Exhibit B

Report

On

The Molalla Urban Renewal Plan

Prepared for:
The Molalla City Council

July, 2008

REPORT ON THE MOLALLA URBAN RENEWAL PLAN

MOLALLA URBAN RENEWAL PLAN

ACKNOWLEDGEMENTS

The Molalla City Council appointed a citizen advisory body to direct the public involvement and management efforts for preparation of this renewal plan. Members of the advisory committee and City of Molalla staff gave generously of their time in providing direction and assistance on all key issues involved in preparing the plan.

Members of the Advisory Committee

Name		Affiliation
Bill	Avison	Avison Rock
Gary	Deardorff	Doubletrees Land & Timber
Todd	Gary	Molalla Fire Dist. No. 73
Jamie	Johnk	Clackamas County
Wayne	Kostur	Molalla River School District
Steve	Loutzenhiser	Molalla Communications
Mitch	Magenheimer	Edward Jones
Steve	Morris	Chamber of Commerce
Gary	Musgrove	Prudential Northwest Properties
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Shane	Potter	City of Molalla
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REPORT ON THE MOLALLA URBAN RENEWAL PLAN

TABLE OF CONTENTS

REPORT ON THE MOLALLA URBAN RENEWAL PLAN

Public Involvement in the Report on the Plan.
Work on a renewal plan and report started in April, 2008. Four public meetings were held during the preparation of the renewal plan. Each meeting was built around discussion and public input on key elements of the urban renewal plan. Meeting topics included basic information on urban renewal and tax increment financing, development of project goals and objectives, development of a list of project activities, and a thorough review of the revenues, costs, and tax impacts of carrying out the project.

The City of Molalla Planning Commission met to review the Plan on July 29, 2008. The City Council held a public hearing and approved an ordinance adopting this Plan on Aug. 13, 2008. Additional notice for the City Council' hearing on adoption of the Plan was provided, as required by ORS 457.120.

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

Definition of Blighting Conditions
ORS 457.010 defines "blight" as follows: (underlining is added for emphasis)
"Blighted areas mean areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of <u>one or more</u> of the following conditions:

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

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

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

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

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

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

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

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

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

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

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

100A. PHYSICAL CONDITIONS

1. Land Area and Conformance with 25 % limit on acreage

Oregon urban renewal law limits the total acreage in urban renewal areas to 25% of the total acreage within a city. City staff advises that Molalla contains approximately 1,474 acres within its City limits. This would allow the City of Molalla to have approximately 368.5 acres in renewal areas. Staff estimates the total acreage in the boundary at 364 acres. The acreage in the proposed renewal area represents 24.7% of the total acreage in Molalla.

2. Existing Land Use and Development

The Molalla Urban Renewal area encompasses the downtown commercial district of Molalla, and some adjacent areas. Assessor’s data shows that of a total of 313 tax accounts in the renewal area, 153 are commercial, 111 are single family residential, and 38 are industrial, with 10 accounts miscellaneous or tax exempt.

3. Blighting Conditions in Renewal Area

A. Depreciated values and reduced utilization of the area: Clackamas County assessor records indicate there are 316 real property accounts in the renewal study area. Of those accounts, 65 show no building value at all. This unutilized land represents approximately 20% of property within the study area. That is a significant percentage of taxable property that currently is producing little property tax for taxing bodies. 60% of the property in the area has real market building values less than $100,000. The overall taxable value in the area is quite low, considering that the area includes the downtown commercial core of Molalla.

Another measure of the utilization and productivity of land is the ratio of building value to land value. For example, the ratio for a property with a building value of $100,000, and a land value of $50,000 would be 2 to 1. High building to land value ratios therefore indicate good utilization of land, while low ratios usually indicate the land is not producing adequate taxable values for the community. The overall ratio of building to land in the proposed study area boundary is just 1.2 to 1. 170 of the property accounts show ratios of 1 to 1 or less. Only 60 accounts show ratios of 2 to 1 or better. In all, the low improvement ratios indicate the proposed renewal area is currently under-utilized.

A preponderance of low value property can lead to service problems for the City and other service providers in Molalla. The low level of property values and lack of proper utilization of the area for tax producing purposes meets the ORS definition of blight.

B. Obsolete and Deteriorated Buildings: A windshield survey of exterior building conditions shows the overall condition of property as fair to good. There are some properties that could benefit from exterior maintenance and repair. Renewal programs typically allocate fund for this purpose.

C. Infrastructure Deficiencies:

Molalla's public works director and city manager surveyed the project area with the consultant in November, 2007, and provided the following list of infrastructure deficiencies in the project area:

Deficiencies in Streets, Curbs, and Sidewalks

- Ross Street is failed, curb and sidewalk missing.
- Kennel Street between Main and Toliver is failed.
- Heintz Street is failed. This collector street also is discontinuous for two blocks, has curb and sidewalk missing.
- Grange Avenue between Main and Heintz is failed, has curb and sidewalk missing.

- All streets in downtown core area are at, or nearing failure.

Deficiencies in Water, Sanitary and Storm Sewer Service
- Ross Street: storm sewer inadequate or missing.
- Kennel Street: storm and sanitary inadequate or leaking, replace or reline.
- Heintz Street: portions lack storm or sanitary sewer.
- Grange Avenue: Storm and sanitary sewer inadequate, need replacement or relining.
- East Main Street: Sewer needs replacement or relining.
- Most streets in downtown core need storm and sewer upgrades or repairs
- Hwy 211: Portions lack curb and sidewalk, portions have open drainage ditches for storm, portions lack sanitary sewer.

Other
- The layout of streets in Molalla results in numerous offset intersections, which can be both confusing and hazardous to motorists.

7. Conformance with 25% limit on Assessed Values Land and Building values

It is assumed the adoption date of the renewal plan will establish January 1, 2007 as the frozen base date for the plan. The assessed value of real, personal and utility property in the renewal area is estimated at $40,576,676 for the 2007-08 tax year. The total assessed valuation of the City of Molalla for that year is $384,173,177. The assessed value within the renewal area represents 10.56 % of the total assessed value of property within Molalla. Total assessed value within the renewal area therefore will be well within the maximum 25% of total valuation allowed by urban renewal law.

100B. SOCIAL AND ECONOMIC CONDITIONS

No current census data is available for the residential population of the renewal plan area. Economic conditions, as measured by overall property values, and new investment are reflected in the data in section 100 A.6. above.

200. ANTICIPATED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN

Urban renewal plan activities are intended to assist in attracting new investment and increases in property values and taxes for taxing bodies in Molalla. Renewal activities to improve infrastructure, streets, curbs, sidewalks, parking, public safety, public buildings, and making streetscape improvements, and providing funds for building rehabilitation will make the renewal area more attractive and accessible to the general public.

The public and private investments made in the renewal area are likely to encourage new investment in areas adjacent to the renewal area. There are other positive effects of a renewal program that are quality of life issues. Retaining Molalla's small town atmosphere, maintaining the downtown core as the heart of the city, and improving housing, employment and shopping opportunities; all reflect Molalla's community values.

All the above elements of the Plan are expected to result in positive fiscal and service impacts for residents of Molalla.   The Plan is not expected to result in a need for any additional police, fire, or other emergency services beyond those already contemplated by the City and other service providers.

The expenditure of tax increment funds is expected to produce increased property values for Molalla. The renewal project is estimated to be completed by 2029. During that period, assessed property values in the renewal area are expected to increase by approximately $184.4 million. At tax rates expected to prevail at the termination of this plan, the new property values anticipated in the renewal area will contribute approximately $2.72 million in property tax revenues to all taxing bodies in the first year after tax increment collection is ended.

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

The Urban Renewal Plan Area was selected based on the existence of blighting conditions within the area, goals developed in the Planning process, and taken from other relevant City studies and documents, including Molalla' Comprehensive Plan.   The project area evidences the following characteristics of blight:

- Deficient utilities in the renewal area.
- Deficient streets, curbs and sidewalks in the renewal area.
- Buildings in need of repair and rehabilitation.
- Safety issues arising from offset intersections in the area.
- A lack of proper utilization of land planned for tax producing purposes.
- Low property values in the project area, resulting in reduced tax receipts.

This Report on the Plan concludes that conditions exist within the Renewal area that meet the definitions of blight in ORS457.010. Treating these conditions is the reason for selecting this renewal area

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

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

1. Improvements to streets serving undeveloped industrial and commercial land will help those lands to develop, and provide property taxes and employment.
2. Assistance for rehabilitation and new development will attract new investment to the area, and improve the building conditions and blighted appearance of the area.
3. Curb, street, and sidewalk improvements will provide better public safety in the area.
4. Signalization and signage improvements will also benefit public safety in the area
5. Streetscape activities in downtown and Highway 211 and will improve the visual appearance of the area, and provide a better climate for new investment in the project area.
6. Improvements to public buildings, will help increase public usage of the area, and improve the climate for new investment in the area.
7. Parking improvements will help maintain and increase commercial investment in the renewal area.

500. FINANCIAL ANALYSIS OF PLAN

500A. ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 1 shows the estimated Renewal Agency share of total costs of the Molalla Urban Renewal Plan. These costs reflect anticipated inflation, and are the basis for the maximum indebtedness of the Plan. It is anticipated that there will be long and short-term borrowings to carry out project activities, and that other sources of public and private funds will be pursued and applied to covering project casts. The costs shown in Table 1 do not include interest on indebtedness undertaken to carry out project activities.

The costs shown in Table 1 are referenced to sections of the urban renewal plan document. Costs of property acquisition authorized in Section 700 (4) are assumed to be covered in the project cost shown in Table 1. No property acquisition is contemplated at the time this plan is prepared.

Table 1		
Molalla Urban Renewal Plan		
Estimated Urban Renewal Cost of Projects		
Authorizations and Projects in Renewal Plan	**Percentage**	**Dollars**
Street/Sidewalk Improvements and Public Utilities	60.0%	$15,705,000
(This sum is the allocation for projects in Sections		
700 1B, C, D, and E of the Urban Renewal Plan)		
Parks/Open Spaces and Public buildings	15.0%	$3,926,250
(This sum is the allocation for projects in Sections		
700 1A and F of the Urban Renewal Plan)		
Building Preservation/Redevelopment	15.0%	$3,926,250
(This sum is the allocation for projects in Sections		
700 2 and 700 3 of the Urban Renewal Plan)		
Plan Administration	10.0%	$2,617,500
(This sum is the allocation for projects in Section		
700 5 of the Urban Renewal Plan)		
Totals	100.00%	$26,175,000

The principal method of funding the renewal share of costs will be through use of tax increment financing as authorized by ORS 457. Revenues are obtained from anticipated proceeds of long-and-short term urban renewal indebtedness.

Anticipated annual revenues are shown in Table 2 of this Report. The Agency may make use of short-term indebtedness to carry out project activities not covered by issue of long-term debt. Long-term indebtedness may be issued as revenues, project requirements, and overall bond market conditions dictate. In addition, the Renewal Agency will apply for, and make use of funding from other federal, state, local, or private sources as such funds become available.

500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES

The project activities shown in Table 1 will begin in 2009, and be completed by 2028-29. The sequencing and prioritization of individual project activities shown in Table 1 will be done by the Urban Renewal Agency, and any citizen advisory bodies that the Agency calls upon to assist in this process. The priority of projects and annual funding will be as established in the annual budget process. Completion dates for individual activities may be affected by changes to local economic and market conditions, changes in the availability of tax increment funds, and changes in priorities for carrying out project activities.

It is estimated that all activities proposed in this plan will be completed, and project indebtedness paid off by 2028-29. At that time, the tax increment provisions of this plan can be ended.

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT

It is estimated that the project will collect tax increment revenue between the 2009-10 and 2028-29 tax years. The amount of tax increment revenue needed to carry out project activities and interest on debt is estimated at $28,747,450

It is anticipated that available project revenues, and funds accumulated in a special fund for debt redemption will be sufficient to retire outstanding bonded indebtedness in the 2028-29 tax year, and terminate the tax increment financing provisions of the project. After all project debt is retired, and the project closed out, it is estimated that there will be surplus tax increment funds of approximately $146,000. These funds will be distributed to taxing bodies affected by this plan, as provided in ORS 457. Table 2 of this Report shows the anticipated tax increment receipts and project requirements for each year of the project. Table 2 follows on the next page.

Table 2										
Molalla Urban Renewal Plan										
Resources and Requirements										
a. Resources	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Beginning Balance	$0	$14,453	$31,245	$25,566	$17,906	$11,663	$9,442	$33,813	$10,932	$34,805
Resources										
A. Tax increment Revenue	$48,964	$186,241	$327,293	$517,728	$622,393	$744,992	$897,834	$1,028,645	$1,195,847	$1,425,124
B. Bond Proceeds										
long term	$0	$1,126,873	$0	$0	$3,768,362	$0	$0	$0	$0	$4,543,845
C. Interest	$490	$13,131	$3,273	$5,177	$43,908	$7,450	$8,978	$10,286	$11,958	$59,690
Total Resources	$49,453	$1,326,245	$330,566	$522,906	$4,434,663	$752,442	$906,813	$1,038,932	$1,207,805	$6,028,659
b. Project Requirements										
To Long term Debt Service	$0	$155,000	$155,000	$155,000	$673,000	$673,000	$673,000	$673,000	$673,000	$1,298,000
Projects funded long and short debt	$35,000	$1,140,000	$150,000	$350,000	$3,750,000	$70,000	$200,000	$355,000	$500,000	$4,700,000
Total, projects and Debt Service	$35,000	$1,295,000	$305,000	$505,000	$4,423,000	$743,000	$873,000	$1,028,000	$1,173,000	$5,998,000
Ending Balance	$14,453	$31,245	$25,566	$17,906	$11,663	$9,442	$33,813	$10,932	$34,805	$30,659
Table 2 (continued)										
Resources and Requirements										
a. Resources	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Beginning Balance	$30,659	$34,313	$37,621	$12,025	$32,849	$15,498	$85,525	$78,045	$73,108	$45,786
Resources										
A. Tax increment Revenue	$1,660,706	$1,812,496	$1,935,668	$2,062,227	$2,148,992	$2,238,144	$2,329,747	$2,423,869	$2,520,580	$2,619,950
B. Bond Proceeds										
long term	$0	$0	$0	$0	$5,019,818	$0	$0	$0	$0	$0
C. Interest	$16,607	$18,125	$19,357	$20,622	$71,688	$22,381	$23,297	$24,239	$25,206	$26,200
Total Resources	$1,677,313	$1,830,621	$1,955,025	$2,082,849	$7,240,498	$2,260,525	$2,353,045	$2,448,108	$2,545,786	$2,646,150
b. Project Requirements										
To Long term Debt Service	$1,143,000	$1,143,000	$1,143,000	$625,000	$1,875,000	$1,875,000	$1,875,000	$1,875,000	$0	$0
Projects funded long and short debt	$500,000	$650,000	$800,000	$1,425,000	$5,350,000	$300,000	$400,000	$500,000	$2,500,000	$2,500,000
Total, projects and Debt Service	$1,643,000	$1,793,000	$1,943,000	$2,050,000	$7,225,000	$2,175,000	$2,275,000	$2,375,000	$2,500,000	$2,500,000
Ending Balance	$34,313	$37,621	$12,025	$32,849	$15,498	$85,525	$78,045	$73,108	$45,786	$146,150

(a) In 2028-29, all project debt is paid off, all projects are assumed completed, and an estimated $146,150 can be distributed to affected taxing bodies

500D. IMPACT OF TAX INCREMENT FINANCING

The passage of Ballot Measure 50 (BM50) changed Oregon's property tax system, and the impacts of urban renewal on taxpayers, and other taxing bodies. Prior to BM50, collection of tax increment revenues for a renewal agency resulted in an increase in the taxpayer's property tax rate. Taxing bodies suffered no revenue losses, unless there was overall compression of property tax revenues. Under Ballot Measure 50, the taxpayers' permanent rates will not change. However, collection of tax increment revenue will impact the potential property tax revenues received by overlapping tax bodies. These taxing bodies will not be able to apply their permanent BM50 tax rates against the new values added within the urban renewal area. As a result, the taxing bodies will forego revenue they otherwise might have had if there was no renewal plan in effect.

Table 3 shows the anticipated cumulative incremental values in the Renewal Area over the life of the Plan, and the anticipated property tax revenues foregone as a result of taxing bodies not being able to apply their permanent BM50 tax rates to those values. Table 3 actually presents a worst case picture of revenue foregone, for it assumes that all the estimated new values in the Molalla Renewal Area would occur, even without the investment of urban renewal funds. However, it is more realistic to assume that the public expenditures on renewal activities will have some positive effect on the growth of values within and immediately adjacent to the urban renewal area. Table 3 does not make this adjustment

<u>More important, Table 3 expresses all revenue foregone in 2008 dollars</u>. It therefore does not take into account the fact that a dollar in the future is not as valuable as today's dollar. A present value calculation of the revenues foregone, using just a 3.5 % rate would substantially reduce the revenue foregone total. Evidence of that reduction is shown in the bottom row of Table 3.

Also, during the plan period, overall values in Molalla will increase, and those value increases outside the renewal area will reduce the tax foregone impact on the budgets of taxing bodies.

Under the current method of funding K-12 level education, the urban renewal program will not result in revenue losses for those educational units of government. The level of funding per student is <u>not</u> dependent on the amount of property tax raised locally**.**

When the project is completed, an estimated $184.4 million in assessed values will be placed back on the tax roll. In the following year, the permanent rates of the overlapping taxing bodies will generate property tax revenues estimated at approximately $2.72 million. Given a 4% inflation of assessed values in the area, the revenues foregone by the overlapping taxing bodies will be repaid in a period of 10 years after the project is completed.

500E. FINANCIAL FEASIBILITY OF PLAN

The total capital costs (i.e., exclusive of interest on indebtedness) to implement the project activities shown in Table 1 are estimated at $26,175,000. The principal source of revenue to implement project activities will be annual tax increment revenues of the Renewal Agency. Anticipated tax increment revenues are shown in Table 2. The tax increment revenues shown in Table 2 are based on the following assumptions:

- Indexed growth in total assessed value at 2.75% annually, AND
- Exception values (i.e., new construction) as shown in Table 4 of this report
- Exception values of $1 million annually in the period 2023 to 2028.

The maximum indebtedness and project costs undertaken in the plan is derived from assumptions on project values. To the extent those assumptions do not materialize as projected, projects will be delayed, cut back, or dropped. It therefore is financially feasible to carry out this urban renewal plan.

Table 3
Molalla Urban Renewal Plan
Revenue Foregone by Taxing Bodies

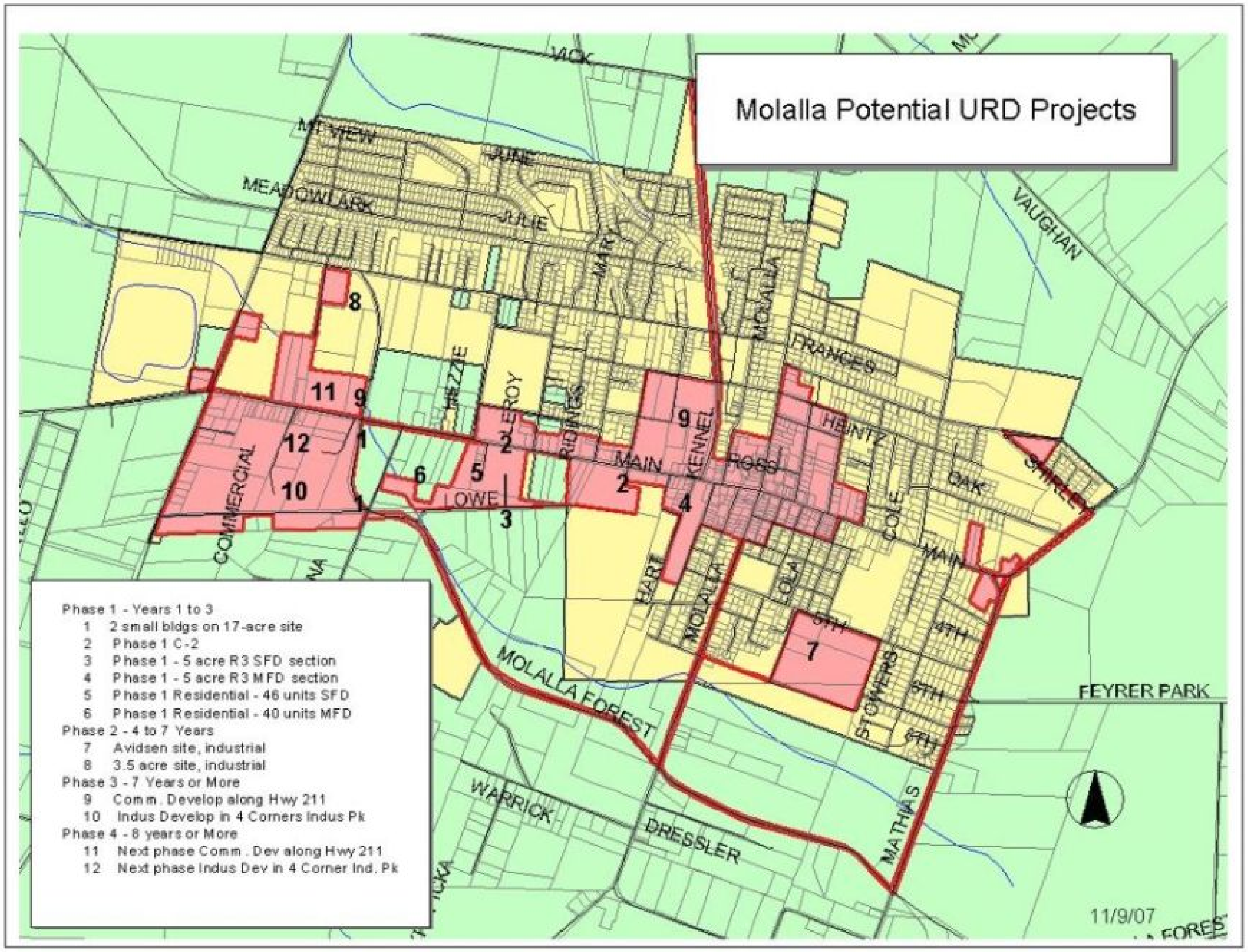
Year	Cumulative New Incremental Values in area	Clack.County tax rate	Molalla Tax Rate	Fire Dist 73	Port of PDX	Vector Control	Soil Conserv.	Molalla Schools	ESD	Clack. CC
		2.4042	5.3058	0.7833	0.069	0.0065	0.0493	4.7001	0.3624	0.5481
		foregone on new values	foregone on new values	foregone on new values	foregone on new values	foregone on new values	foregone on new values	foregone on new values	foregone on new values	foregone on new values
2009	$3,447,090	$8,287	$18,290	$2,700	$238	$22	$170	$16,202	$1,249	$1,889
2010	$13,111,493	$31,523	$69,567	$10,270	$905	$85	$646	$61,625	$4,752	$7,186
2011	$23,041,667	$55,397	$122,254	$18,049	$1,590	$150	$1,136	$108,298	$8,350	$12,629
2012	$36,448,447	$87,629	$193,388	$28,550	$2,515	$237	$1,797	$171,311	$13,209	$19,977
2013	$43,816,946	$105,345	$232,484	$34,322	$3,023	$285	$2,160	$205,944	$15,879	$24,016
2014	$52,447,995	$126,095	$278,279	$41,083	$3,619	$341	$2,586	$246,511	$19,007	$28,747
2015	$63,208,187	$151,965	$335,370	$49,511	$4,361	$411	$3,116	$297,085	$22,907	$34,644
2016	$72,417,384	$174,106	$384,232	$56,725	$4,997	$471	$3,570	$340,369	$26,244	$39,692
2017	$84,188,459	$202,406	$446,687	$65,945	$5,809	$547	$4,150	$395,694	$30,510	$46,144
2018	$100,329,745	$241,213	$532,330	$78,588	$6,923	$652	$4,946	$471,560	$36,359	$54,991
2019	$116,914,917	$281,087	$620,327	$91,579	$8,067	$760	$5,764	$549,512	$42,370	$64,081
2020	$127,601,049	$306,778	$677,026	$99,950	$8,804	$829	$6,291	$599,738	$46,243	$69,938
2021	$136,272,424	$327,626	$723,034	$106,742	$9,403	$886	$6,718	$640,494	$49,385	$74,691
2022	$145,182,262	$349,047	$770,308	$113,721	$10,018	$944	$7,157	$682,371	$52,614	$79,574
2023	$151,290,614	$363,733	$802,718	$118,506	$10,439	$983	$7,459	$711,081	$54,828	$82,922
2024	$157,566,946	$378,822	$836,019	$123,422	$10,872	$1,024	$7,768	$740,580	$57,102	$86,362
2025	$164,015,877	$394,327	$870,235	$128,474	$11,317	$1,066	$8,086	$770,891	$59,439	$89,897
2026	$170,642,153	$410,258	$905,393	$133,664	$11,774	$1,109	$8,413	$802,035	$61,841	$93,529
2027	$177,450,652	$426,627	$941,518	$138,997	$12,244	$1,153	$8,748	$834,036	$64,308	$97,261
2028	$184,446,385	$443,446	$978,636	$144,477	$12,727	$1,199	$9,093	$866,916	$66,843	$101,095
	Total	$4,865,718	$10,738,094	$1,585,274	$139,645	$13,155	$99,775	$9,512,254	$733,440	$1,109,267
	PV @3.5%	**$3,067,821**	**$6,770,337**	**$999,511**	**$88,046**	**$8,294**	**$62,858**	**$5,997,448**	**$462,432**	**$699,390**

Note: School and ESD revenue foregone is replaced dollar-for-dollar by State funds, and does not affect per student funding.

PV = Present value of the revenue foregone. This adjusts future dollars to 2007 dollar totals.

Table 4						
Molalla Urban Renewal Plan						
Estimates of Assessed Values added by New Construction in Renewal Area						
PHASE 1 – Values one to four yrs. away	Begin Year	Years phasing	Total RMV	Change Prop. Ratio**	Total AV	Annual AV
2 small buildings on 17 acre site	2007	1	$1,750,000	0.563	$985,250	$985,250
Phase 1 C-2	2008	3	$34,140,150	0.563	$19,220,904	$6,406,968
Phase 1 - 5 acre R3 SFD section	2008	2	$3,500,000	0.544	$1,904,000	$952,000
Phase 1 - 5 acre R3 MFD section	2007	1	$2,000,000	0.673	$1,346,000	$1,346,000
Phase 1 Residential - 46 units SFD	2008	4	$8,050,000	0.544	$4,379,200	$1,094,800
Phase 1 residential - 40 units MFD	2009	3	$2,000,000	0.673	$1,346,000	$448,667
PHASE 2 - Values four to seven yrs. away						
Avison site, industrial	2010	4	$24,698,520	0.673	$16,622,104	$4,155,526
3.5 acre site, industrial	2012	1	$3,201,660	0.673	$2,154,717	$2,154,717
PHASE 3 - Values seven or more yrs. away					$0	
Comm. Develop along Hwy 211	2013	5	$35,937,000	0.563	$20,232,531	$4,046,506
Indus Develop in 4 Corners Ind Park	2014	4	$13,721,400	0.673	$9,234,502	$2,308,626
PHASE 4 - Values eight or more yrs. away						
Next phase Comm. Develop along Hwy 211	2016	5	$35,937,000	0.563	$20,232,531	$4,046,506
Next phase Indus Develop in 4 Corners Ind Park	2015	4	$13,721,400	0.673	$9,234,502	$2,308,626

**** The change property ratio is an assessor's conversion of real market value to assessed value (AV). AV is the basis for tax increment revenue**


Molalla Potential URD Projects
Phase 1 - Years 1 to 3
1 2 small bldgs on 17-acre site
2 Phase 1 C-2
3 Phase 1 - 5 acre R3 SFD section
4 Phase 1 - 5 acre R3 MFD section
5 Phase 1 Residential - 46 units SFD
6 Phase 1 Residential - 40 units MFD
Phase 2 - 4 to 7 Years
7 Avidsen site, industrial
8 3.5 acre site, industrial
Phase 3 - 7 Years or More
9 Comm. Develop along Hwy 211
10 Indus Develop in 4 Corners Indus Pk
Phase 4 - 8 years or More
11 Next phase Comm. Dev along Hwy 211
12 Next phase Indus Dev in 4 Corner Ind. Pk
VICK
MT VIEW
JUNE
MEADOWLARK
JULIE
MARY
MOLALLA
VAUGHAN
FRANCES
HEINTZ
LEROY
RIDINGS
KENNEL
MAIN
ROSS
OAK
COMMERCIAL
LOWE
COLE
HART
LOLA
MOLALLA FOREST
FEYRER PARK
STOWERS
WARRICK
DRESSLER
MATHIAS
11/9/07

600. RELOCATION

A. PROPERTIES REQUIRING RELOCATION

No relocation is anticipated at the adoption of this plan.

B. RELOCATION METHODS

If in the implementation of this Plan, persons or businesses should be displaced by action of the Agency, the Agency shall provide assistance to such persons or businesses to be displaced. Such displaces will be contacted to determine their individual relocation needs. They will be provided information on available space and will be given assistance in moving.

No relocation of businesses or residents is anticipated in this plan.

C. HOUSING COST ENUMERATION

No housing units are scheduled for removal under this plan. It is anticipated that the renewal plan will produce new housing units via rehabilitation and new construction. It is expected that housing units will cover a wide range of unit types and affordability.