMENT NO. 6**



Harrisburg Urban Renewal Area Plan

2023 Substantial Amendment

Approved by the City of Harrisburg

**DATE**

Ordinance No. \_\_\_\_\_

EXHIBIT  
B  
DRAFT

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## **I. DEFINITIONS**

**“Agency” or “HRA” means the Harrisburg Redevelopment Agency (HRA). The HRA is responsible for administration of the tax increment plan.**

**“Area” means the properties and rights-of-way located with the Harrisburg Urban Renewal Area boundary.**

**“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the tax increment plan.**

**“City” means the City of Harrisburg, Oregon.**

**“City Council” or “Council” means the Harrisburg City Council.**

**“Comprehensive Plan” means the City of Harrisburg comprehensive land use plan and its implementing ordinances, policies, and standards.**

**“County” means Linn County, Oregon.**

**“Fiscal year ending” means the year commencing on July 1 and closing on June 30 of the next year.**

**“Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within a tax increment area at the time of adoption. The county assessor certifies the assessed value after the adoption of a tax increment plan.**

**“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an tax increment area, or portion thereof, over the assessed value specified in the certified statement.**

**“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.**

**“ORS” means the Oregon Revised Statutes. Chapter 457 specifically relates to urban renewal, also called tax increment in this document.**

**“Planning Commission” means the Harrisburg Planning Commission.**

**“Revenue sharing” means under-levying tax increment proceeds to effectively share a portion of the revenue with the other taxing districts who levy permanent rate taxes in the tax increment area as defined in ORS 457.470.**

**“Tax increment financing (TIF)” is a method of funding tax increment projects and programs through incurring debt that is repaid by the division of taxes accomplished through the adoption of a tax increment plan.**

**“Tax increment finance revenues” means the funds allocated by the assessor to a tax increment area due to increases in assessed value over the frozen base within the area.**

**“UGB” means urban growth boundary.**

**"Tax increment area" (TIA) or "Tax Increment Finance Area" means a blighted area included in an tax increment plan or an area included in an tax increment plan under ORS 457.160.**

**"Tax increment plan" or "Plan" or "Tax Increment Finance Plan" means a plan, as it exists or is changed or modified from time to time, for one or more tax increment areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.**

**"Tax increment project" or "Tax Increment Project" or "Project" means any work or undertaking carried out under ORS 457 in a tax increment or tax increment finance area.**

**"Tax increment report" or "Tax Increment Report" or "Report" means the official report that accompanies the tax increment plan pursuant to ORS 457.08**

## II. INTRODUCTION

The Report Accompanying the Harrisburg Urban Renewal Plan (Report) contains background information and project details that pertain to the Harrisburg Urban Renewal Area Plan (Plan). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Harrisburg City Council as part of the approval of the Plan. The Harrisburg Urban Renewal Plan was established in December of 1992, and has an existing maximum indebtedness of \$8,177,674. To date, there have been four amendments, with the most recent being passed in 2015. These amendments are summarized below:

Amendment 1: Established Maximum Indebtedness of \$2,977,674.

Amendment 2: Authorized expenditures on Public Facilities.

Amendment 3: Authorized acquisition of property

Amendment 4: Increased Maximum Indebtedness to \$3,627,674.

Amendment 5: Increased MI to \$8,177,674 (2015)

Amendment 6: Added property and projects (2023)

This is considered a substantial amendment as it is an increase in acreage over 1% of the existing acreage, and, therefore, will require a City Council vote on a non-emergency ordinance.

The Report provides the analysis required to meet the standards of ORS 457.087, including financial feasibility. The Report accompanying the Plan contains the information required by ORS 457.087, including:

- A description of the physical, social, and economic conditions in the area and expected impact of the plan, including fiscal impact in light of increased services; (ORS 457.087(1))
- Reasons for selection of the plan Area; (ORS 457.087(2))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.087(3))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.087(4))
- The estimated completion date of each project; (ORS 457.087(5))
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired; (ORS 457.087(6))
- A financial analysis of the plan; (ORS 457.087(7))
- A fiscal impact statement that estimates the impact of tax increment financing (TIF) upon all entities levying taxes upon property in the urban renewal area; (ORS 457.087(8))
- A relocation report. (ORS 457.087(9))

The relationship between the sections of the Report and the ORS 457.087 requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

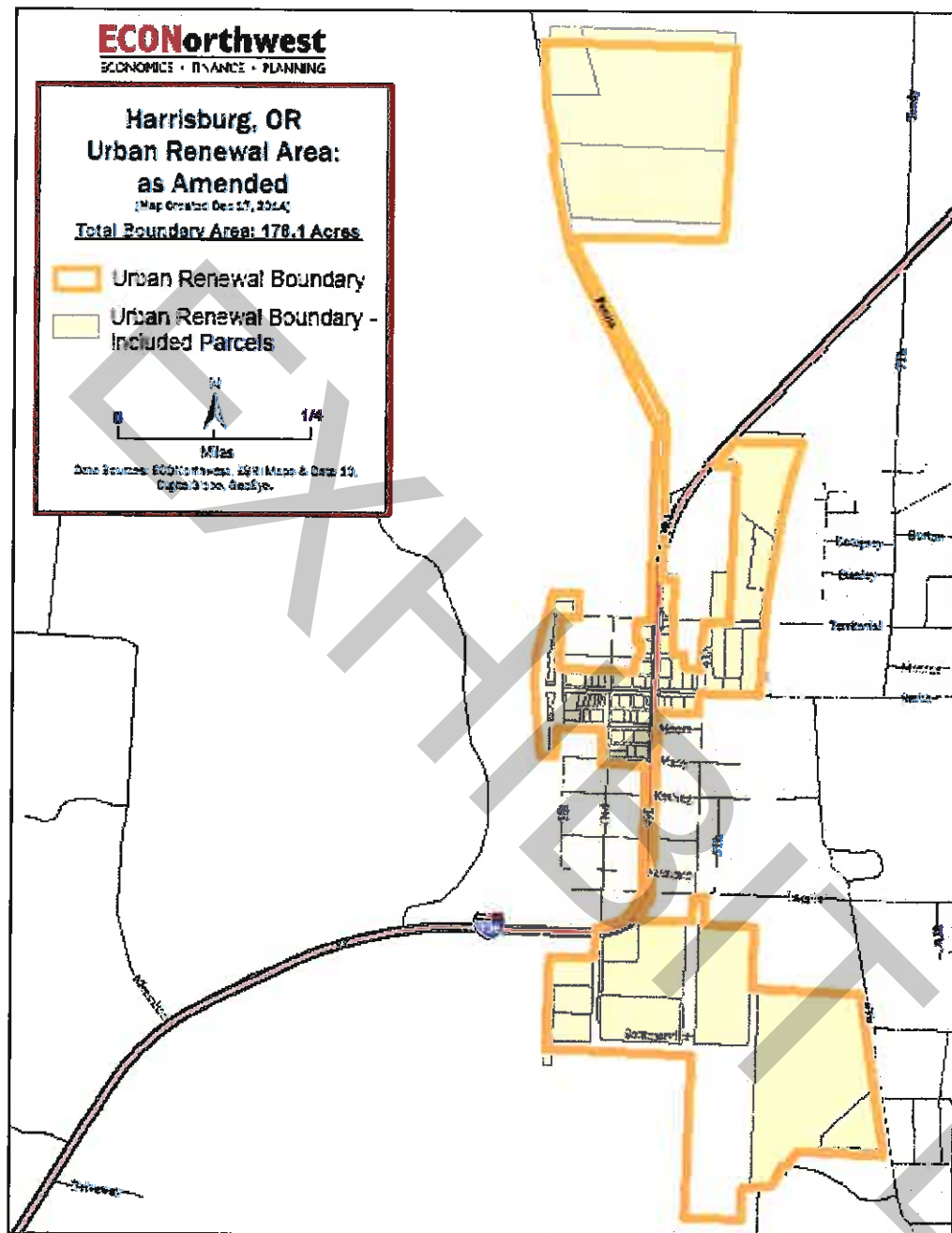
Table 1. Statutory References

<b>Statutory Requirement</b>	<b>Report Section</b>
ORS 457.087 (1)	XI
ORS 457.087 (2)	XII
ORS 457.087 (3)	III
ORS 457.087 (4)	IV
ORS 457.087 (5)	VII
ORS 457.087 (6)	V, VI
ORS 457.087 (7)	V, VI
ORS 457.087 (8)	IX
ORS 457.087 (9)	XIII

The Report provides guidance on how the Plan might be implemented. As the Harrisburg Redevelopment Agency (HRA) reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The HRA may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other adjustments to the financials as determined by the HRA. The HRA may also make changes as allowed in the Amendments section of the Plan. These adjustments must stay within the confines of the overall maximum indebtedness of the Plan.

Figure 1 shows the Area prior to the Amendment. Figures 2, 3 and 4 show the added parcels and Figure 5 shows the Area after the Amendment.

Figure 1. Harrisburg Urban Renewal Area Boundary Prior to Amendment

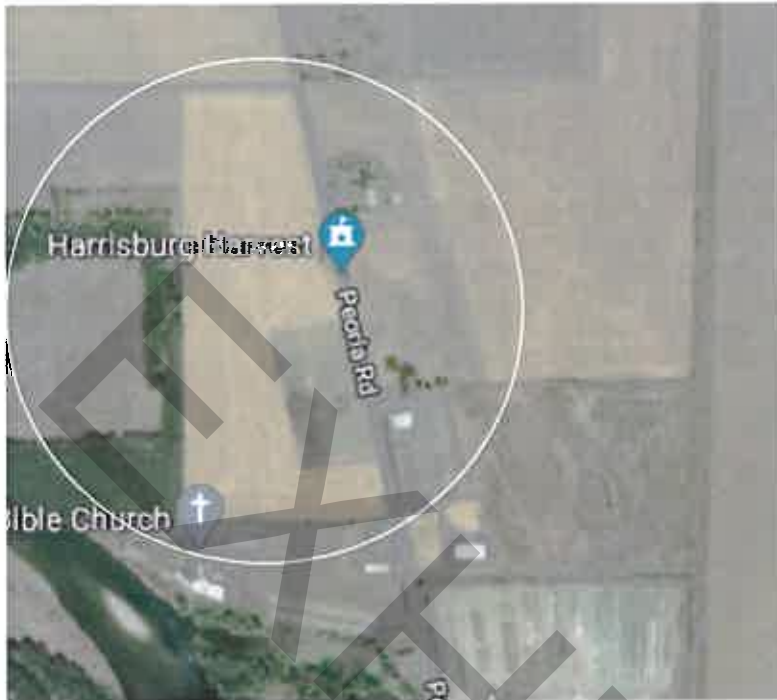


Source: 2014 Amendment



Source: City of Harrisburg

Figure 3. North Site



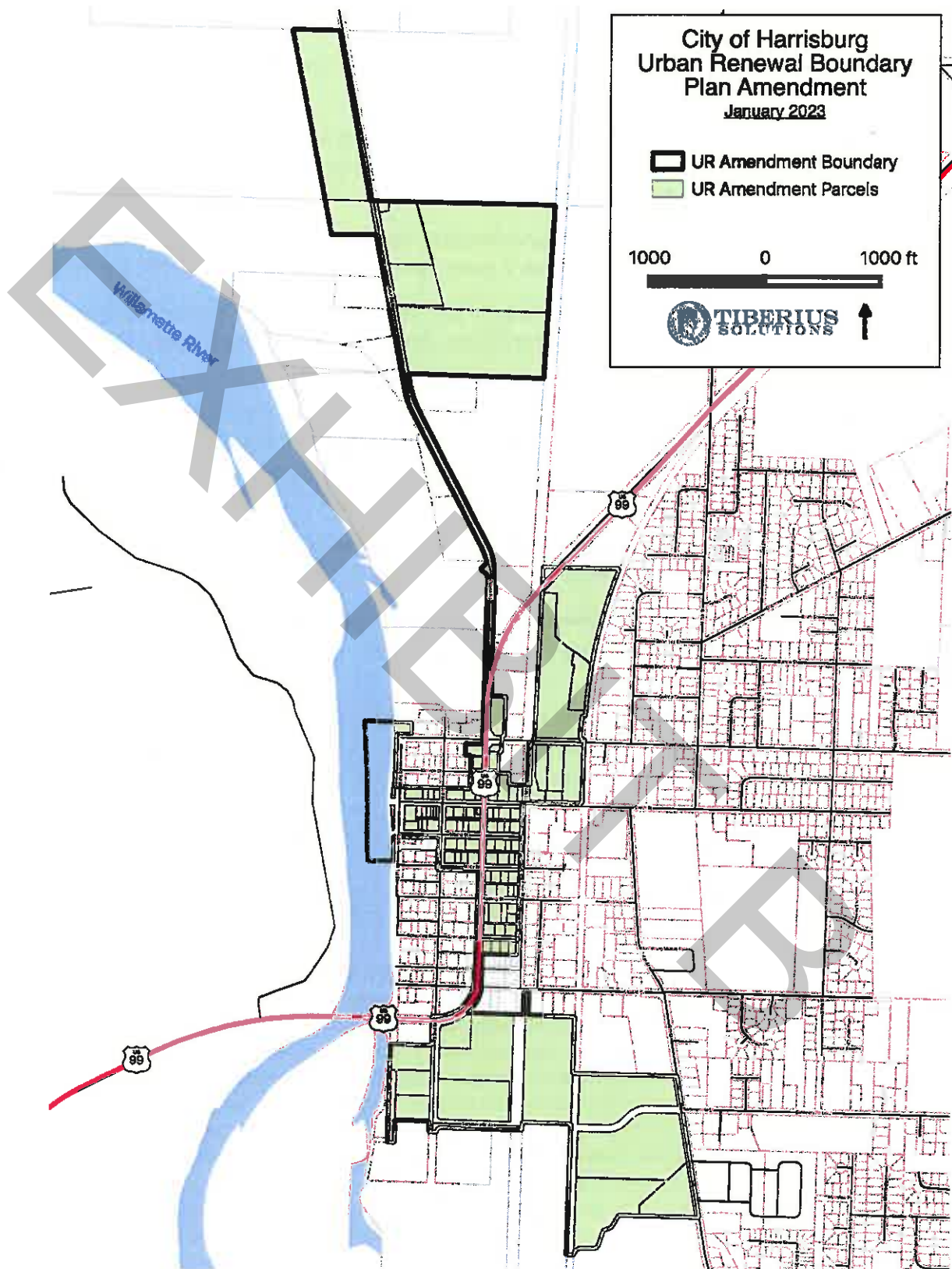
Source: City of Harrisburg

Figure 4. South Site



Source: City of Harrisburg

Figure 5. Harrisburg Urban Renewal Area Boundary After Amendment



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

The new projects identified for the Area are described below, including how they relate to the existing conditions in the Area.

The projects include: New 400 and 800 gpm iron and manganese removal and water storage facilities, which will treat potable water prior to entering the City's distribution system. In general, includes the following elements:

**North Project Site includes approximately 703,685 sq. ft., or 16.15 acres of property at 23914 Peoria Rd, which includes a portion of both 15S04W040000600 & 15S04W09000700:**

CMU Building, Pressure Filters (Already purchased), Chlorine Generator (Already purchased), Degasser, Miscellaneous Chemical Piping, Booster Pumps, Fire Pumps, Electrical, Restrooms, HVAC

1,500,000 Gallon Steel Reservoir and Foundation System, Piping, Coatings, Civil Sitework and Landscaping, Yard Piping, Underground Utilities, Landscaping, Drainage Improvements, Instrumentation and Controls Instruments, Controls, Analyzers, PLC, Emergency Generator Engine Generator, and a new Water production Well and Wellhouse.

**South Project Site includes 1.5 acres; the address is 790 S. 2<sup>nd</sup> St., or otherwise known as 15S04W16D, Tax Lot 203:**

CMU Building, Pressure Filters (Already purchased), Chlorine Generator (Already purchased), Degasser, Miscellaneous Chemical Piping, Booster Pumps, Fire Pumps, Electrical, Restrooms, HVAC

500,000 Gallon Steel Reservoir and Foundation System, Piping, Coatings, Civil Sitework and Landscaping, Yard Piping, Underground Utilities, Landscaping, Drainage Improvements, Instrumentation and Controls Instruments, Controls, Analyzers, PLC, and Emergency Generator Engine Generator.

*Existing Conditions:*

**The following information is from the Harrisburg Water System Master Plan Water Treatment Executive summary, pages 6,7.**

The City's wells have differing levels of secondary water quality contaminants, some of which contribute to taste and odor issues. Pilot testing determined that breakpoint chlorination followed by manganese dioxide filtration was effective in reducing hydrogen sulfide, manganese, and iron to below the secondary maximum contaminant level from the wells. Because manganese dioxide filtration is not effective at reducing total dissolved solids, the 2008 alternatives evaluation further recommended treating a portion of the well water with reverse osmosis to remove dissolved solids and blending treatment streams to achieve a palatable treated water. Reverse osmosis treatment adds considerable complexity and cost to treatment. Because water from Well 5 has the highest concentrations of total dissolved solids including chlorides which can contribute to taste. If the City can replace this water source with water from Well 8 and a future Well 9, treatment to remove total dissolved solids may be unnecessary. Well 5 can be maintained as an emergency water source, or it may be decommissioned in the future.

Proposed water treatment processes and treatment plant site infrastructure including manganese dioxide filtration systems, on-site hypochlorite generation systems, new distribution pump stations, a new 0.5-MG welded steel storage tank in the south, and a new 1.5-MG welded steel storage tank in the north are described in Chapter 8 of the Harrisburg Water Master Plan.

These projects are identified in Table ES04. Water Treatment Plan Site Capital Improvement Plan.

**The following information is from the City of Harrisburg website from a 2015 Town Hall presentation:**

- There are two storage tanks, one two million gallons and a .5 million gallon tank.
- The water contains high levels of iron, manganese, hydrogen sulfide, dissolved solids and chlorides.
- These elements can cause taste, odor, discoloration and other aesthetic issues.
- The Master Plan recommendation was to replace the 2 million gallon storage tank and to install a water treatment facility.

From this meeting, the City Council moved forward on the formal process of a municipal water study. The City Council received the first draft in March of 2016 and the final water tests and study results in February of 2017. These findings were shared with our citizens and it was decided to ask the voters if they wanted to fund a large water improvement project. There were several town hall meetings, in which citizens were invited to see what improvements were recommended. In November 2017 voters approved to move forward with water system improvements. In early 2018, the city started the pre-design work which will take several months. It took approximately 3 different engineering firms a little over two years in order to complete the design and engineering work required to go out to public bid for the water reservoir and water filtration systems. The City went out for bid in early fall 2021, and again, in April of 2022.

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

The total cost estimates for projects are shown in Table 2 below. Table 2 presents the estimated costs of the projects today (FYE 2023 constant dollars) and the estimated cost of those projects in the future (year of expenditure dollars). The year of expenditure dollars assumes annual 3% inflation rates. These are all estimates acknowledging that the urban renewal portions of these project activities must fit within the maximum indebtedness. Project dollar allocations may be changed between projects and may be allocated to other projects within the Plan. This is typically done in the annual budgeting process.

The Plan assumes that the HRA/City will use other funds to assist in the completion of the projects within the Area. The Water Quality Project is a city-wide benefit project, and the costs will be shared with other funding sources. The proportion of urban renewal funds will be established once the full cost is known. The HRA/City may pursue regional, county, state, and federal funding, private developer contributions, and any other sources of funding that may assist in the implementation of the projects or programs.

The HRA will be able to review and update fund expenditures and allocations on an annual basis when the annual budget is prepared.

Table 2. Estimated Cost of Each Project

Project Title	Constant FYE 2023	Year of Expenditure Project Cost
Materials and Services	(23,400)	(23,400)
Water Quality Project - Capital Outlay	(1,979,118)	(1,979,118)
Special Payments	(50,000)	(50,000)
Community Center	(1,787,818)	(2,166,757)
Financing Fees	(7,767)	(8,000)
Total Expenditures	(3,848,104)	(4,227,275)

Source: City of Harrisburg and Tiberius Solutions



## V. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FYE 2035 are calculated based on projections of growth in assessed value due to new development and appreciation within the Area and the consolidated tax rate that will apply in the Area.

The long-term projections for FYE 2024 and beyond assume an annual growth rate of 4.4% for real, personal and utility assessed value in the Area (equal to 3% maximum annual appreciation for existing property plus 1.4% exception value from new development). These projections of growth are the basis for the projections in the Area.

These projections of growth were informed by historical growth trends in the Area.

Table 3 and Figure 6 show the incremental assessed value, tax rates, and tax increment revenues each year, adjusted for discounts, and delinquencies.

In Table 3 below, gross tax increment financing (TIF)<sup>1</sup> is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is "tax rate times assessed value used divided by one thousand." The consolidated tax rate includes permanent tax rates only, and excludes general obligation bonds and local option levies, which will not be impacted by this Plan.

Figure 6 shows expected TIF revenues over time and the projected tax revenues after termination of the Area. Definitions for Table 3 are shown below:

- Gross tax increment financing revenue (TIF) is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is "tax rate times assessed value used divided by one thousand." The consolidated tax rate includes only permanent tax rates. General obligation bonds and local option levies are excluded and will not be impacted by this Plan. Total AV is the projected total assessed value.
- Frozen base is the estimate of the assessed value of the Area at its formation.
- Increment used is the total assessed value minus the frozen base.
- Increment shared is the amount that will be distributed to all taxing districts according to their permanent rate due to revenue sharing. This is more thoroughly discussed in the Revenue Sharing section of this Report.
- Tax rate is the total permanent rate levy for the Area.
- Adjustments are calculated at 5% of the Gross TIF and are for discounts, delinquencies, and rate truncation.
- TIF Current Year reflects subtracting the 5% adjustment factor from Gross TIF.
- TIF Prior Years is the tax increment revenue that was delinquent the prior year and is paid by the assessor's office once it is received. It is estimated that this amount is 1.5% of total TIF.
- Net TIF is the amount of tax increment revenues estimated to be received by the HRA.

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<sup>1</sup> TIF is also used to signify tax increment revenues

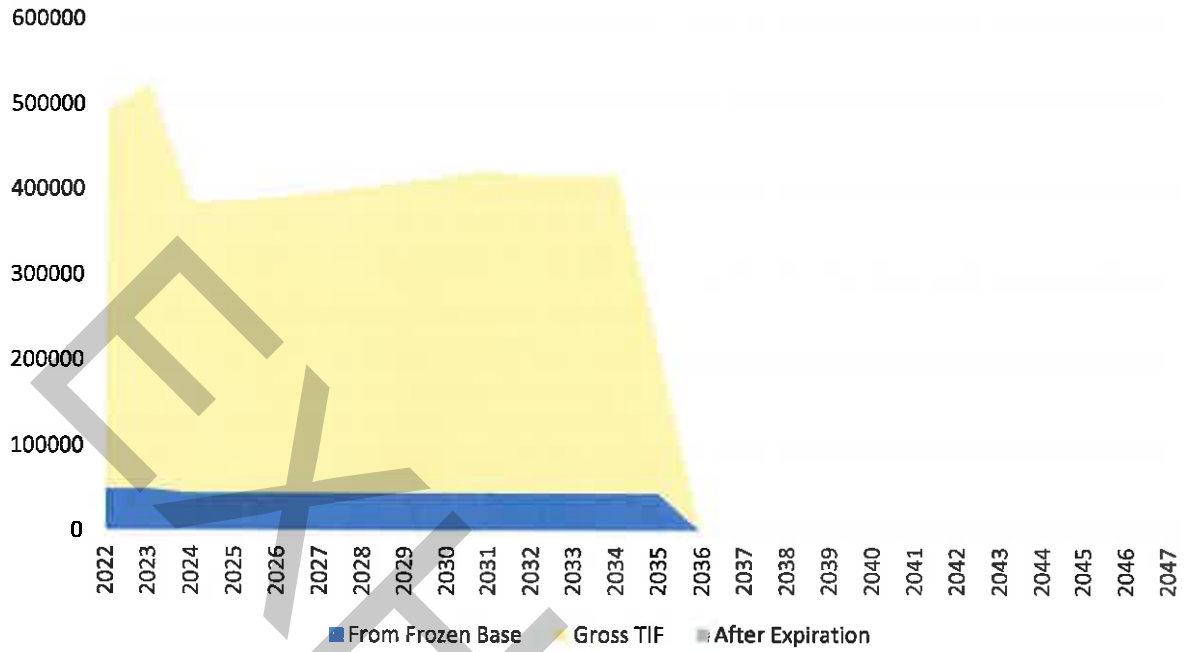


Table 3. Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues, page 1

FYE	Total AV	Frozen Base AV	Increment Applied	Increment Shared	Tax Rate	Gross TIF	Adjustments	Current Year Net	Prior Year Net	Total TIF
2022	39,344,957	3,936,405	35,408,552	0	\$12.5566	444,610	(22,231)	422,380	6,669	429,049
2023	41,836,975	3,936,405	37,900,570	0	\$12.4941	473,535	(23,677)	449,858	6,336	456,194
2024	43,677,802	3,936,405	30,324,484	9,416,913	\$11.2348	340,691	(17,035)	323,656	6,748	330,404
2025	45,599,625	3,936,405	30,496,587	11,166,633	\$11.2349	342,625	(17,131)	325,494	4,855	330,349
2026	47,606,008	3,936,405	30,874,541	12,795,062	\$11.2349	346,872	(17,344)	329,528	4,882	334,411
2027	49,700,671	3,936,405	31,323,187	14,441,079	\$11.2349	351,913	(17,596)	334,317	4,943	339,260
2028	51,887,501	3,936,405	31,869,821	16,081,275	\$11.2349	358,055	(17,903)	340,152	5,015	345,167
2029	54,170,551	3,936,405	32,440,512	17,793,634	\$11.2349	364,467	(18,223)	346,244	5,102	351,346
2030	56,554,056	3,936,405	33,036,436	19,581,215	\$11.2350	371,163	(18,558)	352,605	5,194	357,799
2031	59,042,434	3,936,405	33,658,468	21,447,561	\$11.2350	378,152	(18,908)	359,244	5,289	364,534
2032	61,640,301	3,936,405	33,129,442	24,574,454	\$11.2350	372,209	(18,610)	353,599	5,389	358,987
2033	64,352,474	3,936,405	33,129,398	27,286,671	\$11.2350	372,209	(18,610)	353,599	5,304	358,903
2034	67,183,983	3,936,405	33,129,366	30,118,222	\$11.2350	372,209	(18,610)	353,599	5,304	358,903
2035	70,140,078	3,936,405	14,686,511	51,517,162	\$11.2350	165,003	(8,250)	156,753	5,304	162,057
<b>TOTAL:</b>						<b>5,053,713</b>	<b>(252,686)</b>	<b>4,801,028</b>	<b>76,333</b>	<b>4,877,361</b>

Source: Tiberius Solution

Figure 6. TIF Projections



Source: Tiberius Solutions

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

Table 4 shows the projected borrowing for the Area. Table 7 and Table 8 show more detailed tables on the allocation of tax revenues to projects, programs, and administration over time.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the URA in FYE 2035, an additional 12 years including FYE 2024. The Plan stipulates that the Area must terminate in FYE 2036 unless 95% of the taxing districts agree to an extension. This financial analysis meets the requirement of termination prior to FYE 2036.

The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If growth in assessed value is slower than projected, the HRA may take division of taxes for a longer time period. If growth in assessed value is more robust than the projections, the HRA may take division of taxes for a shorter time period. These assumptions show one scenario for financing and that this scenario is financially feasible.

The maximum indebtedness (MI) is \$8,177,674 (eight million, one hundred seventy seven thousand six hundred seventy-four dollars). The remaining MI as of FYE 2023 is \$2,120,757. The estimated total amount of tax increment revenues required to service the remaining maximum indebtedness from FYE 2024 forward is \$4,402,331 and is from permanent rate levies. The increase over the maximum indebtedness is due to the projected cost of the interest on borrowings.

Because the Plan is being substantially amended, ORS 457.010 (B)(10) requires that it be changed into a permanent rate plan which means it will no longer collect any division of tax revenues from bonds. This is a change to ORS 457 that occurred in 2019.

This financial analysis shows borrowings as identified in Table 4. This is only one scenario for how the HRA may decide to implement this Plan, and this scenario is financially feasible. The HRA may decide to do borrowings at different times or for different amounts, depending on their analysis at the time. The timeframes on these borrowings are designed to have all borrowings repaid at the termination of the Area in FYE 2036 as stipulated in the Plan. The amounts shown are the principal amounts of the borrowings. The total amounts, including interest, are shown in the second column of Table 5.

Table 4. Estimated Borrowings and Amounts

Loan	Loan A
Principal Amount	\$ 400,000
Interest Rate	5.00%
Loan Term	12
Loan Year	2024
Interest Payment Start	2024
Principal Payment Start	2024
Annual Payment	(\$45,130.26)

Source: Tiberius Solutions

Table 5. Tax Increment Revenues and Allocations to Debt Service, page 1

Resources	TOTAL	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Balance								
Interest Earnings		213,934	-	-	-	-	-	-
TIF: Current Year	9,980	9,980	-	-	-	-	-	-
TIF: Prior Years	\$4,378,648	449,858	323,656	325,494	329,528	334,317	340,152	346,244
	\$69,664	6,336	6,748	4,855	4,882	4,943	5,015	5,102
Total Resources	\$4,458,292	680,107	330,404	330,349	334,411	339,260	345,167	351,346
Expenditures								
Debt Service								
Scheduled Payments								
Loan A, 2025	(541,562)		(45,130)	(45,130)	(45,130)	(45,130)	(45,130)	(45,130)
Full Faith and Credit Obligations Series 2017	(1,943,600)	(213,800)	(216,400)	(216,400)	(216,200)	(215,800)	(215,200)	(214,400)
Revenue Sharing repayment	(104,976)	(104,976)						
Total Debt Service, Scheduled Only	(2,590,138)	(318,776)	(261,530)	(261,530)	(261,330)	(260,930)	(260,330)	(259,530)
Total Debt Service	(2,590,138)	(318,776)	(261,530)	(261,530)	(261,330)	(260,930)	(260,330)	(259,530)
Debt Service Coverage Ratio		1.43	1.26	1.26	1.28	1.30	1.33	1.35
Transfer to URA Projects Fund	(2,082,088)	(361,331)	(68,874)	(68,818)	(73,081)	(78,330)	(84,837)	(91,816)
Total Expenditures	(4,672,226)	(680,107)	(330,404)	(330,349)	(334,411)	(339,260)	(345,167)	(351,346)
Ending Balance			-	-	-	-	-	-

Source: Tiberius Solutions

Table 6. Tax Increment Revenues and Allocations to Debt Service, page 2

Resources	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035
Beginning Balance	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-
TIF: Current Year	352,605	359,244	353,599	353,599	353,599	156,753
TIF: Prior Years	5,194	5,289	5,389	5,304	5,304	5,304
Total Resources	357,799	364,534	358,987	358,903	358,903	162,057
Expenditures						
Debt Service						
Scheduled Payments						
Loan A, 2025	(45,130)	(541,562)	(45,130)	(45,130)	(45,130)	(45,130)
Full Faith and Credit Obligations Series 2017	(218,400)	(217,000)	-	-	-	-
Total Debt Service, Scheduled Only	(263,530)	(262,130)	(45,130)	(45,130)	(45,130)	(45,130)
Total Debt Service	(263,530)	(262,130)	(45,130)	(45,130)	(45,130)	(45,130)
Debt Service Coverage Ratio	1.36	1.39	7.95	7.95	7.95	3.59
Transfer to URA Projects Fund	(94,268)	(102,403)	(313,857)	(313,772)	(313,772)	(116,927)
Total Expenditures	(357,799)	(364,534)	(358,987)	(358,903)	(358,903)	(162,057)
Ending Balance	-	-	-	-	-	-

Source: Tiberius Solutions

## VII. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The schedule for construction of projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the HRA and City.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the Area in FYE 2035, twelve additional years of tax increment revenues projections and within the limits of the Plan.

The amount of money available for projects in 2023 constant dollars for the Area is \$3,848,104. See Table 2 for the individual project analysis. This equates to \$4,227,275 in year of expenditure dollars.

Table 7 and Table 8 show the \$3,848,104 of 2023 project dollars inflated over the life of the Area including administrative expenses. All costs shown in Table 7 and Table 8 are in year-of-expenditure dollars, which are adjusted by 3.0% annually to account for inflation.

The 3% inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470. The HRA may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan. The following tables are prepared to show that the Area is financially feasible as required by ORS 457. It assumes completion of projects as funding becomes available. If the City is able to jumpstart the Area by providing alternative funding sources which are repaid when tax increment revenues are available, or if other outside funding sources are secured, including but not limited to developer contributions, the timing on projects can be moved up.

Table 7. Programs and Costs in Year of Expenditure Dollars, Page 1

	TOTAL	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Balance		1,673,818 <sup>2</sup>	-	-	-	-	-	-
Interest Earnings	8,369	8,369	-	-	-	-	-	-
Transfer from TIF Fund	2,082,088	361,331	68,874	68,818	73,081	78,330	84,837	91,816
Bond/Loan Proceeds	400,000	-	400,000	-	-	-	-	-
HRA Loan Program Payments	63,000	9,000 <sup>3</sup>	9,000	9,000	9,000	9,000	9,000	9,000
Total Resources	2,553,457	2,052,518	477,874	77,818	82,081	87,330	93,837	100,816
<b>Expenditures (VOE \$)</b>								
Materials and Services	(23,400)	(23,400)						
Capital Outlay	(1,979,118)	(1,979,118)						
Special Payments	(50,000)	(50,000)						
Community Center	(2,166,757)	-	(469,874)	(77,818)	(82,081)	(87,330)	(93,837)	(100,816)
Financing Fees	(8,000)		(8,000)					
Administration								
Total Expenditures	(4,227,275)	(2,052,518)	(477,874)	(77,818)	(82,081)	(87,330)	(93,837)	(100,816)
Ending Balance	-	-	-	-	-	-	-	-

Source: Tiberius Solutions



Table 8. Programs and Costs in Year of Expenditure Dollars, Page 2

	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035
Beginning Balance	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-
Transfer from TIF Fund	94,268	102,403	313,857	313,772	313,772	116,927
Bond/Loan Proceeds	-	-	-	-	-	-
HRA Loan Program Payments	-	-	-	-	-	-
Total Resources	94,268	102,403	313,857	313,772	313,772	116,927
Expenditures (YOE \$)						
Materials and Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Special Payments	-	-	-	-	-	-
Community Center	(94,268)	(102,403)	(313,857)	(313,772)	(313,772)	(116,927)
Financing Fees	-	-	-	-	-	-
Administration	-	-	-	-	-	-
Total Expenditures	(94,268)	(102,403)	(313,857)	(313,772)	(313,772)	(116,927)
Ending Balance	-	-	-	-	-	-

Source: Tiberius Solutions

## VIII. REVENUE SHARING

As stipulated in ORS 457, revenue sharing begins for existing plans once the maximum indebtedness is increased.

Revenue sharing means that at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the Area. The first threshold is when annual tax increment finance revenues exceed 10% of the original maximum indebtedness of the Plan (\$297,767). At the 10% threshold, the HRA will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold.

The second threshold is set at 12.5% of the maximum indebtedness (\$372,209). If this threshold is met, revenue for the area would be capped at 12.5% of the maximum indebtedness, with all additional tax revenue being shared with affected taxing districts.

Revenue sharing thresholds were established in the 2015 Amendment which increased the maximum indebtedness. This Area actually reached revenue sharing thresholds in FYE 2019. The HRA Administrator has met with the key taxing districts and has sent information to all taxing districts about this issue. The resolution of that issue is not a part of this Amendment other than knowing that proceeds that are in the HRA account will be used to repay the taxing districts their past revenue sharing payments. These payments are indicated in the Finance Plan on Table 7. Programs and Costs in Year of Expenditure Dollars, Page 1 in the row on revenue sharing payments in FYE 2023. The City of Harrisburg and the Harrisburg School District did not require that the back revenue sharing payments be made. Payments are being made to all other taxing districts in FY 2022/2023.

Revenue sharing will be an annual component of future tax increment collections. This will be accomplished by filling out the UR 50 form for the county assessor on an annual basis designating the amount of tax increment proceeds which will go to the HRA. The remainder of the tax increment proceeds will be distributed to the taxing districts by the county assessor. This revenue sharing is projected to be in the following amounts:

Table 9 shows the revenue sharing amounts through FYE 2023. Table 10 shows projected future revenue sharing amounts.

**Table 9. Revenue Sharing Analysis 2019 through FYE 2023**

<b>Taxing District</b>	<b>Rate Type</b>	<b>FYE 2019</b>	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>TOTAL</b>
Linn County	Permanent	1,885	4,216	8,977	11,171	13,102	<b>39,352</b>
Harrisburg RFD	Permanent	1,672	3,741	7,964	9,911	11,623	<b>34,912</b>
4H Extension District	Permanent	104	232	493	614	720	<b>2,163</b>
ESD Linn-Benton-Lincoln	Permanent	451	1,009	2,149	2,674	3,137	<b>9,421</b>
Lane Community College	Permanent	916	2,050	4,364	5,430	6,369	<b>19,129</b>
<b>Total</b>		<b>5,029</b>	<b>11,248</b>	<b>23,948</b>	<b>29,801</b>	<b>34,951</b>	<b>104,976</b>

Source: Tiberius Solutions - These will be paid in FYE 2023.

Table 10. Projected Revenue Sharing FYE 2023 - FYE 2035

FYE	TOTAL	Shared - Mandatory	Max Allowable TIF w/ Requirements	TIF to URA after Requirements	Shared TIF Voluntary	Final Gross TIF for URA
2024	446,488	105,798	340,691	340,691		340,691
2025	468,081	125,456	342,625	342,625		342,625
2026	490,623	143,751	346,872	346,872		346,872
2027	514,157	162,244	351,913	351,913		351,913
2028	538,727	180,672	358,055	358,055		358,055
2029	564,378	199,910	364,467	364,467		364,467
2030	591,157	219,994	371,163	371,163		371,163
2031	619,115	240,963	378,152	378,152		378,152
2032	648,303	276,094	372,209	372,209		372,209
2033	678,775	306,566	372,209	372,209		372,209
2034	710,588	338,379	372,209	372,209		372,209
2035	743,801	371,592	372,209	372,209	207,206	165,003
TOTAL	444,610	110,138	372,209	334,472		444,610

Source: Tiberius Solutions

The Voluntary Shared TIF is due to the urban renewal area meeting the maximum indebtedness in FYE and not needing all of the projected tax increment revenues that year. Again, these are projections and actual TIF revenues may vary.

## IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the Area. **These impacts do not reflect additional years of impacts of the existing urban renewal plan, just updated financial projections.**

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 in the Area. These projections are for impacts estimated through FYE 2035.

The Harrisburg School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. 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, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level.

Table 11 and Table 12 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 11 shows the general government levies, and Table 12 shows the education levies.

**Table 11. Updated Projected Impact on Taxing District Permanent Rate Levies - General Government**

<b>FYE</b>	<b>Linn County</b>	<b>City of Harrisburg</b>	<b>Harrisburg RFD</b>	<b>4H Extension District</b>	<b>Subtotal</b>
2023	(\$46,502)	(\$116,188)	(\$41,256)	(\$2,556)	(\$206,502)
2024	(\$37,455)	(\$93,583)	(\$33,229)	(\$2,059)	(\$166,326)
2025	(\$37,449)	(\$93,568)	(\$33,223)	(\$2,058)	(\$166,298)
2026	(\$37,909)	(\$94,719)	(\$33,632)	(\$2,084)	(\$168,344)
2027	(\$38,459)	(\$96,093)	(\$34,120)	(\$2,114)	(\$170,785)
2028	(\$39,128)	(\$97,766)	(\$34,714)	(\$2,151)	(\$173,759)
2029	(\$39,829)	(\$99,517)	(\$35,335)	(\$2,189)	(\$176,870)
2030	(\$40,560)	(\$101,345)	(\$35,984)	(\$2,229)	(\$180,118)
2031	(\$41,324)	(\$103,253)	(\$36,661)	(\$2,271)	(\$183,509)
2032	(\$40,695)	(\$101,682)	(\$36,103)	(\$2,237)	(\$180,717)
2033	(\$40,685)	(\$101,659)	(\$36,095)	(\$2,236)	(\$180,675)
2034	(\$40,685)	(\$101,659)	(\$36,095)	(\$2,236)	(\$180,675)
2035	(\$18,371)	(\$45,903)	(\$16,298)	(\$1,010)	(\$81,581)
<b>TOTAL:</b>	<b>(\$499,051)</b>	<b>(\$1,246,936)</b>	<b>(\$442,744)</b>	<b>(\$27,429)</b>	<b>(\$2,216,160)</b>

Source: Tiberius Solutions

**Table 12. Updated Projected Impact on Taxing District Permanent Rate Levies – Education**

<b>FYE</b>	<b>ESD Linn-Benton-Lincoln</b>	<b>Lane Community College</b>	<b>Harrisburg SD #7</b>	<b>Subtotal</b>	<b>Total</b>
2023	(\$11,133)	(\$22,605)	(\$169,974)	(\$203,711)	(\$410,213)
2024	(\$8,967)	(\$18,207)	(\$136,904)	(\$164,078)	(\$330,404)
2025	(\$8,965)	(\$18,204)	(\$136,881)	(\$164,050)	(\$330,349)
2026	(\$9,075)	(\$18,428)	(\$138,564)	(\$166,067)	(\$334,411)
2027	(\$9,207)	(\$18,695)	(\$140,573)	(\$168,475)	(\$339,260)
2028	(\$9,367)	(\$19,020)	(\$143,020)	(\$171,408)	(\$345,167)
2029	(\$9,535)	(\$19,361)	(\$145,580)	(\$174,476)	(\$351,346)
2030	(\$9,710)	(\$19,716)	(\$148,254)	(\$177,680)	(\$357,799)
2031	(\$9,893)	(\$20,088)	(\$151,044)	(\$181,024)	(\$364,534)
2032	(\$9,742)	(\$19,782)	(\$148,746)	(\$178,270)	(\$358,987)
2033	(\$9,740)	(\$19,777)	(\$148,710)	(\$178,228)	(\$358,903)
2034	(\$9,740)	(\$19,777)	(\$148,710)	(\$178,227)	(\$358,903)
2035	(\$4,398)	(\$8,930)	(\$67,148)	(\$80,476)	(\$162,057)
<b>TOTAL:</b>	<b>(\$119,473)</b>	<b>(\$242,590)</b>	<b>(\$1,824,108)</b>	<b>(\$2,186,172)</b>	<b>(\$4,402,331)</b>

Source: Tiberius Solutions Please refer to the explanation of the schools funding in the preceding section .

Table 13 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2036

Table 13. Additional Revenues Obtained after Termination of Tax Increment Financing – FYE 2036

Taxing District	Tax Rate	From Frozen Base	From Excess Value	Total
<b>General Government</b>				
Linn County	1.2736	5,013	88,248	93,261
City of Harrisburg	3.1875	12,547	220,504	233,051
Harrisburg RFD	1.1299	1,129	78,291	82,739
4H Extension District	0.0700	0,070	4,850	5,126
<b>Subtotal General Government</b>	<b>5.6610</b>	<b>22,284</b>	<b>391,893</b>	<b>414,177</b>
<b>Education</b>				
ESD Linn-Benton-Lincoln	0.3049	1,200	21,126	22,326
Lane Community College	0.6191	2,437	42,897	45,334
Harrisburg SD #7	4.6552	18,325	322,558	340,883
<b>Subtotal Education</b>	<b>5.5792</b>	<b>21,962</b>	<b>386,581</b>	<b>408,543</b>
<b>TOTAL:</b>	<b>11.2402</b>	<b>44,246</b>	<b>778,474</b>	<b>822,720</b>

Source: Tiberius Solutions

## X. 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 25% for municipalities under 50,000 in population. As noted below, the frozen base (assumed to be FYE 2023 values), including all real, personal, manufactured, and utility properties in the Area, is \$3,936,405. The FYE 2023 excess value is \$37,900,570. The total assessed value of the City of Harrisburg in FYE 2023 is \$271,957,585. The percentage of total City assessed value in the urban renewal area is 1.68%, below the 25% threshold.

The Area contains 168.6 acres, including public rights-of-way. The amendment adds 17.65 acres. The total acreage will be 186.25 acres and the City of Harrisburg contains 916.8 acres. This equates to 20.31% of the City's acreage in an urban renewal area, which is below the 25% threshold.

Table 14. Urban Renewal Area Conformance with Assessed Value and Acreage Limits\*

	Acreage	Assessed Value
A. Harrisburg Urban Renewal Area frozen base	168.6	\$ 3,936,405
B. Harrisburg Urban Renewal Area increment		\$37,900,570
Added Acreage in Amendment	17.65	
Total Acreage	186.25	
C. City of Harrisburg	916.8	\$271,957,585
% of City Acreage	20.31%	1.68%
% of City Assessed Value (formula) =A/(C-B)		

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Harrisburg, Linn County Department of Assessment and Taxation (FYE 2023) \*Table 14 might be further adjusted as final numbers are analyzed.

## XI. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

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

### A. Physical Conditions

#### 1. Land Use

The Area is 186.25 acres, which is composed of 115 individual parcels encompassing 156.33 acres, and an additional 29.92 acres in public rights-of-way. An analysis of FYE 2023 property classification data from the Linn County Assessor’s Office were used to determine the land use designation of parcels in the Area. By acreage, Industrial accounts for the most prevalent land use within the area (76%). This was followed by Commercial (11%). Detailed land use designations in the Area are shown in Table 15.

Table 15. Land Use in the Area

Land Use	Parcels	Acres	Percent of Acres
Industrial	23	116.6	74.59%
Commercial	55	16.66	10.66%
Public Use	2	16.39	10.48%
Single-family residential	30	5.88	3.76%
Residential Manufactured	2	0.24	0.15%
Residential 2-4 units	3	0.56	0.36%
<b>TOTAL:</b>	<b>115</b>	<b>156.33</b>	<b>100.00%</b>

Source: Compiled by Elaine Howard Consulting with data from the Linn County Assessor’s office. \*Table 15 and rights-of-way acreage will be further adjusted as the boundaries are updated by the surveyors office.

#### 2. Zoning and Comprehensive Plan Designations

The parcels to be added have designations of M-2, Industrial for property located in the City, which is an industrial comprehensive plan designation and EFU, Exclusive Farm Use, under the Linn County Code, with an approved Conditional Use Permit for the use planned for the water bond project from Linn County.

### 3. Comprehensive Plan Designations

The most prevalent comprehensive plan designation by acreage in the Area is General Industrial (63%) followed by Residential (16%). Detailed comprehensive plan designations in the Area are shown in Table 16.

Table 16 Comprehensive Plan Designations in the Area

<b>Comprehensive Plan Designation</b>	<b>Tax Lots</b>	<b>Acres</b>	<b>Percent of Acres</b>
General Industrial	15	98.82	63.22%
Limited Industrial	8	24.3	15.55%
Exclusive Farm Use	2	16.39	10.48%
Commercial	64	12.73	8.14%
Residential Medium Density	20	3.49	2.23%
Greenway	6	0.59	0.38%
<b>TOTAL:</b>	<b>115</b>	<b>156.32</b>	<b>100.00%</b>

Source: Compiled by Elaine Howard Consulting with data from the Linn County Assessor's office

### 4. Zoning Designations

The most prevalent zoning designation by acreage in the Area is M2 General Industrial (74%) followed by M1 Limited Industrial (16%). Detailed zoning designations in the Area are shown in Table 17. The two parcels that have Comprehensive Plan designations of Exclusive Farm Use in the table above are zoned M2 in the zoning table below.,

Table 17. Zoning Designations in the Area

<b>Zoning Designations</b>	<b>Tax Lots</b>	<b>Acres</b>	<b>Percent of Acres</b>
M-2 General Industrial	17	115.21	73.70%
M-1 Limited Industrial	8	24.3	15.55%
C-1 Commercial	64	12.73	8.14%
R-2 Multi-Family Residential	20	3.49	2.23%
Greenway Special Purpose	6	0.59	0.38%
<b>TOTAL:</b>	<b>115</b>	<b>156.32</b>	<b>100.00%</b>

Source: Compiled by Elaine Howard Consulting with data from the Linn County Assessor's office



## 5. Infrastructure

This section identifies the existing conditions in the Area to assist in **establishing blight in the ordinance adopting the urban renewal plan**. There are projects listed in several City of Harrisburg's infrastructure master plans that relate to these existing conditions. The projects below are a compilation by Harrisburg staff of these projects. **This does not mean that all of these projects are included in the urban renewal plan**. The specific projects that are included in the Plan are listed in Sections II and III of this Report.

### i. **Transportation: Street and Sidewalk Conditions**

There are sections of road and sidewalk that do not adequately serve the community. These sections need to be upgraded to provide a safe and appealing transportation network that will encourage efficient pedestrian and vehicular travel and make the Area an attractive location for business owners. Some of the streets in the downtown core that require improvements are listed below, as identified by the Harrisburg City Engineer. The conditions of these streets indicate the Area is blighted per ORS 457.010(1)(e).

**The following streets need to be resurfaced:**

- Territorial Street between Burlington Northern Santa Fe (BNSF) railroad tracks and Southern Pacific Railroad (SPRR) tracks
- Monroe Street, 100 feet west of 3<sup>rd</sup> Street
- Smith Street from 3<sup>rd</sup> Street to SPRR

**The following streets have inadequate or deficient sidewalks:**

- Territorial Street, 100 feet west of 3<sup>rd</sup> Street
- Monroe Street, 100 feet west of 3<sup>rd</sup> Street
- Smith Street from 3<sup>rd</sup> Street to SPRR
- 4<sup>th</sup> Street north from Smith Street approximately 200 feet
- East side of 3<sup>rd</sup> Street from S. 2<sup>nd</sup> Street to LaSalle Street
- 1<sup>st</sup> Street from Smith Street to Territorial Street

### ii. **Storm water**

The Harrisburg City Engineer has identified the following deficiencies in storm water lines in the Area. The conditions of the storm water lines indicate the Area is blighted per ORS 457.010(1)(e).

**Deficiencies:**

- Territorial Street 100 feet west of 3<sup>rd</sup> Street
- Territorial Street between BNSF railroad tracks and SPRR tracks
- Monroe Street, 100 feet west of 3<sup>rd</sup> Street
- Smith Street from 3<sup>rd</sup> Street to SPRR
- 3<sup>rd</sup> Street from S. 2<sup>nd</sup> Street to Territorial Street

### **iii. Sanitary Sewer**

The Harrisburg City Engineer has identified the following deficiencies in sanitary sewer lines in the Area. The conditions of the sanitary sewer lines indicate the Area is blighted per ORS 457.010(1)(e).

Deficiencies:

- Territorial Street 100 feet west of 3<sup>rd</sup> Street
- Territorial Street between BNSF railroad tracks and SPRR tracks
- East to West -Between BNSF and SPRR rails in-line with Stanley Street
- Smith Street from 3rd Street to SPRR

### **iv. Water**

The Harrisburg City Engineer has identified the following deficiencies in water lines in the Area. The conditions of the water lines indicate the Area is blighted per ORS 457.010(1)(e).

- Territorial between BNSF railroad tracks and SPRR tracks
- Monroe Street, 100 feet west of 3<sup>rd</sup> Street
- Smith Street from 3rd Street to SPRR

#### **North Water Treatment Plant and Pump Station**

- Deaeration, 800 gpm capacity Pressure Filters, On-site Hypochlorite Generation System, and Pump Station in CMU Building
- 1.5 MG Storage--North
- Steel Tank
- Well 9
- Drill well and install pump station and pipeline to storage tank

#### **South Water Treatment Plant and Pump Station**

- Deaeration, 400 gpm capacity Pressure Filters, Onsite Hypochlorite Generation System, and Pump Station in CMU Building
- 0.5 MG Storage Tank- South
- Steel Tank

#### **Water System CIP - Jacobs**

- Territorial Street
  - 2,600 ft of 10-in PVC from 12-in PVC near 4th Street to 12-in PVC near 10th Street
- Smith Street
  - 800 ft of 12-in PVC from 12-in ci at 4th street to 12-in PVC at 6th
- Monroe Street
  - 300 ft of 2-in to 6-in between 1st and 2nd Streets
- Smith Street
  - 1,100 ft of 4-in to 12-in between 1st and 4th Streets.

## **B. Social Conditions**

Approximately two percent of the Area is zoned for residential uses. There are very few residents within the urban renewal area, accounting for 35 parcels.

## **C. Economic Conditions**

### **1. Taxable Value of Property within the Area**

The estimated total assessed value of the Area calculated with data from the Linn County Departments of Assessment and Taxation for FYE 2023, including all real, personal, manufactured, and utility properties, is \$41,836,975.

### **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 Value Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Table 18 shows the improvement to land ratios (I:L) for properties within the Area. Fifty-three percent of the acreage is exempt, which means no property taxes are paid on those properties. These are typically government or non-profit owned properties. Thirteen tax lots representing 6% of the acreage have I:L ratios less than 1.0. In other words, the improvements on these properties are worth less than the land they sit on. A reasonable I:L ratio for properties in the Area is 2.0. Forty-nine percent of the 115 tax lots in the Area, totaling 31% of the acreage have I:L ratios of 2.0 or more in FYE 2022.

**Table 18. Improvement to Land Ratios in the Area**

<b>Improvement to Land Ratio</b>	<b>Parcels</b>	<b>Acres</b>	<b>Percent of Acres</b>
Exempt	34	83.66	53.51%
0.01-0.50	10	8.47	5.42%
0.51-1.00	3	0.59	0.38%
1.01-1.50	6	2.07	1.32%
1.51-2.00	13	13.6	8.70%
2.01-2.50	11	6.15	3.93%
2.51-3.00	10	3.67	2.35%
3.01-4.00	5	7.45	4.77%
> 4.00	23	30.68	19.62%
<b>TOTAL:</b>	<b>115</b>	<b>156.34</b>	<b>100.00%</b>

Source: Compiled by Elaine Howard Consulting with data from the Linn County Departments of Assessment and Taxation (FYE 2023)

#### ***D. Impact on Municipal Services***

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section VIII of this Report. **This impact is of the existing maximum indebtedness and not any new maximum indebtedness.** This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The **new** projects being considered for future use of urban renewal funding are for water quality upgrades. Urban renewal will fund a portion of the costs. Water quality has been a significant detrimental issue for Harrisburg and the ability to undertake the project will be key in increasing the livability and economic vitality of the city.

The financial impacts from tax increment collections will be countered by future economic development, and, in the future, adding increases in assessed value to the tax base for all taxing jurisdictions, including the City.

#### **XII.REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN**

The reason for selecting the Area is to provide the ability to fund projects and programs necessary to cure blight within the Area. The new parcels contain the property where the water quality upgrade projects will be completed.

#### **XIII.RELOCATION REPORT**

When the HRA acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the HRA shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The HRA will comply with all applicable state law in providing these potential benefits.