

City of Albany Urban Renewal Feasibility Study

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How Urban Renewal Works

- Economic and redevelopment financing tool
- Urban Renewal Agency collects incremental property tax revenues in a specific geography designated as an Urban Renewal Area (URA)
- Division of property taxes (impacts overlapping taxing districts)
- Not an increase in property tax rates (no impact on taxpayers)
- URA must be “blighted”

Key Restrictions and Limitations

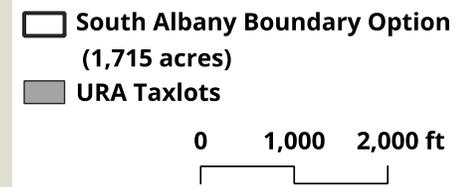
- Limited by “Maximum Indebtedness”
- Can be limited by a duration provision
- Assessed value and acreage cannot exceed percentage limitations (city/county wide):
 - 25% for small jurisdictions
 - 15% for large jurisdictions – For Albany (without CARA):
 - Maximum URA Acreage: 1,750
 - Maximum URA Assessed Value: \$631 million

South Boundary

- Acres: 1,715
- Assessed Value: \$158.3 million

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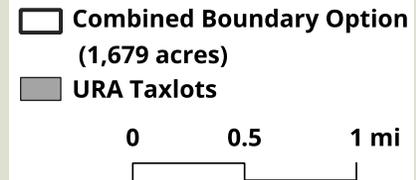
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East Boundary

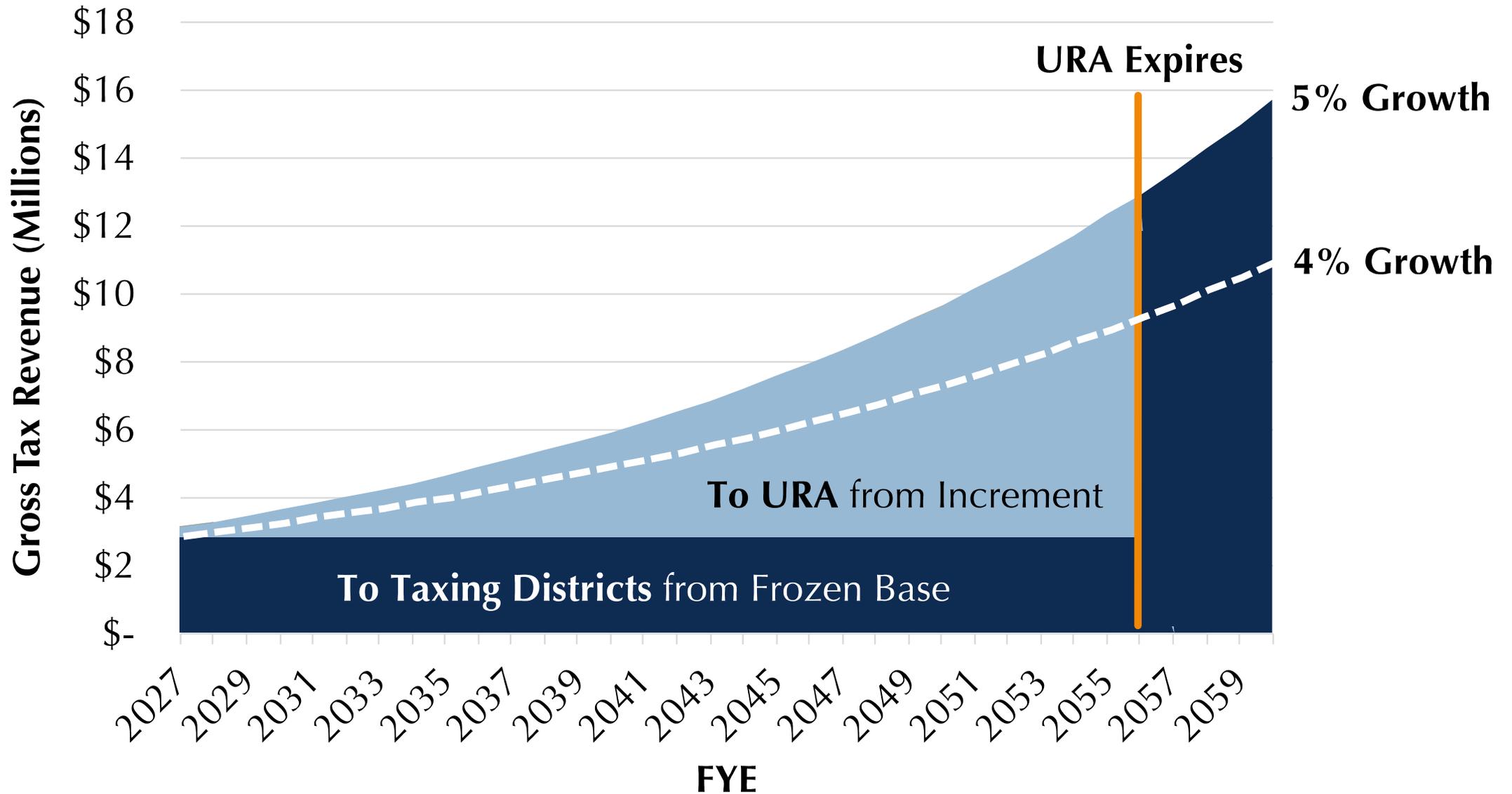
- Acres: 1,671
- Assessed Value: \$338.4 million

Combined Boundary

- Acres: 1,679
- Assessed Value: \$215.0 million



TIF Revenue Forecast: Combined Boundary



Financial Capacity: South Boundary

<u>Annual Assessed Value Growth</u>	<u>4% Growth</u>	<u>5% Growth</u>
Est Avg RMV of New Construction per Year (2024 \$)	\$3,500,000	\$8,200,000
Net TIF	\$63,400,000	\$90,300,000
Maximum Indebtedness	\$54,000,000	\$77,000,000
Capacity (2024\$)	\$30,000,000	\$42,400,000
<i>Years 1-5</i>	<i>\$2,200,000</i>	<i>\$2,900,000</i>
<i>Years 6-10</i>	<i>\$4,900,000</i>	<i>\$6,400,000</i>
<i>Years 11-15</i>	<i>\$5,500,000</i>	<i>\$7,600,000</i>
<i>Years 16-20</i>	<i>\$5,600,000</i>	<i>\$8,000,000</i>
<i>Years 21-25</i>	<i>\$5,900,000</i>	<i>\$8,700,000</i>
<i>Years 26-30</i>	<i>\$5,800,000</i>	<i>\$8,800,000</i>

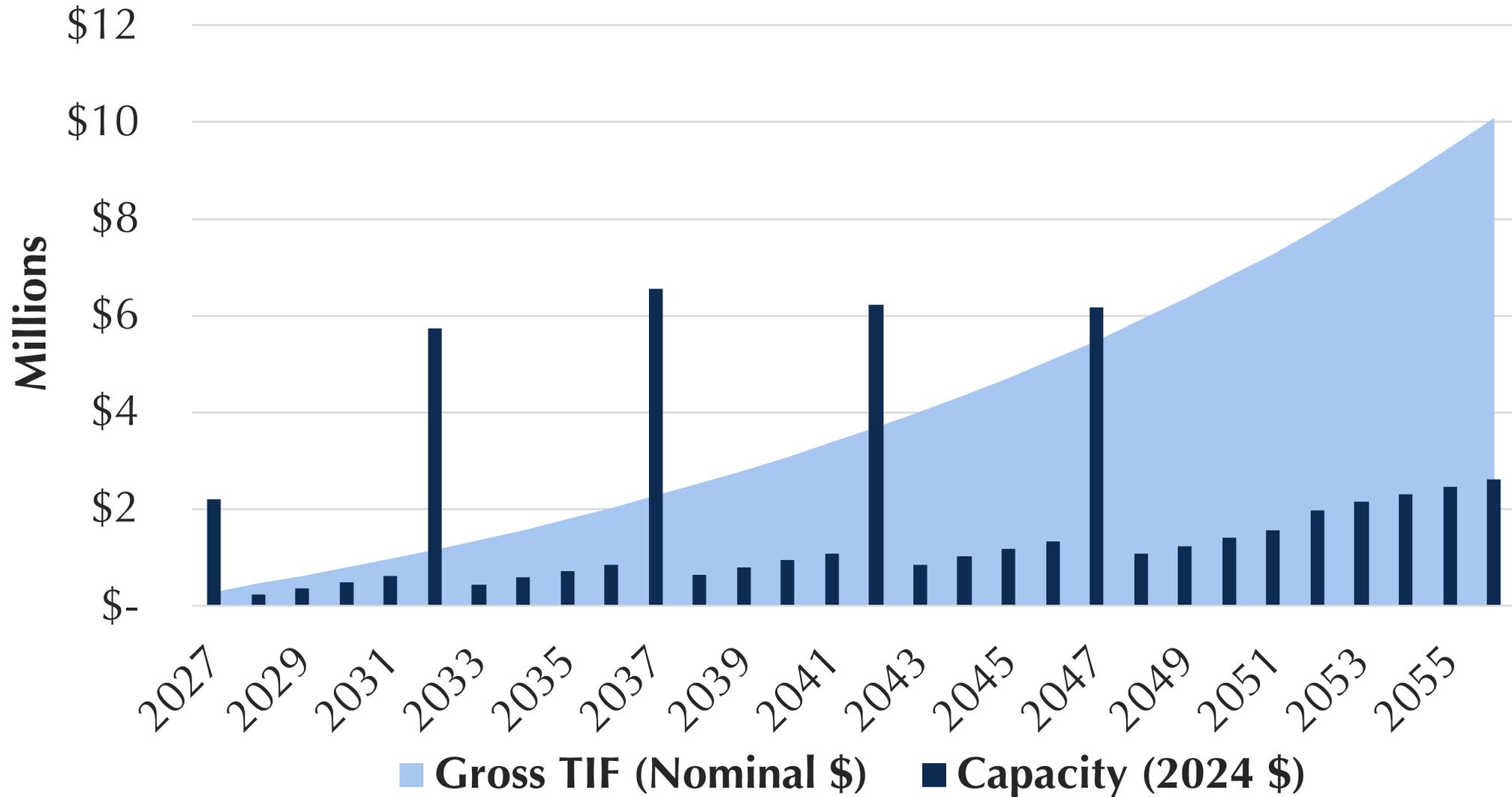
Financial Capacity: East Boundary

<u>Annual Assessed Value Growth</u>	<u>4% Growth</u>	<u>5% Growth</u>
Estimated Average Annual RMV of New Construction (2024 \$)	\$7,000,000	\$16,300,000
Net TIF	\$126,700,000	\$180,400,000
Maximum Indebtedness	\$107,000,000	\$153,000,000
Capacity (2024\$)	\$59,900,000	\$84,700,000
<i>Years 1-5</i>	<i>\$4,500,000</i>	<i>\$5,800,000</i>
<i>Years 6-10</i>	<i>\$9,700,000</i>	<i>\$12,700,000</i>
<i>Years 11-15</i>	<i>\$11,100,000</i>	<i>\$15,200,000</i>
<i>Years 16-20</i>	<i>\$11,200,000</i>	<i>\$16,100,000</i>
<i>Years 21-25</i>	<i>\$11,800,000</i>	<i>\$17,400,000</i>
<i>Years 26-30</i>	<i>\$11,600,000</i>	<i>\$17,500,000</i>

Financial Capacity: Combined Boundary

<u>Annual Assessed Value Growth</u>	<u>4% Growth</u>	<u>5% Growth</u>
Estimated Average Annual RMV of New Construction (2024 \$)	\$4,800,000	\$11,100,000
Net TIF	\$83,300,000	\$118,700,000
Maximum Indebtedness	\$70,300,000	\$100,500,000
Capacity (2024\$)	\$39,400,000	\$55,700,000
<i>Years 1-5</i>	<i>\$3,000,000</i>	<i>\$3,800,000</i>
<i>Years 6-10</i>	<i>\$6,300,000</i>	<i>\$8,300,000</i>
<i>Years 11-15</i>	<i>\$7,300,000</i>	<i>\$10,000,000</i>
<i>Years 16-20</i>	<i>\$7,400,000</i>	<i>\$10,600,000</i>
<i>Years 21-25</i>	<i>\$7,800,000</i>	<i>\$11,400,000</i>
<i>Years 26-30</i>	<i>\$7,600,000</i>	<i>\$11,500,000</i>

Financial Capacity: Combined Boundary



Eligible Public Improvements (ORS 457)

- Capital projects (no maintenance)
- Economic development programs & rehabilitation/conservation
- Public Buildings, if approved by impacted taxing districts
- Must be inside URA boundary
- Must be listed in Urban Renewal Plan, which can be amended to add projects after adoption
- Must conform to adopted comprehensive plan and economic development plan

Cumulative Impacts to Taxing Districts

<u>Taxing District</u>	<u>Lowest Impact</u>	<u>Highest Impact</u>
Linn County	\$6,200,000	\$18,800,000
City of Albany	\$30,400,000	\$73,700,000
4H Extension District	\$300,000	\$1,000,000
Albany RFD	\$100,000	\$7,100,000
Stayton RFD	\$0	\$0
Tangent RFD	\$0	\$200,000
Linn-Benton-Lincoln ESD*	\$1,500,000	\$4,500,000
Linn Benton Community College	\$2,400,000	\$7,400,000
Greater Albany Public Schools*	\$22,300,000	\$67,900,000
North Santiam School District*	\$0	\$0
Willamette Regional ESD*	\$0	\$0
Total	\$63,400,000	\$180,400,000

Adoption Process

- Establish Urban Renewal Agency (done)
- Complete Urban Renewal Plan and Report
- Urban Renewal Agency meeting
- Consult and confer with taxing districts (45 days)
- Planning Commission review
- County Commission briefing
- City Council hearing to adopt ordinance
- Public vote

Conclusions

- Estimates for significant financial capacity
- Capacity will start small and grow over time
- Forecasts are uncertain
- Potential for new construction will ultimately drive financial capacity
- Debt options for accelerating financial capacity
- Political, land use planning, and economic considerations are also important

Questions?

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