



## CITY OF ASTORIA

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### COMMUNITY DEVELOPMENT

October 5, 2016

RE: Proposed Amendment to the Astor-West Urban Renewal Plan

The Astoria City Council is considering adoption of an ordinance to amend the Astor-West Urban Renewal Plan to add property and projects. (Figure 1 – Proposed Amendment to the Astor-West Urban Renewal Area, Figure 2 – Astor-West Urban Renewal Area as Amended).

The legal requirements for the adoption of an urban renewal plan substantial amendment stipulate that the proposed urban renewal plan be sent to representatives of overlapping taxing districts. Although the approval of overlapping taxing districts is not required, the City Council is required to respond specifically to any written recommendations of the districts. This letter is the official transmission of the proposed Astor-West Urban Renewal Plan First Amendment.

The Astoria City Council is scheduled to have a public hearing on the proposed Astor-West Urban Renewal Plan First Amendment on November 7, 2016. They will hold a second reading on the proposed Astor-West Urban Renewal Plan First Amendment on November 21, 2016. Both meetings are at the Astoria City Hall 1095 Duane Street, Astoria, Oregon, at 7:00 pm.

#### **I. BACKGROUND**

The City of Astoria adopted the Astor-West Urban Renewal Plan (Plan) in December 2002 (Ordinance #02-18). The Plan contains projects which were and are intended to assist in stimulating growth in the Astor-West Urban Renewal Area (Area).

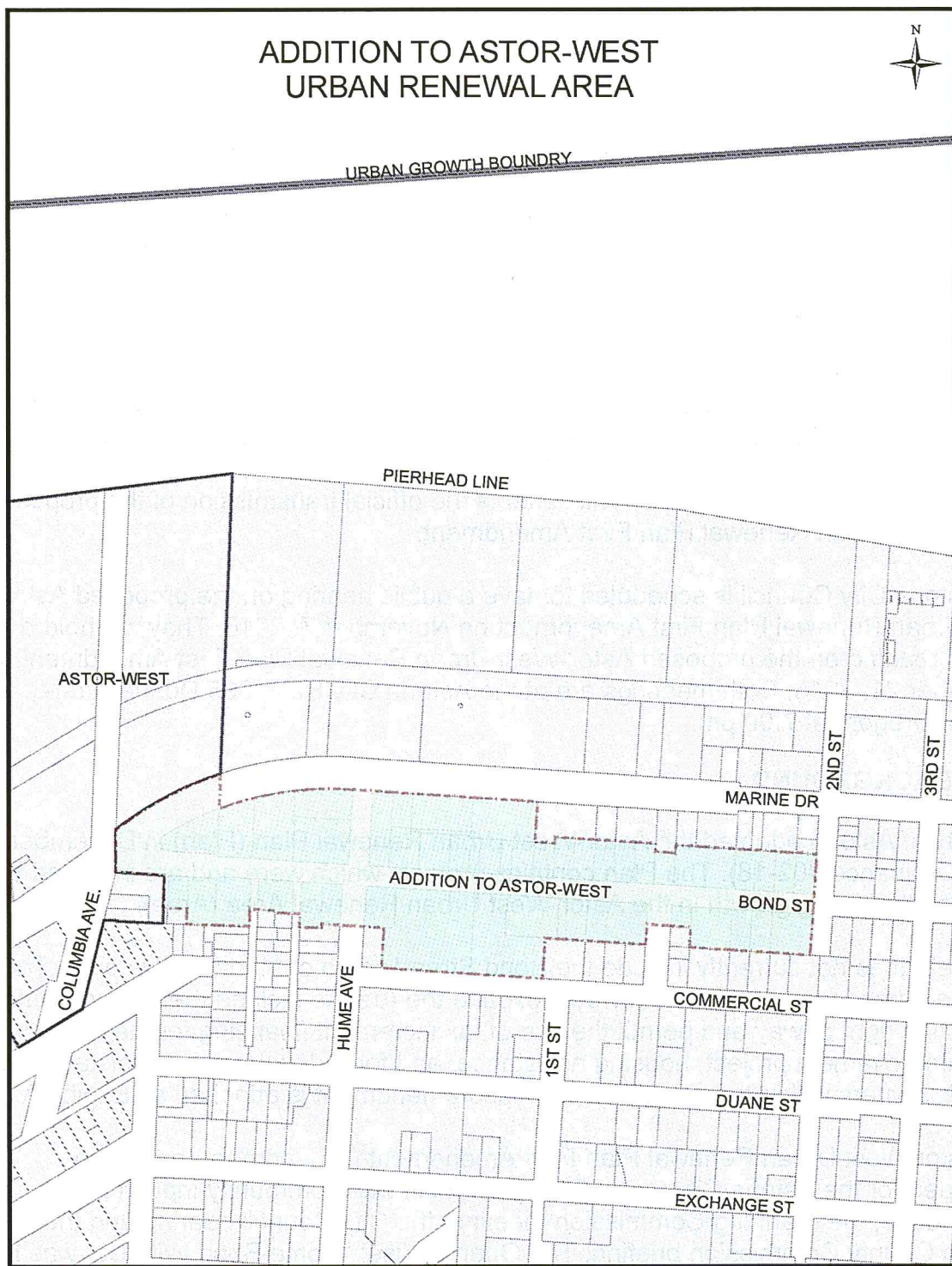
The Area does not currently include the Bond Street/ south of Marine Drive area. The proposed amendment to the Plan would expand the Area to include these blocks and connecting right of way and permit the use of tax increment financing for the Bond Street improvement project, housing assistance, and for redevelopment assistance to property owners within the area. The proposed amendment is attached as Exhibit A.

The Astor-West Urban Renewal Plan First Amendment (Amendment) has been developed for the Astoria City Council (City Council) with community input from an Open House, the Planning Commission meeting, the City Council hearing and the Clatsop County Commission briefing. The Open House: "Come Bond With Us" was held

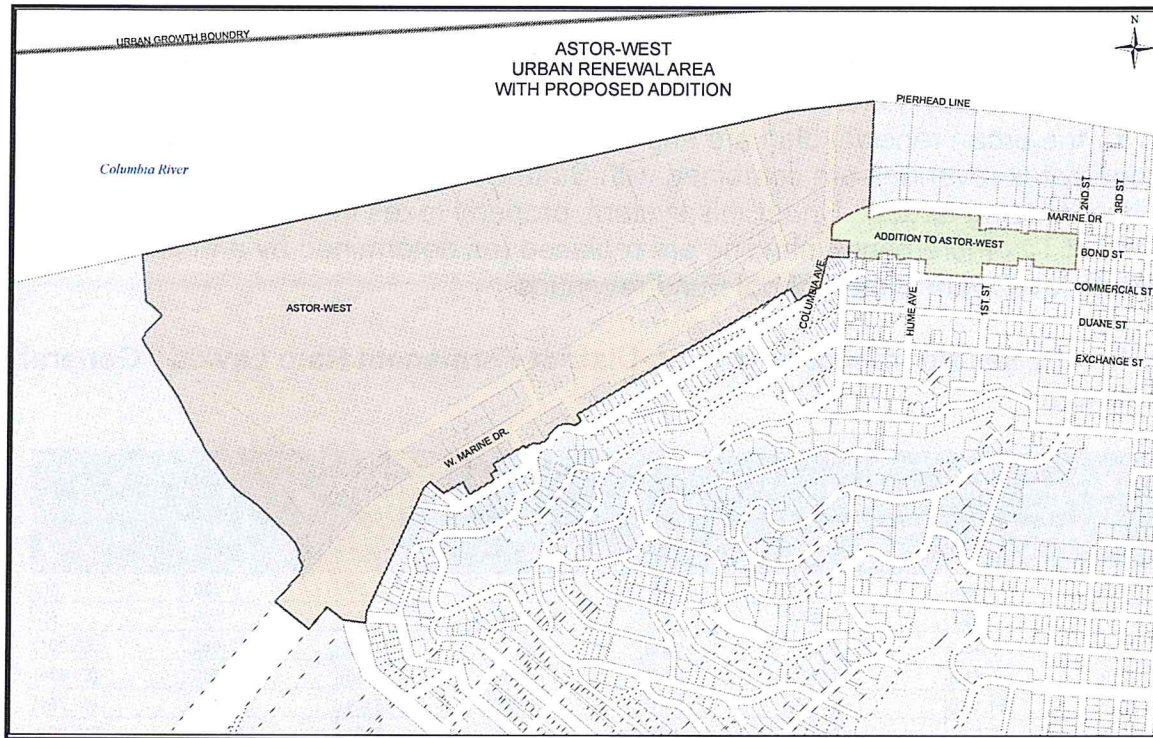
on July 28, 2016 at which approximately 25 citizens participated. There were presentation boards and staff who answered questions.

The overall purpose of the Plan is to use tax increment financing to overcome obstacles to the proper development of the Area.

**Figure 1 - Proposed Addition to the Urban Renewal Area**



**Figure 2 – Astor-West Urban Renewal Area after Amendment**



## **II. FINANCING /IMPACTS TO TAXING DISTRICTS**

There is **no proposed increase to the maximum indebtedness** in the Area. Because of this, there are no overall added impacts to taxing districts other than the small positive impact in the final year of tax collections that shows additional funds to be returned to the taxing districts.

The impacts on an annual basis are due to the property being added into the Area. The new property will be added in to the Area at the value established in October 2016 by the county assessor. The taxing districts will continue receiving taxes off of that assessed value. The urban renewal agency will receive taxes off any future increase in value of these properties. Absent urban renewal assistance that increased value will be a nominal amount. With potential urban renewal assistance, there may be re/development that could increase the values in the Area. The taxing districts would not have received this increase in taxes but for the assistance provided with urban renewal.

The assessed value of the added properties will be added to the urban renewal area in FYE 2018. The urban renewal area is projected to meet its maximum indebtedness in FYE 2021. The impact of the foregone taxes to the taxing districts off the growth in assessed value is shown in Tables 1a and 1b below.

The amendment has a **very small negative impact** to taxing district permanent rate collections for a few years, and then a small positive impact in the last year (as the accelerated tax increment revenues, result in the urban renewal area needing to collect less tax increment revenues in the final year to reach the maximum indebtedness and

close down). The net result is positive, but negligible (a few hundred dollars total) as reported in nominal dollars.

The Astoria School District #1 and the Northwest Regional Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the charts. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes that are foregone because of the use of Tax Increment Financing are replaced (as determined by a funding formula at the State level) with State School Fund revenues.

**Table 1a – Projected Impact on Taxing District Permanent Rate Levies - General Government**

General Government							
	Clatsop County Perm	Port of Astoria Perm	Clatsop 4H & Extension Perm	Sunset Empire Transportation Perm	Clatsop Care Center Perm	City of Astoria Perm	Subtotal: General Government
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	(\$480)	(\$39)	(\$16)	(\$51)	(\$55)	(\$2,560)	(\$3,201)
2019	(\$815)	(\$67)	(\$28)	(\$87)	(\$94)	(\$4,343)	(\$5,434)
2020	(\$1,163)	(\$95)	(\$41)	(\$123)	(\$134)	(\$6,198)	(\$7,754)
2021	\$2,536	\$207	\$88	\$268	\$291	\$13,514	\$16,904
<b>Total</b>	<b>\$78</b>	<b>\$6</b>	<b>\$3</b>	<b>\$7</b>	<b>\$8</b>	<b>\$413</b>	<b>\$515</b>

Source: Tiberius Solutions, LLC

**Table 1b – Projected Impact on Taxing District Permanent Rate Levies – Education**

Education					
	Astoria SD #1 Perm	Northwest Regional ESD Perm	Clatsop Community College Perm	Subtotal: Education	Total
2016	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0
2018	(\$1,547)	(\$48)	(\$243)	(\$1,838)	(\$5,039)
2019	(\$2,625)	(\$81)	(\$414)	(\$3,120)	(\$8,554)
2020	(\$3,746)	(\$116)	(\$591)	(\$4,453)	(\$12,207)
2021	\$8,169	\$254	\$1,287	\$9,710	\$26,614
<b>Total</b>	<b>\$251</b>	<b>\$9</b>	<b>\$39</b>	<b>\$299</b>	<b>\$814</b>

Source: Tiberius Solutions, LLC

The projected revenues to taxing districts on termination of the urban renewal area are shown in Table 2 below.

**Table 2 – Additional Revenues Projected After Termination of Tax Increment Financing**

Taxing District	Tax Rate	FYE 2022		Total
		From Frozen Base	From Excess Value	
<b>General Government</b>				
Clatsop County	1.5338	\$ 33,503.00	\$ 92,982.00	\$ 126,485.00
Port of Astoria	0.1256	\$ 2,744.00	\$ 7,614.00	\$ 10,358.00
Astoria Road	0.0000	\$ -	\$ -	\$ -
Clatsop 4H & Extension	0.0534	\$ 1,166.00	\$ 3,237.00	\$ 4,403.00
Sunset Empire Transportation	0.1620	\$ 3,539.00	\$ 9,821.00	\$ 13,360.00
Clatsop Care Center	0.1763	\$ 3,851.00	\$ 10,688.00	\$ 14,539.00
Clatsop County Ambulance	0.0000	\$ -	\$ -	\$ -
City of Astoria	8.1738	\$ 178,543.00	\$ 495,514.00	\$ 674,057.00
<i>Subtotal</i>	10.2249	\$ 223,346.00	\$ 619,856.00	\$ 843,202.00
<b>Education</b>				
Astoria SD #1	4.9407	\$ 107,922.00	\$ 299,516.00	\$ 407,438.00
Northwest Regional ESD	0.1538	\$ 3,360.00	\$ 9,324.00	\$ 12,684.00
Clatsop Community College	0.7785	\$ 17,005.00	\$ 47,194.00	\$ 64,199.00
<i>Subtotal</i>	5.8730	\$ 128,286.00	\$ 356,034.00	\$ 484,321.00
<b>Total</b>	<b>16.0979</b>	<b>\$ 351,633.00</b>	<b>\$ 975,890.00</b>	<b>\$ 1,327,523.00</b>

Source: Tiberius Solutions, LLC

### III. PROCESS FOR REVIEW

The process for final review of the Plan and Report include the following steps:

- September Notice to property owners in utility bills
- October 3 Astoria Urban Renewal Agency review
- October 4 Send formal notice to taxing jurisdictions
- October 25 Planning Commission review
- October 26 Presentation to Clatsop County Commission
- November 7 City Council Public Hearing
- November 21 City Council Vote

The draft Astor-West Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, they will be responded to by the Astoria City Council. Please provide any written comments by November 1, 2016. For more information, please contact Kevin Cronin, Community Development Director at (503) 338-5183 - [kcronin@astoria.or.us](mailto:kcronin@astoria.or.us).

Sincerely,  
  
 Brett Estes  
 City Manager

- Attachments:           A: Astor-West Urban Renewal Plan First Amendment  
                                   B: Report on the Astor-West Urban Renewal Plan First Amendment

