

# Report Accompanying the Education Urban Renewal Plan

May 16, 2012

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Exhibit B

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## I. Introduction

This Technical Report ("Report") accompanying the Education Urban Renewal Plan ("Plan") contains background information and project details for the Education Urban Renewal Plan. This Report is not a legal part of the Plan but is intended to provide additional information and a basis for the findings made by the Portland City Council ("Council") as part of its approval of the Plan.

## II. Description of Existing Physical, Social, and Economic Conditions and Expected Impact

### A. Physical Conditions

#### 1. Land Use and Zoning

The Education Urban Renewal Area ("Area") shown in Figure 1 below contains 144 acres, including public right-of-way. The Area is predominantly within the I-405 Freeway Loop in the southwestern edge of downtown Portland. There are 234 tax lots within the Area, totaling 96.6 acres. Existing land use and zoning of the area are detailed in Tables 1 and 2 below.

The proportion of land uses within the Area is typical of a central city environment. A majority of land is commercial (68%); a far smaller percentage is residential (21%) and recreational (11%). More than 10 of the 96.6 acres are stand-alone surface parking lots or are currently vacant.

Table 1: Existing Land Use of Tax Lots within Area

| Property Class | Acreage     | Square Feet      | Percentage  |
|----------------|-------------|------------------|-------------|
| Commercial     | 66.1        | 2,877,662        | 68%         |
| Multi-Family   | 14.1        | 615,753          | 15%         |
| Recreational   | 11.1        | 482,630          | 11%         |
| Residential    | 5.3         | 232,832          | 6%          |
| <b>Total</b>   | <b>96.6</b> | <b>4,202,878</b> | <b>100%</b> |

\*Source: Multnomah County Office of Assessment and Taxation

There are four different zoning designations within the Area, shown in Figure 2 below. In summary, commercial zones cover approximately 53% of the Area. Residential zoning applies to about 37%, and open space, which includes the South Park Blocks, is 10%.

Table 2: Existing Zoning of Tax Lots within Area

| Zoning Designation       | Acreage     | Square Feet      | Percentage  |
|--------------------------|-------------|------------------|-------------|
| Central Commercial (CX)  | 50.8        | 2,214,627        | 53%         |
| Central Residential (RX) | 24.8        | 1,082,462        | 26%         |
| High Density Residential | 10.9        | 474,800          | 11%         |
| Open Space (OS)          | 10.0        | 434,011          | 10%         |
| <b>Total</b>             | <b>96.6</b> | <b>4,205,900</b> | <b>100%</b> |

\*Source: City of Portland Bureau of Planning and Sustainability

Figure 1. Education Urban Renewal Area Boundary Map

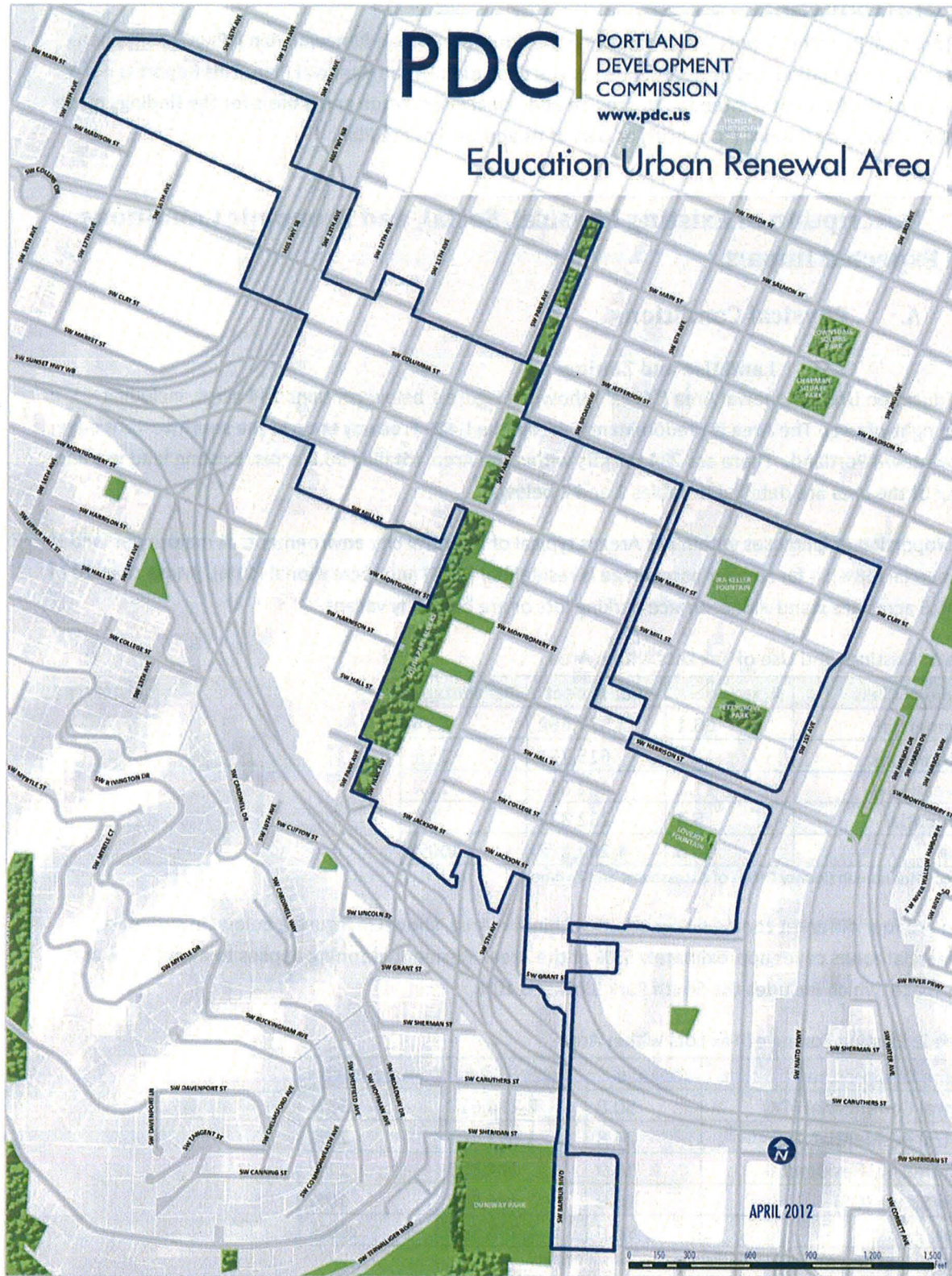
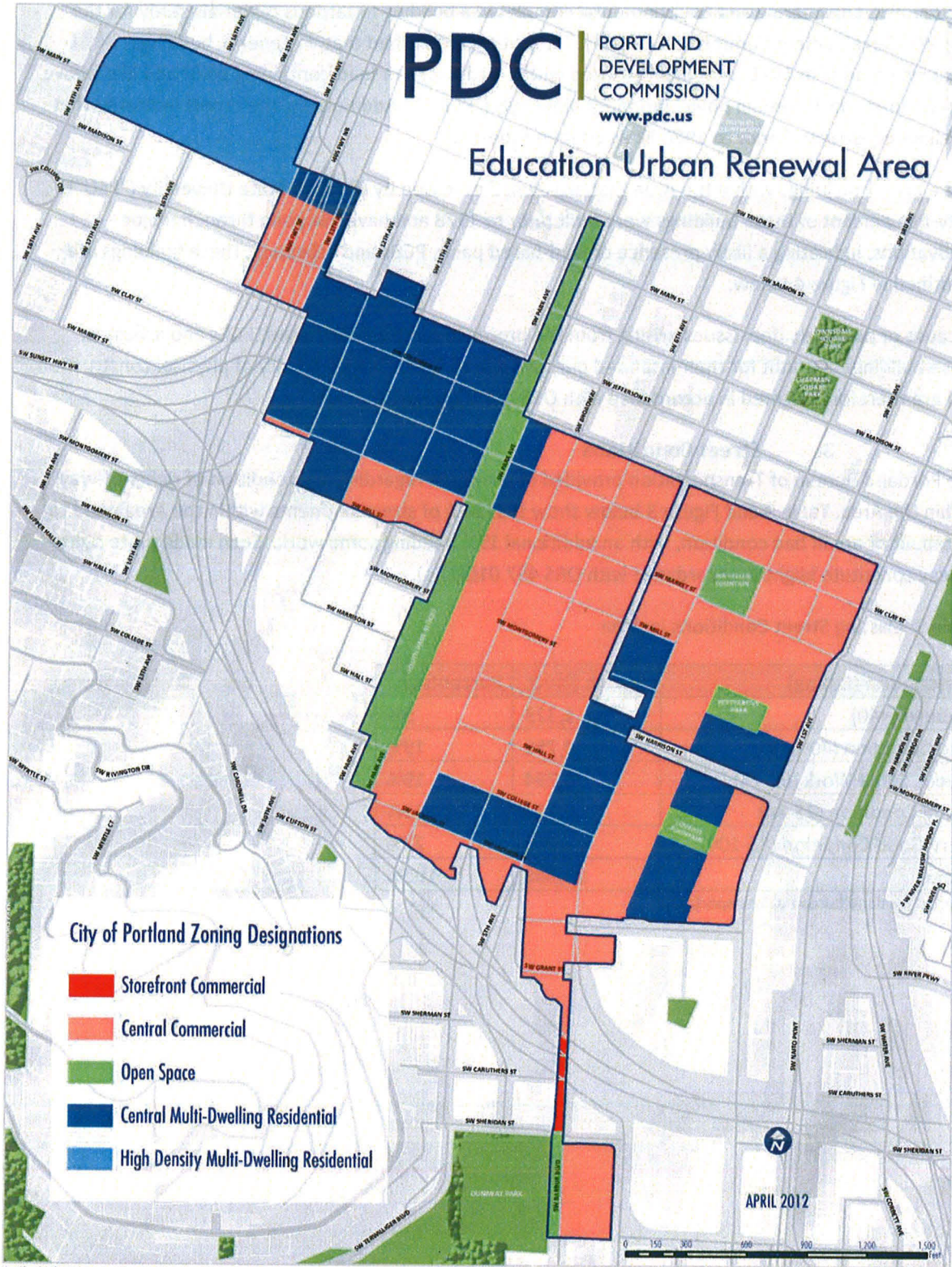


Figure 2. Education Urban Renewal Area Zoning Map



## 2. Building Condition

In 2009, PBS Engineering and Environmental completed a building hazardous materials study for the Portland Development Commission ("PDC"). Their report identified that, in general, buildings constructed prior to 1978 were likely painted with a lead-based or lead-containing paint and likely have light fixtures which contain polychlorinated biphenyls ("PCBs"). Additionally, the report indicated that buildings constructed prior to 1980 likely contain asbestos.

There are 31 buildings within the Area that are owned or leased by Portland State University ("PSU"). Sixty-five percent of those buildings were built prior to 1978 and have not gone through major renovations, indicating a likely presence of lead-based paint, PCBs and asbestos. These buildings are identified in Figure 4 below.

Because of possible safety issues arising from the presence of lead-based paint, PCBs and asbestos, these buildings are unfit for their intended purpose due to the defective quality of physical construction and are therefore blighted in accordance with ORS 457.010(1)(a)(A).

## 3. Street Conditions

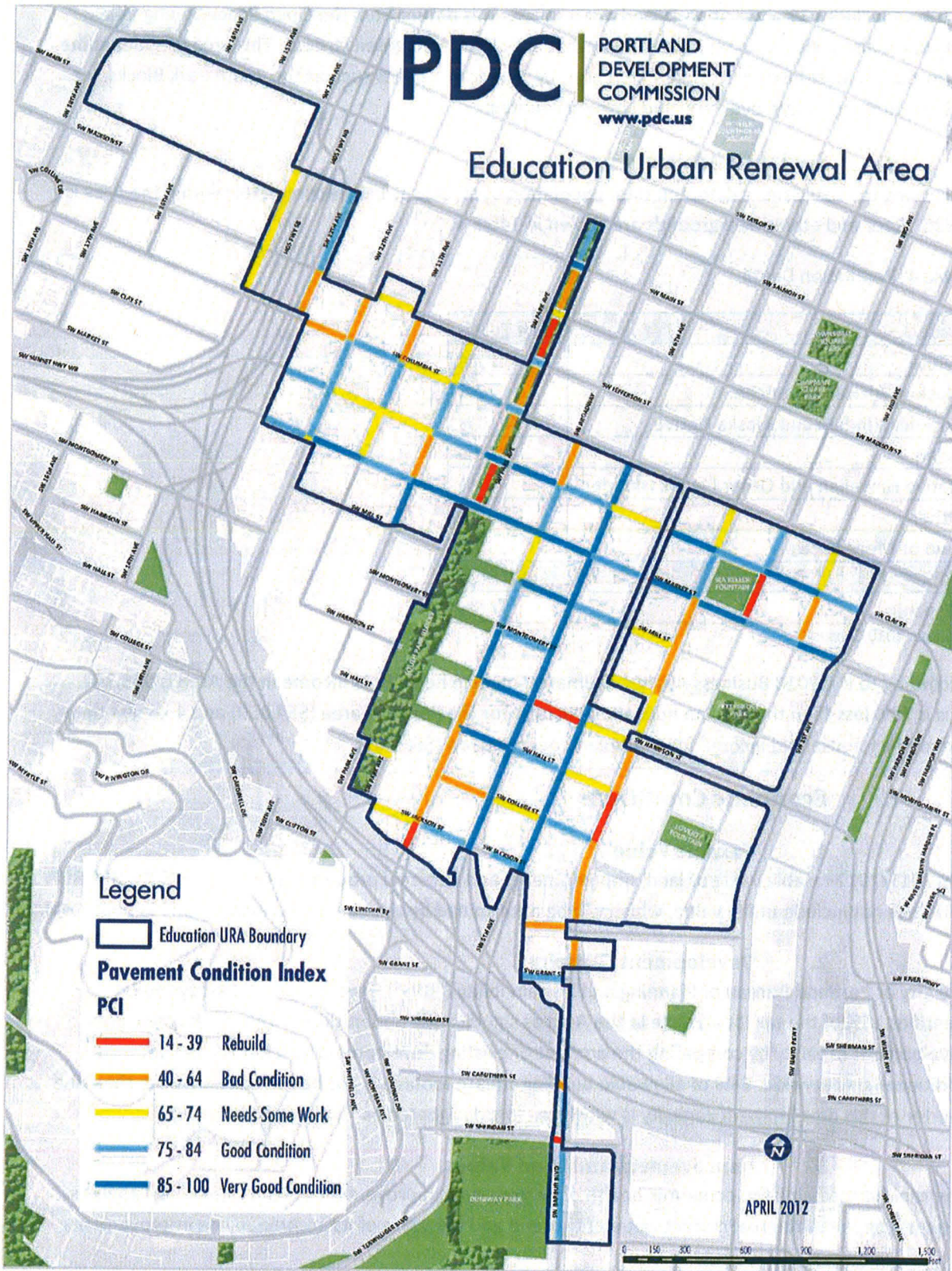
The Portland Bureau of Transportation provided information regarding the condition of rights-of-way within the Area. Table 3 and Figure 3 below show that 24% of street segments within the Area need to be rebuilt or are in bad condition, with an additional 19% needing some work. Such inadequate rights-of-way constitute blight in accordance with ORS 457.010(1)(e).

Table 3: Existing Street Conditions in Area

| Description (Rating)         | Length (feet) | Percentage  |
|------------------------------|---------------|-------------|
| Rebuild (<40)                | 1,323         | 5%          |
| Bad Condition (40-64)        | 4,756         | 19%         |
| Needs Some Work (65-74)      | 4,794         | 19%         |
| Good Condition (75-84)       | 7,716         | 30%         |
| Very Good Condition (85-100) | 7,019         | 27%         |
| <b>Total</b>                 | <b>25,608</b> | <b>100%</b> |

\*Source: Portland Bureau of Transportation

Figure 3. Street Conditions



Map by the Oregon Portland Development Commission Geographic Information System. Data provided by Oregon DOT, Portland Bureau of Transportation and Multnomah County for Reference. Data was taken to the nearest 1/4 mile and is provided "as is." The Portland Development Commission cannot be held responsible for any errors or omissions in this product. Therefore, there is no warranty for accuracy in this product.

#### 4. Parks and Open Space

The Area includes 11 acres of parks and open space. This differs from the Open Space zoning above because it also includes some rights of way that are considered green streets. This area includes some of Portland's most historically and architecturally significant spaces such as the South Park Blocks, Ira Keller Fountain, Pettygrove Park, and Lovejoy Fountain.

### B. Social Conditions

According to 2010 Census data, the total population of all Census blocks completely within the Area is 5,836. Race and ethnic backgrounds are shown in Table 4.

Table 4: Population Detail

| Race                                       | % of Total |
|--|------------|
| White                                      | 77%        |
| Black or African American                  | 3%         |
| American Indian and Alaska Native          | 1%         |
| Asian                                      | 13%        |
| Native Hawaiian and Other Pacific Islander | <1%        |
| Other                                      | 2%         |
| Two or More Races                          | 5%         |
| Ethnicity                                  | % of Total |
| Hispanic                                   | 6%         |

\*Source: 2010 Census

According to the 2010 Business Analyst estimates, median household income in the Area is \$33,344. This is 39% less than the median household income for the Portland area (\$54,350) and 46% less than the median household income for the seven-county region (\$61,783).

### C. Economic Conditions

#### 1. Taxable Value

The 2011/2012 taxable value of land, improvements and personal property in the Area is \$608,816,897. This does not include utility value, which will be determined by the County Assessor upon Plan approval.

#### 2. Development Capacity

The City of Portland Bureau of Planning and Sustainability ("BPS") Development Capacity Model identifies 18% of the tax lot acreage in the Area as significantly underutilized. This model measures development capacity by comparing the amount of existing development to what is allowed. Additionally, Area-wide, 64% of allowable building square footage is not being realized. More than one quarter of this development capacity is within tax lots designated as "underutilized" by BPS.

#### 3. Improvement and Land Values

One tool for assessing the economic health of an area is an improvement to land ratio ("I:L") analysis. The ratio between the real market value of the land and the value of its accompanying improvements

provides an indication of the economic viability of the area. Low ratios indicate a larger benefit from redevelopment. Low ratios also indicate a prevalence of depreciated values, and underutilization.

According to a 2012 analysis by Johnson Reid, LLC, properties in the Area with I:L ratios below 2.5:1 were identified as underutilized compared to their potential capacity and productivity. Table 5 and Figure 4 below show that about 50% of the total Area has an I:L ratio of 2.5:1 or less. These properties can be identified as demonstrating a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the Area, and therefore constitute blight in accordance with ORS 457.010(1)(h).

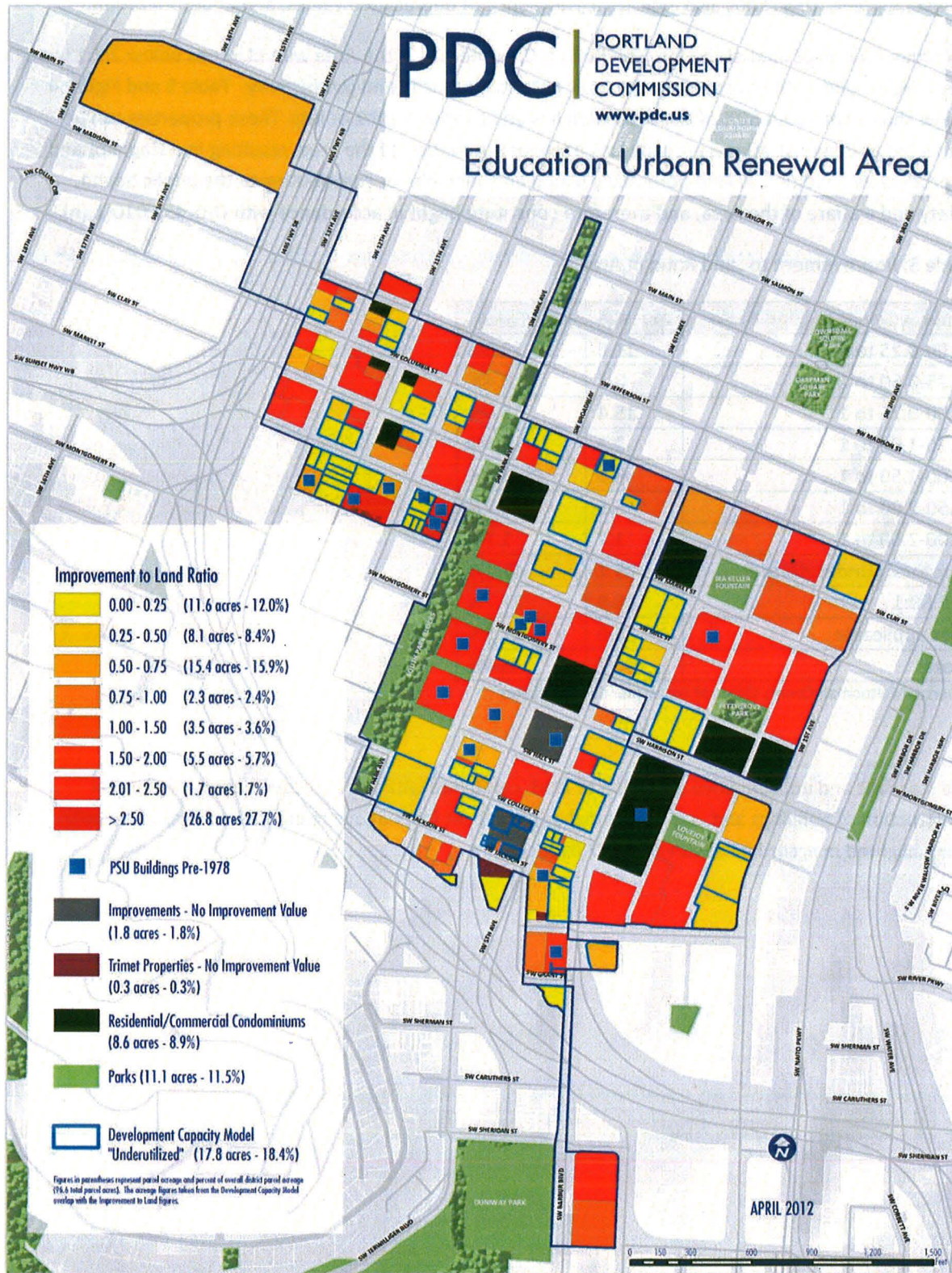
Table 5: Improvement to Land Ratio in Area

| Improvement to Land Ratio       | Acreage     | % of Total   |
|---------------------------------|-------------|--------------|
| 0.00-0.25 to 1                  | 11.6        | 12.0%        |
| 0.25-0.50 to 1                  | 8.1         | 8.4%         |
| 0.50-0.75 to 1                  | 15.4        | 15.9%        |
| 0.75-1.00 to 1                  | 2.3         | 2.4%         |
| 1.00-1.50 to 1                  | 3.5         | 3.6%         |
| 1.50-2.00 to 1                  | 5.5         | 5.7%         |
| 2.00-2.50 to 1                  | 1.7         | 1.7%         |
| <b>Subtotal (Underutilized)</b> | <b>48.1</b> | <b>49.7%</b> |
| > 2.50:1                        | 26.8        | 27.7%        |
| Not applicable                  | 21.8        | 22.5%        |
| <b>Total</b>                    | <b>96.7</b> | <b>100%</b>  |

\*Source: Multnomah County Office of Assessment and Taxation

The stagnant and unproductive condition of land, combined with the defective quality of physical construction of buildings and inadequate rights-of-way set forth above result in the Area, as a whole, being blighted in accordance with ORS 457.010(1).

Figure 4. Blight Indices



#### **D. Expected Impact on Municipal Services**

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area is described in Section IX of this Report. This section discusses the fiscal impacts resulting from potential increases in demand for municipal services.

Given the Area's location in Portland's downtown core with full public services in place, the implementation of this Plan is not anticipated to result in significant additional public service requirements such as police, fire, etc. Property redevelopment should reduce the fire and life safety needs of buildings, as they would be in better overall condition. Development assistance would add value to properties, thereby potentially adding to the tax base and providing revenue during the length of the Plan and once the Plan is terminated.

Infrastructure improvements directly associated with strategic economic development projects may be funded through tax increment resources. This can help reduce the need to finance those improvements through other municipal resources, which allows resources to be used in other ways.

Business development programs, which are intended to help improve and expand office and commercial space for targeted tenants, are not expected to have a negative fiscal impact in terms of dramatically increasing demand on municipal services. The assistance would add value to properties, thereby potentially adding to the tax base and providing increment for further investment over the duration of the Plan and tax revenues for other jurisdictions once the Plan is terminated. Capacity for various municipal services is also built into existing City policies through the use of tools such as system development charges (SDCs). SDCs for the Parks and Transportation Bureaus apply to each new development to help offset increased demand on municipal services. In addition, a City business license fee would help augment the general fund to pay for services.

The City of Portland Tax Increment Financing Set Aside Policy for Affordable Housing will apply to the Plan. Housing investments which use tax increment resources will be guided by City housing policy and investment strategies administered by the Portland Housing Bureau (PHB).

It is also anticipated that PSU and private property owners will be looking for opportunities to supply new workforce and affordable housing in the future. Other municipal resources would not have to be used for this purpose, which would allow the funds to be used for other services. Providing low-income and workforce housing in the Area, in close proximity to jobs, retail and light rail transit, helps eliminate traffic and resulting pollution by reducing automobile trips. It also supports the retail trade in the Area, thereby maintaining a healthy economy and a socio-economic balance. These potential housing developments will turn stagnant and unproductive land into land which contributes positively to the overall public health, safety and welfare of the Area.

The combination of business development, property redevelopment, infrastructure and housing assistance in the Area will address a lack of proper utilization that is resulting in stagnant and unproductive land. This assistance will result in a positive benefit to the overall public health, safety, and welfare of the community by addressing factors of blight.

### **III. Reasons for Selection of Each Urban Renewal Area in the Plan**

The reason for selection of the Area is the prevention and reduction of blight and to leverage concurrent investment to make PSU a world class urban research university and to increase opportunities for collaboration with Portland Public Schools, Multnomah County and other public and private partners.

### **IV. Relationship Between Each Project and Existing Conditions in the Urban Renewal Area**

#### **A. Strategic Partnerships to Develop and Educate a 21<sup>st</sup> Century Workforce**

Strategic partnerships with Multnomah County and Portland Public Schools will develop underutilized properties within the Area, addressing the existing conditions described in Section II.C. of this Report.

#### **B. Urban Innovation**

Projects in this category will rehabilitate a portion of the existing built environment, addressing the deteriorated quality of physical construction as described in Section II.A.2. of this Report.

#### **C. Research & Technology Commercialization**

It is the intention of commercialization investments to increase the amount of laboratory space and other advanced office infrastructure in the Area. Projects in this category will reduce the underutilization of property in the Area described in Section II.C. of this Report.

#### **D. Entrepreneurship**

Entrepreneurship-related projects will expand the available space for Portland start-ups and support for entrepreneurial activity, including the development of additional accelerator facilities which will likely occur on underutilized property in the Area described in Section II.C. of this Report.

#### **E. Cluster Development**

Investments such as redevelopment of current office space and energy retrofits provide opportunities for research and development-intensive companies to co-locate with or near institutional resources. At the same time, these investments will reduce the underutilization of property in the Area described in Section II.C. of this Report.

#### **F. Housing**

Median household income in the Area is 39% less than that of the Portland area. Housing projects that utilize resources from this Plan, as determined by the Portland Housing Bureau, could preserve and create rental housing that remains affordable to low-income families and individuals, such as those described in Section II.B. of this Report.

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## V. Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

Table 6 shows the estimated total cost of each project known at the time of preparation of the Plan. The sources of moneys to pay for these costs are from the projection of tax increment revenues in Section VIII of this Report.

Table 6: Project Costs

| Projects   | Years 1-5    | Years 6-10   | Years 11-15  | Years 16-20  | Years 21-25  | Years 26-29  | TOTAL          |
|--|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| <b>STRATEGIC PARTNERSHIPS - \$29,150,000</b>                               |              |              |              |              |              |              |                |
| Multnomah County Project (see IGA)   | \$ 3,100,000 | \$ 7,350,000 | \$ 4,500,000 | \$ 4,200,000 |              |              | \$ 19,150,000  |
| Portland Public Schools Site Development                                   |              | \$ 500,000   | \$ 5,000,000 | \$ 4,500,000 |              |              | \$ 10,000,000  |
| <b>URBAN INNOVATION - \$13,625,000</b>                                     |              |              |              |              |              |              |                |
| EcoDistrict Development  |              |              |              |              |              |              | \$ 5,500,000   |
| District Systems (Campus Loop Expansion Phase 3)                           | \$ 250,000   |              |              |              |              |              | \$ 250,000     |
| Infrastructure Upgrades - District Energy Extensions                       |              | \$ 2,000,000 |              |              |              | \$ 1,000,000 | \$ 3,000,000   |
| Storm Water / Wastewater Management  |              |              | \$ 250,000   | \$ 250,000   | \$ 1,250,000 | \$ 500,000   | \$ 2,250,000   |
| Energy Efficiency/Modernization  |              |              |              |              |              |              | \$ 3,825,000   |
| Private Building Retrofits   |              |              |              | \$ 125,000   | \$ 375,000   | \$ 625,000   | \$ 1,125,000   |
| Marston House and East Hall Historic Preservation & Efficiency             | \$ 225,000   |              |              |              |              |              | \$ 225,000     |
| Fourth Ave Building Efficiency   |              | \$ 600,000   |              |              |              |              | \$ 600,000     |
| Montgomery Court   |              |              | \$ 250,000   |              |              |              | \$ 250,000     |
| PSU Energy Efficiency Projects   |              |              |              | \$ 125,000   | \$ 1,375,000 | \$ 125,000   | \$ 1,625,000   |
| Enhance PSU's Academic Capacity  |              |              |              |              |              |              | \$ 4,300,000   |
| Neuberger Hall Redevelopment   | \$ 200,000   |              |              |              |              |              | \$ 200,000     |
| Knowledge Commons / Student Services Center                                |              | \$ 300,000   |              |              |              |              | \$ 300,000     |
| Cramer Hall Renovation   |              | \$ 300,000   |              |              |              |              | \$ 300,000     |
| Expansion of Sciences Facilities   |              |              |              |              | \$ 3,500,000 |              | \$ 3,500,000   |
| <b>RESEARCH &amp; TECHNOLOGY COMMERCIALIZATION - \$13,500,000</b>          |              |              |              |              |              |              |                |
| Research Facility Expansion  |              |              |              |              |              |              | \$ 13,500,000  |
| Engineering and Physical Sciences Classrooms / Research Facility Expansion |              |              | \$ 2,500,000 |              | \$ 1,000,000 |              | \$ 3,500,000   |
| PSU/Private Partner Research Facility Expansion                            | \$ 400,000   |              | \$ 600,000   | \$ 2,500,000 | \$ 4,000,000 | \$ 2,500,000 | \$ 10,000,000  |
| <b>ENTREPRENEURSHIP - \$12,775,000</b>                                     |              |              |              |              |              |              |                |
| Startup Accelerator/ Lab Space   |              |              |              |              |              |              | \$ 12,775,000  |
| School of Business Expansion   | \$ 1,950,000 |              |              |              |              |              | \$ 1,950,000   |
| PSU / Startup Accelerator Fund   |              | \$ 1,150,000 | \$ 300,000   | \$ 375,000   | \$ 3,000,000 | \$ 1,500,000 | \$ 6,325,000   |
| PSU / Private Partner Business Accelerator                                 |              | \$ 4,000,000 |              | \$ 500,000   |              |              | \$ 4,500,000   |
| <b>CLUSTER DEVELOPMENT - \$21,250,000</b>                                  |              |              |              |              |              |              |                |
| Business and Industry Development  |              |              |              |              |              |              | \$ 21,250,000  |
| Target Industry Recruitment & Expansion Fund                               | \$ 900,000   | \$ 350,000   | \$ 450,000   | \$ 1,750,000 | \$ 4,000,000 | \$ 2,250,000 | \$ 9,700,000   |
| PSU / Industry Expansion Fund  |              | \$ 350,000   | \$ 450,000   | \$ 1,750,000 | \$ 4,000,000 | \$ 2,250,000 | \$ 8,800,000   |
| PSU / Small Business & Real Estate Programs                                | \$ 250,000   | \$ 200,000   | \$ 300,000   | \$ 500,000   | \$ 500,000   | \$ 1,000,000 | \$ 2,750,000   |
| <b>HOUSING SET ASIDE - \$46,457,332</b>                                    |              |              |              |              |              |              |                |
| Investment Strategy Determined by Council and Portland Housing Bureau      | \$3,774,419  | \$8,222,194  | \$7,455,018  | \$9,139,525  | \$11,841,914 | \$ 6,024,262 | \$ 46,457,332  |
| <b>ADMINISTRATION - \$32,214,109</b>                                       |              |              |              |              |              |              |                |
| Bond Issuance Fees / Office of Management and Finance                      | \$13,119     | \$2,653,740  | \$1,371,495  | \$1,390,788  | \$41,159     | \$2,219,518  | \$ 7,689,819   |
| PDC Direct Staffing and Overhead   | \$2,054,010  | \$3,232,030  | \$3,864,703  | \$6,068,247  | \$6,167,663  | \$3,137,636  | \$ 24,524,290  |
| <b>TOTAL RESOURCES - \$169,000,000</b>                                     | \$13,118,741 | \$11,203,025 | \$27,256,976 | \$33,125,251 | \$41,158,915 | \$23,137,093 | \$ 169,000,000 |

\*PSU and PSU related projects are shown in green and total \$50,325,000

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## **VI. Anticipated Completion Date for Each Project**

Projects and programs will be ongoing throughout the life of the Plan. Scheduling for projects will occur during the annual budgeting process for the Area. The Plan's last date to issue debt is June 30, 2041. While it is difficult to precisely forecast the start and end date of specific development projects over a span of nearly three decades, it is anticipated the following projects will begin within the first five years of the Plan:

- The expansion of the PSU School of Business
- Housing Set Aside investments
- Neuberger Hall Renovation
- Marston House and East Hall Energy Retrofits
- Tenant improvements and other assistance through the Target Industry Recruitment and Expansion Fund, the Startup Accelerator Fund, and Small Business/Real Estate Programs

Additionally, the Multnomah County project referenced in Section III.A of the Plan is anticipated to be completed or substantially under way by 2023.

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## VII. Estimated Amount of Tax Increment Revenues Required and Anticipated Year in which Indebtedness will be Retired

Table 7 shows the yearly tax increment revenues and their allocation to loan repayments, debt service and debt service reserve funds. It is anticipated that all debt will be retired by the end of FY 2044/45.

Table 7: Tax Increment Revenues, Debt Service and Debt Repayment

| Fiscal Year Ending June 30                             | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             | 2020-21             | 2021-22             | 2022-23             | 2023-24             |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Beginning Balance (Incl. Debt Service Reserves)</b> | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 2,193,794        |
| <b>Revenues</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Tax Increment to Raise (before Compression)            | \$1,412,361         | \$1,732,578         | \$2,066,566         | \$2,406,456         | \$2,747,478         | \$3,138,227         | \$3,557,524         | \$3,997,691         | \$4,448,680         | \$4,913,312         | \$5,457,770         |
| Less Compression                                       | (70,618)            | (86,629)            | (103,328)           | (120,323)           | (137,374)           | (156,911)           | (177,876)           | (199,885)           | (222,434)           | (245,666)           | (272,888)           |
| Tax Increment Imposed (after Compression)              | 1,341,743           | 1,645,950           | 1,963,237           | 2,286,133           | 2,610,104           | 2,981,316           | 3,379,648           | 3,797,807           | 4,226,246           | 4,667,646           | 5,184,881           |
| Less Adjustments for Discounts & Delinquencies         | (80,505)            | (98,757)            | (117,794)           | (137,168)           | (156,606)           | (178,879)           | (202,779)           | (227,868)           | (253,575)           | (280,059)           | (311,093)           |
| <b>NET TAX INCREMENT REVENUES</b>                      | <b>\$1,261,238</b>  | <b>\$1,547,193</b>  | <b>\$1,845,443</b>  | <b>\$2,148,965</b>  | <b>\$2,453,498</b>  | <b>\$2,802,437</b>  | <b>\$3,176,869</b>  | <b>\$3,569,938</b>  | <b>\$3,972,671</b>  | <b>\$4,387,588</b>  | <b>\$4,873,788</b>  |
| Bond Proceeds to Debt Service Reserve                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 2,193,794           | -                   |
| Interest Earnings                                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 0                   | 54,845              |
| <b>TOTAL REVENUES</b>                                  | <b>\$1,261,238</b>  | <b>\$1,547,193</b>  | <b>\$1,845,443</b>  | <b>\$2,148,965</b>  | <b>\$2,453,498</b>  | <b>\$2,802,437</b>  | <b>\$3,176,869</b>  | <b>\$3,569,938</b>  | <b>\$3,972,671</b>  | <b>\$6,581,381</b>  | <b>\$4,928,633</b>  |
| <b>Expenditures</b>                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Bond/Line of Credit Debt Service</b>                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Line of Credit Draw 1                                  | \$ -                | \$ -                | \$ -                | \$ -                | \$ 181,998          | \$ 242,664          | \$ 242,664          | \$ 242,664          | \$ 242,664          | \$ 242,664          | \$ -                |
| Line of Credit Draw 2                                  | -                   | -                   | -                   | -                   | -                   | 167,084             | 222,778             | 222,778             | 222,778             | 222,778             | -                   |
| Line of Credit Draw 3                                  | -                   | -                   | -                   | -                   | -                   | -                   | 172,715             | 230,287             | 230,287             | 230,287             | -                   |
| Line of Credit Draw 4                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 176,832             | 235,777             | 235,777             | -                   |
| Line of Credit Draw 5                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 178,967             | 238,623             | -                   |
| Bond 1   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 6                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 2,193,794           |
| Line of Credit Draw 7                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 107,406             |
| Line of Credit Draw 8                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 9                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Bond 2   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 10                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 11                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 12                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 13                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Bond 3   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 14                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 15                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 16                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 17                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 18                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 19                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Bond 4   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Bond/Line of Credit Debt Service</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 181,998</b>   | <b>\$ 409,748</b>   | <b>\$ 638,157</b>   | <b>\$ 872,561</b>   | <b>\$ 1,110,473</b> | <b>\$ 1,170,128</b> | <b>\$ 2,301,200</b> |
| <b>Short Term Debt Repayment</b>                       | <b>\$ 1,261,238</b> | <b>\$ 1,547,193</b> | <b>\$ 1,845,443</b> | <b>\$ 2,148,965</b> | <b>\$ 2,271,500</b> | <b>\$ 2,392,689</b> | <b>\$ 2,538,711</b> | <b>\$ 2,697,377</b> | <b>\$ 2,862,199</b> | <b>\$ 3,217,459</b> | <b>\$ 2,627,434</b> |
| <b>Subtotal Expenditures for Amended Plan</b>          | <b>\$ 1,261,238</b> | <b>\$ 1,547,193</b> | <b>\$ 1,845,443</b> | <b>\$ 2,148,965</b> | <b>\$ 2,453,498</b> | <b>\$ 2,802,437</b> | <b>\$ 3,176,869</b> | <b>\$ 3,569,938</b> | <b>\$ 3,972,671</b> | <b>\$ 4,387,588</b> | <b>\$ 4,928,633</b> |
| <b>Bond Defeasance</b>                                 | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$ 1,261,238</b> | <b>\$ 1,547,193</b> | <b>\$ 1,845,443</b> | <b>\$ 2,148,965</b> | <b>\$ 2,453,498</b> | <b>\$ 2,802,437</b> | <b>\$ 3,176,869</b> | <b>\$ 3,569,938</b> | <b>\$ 3,972,671</b> | <b>\$ 4,387,588</b> | <b>\$ 4,928,633</b> |
| <b>Ending Balance</b>                                  | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 2,193,794</b> | <b>\$ 2,193,794</b> |

# Exhibit B

| Fiscal Year Ending June 30                             | 2024-25             | 2025-26             | 2026-27             | 2027-28             | 2028-29             | 2029-30             | 2030-31             | 2031-32             | 2032-33             | 2033-34             | 2034-35             |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Beginning Balance (incl. Debt Service Reserves)</b> | \$ 2,193,794        | \$ 2,193,794        | \$ 2,193,794        | \$ 2,193,794        | \$ 3,319,353        | \$ 3,319,353        | \$ 3,319,353        | \$ 3,319,353        | \$ 3,319,353        | \$ 4,456,167        | \$ 4,456,167        |
| <b>Revenues</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Tax Increment to Raise (before Compression)            | \$6,835,307         | \$6,386,330         | \$6,900,783         | \$7,434,160         | \$7,887,283         | \$8,379,023         | \$8,912,018         | \$9,437,462         | \$9,980,217         | \$10,506,240        | \$11,069,377        |
| Less Compression                                       | (291,765)           | (319,317)           | (345,039)           | (371,708)           | (394,364)           | (418,951)           | (445,601)           | (471,873)           | (499,011)           | (525,312)           | (553,469)           |
| Tax Increment Imposed (after Compression)              | 5,543,542           | 6,067,014           | 6,555,744           | 7,062,452           | 7,492,919           | 7,960,072           | 8,466,418           | 8,965,589           | 9,481,206           | 9,980,928           | 10,515,908          |
| Less Adjustments for Discounts & Delinquencies         | (332,613)           | (364,021)           | (393,345)           | (423,747)           | (449,575)           | (477,604)           | (507,985)           | (537,935)           | (568,872)           | (598,856)           | (630,954)           |
| <b>NET TAX INCREMENT REVENUES</b>                      | <b>\$5,210,929</b>  | <b>\$5,702,993</b>  | <b>\$6,162,399</b>  | <b>\$6,638,705</b>  | <b>\$7,043,344</b>  | <b>\$7,482,467</b>  | <b>\$7,958,432</b>  | <b>\$8,427,654</b>  | <b>\$8,912,333</b>  | <b>\$9,382,072</b>  | <b>\$9,884,954</b>  |
| Bond Proceeds to Debt Service Reserve                  | -                   | -                   | -                   | 1,125,559           | -                   | -                   | -                   | -                   | 1,136,814           | -                   | -                   |
| Interest Earnings                                      | 54,845              | 54,845              | 54,845              | 54,845              | 82,984              | 82,984              | 82,984              | 82,984              | 82,984              | 111,404             | 111,404             |
| <b>TOTAL REVENUES</b>                                  | <b>\$5,265,774</b>  | <b>\$5,757,838</b>  | <b>\$6,217,244</b>  | <b>\$7,819,108</b>  | <b>\$7,126,327</b>  | <b>\$7,565,451</b>  | <b>\$8,041,416</b>  | <b>\$8,510,637</b>  | <b>\$10,132,132</b> | <b>\$9,493,476</b>  | <b>\$9,996,358</b>  |
| <b>Expenditures</b>                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Bond/Line of Credit Debt Service</b>                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Line of Credit Draw 1                                  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Line of Credit Draw 2                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 3                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 4                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 5                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Bond 1   | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           |
| Line of Credit Draw 6                                  | 143,208             | 143,208             | 143,208             | 143,208             | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 7                                  | 74,477              | 99,303              | 99,303              | 99,303              | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 8                                  | -                   | 108,701             | 144,935             | 144,935             | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 9                                  | -                   | -                   | 101,487             | 135,315             | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Bond 2   | -                   | -                   | -                   | -                   | 1,125,559           | 1,125,559           | 1,125,559           | 1,125,559           | 1,125,559           | 1,125,559           | 1,125,559           |
| Line of Credit Draw 10                                 | -                   | -                   | -                   | -                   | 89,388              | 119,184             | 119,184             | 119,184             | 119,184             | -                   | -                   |
| Line of Credit Draw 11                                 | -                   | -                   | -                   | -                   | -                   | 97,006              | 129,341             | 129,341             | 129,341             | -                   | -                   |
| Line of Credit Draw 12                                 | -                   | -                   | -                   | -                   | -                   | -                   | 105,145             | 140,193             | 140,193             | -                   | -                   |
| Line of Credit Draw 13                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 103,655             | 138,206             | -                   | -                   |
| Bond 3   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 1,136,814           | 1,136,814           |
| Line of Credit Draw 14                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 103,769             | 138,359             |
| Line of Credit Draw 15                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 111,091             |
| Line of Credit Draw 16                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 17                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 18                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Line of Credit Draw 19                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Bond 4   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Bond/Line of Credit Debt Service</b>          | <b>\$2,411,479</b>  | <b>\$2,545,005</b>  | <b>\$2,682,726</b>  | <b>\$2,716,555</b>  | <b>\$3,408,741</b>  | <b>\$3,535,543</b>  | <b>\$3,673,023</b>  | <b>\$3,811,726</b>  | <b>\$3,846,277</b>  | <b>\$4,559,936</b>  | <b>\$4,705,616</b>  |
| <b>Short Term Debt Repayment</b>                       | <b>\$ 2,854,295</b> | <b>\$ 3,212,832</b> | <b>\$ 3,534,518</b> | <b>\$ 3,976,995</b> | <b>\$ 3,717,587</b> | <b>\$ 4,029,909</b> | <b>\$ 4,368,394</b> | <b>\$ 4,698,912</b> | <b>\$ 5,149,040</b> | <b>\$ 4,933,540</b> | <b>\$ 5,290,741</b> |
| <b>Subtotal Expenditures for Amended Plan</b>          | <b>\$5,265,774</b>  | <b>\$5,757,838</b>  | <b>\$6,217,244</b>  | <b>\$6,693,550</b>  | <b>\$7,126,327</b>  | <b>\$7,565,451</b>  | <b>\$8,041,416</b>  | <b>\$8,510,637</b>  | <b>\$8,995,317</b>  | <b>\$9,493,476</b>  | <b>\$9,996,358</b>  |
| <b>Bond Defeasance</b>                                 | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$5,265,774</b>  | <b>\$5,757,838</b>  | <b>\$6,217,244</b>  | <b>\$6,693,550</b>  | <b>\$7,126,327</b>  | <b>\$7,565,451</b>  | <b>\$8,041,416</b>  | <b>\$8,510,637</b>  | <b>\$8,995,317</b>  | <b>\$9,493,476</b>  | <b>\$9,996,358</b>  |
| <b>Ending Balance</b>                                  | <b>\$ 2,193,794</b> | <b>\$ 2,193,794</b> | <b>\$ 2,193,794</b> | <b>\$ 3,319,353</b> | <b>\$ 3,319,353</b> | <b>\$ 3,319,353</b> | <b>\$ 3,319,353</b> | <b>\$ 3,319,353</b> | <b>\$ 4,456,167</b> | <b>\$ 4,456,167</b> | <b>\$ 4,456,167</b> |

# Exhibit B

| Fiscal Year Ending June 30                             | 2035-36             | 2036-37             | 2037-38             | 2038-39             | 2039-40             | 2040-41             | 2041-42              | 2042-43              | 2043-44              | 2044-45              |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Beginning Balance (Incl. Debt Service Reserves)</b> | \$ 4,456,167        | \$ 4,456,167        | \$ 4,456,167        | \$ 4,456,167        | \$ 4,456,167        | \$ 6,294,288        | \$ 9,587,244         | \$ 17,262,182        | \$ 25,725,276        | \$ 37,207,913        |
| <b>Revenues</b>  |                     |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| Tax Increment to Raise (before Compression)            | \$11,672,003        | \$12,272,638        | \$12,892,611        | \$13,485,881        | \$14,096,948        | \$14,726,348        | \$15,374,629         | \$16,042,359         | \$16,730,121         | \$17,438,516         |
| Less Compression                                       | (583,600)           | (613,632)           | (644,631)           | (674,294)           | (704,847)           | (736,317)           | (768,731)            | (802,118)            | (836,506)            | (871,926)            |
| Tax Increment Imposed (after Compression)              | 11,088,403          | 11,659,006          | 12,247,981          | 12,811,587          | 13,392,101          | 13,990,030          | 14,605,898           | 15,240,241           | 15,893,615           | 16,566,590           |
| Less Adjustments for Discounts & Delinquencies         | (665,304)           | (699,540)           | (734,879)           | (768,695)           | (803,526)           | (839,402)           | (876,354)            | (914,414)            | (953,617)            | (993,995)            |
| <b>NET TAX INCREMENT REVENUES</b>                      | <b>\$10,423,099</b> | <b>\$10,959,466</b> | <b>\$11,513,102</b> | <b>\$12,042,892</b> | <b>\$12,588,575</b> | <b>\$13,150,629</b> | <b>\$13,729,544</b>  | <b>\$14,325,827</b>  | <b>\$14,939,998</b>  | <b>\$15,572,595</b>  |
| Bond Proceeds to Debt Service Reserve                  | -                   | -                   | -                   | -                   | 1,838,121           | -                   | -                    | -                    | -                    | -                    |
| Interest Earnings                                      | 111,404             | 111,404             | 111,404             | 111,404             | 111,404             | 157,357             | 239,681              | 431,555              | 643,132              | 930,198              |
| <b>TOTAL REVENUES</b>                                  | <b>\$10,534,503</b> | <b>\$11,070,870</b> | <b>\$11,624,506</b> | <b>\$12,154,296</b> | <b>\$14,538,100</b> | <b>\$13,307,986</b> | <b>\$13,969,225</b>  | <b>\$14,757,381</b>  | <b>\$15,583,130</b>  | <b>\$16,502,793</b>  |
| <b>Expenditures</b>                                    |                     |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| <b>Bond/Line of Credit Debt Service</b>                |                     |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| Line of Credit Draw 1                                  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Line of Credit Draw 2                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 3                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 4                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 5                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Bond 1   | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794           | 2,193,794            | 2,193,794            | -                    | -                    |
| Line of Credit Draw 6                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 7                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 8                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 9                                  | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Bond 2   | 1,125,559           | 1,125,559           | 1,125,559           | 1,125,559           | 1,125,559           | 1,125,559           | 1,125,559            | 1,125,559            | 1,125,559            | 1,125,559            |
| Line of Credit Draw 10                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 11                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 12                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 13                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                    | -                    | -                    | -                    |
| Bond 3   | 1,136,814           | 1,136,814           | 1,136,814           | 1,136,814           | 1,136,814           | 1,136,814           | 1,136,814            | 1,136,814            | 1,136,814            | 1,136,814            |
| Line of Credit Draw 14                                 | 138,359             | 138,359             | 138,359             | 138,359             | 138,359             | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 15                                 | 148,121             | 148,121             | 148,121             | 148,121             | 148,121             | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 16                                 | 118,881             | 158,508             | 158,508             | 158,508             | 158,508             | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 17                                 | -                   | 118,488             | 157,984             | 157,984             | 157,984             | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 18                                 | -                   | -                   | 122,303             | 163,070             | 163,070             | -                   | -                    | -                    | -                    | -                    |
| Line of Credit Draw 19                                 | -                   | -                   | -                   | 117,035             | 156,047             | -                   | -                    | -                    | -                    | -                    |
| Bond 4   | -                   | -                   | -                   | -                   | -                   | 1,838,121           | 1,838,121            | 1,838,121            | 1,838,121            | 1,838,121            |
| <b>Total Bond/Line of Credit Debt Service</b>          | <b>\$4,861,527</b>  | <b>\$5,019,642</b>  | <b>\$5,181,441</b>  | <b>\$5,339,244</b>  | <b>\$5,378,255</b>  | <b>\$6,294,287</b>  | <b>\$6,294,287</b>   | <b>\$6,294,287</b>   | <b>\$4,100,494</b>   | <b>\$4,100,494</b>   |
| <b>Short Term Debt Repayment</b>                       | <b>\$ 5,672,976</b> | <b>\$ 6,051,228</b> | <b>\$ 6,443,065</b> | <b>\$ 6,815,052</b> | <b>\$ 7,321,724</b> | <b>\$ 3,720,741</b> | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          |
| <b>Subtotal Expenditures for Amended Plan</b>          | <b>\$10,534,503</b> | <b>\$11,070,870</b> | <b>\$11,624,506</b> | <b>\$12,154,296</b> | <b>\$12,699,979</b> | <b>\$10,015,029</b> | <b>\$6,294,287</b>   | <b>\$6,294,287</b>   | <b>\$4,100,494</b>   | <b>\$4,100,494</b>   |
| <b>Bond Defeasance</b>                                 | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 36,353,292</b> |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$10,534,503</b> | <b>\$11,070,870</b> | <b>\$11,624,506</b> | <b>\$12,154,296</b> | <b>\$12,699,979</b> | <b>\$10,015,029</b> | <b>\$6,294,287</b>   | <b>\$6,294,287</b>   | <b>\$4,100,494</b>   | <b>\$40,453,786</b>  |
| <b>Ending Balance</b>                                  | <b>\$ 4,456,167</b> | <b>\$ 4,456,167</b> | <b>\$ 4,456,167</b> | <b>\$ 4,456,167</b> | <b>\$ 6,294,288</b> | <b>\$ 9,587,244</b> | <b>\$ 17,262,182</b> | <b>\$ 25,725,276</b> | <b>\$ 37,207,913</b> | <b>\$ 13,256,920</b> |

# Exhibit B

## VIII. Financial Analysis of the Plan

Table 8 shows the existing assessed value of the Area and projected incremental assessed value. It also shows the tax rates applied to the incremental assessed value, the tax revenues allocated to the Area and to the taxing jurisdictions due to the sharing provisions of ORS 457, and the reduction of these revenues by compression, delinquencies and discounts.

Table 8: Projected Incremental Assessed Value, Tax Rates and Tax Increment Revenues

| Fiscal Year Ending June 30                              | 2013-14              | 2014-15              | 2015-16              | 2016-17              | 2017-18              | 2018-19              | 2019-20              | 2020-21              | 2021-22              | 2022-23              | 2023-24              |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Projected Assessed Value Growth</b>                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Frozen Base   | \$ 620,993,235       | \$ 620,993,235       | \$ 620,993,235       | \$ 620,993,235       | \$ 620,993,235       | \$ 620,993,235       | \$ 620,993,235       | \$ 620,993,235       | \$ 620,993,235       | \$ 620,993,235       | \$ 620,993,235       |
| Incremental Assessed Value                              | 79,045,734           | 96,925,409           | 115,653,500          | 135,274,961          | 155,423,118          | 178,848,459          | 203,117,383          | 228,263,526          | 254,031,569          | 280,581,363          | 311,685,605          |
| <b>Total Assessed Value</b>                             | <b>\$700,038,969</b> | <b>\$717,918,644</b> | <b>\$736,646,735</b> | <b>\$756,268,196</b> | <b>\$776,416,353</b> | <b>\$799,841,694</b> | <b>\$824,110,618</b> | <b>\$849,256,761</b> | <b>\$875,024,804</b> | <b>\$901,574,598</b> | <b>\$932,678,840</b> |
| Total AV Growth   |                      | 2.55%                | 2.61%                | 2.66%                | 2.66%                | 3.02%                | 3.03%                | 3.05%                | 3.03%                | 3.03%                | 3.45%                |
| Incremental AV Growth                                   |                      | 22.62%               | 19.32%               | 16.97%               | 14.89%               | 15.07%               | 13.57%               | 12.38%               | 11.29%               | 10.45%               | 11.09%               |
| Consolidated Tax Rate                                   | \$17.8676            | \$17.8754            | \$17.8686            | \$17.7894            | \$17.6774            | \$17.5469            | \$17.5146            | \$17.5135            | \$17.5123            | \$17.5112            | \$17.5105            |
| <b>Revenues Generated on Incremental Assessed Value</b> |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Amount to Urban Renewal Area                            | \$1,412,361          | \$1,732,578          | \$2,066,566          | \$2,406,456          | \$2,747,478          | \$3,138,227          | \$3,557,524          | \$3,997,691          | \$4,448,680          | \$4,913,312          | \$5,457,770          |
| Amount to Taxing Jurisdictions                          | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total Revenues</b>                                   | <b>\$1,412,361</b>   | <b>\$1,732,578</b>   | <b>\$2,066,566</b>   | <b>\$2,406,456</b>   | <b>\$2,747,478</b>   | <b>\$3,138,227</b>   | <b>\$3,557,524</b>   | <b>\$3,997,691</b>   | <b>\$4,448,680</b>   | <b>\$4,913,312</b>   | <b>\$5,457,770</b>   |
| <b>Tax Increment Revenues to Urban Renewal Area</b>     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Tax Increment to Raise (before Compression)             | \$1,412,361          | \$1,732,578          | \$2,066,566          | \$2,406,456          | \$2,747,478          | \$3,138,227          | \$3,557,524          | \$3,997,691          | \$4,448,680          | \$4,913,312          | \$5,457,770          |
| Less Compression  | (70,618)             | (86,829)             | (103,328)            | (120,323)            | (137,374)            | (156,911)            | (177,876)            | (199,885)            | (222,434)            | (245,666)            | (272,888)            |
| <b>Tax Increment Imposed (after Compression)</b>        | <b>\$1,341,743</b>   | <b>\$1,645,950</b>   | <b>\$1,963,237</b>   | <b>\$2,286,133</b>   | <b>\$2,610,104</b>   | <b>\$2,981,316</b>   | <b>\$3,379,648</b>   | <b>\$3,797,807</b>   | <b>\$4,226,246</b>   | <b>\$4,667,646</b>   | <b>\$5,184,881</b>   |

| Fiscal Year Ending June 30                              | 2024-25              | 2025-26                | 2026-27                | 2027-28                | 2028-29                | 2029-30                | 2030-31                | 2031-32                | 2032-33                | 2033-34                | 2034-35                |
|---|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Projected Assessed Value Growth</b>                  |                      |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Frozen Base   | \$ 620,993,235       | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         |
| Incremental Assessed Value                              | 348,023,400          | 390,006,127            | 429,202,505            | 469,840,766            | 504,364,411            | 541,830,309            | 582,439,500            | 622,473,295            | 663,826,029            | 703,903,988            | 746,809,671            |
| <b>Total Assessed Value</b>                             | <b>\$969,016,635</b> | <b>\$1,010,999,362</b> | <b>\$1,050,195,740</b> | <b>\$1,090,834,001</b> | <b>\$1,125,357,646</b> | <b>\$1,162,823,544</b> | <b>\$1,203,432,735</b> | <b>\$1,243,466,530</b> | <b>\$1,284,819,264</b> | <b>\$1,324,897,223</b> | <b>\$1,367,802,906</b> |
| Total AV Growth   | 3.90%                | 4.33%                  | 3.88%                  | 3.67%                  | 3.16%                  | 3.33%                  | 3.48%                  | 3.33%                  | 3.33%                  | 3.12%                  | 3.24%                  |
| Incremental AV Growth                                   | 11.66%               | 12.06%                 | 10.05%                 | 9.47%                  | 7.35%                  | 7.43%                  | 7.49%                  | 6.87%                  | 6.64%                  | 6.04%                  | 6.10%                  |
| Consolidated Tax Rate                                   | \$17.5000            | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              |
| <b>Revenues Generated on Incremental Assessed Value</b> |                      |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Amount to Urban Renewal Area                            | \$5,835,307          | \$6,386,330            | \$6,900,783            | \$7,434,160            | \$7,887,283            | \$8,379,023            | \$8,912,018            | \$9,437,462            | \$9,980,217            | \$10,506,240           | \$11,069,377           |
| Amount to Taxing Jurisdictions                          | 255,102              | 438,777                | 610,261                | 788,053                | 939,094                | 1,103,008              | 1,280,673              | 1,455,821              | 1,636,739              | 1,812,080              | 1,999,792              |
| <b>Total Revenues</b>                                   | <b>\$6,090,409</b>   | <b>\$6,825,107</b>     | <b>\$7,511,044</b>     | <b>\$8,222,213</b>     | <b>\$8,826,377</b>     | <b>\$9,482,030</b>     | <b>\$10,192,691</b>    | <b>\$10,893,283</b>    | <b>\$11,616,956</b>    | <b>\$12,318,320</b>    | <b>\$13,069,169</b>    |
| <b>Tax Increment Revenues to Urban Renewal Area</b>     |                      |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Tax Increment to Raise (before Compression)             | \$5,835,307          | \$6,386,330            | \$6,900,783            | \$7,434,160            | \$7,887,283            | \$8,379,023            | \$8,912,018            | \$9,437,462            | \$9,980,217            | \$10,506,240           | \$11,069,377           |
| Less Compression  | (291,765)            | (319,317)              | (345,039)              | (371,708)              | (394,364)              | (418,951)              | (445,601)              | (471,873)              | (499,011)              | (525,312)              | (553,489)              |
| <b>Tax Increment Imposed (after Compression)</b>        | <b>\$5,543,542</b>   | <b>\$6,067,014</b>     | <b>\$6,555,744</b>     | <b>\$7,062,452</b>     | <b>\$7,492,919</b>     | <b>\$7,960,072</b>     | <b>\$8,466,418</b>     | <b>\$8,965,589</b>     | <b>\$9,481,206</b>     | <b>\$9,980,928</b>     | <b>\$10,515,908</b>    |

# Exhibit B

| Fiscal Year Ending June 30                              | 2035-36                | 2036-37                | 2037-38                | 2038-39                | 2039-40                | 2040-41                | 2041-42                | 2042-43                | 2043-44                | 2044-45                |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Projected Assessed Value Growth</b>                  |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Frozen Base   | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         | \$ 620,993,235         |
| Incremental Assessed Value                              | 792,724,052            | 838,486,705            | 885,722,772            | 930,924,253            | 977,481,777            | 1,025,438,028          | 1,074,828,906          | 1,125,703,570          | 1,178,104,474          | 1,232,077,405          |
| <b>Total Assessed Value</b>                             | <b>\$1,413,717,287</b> | <b>\$1,459,479,940</b> | <b>\$1,508,716,007</b> | <b>\$1,551,917,488</b> | <b>\$1,598,475,012</b> | <b>\$1,646,429,263</b> | <b>\$1,695,822,141</b> | <b>\$1,746,696,805</b> | <b>\$1,799,097,709</b> | <b>\$1,853,070,640</b> |
| Total AV Growth   | 3.36%                  | 3.24%                  | 3.24%                  | 3.00%                  | 3.00%                  | 3.00%                  | 3.00%                  | 3.00%                  | 3.00%                  | 3.00%                  |
| Incremental AV Growth                                   | 6.15%                  | 5.77%                  | 5.63%                  | 5.10%                  | 5.00%                  | 4.91%                  | 4.82%                  | 4.73%                  | 4.65%                  | 4.58%                  |
| Consolidated Tax Rate                                   | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              | \$17.5000              |
| <b>Revenues Generated on Incremental Assessed Value</b> |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Amount to Urban Renewal Area                            | \$11,872,003           | \$12,272,638           | \$12,892,611           | \$13,485,881           | \$14,096,948           | \$14,726,348           | \$15,374,629           | \$16,042,359           | \$16,730,121           | \$17,438,516           |
| Amount to Taxing Jurisdictions                          | 2,200,668              | 2,400,879              | 2,607,537              | 2,805,294              | 3,008,983              | 3,218,783              | 3,434,876              | 3,657,453              | 3,886,707              | 4,122,839              |
| <b>Total Revenues</b>                                   | <b>\$13,872,671</b>    | <b>\$14,673,517</b>    | <b>\$15,500,148</b>    | <b>\$16,291,174</b>    | <b>\$17,105,931</b>    | <b>\$17,945,130</b>    | <b>\$18,809,506</b>    | <b>\$19,699,812</b>    | <b>\$20,616,828</b>    | <b>\$21,561,355</b>    |
| <b>Tax Increment Revenues to Urban Renewal Area</b>     |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Tax Increment to Raise (before Compression)             | \$11,872,003           | \$12,272,638           | \$12,892,611           | \$13,485,881           | \$14,096,948           | \$14,726,348           | \$15,374,629           | \$16,042,359           | \$16,730,121           | \$17,438,516           |
| Less Compression  | (593,600)              | (613,632)              | (644,631)              | (674,294)              | (704,847)              | (736,317)              | (768,731)              | (802,118)              | (836,506)              | (871,926)              |
| <b>Tax Increment Imposed (after Compression)</b>        | <b>\$11,088,403</b>    | <b>\$11,659,006</b>    | <b>\$12,247,981</b>    | <b>\$12,811,587</b>    | <b>\$13,392,101</b>    | <b>\$13,990,030</b>    | <b>\$14,605,898</b>    | <b>\$15,240,241</b>    | <b>\$15,893,615</b>    | <b>\$16,566,590</b>    |

## IX. Impact of Tax Increment Financing, both until and after the Indebtedness is Repaid, upon all Entities Levying Taxes upon Property in the Urban Renewal Area

The impact of tax increment financing on overlapping taxing jurisdictions consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value within the Area. The Plan has a last date to issue debt of June 30, 2041. The debt associated with the Area is expected to be repaid by FY 2044/45. Over that period of time, overlapping taxing jurisdictions will forego approximately \$229 million in property taxes. This does not include the taxes allocated to overlapping taxing jurisdictions through revenue sharing, which is forecast to begin in FY 2024/25, when tax increment revenues equal three percent of maximum indebtedness. Taxes returned through revenue sharing are approximately \$80 million

The tables below provide details on total taxes foregone (Table 9) and taxes allocated to overlapping taxing jurisdictions through revenue sharing (Table 10). Table 11 provides an estimate of the increase in tax revenues to overlapping taxing jurisdictions generated by the permanent tax rates that would occur after termination of the tax increment financing in FY 2045/46.

Table 9: Foregone Revenues by Taxing Jurisdiction

| Revenues Foregone 2014-2045  | Total        | Present Value to 2014 |
|------------------------------|--------------|-----------------------|
| <b>Permanent Rates</b>       |              |                       |
| City                         | \$71,437,853 | \$19,219,464          |
| County                       | 67,791,822   | 18,238,545            |
| Metro                        | 1,507,734    | 405,637               |
| Port                         | 1,094,121    | 294,360               |
| W Mult Soil                  | 1,142,506    | 307,377               |
| State School Fund (PPS rate) | 74,517,313   | 20,047,954            |
| PCC                          | 4,413,945    | 1,187,517             |
| Mult ESD                     | 7,142,224    | 1,921,526             |

Table 10: Shared Revenues

| Shared Revenues 2014-2045    | Total        | Present Value to 2014 |
|------------------------------|--------------|-----------------------|
| <b>Permanent Rates</b>       |              |                       |
| City                         | \$11,419,855 | \$4,020,406           |
| County                       | 10,837,011   | 3,815,214             |
| Metro                        | 241,022      | 84,853                |
| Port                         | 174,903      | 61,575                |
| W Mult Soil                  | 182,638      | 64,298                |
| State School Fund (PPS rate) | 11,912,129   | 4,193,713             |
| PCC                          | 705,601      | 248,410               |
| Mult ESD                     | 1,141,736    | 401,953               |

Table 11: Revenues Gained by Taxing Jurisdictions after Termination of Area

| Revenues Gained 2046         | Amount (nominal) | Present Value to 2014 |
|------------------------------|------------------|-----------------------|
| <b>Permanent Rates</b>       |                  |                       |
| City                         | \$4,420,074      | \$507,164             |
| County                       | 4,194,483        | 481,280               |
| Metro                        | 93,288           | 10,704                |
| Port                         | 67,697           | 7,768                 |
| W Mult Soil                  | 70,690           | 8,111                 |
| State School Fund (PPS rate) | 4,610,610        | 529,027               |
| PCC                          | 273,104          | 31,336                |
| Mult ESD                     | 441,911          | 50,705                |

## X. Relocation Report

At the time of creation of the Plan, it is not anticipated that relocation will be necessary for businesses or residents in the Area.

## XI. Compliance with Statutory Limits on Assessed Value and Acreage in Urban Renewal Areas

ORS 457.420 requires that urban renewal areas not exceed 15% of the total assessed value or 15% of the total land area of the City. Table 12 shows that the Plan is in compliance with ORS 457.420. This Plan is proposed for approval concurrently with the Twelfth Amendment to the South Park Blocks Urban Renewal Plan, which removes property from the South Park Blocks Urban Renewal Area. This table makes the assumption that the amendment to the South Park Blocks Urban Renewal Plan is adopted on or around the same date. With the adoption of this Plan and the South Park Blocks amendment, total remaining acreage under this statute is 690 acres.

Table 12: Compliance with Statutory Limits on Assessed Value and Acreage

|  | <b>Frozen Base<br/>Assessed Value</b> | <b>Acres</b>    |
|--|---------------------------------------|-----------------|
| <b>Total City of Portland<sup>1</sup></b>                  | <b>\$ 43,634,351,239</b>              | <b>92,768.0</b> |
| <b>Existing Urban Renewal Areas</b>                        |                                       |                 |
| Airport Way  | \$124,710,302                         | 1,841.4         |
| Central Eastside   | \$224,626,739                         | 692.3           |
| Downtown Waterfront  | \$55,674,313                          | 233.1           |
| Gateway Regional Center                                    | \$307,174,681                         | 658.5           |
| Interstate Corridor <sup>2</sup>                           | \$1,290,430,925                       | 3,990.0         |
| Lents Town Center  | \$736,224,033                         | 2,846.3         |
| North Macadam  | \$192,609,397                         | 401.9           |
| Oregon Convention Center <sup>3</sup>                      | \$248,951,143                         | 410.0           |
| River District   | \$461,577,974                         | 351.2           |
| South Park Blocks  | \$376,066,574                         | 156.3           |
| Willamette Industrial                                      | \$481,443,135                         | 755.5           |
| 42nd Avenue NPI  | \$81,011,867                          | 136.2           |
| Cully Blvd NPI   | \$81,000,273                          | 164.6           |
| Parkrose NPI   | \$80,493,774                          | 142.6           |
| Rosewood NPI   | \$78,774,383                          | 135.6           |
| Division-Midway NPI  | \$80,201,117                          | 115.9           |
| 82nd Avenue and Division NPI                               | \$81,523,638                          | 108.8           |
| <b>Total Existing Urban Renewal Areas</b>                  | <b>\$4,982,494,268</b>                | <b>13,140.2</b> |
| <b>% City in Existing Urban Renewal Areas</b>              | <b>11.4%</b>                          | <b>14.2%</b>    |
| Proposed 12th Amendment to South Park Blocks <sup>4</sup>  | -\$255,318,331                        | -58.4           |
| Proposed Education Urban Renewal Area                      | \$608,816,897                         | 144.0           |
| <b>Total Proposed Urban Renewal Areas</b>                  | <b>\$353,498,566</b>                  | <b>85.6</b>     |
| <b>Combined Total - Existing and Proposed</b>              | <b>\$5,335,992,834</b>                | <b>13,225.8</b> |
| <b>% City in Existing and Proposed Urban Renewal Areas</b> | <b>12.2%</b>                          | <b>14.3%</b>    |

<sup>1</sup> Total City of Portland AV less incremental AV in Urban Renewal Areas (OMF)

<sup>2</sup> Frozen base value represents AV added to ICURA in July 2011 amendment. Actual frozen base will be determined by the County Assessor. Acreage reflects July 2011 amendment.

<sup>3</sup> Frozen base value represents 11/12 OCC Frozen Base and is overstated for estimation purposes. As a result of the 20th Amendment to OCC (July 2011), the reduced frozen base will be determined by the County Assessor. Acreage reflects 20th Amendment.

<sup>4</sup> Estimated assessed value to be removed from SPB. As a result of the 12th Amendment to SPB, the reduced frozen base will be determined by the County Assessor.