



HRA Board Meeting Agenda
January 10, 2023
6:30 PM

Chairperson: Robert Duncan
Vice Chairperson: Mike Caughey
Members: Kimberly Downey, Robert Boese, Adam Keaton, Randy Klemm, and Charlotte Thomas
Meeting Location: Harrisburg Municipal Center Located at 354 Smith St

PUBLIC NOTICES:

1. *This meeting is open to the public and will be tape-recorded.*
2. *Copies of the Staff Reports or other written documents relating to each item on the agenda are on file in the office of the City Recorder and are available for public inspection.*
3. *The City Hall Council Chambers are handicapped accessible. Persons with disabilities wishing accommodations, including assisted listening devices and sign language assistance are requested to contact City Hall at 541-995-6655, at least 48 hours prior to the meeting date. If a meeting is held with less than 48 hours' notice, reasonable effort shall be made to have an interpreter present. The requirement for an interpreter does not apply to an emergency meeting. ORS 192.630(5)*
4. *Persons contacting the City for information requiring accessibility for deaf, hard of hearing, or speech-impaired persons, can use TTY 711; call 1-800-735-1232, or for Spanish voice TTY, call 1-800-735-3896.*
5. *The City of Harrisburg does not discriminate against individuals with disabilities, and is an equal opportunity provider.*
6. *For information regarding items of discussion on this agenda, please contact City Recorder Lori Ross, at 541-995-6655*

CALL TO ORDER AND ROLL CALL BY CHAIRPERSON ROBERT DUNCAN

CONCERNED CITIZEN(S) IN THE AUDIENCE. (Please limit presentation to two minutes per issue.)

APPROVAL OF MINUTES

- 1. MOTION TO APPROVE THE MINUTES FOR THE DECEMBER 13, 2022 HRA BOARD MEETING**

NEW BUSINESS

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

STAFF REPORT:

Exhibit A: Resolution No. HRA-65

ACTION: MOTION TO ADOPT RESOLUTION NO. HRA-65, "A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM INFRASTRUCTURE CONSTRUCTION TO REVENUE SHARING IN THE HRA FUND"

- 3. THE MATTER OF HOLDING AN ANNUAL HRA MEETING AS REQUIRED BY THE HRA BY-LAWS, ARTICLE III, SECTION 1**

STAFF REPORT:

Exhibit A: None

ACTION/DISCUSSION: THIS IS THE OPPORTUNITY FOR THE HRA BOARD TO REVIEW THE STATUS OF THE AGENCY, ASK QUESTIONS OF STAFF AND DISCUSS POSSIBLE FUTURE HRA PROJECTS

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

STAFF REPORT:

Exhibit A: Staff Memo on URA Plan Amendment

Exhibit B: Harrisburg Urban Renewal Plan Amendment No. 6

Exhibit C: Report Accompanying the Harrisburg Urban Renewal Plan Substantial Amendment No. 6

ACTION/DISCUSSION: MOTION TO FORWARD THE HARRISBURG URBAN RENEWAL PLAN AMENDMENT THROUGH THE FORMAL PUBLIC REVIEW PROCESS, INCLUDING; TO THE TAXING DISTRICTS FOR A FORMAL 45-DAY CONSULT AND CONFER PROCESS, TO THE PLANNING COMMISSION FOR THEIR REVIEW OF THE PLAN AMENDMENT'S CONFORMANCE TO THE HARRISBURG COMPREHENSIVE PLAN, TO LINN COUNTY FOR REVIEW AND APPROVAL, AND THEN TO THE HARRISBURG CITY COUNCIL FOR A PUBLIC HEARING AND THEIR REVIEW AND VOTE ON ADOPTION OF A NON-EMERGENCY ORDINANCE.

OTHER

ADJOURN



HRA Board Meeting Minutes December 13, 2022

Chairperson: Robert Duncan, Presiding
Vice Chairperson: Mike Caughey, Present
Members: Kimberly Downey, Adam Keaton, and Randy Klemm (by phone)
Members Absent: Robert Boese and Charlotte Thomas
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
Meeting Location: Harrisburg Municipal Center Located at 354 Smith St

CALL TO ORDER AND ROLL CALL BY CHAIRPERSON ROBERT DUNCAN at the hour of 8:00pm

CONCERNED CITIZEN(S) IN THE AUDIENCE

- Resident Heather Keaton asked about the IOOF Building and if they are finished yet with their renovations. Eldridge replied the windows are done and she's not sure of the interior as it's not tied to the HRA Grant.

APPROVAL OF MINUTES

- Caughey **motioned to approve the minutes for the August 23, 2022, and the October 25, 2022, HRA Board Meetings and was seconded by Keaton. The motion passed unanimously by a vote of 4-0.** (Yes: Caughey, Downey, Keaton and Klemm.)

THE MATTER OF REVIEWING INFORMATION IN RELATION TO REVENUE SHARING REQUIREMENTS

STAFF REPORT: Eldridge informed Council that she and Nelson met with the Harrisburg Fire/Rescue Board. The Board has not informed staff on their decision regarding receiving back Revenue Sharing but feel they will want the funds. Eldridge and Nelson also met with Harrisburg School District Superintendent Bryan Starr and was informed that the School District will not be requesting back Revenue Sharing due to the fact the extra income would affect their funding next year. Eldridge also commented that Starr is retiring but will be attending Board meetings until June.

- Mayor Duncan commented that Starr is top notch, and he has such admiration and respect for him.

December 13, 2022

Eldridge stated that she has informed the consultants to get started on Amendment No. 6 based on everyone wanting the funding. She also stated they are looking at loans in a worst-case scenario.

- Downey asked if the City be okay financially with that, and Nelson replied that we are fine either way as we have the funds available.

THE MATTER OF APPROVING THE HARRISBURG REDEVELOPMENT AGENCY 1ST QUARTER 2022/2023 EXPENSE REPORT

STAFF REPORT: Nelson stated that we have received 90.31% of all revenue due to investments and have spent 1.7%. She commented the HRA is in great shape.

- **Caughey motioned to approve the HRA 1st Quarter 2022/2023 Expense Report and was seconded by Downey. The motioned passed unanimously by a vote of 4-0.** (Yes: Caughey, Downey, Keaton and Klemm.)

With no further discussions, the HRA Board Meeting adjourned at the hour of 8:39pm to return to the City Council Work Session.

Chairperson

City Recorder

Agenda Bill
Harrisburg Redevelopment Agency Board
Harrisburg, Oregon

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

STAFF REPORT:

Exhibit A: Resolution No. HRA-65

ACTION: MOTION TO ADOPT RESOLUTION NO. HRA-65, “A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM INFRASTRUCTURE CONSTRUCTION TO REVENUE SHARING IN THE HRA FUND”

THIS AGENDA BILL IS DESTINED FOR: Regular Agenda – January 10, 2023

BUDGET IMPACT		
COST	BUDGETED?	SOURCE OF FUNDS
\$104,977	No	Infrastructure Construction

STAFF RECOMMENDATION:

Staff recommend the HRA Board reviews and adopts Resolution No. HRA-65

BACKGROUND INFORMATION:

The HRA’s Finance Officer and HRA Executive Director discovered that the HRA has been eligible for revenue sharing requirements since 2019. They have contacted each affected taxing district and are now moving forward with paying out the past due revenue sharing amounts to the taxing districts that requested payment. The maximum amount to be paid out is \$104,997.

The Finance officer is proposing to transfer funds from the Infrastructure Construction line item to a newly created line item titled “Revenue Sharing” in the newly created Government Services section on the HRA expenditures portion of the 2022-2023 budget. The Finance Officer will continue to budget in the amounts for Revenue Sharing in the proceeding HRA budgets to meet the requirements set by ORS 457.470.

REVIEW AND APPROVAL:

Cathy Nelson 01.05.23
Cathy Nelson/Finance Officer Date

RESOLUTION NO. HRA-65**A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM INFRASTRUCTURE CONSTRUCTION TO REVENUE SHARING IN THE HRA FUND**

WHEREAS, the HRA has discovered that it has been eligible for revenue sharing since 2019; and,

WHEREAS, the payments due to the taxing districts requesting back payment for the periods covering FY 2019-2023 is a maximum of \$104,977; and,

WHEREAS, the HRA is transferring funds to cover the back payments from the Infrastructure Construction in Capital Outlay to a new line-item titled Revenue Sharing in Government Services. The HRA will budget for Revenue Sharing for all upcoming budgets.

NOW, THEREFORE, BE IT RESOLVED that the following appropriations and transfers of funds will allow the listed funds to not exceed appropriated budgeted amounts for Fiscal Year 2022-2023.

Account#	Budgeted Amount	Appropriation Transferred In	Appropriation Transferred Out	Revised Budget
Infrastructure Construction (Capital Outlay) Acct. No: 71-78-7000	\$2,127,955		\$104,977	\$2,022,978
Revenue Sharing (Government Services) Acct. No: 71-60-1000	\$0	\$104,977		\$104,977

NOW, FURTHER, the HRA will transfer \$104,977 from line 71-78-7000 "Infrastructure Construction" for these purposes.

Adopted by the HRA Board on January 10, 2023.

Approved: _____
Chairperson

Attest: _____
City Recorder

Agenda Bill

Harrisburg Redevelopment Agency

Harrisburg, Oregon

THE MATTER OF: HOLDING AN ANNUAL HRA MEETING AS REQUIRED BY THE HRA BY-LAWS, ARTICLE III, SECTION 1.

STAFF REPORT:

Exhibit A: None

ACTION/DISCUSSION: THIS IS THE OPPORTUNITY FOR THE HRA BOARD TO REVIEW THE STATUS OF THE AGENCY, ASK QUESTIONS OF STAFF, AND DISCUSS POSSIBLE FUTURE HRA PROJECTS.

THIS AGENDA BILL IS DESTINED FOR: Regular Agenda – January 10, 2023

BUDGET IMPACT		
COST	BUDGETED?	SOURCE OF FUNDS
N/A	N/A	N/A

STAFF RECOMMENDATION:

Staff recommends: The discussion of HRA matters as desired by the HRA Board.

BACKGROUND INFORMATION:

The HRA is required to have an “annual meeting of the agency...on the second Tuesday in January immediately following the City Council meeting” An annual meeting is a good opportunity for the Board to discuss the progress and future of the agency and ask questions of staff.

Because the HRA is currently pursuing Substantial Amendment No. 6, in order to utilize the funds in the HRA Capital Outlay to apply to the city’s shortfall in budget for the water bond project, the HRA Board will instead be directed to the financial analysis provided by the consultants with Elaine Howard Consulting in the next item on the agenda.

The Executive Director has received the information needed to start closing out the property improvement grant that is outstanding from the International Order of the Oddfellows (IOOF) project, which will close out the \$50,000 being held for that purpose. It is hoped that the HRA will be able to set aside \$50,000 for the Property Improvement Project this next fiscal year, as the owner of the Air Thai structure has expressed strong interest in applying for the next grant.

REVIEW AND APPROVAL:



Michele Eldridge, Executive Director

01/05/2023

Date

Agenda Bill

Harrisburg Redevelopment Agency

Harrisburg, Oregon

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

STAFF REPORT:

- Exhibit A: Staff Memo on URA Plan Amendment
- Exhibit B: Harrisburg Urban Renewal Plan Amendment No. 6
- Exhibit C: Report Accompanying the Harrisburg Urban Renewal
Plan Substantial Amendment No. 6

ACTION/DISCUSSION: MOTION TO FORWARD THE HARRISBURG URBAN
RENEWAL PLAN AMENDMENT THROUGH THE FORMAL PUBLIC REVIEW
PROCESS, INCLUDING; TO THE TAXING DISTRICTS FOR A FORMAL 45 DAY
CONSULT AND CONFER PROCESS, TO THE PLANNING COMMISSION FOR
THEIR REVIEW OF THE PLAN AMENDMENT’S CONFORMANCE TO THE
HARRISBURG COMPREHENSIVE PLAN, TO LINN COUNTY FOR REVIEW AND
APPROVAL, AND THEN TO THE HARRISBURG CITY COUNCIL FOR A PUBLIC
HEARING AND THEIR REVIEW AND VOTE ON ADOPTION OF A NON-
EMERGENCY ORDINANCE.

THIS AGENDA BILL IS DESTINED FOR: Regular Agenda – January 10, 2023

BUDGET IMPACT		
COST	BUDGETED?	SOURCE OF FUNDS
N/A	N/A	N/A

STAFF RECOMMENDATION:

Staff recommends that the HRA Board should discuss, and then proceed with the
formal process of establishing Substantial Plan Amendment No. 6

BACKGROUND INFORMATION:

Staff has been working towards the process of establishing Substantial Plan Amendment
No. 6 since late spring this year when the budget adoption showed a budgeted amount
of \$2,127,955 in the Capital Outlay expenditure line of the HRA budget. Staff had
theorized that it was possible to use a portion of these funds for the shortfall in funding
for the water bond project under state statutes, but to do so would require that the
properties for this phase of the water bond project be added to the boundaries of the HRA
Plan, as well as adding it to the entire list of projects allowed in the Harrisburg Urban
Renewal Plan.

The City Council and HRA Board have wisely obtained the services of Elaine Howard
Consulting to walk us through this process, which will give us the ability to use a portion
of the money that is currently present in the HRA Budget. The Board will find **Exhibit A**,

with a full memo and explanation of the process we will follow. **Exhibits B and C** contain the documents that will be used as we move forward in this process. More documents will be provided next week and will be provided at the meeting. Please note that these documents are still being updated, and adjustments will be shared with the HRA Board on the night of the meeting.

It should be noted that the ‘proportionality rule’ expressed in Oregon State Statutes, applies to any publicly owned structure that Urban Renewal funds are used for. This process will add the water bond project properties into the Urban Renewal Boundaries and will add the project to the actual Plan. When the City decides to move forward with another RFP, and if we are able to award the bid to a contractor, then at that time, the HRA will adopt a resolution which will state the proportionality formula that will give us the official right to use a portion of the funds for this intended purpose.

Elaine Howard will be participating via Zoom for this meeting, and will be available for the staff report, and to answer any questions. The proposed motion is above at the top of this summary.

REVIEW AND APPROVAL:



Michele Eldridge, Executive Director

01/05/2023

Date

TO: Harrisburg Redevelopment Agency
FROM: Michele Eldridge, City Manager
DATE: Janaury 10, 2023
SUBJECT: Harrisburg Urban Renewal Plan Amendment

PURPOSE

The Harrisburg Redevelopment Agency (HRA) is being asked to review the proposed Harrisburg Urban Renewal Plan Amendment (Plan Amendment) and to decide whether to recommend the Plan Amendment be forwarded through the public review process of urban renewal plan substantial amendments, including the required 45 day consult and confer period with taxing districts, presentation to the Planning Commission for their review of the Plan Amendment's conformance with the Harrisburg Comprehensive Plan, to the Linn County Commission for a briefing and to the Harrisburg City Council for consideration of a non-emergency ordinance to adopt the Plan Amendment. The Plan Amendment would add projects and property and perform general updating of the Plan.

The proposed Plan Amendment would make the following changes to the Plan:

Summary of sections of the Harrisburg Urban Renewal Plan which have been modified in the 2023 Amendment.

SECTION 100. INTRODUCTION – added information about the amendment

SECTION 500. PROPOSED LAND USES - general updating

SECTION 700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN – describe water treatment project

Exhibit 1. Urban Renewal Map – updated map

Exhibit 3. Planning Commission Findings 2023 - updated findings

BACKGROUND ISSUES

There are four main issues for the Agency to understand:

1. Revenue Sharing should have commenced in FYE 2019. The revenue sharing analysis shows payment to the majority of taxing districts for these past due amounts in the current fiscal year, FY 2022/2023. The City and the School District decided they did not need to be repaid this back payment. All other districts are scheduled to be repaid.
2. Revenue sharing will commence for all taxing districts in FY 2023/2024. These projected amounts are shown on Tables 11 and 12 on page 23 of the Report.
3. The legislature made a change to ORS 457 in 2019 that requires urban renewal plans which complete a substantial amendment to become permanent rate plans. Prior to this the Harrisburg Plan took division of taxes from permanent rate levies and bonds. The

Harrisburg Plan will no longer be eligible for division of tax revenues for bonds if this amendment is approved.

4. The existing Plan has a duration clause which states:

Taxing jurisdictions representing 95% of the permanent rate levy, and in any case including the Harrisburg Rural Fire Department, must approve any future amendment extending the term of the district beyond the 22 years (FYE 2036), or increasing the maximum indebtedness from \$8,177,674.

The financial analysis of this Plan Amendment, including the addition of the costs of revenue sharing provision, shows the Plan should be able to reach its maximum indebtedness in FYE 2035, within the timeframe stipulated in the Plan.

PROCESS

The process for approval will include the following steps, in accordance with ORS 457.

1. Preparation of Plan Amendment including opportunity for citizen involvement. All meetings will be open public meetings with an opportunity for residents to testify. The City Council hearing will be noticed citywide through the utility bills.
2. HRA review of the proposed Plan Amendment and accompanying Report on January 10, 2023.
3. Review and recommendation of the Plan Amendment's conformance to the Harrisburg Comprehensive Plan by the Harrisburg Planning Commission on January 17, 2023.
4. Presentation of the Plan Amendment to the Linn County in January/February 2023. Linn County must provide approval for the property located outside of the City limits to be included in the Urban Renewal Plan.
5. Notice to residents of consideration of an ordinance via utility bills.
6. Forwarding a copy of the proposed Plan Amendment and the Report to the governing body of each taxing district. The formal taxing districts letters will be sent out on January 11, 2023.
7. Hearing by Harrisburg City Council and adoption of the proposed Plan Amendment and accompanying Report by a non-emergency ordinance. The hearing will be on March 14, 2023 with a vote on March 28, 2023. The ordinance must be a non-emergency ordinance, which means that the ordinance does not take effect until 30 days after its approval and during that period of time may be referred to Harrisburg voters if a sufficient number of signatures are obtained on a referral petition.

STAFF RECOMMENDATION

Staff recommends that the Harrisburg Redevelopment Agency pass the following motion.

Draft motion: The Harrisburg Redevelopment Agency motions to forward the Harrisburg Urban Renewal Plan Amendment through the formal public review process including to the taxing districts for a formal 45 day consult and confer process, to the Planning Commission for their review of the Plan Amendment's conformance to the Harrisburg Comprehensive Plan, to Linn County for review and approval and then to the Harrisburg City Council for a public hearing and their review and vote on adoption of a non-emergency ordinance.

Attachments:

1. Harrisburg Urban Renewal Plan Substantial Amendment, Amendment 6
2. Report Accompanying the Harrisburg Urban Renewal Plan Substantial Amendment, Amendment 6

Instrumentation and Controls Instruments, Controls, Analyzers, PLC, Emergency Generator Engine Generator, and a new Water production Well and Wellhouse.

7. South Project Site address is 790 S. 2nd 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

(To be added prior to meeting on January 10)

Exhibit 1. Urban Renewal Boundary Map

(To be added prior to meeting on January 10)

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

DRAFT

Harrisburg Urban Renewal Area Plan

2023 Substantial Amendment

approved by the City of Harrisburg

DATE

Ordinance No. _____

DRAFT

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I. DEFINITIONS

“Agency” means the Harrisburg Urban Renewal Agency (Agency). The Agency 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

DRAFT

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.

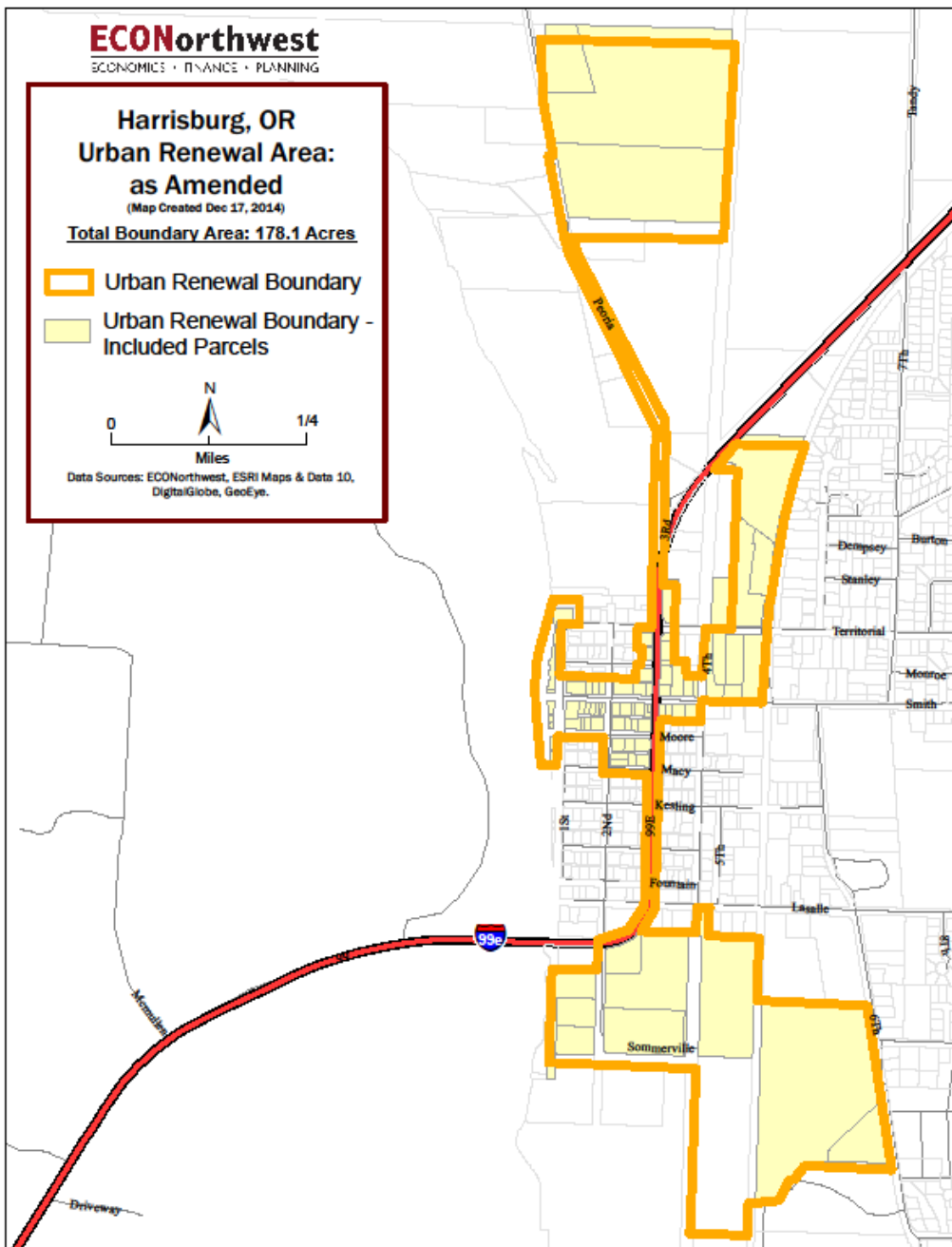
Table 1. Statutory References

Statutory Requirement	Report Section
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 (Agency) reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The Agency 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 Agency. The Agency 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

Figure 2 - Amendment Areas



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

(This map will be included prior to the meeting on Jan 10)

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 & 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.

South Project Site address is 790 S. 2nd 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 Agency/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 Agency/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 Agency 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).¹ 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 Agency.

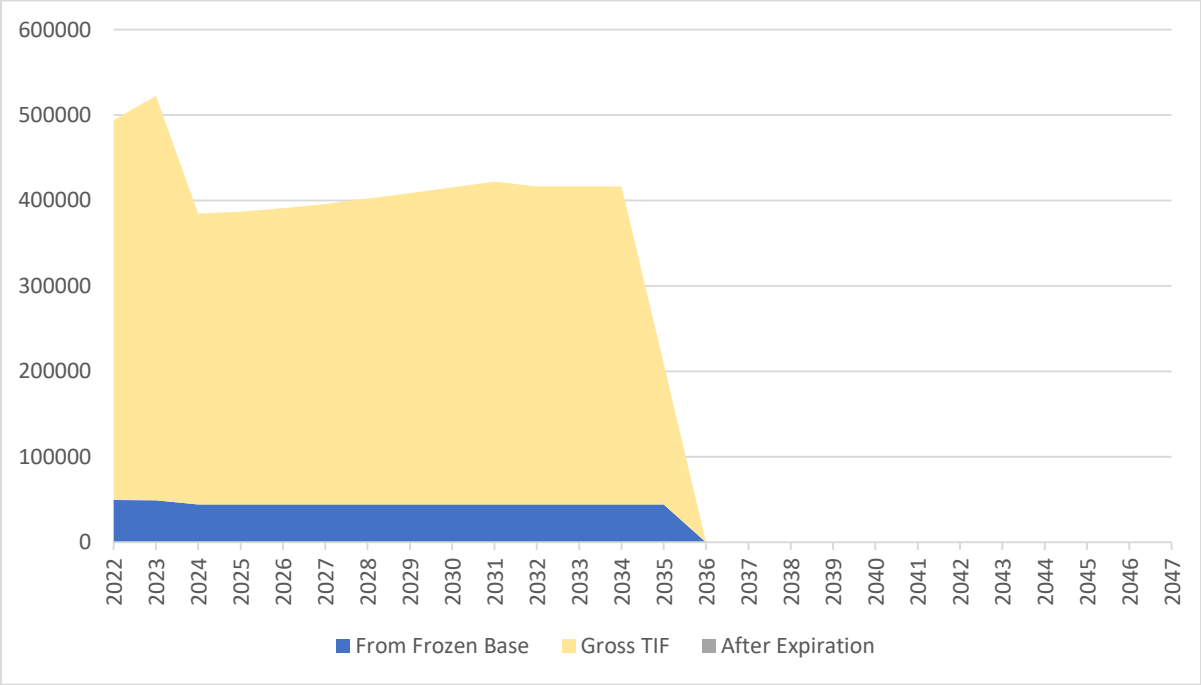
¹ TIF is also used to signify tax increment revenues

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	33,129,356	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
Total						5,053,713	(252,686)	4,801,028	76,333	4,877,361

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 Agency may take division of taxes for a longer time period. If growth in assessed value is more robust than the projections, the Agency 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 \$3,992,119 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 Agency may decide to implement this Plan, and this scenario is financially feasible. The Agency 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

	Total	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Resources								
Beginning Balance		213,934	-	-	-	-	-	-
Interest Earnings	9,980	9,980	-	-	-	-	-	-
TIF: Current Year	\$4,378,648	449,858	323,656	325,494	329,528	334,317	340,152	346,244
TIF: Prior Years	\$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

	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035
Resources						
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 Agency 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 Agency 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 ²	-	-	-	-	-	-
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 ³	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
Expenditures (YOE \$)								
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

² Harrisburg MI Tracker³ URA Budget

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 Agency 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 Agency 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 Agency 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 Agency. 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

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

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 and are shown in Table 15 and Table 16.

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

FYE	Linn County	City of Harrisburg	Harrisburg RFD	4H Extension District	Subtotal
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)
TOTAL:	(\$499,051)	(\$1,246,936)	(\$442,744)	(\$27,429)	(\$2,216,160)

Source: Tiberius Solutions

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

FYE	ESD Linn-Benton-Lincoln	Lane Community College	Harrisburg SD #7	Subtotal	Total
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)
TOTAL:	(\$119,473)	(\$242,590)	(\$1,824,108)	(\$2,186,172)	(\$4,402,331)

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
General Government				
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	1,1299	78,291	82,739
4H Extension District	0.0700	0,0700	4,850	5,126
<i>Subtotal General Government</i>	<i>5.6610</i>	<i>22,284</i>	<i>391,893</i>	<i>414,177</i>
Education				
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
<i>Subtotal Education</i>	<i>5.5792</i>	<i>21,962</i>	<i>386,581</i>	<i>408,543</i>
TOTAL:	11.2402	44,246	778,474	822,720

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 17.98 acres. The total acreage will be 186.58 acres and the City of Harrisburg contains 916.8 acres. This equates to 20.35% 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	17.98	
Total Acreage	186.58	
C. City of Harrisburg	916.8	\$271,957,585
% of City Acreage	20.35%	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). This section will be updated prior to the meeting on January 10, 2023.

A. Physical Conditions

1. Land Use

The Area is 180.06 acres, which is composed of 70 individual parcels encompassing 140.66 acres, and an additional 39.4 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 (45%). This was followed by Vacant (34%). 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	13	63.8	45.36%
Vacant	9	47.3	33.63%
Commercial	36	16.3	11.59%
Single-family residential	9	1.8	1.28%
Public Use	3	11.46	8.15%
TOTAL:	70	140.66	100.00%

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

2. Zoning and Comprehensive Plan Designations

The parcels to be added have 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 This section will be updated prior to the meeting on January 10, 2023.

The most prevalent comprehensive plan designation by acreage in the Area is Commercial (70%) followed by Residential (16%). Detailed comprehensive plan designations in the Area are shown in Table 16.

Table 16 Comprehensive Plan Designations in the Area

Comprehensive Plan Designation	Tax Lots	Acres	Percent of Acres
Commercial	181	249.40	70.02%
Residential	11	58.47	16.42%
Industrial	39	48.30	13.56%
TOTAL:	231	356.16	100.00%

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

4. Zoning Designations This section will be updated prior to the meeting on January 10, 2023.

The most prevalent zoning designation by acreage in the Area is Central Commercial (42%) followed by General Commercial (16%). Detailed zoning designations in the Area are shown in Table 17.

Table 17. Zoning Designations in the Area

Zoning Designations	Tax Lots	Acres	Percent of Acres
Central Commercial	138	148.70	41.75%
General Commercial	25	56.13	15.76%
Light Manufacturing	39	48.30	13.56%
Office Commercial	13	37.07	10.41%
Low Density Residential	2	30.08	8.45%
Medium High Density Residential	2	20.12	5.65%
Mixed Use Commercial	5	7.50	2.11%
High Density Residential	3	4.69	1.32%
Medium Low Density Residential	4	3.57	1.00%
TOTAL:	231	356.16	100.00%

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 3rd Street
- Smith Street from 3rd Street to SPRR

The following streets have inadequate or deficient sidewalks:

- Territorial Street, 100 feet west of 3rd Street
- Monroe Street, 100 feet west of 3rd Street
- Smith Street from 3rd Street to SPRR
- 4th Street north from Smith Street approximately 200 feet
- East side of 3rd Street from S. 2nd Street to LaSalle Street
- 1st 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 3rd Street
- Territorial Street between BNSF railroad tracks and SPRR tracks
- Monroe Street, 100 feet west of 3rd Street
- Smith Street from 3rd Street to SPRR
- 3rd Street from S. 2nd 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 3rd 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 3rd 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 one percent of the Area is zoned for residential uses. There are very few residents within the urban renewal area, accounting for only 9 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.

This section will be updated prior to the meeting on January 10, 2023.

Table 18 shows the improvement to land ratios (I:L) for properties within the Area. Ten percent of the tax lots are exempt, which means they do not pay taxes. These are typically government or non-profit owned properties. Eighty one tax lots representing 23.53% 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. Only 74 of the 231 tax lots in the Area, totaling 45.46% of the acreage have I:L ratios of 2.0 or more in FYE 2022. In summary, the area is underdeveloped and not contributing significantly to the tax base in Harrisburg.

Table 18. Improvement to Land Ratios in the Area

Improvement to Land Ratio	Parcels	Acres	Percent of Acres
Exempt	46	35.54	9.98%
No Improvement Value	32	35.87	10.07%
0.01-0.50	18	29.94	8.41%
0.51-1.00	31	18.00	5.05%
1.01-1.50	17	24.83	6.97%
1.51-2.00	13	50.08	14.06%
2.01-2.50	20	45.02	12.64%
2.51-3.00	13	13.15	3.69%
3.01-4.00	11	27.63	7.76%
> 4.00	30	76.11	21.37%
TOTAL:	231	356.16	100.00%

Source: Compiled by Tiberius Solutions LLC with data from the Linn County Departments of Assessment and Taxation (FYE 2022)

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 Agency 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 Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The Agency will comply with all applicable state law in providing these potential benefits.