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# St. Helens

# Urban Renewal REPORT

On the Urban Renewal Plan  
Amendment 2

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# Acknowledgments

## St. Helens Urban Renewal Agency

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ECONorthwest was the primary author of the Report on the Plan that was adopted in 2017. Elaine Howard Consulting LLC and Tiberius Solutions LLC were on the 2017 consultant team. ECONorthwest has graciously provided permission to use their document format for Amendment 2 to provide consistency in documents for the City of St. Helens.

# Definitions

“Agency” means the City of St. Helens Urban Renewal Agency. This Agency is responsible for administration of the urban renewal plan. In St. Helens, the Agency board is the St. Helens City Council.

“Annual report” means annual report on impacts to taxing jurisdictions and former year and following year budgets as required in ORS 457.460.

“Area” means the properties and rights of way located within the St. Helens urban renewal boundary.

“AV” means assessed value of property.

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

“City” means the City of St. Helens, Oregon.

“City Council” or “Council” means the City Council of the City of St. Helens.

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

“County” means Columbia County.

“Fiscal year” means the year commencing July 1 and closing June 30.

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

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

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

“ORS” means the Oregon revised statutes and specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the St. Helens Planning Commission.

“RMV” means real market value of property.

“Tax increment financing (TIF)” means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“Under-levy” means taking less than the available tax increment in any year as defined in ORS 457.455.

“URA” means urban renewal area.

“Urban renewal agency” or “Agency” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for administration of the urban renewal plan.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “Project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3).

“St. Helens Transportation Systems Plan (TSP)” means the Transportation System Plan adopted by the St. Helens City Council.

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# 1. Introduction and Purpose

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The purpose of this Urban Renewal Report (Report) is to provide context and supplemental information to support the St. Helens Urban Renewal Plan 2020 Substantial Amendment (Amendment 2). It provides information about the following:

- **Funding Plan:** ORS 457.085 (3) requires a funding plan for projects included in the Plan.
- **Existing Conditions:** As required by ORS 457.095, this Report provides data to support the ordinance that Council passed to adopt Amendment 2, a substantial amendment to the St. Helens Urban Renewal Plan (Plan).

This Report serves as guidance for the St. Helens Urban Renewal Agency (Agency) as it implements the Plan. The Agency will review potential project investments each year and can adjust its approach given tax increment revenues and Agency goals. The Agency can change the timing of projects, adjust debt financing timeframes, and make any other changes as allowed in the amendments section of the Plan.

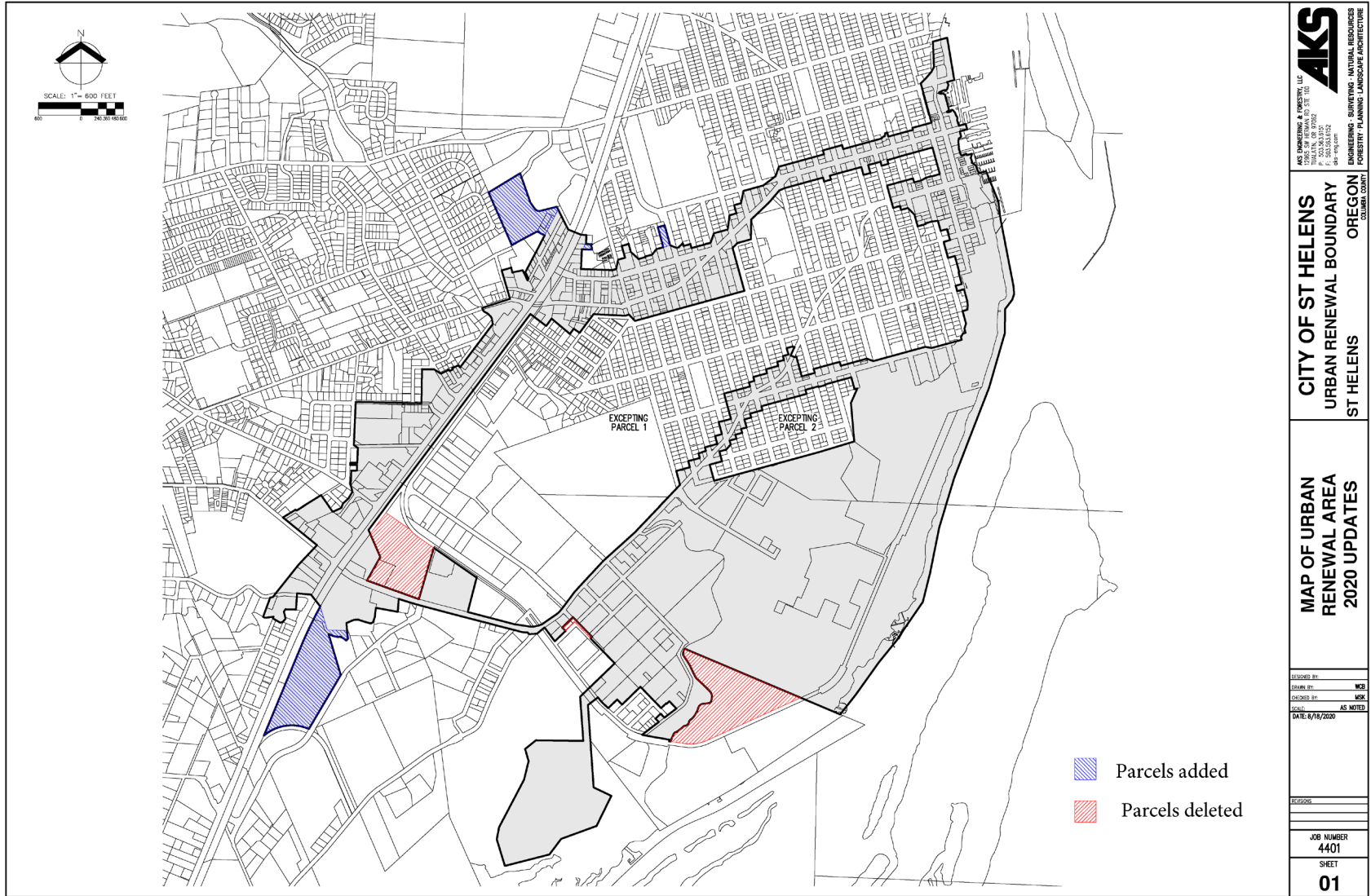


## **2. Reason for Urban Renewal Area Selection**

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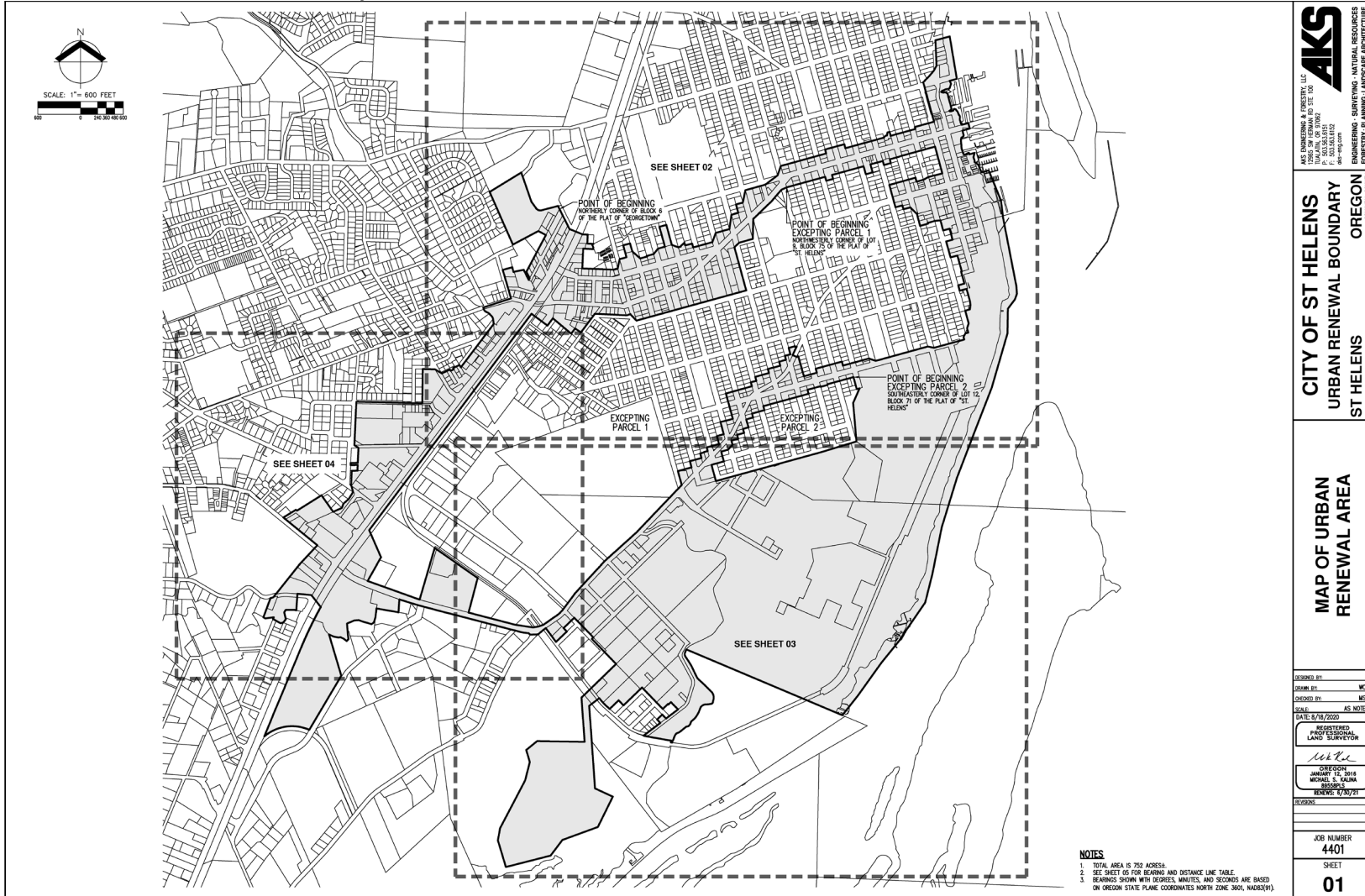
The primary reason for the selection of the urban renewal boundary, shown in Exhibit 2, is to capture the areas within the City of St. Helens that are blighted, slated for development that would support the financial efforts of the existing St. Helens Urban Renewal Area (URA) and assist curing blight in the St. Helens Urban Renewal Area. Exhibit 1 shows the boundary revisions in Amendment 2. Exhibit 2 shows the boundary after revisions from Amendment 1 and Amendment 2

**Exhibit 1. Urban Renewal Boundary Additions and Deletions in Amendment 2.**



Source: AKS Engineering

## Exhibit 2. Urban Renewal Boundary after Amendments 1 and 2



Source: AKS Engineering

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### Identifying Blight

According to ORS 457.010(1), a blighted area has, "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:

- (a) 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, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions: (A) Defective design and quality of physical construction; (B) Faulty interior arrangement and exterior spacing; (C) Overcrowding and a high density of population; (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;
  - (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;
  - (c) 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;
  - (d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;
  - (e) The existence of inadequate streets and other rights of way, open spaces and utilities;
  - (f) The existence of property or lots or other areas that are subject to inundation by water;
  - (g) 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;
  - (h) 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
  - (i) 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."
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## 3. Existing Conditions

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This section includes information on:

- Physical Conditions
- Social Conditions
- Economic Conditions

These conditions establish the rationale for declaring blight in the urban renewal area.

## 3.1. Physical Conditions

This section describes the physical conditions of the urban renewal area, including current land use, zoning designations, and comprehensive plan designations.

### Land Use

Exhibit 3 shows the current land use designations for the properties to be added in Amendment 2. Exhibit 4 shows the land use designations for the property to be removed Amendment 2. Exhibit 5 shows the land use of the parcels in the URA after Amendment 2 including those changes made in Amendment 1.

Vacant land makes up about one-third of the land in the URA. None of the parcels to be added have any improvements on them, indicating 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;.

#### Exhibit 3. St. Helens Urban Renewal Area Land Use of Parcels to be Added

Land Use	Parcels	Parcel Acres	Percent of Total Acreage to be Added
Commercial	7	31.15	100%
<b>Total</b>	<b>7</b>	<b>31.15</b>	<b>100%</b>

Source: City of St. Helens Certified Tax Roll Data FY19-20

#### Exhibit 4. St. Helens Urban Renewal Area Land Use of Parcels to be Removed

Land Use	Parcels	Parcel Acres	Percent of Total Acreage to be Added
Commercial	4	38.85	100%
<b>Total</b>	<b>4</b>	<b>38.85</b>	<b>100%</b>

Source: City of St. Helens Certified Tax Roll Data FY19-20

#### Exhibit 5. St. Helens Urban Renewal Area Land Use of Parcels

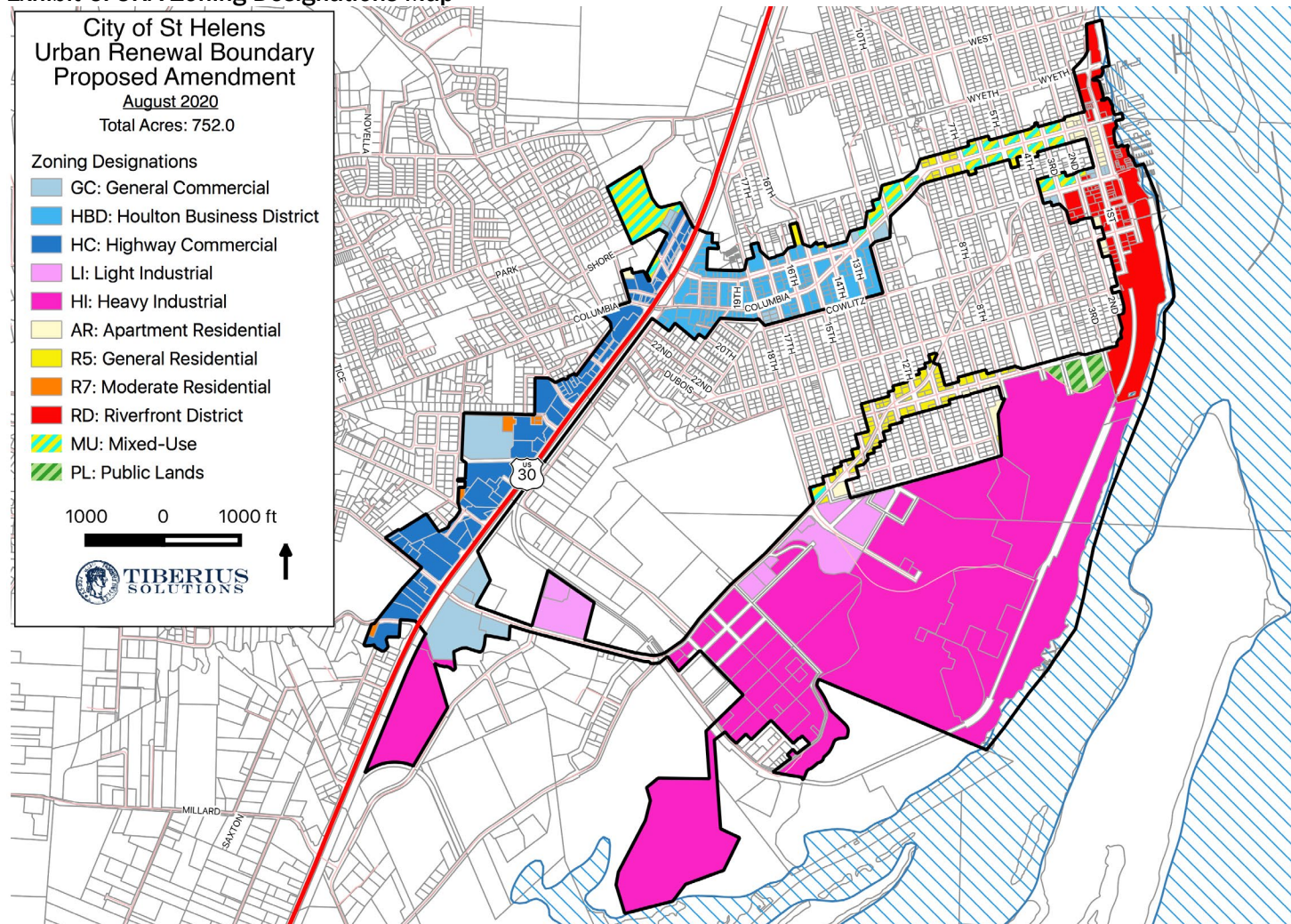
Land Use	Parcels	Parcel Acres	Percent of Total Acreage
Commercial	210	121.94	20.21%
Condominium	12	0.46	0.08%
Industrial	3	20.27	3.36%
Multifamily Residential	8	3.35	0.56%
Single-family Residential	191	31.24	5.18%
Exempt	49	199.68	33.10%
Miscellaneous	6	42.21	7.00%
Vacant	91	184.01	30.51%
<b>Total</b>	<b>570</b>	<b>603.16</b>	<b>100%</b>

Source: City of St Helens. Certified Tax Roll Data FY16-17 and amendment property data from St. Helens Urban renewal Plan Amendment 1 and 2

Exempt means that the property is owned by a public entity and does not pay property taxes.

Zoning Exhibit 6 shows zoning designations of land within the urban renewal boundary.

Exhibit 6. URA Zoning Designations Map



Source: Tiberius Solutions using City of St Helens. Certified Tax Roll Data FY 19-20.

Exhibit 7 shows the current zoning designations for the properties to be added in Amendment 2. Exhibit 8 shows the zoning designations for the property to be removed in Amendment 2. Exhibit 9 shows the zoning of the parcels in the URA after Amendment 2 including those changes made in Amendment 1.

**Exhibit 7. St. Helens Urban Renewal Area Zoning of Parcels to be Added**

Zoning	Parcels	Parcel Acres	Percent of Total URA Acreage
General Commercial	3	0.84	2.70%
General Residential	1	0.67	2.15%
Heavy Industrial	1	19.16	61.51%
Houlton Business District	1	0.18	0.58%
Mixed Use	1	10.3	33.07%
<b>Total</b>	<b>7</b>	<b>31.15</b>	<b>100%</b>

Source: City of St. Helens

**Exhibit 8. St. Helens Urban Renewal Area Zoning of Parcels to be Removed**

Zoning	Parcels	Parcel Acres	Percent of Total URA Acreage
General Commercial	2	15.91	40.95%
Heavy Industrial	1	22.72	58.48%
County Heavy Industrial	1	0.22	.57%
<b>Total</b>	<b>3</b>	<b>38.85</b>	<b>100%</b>

Source: City of St. Helens

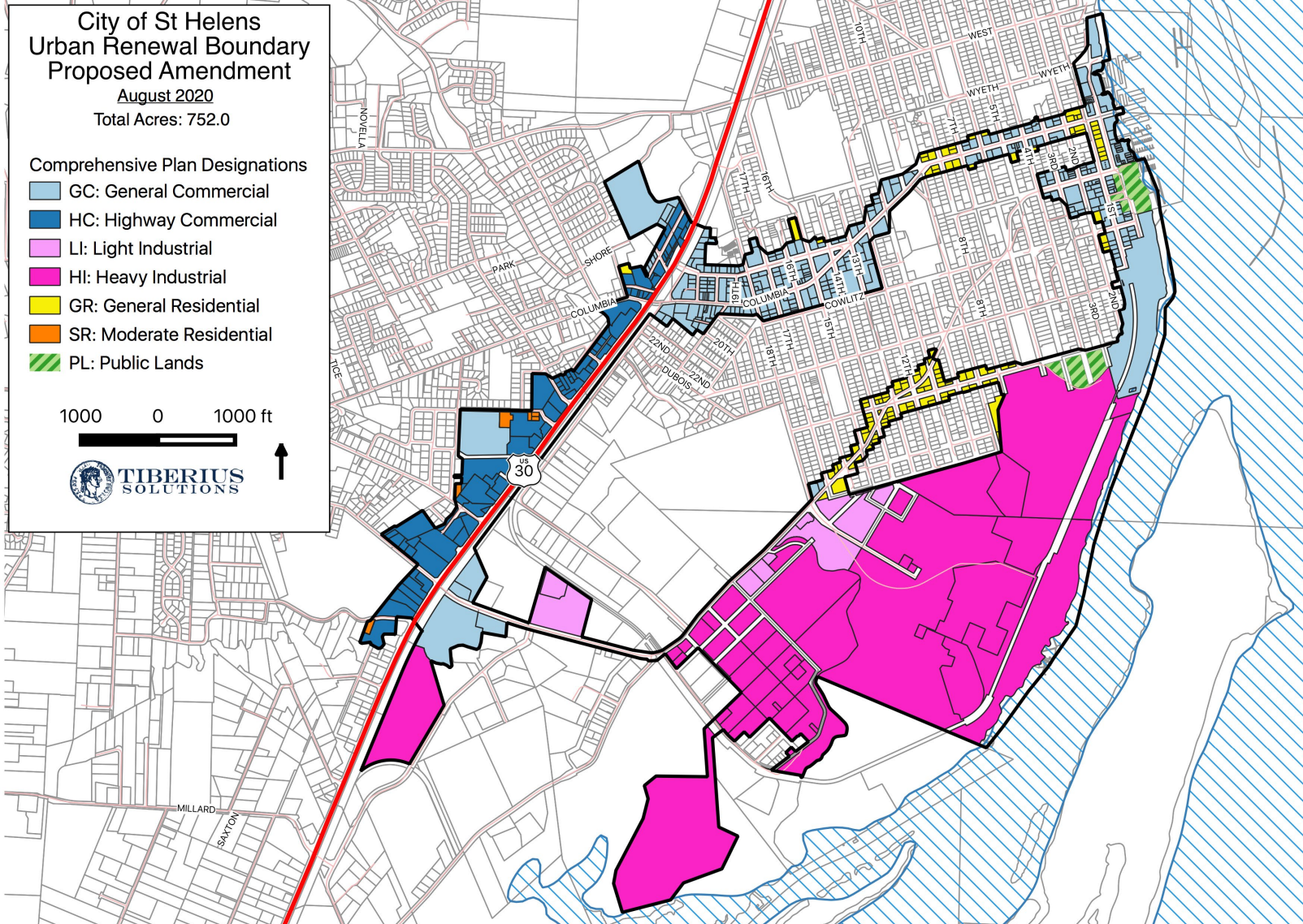
**Exhibit 9. St. Helens Urban Renewal Area Zoning of Parcels**

Zoning	Parcels	Parcel Acres	Percent of Total URA Acreage
Apartment Residential	28	5.96	0.99%
General Commercial	27	27.92	4.63%
General Residential	80	12.69	2.10%
Heavy Industrial	42	373.06	61.86%
Highway Commercial	88	53.52	8.87%
Houlton Business District	146	32.73	5.43%
Light Industrial	9	28.96	4.82%
Mixed Use	60	27.81	4.61%
Moderate Residential	6	1.83	0.30%
Riverfront District	82	43.14	7.15%
Public Land	2	3.27	.54%
<b>Total</b>	<b>570</b>	<b>603.18</b>	<b>100%</b>

Source: Elaine Howard Consulting, LLC from data from Tiberius Solutions

Exhibit 10 shows the comprehensive plan designations of land within the urban renewal boundary.

**Exhibit 10. URA Comprehensive Plan Designations Map**



Source: Tiberius Solutions using City of St Helens. Certified Tax Roll Data FY 19-20



The proposed uses within the URA conform to the uses shown in Exhibit 13. Exhibit 11 shows the current comprehensive plan designations for the properties to be added in Amendment 2. Exhibit 12 shows the comprehensive plan designations for the property to be removed in Amendment 2. Exhibit 13 shows the comprehensive plan designations of the parcels in the URA after Amendment 2 including those changes made in Amendment 1.

**Exhibit 11. St. Helens Urban Renewal Area Comprehensive Plan of Parcels to be Added**

Comprehensive Plan	Parcels	Parcel Acres	Percent of Total URA Acreage
General Commercial	5	11.32	36.34%
General Residential	1	0.67	2.15%
Heavy Industrial	1	19.16	61.51%
<b>Total</b>	<b>7</b>	<b>31.15</b>	<b>100%</b>

Source: City of St. Helens

**Exhibit 12. St. Helens Urban Renewal Area Comprehensive Plan of Parcels to be Removed**

Comprehensive Plan	Parcels	Parcel Acres	Percent of Total URA Acreage
General Commercial	2	15.91	40.95%
Heavy Industrial	1	22.72	58.48%
County Heavy Industrial	1	.22	.57%
<b>Total</b>	<b>3</b>	<b>38.85</b>	<b>100%</b>

Source: City of St. Helens

**Exhibit 13. St. Helens Urban Renewal Area Comprehensive Plan of Parcels**

Comprehensive Plan Designation	Parcels	Parcel Acres	Percent of Total URA Acreage
General Commercial	309	120.39	19.96%
General Residential	108	18.65	3.09%
Highway Commercial	88	53.52	8.87%
Heavy Industrial	42	373.07	61.85%
Light Industrial	9	27.81	4.61%
Public Lands	8	7.91	1.31%
Suburban Residential	6	1.83	0.30%
<b>Total</b>	<b>570</b>	<b>603.18</b>	<b>100%</b>

Source: Elaine Howard Consulting, LLC from data from Tiberius Solutions

## 3.2. Social Conditions

The social conditions in the URA have not changed as a result of Amendment 2.

## 3.3 Economic and Development Conditions

In addition to the challenges cited in the 2017 Plan, the closure of Armstrong World Industries has brought significant economic hardship to the URA, with only \$148 in revenue received in FYE 2020. The financial model created for the adoption of the Plan anticipated tax increment revenues of \$293,615, a difference of \$293,467. It is anticipated that the addition of the property will aid in increasing the tax increment revenue so the projects proposed in the Plan can be completed.

None of the property being brought into the URA have existing real market value of improvements in the assessor's files at the time they are being brought into the URA. These are underdeveloped.

## 4. Impact on Municipal Services

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This section does not change as a result of Amendment 2.

# 5. Funding Plan

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## 5.1. Overview

The primary source of funding for the URA is anticipated to be Tax Increment Financing (TIF). The following discussion is an overview of Oregon’s property tax system and the basic functions of tax increment financing and is not intended as a detailed description of applicable law.

### Oregon’s Property Tax System

In Oregon, each county’s assessor calculates property taxes as the product of assessed value, subject to certain constitutional tax rate limitations.

#### Assessed Value<sup>1</sup>

Oregon’s property tax system distinguishes between the “maximum assessed value” and the “real market value” of property:

- The real market value is the price that a property would sell for in a transaction between two impartial parties.
- The maximum assessed value is calculated by formula. The state established the maximum assessed value for each property in Fiscal Year End (FYE) 1998, with the initial value equal to 10% less than the FYE 1996 real market value. In most situations, the maximum assessed value increases by 3% each year, unless an exception event occurs, such as the expiration of property tax benefits, a change in zoning and subsequent change in land use, or (most commonly) new development or redevelopment occurs.

The assessed value of a property is equal to the lesser of the two values: real market value or maximum assessed value. Since this system was first implemented in FYE 1998, the real market values of most properties in Oregon have grown faster than 3% per year. This means most properties are assessed based on their maximum assessed value and experience a growth of 3% in assessed value each year.

#### Tax Rates

Municipalities and special districts in Oregon have the authority to impose property taxes. The combined tax rates for all overlapping taxing districts is known as the consolidated tax rate. These tax rates are expressed as dollars per \$1,000 of assessed value (also known as “mill rates”). There are three types of tax rates in the State of Oregon: (1) permanent rates, (2) local option levies, and (3) general obligation bond levies.

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<sup>1</sup> Refer to the Oregon Department of Revenue, “Maximum Assessed Value Manual” (2016) for more information about the calculation of assessed value in Oregon.

- Permanent rates cannot change. The majority of taxing districts in Oregon impose the full amount allowed by their permanent rate limit and therefore experience no change in their tax rate from year to year. All permanent rates for overlapping taxing districts are included in the consolidated tax rate for the URA.
- Local option levies are temporary tax rates that must be voter approved. With local option levies, jurisdictions can impose more taxes than would otherwise be possible within their permanent rate limit. ORS 457.445 excludes all local option levies from the calculation of the consolidated tax rate for the URA.
- General obligation bond levies are also temporary tax rates that must be voter approved. General obligation bond levies, however, can only be imposed for capital projects, whereas local option levies can be used for both capital and operations. Additionally, local option levies have limitations on the maximum duration of the levy, which do not apply to general obligation bond levies. Lastly, general obligation bond levies are exempt from the property tax limitations imposed by Measure 5 in 1991. ORS 457.445 excludes all general obligation bonds that were approved by voters after October 6, 2001 from the calculation of the consolidated tax rate for the URA.

## Tax Rate Limitations

In 1991, Oregon voters approved Ballot Measure 5, which amended the Oregon Constitution to establish an upper limit on the amount of property taxes that the assessor can collect from each individual property. These limitations are \$5 per \$1,000 of **real market value** for education and \$10 per \$1,000 of **real market value** for general government purposes. General obligation bond rates are excluded from these tax rate limitations. These tax rate limitations are calculated based on real market value, whereas tax rates apply to assessed value. When the taxes on an individual property exceed the tax rate limitations, the amount of taxes imposed is reduced, resulting in “compression” losses for the impacted taxing districts.

## Tax Increment Financing

ORS 457.420 allows urban renewal agencies to use TIF to pay for projects identified in urban renewal plans. TIF is not an increase in property tax rates, but instead is a division of property tax revenues. A portion of the property tax revenue generated within an urban renewal area is redirected from the overlapping taxing districts to the urban renewal agency.

When an urban renewal area is first established, the total assessed value of property in the area is recorded as the “frozen base.” In future years, if the assessed value of the area increases, the difference between the total assessed value and the frozen base is known as the “increment” value. Property tax revenue generated by the frozen base continues to go to overlapping taxing districts as normal, but tax generated from the increment value is redirected to the urban renewal agency as TIF revenue.

Because TIF revenue requires property values to increase above the frozen base, and because Oregon’s property tax system limits the growth in maximum assessed value to 3.0% per year for most properties, urban renewal areas typically have relatively limited TIF revenue in their early years, and more revenue over time. Agencies that stimulate new development tend to be more successful, generating higher amounts of TIF revenue earlier in their timeline that allow for investment in more projects earlier.

Given these dynamics, urban renewal agencies often borrow money and repay it over time with TIF revenue. This allows urban renewal agencies to accelerate the timing of projects, spurring more development early on and requiring long-term repayment of principal and interest.

The funding plan described in this Report forecasts the annual TIF revenue that would be generated in the URA over the long-term, and then converts that TIF revenue to borrowing capacity over time. If the total borrowing capacity is within the maximum indebtedness identified in the Plan and sufficient to pay for the costs of all projects listed in the Plan, then the Plan is economically sound and feasible, as required by ORS 457.095.

## 5.2. Summary of Project Costs and Timing

Exhibit 14 shows a summary of total project costs and timing. This Exhibit is not changed in Amendment 2. The Agency may determine to undertake projects at different times as determined through the annual budgeting process. Some projects will require funding from multiple sources, and use TIF essentially as matching funds or gap filling funds. **The numbers shown in Exhibit 14 are only the portions of project costs that would be funded by urban renewal.** The total amount of TIF used for all projects, excluding administration and finance fees, is \$41,796,272 in constant 2020 dollars. The cost of administration and finance fees over the life of the URA increase this total to \$42,152,252. The Plan assumes annual inflation rate of 3% per year. When accounting for inflation and based on the assumed timing of projects, the total project costs and financing fees in nominal year-of-expenditure (YOE) dollars is \$62,000,000, the maximum indebtedness established by the Plan. The prior frozen base established by the Columbia County Assessor was \$171,187,460. The estimated future frozen base assessed value of the URA after Amendment 2 is estimated at \$171,650,367.

Although Exhibit 14 lists the estimated completion dates for all projects, many projects will be funded in phases over a longer period, which means that expenditures for some projects would begin much earlier than the completion dates listed in Exhibit 14.

### Exhibit 14. Summary of Estimated Project Costs and Anticipated Timing\*

Project Name	Project Cost		Anticipated Completion Date
	2017 \$	YOE \$	
<b>Site Preparation</b>			
Contributions for Waterfront Site Preparation or Remediation	\$ 1,500,000	\$ 1,791,200	2020
Site Preparation and Infrastructure Loans or Grants	\$ 2,500,000	\$ 4,063,600	2040
Waterfront Utilities and Stormwater Infrastructure: Phase 1	\$ 1,400,000	\$ 1,485,300	2019
Waterfront Utilities and Stormwater Infrastructure: Phase 2	\$ 900,000	\$ 1,074,700	2022
<i>Subtotal</i>	\$ 6,300,000	\$ 8,414,800	
<b>Open Space</b>			
Columbia View Park Expansion	\$ 1,100,000	\$ 1,275,200	2020
Waterfront Greenway Trail/Park Design Phase 1 & Bank Enhancement	\$ 3,000,000	\$ 3,477,900	2022
Trestle Trail Contribution	\$ 750,000	\$ 1,101,400	2030
Marina Contribution	\$ 750,000	\$ 1,038,200	2026
Waterfront Greenway Trail/Tualatin St. Plaza Design Phase 2	\$ 3,000,000	\$ 3,914,400	2026
Habitat/Riparian Projects	\$ 500,000	\$ 903,100	2036
Partnership to Improve County Courthouse Plaza	\$ 750,000	\$ 1,134,500	2027
Wayfinding Improvements	\$ 250,000	\$ 298,500	2024
<i>Subtotal</i>	\$ 10,100,000	\$ 13,143,200	
<b>Infrastructure</b>			
Road Extension on South 1st and the Strand	\$ 2,300,000	\$ 2,579,900	2023
First Street and Strand Road Improvements	\$ 1,000,000	\$ 1,159,300	2022
Old Portland Road/Gable Intersection Improvements	\$ 600,000	\$ 760,700	2026
Old Portland Road/Plymouth Street Intersection Improvements	\$ 600,000	\$ 760,700	2026
Plymouth Street Improvements	\$ 200,000	\$ 261,000	2026
Corridor Master Plan Improvements	\$ 13,200,000	\$ 21,700,800	2036
US 30 Road Projects - Short Term	\$ 1,200,000	\$ 1,565,800	2026
US 30 Road Projects - Long Term	\$ 2,000,000	\$ 4,065,600	2039
<i>Subtotal</i>	\$ 21,100,000	\$ 32,853,800	
<b>Economic Development</b>			
Economic Development Planning	\$ 500,000	\$ 792,000	2041
Storefront improvement Program	\$ 1,500,000	\$ 2,491,800	2041
<i>Subtotal</i>	\$ 2,000,000	\$ 3,283,800	
<b>Administration</b>			
Administration	\$ 2,275,000	\$ 3,497,100	2043**
Finance Fees	\$ 581,000	\$ 793,000	2036
<i>Subtotal</i>	\$ 2,856,000	\$ 4,290,100	
<b>Total Expenditures</b>	<b>\$ 42,356,000</b>	<b>\$ 61,985,700</b>	

Source: Tiberius Solutions.

Notes: YOE stands for Year of Expenditure;

\*Cost is only the urban renewal contribution to a larger project that will require other yet-to-be-determined public or private funding sources.

\*\*Cumulative total over the course of the life of the URA

## 5.3. TIF Revenue Forecast

This section describes the methods and assumptions used to forecast TIF revenue.

The City of St. Helens contracted with Tiberius Solutions LLC in 2020 to provide an updated financial forecast for the URA. This forecast, shown in Attachment A, was request by city staff as a large business located within the URA, Armstrong World Industries, terminated operations and thus impacted the assessed values within the Area. In FY 2019/20 the Area received only \$148 in tax increment revenues while the financial model created for the adoption of the Plan anticipated tax increment revenues of \$293,615, a difference of \$293,467. As a result of the financial analysis, the recommendation was to add properties with development potential to the URA to aid in increasing the tax increment revenues so the projects in the Plan can be completed.

### Tax Rates

Exhibit 15 summarizes the applicable tax rates for the URA. The total consolidated tax rate for the URA is \$12.6065 per \$1,000 of assessed value. This tax rate is composed of only the permanent rates of overlapping taxing districts. Because the consolidated tax rate does not include local option or general obligation bond levies, the applicable tax rate is unlikely to change in future years.

#### Exhibit 15. Consolidated Tax Rate

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

Source: Tiberius Solutions

## Assessed Value Growth

The forecast of future growth in assessed value in the URA included in this analysis was based on conversations with City staff about future development opportunities in the URA. This forecast incorporates assumed growth in assessed value from appreciation (limited to no more than 3.0% per year), and anticipated “exceptions” to Oregon’s 3.0% limitation. These exception events include new construction and the expiration of existing property tax exemptions.

This forecast includes both specific assumptions for sites with known development potential, and more generic assumptions for speculative future development within the URA but not associated with a specific site.

Site-specific assumptions for new construction in the URA was forecast based on City staff’s knowledge of current and planned projects. It includes recently completed projects, projects that have begun construction, plus additional future projects that are planned and deemed likely to occur. Planned new construction includes residential, commercial, and industrial projects.

Exhibit 16 shows the assumed increase in assessed value from anticipated site-specific development in the URA. Net New assessed value (AV) is determined by applying the changed property ratio (varies by land use) to real market value (RMV) of development.

**Exhibit 16. Development Assumptions**

Calendar Year of Development	FYE on Tax Roll	RMV	Net New AV
2019	2021	\$ 9,317,557	\$ 30,822,273
2020	2022	\$ 26,227,084	\$ 26,058,930
2021	2023	\$ 3,411,240	\$ 1,744,587
2022	2024	\$ 11,873,120	\$ 12,178,413
2023	2025	\$ 5,750,520	\$ 3,603,180
2024	2026	\$ -	\$ -
2025	2027	\$ -	\$ -
2026	2028	\$ 3,560,504	\$ 2,650,716
2027	2029	\$ 3,560,504	\$ 2,650,716
2028	2030	\$ 3,560,504	\$ 2,650,716
2029	2031	\$ 3,560,504	\$ 2,650,716
2030	2032	\$ 3,560,504	\$ 2,650,716
2031	2033	\$ -	\$ -
2032	2034	\$ 16,000,000	\$ 11,440,000
<b>Total</b>		<b>\$ 90,382,040</b>	<b>\$ 99,100,962</b>

Source: Tiberius Solutions with input from the City of St. Helens; 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. In FYE 2020, Cascade Tissue Group received 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.

**Exhibit 17. Assessed Value of Expiring Enterprise Zone Exemptions, Cascades Tissue Group, 2020\$**

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

Source: Tiberius Solutions

For FYE 2026 and beyond, this analysis assumes 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 this analysis increases the assumed average annual growth in assessed value to 5% to reflect the likelihood of future construction activity. This is equal to 3% maximum annual appreciation for existing property plus 2% exception value from new development. This assumed growth in assessed value is applied only to real property in the URA. Personal and utility property accounts are assumed to remain constant over the life of the URA.

The assessed value growth assumptions described above and shown in Exhibit 16 and Exhibit 17 are reflected in Exhibit 18, which shows projections of assessed value by property type for the assumed duration of the Plan. Total assessed value is anticipated to grow from \$164,641,059 in FYE 2020 to \$680,590,876 in FYE 2045, the anticipated final year of the Plan, with an average annual growth rate of 5.8%.

**Exhibit 18. Assessed Value Projections (YOE \$)**

<b>FYE</b>	<b>Real</b>	<b>Personal</b>	<b>Manufactured</b>	<b>Utility</b>	<b>Total</b>	<b>% Growth</b>
2020	\$ 147,964,267	\$ 11,102,510	\$ -	\$ 5,574,282	\$ 164,641,059	
2021	\$ 184,150,136	\$ 11,102,510	\$ -	\$ 5,574,282	\$ 200,826,928	22.0%
2022	\$ 217,763,070	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 234,452,530	16.7%
2023	\$ 226,202,272	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 242,891,732	3.6%
2024	\$ 246,695,143	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 263,384,603	8.4%
2025	\$ 258,273,164	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 274,962,624	4.4%
2026	\$ 269,461,652	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 286,151,112	4.1%
2027	\$ 281,157,810	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 297,847,270	4.1%
2028	\$ 296,743,395	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 313,432,855	5.2%
2029	\$ 313,086,921	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 329,776,381	5.2%
2030	\$ 330,223,524	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 346,912,984	5.2%
2031	\$ 348,190,134	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 364,879,594	5.2%
2032	\$ 367,025,286	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 383,714,746	5.2%
2033	\$ 382,876,884	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 399,566,344	4.1%
2034	\$ 416,750,215	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 433,439,675	8.5%
2035	\$ 434,589,747	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 451,279,207	4.1%
2036	\$ 453,231,316	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 469,920,776	4.1%
2037	\$ 472,712,325	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 489,401,785	4.1%
2038	\$ 493,071,968	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 509,761,428	4.2%
2039	\$ 514,351,314	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 531,040,774	4.2%
2040	\$ 536,593,399	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 553,282,859	4.2%
2041	\$ 559,843,325	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 576,532,785	4.2%
2042	\$ 584,148,354	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 600,837,814	4.2%
2043	\$ 609,558,021	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 626,247,481	4.2%
2044	\$ 636,124,238	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 652,813,698	4.2%
2045	\$ 663,901,416	\$ 11,102,510	\$ -	\$ 5,586,950	\$ 680,590,876	4.3%

Source: Tiberius Solutions

## TIF Revenue

Exhibit 19 shows the forecast of TIF revenue projections, combining the assessed value forecast from Exhibit 18 with the tax rates shown in Exhibit 15. Annual revenue would increase over time, with rapid growth in the early years resulting from anticipated development activity. By FYE 2045, the URA would be receiving \$5,260,342 in annual net TIF revenue. The decrease in annual net TIF revenue shown in FYE 2045, the anticipated final year of the Plan, is due to an assumed voluntary underlevy of TIF revenue, as the URA is not expected to require the full amount of TIF to pay off the full, authorized amount of maximum indebtedness.

### Exhibit 19. TIF Revenue Projections (YOE \$)

FYE	Assessed Value			Tax Rate	TIF Revenue			
	Total	Frozen Base	Increment		Gross	Adjustment	Prior	Net
2020	\$ 164,641,059	\$ 171,187,460	\$ 13,811	\$ 10.6987	\$ 148	\$ (7)	\$ 2	\$ 143
2021	\$ 200,826,928	\$ 171,187,460	\$ 29,639,468	\$ 12.6052	\$ 373,611	\$ (18,681)	\$ 2	\$ 354,932
2022	\$ 234,452,530	\$ 171,650,367	\$ 62,802,163	\$ 12.6065	\$ 791,715	\$ (39,586)	\$ 5,324	\$ 757,454
2023	\$ 242,891,732	\$ 171,650,367	\$ 71,241,365	\$ 12.6065	\$ 898,104	\$ (44,905)	\$ 11,282	\$ 864,481
2024	\$ 263,384,603	\$ 171,650,367	\$ 91,734,236	\$ 12.6065	\$ 1,156,448	\$ (57,822)	\$ 12,798	\$ 1,111,423
2025	\$ 274,962,624	\$ 171,650,367	\$ 103,312,257	\$ 12.6065	\$ 1,302,406	\$ (65,120)	\$ 16,479	\$ 1,253,765
2026	\$ 286,151,112	\$ 171,650,367	\$ 114,500,745	\$ 12.6065	\$ 1,443,454	\$ (72,173)	\$ 18,559	\$ 1,389,840
2027	\$ 297,847,270	\$ 171,650,367	\$ 126,196,903	\$ 12.6065	\$ 1,590,901	\$ (79,545)	\$ 20,569	\$ 1,531,925
2028	\$ 313,432,855	\$ 171,650,367	\$ 141,782,488	\$ 12.6065	\$ 1,787,381	\$ (89,369)	\$ 22,670	\$ 1,720,682
2029	\$ 329,776,381	\$ 171,650,367	\$ 158,126,014	\$ 12.6065	\$ 1,993,416	\$ (99,671)	\$ 25,470	\$ 1,919,215
2030	\$ 346,912,984	\$ 171,650,367	\$ 175,262,617	\$ 12.6065	\$ 2,209,448	\$ (110,472)	\$ 28,406	\$ 2,127,382
2031	\$ 364,879,594	\$ 171,650,367	\$ 193,229,227	\$ 12.6065	\$ 2,435,944	\$ (121,797)	\$ 31,485	\$ 2,345,632
2032	\$ 383,714,746	\$ 171,650,367	\$ 212,064,379	\$ 12.6065	\$ 2,673,390	\$ (133,669)	\$ 34,712	\$ 2,574,432
2033	\$ 399,566,344	\$ 171,650,367	\$ 227,915,977	\$ 12.6065	\$ 2,873,223	\$ (143,661)	\$ 38,096	\$ 2,767,657
2034	\$ 433,439,675	\$ 171,650,367	\$ 261,789,308	\$ 12.6065	\$ 3,300,247	\$ (165,012)	\$ 40,943	\$ 3,176,178
2035	\$ 451,279,207	\$ 171,650,367	\$ 279,628,840	\$ 12.6065	\$ 3,525,141	\$ (176,257)	\$ 47,029	\$ 3,395,912
2036	\$ 469,920,776	\$ 171,650,367	\$ 298,270,409	\$ 12.6065	\$ 3,760,146	\$ (188,007)	\$ 50,233	\$ 3,622,372
2037	\$ 489,401,785	\$ 171,650,367	\$ 317,751,418	\$ 12.6065	\$ 4,005,733	\$ (200,287)	\$ 53,582	\$ 3,859,029
2038	\$ 509,761,428	\$ 171,650,367	\$ 338,111,061	\$ 12.6065	\$ 4,262,397	\$ (213,120)	\$ 57,082	\$ 4,106,359
2039	\$ 531,040,774	\$ 171,650,367	\$ 359,390,407	\$ 12.6065	\$ 4,530,655	\$ (226,533)	\$ 60,739	\$ 4,364,862
2040	\$ 553,282,859	\$ 171,650,367	\$ 381,632,492	\$ 12.6065	\$ 4,811,050	\$ (240,553)	\$ 64,562	\$ 4,635,059
2041	\$ 576,532,785	\$ 171,650,367	\$ 404,882,418	\$ 12.6065	\$ 5,104,150	\$ (255,208)	\$ 68,557	\$ 4,917,500
2042	\$ 600,837,814	\$ 171,650,367	\$ 429,187,447	\$ 12.6065	\$ 5,410,552	\$ (270,528)	\$ 72,734	\$ 5,212,758
2043	\$ 626,247,481	\$ 171,650,367	\$ 454,597,114	\$ 12.6065	\$ 5,730,879	\$ (286,544)	\$ 77,100	\$ 5,521,435
2044	\$ 652,813,698	\$ 171,650,367	\$ 481,163,331	\$ 12.6065	\$ 6,065,786	\$ (303,289)	\$ 81,665	\$ 5,844,161
2045	\$ 680,590,876	\$ 171,650,367	\$ 432,016,409	\$ 12.6065	\$ 5,446,215	\$ (272,311)	\$ 86,437	\$ 5,260,342
<b>Total</b>					<b>\$ 77,482,538</b>	<b>\$(3,874,127)</b>	<b>\$ 1,026,520</b>	<b>\$ 74,634,931</b>

Source: Tiberius Solutions

## Revenue Sharing

Per ORS 457.470, revenue sharing is a system for urban renewal areas to share a portion of the TIF revenue with overlapping taxing districts, prior to termination of the Plan. Revenue sharing begins either on the 11th year after the initial approval of the Plan or in the year after TIF revenues meet or exceed 10% of the original maximum indebtedness of the Plan, whichever occurs last. Thereafter, 75% of annual TIF revenues exceeding 10% of the original maximum indebtedness of the Plan are shared with overlapping taxing districts. If the share of TIF revenue received by the Agency meets or exceeds 12.5% of the original maximum indebtedness, then in all subsequent years the TIF revenue for the Agency is limited to 12.5% of the original maximum indebtedness and all additional TIF revenue is shared with overlapping taxing districts.

Because the maximum indebtedness of the Plan is \$62 million, revenue sharing begins in the year after TIF revenues for the Agency exceed \$6.2 million, but not before the 11<sup>th</sup> year after the Plan is approved. Annual TIF revenue for the URA is not projected to ever meet this revenue sharing threshold. Thus, it is not anticipated that required revenue sharing would occur at any point over the duration of the URA. As mentioned in the prior section of this report, it is anticipated that the URA would voluntarily underlevy (i.e., share revenue) in what is estimated to be the final year of the Plan, FYE 2045. This is typical for urban renewal areas, to collect only the amount of TIF revenue necessary to pay off the authorized amount of maximum indebtedness.

## 5.4. Financial Analysis of the Urban Renewal Plan

This section describes the funding plan (i.e., how the TIF revenue is used to fund specific projects over time) that forecasts future revenues, debt service, and expenditures on projects. It includes detailed tables of the anticipated annual cash flow for the URA.

Based on this analysis, this Report estimates that all projects will be completed, and all debt will be retired in FYE 2045. An estimated \$74,634,931 in TIF revenue (including TIF collected in prior years, and forecast TIF in future years) will be necessary to pay off the debt for projects in the URA. Total TIF revenue exceeds total project costs because some projects will be financed through debt, which requires the Agency to pay interest plus the initial capital costs.

The anticipated cash flow from the URA for the duration of the Plan is shown in two series of tables. The first, Exhibit 20, shows a debt service fund, where annual TIF revenue is allocated to debt service. The second, Exhibit 21, shows a project fund, where bond/loan proceeds, additional TIF revenue, and interest earnings are used to fund specific projects.

The funding plan is based on assumptions for the timing and cost of projects, and the financing terms for debt incurred. Actual financing terms will vary, based on broader market conditions, as well as the specific circumstances of each individual borrowing. This Report relies on the following assumptions:

- The URA has \$62,000,000 remaining in Maximum Indebtedness as of the end of FYE 2020.
- The URA does not have any outstanding loans as of the end of FYE 2020.

- All future borrowings are assumed to charge a 5% interest rate and require a minimum debt service coverage ratio of 1.5.
- Each borrowing has equal annual payments during the amortization period.
- No prepayment penalties would apply, allowing the Agency to pay off the debt early if sufficient resources are available.
- The scheduled amortization period for all borrowings is 20 years. However, the final two debt issuances are forecast to be repaid ahead of schedule, allowing all debt to be fully repaid by FYE 2045.

**Exhibit 20. Funding Plan, Debt Service Fund Cash Flow (YOE \$) (continued on next two pages)**

<i>DEBT SERVICE FUND</i>	Total	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
<b>Resources</b>						
Beginning Balance		\$51,595	\$ -	\$ -	\$ -	\$ -
Interest Earnings	\$ 258	\$ 258	\$ -	\$ -	\$ -	\$ -
TIF: Current Year	\$ 73,608,411	\$ 140	\$ 354,930	\$ 752,130	\$ 853,199	\$ 1,098,625
TIF: Prior Years	\$ 1,026,520	\$ 2	\$ 2	\$ 5,324	\$ 11,282	\$ 12,798
<b>Total Resources</b>	<b>\$ 74,686,784</b>	<b>\$ 51,995</b>	<b>\$ 354,932</b>	<b>\$ 757,454</b>	<b>\$ 864,481</b>	<b>\$ 1,111,423</b>
<b>Expenditures</b>						
<i>Debt Service</i>						
Scheduled Payments						
Loan FYE 2023	\$ (11,233,962)	\$ -	\$ -	\$ -	\$ (561,698)	\$ (561,698)
Loan FYE 2028	\$ (9,739,350)	\$ -	\$ -	\$ -	\$ -	\$ -
Loan FYE 2033	\$ (8,866,806)	\$ -	\$ -	\$ -	\$ -	\$ -
Early Principal Payment						
Loan FYE 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan FYE 2028	\$ (1,500,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Loan FYE 2033	\$ (3,946,665)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Debt Service</b>	<b>\$ (35,286,784)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (561,698)</b>	<b>\$ (561,698)</b>
<i>Debt Service Coverage Ratio</i>						
					1.52	1.96
Transfer to Projects Fund	\$ (39,400,000)	\$ (51,995)	\$ (354,932)	\$ (757,454)	\$ (302,783)	\$ (549,725)
<b>Total Expenditures</b>	<b>\$ (74,686,784)</b>	<b>\$ (51,995)</b>	<b>\$ (354,932)</b>	<b>\$ (757,454)</b>	<b>\$ (864,481)</b>	<b>\$ (1,111,423)</b>
<b>Ending Balance</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>DEBT SERVICE FUND</b>	<b>FYE 2025</b>	<b>FYE 2026</b>	<b>FYE 2027</b>	<b>FYE 2028</b>	<b>FYE 2029</b>	<b>FYE 2030</b>
<b>Resources</b>						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIF: Current Year	\$ 1,237,286	\$ 1,371,281	\$ 1,511,356	\$ 1,698,012	\$ 1,893,745	\$ 2,098,976
TIF: Prior Years	\$ 16,479	\$ 18,559	\$ 20,569	\$ 22,670	\$ 25,470	\$ 28,406
<b>Total Resources</b>	<b>\$ 1,253,765</b>	<b>\$ 1,389,840</b>	<b>\$ 1,531,925</b>	<b>\$ 1,720,682</b>	<b>\$ 1,919,215</b>	<b>\$ 2,127,382</b>
<b>Expenditures</b>						
<i>Debt Service</i>						
Scheduled Payments						
Loan FYE 2023	\$ (561,698)	\$ (561,698)	\$ (561,698)	\$ (561,698)	\$ (561,698)	\$ (561,698)
Loan FYE 2028	\$ -	\$ -	\$ -	\$ (569,722)	\$ (569,722)	\$ (569,722)
Loan FYE 2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Early Principal Payment						
Loan FYE 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan FYE 2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan FYE 2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Debt Service</b>	<b>\$ (561,698)</b>	<b>\$ (561,698)</b>	<b>\$ (561,698)</b>	<b>\$ (1,131,420)</b>	<b>\$ (1,131,420)</b>	<b>\$ (1,131,420)</b>
<i>Debt Service Coverage Ratio</i>	2.20	2.44	2.69	1.50	1.67	1.86
Transfer to Projects Fund	\$ (692,067)	\$ (828,142)	\$ (970,227)	\$ (589,262)	\$ (787,795)	\$ (995,961)
<b>Total Expenditures</b>	<b>\$ (1,253,765)</b>	<b>\$ (1,389,840)</b>	<b>\$ (1,531,925)</b>	<b>\$ (1,720,682)</b>	<b>\$ (1,919,215)</b>	<b>\$ (2,127,382)</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>DEBT SERVICE FUND</b>	<b>FYE 2031</b>	<b>FYE 2032</b>	<b>FYE 2033</b>	<b>FYE 2034</b>	<b>FYE 2035</b>	<b>FYE 2036</b>
<b>Resources</b>						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIF: Current Year	\$ 2,314,147	\$ 2,539,720	\$ 2,729,562	\$ 3,135,235	\$ 3,348,884	\$ 3,572,139
TIF: Prior Years	\$ 31,485	\$ 34,712	\$ 38,096	\$ 40,943	\$ 47,029	\$ 50,233
<b>Total Resources</b>	<b>\$ 2,345,632</b>	<b>\$ 2,574,432</b>	<b>\$ 2,767,657</b>	<b>\$ 3,176,178</b>	<b>\$ 3,395,912</b>	<b>\$ 3,622,372</b>
<b>Expenditures</b>						
<i>Debt Service</i>						
Scheduled Payments						
Loan FYE 2023	\$ (561,698)	\$ (561,698)	\$ (561,698)	\$ (561,698)	\$ (561,698)	\$ (561,698)
Loan FYE 2028	\$ (569,722)	\$ (569,722)	\$ (569,722)	\$ (569,722)	\$ (569,722)	\$ (569,722)
Loan FYE 2033	\$ -	\$ -	\$ (682,062)	\$ (682,062)	\$ (682,062)	\$ (682,062)
Early Principal Payment						
Loan FYE 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan FYE 2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan FYE 2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Debt Service</b>	<b>\$ (1,131,420)</b>	<b>\$ (1,131,420)</b>	<b>\$ (1,813,482)</b>	<b>\$ (1,813,482)</b>	<b>\$ (1,813,482)</b>	<b>\$ (1,813,482)</b>
<i>Debt Service Coverage Ratio</i>	2.05	2.24	1.51	1.73	1.85	1.97
Transfer to Projects Fund	\$ (1,214,211)	\$ (1,443,012)	\$ (954,175)	\$ (1,362,696)	\$ (1,582,430)	\$ (1,808,889)
<b>Total Expenditures</b>	<b>\$ (2,345,632)</b>	<b>\$ (2,574,432)</b>	<b>\$ (2,767,657)</b>	<b>\$ (3,176,178)</b>	<b>\$ (3,395,912)</b>	<b>\$ (3,622,372)</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>DEBT SERVICE FUND</b>	<b>FYE 2037</b>	<b>FYE 2038</b>	<b>FYE 2039</b>	<b>FYE 2040</b>	<b>FYE 2041</b>	<b>FYE 2042</b>
<b>Resources</b>						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIF: Current Year	\$ 3,805,447	\$ 4,049,277	\$ 4,304,122	\$ 4,570,498	\$ 4,848,943	\$ 5,140,024
TIF: Prior Years	\$ 53,582	\$ 57,082	\$ 60,739	\$ 64,562	\$ 68,557	\$ 72,734
<b>Total Resources</b>	<b>\$ 3,859,029</b>	<b>\$ 4,106,359</b>	<b>\$ 4,364,862</b>	<b>\$ 4,635,059</b>	<b>\$ 4,917,500</b>	<b>\$ 5,212,758</b>
<b>Expenditures</b>						
<i>Debt Service</i>						
Scheduled Payments						
Loan FYE 2023	\$ (561,698)	\$ (561,698)	\$ (561,698)	\$ (561,698)	\$ (561,698)	\$ (561,698)
Loan FYE 2028	\$ (569,722)	\$ (569,722)	\$ (569,722)	\$ (569,722)	\$ (569,722)	\$ (569,722)
Loan FYE 2033	\$ (682,062)	\$ (682,062)	\$ (682,062)	\$ (682,062)	\$ (682,062)	\$ (682,062)
Early Principal Payment						
Loan FYE 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan FYE 2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan FYE 2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Debt Service</b>	<b>\$ (1,813,482)</b>	<b>\$ (1,813,482)</b>	<b>\$ (1,813,482)</b>	<b>\$ (1,813,482)</b>	<b>\$ (1,813,482)</b>	<b>\$ (1,813,482)</b>
<i>Debt Service Coverage Ratio</i>	2.10	2.23	2.37	2.52	2.67	2.83
Transfer to Projects Fund	\$ (2,045,546)	\$ (2,292,876)	\$ (2,551,379)	\$ (2,821,577)	\$ (3,104,018)	\$ (3,399,276)
<b>Total Expenditures</b>	<b>\$ (3,859,029)</b>	<b>\$ (4,106,359)</b>	<b>\$ (4,364,862)</b>	<b>\$ (4,635,059)</b>	<b>\$ (4,917,500)</b>	<b>\$ (5,212,758)</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>DEBT SERVICE FUND</b>	<b>FYE 2043</b>	<b>FYE 2044</b>	<b>FYE 2045</b>
<b>Resources</b>			
Beginning Balance	\$ -	\$ -	\$ -
Interest Earnings	\$ -	\$ -	\$ -
TIF: Current Year	\$ 5,444,335	\$ 5,762,496	\$ 5,173,904
TIF: Prior Years	\$ 77,100	\$ 81,665	\$ 86,437
<b>Total Resources</b>	<b>\$ 5,521,435</b>	<b>\$ 5,844,161</b>	<b>\$ 5,260,342</b>
<b>Expenditures</b>			
<i>Debt Service</i>			
Scheduled Payments			
Loan FYE 2023	\$ -	\$ -	\$ -
Loan FYE 2028	\$ (569,722)	\$ (569,722)	\$ (54,070)
Loan FYE 2033	\$ (682,062)	\$ (682,062)	\$ (682,062)
Early Principal Payment			
Loan FYE 2023	\$ -	\$ -	\$ -
Loan FYE 2028	\$ -	\$ (1,500,000)	\$ -
Loan FYE 2033	\$ -	\$ -	\$ (3,946,665)
<b>Total Debt Service</b>	<b>\$ (1,251,784)</b>	<b>\$ (2,751,784)</b>	<b>\$ (4,682,797)</b>
<i>Debt Service Coverage Ratio</i>	4.35	4.60	7.03
Transfer to Projects Fund	\$ (4,269,651)	\$ (3,092,377)	\$ (577,544)
<b>Total Expenditures</b>	<b>\$ (5,521,435)</b>	<b>\$ (5,844,161)</b>	<b>\$ (5,260,342)</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Source: Tiberius Solutions

**Exhibit 21. Funding Plan, Project Fund Cash Flow (YOE \$) (continued on next page)**

<b>PROJECTS FUND</b>	<b>Total</b>	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>
<b>Resources</b>						
Beginning Balance		\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from TIF Fund	\$ 39,400,000	\$ 51,995	\$ 354,932	\$ 757,454	\$ 302,783	\$ 549,725
Bond/Loan Proceeds	\$ 22,600,000	\$ -	\$ -	\$ -	\$ 7,000,000	\$ -
Other	\$ -					
<b>Total Resources</b>	<b>\$ 62,000,000</b>	<b>\$ 51,995</b>	<b>\$ 354,932</b>	<b>\$ 757,454</b>	<b>\$ 7,302,783</b>	<b>\$ 549,725</b>
<b>Expenditures (YOE \$)</b>						
Projects and Administration	\$ (61,548,000)	\$ (51,995)	\$ (354,932)	\$ (757,454)	\$ (7,162,783)	\$ (549,725)
Financing Fees	\$ (452,000)				\$ (140,000)	
<b>Total Expenditures</b>	<b>\$ (62,000,000)</b>	<b>\$ (51,995)</b>	<b>\$ (354,932)</b>	<b>\$ (757,454)</b>	<b>\$ (7,302,783)</b>	<b>\$ (549,725)</b>
<b>Ending Balance</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>PROJECTS FUND</b>	<b>FYE 2025</b>	<b>FYE 2026</b>	<b>FYE 2027</b>	<b>FYE 2028</b>	<b>FYE 2029</b>	<b>FYE 2030</b>
<b>Resources</b>						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from TIF Fund	\$ 692,067	\$ 828,142	\$ 970,227	\$ 589,262	\$ 787,795	\$ 995,961
Bond/Loan Proceeds	\$ -	\$ -	\$ -	\$ 7,100,000	\$ -	\$ -
Other						
<b>Total Resources</b>	<b>\$ 692,067</b>	<b>\$ 828,142</b>	<b>\$ 970,227</b>	<b>\$ 7,689,262</b>	<b>\$ 787,795</b>	<b>\$ 995,961</b>
<b>Expenditures (YOE \$)</b>						
Projects and Administration	\$ (692,067)	\$ (828,142)	\$ (970,227)	\$ (7,547,262)	\$ (787,795)	\$ (995,961)
Financing Fees				\$ (142,000)		
<b>Total Expenditures</b>	<b>\$ (692,067)</b>	<b>\$ (828,142)</b>	<b>\$ (970,227)</b>	<b>\$ (7,689,262)</b>	<b>\$ (787,795)</b>	<b>\$ (995,961)</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>PROJECTS FUND</b>	<b>FYE 2031</b>	<b>FYE 2032</b>	<b>FYE 2033</b>	<b>FYE 2034</b>	<b>FYE 2035</b>	<b>FYE 2036</b>
<b>Resources</b>						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from TIF Fund	\$ 1,214,211	\$ 1,443,012	\$ 954,175	\$ 1,362,696	\$ 1,582,430	\$ 1,808,889
Bond/Loan Proceeds	\$ -	\$ -	\$ 8,500,000	\$ -	\$ -	\$ -
Other						
<b>Total Resources</b>	<b>\$ 1,214,211</b>	<b>\$ 1,443,012</b>	<b>\$ 9,454,175</b>	<b>\$ 1,362,696</b>	<b>\$ 1,582,430</b>	<b>\$ 1,808,889</b>
<b>Expenditures (YOE \$)</b>						
Projects and Administration	\$ (1,214,211)	\$ (1,443,012)	\$ (9,284,175)	\$ (1,362,696)	\$ (1,582,430)	\$ (1,808,889)
Financing Fees			\$ (170,000)			
<b>Total Expenditures</b>	<b>\$ (1,214,211)</b>	<b>\$ (1,443,012)</b>	<b>\$ (9,454,175)</b>	<b>\$ (1,362,696)</b>	<b>\$ (1,582,430)</b>	<b>\$ (1,808,889)</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>PROJECTS FUND</b>	<b>FYE 2037</b>	<b>FYE 2038</b>	<b>FYE 2039</b>	<b>FYE 2040</b>	<b>FYE 2041</b>	<b>FYE 2042</b>
<b>Resources</b>						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from TIF Fund	\$ 2,045,546	\$ 2,292,876	\$ 2,551,379	\$ 2,821,577	\$ 3,104,018	\$ 3,399,276
Bond/Loan Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other						
<b>Total Resources</b>	<b>\$ 2,045,546</b>	<b>\$ 2,292,876</b>	<b>\$ 2,551,379</b>	<b>\$ 2,821,577</b>	<b>\$ 3,104,018</b>	<b>\$ 3,399,276</b>
<b>Expenditures (YOE \$)</b>						
Projects and Administration	\$ (2,045,546)	\$ (2,292,876)	\$ (2,551,379)	\$ (2,821,577)	\$ (3,104,018)	\$ (3,399,276)
Financing Fees						
<b>Total Expenditures</b>	<b>\$ (2,045,546)</b>	<b>\$ (2,292,876)</b>	<b>\$ (2,551,379)</b>	<b>\$ (2,821,577)</b>	<b>\$ (3,104,018)</b>	<b>\$ (3,399,276)</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



<b>PROJECTS FUND</b>	<b>FYE 2043</b>	<b>FYE 2044</b>	<b>FYE 2045</b>
<b>Resources</b>			
Beginning Balance	\$ -	\$ -	\$ -
Interest Earnings	\$ -	\$ -	\$ -
Transfer from TIF Fund	\$ 4,269,651	\$ 3,092,377	\$ 577,544
Bond/Loan Proceeds	\$ -	\$ -	\$ -
Other			
<b>Total Resources</b>	<b>\$ 4,269,651</b>	<b>\$ 3,092,377</b>	<b>\$ 577,544</b>
<b>Expenditures (YOE \$)</b>			
Projects and Administration	\$ (4,269,651)	\$ (3,092,377)	\$ (577,544)
Financing Fees			
<b>Total Expenditures</b>	<b>\$ (4,269,651)</b>	<b>\$ (3,092,377)</b>	<b>\$ (577,544)</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Source: Tiberius Solutions

## 6. Impacts to Taxing Jurisdictions

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### 6.1. Overall Impact

As stated earlier in this Report, TIF revenue is a division of property tax revenue and not an increase in property tax rates. The financial impacts are primarily to overlapping taxing districts, not property tax payers.

Instead, this Report calculates the “foregone revenues” for the overlapping taxing districts as a proxy for the impact of urban renewal. Foregone revenue is the proportional share of TIF revenue that is received by the Agency rather than the taxing district.

There are two caveats for calculations of foregone revenue:

1. By using foregone revenues, this Report may overstate the impact that the URA has on overlapping taxing districts, as some of the TIF revenue may be generated by development that would not have happened, but for the investment in urban renewal projects.
2. A calculation of foregone revenue does not account for any increase in tax revenues that overlapping taxing districts may receive in the future after the Plan is terminated, if the Agency is successful at increasing the assessed value of property in the URA.

Exhibit 22 shows the forecast of foregone property tax revenues for all overlapping taxing districts. The total foregone revenues are equal to the total TIF revenue needed by the Agency to pay off all debt. The St. Helens School District, City of St. Helens, and the Columbia River Fire District are the three jurisdictions with the most foregone revenue. Those three taxing districts combined account for two-thirds of the total foregone revenue.

Although Exhibit 23 includes the St. Helens School District and NW Regional Education Service District, these jurisdictions are not *directly* affected by tax increment financing. The Oregon Constitution requires equal funding per student for all school districts, regardless of local property tax collections. Each biennium, the State Legislature determines the statewide school funding amount per-student. School districts that generate less than this amount through local sources receive grants from the State School Fund to make up the difference. Thus, fluctuations in local property tax revenue do not have a direct impact on local school funding. In other words, foregone property tax revenues for school districts and education service districts are substantially offset by funding from the State School Fund. The impacts to the taxing districts as a result of Amendment 2 follow the overall impacts.

**Exhibit 22. Forecast of Foregone Revenues, General Government (YOE\$)**

FYE	Columbia County	Columbia 4H & Extension	Columbia 911 Communication District	Columbia Vector	Port of Columbia County	Columbia SWCD	Columbia River Fire	St. Helens Aquatic District	City of St. Helens	Subtotal (General Government)
2020	\$ (19)	\$ (1)	\$ (3)	\$ (2)	\$ (1)	\$ (1)	\$ (40)	\$ (3)	\$ -	\$ (70)
2021	\$ (39,297)	\$ (1,608)	\$ (7,191)	\$ (3,601)	\$ (2,495)	\$ (2,816)	\$ (83,716)	\$ (6,609)	\$ (53,682)	\$ (201,014)
2022	\$ (83,854)	\$ (3,431)	\$ (15,346)	\$ (7,685)	\$ (5,323)	\$ (6,008)	\$ (178,637)	\$ (14,102)	\$ (114,628)	\$ (429,014)
2023	\$ (95,702)	\$ (3,916)	\$ (17,514)	\$ (8,771)	\$ (6,076)	\$ (6,857)	\$ (203,878)	\$ (16,094)	\$ (130,826)	\$ (489,634)
2024	\$ (123,040)	\$ (5,034)	\$ (22,517)	\$ (11,276)	\$ (7,811)	\$ (8,816)	\$ (262,117)	\$ (20,692)	\$ (168,197)	\$ (629,499)
2025	\$ (138,798)	\$ (5,679)	\$ (25,401)	\$ (12,720)	\$ (8,812)	\$ (9,945)	\$ (295,686)	\$ (23,342)	\$ (189,738)	\$ (710,120)
2026	\$ (153,862)	\$ (6,295)	\$ (28,157)	\$ (14,101)	\$ (9,768)	\$ (11,025)	\$ (327,778)	\$ (25,875)	\$ (210,331)	\$ (787,192)
2027	\$ (169,591)	\$ (6,939)	\$ (31,036)	\$ (15,542)	\$ (10,767)	\$ (12,152)	\$ (361,287)	\$ (28,520)	\$ (231,833)	\$ (867,668)
2028	\$ (190,488)	\$ (7,794)	\$ (34,860)	\$ (17,457)	\$ (12,093)	\$ (13,649)	\$ (405,803)	\$ (32,035)	\$ (260,399)	\$ (974,578)
2029	\$ (212,466)	\$ (8,693)	\$ (38,882)	\$ (19,472)	\$ (13,488)	\$ (15,224)	\$ (452,625)	\$ (35,731)	\$ (290,444)	\$ (1,087,025)
2030	\$ (235,511)	\$ (9,636)	\$ (43,099)	\$ (21,583)	\$ (14,952)	\$ (16,875)	\$ (501,719)	\$ (39,606)	\$ (321,947)	\$ (1,204,929)
2031	\$ (259,673)	\$ (10,624)	\$ (47,521)	\$ (23,798)	\$ (16,485)	\$ (18,607)	\$ (553,191)	\$ (43,670)	\$ (354,975)	\$ (1,328,543)
2032	\$ (285,002)	\$ (11,661)	\$ (52,156)	\$ (26,119)	\$ (18,093)	\$ (20,421)	\$ (607,151)	\$ (47,929)	\$ (389,601)	\$ (1,458,134)
2033	\$ (306,393)	\$ (12,536)	\$ (56,071)	\$ (28,079)	\$ (19,451)	\$ (21,954)	\$ (652,721)	\$ (51,527)	\$ (418,842)	\$ (1,567,574)
2034	\$ (351,618)	\$ (14,386)	\$ (64,347)	\$ (32,224)	\$ (22,323)	\$ (25,195)	\$ (749,066)	\$ (59,132)	\$ (480,666)	\$ (1,798,957)
2035	\$ (375,944)	\$ (15,381)	\$ (68,799)	\$ (34,453)	\$ (23,867)	\$ (26,938)	\$ (800,887)	\$ (63,223)	\$ (513,919)	\$ (1,923,412)
2036	\$ (401,014)	\$ (16,407)	\$ (73,387)	\$ (36,751)	\$ (25,458)	\$ (28,734)	\$ (854,295)	\$ (67,439)	\$ (548,190)	\$ (2,051,676)
2037	\$ (427,213)	\$ (17,479)	\$ (78,182)	\$ (39,152)	\$ (27,122)	\$ (30,611)	\$ (910,108)	\$ (71,845)	\$ (584,005)	\$ (2,185,717)
2038	\$ (454,594)	\$ (18,599)	\$ (83,192)	\$ (41,661)	\$ (28,860)	\$ (32,573)	\$ (968,438)	\$ (76,450)	\$ (621,434)	\$ (2,325,802)
2039	\$ (483,211)	\$ (19,770)	\$ (88,429)	\$ (44,284)	\$ (30,677)	\$ (34,624)	\$ (1,029,403)	\$ (81,262)	\$ (660,555)	\$ (2,472,216)
2040	\$ (513,123)	\$ (20,994)	\$ (93,903)	\$ (47,025)	\$ (32,576)	\$ (36,767)	\$ (1,093,126)	\$ (86,293)	\$ (701,445)	\$ (2,625,253)
2041	\$ (544,391)	\$ (22,273)	\$ (99,626)	\$ (49,891)	\$ (34,561)	\$ (39,008)	\$ (1,159,737)	\$ (91,551)	\$ (744,188)	\$ (2,785,225)
2042	\$ (577,077)	\$ (23,611)	\$ (105,607)	\$ (52,886)	\$ (36,636)	\$ (41,350)	\$ (1,229,370)	\$ (97,048)	\$ (788,871)	\$ (2,952,456)
2043	\$ (611,249)	\$ (25,009)	\$ (111,861)	\$ (56,018)	\$ (38,805)	\$ (43,798)	\$ (1,302,168)	\$ (102,795)	\$ (835,584)	\$ (3,127,288)
2044	\$ (646,977)	\$ (26,471)	\$ (118,399)	\$ (59,292)	\$ (41,073)	\$ (46,358)	\$ (1,378,279)	\$ (108,803)	\$ (884,424)	\$ (3,310,077)
2045	\$ (582,345)	\$ (23,826)	\$ (106,571)	\$ (53,369)	\$ (36,970)	\$ (41,727)	\$ (1,240,592)	\$ (97,934)	\$ (796,072)	\$ (2,979,407)
<b>Total</b>	<b>\$ (8,262,452)</b>	<b>\$ (338,052)</b>	<b>\$ (1,512,059)</b>	<b>\$ (757,214)</b>	<b>\$ (524,544)</b>	<b>\$ (592,036)</b>	<b>\$ (17,601,817)</b>	<b>\$ (1,389,508)</b>	<b>\$ (11,294,796)</b>	<b>\$ (42,272,477)</b>

Source: Tiberius Solution

**Exhibit 23. Forecast of Foregone Revenues, Education (YOE\$)**

FYE	NW Regional ESD	St. Helens 502 School	Portland Community College	Subtotal (Education)	Total (General Government and Education)
2020	\$ (2)	\$ (67)	\$ (4)	\$ (73)	\$ (143)
2021	\$ (4,331)	\$ (141,625)	\$ (7,963)	\$ (153,918)	\$ (354,932)
2022	\$ (9,241)	\$ (302,207)	\$ (16,992)	\$ (328,439)	\$ (757,454)
2023	\$ (10,547)	\$ (344,908)	\$ (19,393)	\$ (374,847)	\$ (864,481)
2024	\$ (13,559)	\$ (443,432)	\$ (24,932)	\$ (481,924)	\$ (1,111,423)
2025	\$ (15,296)	\$ (500,223)	\$ (28,126)	\$ (543,645)	\$ (1,253,765)
2026	\$ (16,956)	\$ (554,514)	\$ (31,178)	\$ (602,648)	\$ (1,389,840)
2027	\$ (18,690)	\$ (611,203)	\$ (34,365)	\$ (664,258)	\$ (1,531,925)
2028	\$ (20,992)	\$ (686,512)	\$ (38,600)	\$ (746,104)	\$ (1,720,682)
2029	\$ (23,415)	\$ (765,722)	\$ (43,054)	\$ (832,190)	\$ (1,919,215)
2030	\$ (25,954)	\$ (848,776)	\$ (47,723)	\$ (922,453)	\$ (2,127,382)
2031	\$ (28,617)	\$ (935,852)	\$ (52,619)	\$ (1,017,089)	\$ (2,345,632)
2032	\$ (31,408)	\$ (1,027,139)	\$ (57,752)	\$ (1,116,299)	\$ (2,574,432)
2033	\$ (33,766)	\$ (1,104,231)	\$ (62,087)	\$ (1,200,083)	\$ (2,767,657)
2034	\$ (38,750)	\$ (1,267,221)	\$ (71,251)	\$ (1,377,221)	\$ (3,176,178)
2035	\$ (41,430)	\$ (1,354,890)	\$ (76,180)	\$ (1,472,500)	\$ (3,395,912)
2036	\$ (44,193)	\$ (1,445,242)	\$ (81,260)	\$ (1,570,695)	\$ (3,622,372)
2037	\$ (47,080)	\$ (1,539,663)	\$ (86,569)	\$ (1,673,312)	\$ (3,859,029)
2038	\$ (50,098)	\$ (1,638,342)	\$ (92,117)	\$ (1,780,557)	\$ (4,106,359)
2039	\$ (53,252)	\$ (1,741,478)	\$ (97,916)	\$ (1,892,646)	\$ (4,364,862)
2040	\$ (56,548)	\$ (1,849,281)	\$ (103,978)	\$ (2,009,806)	\$ (4,635,059)
2041	\$ (59,994)	\$ (1,961,968)	\$ (110,314)	\$ (2,132,276)	\$ (4,917,500)
2042	\$ (63,596)	\$ (2,079,769)	\$ (116,937)	\$ (2,260,302)	\$ (5,212,758)
2043	\$ (67,362)	\$ (2,202,924)	\$ (123,862)	\$ (2,394,147)	\$ (5,521,435)
2044	\$ (71,299)	\$ (2,331,684)	\$ (131,101)	\$ (2,534,085)	\$ (5,844,161)
2045	\$ (64,176)	\$ (2,098,754)	\$ (118,005)	\$ (2,280,935)	\$ (5,260,342)
<b>Total</b>	<b>\$ (910,551)</b>	<b>\$ (29,777,625)</b>	<b>\$ (1,674,277)</b>	<b>\$ (32,362,454)</b>	<b>\$ (74,634,931)</b>

Source: Tiberius Solutions

Exhibit 24 shows the projected increase in tax revenue for overlapping taxing districts after TIF collection is anticipated to be terminated. These projections are for FYE 2046.

**Exhibit 24. Increase in Tax Revenues for Overlapping Taxing Districts (after Debt Repayment)**

Taxing District	Tax Rate	Tax Revenue in FYE 2046 (Year After Termination)		
		From Frozen Base	From Excess Value	Total
<b>General Government</b>				
Columbia County	1.39560	\$ 239,555	\$ 750,813	\$ 990,368
Columbia 4H & Extension	0.05710	\$ 9,801	\$ 30,719	\$ 40,520
Columbia 911 Communication District	0.25540	\$ 43,840	\$ 137,402	\$ 181,242
Columbia Vector	0.12790	\$ 21,954	\$ 68,808	\$ 90,762
Port of Columbia County	0.08860	\$ 15,208	\$ 47,666	\$ 62,874
Columbia SWCD	0.10000	\$ 17,165	\$ 53,799	\$ 70,964
Columbia River Fire	2.97310	\$ 510,334	\$ 1,599,485	\$ 2,109,819
St. Helens Aquatic District	0.23470	\$ 40,286	\$ 126,265	\$ 166,551
City of St. Helens	1.90780	\$ 327,475	\$ 1,026,369	\$ 1,353,844
<i>Subtotal</i>	<i>7.14020</i>	<i>\$ 1,225,618</i>	<i>\$ 3,841,326</i>	<i>\$ 5,066,944</i>
<b>Education</b>				
NW Regional ESD	0.15380	\$ 26,400	\$ 82,742	\$ 109,142
St. Helens 502 School	5.02970	\$ 863,350	\$ 2,705,907	\$ 3,569,257
Portland Community College	0.28280	\$ 48,543	\$ 152,142	\$ 200,685
<i>Subtotal</i>	<i>5.46630</i>	<i>\$ 938,293</i>	<i>\$ 2,940,791</i>	<i>\$ 3,879,084</i>
<b>Total</b>	<b>12.60650</b>	<b>\$ 2,163,911</b>	<b>\$ 6,782,117</b>	<b>\$ 8,946,028</b>

Source: Tiberius Solutions

## 6.2. IMPACT OF AMENDMENT 2

The fiscal impact of Amendment 2 for affected taxing districts is positive in some years (less foregone revenue), and negative in others (more foregone revenue). In FYE 2022, Amendment 2 is expected to have a small positive impact to taxing districts, as the increment value removed from the URA is greater than the increment value gained from the boundary amendments. From most of the anticipated duration of the URA, FYE 2023 to FYE 2044, the impact of Amendment 2 on affected taxing districts is negative. This is because property added to the URA is expected to undergo future development, increasing the assessed value of the URA, and increasing the annual TIF revenue. In FYE 2045 and FYE 2046, the impact of Amendment 2 affected taxing districts is positive, because Amendment 2 allows the URA to repay its maximum indebtedness more quickly, terminating the URA sooner, and reducing the amount of TIF that would be collected in those final years. Overall, the impact of Amendment 2 is negative to affected taxing districts. This is because Amendment 2 facilitates more rapid growth in TIF revenue, which allows the URA to incur relatively more formal indebtedness, and relatively less informal debt (i.e., "pay-as-you" approach). That formal indebtedness allows the URA to fund more projects more quickly, but with the added expense of interest. The higher cost of interest, requires more TIF revenue, and thus more foregone revenue to achieve the same amount of maximum indebtedness

**Exhibit 25. Impact of Amendment on Overlapping Taxing Districts, General Government (YOE\$)**

<b>FYE</b>	<b>Columbia County</b>	<b>Columbia 4H &amp; Extension</b>	<b>Columbia 911 Communication District</b>	<b>Columbia Vector</b>	<b>Port of Columbia County</b>	<b>Columbia SWCD</b>	<b>Columbia River Fire</b>	<b>St. Helens Aquatic District</b>	<b>City of St. Helens</b>	<b>Subtotal (General Government)</b>
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	\$ 10	\$ 0	\$ 2	\$ 1	\$ 1	\$ 1	\$ 22	\$ 2	\$ (36)	\$ 2
2023	\$ (7)	\$ (0)	\$ (1)	\$ (1)	\$ (0)	\$ (1)	\$ (15)	\$ (1)	\$ (74)	\$ (101)
2024	\$ (6,947)	\$ (284)	\$ (1,271)	\$ (637)	\$ (441)	\$ (498)	\$ (14,800)	\$ (1,168)	\$ (9,574)	\$ (35,621)
2025	\$ (12,816)	\$ (524)	\$ (2,345)	\$ (1,175)	\$ (814)	\$ (918)	\$ (27,302)	\$ (2,155)	\$ (17,611)	\$ (65,660)
2026	\$ (13,314)	\$ (545)	\$ (2,437)	\$ (1,220)	\$ (845)	\$ (954)	\$ (28,364)	\$ (2,239)	\$ (18,316)	\$ (68,235)
2027	\$ (13,746)	\$ (562)	\$ (2,515)	\$ (1,260)	\$ (873)	\$ (985)	\$ (29,283)	\$ (2,312)	\$ (18,931)	\$ (70,466)
2028	\$ (18,642)	\$ (763)	\$ (3,412)	\$ (1,708)	\$ (1,184)	\$ (1,336)	\$ (39,715)	\$ (3,135)	\$ (25,652)	\$ (95,547)
2029	\$ (23,887)	\$ (977)	\$ (4,371)	\$ (2,189)	\$ (1,516)	\$ (1,712)	\$ (50,888)	\$ (4,017)	\$ (32,850)	\$ (122,408)
2030	\$ (29,430)	\$ (1,204)	\$ (5,386)	\$ (2,697)	\$ (1,868)	\$ (2,109)	\$ (62,695)	\$ (4,949)	\$ (40,456)	\$ (150,794)
2031	\$ (35,283)	\$ (1,444)	\$ (6,457)	\$ (3,233)	\$ (2,240)	\$ (2,528)	\$ (75,164)	\$ (5,934)	\$ (48,488)	\$ (180,770)
2032	\$ (41,460)	\$ (1,696)	\$ (7,587)	\$ (3,800)	\$ (2,632)	\$ (2,971)	\$ (88,324)	\$ (6,972)	\$ (56,965)	\$ (212,408)
2033	\$ (42,816)	\$ (1,752)	\$ (7,835)	\$ (3,924)	\$ (2,718)	\$ (3,068)	\$ (91,212)	\$ (7,200)	\$ (58,852)	\$ (219,377)
2034	\$ (44,138)	\$ (1,806)	\$ (8,077)	\$ (4,045)	\$ (2,802)	\$ (3,163)	\$ (94,028)	\$ (7,423)	\$ (60,695)	\$ (226,175)
2035	\$ (45,500)	\$ (1,862)	\$ (8,327)	\$ (4,170)	\$ (2,889)	\$ (3,260)	\$ (96,930)	\$ (7,652)	\$ (62,595)	\$ (233,184)
2036	\$ (46,904)	\$ (1,919)	\$ (8,584)	\$ (4,299)	\$ (2,978)	\$ (3,361)	\$ (99,922)	\$ (7,888)	\$ (64,554)	\$ (240,408)
2037	\$ (48,352)	\$ (1,978)	\$ (8,849)	\$ (4,431)	\$ (3,070)	\$ (3,465)	\$ (103,006)	\$ (8,131)	\$ (66,574)	\$ (247,855)
2038	\$ (49,844)	\$ (2,039)	\$ (9,122)	\$ (4,568)	\$ (3,164)	\$ (3,572)	\$ (106,185)	\$ (8,382)	\$ (68,657)	\$ (255,533)
2039	\$ (51,382)	\$ (2,102)	\$ (9,403)	\$ (4,709)	\$ (3,262)	\$ (3,682)	\$ (109,461)	\$ (8,641)	\$ (70,805)	\$ (263,447)
2040	\$ (52,967)	\$ (2,167)	\$ (9,693)	\$ (4,854)	\$ (3,363)	\$ (3,795)	\$ (112,839)	\$ (8,908)	\$ (73,020)	\$ (271,606)
2041	\$ (54,602)	\$ (2,234)	\$ (9,992)	\$ (5,004)	\$ (3,466)	\$ (3,912)	\$ (116,320)	\$ (9,182)	\$ (75,304)	\$ (280,018)
2042	\$ (56,286)	\$ (2,303)	\$ (10,301)	\$ (5,158)	\$ (3,573)	\$ (4,033)	\$ (119,909)	\$ (9,466)	\$ (77,660)	\$ (288,689)
2043	\$ (58,023)	\$ (2,374)	\$ (10,618)	\$ (5,318)	\$ (3,684)	\$ (4,158)	\$ (123,608)	\$ (9,758)	\$ (80,089)	\$ (297,629)
2044	\$ (59,813)	\$ (2,447)	\$ (10,946)	\$ (5,482)	\$ (3,797)	\$ (4,286)	\$ (127,422)	\$ (10,059)	\$ (82,595)	\$ (306,846)
2045	\$ 40,329	\$ 1,650	\$ 7,380	\$ 3,696	\$ 2,560	\$ 2,890	\$ 85,915	\$ 6,782	\$ 54,240	\$ 205,442
<b>Total</b>	<b>\$ (161,770)</b>	<b>\$ (6,619)</b>	<b>\$ (29,604)</b>	<b>\$ (14,825)</b>	<b>\$ (10,270)</b>	<b>\$ (11,591)</b>	<b>\$ (344,624)</b>	<b>\$ (27,205)</b>	<b>\$ (231,243)</b>	<b>\$ (837,751)</b>

Source: Tiberius Solutions

**Exhibit 26. Impact of Amendment on Overlapping Taxing Districts, Education (YOE\$)**

FYE	NW Regional ESD	St. Helens 502 School	Portland Community College	Subtotal (Education)	(General Government and Education)
2020	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -	\$ -	\$ -
2022	\$ 1	\$ 37	\$ 2	\$ 40	\$ 42
2023	\$ (1)	\$ (26)	\$ (1)	\$ (28)	\$ (129)
2024	\$ (766)	\$ (25,037)	\$ (1,408)	\$ (27,211)	\$ (62,832)
2025	\$ (1,412)	\$ (46,188)	\$ (2,597)	\$ (50,197)	\$ (115,857)
2026	\$ (1,467)	\$ (47,984)	\$ (2,698)	\$ (52,150)	\$ (120,384)
2027	\$ (1,515)	\$ (49,539)	\$ (2,785)	\$ (53,839)	\$ (124,305)
2028	\$ (2,054)	\$ (67,187)	\$ (3,778)	\$ (73,019)	\$ (168,566)
2029	\$ (2,632)	\$ (86,089)	\$ (4,840)	\$ (93,562)	\$ (215,970)
2030	\$ (3,243)	\$ (106,064)	\$ (5,964)	\$ (115,270)	\$ (266,064)
2031	\$ (3,888)	\$ (127,158)	\$ (7,150)	\$ (138,196)	\$ (318,966)
2032	\$ (4,569)	\$ (149,421)	\$ (8,401)	\$ (162,392)	\$ (374,800)
2033	\$ (4,718)	\$ (154,306)	\$ (8,676)	\$ (167,701)	\$ (387,078)
2034	\$ (4,864)	\$ (159,070)	\$ (8,944)	\$ (172,878)	\$ (399,054)
2035	\$ (5,014)	\$ (163,981)	\$ (9,220)	\$ (178,215)	\$ (411,399)
2036	\$ (5,169)	\$ (169,042)	\$ (9,505)	\$ (183,716)	\$ (424,124)
2037	\$ (5,329)	\$ (174,259)	\$ (9,798)	\$ (189,385)	\$ (437,241)
2038	\$ (5,493)	\$ (179,636)	\$ (10,100)	\$ (195,230)	\$ (450,762)
2039	\$ (5,662)	\$ (185,179)	\$ (10,412)	\$ (201,254)	\$ (464,701)
2040	\$ (5,837)	\$ (190,893)	\$ (10,733)	\$ (207,463)	\$ (479,070)
2041	\$ (6,017)	\$ (196,783)	\$ (11,064)	\$ (213,864)	\$ (493,882)
2042	\$ (6,203)	\$ (202,854)	\$ (11,406)	\$ (220,463)	\$ (509,152)
2043	\$ (6,394)	\$ (209,113)	\$ (11,758)	\$ (227,264)	\$ (524,894)
2044	\$ (6,592)	\$ (215,564)	\$ (12,120)	\$ (234,276)	\$ (541,122)
2045	\$ 4,444	\$ 145,345	\$ 8,172	\$ 157,961	\$ 363,403
<b>Total</b>	<b>\$ (17,828)</b>	<b>\$ (583,012)</b>	<b>\$ (32,780)</b>	<b>\$ (633,620)</b>	<b>\$ (1,471,372)</b>

Source: Tiberius Solutions

## 7. Statutory Compliance

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State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As shown in Exhibit 19, once Amendment 2 is effective, the frozen base of the URA is forecast to be \$171,650,367. However, Exhibit 27 shows slightly different numbers as it shows the existing frozen base and the Amendment 2 anticipated net change in frozen base. As one of the tax code areas has negative increment at the time of writing this Report, this complicates the analysis of what number to use. Whether or not this table reflects values as calculated based on Exhibit 19 or Exhibit 27, the city is still below the statutory limit of 25% of the assessed value in urban renewal.

Excess value of the URA in FYE 2020 is \$13,811. Excess value is the value above the frozen base. The City's total assessed value is \$994,916,013<sup>2</sup> in FYE 2020. Thus, the frozen base value of the URA is equal to 17.25% of the City's total assessed value (adjusted to subtract increment value).

The URA has 752 acres, including right-of-way, and the City of St. Helens has 3,726 acres according to the City. Therefore, 20.18% of the City's acreage is in the URA, below the 25% statutory limit.

**Exhibit 27. Urban Renewal Area Conformance with Assessed Value and Acreage Limits**

Area	Frozen Base/	
	Assessed Value	Acres
St. Helens URA	\$ 171,187,460	752
Amendment 2 (Net Change)	\$ 429,778	
<b>Total</b>	<b>\$ 171,603,427</b>	
City of St. Helens	\$ 994,916,013	3,726
Excess Value	\$ 13,811	
City minus excess value	\$ 994,902,202	
<b>Percent of Total</b>	<b>17.25%</b>	<b>20.18%</b>

Source: Columbia County Assessor SAL Reports FYE 2020 and City of St. Helens.

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<sup>2</sup> FYE 2020 Columbia County Certified Tax Rolls, SAL 4a



## **8. Relocation Report**

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There is no relocation report required for the Plan. No relocation activities are anticipated.



DATE: August 5, 2020  
TO: Jenny Dimsho, City of St. Helens  
FROM: Nick Popenuk and Ali Danko  
SUBJECT:

City of St. Helens Urban Renewal Financial Update

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## 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.

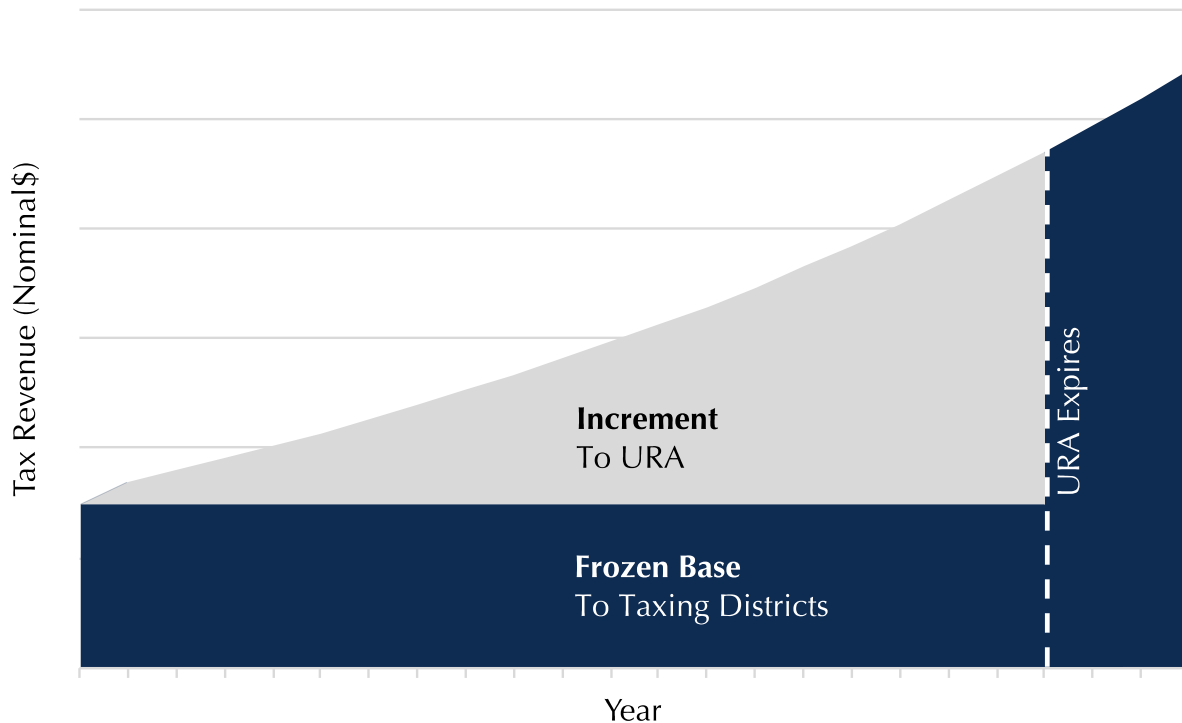
## Background

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.

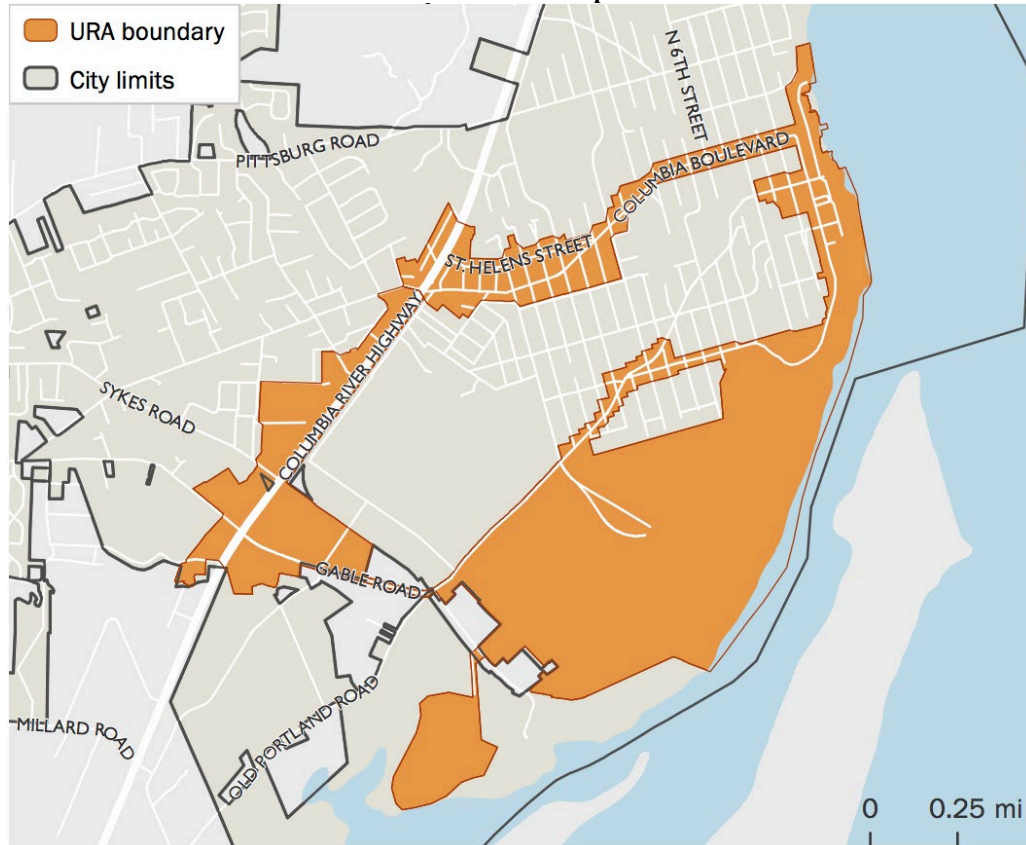
### Overview of the St. Helens URA

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: imposing about \$67,000 in FYE 2019, about \$134,000, or 66%, lower than the forecast \$201,000. 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 to dropped to just \$148 dollars in FYE 2020, compared to the original forecast of \$309,000.

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

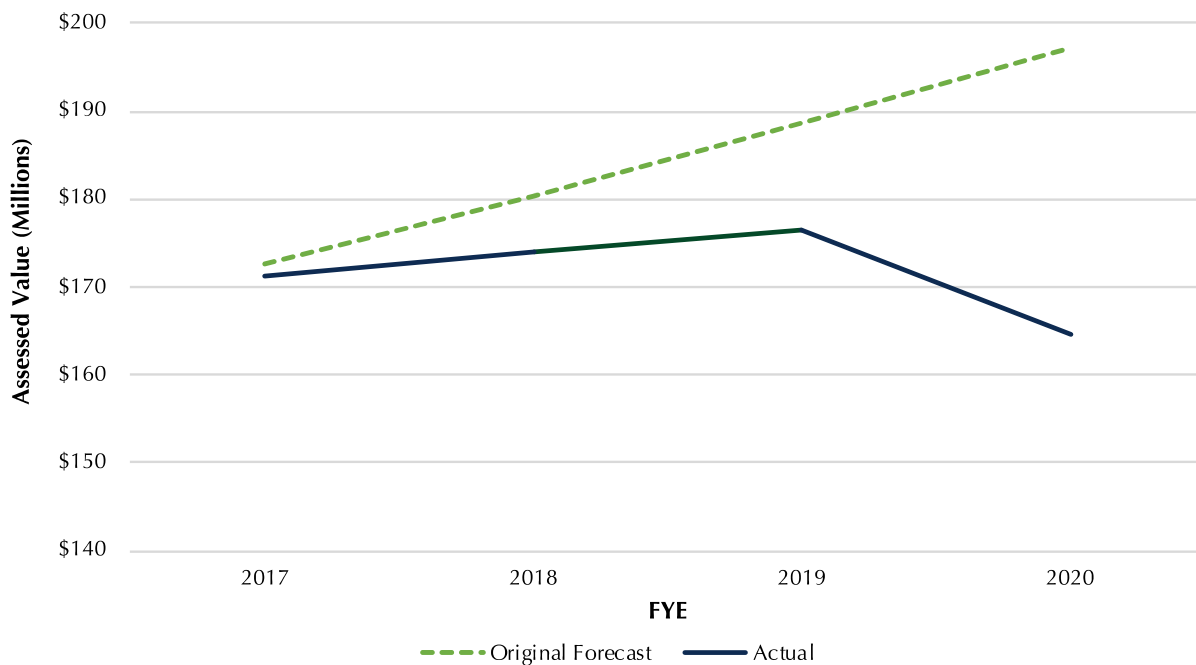
FYE	Original Forecast		Actual		Difference	
	AV	% Growth	AV	% Growth	AV	% Difference
2017	\$ 172,586,634		\$ 171,187,460		\$ (1,399,174)	-0.8%
2018	\$ 180,398,884	4.5%				
2019	\$ 188,601,746	4.5%	\$ 176,534,763		\$ (12,066,983)	-6.4%
2020	\$ 197,214,751	4.6%	\$ 164,641,059	-6.7%	\$ (32,573,692)	-16.5%

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	% Difference
	Forecast	Actual		
2019	\$ 200,980	\$ 67,398	\$ (133,582)	-66%
2020	\$ 309,068	\$ 148	\$ (308,920)	-100%
<b>Growth</b>	<b>54%</b>	<b>-100%</b>		

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 District	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
<b>Total</b>	<b>All</b>	<b>\$ 12.6065</b>	<b>\$ 10.6987</b>

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 Phase 1 (20% Now)	2022	\$ -	\$ 4,000,000	\$ 4,000,000
Veneer Phase 1 (80% After 10 Years)	2032	\$ -	\$ 16,000,000	\$ 16,000,000
Veneer Phase 2	2024	\$ -	\$ -	\$ 30,000,000
Veneer Phase 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
<b>Total</b>		<b>\$ 39,639,081</b>	<b>\$ 59,639,081</b>	<b>\$ 159,639,081</b>

Source: City of St. Helens

Notes:

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.

Veneer Phase 2 is expected to receive a 3- or 5-year Enterprise Zone tax exemption benefit. This analysis assumes it will receive a 5-year Enterprise Zone tax abatement.



**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
<b>Total</b>		<b>\$ 39,639,081</b>	<b>\$ 59,639,081</b>	<b>\$ 159,639,081</b>
<b>Net New AV on Tax Roll</b>		<b>\$ 25,054,597</b>	<b>\$ 39,354,597</b>	<b>\$ 110,854,597</b>

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
<b>Total</b>	<b>\$ 38,251,130</b>

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**

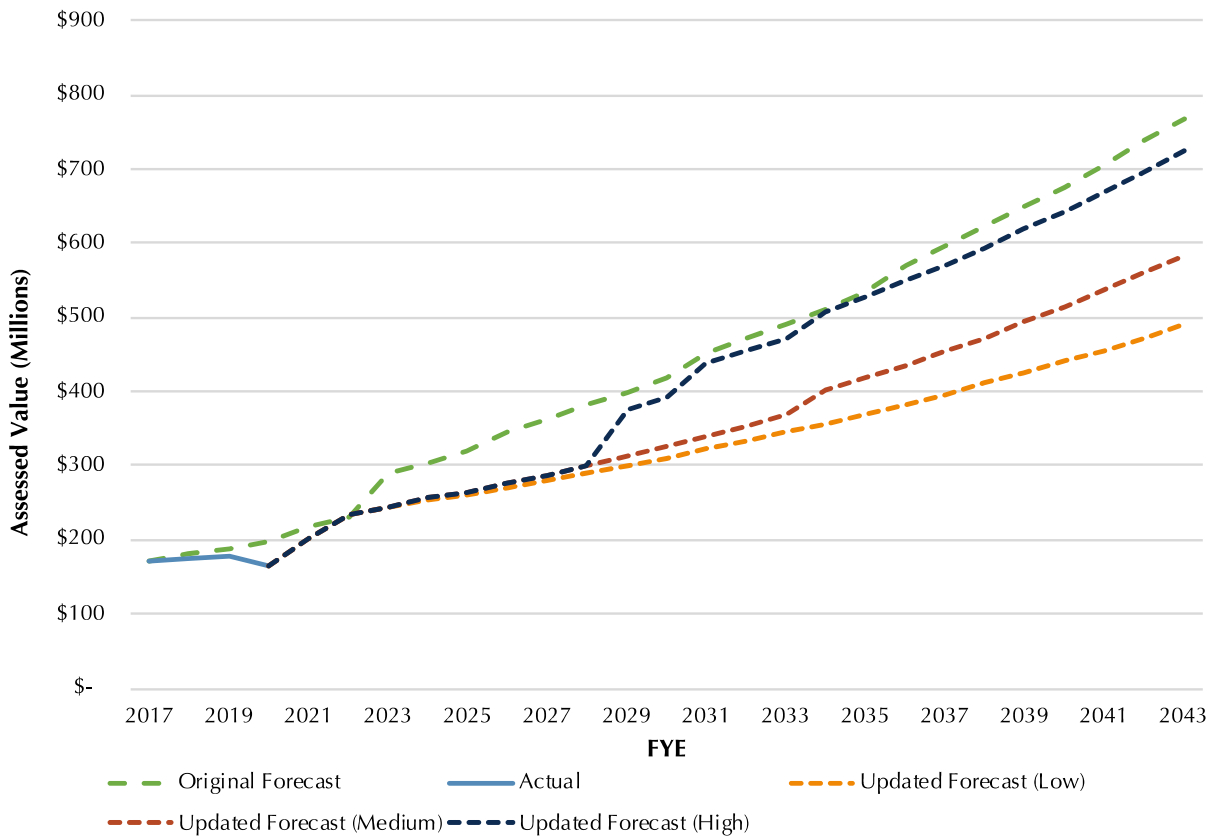
FYE	Original Forecast		Updated Forecast - Low		Updated Forecast - Medium		Updated Forecast - High	
	AV	% Growth	AV	% Growth	AV	% Growth	AV	% Growth
2020	\$ 197,214,751		\$ 164,641,059		\$ 164,641,059		\$ 164,641,059	
2021	\$ 218,896,647	11.0%	\$ 200,826,928	22.0%	\$ 200,826,928	22.0%	\$ 200,826,928	22.0%
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%
<b>AAGR</b>		<b>6.09%</b>		<b>4.85%</b>		<b>5.65%</b>		<b>6.65%</b>

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

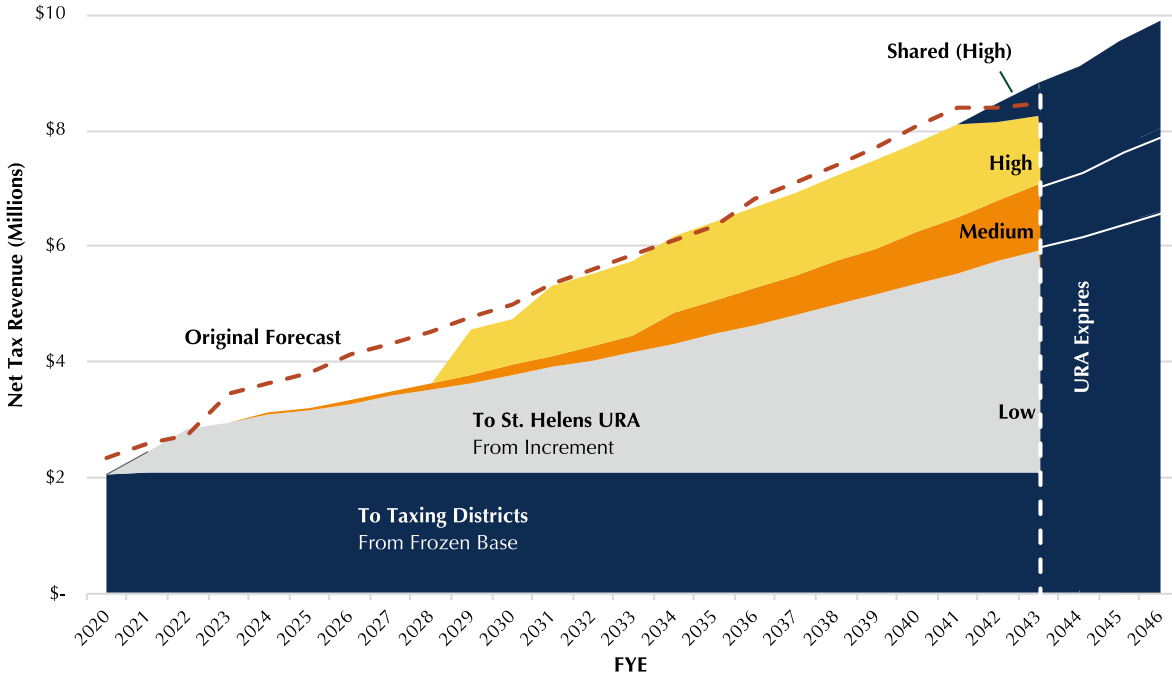
Source: Tiberius Solutions

**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**

FYE	Net TIF								
	Original Forecast	Updated Forecasts			% Difference: Original and Low	% Difference: Original and Medium	% Difference: Original and High		
		Low Growth	Medium Growth	High Growth					
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%		
<b>Total</b>	<b>\$ 83,587,530</b>	<b>\$ 47,357,045</b>	<b>\$ 56,781,243</b>	<b>\$ 76,315,897</b>	<b>-43%</b>	<b>-32%</b>	<b>-9%</b>		

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
<b>Total Net TIF</b>	<b>\$ 47,400,000</b>	<b>\$ 56,800,000</b>	<b>\$ 76,300,000</b>
<b>Maximum Indebtedness</b>	<b>\$ 62,000,000</b>	<b>\$ 62,000,000</b>	<b>\$ 62,000,000</b>
<b>Total Indebtedness Incurred</b>	<b>\$ 38,100,000</b>	<b>\$ 46,400,000</b>	<b>\$ 60,800,000</b>
<b>Capacity (2020\$)</b>	<b>\$ 27,800,000</b>	<b>\$ 33,100,000</b>	<b>\$ 43,600,000</b>
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 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
<b>Total</b>						<b>\$2,933,069</b>	<b>\$2,825,937</b>	<b>\$1,852,764</b>

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.