

BEFORE THE BOARD OF COUNTY
COMMISSIONERS, sitting as the COLUMBIA COUNTY
DEVELOPMENT AGENCY
BOARD OF DIRECTORS

AGENDA

Wednesday, January 24, 2018
9:00 a.m.
Room 308, County Courthouse

- 1) Call to Order
- 2) Approve Minutes of:
- November 1, 2017 Board meeting
- 3) Ratify letters to the Port of St. Helens, dated 12.13.17
- 4) Updated TIF Projections
- 5) FY19 Budget Discussion
- 6) Other business as necessary

Pursuant to ORS 192.640(1), the Board of County Commissioners reserves the right to consider and discuss, in either open session or Executive Session, additional subjects which may arise after the agenda is published.

COLUMBIA COUNTY DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING

MINUTES

November 1, 2017

The Board of Directors for the Columbia County Development Agency met in scheduled session with Commissioner Alex Tardif, Commissioner Henry Heimuller and Commissioner Margaret Magruder, together with Sarah Hanson, County Counsel and Jan Greenhalgh, Board Office Administrator.

Commissioner Tardif called the meeting to order.

MINUTES:

Commissioner Magruder moved and Commissioner Heimuller seconded to approve the minutes of the October 11, 2017 Board meeting. The motion carried unanimously.

EXECUTIVE SESSION UNDER ORS 192.660(2)(h) - Litigation:

The Board recessed the regular session to go into Executive Session as allowed under ORS 192.660(2)(h). Upon coming out of Executive Session, no action was taken by the Board.

With nothing further coming before the Board, the meeting was adjourned.

Dated at St. Helens, Oregon, this 1st day of November 2017.

NOTE: An audio tape of this meeting is available for purchase by the public or interested parties.

BOARD OF DIRECTORS FOR THE
COLUMBIA COUNTY DEVELOPMENT AGENCY

By: _____
Alex Tardif, Chair

By: _____
Margaret Magruder, Vice-Chair

By: _____
Henry Heimuller, Secretary/Treasurer

By: _____
Jan Greenhalgh
Board Office Administrator

CCDA

Columbia County



Oregon

Columbia County Development Agency Board of Directors

County Courthouse * St. Helens, Oregon 97051-2096 * 503-397-4322 * fax 503-397-7243

Henry Heimuller
Margaret Magruder
Alex Tardif

henry.heimuller@co.columbia.or.us
margaret.magruder@co.columbia.or.us
alex.tardif@co.columbia.or.us

December 13, 2017

Port of St. Helens
Mike Avent, Commission President
PO Box 190
Columbia City, OR 97018

Dear Mr. Avent,

Thank you for hosting the joint meeting of the Port of St. Helens ("Port") Board of Commissioners and the Columbia County Development Agency ("Agency") Board of Directors that occurred on October 16, 2017. We appreciated the opportunity to meet directly with the Port Commission to discuss the long-standing issues related to the Port Westward Water System Intergovernmental Agreement ("IGA"). We feel the meeting was a successful step toward a stronger partnership between our two entities, as we work together to achieve our economic development goals for Port Westward and Columbia County.

At the conclusion of the joint board meeting, there was general agreement to work towards improved compliance with the terms of the IGA. While the Agency still finds the Port to be in default of the IGA, we recognize the Port is willing to take steps to rectify the outstanding issues of non-compliance. This letter describes our understanding of the next steps. But first, we reiterate the compliance issues identified in our previous communications, identifying which we believe have been addressed by the Port, and which are still outstanding.

Overview of Compliance Issues

Water System Account

Status: Compliant

Summary of Issue: Port shall establish a separate and distinct general ledger account for the water system (8.6).

Discussion: The Port has established the account defined in the IGA.

Operating Budgets

Status: Compliant

Summary of Issue: Port shall forward operating budgets, revised operating budgets to the Agency at least annually, on or before April 30 (8.6.4).

Discussion: The Port provided the Agency with the proposed operating budget for 2018 at the Port Westward O&M meeting on 10/5/2017.

Assignment of Water System

Status: Noncompliant

Summary of Issue: Port shall not assign/transfer its duties/obligations for operations and maintenance and administration of the water system without prior written approval of the Agency (8.16).

Discussion: This issue was not discussed at the joint board meeting. The Agency recognizes nothing can be done now to address past decisions on the assignment/transfer of responsibility for the water system. The Agency desires, additional discussion with the Port to ensure that the Agency is included in future Port decisions to assign/transfer responsibilities for the water system.

Trust Deed

Status: Noncompliant

Summary of Issue: The Port must deliver a trust deed for the water system (9.6.4).

Discussion: The Port states it must negotiate an amendment to their lease with PGE prior to providing the trust deed. The Port believes these negotiations with PGE are nearing completion. The Agency shall provide a letter to the Port, reiterating the importance of the trust deed, so that the Port can share this letter with PGE to highlight the necessity of fulfilling this obligation which is clearly stated in the IGA between the Port and the Columbia County Development Agency. In addition to the lease amendment, the Port must also conduct survey work before the trust deed can be delivered to the Agency. It is the understanding of the Agency, that some survey work may have been completed in 2005, soon after the original IGA was executed. The Agency requests that the Port refer to any survey records from that time, to leverage any previous work.

Operations and Maintenance Schedule

Status: Noncompliant

Summary of Issue: The Port shall provide the Agency with copies of Operations and Maintenance schedules for the Water System (8.17.4).

Discussion: The Port and Agency are in agreement that an Operations and Maintenance Schedule for the Water System is a prudent document for ensuring the facility is being properly maintained. At the 2017 Port Westward O&M meeting, PGE and Columbia Pacific Bio-Refinery (“CPBR”) agreed to develop an inventory of the capital components of the system, and the replacement cost of those components, along with a memo describing why a capital set-aside is not necessary from a budgetary perspective. While this information will be helpful, it does not constitute an O&M schedule (i.e., a preventative maintenance schedule and check list), and follow-up will be needed with PGE and CPBR to make sure they understand this specific request, and are willing and able to produce this document.

Various Reporting Requirements

Status: Additional detail desired.

Summary of Issue: Several compliance issues come down to the level of detail provided by the Port to the Agency for reporting purposes. These issues include:

- § Accounting of revenues and expenses (8.5).
- § Credits to the Water System account (8.6).
- § Monthly water usage (8.6.4).

Discussion: The Agency desires additional detail from the Port on these various reporting requirements.

Although it is frequently stated that there are no users of the system, it would be more accurate to say that there is minimal use of the water system. Data reported to the Oregon Water Resources Department shows minimal usage in 2013, 2014, and 2016. However, other years are not reported at all. Having consistent data on water usage, provides certainty to the Agency on the level of usage, and will become more important in the future, if/when the system is used in earnest.

Regarding revenues and expenditures, the annual budget document provides very limited detail, and does not appear to reflect any costs incurred by CPBR for maintenance and operation of the system. At the joint board meeting, Port staff indicated that additional detail is available.

Similarly, if revenues are being paid by users of the system (CPBR and/or PGE) to the Port, and then being spent by the Port for operations and maintenance of the water system (payments back to CPBR and/or PGE), the Agency believes these revenues and expenditures should be tracked in the water system account, which has not been the case to date.

Next Steps

The Agency believes the following next steps were agreed to at the joint board meeting:

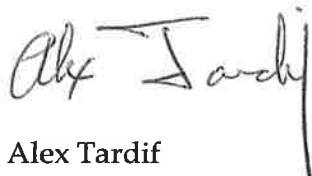
- The Agency will send a letter to the Port regarding issues related to PGE (i.e., the trust deed, and the O&M schedule). This letter will be strongly worded and reiterate the importance of these issues, with the intent for the Port to share this letter with PGE to demonstrate the urgent nature of these issues. That letter is being sent to the Port concurrent with this letter.
- Port staff to establish a timeline for resolving compliance issues. Port will provide this timeline to the Agency to review to ensure it is reasonable to address the IGA default.
- Port staff to provide regular updates to Port Commission on compliance. As a request of the Port Commission, the IGA compliance issue should be a recurring item during Port Commission meetings until all issues have been resolved.
- Port staff to coordinate with PGE and CPBR on production of O&M Schedule. This is in addition to the documents PGE and CPBR are currently working on producing: the inventory of capital components of the system, and memo regarding capital set-aside. Agency staff are happy to assist the Port in these communications as necessary, and defer to Port staff on the appropriate level of involvement.
- Port staff to coordinate with Agency staff regarding the specifics of reporting requirements. We recommend that Port staff provide the Agency with examples of the level of detail available, and the Port and Agency staff meet to discuss what makes sense to include as part of these annual reporting requirements, and what changes (if any) should occur, regarding the tracking of revenues and expenditures to the Water System account.

In addition to those agreed upon next steps from the joint board meeting, the Agency believes that continued communication between our two boards is important. Possibilities for achieving this communication include:

- Establishing a task force including one member from each board that would meet as needed (perhaps quarterly) to discuss IGA compliance and other issues of interest to both entities.
- Future joint board meetings, as needed, to address major issues, for example to confirm when all IGA compliance issues have been dealt with to the satisfaction of both parties.
- Annual joint board meetings at Port Westward, with the potential to invite other elected officials and stakeholders, to highlight the successes of Port Westward, and discuss related issues.

We welcome the Port's feedback on these next steps and options for future collaboration. Questions, comments, or other responses to this letter may be directed to me at alex.tardif@co.columbia.or.us, or 503-397-4322. For coordination between Agency and Port staff, please contact Lorelei Juntunen, ECONorthwest's staff lead for the Agency, at Juntunen@econw.com, or 503-200-5074.

Thank you,

A handwritten signature in black ink that reads "Alex Tardif". The signature is written in a cursive style with a long vertical line extending downwards from the end of the name.

Alex Tardif
Chairman, Columbia County Development Agency

CWDA

Columbia County



Columbia County Development Agency Board of Directors

County Courthouse * St. Helens, Oregon 97051-2096 * 503-397-4322 * fax 503-397-7243

Henry Heimuller
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December 13, 2017

Port of St. Helens
Attn: Mike Avent, Commission President
PO Box 190
Columbia City, OR 97018

Dear Mr. Avent,

The Columbia County Development Agency ("Agency") Board would like to reiterate the importance of ensuring the Port Westward Water System is properly maintained and operated. To that end, the Agency and the Port of St. Helens ("Port") entered into the Amended and Restated Intergovernmental Agreement ("IGA") on June 24, 2015, which replaced a previous IGA between the same parties, dated February 7, 2005.

As stated in our letter to the Port on March 15, 2017, the Agency finds the Port remains out of compliance with various terms of the IGA, and due to failure to cure these issues, the Agency finds the Port in default under Section 9.4 of the IGA. This default, if not cured to the satisfaction of the Agency, could jeopardize the Agency's responsibility and willingness to make future debt service payments for the Water System.

This issue was discussed at the joint board meeting between the Agency Board of Directors, and Port Board of Commissioners on October 16, 2017. We understand that compliance with some of these provisions is contingent upon the actions of the Port's partners, including Portland General Electric ("PGE") and Columbia Pacific Bio-Refinery ("CPBR"). Specifically, the Port must work with its partners to achieve compliance on the following provisions of the IGA:

- § Trust Deed (9.6.4). The Port must deliver a trust deed for the water system.
- § Operation and Maintenance Schedule (8.17.4). The Port shall provide the Agency with copies of operations and maintenance schedules for the water system.

The Port states it must negotiate an amendment to its lease with PGE before it can comply with the trust deed provision of the IGA. These negotiations have been ongoing for many years. The Port indicates that significant progress has occurred in recent months. We strongly support the Port's efforts to conclude these negotiations with PGE, so that the trust deed can be provided to the Agency.

The Agency recognizes that at the most recent Port Westward O&M Meeting, on 10/5/2017, PGE and CPBR agreed to develop an inventory of the capital components of the system, and the replacement cost of those components, along with a memo describing why a capital set-aside is not necessary to include in the annual budget. While this information will be helpful, it does not constitute an O&M schedule (i.e., a preventative maintenance schedule and check list). The Agency desires for the Port to work with PGE and CPBR to produce an O&M schedule, as stated in the IGA, to provide assurances to the Port and the Agency that preventative maintenance is scheduled and undertaken as necessary to protect the Agency's investment in the water system.

Agency staff is willing to assist the Port as necessary, and to work with the Port's partners in PGE and CPBR to resolve these issues and ensure compliance with the terms of the IGA. Questions, comments, or other responses to this letter may be directed to me at alex.tardif@co.columbia.or.us, or 503-397-4322. For coordination between Agency and Port staff, please contact Lorelei Juntunen, ECONorthwest's staff lead for the Agency, at Juntunen@econw.com, or 503-200-5074.

Thank you,

A handwritten signature in black ink that reads "Alex Tardif". The signature is written in a cursive style with a large, stylized "A" and "T".

Alex Tardif, Chair
Columbia County Development Agency



DATE: January 18, 2018
TO: CCDA Board of Directors
FROM: Nick Popenuk
SUBJECT: UPDATED TIF PROJECTION – PORT WESTWARD URA

Summary

This memorandum summarizes the updated tax increment financing (TIF) forecast for the Port Westward Urban Renewal Area (URA). Furthermore, this memo identifies key implications and questions for the CCDA Board to consider for the upcoming FYE 2019 budget process.

Exhibit 1 compares the updated FYE 2018 long-term forecast of net TIF revenue to the previous FYE 2017 forecast for the same time period. Although actual revenue for FYE 2018 was lower than forecast last year, there are negligible differences between the FYE 2017 and FYE 2018 forecast for future years.

Exhibit 1. Net TIF Revenue, Previous Forecast and Updated Forecast, Port Westward URA, FYE 2018 to FYE 2028

FYE	Previous Forecast (FYE 2017)	Updated Forecast (FYE 2018)
2018	\$ 2,812,447	\$ 2,667,200
2019	\$ 2,701,183	\$ 2,657,666
2020	\$ 2,655,657	\$ 2,664,654
2021	\$ 2,612,326	\$ 2,659,110
2022	\$ 2,355,323	\$ 2,422,175
2023	\$ 2,319,094	\$ 2,418,969
2024	\$ 2,283,869	\$ 2,416,376
2025	\$ 2,249,637	\$ 2,414,389
2026	\$ 2,216,393	\$ 2,413,001
2027	\$ 2,184,129	\$ 2,412,207
2028	\$ 2,152,838	\$ 2,412,001

Budget implications/questions

As anticipated in the adopted FYE 2018 budget, the CCDA had sufficient funds to pay off the remainder of the debt service for the County road loan in FYE 2018. Now that this loan is repaid, the URA is anticipated to have annual expenditures of approximately \$1 million per year, with the bulk of these expenditures related to debt service for the Port of St. Helens Water System loan. Annual revenues, as shown in Exhibit 1 and subsequent tables in this document, are anticipated to exceed \$2.6 million per year for the next several years. Thus, the URA is forecast to have a substantial positive cash flow for all future years.

In past years, the CCDA has applied excess revenues to the early repayment of the County road loan. However, now that the road loan has been repaid in full, the CCDA will need a new strategy to manage its fund balance in future years. Options include:

- Reducing annual property tax revenue collections
- Building a larger ending fund balance
- Making extra payments on the Port's water system loan

Early repayment of water loan

There is currently \$7,856,928.32 in remaining principal on the water loan, with annual payments of \$756,954.45 (principal and interest) scheduled through FYE 2032. Total interest payments during this time period would be \$3,497,388.38, if payments are made as scheduled.

If the CCDA chooses to pay off the water system loan early, it could result in cost savings to tax payers, from reduced interest payments in later years. This approach could result in paying off the water system loan up to 10 years early, with interest savings of up to \$2.4 million.

However, those savings are compared to a baseline scenario where the Port never attracts a tenant to Port Westward that becomes a paying customer of the water system. Any water system user would reduce the CCDA's share of future debt service payments. Thus, this approach of making early payments on the water system loan could actually result in an additional expense to tax payers. In other words, early payments by the Port could reduce the overall interest paid on the loan, but to the benefit of future users of the water system, as opposed to County tax payers.

There is no way to predict if and when the CCDA will attract users of the water system. Thus, it is a gamble as to whether or not this approach would result in a net benefit or cost to the taxpayers.

Reducing annual tax collections

Instead of making early payments on the water loan, the CCDA could choose to reduce annual TIF collections. State law allows urban renewal agencies to instruct the County Assessor to collect a reduced amount of TIF revenue on an annual basis. This process is called an "underlevy" of TIF revenue. This decision must be provided to the Assessor on or before July 15th of each year.

Rather than collect the full \$2.6M in TIF revenue each year, the CCDA could collect only enough revenue to cover annual operating expenses, while maintaining a reasonable ending fund balance. This annual amount would be approximately \$1.0M. This would result in a reduction of annual TIF revenue of about \$1.6M per year.

Exhibit 2 shows the annual tax revenues that would be received by each affected taxing district, if the CCDA were to underlevy TIF revenue, collecting only \$1.0M per year. It is important to note that these savings are not a net increase in funding for these taxing districts long-term, but rather a shift in the timing of revenues for each district. In other words, by underlevying, the CCDA would collect less TIF each year, but for a longer number of years, to pay off the outstanding debt. Thus, whether or not the CCDA underlevies, each taxing district would experience essentially the same long-term financial impacts, but underlevying would have the effect of lessening the annual impact, and stretching it over a longer period of time.

The Clatskanie Rural Fire Protection District and Columbia County would be the two largest beneficiaries, if the CCDA decided to underlevy TIF revenue. Note that the Clatskanie 6J School District appears to have the largest benefit in Exhibit 2, but those impacts are indirect, as the State school funding formula results in a constant level of funding for all school districts statewide. In other words, the increase in tax revenue to the School District would be offset by a corresponding decrease in revenue from the State School Fund, resulting in no direct change in school funding.

Exhibit 2. Annual tax savings to affected taxing districts from potential CCDA underlevy

Jurisdiction	Annual Savings
Columbia County	\$ 221,100
Columbia 4H & Extension	\$ 9,000
Columbia 911 District	\$ 40,500
Columbia Vector Control	\$ 20,200
Rainier Cemetery	\$ 11,300
Clatskanie Park & Rec	\$ 55,200
Clatskanie Library	\$ 45,400
Port of St Helens	\$ 14,000
Columbia SWCD	\$ 15,800
Clatskanie RFPD	\$ 272,500
NW Regional ESD	\$ 24,400
Clatskanie 6J School District	\$ 729,800
Total	\$ 1,459,400

Note: Annual savings to taxing districts is less than the \$1.6M in reduced tax revenue, because a portion of the revenue is generated by the School District GO bond tax rate. Impacts on the GO bond do not result in increased revenue for the School District, but rather a minor change to the tax rate.

Technical details of forecast

This section of the memorandum goes into greater detail on the methods and results of the updated TIF forecast. The forecast is updated annually as new assessment data becomes available. The forecast described in this memorandum was updated in December 2017, with the latest Columbia County assessment data for fiscal year ending (FYE) 2018.

Assessed value, FYE 2018

Exhibit 3 shows the Port Westward URA's total assessed value in FYE 2018 by property type. The total assessed value in the URA was \$634.9 million in FYE 2018, of which \$364.4 million was taxable. Utility property makes up 89% the total taxable assessed value. The \$270.4 million exempt assessed value is composed of enterprise zone exemptions for two properties owned by Cascade Kelly Holdings LLC, doing business as Columbia Pacific Bio-Refinery (CPBR) and a Strategic Investment Program (SIP) exemption for Portland General Electric's most recent power plant in the Area.

Exhibit 3. Assessed Value by Property Type, Port Westward URA, FYE 2018

	Property Type				Total
	Real	Personal	Manufactured	Utility	
Taxable	\$ 38,626,095	\$ 1,517,660	\$ -	\$ 324,343,500	\$364,487,255
Exempt	\$ 8,887,730	\$ 11,960	\$ -	\$ 261,506,500	\$270,406,190
Total	\$ 47,513,825	\$ 1,529,620	\$ -	\$ 585,850,000	\$634,893,445

Source: Columbia County Assessor, FYE 2018

Projected vs. actual assessed value, 2018

Exhibit 4 compares the actual assessed value for FYE 2018 to our projected assessed value from last year's forecast. The assessed value in the URA was projected to increase by \$15.6 million (4.3%) from FYE 2017 to FYE 2018. However, the assessed value actually decreased by \$1.4 million (-0.4%).

Exhibit 4. Projected and Actual Taxable Assessed Value, Port Westward URA, FYE 2018

Property Type	FYE 2017		FYE 2018				
	Actual	Projected		Actual		Difference	
	AV	AV	% Growth	AV	% Growth	AV	% Growth
Real	\$ 36,223,759	\$ 55,540,908	53.3%	\$ 38,626,095	6.6%	\$ (16,914,813)	-46.7%
Personal	\$ 1,759,960	\$ 1,857,852	5.6%	\$ 1,517,660	-13.8%	\$ (340,192)	-19.3%
Manuf.	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Utility	\$ 327,922,000	\$ 324,130,045	-1.2%	\$ 324,343,500	-1.1%	\$ 213,455	0.1%
Total	\$ 365,905,719	\$ 381,528,805	4.3%	\$ 364,487,255	-0.4%	\$ (17,041,550)	-4.7%

Source: Tiberius Solutions with Columbia County Assessor, FYE 2017 and 2018

There are two primary drivers for the discrepancy between last year's forecast and the actual values for FYE 2018. First, several high-value property tax accounts experienced large and unexpected declines in property value. As an example, the primary real property account for CPBR decreased in value by nearly 50%, from \$13.6 million to \$7.1 million in value. In the five previous years, this account had never experienced a decrease in value greater than 5%.

The second reason for the discrepancy was a miscommunication on the duration of Enterprise Zone benefits for CPBR. Last year's projections assumed that all Enterprise Zone benefits would expire for FYE 2018, and therefore, all assessed value would be taxable. In reality, CPBR had three separate Enterprise Zone benefit schedules in effect last year. The largest of these benefits did expire in FYE 2018, but the two smaller schedules remain in effect. Thus, \$8.9 million of CPBR property value remained exempt in FYE 2018, which was not anticipated in the forecast from last year. We have double-checked with the State and the County Assessor regarding the timing of these remaining Enterprise Zone benefit schedules, and have updated the forecast accordingly. One schedule expired this year, one of the schedules will expire next year in FYE 2019, and the third and final schedule will expire in FYE 2020.

Updated TIF forecast

Exhibit 5 through Exhibit 7 show the updated forecast of the URA's assessed value and TIF revenue for the next decade, from FYE 2018 (actual) through FYE 2028. Note that although this forecast encompasses a ten-year period, the actual termination date of the URA will vary, depending upon future budgetary decisions of the CCDA regarding TIF collection and early repayment of outstanding debt. TIF revenue is expected to decrease gradually over time, due to the combination of stagnant property values and a decreasing consolidated property tax rate.

The decrease in tax rate is due to the inclusion of general obligation bonds for the Clatskanie School District, which are scheduled to be repaid in FYE 2021. Note that any future general obligation bonds or local option levies approved by voters would not be included in the consolidated tax rate for the purposes of calculating TIF revenue.

Exhibit 5. Taxable Assessed Value, Port Westward URA, FYE 2018 to FYE 2028

FYE	Assessed Value				Total	Percent Growth
	Real	Personal	Manuf.	Utility		
2018	\$ 38,626,095	\$ 1,517,660	\$ -	\$ 324,343,500	\$ 364,487,255	
2019	\$ 44,733,627	\$ 1,483,872	\$ -	\$ 325,018,574	\$ 371,236,074	1.85%
2020	\$ 44,948,075	\$ 1,440,693	\$ -	\$ 325,721,977	\$ 372,110,745	0.24%
2021	\$ 43,731,939	\$ 1,399,894	\$ -	\$ 326,454,258	\$ 371,586,091	-0.14%
2022	\$ 42,558,247	\$ 1,361,303	\$ -	\$ 327,215,993	\$ 371,135,543	-0.12%
2023	\$ 41,425,533	\$ 1,324,759	\$ -	\$ 328,007,787	\$ 370,758,079	-0.10%
2024	\$ 40,332,380	\$ 1,290,115	\$ -	\$ 328,830,273	\$ 370,452,768	-0.08%
2025	\$ 39,277,426	\$ 1,257,237	\$ -	\$ 329,684,113	\$ 370,218,775	-0.06%
2026	\$ 38,259,355	\$ 1,225,998	\$ -	\$ 330,569,999	\$ 370,055,352	-0.04%
2027	\$ 37,276,901	\$ 1,196,283	\$ -	\$ 331,488,653	\$ 369,961,838	-0.03%
2028	\$ 36,328,838	\$ 1,167,986	\$ -	\$ 332,440,829	\$ 369,937,654	-0.01%

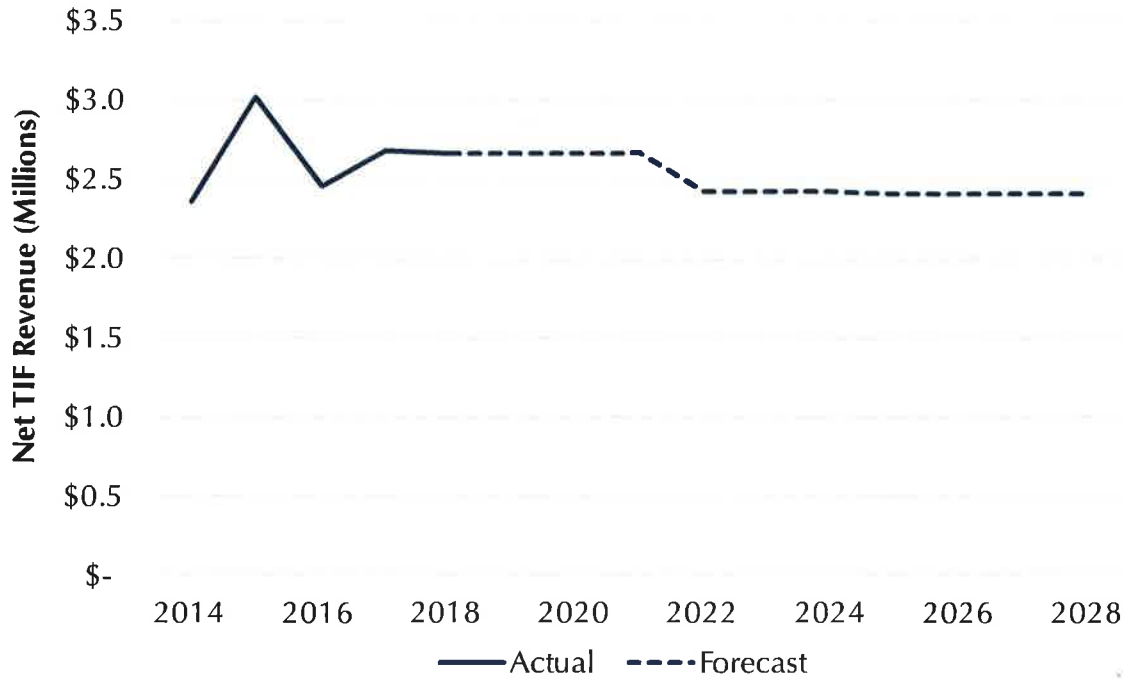
Source: Tiberius Solutions

Exhibit 6. TIF Forecast, Port Westward URA, FYE 2018 to FYE 2028

FYE	Assessed Value			Tax Rate	TIF Revenue	
	Total	Frozen Base	Increment		Gross	Net
2018	\$ 364,487,255	\$ 85,960,525	\$ 278,526,730	10.3842	\$ 2,892,277	\$ 2,667,200
2019	\$ 371,236,074	\$ 85,960,525	\$ 285,275,549	10.1023	\$ 2,881,939	\$ 2,657,666
2020	\$ 372,110,745	\$ 85,960,525	\$ 286,150,220	10.0979	\$ 2,889,516	\$ 2,664,654
2021	\$ 371,586,091	\$ 85,960,525	\$ 285,625,566	10.0954	\$ 2,883,504	\$ 2,659,110
2022	\$ 371,135,543	\$ 85,960,525	\$ 285,175,018	9.2104	\$ 2,626,576	\$ 2,422,175
2023	\$ 370,758,079	\$ 85,960,525	\$ 284,797,554	9.2104	\$ 2,623,099	\$ 2,418,969
2024	\$ 370,452,768	\$ 85,960,525	\$ 284,492,243	9.2104	\$ 2,620,287	\$ 2,416,376
2025	\$ 370,218,775	\$ 85,960,525	\$ 284,258,250	9.2104	\$ 2,618,132	\$ 2,414,389
2026	\$ 370,055,352	\$ 85,960,525	\$ 284,094,827	9.2104	\$ 2,616,627	\$ 2,413,001
2027	\$ 369,961,838	\$ 85,960,525	\$ 284,001,313	9.2104	\$ 2,615,766	\$ 2,412,207
2028	\$ 369,937,654	\$ 85,960,525	\$ 283,977,129	9.2104	\$ 2,615,543	\$ 2,412,001

Source: Tiberius Solutions

Exhibit 7. Net TIF Revenue, Actual and Forecasted, Port Westward URA, FYE 2014 to FYE 2018



Source: Tiberius Solutions

Columbia County Development Agency Urban Renewal Annual Report

FY 2016/17

ORS 457.460

Submitted to Columbia County Board of Commissioners

Prepared by Elaine Howard, Elaine Howard Consulting, LLC

Reviewed by Jennifer Cuellar-Smith,
Columbia County Treasurer and Director, Finance and Taxation

January 18, 2018



Overview of report

The Columbia County Development Agency (Agency) has prepared this Annual Report for the Port Westward Urban Renewal Area pursuant to ORS 457.460. The Annual Report is on file with the Columbia County Board of Commissioners and with the Columbia County Development Agency. The information contained in the Annual Report is available for review at no cost by all interested persons at the office of the Board of County Commissioners located in the Columbia County Courthouse, Room 331, at 230 Strand Street, St. Helens, OR 97051. Copies of the Annual Report and attached budget are available for purchase.

As required by ORS 457.460, this report includes a summary of financial information for the most recently completed fiscal year (2016-17), as well as estimates of financial information for the current fiscal year (2017-18).

Previous fiscal year, FYE 2017

Revenues

General Fund revenues for the Columbia County Development Agency (CCDA) totaled \$2,831,623 in FYE 2017. This included \$2,755,011 in tax increment revenue (current and past property tax years combined), \$63,899 from natural resource revenue, and \$12,713 in interest earnings.¹ The CCDA General Fund had a beginning fund balance of \$646,672.

Expenditures

CCDA General Fund expenditures for FYE 2017 totaled \$2,366,080. These expenditures included \$47,433 on materials and services for economic development, \$756,954 for debt service on behalf of other governments, and \$1,525,139 in special payments, which include transfers to Columbia County for debt service payments and administration of the Agency.²

Table 1. FYE 2017 CCDA General Fund Expenditures

Expenditures	
Materials and Services	\$ 47,433
Debt Service on behalf of other governments	\$ 756,954
Debt Service - Special Payments	\$ 1,525,139
District Management - Special Payments	\$ 36,554
Total	\$ 2,366,080

Source: CCDA Annual Financial Report, FYE 2017

¹ CCDA Annual Financial Report FYE 2017, page 10.

² Ibid

Impact on taxing districts

The total amount of urban renewal taxes imposed in FYE 2017 was \$2,854,166. This included \$2,528,221 from permanent rate levies and \$325,945 from general obligation bond levies.³ Note that the amount of taxes imposed, is not the same as the property taxes received by the Agency, due to discounts, delinquencies, and collection of prior year's taxes.

Tax increment revenue derived from permanent rate levies results in an impact to taxing districts. These are "foregone revenues" that result in decreased property tax collections for the affected taxing districts. Tax increment revenue derived from general obligation bonds does not have the same impact on taxing districts. Instead, the general obligation bond tax rates are adjusted upwards to ensure that the full amount of annual debt service payments can be made. Thus, the foregone revenue associated with general obligation bond tax rates does not have an impact on taxing districts, but instead impacts taxpayers countywide through a slightly higher property tax rate. The impact of the division of taxes is shown in Table 2 below.

Table 2. CCDA Impact on Taxing Districts, FYE 2017

Taxing District	Permanent Rate Levy				GO Bond	Total All
	Foregone Revenue to CCDA	Imposed for Taxing District	Total	Foregone Revenue as % of Total	Levy Imposed for CCDA	Levies Imposed for CCDA
Columbia County	\$ 383,134	\$ 6,405,086	\$ 6,788,220	6%	\$ 64,579	\$ 447,713
Columbia 4H & Extension	\$ 15,422	\$ 262,338	\$ 277,760	6%	\$ -	\$ 15,422
Col 9-1-1 Comm Distr	\$ 69,880	\$ 1,172,391	\$ 1,242,271	6%	\$ -	\$ 69,880
Columbia Vector	\$ 35,111	\$ 503,677	\$ 538,788	7%	\$ -	\$ 35,111
Rainier Cemetary	\$ 19,380	\$ 67,336	\$ 86,715	22%	\$ -	\$ 19,380
Clatskanie Park & Rec	\$ 95,654	\$ 203,950	\$ 299,604	32%	\$ -	\$ 95,654
Clatskanie Library	\$ 78,693	\$ 168,009	\$ 246,703	32%	\$ -	\$ 78,693
Port of St. Helens	\$ 24,243	\$ 349,001	\$ 373,244	6%	\$ -	\$ 24,243
Columbia SWCD	\$ 27,417	\$ 458,051	\$ 485,469	6%	\$ -	\$ 27,417
Clatskanie RFPD	\$ 472,330	\$ 964,961	\$ 1,437,291	33%	\$ -	\$ 472,330
NW Regional ESD	\$ 41,928	\$ 11,312,153	\$ 11,354,081	0%	\$ -	\$ 41,928
Clatskanie 6J School	\$ 1,265,029	\$ 3,569,438	\$ 4,834,467	26%	\$ 261,366	\$ 1,526,395
Total	\$2,528,221	\$25,436,392	\$27,964,613	9%	\$ 325,945	\$ 2,854,166

Notes:

Taxes imposed are net of rate truncation and compression losses.

Sources: Columbia County Assessor, SAL Tables 4a and 4e, FYE 2017, and SAL tables for additional counties where applicable for taxing districts that extend into multiple counties.

Note that the Clatskanie 6J School District and NW Regional Education Service District do not experience a direct reduction in funding due to urban renewal. School funding is based on a fixed dollar amount per pupil, determined by the State Legislature. Allocations of funding from

³ Columbia County Assessor's SAL 4e, FY 2016/17

the State School Fund offset any local property tax collections to ensure each district across the state receives the same level of funding on a per pupil basis. Thus, any reduction in local property tax revenue due to urban renewal does not have any direct impact on the per pupil funding level for the school district and education service district.

Current fiscal year, FYE 2018

The Agency's adopted FYE 2017 budget estimates it will receive \$2,812,447⁴ in current year property taxes. Estimated annual expenditures from the FYE 2017 CCDA Budget are shown below in Table 3.

Table 3. FYE 2018 Budgeted Expenditures

Expenditures	
Debt Service	
Port Improvement Debt Service	\$ 756,954
Other Agencies Debt Service	\$ 100,000
Subtotal	\$ 856,954
Special Payments	
Transfer to General Fund Admin Costs	\$ 60,000
Transfer to Road Fund Staffing	\$ 20,000
Co. Road Improvement Debt Service	\$ 775,139
Extra Debt Service	\$ 425,000
Subtotal	\$ 1,280,139
Materials and Services	
Property and Liability Insurance	\$ 1,442
Consulting Services	\$ 54,000
Supplies	\$ 750
Subtotal	\$ 56,192
Contingency	\$ 1,645,143
Total	\$ 3,838,429

Source: Columbia County Development Agency Adopted Budget, FY 17/18

⁴ Columbia County Development Agency Adopted Budget FY 17/18