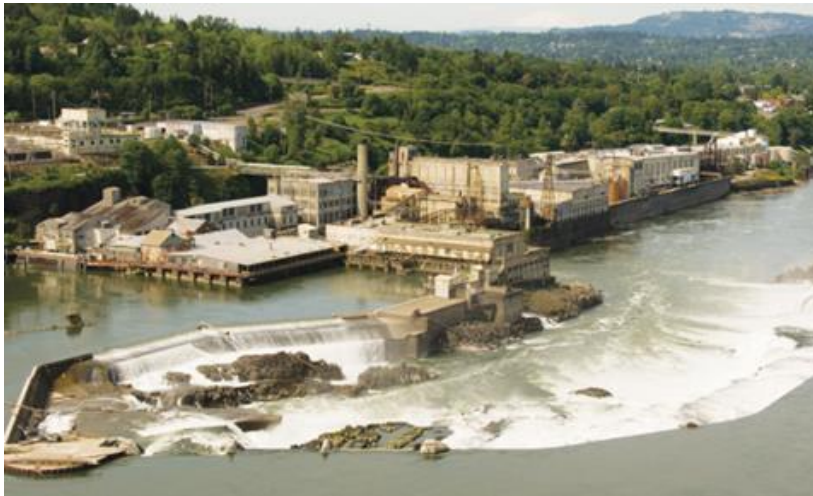


TAX INCREMENT FINANCE ADVISORY COMMITTEE



TAX INCREMENT FINANCE ADVISORY COMMITTEE MEETING 1 AGENDA

1. Welcome, introductions and committee purpose
2. Tax Increment 101
3. Presentation of 2022 West Linn TIF Feasibility Study
4. Overview of West Linn waterfront Visioning Project
5. Discussion of draft TIF District boundary
6. Discussion of proposed TIF District adoption schedule and goals
 - Meeting 2 (9/13/22, 3-5 PM): Continued discussion and begin drafting recommendation to City Council
 - Meeting 3 (if needed, 9/20/22, 3-5 PM): Finalize recommendation to City Council
7. Committee Discussion, questions and identification of further information needed to develop recommendation to City Council
8. Public Comment
9. Adjourn

WELCOME AND COMMITTEE PURPOSE

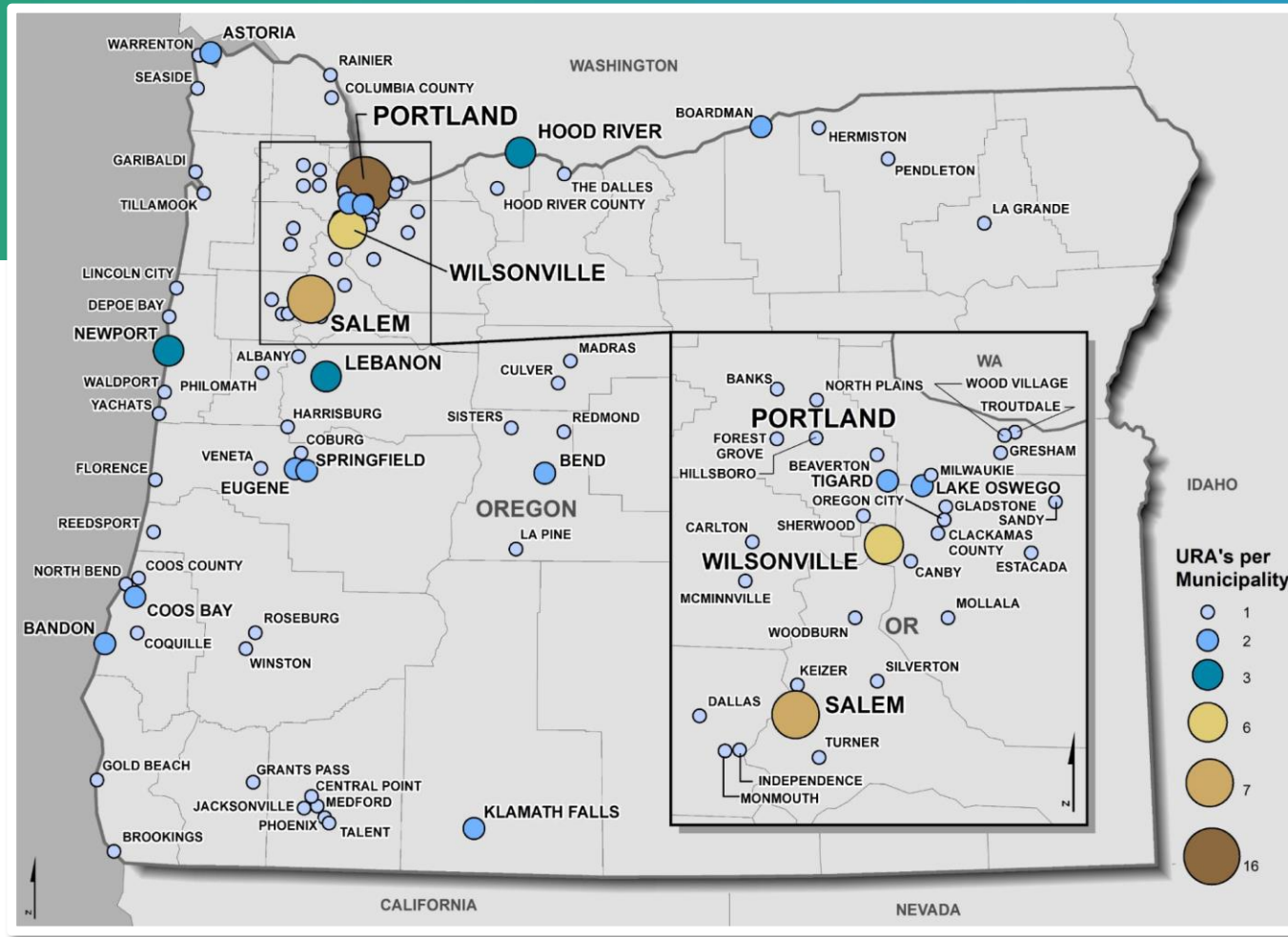
The goal of the TIF Advisory Committee is to review the feasibility study and form recommendations to the City Council on a potential Tax Increment Finance District. This district would assist with funding infrastructure and achieving the community's vision for lands potentially stretching from the Arch Bridge into the business sections of the Willamette area. This project will not set the vision for this area, change zoning, or change any of the City's infrastructure plans, but it will (if adopted by Council) assist with funding/implementing all of those items.

TAX INCREMENT 101

WHAT IS TAX INCREMENT FINANCING?

- Economic development tool
- Unique in that it is a financing tool, but also a plan with projects
- Used to address “blighting” influences in specific areas
 - Blight is defined by statute but includes underdeveloped properties and lack of infrastructure.
- Functions on increases in property tax revenues in “TIF Areas”
- Used all over Oregon (Map on next slide)

CITIES WITH TIF



WHY USE TAX INCREMENT FINANCING ?



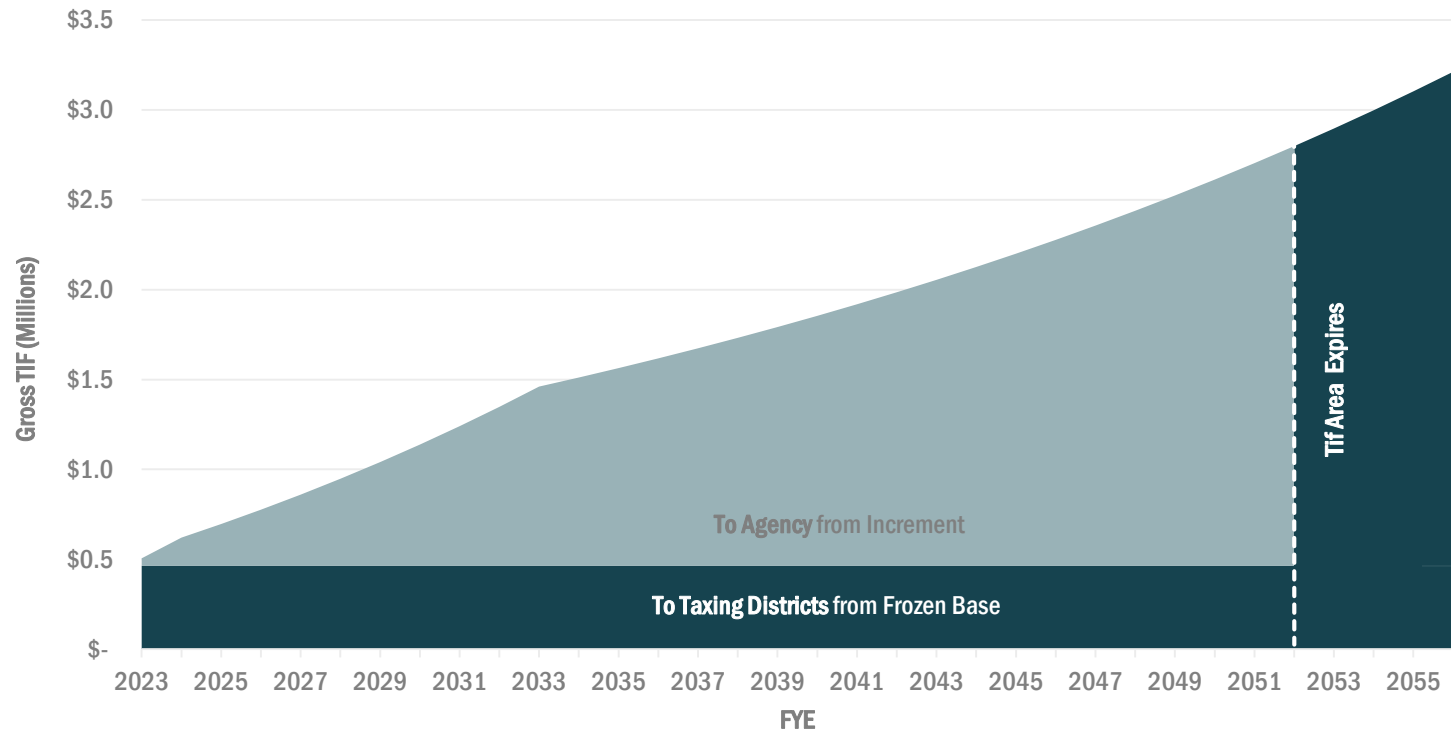
Many opportunities for improvements and redevelopment in cities but no funding source

Needs for additional and improved housing, commercial areas and infrastructure

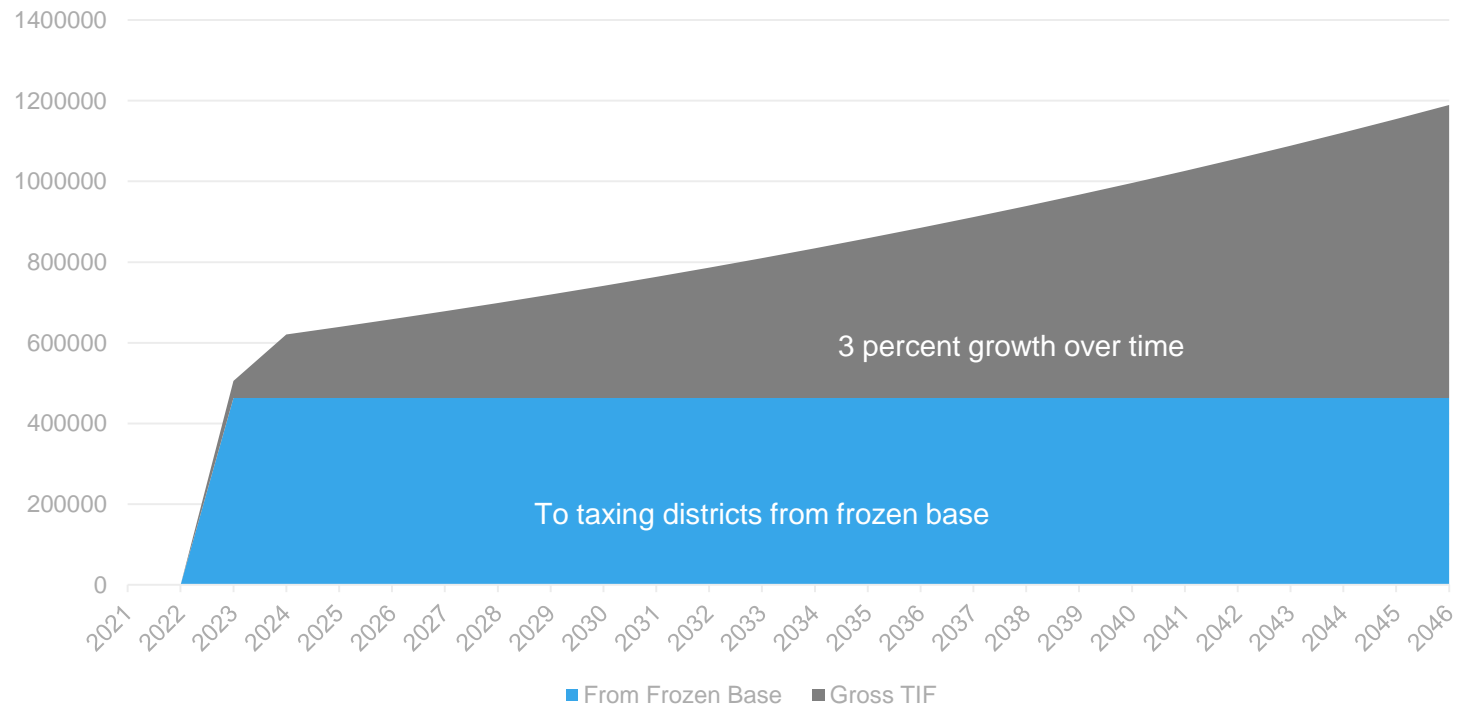
City general funds typically lack the funds to contribute to these opportunities

Tax increment financing provides a funding source to bridge the gap or ability to provide incentives to developers

HOW DOES TAX INCREMENT FINANCING WORK?



EXAMPLE WITH ONLY 3 PERCENT ASSESSED VALUE GROWTH



WHAT IS BLIGHT?

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

HOW DOES A TAX INCREMENT AREA FUNCTION?

- **Income Source**

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

- **Expenses**

- ❖ Projects, programs, and administration

- **Spending Limit**

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



IMPACTS TO TAXING DISTRICTS

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



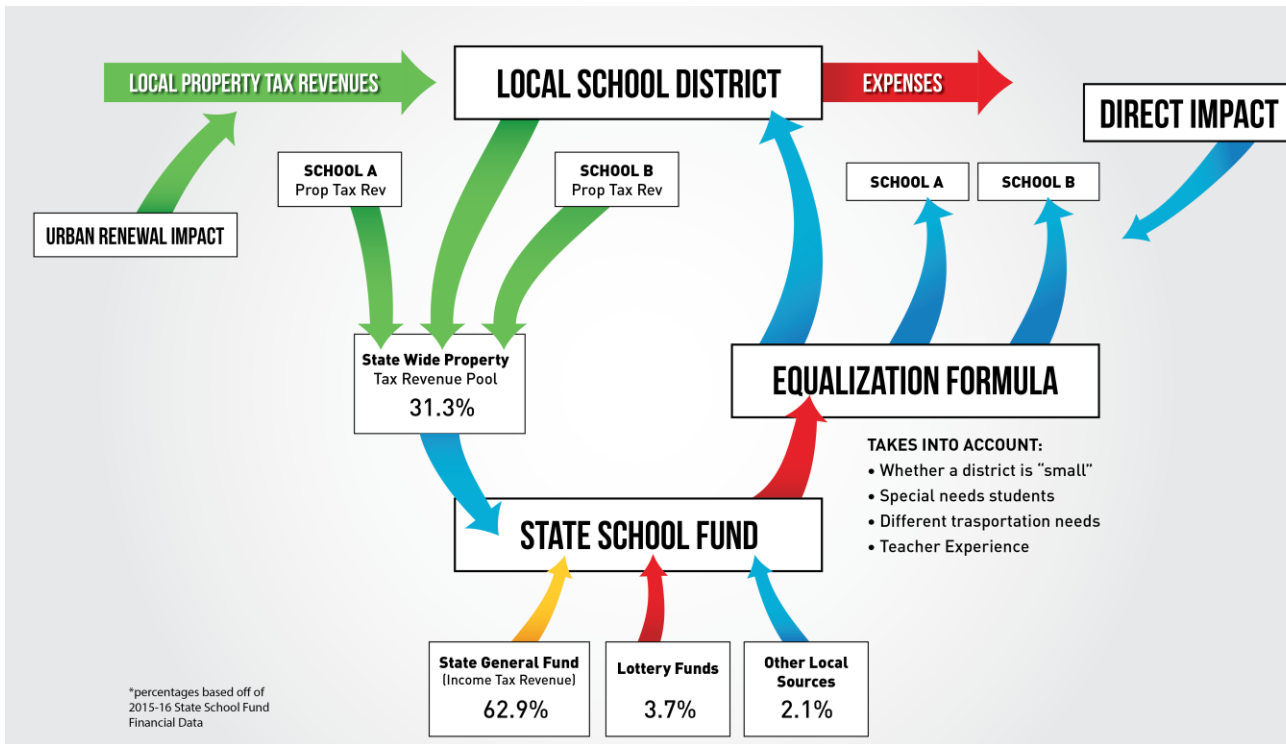
TIF AND LOCAL SCHOOL DISTRICTS

An Indirect Impact

TIF IMPACT Regular Taxing District



TIF IMPACT Local Schools

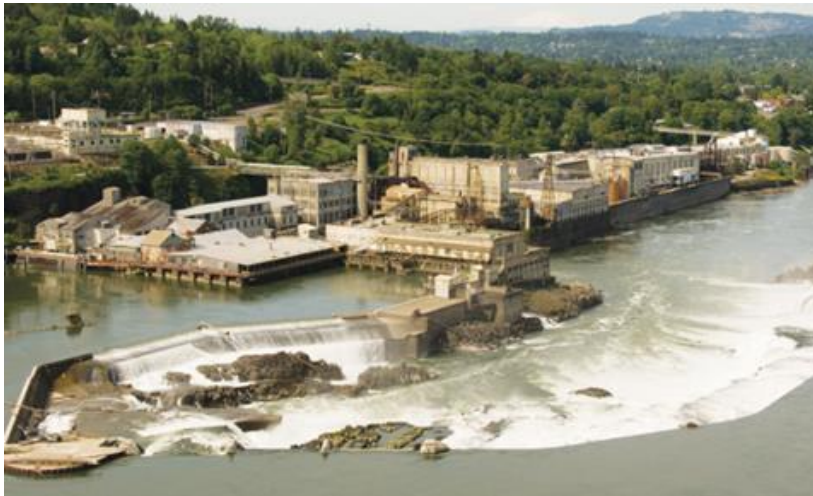




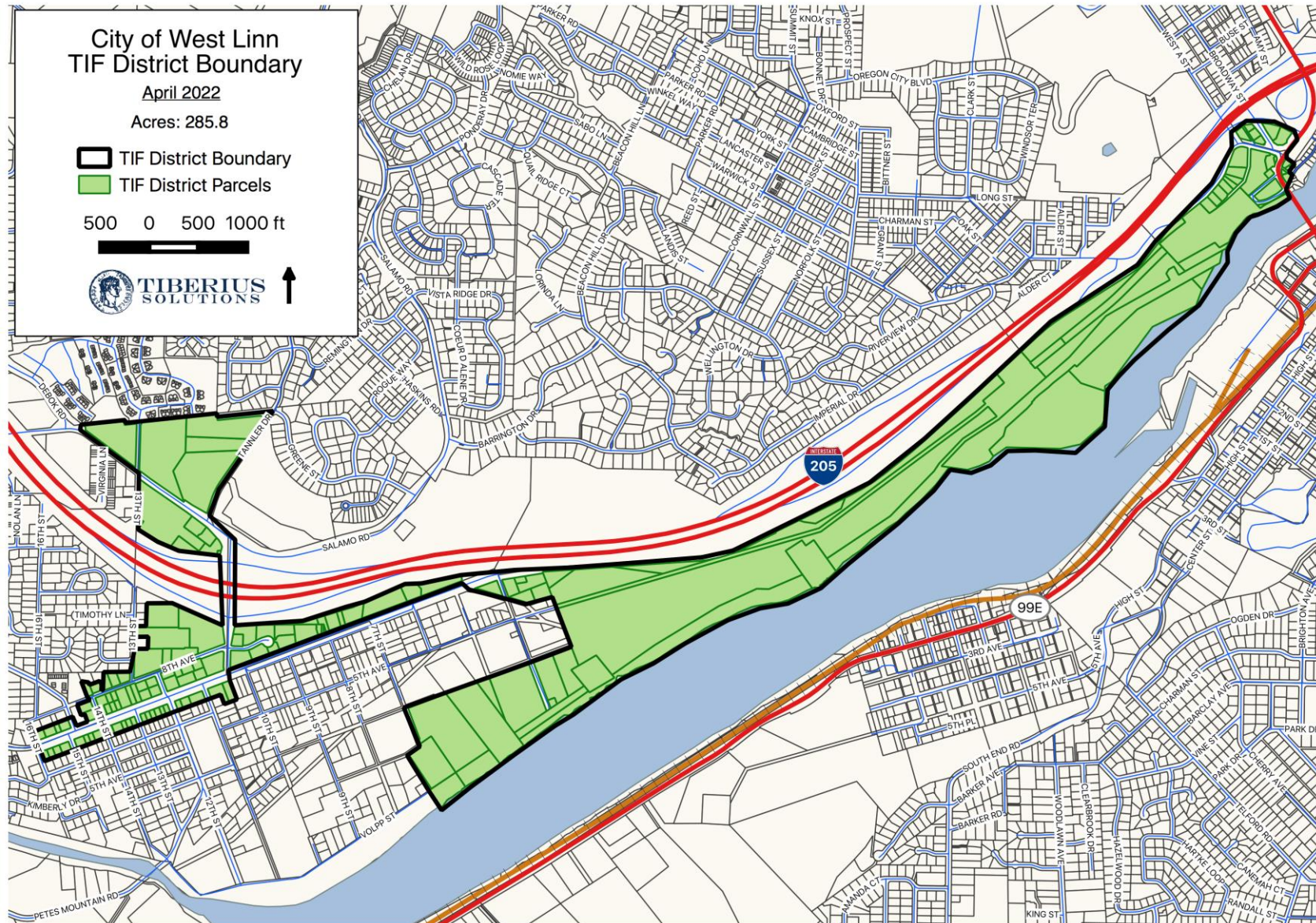
STATE LIMITATIONS ON TIF

- ❖ Population under 50,000 limited to no more than
 - 25% of Assessed Value of Property in City
 - 25% of Acreage of City
- ❖ Existing Plan limitations:
 - Can not be increased in size by more than 20% of original Plan acreage
 - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing
 - May increase MI above 20% as adjusted only with concurrence from 75% of other taxing districts

WEST LINN TAX INCREMENTEMENT FEASIBILITY STUDY



PROPOSED WEST LINN BOUNDARY



IDENTIFICATION OF POTENTIAL PROJECTS FROM EXISTING MASTER PLANS & STAFF INPUT

1. Willamette Falls Drive Concept Plan
2. Transportation Systems Plan
3. West Linn Sanitary Sewer Master Plan Update
4. West Linn Storm Drainage Master Plan
5. West Linn Water System Master Plan
6. Parks and Recreation
7. Other

TIF FORECAST

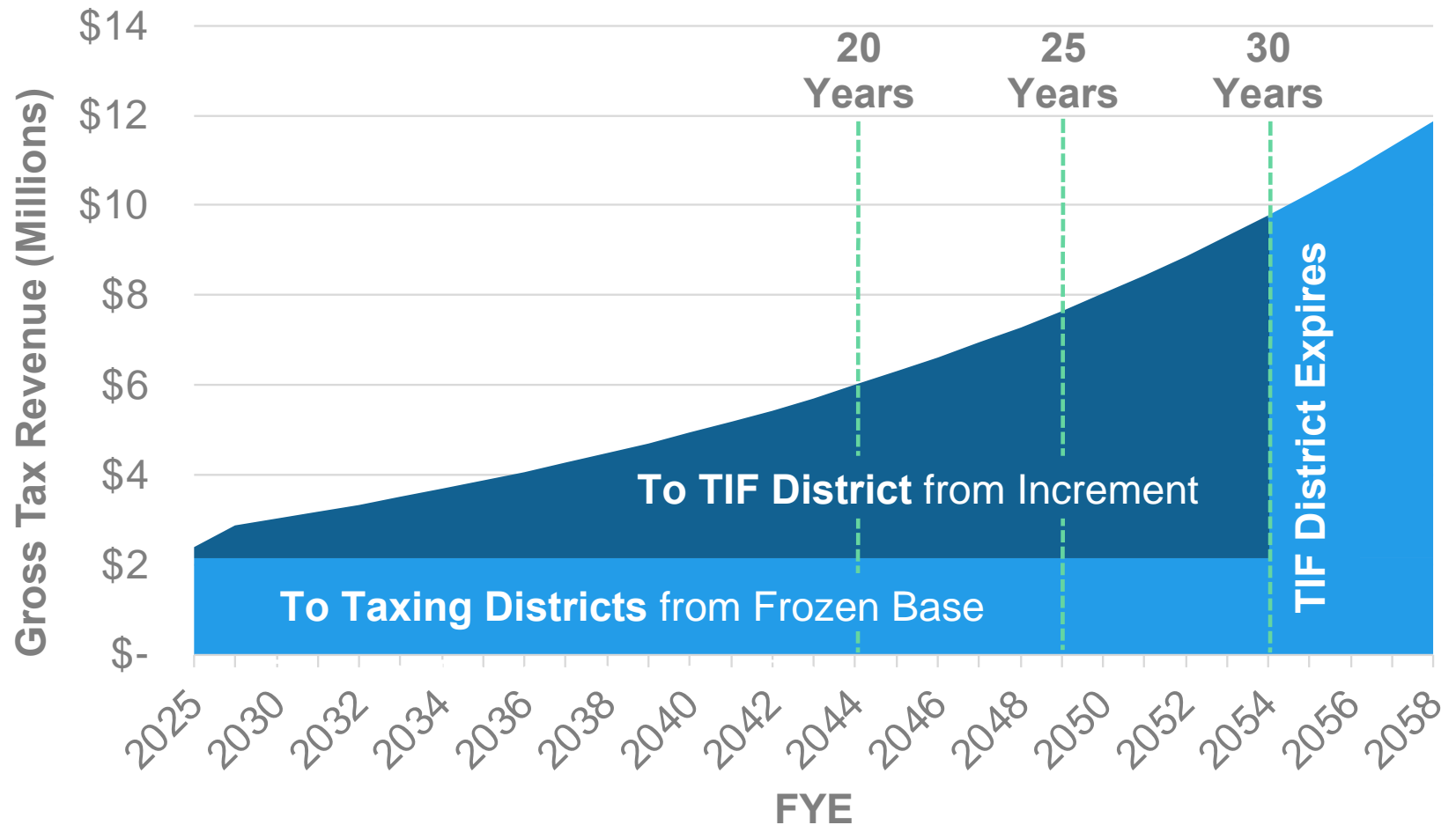
Assessed Value Growth

- 5% AV growth rate:
 - 3% appreciation for existing AV
 - 2% from new development (between \$6.8 and \$7.5 million in new construction per year)

Duration

- 20, 25, and 30 years

TIF FORECAST



CAPACITY SUMMARY

Duration	20 Years	25 Years	30 Years
Net TIF	\$32,700,000	\$56,800,000	\$89,600,000
Maximum Indebtedness	\$29,000,000	\$49,000,000	\$76,000,000
Capacity (2022\$)	\$19,300,000	\$29,800,000	\$42,100,000
Years 1-5	\$2,900,000	\$2,900,000	\$2,900,000
Years 6-10	\$5,600,000	\$6,300,000	\$6,300,000
Years 11-15	\$5,800,000	\$6,800,000	\$7,500,000
Years 16-20	\$5,000,000	\$6,900,000	\$8,000,000
Years 21-25		\$6,900,000	\$8,600,000
Years 26-30			\$8,700,000

CUMULATIVE FOREGONE REVENUE: General Government

FYE	City of West Linn	Clackamas County City	County Extension & 4H	County Library	County Soil Conservation
SUB 20 years	(5,732,822)	(6,501,345)	(135,208)	(1,074,634)	(135,208)
SUB 25 years	(9,624,490)	(10,914,717)	(226,993)	(1,804,138)	(226,993)
TOTAL 30 years:	(15,073,395)	(17,094,083)	(355,505)	(2,825,551)	(355,505)

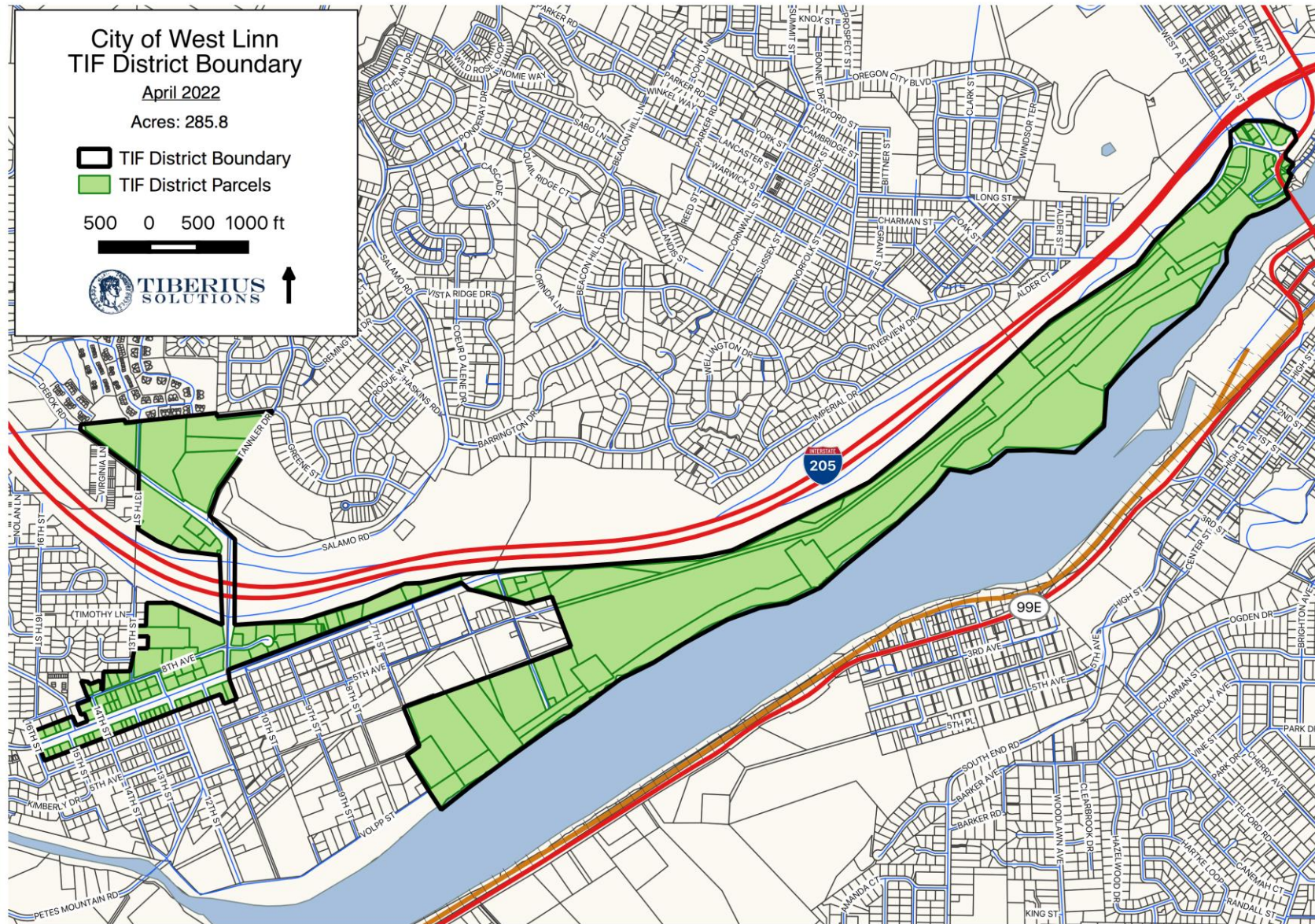
FYE	TVF&R	Port of Portland	Srv 2 Metro	Vector Control	Subtotal
SUB 20 years	(4,124,387)	(189,562)	(261,222)	(261,222)	(18,415,610)
SUB 25 years	(6,924,185)	(318,244)	(438,550)	(438,550)	(30,916,859)
TOTAL 30 years:	(10,844,312)	(498,417)	(686,835)	(686,835)	(48,420,437)

CUMULATIVE FOREGONE REVENUE: Education

FYE	Clackamas Community College	ESD Clackamas	West Linn/Wilsonville School District	Subtotal Education	Total All
SUBTOTAL 20 years:	(1,509,463)	(997,024)	(13,164,940)	(15,671,427)	(34,087,037)
SUBTOTAL 25 years:	(2,534,146)	(1,673,844)	(22,101,824)	(26,309,815)	(57,226,674)
TOTAL 30 years:	(3,968,853)	(2,621,491)	(34,614,772)	(41,205,116)	(89,625,553)

WATERFRONT VISIONING PROJECT

PROPOSED BOUNDARY



SCHEDULE AND GOALS OF FUTURE MEETINGS

- ❖ Meeting 2 (9/13/22, 3-5 PM): Continued discussion and begin drafting recommendation to City Council – include discussion of DEI recommendations
- ❖ Meeting 3 (if needed, 9/20/22, 3-5 PM): Finalize recommendation to City Council

PROPOSED ADOPTION SCHEDULE

1. Advisory Committee - September
2. West Linn Agency - October
3. Consult and Confer - October/November
4. Planning Commission - November
5. City Council - November/December

COMMITTEE DISCUSSION AND QUESTIONS: ADDITIONAL INFORMATION NEEDED?

PUBLIC COMMENT

ADJOURN