



**Work Session**

**WS**

**Milwaukie City Council**



**MINUTES**  
**MILWAUKIE CITY COUNCIL**  
[www.milwaukieoregon.gov](http://www.milwaukieoregon.gov)

**WORK SESSION**  
 NOVEMBER 3, 2015  
 City Hall Conference Room

**Mayor Gamba called the Work Session to order at 4:00 p.m.**

**Council Present:** Council President Lisa Batey and Councilors Scott Churchill, Wilda Parks, and Karin Power (phone)

**Staff Present:** City Manager Bill Monahan, City Recorder Pat DuVal, Assistant to the City Manager Mitch Nieman, Planning Director Denny Egner, Finance Director Casey Camors, Assistant Finance Director Bonnie Dennis, Code Compliance Coordinator Tim Salyers, and Community Development Director Alma Flores

**Urban Renewal Feasibility**

**Mr. Egner** introduced Nick Popanuk, Project Manager with ECONorthwest, and Elaine Howard, with Elaine Howard Consulting, LLC.

**Mr. Popanuk** explained that the discussion would focus on Milwaukie's past and possible future use of urban renewal districts.

**Mr. Monahan** asked that the presenters note the title of the slide they are referencing so Council and the public could follow along.

**Ms. Howard** provided an overview of how urban renewal works, and the group discussed revenue sharing with other taxing districts and the impacts of identifying the maximum indebtedness that sets revenue sharing caps and triggers.

**Mr. Popanuk** reviewed the history of urban renewal discussions in Milwaukie, reported that technical studies have shown that urban renewal is feasible in the City, and suggested that the question was how and if the City wanted to use urban renewal. He reviewed the proposed urban renewal feasibility study scope of work and timeline.

**Ms. Howard** reviewed factors that determined an urban renewal boundary size and reviewed the pros and cons of creating a single big boundary area. **Council President Batey, Councilor Parks, and Ms. Howard** noted that the identified urban renewal areas in the City could be included in a single boundary or in three separate districts.

**Councilor Churchill, Mr. Popanuk, and Ms. Howard** discussed how and when assessed value growth projection data was generated, and they noted the importance of setting expectations when drafting the original urban renewal plan. They commented on annual taxing growth rates, the use of averaged historical tax rates to generate future projections, and the impact of boundary size on growth rate projections.

**Council President Batey** asked if other taxing districts would be more receptive to a single big boundary area. **Mr. Popanuk** remarked that other taxing districts have responded favorably to larger and quicker urban renewal areas, and he noted the importance of including other taxing districts in urban renewal conversations.

**Councilor Churchill** asked how bond underwriters view urban renewal district size. **Ms. Howard** and **Mr. Popanuk** replied that underwriters did not like districts to be less than 100 acres or focused on a single purpose.

**Mr. Monahan** reconnected Councilor Power to the conversation by phone.

**Ms. Howard** reviewed the pros and cons of creating small boundary areas. **Mayor Gamba** and **Ms. Howard** discussed the advantages of creating three small urban renewal districts and the impact of unanticipated opportunity projects.

**Ms. Howard** commented that every urban renewal district was different based on the community. **Mr. Popanuk** suggested that Council should be confident that each urban renewal district could financially stand on its own and consider the administrative, financial, and policy focus of creating one or three urban renewal districts.

**Ms. Howard** noted the limitations on expanding urban renewal districts.

**Council President Batey**, **Ms. Howard**, and **Mr. Popanuk** discussed site-specific urban renewal project limitations and tax revenue accrual speed.

**Councilor Parks** and **Ms. Howard** commented on the importance of public involvement in the urban renewal project vetting process.

**Ms. Howard** asked for Council input on what was most important about urban renewal.

**Councilor Churchill** and **Mr. Popanuk** discussed bond underwriters' preferred urban renewal area size and how underwriters' fees were determined.

**Council President Batey** and **Councilor Parks** noted that the Central Milwaukie urban renewal area would be 116 acres, the Downtown Milwaukie area would be 120 acres, and the North Milwaukie Industrial Area would be 282 acres.

**Mr. Popanuk** reviewed the goals, obstacles, and benefits of urban renewal identified in the Downtown, Central, and North Industrial areas. He asked for Council direction and input on the City's urban renewal goals for future discussions and project planning.

**Councilor Power** expressed interest in hearing about short-term urban renewal projects in other communities and remarked that all three of the proposed urban renewal areas in the City have strengths and weaknesses.

**Council President Batey** asked if other streets could be included as connectors along with Harrison Street, and **Mr. Popanuk** replied that other streets could be connectors.

**Council President Batey** asked for information on unanticipated opportunity projects.

**Council President Batey** and **Councilor Parks** asked for information on the process to identify the list of projects covered by the maximum indebtedness cap.

**Councilor Parks** and **Ms. Howard** discussed what parts of a connector street could be included in an urban renewal district.

**Councilors Churchill and Parks** asked that the other taxing districts be identified and that the impacts and risks for those taxing districts be noted. **Mayor Gamba** requested that the impacts on schools be addressed.

**Council President Batey** asked Mr. Popanuk and Ms. Howard to discuss how communities could use urban renewal funding to address affordable housing.

The group discussed the process to identify urban renewal projects and the timeline for future Council discussions on urban renewal. **Councilors Churchill and Parks** noted the increased level of community support when specific projects are identified.

**Mayor Gamba** asked for a list of urban renewal projects from other communities.

**Councilor Power** asked about the timeline for Council to make a decision on urban renewal, and **Mr. Egner** reported that the next Council discussion on urban renewal had been scheduled for the December 1, 2015, Work Session. He suggested that Council could make a decision to pursue urban renewal by the summer of 2016 and he remarked that the complexity of creating a larger district would require Council direction by December 2015 or January 2016.

**Mayor Gamba** asked that staff provide printed agendas for Council to reference.

### **Downtown Parking Permit Fees**

**Ms. Dennis** summarized the fee review process to-date and confirmed that staff was looking for a Council decision on increasing fees at the November 17, 2015, Regular Session so that new fees could go into effect on January 1, 2016. She asked for Council input on raising fees and provided a projection of incremental and full increases.

**Council President Batey** expressed support for incrementally increasing the fee to \$40 per month and remarked that she could support whatever Council decided.

**Mayor Gamba** asked if there would be additional staff work if the fee were incrementally increased, and **Ms. Dennis** reported that there would be system costs but not a huge workload difference for staff.

**Councilor Parks** and **Ms. Dennis** noted that an incremental increase could occur on whatever timeline Council chose.

**Council President Batey** remarked that the sticker shock would be less with an increase to \$40 and would give the City time to gauge the impacts of raising the fee. **Councilor Parks** agreed with Council President Batey and suggested that the price could be left in place for a year to judge public reaction.

**Councilor Churchill** asked Neil Hankerson, Dark Horse Comics Executive Vice President, about the impacts of a parking permit fee increase on his company and employees. **Mr. Hankerson** commented on the impacts of a fee increase on permit purchasers and noted that he was unsure of the justification for raising the fee.

**Mayor Gamba** asked if Dark Horse provided employee transit passes. **Mr. Hankerson** explained that Dark Horse provides an employee subsidy for TriMet passes and City parking permits, and he discussed the benefits of purchasing parking permits in bulk.

**Councilor Parks** asked about the impacts of quarterly and six-month permits, and **Mr. Hankerson** and **Ms. Dennis** reported that the longer-term permits took less staff time.

**Mayor Gamba** expressed support for a tiered fee increase over a one year period, and **Councilors Parks and Churchill** expressed their agreement with Mayor Gamba.

**Mayor Gamba** noted that the reason for moving away from six-month permits was because new businesses were unable to buy passes for months at a time since other businesses had purchased the six-month permits in advance.

**Council President Batey** noted the cost savings for the City and businesses in allowing bulk permit purchases, and she expressed concern about bulk purchased permits being used for light rail riders. She asked if the City required bulk purchasers to prove they work at a Downtown business. **Ms. Dennis** and **Mr. Salyers** reported that the City required permit purchasers to prove they worked downtown.

The group noted that the current bulk purchase discount was 10% when 10 or more permits were purchased, and they discussed whether or not a 10% discount with an increased fee would be appropriate given the costs of administering the permit program.

**Councilor Power** expressed support for a bulk purchase discount and suggested that a fee increase would encourage people who work Downtown to use public transportation. **Councilors Parks and Power** noted that a parking permit fee increase would bring the cost of parking downtown closer to what it costs to use public transportation.

**Mayor Gamba** and **Ms. Dennis** agreed that verifying that businesses offer employee transportation incentive programs would require additional staff time. **Ms. Dennis** asked for input on the kind of incentives Council would like to see offered by employers.

**Mr. Hankerson** reported that Dark Horse employees can purchase a discounted parking permit or a public transportation pass. **Mayor Gamba** and **Council President Batey** asked if Dark Horse could verify employee use of public transit incentives, and

**Mr. Hankerson** explained that Dark Horse reimburses employees directly for their individual purchase of a parking permit or a TriMet pass.

The group discussed TriMet programs that offer bulk pricing discounts to employers purchasing passes for their employees. **Mayor Gamba** and **Council President Batey** suggested that the City could look at forming a transportation management agency (TMA) as a goal for 2017 while considering how to handle a fee increase in 2016.

**Councilor Parks** suggested that the bulk purchase discount be kept and that the City should ask businesses if they offered an employee transportation incentive program.

**Mr. Monahan** and **Councilor Parks** discussed ways the City could reach out to TriMet to provide information to businesses on existing incentive programs.

The group noted that most downtown permit parking spots were currently unavailable.

**Mayor Gamba** summarized that Council was comfortable with keeping the 10% bulk purchase discount, limiting the permit duration to quarterly, and increasing the fee to \$40 in January 2016 and \$50 in January 2017 while Council considers forming a TMA.

The group discussed public transportation incentive programs the City could offer.

**Mr. Monahan** noted that Council would consider adopting the parking permit fee change at the November 17, 2015, Regular Session.

**Council President Batey** asked if Council was going to set a cap on the number of permits each business can purchase. **Mayor Gamba** suggested that caps be considered after the impact of the fee increase is known.

**Mayor Gamba** asked staff if there was a need to adjust the parking citation fee with the permit fee increase, and **Mr. Salyers** reported that the single day parking citation is \$40. He discussed historic citation pricing and possible parking enforcement improvements that could increase the number of parking permits sold.

**Ms. Dennis** confirmed that she had received sufficient direction from Council, and **Mayor Gamba** thanked Mr. Hankerson for his input.

### **Study Session Schedule for 2016**

**Mr. Monahan** explained that due to the proposed schedule of the Clackamas Cities Association (CCA) dinners it was his recommendation that Council consider scheduling Study Sessions on the 3<sup>rd</sup> Thursday of each month in 2016. He added that the City was scheduled to host the CCA dinner on the 4<sup>th</sup> Thursday of January 2016.

**Council President Batey** expressed concern about other CCA cities changing their dinner nights to the 3<sup>rd</sup> Thursday and suggested that Council be flexible in adjusting the Study Session schedule. **Mr. Monahan** noted the difficulty in rescheduling Study Sessions depending on the topics and presenters lined-up for each meeting.

The group expressed frustration with the inconsistent coordination of CCA dinners.

### **Agenda Forecaster Review**

**Mr. Monahan** reviewed items scheduled for upcoming Council meeting agendas, and the group discussed the Kellogg Bridge Bike and Pedestrian connectors.

### **Matching Commitments for Grant Opportunities**

**Mr. Monahan** and **Mr. Eaton** discussed two grant funding opportunities for bike and pedestrian enhancement projects and asked for Council direction on which grants and matching amounts to pursue for the Kronberg Park and Railroad Avenue projects.

**Mayor Gamba** suggested that staff should focus on the Connect Oregon Grant for \$440,000 for the Kronberg Park project. **Council President Batey** noted the possibility of using Kellogg Good Neighbor funds to match work at Kronberg Park.

The group noted that the project cost estimates were taken from the North Clackamas Parks and Recreation District (NCPRD) 3 Parks Master Planning process.

**Mr. Eaton** asked if the Council wanted staff to seek participation in the Enhance It Program to complete sidewalk projects around Linwood School.

The group discussed the disadvantages of seeking funds from the Enhance It Program.

**Councilor Power** discussed the possibility of bonding against remaining Kellogg Good Neighbor funds to pay for the Kronberg Park project.

**Mr. Monahan** summarized that Council was directing staff to focus on the Connect Oregon grant opportunity for the Kronberg Park project.

**Council President Batey** and **Mr. Eaton** commented on the urgency and prioritization of the Kronberg Park and Railroad Avenue projects.

**Mayor Gamba** adjourned the Work Session at 5:49 p.m.

Respectfully submitted,



Scott S. Stauffer, Administrative Specialist II

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**Stauffer, Scott**

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**From:** seyon@zanaconstruction.com  
**Sent:** Sunday, November 01, 2015 9:56 AM  
**To:** Milwaukie OCR  
**Cc:** Seyon Belai  
**Subject:** Milwaukie Parking Permit

Dear City Council,

I won't be able to attend the November 17th regular session as I will be in Boston at the Babson College for a special business event. However, I want to express how much I love the current Milwaukie Parking Permit system. I have 4 employees and it gives me a great relief to know that I can purchase parking permit, semi-annual passes, for all of us and know that we have a place to park. Please continue to allow offering the semi-annual passes as it give us security and less worry about the parking and we can concentrate on the day to day operation of the business. Thank you for considering this email in your meeting.

Sincerely,

*Seyon*

Seyon Belai  
Zana Construction  
Office (503) 659-1347  
Cell (503) 442-4346

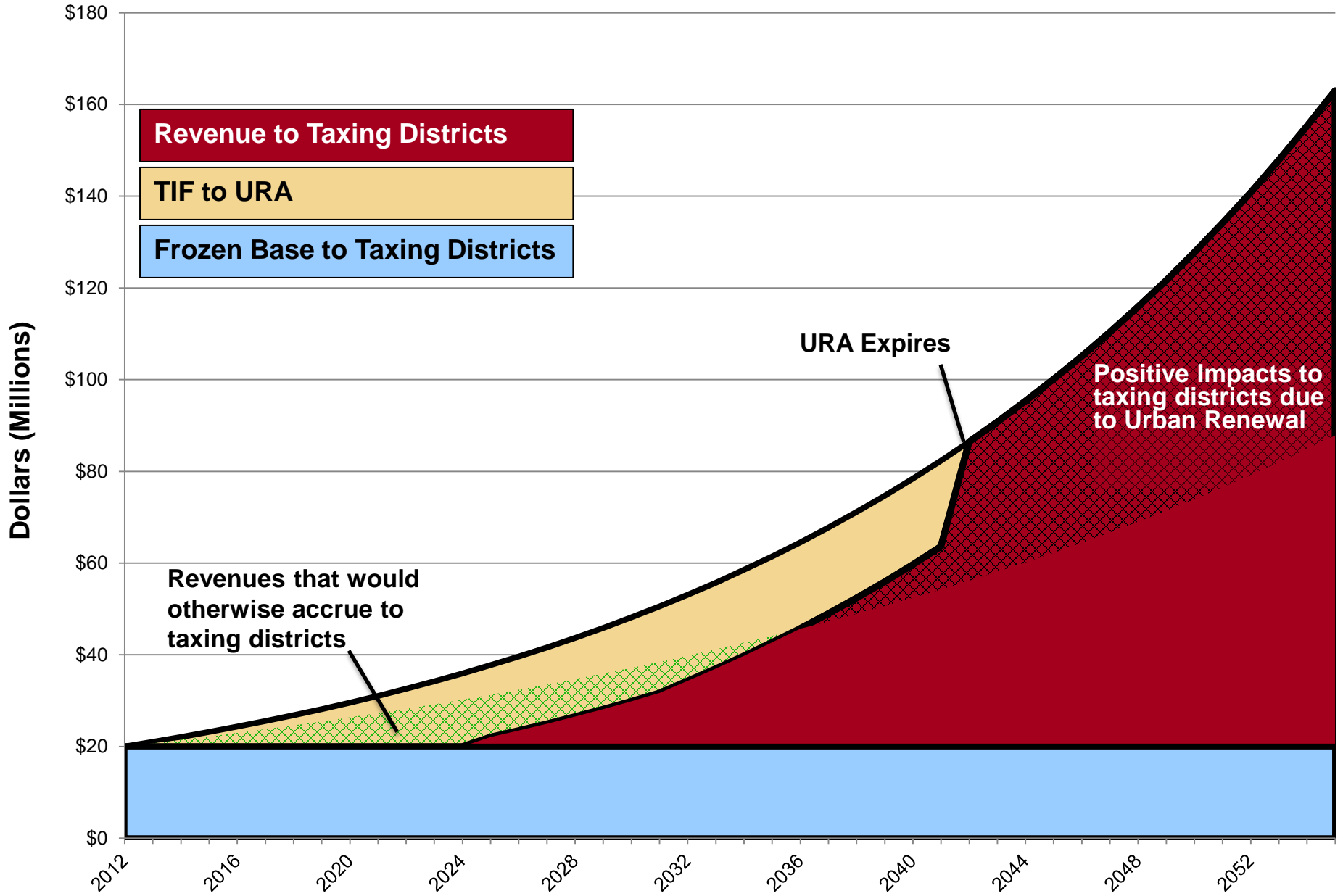
# Milwaukie Urban Renewal Feasibility Study

City Council

Nov 3, 2015



# How urban renewal works



# History of UR in Milwaukie

- UR Plan adopted, then repealed (1987)
- Previous feasibility study (Sept 2009)
- Recent Council discussions
- UR 101 presentation
- Moving Forward Milwaukie TIF forecasts

# Feasibility Study Scope of Work

- Feasibility Analysis – Nov 2015
  - City Council (2 meetings)
  - Where and how should UR be explored?
- Draft UR plan and report – April 2016
  - Advisory committee (5 meetings)
  - City Council (2 meetings)
  - General Public
  - Affected taxing districts
- Final UR plan and report – June 2016

# Approaches to using urban renewal

- Big boundary
- Small boundary
- Really small boundary (site-specific)
- Multiple boundaries
- Small to start, expand later

# Big boundary

## Pros

- Greater financial stability, lower risk
- Administrative ease
- Faster TIF generation

## Cons

- Competition for funding
- More complicated stakeholder involvement
- Bigger annual impact on tax districts
- Less focused

# Small boundary

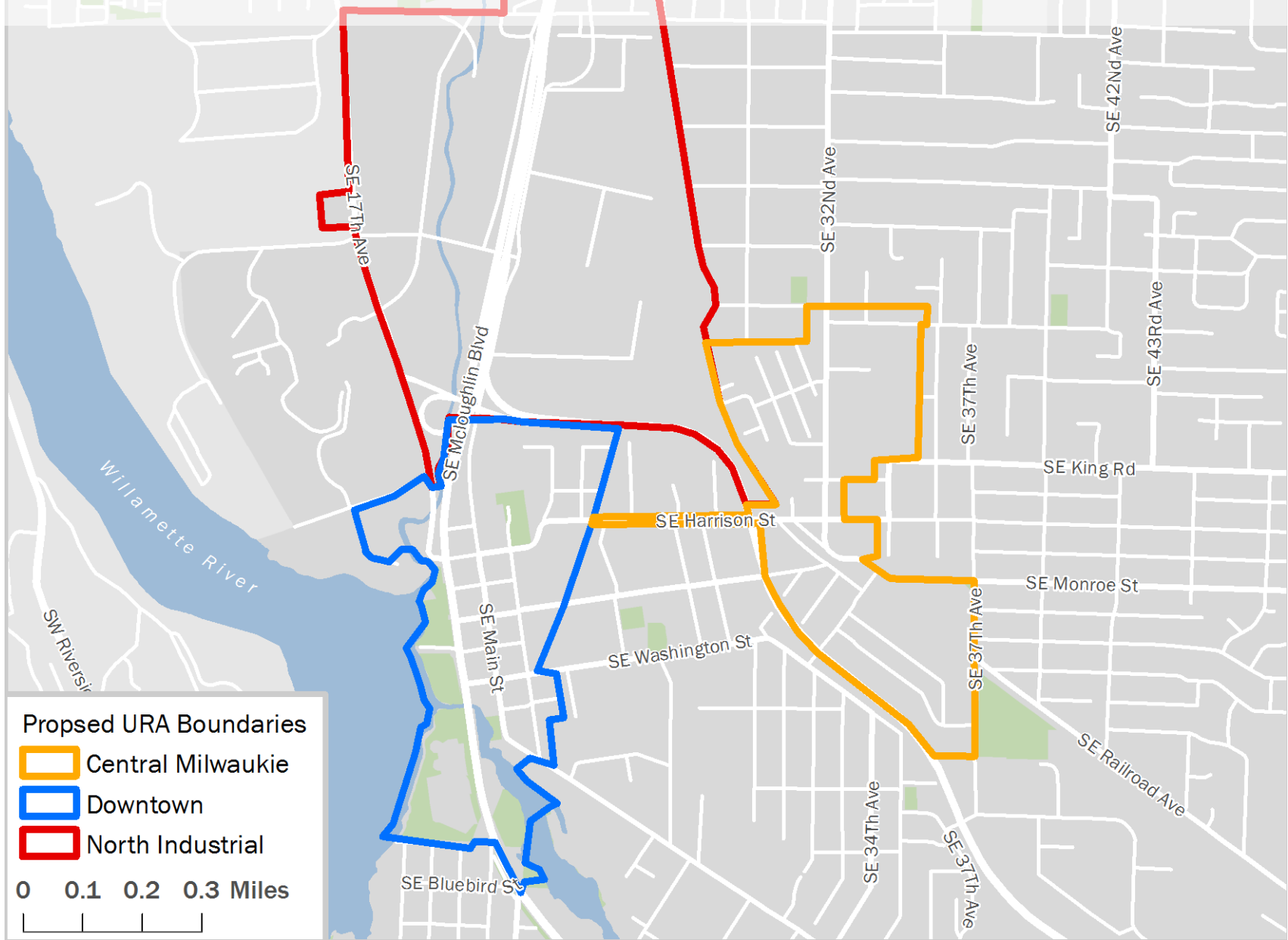
## Pros

- Focused
- Simplified stakeholder involvement
- Administrative ease\*
- Lower annual impact on taxing districts




## Cons

- Less financial stability, more risk
- Slower TIF generation

# Areas under consideration for UR



## Proposed URA Boundaries

-  Central Milwaukie
-  Downtown
-  North Industrial

0 0.1 0.2 0.3 Miles



# Downtown

- Goals
  - Build on existing assets
  - Provide opportunities for housing downtown
  - Strengthen Main Street
- Obstacles
  - Lack of demonstrated market demand
  - Cost of street improvements
  - Cost of off-street parking

# Downtown

- Benefit of urban renewal
  - Street improvements
  - Shared parking garage
  - Financial incentives for developers
  - Façade improvements or tenant improvements
  - Public amenities

# Central Milwaukie

- Goals
  - City's central commercial center
  - Complement and protect surrounding neighborhoods
  - Attract a mix of uses
- Obstacles
  - No internal street network for opportunity sites
  - Transportation barriers: Hwy 224 and railroad
  - Lack of demonstrated market demand

# Central Milwaukie

- Benefit of urban renewal
  - Transportation improvements
  - Internal street grid on opportunity sites
  - Open space and public amenities

# North Industrial

- Goals
  - Mix of uses north of Beta Street
  - High-wage employment south of Beta
- Obstacles
  - Numerous transportation improvements
  - Has received less planning/visioning attention than other areas of City
- Benefit of urban renewal
  - Transportation improvements

# Direction needed from Council

- For which areas (if any) should we explore the use of urban renewal?
  - What additional information do you need to make this decision?
- What do you hope to accomplish with UR?
  - Specific projects and activities?
- What constraints would you like to see on the use of urban renewal in Milwaukie?



MILWAUKIE CITY COUNCIL  
WORK SESSION  
City Hall Conference Room  
10722 SE Main Street  
www.milwaukieoregon.gov

**REVISED AGENDA**  
**NOVEMBER 3, 2015**  
(Revised October 30, 2015)

A light dinner will be served.

Page #

- 1. 4:00 p.m. American Federation of State, County, and Municipal Employees (AFSCME) 2015-2018 Collective Bargaining Agreement Signing**  
(added to the Agenda October 30, 2015)  
Staff: Gary Rebello, Human Resources Director
- 2. 4:10 p.m. Urban Renewal Feasibility** 1  
Staff: Denny Egner, Planning Director
- 3. 5:00 p.m. Downtown Parking Permit Fees** 23  
Staff: Bonnie Dennis, Assistant Finance Director
- 4. 5:45 p.m. Adjourn**

### Meeting Information

- The time listed for each item is approximate; the actual time each item is considered may change due to the length of time devoted to the previous item. The Council may vote in Work Session on non-legislative issues.
- Executive Sessions: The Milwaukie City Council may meet in executive session immediately following adjournment pursuant to ORS 192.660(2).
  - All Executive Session discussions are confidential and those present may disclose nothing.
  - Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed.
  - Executive Sessions may not be held for the purpose of taking final actions or making final decisions.
  - Executive Sessions are closed to the public.
- For assistance/service per the Americans with Disabilities Act (ADA), please dial TDD 503-786-7555  
During meetings the Council asks that all pagers and cell phones be set on silent mode or turned off.



MILWAUKIE CITY COUNCIL  
STAFF REPORT

**WS 1.**  
**Nov. 11, 2015**

**To:** Mayor and City Council

**Through:** Bill Monahan, City Manager  
Alma Flores, Community Development Director

**Subject:** **Urban Renewal Feasibility – Meeting 1**

**From:** Denny Egner, Planning Director

**Date:** October 20, 2015, for the November 3, 2015, Work Session

**ACTION REQUESTED**

No formal action is required at this work session. It is intended to provide background information, to outline issues for further investigation and analysis, and to give the Council an opportunity to provide general direction to staff and the consultant team.

**HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

**June 30, 2015:** The City Council held a Study Session regarding their 2015 Goal to develop an urban renewal strategy for the downtown and the north industrial area.

**May 19, 2015:** The City Council adopted goals for the 2015-16 fiscal year including a goal to develop an "Urban Renewal Strategy for the Downtown and the North Industrial Area."

**Summer 2014:** Council used three study sessions to discuss the Action and Implementation Work Program for the Moving Forward Milwaukie project. Much of the discussion focused on financial tools including the potential use of urban renewal and tax increment financing (TIF) on a site-specific basis.

**1987, 1997, 2003, and 2009:** The City of Milwaukie has considered the use of urban renewal and tax increment financing to assist in redevelopment four previous times during the past 30 years. A renewal plan was adopted in 1987 but was repealed soon after.

**BACKGROUND**

**Process** - The City recently entered into a contract with ECONorthwest to conduct a feasibility study for urban renewal in Milwaukie and, if deemed feasible, to prepare an urban renewal plan. Urban renewal consultant Elaine Howard is on the ECONorthwest team for the project.

On November 3, 2015, the consultant team will present preliminary information related to the task of preparing a feasibility study. This will be the first of two work sessions regarding the feasibility analysis. The follow-up session is scheduled for December 1.

The scope of work for the consultant team includes the following tasks and decision points (the timeline has been adjusted slightly):

- Feasibility Study – October 2015 to December 2015 – On December 1, 2015 the Council will be asked whether to move forward with urban renewal planning.
- Outreach Program December 2015 to April 2016 – Form and work with an Advisory Committee; communicate with affected taxing districts and the general public. Up to 18 meetings are associated with this task including three public events.
- Draft Urban Renewal Plan and Report – December 2015 - May 2016 - Two work sessions are planned with the Council to provide direction.
- Final Urban Renewal Plan and Report – April to June 2016 – Two to three City Council meetings to finalize and adopt the products.

**Feasibility Analysis** - Attached to this staff report is a July 14, 2015 memo prepared as part of the Moving Forward Milwaukie project. The memo entitled ***Evaluation of Milwaukie Urban Renewal Options*** examines three potential urban renewal options – downtown, north Milwaukie industrial area, and central Milwaukie – and provides some preliminary (and conservative) revenue forecasts.

In a recent email to staff, ECONW project manager Nick Popenuk wrote that the July memo *"is most useful to identify the revenue capacity in the early years, and the order of magnitude of the long-term funding capacity. But, there are so many different scenarios for the amount, timing, and value of new development that could occur in these areas, that you shouldn't put too much emphasis on the specific numbers included in the forecast."*

The district boundaries and the development assumptions drive the forecast revenues. The planning process is what determines those variables. The feasibility analysis component of the project is intended to provide enough information that the Council can decide whether to move forward with the project and to determine what areas should be included. The factors to be considered go beyond just the financial forecasts and must include community desires, development readiness, other parallel planning efforts (North Milwaukie Industrial Area Plan Project and the Economic Opportunity Analysis), and political will. The consultant team has been hired to help facilitate this discussion.

**Key Questions**

1. What additional information will Council members need to make a decision about feasibility and which areas to include, if any?
2. What do Council members hope to accomplish with urban renewal? What are the types of activities or projects that urban renewal could support that will help accomplish the Council's broader objectives?
3. What constraints, if any, would the Council like to see on the use of urban renewal in Milwaukie?

**CONCURRENCE**

No other departments reviewed the draft report.

**FISCAL IMPACTS**

The urban renewal feasibility and plan project carries out a Council goal and was included in the Community Development Department budget.

**WORK LOAD IMPACTS**

The work associated with this project is assumed to be within the normal workload capacity of the Planning and Community Development staff.

**ALTERNATIVES**

This Study Session is focused on how to implement the Council Goal for development of an urban renewal strategy. No alternative approaches have been explored.

**ATTACHMENTS**

1. July 14, 2015 ECONorthwest Memo – Evaluation of Milwaukie Urban Renewal Options

**DATE:** July 14, 2015  
**TO:** Li Alligood  
**FROM:** Nick Popenuk and Tessa Krebs, ECONorthwest  
**SUBJECT:** EVALUATION OF MILWAUKIE URBAN RENEWAL OPTIONS

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The City of Milwaukie is considering the creation of an urban renewal district (URD) to implement economic development projects. This memorandum evaluates three potential URA options, including analysis on how much tax increment finance (TIF) revenue might be generated. Note that the three boundaries evaluated in this memorandum are not the City's only options. They illustrate a range of possibilities that the City could consider, including smaller vs. larger boundaries.

This memorandum is organized into the following sections:

- **Introduction/Background** describes the purpose of the report and how urban renewal works.
- **Methods** describes the steps used in our analysis and the source of key assumptions.
- **Results** presents the TIF revenue projections for each boundary option for three different growth scenarios.
- **Conclusions** summarizes the most important key findings, comparing the three boundary options. It is intended to help the City make an informed decision on which boundary option(s) should be focused on.
- **Appendix A** provides maps of the three potential urban renewal areas.

## Introduction/Background

The City of Milwaukie, Oregon is interested in conducting a feasibility study for an URD. The purpose of this feasibility study is to examine how different URD boundaries might be able to help the City achieve its economic development goals. This report provides the City of Milwaukie with baseline data to understand the financial capacity of a new URD.

### What is Urban Renewal?

Urban renewal is a state-sanctioned program used by over 50 cities and counties in Oregon to help them, through partnerships with the private sector, implement adopted plans to revitalize specified areas within their jurisdiction. Urban renewal, through the provision of tax increment financing (TIF), can provide for capital improvements such as parks, water and waste water infrastructure, parking facilities, and transportation improvements that stimulate private investment and attract new businesses, jobs, and residents. It can also be used to assist with development activities that are approved in an urban renewal plan, such as storefront improvement loans, property acquisition, and site preparation.

In Oregon, planning and analysis associated with the creation of a new URD is guided by state statute (ORS Chapter 457). The statutes stipulate that URD plans must find the proposed URD is eligible for urban renewal because of existing *blight*, typified by conditions such as deteriorated buildings and lack of adequate infrastructure. The plan must also contain goals and objectives, authorized urban renewal projects, a limit on the expenditures, specific provisions regarding acquisition and disposition of land, and provisions regarding how the plan may be amended in the future.

### What is TIF?

Tax increment financing is the primary funding tool used within URDs. Tax increment revenue is generated within a URD when the assessed value within that area is 'frozen' (often called the *frozen base*). Any taxes generated within that area from growth in assessed value through either appreciation or new investment becomes the *increment*. Taxing jurisdictions continue to collect tax income from the frozen base but agree to release assessed value above the frozen base to the URD. The URD then can obtain loans or issue bonds to pay for identified public improvements and/or investments in private projects that are in the public interest. The tax increment is used to pay debt service on these projects.

### What is Revenue Sharing?

In 2009, the Oregon Legislature enacted HB 3056, which, among other things, established a system of revenue sharing for urban renewal areas. These revenue sharing provisions only apply to urban renewal areas approved after 2009 and older urban renewal areas that have been amended to increase maximum indebtedness since 2009. When urban renewal areas attain certain thresholds of annual tax revenue, some of this tax revenue is released from the urban renewal area and shared with the other taxing districts.

When tax revenues reach 10% of the URD's maximum indebtedness, then a portion of the TIF above that level is shared with overlapping taxing districts (specifically 25% of the TIF above this threshold remains with the URD, and the remaining 75% of TIF is returned to taxing districts). Additionally, when TIF revenues for the URD reach 12.5% of the maximum indebtedness, TIF revenues for the URD are capped at the amount, with all TIF revenues above 12.5% of maximum indebtedness being shared with overlapping taxing districts.

## What is Maximum Indebtedness?

Maximum indebtedness (MI) means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness. This is the total amount that can be spent from tax increment proceeds for projects, programs and administration.

## How does Oregon Property Tax work?

Citizen initiatives have changed the way that property taxes are raised in Oregon, and have limited the growth of assessed value and property tax revenues for taxing jurisdictions. Measure 5, passed in 1990, introduced tax rate limits. Measure 50 passed in 1996, cut taxes, introduced assessed value growth limits, and replaced most dollar-limited *levies* (an amount) with permanent tax *rate limits*.

Measure 5 introduced limits on the taxes paid by individual properties. It imposed limits of \$5 per \$1,000 of real market value for school taxes and \$10 per \$1,000 of real market value for general government taxes. These limits apply to all property taxes, other than those levied to repay voter-approved general obligation bonds.

Under Measure 50, most levies were replaced by permanent limits on tax rates. The permanent rate limit is fixed, and does not change from year to year. In addition to the permanent rate, taxing districts may impose general obligation bond levies and local option levies. The sum of all the tax rates (including permanent rates, local option levy rates, and rates for bonds and other levies) of all taxing districts in a given levy code area is known as the *consolidated tax rate*.

Measure 50 changed the concepts of "assessed values" and "tax rates." Assessed value no longer equals real market value. Real market value is the sale price for property that changes hands between a willing seller and a willing buyer in the open market. Assessed value is the value assigned to that property for tax purposes. Growth in maximum assessed value for existing properties is limited to 3% per year.

## Property taxes and school funding

Although schools levy property taxes, these local property tax revenues do not have a direct impact on funding for local school districts. This is because the state "equalizes" school funding using a formula that takes into account property tax revenue generated at the local school district level, and revenue from the state's coffers generated by the statewide income tax, Oregon Lottery, and intergovernmental revenues.

Allocation of state revenues to local school districts comes in the form of “general purpose grants.” The primary driver of the state allocation is the number of students in each district. The state multiplies the number of students by the general purpose grant, with some adjustments for teacher experience and other factors. **Regardless of local property tax collections, each school district still receives the same amount of funding per student, with state funding making up the difference between local property tax revenues and the general purpose grant amount.**

## Methods

The methods used in our analysis, included the following key steps:

- Step 1. Define boundary options
- Step 2. Determine applicable tax rates.
- Step 3. Forecast growth in assessed value.
- Step 4. Calculate TIF and revenue sharing.

### Step 1. Define boundary options

The City of Milwaukie asked us to evaluate three different boundary options. Exhibit 1 is a map displaying all three boundary options.

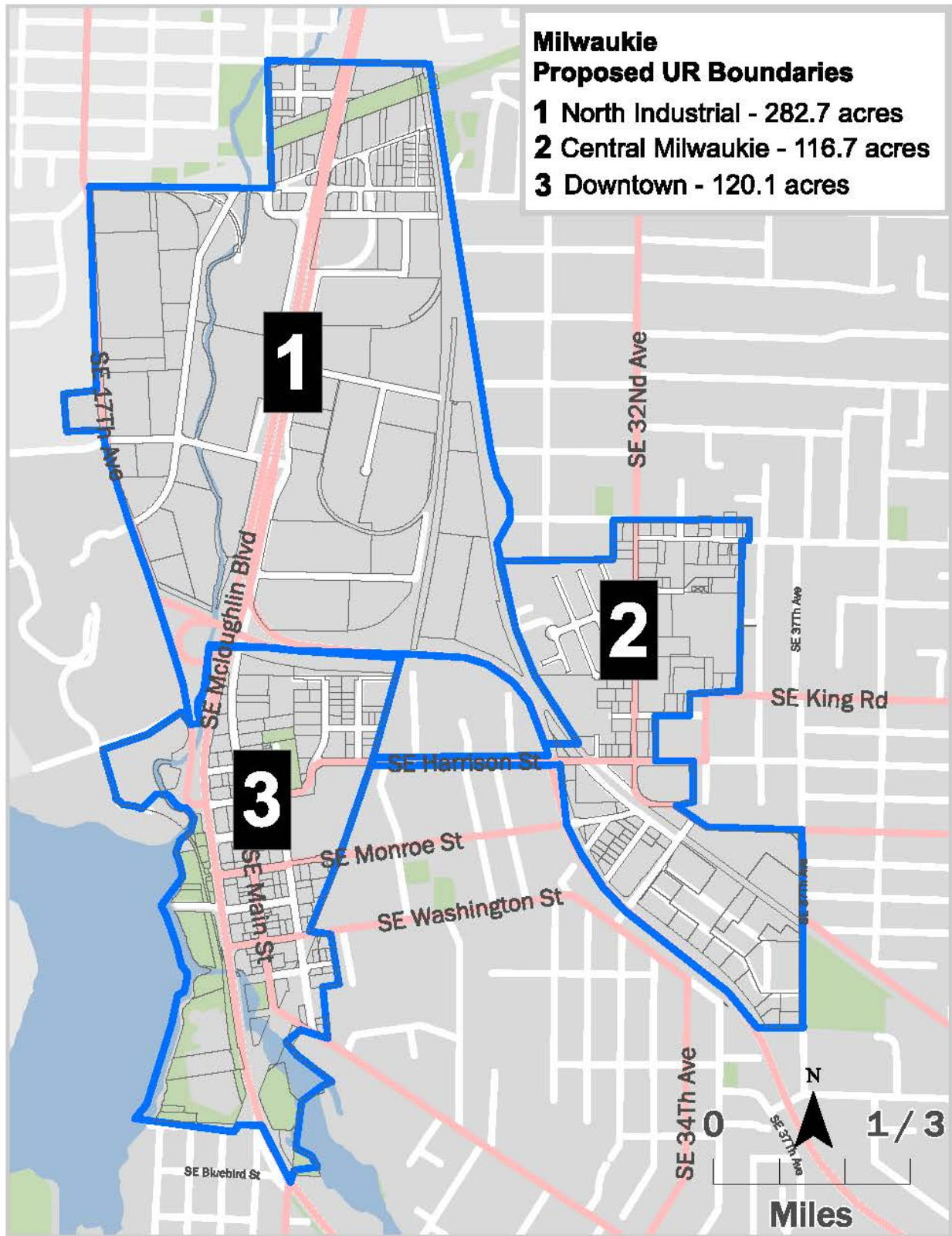
The first option, *North Industrial*, is the largest area. It includes 282.7 acres of Milwaukie. The total assessed value of the area is \$141,494,601.

The second option, *Central Milwaukie*, is smaller in area than the *North Industrial* area. It is east of downtown and Highway 224. It has a total of 116.7 acres, and \$72,243,437 of assessed value.

The third and final area is *Downtown Milwaukie*. It has more acreage than the *Central Milwaukie* area, encompassing 120.1 acres, but less assessed value – \$60,687,110.

Note that State statutes limit the total amount of assessed value and acreage that can be included in urban renewal districts in a City. Because the City of Milwaukie has no existing URDs, it is unlikely the limitation will be exceeded, even by a large URD, but it is still important to ensure that the proposed boundary options do not exceed the citywide limitations. All three boundary options combined are within these citywide limits.

Exhibit 1. Map of three boundary options



## Step 2. Determine applicable tax rates

All property within the three boundary options are located within one tax code area, 012-002. Details of the applicable tax rate are shown below in Exhibit 2. Tax rate information was obtained from Clackamas County Assessor Summary Table 4a.

**Exhibit 2. Applicable tax rates for Milwaukie URD boundary options, FY 2014-15**

District	Tax Code Area: 012-002
City Milwaukie	4.0801
City Milwaukie Bond	0.1785
Clackamas County	2.4042
County Extension & 4-H	0.0500
County Library	0.3974
County Soil Cons	0.0500
Fire District 1 Clackamas	2.4012
Fire District 1 Clackamas Bond	0.0550
Metro	0.0966
Metro Bond	0.0863
Park North Clackamas	0.5382
Port of Portland	0.0701
Road District 4 Milwaukie	0.0000
Vector Control	0.0065
<b>General Government Subtotal</b>	<b>10.4141</b>
Clackamas Community College	0.5582
Clackamas Community College Bond	0.1476
Clackamas ESD	0.3687
North Clackamas SD	4.8701
North Clackamas SD Bond	0.8142
<b>Education Subtotal</b>	<b>6.7588</b>
<b>Consolidated Rate</b>	<b>17.1729</b>

## Step 3. Forecast growth in assessed value

The Clackamas County Assessor provides data on the assessed value of properties in the City of Milwaukie. This allowed us to determine the current assessed value of each boundary option for FY 2014-15. Growth rates for assessed value vary over time, depending on market cycles and new development. In Oregon, appreciation is capped at 3.0% per year, which means any growth above 3.0% per year requires new development to occur.

We looked at recent historical trends in the City of Milwaukie and Clackamas County to come up with a range of reasonable growth rates to use for our analysis. Exhibit 3 shows historical growth in assessed value citywide and countywide from 2011 to 2015. This shows annual growth varying from 2.4% per year to 5.4% per year in the City, with an average annual growth rate of 3.98% citywide and 3.35% countywide.

**Exhibit 3. City of Milwaukie and Clackamas County, historical growth in assessed value, FYE 2011 to 2015**

FYE	City of Milwaukie		Clackamas County	
	Total AV	Percent growth	Total AV	Percent growth
2011	\$ 1,556,795,310		\$ 37,077,595,791	
2012	\$ 1,636,228,081	105.1%	\$ 38,036,050,797	102.6%
2013	\$ 1,674,812,335	102.4%	\$ 38,868,044,294	102.2%
2014	\$ 1,765,723,148	105.4%	\$ 40,373,491,335	103.9%
2015	\$ 1,819,542,517	103.0%	\$ 42,300,451,426	104.8%
<b>AAGR</b>		<b>3.98%</b>		<b>3.35%</b>

Calculated by ECONorthwest with data from Clackamas County Assessor

For our analysis, we assumed a range of annual average growth in assessed value of 3.0%, 4.0%, and 5.5% per year. Actual growth may vary, and some years will be higher or lower than these assumptions.

Note that for this analysis there is no risk to forecasting assessed value growth that is too high. This is a planning level analysis to demonstrate the potential of urban renewal to assist with economic development in Milwaukie. If actual growth is slower than forecast, that simply means the URD will need to spend less on projects, or phase those projects over a longer period of time. Additionally, before the URD incurs debt to fund any expenditure on projects, the City will need to conduct another feasibility study, providing a more detailed, short-term forecast of TIF revenues, and confirming that the URD has sufficient financial capacity to pay debt service.

#### **Step 4. Calculate TIF and revenue sharing**

Calculating TIF revenue is relatively straightforward. After forecasting assessed value as described in Step 3, we subtract the initial assessed value (the frozen base) to determine the “excess value.” We assume the frozen base would be set in 2016, giving enough time for a URD to be established. This excess value is multiplied by the applicable tax rate to determine the total amount of TIF revenue, which would first be collected in 2018.

This analysis does not include any potential projects that would be completed within the URD. For that reason, we did not include a maximum indebtedness for any of the three boundary options. Consequently, no revenue sharing amounts are shown in this memo. As the URA plan unfolds and we know the maximum indebtedness, we will know at what time and how much TIF revenue will be shared.

## Results

In this section we describe the results for each of the three boundary options that were evaluated.

### North Industrial Boundary Option

Exhibit 4 through Exhibit 6 shows our forecast of assessed value, and TIF revenues for each of the growth assumptions.

Exhibit 4 shows TIF revenue at a rate of 3.0% growth in assessed value, Exhibit 5 shows revenues at 4.0%, and Exhibit 6 reports revenues at 5.5%. North Industrial could generate \$31.7 million in TIF over the first 25 years under the low growth scenario, \$47 million under medium growth, and \$75.9 million in the high growth scenario.

**Exhibit 4. North Industrial TIF forecast, 3.0% growth in assessed value**

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	Total TIF
2015	\$ 141,494,601	\$ -	\$ -	17.1729	\$ -
2016	\$ 145,739,439	\$ 145,739,439	\$ -	17.0386	\$ -
2017	\$ 150,111,622	\$ 145,739,439	\$ -	17.0552	\$ -
2018	\$ 154,614,970	\$ 145,739,439	\$ 8,875,531	17.0421	\$ 151,258
2019	\$ 159,253,419	\$ 145,739,439	\$ 13,513,980	16.2333	\$ 219,376
2020	\$ 164,031,022	\$ 145,739,439	\$ 18,291,583	16.2956	\$ 298,072
2021	\$ 168,951,953	\$ 145,739,439	\$ 23,212,514	16.1484	\$ 374,845
2022	\$ 174,020,512	\$ 145,739,439	\$ 28,281,073	16.1504	\$ 456,751
2023	\$ 179,241,128	\$ 145,739,439	\$ 33,501,689	16.1514	\$ 541,099
2024	\$ 184,618,361	\$ 145,739,439	\$ 38,878,922	16.0920	\$ 625,640
2025	\$ 190,156,911	\$ 145,739,439	\$ 44,417,472	16.0947	\$ 714,886
2026	\$ 195,861,618	\$ 145,739,439	\$ 50,122,179	16.0982	\$ 806,877
2027	\$ 201,737,467	\$ 145,739,439	\$ 55,998,028	16.1005	\$ 901,596
2028	\$ 207,789,591	\$ 145,739,439	\$ 62,050,152	15.9810	\$ 991,623
2029	\$ 214,023,279	\$ 145,739,439	\$ 68,283,840	15.8913	\$ 1,085,119
2030	\$ 220,443,977	\$ 145,739,439	\$ 74,704,538	15.8913	\$ 1,187,152
2031	\$ 227,057,297	\$ 145,739,439	\$ 81,317,858	15.8913	\$ 1,292,246
2032	\$ 233,869,016	\$ 145,739,439	\$ 88,129,577	15.8913	\$ 1,400,494
2033	\$ 240,885,087	\$ 145,739,439	\$ 95,145,648	15.8913	\$ 1,511,988
2034	\$ 248,111,639	\$ 145,739,439	\$ 102,372,200	15.8913	\$ 1,626,827
2035	\$ 255,554,988	\$ 145,739,439	\$ 109,815,549	15.8913	\$ 1,745,112
2036	\$ 263,221,637	\$ 145,739,439	\$ 117,482,198	15.8913	\$ 1,866,945
2037	\$ 271,118,286	\$ 145,739,439	\$ 125,378,847	15.8913	\$ 1,992,433
2038	\$ 279,251,835	\$ 145,739,439	\$ 133,512,396	15.8913	\$ 2,121,686
2039	\$ 287,629,390	\$ 145,739,439	\$ 141,889,951	15.8913	\$ 2,254,816
2040	\$ 296,258,271	\$ 145,739,439	\$ 150,518,832	15.8913	\$ 2,391,940
2041	\$ 305,146,020	\$ 145,739,439	\$ 159,406,581	15.8913	\$ 2,533,178
2042	\$ 314,300,401	\$ 145,739,439	\$ 168,560,962	15.8913	\$ 2,678,653

Source: ECONorthwest

**Exhibit 5. North Industrial TIF forecast, 4.0% growth in assessed value**

<b>FYE</b>	<b>Assessed Value</b>	<b>Frozen Base</b>	<b>Excess Value</b>	<b>Tax Rate</b>	<b>Total TIF</b>
2015	\$ 141,494,601	\$ -	\$ -	17.1729	\$ -
2016	\$ 147,154,384	\$ 147,154,384	\$ -	17.0386	\$ -
2017	\$ 153,040,560	\$ 147,154,384	\$ -	17.0552	\$ -
2018	\$ 159,162,182	\$ 147,154,384	\$ 12,007,798	17.0421	\$ 204,638
2019	\$ 165,528,669	\$ 147,154,384	\$ 18,374,285	16.2333	\$ 298,275
2020	\$ 172,149,815	\$ 147,154,384	\$ 24,995,431	16.2956	\$ 407,316
2021	\$ 179,035,808	\$ 147,154,384	\$ 31,881,424	16.1484	\$ 514,834
2022	\$ 186,197,241	\$ 147,154,384	\$ 39,042,857	16.1504	\$ 630,558
2023	\$ 193,645,131	\$ 147,154,384	\$ 46,490,747	16.1514	\$ 750,891
2024	\$ 201,390,936	\$ 147,154,384	\$ 54,236,552	16.0920	\$ 872,775
2025	\$ 209,446,574	\$ 147,154,384	\$ 62,292,190	16.0947	\$ 1,002,574
2026	\$ 217,824,437	\$ 147,154,384	\$ 70,670,053	16.0982	\$ 1,137,661
2027	\$ 226,537,414	\$ 147,154,384	\$ 79,383,030	16.1005	\$ 1,278,106
2028	\$ 235,598,911	\$ 147,154,384	\$ 88,444,527	15.9810	\$ 1,413,432
2029	\$ 245,022,868	\$ 147,154,384	\$ 97,868,484	15.8913	\$ 1,555,257
2030	\$ 254,823,783	\$ 147,154,384	\$ 107,669,399	15.8913	\$ 1,711,007
2031	\$ 265,016,735	\$ 147,154,384	\$ 117,862,351	15.8913	\$ 1,872,986
2032	\$ 275,617,404	\$ 147,154,384	\$ 128,463,020	15.8913	\$ 2,041,444
2033	\$ 286,642,100	\$ 147,154,384	\$ 139,487,716	15.8913	\$ 2,216,641
2034	\$ 298,107,784	\$ 147,154,384	\$ 150,953,400	15.8913	\$ 2,398,846
2035	\$ 310,032,095	\$ 147,154,384	\$ 162,877,711	15.8913	\$ 2,588,339
2036	\$ 322,433,379	\$ 147,154,384	\$ 175,278,995	15.8913	\$ 2,785,411
2037	\$ 335,330,714	\$ 147,154,384	\$ 188,176,330	15.8913	\$ 2,990,367
2038	\$ 348,743,943	\$ 147,154,384	\$ 201,589,559	15.8913	\$ 3,203,520
2039	\$ 362,693,701	\$ 147,154,384	\$ 215,539,317	15.8913	\$ 3,425,200
2040	\$ 377,201,448	\$ 147,154,384	\$ 230,047,064	15.8913	\$ 3,655,747
2041	\$ 392,289,506	\$ 147,154,384	\$ 245,135,122	15.8913	\$ 3,895,516
2042	\$ 407,981,086	\$ 147,154,384	\$ 260,826,702	15.8913	\$ 4,144,875

Source: ECONorthwest

**Exhibit 6. North Industrial TIF forecast, 5.5% growth in assessed value**

<b>FYE</b>	<b>Assessed Value</b>	<b>Frozen Base</b>	<b>Excess Value</b>	<b>Tax Rate</b>	<b>Total TIF</b>
2015	\$ 141,494,601	\$ -	\$ -	17.1729	\$ -
2016	\$ 149,276,804	\$ 149,276,804	\$ -	17.0386	\$ -
2017	\$ 157,487,029	\$ 149,276,804	\$ -	17.0552	\$ -
2018	\$ 166,148,816	\$ 149,276,804	\$ 16,872,012	17.0421	\$ 287,535
2019	\$ 175,287,000	\$ 149,276,804	\$ 26,010,196	16.2333	\$ 422,231
2020	\$ 184,927,785	\$ 149,276,804	\$ 35,650,981	16.2956	\$ 580,954
2021	\$ 195,098,813	\$ 149,276,804	\$ 45,822,009	16.1484	\$ 739,952
2022	\$ 205,829,248	\$ 149,276,804	\$ 56,552,444	16.1504	\$ 913,345
2023	\$ 217,149,857	\$ 149,276,804	\$ 67,873,053	16.1514	\$ 1,096,245
2024	\$ 229,093,099	\$ 149,276,804	\$ 79,816,295	16.0920	\$ 1,284,404
2025	\$ 241,693,219	\$ 149,276,804	\$ 92,416,415	16.0947	\$ 1,487,414
2026	\$ 254,986,346	\$ 149,276,804	\$ 105,709,542	16.0982	\$ 1,701,733
2027	\$ 269,010,595	\$ 149,276,804	\$ 119,733,791	16.1005	\$ 1,927,774
2028	\$ 283,806,179	\$ 149,276,804	\$ 134,529,375	15.9810	\$ 2,149,914
2029	\$ 299,415,519	\$ 149,276,804	\$ 150,138,715	15.8913	\$ 2,385,899
2030	\$ 315,883,373	\$ 149,276,804	\$ 166,606,569	15.8913	\$ 2,647,595
2031	\$ 333,256,958	\$ 149,276,804	\$ 183,980,154	15.8913	\$ 2,923,684
2032	\$ 351,586,091	\$ 149,276,804	\$ 202,309,287	15.8913	\$ 3,214,958
2033	\$ 370,923,326	\$ 149,276,804	\$ 221,646,522	15.8913	\$ 3,522,251
2034	\$ 391,324,109	\$ 149,276,804	\$ 242,047,305	15.8913	\$ 3,846,446
2035	\$ 412,846,935	\$ 149,276,804	\$ 263,570,131	15.8913	\$ 4,188,472
2036	\$ 435,553,516	\$ 149,276,804	\$ 286,276,712	15.8913	\$ 4,549,309
2037	\$ 459,508,959	\$ 149,276,804	\$ 310,232,155	15.8913	\$ 4,929,992
2038	\$ 484,781,952	\$ 149,276,804	\$ 335,505,148	15.8913	\$ 5,331,613
2039	\$ 511,444,959	\$ 149,276,804	\$ 362,168,155	15.8913	\$ 5,755,323
2040	\$ 539,574,432	\$ 149,276,804	\$ 390,297,628	15.8913	\$ 6,202,337
2041	\$ 569,251,025	\$ 149,276,804	\$ 419,974,221	15.8913	\$ 6,673,936
2042	\$ 600,559,831	\$ 149,276,804	\$ 451,283,027	15.8913	\$ 7,171,474

Source: ECONorthwest

## Central Milwaukie Boundary Option

Exhibit 7 through Exhibit 9 shows our forecast of assessed value, and TIF revenues under each of the growth assumptions for this option.

Exhibit 7 shows TIF revenue at a rate of 3.0% growth in assessed value, Exhibit 8 shows revenues at 4.0%, and Exhibit 9 reports revenues at 5.5%. Central Milwaukie could generate \$16.2 million in TIF over the first 25 years under the low growth scenario, \$24 million under medium growth, and \$38.8 million in the high growth scenario.

**Exhibit 7. Central Milwaukie TIF forecast, 3.0% growth in assessed value**

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	Total TIF
2015	\$ 72,243,437	\$ -	\$ -	17.1729	\$ -
2016	\$ 74,410,740	\$ 74,410,740	\$ -	17.0386	\$ -
2017	\$ 76,643,062	\$ 74,410,740	\$ -	17.0552	\$ -
2018	\$ 78,942,353	\$ 74,410,740	\$ 4,531,613	17.0421	\$ 77,228
2019	\$ 81,310,624	\$ 74,410,740	\$ 6,899,884	16.2333	\$ 112,008
2020	\$ 83,749,943	\$ 74,410,740	\$ 9,339,203	16.2956	\$ 152,188
2021	\$ 86,262,441	\$ 74,410,740	\$ 11,851,701	16.1484	\$ 191,386
2022	\$ 88,850,313	\$ 74,410,740	\$ 14,439,573	16.1504	\$ 233,205
2023	\$ 91,515,823	\$ 74,410,740	\$ 17,105,083	16.1514	\$ 276,271
2024	\$ 94,261,297	\$ 74,410,740	\$ 19,850,557	16.0920	\$ 319,435
2025	\$ 97,089,135	\$ 74,410,740	\$ 22,678,395	16.0947	\$ 365,002
2026	\$ 100,001,809	\$ 74,410,740	\$ 25,591,069	16.0982	\$ 411,970
2027	\$ 103,001,863	\$ 74,410,740	\$ 28,591,123	16.1005	\$ 460,331
2028	\$ 106,091,919	\$ 74,410,740	\$ 31,681,179	15.9810	\$ 506,297
2029	\$ 109,274,677	\$ 74,410,740	\$ 34,863,937	15.8913	\$ 554,033
2030	\$ 112,552,918	\$ 74,410,740	\$ 38,142,178	15.8913	\$ 606,129
2031	\$ 115,929,505	\$ 74,410,740	\$ 41,518,765	15.8913	\$ 659,787
2032	\$ 119,407,390	\$ 74,410,740	\$ 44,996,650	15.8913	\$ 715,055
2033	\$ 122,989,613	\$ 74,410,740	\$ 48,578,873	15.8913	\$ 771,981
2034	\$ 126,679,301	\$ 74,410,740	\$ 52,268,561	15.8913	\$ 830,615
2035	\$ 130,479,680	\$ 74,410,740	\$ 56,068,940	15.8913	\$ 891,008
2036	\$ 134,394,070	\$ 74,410,740	\$ 59,983,330	15.8913	\$ 953,213
2037	\$ 138,425,892	\$ 74,410,740	\$ 64,015,152	15.8913	\$ 1,017,284
2038	\$ 142,578,668	\$ 74,410,740	\$ 68,167,928	15.8913	\$ 1,083,277
2039	\$ 146,856,027	\$ 74,410,740	\$ 72,445,287	15.8913	\$ 1,151,250
2040	\$ 151,261,708	\$ 74,410,740	\$ 76,850,968	15.8913	\$ 1,221,262
2041	\$ 155,799,559	\$ 74,410,740	\$ 81,388,819	15.8913	\$ 1,293,374
2042	\$ 160,473,546	\$ 74,410,740	\$ 86,062,806	15.8913	\$ 1,367,650

Source: ECONorthwest

**Exhibit 8. Central Milwaukie TIF forecast, 4.0% growth in assessed value**

<b>FYE</b>	<b>Assessed Value</b>	<b>Frozen Base</b>	<b>Excess Value</b>	<b>Tax Rate</b>	<b>Total TIF</b>
2015	\$ 72,243,437	\$ -	\$ -	17.1729	\$ -
2016	\$ 75,133,174	\$ 75,133,174	\$ -	17.0386	\$ -
2017	\$ 78,138,501	\$ 75,133,174	\$ -	17.0552	\$ -
2018	\$ 81,264,040	\$ 75,133,174	\$ 6,130,866	17.0421	\$ 104,483
2019	\$ 84,514,602	\$ 75,133,174	\$ 9,381,428	16.2333	\$ 152,292
2020	\$ 87,895,186	\$ 75,133,174	\$ 12,762,012	16.2956	\$ 207,965
2021	\$ 91,410,993	\$ 75,133,174	\$ 16,277,819	16.1484	\$ 262,861
2022	\$ 95,067,433	\$ 75,133,174	\$ 19,934,259	16.1504	\$ 321,946
2023	\$ 98,870,130	\$ 75,133,174	\$ 23,736,956	16.1514	\$ 383,385
2024	\$ 102,824,935	\$ 75,133,174	\$ 27,691,761	16.0920	\$ 445,616
2025	\$ 106,937,932	\$ 75,133,174	\$ 31,804,758	16.0947	\$ 511,888
2026	\$ 111,215,450	\$ 75,133,174	\$ 36,082,276	16.0982	\$ 580,860
2027	\$ 115,664,068	\$ 75,133,174	\$ 40,530,894	16.1005	\$ 652,568
2028	\$ 120,290,631	\$ 75,133,174	\$ 45,157,457	15.9810	\$ 721,661
2029	\$ 125,102,257	\$ 75,133,174	\$ 49,969,083	15.8913	\$ 794,074
2030	\$ 130,106,348	\$ 75,133,174	\$ 54,973,174	15.8913	\$ 873,595
2031	\$ 135,310,602	\$ 75,133,174	\$ 60,177,428	15.8913	\$ 956,298
2032	\$ 140,723,026	\$ 75,133,174	\$ 65,589,852	15.8913	\$ 1,042,308
2033	\$ 146,351,947	\$ 75,133,174	\$ 71,218,773	15.8913	\$ 1,131,759
2034	\$ 152,206,025	\$ 75,133,174	\$ 77,072,851	15.8913	\$ 1,224,788
2035	\$ 158,294,266	\$ 75,133,174	\$ 83,161,092	15.8913	\$ 1,321,538
2036	\$ 164,626,036	\$ 75,133,174	\$ 89,492,862	15.8913	\$ 1,422,158
2037	\$ 171,211,078	\$ 75,133,174	\$ 96,077,904	15.8913	\$ 1,526,803
2038	\$ 178,059,522	\$ 75,133,174	\$ 102,926,348	15.8913	\$ 1,635,633
2039	\$ 185,181,903	\$ 75,133,174	\$ 110,048,729	15.8913	\$ 1,748,817
2040	\$ 192,589,179	\$ 75,133,174	\$ 117,456,005	15.8913	\$ 1,866,529
2041	\$ 200,292,747	\$ 75,133,174	\$ 125,159,573	15.8913	\$ 1,988,948
2042	\$ 208,304,458	\$ 75,133,174	\$ 133,171,284	15.8913	\$ 2,116,265

Source: ECONorthwest

**Exhibit 9. Central Milwaukie TIF forecast, 5.5% growth in assessed value**

<b>FYE</b>	<b>Assessed Value</b>	<b>Frozen Base</b>	<b>Excess Value</b>	<b>Tax Rate</b>	<b>Total TIF</b>
2015	\$ 72,243,437	\$ -	\$ -	17.1729	\$ -
2016	\$ 76,216,826	\$ 76,216,826	\$ -	17.0386	\$ -
2017	\$ 80,408,751	\$ 76,216,826	\$ -	17.0552	\$ -
2018	\$ 84,831,233	\$ 76,216,826	\$ 8,614,407	17.0421	\$ 146,808
2019	\$ 89,496,951	\$ 76,216,826	\$ 13,280,125	16.2333	\$ 215,580
2020	\$ 94,419,283	\$ 76,216,826	\$ 18,202,457	16.2956	\$ 296,620
2021	\$ 99,612,343	\$ 76,216,826	\$ 23,395,517	16.1484	\$ 377,800
2022	\$ 105,091,022	\$ 76,216,826	\$ 28,874,196	16.1504	\$ 466,330
2023	\$ 110,871,027	\$ 76,216,826	\$ 34,654,201	16.1514	\$ 559,714
2024	\$ 116,968,934	\$ 76,216,826	\$ 40,752,108	16.0920	\$ 655,783
2025	\$ 123,402,226	\$ 76,216,826	\$ 47,185,400	16.0947	\$ 759,435
2026	\$ 130,189,348	\$ 76,216,826	\$ 53,972,522	16.0982	\$ 868,860
2027	\$ 137,349,763	\$ 76,216,826	\$ 61,132,937	16.1005	\$ 984,271
2028	\$ 144,904,000	\$ 76,216,826	\$ 68,687,174	15.9810	\$ 1,097,690
2029	\$ 152,873,720	\$ 76,216,826	\$ 76,656,894	15.8913	\$ 1,218,178
2030	\$ 161,281,775	\$ 76,216,826	\$ 85,064,949	15.8913	\$ 1,351,793
2031	\$ 170,152,272	\$ 76,216,826	\$ 93,935,446	15.8913	\$ 1,492,756
2032	\$ 179,510,647	\$ 76,216,826	\$ 103,293,821	15.8913	\$ 1,641,473
2033	\$ 189,383,732	\$ 76,216,826	\$ 113,166,906	15.8913	\$ 1,798,369
2034	\$ 199,799,837	\$ 76,216,826	\$ 123,583,011	15.8913	\$ 1,963,895
2035	\$ 210,788,828	\$ 76,216,826	\$ 134,572,002	15.8913	\$ 2,138,524
2036	\$ 222,382,214	\$ 76,216,826	\$ 146,165,388	15.8913	\$ 2,322,758
2037	\$ 234,613,236	\$ 76,216,826	\$ 158,396,410	15.8913	\$ 2,517,125
2038	\$ 247,516,963	\$ 76,216,826	\$ 171,300,137	15.8913	\$ 2,722,182
2039	\$ 261,130,396	\$ 76,216,826	\$ 184,913,570	15.8913	\$ 2,938,517
2040	\$ 275,492,568	\$ 76,216,826	\$ 199,275,742	15.8913	\$ 3,166,751
2041	\$ 290,644,660	\$ 76,216,826	\$ 214,427,834	15.8913	\$ 3,407,537
2042	\$ 306,630,116	\$ 76,216,826	\$ 230,413,290	15.8913	\$ 3,661,567

Source: ECONorthwest

## Downtown Boundary Option

Exhibit 10 through Exhibit 11 shows our forecast of assessed value, and TIF revenues for each of the growth assumptions.

Exhibit 10 shows TIF revenue at a rate of 3.0% growth in assessed value, Exhibit 11 shows revenues at 4.0%, and Exhibit 12 reports revenues at 5.5%. Downtown could generate \$13.6 million in TIF over the first 25 years under the low growth scenario, \$20.2 million under medium growth, and \$32.6 million in the high growth scenario.

**Exhibit 10. Downtown TIF forecast, 3.0% growth in assessed value**

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	Total TIF
2015	\$ 60,687,110	\$ -	\$ -	17.1729	\$ -
2016	\$ 62,507,723	\$ 62,507,723	\$ -	17.0386	\$ -
2017	\$ 64,382,955	\$ 62,507,723	\$ -	17.0552	\$ -
2018	\$ 66,314,443	\$ 62,507,723	\$ 3,806,720	17.0421	\$ 64,875
2019	\$ 68,303,876	\$ 62,507,723	\$ 5,796,153	16.2333	\$ 94,091
2020	\$ 70,352,993	\$ 62,507,723	\$ 7,845,270	16.2956	\$ 127,843
2021	\$ 72,463,583	\$ 62,507,723	\$ 9,955,860	16.1484	\$ 160,771
2022	\$ 74,637,491	\$ 62,507,723	\$ 12,129,768	16.1504	\$ 195,901
2023	\$ 76,876,616	\$ 62,507,723	\$ 14,368,893	16.1514	\$ 232,078
2024	\$ 79,182,915	\$ 62,507,723	\$ 16,675,192	16.0920	\$ 268,337
2025	\$ 81,558,402	\$ 62,507,723	\$ 19,050,679	16.0947	\$ 306,615
2026	\$ 84,005,155	\$ 62,507,723	\$ 21,497,432	16.0982	\$ 346,070
2027	\$ 86,525,310	\$ 62,507,723	\$ 24,017,587	16.1005	\$ 386,695
2028	\$ 89,121,069	\$ 62,507,723	\$ 26,613,346	15.9810	\$ 425,308
2029	\$ 91,794,701	\$ 62,507,723	\$ 29,286,978	15.8913	\$ 465,408
2030	\$ 94,548,542	\$ 62,507,723	\$ 32,040,819	15.8913	\$ 509,170
2031	\$ 97,384,998	\$ 62,507,723	\$ 34,877,275	15.8913	\$ 554,245
2032	\$ 100,306,548	\$ 62,507,723	\$ 37,798,825	15.8913	\$ 600,672
2033	\$ 103,315,744	\$ 62,507,723	\$ 40,808,021	15.8913	\$ 648,493
2034	\$ 106,415,216	\$ 62,507,723	\$ 43,907,493	15.8913	\$ 697,747
2035	\$ 109,607,673	\$ 62,507,723	\$ 47,099,950	15.8913	\$ 748,479
2036	\$ 112,895,903	\$ 62,507,723	\$ 50,388,180	15.8913	\$ 800,734
2037	\$ 116,282,780	\$ 62,507,723	\$ 53,775,057	15.8913	\$ 854,556
2038	\$ 119,771,263	\$ 62,507,723	\$ 57,263,540	15.8913	\$ 909,992
2039	\$ 123,364,400	\$ 62,507,723	\$ 60,856,677	15.8913	\$ 967,092
2040	\$ 127,065,332	\$ 62,507,723	\$ 64,557,609	15.8913	\$ 1,025,904
2041	\$ 130,877,292	\$ 62,507,723	\$ 68,369,569	15.8913	\$ 1,086,481
2042	\$ 134,803,610	\$ 62,507,723	\$ 72,295,887	15.8913	\$ 1,148,876

Source: ECONorthwest

**Exhibit 11. Downtown TIF forecast, 4.0% growth in assessed value**

<b>FYE</b>	<b>Assessed Value</b>	<b>Frozen Base</b>	<b>Excess Value</b>	<b>Tax Rate</b>	<b>Total TIF</b>
2015	\$ 60,687,110	\$ -	\$ -	17.1729	\$ -
2016	\$ 63,114,594	\$ 63,114,594	\$ -	17.0386	\$ -
2017	\$ 65,639,178	\$ 63,114,594	\$ -	17.0552	\$ -
2018	\$ 68,264,744	\$ 63,114,594	\$ 5,150,150	17.0421	\$ 87,769
2019	\$ 70,995,334	\$ 63,114,594	\$ 7,880,740	16.2333	\$ 127,930
2020	\$ 73,835,148	\$ 63,114,594	\$ 10,720,554	16.2956	\$ 174,698
2021	\$ 76,788,554	\$ 63,114,594	\$ 13,673,960	16.1484	\$ 220,813
2022	\$ 79,860,096	\$ 63,114,594	\$ 16,745,502	16.1504	\$ 270,447
2023	\$ 83,054,500	\$ 63,114,594	\$ 19,939,906	16.1514	\$ 322,057
2024	\$ 86,376,680	\$ 63,114,594	\$ 23,262,086	16.0920	\$ 374,333
2025	\$ 89,831,747	\$ 63,114,594	\$ 26,717,153	16.0947	\$ 430,005
2026	\$ 93,425,017	\$ 63,114,594	\$ 30,310,423	16.0982	\$ 487,943
2027	\$ 97,162,017	\$ 63,114,594	\$ 34,047,423	16.1005	\$ 548,181
2028	\$ 101,048,498	\$ 63,114,594	\$ 37,933,904	15.9810	\$ 606,222
2029	\$ 105,090,438	\$ 63,114,594	\$ 41,975,844	15.8913	\$ 667,051
2030	\$ 109,294,055	\$ 63,114,594	\$ 46,179,461	15.8913	\$ 733,852
2031	\$ 113,665,817	\$ 63,114,594	\$ 50,551,223	15.8913	\$ 803,325
2032	\$ 118,212,449	\$ 63,114,594	\$ 55,097,855	15.8913	\$ 875,577
2033	\$ 122,940,947	\$ 63,114,594	\$ 59,826,353	15.8913	\$ 950,719
2034	\$ 127,858,585	\$ 63,114,594	\$ 64,743,991	15.8913	\$ 1,028,866
2035	\$ 132,972,928	\$ 63,114,594	\$ 69,858,334	15.8913	\$ 1,110,140
2036	\$ 138,291,845	\$ 63,114,594	\$ 75,177,251	15.8913	\$ 1,194,664
2037	\$ 143,823,518	\$ 63,114,594	\$ 80,708,924	15.8913	\$ 1,282,570
2038	\$ 149,576,458	\$ 63,114,594	\$ 86,461,864	15.8913	\$ 1,373,991
2039	\$ 155,559,516	\$ 63,114,594	\$ 92,444,922	15.8913	\$ 1,469,070
2040	\$ 161,781,896	\$ 63,114,594	\$ 98,667,302	15.8913	\$ 1,567,952
2041	\$ 168,253,172	\$ 63,114,594	\$ 105,138,578	15.8913	\$ 1,670,789
2042	\$ 174,983,299	\$ 63,114,594	\$ 111,868,705	15.8913	\$ 1,777,739

Source: ECONorthwest

**Exhibit 12. Downtown TIF forecast, 5.5% growth in assessed value**

<b>FYE</b>	<b>Assessed Value</b>	<b>Frozen Base</b>	<b>Excess Value</b>	<b>Tax Rate</b>	<b>Total TIF</b>
2015	\$ 60,687,110	\$ -	\$ -	17.1729	\$ -
2016	\$ 64,024,901	\$ 64,024,901	\$ -	17.0386	\$ -
2017	\$ 67,546,270	\$ 64,024,901	\$ -	17.0552	\$ -
2018	\$ 71,261,315	\$ 64,024,901	\$ 7,236,414	17.0421	\$ 123,324
2019	\$ 75,180,687	\$ 64,024,901	\$ 11,155,786	16.2333	\$ 181,095
2020	\$ 79,315,625	\$ 64,024,901	\$ 15,290,724	16.2956	\$ 249,172
2021	\$ 83,677,984	\$ 64,024,901	\$ 19,653,083	16.1484	\$ 317,366
2022	\$ 88,280,274	\$ 64,024,901	\$ 24,255,373	16.1504	\$ 391,734
2023	\$ 93,135,689	\$ 64,024,901	\$ 29,110,788	16.1514	\$ 470,180
2024	\$ 98,258,152	\$ 64,024,901	\$ 34,233,251	16.0920	\$ 550,881
2025	\$ 103,662,351	\$ 64,024,901	\$ 39,637,450	16.0947	\$ 637,953
2026	\$ 109,363,781	\$ 64,024,901	\$ 45,338,880	16.0982	\$ 729,874
2027	\$ 115,378,789	\$ 64,024,901	\$ 51,353,888	16.1005	\$ 826,823
2028	\$ 121,724,622	\$ 64,024,901	\$ 57,699,721	15.9810	\$ 922,099
2029	\$ 128,419,476	\$ 64,024,901	\$ 64,394,575	15.8913	\$ 1,023,314
2030	\$ 135,482,547	\$ 64,024,901	\$ 71,457,646	15.8913	\$ 1,135,555
2031	\$ 142,934,088	\$ 64,024,901	\$ 78,909,187	15.8913	\$ 1,253,970
2032	\$ 150,795,462	\$ 64,024,901	\$ 86,770,561	15.8913	\$ 1,378,897
2033	\$ 159,089,213	\$ 64,024,901	\$ 95,064,312	15.8913	\$ 1,510,696
2034	\$ 167,839,120	\$ 64,024,901	\$ 103,814,219	15.8913	\$ 1,649,743
2035	\$ 177,070,271	\$ 64,024,901	\$ 113,045,370	15.8913	\$ 1,796,438
2036	\$ 186,809,136	\$ 64,024,901	\$ 122,784,235	15.8913	\$ 1,951,201
2037	\$ 197,083,638	\$ 64,024,901	\$ 133,058,737	15.8913	\$ 2,114,476
2038	\$ 207,923,239	\$ 64,024,901	\$ 143,898,338	15.8913	\$ 2,286,732
2039	\$ 219,359,017	\$ 64,024,901	\$ 155,334,116	15.8913	\$ 2,468,461
2040	\$ 231,423,763	\$ 64,024,901	\$ 167,398,862	15.8913	\$ 2,660,186
2041	\$ 244,152,069	\$ 64,024,901	\$ 180,127,168	15.8913	\$ 2,862,455
2042	\$ 257,580,432	\$ 64,024,901	\$ 193,555,531	15.8913	\$ 3,075,849

Source: ECONorthwest

## All Areas Combined

Exhibit 13 shows total TIF revenues for all three boundaries combined. The revenues are reported for each of the growth assumption scenarios: low, medium and high. Combining all three boundaries into one URA could generate \$61.6 million in TIF over the first 25 years under the low growth scenario, \$91.1 million under medium growth, and \$139.7 million in the high growth scenario.

**Exhibit 13. TIF forecast for all boundaries combined, 3.0%, 4.0%, and 5.5% growth in assessed value**

<b>FYE</b>	<b>3.0%</b>	<b>4.0%</b>	<b>5.5%</b>
2015	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -
2018	\$ 293,360	\$ 396,890	\$ 557,666
2019	\$ 425,475	\$ 578,497	\$ 818,907
2020	\$ 578,104	\$ 789,978	\$ 1,126,746
2021	\$ 727,002	\$ 998,507	\$ 1,435,118
2022	\$ 885,856	\$ 1,222,951	\$ 1,771,408
2023	\$ 1,049,448	\$ 1,456,333	\$ 2,126,139
2024	\$ 1,213,412	\$ 1,692,724	\$ 2,491,068
2025	\$ 1,386,503	\$ 1,944,467	\$ 2,884,802
2026	\$ 1,564,917	\$ 2,206,464	\$ 3,300,468
2027	\$ 1,748,623	\$ 2,478,855	\$ 3,738,868
2028	\$ 1,923,228	\$ 2,741,315	\$ 4,169,703
2029	\$ 2,104,560	\$ 3,016,382	\$ 4,627,390
2030	\$ 2,302,451	\$ 3,318,454	\$ 5,134,942
2031	\$ 2,506,279	\$ 3,632,608	\$ 5,670,410
2032	\$ 2,716,221	\$ 3,959,329	\$ 6,235,328
2033	\$ 2,932,462	\$ 4,299,119	\$ 6,831,316
2034	\$ 3,155,190	\$ 4,652,500	\$ 7,460,084
2035	\$ 3,384,600	\$ 5,020,016	\$ 8,123,434
2036	\$ 3,620,892	\$ 5,402,233	\$ 8,823,268
2037	\$ 3,864,272	\$ 5,799,739	\$ 9,561,593
2038	\$ 4,114,955	\$ 6,213,145	\$ 10,340,526
2039	\$ 4,373,157	\$ 6,643,087	\$ 11,162,301
2040	\$ 4,639,106	\$ 7,090,227	\$ 12,029,273
2041	\$ 4,913,033	\$ 7,555,253	\$ 12,943,928
2042	\$ 5,195,178	\$ 8,038,879	\$ 13,908,889

## Conclusion

Exhibit 14 summarizes the key findings for each of the URD boundary options.

### Exhibit 14. Boundary Options Summary

	North Industrial	Central Milwaukie	Downtown	Combined
<b>Acreage</b>	282.7	116.7	120.1	519.5
<b>Low Growth</b>				
<b>Frozen Base</b>	\$145,739,439	\$74,410,740	\$62,507,723	\$282,657,901
<b>Total TIF Revenue</b>				
5 Years	\$1,500,302	\$766,015	\$643,481	\$2,909,797
10 Years	\$5,090,400	\$2,599,024	\$2,183,276	\$9,872,700
25 Years	\$31,770,612	\$16,221,239	\$13,626,433	\$61,618,284
<b>Medium Growth</b>				
<b>Frozen Base</b>	\$147,154,384	\$75,133,174	\$63,114,594	\$285,402,153
<b>Total TIF Revenue</b>				
5 Years	\$2,055,621	\$1,049,547	\$881,657	\$3,986,823
10 Years	\$7,097,628	\$3,623,864	\$3,044,176	\$13,765,666
25 Years	\$46,996,216	\$23,995,038	\$20,156,703	\$91,147,952
<b>High Growth</b>				
<b>Frozen Base</b>	\$149,276,804	\$76,216,826	\$64,024,901	\$289,518,531
<b>Total TIF Revenue</b>				
5 Years	\$2,944,017	\$1,503,138	\$1,262,691	\$5,709,845
10 Years	\$10,441,587	\$5,331,201	\$4,478,402	\$20,251,190
25 Years	\$75,934,790	\$38,770,316	\$32,568,474	\$139,740,282



MILWAUKIE CITY COUNCIL  
STAFF REPORT

Agenda Item:  
Meeting Date:

**WS 2.**  
**Nov. 3, 2015**

To: Mayor and City Council  
Through: Bill Monahan, City Manager

Subject: **Downtown Parking Permit Fees**

From: Bonnie Dennis, Assistant Finance Director

Date: November 3, 2015

### **ACTION REQUESTED**

Discuss the Parking Permit Fees and provide direction on the proposed fee increases.

### **HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

1993 – Parking permit program established.

1993 - 2012 – Various fees implemented for parking permits.

June 2013 – Council approved the Master Fee Schedule for FY14 including an increase in parking fees and introducing quarterly passes, semi-annual passes and a bulk purchase discount.

June 2014 – City Council approved the Master Fee Schedule for FY15, increasing the quarterly fee from \$68.50 to \$70.00. All other fees remained the same.

June 2015 – City Council approved the Master Fee Schedule for FY16. Parking fees remained the same.

October 3, 2015 – City Council discussed Parking fees and directed staff to draft a proposed fee increase.

### **BACKGROUND**

During the Council Work Session on October 3<sup>rd</sup>, a brief overview of the current program was presented to facilitate the discussion regarding proposed fee increases. The changes to the Parking Permit fees are considered to be an evolving and fluid process that will be discussed with Council on an ongoing basis. The following outlines direction received from the City Council and steps taken to date.

1. Does Council want to increase the current fees? If so, by how much and what increments?

*Council Direction:* Fees should be increased to \$50/monthly and \$140/quarterly. The increase should be reviewed as either a substantial increase at one-time or as an incremental increase over the next several years.

*Outcome:* Attachment 1 includes an updated revenue projection illustrating the increase from \$25/month to \$50/month starting January 1, 2016.

Additionally, a phased increase is presented, starting with FY16. The two projections are based on actual data from FY15.

- Follow-up questions:*
1. Based on the two proposed changes, does Council prefer a substantial increase starting January 1, 2016?
  2. Or, does Council want to start an incremental increase over the next year?
  3. If Council prefers an incremental increase, what increments would Council prefer?
  4. Parking permit fees were developed in consideration of parking citation fees. Parking citation fees range from \$40 to \$450 per citation with a general parking citation fee of \$40. In order to be consistent with the increase in permit fees to \$50, the citation fee would be increased to at least \$75. Does Council agree with this proposed fee increase?

2. The City sells passes in bulk for a 10% discount; does Council want to consider a cap on the number of bulk passes that businesses can buy?

*Council Direction:* Council decided to remove the 10% bulk discount. The cap on bulk passes was discussed but further clarification is needed.

- Follow-up questions:*
1. What cap on the number of bulk passes does Council prefer?
  2. Businesses and downtown employees included?
  3. What limit on the number of passes is preferred?
  4. Is the limit per month or per quarter?
    - a. What if the passes are near selling out for the month?
    - b. What if there are low sales for the month?

3. The City offers advanced purchases of passes; does Council want to consider quarterly and semi-annual advance purchase options, given the number of parking spaces, by:
  - Adding a cap on the number of advance sales for quarterly and semi-annual passes to provide availability of individual passes for new businesses?
  - Continue quarterly passes but eliminate the option to purchase semi-annual passes?

*Council Direction:* Council agreed to limit advanced sales to three months and agreed to only offer monthly and quarterly passes; eliminating semi-annual passes.

*Outcome:* Projections in attachment 1 include the adjustment for only monthly and quarterly passes.

4. Council suggested a consideration for incentive discounts related to other forms of transportation.

- Follow-up questions:*
1. What type of incentive would council prefer:
    - a. Public transportation,
    - b. Bike to work,
    - c. Telecommuting schedule,
    - d. Other?

2. Incentive offered to only businesses? Or to downtown employees?
3. What discount percentage?
4. What type of incentive monitoring by City Staff is anticipated?

## **CONCURRENCE**

N/A

## **FISCAL IMPACTS**

Increasing parking permit fees could (a) increase revenue if the increase is relatively minimal for business owners and their employees, or (b) decrease revenue if business owners and their employees choose to move their vehicles more frequently, take public transportation, or if business owners choose to move out of the downtown area.

## **WORK LOAD IMPACTS**

Changes to the current program will require additional staff time for implementation, system updates and, if needed, the reordering of parking permits to accommodate changes. Additionally, the elimination of semi-annual passes will increase staff administration time in processing passes.

## **ALTERNATIVES**

Maintain current rates.

## **ATTACHMENTS**

1. Projected revenues with proposed increases.

**Projected Revenue - Full Increase**  
 (based on FY 2015 actual passes sold)

Type	# of Permits Sold	Fee	FY 15 Actuals	% of Revenue	Projected										
					# of Permits Sold	Current Rate	FY 16 July - Dec	# of Permits Sold <sup>2</sup>	Fee Increase	FY 16 Jan - Jun	FY 16 TOTAL	# of Permits Sold <sup>2</sup>	Fee	FY 17	% of Revenue
Monthly	100	\$ 25.00	\$ 2,500	7%	58	\$ 25.00	\$ 1,450	42	\$ 50.00	\$ 2,100	\$ 3,550	100	\$ 50.00	\$ 5,000	8%
Quarterly	130	\$ 70.00	9,100	26%	37	\$ 70.00	2,590	183	\$ 140.00	25,620	\$ 28,210	426	\$ 140.00	59,640	92%
Semi-Annual	193	\$ 125.00	24,125	70%	103	\$ 125.00	12,875	0	\$ -	\$	12,875	0	\$ -	-	0%
Returns/Discounts/other <sup>1</sup>			(1,371)	-4%	Estimated 4% of sales		(675)	0	0.0%	-	\$ (675)	0	0.0%	-	0%
<b>Total Revenue</b>			<b>\$ 34,354</b>	<b>100%</b>			<b>\$ 16,240</b>			<b>\$ 27,720</b>	<b>\$ 43,960</b>			<b>\$ 64,640</b>	<b>100%</b>

<sup>1</sup> Discounts given to customers purchasing permits of 10 or more (bulk) received a 10% discount. The discount was removed for the later half of FY16.

<sup>2</sup> Assumed the number of permits sold is the same as permits sold during FY 2015.

**Projected Revenue - Incremental Increase**  
 (based on FY 2015 actual passes sold)

Type	# of Permits Sold	Fee	FY 15 Actuals	% of Revenue	Projected										
					# of Permits Sold	Current Rate	FY 16 July - Dec	# of Permits Sold <sup>2</sup>	Fee Increase <sup>3</sup>	FY 16 Jan - Jun	FY 16 TOTAL	# of Permits Sold <sup>2</sup>	Fee	FY 1x Starting July 1, 201x	% of Revenue
Monthly	100	\$ 25.00	\$ 2,500	7%	58	\$ 25.00	\$ 1,450	42	\$ 40.00	\$ 1,680	\$ 3,130	100	\$ 50.00	\$ 5,000	8%
Quarterly	130	\$ 70.00	9,100	26%	37	\$ 70.00	2,590	183	\$ 115.00	21,045	\$ 23,635	426	\$ 140.00	59,640	92%
Semi-Annual	193	\$ 125.00	24,125	70%	103	\$ 125.00	12,875	0	\$ -	\$	12,875	0	\$ -	-	0%
Returns/Discounts/other <sup>1</sup>			(1,371)	-4%	Estimated 4% of sales		(675)	0	0.0%	-	\$ (675)	0	0.0%	-	0%
<b>Total Revenue</b>			<b>\$ 34,354</b>	<b>100%</b>			<b>\$ 16,240</b>			<b>\$ 22,725</b>	<b>\$ 38,965</b>			<b>\$ 64,640</b>	<b>100%</b>

<sup>1</sup> Discounts given to customers purchasing permits of 10 or more (bulk) received a 10% discount. The discount was removed for the later half of FY16.

<sup>2</sup> Assumed the number of permits sold is the same as permits sold during FY 2015.

<sup>3</sup> Processing cash payments are more efficient in round numbers. The incremental increase is 1/3 of the new fee increase, rounded to the nearest whole number.