URBAN RENEWAL PLAN

URBAN RENEWAL PLAN AND REPORT

APPROVED PLAN
APPROVED REPORT
APPROVED BOUNDARY DESCRIPTION

DATE APPROVED: august 13, 2002

CITY OF MADRAS

MADRAS URBAN RENEWAL AGENCY

MADRAS URBAN RENEWAL PLAN

JULY, 2002

CITY OF MADRAS URBAN RENEWAL PLAN

ACKNOWLEDGEMENTS

Members of the City of Madras Urban Renewal Task Force

Rick Allen, Mayor
Melanie Widmer, City Council
Frank Morton, City Council
Janet Brown, Jefferson County Commissioner
Earl Cordes, Chief, Jefferson County RFPD
Susan McGough, Mt. View Hospital District
Dick Junge, Jefferson County School District
Melanie Lightbody, Jefferson County Library Dist.
Parrish Van Wert, Director, Madras-Jefferson Co. Chamber of Commerce
Tom Hansen, Chamber of Commerce
Blanca Reynoso, Chamber of Commerce
Mike Goss - Donwtowner
Faith Adele - Downtowner
Keri Saterlee - Downtowner
Shannan Ahern - Downtowner
Bill Houts – General Public
Terry Hanlon – General Public
Roger Tashwell – General Public

Staff Assistance
Steve Bogart, City Administrator
Dave Nixon, Jefferson County Assessor's Office

Urban Renewal Consultant
Charles Kupper, Spencer & Kupper

MADRAS URBAN RENEWAL PLAN – TABLE OF CONTENTS

100. THE URBAN RENEWAL PLAN 1

200. CITIZEN PARTICIPATION 1

300. RELATIONSHIP TO LOCAL OBJECTIVES 2

400. PROPOSED LAND USES 4

500. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN 5

A. PUBLIC IMPROVEMENTS 5

B. REDEVELOPMENT - NEW CONSTRUCTION 6

C. REDEVELOPMENT – REHABILITATION AND PRESERVATION OF RESIDENTIAL AND COMMERCIAL PROPERTIES 7

D. PROPERTY ACQUISITION AND DISPOSITION 7

E. BUSINESS AND ECONOMIC DEVELOPMENT ACTIVITIES 7

F. PLAN ADMINISTRATION 8

600. PROPERTY ACQUISITION PROCEDURES 8

700. PROPERTY DISPOSITION AND REDEVELOPER'S OBLIGATIONS 9

800. AMENDMENTS TO THE RENEWAL PLAN 10

900. MAXIMUM INDEBTEDNESS 11

1000. FINANCING METHODS 11

1100. RELOCATION 12

1200. DEFINITIONS 12

100. THE URBAN RENEWAL PLAN

A. General

The Madras Urban Renewal Plan consists of Part One - Text and Part Two - Exhibits. The Madras City Council acts as the Urban Renewal Agency of the City of Madras, Oregon.

This Plan has been prepared pursuant to Oregon Revised Statute (ORS) Chapter 457, the Oregon Constitution, and all applicable laws and ordinances of the State of Oregon and City of Madras respectively. All such applicable laws and ordinances are made a part of this Plan, whether expressly referred to in the text or not.

This Urban Renewal Plan for the Madras Urban Renewal Area was approved by the City Council of the City of Madras on August 13, 2002 by Ordinance No. 700

B. The Renewal Plan Area Boundary

The boundary of the renewal area is shown in (Map) Exhibit 1, attached to this plan. A legal description of the project boundary is included as Attachment "A" of this plan.

200. CITIZEN PARTICIPATION

This renewal plan was developed under the guidance of the Madras City Council. To provide citizen involvement in developing the renewal plan, the City of Madras formed a citizens' Task Force to examine use of urban renewal as a means of improving physical and economic conditions in an area focusing on downtown Madras. The Task Force consisted of members of the general public, downtown interests, and the taxing bodies that might be affected by an urban renewal program. Members of the Task Force are shown in acknowledgement to this plan.

The Task Force began its work by gathering information on urban renewal, and in late October, 2001, the firm of Spencer & Kupper was hired to undertake a renewal feasibility study. The Task Force meantime had developed a list of problems to be addressed, and a preliminary list of renewal activities that might be undertaken to deal with the problems they identified. The Task Force held four public meetings with the consultant in the period between November 15, and February 6th. In the course of those meetings, the Task Force members:

- Familiarized themselves with urban renewal, and tax increment financing
- Discussed renewal boundary issues, and establish a preliminary project boundary,
- Developed a list of projects to be funded, and recommended a priority for funding
- Identified building activity that could produce renewal revenue
- Examined and discussed time to carry out the plan, and impacts on affected taxing bodies
- Established a recommendation on a maximum debt for the renewal project

The Task Force then held a public workshop on Feb. 28th, 2002, to discuss its findings and recommendations, and allow broader public input and discussion. The workshop featured a slide show on blighting conditions, a presentation on urban renewal and tax increment financing, and Task Force members making presentations on the Task Force work on plan boundaries, projects, priorities, and tax impacts. The feasibility report was presented to the Madras City Council on April 6th, 2002. At that meeting, the Council authorized the preparation of an urban renewal plan, and asked the Task Force to continue to serve as the advisory body for preparation of the Renewal Plan.

The Task Force held two additional meetings on June 13th and July 9th, 2002to review the Plan document, and the Report document, and sent them to the Renewal Agency with a recommendation for adoption.

The Madras Planning Commission met to review the Plan in August, 2002 The Madras City Council scheduled a public hearing on adoption of this Plan for August 13th, 2002. Additional notice on City Council adoption of the Plan was provided, as required by ORS 457.120.

300. RELATIONSHIP TO LOCAL OBJECTIVES

The purpose of this Renewal Plan is to eliminate blighting influences found in the Renewal Area, to implement goals and objectives of the City of Madras Comprehensive Plan, and to implement development strategies and objectives for the Madras Urban Renewal Area. The Urban Renewal Task Force identified the following goals and objectives for the renewal plan.

Introduction

The Plan will assist in meeting the City's economic development objectives through rehabilitation of older and historic structures, redevelopment of key sites, improving transportation and utility facilities in the renewal area, assisting with the construction of needed public facilities, and creating public amenities. The Goals and Objectives of this urban renewal plan are:

A. **Promote Private Development**

Goal: To promote private development, redevelopment, and rehabilitation within the urban renewal area to help create jobs, tax revenues, and self-sustaining, vital, and vibrant commercial districts.

Objectives:

1. Enhance the environment for development and investment through improvements to streets, streetscapes, parks, and public buildings and spaces.
2. Assist property owners in rehabilitating buildings so they can accommodate more intensive and dynamic commercial activity.
3. Help create economic vitality by creating activities and encouraging uses that bring a significant number of potential shoppers and investors to each district.
4. Enhance and promote private businesses that are of an ethnic or multicultural background or nature.

B. Rehabilitate Building Stock

Goal: To upgrade the stock of existing structures in the renewal area which contribute to its small-town character, but which are run down or do not meet current Code requirements.

Objectives:

1. Improve the appearance of existing building in order to enhance the overall aesthetics of the renewal area.
2. Help in improving the safety of older buildings in regard to seismic stability, fire safety, building code compliance and accessibility to persons with disabilities.
3. Redevelop building and areas that are inconsistent with the goals and objectives of this plan in manners that benefit the entire economic development effort and the property owners.
4. Preserve and rehabilitate existing historic buildings.

C. Improvements to Streets, Streetscapes, and Open Spaces

Goal: To improve existing streets and construct missing street links to improve connectivity within the renewal area, to improve and enhance public open spaces as in integral part of each district, and to enhance livability.

Objectives:

1. Enhance streetscapes by installing street lighting, street furniture, banners, planters and other amenities.
2. Enhance street appearance by encouraging and assisting new and appropriate signage in the renewal area.
3. Reconstruct existing roadways and sidewalks where needed and in a manner meeting the objectives of this Plan.
4. Construct new streets to provide connectivity and encourage private investment.
5. Address and improve pedestrian safety in the renewal area.
6. Improve pedestrian and bicycle access to and through the renewal area. Create pedestrian spaces that are attractive areas for residents and employees, that stimulate economic activity, and that enhance livability..

D. Utility Improvements

Goal: Improve and repair utilities to allow efficient development of the ~~two~~ areas.

Objectives:

1. Construct or reconstruct utilities (including water, sewer, and storm sewer) as necessary to encourage and permit development of private properties and public amenities.

E. Parking

Goal: Develop convenient, attractive parking facilities close to shopping, entertainment, and business destinations.

Objectives:

1. Construct public parking to support businesses and activities in the renewal area.

F. Public Facilities

Goal: Maintain, remodel, and construct public parks and open spaces, public facilities, and public safety facilities, to maintain and enhance safety in the renewal area, and to increase public utilization of the renewal area.

Objectives:

1. Ensure that public safety facilities within the renewal area are adequate to support and protect existing and proposed development in the renewal area.

2. Encourage and stimulate new and existing performing and visual arts venues.
3. Evaluate the adequacy of other public facilities serving the renewal area.

G. Housing

Goal: Provide for new housing units in livable mixed-income neighborhoods that collectively reflect a diversity of housing types, occupancy (rental and owner-occupied), and income levels in the City. Support housing development that is geared to support the Area's employment generation goals.

Objectives:

1. Provide a wide range of housing opportunities to accommodate households at all income levels, including low income, moderate-income, and market-rate rental and owner-occupied housing, which support prospective residential markets in, adjacent to, and near the Area.
2. Provide assistance to help maintain, and assist in the rehabilitation of the stock of existing housing in the renewal area.
3. Assist in the development of quality housing for a range of that household incomes that are representative of the City as a whole.

H. Public Art

Goal: Assist in funding for a program of art in public spaces within the renewal area.

Objectives:

1. Provide a set-aside of urban renewal funds for art in public spaces within the urban renewal area.

I. Support the Madras Comprehensive Plan

The renewal plan will support goals and policies of the Madras Comprehensive Plan.

400. PROPOSED LAND USES

A. Land Use Plan

Zoning classifications within the Urban Renewal Area are :

R-1	Single Family Residential
R-2	Multi Family Residential
C-1	General Commercial
O/S	Open Space/Public Utility

This Plan shall be in accordance with the approved City of Madras Comprehensive Plan and Zoning Map of the City of Madras. The use and development of land in the Renewal Area shall be in accordance with the regulations prescribed in the Comprehensive Plan, Zoning Ordinance, Subdivision Ordinance, City Charter, or any other applicable local, county, state or federal laws regulating the use of property in the Urban Renewal Area. The City of Madras' Comprehensive Plan and implementing ordinances govern land use within the area. Any adopted change in the Comprehensive Plan or implementing ordinance shall automatically amend this Section, as applicable, without the necessity of any further formal action.

B. Plan and Design Review

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

500. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

In order to achieve the objectives of this Plan, the following activities will be undertaken on behalf of the City by the Urban Renewal Agency in accordance with applicable federal, state, county, and city laws, policies, and procedures. The Urban Renewal Agency may fund these activities in full, in part, or seek other sources of funding for them. The description of projects herein provides general authority to undertake these activities. These project activities may be modified, or expanded upon as needed to meet renewal plan objectives. Changes will be undertaken in accordance with procedures for amendments to this Plan.

A. PUBLIC IMPROVEMENTS

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

1. Streetscape Projects

The Renewal Agency will participate in activities to improve the visual appearance of the project area, The primary focus of these streetscape improvements will be in the downtown retail core, and along Highway 97. These improvements may include

Street lighting	Signage
Street trees	Historical markers
Trash receptacles	Decorative pavers
Benches	Landscaping
Decorative fencing or screening	Outdoor murals

2. Street, Curb, Sidewalk and Alley Improvements

There are deficiencies in streets, curb, alleys, and sidewalks throughout the project area. The Renewal Agency will participate in funding improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of way for curbs, streets, and sidewalks, and pedestrian and bicycle paths.

3. Public Open spaces and parks

The Agency is authorized to acquire land for public park and open space uses, and to develop, and improve park, and open space facilities n the renewal area.

4. Public Parking

The supply of public off-street parking in Madras is limited, and inconveniently located. Parking improvements will help improve the usage and investment climate in the renewal area. The Agency will participate in funding the acquisition, construction and improvement of parking lots and public parking facilities within the renewal area.

5. Entry or Gateway Projects

The Renewal Agency may participate in funding the design, acquisition, construction or rehabilitation of monuments, artwork, signage and landscaping at the north and south entries to the urban renewal area.

6. Infrastructure Improvements

The Agency is authorized to participate in the construction, repair or upgrading of deficient water, sewer, and storm water facilities in the project area. In order to promote the renewal area as a location for new business, the Agency also may participate in construction of a high-speed data transmission system in downtown Madras.

7. Arts and cultural improvements.

Arts and culture are envisioned as a component of the revitalization of downtown Madras. The Agency will participate by funding public art, and by providing assistance for development and improvement of facilities for arts and cultural uses.

8. Other Public Improvements and Facilities

To achieve the objectives of this Plan, and to target public investments in a manner which benefits the Renewal area, Agency may participate in the improvement or construction of public facilities and buildings within the urban renewal area. Such improvements may include:

- Community facilities or public safety facilities that provide a benefit to the renewal area.

B. REDEVELOPMENT - NEW CONSTRUCTION

It is the intent of this Plan to stimulate new investment by public, private, non-profit, or community based organizations on vacant or underutilized property. Redevelopment through new construction may be achieved in two ways: By public or private property owners, with or without financial assistance by the Agency; or by acquisition of property by the Agency for redevelopment or resale to others for redevelopment.

To stimulate new investment in property in the Renewal Area, the Renewal Agency is authorized to set guidelines, establish loan programs and provide below-market interest rate and market rate loans and provide such other forms of financial assistance to property owners and those desiring to acquire property, as it may deem appropriate in order to achieve the objectives of this Plan. The obligations of the redeveloper, if any, shall be in accordance with Section 600 of this Plan.

C. REDEVELOPMENT – REHABILITATION AND PRESERVATION OF RESIDENTIAL AND COMMERCIAL PROPERTIES

This activity will enable the Renewal Agency to carry out objectives for improving building conditions in the project area, and encouraging infill and reuse in the project area. The Renewal Agency may participate, through loans, grants, or both, in maintaining and improving exterior and interior conditions of buildings in the renewal area. The Renewal Agency also is authorized to provide loans, or other forms of financial assistance to property owners, or persons desiring to acquire or lease buildings or land from the Agency. The Agency may make this assistance available as it deems necessary to achieve the objectives of this Plan.

D. PROPERTY ACQUISITION AND DISPOSITION

In order to carry out the objectives of this Plan, the Renewal Agency is authorized to acquire land or buildings for public and private development purposes. The procedures for acquiring and disposing of property are described in Sections 600 and 700 of this Plan.

E. BUSINESS AND ECONOMIC DEVELOPMENT ACTIVITIES

The Renewal Agency will participate in activities designed to attract new business to the urban renewal area, retain existing businesses, and assist in economic development activities within the renewal area. The Agency may provide assistance and incentives, including loans, grants or other funding programs, for private, nonprofit and for profit parties to undertake projects that are supportive of the economic development, jobs creation and employment goals of the Plan. Therefore, this Plan authorizes projects and programs which fulfill the Plan's economic development/jobs-related goals and objectives, including but not limited to:

(a) Land acquisition and transfer for rehabilitation or redevelopment;

(b) Financial mechanisms to promote, facilitate, and develop employment opportunities in the urban renewal area.

(c) Providing business and/or financial assistance to property and business owners and developers in determining the feasibility of redevelopment projects which further the revitalization of commercial/industrial areas within the urban renewal area.

(d) Providing financial assistance to property owners or tenants to improve the appearance of commercial storefront properties and/or rehabilitate long-term vacant commercial space.

(e) Providing business and/or financial assistance to firms seeking to improve operations, increase profitability and/or create new jobs in support of the revitalization and employment goals of this Plan, with special emphasis on small businesses and firms which provide family wage jobs.

(f) Providing technical and/or financial assistance to developers of commercial/industrial property in the area that furthers the goals and objectives of this Plan.

(g) Promoting opportunities within the area to prospective employers and business operators through recruitment and renewal area marketing programs.

F. PLAN ADMINISTRATION

It is the intent of this Renewal Plan to provide for the effective administration of the Plan, and to plan for the various activities contained in the Plan. Project funds may be utilized to pay indebtedness associated with preparation of the urban renewal plan, to carry out design plans, miscellaneous land use and public facility studies, engineering, market, and other technical studies as may be needed during the course of the urban renewal plan. Project funds may be utilized to pay for marketing materials and programs to assist in carrying out the objectives of the redevelopment plan. Project funds also may be used to pay for personnel and other administrative costs incurred in management of the renewal plan.

600. PROPERTY ACQUISITION PROCEDURES

Acquisition of real property may be necessary to carry out the objectives of this Plan. Property for public or private preservation, rehabilitation, development, or redevelopment may be acquired by gift, eminent domain or any other lawful method for the purpose of the redevelopment. The purposes and procedures for acquisition under this Plan are:

The Renewal Agency is authorized to acquire property within the Area, if necessary, by any legal means to achieve the objectives of this Plan. Property acquisition, including limited interest acquisition, is hereby made a part of this Plan and may be used to achieve the objectives of this Plan. All acquisition of property will require will require an amendment to the plan as set forth in Section 800 of this Plan

A. Acquisition requiring City Council ratification.

City Council ratification is required for Renewal Agency acquisitions for the following purposes:

1. Assembling land for development by the public or private sector.
2. Where conditions exist that may affect the health, safety and welfare of the Area and it is determined that acquisition of such properties and demolition of the improvements thereon are necessary to remove substandard and blighting conditions, acquisition shall be undertaken only following completion of a minor amendment to this Plan as set forth in Section 800C1 of this Plan. The City Council shall ratify the minor amendment to this Plan by resolution.

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

Acquisitions described in Section 600A 1, 2, and 3 shall be undertaken only following completion of a minor amendment to this Plan as set forth in Section 800C1 of this Plan. The City Council shall ratify the minor amendment to this Plan by resolution.

B. Acquisition not requiring City Council ratification.

Land acquisition not requiring City Council ratification requires a minor amendment to this Plan as set forth in Section 800 D2 of this Plan.. The minor amendment to the Renewal Plan may be adopted by the Renewal Agency by Resolution. The Agency may acquire land without Council ratification where the following conditions exist:

1. Where it is determined that the property is needed to provide public improvements and facilities as follows:
   a. Right-of-way acquisition for streets, alleys or pedestrian ways;
   b. Right of way and easement acquisition for water, sewer, and other utilities
   c. Property acquisition for public use, or for public buildings and facilities

2. Where the owner of real property within the boundaries of the Area wishes to convey title of such property by any means, including by gift.

C. Properties to be acquired

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

700. PROPERTY DISPOSITION AND REDEVELOPER'S OBLIGATIONS

A. Property Disposition and Redevelopment

The Renewal Agency is authorized to dispose of acquired property by sale, lease, exchange, or other appropriate means for redevelopment for uses and purposes specified in this Plan. If property is identified for acquisition in this plan, the Agency proposes to commence disposition of property within five (5) years from the date of identifying those properties in this plan, and to complete disposition within ten (10) years from such approval. Properties shall be subject to disposition by sale, lease or dedication for the following purposes:

1. Road, street, pedestrian, bikeway, and utility projects, and other right-of-way improvements listed in Section 500 of this plan.
2. Construction of public facilities in Section 500 of this plan.
3. Redevelopment by private redevelopers for purposes consistent with the uses and objectives of this plan. Such disposition will be in accordance with the terms of a Disposition and Development Agreement between the Developer and the Renewal Agency, and with the Redeveloper's obligations in Section 800B of this plan.

The Renewal Agency may dispose of any land it has acquired at fair reuse value, and to define the fair reuse value of any land.

B. Redevelopers Obligations

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

1. The Redeveloper shall develop or redevelop property in accordance with the land-use provisions and other requirements specified in this Plan.
2. The Renewal Agency may require the redeveloper to execute a development agreement acceptable to the Renewal Agency as a condition of any form of assistance by the Renewal Agency. The Redeveloper shall accept all conditions and agreements as may be required by the Renewal Agency.
3. The Redeveloper shall submit all plans and specifications for construction of improvements on the land to the Renewal Agency or its designated agent, for review and approval prior to distribution to reviewing bodies as required by the City.
4. The Redeveloper shall commence and complete the development of such property for the use provided in this Plan within a reasonable time as determined by the Agency.
5. The Redeveloper shall not effect any instrument whereby the sale, lease, or occupancy of the real property, or any part thereof, is restricted upon the basis of age, race, color, religion, sex, marital status, or national origin.

800. AMENDMENTS TO THE RENEWAL PLAN

The Plan will be reviewed and analyzed periodically and will continue to evolve during the course of project execution and ongoing planning. It is anticipated that this Plan will be changed or modified from time to time or amended as development potential and conditions warrant, as planning studies are completed, as financing becomes available, or as local needs dictate. Types of Plan amendments are:

A. Minor Changes

Minor changes, such as additional project activities, clarification of language, procedures or minor modifications in or to the Area's infrastructure, identification of property to be acquired, quantification of benefits from the construction of public improvements, and the like may be approved by the Renewal Agency.

Changes which substantially diverge from the basic principles of this Plan, or which entail changes to the goals of the Plan shall require approval as provided for in ORS 457.095, but not requiring notice as provided in ORS 457.120.

B. Substantial Changes

Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area, or increases in the maximum indebtedness authorized under the Plan (excluding bonded indebtedness issued to refinance or refund existing bonded indebtedness) shall be substantial changes requiring approval as provided in ORS 457.095 and notice as provided in ORS 457.120.

900. MAXIMUM INDEBTEDNESS

The Maximum Indebtedness authorized under this plan is fourteen million dollars ($14,000,000).

1000. FINANCING METHODS

A. General

The Urban Renewal Agency may borrow money and accept advances, loans, grants and other forms of financial assistance from the federal government, the state, city, county or other public body, or from any sources, public or private for the purposes of paying indebtedness incurred in undertaking and carrying out this Plan. In addition, the Agency may borrow money from, or lend money to a public agency in conjunction with a joint undertaking of a project authorized by this Plan. If such funds are loaned, the Agency may promulgate rules and procedures for the methods and conditions of payment of such loans.

B. Tax Increment Financing

The renewal project project will be financed in whole or in part by tax increment financing, as authorized in ORS 457.420 through ORS 457.450.

C. Prior Indebtedness

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

1100. RELOCATION

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

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

1200. DEFINITIONS

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

"Agency", Renewal Agency" or "Urban Renewal Agency" means the Urban Renewal Agency of the City of Madras, Oregon.

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

"City" means the City of Madras, Oregon.

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

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

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

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

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

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

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

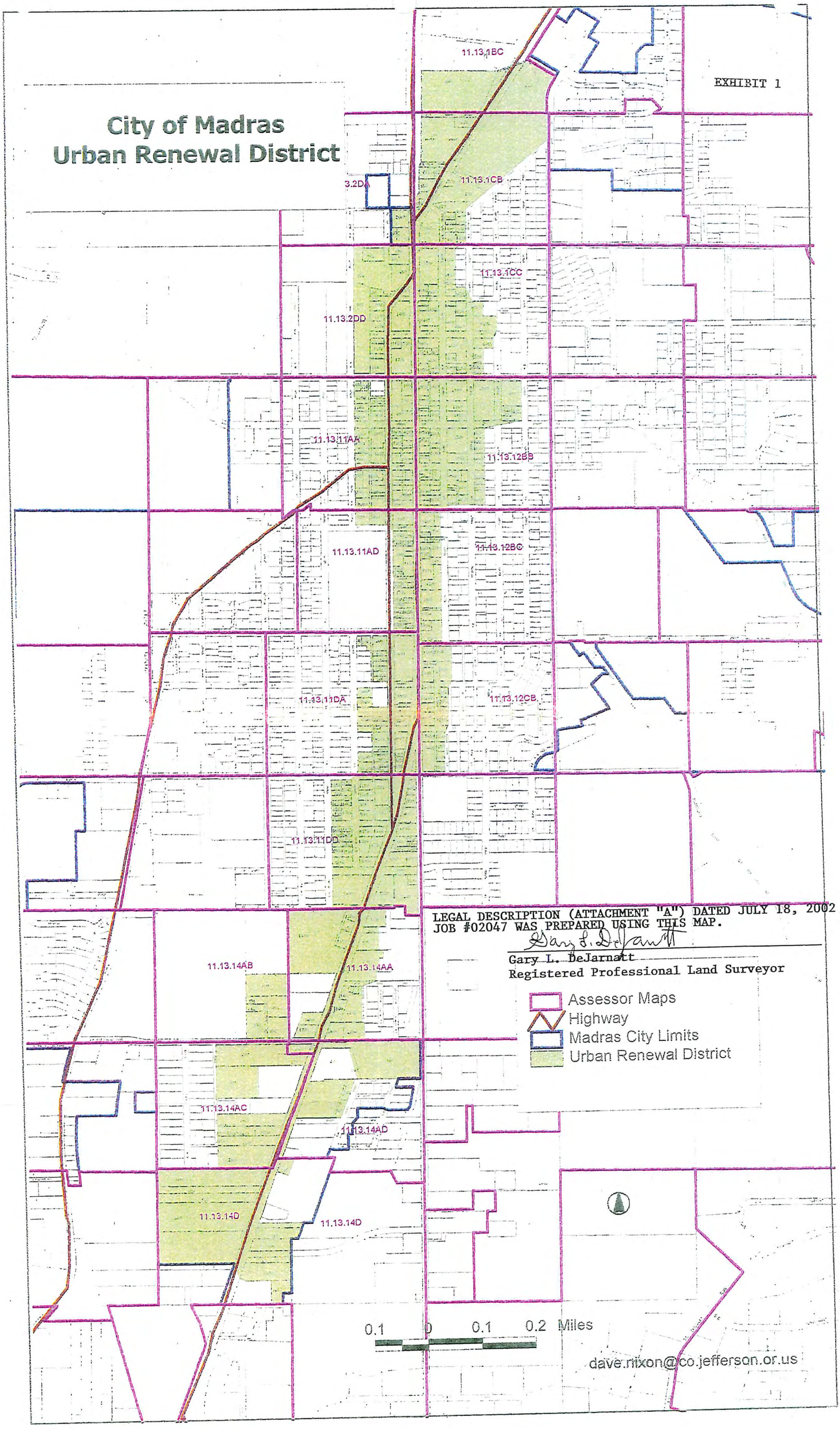
"Plan" means the Urban Renewal Plan for the Madras Urban Renewal Area, Parts One and Two.

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

"Project, Activity or Project Activity" means any undertaking or activity within the Renewal Area, such as a public improvement, street project or other activity which is authorized and for which implementing provisions are set forth in the Urban Renewal Plan.
"Public Safety Project" means projects intended to assist police, fire, ambulance, and emergency services in the City of Madras.
"Report" means the report accompanying the Plan, as provided in ORS 457.085 (3).
"Redeveloper" means any individual or group acquiring property from the Urban Renewal Agency or receiving financial assistance for the physical improvement of privately or publicly held structures and land.
"Text" means the Urban Renewal Plan for the Madras Urban Renewal Area, Part One - Text.
"Urban Renewal Area", "Madras Urban Renewal Area", or "Renewal Area" means the geographic area for which this Urban Renewal Plan has been approved. The boundary of the Renewal Area is described in Exhibits made a part of this plan.

EXHIBIT 1

City of Madras
Urban Renewal District



LEGAL DESCRIPTION (ATTACHMENT "A") DATED JULY 18, 2002
JOB #02047 WAS PREPARED USING THIS MAP.

Gary L. DeJarnatt

Gary L. DeJarnatt
Registered Professional Land Surveyor

MADRAS URBAN RENEWAL PLAN
ATTACHMENT A
LEGAL DESCRIPTION OF PROJECT BOUNDARY

(Legal Description is in Preparation)

ATTACHMENT
"A"

DeJarnatt Land Surveys, Inc.

63885 N. Hwy. 97 ▲ Bend, OR 97701 ▲ (541) 382-4192

City of Madras Urban Renewal District
July 18, 2002
Job # 02047

URBAN RENEWAL DISTRICT

District boundary

Located in Sections 1, 2, 11, 12, and 14 of Township 11 South, Range 13 East, Willamette Meriden, City of Madras, and Jefferson County, Oregon more particularly described as follows:

Commencing at the Southwest corner of the Southeast Quarter of said Section 14; thence Northerly along the North - South centerline of said Section 14 a distance of 1748 feet more or less to the Southwest corner of the land described in Deed Book 36, Page 341 and the **TRUE POINT OF BEGINNING OF THIS DESCRIPTION**; thence continuing Northerly along said North - South centerline, 915 feet more or less to the Northwest corner of that land conveyed in Deed MF# 891241; thence Easterly along the North line of that land conveyed in said Deed MF# 891241, 600 feet more or less to the Southwest corner of that land conveyed in Deed Book 37, Page 615; thence Northerly, 550 feet more or less the Northwest corner of that land conveyed as Parcel TL4 in Deed MF# 20015209; thence Easterly along the North line of said Parcel TL4, 692.3 feet more or less to the West right-of-way line of U.S. Hwy. No. 97; thence Northeasterly along said West right-of-way, 507 feet more or less to the Northeast corner of that land conveyed in Deed MF# 960277; thence Westerly along the North line of said MF# 960277, 447 feet more or less to the Northwest corner of said Deed MF# 960277; thence Southerly along the West line of said Deed MF# 960277, 312 feet to the Southwest corner of said Deed MF# 960277; thence Westerly along the South line of that land conveyed as Parcel 1 of Deed MF# 965428, 416 feet more or less to East right-of-way line of S.W. Olive Street; thence Northerly along said East right-of-way, 526.3 feet more or less to the South right-of-way line of S.W. Fairgrounds Road; thence Easterly along the South line of said right-of-way, 325 feet more or less to a point being 60 feet Southerly of that land conveyed in Deed MF# 961747; thence Northerly 60 feet to the Southwest corner of said Deed MF# 961747; thence Northerly 635.1 feet more or less to the Northwest corner of Parcel 3 of Partition Plat No. 90-04 as filed in the Jefferson County Clerk's

Office; thence Easterly along the North line of said Parcel 3, 416 feet more or less to the Southwest corner of that land conveyed as Parcel 1 of Deed MF# 882529; thence Northerly along the West line of said Parcel 1, 637.2 feet more or less to a point 9.90 feet South of the Northwest corner of the Northeast quarter of the Northeast quarter of Section 11, Township 11 South, Range 13 East of the Willamette Meridian, said point being on the South right-of-way line of S.W. 'M' Street; thence Easterly along said South right-of-way line, 445 feet more or less to a point being 40 feet Southerly of the Southwest corner of Lot 7, Block 13 of Northwest Townsites Company First Addition to Madras; thence Northerly, 1,275 feet more or less to the Northwest corner of Lot 16, Block 3 of Northwest Townsites Company First Addition to Madras; thence Easterly along the North line of said Block 3, 200 feet more or less to the Northeast corner of said Block 3; thence Northeasterly, 99 feet more or less to the Southwest corner of Lot 9, Block 17 of Depot Addition; thence Northerly 200 feet more or less to the Northwest corner of Lot 16, Block 17 of said Depot Addition; thence Easterly, 140 feet more or less to the Northeast corner of said Lot 16; thence Northerly, 200 feet more or less to the Northeast corner of Lot 24, Block 17 of said Depot Addition; thence Westerly, 140 feet more or less to the Northwest corner of said Lot 24; thence Northerly, 460 feet more or less to the Northwest corner of Lot 24, Block 14 of said Depot Addition; thence Easterly 140 feet more or less to the Northeast corner of said Lot 24; thence Easterly 10 feet more or less to the centerline of the vacated alley by ordinance 663; thence Southerly along the centerline of said alley, 200 feet more or less to a point 10 feet more or less Easterly of the Southeast corner of Lot 17, Block 14 of Depot Addition; thence Easterly, 150 feet more or less to the Southeast corner of Lot 4, Block 14, Depot Addition; thence Northerly, 260 feet more or less to the Southeast corner of Lot 10, Block 11 of said Depot Addition; thence Westerly, 160 feet more or less to the Southeast corner of Lot 11 of said Block 11 of Depot Addition; thence Northerly, 300 feet more or less to the Southeast corner of Lot 23, Block 11 of Depot Addition; thence Westerly, 40 feet more or less to the Southeast corner of that land conveyed in Deed MF# 20021691; thence Northerly, 50 feet more or less to the Northeast corner of that land conveyed in said Deed MF# 20021691; thence Westerly, 100 feet more or less to the Northwest corner of Lot 24, Block 11 of Depot Addition; thence Northerly, 100 feet more or less to the Northwest corner of Lot 27 of said Block 11; thence Easterly, 300 feet more or less to the Northeast corner of Lot 1 of said Block 11; thence Northeasterly, 99 feet more or less to the Southwest corner of Lot 11, Block 7 of Depot Addition; thence Northerly, 960 feet more or less to the Northwest corner of Lot 18, Block 6 of Depot Addition; thence Northwesterly, 92.20 feet more or less to the Southeast corner of Lot 3, Block 2 of Depot Addition; thence Westerly, 300 feet more or less to the Southwest corner of Lot 4, Block 2 of Depot Addition; thence Northerly, 150 feet more or less to the Northwest corner of Lot 9, Block 2 of Depot Addition; thence Northerly

394.75 feet more or less to the Northwest corner of Lot 32, Block 3 of Subdivision of Side C of Original Plat of Palmain; thence Northerly, 890 feet more or less to the Northwest corner of Lot 36, Block 1 of Subdivision of Grounds RY of Original Plat of Palmain; thence Easterly, 160 feet more or less to Northwest corner of Lot 5 of said Block 1; thence Southerly, 150 feet more or less to the Southwest corner of Lot 7 of said Block 1; thence Easterly, 140 feet more or less to the Southeast corner of said Lot 7; thence Northerly, 150 feet more or less the to the Northeast corner of Lot 1 of said Block 1; thence Northerly, 70 feet more or less to the Southeast corner of Lot 7, Block 12 of Conroy Addition to Madras; thence Westerly, 140 feet more or less to the Southwest corner of said Block 12 and a point on the North right-of-way line of 'B' Street; thence Westerly along said North right-of-way, 160 feet more or less to the East right-of-way line of N.W. Third Street; thence Northerly, 1287.52 feet more or less to North line of the Southeast Quarter of the Southeast Quarter (SE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 2, Township 11 South, Range 13 East, Willamette Meridian; thence Easterly, 370 feet more or less to the East right-of-way line of N.W. 4th Street; thence Northerly along said East right-of-way of N.W. 4th Street, 350 feet more or less to the South right-of-way line of N.W. Poplar Street; thence Easterly, 185 feet more or less to the Northeast corner of Lot 5, Block 1, Watts Addition; thence Northeasterly, 340 feet more or less to the Southwest corner of Lot 5, Block 1 of Bone Tract; thence Northerly, 116.3 feet more or less to the Northwest corner of said Lot 5; thence Northerly along the East right-of-way line of U.S. Hwy No. 26, 975 feet more or less to the Southwest corner of Parcel 2 of Partition Plat 2001-16 as filed in the Jefferson County Clerk's Office; thence Easterly, 750 feet more or less to the Northeast corner of that land conveyed in Deed MF# 20010022; thence Northeasterly, 300 feet more or less to the Northwest corner of the land conveyed in Deed Book 56, Page 315, said Northwest corner is the East right-of-way line of U.S. Hwy No. 97 and the South right-of-way line of N.E. Chestnut Street; thence Southeasterly along said South right-of-way line 330 feet more or less to the West right-of-way line of N.E. 10th Street; thence Southwesterly along the along said West right-of-way line, 381 feet more or less to the Southeast corner of said land conveyed in Deed Book 56, Page 315; thence Easterly 20 feet more or less to the Northeast corner of the Northwest quarter of the Southwest quarter of Section 1, Township 11 South, Range 13 East of the Willamette; thence Southerly along the East line of said Northwest quarter of the Southwest quarter, 252.78 feet to the North right-of-way line of N.E. Henry Street; thence Southwesterly along said North right-of-way, 1078.68 feet to the West right-of-way line of N.E. Seventh Street; thence Southerly along said West right-of-way, 326.84 feet more or less to the Southeast corner of Lot 2, Block 2 of Bone Addition; thence Southwesterly, 114.12 more or less to the Northwest corner of Lot 1, Block 2 of the First Addition to Palmain; thence Southerly, 390 feet more or less to the Northwest corner of that land conveyed in Deed Book 64, Page 24;

thence Easterly, 100 feet more or less to the Northeast corner of said Deed Book 64, Page 24; thence Southeasterly, 160 feet more or less to the Northwest corner of Lot 12, Block 1 of Subdivision of Tract "A" of Palmain; thence Easterly, 100 feet more or less to the Northeast corner of Lot 12 of said Block 1; thence Southerly, 150 feet more or less to the Southeast corner of Lot 10 of said Block 1; thence Easterly, 100 feet more or less to the Southeast corner of Lot 3 of said Block 1; thence Easterly 35 feet more or less to the centerline of vacated Eighth street; thence Southerly, 150 feet more or less along said centerline to a point being 35 feet more or less Easterly of the Southeast corner of Lot 6, of said Block 1; thence Southwesterly, 78.26 feet more or less to the Northeast corner of Lot 1, Block 3 of Subdivision of Tract "A" of Palmain, thence Southerly, 100 feet more or less to the Southeast corner of Lot 2 of said Block 3; thence Westerly, 100 feet more or less to the Southwest corner of said Lot 2; thence Southerly, 250 feet more or less to the Southeast corner of Lot 6, Block 5 of Palmain; thence Southeasterly, 376.56 feet more or less to the Northeast corner of Lot 1, Block 8 of Palmain; thence Southerly, 400 feet more or less to the Southeast corner of Lot 8 of said Block 8; thence Southwesterly, 376.56 feet more or less to the Northeast corner of Lot 14, Block 22 of Palmain, thence Southerly, 770 feet more or less to the Southeasterly corner of Lot 8, Block 31 of Palmain; thence Westerly, 470 feet more or less to the Southwest corner of Lot 8, Block 32 of Palmain; thence Southwesterly, 98.99 feet more or less to the Northeast corner of the land conveyed in Deed MF# 984964; thence Southerly 250 feet more or less to the Southeast corner of the land conveyed in Deed MF# 981892; thence Southerly, 50 feet more or less to the intersection of the South right-of-way line of S.E. Snook Lane and the West right-of-way line of Sixth Street; thence Southerly along the West right-of-way line of Sixth Street, 975 feet more or less to the North right-of-way line of S.E. Buff Street; thence Southeasterly, 108.16 feet more or less to the intersect of the South right-of-way line of S.E. Buff Street and the centerline of the vacated Morrow street as shown on the Plat of Wistful Vista Addition; thence Southerly along the centerline of said Morrow Street, 343 feet more or less to the intersection of said centerline and the North right-of-way line of S.E. 'H' Street; thence Southwesterly, 70 feet more or less to the Northeast corner of Lot 8 Block 7 of said Wistful Vista; thence Southerly, 400 feet more or less to the Southeast corner of Lot 5 of said Block 7; thence Southwesterly, 72.11 feet more or less to the Northeast corner of Lot 1, Block 17 of Wistful Vista; thence Southerly, 400 feet more or less to the Southeast corner of Lot 4 of said Block 17; thence Westerly, 80 feet more or less to the Southwest corner of said Block 17; thence Westerly 140 feet more or less to the Northeast corner of Fifth Street and S.E. 'J' Street; thence Southwesterly, 100 feet more or less to the Northeast corner of Lot 1, Block 1 of Northwest Townsite Company's First Addition to Madras; thence Southerly, 1240 feet more or less to the Southeast corner of Lot 6, Block 11 of Northwest Townsite Company's First Addition to Madras; thence Southerly,

110 feet more or less to the Southeast corner of said land conveyed as Parcel 1 of Deed MF# 934281; thence Westerly along the South line of said Parcel 1, 129.90 feet more or less to the Southwest corner of said Parcel 1; thence Northerly, 91.02 feet more or less to the centerline of the vacated S.W. 'M' Street as shown on the Plat of Northwest Townsite Company's First Addition to Madras; thence Westerly along said centerline of S.W. 'M' Street, 95 feet more or less to the intersection of said centerline of S.W. 'M' Street and the centerline of Fourth street as shown on the plat of Northwest Townsite Company's First Addition to Madras; thence Southerly along the centerline of said Fourth street, 15 feet more or less to the South right-of-way line of S.W. 'M' Street; thence Westerly along said South right-of-way line, 85 feet more or less to the Northeast corner of Parcel 2 of Deed MF# 994004; thence Southerly along the East line of said Parcel 2, 146.7 feet more or less to the Southeast corner of said Parcel 2; thence Westerly along said Parcel 2, 70 feet more or less to the Northeast corner of land conveyed as Parcel II of Deed MF# 20001345; thence Southerly, 234.58 feet more or less to the Southeast corner of the land conveyed as Parcel I of Deed MF# 20015525; thence Easterly, 40 feet more or less to the Northeast corner of Parcel 2 of Minor Partition MP-87-1, recorded as MF # 871254 of Surveys; thence Southerly, 80 feet more or less to angle point of said Parcel 2; thence Westerly, 40 feet more or less to angle point of said Parcel 2; thence Southerly, 139.07 feet more or less to the Southeast corner of said Parcel 2 and on the North line of Parcel 2 of Partition Plat No. 92-02 as filed in the Jefferson County Clerk's Office; thence Westerly 30 feet more or less to the Northwest corner of said Parcel 2 of Partition Plat No. 92-02; thence Southerly along the West line of said Parcel 2, 86.87 feet more or less to the North right-of-way line of S.W. Bard Lane; thence Southwesterly, 155 feet more or less to the intersection of the South right-of-way line of S.W. Bard Land and the West right-of-way line of S.W. Adrian Street; thence Southerly along said West right-of-way, 353.04 feet more or less to the Southeast corner of that land conveyed in Deed MF# 20011493; thence Easterly, 25 feet more or less to the centerline of said S.W. Adrian Street; thence Southerly, 180.37 feet more or less to the Southeast corner of land conveyed as Parcel II of Deed MF# 20011494; thence Easterly along the South line of the Northeast quarter of the Northeast quarter of Section 14, Township 11 South, Range 13 East, Willamette Meridian, 545 feet more or less to the West right-of-way line of Adams Drive; thence Southerly along said West right-of-way, 381.88 feet more or less to the South line of Parcel 1 of Item 4 of Deed MF# 20023048; thence Westerly along the South line of said Item 4, 624.02 feet more or less to the Southwest corner of said Item # 4 ; thence Northwesterly along the East line of the land conveyed as Parcel I of the Deed MF# 992885, 320 feet more or less to the Northeast corner of said Parcel I; thence Westerly along the North line of said Parcel I, 282.73 feet more or less to the East right-of-way line of U.S Hwy. 97; thence Southwesterly along said East right-of-way, 346 feet more or less to the Southwest corner of the said Parcel I;

thence Easterly along the South line of said Parcel I, 142 feet more or less to an angle point of said Parcel I, thence North along the South line of said Parcel I, 15 feet more or less to an angle point of said Parcel I; thence Easterly along said South line, 299.87 feet more or less to the most Northerly point of the West right-of-way line of S.W. Celilo Street; thence Southwesterly along the said West right-of-way line, 417.33 feet more or less to the North right-of-way line of S.W. Bush Lane; thence Westerly along said North right-of-way, 436.4 feet more or less to the East right-of-way line of U.S. Hwy. 97; thence Southwesterly along said East right-of-way, 417.12 feet more or less to the Northwest corner of Parcel 2 of Partition Plat No. 2001-08 as filed in the Jefferson County Clerk's Office; thence Easterly, 127.98 feet more or less to the Northeast corner of said Parcel 2; thence Southwesterly, 184.49 feet more or less to the Southeast corner of said Parcel 2; thence Northwesterly along the South line of said Parcel 2, 120 feet more or less to the East right-of-way line of U.S. Hwy. 97; thence Southwesterly along said East right-of-way, 540 feet more or less to the Northwest Corner of the land conveyed as Parcel II of Deed MF# 952663; thence Easterly, 435 feet more or less to the Northeast corner of said Parcel II; thence Southwesterly, 165 feet more or less to the Southeast corner of Parcel I of Deed MF# 952663; thence Westerly, 72 feet more or less to the Northeast corner of that land conveyed in Deed Book 35, Page 470; thence Southerly, 555 feet more or less to the Northeast corner of that land conveyed as Parcel I of Deed MF # 985534; thence Westerly, 85 feet more or less to the Northwest corner of said Parcel I; thence Southerly, 100 feet more or less to the Southeast corner of Parcel 3 of Partition Plat 1998-17 as filed in the Jefferson County Clerk's Office; thence Westerly, 112.40 feet more or less to the Southwest corner of Parcel 3 of Partition Plat 1998-17; thence Northerly, 230 feet more or less to the Northwest corner of said Parcel 3; thence Westerly, 242.53 feet more or less along the North line of Parcel 2 of said Partition Plat 1998-17 to an angle point; thence Northwesterly, 67.17 feet to the Northwest corner of said Parcel 2; thence Northwesterly, 165 feet more or less to the Southeast corner of that land conveyed in Deed Book 36, Page 341; thence Westerly, 750.10 feet more or less to the Southwest corner of said Deed Book 36, Page 341 and the **TRUE POINT OF BEGINNING OF THIS DESCRIPTION.**

Excepting Therefrom:

Parcel 1 and Parcel 2 of Partition Plat No. 90-04 as filed in the Jefferson County Clerk's Office and that portion of S.W. Fairgrounds Road lying West of the West right-of-way line of U.S. Hwy 97 and East of the East line of Northeast quarter of the Northeast quarter (NE ¼ NE 1/4) of Section 14, Township 11 South, Range 13 East of the Willamette, City of Madras, Jefferson County, Oregon.

End of description

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Gary L. DeJarnatt

OREGON
JULY 17, 1986
GARY L. DEJARNATT
2208

Renews: 12/31/03

CITY OF MADRAS

MADRAS URBAN RENEWAL AGENCY

REPORT ON THE MADRAS URBAN RENEWAL PLAN

JULY, 2002

CITY OF MADRAS URBAN RENEWAL PLAN – REPORT ON THE PLAN

ACKNOWLEDGEMENTS

Members of the City of Madras Urban Renewal Task Force

Rick Allen, Mayor
Melanie Widmer, City Council
Frank Morton, City Council
Janet Brown, Jefferson County Commissioner
Earl Cordes, Chief, Jefferson County RFPD
Susan McGough, Mt. View Hospital District
Dick Junge, Jefferson County School District
Melanie Lightbody, Jefferson County Library Dist.
Parrish Van Wert, Director, Madras-Jefferson Co. Chamber of Commerce
Tom Hansen, Chamber of Commerce
Blanca Reynoso, Chamber of Commerce
Mike Goss - Donwtowner
Faith Adele - Downtowner
Keri Saterlee - Downtowner
Shannan Ahern - Downtowner
Bill Houts – General Public
Terry Hanlon – General Public
Roger Tashwell – General Public

Staff Assistance
Steve Bogart, City Administrator
Dave Nixon, Jefferson County Assessor's Office

Urban Renewal Consultant
Charles Kupper, Spencer & Kupper

REPORT ON MADRAS URBAN RENEWAL PLAN
TABLE OF CONTENTS

	Page
PROJECT BACKGROUND	1
INTRODUCTION TO ANALYSIS OF BLIGHTING CONDITIONS	1
100. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE RENEWAL AREA	2
100B. SOCIAL AND ECONOMIC CONDITIONS	5
200. EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN	6
300. REASONS FOR SELECTING THE URBAN RENEWAL AREA	7
400. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA	7
500. FINANCIAL ANALYSIS OF PLAN	7
500A. ESTIMATED PROJECT COST AND REVENUE SOURCES	7
500B.ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES	9
500C.ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT	9
500D. IMPACT OF TAX INCREMENT FINANCING	13
500E. FINANCIAL FEASIBILITY OF PLAN	16
600. RELOCATION	16

REPORT ON THE MADRAS URBAN RENEWAL PLAN

PROJECT BACKGROUND

The Madras Urban Renewal Plan is a component of an community economic development effort by the City of Madras. The Madras City Council initiated the Plan effort, in response to signs of physical and economic decline in the civic and commercial core of Madras, and to help Madras compete for development opportunities in Central Oregon. The Council saw a need to provide incentives to attract new businesses to the commercial areas of Madras, and to improve conditions that limit the development potential of downtown Madras.

The Madras Urban Renewal Plan was created with the assistance of a citizens' task force appointed by the City Council in 2001. The Task Force held a series of public meetings and workshops on the key elements of the plan, beginning in November, 2001. In its opening statement of overall goals for the urban renewal plan, the Task Force states that ....."The Plan will assist in meeting the City's economic development objectives through rehabilitation of older and historic structures, redevelopment of key sites, improving transportation and utility facilities in the renewal area, assisting with the construction of needed public facilities, and creating public amenities." The Task Force further stated that a primary goal of the plan is "To promote private development, redevelopment, and rehabilitation within the urban renewal area to help create jobs, tax revenues, and self-sustaining, vital, and vibrant commercial districts."

INTRODUCTION TO THE ANALYSIS OF BLIGHTING CONDITIONS WITHIN THE MADRAS RENEWAL AREA

ORS 457.010 defines "blight" as follows:

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

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

"Defective design and quality of physical construction;
"Faulty interior arrangement and exterior spacing;
"Overcrowding and a high density of population;
"Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
'Obsolescence, deterioration, dilapidation, mixed character or shifting of uses."

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

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

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

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

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

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

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

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

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

Methodology for Evaluating Conditions Within The Proposed Renewal Area
Information describing the existing conditions within the proposed renewal area originates from a variety of sources. During the investigations and City discussions, the following data was inventoried:

- The use of each parcel.
- The existing zoning of each parcel.
- General observations on the condition of buildings where such could be determined from a "walk-around" perspective.
- The condition of streets: pavement, sidewalks and pedestrian amenities.
- Traffic conditions and traffic movement issues.
- Public safety issues, such as traffic hazards, inadequate street lighting, etc
- The existence and adequacy of the public infrastructure, i.e.: storm water drainage; sanitary sewers; water delivery systems; etc.

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

100A. PHYSICAL CONDITIONS

1. Land Area

The Madras Renewal Area contains 268.7 acres of land area. ORS 457.420 provides that the total land area of a proposed urban renewal district, when added to the land area of existing Renewal Areas may not exceed 25% of the City's land area. The City's current land area is approximately 1460 acres.. The total of all acreage in renewal areas represents 18.40% of the City's land area. Total renewal area acreage is within the 25% limitation prescribed by ORS 457.420..

2. Existing Land Use and Development

The Madras Urban Renewal Area contains 388 tax lots. Those lots comprise 201.5 acres of land. (The total acreage in the project area is larger because of the inclusion of rights of way in total acreage) The use of the tax lots is shown in Table 1, below.

MADRAS URBAN RENEWAL PLAN				
TABLE 1				
Land Uses in the Renewal Area				
	Lots	% of lots	Acres	% of acres
Residential – Vacant Land	9	2.32	1.46	0.72
Residential - Improved	74	19.07	24.72	12.27
Commercial – Vacant Land	69	17.78	51.03	25.32
Commercial - Improved	188	48.45	98.14	48.70
Multi-Family - Improved	3	0.77	7.08	3.51
Exempt – Vacant and Improved	45	11.60	19.08	9.47
TOTALS:	388	100.00%	201.51	100.00%

Table 1 shows that vacant and improved commercial land represents 74% of the acreage in tax lots. Residential land, mostly in small tax lots, represents 13% of the acreage. Exempt property represents 9.5% of the acreage, and multi-family represents 3.5%. The focus of the renewal plan is on improving the commercial core of Madras, and the land use pattern in the renewal area reflects that focus.

Table 1 also illustrates that the average size of tax lots within each of the use categories is rather small, especially in the commercial use areas. The average lot size in the commercial use category is only approximately 0 .6 acres. This pattern of small lot sizes can be an obstacle to development in the renewal area.

3. Building Conditions

Assessors' records show that there are improvements on 293 tax lots in the renewal area. As noted in Table 1, most buildings in the area are zoned for commercial purposes. Visual inspection of building exteriors in the area shows the overall level of building conditions and upkeep is fair to poor. A visual survey of exterior conditions indicates there are 68 buildings in poor condition. The condition of some of these properties may make it economically infeasible to rehabilitate or repair them. The also exist in the area a number of properties in need of exterior repairs to roofing, siding, steps, and exterior trim. The condition of these properties is considered to be fair, but in need of repair.

4. Conditions - Streets and Sidewalk

City staff information on conditions within the renewal area indicates that only approximately 20% of the streets within the urban renewal area have curb and sidewalk that meet city regulations. Staff further notes that new collector streets and traffic signalization would be required if development causes significant increases in traffic volume. Only 4th and 5th Streets have a complete curb and sidewalk system, with some of that in need of repair. There is limited curb and sidewalk on 3rd, 6th, and 7th. Highway 97 south of J Street lacks sidewalk, and has only minimal curbing. The lack of curb and sidewalk in the project area create safety hazards for pedestrians.

5. Conditions - Water and Sewer Services

City staff indicates current services are adequate for the current level of development within the urban renewal area, there are substandard water flows for fire fighting.

6. Conditions - Visual Appearance

The Madras urban renewal area is laid out along the lines of Madras' main commercial area. The north-south axis of the renewal area runs along Fourth and Fifth Streets, which converge into Highway 97. The commercial area of Madras is a mix of small retail and service establishments, primarily fronting on Fifth Street, and larger, more auto oriented uses fronting on Fourth Street, and Highway 97. The quality of maintenance, construction styles, and quality of the commercial buildings vary widely. Several of the larger commercial buildings in the downtown core are vacant. Overall, the visual impression conveyed by the quality and condition of buildings in the renewal area is poor. Buildings in poor physical condition can be observed readily by those driving along Fourth, Fifth, and Highway 97. Since thousands of non-residents drive through Madras every day on the heavily used Highway 97, the visual appearance of the downtown area forms a strong impression of the overall economic condition of the community. The renewal area and the commercial core of Madras have few street trees, little landscaping, and few pedestrian or visual amenities. There are overhead power lines throughout the area, adding to the visual clutter. The visual appearance of the area reflects a lack of investment, poor

infrastructure conditions, and substandard maintenance of many buildings in renewal the project area.

7. Conditions – Land and Building values

It is anticipated that the 2001-02 tax roll will establish the initial base of assessed values for the Renewal Area. The total assessed valuation for the City of Madras for that tax year was $150,779,640. The total assessed value of property within the urban Renewal Area for the 2001-02 tax year is calculated at $30,741,807 in land and building values. Assessor's data for personal property within the renewal boundary is not available, but the Assessor's data indicated $7,8 million in personal property in the City of Madras. Since the renewal area includes the majority of commercial property in Madras, it is assumed a large percentage of the $7.8 million in personal property is within the urban renewal area. It is estimated that personal property, utility, and mobile home values will add $6 million more in value, producing a total of $36,741,807 in values within the Madras Renewal Area.. The total assessed value Madras Renewal Area represents 24.36% of the total property valuation within the City of Madras. Total certified values within all renewal areas therefore are expected to be within the maximum 25% of total valuation allowed by urban renewal law.

8. Conditions – Flooding

Approximately 60 acres of the project area lie within the 100 year flood plain. The City and the renewal area have been subjected to flooding during severe winter rainstorms.

100B. SOCIAL AND ECONOMIC CONDITIONS

Census data for the renewal area itself is not available. The renewal area consists primarily of commercial and governmental property. The residential property within the urban renewal area consists mostly of older homes on very small tax lots. It is assumed that residents of these properties have incomes at, or below the Madras median family income. The 1990 Census showed Madras median income at $20,500, lagging behind Jefferson County's $23,500, and the State of Oregon's $27,250. The urban renewal effort is an attempt to improve overall economic conditions in the community, as well as the physical conditions in the renewal area.

Investment and Utilization of land

Real property values within the Renewal Area are largely concentrated in commercial property classifications. Table One of this Report shows that of 201.5 acres in renewal area tax lots, 149.1 acres are in commercial use. Of the acres in commercial use, 51.0 acres are vacant land, slightly more than one-third the total available. Further, the assessed value of commercial properties in the area is low. There are 188 commercial and 3 multi-family improved lots in the renewal area. Only 22 of those lots have assessed values in excess of $250,000. Only one lot in the renewal area has an assessed value in excess of $400,000. By these measures, commercial land in the renewal area is not well utilized, and is not producing adequate tax revenues for the city of Madras.

The real market value of land in the renewal area is $18.117 million and the real market value of improvements is $26.098 million. The ratio of building value to land value is 1.44 to 1_. Mature urban areas, especially those containing the community's commercial core, are expected to exhibit improvement to value ratios in the 4:1 or 5:1 range. While this ratio can not be expected in a community like Madras, it is unusual to find a low improvement to land value ratio in a boundary that takes in much of Madras' commercial areas. The data points to a lack of investment in the renewal area, depreciated values, and a loss of tax producing ability for the Madras community.

200. EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN

Urban renewal plan activities are aimed at alleviating traffic, parking and pedestrian safety problems, at repairing and redeveloping property within the area, and at upgrading lighting, streets, sidewalks, and open space conditions in the Renewal Area. Carrying out the Renewal Plan is not expected to result in any additional population growth impacts for the City of Madras. The Plan is not expected to result in a need for any additional police, fire, or other emergency services beyond those already contemplated by the City and other service providers. The Renewal Area boundary includes no housing development; therefore, carrying out the Plan is expected to have no impacts on the school system. Carrying out the Renewal Plan is not expected to have any impact on water and sewer service needs. Project activities are not expected to require the relocation or removal of any residential or commercial properties. Carrying out the Renewal Plan will require the use of tax increment revenues. The tax impacts of the Renewal Plan are discussed in detail in Section 500 D of this report.

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

- Street and circulation improvements will improve public safety and convenience.
- Redevelopment incentives will lead to the construction of new tax producing buildings, and creation of direct and secondary employment..
- Infrastructure improvements will provide better utility service, and decrease public maintenance costs, and reduce flooding hazards.
- New businesses will provide additional shopping convenience, and reduce vehicular trips.
- Rehabilitation programs will preserve and renew properties in downtown Madras.

Additionally, the public and private investments made in the renewal area are likely to encourage new investment in areas adjacent to the renewal area. There are other positive effects of a renewal program that do not lend themselves easily to quantification, for they are quality of life issues. Maintaining the downtown core as the heart of the city, improving cultural and shopping opportunities, and improving the appearance of Madras all have value to the community. These quality of life issues were important forces in creating this renewal plan.

The expenditure of tax increment funds is expected to produce new property values for the City of Madras. The renewal project is estimated to be completed by the year 2027-28. During that period, property values in the renewal area are expected to increase by approximately $76 million At current general government tax rates, the new property values anticipated in the renewal area will contribute over $1.23 million in property tax revenues in the first year after the project is ended. Of that revenue, approximately $330,000 will return to the City of Madras, and another $358,000 to Jefferson County. That property tax revenue will continue to grow as a result of annual assessment increases.

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

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

- A lack of proper utilization of land planned for tax producing purposes.
- Deficiencies in streets, curb, sidewalk, and storm sewer services in the project area.
- Poor aesthetic conditions, contributing to a low level of investment in the project area.
- Poor building conditions in the project area.
- Flooding conditions in the area.
- A prevalence of small lot layouts, representing an inefficient use of land in the area.
- A prevalence of low values and lack of investment in the area, resulting in reduced tax revenues.

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

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

The renewal plan includes activities that address the following deficiencies noted in Section 100 of the Report on the Plan:

- Deficiencies in the street and circulation system
- Deficiencies in curb and sidewalks in the project area
- Deficient water, storm and sanitary sewer services
- Deteriorated building conditions,
- Underutilized and unproductive land
- Lack of building investment, resulting in low assessed values within the renewal area.

500. FINANCIAL ANALYSIS OF PLAN

500A.ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 2 shows the estimated total costs of the Madras Urban Renewal Project.. These costs are the total anticipated costs, allowing for 3% inflation during the life of the project. The principal method of funding the project share of costs will be through use of tax increment financing as authorized by ORS 457. Revenues are obtained from anticipated urban renewal bond proceeds and the proceeds of short term urban renewal notes.

The capacity for urban renewal bonds is based on projections of urban renewal revenues. Table 3 anticipates there will be four long-term bond issues during the life of the plan. Bond will be issued issues as revenues, project requirements, and overall bond market conditions dictate. In addition, the Renewal Agency will apply for, and make use of funding from other federal, state, local, or private sources as such funds become available.

MADRAS URBAN RENEWAL PLAN			
TABLE 2 - Estimated Cost, Start, and Complete Dates of Project Activities			
		Begin	End
Public Open Spaces and Parks	700,000	2004	2028
Parks Improvements			
Preserve Historic Buildings - Old City Hall; Odd Fellow Hall			
Willow Creek Bridge Open Spaces			
Streets and Infrastructure	700,000	2009	2028
Infrastructure Investment – Curbs/Sidewalks			
Traffic calming devices			
Streetscape, Landscape, Lighting, Gateway Projects	2,800,000	2003	2028
Decorative Street furniture, benches, trash receptacles			
Signs - Historic/Modern/Creative Signage			
Landscaping and Street Trees			
Building murals, flags and banners			
Decorative lighting			
Beautify/Screen/Landscape properties, including Old Copelands Parking Lot, Thrifty Drug Parking Lot and TS&S Parking Lot			
Redevelopment - New Construction Assistance	2,800,000	2004	2028
Assistance to attract new development and employment to downtown			
Redevelopment - Rehabilitation Assistance	2,800,000	2004	2028
Building Conditions - Rehab to improve them			
Building Colors - Design control or painting grants?			
Grants/Low Interest Loans to Improve Store Fronts			
Business and Economic Development Activities	2,800,000	2009	2028
Assist in public and private development, and redevelopment of properties that are underutilized, or that represent blighting influences in the area			
Program Administration	1,400,000	2003	2028

Total Cost of Activities	14,000,000		

Table 2 shows the total costs of carrying out project activities over an anticipated 25 year life of the urban renewal plan. In the course of preparing the renewal plan, the citizen advisory group was presented with various scenarios of potential revenues, project costs, and project duration. The advisory group chose $10 million in 2002 dollars as the target for project activity costs. With $10 million as a beginning point, a 3% annual cost inflation, and annual tax increment revenues and borrowings as shown in Table 3, it is anticipated that the total cost to carry out project activities will be $14 million.

500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES

The project activities shown in Table 2 will begin in 2003-04. It is estimated that all activities proposed in this plan will be completed, and project indebtedness paid off by 2028. At that time, the tax increment provisions of this plan can be ended.

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

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT

It is estimated that the project will collect tax increment revenue between the years 2003-2004 and 2027-28. It is estimated that the project will produce $17.57 million in tax increment receipts in that period. These funds will be utilized to finance project activities, and pay all debt service costs, including interest, associated with undertaking these project activities.

It is anticipated that available project revenues, and funds accumulated in a special fund for debt redemption will be sufficient to retire outstanding bonded indebtedness in the year 2027-28, and terminate the tax increment financing provisions of the project. After all project debt is retired, and the project closed out, it is estimated that there will be surplus tax increment funds. These funds will be distributed to taxing bodies affected by this plan, as provided in ORS 457.

Table 3 of this Report shows the anticipated tax increment receipts for each year of the project, and the use of those receipts. Table 3 follows on the next page.

MADRAS URBAN RENEWAL PLAN

TABLE 3 - RESOURCES AND REQUIREMENTS

	2003	2004	2005	2006	2007	2008	2009	2010	2011
RESOURCES									
Beginning Balance	$0	$5,558	$101,317	$10,407	$6,529	$4,731	$11,268	$151,433	$150,017
Tax Increment Revenue	$182,815	$221,191	$260,622	$301,137	$342,767	$385,541	$429,491	$474,650	$500,697
Delinquency at 3% average	($5,484)	($6,636)	($7,819)	($9,034)	($10,283)	($11,566)	($12,885)	($14,240)	($15,021)
Proceeds of Borrowings	$0	$901,000	$0	$0	$0	$0	$3,273,724	$0	$0
Investment Earnings at 4.5%	$8,227	$10,204	$16,287	$14,019	$15,718	$17,562	$19,834	$28,174	$29,282
Total Resources	$185,558	$1,131,317	$370,407	$316,529	$354,731	$396,268	$3,721,433	$640,017	$664,975
REQUIREMENTS									
Project Outlays	$180,000	$820,000	$30,000	$60,000	$80,000	$100,000	$3,150,000	$70,000	$120,000
Project Outlays	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total project costs funded in year	$180,000	$820,000	$150,000	$100,000	$140,000	$175,000	$3,150,000	$70,000	$120,000
Debt Service - borrowing A - 5 yrs @5.75%	$0	$210,000	$210,000	$210,000	$210,000	$210,000	$0	$0	$0
Debt Service - borrowing B - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$420,000	$420,000	$420,000
Debt Service - borrowing C - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service - borrowing D - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Outlays	$180,000	$1,030,000	$360,000	$310,000	$350,000	$385,000	$3,570,000	$490,000	$540,000
Total Resources	$185,558	$1,131,317	$370,407	$316,529	$354,731	$396,268	$3,721,433	$640,017	$664,975
Ending Balance	$5,558	$101,317	$10,407	$6,529	$4,731	$11,268	$151,433	$150,017	$124,975

(Continued)

MADRAS URBAN RENEWAL PLAN

TABLE 3 - RESOURCES AND REQUIREMENTS

	2012	2013	2014	2015	2016	2017	2018	2019
RESOURCES								
Beginning Balance	$124,975	$115,308	$92,986	$134,454	$107,533	$86,233	$57,231	$21,646
Tax Increment Revenue	$546,511	$593,586	$641,955	$691,654	$742,720	$795,190	$849,103	$904,499
Delinquency at 3% average	($16,395)	($17,808)	($19,259)	($20,750)	($22,282)	($23,856)	($25,473)	($27,135)
Proceeds of Borrowings	$0	$0	**$1,870,699**	$0	$0	$0	$0	**$5,261,342**
Investment Earnings at 4.5%	$30,217	$31,900	$33,072	$37,175	$38,261	$39,664	$40,785	$41,677
Total Resources	$685,308	$722,986	$2,619,454	$842,533	$866,233	$897,231	$921,646	$6,202,029
REQUIREMENTS								
Project Outlays	$150,000	$210,000	$1,825,000	$75,000	$120,000	$180,000	$240,000	$5,200,000
Project Outlays	$0	$0	$0	$0	$0	$0	$0	$0
Total project costs funded in year	$150,000	$210,000	$1,825,000	$75,000	$120,000	$180,000	$240,000	$5,200,000
Debt Service - borrowing A - 5 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service - borrowing B - 10 yrs @5.75%	$420,000	$420,000	$420,000	$420,000	$420,000	$420,000	$420,000	$0
Debt Service - borrowing C - 10 yrs @5.75%	$0	$0	$240,000	$240,000	$240,000	$240,000	$240,000	$240,000
Debt Service - borrowing D - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$675,000
Total Outlays	$570,000	$630,000	$2,485,000	$735,000	$780,000	$840,000	$900,000	$6,115,000
Total Resources	$685,308	$722,986	$2,619,454	$842,533	$866,233	$897,231	$921,646	$6,202,029
Ending Balance	$115,308	$92,986	$134,454	$107,533	$86,233	$57,231	$21,646	$87,029

(Continued)

MADRAS URBAN RENEWAL PLAN

TABLE 3 - RESOURCES AND REQUIREMENTS

	2020	2021	2022	2023	2024	2025	2026	2027
RESOURCES								
Beginning Balance	$87,029	$11,833	$5,185	$1,734	$23,234	$22,459	$100,519	$625,990
Tax Increment Revenue	$922,057	$978,147	$1,035,779	$1,094,997	$1,155,843	$1,119,260	$1,178,273	$1,238,910
Delinquency at 3% average	($27,662)	($29,344)	($31,073)	($32,850)	($34,675)	($33,578)	($35,348)	($37,167)
Proceeds of Borrowings	$0	$0	$0	$0	$0	$0	$0	$0
Investment Earnings at 4.5%	$45,409	$44,549	$46,843	$49,353	$53,058	$51,377	$57,546	$83,920
Total Resources	$1,026,833	$1,005,185	$1,056,734	$1,113,234	$1,197,459	$1,159,519	$1,300,990	$1,911,653
REQUIREMENTS								
Project Outlays	$100,000	$85,000	$140,000	$175,000	$500,000	$384,000	$0	$0
Project Outlays	$0	$0	$0	$0	$0	$0	$0	$0
Total project costs funded in year	$100,000	$85,000	$140,000	$175,000	$500,000	$384,000	$0	$0
Debt Service - borrowing A - 5 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service - borrowing B - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service - borrowing C - 10 yrs @5.75%	$240,000	$240,000	$240,000	$240,000	$0	$0	$0	$0
Debt Service - borrowing D - 10 yrs @5.75%	$675,000	$675,000	$675,000	$675,000	$675,000	$675,000	$675,000	$675,000
Total Outlays	$1,015,000	$1,000,000	$1,055,000	$1,090,000	$1,175,000	$1,059,000	$675,000	$675,000
Total Resources	$1,026,833	$1,005,185	$1,056,734	$1,113,234	$1,197,459	$1,159,519	$1,300,990	$1,911,653
Ending Balance	$11,833	$5,185	$1,734	$23,234	$22,459	$100,519	$625,990	$1,236,653

500D.IMPACT OF TAX INCREMENT FINANCING

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

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

Table 4 shows the anticipated cumulative incremental values in the Renewal Area over the life of the Plan, and the anticipated property tax revenues foregone as a result of taxing bodies not being able to apply their permanent BM50 tax rates to those values. Table 4 actually presents an absolute worst case picture of revenue foregone, for it assumes that all the new values in the Madras Renewal Area would occur, even without the investment of urban renewal funds. In fact, however, it is more realistic to assume that the public expenditures on renewal activities will have some effect on the growth of values within the urban renewal area.

Shilo Decision

In December 2001, the Oregon Supreme Court ruled in favor of the plaintiff in a matter regarding the methodology of calculating the division of taxes that creates tax increment revenue for an urban renewal agency. In May 2002, the Oregon Dept of Revenue (DOR) issued an administrative rule implementing the Supreme Court decision. The administrative rule requires calculation of a tax rate for collection of the tax increment revenue. This "calculated rate" is applied to the shared assessed value of each tax code in the municipality with the urban renewal plan. The shared value in most cases will be the total assessed value of the municipality that adopts the urban renewal plan. The practical effect of the DOR rule is to spread the "calculated rate" over a wide base of values, producing a lower figure than if it were applied to a more restricted base of values.

If this calculated renewal rate causes the imposition of taxes that exceed the 1% ($10.00 per thousand) limit established by BM5, then general government revenues must be compressed. The limit on taxes imposed, however, is calculated against the real market value of each property, not the assessed value. Since the real market value for most properties is higher than the assessed value, there usually is a "cushion" against compression, even if the general government rate is somewhat higher than $10.00 per thousand.

Madras currently has a general government tax rate of $10.46. However, real market values both inside the renewal area, and in the City of Madras substantially exceed assessed values, providing a large cushion against compression losses.

There are several variables that can influence compression losses in the post-Shilo environment. They include the timing and amount of estimated tax increment revenues, and the growth rate of assessed values and real market values in Madras' tax codes. For purpose of this analysis, renewal area value and revenue growth was based upon data used in Table 3 of this Report. Real market value growth was estimated at 5% annually for all tax codes, and the overall growth in shared assessed values for tax codes outside the renewal area was estimated at 6% annually. Using these assumptions, the revenues estimated in Table 3 can be collected without exceeding the 1% limit on taxes imposed. The tax increment revenues and rate of revenue growth projected for this renewal plan are in fact rather modest, which helps to reduce the prospect of exceeding the 1% limit.

HB 3215

House Bill 3215, passed by the Legislature in 2001, will impact the Madras Urban Renewal plan. For new renewal plans such as Madras', the provisions of the bill remove the tax rates for voter approved bonded indebtedness from the formula for calculating tax increment revenues. These tax rates will be phased out of the tax increment revenue formula gradually, as current bond issues are retired. Bond rates currently account for $3.24 per thousand of the total Measure 50 rate in Madras. This bond rate is gradually phased out of the renewal revenue calculation beginning in year 10, and is completely phased out by year 25. Increases in assessed values during the same period will of course diminish the revenue impact of phasing out the bond rates.

Note on Impact on Schools

Under the current method of funding K-12 level education, the urban renewal program will not result in revenue losses for those educational units of government.

When the project is completed, an estimated $77 million in new assessed values will be placed back on the tax roll. In the following year, general government property tax revenues generated by those values are estimated to be approximately $1.23 million. Given a 4% inflation of overall assessed values, the revenues foregone by the overlapping taxing bodies will be repaid in a period of eleven years after the project is completed.

The tax impact on each of the overlapping taxing bodies is shown on Table 4 on the following page.

Madras Urban Renewal Plan

Table 4 - Taxes Foregone by Affected Taxing Bodies

		County tax rate	City Tax Rate	Library	RFPD	Hospital	School Dist	COCC	ESD
		$4.47	$4.13	$0.43	$1.18	$0.25	$4.59	0.6204	0.2398
Year	Cumulative New Incremental Values in area	Jeff.County tax foregone on new values	Madras tax foregone on new values	Library foregone on new values	RFPD foregone on new values	Hospital foregone on new values	SD 509J tax foregone on new values	COCC tax foregone on new values	ESD tax foregone on new values
2003	$9,538,725	$42,655	$39,359	$4,148	$11,301	$2,392	$43,755	$5,918	$2,287
2004	$11,541,040	$51,609	$47,621	$5,019	$13,673	$2,894	$52,940	$7,160	$2,768
2005	$13,598,419	$60,809	$56,110	$5,914	$16,110	$3,410	$62,377	$8,436	$3,261
2006	$15,712,375	$70,263	$64,832	$6,833	$18,614	$3,941	$72,074	$9,748	$3,768
2007	$17,884,465	$79,976	$73,795	$7,778	$21,188	$4,485	$82,038	$11,096	$4,289
2008	$20,116,288	$89,956	$83,004	$8,749	$23,832	$5,045	$92,275	$12,480	$4,824
2009	$22,409,486	$100,211	$92,466	$9,746	$26,549	$5,620	$102,795	$13,903	$5,374
2010	$24,765,747	$110,747	$102,188	$10,771	$29,340	$6,211	$113,603	$15,365	$5,939
2011	$27,186,805	$121,574	$112,178	$11,824	$32,208	$6,818	$124,709	$16,867	$6,519
2012	$29,674,442	$132,698	$122,443	$12,905	$35,155	$7,442	$136,120	$18,410	$7,116
2013	$32,230,489	$144,128	$132,989	$14,017	$38,183	$8,083	$147,844	$19,996	$7,729
2014	$34,856,828	$155,873	$143,826	$15,159	$41,295	$8,742	$159,892	$21,625	$8,359
2015	$37,555,391	$167,940	$154,961	$16,333	$44,492	$9,419	$172,270	$23,299	$9,006
2016	$40,328,164	$180,339	$166,402	$17,539	$47,777	$10,114	$184,989	$25,020	$9,671
2017	$43,177,188	$193,080	$178,158	$18,778	$51,152	$10,829	$198,058	$26,787	$10,354
2018	$46,104,561	$206,170	$190,237	$20,051	$54,620	$11,563	$211,486	$28,603	$11,056
2019	$49,112,436	$219,621	$202,648	$21,359	$58,184	$12,317	$225,284	$30,469	$11,777
2020	$52,203,028	$233,442	$215,400	$22,703	$61,845	$13,093	$239,461	$32,387	$12,518
2021	$55,378,612	$247,642	$228,503	$24,084	$65,607	$13,889	$254,027	$34,357	$13,280
2022	$58,641,523	$262,233	$241,967	$25,503	$69,473	$14,707	$268,995	$36,381	$14,062
2023	$61,994,165	$277,226	$255,800	$26,961	$73,444	$15,548	$284,373	$38,461	$14,866
2024	$65,439,005	$292,630	$270,014	$28,459	$77,526	$16,412	$300,175	$40,598	$15,692
2025	$68,978,578	$308,458	$284,619	$29,999	$81,719	$17,300	$316,412	$42,794	$16,541
2026	$72,615,488	$324,722	$299,626	$31,580	$86,028	$18,212	$333,095	$45,051	$17,413
2027	$76,352,414	$341,433	$315,045	$33,206	$90,455	$19,149	$350,236	$47,369	$18,309
	Totals	$4,415,436	$4,074,192	$429,418	$1,169,768	$247,639	$4,529,283	$612,580	$236,777

It must be noted that the revenues foregone assume all of the values would occur even without urban renewal investments. This does not appear to be a realistic assumption. Revenues foregone could be reduced if one assumed that some values do not materialize without urban renewal. The totals foregone also may be misleading in another way The reader should understand that these revenues are foregone annually, over an extended period of time, not all at once. The total does not take into account the fact that dollars twenty years form now are not as valuable as today's dollars. A present value calculation of the revenues foregone, using just a 3.5 % rate would reduce the revenue foregone total by almost 40%. Also, during the plan period, overall values in Madras will increase, and those value increases will diminish the tax foregone impact on the budgets of taxing bodies.

500E. FINANCIAL FEASIBILITY OF PLAN

Table 2 in Section 500 of the Report to the Plan shows the estimated costs of project activities at $14.0 million. The principal source of revenue to carry out project activities will be annual tax increment revenues of the Renewal Agency. Anticipated tax increment revenues are shown in Table 3. The tax increment revenues shown in Table 3 are based on the following assumptions:

1. Approximately $8.8 million in new values will be available to the Agency at the beginning of the project, from projects under way or completed after Jan 1, 2001.
2. Other new additions to real market values are held at $1,000,000 annually through the entire plan period.
3. Overall assessed values in the renewal area are indexed upward 2.75% annually.

The revenues shown in Table 3 are expected to be sufficient to carry out all project activities currently shown on the Urban Renewal Plan, and to retire project indebtedness within a 25 year period. It is financially feasible to carry out the Urban Renewal Plan for the Madras Urban Renewal Area.

600. RELOCATION

A. PROPERTIES REQUIRING RELOCATION

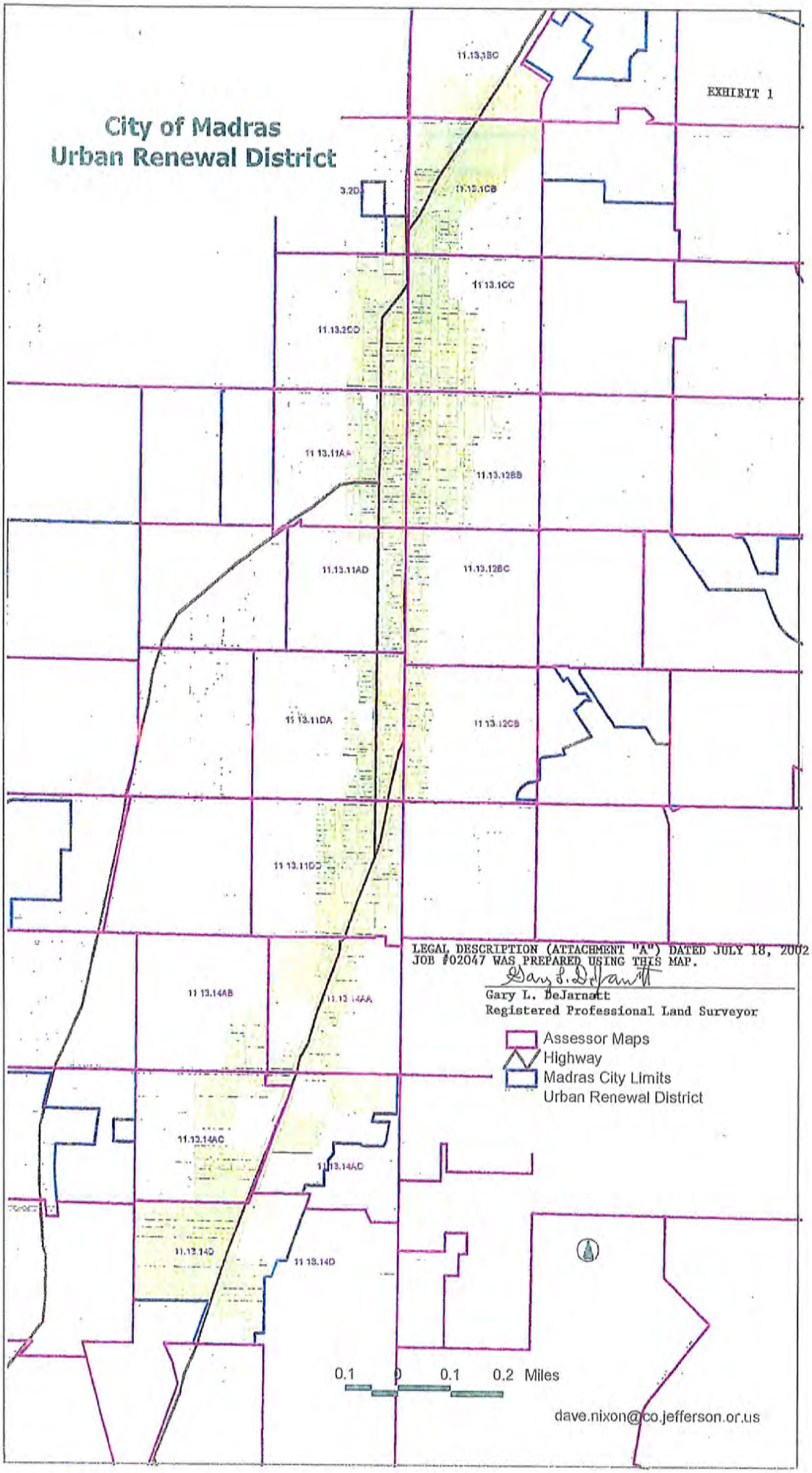
No relocation is anticipated at the adoption of this plan.

B. RELOCATION METHODS

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

C. HOUSING COST ENUMERATION

The Renewal Plan will remove no existing housing units. Project activities may include rehabilitation and redevelopment assistance for development of housing in the urban renewal area. It is expected that rental and price ranges of new housing developed in the urban renewal area will be consistent with the current income levels of the renewal area population. New housing therefore is expected to be priced for moderate income households. No estimate of number of new units is possible at this time.



LEGAL DESCRIPTION (ATTACHMENT "A") DATED JULY 18, 2002
JOB #02047 WAS PREPARED USING THIS MAP.

Gary L. DeJarnatt
Registered Professional Land Surveyor