Hilltop District
Oregon City

Consolidated Text on the Plan and Report Through the 5th Amendment

City of Oregon City
Oregon City Renewal Agency

July 2001

Hilltop District
Oregon City

Consolidated Text on the Plan Through the 5th Amendment

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HILLTOP
URBAN RENEWAL PLAN
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NOTE ON CONSOLIDATED HILLTOP PLAN DOCUMENT
This plan incorporates all text amendments through the date July 1, 2001

Sequence And purpose of Hilltop Plan Amendments
The Hilltop Urban Renewal Plan was created in 1990 via the 2nd Amendment to the 1983 Downtown Oregon City Urban Renewal Plan. The reference in Section 100 is to the 2nd Amendment to the 1983 Plan. The amendments to the Hilltop Plan are:

1st Resolution 91-05 Sept 25, 1991 –
Inserts Latest Date for Bonded Indebtedness
2nd Resolution 96-05 Dec 4, 1996 –
Inserts Younger-Jacobi Sewer Improvements
3rd There is no resolution or ordinance adopting a third amendment. Resolution 96-05 was mistakenly identified as the 3rd amendment when the BM50 amendment was prepared in 1998.
4th Ordinance 98-1013 June 17, 1998 –
Inserts Maximum Indebtedness per BM50 requirement.
5th Ordinance 00-1013 May 3, 2000 –
Makes extensive changes to wording of sections on Plan Activities, Acquisition Procedures, and Amendments.

100. INTRODUCTION

This Urban Renewal Plan, dated _August_, 1990, is Amendment Number Two to the Urban Renewal Plan created by the City of Oregon City on December 14, 1983.

This Amendment includes a major revision of the Urban Renewal boundaries described in the 1983 Plan, incorporates the goals, objectives, boundary and project activities of a First Amendment to the Plan adopted in 1989, adds a new property to the list of properties to be acquired, and makes further boundary amendments. This Amended Plan also changes the name of the Plan to "Hilltop Urban Renewal Plan". These changes constitute a major amendment to the Urban Renewal Plan. The Amended Plan is intended to be a self-containing document stating and restating all the operable elements of the urban renewal plan, which remain, and replacing the original plan as previously amended.

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

101. HISTORY OF PLAN ADOPTION AND AMENDMENT

The Urban Renewal Plan for the Oregon City Renewal Project was adopted by the City Commission of Oregon City on December 14, 1983.
The Urban Renewal Area contained 339.2 acres, and consisted of two non-contiguous parts:

- An area located parallel to the Willamette River on the "first level" of Oregon City. This area included the downtown core of Oregon City.
- An area located on the upper, or "hilltop" level of Oregon City.

The boundary of the original Urban Renewal Area is shown in Appendix "A" of this Plan.

Blighting conditions within the Urban Renewal Area included:

- Unsafe, obsolete and deteriorated building conditions.
- Economic deterioration.
- Inadequately sized building lots.
- Inadequate streets, rights-of-way, and utilities.
- Inadequate Open Spaces.
- Depreciated values and impaired investments.
- Lack of proper utilization of the area.

Several major project activities contemplated in the 1983 Urban Renewal Plan revolved around relocating and consolidating Clackamas County facilities into the "first level" area of the Renewal Plan. The consolidated County facilities were intended to serve as "anchor" developments, and stimulate the redevelopment of the first level area of the Renewal Plan. The assumptions and timetable for actions relating to consolidating and relocating County facilities were outlined in an Appendix to the 1983 Urban Renewal Plan.

A. First Amendment

On October 3, 1989, the City Commission of Oregon City adopted the First Amendment to the Oregon City Urban Renewal Plan. The intent of this amendment was to authorize additional project activities necessary to address substandard conditions in the "upper", or "Hilltop" area of the Urban Renewal Plan, and help stimulate the redevelopment of that area.

The First Amendment to the Urban Renewal Plan revised the Renewal Plan boundary by adding approximately 67 acres to the "Hilltop" area of the Urban Renewal Plan. Other Plan changes authorized in that Amendment included:

- Additional Renewal Plan goals and objectives.
- Additional project activities in the "Hilltop", or upper level area of the plan. These activities included transportation, storm drainage, and sewer and water

improvements.

- Authorization of additional property acquisition within the "Hilltop" area of the Urban Renewal Plan. Acquisitions were for the purpose of roadway right-of-way, and for private redevelopment.

B. Second Amendment

The current (Second) amendment follows from a recommendation to the City Commission by the Oregon City Urban Renewal Advisory Committee. In early 1990, City staff and the Advisory Committee conducted a status review of the Oregon City Urban Renewal Plan. The review showed that actions called for in the Plan had fallen well behind schedule, and further, that changes in basic assumptions and economic conditions since adoption of the 1983 Plan made certain key activities programmed in that Plan no longer appropriate or feasible.

For instance, changing conditions have resulted in delay in implementing the action plan for consolidating County facilities in the "first level" area of the 1983 Plan. Attracting an anchor development to the "first level" area was an assumption crucial to the redevelopment of that area, and to the production of revenues to carry out project activities. The inability to attract an anchor development to the "first level area" is among the reasons why tax increment revenues have fallen well short of the estimates made in the 1983 Plan.

Staff and the Committee also were advised that the split of the Urban Renewal Area into two non-contiguous parts posed legal complications that could hinder the financing of project activities. The Committee concluded that this combination of economic and legal circumstances seriously compromised Oregon City's ability to treat blighting conditions of both areas of the 1983 Plan.

On May 16, 1990 the Advisory Committee recommended that the Renewal Agency undertake a Second Amendment to the Oregon City Urban Renewal Plan, and revise the project boundaries to remove the "first level area" of the 1983 plan, in order to preserve the ability of the Renewal Agency to address the conditions in the remaining area of the Plan,

The intent of this amended Plan, then, is to amend the boundary of the Urban Renewal Project Area, and carry out activities required to treat sub-standard conditions in the amended Project Area.

102. NAME DESIGNATION

This amended Plan shall be known henceforth as the Hilltop Urban Renewal Plan.

200. DEFINITIONS

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

"Agency, Renewal Agency, or Urban Renewal Agency" means the City Commission of Oregon City which, in accordance with ORS 457, is the Urban Renewal Agency of the City of Oregon City, Clackamas County, Oregon.

"Blighted Areas" means 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; and are characterized by the existence of conditions as described in ORS 457.010.

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

"City Commission" means the elected governing commission of the City of Oregon City, Oregon.

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

"County" means the County of Clackamas, 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. The methods to be used for the temporary or permanent relocation of such persons living in, and businesses situated in the Urban Renewal Area shall be in accordance with State Law as specifically set forth in ORS 281.045 to 281.105.

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

"First Level", or "First Level Area" means that sub-area of the 1983 Urban Renewal Plan located parallel to the Willamette River, as referenced in Section 300 of the 1983 Plan. This sub-area included the historic downtown core of Oregon City.

"Hilltop Area" means the area referenced as the upper level or "hilltop" area in Section 300 of the 1983 Urban Renewal Plan. The boundary of this area of the Urban Renewal Plan was amended by the First Amendment to the Plan in 1989.

"Objective" means any goal, general or specific, or objective described in Section

400 of this Plan.

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

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

"Plan Amendment, Renewal Plan Amendment, Urban Renewal Plan Amendment" means the amendment to the Urban Renewal Plan for the Oregon City Renewal Area, Parts One and Two.

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

"Project, Activity or Project Activity" means any undertaking or activity within the Amendment Area or the Plan 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 Amendment.

"Report" refers to the report accompanying the urban renewal plan amendment, as provided in ORS 457.085 (3)

"Red Soils" refers to a tract of land in the Oregon City Urban Renewal Area. The Red Soils tract is part of the Hilltop area of Oregon City.

"State" means the State of Oregon.

"Tax Increment Financing" refers to a method of financing urban renewal project activities through a division of ad valorem taxes, as provided in ORS 457.420 through 457.450.

"Taxing Bodies" refers to governmental bodies levying taxes within the Urban Renewal Area.

"Text" means the Urban Renewal Plan Amendment for the Oregon City Hilltop Urban Renewal Plan, Part One - Text.

"Upper level or area" is to be construed as synonymous with "Hilltop" area, previously defined.

300. BOUNDARY AND LEGAL DESCRIPTION

A. History of area included within the Urban Renewal Plan boundary:

The boundary of the Urban Renewal Area adopted in 1983 comprised 339.2 acres, in

two parts - a "first" level, parallel to the Willamette River, and including the downtown core, and an "upper", or "Hilltop" level area, including the Red Soils tract. The boundary of the 1983 Urban Renewal Plan is shown as Appendix A of Part Two of this Urban Renewal Plan.

The First Amendment to the Plan in 1989 added 67 acres to the boundary of the "upper" level area of the Urban Renewal Plan. The boundary of the area included in the 1989 Plan amendment is shown as Appendix B of Part Two of this Urban Renewal Plan.

B. Boundary Description

The land within the boundary of this Amended Plan now consists of the "Hilltop", or "upper" level area of the 1983 plan, as modified by the First Amendment to the Plan in 1989. A boundary map and legal description of the amended Urban Renewal Area are contained in Exhibits 1 and 1A of Part Two of this Plan Amendment.

400. RELATIONSHIP TO LOCAL OBJECTIVES

A. Purpose

The purpose of this Amended Plan is to eliminate blighting influences found in the Amended Renewal Area, and to implement goals and objectives of Oregon City's Comprehensive Plan, and the Hilltop Urban Renewal Area. Because this Amendment removes all of the "first level" areas included in the original 1983 Plan, all of the goals and objectives for the Amended Renewal Area are stated and restated herein and need not be referenced in any previous plan or amendment.

The Urban Renewal Plan furthers the following goals and objectives.

B. City of Oregon City Comprehensive Plan

ORS 457.085 requires that an Urban Renewal Plan or Amendment relate to definite local objectives. The City's Comprehensive Plan considers a wide range of goals and policies relating to land uses, traffic, transportation, public utilities, recreation and community facilities, and other public improvements. Specific goals, objectives and policies which relate to this Amended Plan are found in the City of Oregon City's Comprehensive Plan. This Amended Plan is consistent with the goals, objectives and policies found in the Comprehensive Plan.

C. Goals

The goals of this Amended Plan are:

1. To improve traffic capacity and safety, and stimulate private development in the Renewal Area consistent with the Comprehensive Plan.
2. To improve the Renewal Area as a commercial and industrial center, and

stimulate private development of the Red Soils tract consistent with the Comprehensive Plan and the Oregon City Renewal Plan.

D. Objectives

1. To eliminate blighting conditions in the Renewal Area, including inadequate streets and traffic congestion, inadequate pedestrian and bicycle facilities, substandard and obsolete buildings, inadequate sewer, water and drainage facilities, and under-utilized and unproductive land.
2. To make public improvements necessary to encourage new private investment in the Renewal Area including streets, sewer, water and drainage facilities.
3. To increase taxable values in the Renewal Area.
4. To improve the east-west accessibility between Red Soils and the rest of the Hilltop area and the Oregon City Bypass, and create safer highway conditions.
5. To improve the accessibility to Beavercreek Road for properties with good development potential.
6. To plan for and support development and redevelopment in the renewal area which is consistent with the Comprehensive Plan.
7. To further the objectives of this Renewal Plan by assisting as necessary in the acquisition of land for development purposes, and for the assembly of development sites.
8. To take steps necessary to establish and administer a marketing program to aid the development and redevelopment of land in the Renewal Area.

500. PROPOSED LAND USES

The Land Use Plan consists of the Land Use (Comprehensive Plan) Plan Map (Exhibit 2), the Zoning Map (Exhibit 3) and the descriptive material and regulatory provisions contained in this Section (both those directly stated and those herein included by reference). This Plan Amendment shall be in accordance with the approved Comprehensive Plan of the City of Oregon City and with its implementing ordinances and policies.

The use and development of land in the Amended Renewal Area shall be in accordance with the regulations prescribed in the City's Comprehensive Plan, Zoning Ordinance, Subdivision Ordinance, City Charter, or any other applicable local, state or federal laws regulating the use of property in the Renewal Area. Table 1 on the following page shows the land use designations and the number of acres in each plan category. Exhibits 2 and 3 show land use and zoning respectively.

TABLE 1

COMPREHENSIVE PLAN DESIGNATIONS

Designation	Acres	Acres in ROW
O (Limited Office)	4.60	0.30
C (Commercial)	23.30	2.20
I (Industrial)	145.20	14.00
MR (Med. Density)	0.00	0.20
LR (Low Density)	0.00	0.40
Total	173.10	17.10

The Zoning classifications correspond to the Comprehensive Plan designations: LO (Limited Office), C (General Commercial), M-1 (Light Industrial), RD-4 (Medium Density Residential), R-6 (Low Density Residential).

600. DESCRIPTION OF PROJECT

The Urban Renewal Project consists of activities which treat the causes of blight and deterioration in the Amended Urban Renewal Area. When the Urban Renewal Project was established, this Urban Renewal Area was characterized by underdevelopment, and unproductive conditions of land. Conditions which impaired development included inadequate streets, traffic circulation problems, and inadequate public facilities and utilities.

Project activities to treat these conditions include:

- Street improvements, to improve access to land in the project area, and improve traffic safety and circulation.
- Storm drainage improvements, to allow more productive use and development of land in the area.
- Water and sewer improvements, to permit more productive use of land in the area, and to improve flow capacities for fire safety purposes.
- Acquisition, and disposition of land. Land will be acquired for public improvements and for assembly of development sites. (See Section 700C) This activity is intended to improve utilities and rights-of-way, remove incompatible land uses, and further the development objectives of this Plan.
- Administration and co-ordination of development in the Project Area.

700. PROJECT ACTIVITIES

In order to achieve the goals and objectives of this Plan, the following project activities will be undertaken on behalf of the City by the Urban Renewal Agency (hereinafter referred to as "Agency") in accordance with applicable federal, state, county and city laws, policies, and procedures.

A. Transportation Improvements

The 1989 Amendment to the Urban Renewal Plan included Transportation and Storm Drainage improvements intended to improve circulation and access within the Hilltop area of the Plan, and provide services adequate to permit more productive use of land in the area. It is deemed necessary to carry out these improvements within the Hilltop Area. Therefore, this Urban Renewal Plan calls for Transportation improvements within the Urban Renewal Area:

Transportation improvements may include the construction, reconstruction, repair or replacement of streets, traffic control devices, bridges, bikeways, pedestrian ways, and multi-use paths. Other street and sidewalk improvements including tables, benches and other street furniture, signage, kiosks, phone booths, drinking fountains, decorative fountains, street lights, and acquisition of property and right of way for Transportation Improvement purposes. Transportation Improvements are planned for; but not limited to:

- The Beavercreek Road Corridor through the renewal area
- The Molalla Avenue Corridor through the Renewal Area
- Local streets linking Corridors within the area
- Transit or Linkages to facilitate Public Transportation
- Parking

B. Public Facility and Services Improvements

The Agency is authorized to acquire property for, and make improvements for public facilities that support the development of the project area, including; but not limited to:

Meeting, conference, educational, or cultural facilities

Facilities supporting the identity of the Area, such as plazas, gateways, and public Art

Other Public building facilities

The extent of the Agency's participation in funding such facilities will be based upon an Agency finding on the benefit of that project to the renewal area and the importance of the project in carrying out Plan objectives.

C. Public Infrastructure

These projects include construction, reconstruction, repair, upgrading; water, wastewater and stormwater facilities, relocation of overhead lines, and acquisition of land, right of ways, easements and other land rights needed to carry out the above purposes. Public Infrastructure Improvements are planned for**;** but not limited to:

Water
Wastewater
Stormwater
Utility Relocation

D. Planning and Administration

Project resources may be utilized to prepare the Urban Renewal Plan, design plans and master plans for the renewal area, transportation plans, miscellaneous land use and public facility studies as needed during the course of the urban renewal plan. Activities related to marketing program for the Area that may utilize project funds. Project funds may also be utilized to pay for personnel, overhead and other administrative costs incurred in the management of the urban renewal plan.

E. Property Acquisition

Acquisition of real property is determined necessary to carry out the objectives of this Plan. Accordingly, this Plan authorizes the following property acquisitions within the Urban Renewal Area:

- Where detrimental land uses or conditions such as incompatible uses, floodplain, or adverse influences from noise, smoke or fumes exist, or where there exists over-crowding, excessive dwelling unit density or conversions to incompatible types of uses, and it is determined by the Agency that acquisition of such properties and the rehabilitation or demolition of the improvements are necessary to remove blighting influences;
- Where it is determined by the Agency that the property is needed for the following purposes;

1. **Property to be Acquired for Public Improvements and Facilities:**
   It is anticipated that acquisition of real property will be necessary to carry out public use objectives of this plan. These objectives include right-of-way acquisition for streets, alleys, bicycle and pedestrian ways, and other public improvements, uses and facilities described in Section 700 of this plan. Prior to acquisition, this Plan shall be amended to identify the specific property or interest to be acquired.

   The type of amendment required to acquire property for Public Improvements and Facilities is:
   a. Right-of-way acquisition for streets, alleys, bicycle and pedestrian ways that do not require the use of eminent domain will require a minor amendment to this Plan, as described in Section 900 A1 of this Plan. City Commission approval will not be required for these acquisitions.
   b. Acquisition for other public improvements, uses, and facilities will require a minor amendment to this Plan, as described in Section

900 A1 of this Plan, and also will require City Commission approval of the minor amendment, per Section 900 B. 2 of this Plan.

c. Any acquisition of property for Public Improvements and Facilities that requires the use of eminent domain will require a minor amendment to this Plan, as described in Section 900 A1 of this Plan, and also will require City Commission approval of the minor amendment, per Section 900 B. 2 of this Plan.

Such amendments will be accompanied by findings to the Agency describing the property to be acquired, the anticipated disposition of such property, and an estimated time schedule for such acquisition and disposition. The property to be acquired will be incorporated into Table 2 of this Plan.

2. Property to be acquired for Redevelopment.

Property may be acquired by the Renewal Agency and disposed of to a public or private developer in accordance with this Plan. Prior to acquisition, this Plan shall be amended to identify the specific property or interest to be acquired. The type of amendment required to acquire property for Redevelopment is:

a. Acquisition for Redevelopment will require a minor amendment to this Plan as described in Section 900 A1 of this Plan, and also will require City Commission approval of the minor amendment per Section 900 B 2 of this Plan.

Such amendments will be accompanied by findings to the Agency describing the property to be acquired, the anticipated disposition of such property, and an estimated time schedule for such acquisition and disposition. The property to be acquired will be incorporated into Table 2 of this Plan.

TABLE 2
PROPERTIES TO BE ACQUIRED

Tax Map	Tax Lot	Comments
3-2E-5C	293	(Portion)
3-2E-5C	300	(Portion)
3-2E-5C	806	Completed
3-2E-5D	*401*	Previously TL400
3-2E-5D	*402*	Previously TL400
3-2E-5D	500	(Portion)
3-2E-5D	501	(Portion)
3-2E-5D	1000	Completed, BeavercreekRoad
3-2E-5D	1100	Completed, BeavercreekRoad
3-2E-5D	1300	(Portion), Previously TL1300 and TL1400
3-2E-5D	1400	(Portion), currently inTL1300
3-2E-5DB	3200	
3-2E-5DB	3201	
3-2E-5DB	3300	
3-2E-5DB	3400	
3-2E-9B	2000	(Portion)

Property Acquisition and Disposition Schedule: It is anticipated that the properties to be acquired-will be acquired during the period 1991 to 2011, and that disposition will be completed by the year 2016.

F. Property Disposition

1. **Property Disposition** - The Renewal Agency will dispose of property acquired within the Amended Renewal Area for redevelopment for uses and purposes specified in this Plan. Properties shall be subject to disposition for the following purposes:

    a. Road, street, and utility improvements.
    b. Construction of pedestrian, bikeway, or other public facilities specified in this Plan.
    c. 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.

The Renewal Agency may enter into agreements to acquire land, to hold land for future development, to dispose of any land it has acquired at fair reuse value, and to define the fair reuse value of any land.

2. **Redeveloper's Obligations -** Redevelopers within the Urban Renewal Area will be subject to controls and obligations imposed by the provisions of this Plan. Redevelopers also will be obligated by the following requirements:

    a. The Redeveloper shall develop or redevelop property in accordance with the land-use provisions and other requirements specified in this Plan.
    b. 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 prior to distribution to reviewing bodies as required by the City.
    c. The Redeveloper shall commence and complete the development of such property for the use provided in this Plan within a reasonable period of time as determined by the Agency.
    d. The Redeveloper shall accept all conditions and agreements as may be required by the Renewal Agency. The Renewal Agency may require the redeveloper to execute a development agreement acceptable to the Renewal Agency as a condition of the Agency's assistance.
    e. 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. RELOCATION

Should conditions arise which would cause the acquisition of developed and occupied property by the Urban Renewal Agency, the Agency will provide assistance to persons or businesses displaced 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.

900. FUTURE AMENDMENTS

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

A. Minor Amendments

Minor changes to the Plan shall be made by a duly approved resolution of the Agency that describes the details of the minor change. Minor changes shall include:

1. Identification of property to be acquired for any purpose set forth in Section 700 D.1.a. of this Plan.
2. Changes to the Plan which are not specifically identified as requiring a Substantial Amendment, or a City Commission-Approved Amendment

B. City Commission-Approved Amendments

City Commission-Approved amendments to the Plan shall require approval by the Agency by Resolution and approval by the City Commission by Ordinance. City Commission-Approved amendments are:

1. Adding a project, activity, or program that differs substantially from a project, program, or activity in the Plan, and is estimated to cost in excess of the equivalent of $500,000 in first quarter year 2000 dollars over the duration of the Plan. The $500,000 threshold shall be adjusted annually at a rate equal to the Construction Cost Index (CCI), also referred to as the ENR Index for Construction published quarterly by the Engineering News Record.
2. Identification of land for acquisition which requires City Commission approval per Sections 700 D.1. b, 700 D.1.c., or 700 D. 2. a.) of this Plan.

C. Substantial Amendments

Substantial amendments shall require the notice, hearing, and approval procedures required by ORS 457.095, and special notice as provided in ORS 457.120. Substantial amendments are:

1. 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.
2. Increasing the amount of maximum indebtedness that can be issued or incurred under the plan

950. LATEST DATE FOR ISSUE OF BONDED INDEBTEDTNESS

Note: The requirement for a "latest date" provision was removed from urban renewal law after passage of BM50. BM50 requires that plans contain a maximum debt provision.

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 undertaking and carrying out this plan. In addition, the Agency may borrow money from, or lend money to a public agency in conjunction with a joint undertaking of a project authorized by this plan. If such funds are loaned, the Agency may promulgate rules and procedures for the methods and conditions of payment of such loans.

The funds obtained by the Agency shall be used to pay or repay any costs, expenses, advances and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457.

B. Tax Increment Financing

The costs of carrying out this Plan will be financed in whole or in part by tax increment financing, as authorized in ORS 457.420 through ORS 457.450.

1100 - ESTABLISHMENT OF MAXIMUM DEBT

The maximum amount of indebtedness that may be issued or incurred under this Urban Renewal Plan is $13,247,881. This maximum amount of indebtedness includes $2,005,000 principal amount of indebtedness outstanding on the date of adoption of this amendment.

PLAN AMENDMENT PART TWO - EXHIBITS

Exhibit 1..... Boundary Map of Project Area

Exhibit 1A Legal Description of Project Area

Exhibit 2 Land Use Map of Project Area

Exhibit 3 Zoning Map of Project Area

Exhibit 4 Map of Properties to be Acquired for Public Use

Exhibit 5 Map of Properties to be Acquired for Redevelopment

Exhibit 6 Map of Proposed Project Activities

Appendix A..... Boundary of 1983 Urban Renewal Plan
Appendix B.....Boundary of Area Amended in First Amendment, 1989

HILLTOP
URBAN RENEWAL PLAN

PART TWO – EXHIBITS & APPENDICES

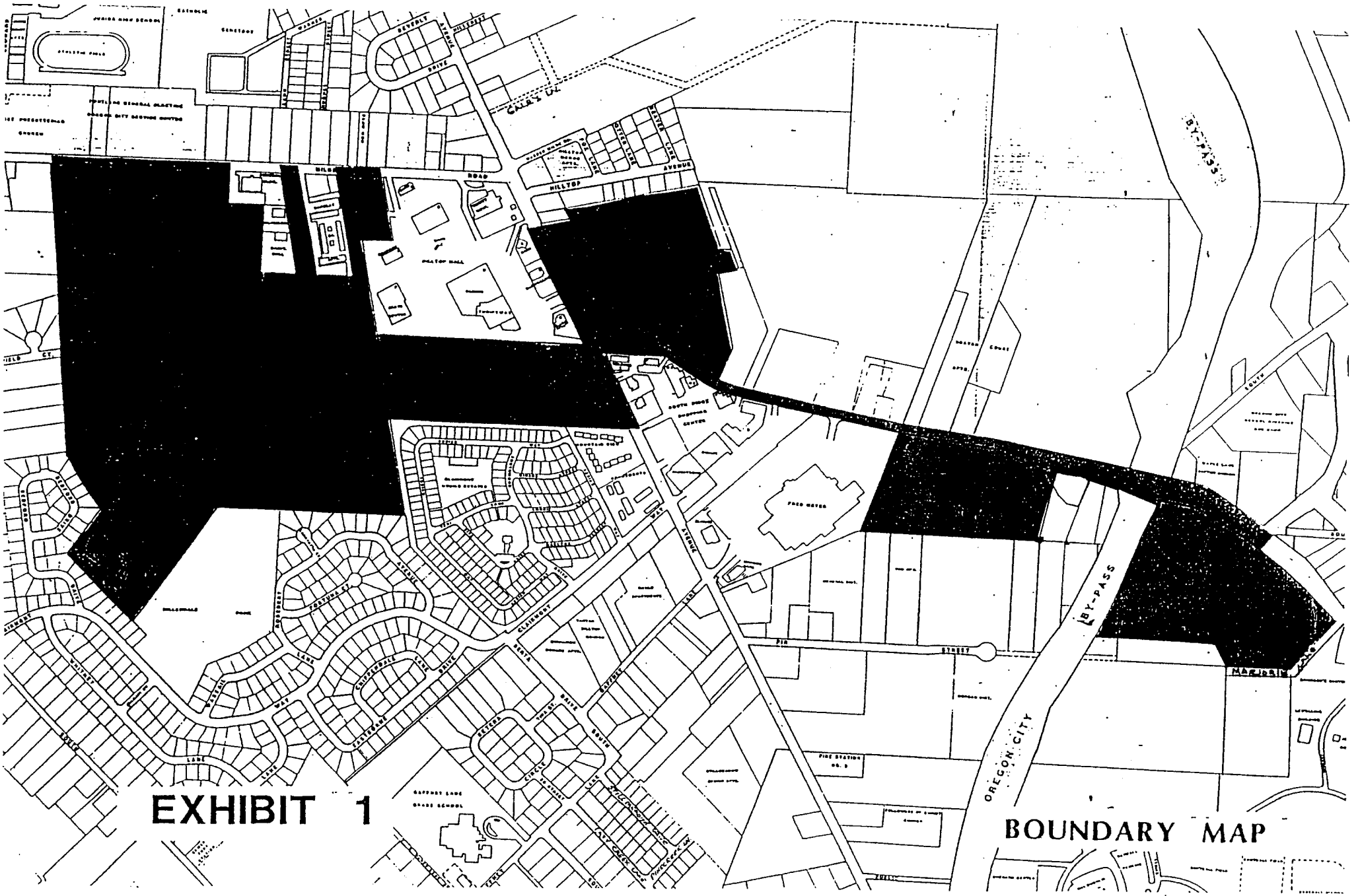


EXHIBIT 1
BOUNDARY MAP
BY-PASS
OREGON CITY
HILLTOP
AVENUE
ROAD
BEVERLY
DRIVE
PIN
STREET
MARJORIE
LANE
CLAIRMONT
FORD MOTOR
FIRE STATION
SOUTH

LEGAL DESCRIPTION
of
URBAN RENEWAL DISTRICT BOUNDARY

A tract of land situated in the South half of Section 5 and the North half of Section 9, Township 3 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon, and being more particularly described as follows:

BEGINNING at a point of intersection of the Southwesterly right-of-way line of Oregon State Highway 213 (also known as Market Road 22) and the Northwesterly projection of the Northeasterly right-of-way line of South Beavercreek Road (also known as Market Road 11), said beginning point being located in the Southwest quarter of said Section 5;

1) THENCE Southeast 505 feet, more or less, along the Southwesterly right-of-way line of said Oregon State Highway 213 to a point on a line which is 29 feet North of and parallel to the South boundary of the tract of land as described in Deed Reference 78-47506 as Parcel 1 of Exhibit A;

2) THENCE West 1260 feet, more or less, along said line running parallel to and 29 feet North of said South boundary to the Southwesterly boundary of said tract of land;

3) THENCE Northwest 323 feet, more or less, along said tract of land Southwesterly boundary to the South boundary of Tax Lot 500, Deed Reference 82-3019;

4) THENCE N. 13° 17' W. along the East line of that certain tract of land conveyed to City of Oregon City, a municipal corporation, by deed as recorded on February 2, 1982 under Recorder Fee No. 82-3019, Clackamas County Records a distance of 223.27 feet to the Southwest corner of that certain tract of land conveyed to City of Oregon City, a municipal corporation, by deed as recorded on June 8, 1979 under Recorder Fee No. 79-23802, Clackamas County Records;

5) THENCE N. 89° 12' 30" E. along the South line of said Oregon City tract (79-23802) a distance of 190.00 feet to the Southeast corner thereof;

6) THENCE N. 13° 17' W. along the East line of said Oregon City tract (79-23802) and its Northwesterly extension a distance of 466 feet, more or less, to the Northerly line of Warner Milne Road:

7) THENCE S. 89° 12' 30" W. along the North line of said Warner Milne Road a distance of 290.00 feet to a point at the intersection with the Northwesterly extension of the Westerly line of said Oregon City tract (82-3019);

8) THENCE S. 13° 17' W. along the West line of said Oregon City tract (82-3019) a distance of 690 feet, more or less, to the Southwest corner thereof;

9) THENCE West 231 feet, more or less, along said South Tax Lot 500 boundary and continuing along the South boundary of Tax Lot 602, Deed Reference 76-12602, to the Southwest corner of said Tax Lot 602;

10) THENCE, Northwest 690 feet along the Southwesterly boundary of said Tax Lot 602 and continuing along a Northwesterly projection of said Southwesterly boundary (crossing Warner-Milne Road) to the Northerly right-of-way line of Warner-Milne Road;

EXHIBIT 1A

11) THENCE West 100 feet along said Northerly Warner-Milne Road right-of-way to a point on the Northwesterly projection of the Easterly boundary of Tax Lot 700, Deed Book 681, Page 500';

12) THENCE Southeasterly 690 feet, (crossing Warner-Milne Road) along said Easterly Tax Lot 700 boundary and continuing along the Easterly boundary of Tax Lot 801, Deed Reference 71-32917, and Tax Lot 802, Deed Reference 80-30350, to the Southeast corner of said Tax Lot 802;

13) THENCE West 214 feet along the South boundary of said Tax Lot 802 to its Southwest corner;

14) THENCE North 410 feet along the West boundary of said Tax Lots 802 and 801 to the Northwest corner of said Tax Lot 801'

15) THENCE West 211 feet along the South boundary of Tax Lot 700, Deed Book 681, Page 500, to its Southwest corner;

16) THENCE North 260 feet along the West boundary of said Tax Lot 700 and continuing on a projection of said West boundary, (crossing Warner-Milne Road) to the Northerly right-of-way line of Warner-Milne Road;

17) THENCE West 1132 feet, more or less, along said Northerly Warner-Milne Road right-of-way line to the Northerly projection of the Westerly boundary of Tax Lot 800, Deed Book 210, page 9,

18) THENCE South 6° 06' 40" East 1849.82 feet (crossing Warner-Milne Road) along the Westerly boundary of said Tax Lot 800 to a 1½" iron pipe;

19) THENCE South 37° 02' 20" East 420.08 feet along the Southwesterly boundary of said Tax Lot 800 to a 1¼" iron pipe;

20) THENCE South 32° 13' 20" West 339.10 feet along the Southwest boundary of said Tax Lot 800 to an 18" x 18" stone marked with a cross;

21) THENCE South 46° 59' 20" East 617.91 feet along the Southwesterly boundary of said Tax Lot 800 to a 1¼" iron pipe;

22) THENCE North 32° 20' 20" East 866.99 feet along said Tax Lot 800 Southerly boundary to a ½" iron pipe;

23) THENCE North 89° 18' 30" East 1170 feet along said Southerly boundary and continuing along the Southerly boundary of Tax Lot 900, Deed Reference 80-16605, to the Westerly boundary of Tax Lot 402, Deed Reference 82-34935;

24) THENCE Northwest 640 feet, more or less, along the Westerly boundary of said Tax Lot 402 to the Southwest corner of Tax Lot 401, Deed Reference 77-4139;

25) THENCE East 1530 feet, more or less, along the South boundary of said Tax Lot 401 and continuing along an Easterly projection of said South boundary (crossing State Highway 213) to the Northeasterly right-of-way line of State Highway 213;

26) THENCE Northwest 520 feet, more or less, along said State Highway 213 Northeasterly right-of-way line to the South boundary of Tax Lot 1100, Deed Book 595, Page 127;

27) THENCE East 500 feet, more or less, along the South boundary of said Tax Lot 1100 and continuing along the South boundary of Tax Lot 1000 South boundary to the Southwesterly right-of-way line of South Beavercreek Road;

28) THENCE Southeasterly along the Southwesterly line of said South Beavercreek Road a distance of 1600 feet, more or less, to the Northwest corner of Lot 19 of the duly recorded plat of Clairmont Acreage Tracts No. 3 (County plat No. 277);

29) THENCE S. 17° 12' W. along the Westerly line of said Lot 19 a distance of 546.3 feet to and angle point;

30) THENCE S. 15° 42' W. continuing along the Westerly line of said Lot 19 a distance of 191.4 feet to the Southwest corner thereof;

31) THENCE East along the South line of Lot 19, 18, 17 and 16 of said Clairmont Acreage Tracts No. 3 a distance of 1098.7 feet to the Southeast corner of said Lot 16;

32) THENCE North along the East line of said Lot 16 a distance of 360 feet, more or less, to the intersection with the Southwest line of said South Beavercreek Road;

33) THENCE N. 28° 40' W. along the Southwest line of said South Beavercreek Road a distance of 90 feet, more or less, to an angle point;

34) THENCE S. 73° 40' E. a distance of 140 feet, more or less, to an angle point in the Southwest line of said South Beavercreek Road;

35) THENCE Southeast along the Southwest line of said South Beavercreek Road a distance of 310 feet, more or less, to the intersection with the Westerly line of Oregon State Highway No. 213;

36) THENCE S. 78° 30'E. a distance of 250 feet, more or less, to the intersection of the Easterly line of said Oregon State Highway No. 213 and the Southwest line of said South Beavercreek Road;

37) THENCE S. 22° W. along the Northeast line of said Oregon State Highway No. 213 a distance of 600 feet, more or less, to Engineer's centerline Station 230 + 64.79 P.C.S.;

38) THENCE Southwesterly along the arc of a 400 foot spiral curve to the right, having an arc distance of 344.90 feet (chord bears S. 25° 32' 37" W. a distance of 344.83 feet) to a point;

39) THENCE N. 89° 34' 34" E. a distance of 830.96 feet to a point;

40) THENCE S. 45° 25' 26" E. a distance of 162.16 feet to a point in the North line of that certain tract of land conveyed to Lee Kronberg, et ux., as Parcel I by deed as recorded under Recorder Fee No. 69-8065;

41) THENCE N. 89° 34' 34" E. along the North line of said Kronberg tract a distance of 300.11 feet to an angle point in the North line of a 70 foot Public Street;

42) THENCE N. 37° 06' 37" E. along the Northwesterly line of said 70 foot Public Street a distance of 398.09 feet to a point on the Southwest line of said South Beavercreek Road;

43) THENCE Northwest along the Southwest line of said South Beavercreek Road a distance of 600.00 feet to a point;

44) THENCE Northeast, crossing said South Beavercreek Road at right angles, a distance of 100 feet, more or less, to a point on the Northeasterly line of South Beavercreek Road;

45) THENCE Northwest along the Northeasterly line of South Beavercreek Road a distance of 850 feet, more or less, to the intersection with the Easterly line of said Oregon State Highway No. 213;

46) THENCE N. 82° W. a distance of 250 feet, more or less, to the intersection of the Westerly line of said Oregon State Highway No. 213 and the Northeast line of said South Beavercreek Road;

47) THENCE Westerly along the Northeasterly line of said South Beavercreek Road a distance of 2650 feet, more or less, to the most Southerly corner of that certain tract of land conveyed to Clarence Rippey, et ux., by deed as recorded on September 30, 1958 in Book 546, Page 56, Clackamas County Records;

48) THENCE N. 19° E. along the Southeast line of said Rippey tract a distance of 180 feet, more or less, to an angle point;

49) THENCE N. 15° 10' W. along the Northeast line of said Rippey tract a distance of 470 feet, more or less, to the most Northerly Northeast corner thereof;

50) THENCE N. 75° 01' 15" E. along the Southeast line of that certain tract of land conveyed to Maurice Jacobs-Jacobi, et ux., by deed as recorded in Book 686, Page 3, Clackamas County Records, to the most Easterly corner thereof;

51) THENCE N. 25° 30' W. along the Easterly line of said Jacobi tract a distance of 133.31 feet to the Northeast corner thereof;

52) THENCE West along the North line of said Jacobi tract a distance of 120 feet, more or less, to the most Southerly Southeast corner of that certain tract of land conveyed to Verdell D. Younger, et ux., as recorded on May 23, 1969 under Recorder Fee No. 69-9411, Clackamas County Records;

53) THENCE N. 21° 45' W. along the Northeast line of said Younger tract and its Northeasterly extension a distance of 415 feet, more or less, to a point on the Southeast line of the duly recorded plat of Hilltop Acres (County Plat No. 1166);

54) THENCE S. 76° 55' W. along the Southeast line of said Hilltop Acres a distance of 650 feet, more or less, to a point on the Northeast line of that certain tact of land conveyed to Wendy's International, Inc., an Ohio corporation, as recorded on June 3, 1981 under Recorder Fee No. 81-19231, Clackamas County Records;

55) THENCE S. 28° 53' 38" E. along the Northeasterly line of said Wendy's tract a distance of 73.90 feet to the most Easterly corner thereof;

56) THENCE S. 76° 55' 00" W. along the Southeast line of said Wendy's tract and its Southwesterly extension a distance of 240 feet, more or less, to a point on the Southwest line of said Molalla Avenue;

57) THENCE S. 29° E. along the Southwest line of said Molalla Avenue a distance of 300 feet, more or less, to the **POINT OF BEGINNING.**

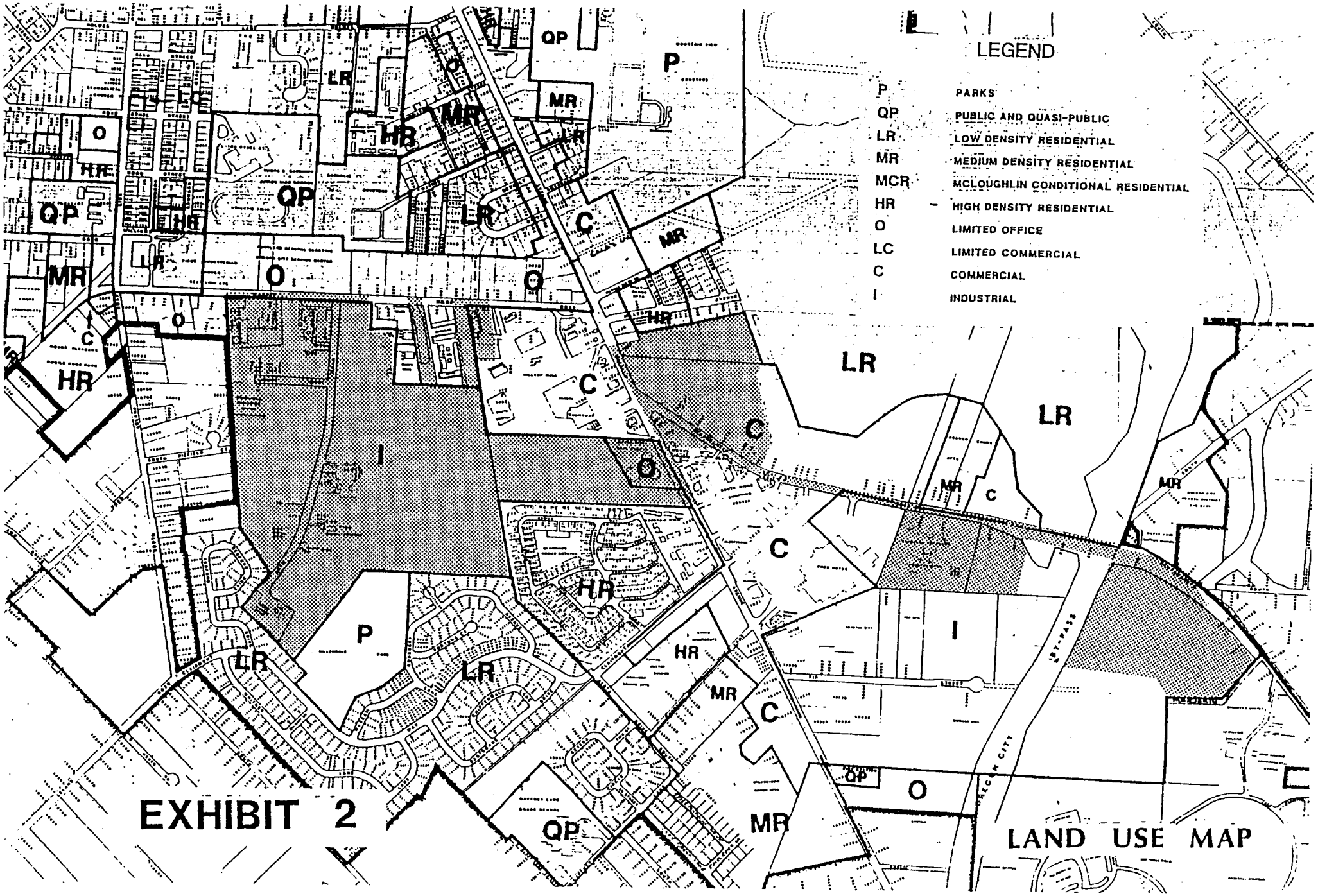
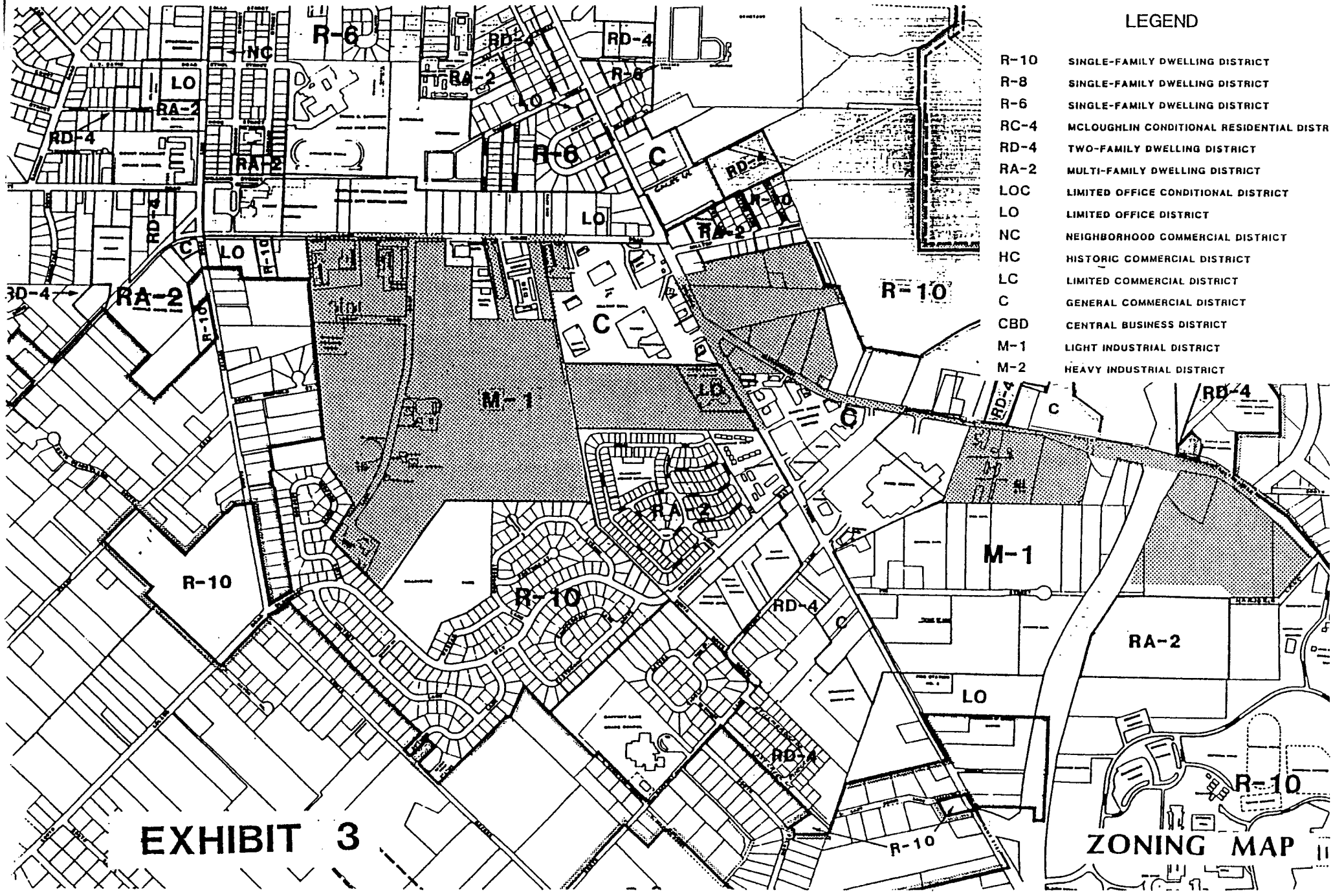
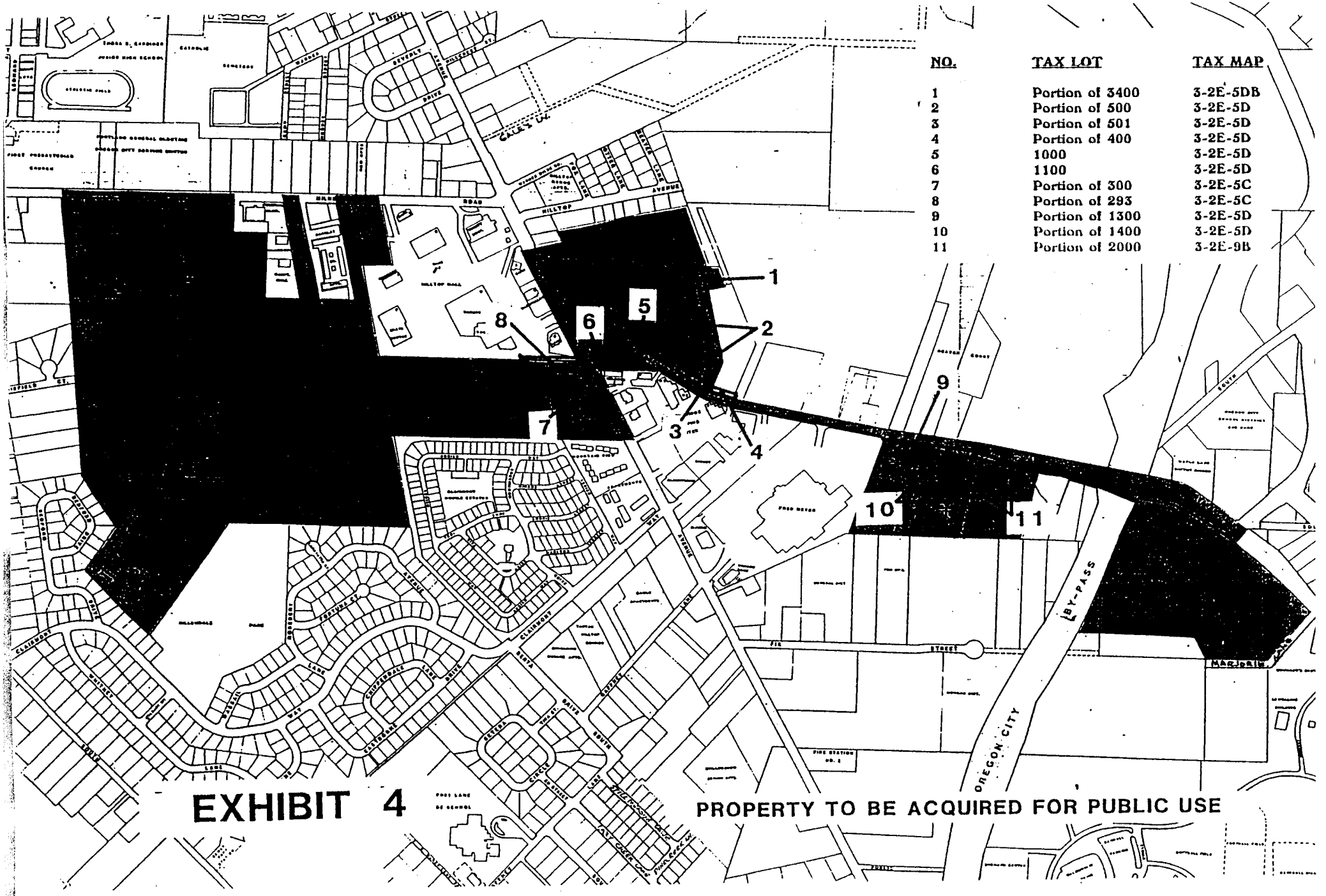


EXHIBIT 2

LAND USE MAP

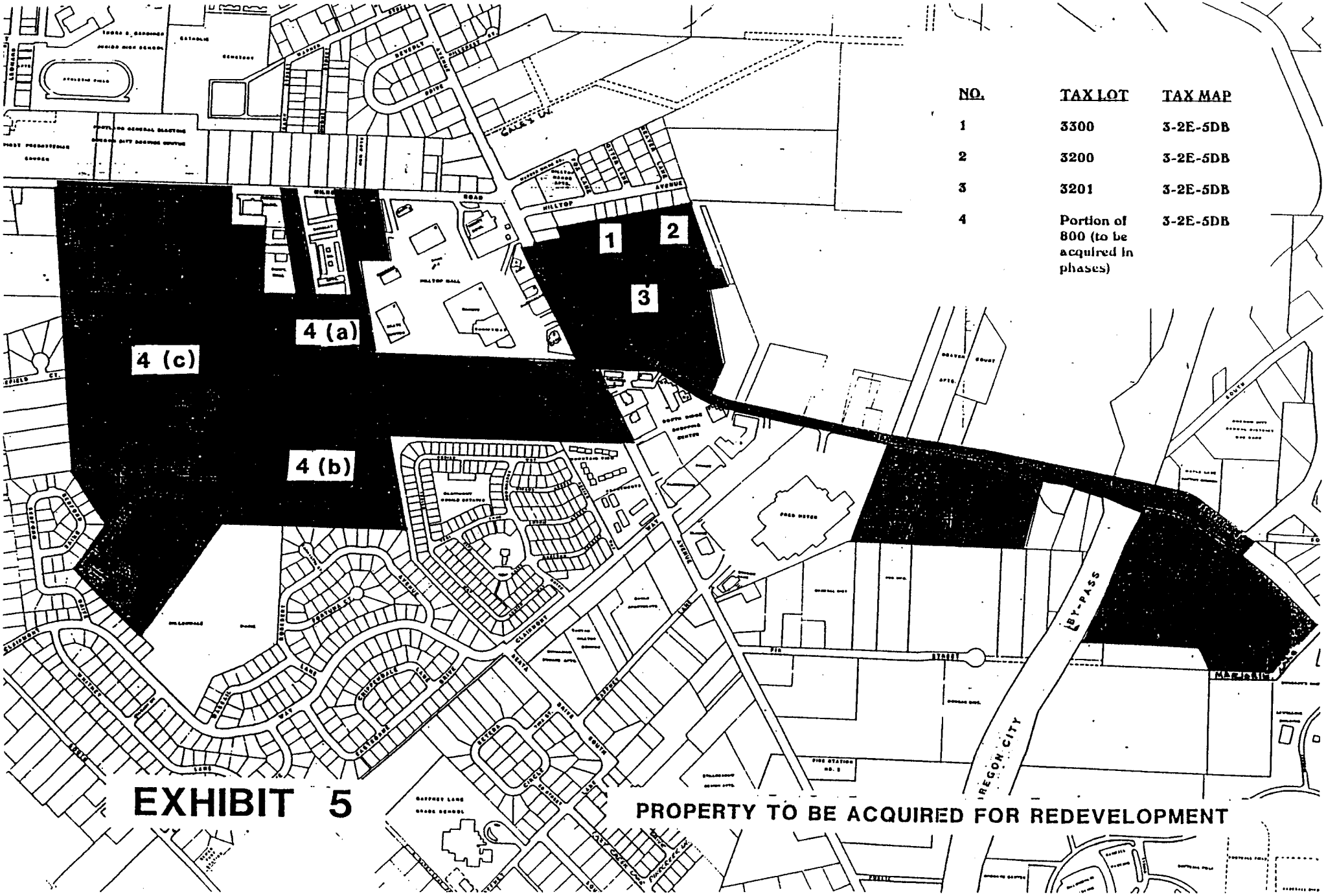

LEGEND
R-10 SINGLE-FAMILY DWELLING DISTRICT
R-8 SINGLE-FAMILY DWELLING DISTRICT
R-6 SINGLE-FAMILY DWELLING DISTRICT
RC-4 MCLOUGHLIN CONDITIONAL RESIDENTIAL DISTR
RD-4 TWO-FAMILY DWELLING DISTRICT
RA-2 MULTI-FAMILY DWELLING DISTRICT
LOC LIMITED OFFICE CONDITIONAL DISTRICT
LO LIMITED OFFICE DISTRICT
NC NEIGHBORHOOD COMMERCIAL DISTRICT
HC HISTORIC COMMERCIAL DISTRICT
LC LIMITED COMMERCIAL DISTRICT
C GENERAL COMMERCIAL DISTRICT
CBD CENTRAL BUSINESS DISTRICT
M-1 LIGHT INDUSTRIAL DISTRICT
M-2 HEAVY INDUSTRIAL DISTRICT
R-6
NC
LO
RA-2
RD-4
R-8
R-10
C
M-1
EXHIBIT 3
ZONING MAP



NO.	TAX LOT	TAX MAP
1	Portion of 3400	3-2E-5DB
2	Portion of 500	3-2E-5D
3	Portion of 501	3-2E-5D
4	Portion of 400	3-2E-5D
5	1000	3-2E-5D
6	1100	3-2E-5D
7	Portion of 300	3-2E-5C
8	Portion of 293	3-2E-5C
9	Portion of 1300	3-2E-5D
10	Portion of 1400	3-2E-5D
11	Portion of 2000	3-2E-9B

EXHIBIT 4

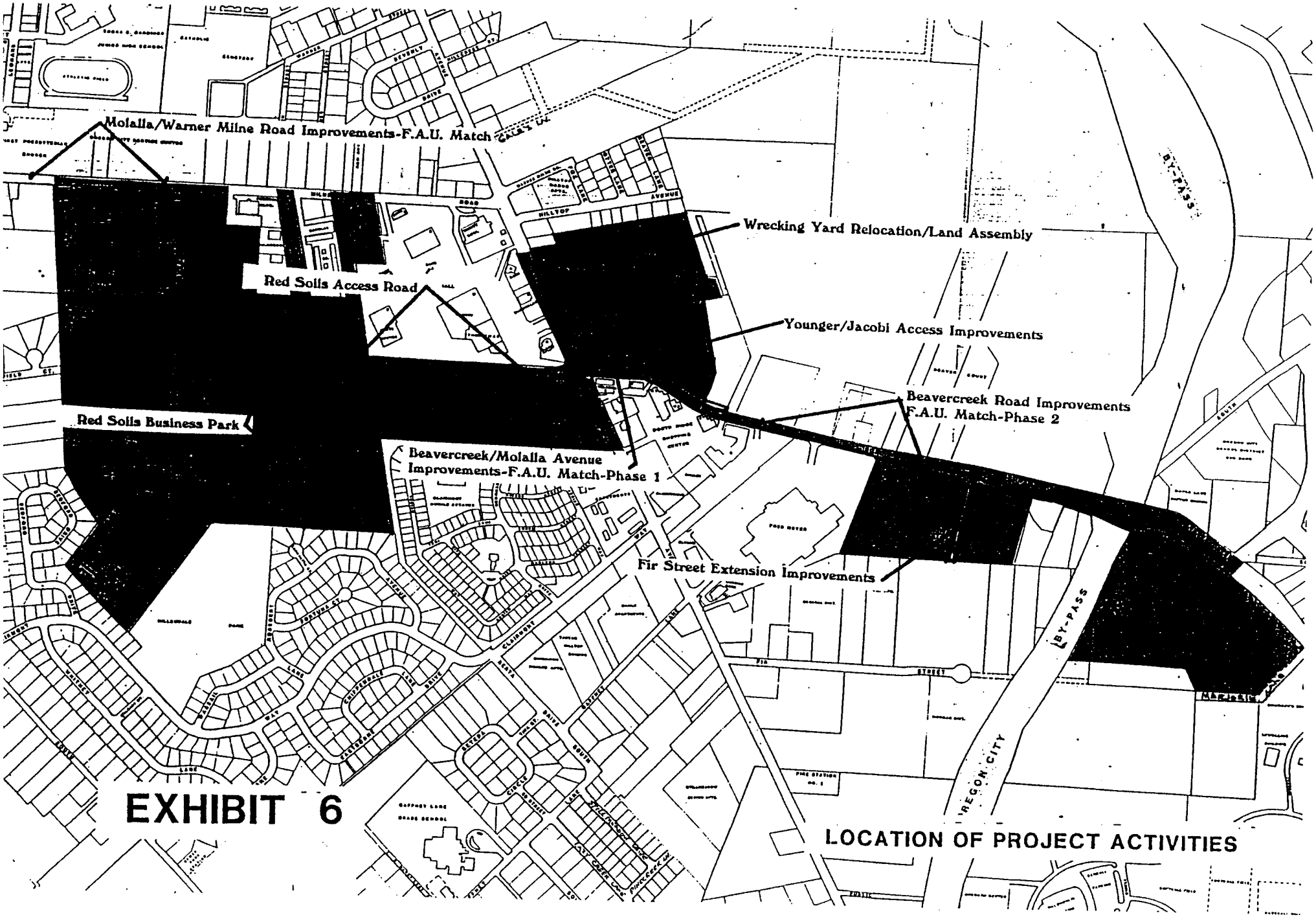
PROPERTY TO BE ACQUIRED FOR PUBLIC USE



NO.	TAX LOT	TAX MAP
1	3300	3-2E-5DB
2	3200	3-2E-5DB
3	3201	3-2E-5DB
4	Portion of 800 (to be acquired in phases)	3-2E-5DB

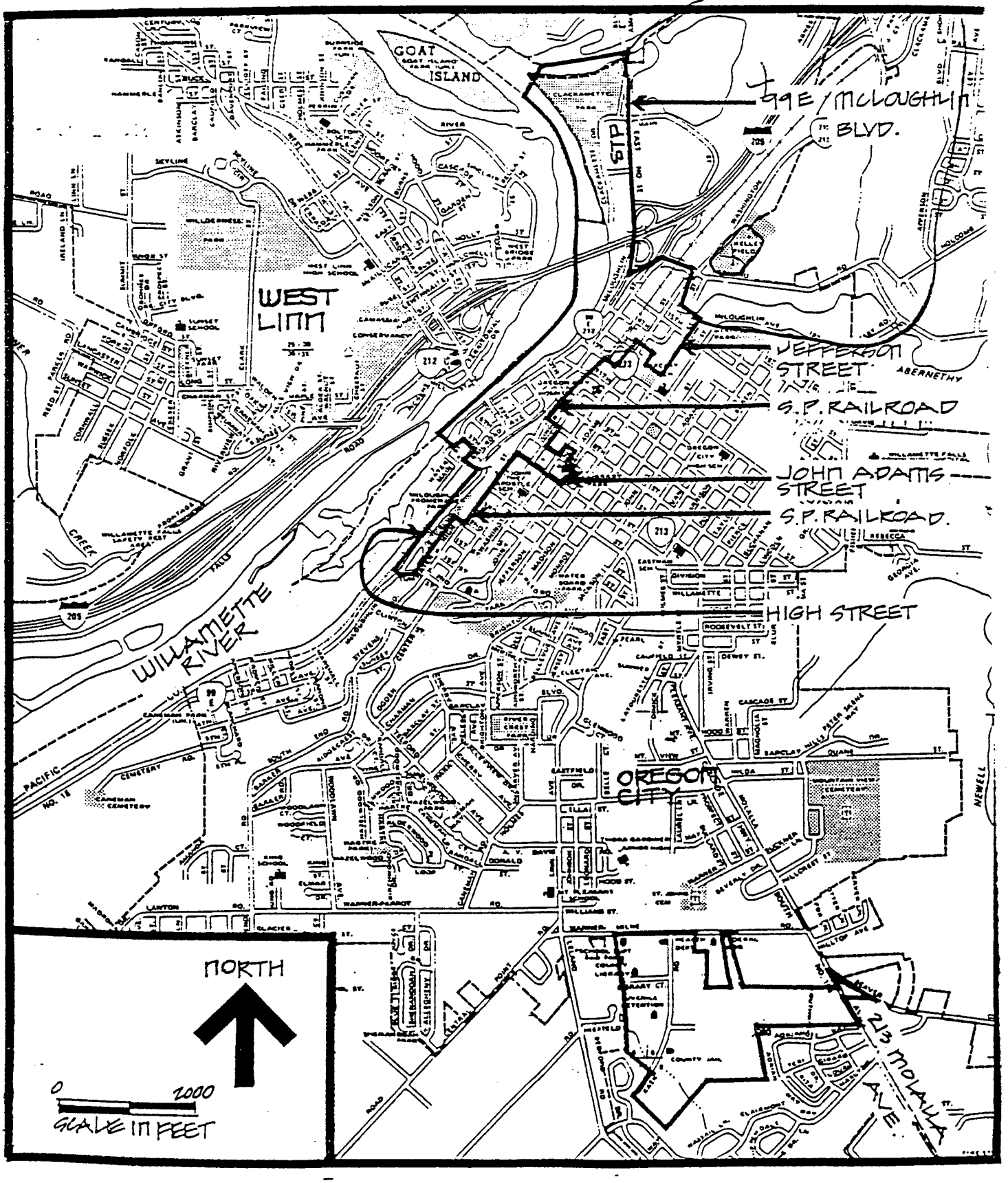
EXHIBIT 5

PROPERTY TO BE ACQUIRED FOR REDEVELOPMENT

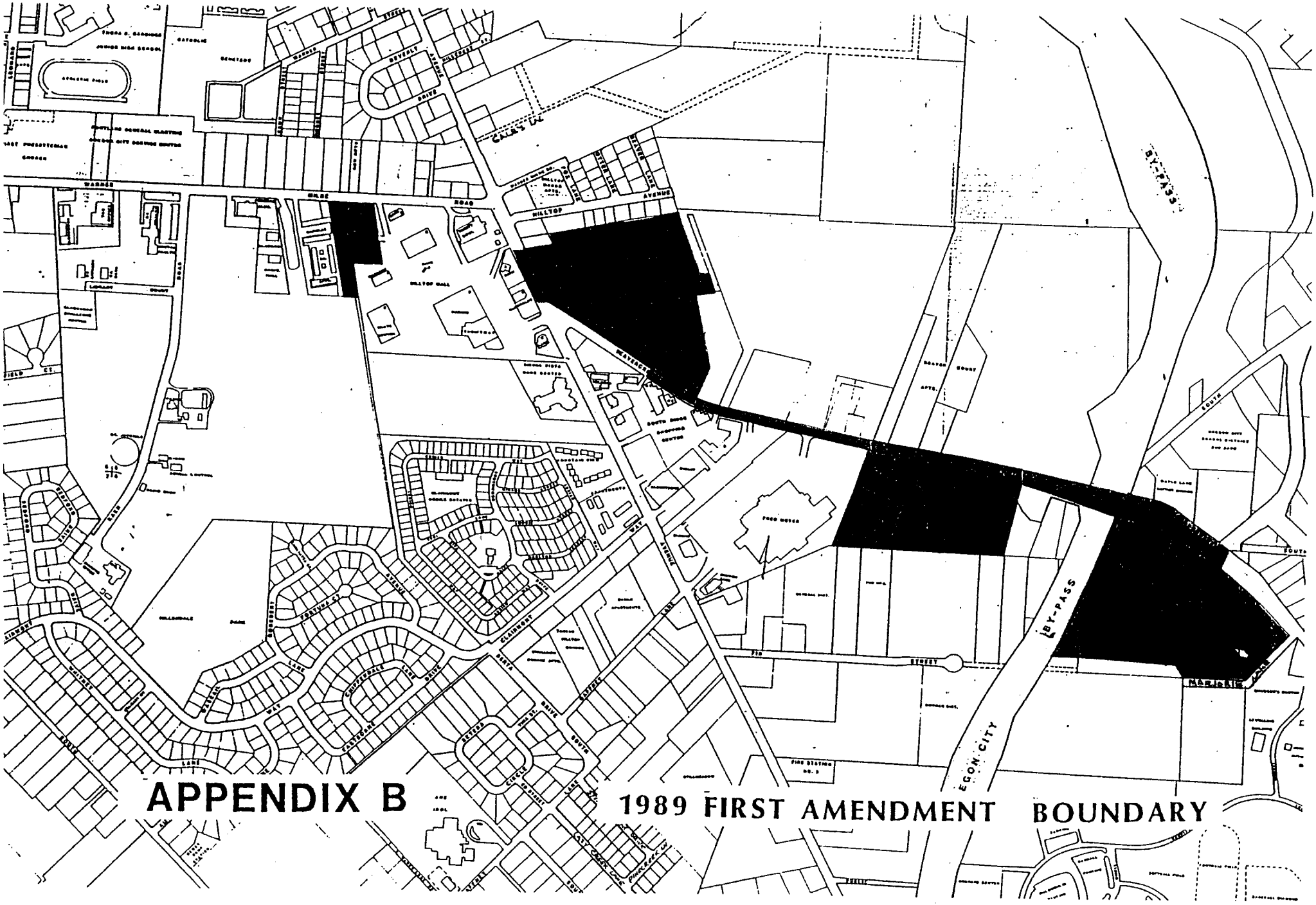

Molalla/Warner Milne Road Improvements-F.A.U. Match
Wrecking Yard Relocation/Land Assembly
Red Soils Access Road
Younger/Jacobi Access Improvements
Beavercreek Road Improvements
F.A.U. Match-Phase 2
Red Soils Business Park
Beavercreek/Molalla Avenue
Improvements-F.A.U. Match-Phase 1
Fir Street Extension Improvements
BY-PASS
OREGON CITY
EXHIBIT 6
LOCATION OF PROJECT ACTIVITIES

OREGON CITY DOWNTOWN URBAN RENEWAL DISTRICT

1983 ORIGINAL BOUNDARY



APPENDIX A



APPENDIX B

1989 FIRST AMENDMENT BOUNDARY

Hilltop District
Oregon City

Consolidated Text on the Report Through the 5th Amendment

July 2001

HILLTOP
REPORT ON PLAN

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NOTE ON CONSOLIDATED HILLTOP REPORT DOCUMENT

This document incorporates in its text all amendments to the Report on the Hilltop Plan to date. This document includes all amendments through the date July 1, 2001

Sequence And Purpose of Amendments

The Hilltop Urban Renewal Plan was created in 1990, via the 2nd Amendment to the 1983 Downtown Oregon City Urban Renewal Plan. The reference in the Introduction refers to this Amendment to the 1983 Plan. The amendments to the Hilltop Plan are:

1st Resolution 91-05 Sept 25, 1991 –
Inserts Latest Date for Bonded Indebtedness
2nd Resolution 96-05 Dec 4, 1996 –
Inserts Younger-Jacobi Sewer Improvements
3rd There is no resolution or ordinance adopting a third amendment. Resolution 96- 05 was mistakenly identified as the 3rd amendment when the BM50 amendment was prepared in 1998.
4th Ordinance 98-1013 June 17, 1998 –
Inserts Maximum Indebtedness per BM50 requirement.
5th Ordinance 00-1013 May 3, 2000 –
Makes extensive changes to wording of sections on Plan Activities, Acquisition Procedures, and Amendments.

INTRODUCTION TO REPORT ON PLAN

This Report on the Amended Urban Renewal Plan, dated August__, 1990 includes a description of the physical, social and economic conditions found in the Amended Urban Renewal Area. This Report is intended to be a self-containing document stating and restating all conditions, findings and analysis which remain, and replacing the conditions, findings and analysis found in the original plan as previously amended.

100 - DESCRIPTION OF CONDITIONS IN THE AREA

A. Physical Conditions

1. Land Area.

The original renewal plan adopted in 1983 consisted of approximately 339.2 acres. In 1989, the First Amendment to the plan added an additional 67.5 acres located in the Hilltop area; increasing the land within the renewal plan boundary to 406.7 acres. This amended plan removes 216.8 acres in the "first level" area of the original plan, and adds 0.3 acres of right-of-way land to the boundary of the amended renewal area. The land included within the boundary of this amended plan therefore is 190.2 acres.

ORS 457.420 provides that the total land area of an urban renewal district, when added to the land area of existing renewal areas may not exceed 25% of the City's land area. The land area of Oregon City is approximately 3,352.4 acres. The renewal area as amended will comprise 5.7 % of the City's land area. ORS 457.220 sets a 20% limit on increases to the total land area of the original urban renewal plan. Amendments to the 1983 plan have added a total of 67.8 acres of land to the 339.2 acres included within the original plan. These additions of land represent a 20% increase in the total land area of the original plan, the limit allowed by ORS 457.220.

2. Existing Land Use and Development.

A detailed parcel by parcel land use inventory of the renewal project area was undertaken in 1990. Table 1 summarizes existing land uses in the amended project area.

TABLE 1

EXISTING LAND USE

Land Use	Acres	Percent
Public Non-Profit	33.3	17.5
Industrial	15.5	8.1
Commercial	28.5	15.0
Residential	4.7	2.5
Vacant	91.1	47.9
Right-of-Way	17.1	9.0
Totals	190.2	100.0

Source: Spencer & Kupper, 1990

The boundary of the urban renewal area is shown in Exhibit 1 to the Urban Renewal Plan. Included within this boundary are the Red Soils area west of Molalla Avenue and south of Warner Milne Road, the City of Oregon City Hall building and adjacent site off Warner Milne Road, and three distinct areas located on Beavercreek Road. The Beavercreek Road right-of-way from Molalla Avenue west past the Oregon City Bypass, also is included.

The Red Soils area includes approximately 80 acres of vacant land with the majority of remaining land used for Clackamas County and other public offices. The area contains nine parcels. The County sheriff's office and jail are located in the southwest portion of the area, while other county offices, including library, mental health center, and assessor, are located along Kaen Road in the northwest

part of the area. These county offices are housed in wood-frame and concrete block single-story buildings on about 14 acres. A privately owned vacant parcel extends from the County property east toward Molalla Avenue. Fronting Molalla Avenue is the one-story Sierra Vista Nursing Home and a Skippers Restaurant on the west, and the Stein Oil Company service station on the east. The total area of Red Soils is 122.4 acres.

The city hall area consists of the city building, parking area, and vacant areas to the north and west of the building. Added by this amended Plan is 0.3 acres of Warner Milne Road right-of-way directly north of the city hall area. This area contains 3.5 acres.

A 19.14 acre area is located on the east side of Beavercreek Road at the intersection of Molalla Avenue. The northern-most 13 acres on four parcels have access from Molalla Avenue and are used for an auto wrecking yard and a vacant parcel. Seven smaller parcels to the south have access from Beavercreek Road, and are used for a variety of commercial, industrial and residential uses including Les Schwab Tire Center, bookstore/stationary store, auto glass shop and frame shop. A single family residence is also located in this area. This area is immediately adjacent to the Hilltop Mall to the west, and the Southridge Shopping Center and Fred Meyer Shopping Center to the south. These shopping centers form a commercial center serving the Hilltop District of Oregon City.

The wrecking yard is used for the surface storage of wrecked autos and associated auto parts. Residential neighborhoods border the yards on the north. This use represents an under-utilization of land located at the intersection of two major arterials in Oregon City. In addition, this use, because of its visual impact and the activities associated with a wrecking yard, place constraints on the development and redevelopment of nearby properties.

Further east along Beavercreek Road is a second area on the south side of the street containing three parcels. This 14.05 area is currently used for a poultry farm and hatchery. The easterly parcel is vacant. This area is in an industrial zone, and the activities associated with the poultry and hatchery use are contained in industrial and agricultural structures on the site. A Fred Meyer shopping center is immediately adjacent to the farm on the west. As the areas along Beavercreek Road and Fir Street develop for light industrial and commercial uses, this agricultural use may present conflicts.

The third area consists of six parcels located on the west side of Beavercreek Road just south of the Oregon City Bypass intersection. This 20.07 acre parcel is the site of a 200,000 square feet shopping center.

3. Comprehensive Plan.
The Oregon City Comprehensive Plan designates the renewal area for industrial and commercial uses. Table 2 lists the acreage is each designation. Portions of the Beavercreek Road right-of-way within the amendment area are designated for medium and low density residential uses because the boundaries for these designations fall in the center of the right-of-way.

TABLE 2

COMPREHENSIVE PLAN DESIGNATIONS

Designation	Acres	Acres in ROW
O (Limited Office)	4.6	0.3
C (Commercial)	23.3	2.2
I (Industrial)	145.2	14.0
MR (Med. Density)		0.2
LR (Low Density)		0.4
Total	190.2	

Source: Spencer & Kupper, 1990

Comprehensive Plan designations for the renewal area are C-Commercial for the City Hall area, and the area at the Beavercreek Road/Molalla Avenue intersection, O-Limited Office on both sides of Molalla Avenue south of the Beavercreek Road Intersection, and I-Industrial for the Red Soils area and areas along Beavercreek Road west of the Fred Meyer shopping center. The industrial designations permit certain commercial uses, so the predominant development pressure has been commercial. The shopping center under construction southeast of the Oregon City Bypass is an example.

While the comprehensive plan supports the Beavercreek Road corridor as an industrial and commercial district, and the Oregon City Bypass, which opened in 1986, provides improved access to this corridor, the existing land uses and small parcel sizes in multiple ownerships are preventing anticipated development opportunities from being realized. In addition, vacant and under-utilized parcels off Molalla Avenue have access constraints which hinder development and redevelopment.

The Red Soils and Fir Avenue industrial areas are identified as I-Industrial in the Comprehensive Plan, and are seen as major light industrial employment centers and industrial development magnets for the entire community. The areas are

viewed in the Comprehensive Plan as ideal for the light industrial uses contained on the State's "Target Industries" list, including electronics, recreation, printing and publishing, distribution and warehousing, medical and dental equipment, and related businesses. A portion of the Fir Avenue industrial area along Beavercreek Road is included in the area, as is the Red Soils area which was within the original urban renewal district.

A major assumption which was a cornerstone of the original urban renewal plan was that the county-owned Red Soils area would be sold to a private developer, and new light industrial development would be constructed on the site. The County has tried unsuccessfully since 1983 to market and sell the Red Soils site, and little new value has been created. The inability to market the site and realize new light industrial development has significantly affected the ability of the Urban Renewal Agency to achieve the objectives of the original plan.

Clackamas County has attempted to determine the reasons why the Red Soils property has been unattractive for purchase and light industrial development. Development potential for the property has been analyzed ("Development Potential of the Red Soils Property," memo from Wallace Hobson, Real Estate Strategies to Ken Dauble, Clackamas County, June, 1989), and a traffic impact analysis prepared (CRSS, Red Soils/State Intake Facility Traffic Impact Analysis, June, 1989). The primary reasons for the lack of private investment in the property is poor access to the site, specifically the lack of a direct access to the Oregon City Bypass, and the lack of adequate traffic capacity on arterials serving the property. Another constraint to attracting businesses to the Red Soils site is the relatively high property taxes in Oregon City which place a financial burden on these businesses. A third constraint is the lack of adequate sanitary sewer, water and drainage facilities available to the site.

4. Building Use and Condition.

A survey of building use and condition was conducted in August, 1989, and July, 1990. The survey identified 45 buildings within the amended Plan area. Table 3 on the following page summarizes the results of the survey.

TABLE 3

EXISTING BUILDING INVENTORY

Use	Number of Structures	Deferred Maintenance	Substandard/ Dilapidated
Public	18	2	
Industrial	13	3	2
Commercial	8	1	
Residential	4	2	
Vacant	2		2
Totals	45	8	4

Source: Spencer & Kupper, 1989, 1990

Building conditions were evaluated using three categories: standard, deferred maintenance, and substandard/dilapidated. Only those buildings with deferred maintenance and substandard/dilapidated conditions are listed in Table 3 along with the total number of buildings in the amended Plan area. A total of twelve structures were found to suffer from deferred maintenance, or were substandard and dilapidated. These structures include two vacant structures in an industrial area, several older residential structures used for industrial use, an older commercial building, two public buildings, and two structures associated with a residential use. These structures make up 27% of all structures in the Amended Plan Area.

In addition to existing structures, the Red Soils/State Intake Facility is under construction (Summer, 1990) adjacent to the County Jail.

5. Streets, Transportation and Access.

The Oregon City Comprehensive Plan designates the Oregon City Bypass, Molalla Avenue and Beavercreek Road as major arterials. Design criteria for major arterials calls for four travel lanes and a left turn median, restricted parking, bikepaths and sidewalks. The right-of-way requirements range from 80 to 100 feet. Warner-Milne Road is designated as a minor arterial. Beavercreek Road and Warner-Milne Road currently have two travel lanes and a left turn median.

Traffic volumes have changed dramatically since the Oregon City Bypass was opened in 1984. In general, traffic volumes decreased on Molalla Avenue, and increased substantially on Beavercreek Road. Traffic volumes on Warner-Milne Road remained relatively constant. The existing intersection level of service at Molalla/Warner-Milne, Molalla/Beavercreek and at Beavercreek/O.C. Bypass is

D, which is a level of traffic flow approaching unstable operating conditions. Traffic operates at a level of service C at the Beavercreek/Fred Meyer intersection. All of these intersections are currently signalized.

Future traffic forecasts have been prepared for the Hilltop Area as part of an Environmental Assessment and Supplemental Environmental Assessment, and for the Oregon City Transportation Study. Table 4 shows the existing and forecast level of service for the major intersections near the amended Plan area. Level of service for the build condition refers to improvements to the major arterials discussed later in this section.

TABLE 4

INTERSECTION LEVEL OF SERVICE

Intersection	Existing	2009 No-Build	2009 Build
Warner Parrott/Linn	C	F	C
Warner Milne/Linn	F	F	C
Molalla/Warner-M	D	F	C
Molalla/Beavercreek	D	F	D
Beavercreek/Fred M.	C	F	B
Beavercreek/Bypass	D	F	F*

* A grade-separated interchange will be needed by 2000.

Source: Supplemental Environmental Assessment, Oregon City Bypass-Warner Parrott Road, 1989.

If no transportation improvements are made on Molalla Avenue, Warner-Milne Road and Beavercreek Road, traffic flow will be forced and jammed with stop and go operating conditions and intolerable delays. The average speed will be less that 15 miles per hour. In addition, the Molalla/Beavercreek intersection has experienced the greatest number of accidents of any intersection in Oregon City. Pedestrian and bicycle improvements are also needed to improve safety and to support these alternative modes of transportation. The Molalla/Warner-Milne intersection has the fourth highest number of accidents. Street, pedestrian and bicycle improvements are needed to increase safety at both of these locations, and throughout the area.

The Warner Milne/Linn and Warner Parrott/Linn intersections along the north side and to the west of the amended Plan area operate as offset intersections and

lack signals. The Warner Parrott/Linn intersection operates at LOS C, although at peak hour traffic southbound on Linn Avenue blocks this intersection. The Warner Milne/Linn intersection is reduced to LOS F during peak hour due to heavy left turning movements from Linn Avenue to Warner Milne Road. These existing traffic levels, both within and adjacent to the amended Plan area, represent unacceptable access conditions and insufficient arterial capacity serving the Red Soils area. These traffic and access conditions represent blighting influences on the Red Soils area, and contribute to the lack of private interest to purchase and develop the area for light industrial purposes.

The City Commission of Oregon City has adopted an improvement plan for this amended Plan area and surrounding environs. The plan calls for widening Beavercreek Road from the Oregon City Bypass to Molalla Avenue to five lanes, improving Molalla Avenue from Beavercreek Road to Warner-Milne Road, widening Warner-Milne Road from Molalla Avenue to Linn Avenue to five lanes, and realigning Warner Parrott Road to Warner Milne Road. These improvements constitute the Build condition shown in Table 4, and would result in acceptable travel conditions in the year 2009, and improved safety. These improvements, both within the amended Plan area, and adjacent to the amended Plan area, would improve access and arterial capacity to the Red Soils area, thereby removing the primary blighting conditions affecting the development of the Red Soils area.

The Red Soils property is an 80-acre development site owned by Clackamas County, and included within the original urban renewal boundary. The original urban renewal plan forecast the development of light industrial uses at Red Soils, but since the plan was adopted in 1983, no light industrial development has occurred. The primary reason planned development of this site has not materialized is poor access to the property. A traffic impact analysis of short and long-term development of the Red Soils property was completed in 1989, and recommended transportation and access improvements which will be necessary for the site to develop as planned. (CRSS, Red Soils/State Intake Facility Traffic Impact Analysis, June, 1989).

Short-term development of the Red Soils site consists of a 200-bed State Corrections Intake Facility at the Clackamas County Jail located in the southwest portion of the property. The long-term development opportunity is for 57 acres of light industrial use, 150 apartment units, and an expansion of the Clackamas County jail to 500 beds.

Three roadway access alternatives were developed to serve the long-term needs of the Red Soils site. The preferred alternative realigns Beavercreek Road to form a new intersection with Molalla Avenue south of the existing intersection, then extends a new Red Soils access street from the new intersection north through the

Red Soils site to a new intersection with Kaen Road. This three-lane Beavercreek Road extension will also provide additional access to the Hilltop Mall. A new signal will also be required at the intersection of Warner-Milne Road and Kaen Road. These transportation and access improvements are needed to adequately serve the Red Soils site and to support new development.

The Fir Street area is outside the proposed urban renewal district, but access from Beavercreek Road to Fir Street is needed to support light industrial uses planned for this area. The Fir Street area is designated in the Comprehensive Plan for light industrial uses contained on the State's "Target Industries" list. The area has good access from Molalla Avenue, but not the Oregon City Bypass. Access from Beavercreek Road does not currently exist. The Oregon City Transportation Study designates a Fir Street extension to Beavercreek Road as a collector street. This street extension is needed to improve access to this light industrial area and to support development. In addition, this collector street will also improve access to vacant and underdeveloped light industrial properties along Beavercreek Road.

Improved access from Beavercreek Road to the four parcels is needed to support commercial uses planned in the Comprehensive Plan for the area near the Molalla Avenue/Beavercreek Road intersection. Existing access to these properties is possible near the intersection of Molalla Avenue/Warner-Milne Road and the intersection of Hilltop Avenue/Molalla Avenue. Adding additional traffic and turning movements in this area would further deteriorate an already congested and unsafe condition. A new access street linking these properties to Beavercreek Road would provide a single access removed from congested intersections, and provide these properties with a more direct access to the Oregon City Bypass.

6. Drainage Improvements.

The amended Plan area lies within the Newell Creek Drainage Basin. The Oregon City Drainage Master Plan indicates that drainage problems are present in the area, and that drainage requirements will increase as development of the area continues. Two major drainage channels are located in the amended Plan area. The first crosses Warner-Milne Road, goes south and east through the Red Soils property, crosses Molalla Avenue and Beavercreek Road, and then crosses private properties to the north and east to Newell Creek. The second channel begins at Clackamas Community College and goes north crossing Beavercreek Road just east of the Berryhill Shopping Center, then west along the North side of Beavercreek Road crossing the Oregon City Bypass, then north connecting to the first drainage channel. The Oregon City Drainage Master Plan recommends that the capacity of both channels be improved through channel widening and increased pipe sizes. Capacity improvements will support development of the Red Soils area.

7. Sewer and Water Improvements.

The "M" Trunk is necessary to provide sanitary sewer service to Red Soils. The amended Plan area east of Molalla Avenue is served by the Newell Creek Sanitary Sewer Trunk Line, which extends from the Oregon City Bypass up Beavercreek Road to Molalla Avenue. Extension of this trunk line west into the Red Soils area is needed to support the planned light industrial development in the area. Additional improvements to the "M" trunk are necessary for the development of the Red Soils area. Construction of the "M" Trunk line would extend across Red Soils and connect into the Newell Creek Trunk line at Molalla Avenue.

Additional water distribution lines are needed to serve undeveloped portions of the Red Soils area, and to connect to existing water mains in Molalla Avenue in order to meet fire flow requirements for the entire area. When the original 1983 urban renewal plan was adopted, there was inadequate water distribution and transmission lines to support the water needs and fire flow requirements of the Red Soils area. In 1990, a new 12 inch transmission line was installed in Kaen Road connecting the existing 14 inch transmission line in Warner Milne Road to the Intake Assessment Center under construction. This line provides for the water needs of a portion of the Red Soils area. However, additional water distribution lines are needed to serve undeveloped portions of the Red Soils area, and to connect to existing water mains in Molalla Avenue in order to meet fire flow requirements for the entire area. These water distribution lines are included in this amended Plan.

B. Economic Conditions

The urban renewal area contains land used and zoned for light industrial and commercial purposes. Such areas are expected to produce high levels of valuation and tax revenues for their communities. This area, however, shows a pattern of impaired investment, and values per acre well below the city-wide average for Oregon City. Productive use of this land is essential to arrest the decline Oregon City has experienced in its commercial and industrial property values.

Total assessed value in the amended urban renewal area is approximately $8.76 million. This extremely low value results from the fact that much of the land in the amended renewal area is owned by Clackamas County, and by the City of Oregon City, and is exempt from taxation. A basic element of this renewal plan is to undertake actions which will convert a substantial portion of this tax-exempt land to tax producing uses.

A measure of the utilization of land in the renewal area is found the low average value per acre of land. The average values per acre in the renewal area are well below the City average. Current total assessed value for real property within the

area represents approximately $8.6 million of the City's total of approximately $462.5 million. The assessed value in the area is about $45,000 per acre, while the average value per acre in the City as a whole is about $134,000 per acre. Average values per acre in the renewal area thus are only about one-third the City average. The low assessed values per acre in this industrial-commercial area indicate that it is not contributing a proportional share to Oregon City's tax revenues.

Based upon current tax rates, Oregon City receives only $57,000 in property taxes from the renewal area. This revenue clearly is inadequate to finance the extensive improvements needed to redevelop this area, and return it to productive taxable use.

The pattern of vacant and under-utilized land and impaired investments deprives Oregon City and other taxing bodies of tax revenues needed to provide public services, and to undertake the improvements necessary to make productive use of the area.

200 - FISCAL, SERVICES, AND POPULATION IMPACTS

The principal goals of this plan are to eliminate blight, to improve traffic capacity and safety, to stimulate private development in the urban renewal area, and to improve the Hilltop area as a commercial and industrial center.

There are no new residential uses proposed within the urban renewal area. The anticipated uses in the area are light industrial and commercial uses. A commercial retail center of approximately 200,000 square feet will be constructed, and development of additional vacant and under-utilized land may add up to an additional 500,000 square feet of light industrial and commercial uses.

Employment in retail centers generally is estimated at approximately two employees per thousand square feet. Light industrial uses are estimated to generate approximately 2.5 employees per square foot. The total employment in the area therefore should be in the 1600-1700 person range. Most of this growth in employment is expected to come in small increments over the life of the project. It is not anticipated that the development and employment generated within the urban renewal area will impact existing City or School District services, or have a significant impact upon population and housing in Oregon City.

Impacts of the project upon street, sewer, and water systems are addressed by the activities to be undertaken in this plan.

It is anticipated that the plan will impact the tax rates for those jurisdictions levying taxes within the area. New assessed values added within the urban renewal area will not be added to the base of assessed values for taxing jurisdictions until the project is terminated. Most of the jurisdictions levying taxes within the urban renewal area have large bases of assessed values, and the project will have little or no impact upon their tax rates. The most significant tax rate changes will be upon the City of Oregon City and School District #62. These impacts are estimated and discussed in Section 500 D. of this Report.

300 - REASONS FOR SELECTION OF THE AREA

The urban renewal area was selected based on Comprehensive Plan policies, Capital Improvement Plan priorities, and on the existence of blighting conditions within the area. Those conditions include:

- Streets, transportation, and access in the area and surrounding environs are insufficient to service existing and proposed development.
- A high percentage of properties in the area are in substandard condition.
- Water service, sanitary sewer and drainage systems are inadequate to support proposed development of area.
- Inefficient lotting patterns, and parcelization of land deter development consistent with the Oregon City Comprehensive Plan.
- A high percentage of land in the area is vacant and under-utilized.
- A lack of proper utilization of land within the area, reducing its use and value, and reducing the ability of the area to pay for the cost of public services.

400 - RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY TO BE UNDERTAKEN AND EXISTING CONDITIONS

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

- Streets, Transportation and Public Access Improvements will improve access and circulation throughout the Area for autos, transit, pedestrians and bicyclists, and will support new development and redevelopment throughout the urban renewal area.
- Water and Sewer Improvements will address existing facility deficiencies, and support new development and redevelopment throughout the urban renewal

area.

- Property Acquisition will assist in the implementation of required streets and transportation improvements, eliminate incompatible uses, assemble marketable parcels of land, and thereby encourage new investment in the urban renewal area.

- Administration and Planning will assure the effective administration of the urban renewal plan and the various activities contained therein.

500 - FINANCIAL ANALYSIS OF PLAN

ORS 457.190(3)(c)(B) states that the maximum amount of indebtedness that may be issued or incurred under the plan, as determined for the purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, included, but not limited to increases in the costs due to reasonably anticipated inflation..

The Agency has reviewed the records relating to the scope and cost of projects provided for in the Plan and scheduled for completion as of December 5, 1996.. The description of the review of the scope and cost of projects constitutes a good faith estimate of the scope and cost of projects anticipated as of December 5,1996.

The Agency has estimated the maximum amount of indebtedness to be incurred needed to complete the project. "Maximum Indebtedness" means the amount of the principal indebtedness included in the Plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

A. Estimated Project Cost and Revenue Sources

The cost and of projects in the Plan as of Dec. 5th, 1996 have been updated to account for inflation of construction costs to March 1998. Costs were updated using the construction cost index from the Engineering News Record. The August 1990 construction cost index was 4752, and the March 1998 index was 5874. The 1122 points difference in the index constitutes a 24 % growth in costs during the 1990-1998 period. The 1990 plan costs therefore were increased 24 % to account for inflation of construction costs.

In addition to the above-noted indexing of costs for inflation, the cost of two Beaver Creek Road Improvement projects has been further adjusted to account for substantial changes in the scope of the Agency's anticipated responsibility for carrying out the projects. The original Plan assumed that the primary source of funding for vital improvements to Beaver Creek Road and a proposed new Interchange at Beaver Creek Road and Route 213 (Oregon City Bypass) would be the Oregon Department of Transportation (ODOT), and Clackamas County. Greatly curtailed funding and revised funding priorities for ODOT and the County

make it likely that the Agency will be forced to pay a much larger share of thes costs than was anticipated. The Agency share of Beaver Creek Road improvements therefore has been adjusted to reflect the new estimates of the Agency's contribution to completing these projects.

The cost of administration of the program also has been revised to reflect

- The current level of administrative charges. These charges reflect administrative charges in effect as of December 5, 1996, adjusted for inflation.
- Anticipated costs of issuing short and long term debt to carry out project activities. These costs include cost of funding a debt service reserve fund, and legal and other fees.

TABLE 5	
CITY OF OREGON CITY	
HILLTOP URBAN RENEWAL DISTRICT	
PROJECT COSTS	
Total Project Costs	
A. Transportation Improvements*	**$5,525,000**
Beavercreek Road Corridor	
Beavercreek Road/ Highway 213 Intersection	$2,500,000
Beavercreek Road Improvements	$2,500,000
Fir Street Improvements	$125,000
Molalla Road Corridor	
Molalla/Warner Milne	$400,000
Local Street Improvements	
Transit or Linkages to facilitate	
Parking	
B. Public Facility and Services Improvements *	**$769,411**
Meeting, conference, educational and cultural facilities	
Facilities supporting identity of the area (Plazas, etc.)	
Other public building facilities	
C. Public Infrastructure *	**$769,411**
Water	
Wastewater	
Stormwater	
Utility Relocation	
D. Planning and Administration	**$1,382,340**
E. Property Acquisition *	**$769,411**
*Total cost of projects***	**$9,215,575**

** Final project costs within this project category will be adjusted based on project details.*
*** The estimated total cost of project activities is the same as the total cost used in the calculation of maximum indebtedness for the Hilltop Renewal Area. All costs are in 1998 dollars, again to remain consistent with the used to calculate the maximum indebtedness*

B. Anticipated Start and Completion Dates of Project Activities

The costs shown in Table 5 of this Fourth Amendment are 1998 costs. Anticipated annual tax increment revenues, and anticipated revenues from other sources will not be sufficient to carry out all project activities in 1998. Project activities instead will be undertaken as revenues become available, either through short or longer-term borrowing. The need to phase project activities will lead to further inflation of project costs. Recent construction cost increases shown in the Engineering News Record are in the 2.5% range. The 1998 costs from Table 5 are therefore further increased by 2.5% annually, until revenues and borrowing are sufficient to cover all project activity costs.

Table 6 on the following page shows the estimated total principal cost to complete all remaining activities in the Urban Renewal Plan for the Hilltop Area, and to cover the outstanding principal balance on an Agency debt, which was outstanding as of December 6, 1996

TABLE 6			
CITY OF OREGON CITY - HILLTOP AREA			
COST OF PROJECTS THROUGH ANTICIPATED			
	Beginning	***Outlays on***	***Ending***
Year	***Balance***	***Project Activities***	***Balance***
1998	**$9,215,515**	**$507,882**	**$8,707,632**
1999	**$8,968,861**	**$485,596**	**$8,483,266**
2000	**$8,737,764**	**$567,501**	**$8,170,263**
2001	**$8,415,371**	**$651,658**	**$7,763,713**
2002	**$7,996,624**	**$738,130**	**$7,258,494**
2003	**$7,476,248**	**$826,980**	**$6,649,268**
2004	**$6,848,746**	**$918,274**	**$5,930,473**
2005	**$6,108,387**	**$1,012,077**	**$5,096,310**
2006	**$5,249,199**	**$1,108,461**	**$4,140,738**
2007	**$4,264,960**	**$1,207,495**	**$3,057,465**
2008	**$3,149,189**	**$1,309,252**	**$1,839,937**
2009	**$1,895,135**	**$1,413,808**	**$481,327**
2010	**$495,767**	**$495,767**	**$0**
Total Cost, Projects		**$11,242,881**	
Plus Principal, 1991 Bonds		**$2,005,000**	
Total		**$13,247,881**	

Notes on Table 6

(a) Outlays on Project Activities

Annual outlays on project activities are based upon anticipated annual tax increment revenues over the life of the project, interest earnings, proceeds from borrowing, and other resources available to the Agency. Anticipated annual tax increment revenues are shown in Table 8, in Section 500 E of this Report.

(b) Costs of debt and principal on existing debt

Oregon City Urban Renewal Hilltop Area currently has outstanding indebtedness from a 1991 tax increment bond issue. The principal amount outstanding on that bond is $2,005,000 as of the date of this amendment. Annual debt service payments on this bond are $408,000 with the term of the loan extending to the year 2006.

It is anticipated that the Renewal Agency also may issue a long-term bond or other form of borrowing to carry out project activities. The size and timing of that borrowing is not yet established. It is assumed borrowing will be for a ten-year term, and will require a 1.5 to 1 debt service coverage ratio. A debt service reserve of 10%, and 1.5 % cost of issue are expected to be funded from bond proceeds.

(c) Cash on hand It is assumed that cash on hand as of July 1, 1998 will be $100,000. This cash will be applied to pay indebtedness incurred to carry out project activities shown in Table 5.

(d) Other resources
No additional resources are anticipated to be available for carrying out project activities.

Table 6 anticipates that revenues will be sufficient to fund the capital costs of all project activities by the year 2010. Should the renewal agency issue a long term bond to carry out project activities, debt service on that bond might continue beyond the year 2010. When all debt service obligations have been satisfied, the tax increment collections for this plan can be terminated.

These dates depend on assumptions regarding the level and timing of increases in values in values within the urban renewal area, and upon the assumption that there will be no adverse changes to Oregon's property tax system, or urban renewal statutes. If these assumptions prove incorrect, the anticipated dates for completion will change.

D. Impact on Other Taxing Jurisdictions

Portions of the renewal area are within Tax Codes 62-057, 62-058, and 62-059. The present assessed valuation of all land and improvements within the amended area is approximately $8,400,000. All affected taxing jurisdictions will continue to levy against that value as they had prior to approval of the amendment.

New values added in the area above that frozen base value will not be included in the total of assessed values for other taxing jurisdictions until the renewal project is terminated. The plan therefore is likely to have an impact on the tax rates of jurisdictions levying taxes in the Tax Codes in the area.

It is estimated that a total of approximately $34 million in new assessed values will be added in the area during the period 1991 to 2000. Most of the taxing jurisdictions affected by the plan amendment have extremely large bases of total assessed values. For these taxing bodies, the new values expected in the amendment area represent an addition in values of only a fraction of one percent. The project thus will have little or no effect on their tax rates.

Taxing jurisdictions with lower total assessed values, namely; the City of Oregon City and School District 62, will be more effected by the amendment.

Table 7 of this report shows the estimated impact of the renewal project on the rates for each taxing jurisdiction affected by the project. During the life of the project, the tax rate impact of the renewal project is expected to range from a low of fifteen cents

to a high of sixty-seven cents per thousand dollars of valuation. When the project values are returned to the tax rolls, it is expected that tax rates will decrease sixty-four cents per thousand of valuation.

Note: *It is important to understand that the impacts shown in Table 7 result from a "worst case" comparison of tax rates with and without urban renewal. The tax impacts shown in Table 7 are based on two extreme assumptions:*

- *That ALL additions to true cash values in the project area would occur without the renewal program.*
- *That ALL the public improvements in this plan can be foregone, or done without cost to Oregon City taxpayers. (Otherwise, debt costs for public improvements will result in an increased tax rate.)*

The history of values and investment in this project area provides ample evidence that these two assumptions are unlikely to occur, singly, or together.

Section D of the original Report on the Urban Renewal Plan addresses increases in property tax rates which result from carrying out the Urban Renewal Program. The permanent Ballot Measure 50 tax rates for overlapping taxing bodies have been increased as a result of being calculated without the 1997-98 level of incremental values in the Oregon City Urban Renewal Area.

Under Ballot Measure 50, the choice of tax increment revenue certification method can impact the potential property tax revenues received by overlapping tax bodies. A new Table 7 hereby is added to Section D of the report on the Fourth Amendment to the Urban renewal Plan.

Table 7 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. The dollars foregone in each year also are shown as a percentage of the total potential property tax revenues for that body would increase if it had access to the renewal area values.

The urban renewal program also may impact educational units of government. Property tax revenues foregone as a result of the choice of Agency's certification option will be taken into consideration in the State's formula for allocation and equalization of school revenues. The presence of the urban renewal program could impact the tax rates for future special levies, or bond issues by educational bodies.

Table 7 is shown on the following page.

Compression

For the 1997-98 year, the special levy required to carry out the Hilltop Urban Renewal Plan was .$0.3146 cents per thousand of valuation in Clackamas County. The combined BM50 local government tax rate in Oregon City was $8.6207. This rate is calculated using assessed values, and thus is somewhat higher than the rate which would be calculated using true cash values as specified in Ballot Measure 5. Ballot Measure 5 rates in Oregon City would be approximately 85% of the Measure 50 rate, or roughly $7.33 It is the Ballot Measure 5 rate which would be used to calculate whether the $10.00 limit on governmental rates was exceeded. There was no compression of revenue for the City of Oregon City in 1997-98. Under Ballot Measure 50, compression effects will vary from tax code to tax code and even from property to property. It is possible therefore, that the levy for the Hilltop Urban Renewal Area might have contributed to some compression losses of revenue for units of general government in Clackamas County.

Future voter-approved, or urban renewal levies may affect compression of general government revenues in the future. The possibility of compression impacts could increase if, and as, the special levies for the Hilltop Area increase substantially. Levies are expected to grow only gradually during the lie of the plan. In any event, the Urban Renewal Agency is not obliged to take the maximum revenue to which it is entitled. Decisions on whether to employ a special levy, and the amount of the special levy, will be made each year, in the City and Urban Renewal Agency budget process.

Effect on Bond Rates

The presence of the Hilltop Urban Renewal Area impacts the tax rate for bonds issued by overlapping taxing bodies. The table below shows the decrease in bond tax rates that would result if the 1997-98 incremental values from the Hilltop Renewal Area were available for calculating tax rates. The Table indicates that the tax rates for bonds would decrease approximately one cent per thousand of valuation in the affected tax codes. It is assumed that the proportion of total taxable values represented by the Hilltop incremental values would remain relatively stable throughout the life of the Hilltop plan, and so would bond impacts.

OREGON CITY – HILLTOP URBAN RENEWAL AREA

TABLE 7 – POTENTIAL REVENUE IMPACTS ON TAX BODIES

		County tax rate $2.406		City Tax Rate $5.06		Port Tax Rate $0.07		Metro tax rate $0.10		Vector tax rate $0.01	
Year	Cumulative New Incremental Values in Area	County taxes foregone on new values	Amt foregone as % of Total County Tax	City taxes foregone on new values	Amt foregone as % of Total City Tax	Port taxes foregone on new values	Amt foregone as % of Total Port Tax	Metro tax foregone on new values	Amt foregone as % of Metro Tax	Vector tax foregone on new values	Amt foregone as % of Total FireTax
1998-99	$2,905,989	$6,990	0.032%	$14,706	0.321%	$203	0.016%	$281	0.022%	$19	0.015%
1999-00	$5,891,894	$14,173	0.060%	$29,816	0.605%	$412	0.030%	$570	0.041%	$38	0.028%
2000-01	$8,959,910	$21,553	0.085%	$45,342	0.853%	$627	0.043%	$867	0.058%	$58	0.040%
2001-02	$12,112,297	$29,136	0.107%	$61,294	1.070%	$848	0.053%	$1,172	0.074%	$79	0.050%
2002-03	$15,351,375	$36,928	0.126%	$77,686	1.260%	$1,075	0.063%	$1,486	0.087%	$100	0.059%
2003-04	$18,679,527	$44,934	0.143%	$94,528	1.427%	$1,308	0.072%	$1,808	0.098%	$121	0.067%
2004-05	$22,099,203	$53,160	0.158%	$111,833	1.571%	$1,547	0.079%	$2,139	0.108%	$144	0.073%
2005-06	$25,612,921	$61,612	0.170%	$129,614	1.696%	$1,793	0.085%	$2,479	0.117%	$166	0.079%
2006-07	$29,223,266	$70,297	0.181%	$147,884	1.802%	$2,046	0.091%	$2,829	0.125%	$190	0.084%
2007-08	$32,932,895	$79,220	0.190%	$166,657	1.892%	$2,305	0.095%	$3,188	0.131%	$214	0.089%
2008-09	$36,744,539	$88,389	0.198%	$185,946	1.971%	$2,572	0.099%	$3,557	0.137%	$239	0.092%
2009-10	$40,661,003	$97,810	0.205%	$205,765	2.037%	$2,846	0.103%	$3,936	0.141%	$264	0.096%
2010-11	$44,685,170	$107,490	0.211%	$226,129	2.091%	$3,128	0.106%	$4,326	0.145%	$290	0.098%
2011-12	$48,820,002	$117,437		$247,054		$3,417		$4,726		$317	
2012-13	$53,068,541	$127,656		$268,553		$3,715		$5,137		$345	

Hilltop Urban Renewal Area				
Fourth Amendment to Renewal Plan				
Table 8 - Impact on Bond Rates				
	Clackamas Community College	Trans. Dist. Tri-Met	Service Dist 2 Metro	Service Dist 4 Tri-City
Levy	$907,113	$2,162,479	$3,887,963	$2,651,742
AV to set rate	$13,095,149,440	$13,323,963,220	$13,251,407,050	$2,498,224,980
Bond Rate	$0.0692	$0.1623	$0.2934	$1.0614
Add UR increment	$27,590,980	$27,590,980	$27,590,980	$27,590,980
New Rate	$0.0691	$0.1620	$0.2928	$1.0499
Rate change	-$0.0001	-$0.0003	-$0.0006	-$0.0115
Total Rate Change	-$0.0126			

E. Financial Analysis of the Plan

Tables 5 and 6 in Section 500 of the Report on the Fourth Amendment to the Plan show the anticipated costs of project activities, and the estimated time required to carry out all project activities, and pay off indebtedness. 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 9, on the following page.

TABLE 9

CITY OF OREGON CITY - HILLTOP		
PROJECTED TAX INCREMENT		
	% Growth in	*Maximum Tax*
Year	*Incremental Value*	*Increment*
1998-99	10.532%	$798,197
1999-00	9.791%	$876,348
2000-01	9.163%	$956,647
2001-02	8.625%	$1,039,154
2002-03	8.158%	$1,123,931
2003-04	7.750%	$1,211,038
2004-05	7.391%	$1,300,542
2005-06	7.071%	$1,392,506
2006-07	6.786%	$1,487,000
2007-08	6.529%	$1,584,092
2008-09	6.298%	$1,683,854
2009-10	6.088%	$1,786,360
2010-11	5.896%	$1,891,684

The tax increment revenues shown in Table 9 are slightly lower than the outlays on project activities shown in Table 6. Outlays in Table 6 include cash on hand, interest earnings, and other revenue sources available to the Agency. The tax increment revenues shown in Table 9 are based on the following assumptions:

1. It is assumed that option 1 will be selected as the tax increment revenue certification method.

2. It is assumed that the renewal agency will certify 100 % of its maximum revenue in each year of the projection period.

3. It is assumed that total assessed value within urban renewal area number one will increase 3% annually in each year of the projection period.

4. In addition, it is assumed that new construction will add $500,000 of value during each year of the projection period.

5. These revenue projections are consistent with ballot measure 50 provisions on value increases, and produce annual growth and renewal values consistent with growth patterns in the recent past for the Oregon City Hilltop Urban Renewal Area.

Feasibility of Plan
The revenues shown in Table 9 are expected to be sufficient to carry out all project activities currently shown in the Urban Renewal Plan for the Hilltop Area, and to retire project indebtedness within a reasonable period of time. Based on these findings, it is financially feasible to carry out the Urban Renewal Plan for the Oregon City Hilltop Area.

E. Financial Analysis of the Plan
It is estimated that tax increment proceeds will be required during the period 1990 until the year 2000, as indicated in Table 6 of this Report.

When the project is terminated, it is estimated that approximately $34 million in assessed values will be returned to the roll of assessed values for the various taxing bodies, allowing a reduction of approximately sixty-four cents in the combined tax rate.

Table 6 of this Report shows estimated annual projections of new values added in the amended renewal area, annual revenues generated by those values, and estimated annual project costs. The data in Table 6 indicates that project revenues will be sufficient to fund project activities in a timely manner, that debt service coverage ratios will be adequate throughout the life of the project, and that there likely will be sufficient funds to retire project debt prior to its maturity. The data indicates that the amended urban renewal plan is financially feasible.

600 - RELOCATION

A. Properties Requiring Relocation
As a result of the proposed redevelopment project, the following properties will be required to relocate.

1. **Commercial Properties**
   Tax Map 3-2E-5DB Tax Lot 3200
   Tax Map 3-2E-5DB Tax Lot 3300

2. **Residential Properties**
   Tax Map 3-2E-5DB Tax Lot 3201

B. Relocation Methods
The Plan anticipates the acquisition and redevelopment of property which may result in the displacement of residents and businesses. The Renewal Agency will

establish a Relocation Policy which will call for assistance to those residents and businesses displaced. Such assistance will include providing information regarding suitable locations, payment of moving expenses, housing referral, and other relocation assistance and payments as deemed necessary.

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

One single-family residential structure is estimated to be acquired by the Renewal Agency. The assessed building value of this property for the 1988 tax year, as determined by the Clackamas County Department of Assessment and Taxation is $33,750 for land and $21,900 for improvements, for a total of $55,650.

There are no plans to add new residential units within the redevelopment project. It is expected that this area will be redeveloped for industrial, and commercial-retail uses.