

CITY OF PHOENIX URBAN RENEWAL PLAN

Exhibit "A"

Adopted by Urban Renewal Agency Resolution #UR-01-05
dated August 15, 2005

Adopted by City Council Ordinance No. 852
dated August 15, 2005

**Phoenix Urban Renewal Agency
August 15, 2005**

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ACKNOWLEDGEMENTS

This urban renewal plan was prepared with funding assistance from a grant by the Department of Land Conservation and Development. The Mayor and City Council appointed a Citizen Advisory Committee to oversee the preparation of the plan, and provide a forum for citizen involvement in all phases of preparation of the plan. The Advisory Committee gave generously of their time and provided excellent direction on all key issues involved in preparing the plan. Members of the Citizen Advisory Committee are:

1. Louis Lichtenstein
2. Derek DeBoer
3. Murray LaHue
4. Mike Kohn
5. Dave Galligan
6. Bob Nelson
7. Curt Georgeson
8. Robert Mumby

Staff Assistance

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100. INTRODUCTION

The Phoenix urban renewal plan follows from two earlier studies done for the City of Phoenix. The first was a 1997 City Center Plan. The 1997 Center City Plan focused on the redevelopment of an area bounded roughly by Main, Bear Creek, Sixth, and Oak as a new "Town Center" for Phoenix. The 1997 study provided design visions for mixed use developments in center city Phoenix, but did not include recommendations on implementation. To further the 1997 effort, Phoenix undertook a market and implementation study in 2001. That study provided information on the market potential for development in the center city area of Phoenix, recommendations on capital improvements needed to promote the development vision for center city, and suggested long and short-range financing strategies. The financing strategy included a brief renewal feasibility study. This renewal plan and report incorporates and builds upon key components of the 1997 and 2001 studies.

The Phoenix Urban Renewal Plan consists of Part One - Text and Part Two - Exhibits. The Phoenix City Council acts as the Urban Renewal Agency of the City of Phoenix, Oregon. This Plan has been prepared pursuant to Oregon Revised Statute (ORS) Chapter 457, the Oregon Constitution, and all applicable laws and ordinances of the State of Oregon and City of Phoenix respectively. All such applicable laws and ordinances are made a part of this Plan, whether expressly referred to in the text or not.

This Urban Renewal Plan for the Phoenix Urban Renewal Area was approved by the City Council of the City of Phoenix on August 15, 2005 by Ordinance No. 852.

200. CITIZEN PARTICIPATION

This renewal plan was developed in a series of six public meetings. The meetings were conducted by a citizens urban renewal advisory committee, appointed by the mayor and City Council. Meeting topics included basic information on urban renewal and tax increment financing, development of project goals and objectives, development of a list of project activities, and a thorough review of the revenues, costs, and tax impacts of carrying out the project.

The Phoenix Planning Commission met to review the Plan on July 25, 2005. The Phoenix City Council scheduled a public hearing on adoption of this Plan on August 15, 2005. Additional notice on City Council adoption of the Plan was provided, as required by ORS 457.120.

This plan includes land currently outside the corporate limits of Phoenix. As required by ORS 457.105, this plan was approved by the Jackson County Commission, by resolution dated August 10, 2005

300. BOUNDARY DESCRIPTION

The boundary of the renewal area is shown in Exhibit 1, attached to this plan. A legal description of the project boundary is included as Exhibit "A" of this plan. If inconsistencies exist between Exhibit 1 and Exhibit "A", Exhibit "A" governs.

400. RELATIONSHIP TO LOCAL OBJECTIVES

The purpose of this Renewal Plan is to eliminate blighting influences found in the Renewal Area, to implement goals and objectives of the City of Phoenix Comprehensive Plan, and to assist in meeting the City's economic development objectives through redevelopment of key sites, property rehabilitation, improving infrastructure in the renewal area, and assisting with the construction of needed public facilities.

The Urban Renewal Advisory Committee developed the following list of goals for the urban renewal plan.

1. Encourage private development.
2. Maintain, remodel, and construct public parks and open spaces.
3. Make transportation improvements.
4. Improve and repair utilities
5. Implement the City Center plan.
6. Support redevelopment of Bicentennial Park.
7. Rehabilitate existing buildings.
8. Make a gateway to the city.
9. Implement streetscape plan.
10. Assist public facilities including City Hall and City Center.

500. PROPOSED LAND USES

A. Land Use Plan

The use and development of land in the Renewal Area shall be in accordance with the regulations prescribed in the Phoenix Comprehensive Plan, Zoning Ordinance, Sign Ordinance, Subdivision Ordinance, City Charter, or any other applicable local, county, state or federal laws regulating the use of property in the Urban Renewal Area.

B. Plan and Design Review

The Urban Renewal Agency shall be notified of any Comprehensive Plan/Zoning amendment application, building permit, conditional use or other development permits requested within the Area. Redevelopers, as defined in this Plan, shall comply with the Redevelopers Obligations, Section 800 of this Plan.

600. OUTLINE OF DEVELOPMENT

The Urban Renewal Project consists of activities and actions which treat the causes of blight and deterioration in the Phoenix Urban Renewal Area. Project activities further are intended to implement the design and vision of the City Center Plan. Project activities include:

- Providing infrastructure upgrades to service new development in the project area.
- Constructing a new street to service a mixed use development between Main and Bear Creek Drive
- Providing incentives to new building investments in the project area.
- Providing incentives for the repair and rehabilitation of deficient structures in the project area.
- Contributing to funding a new public building in the renewal area
- Installing traffic signals to improve safety and pedestrian access in downtown Phoenix.

Section 700 provides further description of each urban renewal project to be undertaken within the Urban Renewal Area.

700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

In order to achieve the objectives of this Plan, the following activities will be undertaken on behalf of the City by the Urban Renewal Agency in accordance with applicable federal, state, county, and city laws, policies, and procedures. The Renewal Agency may fund these activities in full, in part, or seek other sources of funding for them.

701 PUBLIC IMPROVEMENTS

Public improvements include the construction, repair, or replacement of sidewalks, streets, parking, parks and open spaces, pedestrian amenities, water, sanitary sewer and storm water facilities and other public facilities necessary to carry out the goals and objectives of this plan.

701A Public Parks and Open Spaces

The Renewal Agency may participate in funding the design, acquisition, construction or rehabilitation of public spaces, or parks or public facilities within the urban renewal area. Projects to be undertaken include:

- Bicentennial Park Conversion
- Bear Creek Drive Underpass Trail

701B Street, Curb, and Sidewalk Improvements

Improvements within the renewal area will require the construction of new street, curb, and sidewalks within the project area. The Renewal Agency may participate in funding sidewalk and roadway improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of-way for curbs, streets, and sidewalks, and pedestrian and bicycle paths. Projects to be undertaken include:

- Improvements to street, curb and sidewalk on Main Street
- Construct a new street between Bear Creek Drive and Main, 1st and 3rd to serve civic center mixed use development.

701C Public Utilities

The development proposed for the renewal area will require the replacement and construction of water, storm and sanitary sewer facilities, environmental. These improvements include

- New sewer lines 1st to 3rd Street
- New sewer line Bear Creek Drive to 1st St.
- New water line 1st to 3rd Street
- New water Line, Bear Creek Drive to 1st St.
- Storm water detention and treatment facility
- Storm water system upgrades & replacements identified in Phoenix Capital Improvements Program

701D Streetscape Projects

This activity will enable the Renewal Agency to participate in activities improving the visual appearance of the project area.. These improvements may include decorative paving and lighting, street trees and planters, street furnishings and street signs. Areas designated for streetscape improvements include

- Main Street
- S. Bear Creek Drive
- 1st Street
- 4th Street

701E Pedestrian and Bicycle Improvements

These activities will improve pedestrian and bicycle safety and connections in the renewal area. These improvements include:

- Pedestrian crossings on Main Street at 1st and at 4th
- Pedestrian crossing on Bear Creek Drive at 1st and at 4th
- Traffic signals on Main Street at 1st, at 4th
- Traffic signals on Bear Creek Drive at 1st, at 4th

701F Other Public Facilities

To further redevelopment of the area, and renewal project objectives, the Agency may participate in development of public facilities. The extent of the Agency's participation in funding such facilities will be based upon an Agency finding on the benefit of that project to the renewal area, and the importance of the project in carrying out Plan objectives. Potential public facilities to be funded include:

- Relocation of City Hall

702 PRESERVATION AND REHABILITATION

This activity will enable the Renewal Agency to help improve the condition and appearance of buildings in the project area, and encouraging infill and reuse in the project area. The Renewal Agency may participate, through loans, grants, or both, in maintaining and improving exterior and interior conditions of properties within the renewal area.

703 DEVELOPMENT AND REDEVELOPMENT

The Renewal Agency also is authorized to provide loans, or other forms of financial assistance to property owners wishing to develop or redevelop land or buildings within the renewal area, or to persons desiring to acquire or lease buildings or land from the Agency. The Agency may make this assistance available as it deems necessary to achieve the objectives of this Plan.

704 PROPERTY ACQUISITION AND DISPOSITION

In order to carry out the objectives of this Plan, the Renewal Agency is authorized to acquire land or buildings for public and private development purposes. The procedures for acquiring and disposing of property are described in Sections 800 and 900 of this Plan.

705 BELOW MARKET INTEREST RATE LOANS AND INCENTIVES

The Agency, with funds available to it, may promulgate rules, guidelines and eligibility requirements for the purpose of establishing below-market or market rate loan programs, or other financial incentives to advance the goals and objectives of the Phoenix Urban Renewal Plan. Loans or incentives provided by the Agency may be used for voluntary rehabilitation of buildings, façade improvements, provision of amenities on private property in compliance with adopted design guidelines and standards, construction of new buildings, pre-development assistance, connecting to Agency-provided underground electrical and communication systems, or other activities approved by the Agency.

706 PLAN ADMINISTRATION

Tax increment funds may be utilized to pay indebtedness associated with preparation of the urban renewal plan, to carry out design plans, miscellaneous land use and public facility studies, engineering, market, and other technical studies as may be needed during the course of the urban renewal plan. Project funds also may be used to pay for personnel and other administrative costs incurred in management of the renewal plan.

800. PROPERTY ACQUISITION PROCEDURES

The Renewal Agency is authorized to acquire property within the renewal area. Property acquisition, including limited interest acquisition, is hereby made a part of this Plan and may be used to achieve the objectives of this Plan. All acquisition of property will require will require an amendment to the plan as set forth in Section 1100 of this Plan

A. Acquisition requiring City Council approval.

Acquisitions described in Section 800A1, and A2 of this plan will require an amendment to this Plan as set forth in Section 1100B 2 of this Plan. The City Council shall ratify the amendment to this Plan by resolution. City Council ratification is required for Renewal Agency acquisitions for the following purposes:

1. Acquisition of land for development by the public or private sector.

2. Acquisition for any purpose that requires the use of the Agency's powers of eminent domain.

B. Acquisition not requiring City Council approval.

Land acquisition not requiring City Council ratification requires a minor amendment to this Plan as set forth in Section 1100 C2 of this Plan. The minor amendment to the Renewal Plan may be adopted by the Renewal Agency by Resolution. The Agency may acquire land without Council ratification where the following conditions exist:

1. Where it is determined that the property is needed to provide public improvements and facilities as follows:
 - a. Right-of-way acquisition for streets, alleys or pedestrian ways;
 - b. Right of way and easement acquisition for water, sewer, and other utilities
 - c. Public parks, open space or parking uses.
2. Where the owner of real property within the boundaries of the Area wishes to convey title of such property by any means, including by gift.

C. Properties to be acquired

At the time this plan is prepared, no properties are identified for acquisition. If plan amendments to acquire property are approved, a map exhibit shall be prepared showing the properties to be acquired and the property will be added to the list of properties to be acquired. The list of properties acquired will be shown in this section of the Plan. The map exhibit shall be appropriately numbered and shall be included in Part Two as an official part of this Urban Renewal Plan.

900. REDEVELOPER'S OBLIGATIONS

Redevelopers within the Urban Renewal Area will be subject to controls and obligations imposed by the provisions of this Plan. Redevelopers also will be obligated by the following requirements:

1. The Redeveloper shall develop or redevelop property in accordance with the land-use provisions and other requirements specified in this Plan.
2. The Renewal Agency may require the redeveloper to execute a development agreement acceptable to the Renewal Agency as a condition of any form of assistance by the Renewal Agency. The Redeveloper shall accept all conditions and agreements as may be required by the Renewal Agency.
3. The Redeveloper shall submit all plans and specifications for construction of improvements on the land to the Renewal Agency or its designated agent, for review and approval prior to distribution to reviewing bodies as required by the City.
4. The Redeveloper shall commence and complete the development of such property for the use provided in this Plan within a reasonable period of time as determined by the Agency.

5. The Redeveloper shall not effect any instrument whereby the sale, lease, or occupancy of the real property, or any part thereof, is restricted upon the basis of age, race, color, religion, sex, marital status, or national origin.

1000. RELOCATION

The Agency will provide relocation assistance to all persons or businesses displaced by project activities. Those displaced will be given assistance in finding replacement facilities. All persons or businesses which may be displaced will be contacted to determine such relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made, in accordance with the requirements of ORS 281.045-281.105 and any other applicable laws or regulations.

Relocation payments will be made as provided in ORS 281.060. Payments made to persons displaced from dwellings will assure that they will have available to them decent, safe, and sanitary dwellings at costs or rents within their financial reach. Payment for moving expense will be made to residences and businesses displaced. The Phoenix Renewal Agency may contract with Oregon Dept. Of Transportation (ODOT), or other appropriate agencies or parties for assistance in administering its relocation program.

1100. PLAN AMENDMENTS

It is anticipated that this Renewal Plan will be reviewed periodically during the execution of the Project. The plan may be changed, modified, or amended as future conditions warrant. Types of Plan amendments are:

A. Substantial Amendments

Substantial Amendments are solely amendments:

- Adding land to the urban renewal area that is in excess of one percent of the existing area of the Plan.
- Increasing the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments shall require the same notice, hearing and approval procedure required of the original Plan, including public involvement, consultation with taxing districts, presentation to the Planning Commission and adoption by the City Council by non-emergency ordinance after a hearing notice of which is provided to individual households within the City of Phoenix

B. Amendments requiring Council approval

1. The addition of improvements or activities which represent a substantial change in the purpose and objectives of this Plan, and which cost more than \$500,000. The \$500,000 amount will be adjusted annually from the year 2005 according to the "Engineering News Record" construction cost index for the Northwest area.

2. Acquisition of property for purposes specified in Section 800A1 and 800A2 of this plan.

The City Council may approve these amendments by resolution.

C. Minor Amendments.

Minor amendments may be approved by the Renewal Agency in resolution form. Such amendments are defined as:

1. Amendments to clarify language, add graphic exhibits, make minor modifications in the scope or location of improvements authorized by this Plan, or other such modifications which do not change the basic planning or engineering principles of the Plan.
2. Acquisition of property for purposes specified in Section 800B of this plan.
3. Addition of a project substantially different from those identified in Sections 700 of the Plan or substantial modification of a project identified in Section 700 if the addition or modification of the project costs less than \$500,000 in 2005 dollars.
4. Increases in the urban renewal area boundary that are less than one percent of the existing area of the Plan.

1200. MAXIMUM INDEBTEDNESS

The maximum indebtedness authorized under this plan is fourteen million, six hundred thousand dollars (\$14,600,000). This amount is the principal of indebtedness, and does not include interest or indebtedness incurred to refund existing indebtedness.

1300. FINANCING METHODS

A. General

The Urban Renewal Agency may borrow money and accept advances, loans, grants and other forms of financial assistance from the federal government, the state, city, county or other public body, or from any sources, public or private for the purposes of undertaking and carrying out this Plan. In addition, the Agency may borrow money from, or lend money to a public agency in conjunction with a joint undertaking of a project authorized by this Plan. If such funds are loaned, the Agency may promulgate rules and procedures for the methods and conditions of payment of such loans. The funds obtained by the Agency shall be used to pay or repay any costs, expenses, advances and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457.

B. Tax Increment Financing

This urban renewal plan will be financed in whole, or in part, by tax increment revenues. The ad valorem taxes levied by all taxing districts in which all or a portion of the Phoenix Urban Renewal Plan is located shall be divided as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 to 457.460.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the Urban Renewal Agency or the City in connection with preplanning for this Urban Renewal Plan shall be repaid from tax increment proceeds generated pursuant to this section.

1400. DEFINITIONS

The following definitions will govern the construction of this Plan unless the context otherwise requires:

"Area" means the area included within the boundaries of the Phoenix Urban Renewal District.

"Bonded Indebtedness" means any formally executed written agreement representing a promise by a unit of government to pay to another a specified sum of money, at a specified date or dates at least one year in the future.

"City" means the City of Phoenix, Oregon.

"City Council" means the City Council of the City of Phoenix, Oregon.

"Comprehensive Plan" means the City's Comprehensive Land Use Plan and its implementing Ordinances, policies and development standards.

"County" means the County of Jackson, State of Oregon.

"Displaced" person or business means any person or business who is required to relocate as a result of action by the Urban Renewal Agency to vacate a property for public use or purpose.

"Disposition and Development Agreement" means an agreement between the Urban Renewal Agency and a private developer which sets forth the terms and conditions under which will govern the disposition of land to a private developer.

"Exhibit" means an attachment, either narrative or map, to the Urban Renewal Plan for the Phoenix Urban Renewal Area, Part Two - Exhibits.

"ORS" means Oregon Revised Statute (State Law) and specifically Chapter 457 thereof.

"Plan" means the Urban Renewal Plan for the Phoenix Urban Renewal Area, Parts One and Two.

"Planning Commission" means the Planning Commission of the City of Phoenix, Oregon.

"Project, Activity or Project Activity" means any undertaking or activity within the Renewal Area, such as a public improvement, street project or other activity which is authorized and for which implementing provisions are set forth in the Urban Renewal Plan.

"Report" refers to the report accompanying the urban renewal plan, as provided in ORS 457.085

(3)

"Redeveloper" means any individual or group acquiring property from the Urban Renewal Agency or receiving financial assistance for the physical improvement of privately or publicly held structures and land.

"State" means the State of Oregon.

"Text" means the Urban Renewal Plan for the Phoenix Urban Renewal Area, Part One - Text.

"Urban Renewal Agency" means the Urban Renewal Agency of the City of Phoenix, Oregon.

"Urban Renewal Area", "Phoenix Urban Renewal Area", or "Renewal Area" means the geographic area for which this Urban Renewal Plan has been approved. The boundary of the Renewal Area is described in Exhibits made a part of this plan.

Phoenix Urban Renewal Plan

Phoenix, Oregon

Part Two-Exhibits

EXHIBITS

Exhibit 1 Map of Plan Boundary

ATTACHMENTS

Exhibit "A" Boundary Description

Phoenix Urban Renewal District

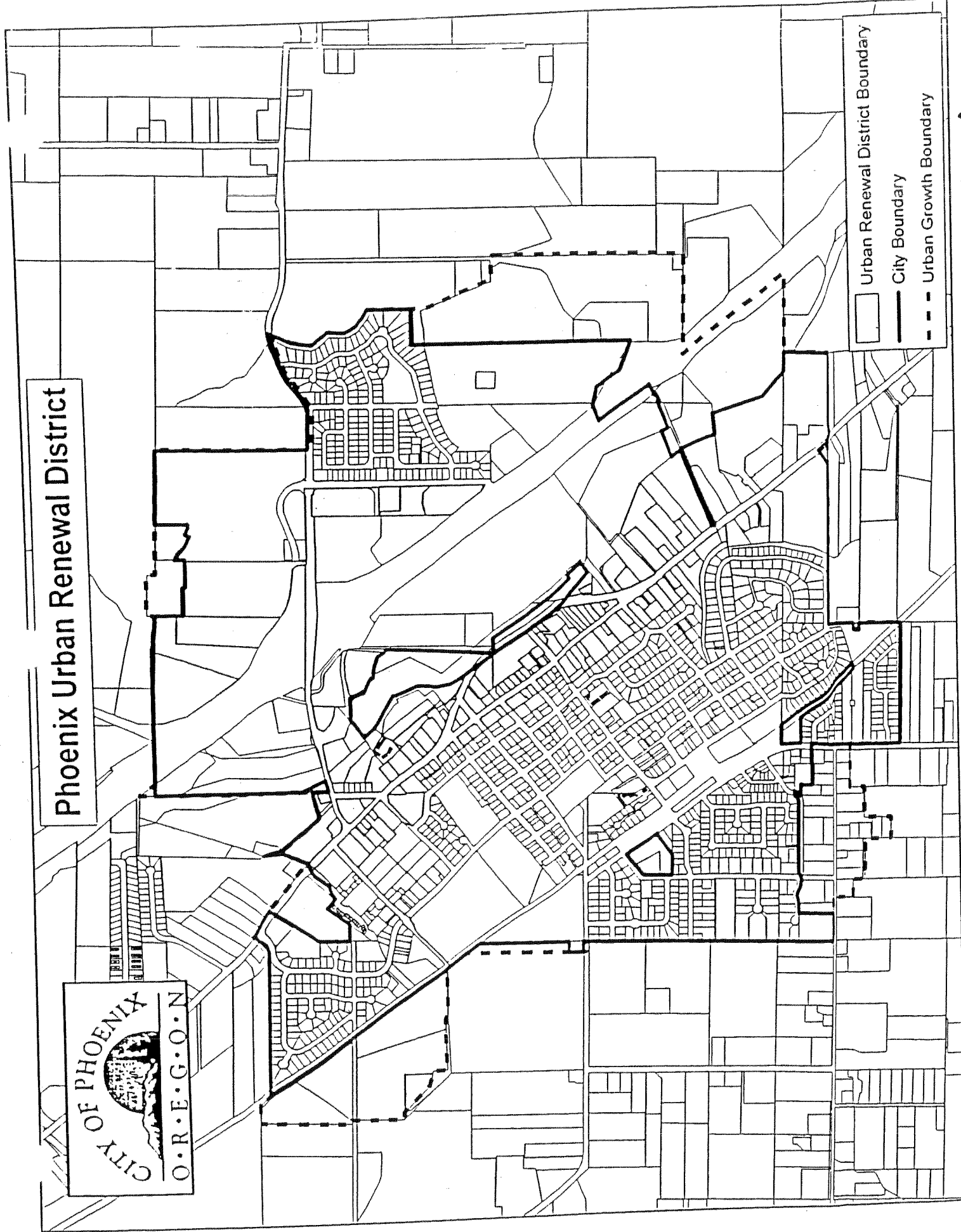
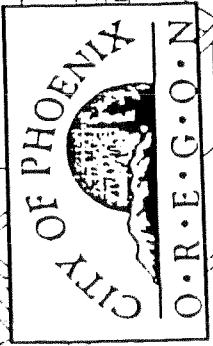


Exhibit J

EXHIBIT "A"

CITY OF PHOENIX URBAN RENEWAL DISTRICT BOUNDARY DESCRIPTION SHEET

Beginning at the northwest corner of that certain tract of land described in Document Number 03-77192 of the Official Records of Jackson County, Oregon; thence easterly along said tract to the northwest corner of that certain tract of land described in Document Number 03-77194 of the Official Records of Jackson County, Oregon; thence easterly to the northeast corner of said tract; thence southerly to the northeast corner of that certain tract of land described in Document Number 03-77197 of the Official Records of Jackson County, Oregon; thence southerly to the northwest corner of that certain tract of land described in Document Number 88-27455 of the Official Records of Jackson County, Oregon; thence easterly to the northeast corner of said tract; thence southerly along the easterly line of said tract to the intersection of said line and the northerly right-of-way of Fern Valley Road; thence easterly along the northerly right-of-way of Fern Valley Road to the intersection of said right-of-way and a line projected northerly along the easterly boundary of Parcel One (1) of Partition Plat recorded as Partition Plat Number P-76-2002 of "Records of Partition Plats" in Jackson County, Oregon, and filed as Survey Number 17586 in the office of the Jackson County Surveyor; thence southerly along said line to the southeast corner of said parcel, being on the westerly right-of-way of South Phoenix Road; thence southerly along the westerly right-of-way of South Phoenix Road to the southerly corner of Partition Plat recorded as Partition Plat Number P-81-04 of "Records of Partition Plats" in Jackson County, Oregon, and filed as Survey Number 18524 in the office of the Jackson County Surveyor; thence along the westerly boundary of said plat to the northwest corner of Parcel Two (2) of said plat; thence northerly along the westerly boundary of Partition Plat recorded as Partition Plat Number P-76-2002 of "Records of Partition Plats" in Jackson County, Oregon, and filed as Survey Number 17586 in the office of the Jackson County Surveyor, to the southerly right-of-way of Fern Valley Road; thence westerly along said right-of-way to the northeast corner of that certain tract of land described in Document Number 98-55691 of the Official Records of Jackson County, Oregon; thence southeasterly along said tract to the most southerly corner of said tract; thence northwesterly along said tract to the southeast corner of that certain tract of land described in Document Number 01-29894 of the Official Records of Jackson County, Oregon; thence southwesterly to the most easterly corner of that certain tract of land described in Document Number 79-01290 of the Official Records of Jackson County, Oregon; thence southwesterly to the southeast corner of that certain tract of land described in Volume 369, Page No. 79 and Page No. 80 of the Deed Records of Jackson County, Oregon; thence southwesterly along said tract to the southeast corner of that certain tract of land described in Document Number 2005-40710 of the Official Records of Jackson County, Oregon, thence southwesterly along said tract to the most northerly corner of Bear Creek Townhouses Condominiums, Phase 1, as recorded in Volume 13 of Plats at Page 72 of Records of Jackson County, Oregon, thence along the easterly boundary Bear Creek Townhouses Condominiums, Phase 1 to the northeasterly corner of that certain tract of land described in Document Number 95-15349 of the Official Records of Jackson County, Oregon, thence southwesterly to the most northerly corner of that certain tract of land described in Document Number 95-15348 of the Official Records of Jackson County, Oregon; thence along the easterly boundary of said tract to

the northerly corner of that certain tract of land described in Document Number 2004-068744 of the Official Records of Jackson County, Oregon; thence southeasterly along said tract to a point on the northwesterly boundary of that certain tract of land described in Document Number 02-57061 of the Official Records of Jackson County, Oregon; thence northeasterly to the northeast corner of said tract; thence southeasterly to the southeast corner of said tract; thence southwesterly along the boundary of said tract to the southwest corner of that certain tract of land described in Document Number 2004-068744 of the Official Records of Jackson County, Oregon; thence southwesterly to the most northerly corner of that certain tract of land depicted on Survey Number 10830 and filed in the office of the Jackson County Surveyor; thence southeasterly along the northeasterly boundary of said tract to the easterly right-of-way of Bear Creek Drive; thence southerly along said easterly right-of-way to the northwest corner of that certain tract of land described in Document Number 79-13891 of the Official Records of Jackson County, Oregon; thence northeasterly to the northeast corner of said tract; thence southeasterly to the southeast corner of said tract; thence westerly along the southerly line of said tract to the easterly right-of-way of Bear Creek Drive; thence southerly along said easterly right-of-way to the northwest corner of that certain tract of land described in Document Number 95-37744 of the Official Records of Jackson County, Oregon; thence northwesterly to the most northerly corner of said tract; thence southeasterly to the most easterly corner of said tract; thence northwesterly along that certain tract of land described in Document Number 99-47785 of the Official Records of Jackson County, Oregon; thence southeasterly to the most northerly corner of that certain tract of land described in Document Number 2005-053386 of the Official Records of Jackson County, Oregon; thence southeasterly to the most easterly corner of said tract; thence southwesterly along said tract to the easterly right-of-way of U.S. Highway 99; thence southerly along said easterly right-of-way to the intersection of said right-of-way and the southerly line of that certain tract of land described in Document Number 2005-009013 of the Official Records of Jackson County, Oregon; thence to the southwest corner of said tract; thence along the westerly line of said tract to the most westerly corner of said tract; thence along the southwesterly line of that certain tract of land described in Volume 458, Page No. 214 and Page No. 215 of the Official Records of Jackson County, Oregon to the most westerly corner of said tract; thence westerly along the southwesterly line of that certain tract of land described in Document Number 99-23572 of the Official Records of Jackson County, Oregon to the most westerly corner of said tract; thence northeasterly along said tract to the most southerly corner of the Partition Plat recorded as Partition Plat Number P-87-2004 of "Records of Partition Plats" in Jackson County Oregon, and filed as Survey Number 18553 in the office of the Jackson County Surveyor; thence northwesterly to the most westerly corner of said plat; thence northwesterly along that certain tract of land described in Document Number 91-23152 of the Official Records of Jackson County, Oregon to the most westerly corner of said tract; thence northwesterly along that certain tract of land described in Document Number 02-07662 of the Official Records of Jackson County, Oregon to the most westerly corner of said tract; thence northeasterly along said tract to the most southerly corner of the Partition Plat recorded as Partition Plat Number P-51-1994 of "Records of Partition Plats" in Jackson County, Oregon, and filed as Survey Number 14001 in the office of the Jackson County Surveyor; thence northwesterly along said plat to the southwest corner of that certain tract of land described in Document Number 03-07593 of the Official Records of Jackson County, Oregon; thence to the northwest corner of said tract; thence to the southwest corner of that certain tract of land described in Document Number 01-60513 of the

Official Records of Jackson County, Oregon; thence to the northwest corner of said tract; thence northwesterly along that certain tract of land described in Document Number 89-05872 of the Official Records of Jackson County, Oregon to the northwest corner of said tract; thence northwesterly along that certain tract of land described in Document Number 02-49946 of the Official Records of Jackson County, Oregon to the northwest corner of said tract; thence northwesterly along the southwest boundary of Partition Plat recorded as Partition Plat Number P-88-1996 of "Records of Partition Plats" in Jackson County, Oregon, and filed as Survey Number 15137 in the office of the Jackson County Surveyor, to the northwest corner of said plat; thence northwesterly along that certain tract of land described in Document Number 2004-040969 of the Official Records of Jackson County, Oregon to the northwest corner of said tract; thence northwesterly to the most southerly corner of that certain tract depicted on Survey Number 2700 and filed in the office of the Jackson County Surveyor; thence northwesterly to the most westerly corner of said tract; thence northwesterly along that certain tract of land described in Document Number 01-51964 of the Official Records of Jackson County, Oregon to the northwest corner of said tract; thence northerly to the southwest corner of that certain tract of land described in Document Number 86-16573 of the Official Records of Jackson County, Oregon; thence to the northwest corner of said tract; thence to the northeast corner of said tract; thence northeasterly along that certain tract of land described in Document Number 99-39729 of the Official Records of Jackson County, Oregon to the northeast corner of said tract; thence northwesterly along that certain tract of land described in Document Number 02-24592 of the Official Records of Jackson County, Oregon to the northwest corner of said tract; thence northwesterly to the southwest corner of that certain tract of land described in Document Number 01-60563 of the Official Records of Jackson County, Oregon; thence to the northwest corner of said tract; thence northwesterly along that certain tract of land described in Volume 234, Page No. 541 of the Deed Records of Jackson County, Oregon to the northwest corner of said tract; thence northwesterly along that certain tract of land described in Document Number 02-09494 of the Official Records of Jackson County, Oregon to the northwest corner of said tract; thence northwesterly to the southwest corner of that certain tract of land described in Document Number 02-38699 of the Official Records of Jackson County, Oregon; thence to the northwest corner of said tract; thence northwesterly to the northwest corner of that certain tract of land described in Document Number 99-37814 of the Official Records of Jackson County, Oregon; thence northwesterly to the southwest corner of that certain tract of land described in Document Number 01-22451 of the Official Records of Jackson County, Oregon; thence to the northwest corner of said tract; thence northwesterly to the northwest corner of that certain tract of land described in Document Number 2004-025049 of the Official Records of Jackson County, Oregon; thence northwesterly to the southwest corner of that certain tract of land described in Document Number 75-01646 of the Official Records of Jackson County, Oregon; thence northwesterly to the northwest corner of said tract; thence southwestly along that certain tract of land described in Document Number 91-23566 of the Official Records of Jackson County, Oregon to the southwest corner of said tract; thence northwesterly to the northwest corner of that certain tract of land described in Document Number 03-65000 of the Official Records of Jackson County, Oregon; thence northwesterly to the southwest corner of that certain tract of land described in Document Number 02-24283 of the Official Records of Jackson County, Oregon; thence to the northwest corner of said tract; thence along the westerly boundary of that certain tract of land described in Document Number 2005-46473 of the Official Records of Jackson County, Oregon to the southeast corner of that certain tract of land described in Document Number 99-31563 of

the Official Records of Jackson County, Oregon: thence northwesterly along said tract to the southerly right-of-way of Bolz Road; thence northeasterly to the most southerly corner of that certain tract of land described in Document Number 79-08258 of the Official Records of Jackson County, Oregon; thence northwesterly along said tract to the southeasterly line of the Partition Plat recorded as Partition Plat Number P-75-1990 of "Records of Partition Plats" in Jackson County Oregon, and filed as Survey Number 12145 in the office of the Jackson County Surveyor; thence along the southwesterly boundary of said plat to the most southerly corner of that certain tract of land described in Document Number 03-67288 of the Official Records of Jackson County, Oregon; thence northwesterly along said tract to the southeasterly right-of-way of Cheryl Lane; thence southwesterly along said right-of-way to a point of intersection with the southwesterly right-of-way of Southern Pacific Railroad; thence northwesterly along said right-of-way to the southeast corner of that certain tract of land described in Document Number 03-55654 of the Official Records of Jackson County, Oregon; thence northwesterly along the boundary of said tract to the northerly right-of-way of Dano Drive; thence along the westerly line of said tract to the northwest corner of said tract; thence easterly along the northerly line of said tract to a point of intersection of said line and the northeasterly right-of-way of Southern Pacific Railroad; thence southeasterly along said right-of-way to the intersection with the northwesterly right-of-way of Cheryl Lane; thence northeasterly along said right-of-way to the southwest corner of that certain tract of land described in Document Number 2004-003410 of the Official Records of Jackson County, Oregon; thence to the northwest corner of said tract; thence northeasterly to the northeast corner of said tract; thence northeasterly to the most westerly corner of that certain tract of land described in Document Number 82-07376 of the Official Records of Jackson County, Oregon; thence northeasterly along said tract to the northerly corner of said tract; thence southeasterly to the most easterly corner of said tract; thence easterly to the northwest corner of that certain tract of land being described as Parcel VI in Document Number 03-05694 of the Official Records of Jackson County, Oregon; thence northeasterly to the northeast corner of said tract; thence southerly along said tract to the northeast corner of that certain tract of land being described as Parcel III in Document Number 03-05694 of the Official Records of Jackson County, Oregon; thence southerly to the southeast corner of said tract and the northerly right-of-way of Fern Valley Road; thence easterly along the northerly right-of-way of Fern Valley Road to the intersection with the easterly right-of-way of Interstate 5; thence northerly to the southerly line of that certain tract of land described in Document Number 88-27455 of the Official Records of Jackson County, Oregon; thence northwesterly along said tract to the southeast corner of that certain tract of land described in Document Number 03-77197 of the Official Records of Jackson County, Oregon; thence northwesterly along said tract to the southeast corner of that certain tract of land described in Document Number 03-77194 of the Official Records of Jackson County, Oregon; thence northwesterly along said tract to the southeast corner of that certain tract of land described in Document Number 03-77192 of the Official Records of Jackson County, Oregon; thence northwesterly along said tract to the point of beginning.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Robert V. Neathamer

OREGON
JULY 19, 1994
ROBERT V. NEATHAMER
2675

CITY OF PHOENIX

REPORT ON THE URBAN RENEWAL PLAN

Exhibit "B"

Phoenix Urban Renewal Agency
August 15, 2005

REPORT ON THE CITY OF PHOENIX URBAN RENEWAL PLAN

ACKNOWLEDGEMENTS

This urban renewal plan was prepared with funding assistance from a grant by the Department of Land Conservation and Development. The Mayor and City Council appointed a Citizen Advisory Committee to oversee the preparation of the plan, and provide a forum for citizen involvement in all phases of preparation of the plan. The Advisory Committee gave generously of their time and provided excellent direction on all key issues involved in preparing the plan. Members of the Citizen Advisory Committee are:

1. Louis Lichtenstein
2. Derek DeBoer
3. Murray LaHue
4. Mike Kohn
5. Dave Galligan
6. Bob Nelson
7. Curt Georgeson
8. Robert Mumby

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REPORT ON THE PHOENIX URBAN RENEWAL PLAN

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REPORT ON THE PHOENIX URBAN RENEWAL PLAN

PROJECT BACKGROUND

The Phoenix urban renewal plan follows from two earlier studies done for the City of Phoenix. The first was a 1997 City Center Plan. The 1997 City Center Plan focused on the redevelopment of an area bounded roughly by Main, Bear Creek, Sixth, and Oak as a new "Town Center" for Phoenix. The 1997 study provided design visions for mixed use developments in City Center Phoenix, but did not include recommendations on implementation. To further the 1997 effort, Phoenix undertook a market and implementation study in 2001. That study provided information on the market potential for development in the City Center area of Phoenix, recommendations on capital improvements needed to promote the development vision for center city, and suggested long and short-range financing strategies. The financing strategy included a brief renewal feasibility study. This renewal plan and report incorporates and builds upon key components of the 1997 and 2001 studies.

DEFINITION OF BLIGHTING CONDITIONS

ORS 457.010 defines "blight" as follows: (underlining is added for emphasis)

"Blighted areas mean areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

"The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

"Defective design and quality of physical construction;

"Faulty interior arrangement and exterior spacing;

"Overcrowding and a high density of population;

"Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or

"Obsolescence, deterioration, dilapidation, mixed character or shifting of uses."

"An economic dislocation, deterioration or disuse of property resulting from faulty planning;

"The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;

"The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;

"The existence of inadequate streets and other rights-of-way, open spaces and utilities;

"The existence of property or lots or other areas which are subject to inundation by water;

"A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;

"A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare; or

"A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere."

Note that it is not necessary for each of the cited conditions to be present in the renewal area, or that these conditions be prevalent in each and every sector of the urban renewal area.

100. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE RENEWAL AREA

100A. PHYSICAL CONDITIONS

1. Land Area and Conformance with 25 % limit on acreage

The Phoenix Renewal Area contains approximately 200 acres of land area. ORS 457.420 provides that the total land area of a proposed urban renewal district, when added to the land area of existing Renewal Areas may not exceed 25% of the City's land area. The City's current land area is approximately 902 acres. The total of all acreage in the renewal areas represents approximately 22.17% of the City's land area. Total renewal area acreage is within the 25% limitation prescribed by ORS 457.420.

2. Existing Land Use and Development

The Phoenix Urban Renewal Area consists primarily of commercial land uses. The next largest land use is for industrial purposes. There are a very limited number of residential uses scattered throughout the project area. Commercial development is concentrated along Main Street (Highway 99), which runs through the project area. The Phoenix Urban Renewal Area contains 178 tax lots. The Comprehensive Plan designation of the tax lots is shown in Table 1, below.

Table 1			
Project Acreage, by Comp Plan Designation			
Comprehensive Plan Designation	Tax Lots	Acres	Percent of Total
Bear Creek Greenway	4	4.197	2.62%
City Center District	71	24.599	15.38%
Commercial	61	44.077	27.55%
High Density Residential	23	1.852	1.16%
Industrial	5	33.573	20.99%
Interchange Business	14	51.666	32.30%
Grand Total	178	159.964	100.00%

Table 1 shows that Commercial, City Center and Interchange Business designations comprise nearly 75% of the Comprehensive Plan designations in the area. Industrial uses account for another 21%. Table 1 also illustrates that the renewal area boundary was drawn in order to focus on the commercial and industrial development potential in Phoenix. Realizing that potential is hampered by several conditions in the area.

3. Building Conditions

There are approximately 145 buildings in the Phoenix Urban Renewal area. As noted in Table 1, most buildings in the area are designated for commercial or industrial purposes. Visual inspection of building exteriors in the area shows the overall level of building conditions and upkeep is fair to good. However, several buildings are in poor condition. The condition of some of these properties may make it economically infeasible to rehabilitate or repair them. The renewal area also contains vacant buildings in various states of repair.

Date of building was available for 46 properties in the renewal area. Of those 46, only two were shown as built in 1980, or later. This building stock in the area is aged, and there has been minimal new development to help balance that aging building profile.

4. Conditions - Basic Infrastructure

Water Mains

The mains necessary to serve developments located on future planned street frontages in the City Center are not built. The mains available in Main Street are capable of and in good enough repair to serve existing uses. A "looping" of the water main on First and Bear Creek Drive North down Bear Creek Drive to 4th Street and then West to Main Street will be necessary for needed fire flows.

Sewer Mains

The sewer main in Main Street is capable of serving existing uses in the City Center, but proposed development will require additional mains, including a bore under Bear Creek Drive. The grade of the proposed "Parking Street" will drive the grade of the new sewer main and will require the boring of Bear Creek Drive.

Storm Sewer

The existing storm sewer system is hard pressed to meet existing development requirements. It is not capable of meeting future requirements, in either quantity or quality.

Streets

The streets in the project area are capable of meeting existing circulation and access requirements in the project area. However, the proposed City Center will require one or more new streets and a different design with different amenities.

Curbs

The existing curb on Main Street is in sufficient repair to handle its existing use. However, it is a vertical face curb with no gutter that will not work with the proposed City Center.

Sidewalks

The existing sidewalks are not wide enough to adequately serve the existing development on Main Street. The proposed City Center will require a "Streetscape" design that will be much wider and much more pedestrian friendly. Street corners lack good wheelchair access.

Street lighting

The existing street lighting is marginal, but adequate for existing uses. The proposed City Center will require a "period" look and more adequate lighting for security reasons and to be more pedestrian friendly.

5. Conditions - Flooding

The City Center area of Phoenix, included in this renewal area, experienced flooding from Bear Creek in 1997.

6. Conditions - Environmental Contamination

For several years, railroad ties were stored on the north end of the proposed City Center mixed use development site. It has not been determined if this has created a contamination problem. If it has, environmental cleanup will be required to make the site ready for development.

7. Conditions - Health and Safety Hazards

Main Street through Phoenix also is Highway 99, a heavily traveled state road. There is only one traffic signal to control this fast-moving traffic. Lack of traffic signals makes it difficult, or dangerous to cross Main Street. Crossing Main Street, or Highway 99 is necessary to access the Phoenix Library, Phoenix Schools, and Government Agencies.

8. Zoning and Platting Deficiencies

City owned industrial land on Dano Drive is landlocked and has no access. In addition, the site of the proposed mixed use development on Main Street has several obstacles to development to its full potential, including irregularly shaped lots, deed restrictions, and wetlands issues.

9. Conditions – Investment and Utilization of land

Assessed values of properties within the Renewal Area are concentrated in commercial and industrial classifications. A measure of the productivity of land use in an area is the improvement to land value ratio. Generally speaking, productive land in an intensively developed area has an improvement to land value ratio of 5 to 1 or more. The assessed value of improvements in the urban renewal area is \$14,713,460, and the assessed value of land is \$11,112,740. The overall value of land to improvements in the renewal area is only 1.32 to 1. This figure is very low for an urban area, especially one that is primarily commercial and industrial in use. The data points to a lack of investment in the renewal area, depreciated values, and a loss of tax producing ability for the Phoenix community.

10 Conformance with 25% limit on Assessed Values Land and Building values

It is anticipated that the 2004-05 tax roll will establish the initial base of assessed values for the Phoenix Renewal Area. The total assessed valuation for the City of Phoenix for that tax year was \$208,112,241. The total assessed value of property within the urban Renewal Area for the 2004-05 tax year is calculated at \$25,826,200 in land and building values. The total assessed value Phoenix Renewal Area represents is 12.4% of the total assessed value of property within the City of Phoenix. Total assessed value within the renewal area therefore will be well within the maximum 25% of total valuation allowed by urban renewal law.

100B. SOCIAL AND ECONOMIC CONDITIONS

No specific census data is available for the renewal area. As Table 1 shows, the renewal area consists almost exclusively of commercial and industrial lands.

200. EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN

Urban renewal plan activities are aimed at alleviating traffic, parking and pedestrian safety

problems, at repairing and redeveloping property within the area, and at upgrading lighting, streets, sidewalks, and open space conditions in the Renewal Area. Carrying out the Renewal Plan is not expected to result in any additional population growth impacts for the City of Phoenix. The Plan is not expected to result in a need for any additional police, fire, or other emergency services beyond those already contemplated by the City and other service providers. The proposed mixed use development includes some housing units, but the number of units is not expected to have any impacts on the school system. Carrying out the mixed use elements of the renewal plan will have an impact on water and sewer service needs. Those needs are anticipated, and covered in the proposed list of projects to be carried out under the plan. Carrying out the Renewal Plan will require the use of tax increment revenues. The tax impacts of the Renewal Plan are discussed in detail in Section 500 D of this report.

The Renewal Plan is expected to produce positive fiscal and service impacts for Phoenix. Among the public benefits of the renewal plan are

- Street and circulation improvements will improve public safety and convenience.
- Infrastructure improvements will provide better utility service, and decrease public maintenance costs
- Rehabilitation programs will preserve and renew properties in downtown Phoenix.
- The Renewal Plan will help the City of Phoenix fund a number of projects listed in the City's Capital Improvements Program,

The public and private investments made in the renewal area are likely to encourage new investment in areas adjacent to the renewal area. There are other positive effects of a renewal program that do not lend themselves easily to quantification, for they are quality of life issues. Retaining Phoenix's small town atmosphere, maintaining the downtown core as the heart of the city, improving cultural and shopping opportunities, and improving the appearance of Phoenix all have value to the community.

The expenditure of tax increment funds is expected to produce new property values for the City of Phoenix. The renewal project is estimated to be completed by the year 2031-32. During that period, assessed property values in the renewal area are expected to increase by approximately \$99 million. At tax rates expected to prevail at the termination of this plan, the new property values anticipated in the renewal area will contribute approximately \$1.06 million in property tax revenues to all taxing bodies in the first year after the project is ended. Of that revenue, approximately \$365,000 will return to the City of Phoenix. That property tax revenue will grow as a result of annual assessment increases.

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

The Urban Renewal Plan Area was selected based on Phoenix Comprehensive Plan goals, objectives, and policies and on the existence of blighting conditions within the area. The project area evidences the following characteristics of blight

- A lack of proper utilization of land planned for tax producing purposes.
- Deficiencies in streets, curb, sidewalk, water and sewer services in the project area.
- Parts of the renewal area are subject to inundation by water.
- Poor building conditions in portions of the project area.
- A prevalence of low values and lack of investment in the project area, and reduced tax receipts resulting therefrom.

Conditions exist within the Renewal Area which meet the definitions of blight in ORS 457.010. Treating these conditions is the reason for selecting this renewal area

400. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA

All project activities described in Section 700 of the Plan are intended to correct the deficiencies described in Section 100 of this Report and summarized in Section 300 of this Report.

1. Curbs, sidewalks, and bike lanes will be improved to city standard throughout the renewal area.
2. Assistance for rehabilitation and new development will attract new investment to the area, and improve the building conditions and blighted appearance of the area.
3. Streetscape activities will improve the visual appearance of the area, and provide a better climate for new investment in the project area.
4. Improvements to parks, and public buildings, will help attract traffic to the area, and improve the climate for new investment in the area.
5. Traffic signals will improve pedestrian and bicycle safety in the area.
6. Improvements to water and sewer service will allow more intensive development in the renewal area, and help alleviate flooding conditions.

500. FINANCIAL ANALYSIS OF PLAN

500A. ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 2 shows the estimated total costs of the Phoenix Urban Renewal Project.. These costs are the anticipated costs of project activities, in 2005 dollars. The costs and project activities are derived in large part from the capital improvement program developed in the 2002 implementation study.

Activity	Estimated Cost
Bicentennial Park Conversion	\$300,000
Water System	
New 8-inch Water Line (1st to 3rd St)	\$49,000
New 8-inch Water Line (Bear Ck Dr. to 1st St)	\$52,150
Sanitary Sewer System	
New Sewer Line (1st to 3rd St)	\$663,000
New Sewer Line (Bear Ck Dr. to 1st St)	\$67,050
Storm Water Improvements	
Hydrology Analysis, BA, Design & Permitting	\$60,000
Storm Water Detention/Treatment Facility	\$150,000
Public Building Improvements	
City Hall 50%	\$1,500,000
Transportation System – Near Range	
Parking Street (Design/Permitting)	\$175,000
Parking Street (First St. 3rd St.)	\$1,036,000
Transportation System – Medium Range	
Parking Street (Bear Creek. Dr. to 1st St)	\$939,000
Signalization & Ped crossing on Main St. @ 1st	\$300,000
Signalization & Ped crossing on Bear Ck Dr @ 1st.	\$300,000
Signalization & Ped crossing on Main St. @ 4th	\$300,000
Transportation System – Long Range	
3rd Street Extension	\$361,000
Signalization & Ped crossing on Bear Ck. Dr @ 4th	\$300,000
Bicycle/Pedestrian Improvements	
Bear Creek Dr. Ped. Underpass Trail	\$31,000
Streetscape Enhancements (Main St.)	\$425,000
Streetscape Enhancements (S. Bear Ck Dr.)	\$315,000
Streetscape Enhancements (1st St)	\$59,500
Streetscape Enhancements (4th St.)	\$42,500
Other Improvements	
Rehabilitation Loans	\$250,000
Redevelopment Assistance	\$250,000
Misc. Property Acquisition	\$400,000
Program Administration	\$500,000
TOTAL, in 2005 dollars	\$8,825,200

The principal method of funding the project share of costs will be through use of tax increment financing as authorized by ORS 457. Revenues are obtained from anticipated urban renewal bond proceeds and the proceeds of short term urban renewal notes.

Table 2 shows that the total costs of project activities are estimated in 2005 dollars is \$8,825,000. When adjusted for inflation at 3.5%, the estimated principal amount of tax increment revenues needed to cover the 2005 cost is \$14,600,000. This is the maximum indebtedness figure inserted in the urban renewal plan.

The capacity for urban renewal bonds is based on projections of urban renewal revenues. Anticipated annual revenues are shown in Table 3 of this Report. Table 3 anticipates there will be three long-term bond issues during the life of the plan. The first bond issue will be a 15 year bond. The next two bonds are anticipated to be ten year bonds. Other long term bond may be issued as revenues, project requirements, and overall bond market conditions dictate. The Agency will make use of short-term indebtedness to carry out project activities not covered by issue of long-term debt. In addition, the Renewal Agency will apply for, and make use of funding from other federal, state, local, or private sources as such funds become available.

500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES

The project activities shown in Table 2 will begin in 2006-07. The sequencing and prioritization of individual project activities shown in Table 2 will be done by the Urban Renewal Agency, and any citizen advisory bodies that the Agency calls upon to assist in this process. The priority of projects and annual funding will be as established in the annual budget process. Completion dates for individual activities may be affected by changes to local economic and market conditions, changes in the availability of tax increment funds, and changes in priorities for carrying out project activities.

It is estimated that all activities proposed in this plan will be completed, and project indebtedness paid off by 2031-32. At that time, the tax increment provisions of this plan can be ended.

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT

It is estimated that the project will collect tax increment revenue between the years 2006-2007 and 2031-32. The amount of tax increment revenue needed to service all project debt and carry out project activities is estimated at \$16,208,000.

It is anticipated that available project revenues, and funds accumulated in a special fund for debt redemption will be sufficient to retire outstanding bonded indebtedness in the year 2032, and terminate the tax increment financing provisions of the project. After all project debt is retired, and the project closed out, it is estimated that there will be surplus tax increment funds. These funds will be distributed to taxing bodies affected by this plan, as provided in ORS 457. Table 3 of this Report shows the anticipated tax increment receipts and project requirements for each year of the project. Table 3 follows on the next page.

Table 3

Project Resources and Requirements

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
a. Resources									
Beginning Balance	\$0	\$1,187	\$7,508	\$6,687	\$6,054	\$8,103	\$14,932	\$15,113	\$5,359
Bond Proceeds									
long term	\$0	\$1,436,709	\$0	\$0	\$0	\$1,376,870	\$0	\$0	\$0
Short term	\$36,819	\$29,946	\$48,693	\$88,482	\$140,642	\$45,732	\$84,338	\$124,006	\$164,764
Interest	\$368	\$14,667	\$487	\$885	\$1,406	\$14,226	\$843	\$1,240	\$1,648
Total Resources	\$37,187	\$1,482,508	\$56,687	\$96,054	\$148,103	\$1,444,932	\$100,113	\$140,359	\$171,771
b. Project Requirements									
To Project Activities & Admin	\$36,000	\$1,475,000	\$50,000	\$90,000	\$140,000	\$1,430,000	\$85,000	\$135,000	\$165,000
Ending Balance	\$1,187	\$7,508	\$6,687	\$6,054	\$8,103	\$14,932	\$15,113	\$5,359	\$6,771
c. Tax increment Revenue									
	\$36,819	\$177,446	\$196,193	\$235,982	\$288,142	\$384,899	\$423,505	\$463,173	\$503,931
d. Debt Svc - long term bonds	\$0	\$73,500	\$147,500	\$147,500	\$339,167	\$339,167	\$339,167	\$339,167	\$339,167
e. Short term debt	\$36,819	\$29,946	\$48,693	\$88,482	\$140,642	\$45,732	\$84,338	\$124,006	\$164,764

Project Resources and Requirements	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
a. Resources									
Beginning Balance	\$6,771	\$15,481	\$12,652	\$29,489	\$7,035	\$11,726	\$4,861	\$10,696	\$7,375
Bond Proceeds									
long term	\$0	\$0	\$1,317,006	\$0	\$0	\$0	\$0	\$0	\$0
Short term	\$206,643	\$249,674	\$110,555	\$155,985	\$202,665	\$250,628	\$342,412	\$531,365	\$567,299
Interest	\$2,066	\$2,497	\$14,276	\$1,560	\$2,027	\$2,506	\$3,424	\$5,314	\$5,673
Total Resources	\$215,481	\$267,652	\$1,454,489	\$187,035	\$211,726	\$264,861	\$350,696	\$547,375	\$580,346
b. Project Requirements									
To Project Activities & Admin	\$200,000	\$255,000	\$1,425,000	\$180,000	\$200,000	\$260,000	\$340,000	\$540,000	\$570,000
Ending Balance	\$15,481	\$12,652	\$29,489	\$7,035	\$11,726	\$4,861	\$10,696	\$7,375	\$10,346
c. Tax increment Revenue	\$545,810	\$588,841	\$633,055	\$678,485	\$725,165	\$773,128	\$673,245	\$714,698	\$750,631
d. Debt Svc - long term bonds	\$339,167	\$522,500	\$522,500	\$522,500	\$522,500	\$330,833	\$183,333	\$183,333	\$183,333
e. Short term debt	\$206,643	\$249,674	\$110,555	\$155,985	\$202,665	\$250,628	\$342,412	\$531,365	\$567,298

Project Resources and Requirements	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
a. Resources								
Beginning Balance	\$10,346	\$10,607	\$9,184	\$7,298	\$10,864	\$15,995	\$13,834	\$55,555
Bond Proceeds								
long term	\$0	\$0	\$864,469	\$904,521	\$945,674	\$987,959	\$1,031,407	\$1,067,355
Short term	\$604,219	\$642,156	\$8,645	\$9,045	\$9,457	\$9,880	\$10,314	\$10,674
Interest	\$6,042	\$6,422	\$882,298	\$920,864	\$965,995	\$1,013,834	\$1,055,555	\$1,133,583
Total Resources	\$620,607	\$659,184	\$864,469	\$904,521	\$945,674	\$987,959	\$1,031,407	\$1,067,355
b. Project Requirements								
To Project Activities & Admin	\$610,000	\$650,000	\$875,000	\$910,000	\$950,000	\$1,000,000	\$1,000,000	\$1,100,000
Ending Balance	\$10,607	\$9,184	\$7,298	\$10,864	\$15,995	\$13,834	\$55,555	\$33,583
c. Tax increment Revenue	\$787,553	\$825,489	\$864,469	\$904,521	\$945,674	\$987,959	\$1,031,407	\$1,067,355
d. Debt Svc - long term bonds	\$183,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0

500D. IMPACT OF TAX INCREMENT FINANCING

The passage of Ballot Measure 50 changed Oregon's property tax system, and the impacts of urban renewal on taxpayers, and other taxing bodies. Prior to BM50, collection of tax increment revenues for a renewal agency resulted in an increase in the taxpayer's property tax rate. Taxing bodies suffered no revenue losses, unless there was overall compression of property tax revenues.

Under Ballot Measure 50, the taxpayers' permanent rates will not change. However, collection of tax increment revenue will impact the potential property tax revenues received by overlapping tax bodies. These taxing bodies will not be able to apply their permanent BM50 tax rates against the new values added within the urban renewal area. As a result, the taxing bodies will forego revenue they otherwise might have had if there was no renewal plan in effect. The presence of the urban renewal program could slightly impact the tax rates for future local option levies, or exempt bond issues by taxing bodies, for the tax rates for these bonds and levies will be calculated without the incremental values within the urban renewal area.

Table 4 shows the anticipated cumulative incremental values in the Renewal Area over the life of the Plan, and the anticipated property tax revenues foregone as a result of taxing bodies not being able to apply their permanent BM50 tax rates to those values.

Table 4 actually presents a worst case picture of revenue foregone, for it assumes that all the new values in the Phoenix Renewal Area would occur, even without the investment of urban renewal funds. In fact, however, it is more realistic to assume that the public expenditures on renewal activities will have some effect on the growth of values within the urban renewal area. Table 4 does not make this adjustment

More important, Table 4 expresses all revenue foregone in 2005 dollars. It therefore does not take into account the fact that a dollar in the future is not as valuable as today's dollar. A present value calculation of the revenues foregone, using just a 3.5 % rate would substantially reduce the revenue foregone total. Evidence of that reduction is shown in the bottom row of Table 4.

Also, during the plan period, overall values in Phoenix will increase, and those value increases will diminish the tax foregone impact on the budgets of taxing bodies.

Note on Impact on Schools

Under the current method of funding K-12 level education, the urban renewal program will not result in revenue losses for those educational units of government. The level of funding per student is not dependent on the amount of property tax raised locally.

When the project is completed, an estimated \$99.5 million in assessed values will be placed back on the tax roll. In the following year, the permanent rates of the overlapping taxing bodies will generate property tax revenues estimated at approximately \$1.06 million. Given just a 3% inflation of assessed values in the area, the revenues foregone by the overlapping taxing bodies will be repaid in a period of twelve years after the project is completed.

500E. FINANCIAL FEASIBILITY OF PLAN

The total capital costs (i.e., exclusive of interest on indebtedness) to carry out the project activities shown in Table 2 are estimated at \$14.6 million. The principal source of revenue to carry out project activities will be annual tax increment revenues of the Renewal Agency. Anticipated tax increment revenues are shown in Table 3. The tax increment revenues shown in Table 5 are based on the following assumptions:

1. Projects currently under way or permitted will add approximately \$1.3 million in new assessed values in the year 2006.
2. A new freeway-oriented retail development will produce approximately \$10 million in new assessed value in 2007.
3. Other new assessed values are added by gradual absorption of approximately 40 acres of vacant commercial, industrial and City Center land. This absorption begins in 2009, and continues for a twenty year period.
4. Overall assessed values in the renewal area are indexed upward 2.75% annually.

The revenues shown in Table 3 are expected to be sufficient to carry out all project activities currently shown on the Urban Renewal Plan, and to retire project indebtedness within a 26 year period. It is financially feasible to carry out the Urban Renewal Plan for the Phoenix Urban Renewal Area.

Table 4 – Phoenix Urban Renewal Plan – Estimated Revenue Foregone by Taxing Bodies

Year	Excess Value in Renewal Area	County tax rate	City Tax Rate	VectorTaxRate \$ 0.417	RVDTaxRate \$0.1711	School Dist 4 2422	RCC 0.4978	ESD 0.3421
2006	\$2,822,603	\$1,950	\$3,648	\$118	\$483	\$11,974	\$1,405	\$966
2007	\$13,603,407	\$5,504	\$10,298	\$567	\$2,328	\$57,708	\$6,772	\$4,654
2008	\$15,040,611	\$26,525	\$49,629	\$627	\$2,573	\$63,805	\$7,487	\$5,145
2009	\$18,090,956	\$29,328	\$54,873	\$754	\$3,095	\$76,745	\$9,006	\$6,189
2010	\$22,089,686	\$35,276	\$66,001	\$921	\$3,780	\$93,709	\$10,996	\$7,557
2011	\$29,507,303	\$43,073	\$80,590	\$1,230	\$5,049	\$125,176	\$14,689	\$10,094
2012	\$32,466,921	\$57,536	\$107,651	\$1,354	\$5,555	\$137,731	\$16,162	\$11,107
2013	\$35,507,929	\$63,307	\$118,449	\$1,481	\$6,075	\$150,632	\$17,676	\$12,147
2014	\$41,843,128	\$69,237	\$129,544	\$1,611	\$6,610	\$163,887	\$19,231	\$13,216
2015	\$45,141,981	\$75,330	\$140,943	\$1,745	\$7,159	\$177,507	\$20,830	\$14,315
2016	\$48,531,554	\$81,590	\$152,656	\$1,882	\$7,724	\$191,501	\$22,472	\$15,443
2017	\$52,014,339	\$88,022	\$164,691	\$2,024	\$8,304	\$205,881	\$24,159	\$16,603
2018	\$55,592,901	\$94,632	\$177,058	\$2,169	\$8,900	\$220,655	\$25,893	\$17,794
2019	\$59,269,873	\$101,423	\$189,764	\$2,318	\$9,512	\$235,836	\$27,674	\$19,018
2020	\$63,047,962	\$108,401	\$202,820	\$2,472	\$10,141	\$251,435	\$29,505	\$20,276
2021	\$66,929,949	\$115,570	\$216,234	\$2,629	\$10,788	\$267,462	\$31,385	\$21,569
2022	\$70,295,010	\$122,937	\$230,018	\$2,791	\$11,452	\$283,930	\$33,318	\$22,897
2023	\$73,752,610	\$130,507	\$244,181	\$2,931	\$12,027	\$298,205	\$34,993	\$24,048
2024	\$77,305,295	\$137,068	\$256,457	\$3,075	\$12,619	\$312,873	\$36,714	\$25,231
2025	\$80,955,678	\$143,810	\$269,072	\$3,224	\$13,227	\$327,945	\$38,483	\$26,446
2026	\$84,706,447	\$150,738	\$282,033	\$3,376	\$13,852	\$343,430	\$40,300	\$27,695
2027	\$88,560,362	\$157,855	\$295,351	\$3,532	\$14,493	\$359,342	\$42,167	\$28,978
2028	\$92,520,259	\$165,169	\$309,035	\$3,693	\$15,153	\$375,691	\$44,085	\$30,296
2029	\$96,589,054	\$172,684	\$323,095	\$3,858	\$15,830	\$392,489	\$46,057	\$31,651
2030	\$99,955,473	\$180,405	\$337,542	\$4,028	\$16,526	\$409,750	\$48,082	\$33,043
2031	\$2,739,169	\$188,339	\$352,386	\$4,168	\$17,102	\$424,031	\$49,758	\$34,195
Total	\$1,548,283	\$2,739,169	\$5,125,036	\$58,579	\$240,357	\$5,959,332	\$699,296	\$480,573
Present Value at 3.5%				\$33,161	\$135,859	\$3,368,443	\$395,269	\$271,638

Notes: (a.) The Present value figure adjusts the total to 2005 dollars, and provides a more accurate reflection of revenues foregone.
 (b.) The revenue foregone figure for the School District is presented for disclosure purposes. As noted on p. 12, per student funding is not dependent on the amount of property tax raised locally.

600. RELOCATION

A. PROPERTIES REQUIRING RELOCATION

No relocation is anticipated at the adoption of this plan.

B. RELOCATION METHODS

If in the implementation of this Plan, persons or businesses should be displaced by action of the Agency, the Agency shall provide assistance to such persons or businesses to be displaced. Such displacees will be contacted to determine their individual relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045 - 281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060.

No relocation of businesses or residents is anticipated in this plan.

C. HOUSING COST ENUMERATION

The Renewal Plan will remove no existing housing units. The proposed mixed use development may include some higher end residential units, but the number, type, and price range is unknown at this time.