



URBAN RENEWAL AGENCY

Wednesday, August 05, 2020 at 6:00 PM
Virtual Meeting

AGENDA

ROLL CALL

CONSENT AGENDA FOR APPROVAL

- [1.](#) Draft URA Meeting Minutes Dated May 15, 2019

PUBLIC COMMENT

DISCUSSION/ACTION ITEMS

- [2.](#) Urban Renewal Agency Revenue Projections Update - Tiberius Solutions

ADMINISTRATOR REPORT

ADJOURNMENT

VIRTUAL MEETING DETAILS

Due to the COVID-19 pandemic and the Governor's declared state of emergency (March 8, 2020) and subsequent Executive Order No. 20-16 (April 15, 2020), the public hearing will be held in the City Council Chambers, located in the City Hall building at 265 Strand Street, St. Helens, OR, and/or virtually via a phone-and-internet based application.

In-person access into City Hall for this hearing will be from the plaza side entrance.

Join Zoom Meeting: Info here

Meeting ID: Info here

Call in: Info here

The St. Helens City Council Chambers are handicapped accessible. If you wish to participate or attend the meeting and need special accommodation, please contact City Hall at 503-397-6272 in advance of the meeting.

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For more information or for an application, stop by City Hall or call 503-366-8217.

City of St. Helens

Urban Renewal Agency Public Hearing

Draft Minutes

May 15, 2019

Members Present: Ginny Carlson, Vice Chair
 Stephen Topaz, Agency Member
 Doug Morten, Agency Member
 Rick Scholl, Agency Member
 Keith Locke, Chair

Members Absent: None

Staff Present: Matt Brown, Finance Director
 John Walsh, City Administrator
 Jennifer Dimsho, Associate Planner
 Jacob Graichen, City Planner

Others: Frank Brandon

- 1) **6:00 p.m. - Open Public Hearing**
- 2) **Topic - 2019 - 2020 Urban Renewal Budget Adoption**
 2.A 2019-2020 Urban Renewal Proposed Budget

Administrator Walsh explained that at the time of the adoption of the Urban Renewal Plan, there was a proposed 40 million dollar investment from Armstrong. Not only did the investment not come to fruition, Armstrong closed, which created an even greater depression in property tax revenues. He is actually surprised there is growth and increment collected at all last fiscal year.

Finance Director Brown explained that all of the money for 2019-2020 is appropriated to contingency funds because no projects are planned for the URA. He said if we need to move the money around, we can. Chair Locke asked if we have a revenue forecast for beyond 2020. Brown said it will depend on development and investment within the boundary. Associate Planner Dimsho noted the large investment near Matzen Street and McBride Street is within the agency boundary, so when those sites go online, the URA will see the increase in tax revenues.

Morten asked if the environmental cleanup required on the Armstrong site is slowing the sale of the property. Walsh explained a settlement that was reached.

No one from the audience spoke.

- 3) **Close Public Hearing - 6:15 p.m.**

Respectfully submitted,

*Jennifer Dimsho
 Associate Planner*



DATE: July 27, 2020
TO: Jenny Dimsho, City of St. Helens
FROM: Nick Popenuk and Ali Danko
SUBJECT: City of St. Helens Urban Renewal Financial Update

Executive Summary

The City of St. Helens contracted with Tiberius Solutions LLC to provide an updated financial forecast for the St. Helens Urban Renewal Area (URA). The key deliverable from this analysis is an Excel workbook that documents historical tax increment finance (TIF) revenue and forecasts future TIF revenue for the URA under low, medium, and high growth scenarios. This memorandum summarizes the analysis, including key assumptions and results.

- **Historical growth in assessed value in the St. Helens URA has failed to keep pace with the original projections in the St. Helens Urban Renewal Plan.** The gap between actual and projected assessed value grew to \$32.6 million in FYE 2020, due largely to the closure of the Armstrong World Industries manufacturing facility. With assessed value lower than the certified frozen base, the URA received essentially no TIF revenue in FYE 2020. This has resulted in no financial capacity to invest in urban renewal projects, and jeopardizes the ability of the URA to incur the full amount of authorized maximum indebtedness before the target termination date in FYE 2043.
- **Future growth in assessed value is uncertain and dependent upon future construction activity.** The URA has substantial potential for future development, but the exact timing and value of new construction is uncertain. This analysis evaluated a range of possible scenarios, including anywhere from \$25 million to \$111 million in short-term construction activity.
- **Expiring tax exemptions will provide immediate financial capacity.** Cascade Tissue Group owns property in the URA that currently receives Enterprise Zone tax exemption benefits for three separate schedules of investments. These exemptions are scheduled to expire in FYE 2021, 2022, and 2024 respectively. The expiration of these abatements should add \$38 million in assessed value to the tax rolls in coming years, including \$26 million in FYE 2021.
- **Updated growth forecasts fall short of original projections.** Despite the possibility of substantial new construction activity and the expiration of current property tax exemptions, none of the updated growth forecasts show the URA having sufficient financial capacity to incur the full amount of maximum indebtedness before the target termination date in FYE 2043. These updated forecasts include:
 - Low-Growth: **\$38.1 million** of indebtedness incurred by FYE 2043
 - Medium-Growth: **\$46.4 million** of indebtedness incurred by FYE 2043
 - High-Growth: **\$60.8 million** of indebtedness incurred by FYE 2043
- **Collecting TIF for a longer time period could allow the URA to achieve the full authorized amount of maximum indebtedness.** The St. Helens Urban Renewal Plan does not have a binding expiration date. Instead, maximum indebtedness is the limiting factor for the Plan. Thus, if TIF revenues are less than originally forecast, the URA has the ability to collect TIF revenue as long as necessary to achieve the full amount of maximum indebtedness.

- **Amending the URA boundary to include additional development opportunities could increase the financial capacity of the URA.** City staff have identified a 10-acre tax lot that could be added to the URA. The property is anticipated to be subdivided and developed into 78 dwellings in 2022 and 2023, resulting in about \$7.5 million in new assessed value that will be added to the tax roll. This could generate an additional \$2.8 million in TIF revenue for the URA. In the high-growth scenario, this would be sufficient for the URA to incur the full amount of maximum indebtedness.

Note that these projections of financial capacity depend upon future growth in assessed value in the URA, which is largely driven by new construction. Although there are multiple planned projects in the URA under the medium and high growth scenarios, those projects are not guaranteed. If those construction projects do not come to fruition due to economic uncertainty or other conditions, then the actual financial capacity of the URA is more likely to resemble the results shown in the low-growth scenario.

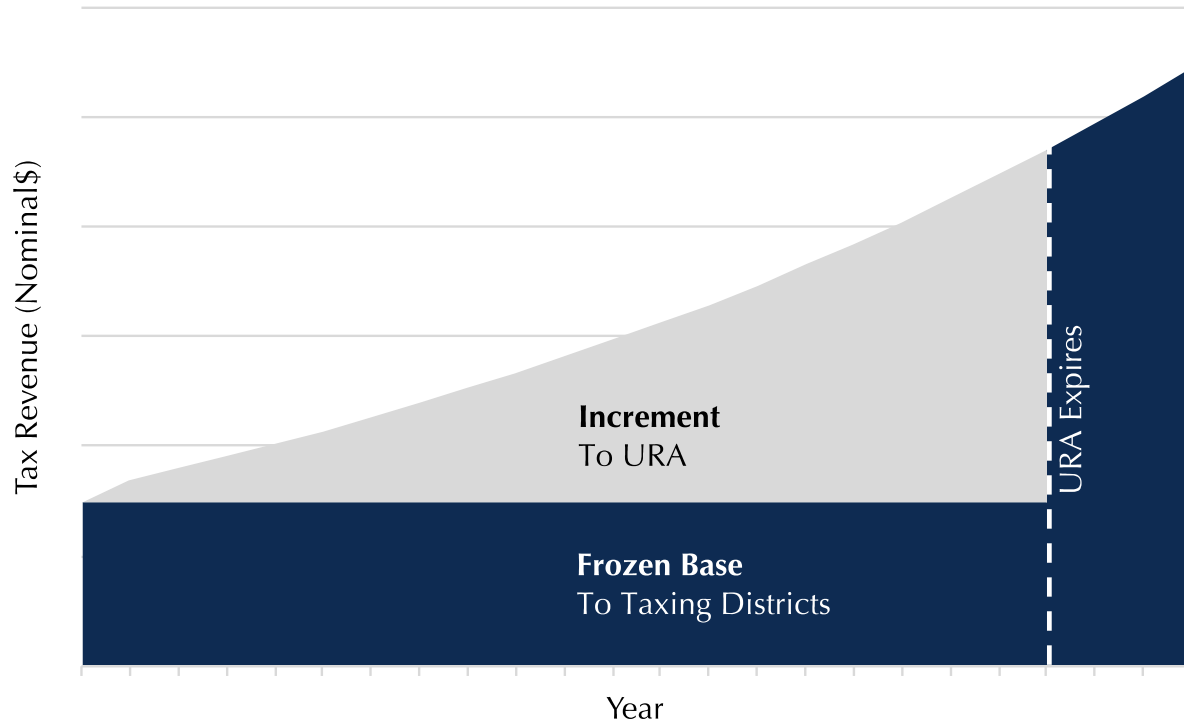
Background

Urban renewal, permitted by Oregon Revised Statute (ORS) 457, is primarily used by cities and counties across Oregon as a revenue source for funding capital projects to help revitalize “blighted” areas.

How Tax Increment Financing Works

When an urban renewal area (URA) is established, the assessed value within the URA boundary becomes the “frozen base” value. When assessed value in the URA grows over time, the difference between the total assessed value and the frozen base is considered “increment” value. Each year, property tax revenue from the frozen base in the URA is distributed normally to all overlapping taxing districts, and the URA receives all the property tax revenue generated from the increment, called tax increment finance (TIF) revenue. TIF revenue can only be spent on capital projects located in the URA. After the URA expires, all tax revenue is distributed to the overlapping taxing districts. Exhibit 1 illustrates the general tax revenue distribution within a URA boundary over the life of the URA.

Exhibit 1. Example Urban Renewal Revenue Distribution



Source: Tiberius Solutions

Financial Restrictions and Limitations on Urban Renewal

Urban renewal plans are required to have a “maximum indebtedness”, which functions as a limit on the cumulative amount of TIF that can be spent on projects in the URA. Note that maximum indebtedness does not function as a revolving credit limit. In other words, paying off debt for old projects, does not free up maximum indebtedness to be used on future projects. Once a URA incurs the full amount of maximum indebtedness, it cannot incur additional debt to fund additional projects.

Urban renewal plans may also include sunset provisions that establish a final date for incurring debt and/or collecting TIF revenue. Any such sunset provisions are not required by statute.

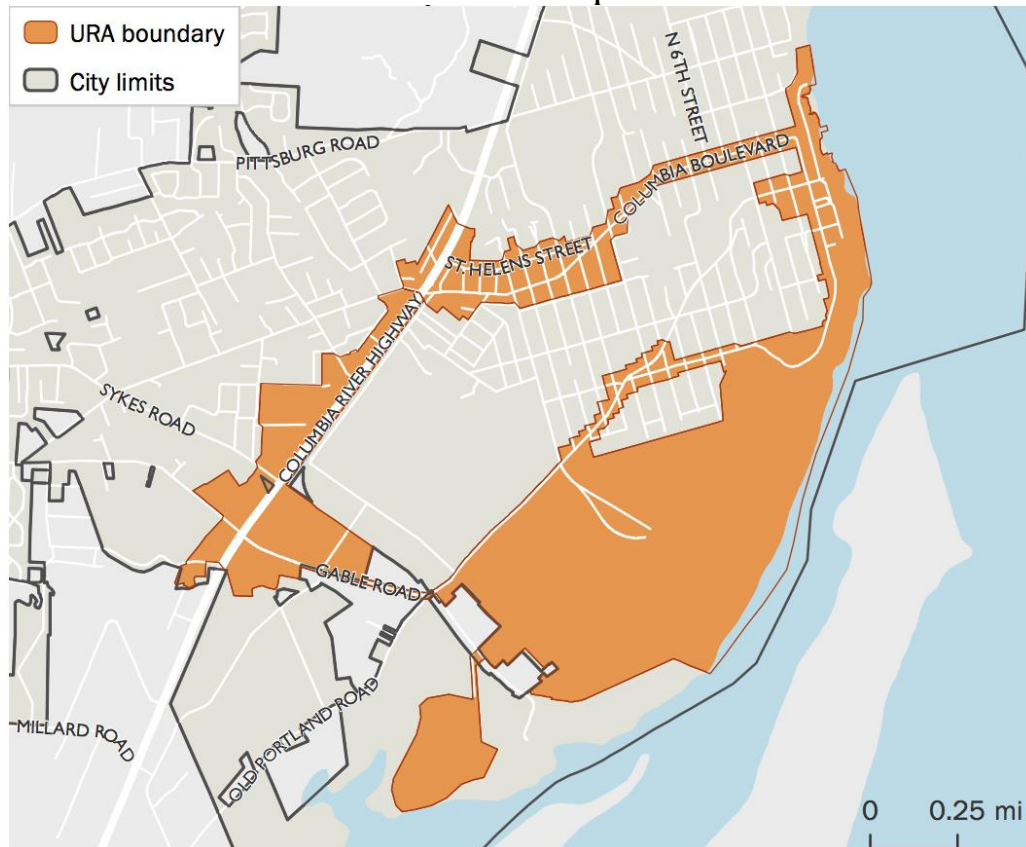
Overview of the St. Helens URA

The St. Helens Urban Renewal Plan (“Plan”) and Report Accompanying the Urban Renewal Plan (“Report”) were adopted in 2017. The Plan identified a range of programs and capital projects to be carried out by the URA in the categories of infrastructure, open space/wayfinding, economic development, site preparation, and project administration. The Plan has a maximum indebtedness of \$62,000,000. The Plan does not include a formal sunset date, but did estimate the URA would be able to achieve the full amount of maximum indebtedness, repay all debt and cease collecting TIF revenue in FYE 2043.

The Plan describes the URA boundary as encompassing 756 acres in the City of St Helens.

Exhibit 2 shows a map of the St. Helens URA boundary.

Exhibit 2. St. Helens Urban Renewal Area Map



Source: St. Helens Urban Renewal Report on the Urban Renewal Plan

Analysis

Our analysis includes an evaluation of historical trends in the URA compared to original projections, as well as an updated financial forecast for future years.

Historical Trends in the Area Compared to Original Projections

The URA has only received TIF revenue for two years: FYE 2019 and FYE 2020. Exhibit 3, Exhibit 4, and Exhibit 5 compare forecasts from the original Report for assessed value and gross TIF revenue to the two years of actual historical data.

In the URA's first year to receive TIF, FYE 2019, assessed value was 6.4% lower than forecast in the Plan. Similarly, TIF revenue was lower than originally forecast: about \$67,000, or 65%, lower than the forecast \$191,000. In FYE 2020, assessed value decreased by \$11.9 million. This large decrease in assessed value was due primarily to the closure of the Armstrong World Industries manufacturing facility. This caused assessed value in the largest tax code area (TCA) to fall below the frozen base value, and thus no TIF was generated by property within that TCA in FYE 2020. Therefore, the URA's total TIF revenue dropped to just \$148 dollars in FYE 2020, compared to the original forecast of \$484,000.

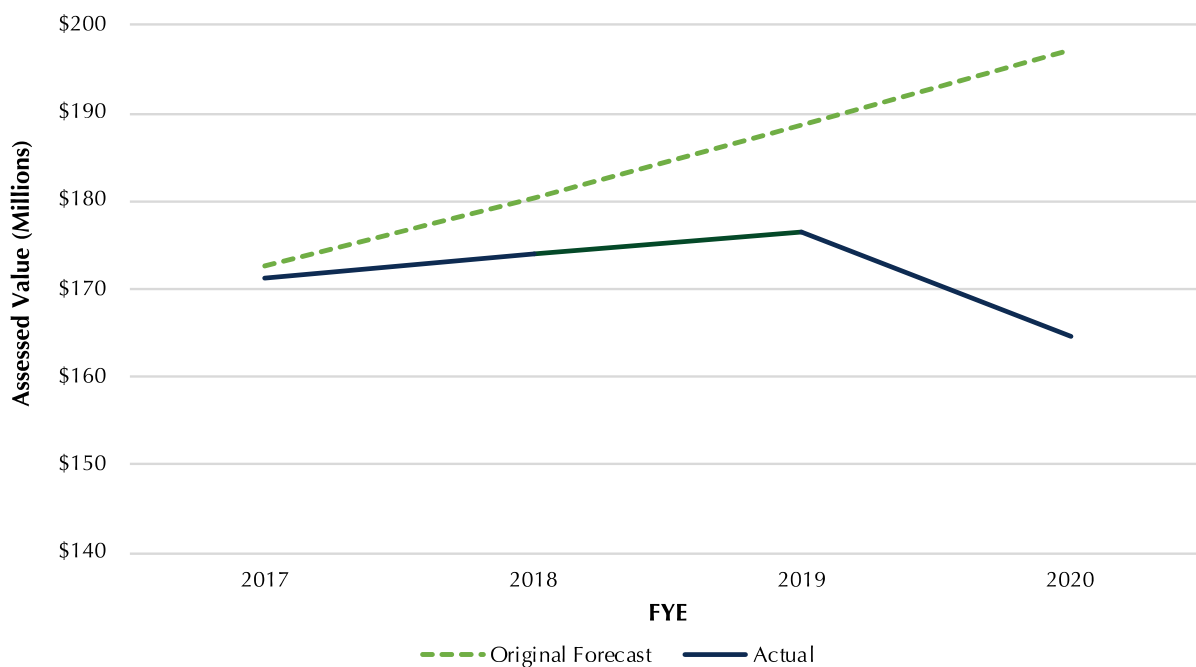
Exhibit 3. Assessed Value, Original Forecast and Actual, St. Helens URA, FYE 2017 to FYE 2020

FYE	Original Forecast		Actual		Difference	
	AV	% Growth	AV	% Growth	AV	% Difference
2017	\$ 172,586,634		\$ 171,187,460		\$ (1,399,174)	-0.8%
2018	\$ 180,398,884	4.5%				
2019	\$ 188,601,746	4.5%	\$ 176,534,763		\$ (12,066,983)	-6.4%
2020	\$ 197,214,751	4.6%	\$ 164,641,059	-6.7%	\$ (32,573,692)	-16.5%

Sources:

Actual: Columbia County Assessor, SAL Table 4c, FYE 2019-2020; Certified Frozen Base Value for FYE 2017; data for FYE 2018 is unavailable, as the URA was not effective prior to the Assessor's schedule for establishing the tax roll.

Original Forecast: St. Helens Urban Renewal Report on the Urban Renewal Plan

Exhibit 4. Assessed Value, Original Forecast and Actual, St. Helens URA, FYE 2017 to FYE 2020


Sources:

Actual: Columbia County Assessor, SAL Table 4c, FYE 2019-2020; Certified Frozen Base Value for FYE 2017; data for FYE 2018 is unavailable, as the URA was not effective prior to the Assessor's schedule for establishing the tax roll.

Original Forecast: St. Helens Urban Renewal Report on the Urban Renewal Plan

Exhibit 5. Gross TIF Revenue, Original Forecast and Actual, FYE 2019 to FYE 2020

FYE	Original Forecast		% Difference	
	Forecast	Actual	Difference	Difference
2019	\$ 190,931	\$ 67,399	\$ (123,532)	-65%
2020	\$ 484,546	\$ 148	\$ (484,398)	-100%
Growth	154%	-100%		

Sources:

Actual: Columbia County Assessor, SAL Table 4c, FYE 2019-2020

Original Forecast: St. Helens Urban Renewal Report on the Urban Renewal Plan

Updated Financial Forecast

For this analysis, we evaluated three financial scenarios illustrating a range of potential outcomes for future growth in assessed value. For all scenarios, the basic calculation of annual tax increment revenue is simple: incremental assessed value multiplied by the consolidated tax rate. However, to understand financial capacity, we also need to account for the duration of the URA, the impact of inflation over time, and the use of financing options (e.g., bonds and loans) to accelerate the timing of funding at the expense of interest paid over time.

The remainder of this section describes the steps used in the analysis and highlights all key assumptions. Those steps are:

1. Determine the consolidated tax rate
2. Forecast future assessed value
3. Calculate TIF revenue
4. Determine borrowing capacity

1. Determine the Consolidated Tax Rate

The City of St. Helens Urban Renewal Plan is a “reduced rate” urban renewal plan, as defined in ORS 457. Therefore, the consolidated tax rate for the URA is equal to the sum of all permanent tax rates, as well as any general obligation bond levies and any local option taxes approved by voters before October 6, 2001.

The URA encompasses two separate tax code areas (TCAs): 291 and 298. These two TCAs are identical with one exception; TCA 291 is in the City of St. Helens, and therefore includes the City of St. Helens tax rate. TCA 298 is outside of the City limits, and therefore does not include the City of St. Helens tax rate. Exhibit 6 shows the consolidated tax rates for the URA in FYE 2020. Neither of these TCAs have any general obligation bond or local option levies that were approved by voters before October 6, 2001. Thus, only the permanent tax rates for overlapping taxing districts are included in the consolidated tax rates.

Exhibit 6. Consolidated Tax Rate by TCA, St. Helens URA Boundary, FYE 2020

Jurisdiction Name	Type	291	298
Columbia County	Permanent	\$ 1.3956	\$ 1.3956
Columbia 4H & Extension	Permanent	\$ 0.0571	\$ 0.0571
Columbia 9-1-1- Communication	Permanent	\$ 0.2554	\$ 0.2554
Columbia Vector	Permanent	\$ 0.1279	\$ 0.1279
Port of Columbia County	Permanent	\$ 0.0886	\$ 0.0886
Columbia SWCD	Permanent	\$ 0.1000	\$ 0.1000
Columbia River Fire	Permanent	\$ 2.9731	\$ 2.9731
St. Helens Aquatic District	Permanent	\$ 0.2347	\$ 0.2347
City of St. Helens	Permanent	\$ 1.9078	\$ -
Subtotal	Gen. Govt.	\$ 7.1402	\$ 5.2324
NW Regional ESD	Permanent	\$ 0.1538	\$ 0.1538
St. Helens 502 School	Permanent	\$ 5.0297	\$ 5.0297
Portland Community College	Permanent	\$ 0.2828	\$ 0.2828
Subtotal	Education	\$ 5.4663	\$ 5.4663
Total	All	\$ 12.6065	\$ 10.6987

Source: Tiberius Solutions using data from Columbia County Assessor, FYE 2020

2. Forecast Future Assessed Value

We forecast future growth in assessed value in the URA based on conversations with City staff about future development opportunities in the area. This forecast is segmented into two time periods: short-term from FYE 2020 to FYE 2025 and long-term for FYE 2026 and beyond.

For the short-term forecast, we assume the assessed value for all existing property in the URA will grow at 3.0% (the maximum annual rate of appreciation for properties in Oregon). In addition, we forecast increases in assessed value on specific properties based on anticipated “exceptions” to Oregon’s 3.0% limitation on assessed value growth. These exception events include new construction and the expiration of existing property tax exemptions.

New construction over this period was forecast based on City staff’s knowledge of current and planned projects. Each planned construction project was assigned a likelihood of completion, and three separate growth forecasts were developed, showing the range of TIF revenue that could be generated based on the amount of future construction activity that occurs. These growth scenarios assume:

- Low growth: Only recently completed projects and projects that have begun construction.
- Medium growth: All projects included in low growth scenario, plus additional speculative future construction projects that are likely to occur.
- High Growth: All projects included in low and medium growth scenarios, plus additional speculative future construction projects that are less likely to occur.

Exhibit 7 shows potential short-term development in the URA by growth scenario. It includes both residential and commercial development. The Veneer waterfront development is the largest project in both the medium and high growth scenarios, expected to develop either in one phase or three phases respectively. Collectively, these construction projects are estimated to add between \$40 million and \$160 million of real value to the URA in the coming years. That real market value translates to \$25 million to \$111 million of assessed value to be added to the tax rolls.

Exhibit 7. Forecast Real Market Value from New Construction, St. Helens URA, 2020\$

Project Name	COO	Growth Scenario		
		Low	Medium	High
Legacy Health Clinic	2019	\$ 9,317,557	\$ 9,317,557	\$ 9,317,557
St. Helens Place Apartments	2020	\$ 25,278,050	\$ 25,278,050	\$ 25,278,050
Grocery Outlet and Drive-Thru	2021	\$ 3,411,240	\$ 3,411,240	\$ 3,411,240
Veneer 1 - 20% now	2022	\$ -	\$ 4,000,000	\$ 4,000,000
Veneer 1- 80% after 10 years	2032	\$ -	\$ 16,000,000	\$ 16,000,000
Veneer 2	2029	\$ -	\$ -	\$ 30,000,000
Veneer 3	2027	\$ -	\$ -	\$ 70,000,000
St. Helens Veterinary Clinic	2020	\$ 949,034	\$ 949,034	\$ 949,034
Kervin's Ironworks Building	2022	\$ 683,200	\$ 683,200	\$ 683,200
Total		\$ 39,639,081	\$ 59,639,081	\$ 159,639,081

Source: City of St. Helens

Note: Veneer Phase 1 is expected to receive a vertical housing tax credit (VHTC). 20% of total assessed value will be taxable immediately, and the remaining 80% of value will be taxable in after 10 years.

Exhibit 8. Assumptions for Construction Activity by Growth Scenario, St. Helens URA, 2020\$, FYE 2021 through FYE 2034

Calendar Year of Development	FYE on Tax Roll	Development by Growth Scenario (2020\$)		
		Low	Medium	High
2019	2021	\$ 9,317,557	\$ 9,317,557	\$ 9,317,557
2020	2022	\$ 26,227,084	\$ 26,227,084	\$ 26,227,084
2021	2023	\$ 3,411,240	\$ 3,411,240	\$ 3,411,240
2022	2024	\$ 683,200	\$ 4,683,200	\$ 4,683,200
2023	2025	\$ -	\$ -	\$ -
2024	2026	\$ -	\$ -	\$ -
2025	2027	\$ -	\$ -	\$ -
2026	2028	\$ -	\$ -	\$ -
2027	2029	\$ -	\$ -	\$ 70,000,000
2028	2030	\$ -	\$ -	\$ -
2029	2031	\$ -	\$ -	\$ 30,000,000
2030	2032	\$ -	\$ -	\$ -
2031	2033	\$ -	\$ -	\$ -
2032	2034	\$ -	\$ 16,000,000	\$ 16,000,000
Total		\$ 39,639,081	\$ 59,639,081	\$ 159,639,081
Net New AV on Tax Roll		\$ 25,054,597	\$ 39,354,597	\$ 110,854,597

Sources and Notes:

City staff provided Tiberius Solutions with the assumption for potential upcoming projects through calendar year 2032

Net New AV on Tax Roll is determined by applying the changed property ratio (varies by land use) to real market value of development.

Changed Property Ratio: Columbia County Assessor, FYE 2020

In addition to new construction, the expiration of tax exemptions is expected to contribute to growth in taxable assessed value in the URA in the near future. Cascade Tissue Group is currently Enterprise Zone tax exemption benefits for three separate schedules of investments. These exemptions are scheduled to expire in FYE 2021, 2022, and 2024 respectively. Exhibit 9 shows the anticipated increase in assessed value of the expiring Enterprise Zone exemptions for Cascades Tissue Group. In total, \$38.3 million (in 2020\$) will become taxable between FYE 2021 and FYE 2024 as the Enterprise Zone benefits expire. These increases in taxable assessed value are reflected in all three growth scenarios.

Exhibit 9. Assessed Value of Expiring Enterprise Zone Exemptions, Cascades Tissue Group, 2020\$

FYE	Assessed Value
2021	\$ 26,404,200
2022	\$ 7,600,490
2024	\$ 4,246,440
Total	\$ 38,251,130

Source: Columbia County Assessor, FYE 2020

For FYE 2026 and beyond, we anticipate that the URA will experience speculative future development. However, the timing and value of potential long-term future construction projects is

unknown. Therefore, starting in FYE 2026 we increase the assumed average annual growth in assessed value for each scenario to reflect the likelihood of future construction activity:

- Low Growth: 4% (equal to 3% maximum annual appreciation for existing property plus 1% exception value from new development)
- Medium Growth: 5% (equal to 3% maximum annual appreciation for existing property plus 2% exception value from new development)
- High Growth: 6% (equal to 3% maximum annual appreciation for existing property plus 3% exception value from new development)

Exhibit 10 and Exhibit 11 show the updated assessed value forecast for all three growth scenarios, and compares them to the original Plan. The Plan assumed that URA would complete all projects by FYE 2043, and the updated forecasts also show assessed value growth through FYE 2043. The long-term average annual growth rate (AAGR) in the updated forecast high-growth scenario is actually higher than the AAGR in the original forecast. However, due to the current assessed value of the URA being less than what was originally forecast, even the updated high-growth forecast falls short of the projected assessed value in the original forecast.

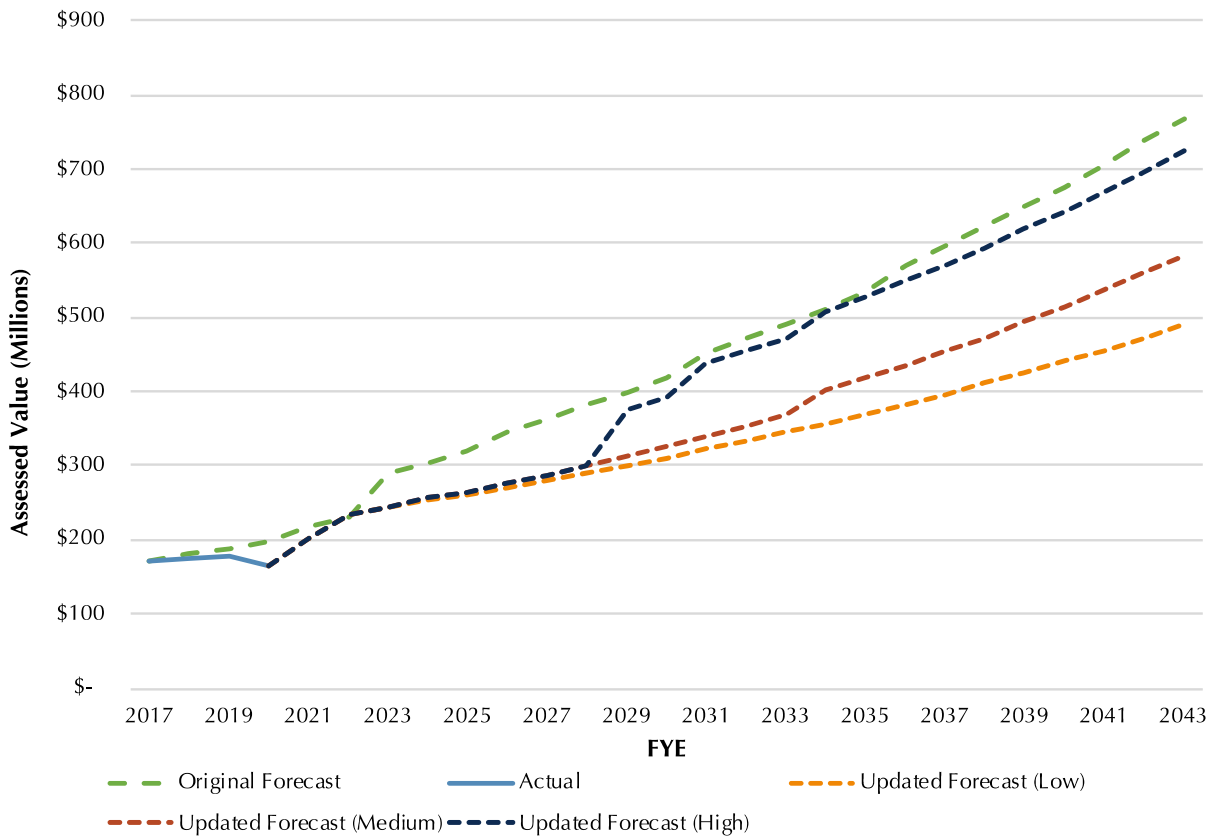
Exhibit 10. New Forecast of Assessed Value, FYE 2020 to FYE 2034

FYE	Original Forecast		Updated Forecast - Low		Updated Forecast - Medium		Updated Forecast - High	
	AV	% Growth	AV	% Growth	AV	% Growth	AV	% Growth
2020	\$ 197,214,751		\$ 164,641,059		\$ 164,641,059		\$ 164,641,059	
2021	\$ 218,896,647	11.0%	\$ 200,826,928	22.0%	\$ 200,826,928	22.0%	\$ 200,826,928	22.0%
2022	\$ 230,719,256	5.4%	\$ 233,997,349	16.5%	\$ 233,997,349	16.5%	\$ 233,997,349	16.5%
2023	\$ 289,284,948	25.4%	\$ 242,423,276	3.6%	\$ 242,423,276	3.6%	\$ 242,423,276	3.6%
2024	\$ 303,727,144	5.0%	\$ 254,462,940	5.0%	\$ 257,681,870	6.3%	\$ 257,681,870	6.3%
2025	\$ 318,873,981	5.0%	\$ 261,596,524	2.8%	\$ 264,912,022	2.8%	\$ 264,912,022	2.8%
2026	\$ 346,255,509	8.6%	\$ 270,659,427	3.5%	\$ 275,789,702	4.1%	\$ 275,789,702	4.1%
2027	\$ 363,258,422	4.9%	\$ 280,062,830	3.5%	\$ 287,165,243	4.1%	\$ 287,165,243	4.1%
2028	\$ 381,081,515	4.9%	\$ 289,819,693	3.5%	\$ 299,062,158	4.1%	\$ 299,062,158	4.1%
2029	\$ 399,763,526	4.9%	\$ 299,943,472	3.5%	\$ 311,505,094	4.2%	\$ 376,810,334	26.0%
2030	\$ 419,345,134	4.9%	\$ 310,448,144	3.5%	\$ 324,519,887	4.2%	\$ 391,784,284	4.0%
2031	\$ 450,396,568	7.4%	\$ 321,348,223	3.5%	\$ 338,133,621	4.2%	\$ 437,107,040	11.6%
2032	\$ 469,605,304	4.3%	\$ 332,658,783	3.5%	\$ 352,374,689	4.2%	\$ 454,317,311	3.9%
2033	\$ 489,699,656	4.3%	\$ 344,395,475	3.5%	\$ 367,272,857	4.2%	\$ 472,273,757	4.0%
2034	\$ 510,721,661	4.3%	\$ 356,574,557	3.5%	\$ 400,163,476	9.0%	\$ 508,314,403	7.6%
2035	\$ 532,715,389	4.3%	\$ 369,212,913	3.5%	\$ 416,990,099	4.2%	\$ 528,385,553	3.9%
2036	\$ 570,877,285	7.2%	\$ 382,328,076	3.6%	\$ 434,587,622	4.2%	\$ 549,324,939	4.0%
2037	\$ 595,409,821	4.3%	\$ 395,938,257	3.6%	\$ 452,992,476	4.2%	\$ 571,171,913	4.0%
2038	\$ 621,073,156	4.3%	\$ 410,062,370	3.6%	\$ 472,242,852	4.2%	\$ 593,967,672	4.0%
2039	\$ 647,920,955	4.3%	\$ 424,720,057	3.6%	\$ 492,378,784	4.3%	\$ 617,755,349	4.0%
2040	\$ 676,009,481	4.3%	\$ 439,931,719	3.6%	\$ 513,442,243	4.3%	\$ 642,580,105	4.0%
2041	\$ 705,397,721	4.3%	\$ 455,718,545	3.6%	\$ 535,477,225	4.3%	\$ 668,489,223	4.0%
2042	\$ 736,147,518	4.4%	\$ 472,102,544	3.6%	\$ 558,529,858	4.3%	\$ 695,532,216	4.0%
2043	\$ 768,323,714	4.4%	\$ 489,106,573	3.6%	\$ 582,648,501	4.3%	\$ 723,760,929	4.1%
AAGR		6.09%		4.85%		5.65%		6.65%

Sources:

Original Forecast: St. Helens Urban Renewal Report on the Urban Renewal Plan

Updated Forecasts: Tiberius Solutions

Exhibit 11. New Forecast of Assessed Value, St. Helens URA, FYE 2020 to FYE 2034

Sources:

Original Forecast: St. Helens Urban Renewal Report on the Urban Renewal Plan

Updated Forecasts: Tiberius Solutions

3. Calculate TIF Revenue

Gross TIF revenue is calculated as the product of the increment assessed value and the consolidated tax rate each year. However, actual TIF received (i.e., net revenue) in a given year tends to be lower, due to discounts (from lump-sum, on-time payment of taxes), delinquencies (unpaid taxes), truncation loss (lost revenue due to rounding), and compression loss (for properties where the taxes imposed would exceed constitutional limits). Our forecast of net TIF revenue assumes a 5.0% adjustment factor to convert from gross to net revenue, based on our experience with other jurisdictions across the State, plus an additional 1.5% of prior year collections that are assumed to be received the following year as late payment on delinquent accounts. Exhibit 12 through Exhibit 15 show the updated forecasts of TIF revenue through FYE 2043 for each growth scenario.

Exhibit 12. Updated TIF Forecast, Low Growth Scenario, St. Helens URA, FYE 2020 to FYE 2043

FYE	Assessed Value			Tax Rate	Tax Increment Finance Revenue				
	Total	Frozen Base	Increment		Gross	Adjustments	Net (Current Year)	Prior Year	Net (Total)
2020	\$ 164,641,059	\$ 171,187,460	\$ 13,811	\$ 10.6987	\$ 148	\$ (7)	\$ 140	\$ 2	\$ 143
2021	\$ 200,826,928	\$ 171,187,460	\$ 29,639,468	\$ 12.6052	\$ 373,611	\$ (18,681)	\$ 354,930	\$ 2	\$ 354,932
2022	\$ 233,997,349	\$ 171,187,460	\$ 62,809,889	\$ 12.6057	\$ 791,760	\$ (39,588)	\$ 752,172	\$ 5,324	\$ 757,496
2023	\$ 242,423,276	\$ 171,187,460	\$ 71,235,816	\$ 12.6056	\$ 897,968	\$ (44,898)	\$ 853,069	\$ 11,283	\$ 864,352
2024	\$ 254,462,940	\$ 171,187,460	\$ 83,275,480	\$ 12.6055	\$ 1,049,732	\$ (52,487)	\$ 997,245	\$ 12,796	\$ 1,010,041
2025	\$ 261,596,524	\$ 171,187,460	\$ 90,409,064	\$ 12.6054	\$ 1,139,647	\$ (56,982)	\$ 1,082,664	\$ 14,959	\$ 1,097,623
2026	\$ 270,659,427	\$ 171,187,460	\$ 99,471,967	\$ 12.6053	\$ 1,253,878	\$ (62,694)	\$ 1,191,184	\$ 16,240	\$ 1,207,424
2027	\$ 280,062,830	\$ 171,187,460	\$ 108,875,370	\$ 12.6052	\$ 1,372,401	\$ (68,620)	\$ 1,303,781	\$ 17,868	\$ 1,321,649
2028	\$ 289,819,693	\$ 171,187,460	\$ 118,632,233	\$ 12.6052	\$ 1,495,379	\$ (74,769)	\$ 1,420,610	\$ 19,557	\$ 1,440,167
2029	\$ 299,943,472	\$ 171,187,460	\$ 128,756,012	\$ 12.6051	\$ 1,622,982	\$ (81,149)	\$ 1,541,833	\$ 21,309	\$ 1,563,142
2030	\$ 310,448,144	\$ 171,187,460	\$ 139,260,684	\$ 12.6050	\$ 1,755,386	\$ (87,769)	\$ 1,667,617	\$ 23,128	\$ 1,690,744
2031	\$ 321,348,223	\$ 171,187,460	\$ 150,160,763	\$ 12.6050	\$ 1,892,773	\$ (94,639)	\$ 1,798,135	\$ 25,014	\$ 1,823,149
2032	\$ 332,658,783	\$ 171,187,460	\$ 161,471,323	\$ 12.6049	\$ 2,035,334	\$ (101,767)	\$ 1,933,568	\$ 26,972	\$ 1,960,540
2033	\$ 344,395,475	\$ 171,187,460	\$ 173,208,015	\$ 12.6049	\$ 2,183,267	\$ (109,163)	\$ 2,074,103	\$ 29,004	\$ 2,103,107
2034	\$ 356,574,557	\$ 171,187,460	\$ 185,387,097	\$ 12.6048	\$ 2,336,775	\$ (116,839)	\$ 2,219,936	\$ 31,112	\$ 2,251,048
2035	\$ 369,212,913	\$ 171,187,460	\$ 198,025,453	\$ 12.6048	\$ 2,496,072	\$ (124,804)	\$ 2,371,268	\$ 33,299	\$ 2,404,567
2036	\$ 382,328,076	\$ 171,187,460	\$ 211,140,616	\$ 12.6048	\$ 2,661,378	\$ (133,069)	\$ 2,528,309	\$ 35,569	\$ 2,563,878
2037	\$ 395,938,257	\$ 171,187,460	\$ 224,750,797	\$ 12.6047	\$ 2,832,924	\$ (141,646)	\$ 2,691,278	\$ 37,925	\$ 2,729,203
2038	\$ 410,062,370	\$ 171,187,460	\$ 238,874,910	\$ 12.6047	\$ 3,010,948	\$ (150,547)	\$ 2,860,400	\$ 40,369	\$ 2,900,769
2039	\$ 424,720,057	\$ 171,187,460	\$ 253,532,597	\$ 12.6047	\$ 3,195,696	\$ (159,785)	\$ 3,035,912	\$ 42,906	\$ 3,078,818
2040	\$ 439,931,719	\$ 171,187,460	\$ 268,744,259	\$ 12.6047	\$ 3,387,427	\$ (169,371)	\$ 3,218,056	\$ 45,539	\$ 3,263,595
2041	\$ 455,718,545	\$ 171,187,460	\$ 284,531,085	\$ 12.6046	\$ 3,586,408	\$ (179,320)	\$ 3,407,088	\$ 48,271	\$ 3,455,358
2042	\$ 472,102,544	\$ 171,187,460	\$ 300,915,084	\$ 12.6046	\$ 3,792,915	\$ (189,646)	\$ 3,603,269	\$ 51,106	\$ 3,654,376
2043	\$ 489,106,573	\$ 171,187,460	\$ 317,919,113	\$ 12.6046	\$ 4,007,237	\$ (200,362)	\$ 3,806,876	\$ 54,049	\$ 3,860,925

Source: Tiberius Solutions

Exhibit 13. Updated TIF Forecast, Medium Growth Scenario, St. Helens URA, FYE 2020 to FYE 2043

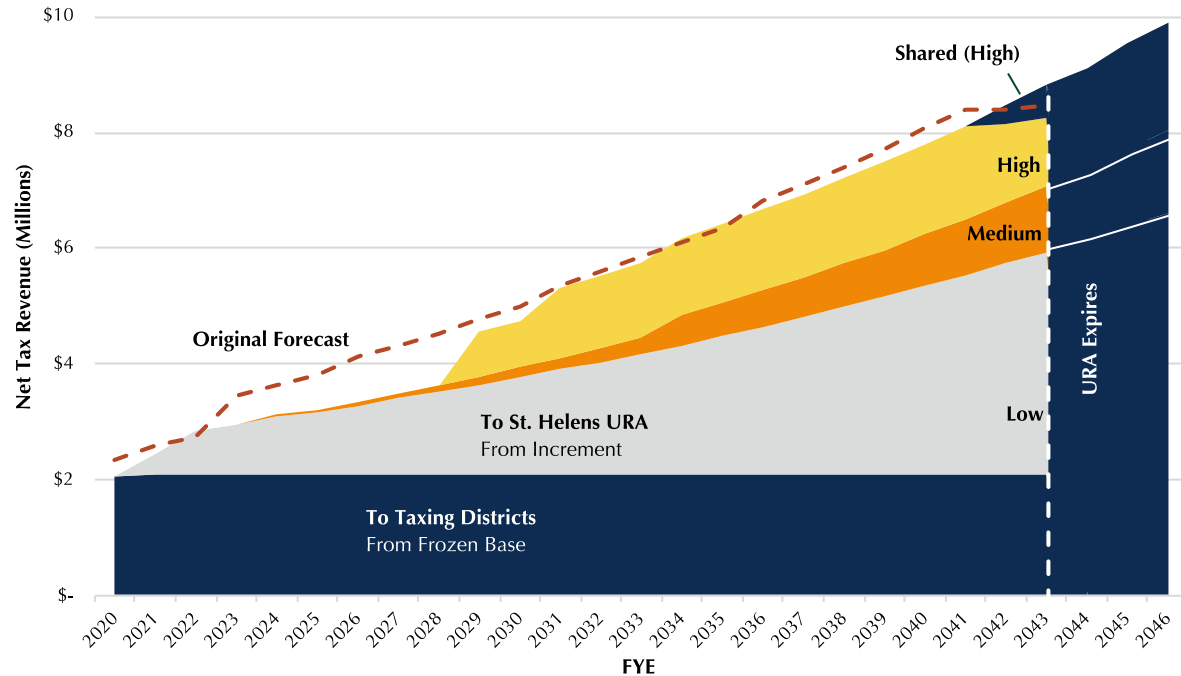
FYE	Assessed Value			Tax Rate	Tax Increment Finance Revenue				
	Total	Frozen Base	Increment		Gross	Adjustments	Net (Current Year)	Prior Year	Net (Total)
2020	\$ 164,641,059	\$ 171,187,460	\$ 13,811	\$ 10.6987	\$ 148	\$ (7)	\$ 140	\$ 2	\$ 143
2021	\$ 200,826,928	\$ 171,187,460	\$ 29,639,468	\$ 12.6052	\$ 373,611	\$ (18,681)	\$ 354,930	\$ 2	\$ 354,932
2022	\$ 233,997,349	\$ 171,187,460	\$ 62,809,889	\$ 12.6057	\$ 791,760	\$ (39,588)	\$ 752,172	\$ 5,324	\$ 757,496
2023	\$ 242,423,276	\$ 171,187,460	\$ 71,235,816	\$ 12.6056	\$ 897,968	\$ (44,898)	\$ 853,069	\$ 11,283	\$ 864,352
2024	\$ 257,681,870	\$ 171,187,460	\$ 86,494,410	\$ 12.6056	\$ 1,090,311	\$ (54,516)	\$ 1,035,796	\$ 12,796	\$ 1,048,592
2025	\$ 264,912,022	\$ 171,187,460	\$ 93,724,562	\$ 12.6055	\$ 1,181,443	\$ (59,072)	\$ 1,122,371	\$ 15,537	\$ 1,137,908
2026	\$ 275,789,702	\$ 171,187,460	\$ 104,602,242	\$ 12.6053	\$ 1,318,548	\$ (65,927)	\$ 1,252,620	\$ 16,836	\$ 1,269,456
2027	\$ 287,165,243	\$ 171,187,460	\$ 115,977,783	\$ 12.6052	\$ 1,461,927	\$ (73,096)	\$ 1,388,831	\$ 18,789	\$ 1,407,620
2028	\$ 299,062,158	\$ 171,187,460	\$ 127,874,698	\$ 12.6051	\$ 1,611,878	\$ (80,594)	\$ 1,531,284	\$ 20,832	\$ 1,552,117
2029	\$ 311,505,094	\$ 171,187,460	\$ 140,317,634	\$ 12.6051	\$ 1,768,711	\$ (88,436)	\$ 1,680,275	\$ 22,969	\$ 1,703,245
2030	\$ 324,519,887	\$ 171,187,460	\$ 153,332,427	\$ 12.6050	\$ 1,932,751	\$ (96,638)	\$ 1,836,114	\$ 25,204	\$ 1,861,318
2031	\$ 338,133,621	\$ 171,187,460	\$ 166,946,161	\$ 12.6049	\$ 2,104,341	\$ (105,217)	\$ 1,999,124	\$ 27,542	\$ 2,026,666
2032	\$ 352,374,689	\$ 171,187,460	\$ 181,187,229	\$ 12.6048	\$ 2,283,837	\$ (114,192)	\$ 2,169,645	\$ 29,987	\$ 2,199,632
2033	\$ 367,272,857	\$ 171,187,460	\$ 196,085,397	\$ 12.6048	\$ 2,471,616	\$ (123,581)	\$ 2,348,035	\$ 32,545	\$ 2,380,580
2034	\$ 400,163,476	\$ 171,187,460	\$ 228,976,016	\$ 12.6049	\$ 2,886,214	\$ (144,311)	\$ 2,741,904	\$ 35,221	\$ 2,777,124
2035	\$ 416,990,099	\$ 171,187,460	\$ 245,802,639	\$ 12.6048	\$ 3,098,300	\$ (154,915)	\$ 2,943,385	\$ 41,129	\$ 2,984,514
2036	\$ 434,587,622	\$ 171,187,460	\$ 263,400,162	\$ 12.6048	\$ 3,320,103	\$ (166,005)	\$ 3,154,097	\$ 44,151	\$ 3,198,248
2037	\$ 452,992,476	\$ 171,187,460	\$ 281,805,016	\$ 12.6047	\$ 3,552,080	\$ (177,604)	\$ 3,374,476	\$ 47,311	\$ 3,421,788
2038	\$ 472,242,852	\$ 171,187,460	\$ 301,055,392	\$ 12.6047	\$ 3,794,715	\$ (189,736)	\$ 3,604,980	\$ 50,617	\$ 3,655,597
2039	\$ 492,378,784	\$ 171,187,460	\$ 321,191,324	\$ 12.6047	\$ 4,048,512	\$ (202,426)	\$ 3,846,086	\$ 54,075	\$ 3,900,161
2040	\$ 513,442,243	\$ 171,187,460	\$ 342,254,783	\$ 12.6046	\$ 4,313,998	\$ (215,700)	\$ 4,098,299	\$ 57,691	\$ 4,155,990
2041	\$ 535,477,225	\$ 171,187,460	\$ 364,289,765	\$ 12.6046	\$ 4,591,730	\$ (229,587)	\$ 4,362,144	\$ 61,474	\$ 4,423,618
2042	\$ 558,529,858	\$ 171,187,460	\$ 387,342,398	\$ 12.6046	\$ 4,882,289	\$ (244,114)	\$ 4,638,174	\$ 65,432	\$ 4,703,606
2043	\$ 582,648,501	\$ 171,187,460	\$ 411,461,041	\$ 12.6046	\$ 5,186,283	\$ (259,314)	\$ 4,926,969	\$ 69,573	\$ 4,996,541

Source: Tiberius Solutions

Exhibit 14. Updated TIF Forecast, High Growth Scenario, St. Helens URA, FYE 2020 to FYE 2043

FYE	Assessed Value			Tax Rate	Tax Increment Finance				
	Total	Frozen Base	Increment - Used		Gross TIF	Adjustments	Net (Current Year)	Net TIF (Prior Year)	Net TIF (Total)
2020	\$ 164,641,059	\$ 171,187,460	\$ 13,811	\$ 10.6987	\$ 148	\$ (7)	\$ 140	\$ 2	\$ 143
2021	\$ 200,826,928	\$ 171,187,460	\$ 29,639,468	\$ 12.6052	\$ 373,611	\$ (18,681)	\$ 354,930	\$ 2	\$ 354,932
2022	\$ 233,997,349	\$ 171,187,460	\$ 62,809,889	\$ 12.6057	\$ 791,760	\$ (39,588)	\$ 752,172	\$ 5,324	\$ 757,496
2023	\$ 242,423,276	\$ 171,187,460	\$ 71,235,816	\$ 12.6056	\$ 897,968	\$ (44,898)	\$ 853,069	\$ 11,283	\$ 864,352
2024	\$ 257,681,870	\$ 171,187,460	\$ 86,494,410	\$ 12.6056	\$ 1,090,311	\$ (54,516)	\$ 1,035,796	\$ 12,796	\$ 1,048,592
2025	\$ 264,912,022	\$ 171,187,460	\$ 93,724,562	\$ 12.6055	\$ 1,181,443	\$ (59,072)	\$ 1,122,371	\$ 15,537	\$ 1,137,908
2026	\$ 275,789,702	\$ 171,187,460	\$ 104,602,242	\$ 12.6053	\$ 1,318,548	\$ (65,927)	\$ 1,252,620	\$ 16,836	\$ 1,269,456
2027	\$ 287,165,243	\$ 171,187,460	\$ 115,977,783	\$ 12.6052	\$ 1,461,927	\$ (73,096)	\$ 1,388,831	\$ 18,789	\$ 1,407,620
2028	\$ 299,062,158	\$ 171,187,460	\$ 127,874,698	\$ 12.6051	\$ 1,611,878	\$ (80,594)	\$ 1,531,284	\$ 20,832	\$ 1,552,117
2029	\$ 376,810,334	\$ 171,187,460	\$ 205,622,874	\$ 12.6055	\$ 2,591,981	\$ (129,599)	\$ 2,462,382	\$ 22,969	\$ 2,485,352
2030	\$ 391,784,284	\$ 171,187,460	\$ 220,596,824	\$ 12.6054	\$ 2,780,720	\$ (139,036)	\$ 2,641,684	\$ 36,936	\$ 2,678,620
2031	\$ 437,107,040	\$ 171,187,460	\$ 265,919,580	\$ 12.6055	\$ 3,352,049	\$ (167,602)	\$ 3,184,447	\$ 39,625	\$ 3,224,072
2032	\$ 454,317,311	\$ 171,187,460	\$ 283,129,851	\$ 12.6054	\$ 3,568,977	\$ (178,449)	\$ 3,390,528	\$ 47,767	\$ 3,438,295
2033	\$ 472,273,757	\$ 171,187,460	\$ 301,086,297	\$ 12.6054	\$ 3,795,310	\$ (189,765)	\$ 3,605,544	\$ 50,858	\$ 3,656,402
2034	\$ 508,314,403	\$ 171,187,460	\$ 337,126,943	\$ 12.6054	\$ 4,249,619	\$ (212,481)	\$ 4,037,138	\$ 54,083	\$ 4,091,221
2035	\$ 528,385,553	\$ 171,187,460	\$ 357,198,093	\$ 12.6054	\$ 4,502,607	\$ (225,130)	\$ 4,277,477	\$ 60,557	\$ 4,338,034
2036	\$ 549,324,939	\$ 171,187,460	\$ 378,137,479	\$ 12.6053	\$ 4,766,539	\$ (238,327)	\$ 4,528,212	\$ 64,162	\$ 4,592,374
2037	\$ 571,171,913	\$ 171,187,460	\$ 399,984,453	\$ 12.6053	\$ 5,041,910	\$ (252,095)	\$ 4,789,814	\$ 67,923	\$ 4,857,737
2038	\$ 593,967,672	\$ 171,187,460	\$ 422,780,212	\$ 12.6052	\$ 5,329,239	\$ (266,462)	\$ 5,062,777	\$ 71,847	\$ 5,134,624
2039	\$ 617,755,349	\$ 171,187,460	\$ 446,567,889	\$ 12.6052	\$ 5,629,071	\$ (281,454)	\$ 5,347,618	\$ 75,942	\$ 5,423,559
2040	\$ 642,580,105	\$ 171,187,460	\$ 471,392,645	\$ 12.6051	\$ 5,941,975	\$ (297,099)	\$ 5,644,876	\$ 80,214	\$ 5,725,090
2041	\$ 668,489,223	\$ 171,187,460	\$ 497,301,763	\$ 12.6051	\$ 6,268,546	\$ (313,427)	\$ 5,955,119	\$ 84,673	\$ 6,039,792
2042	\$ 695,532,216	\$ 171,187,460	\$ 499,985,011	\$ 12.6051	\$ 6,302,352	\$ (315,118)	\$ 5,987,235	\$ 89,327	\$ 6,076,561
2043	\$ 723,760,929	\$ 171,187,460	\$ 507,043,114	\$ 12.6051	\$ 6,391,304	\$ (319,565)	\$ 6,071,739	\$ 89,809	\$ 6,161,547

Source: Tiberius Solutions

Exhibit 15. Net TIF Revenue to St. Helens URA and Taxing Districts

Source: Tiberius Solutions

As shown in Exhibit 15, all three forecasts are fairly similar through FYE 2028, at which point in time, assumed new construction activity translates to rapid growth in assessed value in the high-growth scenario. In subsequent years, the differences between each scenario gradually widen, based on the amount of assumed long-term development in each scenario.

Exhibit 16 compares the new forecasts of TIF revenue to the forecast from the original Report. As with assessed value, each updated forecast falls short of the forecast in the original plan. Cumulatively from FYE 2020 to FYE 2043, TIF revenues are forecast to be 43% (low growth), 32% (medium growth), and 9% (high growth) less than what was forecast in the original Report.

**Exhibit 16. Comparison of Original TIF Forecast to New Forecasts, St. Helens URA,
FYE 2020 to 2043**

	Net TIF							
		Updated Forecasts			% Difference:	% Difference:	% Difference:	
	Original		Medium		Original and	Original and	Original and	
FYE	Forecast	Low Growth	Growth	High Growth	Low	Medium	High	
2020	\$ 293,615	\$ 143	\$ 143	\$ 143	-100%	-100%	-100%	
2021	\$ 552,105	\$ 354,932	\$ 354,932	\$ 354,932	-36%	-36%	-36%	
2022	\$ 693,053	\$ 757,496	\$ 757,496	\$ 757,496	9%	9%	9%	
2023	\$ 1,391,269	\$ 864,352	\$ 864,352	\$ 864,352	-38%	-38%	-38%	
2024	\$ 1,563,448	\$ 1,010,041	\$ 1,048,592	\$ 1,048,592	-35%	-33%	-33%	
2025	\$ 1,744,027	\$ 1,097,623	\$ 1,137,908	\$ 1,137,908	-37%	-35%	-35%	
2026	\$ 2,070,468	\$ 1,207,424	\$ 1,269,456	\$ 1,269,456	-42%	-39%	-39%	
2027	\$ 2,273,176	\$ 1,321,649	\$ 1,407,620	\$ 1,407,620	-42%	-38%	-38%	
2028	\$ 2,485,662	\$ 1,440,167	\$ 1,552,117	\$ 1,552,117	-42%	-38%	-38%	
2029	\$ 2,708,387	\$ 1,563,142	\$ 1,703,245	\$ 2,485,352	-42%	-37%	-8%	
2030	\$ 2,941,837	\$ 1,690,744	\$ 1,861,318	\$ 2,678,620	-43%	-37%	-9%	
2031	\$ 3,312,031	\$ 1,823,149	\$ 2,026,666	\$ 3,224,072	-45%	-39%	-3%	
2032	\$ 3,541,036	\$ 1,960,540	\$ 2,199,632	\$ 3,438,295	-45%	-38%	-3%	
2033	\$ 3,780,599	\$ 2,103,107	\$ 2,380,580	\$ 3,656,402	-44%	-37%	-3%	
2034	\$ 4,031,222	\$ 2,251,048	\$ 2,777,124	\$ 4,091,221	-44%	-31%	1%	
2035	\$ 4,293,430	\$ 2,404,567	\$ 2,984,514	\$ 4,338,034	-44%	-30%	1%	
2036	\$ 4,748,394	\$ 2,563,878	\$ 3,198,248	\$ 4,592,374	-46%	-33%	-3%	
2037	\$ 5,040,868	\$ 2,729,203	\$ 3,421,788	\$ 4,857,737	-46%	-32%	-4%	
2038	\$ 5,346,825	\$ 2,900,769	\$ 3,655,597	\$ 5,134,624	-46%	-32%	-4%	
2039	\$ 5,666,903	\$ 3,078,818	\$ 3,900,161	\$ 5,423,559	-46%	-31%	-4%	
2040	\$ 6,001,772	\$ 3,263,595	\$ 4,155,990	\$ 5,725,090	-46%	-31%	-5%	
2041	\$ 6,352,136	\$ 3,455,358	\$ 4,423,618	\$ 6,039,792	-46%	-30%	-5%	
2042	\$ 6,329,683	\$ 3,654,376	\$ 4,703,606	\$ 6,076,561	-42%	-26%	-4%	
2043	\$ 6,425,584	\$ 3,860,925	\$ 4,996,541	\$ 6,161,547	-40%	-22%	-4%	
Total	\$ 83,587,530	\$ 47,357,045	\$ 56,781,243	\$ 76,315,897	-43%	-32%	-9%	

Sources:

Original Forecast: St. Helens Urban Renewal Report on the Urban Renewal Plan

Updated Forecasts: Tiberius Solutions

4. Determine Borrowing Capacity and Cash Flow Analysis

Net TIF revenue (as shown previously in Exhibit 12 through Exhibit 14) gives a general idea of the revenue generated by the URA each year. However, those numbers are insufficient to understand the total funding available for projects over the life of the URA. For this, we create a hypothetical long-term cash flow for the URA that considers existing fund balance, outstanding debt, and budgeted expenditures. Our analysis included cash flows for all three growth scenarios, all using the same key assumptions summarized below.

Based on conversations with City staff and our experience in other urban renewal areas, we use the following assumptions in this analysis:

- Inflation rate: 3.0%
- Beginning fund balance: \$51,594.88 in FYE 2020
- Maximum Indebtedness remaining as of the end of FYE 2019: \$62,000,000.
- No existing loans

- For new loans:
 - Minimum debt service coverage ratio required: 1.5 times annual TIF revenue
 - Interest rate: 5.0%
 - Amortization period: 20 years or less
 - Timing: FYE 2023, FYE 2029, FYE 2033
 - Principal amount: as large as possible, while maintaining minimum debt service coverage ratio
 - All loans paid off or paid off early by FYE 2043

Exhibit 17 summarizes the URA's capacity for each growth scenario. We show that the URA would have \$27.8 million to \$43.6 million in financial capacity in 2020 dollars through FYE 2043. No scenario will reach the URA's maximum indebtedness of \$62 million. The high-growth scenario comes closest, with an estimated \$60.8 million of indebtedness incurred and repaid by FYE 2043, equal to 98% of the approved maximum indebtedness for the URA.

Exhibit 17. Capacity Summary, Updated Forecasts, St. Helens URA

	Growth Scenario		
	Low	Medium	High
Total Net TIF	\$ 47,400,000	\$ 56,800,000	\$ 76,300,000
Maximum Indebtedness	\$ 62,000,000	\$ 62,000,000	\$ 62,000,000
Total Indebtedness Incurred	\$ 38,100,000	\$ 46,400,000	\$ 60,800,000
Capacity (2020\$)	\$ 27,800,000	\$ 33,100,000	\$ 43,600,000
Years 1-5	\$ 8,200,000	\$ 8,200,000	\$ 8,200,000
Years 6-10	\$ 6,300,000	\$ 7,200,000	\$ 13,500,000
Years 11-15	\$ 6,600,000	\$ 8,100,000	\$ 11,600,000
Years 16-20	\$ 4,100,000	\$ 5,600,000	\$ 7,400,000
Years 21-25	\$ 2,600,000	\$ 3,900,000	\$ 2,900,000

Source: Tiberius Solutions

Note that borrowing capacity is dependent on exact financing terms. Shorter-term loans, higher interest rates, and higher debt service coverage requirements would reduce the amount of borrowing capacity for the URA.

Potential Amendment

City staff have identified a 10-acre tax lot that could be added to the URA. The property is anticipated to be subdivided into 78 dwelling units (76 attached single-family homes and 2 detached single-family homes), and is forecast to be completed in calendar years 2022 and 2023 (50% each year).

City staff provided examples of comparable recent developments as the basis for assumptions on the real market value for the proposed development:

- Single-Family Attached Homes: 2,000 square feet per home, \$72 per square foot
- Single-Family Detached Homes: 2,700 square feet per home, \$104 per square foot

Using these assumptions, we estimate about \$11 million in new real market value from development, resulting in about \$7.5 million in new assessed value that will be added to the tax roll, split evenly between FYE 2024 and FYE 2025. Exhibit 18 below details these calculations.

Exhibit 18. Exception Value from Development, Potential New Amendment, St. Helens URA

Calendar Year of Development	FYE on Tax Roll	New Real Market Value	Changed Property Ratio	New AV
2022	2024	\$ 5,750,520	0.654	\$ 3,760,840
2023	2025	\$ 5,750,520	0.654	\$ 3,760,840

Sources and Notes:

Net New AV on Tax Roll is determined by applying the changed property ratio (varies by land use) to real market value of development.

Changed Property Ratio: Columbia County Assessor, FYE 2020

Exhibit 19 **Error! Reference source not found.** shows that by amending the URA to include this property, the St. Helens URA would collect an additional \$2.8 million in TIF revenue. Without detailed financing assumptions, we show that this would allow the URA to incur roughly \$2.8 million more indebtedness. In the high growth scenario, this would be sufficient for the URA to incur the full amount of maximum indebtedness. However, the low and medium growth scenarios would still have insufficient financial capacity to achieve the full amount of maximum indebtedness.

Exhibit 19 Detail of Impact of Potential Amendment, St. Helens URA

FYE	Exception Value	Total AV	Frozen Base	Increment	Tax Rate	Gross TIF	Net TIF	Net TIF (2020\$)
2020	\$ -	911,330	\$ 911,330	\$ -	\$ 12.6065	\$ -	\$ -	\$ -
2021	\$ -	938,670	\$ 938,670	\$ -	\$ 12.6065	\$ -	\$ -	\$ -
2022	\$ -	966,830	\$ 911,330	\$ -	\$ 12.6065	\$ -	\$ -	\$ -
2023	\$ -	995,835	\$ 911,330	\$ 84,505	\$ 12.6065	\$ 1,065	\$ 1,012	\$ 926
2024	\$ 4,232,859	5,258,569	\$ 911,330	\$ 4,347,239	\$ 12.6065	\$ 54,803	\$ 52,078	\$ 46,271
2025	\$ 4,359,844	9,776,170	\$ 911,330	\$ 8,864,840	\$ 12.6065	\$ 111,755	\$ 106,948	\$ 92,254
2026	\$ -	10,069,455	\$ 911,330	\$ 9,158,125	\$ 12.6065	\$ 115,452	\$ 111,284	\$ 93,198
2027	\$ -	10,371,539	\$ 911,330	\$ 9,460,209	\$ 12.6065	\$ 119,260	\$ 114,966	\$ 93,478
2028	\$ -	10,682,685	\$ 911,330	\$ 9,771,355	\$ 12.6065	\$ 123,183	\$ 118,748	\$ 93,741
2029	\$ -	11,003,166	\$ 911,330	\$ 10,091,836	\$ 12.6065	\$ 127,223	\$ 122,643	\$ 93,995
2030	\$ -	11,333,260	\$ 911,330	\$ 10,421,930	\$ 12.6065	\$ 131,384	\$ 126,655	\$ 94,243
2031	\$ -	11,673,258	\$ 911,330	\$ 10,761,928	\$ 12.6065	\$ 135,670	\$ 130,787	\$ 94,483
2032	\$ -	12,023,456	\$ 911,330	\$ 11,112,126	\$ 12.6065	\$ 140,085	\$ 135,043	\$ 94,716
2033	\$ -	12,384,160	\$ 911,330	\$ 11,472,830	\$ 12.6065	\$ 144,632	\$ 139,426	\$ 94,942
2034	\$ -	12,755,685	\$ 911,330	\$ 11,844,355	\$ 12.6065	\$ 149,316	\$ 143,941	\$ 95,162
2035	\$ -	13,138,355	\$ 911,330	\$ 12,227,025	\$ 12.6065	\$ 154,140	\$ 148,592	\$ 95,376
2036	\$ -	13,532,506	\$ 911,330	\$ 12,621,176	\$ 12.6065	\$ 159,109	\$ 153,382	\$ 95,583
2037	\$ -	13,938,481	\$ 911,330	\$ 13,027,151	\$ 12.6065	\$ 164,227	\$ 158,316	\$ 95,784
2038	\$ -	14,356,635	\$ 911,330	\$ 13,445,305	\$ 12.6065	\$ 169,498	\$ 163,398	\$ 95,979
2039	\$ -	14,787,334	\$ 911,330	\$ 13,876,004	\$ 12.6065	\$ 174,928	\$ 168,632	\$ 96,169
2040	\$ -	15,230,954	\$ 911,330	\$ 14,319,624	\$ 12.6065	\$ 180,520	\$ 174,024	\$ 96,353
2041	\$ -	15,687,883	\$ 911,330	\$ 14,776,553	\$ 12.6065	\$ 186,281	\$ 179,577	\$ 96,531
2042	\$ -	16,158,520	\$ 911,330	\$ 15,247,190	\$ 12.6065	\$ 192,214	\$ 185,297	\$ 96,705
2043	\$ -	16,643,275	\$ 911,330	\$ 15,731,945	\$ 12.6065	\$ 198,325	\$ 191,188	\$ 96,873
Total						\$2,933,069	\$2,825,937	\$1,852,764

Sources and Notes:

Exception Value: City of St. Helens

Tax Rate: Columbia County Assessor, FYE 2020

Assumes that the amendment would be adopted between January 1, 2021 and October 1, 2021

Conclusions

- **Historical growth in assessed value in the St. Helens URA has failed to keep pace with the original projections in the St. Helens Urban Renewal Plan.** The gap between actual and projected assessed value grew to \$32.6 million in FYE 2020, due largely to the closure of the

Armstrong World Industries manufacturing facility. With assessed value lower than the certified frozen base, the URA received essentially no TIF revenue in FYE 2020. This has resulted in no financial capacity to invest in urban renewal projects, and jeopardizes the ability of the URA to incur the full amount of authorized maximum indebtedness before the target termination date in FYE 2043.

- **Future growth in assessed value is uncertain and dependent upon future construction activity.** The URA has substantial potential for future development, but the exact timing and value of new construction is uncertain. This analysis evaluated a range of possible scenarios, including anywhere from \$25 million to \$111 million in short-term construction activity.
- **Expiring tax exemptions will provide immediate financial capacity.** Cascade Tissue Group owns property in the URA that currently receives Enterprise Zone tax exemption benefits for three separate schedules of investments. These exemptions are scheduled to expire in FYE 2021, 2022, and 2024 respectively. The expiration of these abatements should add \$38 million in assessed value to the tax rolls in coming years, including \$26 million in FYE 2021.
- **Updated growth forecasts fall short of original projections.** Despite the possibility of substantial new construction activity and the expiration of current property tax exemptions, none of the updated growth forecasts show the URA having sufficient financial capacity to incur the full amount of maximum indebtedness before the target termination date in FYE 2043. These updated forecasts include:
 - Low-Growth: **\$38.1 million** of indebtedness incurred by FYE 2043
 - Medium-Growth: **\$46.4 million** of indebtedness incurred by FYE 2043
 - High-Growth: **\$60.8 million** of indebtedness incurred by FYE 2043
- **Collecting TIF for a longer time period could allow the URA to achieve the full authorized amount of maximum indebtedness.** The St. Helens Urban Renewal Plan does not have a binding expiration date. Instead, maximum indebtedness is the limiting factor for the Plan. Thus, if TIF revenues are less than originally forecast, the URA has the ability to collect TIF revenue as long as necessary to achieve the full amount of maximum indebtedness.
- **Amending the URA boundary to include additional development opportunities could increase the financial capacity of the URA.** City staff have identified a 10-acre tax lot that could be added to the URA. The property is anticipated to be subdivided and developed into 78 dwelling in 2022 and 2023, resulting in about \$7.5 million in new assessed value that will be added to the tax roll. This could generate an additional \$2.8 million in TIF revenue for the URA. In the high-growth scenario, this would be sufficient for the URA to incur the full amount of maximum indebtedness.