

**CITY OF GARIBALDI  
ORDINANCE NO. 294**

**AN ORDINANCE APPROVING THE GARIBALDI  
URBAN RENEWAL PLAN AND DIRECTING THAT  
NOTICE OF APPROVAL BE PUBLISHED.**

**WHEREAS**, the Garibaldi Urban Renewal Agency (the "Agency") has prepared and has sent to the City Council for its approval an urban renewal plan for an urban renewal area within the boundaries of the City of Garibaldi which urban renewal plan is known as the Garibaldi Urban Renewal Plan (the "Plan"); and

**WHEREAS**, such Plan and its accompanying Report have been prepared in conformity with the requirements of ORS 457.085 and with public involvement in all stages of the development of the Plan; and

**WHEREAS**, on 1 August 2006 additional notice of the public hearing on adoption of this Plan has been provided as required by ORS 457.120; and

**WHEREAS**, on 27 July 2006, the Plan and Report were forwarded to the governing body of each tax district affected by the Plan, with an invitation to meet and discuss the plan, or forward comments on the plan, and any comments received by the Renewal Agency have been responded to, and forwarded to the Council for consideration; and

**WHEREAS**, on 31 July 2006, pursuant to ORS 457.105, the Plan and Report and maximum indebtedness were submitted to the Tillamook County Commission; and

**WHEREAS**, the Plan and Report were forwarded to the Garibaldi Planning Commission for recommendations and the Planning Commission has reviewed the Plan and Report and made certain recommendations with respect thereto; and

**WHEREAS**, on 24 July 2006, the Garibaldi Planning Commission recommended approval of the Garibaldi Urban Renewal Plan; and

**WHEREAS**, pursuant to ORS 457.095, the Garibaldi City Council held a public hearing on 21 August 2006 to review and consider the Plan, the Report, the recommendation of the Planning Commission, and public testimony; and

**WHEREAS**, on the City Council finds the Garibaldi Urban Renewal Plan should be adopted and approved, based on the findings listed below; NOW THEREFORE

**THE CITY OF GARIBALDI ORDAINS AS FOLLOWS:**

**FINDINGS**

**Section 1.** That the area described in the Garibaldi Urban Renewal Plan is blighted.

**Section 2.** That rehabilitation and redevelopment is necessary to protect the public health, safety, or welfare of the City of Garibaldi.

**Section 3.** That the Garibaldi Urban Renewal Plan conforms to the City's Comprehensive Plan as a whole, and provides an outline for accomplishing the projects that the Garibaldi Urban Renewal Plan proposes.

**Section 4.** That provisions have been made to house displaced persons within their financial means and in accordance with ORS 281.045-ORS 281.105 and, except in the relocation of elderly or handicapped individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing.

**Section 5.** That no real property has been identified for acquisition at this time, and therefore, that no findings of necessity have been made at this time.

**Section 6.** That the adoption and carrying out of the urban renewal plan is economically sound and feasible.

**Section 7.** That the City shall assume and complete any activities prescribed within it by the urban renewal plan.

**Section 8.** That the Garibaldi City Council hereby incorporates by reference the Garibaldi Urban Renewal Plan, attached to this Ordinance as Exhibit "A", as support for its above-mentioned findings.

**Section 9.** That the Garibaldi City Council further relies on the Report on the Garibaldi Urban Renewal Plan, attached to this Ordinance as Exhibit "B", which is incorporated by reference, the report of the Planning Commission, the public hearing and the entire record before the City Council in this matter.

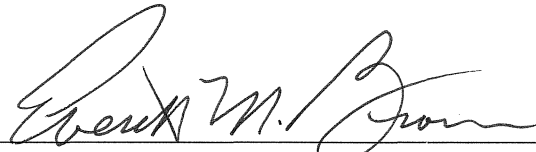
**CONCLUSIONS**

**Section 10.** The Garibaldi City Council hereby adopts and approves the Garibaldi Urban Renewal Plan, pursuant to the provision of ORS 457, and directs the City Recorder to publish notice of the adoption of this Ordinance in accordance with the requirements of ORS 457.115.

**Section 11.** The Garibaldi City Council directs the City Recorder to record a copy of the Ordinance approving the Garibaldi Urban Renewal Plan with the Recording Officer of Tillamook County, Oregon, pursuant to ORS 457.125, and directs the City Recorder to send a copy of this Ordinance to the Urban Renewal Agency for the City of Garibaldi, Oregon.

**Section 12.** This ordinance shall take effect thirty (30) days following its passage by the Council and approval by the Mayor.

**Passed by the Common Council and approved by the Mayor of the City of Garibaldi,** this 21st day of August, 2006.



Hon. Everett M. Brown, Mayor

ATTEST:



John O'Leary, City Recorder

EXHIBIT A

**CITY OF GARIBALDI,  
OREGON  
URBAN RENEWAL  
PLAN**

**City of Garibaldi  
August 2006**

**Prepared by  
Spencer & Kupper, Portland, Ore.**

*Printed on 8/23/2006*

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# GARIBALDI, ORE. URBAN RENEWAL PLAN

## TABLE OF CONTENTS

Section	Title	Page
100.	INTRODUCTION.....	3
200.	CITIZEN PARTICIPATION .....	5
300.	BOUNDARY DESCRIPTION .....	6
400.	RELATIONSHIP TO LOCAL OBJECTIVES .....	6
500.	PROPOSED LAND USES.....	8
600.	OUTLINE OF DEVELOPMENT .....	9
700.	DESCRIPTION OF PROJECTS TO BE UNDERTAKEN .....	9
800.	PROPERTY ACQUISITION AND DISPOSITION PROCEDURES.....	15
900.	REDEVELOPER'S OBLIGATIONS.....	16
1000.	RELOCATION .....	17
1100.	PLAN AMENDMENTS .....	17
1200.	MAXIMUM INDEBTEDNESS .....	19
1300.	FINANCING METHODS.....	19
1400.	DEFINITIONS.....	20
	EXHIBITS & ATTCHMENTS .....	22

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## **100. INTRODUCTION**

The Garibaldi Urban Renewal Plan is the culmination of several recent study efforts; including a 2006 update of Garibaldi's Comprehensive Plan, recent updates of utility Master Plans, and the "Garibaldi Connections Project", a February 2006 study funded by 1000 Friends of Oregon jointly for the City of Garibaldi, Port of Garibaldi and Economic Development Council of Tillamook County (EDCTC). The Connections Project was especially instrumental in initiating community dialogue about aesthetic and economic improvements that could be made in Garibaldi, and in developing an extensive list of projects and actions to carry out those improvements. The Connections Project acknowledges the development of an urban renewal plan as a key community effort to implement the strategies and ideas of the Connections Project. Further incentive for development of this urban renewal plan is a proposed mixed-use development on what had been a large industrial site in the Renewal District. The project as proposed could lead to a transformation of Garibaldi and its economy.

The Garibaldi City Council began reviewing urban renewal after Council President Sue McCarthy and Administrator Kevin Greenwood visited Waldport, Ore. in June 2005 to review that city's successful Urban Renewal District. Impressed with the findings, the City Council co-hosted a workshop, along with the Port of Garibaldi and EDCTC, on June 28 with urban renewal consultant Jeff Tashman of Tashman Johnson LLC and Genevieve Scholl-Erdman from the Hood River Chamber of Commerce to discuss the feasibility of establishing an Urban Renewal District in Garibaldi. 40 people attended the workshop and most were supportive of the Council's effort to explore new ways to improve downtown and encourage economic development.

Based upon the positive public comment from the workshop, the City Council approved a motion at their July 18 meeting to solicit Requests for Proposals (RFPs) for urban renewal planning services to determine the cost of such a project. The RFP was reviewed at their August 15 meeting and distributed later that week. At the September 19 meeting, the City Council reviewed the proposals and determined that the City would not be able to afford the services with the existing budget. Staff was instructed to pursue a Department of Land Conservation and Development (DLCD) Technical Assistance grant to help offset the costs of the planning services.

In November, the City received the DLCD Technical Assistance grant that entirely funded the urban renewal planning project. At their November 21 meeting, the City Council accepted the state grant and awarded the urban renewal planning services contract to Spencer & Kupper of Portland, Ore. In addition, the Council

formed an Ad Hoc group, the City Improvement Advisory Committee (CIAC), to workshop urban renewal and other city development plans. The CIAC was composed of members of the council, planning commission, Port of Garibaldi board, business community and citizens and given the responsibility of making recommendations to the City Council on how to proceed with urban renewal.

Starting on December 29, the CIAC had the first of four meetings to workshop boundaries, goals, projects, make-up of the agency and tax increment financing. With a number of City utility master plans, a Port vision plan, and the 1000 Friends of Oregon Connections Plan already outlining projects, the CIAC decided to choose projects from already-existing and approved plans. The City Improvement Advisory Committee's recommendations to the City Council are crystallized in this plan that is now in front of the community.

The Garibaldi Urban Renewal Plan consists of Part One - Text and Part Two - Exhibits. The Garibaldi City Council plus four at-large positions, act as the governing body of the Garibaldi Urban Renewal Agency. The agency was created by Ordinance No. 292 at the June 19 City Council meeting.

This Plan has been prepared pursuant to Oregon Revised Statute (ORS) Chapter 457, the Oregon Constitution, and all applicable laws and ordinances of the State of Oregon and Garibaldi respectively. All such applicable laws and ordinances are made a part of this Plan, whether expressly referred to in the text or not.

This Garibaldi Urban Renewal Plan for the Garibaldi Urban Renewal Agency was approved by the Garibaldi City Council on August 21, 2006 by Ordinance No. 294.

## **200. CITIZEN PARTICIPATION**

The Garibaldi City Council appointed a citizen ad hoc committee in the fall of 2005 to work with the consultant on preparation of the renewal plan and provide a forum for public involvement in developing all major elements of the plan. The City Improvement Advisory Committee (CIAC) met and provided comment and input on the plan boundary, goals, project activities, and on the financial and tax impact elements of the plan. Details of the draft plan were published in the City's newsletter in June, 2006. In addition to the open public meetings held by the CIAC, the City held a widely advertised Community Open House on July 13, 2006 to introduce the plan.

The Garibaldi Planning Commission met to review the Plan on July 24, 2006. The Garibaldi City Council scheduled a public hearing on adoption of this Plan on August 21, 2006. Additional notice for the Council hearing on the Plan's adoption was provided, as required by ORS 457.120.

## **ACKNOWLEDGEMENT OF COMMUNITY INVOLVEMENT**

### **CITY IMPROVEMENT ADVISORY COMMITTEE**

Everett Brown, Mayor  
Sue McCarthy, Council President  
Theresa Taylor, Planning Commission  
Carolee North, Planning Commission  
Christy Stumpf, Citizen  
Rob Trost, Old Mill Marina  
Janice Owens, Comfort Inn  
Matt Hastie, Cogan Owens Cogan, LLC  
Darus Peake, Port of Garibaldi  
Don Bacon, Port of Garibaldi  
Valerie Folkema, Port of Garibaldi  
Suzan Greenwood, Tillamook Estuary Project  
Dan Eisenbeis, 1000 Friends of Oregon  
Christy Vail, Economic Development Council  
Valerie Grigg Devis, Planner, Dept. of Transportation  
Laren Woolley, DLCD/Oregon Coast  
Wayne Schultz, Public Works Director

### **CITY COUNCIL**

Hon. Everett Brown, Mayor  
Sue McCarthy, President  
Jerry Bartolomucci, Vice President  
Terry Kandle, Member  
Paul Daniels, Member

### **PLANNING COMMISSION**

Paul Schachner, Chair  
Carolee North, Vice Chair  
Theresa Taylor, Member  
Bill Luth, Member  
Nick Stumph, Member

### **CONSULTANT**

Charles Kupper, Spencer & Kupper,  
Portland, Ore.

### **STAFF ASSISTANCE**

Kevin Greenwood, Administrator  
Dale Jordan, Planner  
Wayne Schultz, Public Works Director

### **300. BOUNDARY DESCRIPTION**

A map of the boundary of the Garibaldi Urban Renewal District is shown in Exhibit 1, attached to this Plan. A legal description of the project boundary is included as Attachment A of this Plan. If inconsistencies exist between Exhibit 1 and Attachment A, Attachment A governs.

### **400. RELATIONSHIP TO LOCAL OBJECTIVES**

The Garibaldi Urban Renewal Plan will help the Garibaldi Urban Renewal Agency carry out goals and objectives of Garibaldi's Comprehensive Plan, the Garibaldi Connections Project, the Port of Garibaldi Vision Plan, utility master plans and the project goals developed by the CIAC.

#### **A. GOALS OF CITY IMPROVEMENT ADVISORY COMMITTEE**

##### **1. OVERALL ECONOMIC DEVELOPMENT**

- Promote economic development
- Promote private development
- Assist public and private development as incentive to further growth and development

##### **2. TRANSPORTATION AND INFRASTRUCTURE**

- Provide infrastructure
- Make transportation and access improvements
- Enhance circulation/access to currently under-developed properties
- Improve, repair utilities, place them underground

##### **3. IMPROVE VISUAL APPEARANCE**

- Do streetscape and beautification projects
- Signage/gateway plan
- Make loans and grants to commercial and residential properties

##### **4. ADMINISTRATIVE GOALS**

- Work with Port, City, EDCTC, and other local jurisdictions to keep communications open
- Use renewal dollars as matching funds for other loans or grants

## **B. GARIBALDI COMPREHENSIVE PLAN**

The 2006 update of Garibaldi's Comprehensive Plan contains the following goals, objectives, and recommendations that are relevant to the actions and projects proposed in the Garibaldi Urban Renewal Plan.

### 1. HOUSING

- Encourage development of housing in locations that are easily accessible through walking and bicycling to municipal and commercial services and facilities.
- Encourage and support the development of housing units in conjunction with commercial development (e.g., housing located above commercial uses) to provide diversity and security in commercial areas and a range of housing options.
- Monitor public facility capacity to ensure that proposed new housing can be adequately served by water, sewer, transportation, drainage and other public facilities.

### 2. ECONOMIC DEVELOPMENT

- Work with the local business community to strengthen the downtown commercial area as an important tourist and commercial center.
- Ensure public facilities and services are available to serve existing and prospective new businesses.
- Implement the Garibaldi Connections recommendations to create a more appealing "destination community."

### 3. PARKS, OPEN SPACE, PUBLIC FACILITIES

- Provide a range of park and recreational facilities to meet the needs of residents and visitors.
- Acquire new park sites and develop the reservoir, grange hall and other existing sites.
- Work with developers of the Old Mill site to ensure that adequate park lands are incorporated into new development.
- Incorporate recommendations from the Garibaldi Connections Project as funding and land become available.

## **500. PROPOSED LAND USES**

The use and development of land in the Garibaldi Urban Renewal District shall be in accordance with the regulations prescribed in the City's Comprehensive Plan, Zoning Ordinance, Sign Ordinance, Subdivision Ordinance, and other applicable local, county, state or federal laws regulating the use of property in the Urban Renewal District.

### **ZONING CLASSIFICATIONS IN THE URBAN RENEWAL DISTRICT**

- R-1 – Medium-Density Residential: The intent of these provisions is to provide an area of primarily single family homes, duplexes and manufactured homes, with apartments used as a conditional use.
- C-1 – Commercial: The intent of these provisions is to centralize commercial uses along U.S. Highway 101, and to maintain primary commercial uses such as stores, banks and offices in the central area of town. Large land users are intended to be located on the fringes of the commercial zone.
- I-1 – General Industrial: The intent of these provisions is to provide sites for industrial activities requiring large land areas, and which have generally greater impacts on the community, and which may be incompatible with other uses. Proximity to highway and railroad transportation is considered important.
- WD-1 – Water-Dependent Development: The intent of these provisions is to provide area in which primarily water dependent and water related uses are located for the support of the marine industry.
- WD-2 – Waterfront Development Support: The intent of these provisions is to provide backup area for waterfront uses, and a location for non-water dependent and water-related uses in a waterfront setting.
- EN – Estuary Natural: The intent of these provisions is to provide for preservation and protection of significant fish and wildlife habitats and other areas which make an essential contribution to estuarine productivity or fulfill scientific research or educational needs.
- EC-1 – Estuary Conservation 1: The intent of these provisions is to provide for long-term utilization of areas that support, or have the potential to support, valuable biological resources; for longer-term maintenance and

enhancement of biological productivity; for the long-term maintenance of the aesthetic values of estuarine areas, in order to promote or enhance the low-intensity recreational use of estuarine areas adjacent to rural or agricultural shorelands.

## **600. OUTLINE OF DEVELOPMENT**

The Garibaldi Urban Renewal Plan consists of activities and actions that treat the causes of blight and deterioration in the Garibaldi Urban Renewal District. Project activities further are intended to implement the vision and guiding principles in Section 400 of this Plan. Project activities to treat blighting conditions and to implement community and comprehensive plan goals include:

- Providing infrastructure and utility upgrades to service new development in the Urban Renewal District, with initial emphasis on the Old Mill development site.
- Providing incentives to new public and private building investments in the Urban Renewal District, with initial emphasis on the Old Mill Site.
- Providing incentives for the repair and rehabilitation of deficient structures in the Urban Renewal District.
- Contribute to public buildings and facilities in the Urban Renewal District.
- Contribute to streetscape improvements in the Urban Renewal District.
- Provide funding for public parks and trails in the Urban Renewal District.

Section 700 provides further description of each urban renewal project to be undertaken within the Garibaldi Urban Renewal District.

## **700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN**

The activities authorized for funding in the Garibaldi urban renewal plan are taken from City utility master plans detailing needed infrastructure improvements in the Garibaldi Urban Renewal District, from recommendations contained in the Garibaldi Connections Project, from recommendations contained in the Port of Garibaldi Vision Plan, and from recommendations by members of the CIAC.

To achieve the objectives of this Urban Renewal Plan, the following activities will be undertaken by the Urban Renewal Agency in accordance with applicable federal, state, county, and county laws, policies, and procedures. The Renewal Agency may fund these activities in full, in part, or it may seek other sources of funding for them.

### **A. PUBLIC IMPROVEMENTS**

Public improvements include the construction, repair, or replacement of curbs,

sidewalks, streets, parking, parks and open spaces, pedestrian and bicycle amenities, water, sanitary sewer and storm sewer facilities, utilities, and other public facilities necessary to carry out the goals and objectives of this Plan.

## 1. PUBLIC PARKS AND OPEN SPACES

The Renewal Agency may participate in funding the design, acquisition, construction or rehabilitation of public spaces, parks or public recreation facilities within the Urban Renewal District. Projects that may be undertaken include:

- Grange Hall Picnic Area
- Miami Cove Shoreline and Water Trail
- School Creek Restoration
- Biak St. Overlook
- Development of City/Port Trail
- Access to Garibaldi Beach
- Heron Observation Deck
- Coast Guard Way Kayak Launch
- Gateway Improvements between US101 & Port of Garibaldi at 6th
- Bayshore Trail signing, paving, 10<sup>th</sup> to 12<sup>th</sup> Sts.
- Widen S. 7th St. for bike lane
- Widen American Way, stripe and ADA ramps
- Property acquisition for parks
- Build public plazas and squares

## 2. STREET, CURB, AND SIDEWALK IMPROVEMENTS

The Renewal Agency may participate in funding sidewalk and roadway improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of way for curbs, streets, and sidewalks. Street, curb, and sidewalk improvements may include:

- Sidewalk Improvements through Port and Downtown
- Sixth St. Sidewalk Improvement to School
- Develop traffic calming features along Garibaldi Ave.
- Emergency Sign Improvement
- US 101 Widening
- US101 & 7th St. Reconstruction
- 1st St./US101 Right-Out Only
- 14th St./US101 Right-Out Only
- S. 3rd St. Improvements

- New 2nd St. Old Mill/Port Access
- Sidewalk on 6th St from Evergreen Ave. to US101
- US101 Bump-outs in Special Transportation Area
- Stripe Crosswalks on Biak Ave.
- Provide Crosswalks on S. American Ave. at 6th and 7th Sts
- Sidewalk on S. 7th St. from US101 to existing
- Sidewalk on 3rd St. from Evergreen Ave. to US101
- US101 ADA Ramps Downtown
- S. American Ave. ADA Ramps at 6th & 7th Sts.
- Expand Port Sidewalks
- S. Commercial Ave. Sidewalks
- US101 Northside Sidewalks
- US101 Southside Sidewalks
- Boat basin boardwalk
- Upgrade of Commercial Ave.

### 3. PUBLIC UTILITIES

The Renewal Agency is authorized to participate in funding improvements to water, storm, and sanitary sewer facilities in the area. Utility improvements may include:

#### STORMWATER

- School Creek - 4th & Acacia to 5th & RR
- Whitney Brook -1st to US101
- Hobson Creek - Arizona Way
- Johnson Creek - 8th to RR ROW
- Johnson Creek -11th to RR ROW
- School Creek - 3rd & Birch to 4th & Acacia
- Johnson Creek - 7<sup>th</sup> and 11<sup>th</sup> to RR ROW
- Johnson Creek - 10th St. to 9th & US101

#### WATER

- Two lines and borings under US101 at Driftwood Ave.
- New line along Third St. between Ginger and Driftwood Aves.
- New reservoir connection
- Line along 101 for Watseco intertie

#### WASTEWATER

- Lumberman's Park Pump Station Upgrade

- Miscellaneous Upsizing/Upgrading

#### MISCELLANEOUS UTILITY

- Bury overhead utilities along Garibaldi Ave.
- Improve Port street lights
- Underground utilities US101 from 12th to Driftwood Ave

#### 4. STREETSCAPE AND NEIGHBORHOOD BEAUTIFICATION PROJECTS

The Renewal Agency is authorized to participate in activities improving the visual appearance of the project area. These improvements may include:

- Mural Project at Museum
- Landscaping around Public Bathrooms
- Interpretative Signage
- Gateway Signs
- US101 Decorative Street Lighting
- Gateway enhancement from US101
- Native Plant Restoration
- Addition of public art

#### 5. PEDESTRIAN, BICYCLE, AND TRANSIT IMPROVEMENTS

The Renewal Agency may participate in funding improvements to public transit facilities, and make improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of-way for pedestrian and bicycle paths and connections. These activities will improve transit options, and facilitate pedestrian and bicycle usage in the Garibaldi Urban Renewal District. These improvements may include:

- Water Trail Entry Point
- Railroad Pedestrian Barriers
- Improved Transit Stop
- Improved signage

## 6. PUBLIC BUILDINGS AND FACILITIES

The Renewal Agency may participate in development of public facilities in the Renewal District. The extent of the Renewal Agency's participation in funding such facilities will be based upon the Renewal Agency determining the proportional benefit of that project to the Garibaldi Urban Renewal District, and the importance of the project in carrying out Plan objectives. Potential public facilities to be funded may include:

### PUBLIC PARKING

- Parking Lot Development at Third St.
- Parking Feasibility Study
- Pave 6th St. Lot
- Pave lots in Port area
- Improve Bay Lane Parking Lot
- Large Recreational Vehicle Lot

### OTHER PUBLIC FACILITIES

- Amphitheatre Project
- Additional Public Restrooms
- Assist in constructing or improving public safety and administrative buildings
- Railroad Crossing Development
- Development of new boat basin
- Seawall development from Old Mill Peninsula
- Modernization of docks/boat access

## **B. PRESERVATION AND REHABILITATION**

This activity will help improve the condition and appearance of buildings in the project area, and encourage infill and reuse in the Garibaldi Urban Renewal District. The Renewal Agency may participate, through loans, grants, or both, in maintaining and improving exterior and interior conditions of buildings or properties within the Garibaldi Urban Renewal District.

## **C. DEVELOPMENT AND REDEVELOPMENT**

The Renewal Agency also is authorized to provide loans or other forms of financial assistance to parties wishing to develop or redevelop land or buildings within the Garibaldi Urban Renewal District. The Agency may make this assistance available as it deems necessary to achieve the objectives of this Plan. Examples of such assistance include, but are not limited to:

- Below market interest rate loans.

- Write down of land acquisition costs.
- Provision of public parking to assist development.
- Assistance in providing utilities and other infrastructure.
- Technical assistance, including architectural assistance, and zoning change work.
- Transfer of assembled sites at fair reuse value.
- Assist in cleanup of environmental hazards

#### **D. PROPERTY ACQUISITION AND DISPOSITION**

In order to carry out the objectives of this Plan, the Renewal Agency is authorized to acquire land or buildings for public and private development purposes. The procedures for acquiring and disposing of property are described in Sections 800 of this Plan.

- Acquisition of deteriorated buildings
- Acquisition of land for open space projects

#### **E. PLAN ADMINISTRATION**

Tax increment funds may be utilized to pay indebtedness associated with preparation of this Plan, to carry out design plans, miscellaneous land use and public facility studies, engineering, market, and other technical studies as may be needed during the course of the Plan. Project funds also may be used to pay for personnel and other administrative costs incurred in management of the Plan.

## **800. PROPERTY ACQUISITION AND DISPOSITION PROCEDURES**

The Renewal Agency is authorized to acquire property within the Area, if necessary, by any legal means to achieve the objectives of this Plan. Property acquisition, including limited interest acquisition, is hereby made a part of this Plan and may be used to achieve the objectives of this Plan. However, private property within the Renewal District shall not be taken by eminent domain for the purpose of conveying any ownership or possessory interest in all or part of the property to a private party for economic development by, or the commercial benefit of the private party. This restriction shall not apply to property which, by reason of dilapidated condition, compromised structural integrity, or failed mechanical systems poses an actual identifiable threat of harm to public safety or health. All acquisition of property will require an amendment to the plan as set forth in Section 1100.

### **A. ACQUISITION REQUIRING CITY COUNCIL APPROVAL.**

Acquisitions described in Section 800 A1 and A2 of this plan will require an amendment as set forth in Section 1100 B2. City Council ratification is required for Renewal Agency acquisitions for the following purposes:

1. Acquisition of land for development by the public or private sector.
2. Acquisition for any purpose that requires the use of the Agency's powers of eminent domain.

### **B. ACQUISITION NOT REQUIRING CITY COUNCIL APPROVAL.**

Land acquisition not requiring City Council ratification requires a minor amendment to this Plan as set forth in Section 1100 C2. The minor amendment to the Renewal Plan may be adopted by the Renewal Agency by Resolution. The Agency may acquire land without Council ratification where the following conditions exist:

1. Where it is determined that the property can be acquired without condemnation and is needed to provide public improvements and facilities as follows:
  - Right-of-way acquisition for streets, alleys or pedestrian ways;
  - Right-of-way and easement acquisition for water, sewer, and other utilities.

2. Where the owner of real property within the boundaries wishes to convey title of such property by any means, including by gift.

### **C. PROPERTIES TO BE ACQUIRED**

*At the time this plan was adopted, no properties are identified for acquisition.* If plan amendments to acquire property are approved, a map exhibit shall be prepared showing the properties to be acquired and the property will be added to the list of properties to be acquired. The list of properties acquired will be shown in this section of the Plan. The map exhibit shall be appropriately numbered and shall be included in Part Two as an official part of this Urban Renewal Plan.

### **900. REDEVELOPER'S OBLIGATIONS**

Redevelopers within the Garibaldi Urban Renewal District will be subject to controls and obligations imposed by the provisions of this Plan. Redevelopers also will be obligated by the following requirements:

- A.** The Redeveloper shall develop or redevelop property in accordance with the land-use provisions and other requirements specified in this Plan.
- B.** The Renewal Agency may require the redeveloper to execute a development agreement acceptable to the Renewal Agency as a condition of any form of assistance by the Renewal Agency. The Redeveloper shall accept all conditions and agreements as may be required by the Renewal Agency.
- C.** The Redeveloper shall submit all plans and specifications for construction of improvements on the land to the Renewal Agency or its designated agent, for review and approval prior to distribution to reviewing bodies as required by the City.
- D.** The Redeveloper shall commence and complete the development of such property for the use provided in this Plan within a reasonable period of time as determined by the Renewal Agency.
- E.** The Redeveloper shall not execute any instrument whereby the sale, lease, or occupancy of the real property, or any part thereof, is restricted upon the basis of age, race, color, religion, sex, marital status, or national origin.

## **1000. RELOCATION**

The Renewal Agency will provide relocation assistance to all persons or businesses displaced by project activities. Those displaced will be given assistance in finding replacement facilities. All persons or businesses that may be displaced will be contacted to determine such relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made, in accordance with the requirements of ORS 281.045-281.105 and any other applicable laws or regulations.

Relocation payments will be made as provided in ORS 281.060. Payments made to persons displaced from dwellings will assure that they will have available to them decent, safe, and sanitary dwellings at costs or rents within their financial reach. Payment for moving expenses will be made to residences and businesses displaced. The Development Agency may contract with Oregon Department of Transportation (ODOT), or other appropriate agencies or parties for assistance in administering its relocation program.

## **1100. PLAN AMENDMENTS**

It is anticipated that this Plan will be reviewed periodically during the execution of the Project. The Plan may be changed, modified, or amended as future conditions warrant. Types of Plan amendments are:

### **A. SUBSTANTIAL AMENDMENTS**

Substantial Amendments are limited to amendments:

1. Adding land to the Garibaldi Urban Renewal District that is in excess of one percent of the existing area of the Plan.
2. Increasing the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments shall require the same notice, hearing and approval procedure required of the original Plan, including public involvement, consultation with taxing districts, presentation to the Planning Commission and adoption by the City Council by non-emergency ordinance after a hearing notice of which is provided to individual households as prescribed in ORS 457.

**B. OTHER AMENDMENTS REQUIRING APPROVAL BY ORDINANCE OF CITY COUNCIL**

The following types of amendments will require adoption by a non-emergency ordinance of the City Council, and require consultation with taxing districts, and presentation to the Planning Commission, but will not require the special notice prescribed in ORS 457.120.

1. The addition of improvements or activities which represent a substantial change in the purpose and objectives of this Plan, and which cost more than \$500,000. The \$500,000 amount will be adjusted annually from the year 2006 according to the "Engineering News Record" construction cost index for the Northwest area.
2. Acquisition of property for purposes specified in Section 800 A1 and A2 of this Plan.

**C. MINOR AMENDMENTS.**

Minor amendments may be approved by the Agency through resolution. Such amendments are defined as:

1. Amendments to clarify language, add graphic exhibits, make minor modifications in the scope or location of improvements authorized by this Plan, or other such modifications which do not change the basic planning or engineering principles of the Plan.
2. Acquisition of property for purposes specified in Section 800B1 and 800B2 of this Plan.
3. Addition of a project substantially different from those identified in Sections 700 of the Plan or substantial modification of a project identified in Section 700 if the addition or modification of the project costs less than \$500,000 in 2006 dollars.
4. Increases in the Garibaldi Urban Renewal District boundary that are less than one percent of the existing area of the Plan.

From time to time during the implementation of this Plan, the Planning Commission and the City Council may officially approve amendments or modifications to the City's Comprehensive Plan and implementing ordinances. Furthermore, the City Council may from time to time amend or approve new codes, regulation or ordinances, which affect the implementation of this Plan.

When such amendments, modifications, or approvals have been officially enacted by the City Council, such amendments, modifications or approvals that affect the provisions of the Plan shall, by reference, become a part of this Plan.

### **1200. MAXIMUM INDEBTEDNESS**

The maximum indebtedness authorized under this Plan is eleven million, forty thousand and seventy dollars (\$11,040,070). This amount is the principal of indebtedness, and does not include interest or indebtedness incurred to refund existing indebtedness.

### **1300. FINANCING METHODS**

#### **A. GENERAL**

The Renewal Agency may borrow money and accept advances, loans, grants and other forms of financial assistance from the federal government, the state, city, county or other public body, or from any sources, public or private for the purposes of undertaking and carrying out this Plan. In addition, the Renewal Agency may borrow money from, or lend money to a public entity in conjunction with a joint undertaking of a project authorized by this Plan. If such funds are loaned, the Renewal Agency may promulgate rules and procedures for the methods and conditions of payment of such loans. The funds obtained by the Renewal Agency shall be used to pay or repay any costs, expenses, advances and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457.

#### **B. TAX INCREMENT FINANCING**

This Plan will be financed in whole, or in part, by tax increment revenues. The ad valorem taxes levied by all taxing districts in which all or a portion of the Garibaldi Urban Renewal District is located shall be divided as provided in Section 1C, Article IX of the Oregon Constitution and ORS 457.420 to 457.460.

#### **C. PRIOR INDEBTEDNESS**

Any indebtedness permitted by law and incurred by the Renewal Agency or the County in connection with preplanning for this Plan shall be repaid from tax increment proceeds generated pursuant to this section.

## **1400. DEFINITIONS**

The following definitions will govern the construction of this Plan unless the context otherwise requires:

*Agency, Renewal Agency or Urban Renewal Agency* means the governing body of the Garibaldi Urban Renewal District.

*Area* means the area included within the boundaries of the Garibaldi Urban Renewal District.

*Bonded Indebtedness* means any formally executed written agreement representing a promise by a unit of government to pay to another a specified sum of money, at a specified date or dates at least one year in the future.

*County* means Tillamook County, Oregon.

*Comprehensive Plan* means the City's Comprehensive Land Use Plan and its implementing ordinances, policies and development standards.

*Displaced person or business* means any person or business required to relocate as a result of action by the Urban Renewal Agency to vacate a property for public use or purpose.

*Disposition and Development Agreement* means an agreement between the Urban Renewal Agency and a private developer which sets forth the terms and conditions under which will govern the disposition of land to a private developer.

*Exhibit* means an attachment, either narrative or map, to the Urban Renewal Plan for the Garibaldi Urban Renewal Agency.

*Mixed Use* means a development site, or a single building containing multiple uses. For example, a common type of mixed-use development is one that includes residential and retail uses, with related parking. Other combinations of uses are possible.

*ORS* means Oregon Revised Statute (State Law) and specifically Chapter 457 thereof.

*Plan or Renewal Plan* means the Urban Renewal Plan for the Garibaldi Urban Renewal District, Parts One and Two.

*Planning Commission* means the Planning Commission of the Garibaldi, Oregon.

*Project, Activity or Project Activity* means any undertaking or activity within the Renewal District, such as a public improvement, street project or other activity which is authorized and for which implementing provisions are set forth in the Urban Renewal Plan.

*Report* refers to the report accompanying the Urban Renewal Plan, as provided in ORS 457.085 (3).

*Redeveloper* means any person, individual or group acquiring property from the Development Agency or receiving financial assistance for the physical improvement of privately or publicly held structures and land.

*Rehabilitation Loans and Grants* means funds provided by the Renewal Agency to owners of existing properties within the Urban Renewal District for the purpose of rehabilitation, renovation, repair, or historic preservation of the property. Loan and grant policies and procedures will be developed by the Agency, to carry out the Rehabilitation and Conservation activities of this Plan.

*Redevelopment Assistance* means financial assistance provided by the Renewal Agency to private or public developers of property within the urban Renewal District. This assistance is intended to make development within the Renewal District financially feasible and competitive with other locations, and carry out the redevelopment through new construction activities of this Plan. Redevelopment Assistance may take the form of participation in financing public improvements such as parking, infrastructure, landscaping, and public places, providing technical information and assistance to potential redevelopers, re-sale of land at reduced prices, and such other assistance as the Agency determines is within its authority, and necessary.

*State* means the State of Oregon.

*Text* means the Urban Renewal Plan for the Garibaldi Urban Renewal District, Part One - Text.

*Urban Renewal District, or Urban Renewal District* means the geographic area for which this Urban Renewal Plan has been approved. The boundary of the Renewal District is described in Exhibits made a part of this plan.

**GARIBALDI URBAN RENEWAL PLAN**

**GARIBALDI, OREGON**

**PART TWO  
EXHIBITS & ATTCHMENTS**

EXHIBITS

Exhibit 1.....Map of Plan Boundary

ATTACHMENTS

Attachment A ..... Legal Description of Plan Boundary



# Attachment A - Legal Description of Garibaldi Urban Renewal Plan Boundary

## CITY OF GARIBALDI PROPOSED URBAN RENEWAL DISTRICT EXTERIOR BOUNDARY DESCRIPTION

Beginning at the Northeast corner of that tract of land conveyed to GLEN MERRITT, et ux, recorded April 16, 2004, Instrument 2004-2932, Tillamook County Deed Records, situated in Township 1 North, Range 10 West, Section 22, West of the Willamette Meridian, in Tillamook County, Oregon; thence along the North line of said Section 22, to the Northwest corner of said GLEN MERRITT, et ux, tract; thence South along the West line of Section 22 to the North right of way of Oregon Coast Highway 101, said point also being the Southeast corner of that tract of land conveyed to JAMES A. HOLMAN, et ux, recorded November 27, 2002, in Book 441, Page 813, Tillamook County Deed Records; thence Westerly along the South line of said HOLMAN tract to the West line thereof; thence South 1° 41' East 25 feet, more or less, to the North right of way line of Oregon Coast Highway 101; thence West 25 feet; thence North 1° 41' West 113.47 feet to the Northeast corner of that tract of land conveyed to VINCENT H. RICHARD, et ux, recorded December 15, 2000, in Book 422, Page 278, Tillamook County Deed Records; thence Westerly along said North line 104.50 feet, more or less, to the Southwest corner of that tract of land conveyed to VINCENT H. RICHARD, et ux, recorded October 14, 1994, in Book 364, Page 630, Tillamook County Deed Records; thence North 1° 41' 00" East along said RICHARD tract 30.82 feet; thence South 53° 29' 00" West 51.77 feet, more or less, to the Northwest tract of land conveyed to VINCENT H. RICHARD, et ux, recorded December 15, 2000, in Book 422, Page 278, Tillamook County Deed Records; thence continuing South 1° 41' 00" East 107.53 feet to the North right of way line of Oregon Coast Highway 101; thence continuing Westerly, along the North right of way line of Oregon Coast Highway 101, 50.21 feet, more or less, to the Southeast corner of Lot 1, Block 2, POLLYANN PARK Subdivision, situated in Section 22, Township 1 North, Range 10 West, Willamette Meridian; thence North along said East line of Lot 1, Block 2, POLLYANN PARK, 169.90 feet to the Northeast corner thereof; thence South 89° 40' East 112.61 feet, to the Northwest corner of said Lot 1, Block 2, POLLYANN PARK; thence in a straight line Southwesterly, 60 feet, more or less, to the Southeast corner of Lot 1, Block 1, POLLYANN PARK Subdivision; thence North 89° 45' West 75 feet; thence North 55° 52' 45" West 81.28 feet to the West line of Lot 1, Block 1, POLLYANN PARK; thence North along the West line of Lots 1 and 2, Block 1, POLLYANN PARK, to the Northeast corner of that tract of land conveyed to THOMAS NORTH, et ux, recorded March 17, 1992, Book 341, Page 130, Tillamook County Deed Records; thence South 89° 09' West 145.82 feet, more or less, to the Northwest corner of said NORTH tract, said point also being the Southwest corner of that tract conveyed to HAROLD M. STERN, et ux, recorded October 4, 2000, in Book 420, Page 571, Tillamook County Deed Records; thence North along said STERN West line 75 feet, more or less, to the Southwest corner of that tract of land conveyed to RIGOBERTO FERNANDEZ, recorded March 2, 2006, by Instrument 2006-1758, Tillamook County Deed Records; thence North along said FERNANDEZ West line 94.64 feet, more or less, to the Southwest corner of that tract of land conveyed to VIRGINIA L. UNDERHILL, recorded May 25, 1993, in Book 351, Page 37, Tillamook County Deed Records; thence North along said UNDERHILL West line 80.96 feet, more or less, to the Southwest corner of that tract of land conveyed to JOSEPH A. MOTSINGER, et ux, recorded August 2, 2004, by Instrument 2004-7620, Tillamook County Deed Records; thence North along said MOTSINGER West line 111.28 feet, more or less, to the Southwest corner of that tract of land conveyed to GORDON L. SOUTHWICK, et ux, recorded November 3, 1997, in Book 391, Page 173, Tillamook County Deed Records; thence North along said SOUTHWICK West line 95.69 feet, more or less, to the North line of Section 22, Township 1 North, Range 10 West of the Willamette Meridian, in Tillamook County, Oregon; thence continuing in a Westerly direction along the North line of Section 22, 350 feet, more or less, to the Northeast corner of PARCEL 1, PARTITION PLAT 2006-12, recorded March 2, 2006, Partition Plat Records, Tillamook County, Oregon; thence South 01° 38' 12" East 234.63 feet to the Southeast corner of said PARCEL 1, PARTITION PLAT 2006-12; thence continuing in a Southwesterly direction 475 feet, more or less, to the Northeast corner of that tract of land conveyed to KEITH S. TUCKER, et ux, recorded February 21, 1984, in Book 291, Page 563, Tillamook County Deed Records; thence South 73° 33' West 129 feet to the Northwest corner of said TUCKER tract; thence South 108.9 feet, more or less, to the Northerly right of way line of Oregon Coast Highway 101; thence in a Southwesterly direction, along said right of way line, 203.20 feet, more or less, to the Easterly line of the Southerly extension of Franklin Street; thence North 30 feet, more or less, along said Easterly line of Franklin Street extended to a point on the East line of Franklin Street as platted; thence Westerly across Franklin Street, 60 feet to the West line of said Franklin Street as platted; thence South 30 feet, more or less, along the Westerly line of Franklin Street extended to the Northerly line of Oregon Coast Highway 101; thence Southwesterly along the Northerly line of Oregon Coast Highway 101, to the Southeast corner of that tract of land conveyed to

THEODORE H. NELSON, recorded December 27, 2005, by Instrument 2005-11614, Tillamook County Deed Records; thence North 86° 25' West 75.05, more or less, to the Southwest corner of that tract conveyed to said THEODORE H. NELSON; thence North 85° East 30.36 feet; thence North 71° East 108.62 feet, more or less, to a point on the West line of that tract conveyed to WILLIAM M. TROUTMAN, et ux, recorded August 29, 1990, in Book 330, Page 335, Tillamook County Deed Records, said point also being on the East line of Section 21, Township 1 North, Range 10 West of the Willamette Meridian, in Tillamook County, Oregon; thence North along said East line of Section 21, 150 feet, which is the Northeast corner of that tract of land conveyed to LEONARD G. GRIBLER, and LEONA D. GRIBLER FAMILY TRUST, recorded August 3, 1994, in Book 362, Page 657, Tillamook County Deed Records; thence North 88° 24' West 75 feet; thence South 122.51 feet to a point that is North 68° 35' West 81 feet from the Southeast corner of that tract conveyed to said GRIBLER FAMILY TRUST; thence North 68° 35' West 140.46 feet, more or less, to a point on the East line of Lot 18, Block 8, RUSSELL HAWKINS ADDITION TO GARIBALDI; thence North along the East lines of Lot 18 and Lot 1, to the Northeast corner of Lot 1, Block 8, RUSSELL HAWKINS ADDITION TO GARIBALDI; thence Westerly along the North line of Block 8, RUSSELL HAWKINS ADDITION TO GARIBALDI, to the Northwest corner thereof; thence West 60 feet across First Street to the Northeast corner of Lot 1, Block 9, RUSSELL HAWKINS ADDITION TO GARIBALDI; thence South along the East line of Block 9, RUSSELL HAWKINS ADDITION TO GARIBALDI, to the Southeast corner thereof; thence South across Driftwood Avenue to the Northeast corner of Block 6, RUSSELL HAWKINS ADDITION TO GARIBALDI; thence South along the East line of Block 6, RUSSELL HAWKINS ADDITION TO GARIBALDI, to the Southeast corner thereof; thence South 60 feet to the Northeast corner of Lot 3, Block 2, RUSSELL HAWKINS ADDITION TO GARIBALDI; thence South along the East line of Lot 2, Block 2, RUSSELL HAWKINS ADDITION TO GARIBALDI, to the Northeast corner of Lot 11, Block 2, RUSSELL HAWKINS ADDITION TO GARIBALDI; thence Westerly along the North line of said Lot 11, to the Northwest corner thereof; thence South following the West line of Lots 11, 12 and 13, Block 2, RUSSELL HAWKINS ADDITION TO GARIBALDI, to the Southeast corner of PARCEL 2, PARTITION PLAT 1993-15, recorded April 9, 1993, Partition Plat Records, Tillamook County, Oregon; thence South 88° 24' East 113.52 feet to the Southwest corner of PARCEL 2, PARTITION PLAT 1993-15, recorded April 9, 1993, Partition Plat Records, Tillamook County, Oregon; thence South 75 feet, more or less, to the Northeast corner of that tract of land conveyed to GARIBALDI MUSEUM, by instrument recorded December 14, 1988, Book 319, Page 107, Tillamook County Deed Records; thence South 88° 24' West 113.52 feet to the Northwest corner of that tract of land conveyed to GARIBALDI MUSEUM, by instrument recorded December 14, 1988, Book 319, Page 107, Tillamook County Deed Records; thence South, following the West line of said Garibaldi Museum tract to a point East 30 feet of the Southeast corner of Lot 18, Block 3, RUSSELL HAWKINS ADDITION TO GARIBALDI; thence West 30 feet to said Southeast corner of Lot 18, Block 3, RUSSELL HAWKINS ADDITION TO GARIBALDI; thence West along the South line of said Lot 18, to the Southwest corner thereof; thence South 5 feet, more or less, to the Southeast corner of Lot 8, Block 2, BAYLEY PARK Subdivision; thence West along the South line of Block 2, BAYLEY PARK Subdivision, to the Southwest corner of Lot 14, Block 2, BAYLEY PARK Subdivision; thence North 1° 36' West, along the West line of Block 2, BAYLEY PARK Subdivision to the Northwest corner of Lot 1, Block 2, BAYLEY PARK Subdivision; thence continuing North 60 feet, more or less, to the Southwest corner of Lot 14, Block 1, BAYLEY PARK Subdivision; North 1° 36' West, along the West line of Block 1, BAYLEY PARK Subdivision to the Northwest corner of Lot 1, Block 1, BAYLEY PARK Subdivision; thence continuing North 60 feet, more or less, to the Southwest corner of Lot 19, Block 5, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence North along the West line of said Block 5, to the Northwest corner of Lot 18, Block 5, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence North 60 feet, more or less, to the Southwest corner of Block 3, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence North along the West line of said Block 3, to the Northwest corner of Lot 8, Block 3, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence continuing North 60 feet, more or less, to the Southwest corner of that tract of land conveyed to PAT AEDER, by instrument recorded June 29, 1998, Book 397, Page 860, Tillamook County Deed Records; thence North along the West line of said PAT AEDER tract, 148 feet, to the Northwest corner thereof; thence continuing North 50 feet, more or less, to the Northwest corner of that tract of land conveyed to ROBERT TAYLOR, et ux, recorded November 23, 2005, Instrument No. 2005-10629, Tillamook County Deed Records, said point also being on the Easterly line of that 60 foot roadway known as Third Street, as platted and dedicated to the public in the Subdivision Plat of RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence continuing in a Northwesterly direction along the Easterly line of Third Street, approximately 265.54 feet, more or less, to the Southwest corner of PARCEL 1, PARTITION PLAT 1992-31, September 29, 1992, Partition Plat Records, Tillamook County, Oregon; thence continuing in a Northwesterly direction along the Easterly line of Third Street, approximately 300 feet, more or less, to the Northeast corner of the plat of RUSSELL HAWKINS SECOND ADDITION, as platted, said point being on the Easterly line of Third Street as it intersects the North line of Holly Avenue, as platted and dedicated to the public; thence West along the North line of Holly Avenue, approximately 250 feet, more or less, to a point that is North 50 feet from the Northeast corner of Lot 1, Block 2, SECOND AMENDED GARIBALDI PARK Subdivision; thence South 50 feet to

the Northeast corner of said Lot 1, Block 2, SECOND AMENDED GARIBALDI PARK Subdivision; thence South along the East line of said Block 2, SECOND AMENDED GARIBALDI PARK Subdivision to the Southeast corner of Lot 18, Block 2, SECOND AMENDED GARIBALDI PARK Subdivision; thence South 60 feet to the Northeast corner of Lot 1, Block 5, SECOND AMENDED GARIBALDI PARK Subdivision; thence East 60 feet to the Northwest corner of Lot 6, Block 6, SECOND AMENDED GARIBALDI PARK Subdivision; thence East along the North line of Block 6, SECOND AMENDED GARIBALDI PARK Subdivision to the Northeast corner of Lot 1, Block 6, SECOND AMENDED GARIBALDI PARK Subdivision; thence East 60 feet to the Northwest corner of Lot 5, Block 5, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence East along the North line of Block 5, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI, to the Northeast corner of Lot 1 of said Block 5, said point also being on the Westerly line of Third Street; thence Southeasterly along the East line of said Block 5, to the Southeast corner of Lot 10, Block 5, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence Southeasterly 60 feet to the Northeast corner of Lot 1, Block 4, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence South along the East line said Block 4, to the Southeast corner of Lot 12, Block 4, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence South 60 feet to the Northeast corner of Lot 1, Block 2, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence South along the East line of said Block 2, to the Southeast corner of Lot 12, Block 2, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence South 60 feet to the Northeast corner of Lot 1, Block 1, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence South along the East line of said Block 1, to the Southeast corner of Lot 12, Block 1, RUSSELL HAWKINS SECOND ADDITION TO GARIBALDI; thence South 60 feet to the Northeast corner of Lot 10, Block 2, GARIBALDI; thence continuing South along the East line of said Block 2, GARIBALDI, to the Southeast corner thereof; thence South 50 feet to the Northeast corner of Lot 10, Block 3, GARIBALDI; thence South along the East line of Block 3, GARIBALDI, to the Southeast corner of Lot 6, Block 3, GARIBALDI; thence West along the South line of Lots 6 and 5 of said Block 3, to the Southwest corner of Lot 5, Block 3, GARIBALDI; thence West 60 feet to the Southeast corner of Lot 6, Block 4, GARIBALDI; thence West along the South line of Lots 6 and 5, to the Southwest corner of Lot 5, Block 4, GARIBALDI; thence West 60 feet to the Southeast corner of Lot 8, Block 6, BAYVIEW ADDITION TO GARIBALDI; thence West along the South line of said Block 6, to the Southwest corner of Lot 5, Block 6, BAYVIEW ADDITION TO GARIBALDI; thence North 200 feet along the West line of Block 6, to the Northwest corner of Lot 4, Block 6, BAYVIEW ADDITION TO GARIBALDI; thence North 60 feet to the Southwest corner of Lot 5, Block 1, BAYVIEW ADDITION TO GARIBALDI; thence North 200 feet along the West line of Block 1, to the Northwest corner of Lot 4, Block 1, BAYVIEW ADDITION TO GARIBALDI; thence East along the North line of said Block 1, 100 feet to the Northeast corner of Lot 3, Block 1, GARIBALDI; thence North 60 feet, more or less, to the Southwest corner of Lot 7, Block 13, SECOND AMENDED GARIBALDI PARK Subdivision; thence West 60 feet to the Southeast corner of Lot 18, Block 14, SECOND AMENDED GARIBALDI PARK Subdivision; thence continuing West, along the South line of said Block 14 to the Southwest corner of Lot 10, Block 14, SECOND AMENDED GARIBALDI PARK Subdivision; thence West 60 feet to the Southeast corner of Block 15, SECOND AMENDED GARIBALDI PARK Subdivision; thence continuing West along the South line of said Block 15, SECOND AMENDED GARIBALDI PARK Subdivision to the Southwest corner thereof; thence South 60 feet, more or less, to the Northwest corner of Lot 5, Block 3, BAYVIEW ADDITION; thence East along the North line of said Block 3, to the Northeast corner of Lot 1, Block 3, BAYVIEW ADDITION; thence South 88° 24' East 115.64 feet, to a point on the West line of Eighth Street as platted and dedicated to the public; thence continuing South 88° 24' East 200 feet to a point 60 feet West of the Northwest corner of Lot 4, Block 2, BAYVIEW ADDITION TO GARIBALDI; thence East 60 feet to the Northwest corner of Lot 4, Block 2, BAYVIEW ADDITION TO GARIBALDI; thence continuing East 200 feet to the Northeast corner of Lot 1, Block 2, BAYVIEW ADDITION TO GARIBALDI; thence South along the East line of said Block 2, to the Southeast corner of Lot 8, Block 2, BAYVIEW ADDITION TO GARIBALDI; thence South 60 feet to the Northeast corner of Lot 1, Block 5, BAYVIEW ADDITION TO GARIBALDI; thence South along the East line of said Block 5, to the Southeast corner of Lot 8, Block 5, BAYVIEW ADDITION TO GARIBALDI; thence West along the South line of said Block 5, to the Southwest corner of Lot 5, Block 5, BAYVIEW ADDITION TO GARIBALDI; thence Southwesterly 60 feet, more or less, to the Northeast corner of that tract of land conveyed to RANDY STELZIG, et ux, recorded October 18, 2002, Book 440, Page 787, Tillamook County Deed Records; thence Westerly 200 feet, more or less, to the Northwest corner of said tract of land conveyed STELZIG tract; thence South 50 feet to the Southwest corner of that tract of land conveyed to RANDY STELZIG, et ux; thence Southwesterly 60 feet, more or less, to the Northeast corner of Lot 10, Block E, EAST GARIBALDI Subdivision; thence West along the North line of Block E, EAST GARIBALDI Subdivision to the Northwest corner of Lot 6, Block E, EAST GARIBALDI Subdivision, said point also being on the South line of Lot 2, Block 9, BAYVIEW ADDITION; thence continuing Westerly along the South line of said Lot 2, Block 9, BAYVIEW ADDITION, to the Southwest corner thereof; thence Northwesterly along the West line of said Lot 2, to the Northwest corner of said Lot 2, Block 9, BAYVIEW ADDITION; thence Westerly 40 feet, more or less, to the Northeast corner of Lot 1, Block 3, GARIBALDI HEIGHTS Subdivision; thence South along the Easterly line of Block 3, GARIBALDI HEIGHTS Subdivision, to the Northeast corner of

Lot 4, Block 3, GARIBALDI HEIGHTS Subdivision; thence Westerly along the North line of Lots 4 and 8, to the Northwest corner of Lot 8, Block 3, GARIBALDI HEIGHTS Subdivision; thence Westerly 60 feet, more or less, to the Northeast corner of that tract of land conveyed to DAVID MAXWELL, et ux, recorded August 30, 2001, Book 428, Page 814, Tillamook County Deed Records, said point being on the West line of Tenth Street, as platted and dedicated to the public; thence continuing Southeasterly along the West line of Tenth Street, 150 feet, to the Northeast corner of that tract of land conveyed to BRUCE CLARK, recorded August 23, 1999, Book 410, Page 356, Tillamook County Deed Records; thence South 74° 23' West 200 feet, more or less, to the Northwest corner of that tract of land conveyed to ROY JAMIESON, et ux, recorded March 5, 1997, Book 385, Page 47, Tillamook County Deed Records, said point being on the East line of Eleventh Street, as platted and dedicated to the public; thence North 15° 37' West 350 feet to the Northwest corner of that tract of land conveyed to JAMES JENSEN, et ux, recorded July 8, 1999, Book 408, Page 981, Tillamook County Deed Records; thence North 15° 37' West 60 feet to the Southwest corner of PARCEL 1, PARTITION PLAT 1990-1, recorded March 12, 1990, Partition Plat Records, Tillamook County, Oregon; thence North 15° 37' West 100 feet to the Northwest corner of PARCEL 1, PARTITION PLAT 1990-1, recorded March 12, 1990, Partition Plat Records, Tillamook County, Oregon; thence North 15° 37' West 100 feet to the Northwest corner of that tract of land conveyed to GARIBALDI PROPERTY LLC, recorded May 24, 2001, Book 426, Page 193, Tillamook County Deed Records; thence North 60 feet, more or less, to a point on the South line of that tract of land conveyed to JOHN FOULK, et ux, recorded September 25, 1998, Book 400, Page 587, Tillamook County Deed Records; thence South 74° 23' West 60 feet, more or less, to the Southwest corner of that tract of land conveyed to JOHN FOULK, et ux; thence North 15° 37' West 400 feet, more or less, to the Northwest corner of that tract of land conveyed to JOHN FOULK, et ux; thence West 173.1 feet to the Northwest corner of that tract of land conveyed to CITY OF GARIBALDI, recorded November 21, 2005, Instrument No. 2005-10522, Tillamook County, Oregon; thence South 5° 41' East 1092.6 feet, more or less, to the North line of that tract of land conveyed to USA COAST GUARD, as stated in Agreement recorded May 1, 1980, Book 269, Page 263, Tillamook County Deed Records and known as Tax Account No. 1N10 21BD 9500; thence North 81° 21' East 75 feet, more or less, to a point which is South 81° 21' West 150 feet from the Southeast corner of that tract of land conveyed to said USA COAST GUARD; thence in a Northerly direction following the West line of that tract of land conveyed to DAVID SIGAFOOS, et ux, recorded September 18, 1999, Book 410, Page 883, Tillamook County Deed Records, to the Northwest corner of that tract of land conveyed to JERALD REIBER, et ux, November 14, 1986, Book 306, Page 754, Tillamook County Deed Records; thence continuing in a Northeasterly direction 65 feet, more or less, to the Northwest corner of that tract of land conveyed to JERALD REIBER, et ux, tract; thence continuing in a Northeasterly direction 120 feet, more or less, to the Northwest corner of that tract of land conveyed to RICHARD MYERS, et ux, recorded April 4, 1996, Book 377, Page 232, Tillamook County Deed Records; thence continuing in a Northeasterly direction 138 feet, more or less, to the Northeast corner of said RICHARD MYERS tract, said point also being on the West line of Eleventh Street as platted and dedicated to the public; thence South 15° 37' West 150 feet, more or less, to the Southeast corner of said tract RICHARD MYERS tract; thence South 60 feet, more or less, to the Northeast corner of that tract of land conveyed to HAROLD ROYALTY, et ux, recorded January 2, 1985, Book 296, Page 445, Tillamook County Deed Records; thence South 15° 37' West 102.74 feet to the Southeast corner of said HAROLD ROYALTY, et ux, tract; thence South 15° 37' West 110.37 feet to the Southeast corner of that tract of land conveyed to DAVID LARSEN, et ux, recorded March 18, 2005, Instrument No. 2005-2210, Tillamook County Deed Records; thence South 15° 37' West 50 feet to the Northeast corner of PARCEL 2, PARTITION PLAT 1992-4, recorded April 21, 1992, Partition Plat Records, Tillamook County, Oregon; thence South 15° 37' West 112.50 feet to the Southeast corner of PARCEL 1, PARTITION PLAT 1992-4, recorded April 21, 1992, Partition Plat Records, Tillamook County, Oregon; thence South 15° 37' West 100 feet to the Southeast corner of that tract of land conveyed to KENNETH SMITH, et al, recorded July 30, 2004, Instrument No. 2004-6504, Tillamook County Deed Record, said point also being on the Northerly right of way line of Oregon Coast Highway 101; thence South 75° 27' West 111.00 feet to the Southwest corner of said KENNETH SMITH, et al, tract; thence South 75° 27' West 109.3 feet, more or less, to the Southeast corner of that tract of land conveyed to USA COAST GUARD, as stated in Agreement recorded May 1, 1980, Book 269, Page 263, Tillamook County Deed Records and known as Tax Account No. 1N10 21BD 9500; thence South 75° 27' West 250 feet, more or less, to the Southeast corner of that tract of land conveyed to RACHEL HAMANN, recorded February 6, 1968, Book 211, Page 279, Tillamook County Deed Records; thence South 75° 27' West 60 feet to the Southeast corner of that tract of land conveyed to RACHEL HAMANN, recorded May 5, 1971, Book 223, Page 9, Tillamook County Deed Records; thence South 75° 27' West 50 feet to the Southeast corner of Lot 1, Block 6, GARIBALDI; thence West along the South line of said Block 6, GARIBALDI, 150 feet, more or less, to the Southwest corner of Lot 3, Block 6, GARIBALDI; thence Northwesterly 60 feet to the Southeast corner of Lot 1, Block 5, GARIBALDI; thence Westerly following the South line of Block 5, GARIBALDI to the Southwest corner of Lot 4, Block 5, GARIBALDI; thence Northwesterly 60 feet to the Southeast corner of Lot 1, Block 4, GARIBALDI; thence due South across the right of way line of Oregon Coast Highway 101 to the Southeast corner of that tract of land conveyed to MIKE OPOKA, et ux, recorded September 30, 1988, Book 318, Page 16, Tillamook

County Deed Records, said point also being on the Northerly right of way line of the Port of Tillamook Bay Rail Road; thence Southeasterly along the Northerly right of way line of the Port of Tillamook Bay Rail Road 60 feet, more or less, to the West line of Lot 5, Block 2, GARIBALDI; thence Southerly and Easterly following the North line of the Port of Tillamook Bay Rail Road to the Southeast corner of Lot 4, Block 1, GARIBALDI; thence South across the Port of Tillamook Bay Rail Road to the Northeast corner of that tract of land conveyed to PORT OF GARIBALDI, June 24, 1980, Book 270, Page 123, Tillamook County Deed Records; thence continuing South along the West line of that tract of land conveyed to PORT OF GARIBALDI, to the Southwest corner thereof, said point being on the approximate shore line of Tillamook Bay; thence following the approximate shore line of the Tillamook Bay, in a Southeasterly direction, to the Southeast corner of that tract of land conveyed to PORT OF GARIBALDI, recorded June 26, 1980, Book 270, Page 191, Tillamook County Deed Records; thence North along the East line of that tract of land conveyed to PORT OF GARIBALDI to the Northeast corner thereof (said point also being South of the Southerly right of way line of the Port of Tillamook Bay Rail Road); thence following the approximate shore line of the Tillamook Bay, in an Easterly direction to Westerly line of that tract known as PARCEL C, in that Agreement between USA COAST GUARD and PORT OF BAY CITY, recorded May 1, 1980, Book 269, Page 263, Tillamook County Deed Records, said PARCEL C comprises a boathouse, with trestle; from said last point the trestle, tree feet in breadth, extends on a line somewhat East of South; thence, shortly before the boathouse, it forms an oblique angle and continues seaward on a line barely East of South; and then, at the boathouse, it gives onto the deck of the boathouse. The boathouse includes that deck and walkway on pilings and a launch way; thence Southeasterly following the Westerly line of that existing deck, to a point at the Northwest corner of USA COAST GUARD tract; thence South 209.86 feet, more or less on the North line of the USA COAST GUARD, as stated in Agreement recorded May 1, 1980, Book 269, Page 263, Tillamook County Deed Records tract; thence Westerly 800 feet; thence South 180 feet to the most Westerly Southwest corner of said USA COAST GUARD tract; thence Northeasterly 800 feet to the West line of that tract of land conveyed to USA COAST GUARD tract known as PUBLIC CARGO DOCK; thence Southerly 300 feet, more or less, to the Southwest corner of that USA COAST GUARD tract; thence Easterly 350 feet along the South line thereof, to the Southeast corner of that USA COAST GUARD tract; thence North 150 feet, more or less, along the East line of said USA COAST GUARD tract to the approximate shore line of the Tillamook Bay; thence Northeasterly following the approximate shore line of the Tillamook Bay to the West line of that tract of land conveyed to PORT OF BAY CITY, recorded July 19, 1991, Book 336, Page 185, Tillamook County Deed Records; thence South to the Southwest corner of that tract of land conveyed to PORT OF BAY CITY; thence North along the East line of that tract of land conveyed to PORT OF BAY CITY, to the approximate shore line of the Tillamook Bay; thence Easterly to the West line of that tract of land conveyed to PORT OF BAY CITY; thence South 160 feet, more or less, to the Southwest corner of that tract of land conveyed to PORT OF BAY CITY; thence Northeasterly 95 feet, more or less, to the Southeast corner of that tract of land conveyed to PORT OF BAY CITY; thence Northerly along the East line of that tract of land conveyed to PORT OF BAY CITY, to the approximate shore line of the Tillamook Bay; thence Northeasterly 135 feet, more or less, following the approximate shore line of the Tillamook Bay to a point on the West line of that tract of land conveyed to PORT OF BAY CITY; thence South 160 feet, more or less, to the Southwest corner of that tract of land conveyed to PORT OF BAY CITY; thence Northeasterly along the South line of said PORT OF BAY CITY tract, 125 feet to the Southeast corner thereof; thence Northerly along the East line of that tract conveyed to said PORT OF BAY CITY, to the Southwest corner of that tract of land conveyed to PORT OF BAY CITY; thence Northeasterly 200 feet, more or less, to the Southeast corner of that tract of land conveyed to VANDECOEVERING FISH DOCK, recorded December 4, 1989, Book 325, Page 207, Tillamook County Deed Records; thence Northwesterly 100 feet, more or less, to the Northeast corner of that VANDECOEVERING FISH DOCK tract; thence Southwesterly 28 feet, more or less, to the East line of that tract of land conveyed to PORT OF BAY CITY; thence following the Easterly line of said tract conveyed to PORT OF BAY CITY, to the most Northerly corner thereof; thence in a Northerly direction to the Southwest corner of that tract of land conveyed to PORT OF GARIBALDI, recorded April 16, 1984, Book 292, Page 460, Tillamook County Deed Records; thence West along the South line of said PORT OF GARIBALDI tract, 165 feet; thence South 74.69 feet to the Northwest corner of that tract of land conveyed to PORT OF GARIBALDI; thence Southerly and Easterly, following the approximate shoreline to the Southeasterly corner of that tract of land conveyed to OLD MILL INVESTMENT LLC, recorded October 21, 2005, Instrument No. 2005-9477, Tillamook County Deed Records; thence following said approximate shoreline in a Northeasterly and Northerly direction to a point on the Southerly right of way line of the Port of Tillamook Bay Rail Road, which is South 50 feet from the Meander Corner of Sections 21 and 22, Township 1 North, Range 10 West of the Willamette Meridian; thence Northeasterly along the Southerly right of way line of the Port of Tillamook Bay Rail Road, to the Northwest corner of that tract of land conveyed to BEVERLY MERRILL, TRUSTEE, recorded November 2, 1998, Book 401, Page 654, Tillamook County Deed Records; thence South 1° 09' East 108 feet to the Southwest corner of said BEVERLY MERRILL, TRUSTEE, tract; thence East 27.74 feet; thence South 82° 11' East 60 feet, more or less; thence South 82° 11' East 26 feet; thence South 60° 01' East 151.29 feet; thence Northeasterly along the South line of that tract of land conveyed to

BEVERLY MERRILL, TRUSTEE, 260 feet, more or less, to the Southeast corner of said BEVERLY MERRILL, TRUSTEE tract; thence North 0° 43' West 108.71 feet, more or less, to said Northeast corner of tract of land conveyed to BEVERLY MERRILL, TRUSTEE, said point also being on the Southerly right of way line of the Port of Tillamook Bay Rail Road; thence East 104.5 feet, more or less, along the South right of way line of the Port of Tillamook Bay Rail Road to the Northwest corner of that tract of land conveyed to LEROY GODFREY, recorded December 30, 2002, Book 442, Page 764, Tillamook County Deed Records; thence South 160 feet, more or less, to the Southwest corner of tract of land conveyed to said LEROY GODFREY; thence East 104.5 feet, more or less, to the Southeast corner of that tract of land conveyed to LEROY GODFREY; thence North 160 feet, more or less, to the Northeast corner of said tract of land conveyed to LEROY GODFREY, said point also being on the Southerly right of way line of the Port of Tillamook Bay Rail Road; thence Easterly along the Southerly right of way line of the Rail Road, to a point on the West line of the Northwest quarter of the Northeast quarter of Section 22, Township 1 North, Range 10 West, Willamette Meridian; thence due North along the West line 100 feet, more or less, to a point on the Northerly line of the Port of Tillamook Bay Rail Road; thence Northeasterly along the Northerly line of said Rail Road, 90 feet, more or less, to the East line of that 20 foot Right of Entry, granted to TILLAMOOK PEOPLE'S UTILITY DISTRICT, recorded August 15, 1967, Book 208, Page 451, Tillamook County Deed Records; thence North 70 feet, more or less, to the Northerly right of way line of Oregon Coast Hwy 101, said point also being on the South line of that tract of land conveyed to GLEN MERRITT, et ux, recorded April 16, 2004, Instrument 2004-2932, Tillamook County Deed Records; thence along the South line of the GLEN MERRITT tract and the North right of way line of the Oregon Coast Hwy 101, to its intersection with that County Roadway known as Miami River Road; thence along the South line of the GLEN MERRITT tract and the North line of Miami River Road, to the Southeast corner of said GLEN MERRITT tract; thence North 15° West 495 feet, more or less, to the Northeast corner of said GLEN MERRITT tract and the Point of Beginning, the entire exterior boundary description herein described being in Sections 21 and 22, Township 1 North, Range 10 West, Willamette Meridian, in Tillamook County, Oregon.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCELS:

- a) Lots 4, 5, 6 and 7, Block 4, BAYLEY PARK Subdivision, in Tillamook County, Oregon.
- b) Lots 1 and 2, Block 7, BAYVIEW ADDITION TO GARIBALDI, in Tillamook County, Oregon.
- c) Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block H, EAST GARIBALDI, in Tillamook County, Oregon. ALSO that portion described as: Beginning at the Southeast corner of Lot 1, Block H, EAST GARIBALDI; thence West along the South lines of Lots 1, 2, 3 and 4, to the Southwest corner of said Lot 4; thence South 20.7 feet to the North right of way line of Oregon Coast Hwy 101; thence East along said North right of way line to a point 24.7 feet South of the Southeast corner of Lot 1, Block H, EAST GARIBALDI; thence North 24.7 feet to the point of beginning.
- d) PARCELS 1 AND 2, PARTITION PLAT 2005-12, recorded May 24, 2005, Partition Plat Records, Tillamook County, Oregon.
- e) Lots 1, 2, 7 and 8, Block C, EAST GARIBALDI, in Tillamook County, Oregon.
- f) Beginning at the Northeast corner of that tract of land conveyed to JDC INVESTMENTS, LLC, recorded August 30, 2005, Instrument No. 2005-7747, Tillamook County Deed Records, said point also being on the South right of way line of the Oregon Coast Hwy 101; thence Southwesterly along said right of way line 290 feet, more or less, to the Northwest corner of that tract of land conveyed to LARRY L. CANTRALL, TRUSTEE, recorded January 3, 2005, Instrument No. 2005-15, Tillamook County Deed Records; thence Southeasterly 139 feet, more or less, to the Southwest corner of that tract of land conveyed to BENJAMIN HATHAWAY, et ux, recorded July 31, 1995, Book 371, Page 273, Tillamook County Deed Records, said point also being on the North right of way line of the Port of Tillamook Bay Rail Road; thence along the North right of way line of said Rail Road, to the Southeast corner of that tract of land conveyed to JDC INVESTMENTS, LLC, recorded August 30, 2005, Instrument No. 2005-7747, Tillamook County Deed Records; thence Northwesterly 85.60 feet, more or less, to the Point of Beginning, being situated in Section 21, Township 1 North, Range 10 West of the Willamette Meridian, in Tillamook County, Oregon.
- g) Beginning at the Northeast corner of that tract of land conveyed to T. C. FULTON, et ux, recorded March 9, 1943, Book 84, Page 420, Tillamook County Deed Records, said point also being on the South right of way line of the Oregon Coast Hwy 101; thence South 74° West along said right of way line 246 feet, more

or less, to the Northwest corner of that tract of land conveyed to KURTIS SOURS, et ux, recorded June 30, 2004, Instrument No. 2004-5541, Tillamook County Deed Records; thence South 74° West 100 feet to the Northwest corner of that tract of land conveyed to ROBERT CHRISTENSEN, et ux, recorded August 26, 2005, Instrument No. 2005-7657, Tillamook County Deed Records; thence Southeasterly 75 feet to the Southwest corner of said ROBERT CHRISTENSEN, et ux, tract; thence Easterly 100 feet to the Southeast corner of said ROBERT CHRISTENSEN, et ux, tract; thence North 16° West 10 feet, more or less, to the Southwest corner of that tract conveyed to KURTIS SOURS, et ux, recorded June 30, 2004, Instrument No. 2004-5541, Tillamook County Deed Records; thence North 74° East 187 feet, more or less, to the West line of that tract of land conveyed to T. C. FULTON, et ux, recorded March 9, 1943, Book 84, Page 420, Tillamook County Deed Records; thence South 16° East 100 feet, more or less, to a point on the North right of way line of the Port of Tillamook Bay Rail Railroad (said point also being the Southwest corner of that tract of land conveyed to LEONARD STINNETT, et ux, recorded January 26, 1984, Book 291, Page 224, Tillamook County Deed Records; thence Northeasterly along said right of way line and the South line of said LEONARD STINNETT, et ux, tract, 60 feet, more or less, to the Southeast corner thereof; thence North 16° East, 160 feet, more or less, to the Point of Beginning, being situated in Section 21, Township 1 North, Range 10 West of the Willamette Meridian, in Tillamook County, Oregon.

- h) That tract of land known as D.W. HARDWOODS, Tillamook County Tax No. 1N10 21AC 14101 and CITY OF GARIBALDI, Tillamook County Tax No. 1N10 21AC 14102, more particularly described as follows: **All that land lying South of the Southern line of the Port of Tillamook Bay Rail Road and East of that tract known as PARCEL C**, in that Agreement between USA COAST GUARD and PORT OF BAY CITY, recorded May 1, 1980, Book 269, Page 263, Tillamook County Deed Records, **and West of the County Road leading to the USA COAST GUARD DOCKS, and North of the following described line:** Beginning at the Northwest corner of that property known as TRACT "B" in that modified Lease Agreement recorded by Instrument 2003-428961, Tillamook County Deed Records; thence Easterly 125.54 feet to the Northeast corner of TRACT "B"; thence North 95 feet to the Northwest corner of TRACT "A"; thence Easterly along the North line of TRACT "A", to a point West 150 feet from the Northeast corner of TRACT "A"; thence North 196 feet, more or less, to the South line of that tract known as CITY OF GARIBALDI, Tillamook County Tax. No. 1N10 21AC 14102; thence East 150 feet to the County Road.

-###-

**EXHIBIT B**

**CITY OF GARIBALDI,  
OREGON**

***REPORT ON THE*  
URBAN RENEWAL  
PLAN**

**City of Garibaldi  
August 2006**

**Prepared by  
Spencer & Kupper, Portland, Ore.**

*printed on August 23, 2006*

# **REPORT ON THE CITY OF GARIBALDI URBAN RENEWAL PLAN**

The Garibaldi City Council appointed a citizen ad hoc committee in the fall of 2005 to work with the consultant on preparation of the renewal plan and provide a forum for public involvement in developing all major elements of the plan. The City Improvement Advisory Committee (CIAC) met and provided comment and input on the plan boundary, goals, project activities, and on the financial and tax impact elements of the plan. Details of the draft plan were published in the City's newsletter in June, 2006. In addition to the open public meetings held by the CIAC, the City held a widely advertised Community Open House on July 13, 2006 to introduce the plan.

## **ACKNOWLEDGEMENT OF COMMUNITY INVOLVEMENT**

### CITY IMPROVEMENT ADVISORY COMMITTEE

Everett Brown, Mayor  
Sue McCarthy, Council President  
Theresa Taylor, Planning Commission  
Carolee North, Planning Commission  
Christy Stumpf, Citizen  
Rob Trost, Old Mill Marina  
Janice Owens, Comfort Inn  
Matt Hastie, Cogan Owens Cogan, LLC  
Darus Peake, Port of Garibaldi  
Don Bacon, Port of Garibaldi  
Valerie Folkema, Port of Garibaldi  
Suzan Greenwood, Tillamook Estuary  
Project  
Dan Eisenbeis, 1000 Friends of Oregon  
Christy Vail, Economic Development  
Council  
Valerie Grigg Devis, Planner, Dept. of  
Transportation  
Laren Woolley, DLCD/Oregon Coast  
Wayne Schultz, Public Works Director

### CITY COUNCIL

Hon. Everett Brown, Mayor  
Sue McCarthy, President  
Jerry Bartolomucci, Vice President  
Terry Kandle, Member  
Paul Daniels, Member

### PLANNING COMMISSION

Paul Schachner, Chair  
Carolee North, Vice Chair  
Theresa Taylor, Member  
Bill Luth, Member  
Nick Stumph, Member

### CONSULTANT

Charles Kupper, Spencer & Kupper,  
Portland, Ore.

### STAFF ASSISTANCE

Kevin Greenwood, Administrator  
Dale Jordan, Planner  
Wayne Schultz, Public Works Director

## TABLE OF CONTENTS

Section	Title	Page
	PROJECT BACKGROUND .....	2
	DEFINITION OF BLIGHTING CONDITIONS.....	2
100.	DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE DISTRICT.....	4
100A.	PHYSICAL CONDITIONS .....	4
100B.	SOCIAL AND ECONOMIC CONDITIONS .....	7
200.	EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN.....	7
300.	REASONS FOR SELECTING THE URBAN RENEWAL DISTRICT .....	8
400.	RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA ...	9
500.	FINANCIAL ANALYSIS OF PLAN .....	10
500A.	ESTIMATED PROJECT COST AND REVENUE SOURCES .....	10
500B.	ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES .....	11
500C.	ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT .....	11
500D.	IMPACT OF TAX INCREMENT FINANCING .....	13
500E.	FINANCIAL FEASIBILITY OF PLAN .....	14
600.	RELOCATION.....	18
600A.	PROPERTIES REQUIRING RELOCATION .....	18
600B.	RELOCATION METHODS.....	18
600C.	HOUSING COST ENUMERATION .....	18

## TABLE OF CONTENTS

Section	Title	Page
	PROJECT BACKGROUND .....	2
	DEFINITION OF BLIGHTING CONDITIONS.....	2
100.	DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE DISTRICT.....	4
100A.	PHYSICAL CONDITIONS .....	4
100B.	SOCIAL AND ECONOMIC CONDITIONS .....	7
200.	EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN.....	7
300.	REASONS FOR SELECTING THE URBAN RENEWAL DISTRICT .....	8
400.	RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA ...	9
500.	FINANCIAL ANALYSIS OF PLAN .....	10
500A.	ESTIMATED PROJECT COST AND REVENUE SOURCES .....	10
500B.	ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES .....	11
500C.	ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT .....	11
500D.	IMPACT OF TAX INCREMENT FINANCING .....	13
500E.	FINANCIAL FEASIBILITY OF PLAN .....	14
600.	RELOCATION.....	18
600A.	PROPERTIES REQUIRING RELOCATION .....	18
600B.	RELOCATION METHODS.....	18
600C.	HOUSING COST ENUMERATION .....	18

## TABLE OF CONTENTS

Section	Title	Page
	PROJECT BACKGROUND .....	2
	DEFINITION OF BLIGHTING CONDITIONS.....	2
100.	DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE DISTRICT.....	4
100A.	PHYSICAL CONDITIONS .....	4
100B.	SOCIAL AND ECONOMIC CONDITIONS .....	7
200.	EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN.....	7
300.	REASONS FOR SELECTING THE URBAN RENEWAL DISTRICT .....	8
400.	RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA ...	9
500.	FINANCIAL ANALYSIS OF PLAN .....	10
500A.	ESTIMATED PROJECT COST AND REVENUE SOURCES .....	10
500B.	ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES .....	11
500C.	ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT .....	11
500D.	IMPACT OF TAX INCREMENT FINANCING .....	13
500E.	FINANCIAL FEASIBILITY OF PLAN .....	14
600.	RELOCATION.....	18
600A.	PROPERTIES REQUIRING RELOCATION .....	18
600B.	RELOCATION METHODS.....	18
600C.	HOUSING COST ENUMERATION .....	18

## **PROJECT BACKGROUND**

The Garibaldi Urban Renewal Plan is the culmination of several recent study efforts; including a 2006 update of Garibaldi's Comprehensive Plan, recent updates of utility Master Plans, and the "Garibaldi Connections Project", a February 2006 study funded by 1000 Friends of Oregon. The Connections Project was especially instrumental in initiating community dialogue about aesthetic and economic improvements that could be made in Garibaldi, and in developing an extensive list of projects and actions to carry out those improvements. The Connections Project acknowledges the development of an urban renewal plan as a key community effort to implement the strategies and ideas of the Connections Project. Further incentive for development of this urban renewal plan is a proposed mixed use development on what had been a large industrial site in the Renewal District. The project as proposed could lead to a transformation of Garibaldi and its economy.

## **DEFINITION OF BLIGHTING CONDITIONS**

ORS 457.010 defines "blight" as follows: (underlining is added for emphasis)

"Blighted areas mean areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

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

"Defective design and quality of physical construction;

"Faulty interior arrangement and exterior spacing;

"Overcrowding and a high density of population;

"Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or

"Obsolescence, deterioration, dilapidation, mixed character or shifting of uses."

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

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

development;

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

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

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

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

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

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

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

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

**100A. PHYSICAL CONDITIONS**

**1. Conformance with 25% limits on acreage and assessed value**

The Garibaldi Urban Renewal District contains approximately 192 acres of land area. ORS 457.420 provides that the total land area of a proposed urban renewal district, when added to the land area of existing Renewal Districts may not exceed 25% of the City's land area. The City's current land area is approximately 921 acres. The total of all acreage in the Renewal Districts represents approximately 21% of the City's land area. Total Renewal District acreage is within the 25% limitation prescribed by ORS 457.420.

The anticipated date of the frozen base of value for the Garibaldi Urban Renewal District is the 2005-06 tax year. The total assessed value for the City of Garibaldi for the 2005-06 tax year is \$68,466,467. The total of real, personal, and utility property for the Urban Renewal District is estimated at \$17,013,784. The Renewal District contains 24.85% of the City's total assessed value.

**2. Existing Land Use and Development**

The Garibaldi Urban Renewal District consists of commercial, residential, industrial, tract, multi-family and exempt classified properties. The Garibaldi Urban Renewal District contains 209 tax lots. Assessor's data shows that a substantial number of tax lots in the area have no improvement value. The following table shows the total number of tax lots and the total number of those lots that have no improvement value for each property classification within the Renewal District.

<b>Garibaldi Urban Renewal Plan</b>		
<b>Table 1- Property Classification within Renewal District</b>		
<b><u>Property Classification</u></b>	<b><u>Number of Tax lots</u></b>	<b><u>No Improvements</u></b>
Residential	67	8
Commercial	64	24
Industrial	2	1
Tract	2	1
Multi-family	1	0
Exempt	74	21
<b>Total</b>	<b>210</b>	<b>55</b>

Table 1 shows that exempt properties comprise 35% of the total tax lots within the Renewal District. The percentage of exempt property is especially high for a Renewal District, but this results from the Renewal District including the Port of Garibaldi and some City-owned property. The percentage of tax lots classified as having no improvement value is just over 25% of the total tax lots in the Renewal District, again an exceptionally high percentage. Nearly 40% of tax lots classified for commercial use have no improvement value. This lack of improvement value in the Renewal District represents a significant portion of underutilized property, generating little tax revenue for the city.

Another measure of the productivity of land is the value of improvements to the value of land. A high ratio of improvements to land indicates the land is productively used, and therefore is likely to be generating a reasonable level of property taxes for the community. In general, the commercially zoned areas of a community are expected to be intensively used and to generate high levels of property taxes for the community.

Based on analysis of land and improvement assessed values within the Renewal District, the combined improvement to land ratio for all properties is 0.86 to 1. That average means, for example, that a lot with a land value of \$10,000 would, have a building worth only \$8660 on it. Few properties have a high ratio, with only 4 properties within the area having a ratio greater than 3 to 1, two of which are classified as commercial. Commercial property in a community typically is high value property and is expected to produce a high level of property tax for the community. In Garibaldi's Renewal District, the improvement to land ratio for the 40 properties classified as improved commercial land is 0.94 to 1, an exceptionally low ratio. Only 6 of those 40 commercial properties have a ratio higher than 2 to 1. Garibaldi's overall ratio of 0.86 to 1 is extraordinarily low for an urban area, indicating a serious lack of proper utilization of the area, and an inability of the area to contribute a fair share of taxes for governmental operations.

### **3. Building Conditions**

Visual inspection of building exteriors in the area shows the overall level of building conditions and upkeep is fair to good. However, several buildings show need for exterior repair and maintenance. These conditions lend themselves to treatment with rehabilitation funds made available from the Renewal Agency.

#### **4. Conditions – Infrastructure**

##### **A. Public Utilities**

Utility Master Plan updates identify the following are in need of upgrade, repair, or replacement:

##### **1. Stormwater**

- *School Creek – 4<sup>th</sup> & Acacia to 5<sup>th</sup> & RR*
- *Whitney Brook – 1<sup>st</sup> to US101*
- *Hobson Creek – Arizona Way*
- *Johnson Creek – 8<sup>th</sup> to RR ROW*
- *Johnson Creek – 11<sup>th</sup> to RR ROW*
- *School Creek – 3<sup>rd</sup> & Birch to 4<sup>th</sup> & Acacia*
- *Johnson Creek – 7<sup>th</sup> and 11<sup>th</sup> to RR ROW*
- *Johnson Creek – 10<sup>th</sup> St. to 9<sup>th</sup> & US101*

##### **2. Water**

- *Two 10" lines and borings under US101 at Driftwood Ave.*
- *New 8" line along Third St. between Ginger and Driftwood Aves.*
- *New reservoir connection*
- *18" line along 101 for Watseco intertie*

##### **3. Wastewater**

- *Lumberman's Park Pump Station Upgrade*

##### **B. Street, Curb, and Sidewalk**

Transportation Master Plan updates, staff and community recommendations identify the following areas streets, curbs and sidewalks in need of upgrade, repair, or replacement

- *Sidewalk Improvements through Port and Downtown*
- *Sixth St. Sidewalk Improvement to School*
- *Develop traffic calming features along Garibaldi Ave.*
- *Emergency Sign Improvement*
- *US 101 Widening*
- *US101 & 7<sup>th</sup> St. Reconstruction*
- *1<sup>st</sup> St./US101 Right-Out Only*
- *14<sup>th</sup> St./US101 Right-Out Only*
- *S. 3<sup>rd</sup> St. Improvements*
- *New 2<sup>nd</sup> St. Old Mill/Port Access*
- *Sidewalk on 6<sup>th</sup> St from Evergreen Ave. to US101*
- *US101 Bump-outs at 4<sup>th</sup> and 5<sup>th</sup> Sts.*
- *Stripe Crosswalks on Biak Ave.*
- *Provide Crosswalks on S. American Ave. at 6<sup>th</sup> and 7<sup>th</sup> Sts.*
- *Sidewalk on S. 7<sup>th</sup> St. from US101 to existing*
- *Sidewalk on 3<sup>rd</sup> St. from Evergreen Ave. to US101*
- *US101 ADA Ramps Downtown*

- *S. American Ave. ADA Ramps at 6<sup>th</sup> & 7<sup>th</sup> Sts.*
- *Expand Port Sidewalks*
- *S. Commercial Ave. Sidewalks*
- *US101 Northside Sidewalks*
- *US101 Southside Sidewalks*
- *Boat basin boardwalk*
- *Upgrade of Commercial Ave.*

### **C. Public Safety**

The report on the Garibaldi Connections Project identifies the railroad/highway crossings at 7<sup>th</sup> and 3<sup>rd</sup> Streets as hazardous for pedestrians.

### **100B. SOCIAL AND ECONOMIC CONDITIONS**

No census data is available for the Renewal District. As Table 1 shows, the Renewal District does have a number of residential properties, many of which are zoned for commercial use. Without demographic data available at the Urban Renewal District level, it is difficult to reliably compare the social and economic conditions of residents within the Urban Renewal District to conditions within the city as a whole.

### **200. EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN**

Urban renewal plan activities are intended to assist in the repair, upgrade, or replacement of water, sewer, storm sewer, curb, and sidewalk deficiencies in the area. Other actions will include providing additional open and public space, and assist in paying the cost of new public safety facilities. These renewal actions will improve services in the Renewal District, and reduce the cost burden on the city's general fund.

Development of the Old Mill site for a mixture of residential and commercial uses may require additional services, and is likely to increase the year-round population of Garibaldi. It is not known at this time what that population increase will be. The build-out of the project is expected to take 20 years or more, so demands on services are likely to be incremental, rather than sudden. The potential assessed value of the Old Mill project if fully developed according to the developers' plan is well beyond the value projected in this plan. If the values envisioned by the developer materialize, the City of Garibaldi will be able to complete its renewal projects rapidly, and return all the Old Mill values to the tax roll. The property taxes from that development will more than likely cover any

incremental service costs resulting from the project's development.

Carrying out the Renewal Plan will require the use of tax increment revenues. The tax impacts of the Renewal Plan are discussed in detail in Section 500 D of this report.

The expenditure of tax increment funds is expected to produce new property values for the City of Garibaldi. The renewal project is estimated to be completed by the year 2027-28. During that period, assessed property values in the Renewal District are expected to increase by approximately \$107.8 million. At tax rates expected to prevail at the termination of this plan, the new property values anticipated in the Renewal District will contribute approximately \$1.171 million in property tax revenues to all taxing bodies in the first year after the project has ended. Of that revenue, approximately \$317,000 will return to the City of Garibaldi. That property tax revenue will grow as a result of annual assessment increases.

### **300. REASONS FOR SELECTING THE URBAN RENEWAL DISTRICT**

The Urban Renewal District boundary for which this plan was drafted was selected based upon Comprehensive Plan goals, objectives, and policies and on the existence of blighting conditions within the area. The project area evidences the following characteristics of blight:

- A lack of proper utilization of land planned for tax producing purposes.
- Deficiencies in streets, curb, sidewalk, water and sewer services in the project area.
- A prevalence of low values and lack of investment in the project area, and reduced tax receipts resulting therefrom.

Conditions exist within the Renewal District that meet the definitions of blight in ORS 457.010. Treating these conditions is the reason for selecting this Renewal District.

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

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

- Improvements to utility systems will allow new development in the Renewal District, with special focus on initiating development of the Old Mill site.
- Curbs and sidewalks will be improved to city standard throughout the Renewal District, and provide an incentive for new development in the area.
- Assistance for rehabilitation and new development will attract new investment to the area, and improve the building conditions and blighted appearance of the area.
- Railroad crossing improvements, and improvements to Highway 101 intersections and traffic signals will improve vehicular and pedestrian safety.
- Traffic signals will improve pedestrian and bicycle safety in the area.

## **500. FINANCIAL ANALYSIS OF PLAN**

### **500A. ESTIMATED PROJECT COST AND REVENUE SOURCES**

Table 2 shows the estimated total costs of the Garibaldi Urban Renewal Project. The summarized costs below are the anticipated costs of project activities outlined in detail in Section 700 of the Urban Renewal Plan. This table allocates the 21-year revenue projections to project activities based on estimates regarding cost:

<b>Garibaldi Urban Renewal Plan</b>	
<b>Table 2- Allocation of 21 year Revenue to Project Activities</b>	
<b>Note: Letters correspond to sub-sections in Section 700 of the Renewal Plan</b>	
<b><u>Project Activity</u></b>	<b><u>Cost Allocation</u></b>
<b>A. Public Parks and Open Space</b>	\$ 916,500
<b>B. Street Curb &amp; Sidewalk</b>	\$ 1,577,000
<b>C. Public Utilities</b>	\$ 3,941,000
<b>D. Streetscape Projects</b>	\$ 444,000
<b>E. Pedestrian, Bike and Transit</b>	\$ 158,000
<b>F. Public Parking</b>	\$ 315,000
<b>G. Other Public Facilities</b>	\$ 788,000
<b>H. Preservation and Rehabilitation</b>	\$ 788,000
<b>I. Development and Redevelopment</b>	\$ 916,500
<b>J. Property Acquisition and Disposition</b>	\$ 788,000
<b>K. Administration Costs</b>	\$ 750,000
<b>Total Funding</b>	<b>\$ 11,382,000</b>

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

The estimated total funding needed to complete project activities and cover interest costs on indebtedness is \$11,382,000. Anticipated annual revenues are shown in Table 3 of this Report. Table 3 anticipates that projects will be funded on the basis of annual short-term borrowings. Long-term bond may be issued as revenues, project requirements, and overall bond market conditions dictate. In addition, the Renewal Agency will apply for, and make use of funding from other federal, state, local, or private sources as such funds become available.

## **500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES**

The project activities shown in Table 2 will begin in fiscal year 2007-08. The sequencing and prioritization of individual project activities shown in Table 2 will be done by the Urban Renewal Agency, and any citizen advisory bodies that the Agency calls upon to assist in this process. The priority of projects and annual funding will be as established in the annual budget process. Completion dates for individual activities may be affected by changes to local economic and market conditions, changes in the availability of tax increment funds, and changes in priorities for carrying out project activities.

It is estimated that all activities proposed in this plan will be completed, and project indebtedness paid off by 2027-28. At that time, the tax increment provisions of this plan can be ended.

## **500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT**

It is estimated that the project will collect tax increment revenue between the years 2007-08 and 2027-28. The amount of tax increment revenue needed to service all project debt and carry out project activities is estimated at \$11,382,000.

It is anticipated that available project revenues, and funds accumulated in a special fund for debt redemption will be sufficient to retire outstanding bonded indebtedness in the year 2028, and terminate the tax increment financing provisions of the project. After all project debt is retired, and the project closed out, it is estimated that there will be surplus tax increment funds. These funds will be distributed to taxing bodies affected by this plan, as provided in ORS 457. Table 3 of this Report shows the anticipated tax increment receipts and project requirements for each year of the project. Table 3 follows on the next page.

## Garibaldi Urban Renewal Plan

### Table 3 – Project Resources and Requirements

<b>A. RESOURCES</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Beginning Balance	\$0	\$76	\$982	\$1,314	\$196	\$828	\$402
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long term	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Short term	\$9,728	\$35,727	\$77,942	\$122,270	\$168,788	\$220,472	\$274,657
Interest	\$49	\$179	\$390	\$611	\$844	\$1,102	\$1,373
<b>TOTAL RESOURCES</b>	<b>\$9,776</b>	<b>\$35,982</b>	<b>\$79,314</b>	<b>\$124,196</b>	<b>\$169,828</b>	<b>\$222,402</b>	<b>\$276,432</b>
<b>B. REQUIREMENTS</b>							
Activities & Admin	\$9,700	\$35,000	\$78,000	\$124,000	\$169,000	\$222,000	\$275,000
<b>TOTAL REQUIREMENTS</b>	<b>\$9,700</b>	<b>\$35,000</b>	<b>\$78,000</b>	<b>\$124,000</b>	<b>\$169,000</b>	<b>\$222,000</b>	<b>\$275,000</b>
<b>ENDING BALANCE (A minus C)</b>	<b>\$76</b>	<b>\$982</b>	<b>\$1,314</b>	<b>\$196</b>	<b>\$828</b>	<b>\$402</b>	<b>\$1,432</b>
<b>C. TAX INCREMENT REVENUE</b>	<b>\$10,029</b>	<b>\$36,832</b>	<b>\$80,353</b>	<b>\$126,052</b>	<b>\$174,008</b>	<b>\$227,291</b>	<b>\$283,152</b>
<b>A. RESOURCES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
Beginning Balance	\$1,432	\$521	\$1,358	\$1,728	\$2,510	\$1,680	\$3,036
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long term	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Short term	\$331,431	\$390,883	\$453,105	\$518,191	\$586,238	\$638,165	\$692,265
Interest	\$1,657	\$1,954	\$2,266	\$2,591	\$2,931	\$3,191	\$3,461
<b>TOTAL RESOURCES</b>	<b>\$334,521</b>	<b>\$393,358</b>	<b>\$456,728</b>	<b>\$522,510</b>	<b>\$591,680</b>	<b>\$643,036</b>	<b>\$698,762</b>
<b>B. REQUIREMENTS</b>							
Activities & Admin	\$334,000	\$392,000	\$455,000	\$520,000	\$590,000	\$640,000	\$695,000
<b>TOTAL REQUIREMENTS</b>	<b>\$334,000</b>	<b>\$392,000</b>	<b>\$455,000</b>	<b>\$520,000</b>	<b>\$590,000</b>	<b>\$640,000</b>	<b>\$695,000</b>
<b>ENDING BALANCE (A minus C)</b>	<b>\$521</b>	<b>\$1,358</b>	<b>\$1,728</b>	<b>\$2,510</b>	<b>\$1,680</b>	<b>\$3,036</b>	<b>\$3,762</b>
<b>C. TAX INCREMENT REVENUE</b>	<b>\$341,681</b>	<b>\$402,972</b>	<b>\$467,118</b>	<b>\$534,218</b>	<b>\$604,369</b>	<b>\$657,902</b>	<b>\$713,675</b>
<b>A. RESOURCES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
Beginning Balance	\$3,762	\$1,110	\$2,407	\$1,048	\$2,507	\$3,331	\$2,147
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long term	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Short term	\$748,606	\$807,260	\$868,300	\$931,800	\$997,835	\$1,066,483	\$1,100,609
Interest	\$3,743	\$4,036	\$4,341	\$4,659	\$4,989	\$5,332	\$5,503
<b>TOTAL RESOURCES</b>	<b>\$756,110</b>	<b>\$812,407</b>	<b>\$875,048</b>	<b>\$937,507</b>	<b>\$1,005,331</b>	<b>\$1,075,147</b>	<b>\$1,108,259</b>
<b>B. REQUIREMENTS</b>							
Activities & Admin	\$755,000	\$810,000	\$874,000	\$935,000	\$1,002,000	\$1,073,000	\$1,107,000
<b>TOTAL REQUIREMENTS</b>	<b>\$755,000</b>	<b>\$810,000</b>	<b>\$874,000</b>	<b>\$935,000</b>	<b>\$1,002,000</b>	<b>\$1,073,000</b>	<b>\$1,107,000</b>
<b>ENDING BALANCE (A minus C)</b>	<b>\$1,110</b>	<b>\$2,407</b>	<b>\$1,048</b>	<b>\$2,507</b>	<b>\$3,331</b>	<b>\$2,147</b>	<b>\$1,259</b>
<b>C. TAX INCREMENT REVENUE</b>	<b>\$771,759</b>	<b>\$832,227</b>	<b>\$895,155</b>	<b>\$960,618</b>	<b>\$1,028,696</b>	<b>\$1,099,467</b>	<b>\$1,134,649</b>

#### **500D. IMPACT OF TAX INCREMENT FINANCING**

The passage of Ballot Measure 50 changed Oregon's property tax system, and the impacts of urban renewal on taxpayers and other taxing bodies. Prior to BM50, collection of tax increment revenues for a renewal agency resulted in an increase in the taxpayer's property tax rate. Taxing bodies suffered no revenue losses, unless there was overall compression of property tax revenues.

Under Ballot Measure 50, the taxpayers' permanent rates will not change. However, collection of tax increment revenue will impact the potential property tax revenues received by overlapping tax bodies. These taxing bodies will not be able to apply their permanent BM50 tax rates against the new values added within the Urban Renewal District. As a result, the taxing bodies will forego revenue they otherwise might have had if there was no renewal plan in effect.

Table 5 shows the anticipated cumulative incremental values in the Renewal District over the life of the Plan, and the anticipated property tax revenues foregone as a result of taxing bodies not being able to apply their permanent BM50 tax rates to those values.

Table 5 actually presents a worst-case scenario of revenue foregone, for it assumes that all the new values in the Urban Renewal District would occur, even without the investment of urban renewal funds. In fact, however, it is more accurate to assume that the public expenditures on renewal activities will have some effect on the growth of values within the Urban Renewal District. Table 5 does not make this adjustment.

More important, Table 5 expresses all revenue foregone in 2006 dollars. It therefore does not take into account the fact that a dollar in the future is not as valuable as a dollar today. A present value calculation of the revenues foregone, using just a 3.5 % rate would substantially reduce the foregone revenue total. Evidence of that reduction is shown in the bottom row of Table 5.

Also, during the plan period, overall values in Garibaldi will increase, and those increases will diminish the tax foregone impact on the budgets of taxing bodies.

### **Note on Impact on Neah-kah-nie Schools**

Schools K-12 in Oregon are funded on a formula intended to equalize funding for all K-12 pupils in the state. The formula gives each K-12 pupil in the state the same basic level of funding, regardless of the amount of local revenue raised through property tax, etc. Where local revenues fall short of meeting the state-decreed level of funding per student, the State steps in to fill the gap in funding. Due to its timber receipts, The Neah-kah-nie School District is one of only four School Districts in the State of Oregon that is able to meet the per student level of funding entirely with local revenues. In this exceptional case, the revenues foregone as a result of the renewal program do represent revenue foregone by the School District. It is worth repeating, however, that the School District already meets the State's prescribed level of per student level funding.

When the project is completed, an estimated \$107.8 million in assessed values will be placed back on the tax roll. In the following year, the permanent rates of the overlapping taxing bodies will generate property tax revenues estimated to be at approximately \$1.171 million. Given just a 3% inflation of assessed values in the area, the revenues foregone by the overlapping taxing bodies will be repaid in a period of nine years after the project is completed.

### **500E. FINANCIAL FEASIBILITY OF PLAN**

The total capital costs (i.e., exclusive of interest on indebtedness) to carry out the project activities shown in Table 2 are estimated to be \$11,382,000. The principal source of revenue to carry out project activities will be annual tax increment revenues of the Renewal Agency. Anticipated tax increment revenues are shown in Table 4. The tax increment revenues shown in Table 4 are based on the following assumptions:

- The duration of the renewal plan will be 21 years;
- A frozen base assessed value of \$17,100,000;
- The first tax increment revenue receipt is in Nov. 2007;
- 2.75% annual growth in existing incremental values in the area,  
PLUS;

- \$70.7 million in “new building” values (assessor’s term is “exception” values), spread over years 1 through 20 (see Note below);
- A \$10.5185 combined tax rate used to calculate tax increment revenue.

*Note:* The \$70.7 million in new building values above are estimated assessed values that represent anticipated development during the duration of the renewal plan, primarily from the Old Mill development. This includes 167 additional residential units and 83,333 square feet of retail/office space currently proposed for development.

The residential condo units are assumed to come on line beginning in year 2008 at a rate of 8 per year for the first four years and 9 per year after that. The additional condo units are assumed to have an average market value of \$300,000 per unit (in 2005 dollars) with a 4% annual rate of appreciation applied to the market value added each year. Additional new building value is assumed to be added over years three through twelve from an addition of 83,333 (8,333 per year) square feet of retail/office space proposed for development. The market value added from the retail/office space is valued at \$200 per square foot (in 2005 dollars) with a 4% annual rate of appreciation applied to the market value added each year. (*Note:* There is, at this time, no market study to support the estimates of residential and commercial units to be developed on the Old Mill site. In order to provide a conservative revenue estimate for this plan, the total number of residential units and retail/office space of the proposed development project was reduced to 33.4% of what is proposed by the developer. The absorption rate is assumed to be approximately 50% less than the proposed rate.)

Applying the assumptions above, Table 4 shows estimated growth of values in the preliminary boundary area, and the tax increment revenues that would result. Table 4 uses a 21-year time frame for the analysis. It is estimated that \$114.18 million in new assessed values will be added to the preliminary Renewal District. The cumulative tax increment revenues generated during that period are expected to be \$11.38 million.

<b>Garibaldi Urban Renewal Plan</b>			
<b>Estimated Tax Increment Revenue - 21 Year Duration</b>			
<b>Table 4</b>			
<b>Year</b>	<b>Cumulative New Incremental Values in area</b>	<b>Annual Revenue</b>	<b>Cumulative Revenue</b>
2007	\$953,432	<b>\$10,029</b>	<b>\$10,029</b>
2008	\$3,501,653	<b>\$36,832</b>	<b>\$46,861</b>
2009	\$7,639,192	<b>\$80,353</b>	<b>\$127,214</b>
2010	\$11,983,835	<b>\$126,052</b>	<b>\$253,266</b>
2011	\$16,543,030	<b>\$174,008</b>	<b>\$427,273</b>
2012	\$21,608,661	<b>\$227,291</b>	<b>\$654,564</b>
2013	\$26,919,408	<b>\$283,152</b>	<b>\$937,716</b>
2014	\$32,483,853	<b>\$341,681</b>	<b>\$1,279,397</b>
2015	\$38,310,789	<b>\$402,972</b>	<b>\$1,682,369</b>
2016	\$44,409,228	<b>\$467,118</b>	<b>\$2,149,488</b>
2017	\$50,788,394	<b>\$534,218</b>	<b>\$2,683,706</b>
2018	\$57,457,729	<b>\$604,369</b>	<b>\$3,288,075</b>
2019	\$62,547,159	<b>\$657,902</b>	<b>\$3,945,977</b>
2020	\$67,849,486	<b>\$713,675</b>	<b>\$4,659,652</b>
2021	\$73,371,538	<b>\$771,759</b>	<b>\$5,431,410</b>
2022	\$79,120,291	<b>\$832,227</b>	<b>\$6,263,637</b>
2023	\$85,102,869	<b>\$895,155</b>	<b>\$7,158,792</b>
2024	\$91,326,543	<b>\$960,618</b>	<b>\$8,119,410</b>
2025	\$97,798,733	<b>\$1,028,696</b>	<b>\$9,148,106</b>
2026	\$104,526,999	<b>\$1,099,467</b>	<b>\$10,247,573</b>
2027	\$107,871,741	<b>\$1,134,649</b>	<b>\$11,382,222</b>

The revenues shown in Table 4 expected to be sufficient to carry out all project activities currently shown on the Urban Renewal Plan, and to retire project indebtedness within a 21-year period. It is financially feasible to carry out the Urban Renewal Plan for the Garibaldi Urban Renewal District.

**Garibaldi Urban Renewal Plan - 21 Year Revenue**

**Table 5- Taxes Foregone by Affected Taxing Bodies**

Year	Excess Value in Renewal Area	County tax rate <b>1.4948</b>	City Tax Rate <b>2.8468</b>	School 56 <b>4.5002</b>	4-H Extension <b>0.0690</b>	County Library <b>0.5400</b>	Tillamook Transit <b>0.2000</b>	Port of Garibaldi <b>0.2620</b>	EMCD-911 <b>0.1883</b>	Tillamook Bay CC <b>0.2636</b>	NW Reg ESD <b>0.1538</b>
2007	\$953,432	\$1,425	\$2,714	\$4,291	\$66	\$515	\$191	\$250	\$180	\$251	\$147
2008	\$3,501,653	\$5,234	\$9,969	\$15,758	\$242	\$1,891	\$700	\$917	\$659	\$923	\$539
2009	\$7,639,192	\$11,419	\$21,747	\$34,378	\$527	\$4,125	\$1,528	\$2,001	\$1,438	\$2,014	\$1,175
2010	\$11,983,835	\$17,913	\$34,116	\$53,930	\$827	\$6,471	\$2,397	\$3,140	\$2,257	\$3,159	\$1,843
2011	\$16,543,030	\$24,729	\$47,095	\$74,447	\$1,141	\$8,933	\$3,309	\$4,334	\$3,115	\$4,361	\$2,544
2012	\$21,608,661	\$32,301	\$61,516	\$97,243	\$1,491	\$11,669	\$4,322	\$5,661	\$4,069	\$5,696	\$3,323
2013	\$26,919,408	\$40,239	\$76,634	\$121,143	\$1,857	\$14,536	\$5,384	\$7,053	\$5,069	\$7,096	\$4,140
2014	\$32,483,853	\$48,557	\$92,475	\$146,184	\$2,241	\$17,541	\$6,497	\$8,511	\$6,117	\$8,563	\$4,996
2015	\$38,310,789	\$57,267	\$109,063	\$172,406	\$2,643	\$20,688	\$7,662	\$10,037	\$7,214	\$10,099	\$5,892
2016	\$44,409,228	\$66,383	\$126,424	\$199,850	\$3,064	\$23,981	\$8,882	\$11,635	\$8,362	\$11,706	\$6,830
2017	\$50,788,394	\$75,918	\$144,584	\$228,558	\$3,504	\$27,426	\$10,158	\$13,307	\$9,563	\$13,388	\$7,811
2018	\$57,457,729	\$85,888	\$163,571	\$258,571	\$3,965	\$31,027	\$11,492	\$15,054	\$10,819	\$15,146	\$8,837
2019	\$62,547,159	\$93,495	\$178,059	\$281,475	\$4,316	\$33,775	\$12,509	\$16,387	\$11,778	\$16,487	\$9,620
2020	\$67,849,486	\$101,421	\$193,154	\$305,336	\$4,682	\$36,639	\$13,570	\$17,777	\$12,776	\$17,885	\$10,435
2021	\$73,371,538	\$109,676	\$208,874	\$330,187	\$5,063	\$39,621	\$14,674	\$19,223	\$13,816	\$19,341	\$11,285
2022	\$79,120,291	\$118,269	\$225,240	\$356,057	\$5,459	\$42,725	\$15,824	\$20,730	\$14,898	\$20,856	\$12,169
2023	\$85,102,869	\$127,212	\$242,271	\$382,980	\$5,872	\$45,956	\$17,021	\$22,297	\$16,025	\$22,433	\$13,089
2024	\$91,326,543	\$136,515	\$259,988	\$410,988	\$6,302	\$49,316	\$18,265	\$23,928	\$17,197	\$24,074	\$14,046
2025	\$97,798,733	\$146,190	\$278,413	\$440,114	\$6,748	\$52,811	\$19,560	\$25,623	\$18,416	\$25,780	\$15,041
2026	\$104,526,999	\$156,247	\$297,567	\$470,392	\$7,212	\$56,445	\$20,905	\$27,386	\$19,682	\$27,553	\$16,076
2027	\$107,871,741	\$161,247	\$307,089	\$485,444	\$7,443	\$58,251	\$21,574	\$28,262	\$20,312	\$28,435	\$16,591
	<b>Total</b>	<b>\$1,617,545</b>	<b>\$3,080,564</b>	<b>\$4,869,732</b>	<b>\$74,666</b>	<b>\$584,342</b>	<b>\$216,423</b>	<b>\$283,514</b>	<b>\$203,762</b>	<b>\$285,245</b>	<b>\$166,429</b>
	<b>PV @3.5%</b>	<b>\$979,039</b>	<b>\$1,864,549</b>	<b>\$2,947,464</b>	<b>\$45,192</b>	<b>\$353,680</b>	<b>\$130,993</b>	<b>\$171,600</b>	<b>\$123,330</b>	<b>\$172,648</b>	<b>\$100,733</b>

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

PV = Present value of the revenue foregone. This adjusts future dollars to 2006 dollar totals.

## **600. RELOCATION**

### **600A. PROPERTIES REQUIRING RELOCATION**

No relocation is anticipated at the adoption of this plan.

### **600B. RELOCATION METHODS**

If in the implementation of this Plan, persons or businesses should be displaced by action of the Agency, the Agency shall provide assistance to such persons or businesses to be displaced. Such displacees will be contacted to determine their individual relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045 - 281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060.

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

### **600C. HOUSING COST ENUMERATION**

The Renewal Plan will remove no existing housing units. The proposed Old Mill development may include residential condominiums, which are assumed to have a 2005 market value of \$300,000 and a total of 167 units added during the life of the urban renewal plan for purposes of estimating tax increment revenue projections in this report. However, the actual price range, quality, number of units, size, unit mix, and other details regarding this development are not known at this time.

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