

MEMORANDUM

TO: Mayor and City Council

FROM: Eric Mongan, City Planner

SUBJECT: WORK SESSION TO DISCUSS THE FEASIBILITY OF AN URBAN RENEWAL DISTRICT AND HOW TAX INCREMENT FINANCING WORKS

DATE: April 17, 2024

Background:

In December of 2023, the City contracted with Elaine Howard of Elaine Howard Consulting, LLC, to complete an Urban Renewal District feasibility analysis for two potential areas within the city's core. Ms. Howard has completed her analysis and it is now appropriate for a work session to be held to present the findings of the study and to discuss how Urban Renewal works.

The City of Cottage Grove has used Urban Renewal in the past with the most recent being in the Row River Road area near Walmart and the Village Green. This District was closed out in 2003 upon completion of the proposed projects. The City maintains its Urban Renewal Agency through annual reporting to the State Department of Revenue. The Urban Renewal Agency is comprised of the Council acting as the Board and the City Manager serving as the Agency Administrator.

Recommendation:

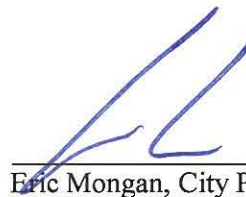
That the Work Session be held.

Cost:

Staff time and \$17,935.00 for consulting services from Elaine Howard Consulting, LLC.



Mike Sauerwein, City Manager



Eric Mongan, City Planner



MEMO

TO: Eric Mongan, City of Cottage Grove

FROM: Elaine Howard, Elaine Howard Consulting, LLC

CC: Tiberius Solutions LLC

RE: Cottage Grove Urban Renewal Feasibility Study

DATE: April 12, 2024

This urban renewal feasibility study was conducted by Elaine Howard Consulting, LLC and Tiberius Solutions LLC. We have worked together on over one hundred urban renewal projects over the last eighteen years including feasibility studies, new urban renewal plans, strategic planning and updating existing urban renewal plans. Tiberius' full summary memorandum is shown in Attachment A1. Attachment A3 contains a brief summary of how urban renewal works in Oregon, prepared by Tiberius Solutions.

1.0 Background

The City of Cottage Grove contacted us to prepare a feasibility study for a potential urban renewal area in Cottage Grove.

Urban renewal, using tax increment financing, is commonly used in Oregon as a financing tool to help pay for projects specified in a city's master plans, housing strategies and transportation systems plan. Downtown urban renewal areas are prevalent and successful in Oregon. They help facilitate the rehabilitation of older buildings, provide street and streetscape improvements, signage, wayfinding, provide utility improvements and incentives for new development to occur. This financing tool can be beneficial in improving the economic health and vitality of a downtown and adjacent commercial areas.

This feasibility study looked at the amount of tax increment revenues that could be available in two boundary areas over two specified time frames, 25 and 30 years. The conclusion of the feasibility study is that tax increment revenues can be generated to fund between \$8.2 and 11.6 million (\$2024\$) of projects within Boundary 1 over 25 years and \$11.2 and \$16.6 million (\$2024) of projects within Boundary 1 over 30 years.

Tax increment revenues can be generated to fund between \$14.2 and \$20 million (\$2024\$) of projects within Boundary 2 over 25 years \$19.3 and \$28.6 million (\$2024) of projects within Boundary 2 over 30 years. This amount of funding can significantly assist the City in undertaking projects within the two boundary areas.

2.0 Boundary

The Feasibility Study included two boundary options. The first boundary is shown in Exhibit 2. It includes the downtown and areas zoned for commercial development. The total assessed value of the area using the tax rolls certified in October of 2023 is \$61,439,167. It encompasses 143 acres.

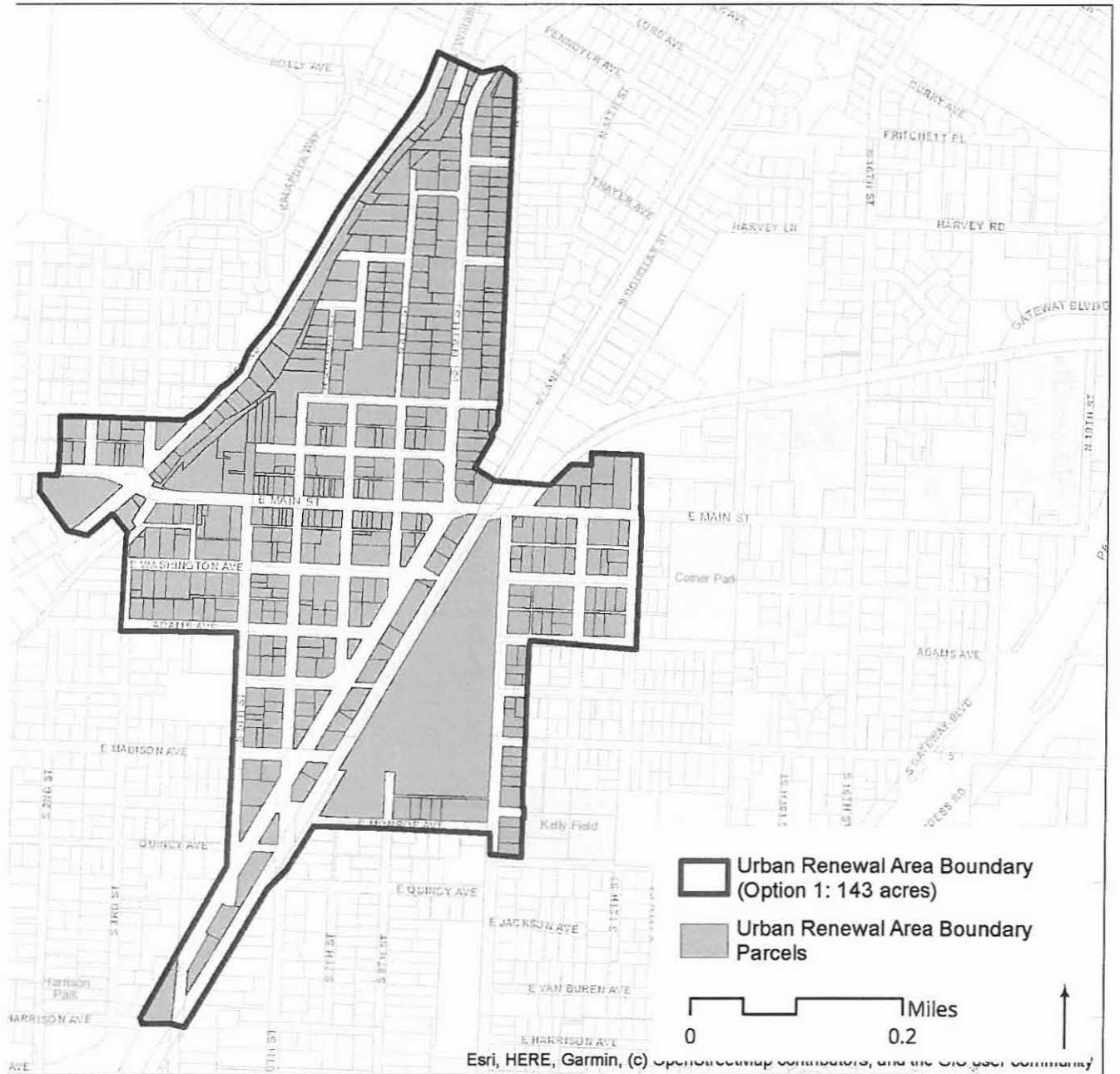
The second boundary is shown in Exhibit 3. It includes the properties in the first boundary plus additional commercial properties along Main Street to the east and north bordered by Pacific Highway. The total assessed value of the area using the tax rolls certified in October of 2023 is \$105,292,827. It encompasses 190 acres.

There is a 25% statutory limitation on the size (acreage) of the boundary compared to the city and on the assessed value compared to the city. The boundary does not exceed the statutory limitations as shown in Exhibit 1.

Exhibit 1. Acreage and Assessed Value Limitations

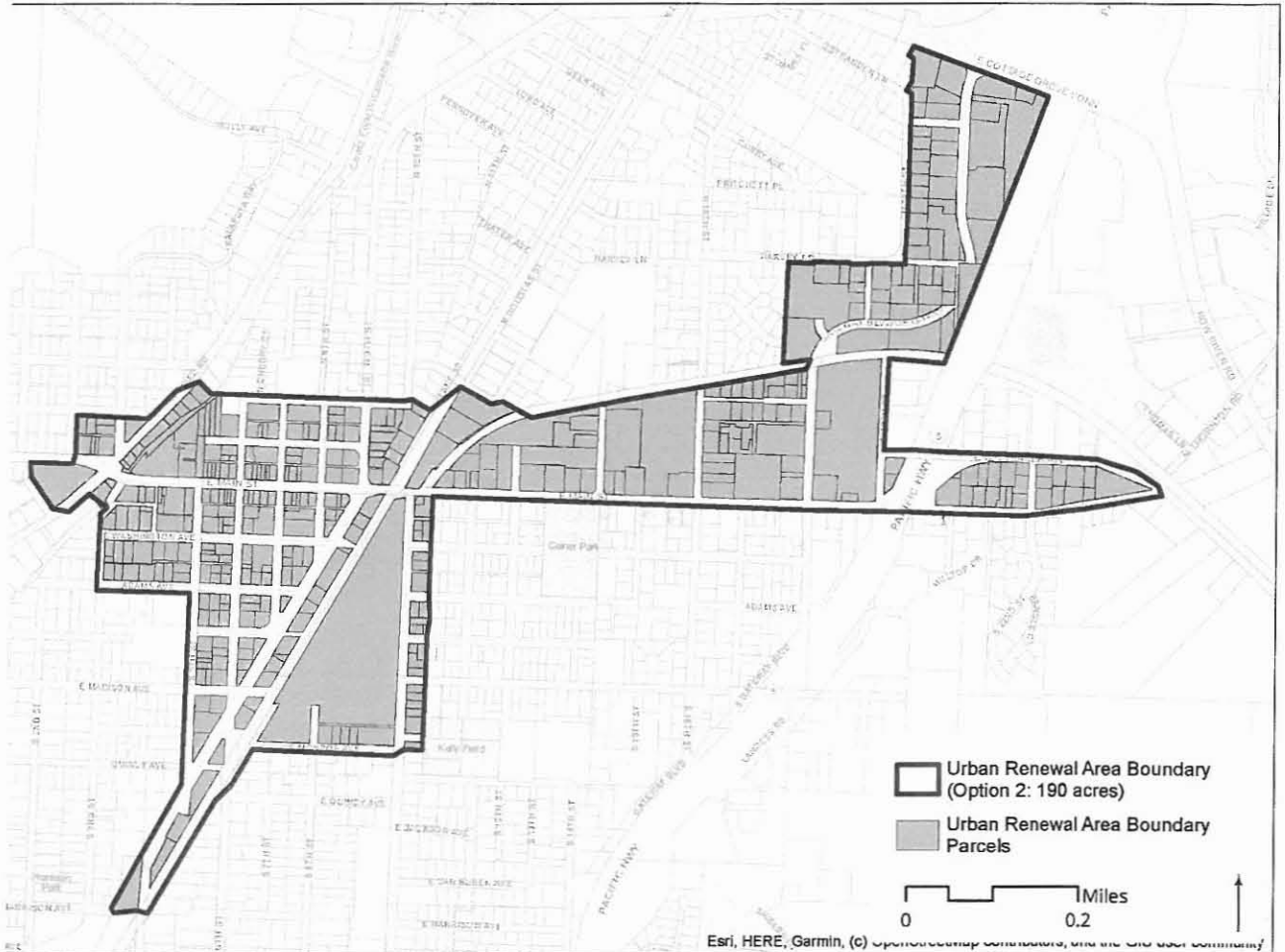
Statutory Limitations	Boundary 1	Boundary 2
Assessed Value		
A. AV of URA inside City limits (FYE 2024)	\$ 61,439,167	\$ 105,292,827
B. Total AV in City	\$ 826,788,098	\$ 826,788,098
Limit Check (A)/(B)	7.4%	12.7%
Acreage		
A. Acreage of URA	143	190
B. Acreage of City	2,412.80	2,412.80
Limit Check (A)/(B)	5.9%	7.9%

Exhibit 2. Feasibility Study Area Boundary 1



Source: Tiberius Solutions

Exhibit 3. Feasibility Study Area Boundary 2



Source: Tiberius Solutions

3.0 Financial Capacity

Tiberius Solutions LLC has completed the initial financial analysis on two boundary scenarios for the potential Cottage Grove Urban Renewal Area, shown in Attachment A. A summary of that information is shown in Exhibit 4 and Exhibit 5. Tiberius completed analysis for two different growth rates, a 3.5% assessed value appreciation index (low growth), and a second more aggressive scenario of 3.5% for the initial five years and then a 5% assessed value appreciation index for the remainder of the life of the URA, assuming that the values will grow at that rate throughout the 25 - 30 years of an urban renewal plan (medium growth). The average assessed value growth in the City over the last ten years is 3.9%.

Some terminology definitions which will help in understating the table follows:

- Annual RMV Increase Required is the amount of new annual real market value necessary to achieve this AV growth.
- Total net TIF is the cumulative amount of TIF revenue that would be received by the Area over its duration.
- Maximum indebtedness (the total amount of money that may be spent on programs, projects and administration) is the total principal amount of indebtedness that could be incurred by the Area. Maximum indebtedness is stated in nominal (i.e., “year of expenditure”) dollars. Maximum indebtedness is the limiting factor in urban renewal plans.
- The capacity in 2024 dollars shows the maximum indebtedness figure adjusted for inflation and presented in “real” dollars. This is the most useful measure of financial capacity. This is what you can use for deciding what projects you could accomplish in the URA, knowing what those projects might cost in 2024 dollars.
- The capacity in 2024 dollars is also shown in five-year periods to provide a sense of when funding would become available over time.
- These projections are for an estimated 25 - 30-year time period. A time period is not a requirement in an urban renewal plan, but it is projected for the purposes of calculating the maximum indebtedness, which is a requirement of ORS 457.

Exhibit 4. Financial Capacity - Boundary 1

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
Annual RMV Increase Required (2024 \$)	\$ 600,000	\$ 2,500,000	\$ 600,000	\$ 2,700,000
Net TIF	\$ 15,000,000	\$ 21,400,000	\$ 22,700,000	\$ 34,400,000
Maximum Indebtedness	\$ 12,900,000	\$ 18,900,000	\$ 19,600,000	\$ 29,800,000
Capacity (2024\$)	\$ 8,200,000	\$ 11,600,000	\$ 11,200,000	\$ 16,600,000
Years 1-5	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
Years 6-10	\$ 1,900,000	\$ 2,400,000	\$ 1,900,000	\$ 2,600,000
Years 11-15	\$ 1,900,000	\$ 2,600,000	\$ 2,000,000	\$ 3,000,000
Years 16-20	\$ 1,200,000	\$ 2,100,000	\$ 2,000,000	\$ 3,100,000
Years 21-25	\$ 1,900,000	\$ 3,200,000	\$ 1,600,000	\$ 2,600,000
Years 26-30	\$ -	\$ -	\$ 2,400,000	\$ 4,100,000

Source: Tiberius Solutions

Not all of this funding is available at the start of an urban renewal area; it is available over time as the tax base grows. Some Agencies will jump start their urban renewal area by taking a loan from the city’s general fund or other source to allow for early expenditures which can be repaid once sufficient tax revenue is received. If the city determines to move ahead with the creation of an urban renewal area, these details will be part of the official Plan and Report that are required for creation of the urban renewal area.

Exhibit 5. Financial Capacity - Boundary 2

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
Annual RMV Increase Required (2024 \$)	\$ 1,100,000	\$ 4,300,000	\$ 1,100,000	\$ 4,600,000
Net TIF	\$ 25,800,000	\$ 36,700,000	\$ 39,000,000	\$ 58,900,000
Maximum Indebtedness	\$ 22,500,000	\$ 32,500,000	\$ 33,600,000	\$ 51,300,000
Capacity (2024\$)	\$ 14,200,000	\$ 20,000,000	\$ 19,300,000	\$ 28,600,000
Years 1-5	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Years 6-10	\$ 3,100,000	\$ 4,000,000	\$ 3,200,000	\$ 4,100,000
Years 11-15	\$ 3,100,000	\$ 4,700,000	\$ 3,500,000	\$ 5,300,000
Years 16-20	\$ 2,400,000	\$ 3,700,000	\$ 3,400,000	\$ 5,500,000
Years 21-25	\$ 3,700,000	\$ 5,700,000	\$ 2,900,000	\$ 4,700,000
Years 26-30	\$ -	\$ -	\$ 4,300,000	\$ 7,200,000

Source: Tiberius Solutions

These tax revenues are generated from the existing property tax rates of other taxing districts that overlap an urban renewal area. An urban renewal area would impact these affected taxing districts by redirecting a portion of these property tax revenues to the Area. The impact to other taxing districts is measured in terms of “foregone revenue”.

Exhibit 6 and **Exhibit 7** summarize the amount of foregone revenue that would be caused by the proposed Area under the medium growth scenario as this would be the highest impacts. These impacts are based on the Net TIF that would be received from the assessor over the lifetime of the urban renewal area. The foregone revenue for the South Lane School District and the Lane Education Service District does not have a direct impact on school funding, as funding is equalized at the State level. The impact of urban renewal is on the State School fund.

The amount of foregone revenues is equal to the amount of tax increment revenue needed to pay debt service on the maximum indebtedness. To the extent that urban renewal investment is successful in stimulating new taxable development, not all of the foregone revenues should truly be categorized as impacts to taxing districts. Successful urban renewal areas cause new development to occur, above and beyond the level that would have occurred without urban renewal. In these situations, the property taxes would not have existed but for the urban renewal area’s targeted investments, so even though these tax revenues show up as tax increment revenue, and as foregone revenues, they may not be negative impacts to taxing districts. The analysis was **not** conducted at the detailed level required to estimate the portion of tax increment revenue in the proposed Area that would likely be generated by new development dependent upon urban renewal investment.

Exhibit 6. Taxing District Impacts - Boundary 1

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
General Government				
City of Cottage Grove	\$ 7,100,000	\$ 10,200,000	\$ 10,800,000	\$ 16,300,000
Lane County	\$ 1,300,000	\$ 1,800,000	\$ 1,900,000	\$ 2,900,000
South Lane County Fire & Rescue	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 2,300,000
Upper Willamette Soil & Water	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000
<i>Subtotal</i>	<i>\$ 9,500,000</i>	<i>\$ 13,500,000</i>	<i>\$ 14,400,000</i>	<i>\$ 21,700,000</i>
Education				
South Lane School District	\$ 4,700,000	\$ 6,700,000	\$ 7,100,000	\$ 10,800,000
Lane Community College	\$ 600,000	\$ 900,000	\$ 900,000	\$ 1,400,000
Lane ESD	\$ 200,000	\$ 300,000	\$ 300,000	\$ 500,000
<i>Subtotal</i>	<i>\$ 5,500,000</i>	<i>\$ 7,900,000</i>	<i>\$ 8,400,000</i>	<i>\$ 12,700,000</i>
Total	\$ 15,000,000	\$ 21,400,000	\$ 22,700,000	\$ 34,400,000

Source: Tiberius Solutions LLC

Exhibit 7. Taxing District Impacts - Boundary 2

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
General Government				
City of Cottage Grove	\$ 12,200,000	\$ 17,400,000	\$ 18,500,000	\$ 28,000,000
Lane County	\$ 2,200,000	\$ 3,100,000	\$ 3,300,000	\$ 5,000,000
South Lane County Fire & Rescue	\$ 1,800,000	\$ 2,500,000	\$ 2,700,000	\$ 4,000,000
Upper Willamette Soil & Water	\$ 100,000	\$ 200,000	\$ 200,000	\$ 300,000
<i>Subtotal</i>	<i>\$ 16,300,000</i>	<i>\$ 23,200,000</i>	<i>\$ 24,600,000</i>	<i>\$ 37,200,000</i>
Education				
South Lane School District	\$ 8,100,000	\$ 11,500,000	\$ 12,200,000	\$ 18,400,000
Lane Community College	\$ 1,000,000	\$ 1,500,000	\$ 1,600,000	\$ 2,400,000
Lane ESD	\$ 400,000	\$ 500,000	\$ 600,000	\$ 900,000
<i>Subtotal</i>	<i>\$ 9,500,000</i>	<i>\$ 13,500,000</i>	<i>\$ 14,400,000</i>	<i>\$ 21,700,000</i>
Total	\$ 25,800,000	\$ 36,700,000	\$ 39,000,000	\$ 58,900,000

Source: Tiberius Solutions LLC

4.0 Next Steps

The next steps are:

- Presentation of the Feasibility Study to the Cottage Grove City Council.
- City Council determination on whether they would like to proceed with establishing an urban renewal agency and the development of an urban renewal plan and report.
- Decision on if the City Council needs a consultant's assistance with the next steps.
- Establish Cottage Grove Urban Renewal Agency.
- Prepare Cottage Grove Urban Renewal Plan and Report.
- Provide information to the community and taxing district partners on the process.
- Prepare a draft urban renewal plan and report to be reviewed with the urban renewal agency.
- Formal consult and confer with taxing districts, providing them a copy of the draft plan and report and providing 45 days for formal input.
- Planning Commission review of conformance of the urban renewal plan to the comprehensive plan.
- Presentation to Lane County.
- City Council hearing that is noticed city wide and consideration of a non-emergency ordinance.
- The time frame is to get the plan adopted prior to October 1, 2024 to enable the frozen base to be set using values as of January 1, 2023. The first year of tax increment revenues would be FY 2025/2026.
- If that time frame is not achievable, then the next deadline is before January 1, 2025. This enables the Agency to get their first year of tax increment collections in FY 2025/2026. If a Plan is adopted on or after January 1, then the first year of tax increment collections is 2026/2027.



TIBERIUS SOLUTIONS

DATE: March 21, 2023 **Attachment A**
 TO: Elaine Howard, Elaine Howard Consulting, LLC
 FROM: Nick Popenuk and Ali Danko
 SUBJECT: COTTAGE GROVE URBAN RENEWAL AREA, FINANCIAL FEASIBILITY ANALYSIS

For the City of Cottage Grove, Tiberius Solutions, in collaboration with Elaine Howard Consulting, conducted a feasibility study for a proposed Urban Renewal Area (URA). This memorandum summarizes the results of the financial analysis. This memorandum includes three attachments:

- Attachment A1: Maps of the proposed URA boundaries
- Attachment A2: Detailed TIF forecasts for eight scenarios
- Attachment A3: “How Tax Increment Financing Works” technical appendix

Boundaries

City staff provided Tiberius Solutions with two potential URA boundary options to evaluate, described below and shown in Attachment A1.

- Boundary 1: 143 acres, assessed value of \$61.4 million (2024 \$)
- Boundary 2: 190 acres, assessed value of \$105.3 million (2024 \$)

Consolidated Tax Rate

All new urban renewal plans are “permanent rate” plans, as defined by Oregon Revised Statutes (ORS) 457.010. The consolidated tax rate is equal to the sum of all permanent tax levy rates. Local option levies and general obligation bond levies are not impacted by new urban renewal plans. Both URA boundary options would be located in Tax Code Area (TCA) 4500 of Lane County. Exhibit 1 shows the consolidated tax rate for TCA 4500 in fiscal year ending (FYE) 2024.

Exhibit 1. Consolidated Tax Rate, TCA 4500, FYE 2024

Taxing District	Rate
General Government	
City of Cottage Grove	\$ 7.2087
Lane County	\$ 1.2793
South Lane County Fire & Rescue	\$ 1.0335
Upper Willamette Soil & Water	\$ 0.0700
<i>Subtotal</i>	<i>\$ 9.5915</i>
South Lane School District	\$ 4.7532
Lane Community College	\$ 0.6191
Lane ESD	\$ 0.2232
<i>Subtotal</i>	<i>\$ 5.5955</i>
Total	\$ 15.1870

Source: Linn County Assessment & Taxation, SAL Table 4a and 6a, FYE 2024

Future Growth in Assessed Value

The forecast of assessed value within the Area includes increases from appreciation of existing property value (limited by the Oregon Constitution to a maximum of 3% annually), and from new construction (not subject to the 3% limit).

To determine the appropriate assumption for growth in assessed value in the URA boundaries, Tiberius Solutions reviewed historical assessed value growth for the City of Cottage Grove, from fiscal year ending (FYE) 2015 through FYE 2024. This assessed value is shown in Exhibit 2. Since FYE 2015, the City has experienced annual growth in assessed value between 3.1% and 4.3%, with a compound annual growth rate (CAGR) of 3.9%. More recently, since 2020, the City has experienced stronger growth in assessed value, with a CAGR of 4.3%.

Exhibit 2. Historical Assessed Value, City of Cottage Grove, FYE 2015 to FYE 2024

FYE	AV	% Growth
2015	\$ 585,890,795	
2016	\$ 605,342,912	3.3%
2017	\$ 623,835,385	3.1%
2018	\$ 645,351,175	3.4%
2019	\$ 673,134,127	4.3%
2020	\$ 698,841,593	3.8%
2021	\$ 729,186,938	4.3%
2022	\$ 760,665,589	4.3%
2023	\$ 793,623,461	4.3%
2024	\$ 826,788,098	4.2%
CAGR		
2015-2024		3.9%
2020-2024		4.3%

Source: Lane County Assessor, FYE 2024

Based upon historical citywide trends, and knowledge of the potential for future new construction within the proposed URA boundaries, City staff directed Tiberius Solutions to use the following growth assumptions of the URA:

- Low-growth scenario: 3.5% per year through FYE 2055, equivalent to annual new construction value of \$600,000 in Boundary 1, and \$1.1 million in Boundary 2 (both in 2024 dollars), assuming an equal split between multifamily residential and commercial construction.
- Medium-growth scenario: 3.5% through FYE 2029, and 5.0% through FYE 2055, equivalent to annual new construction value of \$2.7 million in Boundary 1, and \$4.6 million in Boundary 2 (both in 2024 dollars), assuming an equal split between multifamily residential and commercial construction.

Tax Increment Revenue Forecast

In addition to the spatial boundary and the assumed assessed value growth rate, the analysis also considered different durations for the proposed URA (25 and 30 years). The following eight scenarios were evaluated:

- Boundary 1, low growth, 25-year duration
- Boundary 1, medium growth, 25-year duration
- Boundary 1, low growth, 30-year duration
- Boundary 1, medium growth, 30-year duration

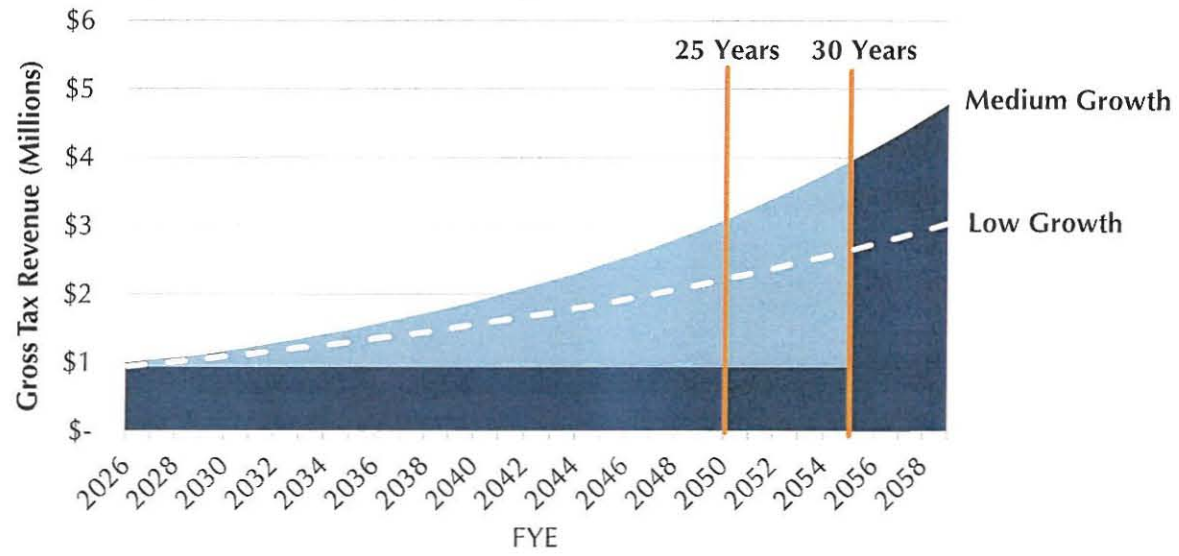
- Boundary 2, low growth, 25-year duration
- Boundary 2, medium growth, 25-year duration
- Boundary 2, low growth, 30-year duration
- Boundary 2, medium growth, 30-year duration

Attachment A2 shows the forecast of Tax Increment Financing (TIF) revenues for all scenarios.

Exhibit 3 (Boundary 1) and Exhibit 4 (Boundary 2) illustrate these forecasts of TIF revenue in charts. The analysis assumes that if the City adopts a URA, the effective date would be before October 1, 2024. Therefore, the frozen base would be calculated using the FYE 2024 tax roll, and the first year that the URA would collect TIF is FYE 2026. The exhibits show annual TIF projections through FYE 2050 and FYE 2055, which assumes a 25-year and 30-year duration for the URA, respectively. Total TIF revenue for the URA is estimated to range from \$15.0 million (Boundary 1, low growth, 25-year duration) to \$58.9 million (Boundary 2, medium growth, 30-year duration) in nominal dollars.

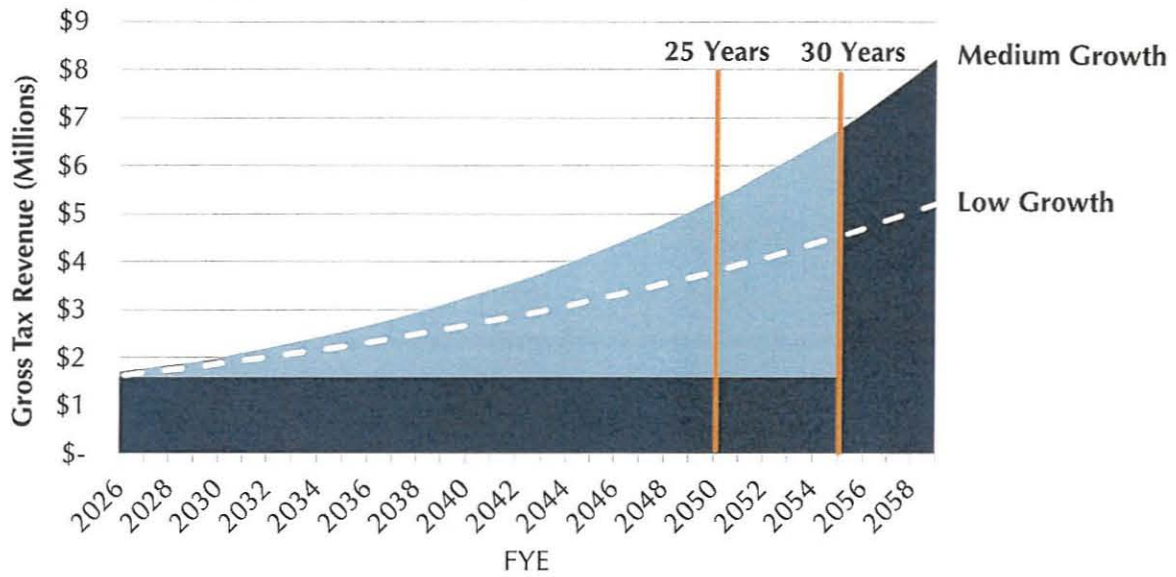
The URA would be expected to reach revenue sharing thresholds defined in statute under the medium growth, 25-year scenarios for both boundaries. This will result in slightly less revenue to the URA in FYE 2050 in these scenarios. Details of this shared revenue is shown in Attachment A2.

Exhibit 3. Net TIF Revenue Forecast, Boundary 1



Source: Tiberius Solutions

Exhibit 4. Net TIF Revenue Forecast, Boundary 2



Source: Tiberius Solutions

Financial Capacity

Net TIF revenue gives a general idea of the financial capacity of the Area each year but is insufficient to understand the total funding available for projects over the life of the Area. Most URAs will typically use financing (incurring debt through bonds, loans, or other financial instruments) to accelerate the timing of available funding at the expense of future interest payments. To estimate borrowing capacity, we created a hypothetical finance plan, showing how much funding could become available for projects over time, based on generic assumptions for debt. For this analysis, we assumed a series of loans would be incurred over the 30-year life of the Area with 10- to 20-year amortization periods, a 5% interest rate, and a 1.5 minimum debt service coverage ratio.

Exhibit 5 and Exhibit 6 summarize the financial capacity for Boundary 1 and Boundary 2, respectively. Total net TIF is the cumulative amount of TIF revenue that would be received by the URA over its duration. Maximum indebtedness (a term defined in Oregon Statutes related to TIF) is the total principal amount of indebtedness that could be incurred by the URA. Maximum indebtedness is stated in nominal (i.e., “year of expenditure”) dollars. The capacity in 2024 dollars shows the maximum indebtedness figure adjusted for inflation and presented in “real” dollars. This is the most useful measure of financial capacity. The capacity in 2024 dollars is also shown in five-year periods to provide a sense of when funding would become available over time.

Exhibit 5. Financial Capacity, Boundary 1

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
Annual RMV Increase Required (2024 \$)	\$ 600,000	\$ 2,500,000	\$ 600,000	\$ 2,700,000
Net TIF	\$ 15,000,000	\$ 21,400,000	\$ 22,700,000	\$ 34,400,000
Maximum Indebtedness	\$ 12,900,000	\$ 18,900,000	\$ 19,600,000	\$ 29,800,000
Capacity (2024\$)	\$ 8,200,000	\$ 11,600,000	\$ 11,200,000	\$ 16,600,000
Years 1-5	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
Years 6-10	\$ 1,900,000	\$ 2,400,000	\$ 1,900,000	\$ 2,600,000
Years 11-15	\$ 1,900,000	\$ 2,600,000	\$ 2,000,000	\$ 3,000,000
Years 16-20	\$ 1,200,000	\$ 2,100,000	\$ 2,000,000	\$ 3,100,000
Years 21-25	\$ 1,900,000	\$ 3,200,000	\$ 1,600,000	\$ 2,600,000
Years 26-30	\$ -	\$ -	\$ 2,400,000	\$ 4,100,000

Source: Tiberius Solutions

Exhibit 6. Financial Capacity, Boundary 2

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
Annual RMV Increase Required (2024 \$)	\$ 1,100,000	\$ 4,300,000	\$ 1,100,000	\$ 4,600,000
Net TIF	\$ 25,800,000	\$ 36,700,000	\$ 39,000,000	\$ 58,900,000
Maximum Indebtedness	\$ 22,500,000	\$ 32,500,000	\$ 33,600,000	\$ 51,300,000
Capacity (2024\$)	\$ 14,200,000	\$ 20,000,000	\$ 19,300,000	\$ 28,600,000
Years 1-5	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Years 6-10	\$ 3,100,000	\$ 4,000,000	\$ 3,200,000	\$ 4,100,000
Years 11-15	\$ 3,100,000	\$ 4,700,000	\$ 3,500,000	\$ 5,300,000
Years 16-20	\$ 2,400,000	\$ 3,700,000	\$ 3,400,000	\$ 5,500,000
Years 21-25	\$ 3,700,000	\$ 5,700,000	\$ 2,900,000	\$ 4,700,000
Years 26-30	\$ -	\$ -	\$ 4,300,000	\$ 7,200,000

Source: Tiberius Solutions

For Boundary 1, findings from the analysis include:

- If the URA experiences low growth in assessed value, it is forecast to generate \$15.0 million to \$22.7 million of cumulative net TIF revenue (depending on duration) which could support a maximum indebtedness of \$12.9 million to \$19.6 million, equivalent to \$8.2 million to \$11.2 million of capacity for projects when adjusted for inflation and presented in constant 2024 dollars.
- If the URA experiences medium growth in assessed value, it is forecast to generate \$21.4 million to \$34.4 million of cumulative net TIF revenue (depending on duration) which could support a maximum indebtedness of \$18.9 million to \$29.8 million, equivalent to \$11.6 million to \$16.6 million of capacity for projects when adjusted for inflation and presented in constant 2024 dollars.

For Boundary 2, findings of the analysis include:

- If the URA experiences low growth in assessed value, it is forecast to generate \$25.8 million to \$39.0 million of cumulative net TIF revenue (depending on duration) which could support a maximum indebtedness of \$22.5 million to \$33.6 million, equivalent to \$14.2 million to \$19.3 million of capacity for projects when adjusted for inflation and presented in constant 2024 dollars.
- If the URA experiences medium growth in assessed value, it is forecast to generate \$36.7 million to \$58.9 million of cumulative net TIF revenue (depending on duration) which could support a maximum indebtedness of \$32.5 million to \$19.3 million, equivalent to \$20.0 million to \$28.6 million of capacity for projects when adjusted for inflation and presented in constant 2024 dollars.

Impact to Taxing Districts

Exhibit 7 and Exhibit 8 show the cumulative impact of the URA on overlapping taxing districts for Boundary 1 and Boundary 2, respectively. The City of Cottage Grove would experience almost half of the total impact on all taxing districts. The south Lane School District and the Lane Education Service District (ESD) are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under Oregon's current system of school funding, local property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone due to the use of tax increment financing are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level.

Exhibit 7. Impact to Taxing Districts, Boundary 1

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
General Government				
City of Cottage Grove	\$ 7,100,000	\$ 10,200,000	\$ 10,800,000	\$ 16,300,000
Lane County	\$ 1,300,000	\$ 1,800,000	\$ 1,900,000	\$ 2,900,000
South Lane County Fire & Rescue	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 2,300,000
Upper Willamette Soil & Water	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000
<i>Subtotal</i>	\$ 9,500,000	\$ 13,500,000	\$ 14,400,000	\$ 21,700,000
Education				
South Lane School District	\$ 4,700,000	\$ 6,700,000	\$ 7,100,000	\$ 10,800,000
Lane Community College	\$ 600,000	\$ 900,000	\$ 900,000	\$ 1,400,000
Lane ESD	\$ 200,000	\$ 300,000	\$ 300,000	\$ 500,000
<i>Subtotal</i>	\$ 5,500,000	\$ 7,900,000	\$ 8,400,000	\$ 12,700,000
Total	\$ 15,000,000	\$ 21,400,000	\$ 22,700,000	\$ 34,400,000

Source: Tiberius Solutions

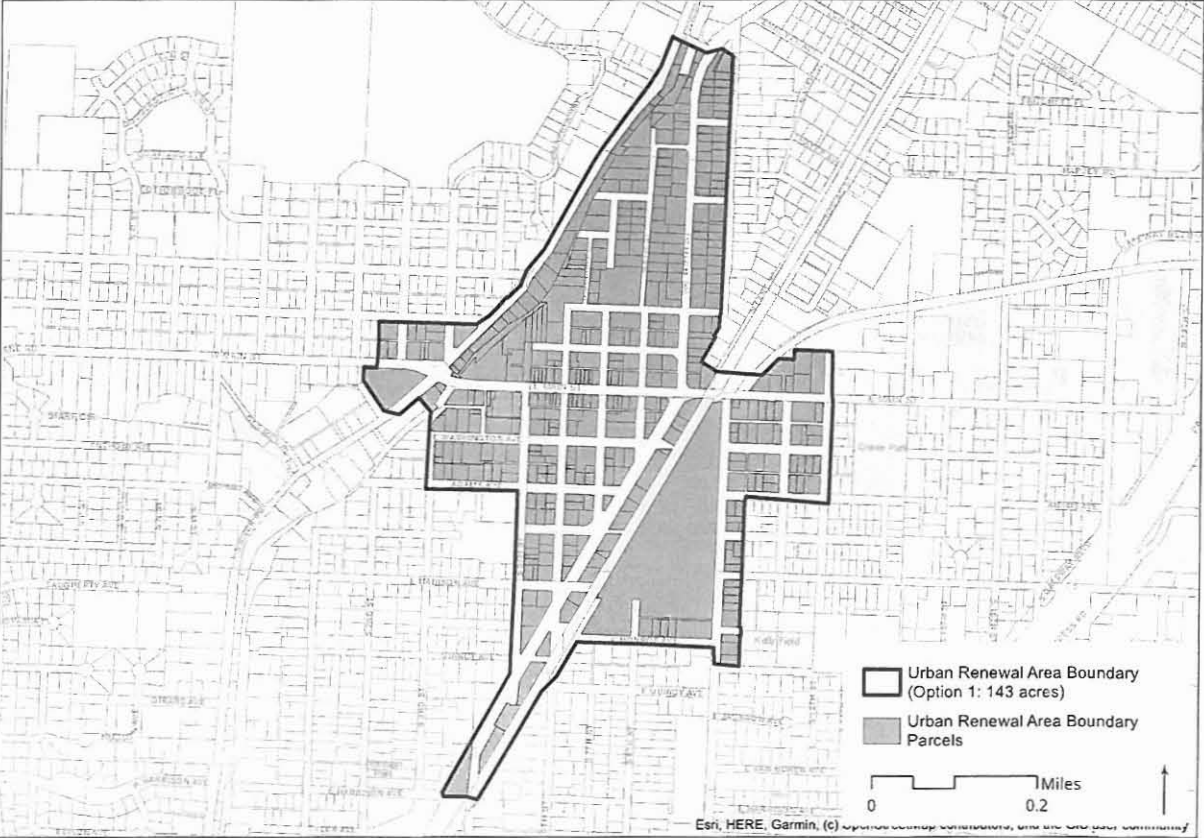
Exhibit 8. Impact to Taxing Districts, Boundary 2

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
General Government				
City of Cottage Grove	\$ 12,200,000	\$ 17,400,000	\$ 18,500,000	\$ 28,000,000
Lane County	\$ 2,200,000	\$ 3,100,000	\$ 3,300,000	\$ 5,000,000
South Lane County Fire & Rescue	\$ 1,800,000	\$ 2,500,000	\$ 2,700,000	\$ 4,000,000
Upper Willamette Soil & Water	\$ 100,000	\$ 200,000	\$ 200,000	\$ 300,000
<i>Subtotal</i>	\$ 16,300,000	\$ 23,200,000	\$ 24,600,000	\$ 37,200,000
Education				
South Lane School District	\$ 8,100,000	\$ 11,500,000	\$ 12,200,000	\$ 18,400,000
Lane Community College	\$ 1,000,000	\$ 1,500,000	\$ 1,600,000	\$ 2,400,000
Lane ESD	\$ 400,000	\$ 500,000	\$ 600,000	\$ 900,000
<i>Subtotal</i>	\$ 9,500,000	\$ 13,500,000	\$ 14,400,000	\$ 21,700,000
Total	\$ 25,800,000	\$ 36,700,000	\$ 39,000,000	\$ 58,900,000

Source: Tiberius Solutions

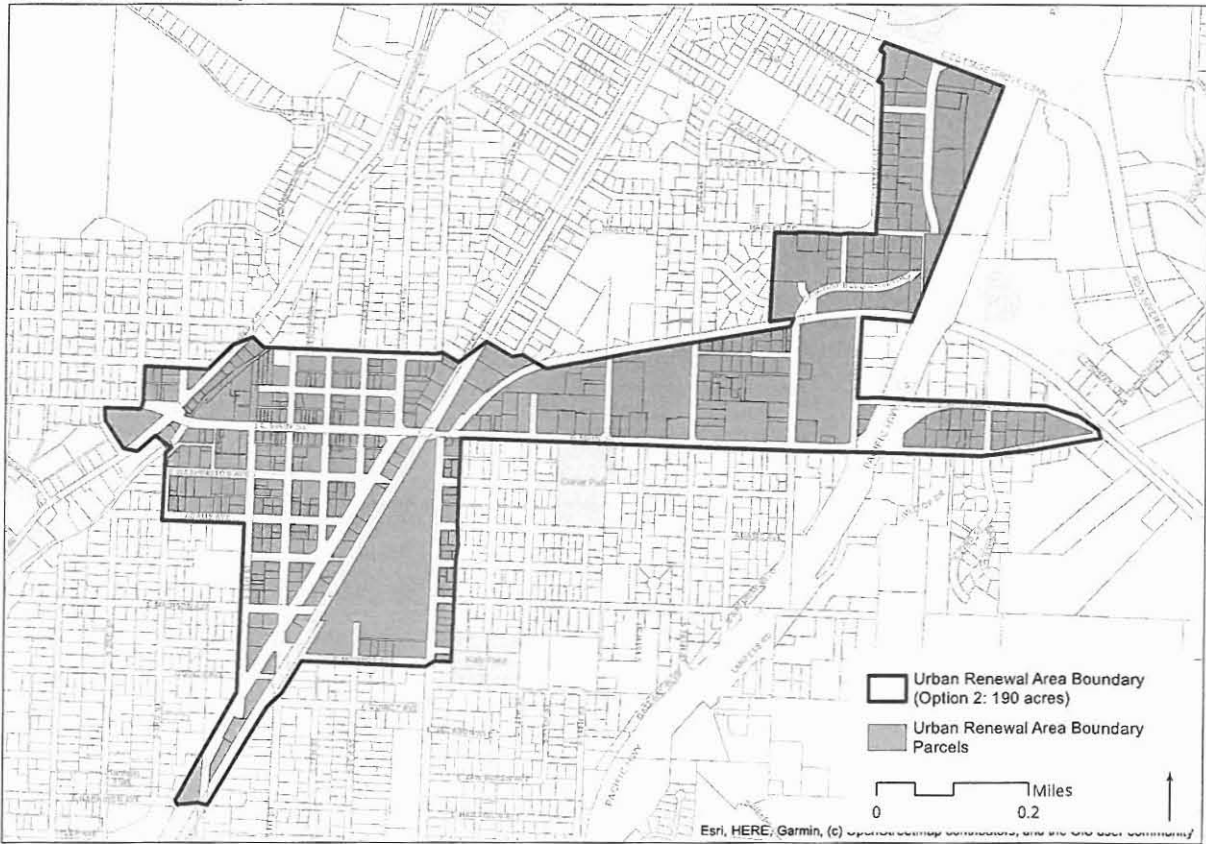
Attachment A1: Proposed URA Boundary Options

Exhibit 9. Boundary 1



Source: Tiberius Solutions

Exhibit 10. Boundary 2



Source: Tiberius Solutions

Attachment A2: TIF Forecasts

Exhibit 11. Boundary 1, Low Growth, 25-Year Duration

FYE	Total	Assessed Value			Tax Rate	TIF Revenue			
		Frozen Base	Increment			Gross	Shared	Adjustments	Net TIF
2024	\$ 61,439,167	\$ 61,439,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ 63,589,537	\$ 61,439,167	\$ 2,150,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ 65,815,171	\$ 61,439,167	\$ 4,376,004	\$ 15.1870	\$ 66,458	\$ -	\$ (3,323)	\$ 63,135	
2027	\$ 68,118,702	\$ 61,439,167	\$ 6,679,535	\$ 15.1870	\$ 101,442	\$ -	\$ (4,125)	\$ 97,317	
2028	\$ 70,502,857	\$ 61,439,167	\$ 9,063,690	\$ 15.1870	\$ 137,650	\$ -	\$ (5,437)	\$ 132,213	
2029	\$ 72,970,458	\$ 61,439,167	\$ 11,531,291	\$ 15.1870	\$ 175,126	\$ -	\$ (6,795)	\$ 168,331	
2030	\$ 75,524,424	\$ 61,439,167	\$ 14,085,257	\$ 15.1870	\$ 213,913	\$ -	\$ (8,200)	\$ 205,713	
2031	\$ 78,167,780	\$ 61,439,167	\$ 16,728,613	\$ 15.1870	\$ 254,057	\$ -	\$ (9,655)	\$ 244,403	
2032	\$ 80,903,652	\$ 61,439,167	\$ 19,464,485	\$ 15.1870	\$ 295,607	\$ -	\$ (11,160)	\$ 284,447	
2033	\$ 83,735,280	\$ 61,439,167	\$ 22,296,113	\$ 15.1870	\$ 338,611	\$ -	\$ (12,718)	\$ 325,893	
2034	\$ 86,666,016	\$ 61,439,167	\$ 25,226,849	\$ 15.1870	\$ 383,120	\$ -	\$ (14,331)	\$ 368,789	
2035	\$ 89,699,327	\$ 61,439,167	\$ 28,260,160	\$ 15.1870	\$ 429,187	\$ -	\$ (16,000)	\$ 413,187	
2036	\$ 92,838,804	\$ 61,439,167	\$ 31,399,637	\$ 15.1870	\$ 476,866	\$ -	\$ (17,727)	\$ 459,139	
2037	\$ 96,088,162	\$ 61,439,167	\$ 34,648,995	\$ 15.1870	\$ 526,214	\$ -	\$ (19,515)	\$ 506,699	
2038	\$ 99,451,248	\$ 61,439,167	\$ 38,012,081	\$ 15.1870	\$ 577,289	\$ -	\$ (21,366)	\$ 555,924	
2039	\$ 102,932,041	\$ 61,439,167	\$ 41,492,874	\$ 15.1870	\$ 630,152	\$ -	\$ (23,281)	\$ 606,871	
2040	\$ 106,534,662	\$ 61,439,167	\$ 45,095,495	\$ 15.1870	\$ 684,865	\$ -	\$ (25,264)	\$ 659,602	
2041	\$ 110,263,375	\$ 61,439,167	\$ 48,824,208	\$ 15.1870	\$ 741,493	\$ -	\$ (27,315)	\$ 714,178	
2042	\$ 114,122,593	\$ 61,439,167	\$ 52,683,426	\$ 15.1870	\$ 800,103	\$ -	\$ (29,439)	\$ 770,664	
2043	\$ 118,116,884	\$ 61,439,167	\$ 56,677,717	\$ 15.1870	\$ 860,764	\$ -	\$ (31,637)	\$ 829,128	
2044	\$ 122,250,975	\$ 61,439,167	\$ 60,811,808	\$ 15.1870	\$ 923,549	\$ -	\$ (33,912)	\$ 889,637	
2045	\$ 126,529,759	\$ 61,439,167	\$ 65,090,592	\$ 15.1870	\$ 988,531	\$ -	\$ (36,266)	\$ 952,265	
2046	\$ 130,958,300	\$ 61,439,167	\$ 69,519,133	\$ 15.1870	\$ 1,055,787	\$ -	\$ (38,703)	\$ 1,017,084	
2047	\$ 135,541,840	\$ 61,439,167	\$ 74,102,673	\$ 15.1870	\$ 1,125,397	\$ -	\$ (41,225)	\$ 1,084,172	
2048	\$ 140,285,804	\$ 61,439,167	\$ 78,846,637	\$ 15.1870	\$ 1,197,444	\$ -	\$ (43,835)	\$ 1,153,609	
2049	\$ 145,195,808	\$ 61,439,167	\$ 83,756,641	\$ 15.1870	\$ 1,272,012	\$ -	\$ (46,537)	\$ 1,225,475	
2050	\$ 150,277,661	\$ 61,439,167	\$ 88,838,494	\$ 15.1870	\$ 1,349,190	\$ -	\$ (49,333)	\$ 1,299,857	
Total					\$ 15,604,831	\$ -	\$ (577,099)	\$ 15,027,732	

Source: Tiberius Solutions Notes: Adjustments include losses from delinquent taxes, discounts from early payment, compression, and truncation, plus prior year tax collections.

Exhibit 12. Boundary 1, Medium Growth, 25-Year Duration

FYE	Assessed Value				TIF Revenue			
	Total	Frozen Base	Increment	Tax Rate	Gross	Shared	Adjustments	Net TIF
2024	\$ 61,439,167	\$ 61,439,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ 63,589,537	\$ 61,439,167	\$ 2,150,370	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ 65,815,171	\$ 61,439,167	\$ 4,376,004	\$ 15.1870	\$ 66,458	\$ -	\$ (3,323)	\$ 63,135
2027	\$ 68,118,702	\$ 61,439,167	\$ 6,679,535	\$ 15.1870	\$ 101,442	\$ -	\$ (4,125)	\$ 97,317
2028	\$ 70,502,857	\$ 61,439,167	\$ 9,063,690	\$ 15.1870	\$ 137,650	\$ -	\$ (5,437)	\$ 132,213
2029	\$ 72,970,458	\$ 61,439,167	\$ 11,531,291	\$ 15.1870	\$ 175,126	\$ -	\$ (6,795)	\$ 168,331
2030	\$ 76,618,981	\$ 61,439,167	\$ 15,179,814	\$ 15.1870	\$ 230,536	\$ -	\$ (9,031)	\$ 221,505
2031	\$ 80,449,929	\$ 61,439,167	\$ 19,010,762	\$ 15.1870	\$ 288,716	\$ -	\$ (11,151)	\$ 277,566
2032	\$ 84,472,426	\$ 61,439,167	\$ 23,033,259	\$ 15.1870	\$ 349,806	\$ -	\$ (13,376)	\$ 336,430
2033	\$ 88,696,047	\$ 61,439,167	\$ 27,256,880	\$ 15.1870	\$ 413,950	\$ -	\$ (15,713)	\$ 398,237
2034	\$ 93,130,849	\$ 61,439,167	\$ 31,691,682	\$ 15.1870	\$ 481,302	\$ -	\$ (18,166)	\$ 463,135
2035	\$ 97,787,391	\$ 61,439,167	\$ 36,348,224	\$ 15.1870	\$ 552,020	\$ -	\$ (20,742)	\$ 531,278
2036	\$ 102,676,761	\$ 61,439,167	\$ 41,237,594	\$ 15.1870	\$ 626,275	\$ -	\$ (23,447)	\$ 602,828
2037	\$ 107,810,599	\$ 61,439,167	\$ 46,371,432	\$ 15.1870	\$ 704,243	\$ -	\$ (26,288)	\$ 677,955
2038	\$ 113,201,129	\$ 61,439,167	\$ 51,761,962	\$ 15.1870	\$ 786,109	\$ -	\$ (29,270)	\$ 756,839
2039	\$ 118,861,186	\$ 61,439,167	\$ 57,422,019	\$ 15.1870	\$ 872,068	\$ -	\$ (32,401)	\$ 839,667
2040	\$ 124,804,246	\$ 61,439,167	\$ 63,365,079	\$ 15.1870	\$ 962,325	\$ -	\$ (35,689)	\$ 926,636
2041	\$ 131,044,458	\$ 61,439,167	\$ 69,605,291	\$ 15.1870	\$ 1,057,096	\$ -	\$ (39,142)	\$ 1,017,954
2042	\$ 137,596,681	\$ 61,439,167	\$ 76,157,514	\$ 15.1870	\$ 1,156,604	\$ -	\$ (42,767)	\$ 1,113,838
2043	\$ 144,476,516	\$ 61,439,167	\$ 83,037,349	\$ 15.1870	\$ 1,261,088	\$ -	\$ (46,573)	\$ 1,214,515
2044	\$ 151,700,342	\$ 61,439,167	\$ 90,261,175	\$ 15.1870	\$ 1,370,796	\$ -	\$ (50,569)	\$ 1,320,227
2045	\$ 159,285,359	\$ 61,439,167	\$ 97,846,192	\$ 15.1870	\$ 1,485,990	\$ -	\$ (54,766)	\$ 1,431,224
2046	\$ 167,249,627	\$ 61,439,167	\$ 105,810,460	\$ 15.1870	\$ 1,606,943	\$ -	\$ (59,172)	\$ 1,547,772
2047	\$ 175,612,109	\$ 61,439,167	\$ 114,172,942	\$ 15.1870	\$ 1,733,944	\$ -	\$ (63,798)	\$ 1,670,146
2048	\$ 184,392,715	\$ 61,439,167	\$ 122,953,548	\$ 15.1870	\$ 1,867,296	\$ -	\$ (68,656)	\$ 1,798,639
2049	\$ 193,612,350	\$ 61,439,167	\$ 132,173,183	\$ 15.1870	\$ 2,007,314	\$ -	\$ (73,757)	\$ 1,933,557
2050	\$ 203,292,968	\$ 61,439,167	\$ 141,853,801	\$ 15.1870	\$ 2,154,334	\$ (196,377)	\$ (69,294)	\$ 1,888,663
Total					\$ 22,449,434	\$ (196,377)	\$ (823,448)	\$ 21,429,609

Source: Tiberius Solutions Notes: Adjustments include losses from delinquent taxes, discounts from early payment, compression, and truncation, plus prior year tax collections.

Exhibit 13. Boundary 1, Low Growth, 30-Year Duration

FYE	Assessed Value				TIF Revenue			
	Total	Frozen Base	Increment	Tax Rate	Gross	Shared	Adjustments	Net TIF
2024	\$ 61,439,167	\$ 61,439,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ 63,589,537	\$ 61,439,167	\$ 2,150,370	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ 65,815,171	\$ 61,439,167	\$ 4,376,004	\$ 15.1870	\$ 66,458	\$ -	\$ (3,323)	\$ 63,135
2027	\$ 68,118,702	\$ 61,439,167	\$ 6,679,535	\$ 15.1870	\$ 101,442	\$ -	\$ (4,125)	\$ 97,317
2028	\$ 70,502,857	\$ 61,439,167	\$ 9,063,690	\$ 15.1870	\$ 137,650	\$ -	\$ (5,437)	\$ 132,213
2029	\$ 72,970,458	\$ 61,439,167	\$ 11,531,291	\$ 15.1870	\$ 175,126	\$ -	\$ (6,795)	\$ 168,331
2030	\$ 75,524,424	\$ 61,439,167	\$ 14,085,257	\$ 15.1870	\$ 213,913	\$ -	\$ (8,200)	\$ 205,713
2031	\$ 78,167,780	\$ 61,439,167	\$ 16,728,613	\$ 15.1870	\$ 254,057	\$ -	\$ (9,655)	\$ 244,403
2032	\$ 80,903,652	\$ 61,439,167	\$ 19,464,485	\$ 15.1870	\$ 295,607	\$ -	\$ (11,160)	\$ 284,447
2033	\$ 83,735,280	\$ 61,439,167	\$ 22,296,113	\$ 15.1870	\$ 338,611	\$ -	\$ (12,718)	\$ 325,893
2034	\$ 86,666,016	\$ 61,439,167	\$ 25,226,849	\$ 15.1870	\$ 383,120	\$ -	\$ (14,331)	\$ 368,789
2035	\$ 89,699,327	\$ 61,439,167	\$ 28,260,160	\$ 15.1870	\$ 429,187	\$ -	\$ (16,000)	\$ 413,187
2036	\$ 92,838,804	\$ 61,439,167	\$ 31,399,637	\$ 15.1870	\$ 476,866	\$ -	\$ (17,727)	\$ 459,139
2037	\$ 96,088,162	\$ 61,439,167	\$ 34,648,995	\$ 15.1870	\$ 526,214	\$ -	\$ (19,515)	\$ 506,699
2038	\$ 99,451,248	\$ 61,439,167	\$ 38,012,081	\$ 15.1870	\$ 577,289	\$ -	\$ (21,366)	\$ 555,924
2039	\$ 102,932,041	\$ 61,439,167	\$ 41,492,874	\$ 15.1870	\$ 630,152	\$ -	\$ (23,281)	\$ 606,871
2040	\$ 106,534,662	\$ 61,439,167	\$ 45,095,495	\$ 15.1870	\$ 684,865	\$ -	\$ (25,264)	\$ 659,602
2041	\$ 110,263,375	\$ 61,439,167	\$ 48,824,208	\$ 15.1870	\$ 741,493	\$ -	\$ (27,315)	\$ 714,178
2042	\$ 114,122,593	\$ 61,439,167	\$ 52,683,426	\$ 15.1870	\$ 800,103	\$ -	\$ (29,439)	\$ 770,664
2043	\$ 118,116,884	\$ 61,439,167	\$ 56,677,717	\$ 15.1870	\$ 860,764	\$ -	\$ (31,637)	\$ 829,128
2044	\$ 122,250,975	\$ 61,439,167	\$ 60,811,808	\$ 15.1870	\$ 923,549	\$ -	\$ (33,912)	\$ 889,637
2045	\$ 126,529,759	\$ 61,439,167	\$ 65,090,592	\$ 15.1870	\$ 988,531	\$ -	\$ (36,266)	\$ 952,265
2046	\$ 130,958,300	\$ 61,439,167	\$ 69,519,133	\$ 15.1870	\$ 1,055,787	\$ -	\$ (38,703)	\$ 1,017,084
2047	\$ 135,541,840	\$ 61,439,167	\$ 74,102,673	\$ 15.1870	\$ 1,125,397	\$ -	\$ (41,225)	\$ 1,084,172
2048	\$ 140,285,804	\$ 61,439,167	\$ 78,846,637	\$ 15.1870	\$ 1,197,444	\$ -	\$ (43,835)	\$ 1,153,609
2049	\$ 145,195,808	\$ 61,439,167	\$ 83,756,641	\$ 15.1870	\$ 1,272,012	\$ -	\$ (46,537)	\$ 1,225,475
2050	\$ 150,277,661	\$ 61,439,167	\$ 88,838,494	\$ 15.1870	\$ 1,349,190	\$ -	\$ (49,333)	\$ 1,299,857
2051	\$ 155,537,379	\$ 61,439,167	\$ 94,098,212	\$ 15.1870	\$ 1,429,070	\$ -	\$ (52,228)	\$ 1,376,842
2052	\$ 160,981,188	\$ 61,439,167	\$ 99,542,021	\$ 15.1870	\$ 1,511,745	\$ -	\$ (55,223)	\$ 1,456,522
2053	\$ 166,615,530	\$ 61,439,167	\$ 105,176,363	\$ 15.1870	\$ 1,597,313	\$ -	\$ (58,323)	\$ 1,538,990
2054	\$ 172,447,074	\$ 61,439,167	\$ 111,007,907	\$ 15.1870	\$ 1,685,877	\$ -	\$ (61,532)	\$ 1,624,345
2055	\$ 178,482,722	\$ 61,439,167	\$ 117,043,555	\$ 15.1870	\$ 1,777,540	\$ -	\$ (64,853)	\$ 1,712,687
Total					\$ 23,606,376	\$ -	\$ (869,258)	\$ 22,737,118

Source: Tiberius Solutions Notes: Adjustments include losses from delinquent taxes, discounts from early payment, compression, and truncation, plus prior year tax collections.

Exhibit 14. Boundary 1, Medium Growth, 30-Year Duration

FYE	Assessed Value				TIF Revenue			
	Total	Frozen Base	Increment	Tax Rate	Gross	Shared	Adjustments	Net TIF
2024	\$ 61,439,167	\$ 61,439,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ 63,589,537	\$ 61,439,167	\$ 2,150,370	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ 65,815,171	\$ 61,439,167	\$ 4,376,004	\$ 15.1870	\$ 66,458	\$ -	\$ (3,323)	\$ 63,135
2027	\$ 68,118,702	\$ 61,439,167	\$ 6,679,535	\$ 15.1870	\$ 101,442	\$ -	\$ (4,125)	\$ 97,317
2028	\$ 70,502,857	\$ 61,439,167	\$ 9,063,690	\$ 15.1870	\$ 137,650	\$ -	\$ (5,437)	\$ 132,213
2029	\$ 72,970,458	\$ 61,439,167	\$ 11,531,291	\$ 15.1870	\$ 175,126	\$ -	\$ (6,795)	\$ 168,331
2030	\$ 76,618,981	\$ 61,439,167	\$ 15,179,814	\$ 15.1870	\$ 230,536	\$ -	\$ (9,031)	\$ 221,505
2031	\$ 80,449,929	\$ 61,439,167	\$ 19,010,762	\$ 15.1870	\$ 288,716	\$ -	\$ (11,151)	\$ 277,566
2032	\$ 84,472,426	\$ 61,439,167	\$ 23,033,259	\$ 15.1870	\$ 349,806	\$ -	\$ (13,376)	\$ 336,430
2033	\$ 88,696,047	\$ 61,439,167	\$ 27,256,880	\$ 15.1870	\$ 413,950	\$ -	\$ (15,713)	\$ 398,237
2034	\$ 93,130,849	\$ 61,439,167	\$ 31,691,682	\$ 15.1870	\$ 481,302	\$ -	\$ (18,166)	\$ 463,135
2035	\$ 97,787,391	\$ 61,439,167	\$ 36,348,224	\$ 15.1870	\$ 552,020	\$ -	\$ (20,742)	\$ 531,278
2036	\$ 102,676,761	\$ 61,439,167	\$ 41,237,594	\$ 15.1870	\$ 626,275	\$ -	\$ (23,447)	\$ 602,828
2037	\$ 107,810,599	\$ 61,439,167	\$ 46,371,432	\$ 15.1870	\$ 704,243	\$ -	\$ (26,288)	\$ 677,955
2038	\$ 113,201,129	\$ 61,439,167	\$ 51,761,962	\$ 15.1870	\$ 786,109	\$ -	\$ (29,270)	\$ 756,839
2039	\$ 118,861,186	\$ 61,439,167	\$ 57,422,019	\$ 15.1870	\$ 872,068	\$ -	\$ (32,401)	\$ 839,667
2040	\$ 124,804,246	\$ 61,439,167	\$ 63,365,079	\$ 15.1870	\$ 962,325	\$ -	\$ (35,689)	\$ 926,636
2041	\$ 131,044,458	\$ 61,439,167	\$ 69,605,291	\$ 15.1870	\$ 1,057,096	\$ -	\$ (39,142)	\$ 1,017,954
2042	\$ 137,596,681	\$ 61,439,167	\$ 76,157,514	\$ 15.1870	\$ 1,156,604	\$ -	\$ (42,767)	\$ 1,113,838
2043	\$ 144,476,516	\$ 61,439,167	\$ 83,037,349	\$ 15.1870	\$ 1,261,088	\$ -	\$ (46,573)	\$ 1,214,515
2044	\$ 151,700,342	\$ 61,439,167	\$ 90,261,175	\$ 15.1870	\$ 1,370,796	\$ -	\$ (50,569)	\$ 1,320,227
2045	\$ 159,285,359	\$ 61,439,167	\$ 97,846,192	\$ 15.1870	\$ 1,485,990	\$ -	\$ (54,766)	\$ 1,431,224
2046	\$ 167,249,627	\$ 61,439,167	\$ 105,810,460	\$ 15.1870	\$ 1,606,943	\$ -	\$ (59,172)	\$ 1,547,772
2047	\$ 175,612,109	\$ 61,439,167	\$ 114,172,942	\$ 15.1870	\$ 1,733,944	\$ -	\$ (63,798)	\$ 1,670,146
2048	\$ 184,392,715	\$ 61,439,167	\$ 122,953,548	\$ 15.1870	\$ 1,867,296	\$ -	\$ (68,656)	\$ 1,798,639
2049	\$ 193,612,350	\$ 61,439,167	\$ 132,173,183	\$ 15.1870	\$ 2,007,314	\$ -	\$ (73,757)	\$ 1,933,557
2050	\$ 203,292,968	\$ 61,439,167	\$ 141,853,801	\$ 15.1870	\$ 2,154,334	\$ -	\$ (79,112)	\$ 2,075,221
2051	\$ 213,457,616	\$ 61,439,167	\$ 152,018,449	\$ 15.1870	\$ 2,308,704	\$ -	\$ (84,736)	\$ 2,223,968
2052	\$ 224,130,498	\$ 61,439,167	\$ 162,691,331	\$ 15.1870	\$ 2,470,793	\$ -	\$ (90,641)	\$ 2,380,153
2053	\$ 235,337,022	\$ 61,439,167	\$ 173,897,855	\$ 15.1870	\$ 2,640,987	\$ -	\$ (96,841)	\$ 2,544,146
2054	\$ 247,103,873	\$ 61,439,167	\$ 185,664,706	\$ 15.1870	\$ 2,819,690	\$ -	\$ (103,350)	\$ 2,716,339
2055	\$ 259,459,067	\$ 61,439,167	\$ 198,019,900	\$ 15.1870	\$ 3,007,328	\$ -	\$ (110,186)	\$ 2,897,142
Total					\$ 35,696,936	\$ -	\$ (1,319,020)	\$ 34,377,916

Source: Tiberius Solutions Notes: Adjustments include losses from delinquent taxes, discounts from early payment, compression, and truncation, plus prior year tax collections.

Exhibit 15. Boundary 2, Low Growth, 25-Year Duration

FYE	Total	Assessed Value			Tax Rate	TIF Revenue			
		Frozen Base	Increment			Gross	Shared	Adjustments	Net TIF
2024	\$ 105,292,827	\$ 105,292,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ 108,978,076	\$ 105,292,827	\$ 3,685,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ 112,792,308	\$ 105,292,827	\$ 7,499,481	\$ 15.1870	\$ 113,895	\$ -	\$ (5,695)	\$ 108,200	
2027	\$ 116,740,038	\$ 105,292,827	\$ 11,447,211	\$ 15.1870	\$ 173,849	\$ -	\$ (7,069)	\$ 166,779	
2028	\$ 120,825,940	\$ 105,292,827	\$ 15,533,113	\$ 15.1870	\$ 235,901	\$ -	\$ (9,318)	\$ 226,584	
2029	\$ 125,054,847	\$ 105,292,827	\$ 19,762,020	\$ 15.1870	\$ 300,126	\$ -	\$ (11,645)	\$ 288,481	
2030	\$ 129,431,767	\$ 105,292,827	\$ 24,138,940	\$ 15.1870	\$ 366,598	\$ -	\$ (14,053)	\$ 352,545	
2031	\$ 133,961,879	\$ 105,292,827	\$ 28,669,052	\$ 15.1870	\$ 435,397	\$ -	\$ (16,546)	\$ 418,851	
2032	\$ 138,650,545	\$ 105,292,827	\$ 33,357,718	\$ 15.1870	\$ 506,604	\$ -	\$ (19,126)	\$ 487,478	
2033	\$ 143,503,314	\$ 105,292,827	\$ 38,210,487	\$ 15.1870	\$ 580,303	\$ -	\$ (21,796)	\$ 558,507	
2034	\$ 148,525,930	\$ 105,292,827	\$ 43,233,103	\$ 15.1870	\$ 656,581	\$ -	\$ (24,560)	\$ 632,021	
2035	\$ 153,724,338	\$ 105,292,827	\$ 48,431,511	\$ 15.1870	\$ 735,529	\$ -	\$ (27,420)	\$ 708,109	
2036	\$ 159,104,690	\$ 105,292,827	\$ 53,811,863	\$ 15.1870	\$ 817,241	\$ -	\$ (30,381)	\$ 786,860	
2037	\$ 164,673,354	\$ 105,292,827	\$ 59,380,527	\$ 15.1870	\$ 901,812	\$ -	\$ (33,445)	\$ 868,367	
2038	\$ 170,436,922	\$ 105,292,827	\$ 65,144,095	\$ 15.1870	\$ 989,343	\$ -	\$ (36,616)	\$ 952,727	
2039	\$ 176,402,215	\$ 105,292,827	\$ 71,109,388	\$ 15.1870	\$ 1,079,938	\$ -	\$ (39,899)	\$ 1,040,040	
2040	\$ 182,576,293	\$ 105,292,827	\$ 77,283,466	\$ 15.1870	\$ 1,173,704	\$ -	\$ (43,296)	\$ 1,130,408	
2041	\$ 188,966,463	\$ 105,292,827	\$ 83,673,636	\$ 15.1870	\$ 1,270,752	\$ -	\$ (46,812)	\$ 1,223,939	
2042	\$ 195,580,289	\$ 105,292,827	\$ 90,287,462	\$ 15.1870	\$ 1,371,196	\$ -	\$ (50,452)	\$ 1,320,744	
2043	\$ 202,425,599	\$ 105,292,827	\$ 97,132,772	\$ 15.1870	\$ 1,475,155	\$ -	\$ (54,218)	\$ 1,420,937	
2044	\$ 209,510,494	\$ 105,292,827	\$ 104,217,667	\$ 15.1870	\$ 1,582,754	\$ -	\$ (58,117)	\$ 1,524,637	
2045	\$ 216,843,361	\$ 105,292,827	\$ 111,550,534	\$ 15.1870	\$ 1,694,118	\$ -	\$ (62,152)	\$ 1,631,966	
2046	\$ 224,432,878	\$ 105,292,827	\$ 119,140,051	\$ 15.1870	\$ 1,809,380	\$ -	\$ (66,328)	\$ 1,743,052	
2047	\$ 232,288,029	\$ 105,292,827	\$ 126,995,202	\$ 15.1870	\$ 1,928,676	\$ -	\$ (70,650)	\$ 1,858,026	
2048	\$ 240,418,110	\$ 105,292,827	\$ 135,125,283	\$ 15.1870	\$ 2,052,148	\$ -	\$ (75,124)	\$ 1,977,024	
2049	\$ 248,832,744	\$ 105,292,827	\$ 143,539,917	\$ 15.1870	\$ 2,179,941	\$ -	\$ (79,754)	\$ 2,100,187	
2050	\$ 257,541,891	\$ 105,292,827	\$ 152,249,064	\$ 15.1870	\$ 2,312,207	\$ -	\$ (84,546)	\$ 2,227,660	
Total					\$ 26,743,146	\$ -	\$ (989,016)	\$ 25,754,130	

Source: Tiberius Solutions Notes: Adjustments include losses from delinquent taxes, discounts from early payment, compression, and truncation, plus prior year tax collections.

Exhibit 16. Boundary 2, Medium Growth, 25-Year Duration

FYE	Total	Assessed Value			TIF Revenue			
		Frozen Base	Increment	Tax Rate	Gross	Shared	Adjustments	Net TIF
2024	\$ 105,292,827	\$ 105,292,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ 108,978,076	\$ 105,292,827	\$ 3,685,249	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ 112,792,308	\$ 105,292,827	\$ 7,499,481	\$ 15.1870	\$ 113,895	\$ -	\$ (5,695)	\$ 108,200
2027	\$ 116,740,038	\$ 105,292,827	\$ 11,447,211	\$ 15.1870	\$ 173,849	\$ -	\$ (7,069)	\$ 166,779
2028	\$ 120,825,940	\$ 105,292,827	\$ 15,533,113	\$ 15.1870	\$ 235,901	\$ -	\$ (9,318)	\$ 226,584
2029	\$ 125,054,847	\$ 105,292,827	\$ 19,762,020	\$ 15.1870	\$ 300,126	\$ -	\$ (11,645)	\$ 288,481
2030	\$ 131,307,590	\$ 105,292,827	\$ 26,014,763	\$ 15.1870	\$ 395,086	\$ -	\$ (15,478)	\$ 379,609
2031	\$ 137,872,969	\$ 105,292,827	\$ 32,580,142	\$ 15.1870	\$ 494,795	\$ -	\$ (19,110)	\$ 475,685
2032	\$ 144,766,617	\$ 105,292,827	\$ 39,473,790	\$ 15.1870	\$ 599,488	\$ -	\$ (22,924)	\$ 576,565
2033	\$ 152,004,948	\$ 105,292,827	\$ 46,712,121	\$ 15.1870	\$ 709,417	\$ -	\$ (26,928)	\$ 682,489
2034	\$ 159,605,195	\$ 105,292,827	\$ 54,312,368	\$ 15.1870	\$ 824,842	\$ -	\$ (31,133)	\$ 793,709
2035	\$ 167,585,454	\$ 105,292,827	\$ 62,292,627	\$ 15.1870	\$ 946,038	\$ -	\$ (35,548)	\$ 910,490
2036	\$ 175,964,727	\$ 105,292,827	\$ 70,671,900	\$ 15.1870	\$ 1,073,294	\$ -	\$ (40,184)	\$ 1,033,110
2037	\$ 184,762,964	\$ 105,292,827	\$ 79,470,137	\$ 15.1870	\$ 1,206,913	\$ -	\$ (45,051)	\$ 1,161,862
2038	\$ 194,001,113	\$ 105,292,827	\$ 88,708,286	\$ 15.1870	\$ 1,347,213	\$ -	\$ (50,162)	\$ 1,297,051
2039	\$ 203,701,169	\$ 105,292,827	\$ 98,408,342	\$ 15.1870	\$ 1,494,527	\$ -	\$ (55,529)	\$ 1,438,999
2040	\$ 213,886,228	\$ 105,292,827	\$ 108,593,401	\$ 15.1870	\$ 1,649,208	\$ -	\$ (61,163)	\$ 1,588,045
2041	\$ 224,580,540	\$ 105,292,827	\$ 119,287,713	\$ 15.1870	\$ 1,811,622	\$ -	\$ (67,080)	\$ 1,744,543
2042	\$ 235,809,568	\$ 105,292,827	\$ 130,516,741	\$ 15.1870	\$ 1,982,158	\$ -	\$ (73,292)	\$ 1,908,865
2043	\$ 247,600,046	\$ 105,292,827	\$ 142,307,219	\$ 15.1870	\$ 2,161,220	\$ -	\$ (79,815)	\$ 2,081,405
2044	\$ 259,980,048	\$ 105,292,827	\$ 154,687,221	\$ 15.1870	\$ 2,349,235	\$ -	\$ (86,664)	\$ 2,262,570
2045	\$ 272,979,050	\$ 105,292,827	\$ 167,686,223	\$ 15.1870	\$ 2,546,651	\$ -	\$ (93,856)	\$ 2,452,795
2046	\$ 286,628,003	\$ 105,292,827	\$ 181,335,176	\$ 15.1870	\$ 2,753,937	\$ -	\$ (101,407)	\$ 2,652,530
2047	\$ 300,959,404	\$ 105,292,827	\$ 195,666,577	\$ 15.1870	\$ 2,971,588	\$ -	\$ (109,336)	\$ 2,862,253
2048	\$ 316,007,374	\$ 105,292,827	\$ 210,714,547	\$ 15.1870	\$ 3,200,122	\$ -	\$ (117,661)	\$ 3,082,461
2049	\$ 331,807,743	\$ 105,292,827	\$ 226,514,916	\$ 15.1870	\$ 3,440,082	\$ -	\$ (126,402)	\$ 3,313,680
2050	\$ 348,398,130	\$ 105,292,827	\$ 243,105,303	\$ 15.1870	\$ 3,692,040	\$ (328,320)	\$ (119,165)	\$ 3,244,555
Total					\$ 38,473,247	\$ (328,320)	\$ (1,411,614)	\$ 36,733,313

Source: Tiberius Solutions Notes: Adjustments include losses from delinquent taxes, discounts from early payment, compression, and truncation, plus prior year tax collections.

Exhibit 17. Boundary 2, Low Growth, 30-Year Duration

FYE	Total	Assessed Value			TIF Revenue			
		Frozen Base	Increment	Tax Rate	Gross	Shared	Adjustments	Net TIF
2024	\$ 105,292,827	\$ 105,292,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ 108,978,076	\$ 105,292,827	\$ 3,685,249	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ 112,792,308	\$ 105,292,827	\$ 7,499,481	\$ 15.1870	\$ 113,895	\$ -	\$ (5,695)	\$ 108,200
2027	\$ 116,740,038	\$ 105,292,827	\$ 11,447,211	\$ 15.1870	\$ 173,849	\$ -	\$ (7,069)	\$ 166,779
2028	\$ 120,825,940	\$ 105,292,827	\$ 15,533,113	\$ 15.1870	\$ 235,901	\$ -	\$ (9,318)	\$ 226,584
2029	\$ 125,054,847	\$ 105,292,827	\$ 19,762,020	\$ 15.1870	\$ 300,126	\$ -	\$ (11,645)	\$ 288,481
2030	\$ 129,431,767	\$ 105,292,827	\$ 24,138,940	\$ 15.1870	\$ 366,598	\$ -	\$ (14,053)	\$ 352,545
2031	\$ 133,961,879	\$ 105,292,827	\$ 28,669,052	\$ 15.1870	\$ 435,397	\$ -	\$ (16,546)	\$ 418,851
2032	\$ 138,650,545	\$ 105,292,827	\$ 33,357,718	\$ 15.1870	\$ 506,604	\$ -	\$ (19,126)	\$ 487,478
2033	\$ 143,503,314	\$ 105,292,827	\$ 38,210,487	\$ 15.1870	\$ 580,303	\$ -	\$ (21,796)	\$ 558,507
2034	\$ 148,525,930	\$ 105,292,827	\$ 43,233,103	\$ 15.1870	\$ 656,581	\$ -	\$ (24,560)	\$ 632,021
2035	\$ 153,724,338	\$ 105,292,827	\$ 48,431,511	\$ 15.1870	\$ 735,529	\$ -	\$ (27,420)	\$ 708,109
2036	\$ 159,104,690	\$ 105,292,827	\$ 53,811,863	\$ 15.1870	\$ 817,241	\$ -	\$ (30,381)	\$ 786,860
2037	\$ 164,673,354	\$ 105,292,827	\$ 59,380,527	\$ 15.1870	\$ 901,812	\$ -	\$ (33,445)	\$ 868,367
2038	\$ 170,436,922	\$ 105,292,827	\$ 65,144,095	\$ 15.1870	\$ 989,343	\$ -	\$ (36,616)	\$ 952,727
2039	\$ 176,402,215	\$ 105,292,827	\$ 71,109,388	\$ 15.1870	\$ 1,079,938	\$ -	\$ (39,899)	\$ 1,040,040
2040	\$ 182,576,293	\$ 105,292,827	\$ 77,283,466	\$ 15.1870	\$ 1,173,704	\$ -	\$ (43,296)	\$ 1,130,408
2041	\$ 188,966,463	\$ 105,292,827	\$ 83,673,636	\$ 15.1870	\$ 1,270,752	\$ -	\$ (46,812)	\$ 1,223,939
2042	\$ 195,580,289	\$ 105,292,827	\$ 90,287,462	\$ 15.1870	\$ 1,371,196	\$ -	\$ (50,452)	\$ 1,320,744
2043	\$ 202,425,599	\$ 105,292,827	\$ 97,132,772	\$ 15.1870	\$ 1,475,155	\$ -	\$ (54,218)	\$ 1,420,937
2044	\$ 209,510,494	\$ 105,292,827	\$ 104,217,667	\$ 15.1870	\$ 1,582,754	\$ -	\$ (58,117)	\$ 1,524,637
2045	\$ 216,843,361	\$ 105,292,827	\$ 111,550,534	\$ 15.1870	\$ 1,694,118	\$ -	\$ (62,152)	\$ 1,631,966
2046	\$ 224,432,878	\$ 105,292,827	\$ 119,140,051	\$ 15.1870	\$ 1,809,380	\$ -	\$ (66,328)	\$ 1,743,052
2047	\$ 232,288,029	\$ 105,292,827	\$ 126,995,202	\$ 15.1870	\$ 1,928,676	\$ -	\$ (70,650)	\$ 1,858,026
2048	\$ 240,418,110	\$ 105,292,827	\$ 135,125,283	\$ 15.1870	\$ 2,052,148	\$ -	\$ (75,124)	\$ 1,977,024
2049	\$ 248,832,744	\$ 105,292,827	\$ 143,539,917	\$ 15.1870	\$ 2,179,941	\$ -	\$ (79,754)	\$ 2,100,187
2050	\$ 257,541,891	\$ 105,292,827	\$ 152,249,064	\$ 15.1870	\$ 2,312,207	\$ -	\$ (84,546)	\$ 2,227,660
2051	\$ 266,555,858	\$ 105,292,827	\$ 161,263,031	\$ 15.1870	\$ 2,449,102	\$ -	\$ (89,506)	\$ 2,359,596
2052	\$ 275,885,313	\$ 105,292,827	\$ 170,592,486	\$ 15.1870	\$ 2,590,788	\$ -	\$ (94,640)	\$ 2,496,148
2053	\$ 285,541,299	\$ 105,292,827	\$ 180,248,472	\$ 15.1870	\$ 2,737,434	\$ -	\$ (99,953)	\$ 2,637,481
2054	\$ 295,535,244	\$ 105,292,827	\$ 190,242,417	\$ 15.1870	\$ 2,889,212	\$ -	\$ (105,452)	\$ 2,783,759
2055	\$ 305,878,978	\$ 105,292,827	\$ 200,586,151	\$ 15.1870	\$ 3,046,302	\$ -	\$ (111,144)	\$ 2,935,158
Total					\$ 40,455,983	\$ -	\$ (1,489,711)	\$ 38,966,272

Source: Tiberius Solutions Notes: Adjustments include losses from delinquent taxes, discounts from early payment, compression, and truncation, plus prior year tax collections.

Exhibit 18. Boundary 2, Medium Growth, 30-Year Duration

FYE	Total	Assessed Value			TIF Revenue			
		Frozen Base	Increment	Tax Rate	Gross	Shared	Adjustments	Net TIF
2024	\$ 105,292,827	\$ 105,292,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ 108,978,076	\$ 105,292,827	\$ 3,685,249	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ 112,792,308	\$ 105,292,827	\$ 7,499,481	\$ 15.1870	\$ 113,895	\$ -	\$ (5,695)	\$ 108,200
2027	\$ 116,740,038	\$ 105,292,827	\$ 11,447,211	\$ 15.1870	\$ 173,849	\$ -	\$ (7,069)	\$ 166,779
2028	\$ 120,825,940	\$ 105,292,827	\$ 15,533,113	\$ 15.1870	\$ 235,901	\$ -	\$ (9,318)	\$ 226,584
2029	\$ 125,054,847	\$ 105,292,827	\$ 19,762,020	\$ 15.1870	\$ 300,126	\$ -	\$ (11,645)	\$ 288,481
2030	\$ 131,307,590	\$ 105,292,827	\$ 26,014,763	\$ 15.1870	\$ 395,086	\$ -	\$ (15,478)	\$ 379,609
2031	\$ 137,872,969	\$ 105,292,827	\$ 32,580,142	\$ 15.1870	\$ 494,795	\$ -	\$ (19,110)	\$ 475,685
2032	\$ 144,766,617	\$ 105,292,827	\$ 39,473,790	\$ 15.1870	\$ 599,488	\$ -	\$ (22,924)	\$ 576,565
2033	\$ 152,004,948	\$ 105,292,827	\$ 46,712,121	\$ 15.1870	\$ 709,417	\$ -	\$ (26,928)	\$ 682,489
2034	\$ 159,605,195	\$ 105,292,827	\$ 54,312,368	\$ 15.1870	\$ 824,842	\$ -	\$ (31,133)	\$ 793,709
2035	\$ 167,585,454	\$ 105,292,827	\$ 62,292,627	\$ 15.1870	\$ 946,038	\$ -	\$ (35,548)	\$ 910,490
2036	\$ 175,964,727	\$ 105,292,827	\$ 70,671,900	\$ 15.1870	\$ 1,073,294	\$ -	\$ (40,184)	\$ 1,033,110
2037	\$ 184,762,964	\$ 105,292,827	\$ 79,470,137	\$ 15.1870	\$ 1,206,913	\$ -	\$ (45,051)	\$ 1,161,862
2038	\$ 194,001,113	\$ 105,292,827	\$ 88,708,286	\$ 15.1870	\$ 1,347,213	\$ -	\$ (50,162)	\$ 1,297,051
2039	\$ 203,701,169	\$ 105,292,827	\$ 98,408,342	\$ 15.1870	\$ 1,494,527	\$ -	\$ (55,529)	\$ 1,438,999
2040	\$ 213,886,228	\$ 105,292,827	\$ 108,593,401	\$ 15.1870	\$ 1,649,208	\$ -	\$ (61,163)	\$ 1,588,045
2041	\$ 224,580,540	\$ 105,292,827	\$ 119,287,713	\$ 15.1870	\$ 1,811,622	\$ -	\$ (67,080)	\$ 1,744,543
2042	\$ 235,809,568	\$ 105,292,827	\$ 130,516,741	\$ 15.1870	\$ 1,982,158	\$ -	\$ (73,292)	\$ 1,908,865
2043	\$ 247,600,046	\$ 105,292,827	\$ 142,307,219	\$ 15.1870	\$ 2,161,220	\$ -	\$ (79,815)	\$ 2,081,405
2044	\$ 259,980,048	\$ 105,292,827	\$ 154,687,221	\$ 15.1870	\$ 2,349,235	\$ -	\$ (86,664)	\$ 2,262,570
2045	\$ 272,979,050	\$ 105,292,827	\$ 167,686,223	\$ 15.1870	\$ 2,546,651	\$ -	\$ (93,856)	\$ 2,452,795
2046	\$ 286,628,003	\$ 105,292,827	\$ 181,335,176	\$ 15.1870	\$ 2,753,937	\$ -	\$ (101,407)	\$ 2,652,530
2047	\$ 300,959,404	\$ 105,292,827	\$ 195,666,577	\$ 15.1870	\$ 2,971,588	\$ -	\$ (109,336)	\$ 2,862,253
2048	\$ 316,007,374	\$ 105,292,827	\$ 210,714,547	\$ 15.1870	\$ 3,200,122	\$ -	\$ (117,661)	\$ 3,082,461
2049	\$ 331,807,743	\$ 105,292,827	\$ 226,514,916	\$ 15.1870	\$ 3,440,082	\$ -	\$ (126,402)	\$ 3,313,680
2050	\$ 348,398,130	\$ 105,292,827	\$ 243,105,303	\$ 15.1870	\$ 3,692,040	\$ -	\$ (135,581)	\$ 3,556,459
2051	\$ 365,818,036	\$ 105,292,827	\$ 260,525,209	\$ 15.1870	\$ 3,956,596	\$ -	\$ (145,218)	\$ 3,811,378
2052	\$ 384,108,938	\$ 105,292,827	\$ 278,816,111	\$ 15.1870	\$ 4,234,380	\$ -	\$ (155,338)	\$ 4,079,043
2053	\$ 403,314,385	\$ 105,292,827	\$ 298,021,558	\$ 15.1870	\$ 4,526,053	\$ -	\$ (165,963)	\$ 4,360,091
2054	\$ 423,480,105	\$ 105,292,827	\$ 318,187,278	\$ 15.1870	\$ 4,832,310	\$ -	\$ (177,119)	\$ 4,655,191
2055	\$ 444,654,110	\$ 105,292,827	\$ 339,361,283	\$ 15.1870	\$ 5,153,880	\$ -	\$ (188,834)	\$ 4,965,046
Total					\$ 61,176,468	\$ -	\$ (2,260,502)	\$ 58,915,966

Source: Tiberius Solutions Notes: Adjustments include losses from delinquent taxes, discounts from early payment, compression, and truncation, plus prior year tax collections.

Attachment A3: How Tax Increment Financing Works

Urban renewal/Tax Increment Financing (TIF) is an economic and redevelopment financing tool permitted by Oregon Revised Statute (ORS) chapter 457. Urban Renewal allows municipalities (cities and counties) across Oregon to collect the incremental property tax revenues in an Urban Renewal Area (URA) and spend that revenue on infrastructure and economic development projects and programs within the URA.

Overview

Urban Renewal Plans

To establish a URA, a municipality must adopt an Urban Renewal Plan. ORS 457 defines the specific requirements of Urban Renewal Plans. Key elements of Urban Renewal Plans include:

- Boundary of the URA, including a map and legal description
- Goals and objectives for the URA
- Eligible projects to be funded in the URA
- Findings of “Blight” within the URA as defined in ORS 457.010
- The dollar limit on the cumulative amount of indebtedness that the URA may incur, known as “Maximum Indebtedness”

Tax Increment Financing

Urban renewal allows municipalities to use TIF revenue to fund projects and programs within a URA. When a URA is established, the existing assessed value in the URA is certified as the “Frozen Base” value. As assessed value in the URA increases over time, the difference between the total assessed value and the frozen base is considered “Increment” assessed value. Each year, property tax revenue generated by the frozen base of the URA is distributed normally to all overlapping taxing districts, and the URA receives all the property tax revenue generated from the increment, called TIF revenue.

Maximum Indebtedness

Once a URA has incurred the full amount of maximum indebtedness, it cannot incur additional debt, and once a URA has collected sufficient TIF revenue to fully repay the maximum indebtedness, the URA loses its ability to collect TIF revenue, effectively resulting in the termination of the URA.

Consolidated Tax Rate

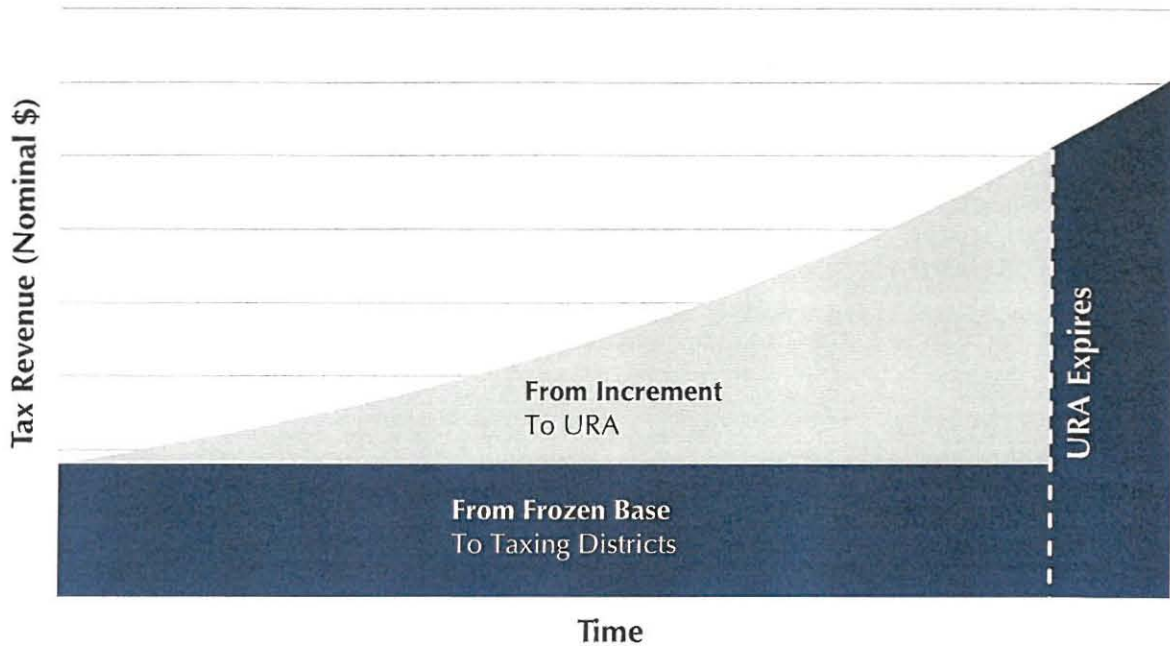
Oregon statutes governing TIF have been amended over time, resulting in different types of Urban Renewal Plans. A key difference is the determination of which tax rates are included in the calculation of TIF revenue. All new Urban Renewal Plans are “permanent rate” plans. The consolidated tax rate is equal to the sum of all permanent tax rates. Local option levies and general obligation bond levies are not impacted by new Urban Renewal Plans.

Tax Increment Financing

When a URA is established, the assessed value of all property within the URA boundary establishes the frozen base value. When assessed value in the URA grows over time, the difference between the total assessed value and the frozen base is considered increment assessed value. Each year, property tax revenue from the frozen base in the URA is distributed normally to all overlapping taxing districts, and the URA receives all the property tax revenue generated from the increment, called TIF revenue.

TIF revenue can only be spent to repay indebtedness incurred on behalf of the URA, and the proceeds from that indebtedness can only be spent on capital projects located within the URA that are identified in the corresponding Urban Renewal Plan. Once all indebtedness for a URA has been repaid, the Urban Renewal Plan may be terminated, which results in all future tax revenue being returned to the overlapping taxing districts. Exhibit 19 illustrates the general tax revenue distribution within a URA boundary over the life of the URA.

Exhibit 19. Example Tax Revenue Distribution in a URA



Source: Tiberius Solutions

The local county assessor calculates total TIF Revenue to be generated by a URA by multiplying the increment assessed value of a URA by the applicable consolidated tax rate. Although the amount of tax revenue to be raised is calculated based on the assessed value of properties within a URA, that tax is actually imposed upon all properties citywide. The local county assessor divides the total tax revenue to be raised for a URA by the aggregate assessed value of all property citywide, which results in an URA tax rate. This rate is then extended to all properties citywide. All other component property tax rates that were included in the consolidated tax rate are reduced proportionally, so that the imposition of the URA tax rate does not result in any net increase to the total tax rate. In short, URA tax revenues are calculated based on property values within the URA, but are paid by all properties citywide.

Maximum Indebtedness

Urban Renewal Plans are required to include a maximum indebtedness limit. As stated earlier, URAs are only allowed to spend TIF revenue on debt service. Thus, the maximum indebtedness functions as a limit on the cumulative amount of TIF revenue that can be spent on projects in a URA. Note that maximum indebtedness does not function as a revolving credit limit. In other words, paying off previous debt for a URA does not free up maximum indebtedness capacity to be used on future indebtedness. Once a URA incurs the full amount of maximum indebtedness, it cannot incur additional debt to fund additional projects.

Consolidated Tax Rate

Oregon statutes governing TIF have been amended over time, resulting in different types of Urban Renewal Plans that are subject to different provisions. Oregon statutes establish three major classifications of Urban Renewal Plans: permanent rate plans, reduced rate plans, and standard rate plans. The determination of each of these plan types is primarily dependent upon the effective date of the plan, or the effective dates of certain subsequent substantial amendments to a plan. A fundamental difference among these types of Urban Renewal Plans is the method for determining the consolidated tax rate as described below.

- “Permanent Rate Plans” have a consolidated tax rate equal to the total of all permanent property tax rates for overlapping taxing districts.
- “Reduced Rate Plans” have a consolidated tax rate equal to the total of all tax rates for overlapping taxing districts except for the following:
 - URA special levies
 - Local option levies approved by voters on or after October 6, 2001
 - General obligation bond levies approved by voters on or after October 6, 2001
- “Standard Rate Plans” have a consolidated tax rate equal to the total of all tax rates for overlapping taxing districts except for the following:
 - URA special levies
 - Local option levies approved by voters on or after January 1, 2013

Revenue Sharing

Plans initially approved or substantially amended to increase maximum indebtedness on or after January 1, 2010 are subject to additional provisions in ORS regarding revenue sharing. For such plans, revenue sharing occurs when a plan achieves certain thresholds of annual TIF revenue, relative to the maximum indebtedness of the plan.¹

Overview of Oregon’s Property Tax System

Property Tax Ballot Measures

Oregon’s property tax system is largely defined by two property-tax-related ballot measures that were approved by voters in the 1990s: Measure 5 passed in 1990 and Measure 50 passed in 1997.

Prior to the passage of Measures 5 and 50, Oregon had a levy-based property tax system. This meant that each taxing district would decide the dollar amount to levy each year based on budget requirements, and that levy amount would be converted into a levy by dividing the total levy amount by the total value of property district-wide. This system resulted in annual variations in the effective tax rates for individual properties each year.

Measure 5 limited the property taxes paid by individual property owners to \$10 per \$1,000 of real market value for general government taxes and \$5 per \$1,000 of real market value for education taxes. Levies passed by voters to repay general obligation bonds were excluded from these limits.

¹Formulas for calculating required Revenue Sharing are defined in ORS 457.470. For most Urban Renewal Plans in Oregon, the formulas refer to the initial Maximum Indebtedness of a Plan.

Measure 50, passed in 1997, was a further overhaul of Oregon's property tax system, including the following key elements:

- Switching from a levy-based system to a rate-based system, including the establishment of permanent tax rates for each taxing district instead of variable levies. Note that in addition to permanent tax rates, taxing districts may also impose local option levies and levies for general obligation bonds, both of which are temporary in nature and are subject to voter approval.
- Reducing assessed value. Assessed value is no longer equal to real market value. In fiscal year 1997-98, a maximum assessed value for each property was established, which was equal to 90% of its assessed value from two years prior (fiscal year 1995-96).
- Limiting assessed value growth. Growth in maximum assessed value was limited to three percent annually. The actual assessed value used to calculate a property's tax bill is equal to the lesser of the property's maximum assessed value and real market value.

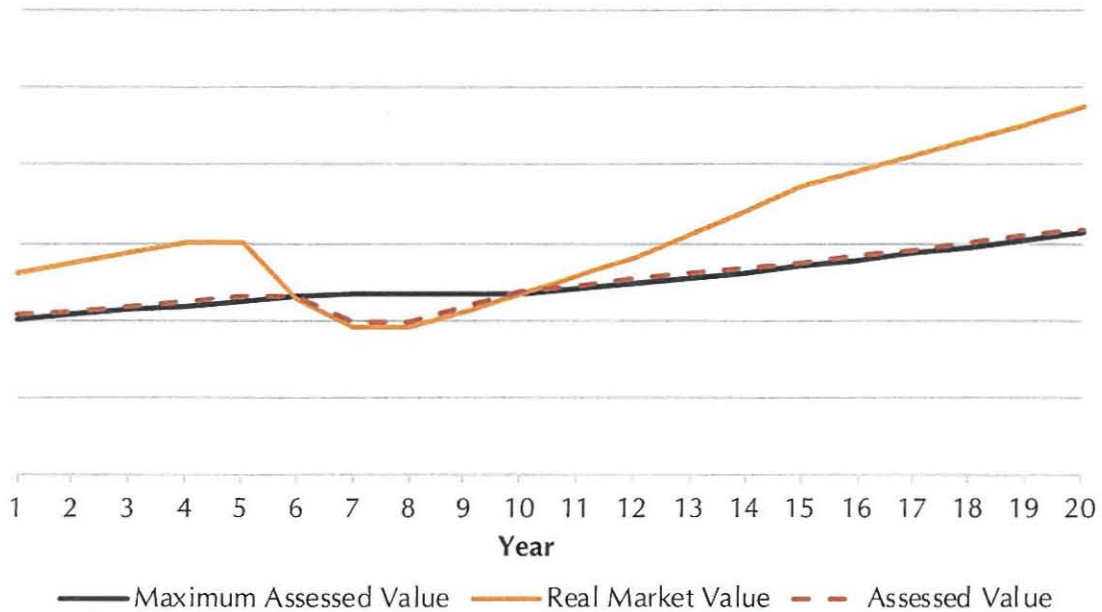
There are some exceptions to the three percent limit in maximum assessed value growth. The most common exceptions are new construction and significant improvements that did not exist in 1995-96 when the maximum assessed value was established. To determine the exception value in these situations a changed property ratio is used to establish the initial maximum assessed value. The changed property ratio is calculated annually as the ratio between aggregate assessed value and aggregate real market value for each property class (residential, multifamily, commercial/industrial, etc.) in each county. The changed property ratio is applied to the real market value of all new development to determine initial maximum assessed value, after which time, it grows at three percent per year like all other existing property.²

Illustration of Assessed Value Calculation

Exhibit 20 shows the relationship between maximum assessed value, real market value, and assessed value for a hypothetical property. Real market value fluctuates based on market conditions. For all years where real market value is greater than maximum assessed value, maximum assessed value grows at three percent. From year one through year six, the property's real market value is greater than the property's maximum assessed value. The property's assessed value must be the lower of the two, and is therefore equal to the maximum assessed value. In years six through ten, the property's real market value dips below the property's maximum assessed value. In these years, the assessed value is equal to the real market value and maximum assessed value remains constant. When real market value grows past maximum assessed value beginning in year ten, assessed value is once again equal to maximum assessed value, and the maximum assessed value resumes annual growth of three percent per year.

² Other exceptions include: partitioning or subdividing a property, rezoning a property and change of use consistent with that zone, and the disqualification or termination of property tax exemptions (e.g., property transferring from public to private ownership).

Exhibit 20. Maximum Assessed Value, Real Market Value, and Assessed Value for a Hypothetical Property

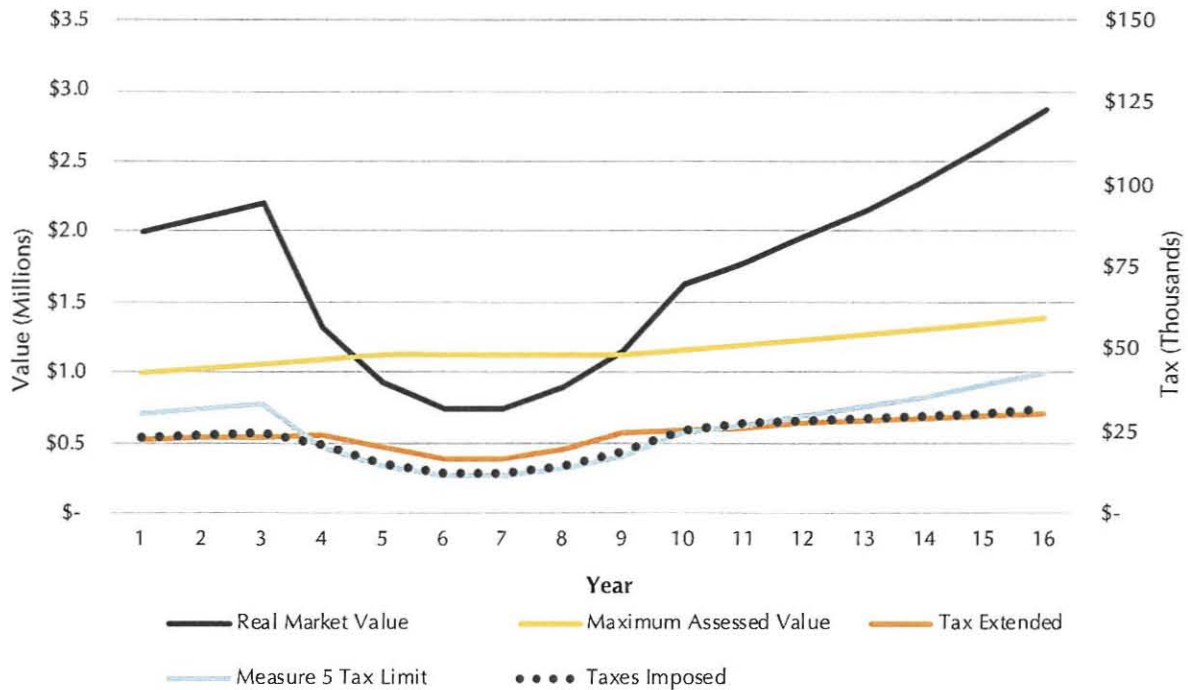


Measure 5 Compression

As stated earlier, Measure 5 limits the property taxes paid by individual property owners to \$10 per \$1,000 of real market value for general government taxes and \$5 per \$1,000 of real market value for education taxes. If either of these limits are exceeded by the taxes extended on an individual property, the taxes imposed are reduced proportionally until the Measure 5 limits are met. Local option levies are reduced first. If local option levies are reduced to zero and a property is still exceeding its Measure 5 limits, then permanent rate levies are reduced proportionally until the limits are no longer exceeded. General obligation bonds are never reduced, as they are not subject to Measure 5 limits.

Exhibit 21 shows the effect of Measure 5 compression on a hypothetical property. In years one through three, the Measure 5 tax limits for the property are higher than the taxes extended to the property. Therefore, the property pays the total tax extended. Beginning in year four, declining real market value results in a corresponding decrease in the maximum allowable tax bill, and the property finds itself in “compression” due to Measure 5. Therefore, the taxes extended are proportionally reduced until they conform to Measure 5 limits. The compression loss is the difference between tax extended and tax imposed. By year 12, real market value has grown enough so that the taxes extended are once again below the Measure 5 limits, and the property no longer experiences compression.

Exhibit 21. Compression of Hypothetical Property



Property Types

The State of Oregon classifies all taxable property into one of four types: real, personal, manufactured, and utility. Below, we describe these property types and highlight considerations for forecasting future changes in assessed value.

- Real** property includes land, buildings, structures, and improvements. Real property typically makes up the majority of property value in an area. Real property is typically the most reliable property type to forecast. Changes in real market value of real property are tied to broader market trends. At this time, most real property accounts in Oregon have a significant gap between real market value and maximum assessed value, which means that the assessed value is equal to maximum assessed value, which experiences three percent growth each year from appreciation. Factors that can cause a real property account to experience a change in maximum assessed value other than three percent appreciation include: construction of new property, demolition of an existing structure, establishment or expiration of tax exemptions (such as a transfer of ownership from public to private use, or vice versa), and rezoning with a corresponding change in use.
- Personal** property includes all property that “enhances or promotes” a business.³ This includes machinery, equipment, and décor/office furniture. Personal property for personal use (e.g., home furniture and appliances) are exempt. The Department of Revenue maintains multiple schedules for depreciation of value, based on the specific type of personal property. Personal property tends to depreciate relatively rapidly, but these losses in value are generally offset by further reinvestment in new personal property accounts.

³ Oregon Department of Revenue, Methods for Valuing Personal Property, 2020

- **Manufactured** property includes all manufactured structures (i.e., mobile homes). Unlike other types of housing, the real market value of mobile homes depreciate over time. In the early years after construction, a manufactured property account may experience modest growth in assessed value based on the maximum allowed three percent growth in maximum assessed value. However, over time the real market value of the property will likely drop below the maximum assessed value, leading to a sustained decrease in assessed value from manufactured property in future years.
- **Utility** property include the value of any privately-owned utility provider, including: communication, electric, gas, water, pipelines, air transportation, private railcars, railroads, heating, toll bridges, and small electrics.⁴ The Oregon Department of Revenue assesses the value of these properties annually, based on reports submitted by the owners. The value is not explicitly based on geography, but the State apportions assessed value to each tax code area each year based on factors, including the physical location of utility assets. Because utility value is calculated by the State each year, based on reports of value provided by the utilities themselves, the assessed value of utility accounts can be volatile, and difficult to forecast.

⁴ Oregon Department of Revenue, Centrally Assessed Companies

COTTAGE GROVE URBAN RENEWAL FEASIBILITY STUDY



ELAINE HOWARD
CONSULTING, LLC



TIBERIUS
SOLUTIONS

ROADMAP

1. Urban Renewal Basics
2. Feasibility Study
3. Next Steps

URBAN RENEWAL BASICS

NOT A NEW TAX!



CRASH COURSE | UR 101

CRASH COURSE | UR 101



CRASH COURSE | UR 101



**PROPERTY TAX
INCREASES**

- 1. 3% Appreciation
- 2. Substantial Improvements



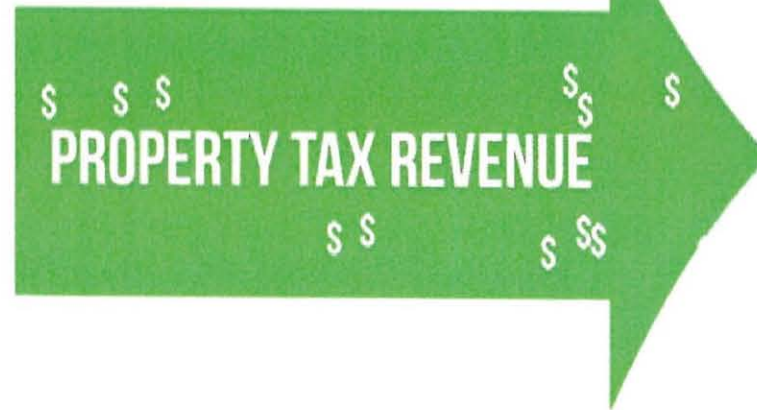
**REGULAR TAXING
JURISDICTIONS**
City, County, Etc.

CRASH COURSE | UR 101

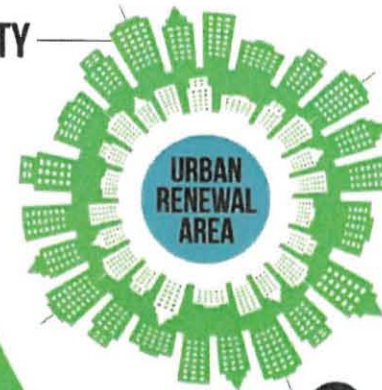


PROPERTY TAX INCREASES

- 1. 3% Appreciation
- 2. Substantial Improvements



CITY

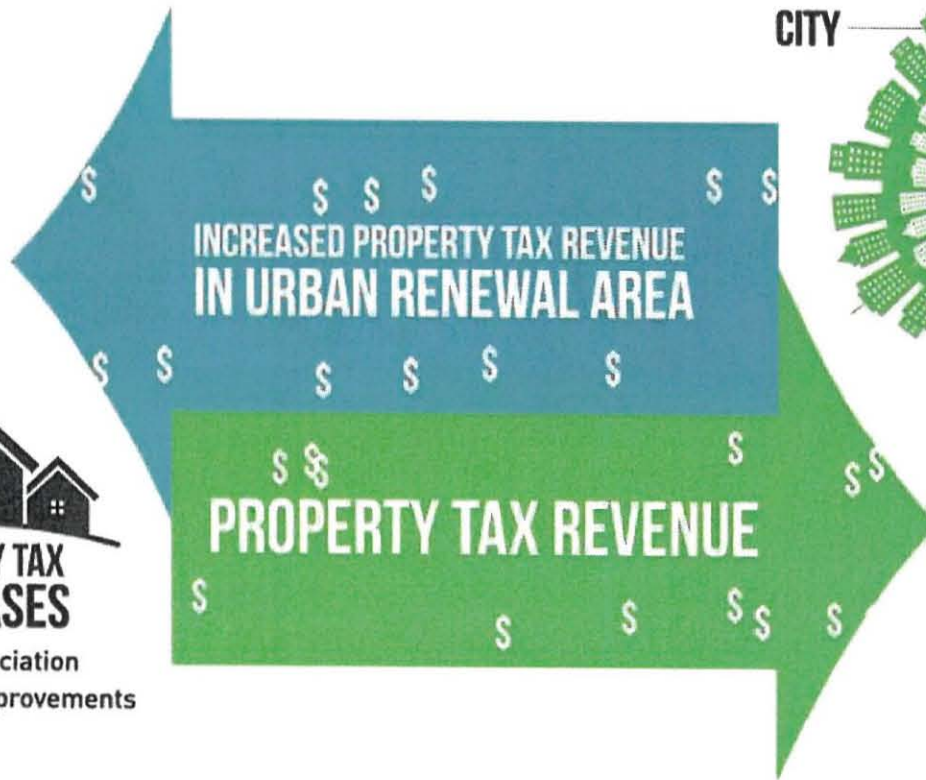


REGULAR TAXING JURISDICTIONS
City, County, Etc.

CRASH COURSE | UR 101



- 1. 3% Appreciation
- 2. Substantial Improvements

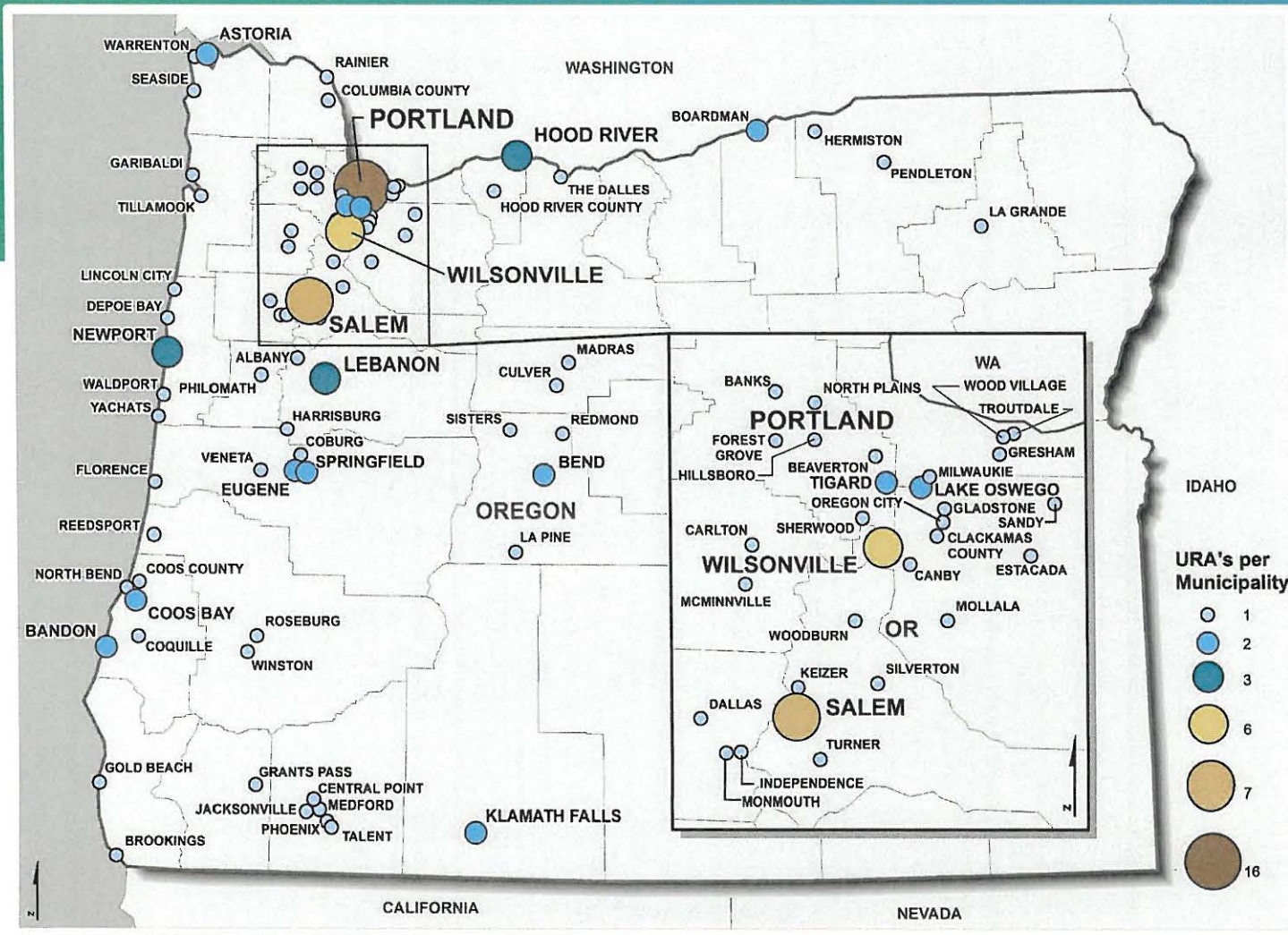




WHAT IS URBAN RENEWAL?

- Economic development tool
- Unique in that it is a financing tool, but also a plan with projects
- Used to address “blighting” influences in specific areas
- Functions on increases in property tax revenues in “Urban Renewal Areas”
- Used all over Oregon (Map on next slide)

CITIES WITH URBAN RENEWAL



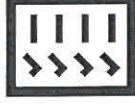
WHY USE URBAN RENEWAL?



Many opportunities for improvements and redevelopment in cities that need funding



City general funds typically lack the funds to contribute to these opportunities



Urban Renewal provides a funding source to bridge the gap

WHAT IS BLIGHT?

- ❖ Blight is a precondition to any Urban Renewal Area
- ❖ Specific criteria defined by state statute, generally covers:
 - Underdevelopment or underutilization of property
 - Poor condition of buildings
 - Inadequacy of infrastructure including streets and utilities

HOW DOES AN URBAN RENEWAL AREA FUNCTION?

1. Income Source

- ❖ Yearly property tax collections based on growth within Boundary (more detail on mechanism in later slide)

2. Expenses

- ❖ Projects, programs, and administration

3. Spending Limit

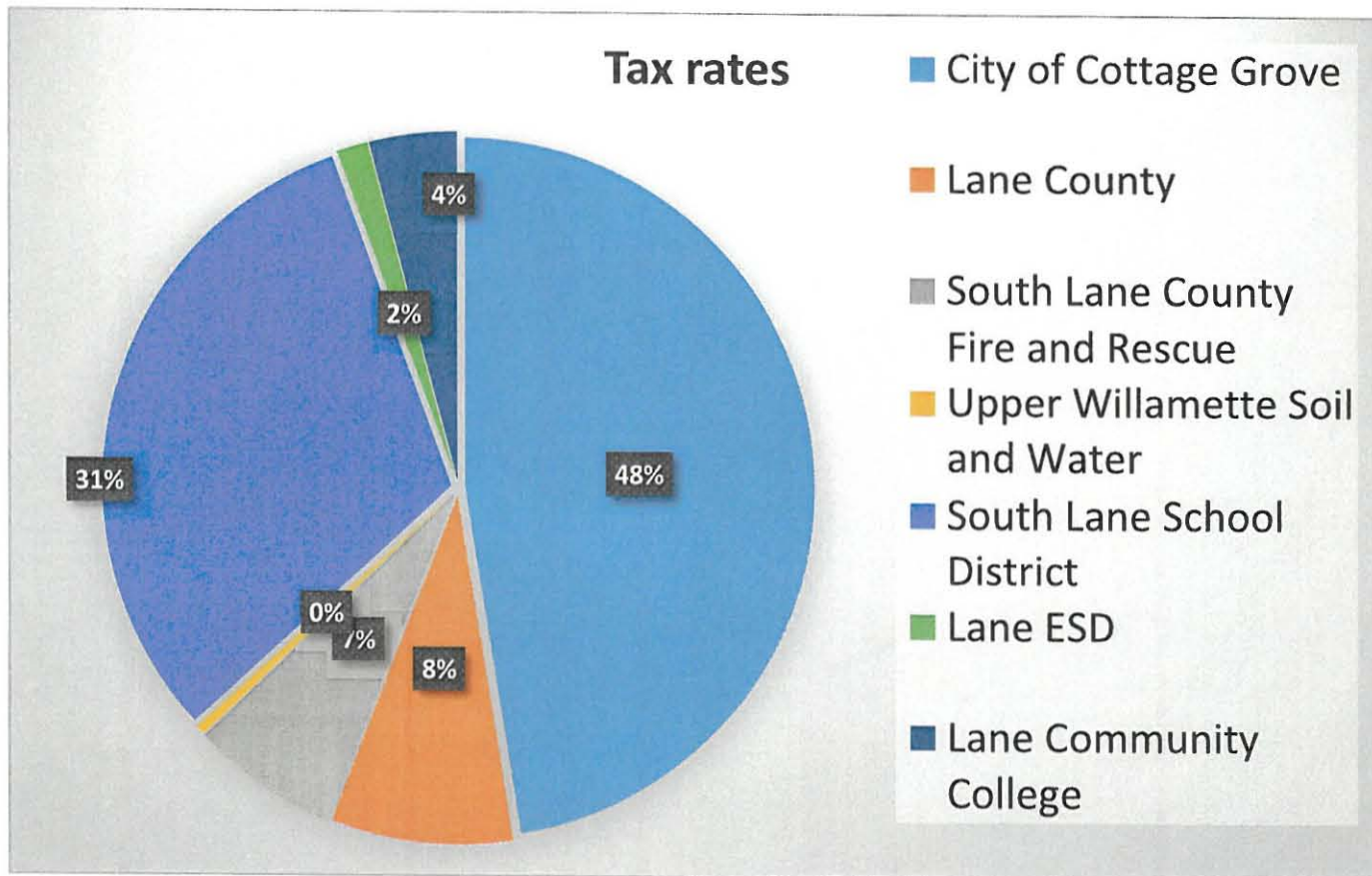
- ❖ Capped by Maximum Indebtedness (MI):
 - The total amount of money that can be spent over the life of the district on projects, programs, and administration.



HOW DOES URBAN RENEWAL FINANCING WORK?



LEVERAGING CITY TAX RATE



A HYPOTHETICAL PROPERTY TAX BILL

Taxing District	Rate	Property Value	Property Value without UR	Property Value With UR
Property Value		\$380,000	\$391,400	\$391,400
City of Cottage Grove	7.2087	\$2,739	\$2,821	\$2,739
Lane County	1.2793	\$486	\$501	\$486
South Lane County Fire and Rescue	1.0335	\$393	\$405	\$393
Upper Willamette Soil and Water	0.0700	\$27	\$27	\$27
South Lane School District	4.7532	\$1,806	\$1,860	\$1,806
Lane ESD	0.2232	\$85	\$87	\$85
Lane Community College	0.6191	\$235	\$242	\$235
Urban Renewal				\$227
Total	15.1870	\$7,577	\$7,805	\$7,805

PROPERTY TAXES AND URBAN RENEWAL

- Urban Renewals Division of Taxes does not increase property taxes, it uses increases in property taxes that were already happening
- Urban Renewal is a line item on your property tax bill
- The Assessor must go through the following steps when distributing Urban Renewal Taxes:
 1. “Calculation” of TIF to be collected
 2. “Distribution” of TIF Citywide to property tax payers
 3. “Collection” of property tax revenues

IMPACTS TO TAXING DISTRICTS

- ❖ Urban Renewal does not provide new money
 - Diverts funds that would go to other property tax districts
- ❖ Continue receiving taxes on frozen base
- ❖ Temporarily forego taxes on any growth in Urban Renewal area
- ❖ Growth may not have occurred but not for urban renewal



URBAN RENEWAL AND LOCAL SCHOOL DISTRICTS



An Indirect Impact

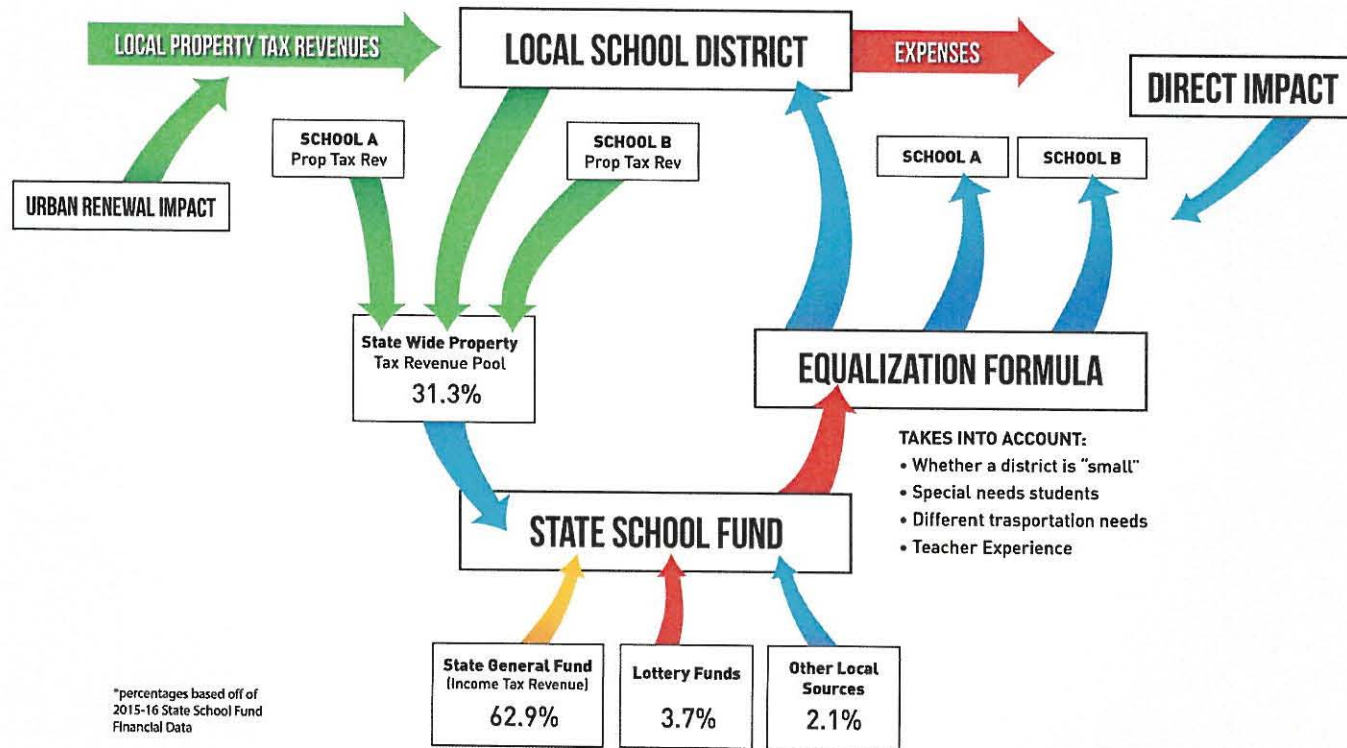
URBAN RENEWAL IMPACT

Regular Taxing District



URBAN RENEWAL IMPACT

Local Schools

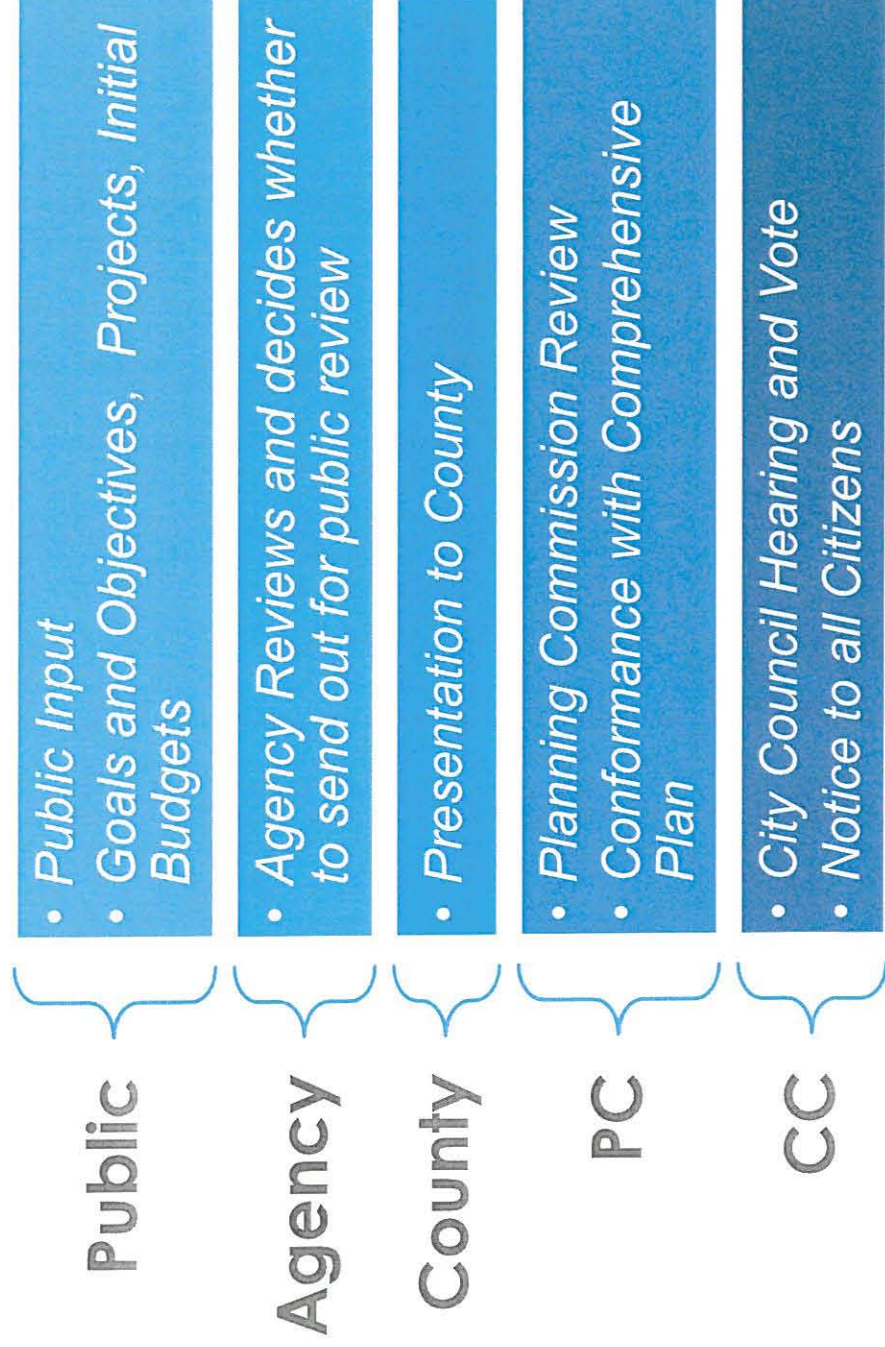


STATE LIMITATIONS ON URBAN RENEWAL



- ❖ Population under 50,000
 - 25% of Assessed Value of Property in City
 - 25% of Acreage of City
- ❖ Existing Plan limitations:
 - Can not be increased in size by more than 20% of original Plan acreage
 - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing
 - May increase MI above 20% as adjusted only with concurrence from 75% of other taxing districts

HOW IS A PLAN/SUBSTANTIAL AMENDMENT ADOPTED?





PROJECT LIMITATIONS

ORS 457.170, 180

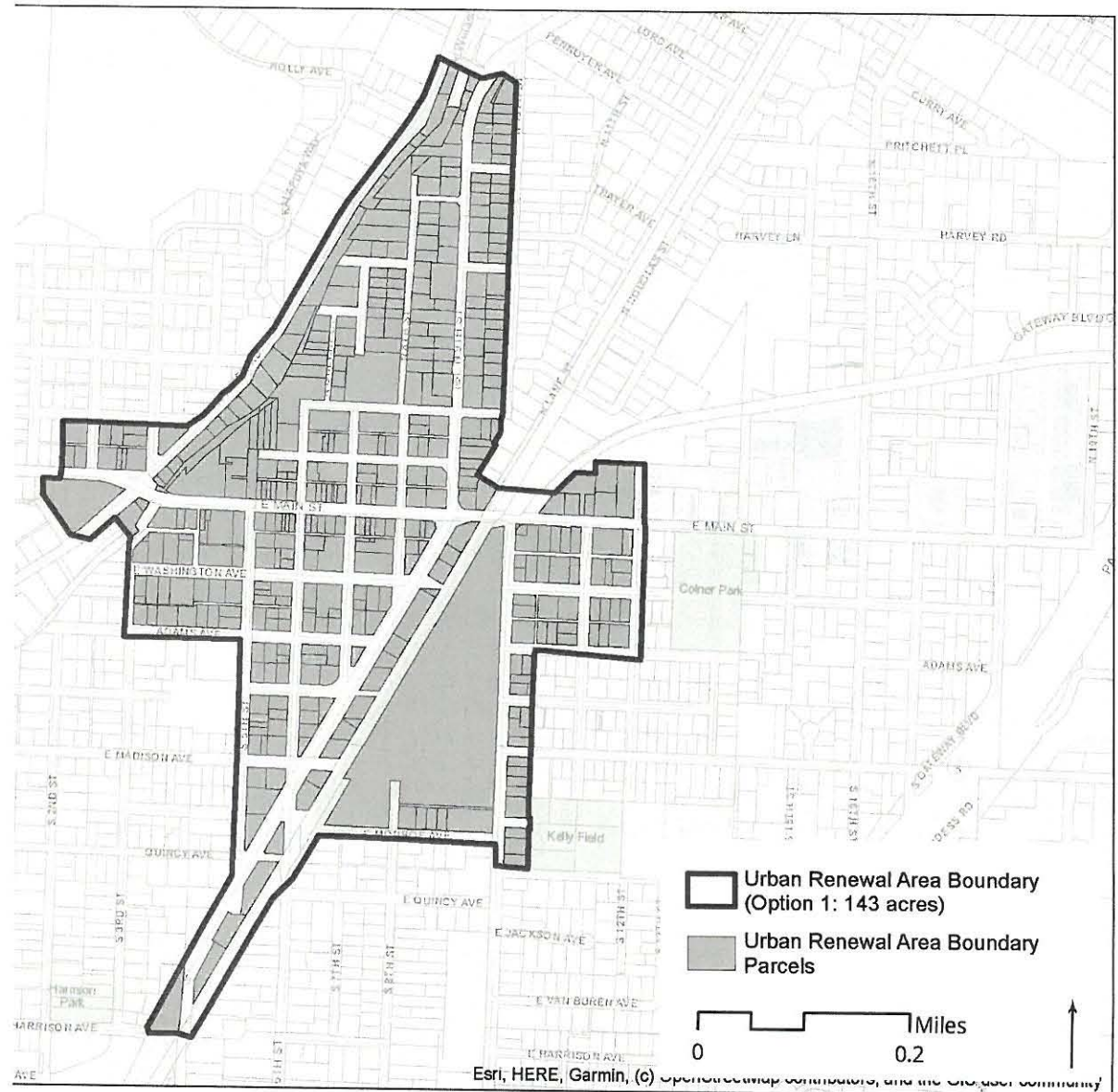
- a. Work of a housing authority
- b. Rehabilitation and conservation
- c. Acquisition
- d. Demolition
- e. Street and utility improvements
- f. Repair and rehabilitation of buildings
- g. Relocation
- h. Disposition
- i. Neighborhood development programs
- j. Making of grants and loans

FEASIBILITY STUDY

Two boundaries and two potential durations

Statutory Limitations	Boundary 1	Boundary 2
Assessed Value		
A. AV of URA inside City limits (FYE 2024)	\$ 61,439,167	\$ 105,292,827
B. Total AV in City	\$ 826,788,098	\$ 826,788,098
Limit Check (A)/(B)	7.4%	12.7%
Acreage		
A. Acreage of URA	143	190
B. Acreage of City	2,412.80	2,412.80
Limit Check (A)/(B)	5.9%	7.9%

FEASIBILITY STUDY – BOUNDARY 1



FINANCIAL PROJECTIONS – BOUNDARY 1

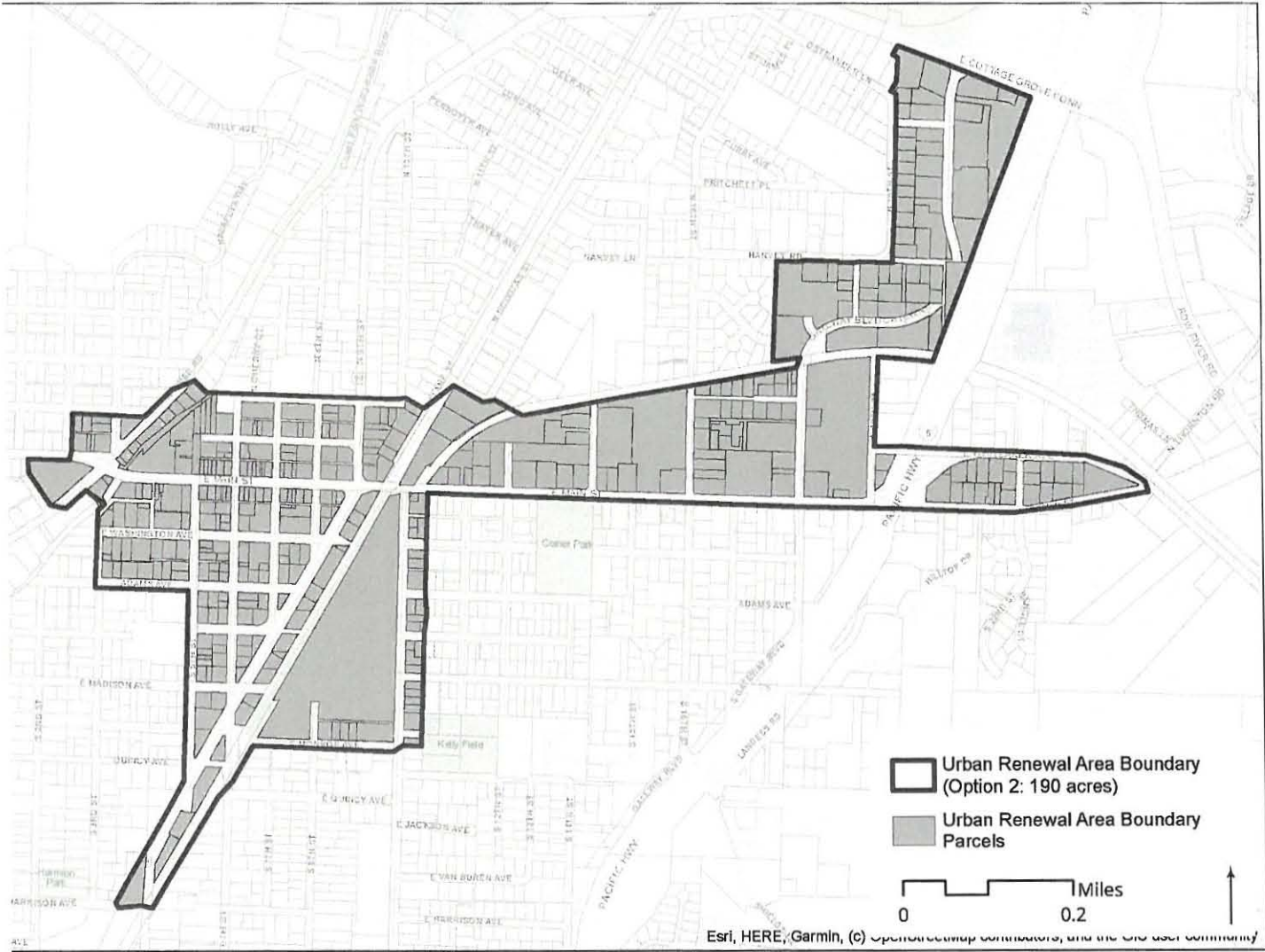
	Low Growth	High Growth
Annual RMV Increase Required (2024 \$)	\$ 600,000	\$ 2,700,000
Net TIF	\$ 22,700,000	\$ 34,400,000
Maximum Indebtedness Capacity (2024\$)	\$ 11,200,000	\$ 16,600,000
Years 1-5	\$ 1,300,000	\$ 1,300,000
Years 6-10	\$ 1,900,000	\$ 2,600,000
Years 11-15	\$ 2,000,000	\$ 3,000,000
Years 16-20	\$ 2,000,000	\$ 3,100,000
Years 21-25	\$ 1,600,000	\$ 2,600,000
Years 26-30	\$ 2,400,000	\$ 4,100,000

Duration is not a requirement in a Plan, only used for forecasting financial capacity

IMPACTS ON TAXING DISTRICTS BOUNDARY 1

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
General Government				
City of Cottage Grove	\$7,100,000	\$10,200,000	\$10,800,000	\$16,300,000
Lane County	\$1,300,000	\$1,800,000	\$1,900,000	\$2,900,000
South Lane County Fire & Rescue	\$1,000,000	\$1,500,000	\$1,500,000	\$2,300,000
Upper Willamette Soil & Water	\$100,000	\$100,000	\$100,000	\$200,000
<i>Subtotal</i>	<i>\$9,500,000</i>	<i>\$13,500,000</i>	<i>\$14,400,000</i>	<i>\$21,700,000</i>
Education				
South Lane School District	\$4,700,000	\$6,700,000	\$7,100,000	\$10,800,000
Lane Community College	\$600,000	\$900,000	\$900,000	\$1,400,000
Lane ESD	\$200,000	\$300,000	\$300,000	\$500,000
<i>Subtotal</i>	<i>\$5,500,000</i>	<i>\$7,900,000</i>	<i>\$8,400,000</i>	<i>\$12,700,000</i>
Total	\$15,000,000	\$21,400,000	\$22,700,000	\$34,400,000

BOUNDARY 2



FINANCIAL PROJECTIONS - BOUNDARY 2

	Low Growth	High Growth
Annual RMV Increase		
Required (2024 \$)	\$ 1,100,000	\$ 4,600,000
Net TIF	\$ 39,000,000	\$ 58,900,000
Maximum Indebtedness	\$ 33,600,000	\$ 51,300,000
Capacity (2024\$)	\$ 19,300,000	\$ 28,600,000
Years 1-5	\$ 1,800,000	\$ 1,800,000
Years 6-10	\$ 3,200,000	\$ 4,100,000
Years 11-15	\$ 3,500,000	\$ 5,300,000
Years 16-20	\$ 3,400,000	\$ 5,500,000
Years 21-25	\$ 2,900,000	\$ 4,700,000
Years 26-30	\$ 4,300,000	\$ 7,200,000

Duration is not a requirement in a Plan, only used for forecasting financial capacity

IMPACTS ON TAXING DISTRICTS BOUNDARY 2

	25-Year Duration		30-Year Duration	
	Low Growth	Medium Growth	Low Growth	Medium Growth
General Government				
City of Cottage Grove	\$12,200,000	\$17,400,000	\$18,500,000	\$28,000,000
Lane County	\$2,200,000	\$3,100,000	\$3,300,000	\$5,000,000
South Lane County Fire & Rescue	\$1,800,000	\$2,500,000	\$2,700,000	\$4,000,000
Upper Willamette Soil & Water	\$100,000	\$200,000	\$200,000	\$300,000
<i>Subtotal</i>	<i>\$16,300,000</i>	<i>\$23,200,000</i>	<i>\$24,600,000</i>	<i>\$37,200,000</i>
Education				
South Lane School District	\$8,100,000	\$11,500,000	\$12,200,000	\$18,400,000
Lane Community College	\$1,000,000	\$1,500,000	\$1,600,000	\$2,400,000
Lane ESD	\$400,000	\$500,000	\$600,000	\$900,000
<i>Subtotal</i>	<i>\$9,500,000</i>	<i>\$13,500,000</i>	<i>\$14,400,000</i>	<i>\$21,700,000</i>
Total	\$25,800,000	\$36,700,000	\$39,000,000	\$58,900,000

NEXT STEPS

- City Council determination on whether they would like to proceed with establishing an urban renewal agency and the development of an urban renewal plan and report.
- If so, establish Cottage Grove Urban Renewal Agency.
- Prepare Cottage Grove Urban Renewal Plan and Report.
- Provide information to the community and taxing district partners on the process.
- Prepare a draft urban renewal plan and report to be reviewed with the urban renewal agency.
- Formal consult and confer with taxing districts, providing them a copy of the draft plan and report and providing 45 days for formal input.
- Planning Commission review of conformance of the urban renewal plan to the comprehensive plan.
- Presentation to Lane County.
- City Council hearing that is noticed city wide and consideration of a non-emergency ordinance.