

Scappoose Urban Renewal Area Advisory Group

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**TIBERIUS
SOLUTIONS**

Thursday, May 17, 2018

Lorelei Juntunen

Madeline Baron

Nick Popenuk, Tiberius Solutions

Today's Agenda

- Project Overview
- Review Schedule
- Draft Financial Results
- Feedback from Council
- Potential Projects
- Conclude and Next Steps

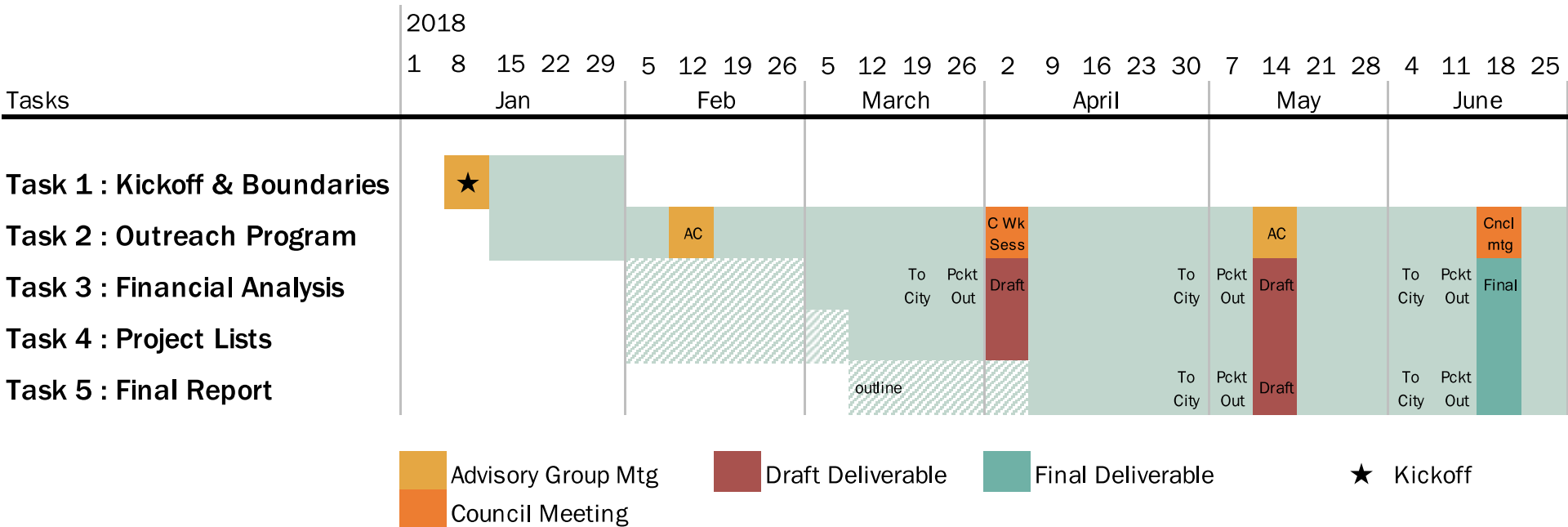
Urban Renewal Area Feasibility Study

- Would UR be useful to fund infrastructure needs?
- What are the pros and cons of UR in Scappoose?
- How much revenue could potentially be raised?

Work Completed so far

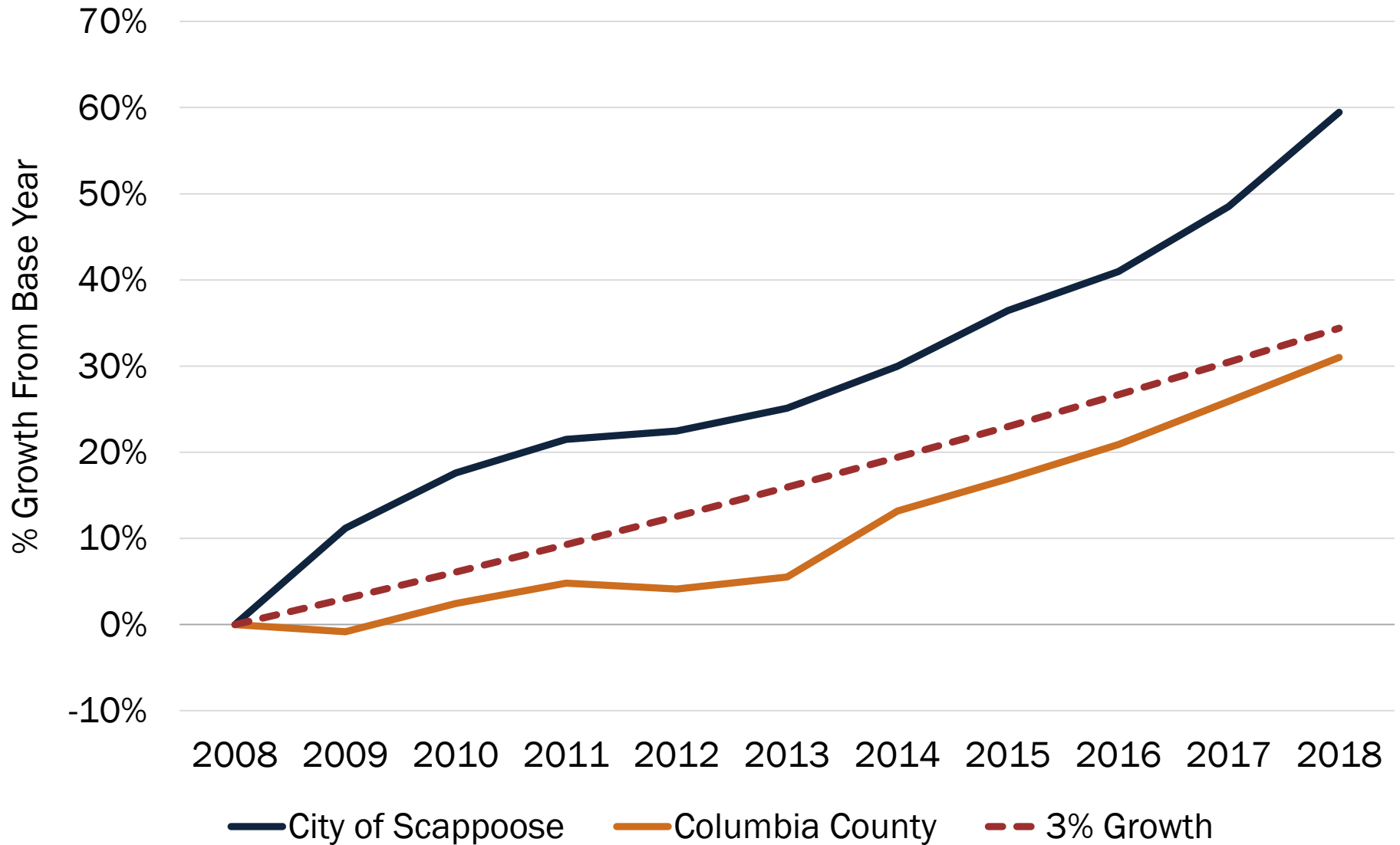
- ✓ Boundaries are set
- ✓ 1st Advisory Committee Meeting
- ✓ 1st Council Meeting
- ✓ Draft & Revised Financial Analysis Complete

Project Schedule



- Forecast assessed value growth
- Calculate TIF revenue
- Identify timing and amount of funding for projects
- Convert back to constant 2018 dollars

Historical Assessed Value Growth



Projected Growth Scenarios

- Lots of potential for new development
- Lots of uncertainty on amount/timing of development
- Enterprise zone causes delay for when URA realizes the benefits from development
- Short-term: 3% growth through FYE 2025
- Long-term: variable growth rates

Illustration of Capacity Over Time

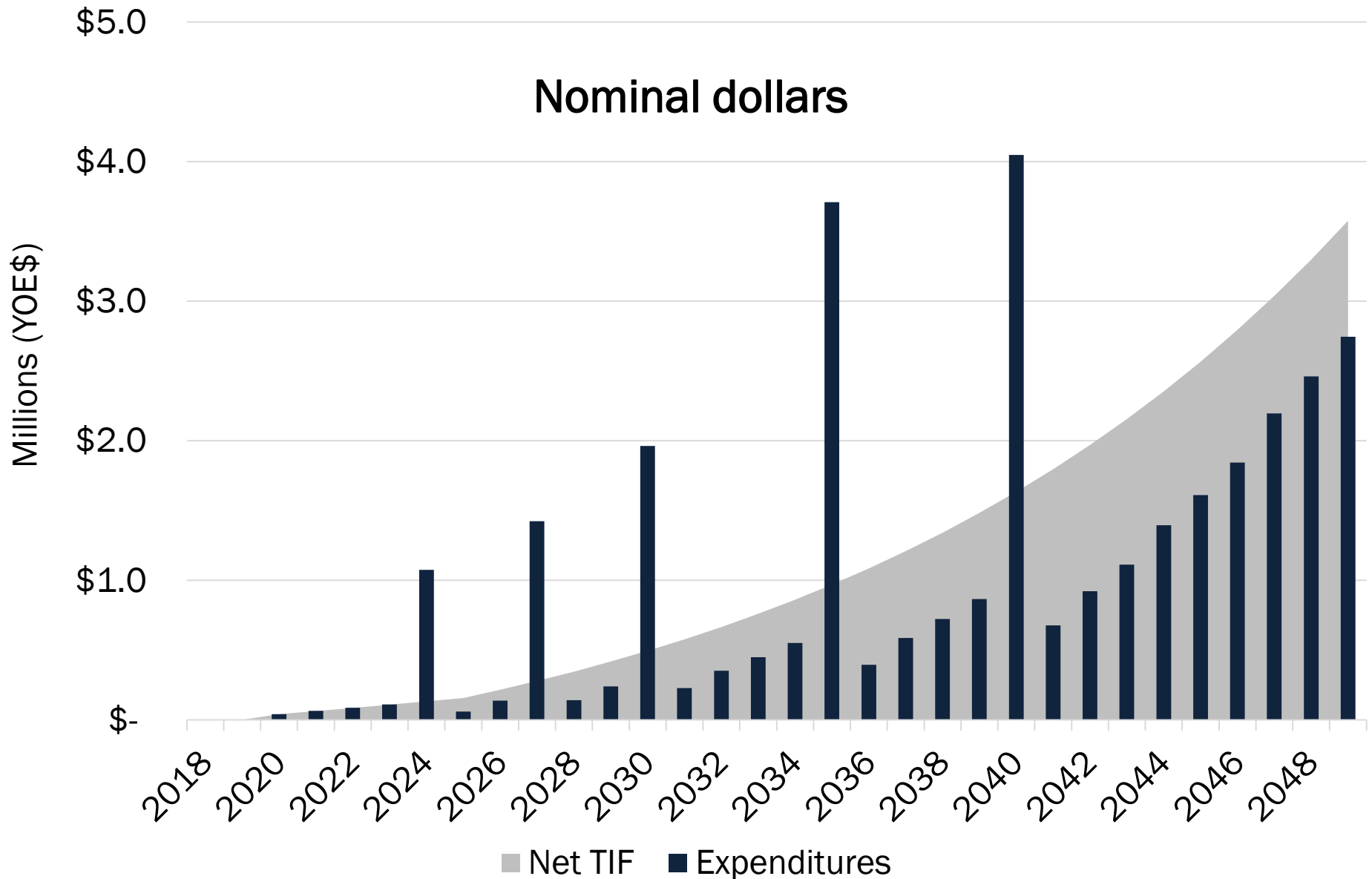
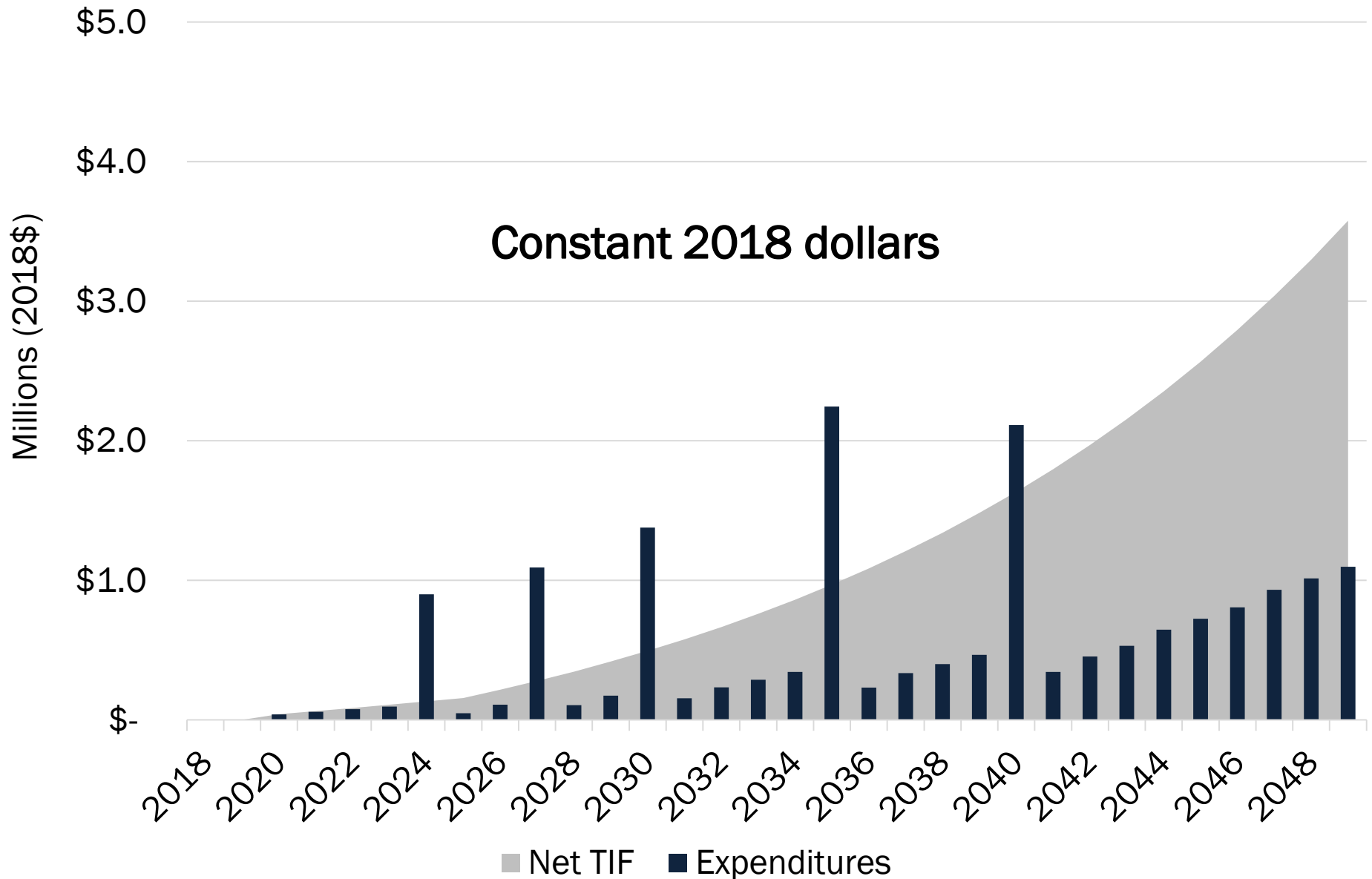


Illustration of Capacity Over Time



Overview of Scenario Results

	Scenario A	Scenario B	Scenario C
AV Growth Rate	5%	7%	9%
Construction Value / Year	\$1.2M	\$2.4M	\$3.6M
Cumulative TIF Revenue (YOE\$)	\$23,400,000	\$37,100,000	\$55,500,000
Maximum Indebtedness (YOE\$)	\$20,600,000	\$32,200,000	\$48,700,000
Funding for Projects (2018 \$)			
Total	\$11,370,000	\$17,270,000	\$25,470,000
Year 0-5	\$270,000	\$270,000	\$270,000
Year 6-10	\$2,100,000	\$2,400,000	\$2,700,000
Year 11-20	\$3,900,000	\$6,000,000	\$8,500,000
Year 21-30	\$5,100,000	\$8,600,000	\$14,000,000

Plan Duration: 30 years

Interest Rate: 5%

Coverage Ratio: 1.5x

- Very constrained capacity in early years, exacerbated by Enterprise Zone
- Significant capacity long-term, depending on future development
- Two alternatives:
 - “Traditional” URA, but with slow start
 - Focus on treatment plant

“Traditional” URA Option – with slow start

- No significant investments through FYE 2023
- Modest investments FYE 2023 to 2029
- Significant investments after FYE 2030

Pros

- Long-term economic development efforts
- Flexibility

Cons

- Little benefit over next decade
- Does not address treatment plant needs

Focus on Treatment Plant

- TIF revenues cover fair share of costs
- City incurs debt, and bulk of the payments
- Over time, URA assumes larger share of payments.

Pros

- Helps address City's top priority

Cons

- No ability to fund other projects for 20-years
- Can only fund part of one treatment plant

What approach should the City take to urban renewal?

- “Traditional” URA with slow start?
- Focus on treatment plant?
- Neither?

Prioritizing Project List

AC Project Priorities

- Infrastructure
 - Water / wastewater treatment plants
 - Sidewalks
- Storefront Improvement or Streetscape Program

Council Priorities

- Storefront Improvement or Streetscape Program
- Downtown Projects
- Livability Projects
- Does not prefer funding Infrastructure exclusively

URA Draft Goals

- Public input in Urban Renewal District (plan, policies, etc.)
- Water, wastewater and stormwater infrastructure
- Pedestrian transportation networks (sidewalks)
- Local businesses support (jobs, façade improvements)
- Improve local investment
- Promote/establish vibrant town center

Based on financial results and council feedback, it is recommended to:

- Fund smaller downtown improvement projects early on
- Finance treatment plant and structure to use TIF to repay some borrowing costs later on

- Timing of TIF revenues varies, comes in waves
- Not enough to cover 100% of treatment plant costs
 - Could cover portion of borrowing costs on back end
 - Need to structure treatment plant funding carefully
- More funds than necessary to spend on downtown projects

Questions?

Next steps:

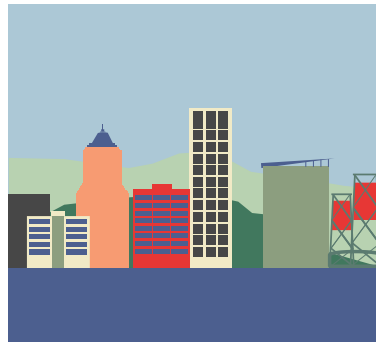
- Continue to refine financial results
- Consultants draft Final Report
- Final Report and final financial analyses to Council June 18

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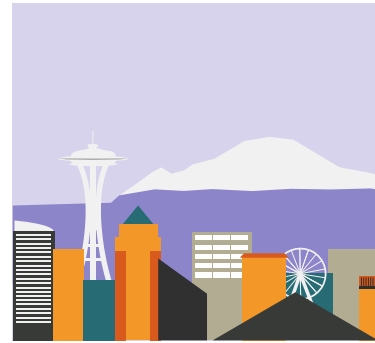
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