

RESOLUTION NO. 91-010

A RESOLUTION APPROVING OF THE TERMS OF THE URBAN RENEWAL BONDS,
1991 SERIES A AND 1991 SERIES B.

WHEREAS, on September 11, 1991 the Urban Renewal Agency of the City of The Dalles, Wasco County, Oregon (the "Agency") adopted Resolution No. 91-009 authorizing the issuance and negotiated sale of Urban Renewal and Redevelopment Bonds, 1991 Series A in the aggregate principal amount not to exceed \$1,930,000 (the "Series A Bonds") and Urban Renewal and Redevelopment Bonds, 1991 Series B in the aggregate principal amount not to exceed \$570,000 (the "Series B Bonds") (Resolution No. 91-009 is referred to herein as the "Resolution" and the Series A Bonds and the Series B Bonds are collectively referred to herein as the "Bonds"); and

WHEREAS, the Resolution provided that the Finance Director shall determine terms applicable to the Bonds and authorized the Finance Director to negotiate, approve and execute a bond purchase agreement with respect to the Bonds; and

WHEREAS, the Finance Director has determined terms applicable to the Bonds and has negotiated a bond purchase agreement with respect to the Bonds; and

WHEREAS, the Agency, in accordance with Oregon law, is required to ratify and approve of certain terms applicable to the Bonds; and

WHEREAS, capitalized terms not defined herein shall have the meaning assigned to such terms in the Resolution.

NOW, THEREFORE, BE IT RESOLVED:

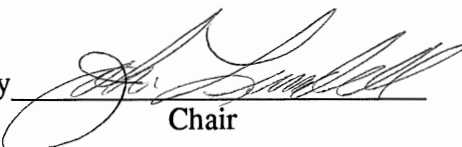
Section 1. Approval of Bond Purchase Agreement and Preliminary Official Statement. The Agency approves of the terms, conditions and provisions relating to the Bonds as contained in the Bond Purchase Agreement dated September 11, 1991 between the Agency and Security Pacific Securities Inc. (the "Bond Purchase Agreement") a copy of which is attached hereto as Exhibit A and made a part hereof. The Finance Director is authorized to execute the Bond Purchase Agreement on behalf of the Agency.

Section 2. Approval of Preliminary Official Statement. The Agency approves of Preliminary Official Statement dated August 30, 1991 (the "Preliminary Official Statement") prepared in connection with the Bonds, a copy of which is attached hereto as Exhibit B and made a part hereof, and ratifies and approves of the distribution of the Preliminary Official Statement by the Underwriter. Pursuant to Securities and Exchange Commission Rule 15c2-12, the Agency deems the Preliminary Official Statement as final as of its date except for the omission of information dependent upon the pricing of the issue and completion of the underwriting agreement such as

offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds dependent on the foregoing matters.

ADOPTED this 11th day of September, 1991.

URBAN RENEWAL AGENCY OF THE
CITY OF THE DALLES

By 
Chair

ATTEST:

By 
Vice Chair

EXHIBIT A

Purchase Agreement

dated

September 11, 1991

between

**Security Pacific Securities, Inc.
(Underwriter)**

and

**The Urban Renewal Agency of the City of The Dalles
(Issuer)**

for purchase of

Urban Renewal and Redevelopment Bonds, Series 1991 A&B

\$2,345,000

THIS PURCHASE AGREEMENT dated September 11, 1991 is between Security Pacific Securities, Inc. (the "Underwriter") and the The Urban Renewal Agency of the City of The Dalles, Wasco County, Oregon (the "Issuer" or the "Agency") for the sale and delivery of \$2,345,000 principal amount of Urban Renewal and Redevelopment Bonds, Series 1991 A&B (the "Bonds").

WHEREAS, the Board of Directors of the Issuer is authorized pursuant to the Constitution and laws of the State of Oregon to issue urban renewal and redevelopment bonds for its Columbia Gateway / Downtown urban renewal area; and

WHEREAS, pursuant to the constitution and laws of the State of Oregon and the Agency's Resolution number ____ (the "Resolution"), the Issuer is authorized to issue and deliver the Bonds;

NOW, THEREFORE, in consideration of the premises, the parties hereto do hereby agree as follows:

Section 1. Purchase and Purchase Price.

Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Agency will cause \$2,345,000 principal amount of the Bonds to be executed and delivered and the Underwriter agrees to purchase said Bonds for offering to the public, at an aggregate purchase price of \$2,279,552.85 with interest to accrue from September 15, 1991. The maturity dates, scheduled mandatory redemptions and interest rates of the Bonds are set forth in Exhibit A attached hereto. The Bonds' other redemption features are described in the Preliminary Official Statement dated August 30, 1991. The aforementioned are incorporated herein by reference.

Section 2. Official Statement.

The Issuer shall deliver, or cause to be delivered, to the Underwriter copies of an official statement with respect to the Bonds substantially in the form of the Preliminary Official Statement, dated August 30, 1991 (the "Preliminary Official Statement"), with only such changes therein as shall have been accepted by the Underwriter and the Issuer (such Preliminary Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto, being herein called the "Official Statement", signed on behalf of the Issuer by duly authorized officers.

Section 3. Closing; Bonds

(a) At 8:30 a.m. prevailing Pacific Time, on September 25th or at such other time or on such earlier or later date as we mutually agree upon (the "Closing Date"), the Issuer will deliver, or cause to be delivered, to the Underwriter through the facilities of the Depository Trust Company in New York, New York ("DTC"), Bonds in the definitive form duly executed together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price therefor in immediately available funds to the order of the Issuer.

(b) The Bonds shall be executed and delivered under and in accordance with the provisions of the Resolution and the requirements of DTC.

(c) The Bonds shall be delivered in definitive form unless, with all reasonable diligence, the Issuer is unable to provide Bonds in definitive form. In such event, the Bonds may be delivered by the Issuer in temporary form with Bonds in definitive form to be provided by the Issuer through the Registrar and Paying Agent as soon as practicable.

Section 4. Representations and Warranties of the Issuer.

The Issuer represents and warrants to the Underwriter that:

(1) The Issuer is a body corporate and politic duly organized and validly existing under and by virtue of the laws of the State of Oregon, and has all necessary power and authority to enter into and perform its duties under the Resolution and this Purchase Agreement and, upon execution of such documents by the Issuer and the other parties thereto, such documents will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms.

(2) The execution and delivery of this Purchase Agreement, the adoption of the Issuer's Resolution, and compliance with the provisions hereof and thereof, will not conflict in any material respect with, or constitute a material breach of any administrative regulation, court decree, resolution, charter, by-law or other agreement to which the Issuer is a party or by which it is bound.

(3) There is no action, suit, proceeding or investigation at law or in equity before or by any court or government agency or body pending or, to the best knowledge of the Issuer, threatened against the Issuer to restrain or enjoin the execution or delivery of the Bonds, or the collection of any revenues or resources pledged to the Bonds, or in any way contesting or affecting the validity of this Purchase Agreement, or the Issuer's Resolution or contesting the powers of the Issuer to enter into or perform its obligations under any of the foregoing.

(4) The Official Statement has been duly authorized, signed and delivered by the Issuer and information therein as to the Issuer and as to the Resolution is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(5) The Issuer has deemed the Official Statement final as of its date pursuant to Securities and Exchange Commission Rule 15c2-12.

(6) The Issuer agrees that if, at any time before the Closing Date, any event occurs as a result of which the Official Statement as then in effect would include any untrue statements or omit any statement required to make the statements therein not misleading in any material respect, the Issuer shall promptly prepare an amendment or supplement which will correct such statement or omission. The Issuer will advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and will only do so in a form and manner approved by the Underwriter.

Section 5. Conditions to the Obligations of the Underwriter.

The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations, warranties and agreements on the part of the Issuer contained herein, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and officials of the Issuer made in any Bonds or other documents furnished pursuant to the provisions hereof and to the following additional conditions:

(1) On the Closing Date, the Bonds, the Resolution and the Official Statement shall have been duly authorized, executed and delivered in substantially the forms heretofore submitted to the Underwriter, and said documents shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith and with the execution and delivery of the Bonds and by this Purchase Agreement, all such actions as Rankin, Mersereau & Shannon ("Bond Counsel"), shall deem to be necessary and appropriate.

(2) Between the date hereof and the Closing Date, the market price or marketability, at the initial offering price or prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected, in the reasonable judgment of the Underwriter (evidenced by written notice from the Underwriter to the Issuer terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

(a) legislation enacted or introduced or proposed in the Congress of the United States or the legislature of the State of Oregon or reported out of committee or pending in committee, or a decision rendered by a court of the United States or the State of Oregon or the Tax Court of the State of Oregon or of the United States or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the Treasury Department of the United States or the Internal Revenue Service with the purpose or effect, directly or indirectly, of imposing federal or Oregon income taxation upon the interest on the Bonds or obligations of similar character or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or the Bonds are not exempt from registration under the Securities Act of 1933, as amended, or that the Resolution is not exempt from qualification under the Trust Resolution Act of 1939, as amended;

(b) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government of or the financial community in the United States;

(c) the declaration of a general banking moratorium by federal, New York or Oregon authorities, or the general suspension of trading on any national securities exchange;

(d) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental Agency, of any material restrictions not now in force, including those relating to the extension of credit by, or the change to the net capital requirements of, underwriters;

(e) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the execution, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(f) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(3) On or prior to the Closing Date, the Underwriter shall have received a certificate of an officer of the Issuer dated the Closing Date, to the effect that:

(a) The Resolution of the Issuer approving and authorizing this Purchase Agreement and authorizing the Finance Director of the Issuer to approve and authorize distribution of disclosure documents were duly adopted by the Issuer pursuant to the law and with all public notice required by law;

(b) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body known to be pending or threatened against or affecting the Issuer to restrain or enjoin the Issuer's participation in, or in any way contesting the existence of the Issuer or the powers of the Issuer with respect to the Resolution or the issuance of the Bonds, this Purchase Agreement and the consummation of such transactions;

(c) The adoption of the Resolution and the delivery of the Bonds and the Purchase Agreement and compliance by the Issuer with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or by which it is bound or any court order to consent decree to which the Issuer is subject;

(d) The information contained in the Official Statement with respect to the Issuer is correct and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein or necessary to make the statements therein, in the light of the circumstances under which they were made not misleading in any material respect,

(4) On or prior to the Closing Date, the Underwriter shall have received an unqualified approving legal and tax opinion, dated the Closing Date and addressed to the Issuer, and a similar opinion addressed to the Underwriter, of Bond Counsel, and an Exempt/Disclosure opinion of Bond Counsel relating to information contained in the Preliminary Official Statement and in the Official Statement satisfactory in form to the Underwriter;

(5) Such additional legal opinions, certificates, proceedings, instruments or other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Issuer and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

Section 6. Changes in Official Statement.

After the Closing Date, (a) the Issuer will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing and (b) if any event relating to or affecting the Issuer shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstance existing at the time it is delivered to a purchaser, the Issuer shall cause to be forthwith prepared and furnished to the Underwriter (at the expense of the Issuer for ninety (90) days from the Closing Date and otherwise at the expense of the Underwriter) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order make the statements therein, in the light of the circumstance existing at the time it is delivered to a purchaser, not misleading.

Section 7. Expenses.

All expenses and costs of the Issuer incident to the performance of its obligations in connection with the execution of the Resolution, the delivery of the Bonds to the Underwriter and their public offering, including printing costs, CUSIP Service Bureau charges, fees and expenses of the Registrar and Paying Agent, fees and expenses of consultants, fees and expenses of Bond Counsel shall be paid by the Issuer. All out-of-pocket expenses of the Underwriter, shall be paid by the Underwriter. To the extent that the Underwriter advances Issuer costs and expenses including but not limited to printing costs, costs of Official Statement preparation, CUSIP Service Bureau charges, and courier costs, the Issuer will promptly reimburse the Underwriter upon presentation of a written invoice with documentation of the costs advanced.

Section 8. Indemnity.

To the fullest extent permitted by law, the Issuer agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls (within the meaning of the Securities Act of 1933, as amended) any Underwriter, and the officers, agents and employees of each thereof against any and all losses, claims, damages, liabilities and expenses (i) arising out of the failure of the Issuer to fulfill its obligations under this Purchase Agreement or any statement or information in the Preliminary Official Statement or Official Statement that is or is alleged to be untrue or incorrect in any material respect or the omission or alleged omission therefrom of any statement or information required to be stated therein or necessary to make the statements therein not materially misleading excepting as to the foregoing clause (i) any statement or information made or omitted relating to the Underwriter, and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the Issuer. This indemnity agreement is in addition to any liability which the Issuer may otherwise have. If requested, the Issuer shall assume the effort and cost of defending Underwriter or any controlling person of the Underwriter against all claims or actions based upon matters for which indemnity may be sought against the Issuer. Such person shall have the right to retain separate counsel in any such action and to participate in the defense thereof in the event that in such person's judgement the counsel retained by the Issuer cannot for any reason adequately defend such person's interests provided the fees and expenses of such counsel shall be paid by such person.

Section 9. Notices.

Any notices to be given the Underwriter under this Agreement shall be given in writing to the Underwriter at 1301 Fifth Avenue, 19th Floor, Seattle, Washington 98101. Any notices to be given the Issuer shall be given in writing to the Issuer at 313 Court St, The Dalles, Oregon 97058 ATTN: Agency Coordinator.

Section 10. No Assignment.

This Purchase Agreement has been made by the Issuer and the Underwriter and their successors and no person other than the foregoing shall acquire or have any right under or by virtue of this Purchase Agreement. All of the representations, warranties and agreements contained in this Purchase Agreement shall survive the delivery of and payment for the Bonds and any termination hereof.

Section 11. Applicable Law.

This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of Oregon applicable to contracts made and performed in such state.

Section 12. Effectiveness.

This Purchase Agreement shall become effective upon the execution by the Issuer and the Underwriter and shall be valid and enforceable from and after the time of such execution.

Section 13. Severability.

In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14. Counterparts.

This Purchase Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

The Urban Renewal of the City of The Dalles

By: *Donald W. Gower*
Title: *Finance Director*
Date: *9-11-91*

Security Pacific Securities, Inc.

By: *Ronald D. Behr*
Title: *Vice President*
Date: *9/11/91*

Urban Renewal Agency of the City of The Dalles
Urban Renewal Bonds, Series 1991 A&B
Exhibit A to Purchase Contract dated September 11, 1991

Series A Scheduled Maturity Amounts & Rates

Due August 1	Principal	Rate
1992	45,000	5.000
1993	50,000	5.250
1994	50,000	5.500
1995	55,000	5.750
1996	60,000	6.000
1997	60,000	6.200
1998	65,000	6.350
1999	70,000	6.500
2000	75,000	6.600
2001	80,000	6.700

	610,000	

Series A Term Bond Scheduled Redemptions

Rate: 7.000

August 1	Amount
2002	85,000
2003	90,000
2004	95,000
2005	105,000
2006	110,000
2007	120,000
2008	125,000
2009	135,000
2010	145,000
2011	155,000

	1,165,000

Total 1,775,000

Series B Term Bond Scheduled Redemptions
Rate: 7.000

August 1	Amount
1992	15,000
1993	15,000
1994	15,000
1995	15,000
1996	20,000
1997	20,000
1998	20,000
1999	20,000
2000	25,000
2001	25,000
2002	30,000
2003	30,000
2004	30,000
2005	35,000
2006	35,000
2007	40,000
2008	40,000
2009	45,000
2010	45,000
2011	50,000

	570,000

Urban Renewal Agency of the City of The Dalles
Urban Renewal Bonds, Series 1991 A&B
Proforma Sources & Uses of Funds
(Per Purchase Contract for September 25, 1991 delivery)

	Series A	Series B	Total
Sources of Funds			
Bonds Par	\$1,775,000	\$570,000	\$2,345,000
Underwriter Discount	(41,200)	(5,700)	(46,900)
Original Issue Discount	(12,454)	(6,093)	(18,547)
Accrued Interest	3,296	1,108	4,404
	-----	-----	-----
Net Sources	\$1,724,642	\$559,315	\$2,283,957
 Uses of Funds			
Issuance Expenses (est.)	\$24,300	\$5,700	\$30,000
Deposit to Reserve (est.)	167,915	53,922	221,837
Net to Projects (est.)	1,529,131	498,585	2,032,120
To Bond Account	3,296	1,108	4,404
	-----	-----	-----
Total Uses of Funds	\$1,724,642	\$559,315	\$2,283,957

Security Pacific Public Finance
11-Sep-91

PRELIMINARY OFFICIAL STATEMENT DATED: August 30, 1991

NEW ISSUE - NEGOTIATED

RATING: Not applied for

In the opinion of Rankin Mersereau & Shannon, Bond Counsel, under existing law and assuming compliance with certain covenants, interest on the Series A Bonds and Series B Bonds is excludable from gross income for federal income tax purposes, except for alternative minimum tax imposed on adjusted current earnings of corporations. Interest on the Series A Bonds is not an item of tax preference, and interest on the Series B Bonds is an item of tax preference, for purposes of alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may, however, be subject to other collateral tax consequences. In the opinion of Bond Counsel, interest on the Series A Bonds and on the Series B Bonds is exempt from present personal income taxation by the State of Oregon. See the caption "TAX EXEMPTION" herein for a discussion of this designation.

**THE URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES
WASCO COUNTY, OREGON
Columbia Gateway/Downtown Area
\$1,775,000* Urban Renewal and Redevelopment Bonds, 1991 Series A
(Governmental Purpose)
\$570,000* Urban Renewal and Redevelopment Bonds, 1991 Series B
(Qualified Redevelopment)**

DATED: September 15, 1991

DUE: August 1, as shown below

The Bonds are registered bonds in \$5,000 denominations or integral multiples thereof. Interest is payable semiannually on February 1 and August 1 of each year, commencing February 1, 1992, through the principal corporate trust offices of the registrar and paying agent, currently Security Pacific Bank Oregon, Portland, Oregon.

The proceeds of the sale of the Series A Bonds will be used to finance public improvements within the Area. The proceeds of the sale of the Series B Bonds will be used to acquire and redevelop real property within the Area.

The Bonds will be issued as fully registered bonds, registered initially in the name of Cede & Co, as nominee of the Depository Trust Company, New York, New York ("DTC"). Individual purchases and transfers of the Bonds will be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof. Purchasers of Bonds will not receive physical delivery of their Bonds. The book-entry system is described herein in the section entitled "The Bonds -- Book Entry System."

The Bonds are not general obligations of the City of The Dalles (the "City") or the Urban Renewal Agency of the City of The Dalles (the "Agency"). The Bonds are valid and binding obligations of the Agency, and are payable solely from the Tax Increment Revenues as defined in the Resolution authorizing the issuance of the Bonds. The lien of the Series A Bonds is superior to that of the Series B Bonds.

MATURITY SCHEDULES*

				<u>1991 Series A</u>			
<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Yield</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Yield</u>
<u>August 1</u>	<u>Amounts*</u>	<u>Rate</u>	<u>or Price</u>	<u>August 1</u>	<u>Amounts*</u>	<u>Rate</u>	<u>or Price</u>
1992	\$45,000			1997	\$60,000		
1993	50,000			1998	65,000		
1994	50,000			1999	70,000		
1995	55,000			2000	75,000		
1996	60,000			2001	80,000		
		\$1,165,000	___ %	Term Bonds due August 1, 2011 @ _____			
				<u>1991 Series B</u>			
		\$570,000	___ %	Term Bonds due August 1, 2011 @ _____			

The Bonds are subject to Optional, Accumulated and Mandatory Redemption. See "Redemption of the Bonds" herein.

The Bonds, combined with all other anticipated tax-exempt issues of the City and the Agency, are not expected to total more than \$10,000,000 for calendar year 1991. Therefore the Agency has designated the Series A Bonds as "qualified tax-exempt obligations" pursuant to the Internal Revenue Code of 1986.

This cover page contains certain information for quick reference only. It is *not* a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Agency and accepted by the Underwriter, subject to the final approving opinion of Rankin Mersereau & Shannon, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery in Portland, Oregon, within thirty days of sale.

* Subject to change.

Security Pacific Securities, Inc.

This is a Preliminary Official Statement and the information contained herein is subject to correction and change. This Preliminary Official Statement shall not constitute an offer to sell or the solicitation of an offer to buy.

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OFFICIAL STATEMENT

OF

THE URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES

WASCO COUNTY, OREGON

Relating to

Columbia Gateway/Downtown Area

**\$1,775,000* Urban Renewal and Redevelopment Bonds, 1991 Series A
(Governmental Purpose)**

**\$570,000* Urban Renewal and Redevelopment Bonds, 1991 Series B
(Qualified Redevelopment)**

THE URBAN RENEWAL AGENCY BOARD MEMBERS

L.D. "Les" Cochenour
Judy Reed
Carolyn Wood
Dewanda Clark
Bill Holt

Meritt Probstfield
Gary Honald
Dave Kinser
Austin Abrams
Ann Marie Jelderks

John Lundell

Agency Coordinator/Community Development Director: Daniel Durow

Finance Director: Don Gower

Professional Services

Rankin Mersereau & Shannon, Bond Counsel
Security Pacific Securities, Inc., Underwriter
Lyle Stewart, AIA, AICP, Redevelopment Consultant

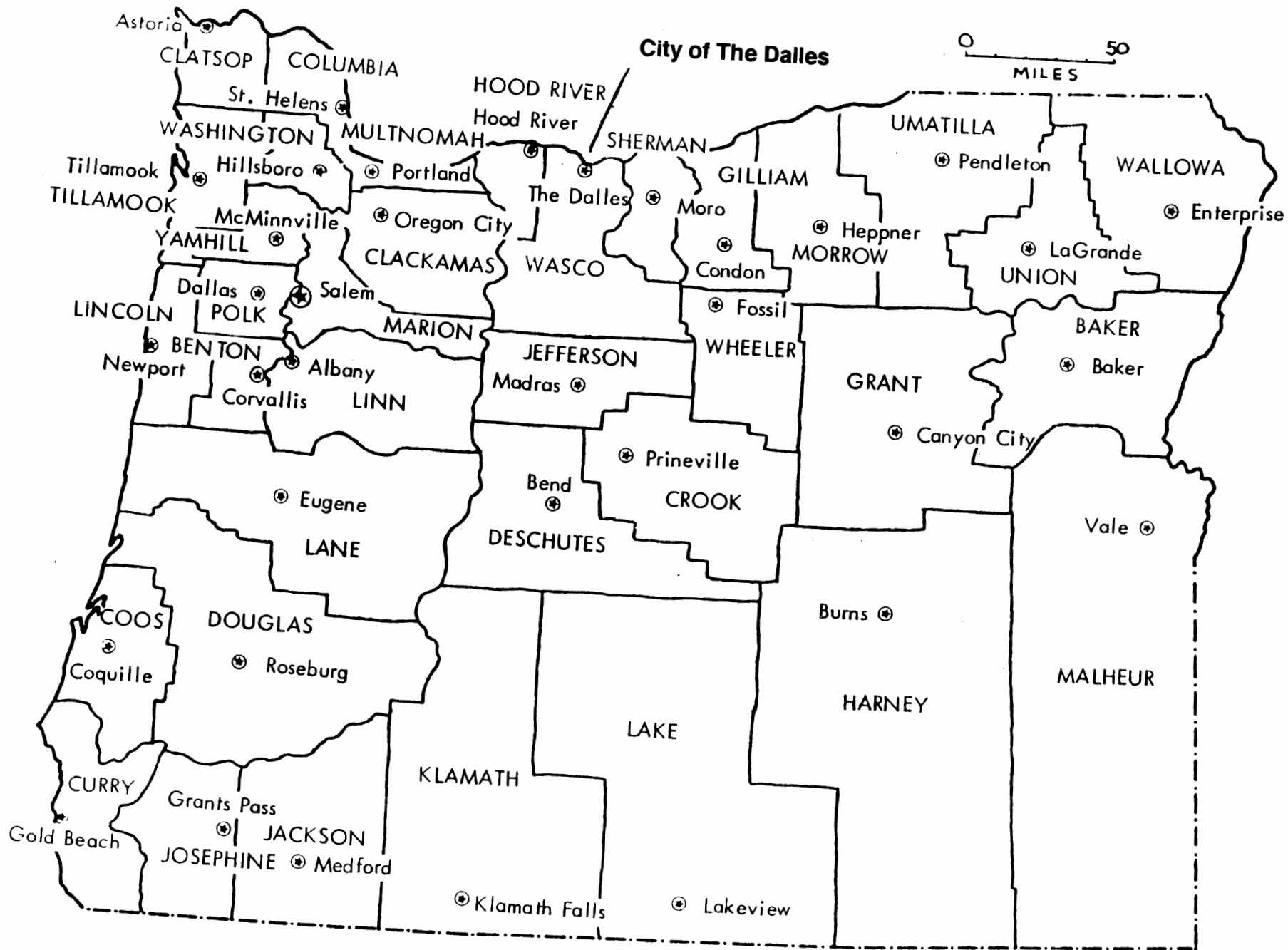
This Official Statement has been designed to conform, where applicable, to the guidelines presented in *Disclosure Guidelines for Offerings of Securities by State and Local Governments*, published by the Government Finance Officers Association in 1976 and revised in 1979 and 1988.

This Official Statement is intended only to furnish information in connection with the public invitation for bids for the purchase of these Bonds. The Official Statement DOES NOT constitute a recommendation, expressed or implied, to purchase or not to purchase these Bonds or any other previous Bonds of the Issuer.

*Subject to change.

The date of this Official Statement is August 30, 1991.

STATE OF OREGON



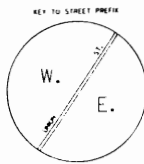
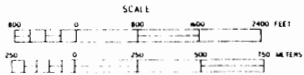
The Redevelopment Area

THE DALLES AND VICINITY

WASCO COUNTY, OREGON
Population 10,900

PREPARED BY THE
OREGON STATE HIGHWAY DIVISION
IN COOPERATION WITH THE
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

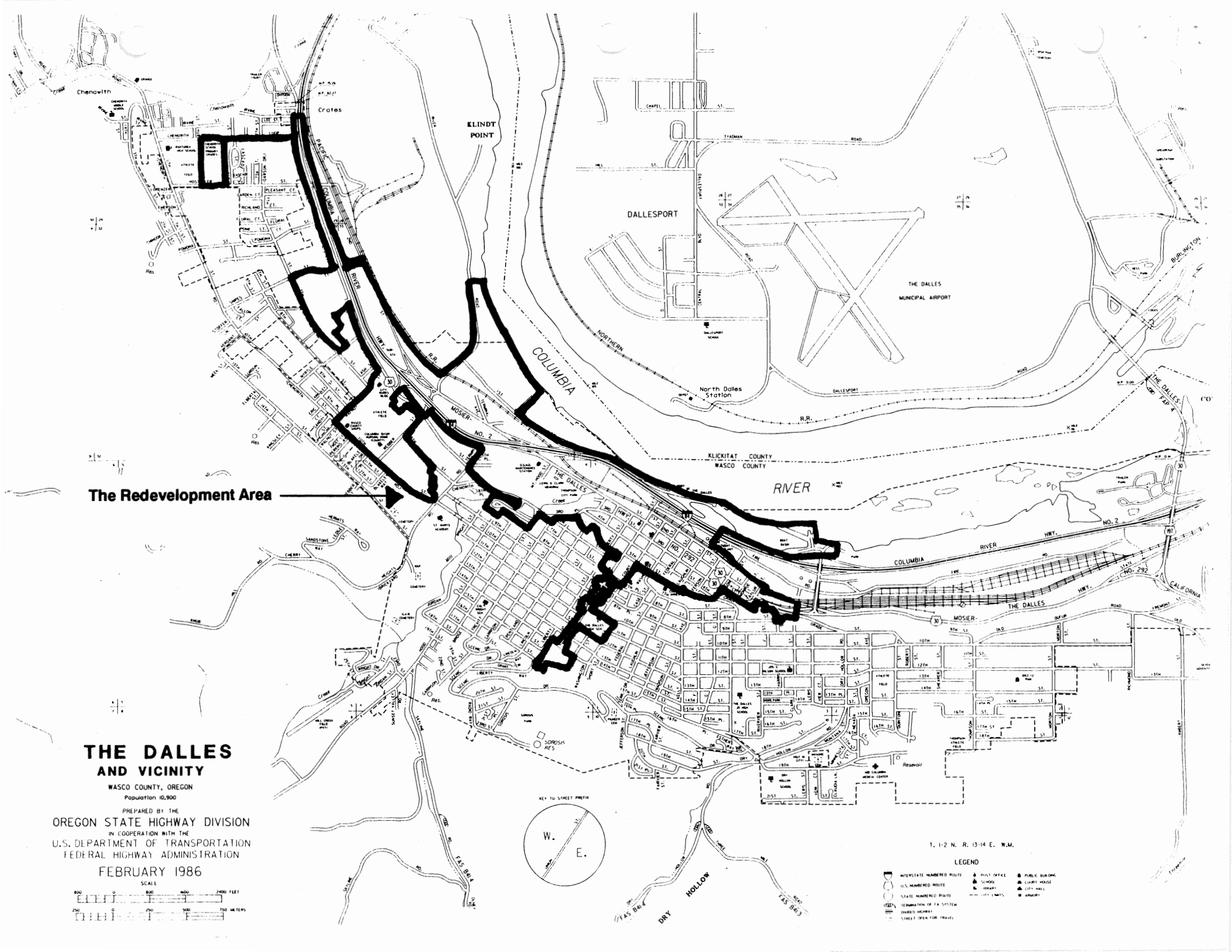
FEBRUARY 1986



T. 1-2 N. R. 13-14 E. W.M.

LEGEND

- INTERSTATE NUMBERED ROUTE
- U.S. NUMBERED ROUTE
- STATE NUMBERED ROUTE
- TERMINAL FORM OF T.A. SYSTEM
- DIVERGED HIGHWAY
- POST OFFICE
- SCHOOL
- WAREHOUSE
- CITY HALL
- CITY MARKET
- PUBLIC BUILDING
- CHURCH HOUSE
- CITY HALL
- MARKET



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SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement, including the appendices hereto. No person is authorized to detach this Summary Statement from this Official Statement or otherwise to use it without this entire Official Statement, including the appendices hereto.

The Urban Renewal Agency of the City of The Dalles

The Urban Renewal Agency of the City of The Dalles was organized on August 23, 1990, under the provisions of ORS 457, to provide for rehabilitation of blighted areas within the City's designated urban renewal area, the Columbia Gateway/Downtown Area.

Use of Proceeds

The proceeds of the sale of the Series A Bonds will be used to finance public improvements within the Area. The proceeds of the sale of the Series B Bonds will be used to acquire and develop real property within the Area.

Security

The Bonds are secured by the pledge of Tax Increment Revenues, as provided in the Resolution, and by funds on deposit in reserve accounts. The Series B Bonds are additionally secured by the proceeds of the sale of properties acquired with the proceeds of the Series B Bonds. The lien of the Series A Bonds on the Tax Increment Revenues is superior to that of the Series B Bonds. See "Security for the Bonds" herein.

Book Entry System

The Bonds will be issued as fully registered bonds, registered initially in the name of Cede & Co, as nominee of the Depository Trust Company, New York, New York ("DTC"). Individual purchases and transfers of the Bonds will be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof. Purchasers of Bonds will not receive physical delivery of their Bonds. The book-entry system is described herein in the section entitled "The Bonds -- Book Entry System."

Tax Exempt Status

In the opinion of Bond Counsel, under existing law and assuming compliance with certain covenants, interest on the Series A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference, for purposes of alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended. The interest on the Series B Bonds is an item of tax preference. Interest on the Bonds may, however, be subject to other collateral tax consequences. Interest on the Bonds is also exempt from present personal income taxation by the State of Oregon. See "Tax Exemption" herein.

Bank Designated

The Bonds, combined with all other anticipated tax-exempt issues of the City and the Agency, are not expected to total more than \$10,000,000 for calendar year 1991. Therefore, the Agency has designated the Series A Bonds as "qualified tax-exempt obligations" pursuant to the Internal Revenue Code of 1986.

Optional Redemption

Series A Bonds maturing in 1992 - 1996 are not subject to optional early redemption. Series A Bonds maturing after August 1, 1996 are subject to optional redemption, in whole or in part, on August 1, 1996 and on any Payment Date thereafter, in inverse order of maturity, at par plus accrued interest to the date set for redemption.

On any interest payment date, the Agency may redeem all or any portion of the Series B Bonds then outstanding at par, together with accrued interest to the date set for redemption.

Mandatory Redemption

Series A and B Bonds. The Series A and B Bonds maturing on August 1, 2011 are subject to scheduled mandatory redemption by lot as shown on page 1.

Accumulated Redemption

Series B Only. The Series B Bonds are subject to Accumulated Redemption on each August 1 of each year to the extent that funds are on deposit in the Accumulated Redemption Account. The Agency will certify to the Registrar as soon as practical after May 15 of each year, but in no event later than June 15, the amount on deposit in the Accumulated Redemption Account and will provide to the Registrar prior to June 15 of each year a Notice of Intent to Redeem setting forth the Series B Bonds to be redeemed on the following August 1.

Parity Bonds

The Agency may issue additional bonds on a parity basis with the Series A Bonds if it complies with certain provisions of the Resolution, including (a) the Series B Bonds have been redeemed, retired or defeased; and (b) the balance in the Series A Reserve Account is at least equal to the Series A Reserve Requirement; and (c) the Tax Increment Revenues for the fiscal year prior to the fiscal year in which the Parity Bonds are issued equaled or exceeded 1.3 times the Annual Debt Service on the outstanding Bonds and the proposed Parity Bonds; and (d) the annual Tax Increment Revenues for the fiscal year in which the Parity Bonds are issued and the next fiscal year are projected to equal or exceed, on an average basis, 1.5 times the Annual Debt Service on all Bonds, including the proposed Parity Bonds, in any future fiscal year. The Agency may issue Parity Bonds to refund the Bonds without meeting the above provisions, but only if the Annual Debt Service on the refunding Parity Bonds in each fiscal year in which any Bonds are outstanding does not exceed by more than \$5,000 the amount of Annual Debt Service on the Bonds being refunded in that fiscal year. The Agency may issue subordinate obligations having a lien inferior to that of the Bonds, but only as provided above. Debt service on such subordinate obligations are payable solely from the General Account.

Tax Increment Levy and Collection Covenant

The Agency covenants and agrees to certify to the county each assessor, for each fiscal year Bonds are outstanding, as Bonded Indebtedness an amount equal to the sum of the Annual Debt Service and a Coverage Amount, which sum will not be less than 1.30 times the Annual Debt Service on the Bonds due during the Bond Year next ending on or after the end of the fiscal year for which the amount is certified. If the Agency is not legally able to certify to the county assessor for any fiscal year as Bonded Indebtedness an amount equal to 1.30 times the Annual Debt Service, the Agency will certify as other indebtedness an amount which will result in the Tax Increment Revenues to be received by the Agency during such fiscal year to be no less than 1.30 times the Annual Debt Service. In the event the Tax Increment Revenues in any fiscal year are less than 1.30 times the Annual Debt Service on the Bonds in the corresponding Bond Year, then the Agency will certify to the assessor as Bonded Indebtedness, to the extent it is legally able to do so and otherwise as other indebtedness, in future fiscal year such amount as is necessary to make up any deficiency under the terms of the Resolution for previous fiscal years.

THE URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES, OREGON

COLUMBIA GATEWAY/DOWNTOWN AREA

URBAN RENEWAL AND REDEVELOPMENT BONDS, SERIES 1991 A AND B

The purpose of this Official Statement is to set forth certain information concerning the City of The Dalles, Oregon (the "City" or "The Dalles"), the Urban Renewal Agency of the City of the Dalles, Oregon (the "Agency"), and the Agency's Urban Renewal and Redevelopment Bonds, Series 1991 A and B (the "Bonds"), dated September 15, 1991.

THE BONDS

DESCRIPTION OF THE BONDS

The Bonds are not general obligations of the City or of the Agency. The Bonds are valid and binding obligations of the Agency, payable pursuant to provisions of Article IX, Section 1(c) of the Constitution of the State of Oregon, State Law (ORS Chapter 457), as amended, solely from Tax Increment Revenues. The base value of the Columbia Gateway/Downtown Area (the "Area") was established as the assessed value for the 1990-91 fiscal year, and the tax increment is determined annually by the Wasco County Director of Assessment and Taxation.

MATURITY SCHEDULES*

<u>Series A</u>							
<u>Due August 1</u>	<u>Principal Amounts*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>Due August 1</u>	<u>Principal Amounts*</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
1992	\$45,000			1997	\$60,000		
1993	50,000			1998	65,000		
1994	50,000			1999	70,000		
1995	55,000			2000	75,000		
1996	60,000			2001	80,000		
				\$1,165,000 ___ % Term Bonds due August 1, 2011 @ _____			
<u>Series B</u>							
				\$570,000 ___ % Term Bonds due August 1, 2011 @ _____			

TERM BONDS' MANDATORY REDEMPTION SCHEDULES*

<u>Series A Bonds</u>		<u>Series B Bonds</u>	
<u>August 1</u>	<u>Amount*</u>	<u>August 1</u>	<u>Amount*</u>
2002	\$ 85,000	1992	\$15,000
2003	90,000	1993	15,000
2004	95,000	1994	15,000
2005	105,000	1995	15,000
2006	110,000	1996	20,000
2007	120,000	1997	20,000
2008	125,000	1998	20,000
2009	135,000	1999	20,000
2010	145,000	2000	25,000
2011	155,000	2001	25,000
		2002	30,000
		2003	30,000
		2004	30,000
		2005	35,000
		2006	35,000
		2007	40,000
		2008	40,000
		2009	45,000
		2010	45,000
		2011	50,000

* Subject to change.

The Bonds will bear interest from September 15, 1991 (payable on February 1 and August 1, commencing February 1, 1992). The Bonds will be issued as a fully registered bonds in denominations of \$5,000 or integral multiples thereof. The principal of the Bonds will be payable in lawful money of the United States of America at the Agency's Paying Agent, currently Security Pacific Bank Oregon, Portland, Oregon. Interest on the Bonds will be paid by check or draft drawn upon and mailed by the Paying Agent on the interest payment date.

SECURITY FOR THE BONDS

The Bonds are secured by the pledge of Tax Increment Revenues, as defined in the Resolution. The Resolution defines Tax Increment Revenues as all ad valorem tax revenues from properties within the Area which are attributable to the increase in true cash value of property within the Area pursuant to Article IX, Section 1c of the Oregon Constitution, and Oregon Revised Statutes, Sections 457.420 to 457.460, inclusive, as amended, and money or securities in the Reserve Accounts, and all earnings thereon. The Series B Bonds are additionally secured by the proceeds of the sale of properties acquired with the proceeds of the Series B Bonds. The lien of the Series A Bonds on the Tax Increment Revenues is superior to that of the Series B Bonds.

ACCOUNTS AND FLOW OF FUNDS

- (a) The Tax Increment Fund will be divided into a Series A Bond Account, a Series B Bond Account, a Series A Reserve Account, a Series B Reserve Account, a Series A Proceeds Account, a Series B Proceeds Account, a Series A Restricted Account, a Series B Restricted Account, an Accumulated Redemption Account and a General Account. The Agency will deposit all Tax Increment Revenues in its Tax Increment Fund and will credit each deposit to the following accounts within the Tax Increment Fund, in the following order of priority:
 - (i) to the Series A Bond Account, until the Series A Bond Account contains an amount sufficient to pay all the Annual Debt Service during the current Bond Year on outstanding Series A Bonds, including any payments for the mandatory redemption of Series A Bonds occurring in such Bond Year;
 - (ii) to the Series A Reserve Account, until the Series A Reserve Account contains an amount equal to the Reserve Requirement, which is defined as, as of any date, an amount equal to the sum of the lowest of the following amounts: maximum annual debt service, 125 percent of average annual debt service, ten percent of the proceeds of the issue, or all debt service remaining to be paid on the issue;
 - (iii) to the Series B Bond Account, until the Series B Bond Account contains an amount sufficient to pay all the Annual Debt Service during the current Bond Year on outstanding Series B Bonds, including any payments for the mandatory redemption of Series B Bonds occurring in such Bond year;
 - (iv) to the Series B Reserve Account, until the Series B Reserve Account contains an amount equal to the Reserve Requirement, which is defined in (ii) above;
 - (v) to the Accumulated Redemption Account, an amount equal to the Coverage Amount; and
 - (vi) to the General Account, any amounts which are not required to be deposited in the Series A Bond Account, the Series B Bonds Account, the Series A Reserve Account, the Series B Reserve Account or the Accumulated Redemption Account.
- (b) Money in the Series A Bond Account and the Series A Reserve Account will be used only to pay debt service on Series A Bonds. Money in the Series A Reserve Account will be used to pay debt service on Series A Bonds only if insufficient funds are available in the Series A Bond Account, the Accumulated Redemption Account and the General Account.
- (c) Money in the Series B Bond Account and the Series B Reserve Account will be used only to pay debt service on Series B Bonds. Money in the Series B Reserve Account will be used to pay debt service on Series B Bonds only if insufficient funds are available in the Series B Bond Account, the Accumulated Redemption Account and the General Account.
- (d) Money in the Accumulated Redemption Account will be used only to Redeem Series B Bonds on August 1 of each year, unless inadequate money is available in the Series B Bond Account to pay debt service which is then due on the Series B Bonds, in which event money in the Accumulated Redemption Account will be used to pay such debt service.
- (e) Money in the General Account may be used at any time for any legal purpose permitted under Chapter 457 of the Oregon Revised Statutes, provided that money in the General Account is transferred in accounts having a higher priority under the Resolution to remedy any deficiencies therein, before money in the General Account is used for any other purpose.
- (f) So long as there is no deficiency in accounts having a higher priority under (a) above, earnings on each account in the Tax Increment Fund will be credited to the General Account; if there is deficiency in any account in the Tax Increment Fund, interest on the Tax Increment Fund will be credited to the deficient account in order of their priority under (a) above.

- (g) Money in the Series A Proceeds Account will be used solely to finance publicly owned facilities in the Area, to pay costs of issuance or to pay debt service on the Series A Bonds.
- (h) Money in the Series B Proceeds Account will be used solely to finance the acquisition and redevelopment of real property in the Area, to pay costs of issuance or to pay debt service on the Series B Bonds.
- (i) Money in the Series A Restricted Account and the Series B Restricted Account will be utilized for debt service or redemption of their respective series of 1991 Bonds until such time as the Agency receives a certification from the Wasco County Assessor that the certified property values in the Area for the 1991-92 fiscal year exceed the certified property values in the Area for the 1990-91 fiscal year by not less than \$4.5 million. Upon receipt of such certificate, the Agency may transfer funds on deposit in the Series A Restricted Account and the Series B Restricted Account to the Series A Proceeds Account and the Series B Proceeds Account, respectively, to be expended in accordance with (g) and (h) above. The rate of such permitted transfer will be 1 percent of the initial balance in the applicable restricted account for each \$40,000 in certified property value above \$4.5 million. The provisions of this subsection also apply to certifications by the Wasco County Assessor for fiscal years subsequent to the 1991-92 fiscal year.

If moneys held in the Series A Restricted Account or the Series B Restricted Account are applied to pay debt service or redemption of the appropriate series of 1991 Bonds, such money shall be treated as if they were Tax Increment Revenues and deposited and applied as provided in (a) above. Notwithstanding these provisions, if such application of moneys held in the Series A Restricted Account and the Series B Restricted Account produces a balance in the Accumulated Redemption Account in excess of the Coverage Requirement, such balance will remain in that account and be applied as provided in Section 4(b) of the Resolution and (d) above.

- (j) Five days before any payment of principal, premium or interest on the 1991 Bonds is due, the Agency will satisfy any deficiency in the Series A Bond Account or the Series B Bond Account by transferring moneys to the Series A Bond Account or the Series B Bond Account, whichever has a deficiency, from the following accounts in the following order of priority:
 - (i) the General Account;
 - (ii) with respect to the Series B Bonds only, the Accumulated Redemption Account;
 - (iii) the Series A Reserve Account or the Series B Reserve Account, whichever is applicable;
 - (iv) the Proceeds Account.

REDEMPTION OF THE BONDS

The Bonds may be redeemed at the office of the Agency's Paying Agent, currently Security Pacific Bank Oregon, Portland, Oregon, on payment of the face value thereof, together with premium, if any, plus accrued interest to the redemption date. Notice of redemption of the Bonds shall be published as provided by law not less than 30 days prior to the date fixed of redemption.

Optional Redemption

Series A Bonds maturing in 1992 - 1996 are not subject to optional early redemption. Series A Bonds maturing in 1997 - 2001 and on August 1, 2011 are subject to early redemption, in whole or in part, on August 1, 1996 and on any interest payment date thereafter at a price of par plus accrued interest to the date of early redemption.

On any interest payment date, the Agency may redeem all or any portion of the Series B Bonds then outstanding at par, together with accrued interest to the date set for redemption.

Mandatory Redemption

Series A and B Bonds. All Series A and Series B Bonds maturing on August 1, 2011 are subject to scheduled mandatory redemption by lot as shown on page 1.

Accumulated Redemption

Series B Bonds Only. The Series B Bonds are also subject to Accumulated Redemption on August 1 of each year to the extent that funds are on deposit in the Accumulated Redemption Account. The Agency will certify to the Registrar as soon as practical after May 15 of each year, but in no event later than June 15, the amount on deposit in the Accumulated Redemption Account and will provide to the Registrar prior to June 15 of each year a Notice of Intent to Redeem setting forth the Series B Bonds to be redeemed on the following August 1.

Effect of Accumulated Redemption on Average Life & Yield of the Series B Bonds

The occurrence of mandatory, accumulated or optional redemptions will decrease the period of time the Bonds will be outstanding. The table below provides estimates of the Series B Bonds' average life assuming no Accumulated Redemption and assuming Accumulated Redemptions as currently projected by the Agency.

Estimated Average Lives of the Series B Bonds

Assuming no Accumulated Redemptions	12.5 years
Assuming projected Accumulated Redemptions	4.3 years

There is no assurance offered that the actual exercise of Accumulated Redemptions will match the Agency's current expectations. HOWEVER, VARIATIONS IN THE ACTUAL AVERAGE LIFE OF THE BONDS, WHETHER FROM REDEMPTIONS CAUSED BY THE AGENCY PREPAYING ITS OBLIGATIONS OR FROM OTHER CAUSES, MAY MATERIALLY AFFECT THE BONDOWNER'S REALIZED YIELD. A redemption of the Series B Bonds which occurs on a date prior to the date used to compute a Bondowner's expected yield will decrease the Bondowner's realized yield from its expected value if that Bondowner purchases the Bonds for a price greater than their principal value.

BOOK ENTRY SYSTEM

In General. The Bonds will initially be issued subject to a book entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity of Bonds will be issued to Cede & Co., Inc., as nominee of The Depository Trust Company, New York, New York ("DTC"). The book entry system will evidence beneficial ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants (the "DTC Participants") pursuant to rules and procedures established by DTC and the DTC Participants. Transfer of principal and interest payments to DTC Participants will be the responsibility of DTC. Transfer of principal and interest payments to purchasers of beneficial ownership interests in the Bonds (the "Beneficial Owners") by DTC Participants will be the responsibility of such DTC Participants and other nominees of Beneficial Owners. Neither the City nor the Agency will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, the DTC Participants or persons through DTC Participants.

DTC and Book Entry. DTC, the securities depository for the Bonds, is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of DTC Participants and to facilitate the clearance and settlement of securities transactions among DTC Participants through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers (including the Underwriter), banks, clearing corporations and other organizations, certain of which own DTC either directly or through their representatives. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant.

Any secondary sales of the Bonds to the public will be made through brokers and dealers who are, or act through, DTC Participants. Upon such sales, the DTC Participants will receive a credit balance on the records of DTC. The ownership interest of each Beneficial Owner will be recorded through the records of the DTC Participants. Beneficial Owners are expected to receive from the DTC Participant of any other entity selling Bonds to such Beneficial Owners a written confirmation of their ownership interest containing details of the Bonds acquires. Transfers of ownership interests in the Bonds will be accomplished by book entries made by DTC and by the DTC Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive physical certificates representing their ownership interest in the Bonds. For every transfer and exchange of a bond, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Payments of principal of and premium, if any, and interest on the Bonds will be paid by the Registrar/Paying Agent directly to DTC or its nominee, Cede & Co., as registered owner of the Bonds. The current practice of DTC is to credit the accounts of the DTC Participants immediately upon receipt of moneys in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants to Beneficial Owners will be in accordance with standing instructions and customary practices for municipal securities held by DTC Participants in bearer form or registered in "street name" for the accounts of customers and will be the responsibility of DTC Participants and not the responsibility of DTC or the Agency, and will be subject to any statutory and regulatory requirements as may be in effect from time to time.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRAR/PAYING AGENT SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THE RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS,

RECEIPT OF NOTICES, AND REQUESTING OR DIRECTING THE REGISTRAR/PAYING AGENCY TO TAKE OR NOT TO TAKE ACTION UNDER THE RESOLUTION.

NEITHER THE CITY NOR THE AGENCY HAS ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BOND OWNERS; (D) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS BOND OWNER.

Transfer and Exchange of Bonds if Book Entry System Discontinued. During any period in which the Bonds are not subject to a book entry system as described above, the Bonds may be transferable only upon the Bond Register upon surrender thereof at the Principal Office of the Registrar/Paying Agent together with an instrument of transfer duly executed by the Owner or the Owner's duly authorized attorney. Bonds may be exchanged at the Principal Office of the Registrar/Paying Agent for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Registrar/Paying Agent may require the payment by the Owner requesting such exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

No transfer or exchange of any Bond shall be made after such Bond has been selected for redemption nor during the fifteen days next preceding the date of selection of Bonds for redemption.

AUTHORIZATION AND PURPOSE

The Bonds are being issued pursuant to the authority in Article IX, Section 1(c) of the Constitution of the State of Oregon, Oregon Revised Statutes Chapter 457, and Resolution No. _____ approved by the Agency on _____, 1991. The proceeds of the sale of the Bonds will be used to finance improvements within the Area, to acquire real property for redevelopment, and to pay the costs of issuance.

COVENANTS OF THE AGENCY

Tax Increment Levy and Collection

The Agency covenants and agrees to certify to the county each assessor, for each fiscal year Bonds are outstanding, as Bonded Indebtedness an amount equal to the sum of the Annual Debt Service and a Coverage Amount, which sum will not be less than 1.30 times the Annual Debt Service on the Bonds due during the Bond Year next ending on or after the end of the fiscal year for which the amount is certified. If the Agency is not legally able to certify to the county assessor for any fiscal year as Bonded Indebtedness an amount equal to 1.30 times the Annual Debt Service, the Agency will certify as other indebtedness an amount which will result in the Tax Increment Revenues to be received by the Agency during such fiscal year to be no less than 1.30 times the Annual Debt Service. In the event the Tax Increment Revenues in any fiscal year are less than 1.30 times the Annual Debt Service on the Bonds in the corresponding Bond Year, then the Agency will certify to the assessor as Bonded Indebtedness, to the extent it is legally able to do so and otherwise as other indebtedness, in future fiscal year such amount as is necessary to make up any deficiency under the terms of the Resolution for previous fiscal years.

Maintenance of Tax-Exempt Status

The Agency has covenanted for the benefit of the owners of the Bonds to comply with all provisions of the Code which are required for Bond interest to be excludable from gross income under the Code (except for any period the Series B Bonds are held by a "substantial user" or a related person as defined in Section 147(A) of the Code). The Agency has further covenanted for the benefit of the Owners of the Bonds to comply with all provisions of the Code which are required so that the Series A Bonds are not "private activity bonds" within the meaning of Section 141 of the Code and the Series B Bonds are "private activity bonds" within the meaning of Section 141 of the Code which are "qualified redevelopment bonds" within the meaning of Section 144(c) of the Code. The Agency has covenanted that it will not take any action or omit any action, if it would cause the Bonds to become "arbitrage bonds" under Section 148 of the Code, and that it will pay, but solely from the Tax Increment Revenues, all rebates of the "gross proceeds" of the Bonds when and as required.

PARITY BONDS

The Agency may not issue any obligations payable from the Tax Increment Revenues which have a lien on the Tax Increment Revenues superior to the lien of the Bonds.

The Agency may issue Parity Bonds wherein the principal, interest and premium, if any, are payable from Tax Increment Revenues if, on the date of delivery of the Parity Bonds

- (a) the Series B Bonds have been redeemed, retired or defeased; and

- (b) the balance in the Series A Reserve Account is at least equal to the Series A Reserve Requirement; and
- (c) the Tax Increment Revenues for the fiscal year prior to the fiscal year in which the Parity Bonds are issued equaled or exceeded 1.3 times the Annual Debt Service on the outstanding Bonds and the proposed Parity Bonds; and
- (d) the annual Tax Increment Revenues for the fiscal year in which the Parity Bonds are issued and the next fiscal year are projected to equal or exceed, on an average basis, 1.5 times the Annual Debt Service on all Bonds, including the proposed Parity Bonds, in any future fiscal year. The projection of debt service coverage will be prepared by a firm of independent certified public accountants, which may be a firm of certified public accountants regularly auditing the books and record of the City or the Agency, or other recognized independent experts.

The Agency may issue Parity Bonds to refund the Bonds without meeting the above provisions, but only if the Annual Debt Service on the refunding Parity Bonds in each fiscal year in which any Bonds are outstanding does not exceed by more than \$5,000 the amount of Annual Debt Service on the Bonds being refunded in that fiscal year.

The Agency may issue subordinate obligations having a lien inferior to that of the Bonds, but only as provided above. Debt service on such subordinate obligations are payable solely from the General Account.

AMENDMENT OF THE RESOLUTION

The Resolution may be amended or supplemented without the consent of the Bondowners for any one or more of the following purposes:

- (a) To add to the covenants and agreements of the Agency contained in the Resolution any other covenants or agreements for the benefit of the Bondowners thereafter to be observed by the Agency or to surrender any right or power herein reserved to or conferred on the Agency provided the Agency obtains an opinion of nationally recognized bond counsel that such amendment will not cause interest on the Bonds to be includable in gross income for federal income tax purposes;
- (b) To cure and ambiguity or formal defect provided the Agency obtains an opinion of nationally recognized bond counsel that such amendment will not cause interest on the Bonds to be includable in gross income for federal income tax purposes; or
- (c) To issue Parity Bonds or subordinate obligations in accordance with the Resolution.

The Resolution may be amended for any other purpose only upon consent of the Owners of not less than 60 percent of the aggregate principal amount of Bonds then outstanding, provided, however, that no amendment will be valid without the consent of the Owners of all affected Bonds which:

- (a) Extends the maturity of any Bond, reduces the rate of interest on any Bond, or reduces the amount of principal or premium payable on any Bond; or
- (b) Reduces the percentage of Owners required to approve an amendment to the Resolution

THE USE OF BOND PROCEEDS

TABLE 1. -- ESTIMATED SOURCES AND USES OF FUNDS

	Series A	Series B	Total
Sources of Funds			
Par amount of the Bonds			
Underwriter discount			
Original issue discount			
Net Sources			
Uses of Funds			
Issuance Expenses			
Deposit to Reserve			
Net to Projects			
Total uses			

Source: The Dalles Urban Renewal Agency.

TAX INCREMENT FINANCING*

DESCRIPTION OF TAX INCREMENT METHOD

The Urban Renewal Plan was adopted by the City Council on August 23, 1990 by enactment of Ordinance No. 90-1113. Beginning with the 1991 tax year, the assessed value of the Area was frozen and referred to below as the Base Value. Each year the Wasco County Assessor segregates the assessed value within the Area into two parts:

- 1) The Base Value, and
- 2) Incremental Value, which is the difference between the total value and the Base Value.

The Incremental Value (the "Increment") represents the growth which has occurred in the Area following implementation of the Urban Renewal Plan.

MODIFICATIONS TO CALCULATION OF TAX INCREMENT

The 1991 session of the Oregon Legislature made several changes to Oregon's urban renewal statutes. These changes to the urban renewal statutes include revised instructions to the county assessor on the method for dividing and attributing the tax rate between the taxing districts and the Agency, and for calculating, extending, collecting and distributing funds. **These changes do not in themselves reduce the amount of funds available to the Agency. The amount of funds initially calculated as available to the Agency will be the same as the amount available prior to Measure 5 and the 1991 changes to the urban renewal statute.** However, the amounts collected by the Agency may differ.

The steps, and their results, are described below.

A. The assessor will calculate the funds that would be produced for the Agency by:

1. Computing the tax rate for each overlapping taxing district *without* including the incremental value in the urban renewal area, then
2. Applying the tax rate so computed the incremental value of the Area within each taxing district.

The sum of the funds produced in this series of calculations is *identical* to the amount which would have been produced prior to the tax limitation amendment.

B. The assessor will next divide the tax rate computed above between the taxing district and the Agency by:

1. *Calculating the "urban renewal tax rate."* The urban renewal tax rate is calculated by dividing the amount of funds calculated in step A2 by the assessed value of property shared by the taxing district and the jurisdiction which created the Agency. (For clarification, this frequently will mean that the amount of funds for the renewal agency will be divided by the assessed value of all property within the city.)
 - a. *Further dividing the urban renewal tax rate into portions for "bonded indebtedness" and "other indebtedness."* The portion of the tax rate assigned to each purpose is calculated in accordance with amounts which the Agency has certified to the assessor. This certification is to be made not later than July 15 of each tax year. (For clarification, if the amount certified by July 15 for "bonded indebtedness" is equal to 50% of the amount calculated in step A above, then the "bonded indebtedness" portion of the urban renewal tax rate will be 50%. The balance of the tax rate then will be assigned to "other indebtedness," subject to the provision in 1b.)
 - b. *Calculating the portion of the urban renewal tax rate which actually will be extended for "other indebtedness."* If the Agency's July 15th certification specifies a limit on the amount of funds to be collected for "other indebtedness," then the actual amount certified will be used to calculate the portion of the urban renewal tax rate for "other indebtedness." (For clarification, if the amount certified for "other indebtedness" is equal only to 25% of the amount calculated in step A above, then the "other indebtedness" portion of the urban renewal tax rate will be 25%.)
 - c. *Extending only that portion of the urban renewal tax rate required to raise the amounts certified by the Agency.* (For instance, if the amounts certified to the assessor for bonded and other indebtedness equal 75% of the amount calculated in step A above, then only 75% of the renewal tax rate will be extended. The remaining 25% of the urban renewal tax rate will not be extended.)

The certified portion of the urban renewal tax rate obtained above will be extended against the assessed value of all property shared by the taxing body and the jurisdiction which created the Agency to produce the total amount of funds certified by the Agency.

C. The assessor will subtract the urban renewal tax rate obtained above from the tax rate obtained in A1 above, and extend the resulting rate against the shared property of the taxing body and the jurisdiction which created the Agency. The amounts produced by this rate will be distributed only to the taxing district.

* Prepared by Charles Kupper, Spencer & Kupper, July 1991.

D. The assessor will extend the entire rate obtained in A1 above against the assessed value of any property that is not shared by the taxing body and the jurisdiction which created the renewal agency. The amounts produced by this rate will be distributed only to the taxing district.

A factor having a substantial bearing upon the security for tax increment bonds is the application of Oregon Revised Statutes Chapter 311, under which all tax levy revenues collected by a county for all taxing units within the county are placed in an unsegregated pool, and each taxing body shares in the pool in the same proportion as its levy bears to the total of all taxes levied by all taxing units within the county. In application, therefore, as far as the collection and distribution of taxes are concerned, the tax collection record of each taxing unit becomes simply a pro rata share of the total tax collection record of all taxing units within the county. This feature has particular significance for the analysis of the security base for tax increment bonds because, while the area making up the tax base supporting the Bonds comprises only a portion of the City of The Dalles, the tax revenues collected for the payment of debt service on the Bonds will be based upon the taxes collected from all the taxpayers of Wasco County rather than only those located within the Area.

PROJECTED TAX INCREMENT RECEIPTS AND DEBT SERVICE REQUIREMENTS

Tables 2 and 3 on the following pages shows the projections of the Agency's consultant of the maximum future potential tax increment receipt amounts available to the Agency through the bond year ending August 1, 2002 and the application of those receipts to the debt service requirements of the Bonds. Table 2 presents the data in a Base Case form derived from the explanation of tax increment financing which appears on page 10 of this Official Statement. Table 3 presents the data on an Alternative Case basis wherein certain otherwise anticipated sources of real property value change within the redevelopment area are not forthcoming and wherein an alternative interpretation of certain legal aspects of tax increment finance are assumed. See Appendix D "Consultant's Tax Increment Receipt Projections."

Table 2
City of The Dalles: Columbia Gateway / Downtown Urban Renewal Area
Urban Renewal and Redevelopment Bonds Series 1991 A&B
Projected Tax Increment Receipts & Coverage Information - Base Case

Bond Year End August 1	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
AV Growth %	21%	7.0%	24.5%	9.7%	2.0%	1.5%	1.5%	1.6%	1.7%	1.8%	1.5%	2.0%	2.0%
Base AV in \$000s	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073
Increase in AV over Base in \$000s	9,287	13,087	27,345	34,389	35,948	37,140	38,352	39,662	41,077	42,601	43,894	45,644	47,428
Total Renewal AV in \$000s	54,360	58,160	72,418	79,462	81,021	82,213	83,425	84,735	86,150	87,674	88,967	90,717	92,501
TI Levy - Economic Maximum	362,248	509,498	1,061,082	1,333,733	1,394,360	1,440,821	1,487,976	1,539,003	1,594,060	1,653,322	1,703,650	1,771,640	1,840,983
Delinquency	(39,847)	(56,045)	(116,719)	(26,675)	(27,887)	(28,816)	(29,760)	(30,780)	(31,881)	(33,066)	(34,073)	(35,433)	(36,820)
TI Levy - Net Collected	322,401	453,453	944,363	1,307,058	1,366,473	1,412,005	1,458,216	1,508,223	1,562,179	1,620,256	1,669,577	1,736,207	1,804,163
Interest Earnings	7,986	14,005	15,138	16,197	17,264	18,423	19,786	21,160	24,040	28,481	33,191	38,180	43,452
Series A Scheduled P&I	(133,710)	(165,940)	(163,240)	(165,440)	(167,250)	(163,650)	(164,990)	(165,960)	(166,550)	(166,750)	(166,550)	(165,600)	(164,300)
Series B Interest	(29,925)	(35,350)	(30,100)	(24,850)	(19,600)	(14,000)	(8,750)	(3,500)	0	0	0	0	0
Series B Scheduled Principal	(15,000)	(15,000)	(15,000)	(15,000)	(20,000)	(20,000)	(20,000)	(20,000)	0	0	0	0	0
Available for Accumulated Redemption	151,752	251,168	751,161	1,117,965	1,176,887	1,232,777	1,284,262	1,339,923	1,419,669	1,481,986	1,536,218	1,608,788	1,683,315
Series B Accumulated Redemption	(50,000)	(60,000)	(60,000)	(60,000)	(60,000)	(55,000)	(55,000)	(30,000)	0	0	0	0	0
Net Cash to General Account	101,752	191,168	691,161	1,057,965	1,116,887	1,177,777	1,229,262	1,309,923	1,419,669	1,481,986	1,536,218	1,608,788	1,683,315
COVERAGE COMPUTATION													
TI Receipts	322,401	453,453	944,363	1,307,058	1,366,473	1,412,005	1,458,216	1,508,223	1,562,179	1,620,256	1,669,577	1,736,207	1,804,163
Investment Earnings if Cover < 1.3	0	0	0	0	0	0	0	0	0	0	0	0	0
Income Available for Coverage Tests	322,401	453,453	944,363	1,307,058	1,366,473	1,412,005	1,458,216	1,508,223	1,562,179	1,620,256	1,669,577	1,736,207	1,804,163
Series A Debt Service	133,710	165,940	163,240	165,440	167,250	163,650	164,990	165,960	166,550	166,750	166,550	165,600	164,300
Series B Scheduled Debt Service	44,925	50,350	45,100	39,850	39,600	34,000	28,750	23,500	0	0	0	0	0
Total Scheduled Debt Service	178,635	216,290	208,340	205,290	206,850	197,650	193,740	189,460	166,550	166,750	166,550	165,600	164,300
Coverage of All Scheduled Debt Service	1.80	2.10	4.53	6.37	6.61	7.14	7.53	7.96	9.38	9.72	10.02	10.48	10.98
MEMO: Series B Ending Balance	505,000	430,000	355,000	280,000	200,000	125,000	50,000	0	0	0	0	0	0

Source: The Agency, tax increment projections by Consultant

Table 3
City of The Dalles: Columbia Gateway / Downtown Urban Renewal Area
Urban Renewal and Redevelopment Bonds Series 1991 A&B
Projected Tax Increment Receipts & Coverage Information - Alternative Case

Bond Year End August 1	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
AV Growth %	21%	7.0%	2.0%	2.0%	2.0%	1.5%	1.5%	1.6%	1.7%	1.8%	1.5%	2.0%	2.0%
Base AV in \$000s	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073	45,073
Increase in AV over Base in \$000s	9,361	13,169	14,310	15,474	16,661	17,571	18,495	19,494	20,572	21,733	22,718	24,049	25,407
Total Renewal AV in \$000s	54,434	58,242	59,383	60,547	61,734	62,644	63,568	64,567	65,645	66,806	67,791	69,122	70,480
TI Levy - Economic Maximum	259,644	331,709	323,959	310,848	292,203	302,538	317,518	333,702	351,133	369,853	385,492	406,877	428,576
Delinquency	(28,561)	(36,488)	(35,635)	(6,217)	(5,844)	(6,051)	(6,350)	(6,674)	(7,023)	(7,397)	(7,710)	(8,138)	(8,572)
TI Levy - Net Collected	231,083	295,221	288,324	304,631	286,359	296,487	311,168	327,028	344,110	362,456	377,782	398,739	420,004
Interest Earnings	7,986	13,936	15,066	16,120	17,182	18,336	19,694	21,063	23,937	28,371	33,075	38,058	43,322
Series A Scheduled P&I	(133,710)	(165,940)	(163,240)	(165,440)	(167,250)	(163,650)	(164,990)	(165,960)	(166,550)	(166,750)	(166,550)	(165,600)	(164,300)
Series B Interest	(29,925)	(35,350)	(30,100)	(24,850)	(19,600)	(14,000)	(8,750)	(3,500)	0	0	0	0	0
Series B Scheduled Principal	(15,000)	(15,000)	(15,000)	(15,000)	(20,000)	(20,000)	(20,000)	(20,000)	0	0	0	0	0
Available for Accumulated Redemption	60,434	92,867	95,049	115,461	96,691	117,174	137,122	158,631	201,498	224,077	244,307	271,197	299,026
Series B Accumulated Redemption	(50,000)	(60,000)	(60,000)	(60,000)	(60,000)	(55,000)	(55,000)	(30,000)	0	0	0	0	0
Net Cash to General Account	10,434	32,867	35,049	55,461	36,691	62,174	82,122	128,631	201,498	224,077	244,307	271,197	299,026
COVERAGE COMPUTATION													
TI Receipts	231,083	295,221	288,324	304,631	286,359	296,487	311,168	327,028	344,110	362,456	377,782	398,739	420,004
Investment Earnings If Cover < 1.3	0	0	0	0	0	0	0	0	0	0	0	0	0
Income Available for Coverage Tests	231,083	295,221	288,324	304,631	286,359	296,487	311,168	327,028	344,110	362,456	377,782	398,739	420,004
Series A Debt Service	133,710	165,940	163,240	165,440	167,250	163,650	164,990	165,960	166,550	166,750	166,550	165,600	164,300
Series B Scheduled Debt Service	44,925	50,350	45,100	39,850	39,600	34,000	28,750	23,500	0	0	0	0	0
Total Scheduled Debt Service	178,635	216,290	208,340	205,290	206,850	197,650	193,740	189,460	166,550	166,750	166,550	165,600	164,300
Coverage of All Scheduled Debt Service	1.29	1.36	1.38	1.48	1.38	1.50	1.61	1.73	2.07	2.17	2.27	2.41	2.56
MEMO: Series B Ending Balance	505,000	430,000	355,000	280,000	200,000	125,000	50,000	0	0	0	0	0	0

Source: The Agency, tax increment projections by Consultant

RISKS TO BONDHOLDERS

GENERAL

An investment in the Bonds entails certain risks not associated with certain other types of investments. The Bonds may not be suitable investments for all persons. Certain of the risks associated with an investment in the Bonds are described below and in other places in this Official Statement. **The risks described below and elsewhere in this Official Statement do not purport to be definitive or all-inclusive. Prospective investors should carefully review the information contained herein in its entirety and consult with their investment advisors regarding the suitability of the Bonds as an investment prior to making a decision to invest in the Bonds.**

PAYMENT FROM TAX INCREMENT

The Bonds are payable solely and only from Tax Increment Revenues derived from the taxable property located within the Area. The availability of Tax Increment Revenues in amounts sufficient to pay when due the amounts owing under the Bonds is dependent upon a wide variety of factors and future developments which are beyond the control of the Agency. The amount of Tax Increment Revenues generated in the future is dependent upon increases in the assessed value of real property within the Area. Future developments which have the effect of slowing the rate of increase in assessed value within the Area or which result in a decrease in such assessed value will adversely affect the amount of Tax Increment Revenues available to pay the amounts owing on the Bonds.

Adverse developments could include a downturn in the national, state or local economy which results in a slow-down or cessation of building activity within the Area or which causes the value of the real property within the Area to decrease in value; the failure of private businesses to locate within the Area to the extent currently projected by the Agency; the failure of private businesses to complete building projects currently under way within the Area; the failure of the Agency to fully implement the Urban Renewal Plan due to lack of funds, restraints imposed by state and federal environmental laws or unanticipated costs; or the availability of competing sites in the region and elsewhere for businesses to locate.

The Agency has no substantial ability to manage or directly control the realization of the timing or the amount of realized incremental value and associated Tax Increment Revenues.

CHANGES IN TAX ADMINISTRATION -- FUTURE MEASURES AFFECTING PROPERTY TAXATION

Realization of projected Tax Increment Revenues within the Area may be affected by legal changes in Oregon's system of property tax administration or future measures which seek to limit, reduce or otherwise affect ad valorem taxes on property. Such possible changes could be by the State Legislature, by initiative petition, by judicial action or by a combination of any of the foregoing. While certain protection against any such changes which would severely affect the Agency's ability to pay the amounts owing under the Bonds are afforded under the United States Constitution, no assurance can be given that such protections are adequate to ensure that such changes would not have an adverse impact on the Agency's ability to pay as and when due the amounts owing under the Bonds. The nature of legal changes in Oregon's system of property taxation or the administration thereof which may occur in the future cannot be predicted. The effects of such changes on the Agency's ability to pay when due the amounts owing on the Bonds cannot be predicted. The Agency offers no assurances that the present Oregon system of property taxation or the administration thereof will remain in effect over the life of the Bonds.

LIMITATION ON REMEDIES

While the Bonds are secured pursuant to the Resolution by a pledge of the Tax Increment Revenues derived from the Area, the practical realization of the benefits of that lien upon any default will depend upon judicial actions which are often subject to discretion and delay. Remedies may be limited by bankruptcy laws or other similar laws affecting creditors' rights and contractual obligations generally.

ERRORS IN THE ASSESSMENT PROCESS

The realization of projected incremental value and Tax Increment Revenues within the Area is in part dependent upon the accuracy and timeliness of the real property assessment process. In March of 1987 and again in November of 1988, the Oregon Department of Revenue published reports detailing the continuing deterioration of Oregon's system of property tax administration. Copies of these reports may be obtained from the Department of Revenue. In part, the reports indicate that 26 of Oregon's 36 counties (including Wasco County) are not complying with statutory requirements for physical appraisal of properties every six years. The Agency cannot predict if or when these identified appraisal problems will be corrected. The Agency cannot predict what the effects on incremental value or Tax Increment Revenues within the Area will be if the identified appraisal problems are either corrected or remain uncorrected.

PROPERTY TAX LIMITATION -- BALLOT MEASURE NO. 5

On November 6, 1990, the voters of the State approved an amendment to the Oregon Constitution (Section 11b, Article XI) ("Measure 5") which limits the amount of property taxes which may be collected by municipalities. Measure 5 uses many terms which do not have established meanings under Oregon law. To clarify the provisions of Measure 5, the Legislature enacted House Bill 2550 and House Bill 3048. House Bills 2550 and 3048 will take effect on September 29, 1991.

Measure 5 Generally

Measure 5 created a new definition of "property taxes" which includes not only *ad valorem* property taxes, but also other fees and charges imposed by a governmental unit upon property or upon a property owner as a direct consequence of ownership of that property. Many of these fees and charges were not previously defined as "property taxes" under Oregon law. Measure 5 has separate limits for property taxes which are used for school purposes and those used for other governmental purposes. None of the proceeds of the Bonds will be used for school purposes.

Measure 5 provides that property taxes for nonschool purposes may not exceed \$10 for each \$1000 of property's real market value. Since the Tax Increment Revenues available for payment on the Bonds result from taxes on real property, absent an exemption, such taxes would be subject to Measure 5's limits. However, there are three exemptions to the definition of property taxes: incurred charges, assessments for local improvements, and taxes for certain types of bonded indebtedness. If property taxes are used for one of these three purposes, they will not be subject to the \$10 per \$1000 limitation.

Exemption for Bonded Indebtedness

For purposes of the Bonds, the relevant exemption from Measure 5 is the exempt category for taxes imposed to pay principal and interest on bonded indebtedness. The two types of exempt bonded indebtedness are: bonded indebtedness authorized by the Oregon Constitution, and voter approved general obligations incurred for capital construction or improvements. House Bill 2550 provides that for either of the two types of exempt bonded indebtedness, there must be (1) a formally executed written agreement, (2) representing a promise by a local government, (3) to pay to an entity other than itself, (4) a specified sum of money, (5) at a specified date or dates at least one year in the future. The Agency has drafted the Resolution and the Bonds to meet each of these requirements.

The Bonds may be considered bonded indebtedness authorized by the Oregon Constitution. Section 1(c), Article IX of the Constitution states:

"The Legislative Assembly may provide that the *ad valorem* taxes levied by any taxing unit, in which is located all or part of an area included in a redevelopment or urban renewal project, may be divided so that the taxes levied against any increase in the true cash value, as defined by law, of property in such area obtaining after the effective date of the ordinance or resolution approving the redevelopment or urban renewal plan for such area, shall be used to pay any indebtedness incurred for the redevelopment or urban renewal project. The legislature may enact such laws as may be necessary to carry out the purposes of this section."

The Oregon Attorney General issued an opinion (No. 8216, September 7, 1990) (the "Opinion") which concluded that Section 1(c) of Article IX authorizes urban renewal agency bonded indebtedness and, thus, taxes levied to pay principal and interest on such indebtedness are exempt from the limits of Measure 5:

"As provided in ORS 457.430, the tax increment collected from property located in an urban renewal area may be used to pay bonded indebtedness. That debt is authorized by Oregon Constitution Article IX, Section 1(c) and ORS 457.440(6). As provided in sections 11b(3)(a) of the Measure, the limitations of the Measure do not apply to taxes imposed to pay the principal and interest on bonded indebtedness authorized by a specific provision of the Oregon Constitution. *Therefore, that portion of the tax increment flowing to the urban renewal agency that is used to pay principal and interest on bonded indebtedness of the Agency is not subject to either of the limitations on property taxes contained in the Measure.* It may be necessary for the Legislature to provide a method for determining the amount of any tax increment that was to be used to repay bonded indebtedness." (emphasis added)

Although the Attorney General has determined that tax increment revenue used to pay the bonded indebtedness of an agency carrying out an urban renewal plan does not fall within the dollar limitations of Measure 5, the Opinion is not binding on the courts or the Oregon Legislature. Taxpayers may argue that Section 1(c) of Article IX of the Constitution does not authorize urban renewal agency bonded indebtedness and, thus, taxes used to pay principal and interest on such indebtedness are subject to the limits of Measure 5.

Under House Bill 2550, all Tax Increment Revenues collected which are not certified as "bonded indebtedness" are to be collected within the \$10/\$1000 limit, and are referred to as "other indebtedness" (see "Covenants of the Agency -- Tax Increment Levy and Collection" and "Tax Increment Financing" herein). Should the exemption for bonded indebtedness be eliminated, it is assumed hereafter that all Tax Increment Revenues will be identified as collected for "other indebtedness."

Judicial Review Procedures

House Bill 2550 provides some protection for local governments if taxpayers challenge imposed taxes. House Bill 2550 provides judicial review procedures to allow local governments to obtain some certainty on whether a particular item constitutes bonded indebtedness exempt from Measure 5's limits. The provisions are intended to minimize the risk to local government of misclassification by providing taxpayers, prior to imposition of a fee or tax, notice of classification and an opportunity to challenge the same. The appeals provisions apply to new ordinances which impose and revise fees and charges or include taxes on new bonded indebtedness, and to existing ordinances establishing fees and charges or imposing taxes for bonded indebtedness.

House Bill 2550 provides that the Oregon Tax Court shall have exclusive jurisdiction over taxpayer challenges based on Measure 5. House Bill 2550 incorporates Section 26 into the current statutory powers of the Oregon Tax Court. The Oregon legislature established the tax court as part of the judicial branch of state government. ORS 305.405. The Oregon Tax Court is the "whole, exclusive and final judicial authority for the hearing and determination of all questions of law and fact arising under the tax laws of this state." ORS 305.410(1). See *Department of Revenue v. Quigley*, 294 Or. 304, 655 P.2d 1058 (1982). House Bill 2550 also provides that Measure 5 cases must be given case priority over other pending cases.

House Bill 2550 provides that only "interested taxpayers" (i.e., those subject to the challenged fee or charge) have standing to file in the Oregon Tax Court. Further, the suit must be filed by at least ten such interested taxpayers and they can file suit only within specified time frames.

As a general matter, the taxpayers must file suit within 60 days of certain actions taken by local government or they waive the right to challenge the classification. If the local governments' resolution approving the bonded indebtedness contains a classification of the indebtedness as "exempt bonded indebtedness" then the 60-day period begins from the date the resolution is approved. If no classification is adopted, then the 60-day period begins when tax statements are mailed for the tax year in which taxes are first imposed to repay the bonded indebtedness.

If the local government adopts the classification in a resolution or ordinance, notice must be published in a newspaper with general circulation in the county in which the local government is located. If no such paper exists, the notice must be published in a newspaper of general circulation in a contiguous county. The notice must be published within 15 days after adoption of the ordinance or resolution containing the classification. In addition, the notice must comply with certain other requirements.

Since House Bill 2550 establishes that the Oregon Tax Court shall have exclusive jurisdiction and Oregon case law recognizes such jurisdiction, if the local government adopts the classification, provides the required notice, and waits 60 days, or if 60 days has passed since the mailing of the tax statements, and if no suit is filed, local government can be reasonably certain that the fees or charges may be imposed without risk of a court later declaring the fee or charge subject to Measure 5's limits. If a suit is filed in the Oregon Tax Court within the 60-day period, House Bill 2550 provides that a review of the Oregon Tax Court's decision can only be by appeal to the Oregon Supreme Court. To preserve the right to appeal, the taxpayers must file a notice of appeal or writ of review within 30 days of the Oregon Tax Court's judgment.

Tax "Rate" Limits

Prior to the passage of Measure 5, municipalities derived property tax rates by dividing the amount of their levies by their assessed values. Measure 5 does not modify this process; instead the Measure places limits on the amount of the levies that can actually be collected.

In calculating the "levy" authorized to be collected for Urban Renewal Areas, the consolidated tax rates for all overlapping jurisdictions are multiplied by the incremental value of the Area (See "Tax Increment Information" herein). House Bill 2550 affirms this process; the consolidated tax rate used is derived by dividing the actual levies by the assessed value (not including the increment) of each district.

Use of the consolidated tax rate as the multiplier to determine possible tax increment revenues may be subject to legal challenge. Under such a challenge, the courts could invalidate the methodology outlined in House Bill 2550 for calculating the tax increment "levy" and substitute some other tax rate, for example, the constitutionally limited "collection" rate (i.e., the \$15 per \$1,000 combined school and non-school rate plus the rate for exempt bonded indebtedness). Since the consolidated tax rate used for calculating the levy may be higher than the constitutionally limited "collection" rate, such an outcome may reduce the amount of Tax Increment Revenues available for collection.

Possible Financial Effects

No Exemption for Bonded Indebtedness

If it is determined that taxes collected by the Agency to pay principal and interest on the Bonds are not outside Measure 5's limits, the effect would be that the levy category of certified for "bonded indebtedness," would be eliminated and all tax increment amounts would appear in the category of certified "other indebtedness." The total amount collected under

the certified for "other indebtedness" category would then be reduced, if necessary, to fall within the \$10 per \$1000 limit for governmental, non-school levies.

Other Scenarios

The exact impact of Measure 5 on tax increment financing cannot be fully predicted at this time. The City and the Agency cannot guarantee that scenarios other than those outlined in this Section will not be realized, or that the Tax Increment Revenues projected in Appendix D will not be increased or reduced in accordance with any legislative, judicial or regulatory action. However, the City and the Agency believe that the scenarios presented in the Consultant's Report represent a reasonable range of possible alternative financial projections and their impact on Tax Increment Revenues based upon the information currently available.

Competing Tax Districts

Finally, it should be noted that Measure 5 created competition among taxing districts. Although House Bill 2550 provides a methodology for addressing some of this competition, if the Tax Increment Revenues are not outside of Measure 5's limits, closer scrutiny by competing taxing districts may ensue.

In particular, it should be noted that the City has the option under House Bill 2550 to limit the amount of funds for bonded indebtedness and other indebtedness which the Agency may certify to the Wasco County Assessor. However, the City will covenant to not limit the Agency's ability to certify to the Wasco County Assessor as "bonded indebtedness" amounts in the aggregate equal to 1.30 times the Annual Debt Service on the Bonds.

Summary

Although legislation has been enacted to implement Measure 5, the effects of this legislation cannot be predicted with certainty. It is likely that the judicial system will be used to interpret Measure 5 and the implementing legislation. Further, administrative rules will be needed to clarify the mechanics of the legislation. The precise effects of Measure 5, therefore, cannot be known until the implementing legislation becomes effective, such legislation and Measure 5 have been reviewed by Oregon courts, and implementing administrative rules have been promulgated.

THE ISSUER OF THE BONDS

THE URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES

The Urban Renewal Agency of the City of The Dalles was organized on August 23, 1990, under the provisions of ORS Chapter 457, to provide for rehabilitation of blighted and deteriorated areas within the City. The Agency is governed by an 11-member commission consisting of the Mayor and five Councilors of the City of The Dalles and five members of the community. The Agency's administrative and fiscal functions are handled by City personnel.

TABLE 4. -- THE DALLES URBAN RENEWAL AGENCY BOARD MEMBERS

Agency Member	Occupation	Service Began	Term Expires
L.D. "Les" Cochenour	Businessman	01/01/91	12/31/92
Judy Reed	Bookkeeper	01/01/91	12/31/92
Carolyn Wood	Insurance broker	01/01/91	12/31/94
Dewanda Clark	Homemaker	01/01/89	12/31/92
Bill Holt	Property manager	01/01/91	12/31/94
Meritt Probstfield	Retired	01/01/89	12/31/92
Gary Honald	Orchardist	08/23/91	06/30/92
Dave Kinser	Banker	08/23/91	06/30/92
Austin Abrams	Newspaper editor	08/23/91	06/30/94
Ann Marie Jelderks	Financial consultant	08/23/91	06/30/94
John Lundell	Businessman	08/23/91	06/30/94

Source: City of The Dalles.

ADMINISTRATION

Daniel C. Durow, Agency Coordinator and Community Development Director, has served in this position since July 1990. He received a B.S. degree in regional planning from the University of Wisconsin, Green Bay. He is a member of the American Planning Association.

FINANCIAL INFORMATION

Basis of Accounting

The Agency's accounts are maintained on a modified accrual basis of accounting.

Fiscal Year: July 1 to June 30

Audits

The Oregon Municipal Audit Law (ORS 297.405 - 297.555) requires an audit and examination to be made of the accounts and financial affairs of every municipal corporation at least once a year. Unless the municipality elects to have the audit performed by the State Division of Audits, the audit shall be made by accountants whose names are included on the roster prepared by the State Board of Accountancy. An exception is made for municipal corporations having less than \$100,000 in total receipts and expenditures. The Agency has had neither any receipts nor any expenditures since its formation and is consequently not yet subject to the audit requirements of Oregon law.

Budgeting Process

The Agency prepares an annual budget in accordance with provisions of the Oregon Local Budget Law (ORS 294), which provides standard procedures for the preparation, presentation, administration and appraisal of budgets. The law mandates public involvement in budget preparation and public exposure of its proposed programs. The law also requires that the budget be balanced.

Prior to adoption, the proposed budget must be approved by a budget committee consisting of the seven commissioners and an equal number of laypersons. In an advertised public meeting, the budget committee reviews the budget and the "budget message," which explains the budget and significant changes in the local government's financial position. All budget committee meetings are open to the public.

Following budget approval by the budget committee, another public hearing is held. A budget summary and notice of hearing are published prior to the hearing. Publication is governed by strict requirements as to time and mode.

After the budget hearing, the Agency considers citizens' testimony and, if necessary, alters the budget subject to statutory limitations upon increasing taxes or fund allocations without further publication and hearing.

An election must be held to approve any tax operating levy to the extent that the budget exceeds the "tax base." However, the Agency has no tax base and does not operate from property tax revenues. The Agency tax revenues result from the application of an urban renewal tax rate against the assessed value of all property within the boundary of the taxing body which created the Agency. These tax revenues are applied to the debt service on bonds issued to develop the urban renewal area.

The governing body next prepares a formal resolution or ordinance which adopts the budget, authorizes taxes to be levied and sets out a schedule of appropriations. This resolution or ordinance must be adopted not later than June 30. Two copies of the budget are submitted to the Assessor's Office before July 15 so that the tax levy may be certified.

Supplemental budgets may be prepared as needed during the fiscal year utilizing transfers between the appropriation categories which are approved by the Board. Supplemental budgets are considered and adopted by the same process as the regular budget, including public hearings and notices of hearings.

The table below is a summary of the Agency's adopted budget for FY 1992.

TABLE 5. -- 1991-92 ADOPTED BUDGET

Bond Reserve Fund	
Resources	
Interest income	\$6,000
Bond proceeds	<u>225,000</u>
Total resources	231,000
Expenditures	
Debt service	225,000
Interfund transfer	6,000
Ending fund balance	<u>\$0</u>
Urban Renewal Bond Fund	
Resources	
Interest income	\$5,000
Tax increment proceeds	<u>233,920</u>
Total resources	238,920
Expenditures	
Payment of debt interest	73,125
Ending fund balance	<u>\$165,795</u>
General Fund	
Resources	
Interest income	\$30,500
Bond proceeds	<u>2,025,000</u>
Total resources	2,055,500
Expenditures	
Downtown renewal	770,812
6th Street Bridge Bypass	770,813
Blight elimination	<u>513,875</u>
Total expenditures	2,055,500
Ending fund balance	<u>\$0</u>

Source: The Dalles Urban Renewal Agency 1991-92 Adopted Budget.

THE COLUMBIA GATEWAY/DOWNTOWN REDEVELOPMENT AREA

Description of the Project Area

The Columbia Gateway/Downtown Area is a 682.02-acre zone located along the commercial and industrial area. The Area represents 20.86 percent of the land area of the City. The Area was established by the Agency in 1990. The base assessed value of the Area was determined in the 1991 tax year at \$45,072,990 million. This value represented 17.2 percent of City-wide assessed value at that time. The Urban Renewal Plan which was adopted by the Agency for the Area emphasizes the reconstruction of municipal utility systems and other public infrastructure within the Area to better accommodate existing and future development.

Table 6 presents a listing of the principal properties contributing to the Area's 1990-91 incremental assessed value.

TABLE 6. -- PRINCIPAL CONTRIBUTING PROPERTIES TO FY 91-92 INCREMENTAL VALUE

Property	Fiscal Year 1991-92 Value (\$000)
K-Mart	\$4,600,000
Columbia River Bank Addition	225,550
UPS Building	493,480
Dan Williams Building	149,000

Source: Projections by Urban Renewal Consultant.

TABLE 7. -- 1991 LAND USES WITHIN THE AREA

Designation	Acres	Percent Use of Total
Urban Renewal Area	628.02	100.00%
Open Land	95.87	15.27
Residential	21.13	3.36
Commercial	73.20	11.66
Commercial/Industrial Mix	0.41	0.07
Industrial	66.43	10.58
Public	105.51	16.80
Quasi-Public	2.65	0.42
Railroad	6.84	1.09
Public Utilities	9.62	1.53
Streets, Freeway, etc.	243.51	38.77
River	2.85	0.45

Source: Report on the Area Development Plan.

TABLE 8. -- 1991 LAND USE ZONING WITHIN THE AREA

Zoning Designation	Net Land Area in Acres	Percent of Total
<u>City</u>		
Residential	60.49	16.05%
Commercial	136.12	36.13
Manufacturing	124.41	33.02
Park	29.11	7.73
<u>County</u>		
Commercial	12.96	3.44
Manufacturing	13.68	3.63
Total Net Area*	376.77	100.00%

* Area exclusive of streets, alleys and freeways.

Source: The Dalles Urban Renewal Agency.

LACK OF REGULATORY CONSTRAINTS TO DEVELOPMENT

Oregon law requires that all cities and counties prepare and adopt comprehensive land use plans designating certain allowable present and future types of land use upon the various properties within the city or county boundaries. The city or county is also required to adopt zoning and other more specific land use rules which govern the particular way a qualifying use may construct and operate buildings, structures and improvements. The City of The Dalles and Wasco County, Oregon, have prepared and adopted the various plans required by Oregon law. These plans have been approved by the necessary state agencies, and zoning to carry out the provisions of the plans has been adopted. The Agency is not aware of any state or local land use requirements applicable to the Area which have not been previously met by the City of The Dalles and Wasco County, Oregon.

ANTICIPATED FUTURE DEBT FINANCING

The Agency has a \$28,613,030 unfinished capital improvements program which it intends to pursue as quickly as available resources, including the proceeds of future borrowings, permit. While the Agency cannot offer any specific expressions of the amount and timing of future debt financings, there exists a substantial possibility that the Agency will issue additional debt on a parity basis with the Bonds to continue implementation of its capital improvements program.

THE PROJECTS

The proceeds of the sale of the Series B Bonds will be used to purchase properties within the Columbia Gateway/Downtown Area for the purpose of blight elimination. The proceeds of the sale of the Series A Bonds will be used to finance public improvements within the Area.

Downtown Renewal

Preliminary planning for the Downtown Renewal project is expected to begin in the late fall of 1991, with construction beginning in the early summer of 1992. Portions of the downtown core area, Second and Third Streets, will be upgraded with new storm sewers, sidewalks, trees and down-scaled, period street lights. The Agency, property owners and the City will share in the cost of the project. The Agency has budgeted \$770,812 for its share.

Sixth Street Bridge Bypass

Recent growth pressures have surfaced the issue of locating an alternate route to avoid the Third through Sixth Street and Mill Creek bridge traffic bottleneck. Locating an alternate route may also significantly increase the flow of traffic between the west side commercial development and the downtown core area. The Dalles City Council listed this project as the number one goal to be accomplished in 1991. The Agency expects that the alternative route will be identified and the preliminary engineering will be completed by the end of 1991. The City will share in the cost of planning and construction, using Federal Aid Urban funds and City road funds. The Agency has budgeted \$770,812 for this project.

Blight Elimination

Certain blighted properties located in the downtown core area, and owned by the City, are contaminated. Before the property can be leased or sold, it must meet Oregon Department of Environmental Quality's standards. Other properties in the City have been designated as "blighted." The Agency has budgeted \$513,875 to purchase and/or decontaminate specific properties within the Urban Renewal boundaries. This project is slated to begin in the spring of 1992.

TAX INFORMATION

TABLE 9. -- REPRESENTATIVE CONSOLIDATED TAX RATES FOR CODE AREA 12.1¹

District	1987-88	1988-89	1989-90	1990-91
County School District No. 12	\$19.9800	\$19.1506	\$19.1939	\$18.2836
County School District No. 12 Bonds	--	0.6376	0.5488	0.5212
City of The Dalles	8.9100	8.1924	8.3708	8.4460
Wasco County	6.6600	7.1660	7.4047	6.3395
Wasco County Education Service District	1.7400	1.8380	1.8754	1.7105
Port of The Dalles	1.4500	1.6024	1.5653	1.3098
Treaty Oak Community College ²	1.0300	1.0839	1.1580	1.0589
Northern Wasco County Parks & Recreation District	<u>0.8900</u>	<u>0.9245</u>	<u>1.0009</u>	<u>0.9920</u>
Totals	\$40.6600	\$40.5954	\$41.1178	\$38.6615

1. In 1990-91, Code Area 12.1 had an assessed value of \$217,559,650, which was 83.11 percent of the City's total assessed value.
2. Name changed to Columbia Gorge Community College.

Source: Wasco County Assessor's Office.

TABLE 10. -- WASCO COUNTY TAX LEVY COLLECTION RECORD

Fiscal Year	City Levy*	Percent Change	Percent Collected Year of Levy	Percent Collected As of 6/30/91
1981-82	\$1,288,388	--	87.3%	N.A.
1982-83	1,218,177	-5.45%	86.7	N.A.
1983-84	1,084,750	-10.95	87.3	N.A.
1984-85	1,384,479	27.63	86.2	99.8
1985-86	1,172,090	-15.34	84.6	99.6
1986-87	1,600,837	36.58	84.7	99.5
1987-88	1,840,975	15.00	83.6	98.5
1988-89	1,761,189	-4.33	83.0	95.2
1989-90	1,830,685	3.95	86.7	97.7
1990-91	1,904,677	4.04	89.3	89.3

* Does not include levy for bonded debt.

Source: Wasco County Assessor's Office.

TABLE 11. -- ASSESSED VALUE TRENDS

Year	Wasco County	Percent Change	City of The Dalles	Percent Change
1981-82	\$553,987,000	--	\$240,235,950	--
1982-83	599,015,651	8.13%	265,675,468	10.59%
1983-84	627,348,268	4.73	278,905,449	4.98
1984-85	671,852,357	7.09	297,431,942	6.64
1985-86	645,543,295	-3.92	277,468,751	-6.71
1986-87	621,771,602	-3.68	270,712,403	-2.43
1987-88	547,649,684	-11.92	235,636,929	-12.96
1988-89	553,440,764	1.06	238,595,098	1.26
1989-90	549,468,201	-0.72	250,408,479	4.95
1990-91	599,430,061	9.09	261,778,914	4.54

Source: Wasco County Assessor's Office.

LITIGATION

There is no litigation pending or threatened against the Agency that would affect the validity of the Bonds.

LEGAL MATTERS

Rankin Mersereau & Shannon of Portland, Oregon, Bond Counsel for the Agency, will render an opinion with respect to the validity of and tax exemption on the Bonds. A copy of such opinion of Bond Counsel will be printed on the Bonds. The form of opinion of Bond Counsel to be rendered in connection with the issuance of the Bonds is set forth in Appendix C hereto.

TAX EXEMPTION

THE SERIES A BONDS

In the opinion of Rankin Mersereau & Shannon, Portland, Oregon, Bond Counsel, except as discussed below, interest on the Series A Bonds is excludable from the gross income of the owners for federal income tax purposes under existing law and is not an item of tax preference for purposes of determining alternative minimum taxable income for individuals and corporations. The exceptions are that interest on the Series A Bonds will be:

- (1) includable in adjusted current earnings to calculate alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by Section 55 of the Code and for purposes of the environmental tax imposed on corporations by Section 59A of the Code;
- (2) subject to the branch profits tax imposed on foreign corporations by Section 884 of the Code; and
- (3) included in the "passive investment income" of an S corporation which is subject to the tax imposed by Section 1375 of the Code.

THE SERIES B BONDS

In the opinion of Rankin Mersereau & Shannon, Portland, Oregon, Bond Counsel, except as discussed below, interest on the Series B Bonds is excludable from the gross income of the owners for federal income tax purposes under existing law. The exceptions are that interest on the Series B Bonds will be:

- (1) includable in the gross income of the holder during any period that such Series B Bonds are held by either a "substantial user" of the facilities financed with the proceeds of the Series B Bonds or a "related person" of the user, as provided in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code");

- (2) included as an item of tax preference in determining the alternative minimum taxable income of the holder under Section 57(a)(5) of the Code;
- (3) included in a corporation's alternative minimum taxable income for purposes of determining the environmental tax imposed on corporations by Section 59A of the Code;
- (4) subject to the branch profits tax imposed on foreign corporations by Section 884 of the Code; and
- (5) included in the "passive investment income" of an S corporation which is subject to the tax imposed by Section 1375 of the Code.

GENERAL

In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Oregon personal income taxation.

CONTINUING REQUIREMENTS

Section 148 of the Code has continuing requirements that must be met subsequent to the issuance of the Bonds for the interest on the Bonds to be, and remain, exempt from regular federal income taxation. These requirements include provisions that prescribe investment yield limitations for the proceeds of the Bonds and that certain investment earnings or penalties be paid on a periodic basis to the federal government. In addition, Section 141 of the Code prohibits certain uses of the Bond proceeds, and the facilities financed with the Bond proceeds, while the Bonds are outstanding. The Bond documents contain covenants of the Agency to comply with these continuing requirements.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a discussion of certain federal tax matters under the Code. This discussion does not purport to deal with all aspects of federal taxation that may be relevant to particular bondowners. Prospective bondowners, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Alternative Minimum Tax on Corporations

Section 55 of the Code imposes an alternative minimum tax on corporations equal to the excess of the tentative minimum tax for the taxable year over the regular tax for such year. The tentative minimum tax is based upon alternative minimum taxable income, which is regular taxable income (with certain adjustments) increased by the amount of certain items of tax preference. One of the adjustments is a portion (50 percent for a taxable year beginning in 1989 and 75 percent for any taxable year beginning after 1989) of the amount by which a corporation's adjusted net book income (adjusted current earnings, for taxable years beginning after 1989) exceeds the corporation's alternative minimum taxable income (determined without regard to such adjustment and the alternative tax net operating loss deduction). Interest on tax-exempt obligations, such as the Bonds, is included in a corporation's adjusted net book income and adjusted current earnings.

Environmental Tax on Corporations

Section 59A of the Code imposes an environmental tax on corporations for taxable years beginning before January 1, 1992 (subject to certain exceptions) equal to .12 percent of modified alternative minimum taxable income (determined, in part, without regard to the alternative tax net operating loss deduction) that is in excess of \$2,000,000. Interest on tax-exempt obligations, such as the Bonds, is included in a corporation's alternative minimum taxable income for purposes of this environmental tax. The environmental tax is payable whether or not an alternative minimum tax is payable.

Qualified Tax-Exempt Obligations

The Urban Renewal Agency of the City of The Dalles, Oregon, has designated the Series A Bonds as Qualified Tax-Exempt Obligations under Section 265 of the Code. Banks, thrift institutions and certain other financial institutions will not be denied a deduction of 100 percent of their interest expenses allocable to the Series A Bonds. However, corporate tax preference rules reduce by 20 percent the amount that may be deducted by such financial institutions for interest on funds allocable to tax-exempt obligations such as the Series A Bonds.

Borrowed Funds

The Code provides that interest paid on funds borrowed to purchase or carry tax-exempt obligations during a tax year is not deductible. In addition, under rules used by the Internal Revenue Service for determining when borrowed funds are considered used for the purposes of purchasing or when carrying particular assets, the purchase of obligations may be

considered to have been made with borrowed funds even though the borrowed funds are not directly traceable to the purchase of such obligations.

Property and Casualty Insurance Companies

The deduction for loss reserves for property and casualty insurance companies is reduced by 15 percent of the sum of certain items, including the interest received on tax-exempt bonds, such as the Bonds.

Social Security and Railroad Retirement Benefits

The Code also requires recipients of certain Social Security or Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest that is exempt from federal income tax.

Branch Profits Tax

Certain foreign corporations doing business in the United States may be subject to a branch profits tax on their effectively connected earnings and profits, including tax-exempt interest on obligations such as the Bonds.

S Corporations

Certain S corporations that have subchapter C earnings and profits at the close of a taxable year and gross receipts more than 25 percent of which are passive investment income, which includes interest on tax-exempt obligations, such as the Bonds, may be subject to a tax on excess net passive income.

RATING

The Agency has not applied for a rating on the Bonds.

UNDERWRITING

Security Pacific Securities, the Underwriter, has agreed, subject to certain conditions, to purchase the Bonds from the Agency at an underwriter's discount of _____ from the initial public offering price set forth on the cover page of this Official Statement. The Underwriter will be obligated to purchase all such Bonds, if any such Bonds are purchased.

CONCLUDING STATEMENT

All quotations from and summaries and explanations of law herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions. Information with respect to the Agency herein has been supplied by the Agency and the Underwriter has relied on the accuracy and completeness of such information.

The information set forth herein should not be construed as representing all conditions affecting the Agency or the Bonds. Additional information may be obtained from the Agency. Statements relating to other documents are qualified in their entirety by reference to the provisions of such documents in their complete form.

The Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion are intended merely as opinion and not as representation of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or its agencies and authorities, since the date hereof.

THE DALLES URBAN RENEWAL AGENCY

By: /s/

Director

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION

The Dalles, with an estimated 1990 population of 11,000, is the County's largest incorporated city and serves as the Wasco County seat. The economy of Wasco County historically has centered around the local natural resources of forests and agriculture, as well as the aluminum industry.

POPULATION

The City of The Dalles, as of July 1, 1990, had a population of 11,000, which is 51 percent of Wasco County's population of 21,700. U.S. Census figures for April 1990 indicate a population of 11,060 for the City and 21,683 for the County. Since 1980, the City's population has averaged 49.6 percent of the County's total population. Between 1980 and 1990, the city's population increased 0.45 percent and the County decreased 0.91 percent.

In 1988, the Center for Population Research and Census at Portland State University projected population for Oregon counties to the year 2000. These projections suggest a total increase within Wasco County of 4,368. Based on a 49.6 percent average of total county population, the city is anticipated to have a population of 12,384 by the year 2000.

TABLE A1. -- POPULATION ESTIMATES

	City of The Dalles	Percent Change	Wasco County	Percent Change	State of Oregon	Percent Change
1940	6,266	--	13,069	--	1,089,684	--
1950	7,676	22.5%	15,552	19.0%	1,521,687	39.6%
1960	10,493	36.7	20,205	29.9	1,768,687	16.2
1970	10,423	-0.7	20,133	-0.4	2,091,533	18.3
1980	10,950	5.1	21,900	8.8	2,639,915	26.2
1981	11,315	3.3	22,400	2.3	2,660,735	0.8
1982	11,260	-0.5	22,700	1.3	2,656,185	-0.2
1983	11,050	-1.9	22,400	-1.3	2,635,000	-0.8
1984	10,960	-0.8	22,500	0.4	2,660,000	0.9
1985	10,900	-0.5	22,000	-2.2	2,675,800	0.6
1986	10,630	-2.5	21,600	-1.8	2,659,500	-0.6
1987	10,265	-3.4	20,400	-5.6	2,690,000	1.1
1988	10,715	4.4	20,600	1.0	2,741,000	1.9
1989	10,590	-1.2	21,100	2.4	2,791,000	1.8
1990	11,000	3.9	21,700	2.8	2,844,000	1.9
1980-90 Compounded Annual Rate of Change	0.05%		-0.09%		0.75%	
1985-90 Compounded Annual Rate of Change	0.18%		-0.27%		1.23%	

* Federal Census figures are as follows:

	1980	1990
The Dalles	10,820	11,060
Wasco County	21,732	21,683
State of Oregon	2,633,149	2,842,321

Source: Under state law, the State Board of Higher Education must estimate annually the population of Oregon cities and counties so that shared revenues may be properly apportioned. The Center for Population Research and Census at Portland State University performs this statutory duty.

EMPLOYMENT

Employment data for the area is at the county level only and, for years prior to 1987, data is combined for both Wasco County and Sherman County and are not comparable. Thus, consistent long-term presentation of employment trends is difficult.

Total non-agricultural wage and salary employment in Wasco County increased from 6,900 to 7,190 between 1987 and 1989. Over the same period, population increased in the County from 20,400 to 21,700, while unemployment decreased from 910 to 860.

TABLE A2. -- WASCO COUNTY LABOR FORCE BY PLACE OF RESIDENCE

Year	Resident Civilian Labor Force	Unemployment	Unemployment as a Percent of Labor Force	Total Employment ¹
1979	10,730	790	7.4%	9,940
1980	11,510	840	7.3	10,670
1981	12,050	1,060	8.8	10,990
1982	12,280	1,560	12.7	10,720
1983	13,030	1,550	11.9	11,480
1984	12,760	1,570	12.3	11,190
1985	13,020	1,950	15.0	11,070
1986	10,960	1,570	14.3	9,390
1987 ²	10,120	910	9.0	9,210
1988 ²	10,180	800	7.9	9,380
1989 ²	10,230	860	8.4	9,370
1990	10,390	810	7.8	9,580

1. Includes non-agricultural wage and salary, self-employed, unpaid family workers, domestics, agricultural workers and labor disputants.

2. Data figures for years prior to 1987 include Sherman County and are not comparable to subsequent years. Data for 1987 and subsequent years are reported for Wasco County only.

Source: State of Oregon Department of Human Resources, Employment Division.

In 1990 manufacturing employment accounted for 15.4 percent and non-manufacturing 84.6 percent of total wage and salary employment.

Trade. Employment in wholesale and retail trade accounted for 26.4 percent of the jobs in the County in 1990, making this the largest employment sector.

Government. The second largest sector is government, with 25.8 percent of the jobs in 1990.

Service and Miscellaneous. This sector is the third largest, with 23.2 percent of the jobs in 1990.

Manufacturing of Durable Goods. Employment in this manufacturing sector accounted for 9.1 percent of the jobs in the County in 1990, making it the fourth largest sector.

TABLE A3. WASCO COUNTY ANNUAL AVERAGE AND PERCENT DISTRIBUTION OF EMPLOYMENT BY INDUSTRY, BY PLACE OF EMPLOYMENT

	1980		1990	
	Annual Average	Percent of Total	Annual Average	Percent of Total
Total wage & salary employment	8,290	100.0%	7,590	100.0%
Manufacturing total	1,470	17.7	1,170	15.4
Durable goods	1,120	13.5	690	9.1
Lumber & wood products	360	4.3	300	4.0
Other durable goods	760	9.2	390	5.1
Nondurable goods	350	4.2	480	6.3
Food & kindred products	280	3.4	400	5.3
Other nondurable goods	70	0.8	90	1.2
Nonmanufacturing total	6,820	82.3	6,420	84.6
Trade	2,120	25.6	2,000	26.4
Government	2,070	25.0	1,960	25.8
Services & miscellaneous	1,690	20.4	1,760	23.2
Finance, insurance & real estate	250	3.0	310	4.1
Transportation, communications, & utilities	360	4.3	260	3.4
Construction & mining	330	4.0	140	1.8
Labor disputes	0		0	

NOTES: Columns may not foot due to rounding.

Data figures for years prior to 1987 include Sherman County and are not comparable to subsequent years.
Data for 1990 are reported for Wasco County only.

Source: State of Oregon Department of Human Resources, Employment Division.

TABLE A4. -- WASCO COUNTY AVERAGE ANNUAL UNEMPLOYMENT COMPARED WITH STATE AND NATION

Year	Wasco County	Oregon	United States
1979	7.4%	6.8%	5.8%
1980	7.3	8.2	7.1
1981	8.8	9.7	7.6
1982	12.7	11.5	9.7
1983	11.9	10.8	9.6
1984	12.3	9.4	7.5
1985	15.0	8.8	7.2
1986	14.3	8.5	7.0
1987	9.0	6.2	6.2
1988	7.9	5.8	5.5
1989	8.4	5.7	5.3
1990	7.8	5.5	5.5
1991*	8.2	6.0	6.9

* June 1991 figures are raw rates. Seasonally adjusted rates for Oregon and the U.S. were 6.0 and 7.0 percent, respectively. Seasonally adjusted rates are not available on a monthly basis below the state level.

Source: State of Oregon Employment Division, Department of Human Resources.

INCOME

In recent years, per capita income in Wasco County has been close to that of the state as a whole and lower than that of the nation, as noted in the table below. Effective buying income per household, which is defined as personal income less tax and non-tax payments, has been higher in the county than in the state. Personal income includes wages and salaries, other labor-related income (such as employer contributions to pension funds), proprietors' income, rental income, dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance).

TABLE A5. -- INCOME ESTIMATES FOR THE COUNTY, STATE AND NATION

Year	Total Personal Income (in millions)	Per Capita Income			Median Household Effective Buying Income	
		Wasco County	Oregon	U.S.	Wasco County	Oregon
1979	\$208	\$ 9,831	\$ 9,176	\$ 9,033	\$16,945	\$17,162
1980	227	10,351	9,866	9,919	18,085	17,953
1981	250	11,064	10,448	10,949	19,447	19,036
1982	249	11,072	10,589	11,482	20,568	19,571
1983	258	11,608	11,281	12,100	20,459	20,825
1984	263	11,847	12,069	13,116	21,814	22,796
1985	255	11,549	12,641	13,899	20,060	21,385
1986	260	12,420	13,128	14,597	20,548	22,306
1987	278	13,494	13,851	15,425	21,563	22,309
1988	309	14,982	14,883	16,510	21,603	22,464
1989	339	16,672	16,009	17,592	21,807	23,624

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*.
Sales & Marketing Management, *Survey of Buying Power*.

TABLE A6. -- MAJOR EMPLOYERS IN WASCO COUNTY

Employer	Product or Service	1991 Employment
Oregon Cherry Growers	Fruit growing/packing	35-500 ¹
Northwest Aluminum Co.	Aluminum	454
Mid-Columbia Medical Center	Health care	420
Wasco County School District No. 12	Education	386
Cascade Fruit Co.	Fruit packing	4-350 ¹
Federal Government	Various	315
Wasco County	Government	300
State of Oregon	Government	215
Columbia Gorge Community College ²	Education	145
Fred Meyer	Retail	134
Columbia Basin Nursing Home	Convalescent center	116
City of The Dalles	Government	102
Albertson's	Retail	80
Valley Vista Care Center	Nursing home	76

1. Seasonal peak and low.
2. Formerly Treaty Oak Community College.

Source: Wasco Chamber of Commerce.
Contact with each employer.

ECONOMIC DEVELOPMENT

The Port of The Dalles

The Port of The Dalles, headquartered in the City, owns the major industrial park, The Dalles Industrial Center, which was completed in 1986. The center contains 220 acres, of which 125 acres fully serviced, and 83 acres are occupied by 11 separate companies. The Port owns and operates a marina on the Columbia River, with space for 56 boathouses and 64 open moorage slips. In addition, the Port owns a grain elevator and an office building.

The Port has developed the 80-acre Riverfront Park, funded by a Regional Strategies grant from the State. The Economic Development Action Council, sponsored by a group of local public and private agencies, including the Port, is implementing a plan to develop The Dalles waterfront to provide user access points along 12 miles of Columbia River waterfront.

Recent Development

Northwest Aluminum Company, the largest manufacturing employer in the Agency, recently completed a new \$16 million smelter facility. The new facility will allow the firm, which has produced primary metals, to move into the production of secondary metals and will add up to 60 jobs. The original plant is currently running at capacity.

Precision Lumber Company, remanufacturer of pine boards for use in the home improvement industry, plans to add a production line and increase its capacity by more than 80 percent at its plant in The Dalles Industrial Center. The Port was awarded \$400,000 in lottery funds from the Oregon Special Public Works Fund (half grant, half loan) to construct infrastructure that will allow the firm to expand.

In November 1990, a new K-Mart and a new Bi-Mart opened in the City. Fred Meyer plans to expand its store there, adding a home improvement center. A 24-acre site is now being prepared for a major shopping center, a project that could take up to three years to complete. Design and construction plans are expected to be submitted to the City in the near future.

In 1990 UPS built a new package distribution center on Port industrial property.

The Oregon Cherry Growers recently purchased the Stadelman Fruit Company's fruit packing facility and will continue to operate it, under the name "Cascade Fruit."

The Mid-Columbia Medical Center expansion in 1990 included doctors' offices.

In 1990 the City built a downtown Transportation Center that houses rail, bus and taxi facilities under one roof, with associated parking.

TABLE A7. -- RETAIL TRADE IN WASCO COUNTY AND THE STATE (IN 000)

Year	Wasco County	Oregon
1979	\$102,274	\$11,509,342
1980	116,439	13,186,279
1981	121,272	13,861,576
1982	128,245	14,487,767
1983	124,936	14,879,990
1984	131,640	14,267,550
1985	140,931	15,159,386
1986	144,698	15,872,208
1987	135,622	16,183,394
1988	153,424	17,724,240
1989	174,623	20,225,882
1979-89 Compounded Annual Rate of Change	4.14%	4.41%

Source: Sales & Marketing Management, *Survey of Buying Power*.

AGRICULTURE

Over half of the County's 2,392 square miles is rangeland used for cattle grazing. The County had total 1989 farm sales of \$38.6 million. That year, cattle sales accounted for about \$5 million of the County's gross farm sales. About one-sixth of Wasco County is in dry land farming and irrigated orchards. Grain, hay and silage comprised about 40 percent of sales, ranking the County sixth in the state in that category. Sweet cherries, peaches, apricots and apples are the primary orchard fruit crops in the County, which is Oregon's third largest fruit-producing county. The development of irrigated orchards was made possible by the creation of The Dalles Irrigation District in the 1960s.

TOURISM

Tourism and recreation are important to the Wasco County economy. Among the local attractions are the marine parks and campgrounds along the Columbia River, the hydroelectric facilities and interpretive centers at the John Day and The Dalles dams, several historic sites (the Oregon Trail crosses the northern part of the County), as well as a variety of outdoor recreation opportunities such as fishing, hunting, hiking, white water rafting, snow and water skiing.

The Columbia River Gorge is an 85-mile canyon carved by the Columbia River, separating Oregon and Washington. Historically, it has been a popular destination for visitors for its scenic beauty, and has recently gained international recognition as a prime windsurfing location. In 1987, the gorge was designated a National Scenic Area. Funding from the Scenic Area Act will be used to build a \$5 million interpretive center in The Dalles, near the Port industrial land. Work has begun on the site, and the center is expected to be completed in the summer of 1994. In 1987, approximately 3.8 million non-resident visitors traveled in the National Scenic Area.

The Columbia Gorge is one of the most popular sailboarding sites in the country and has become one of the major sailboard centers of the world. A recent study of sailboard economics on the Columbia Gorge indicated that about 6,680 sailboarding visitors came to the gorge in 1987. An estimated \$7.2 million to \$14.8 million was spent by gorge sailboarders in the five-county Columbia Gorge region. Projections from the same study indicate that by 1993, the impact from increasing sailboard activity would range from \$19.02 million to \$34.4 million annually in that same region.

TABLE A8. -- BUILDING ACTIVITY IN THE CITY AND COUNTY

	Permits for Units of		Costs of Construction & Alteration	
	Single Family	Multi-Family	Residential (000)	Nonresidential (000)
<i>City of The Dalles</i>				
1983	10	0	\$ 746	\$ 782
1984	6	0	531	1,266
1985	10	0	661	947
1986	4	0	474	2,691
1987	3	0	319	1,100
1988	5	0	664	1,721
1989	6	0	1,026	1,139
1990 ¹	7	0	1,309	6,619
1991 ²	6	0	851	4,697
<i>Wasco County</i>				
1983 ³	120	80	\$6,900	\$9,303
1984	21	0	1,611	2,096
1985	23	0	1,592	1,118
1986	17	0	1,921	3,100
1987	13	0	1,728	1,726
1988	22	0	2,488	2,122
1989	19	0	2,765	1,653
1990	22	0	3,719	9,718
1991 ²	17	2	2,420	6,206

1. Reflects building permits for new K-Mart and Bi-Mart stores, as well as the new smelter facility at Northwest Aluminum Specialties.
2. Through June only.
3. 1983 was the last year building permits were issued to the City of Rajneeshpuram, which has since been disincorporated.

Source: Oregon Housing Agency.

TRANSPORTATION

Interstate 84 is the major east-west arterial through Wasco County. Highway 197, which passes through the County, bisects the State on the north-south axis. In 1995, the State of Oregon plans to begin reconstruction of a major freeway interchange on I-84 to provide direct access to The Dalles Industrial Center. Union Pacific Railroad and Amtrak provide railroad service for commercial and freight cargo, and tourist traffic. Greyhound provides commercial and passenger bus services. The Dalles is served by a small local airport operated by the City. Aircraft sales, service, charter, and rental services are provided. The airport has three runways, each 150 feet wide and with lengths between 4,100 and 5,200 feet. The nearest commercial airport is Portland International, which is 75 miles to the west. Major barge companies provide transportation to both downriver and upriver ports along the Columbia River.

UTILITIES

Northwest Natural Gas supplies natural gas to the Wasco County area. Telephone service to the area is provided by U.S. West Communications. Electricity is provided by the Northern Wasco County People's Utility District.

PUBLIC FACILITIES

Sewer and Water

The City of The Dalles owns and operates its own sewer system, serving users within the City and the urban growth boundary. The sewage treatment plant, built in 1935, has a rated hydraulic capacity of 2.6 million gallons per day. Dry

weather flow is now at 2.5 million gallons per day. The City plans to make interim improvements to the plant to add 0.5 million gallons per day dry weather flow, pending replacement of the plant within the next five years. Financing for a new plant is expected to be obtained through general obligation or revenue bonds, plus state or federal grants.

Most storm drainage lines are separated from sanitary sewer lines; however, some separation is needed in the downtown area.

The City' water supply is 75-80 percent surface water from The Dalles watershed and 20-25 percent from three wells in the City. Storage capacity is 16.6 million gallons. Water is treated at the Wick's Treatment Facility, owned by the City. Average summer use is from five to six million gallons per day. Supply and treatment facilities are considered adequate for current use. The City also has permitted water rights on the Columbia River for 26 million gallons per day, which it has not used. Only industrial and commercial connections are metered; the City plans to install meters for residential users in the near future.

Public Safety

The City of The Dalles Police Department has a staff of 18, 16 of whom are sworn officers. The City's Fire Department has a paid staff of 15 and 12 volunteers, operating out of one fire station. The department has a joint response agreement with Wasco County Rural Fire Protection District. The fire insurance rating within the City is 4, on a scale of 1 to 10, with 1 being the best rating.

A new dispatch center, completed in November 1990, provides 911 emergency response service to the entire county from its base in The Dalles. The center is operated by the County and is partially funded out of the 911 phone tax, with the remainder of expenses shared by the City, the County and Wasco County Rural Fire Protection District.

Education

Higher education opportunities in the area are available through Columbia Gorge Community College, formerly called Treaty Oak Community College, a two-year college which is part of the Oregon community college system. The college, located within the City, has an enrollment average of 1,800 students and employs about 110, including part-time instructors.

The Dalles School District #12, which serves the City, has an enrollment of 2,155 in kindergarten through high school.

HEALTH CARE

Health care is available through the Mid-Columbia Medical Center, an acute care, JCAH accredited hospital, with 65 physicians and 49 beds. Services include a 24-hour physician-staffed emergency room, a visiting home health services program, ultrasound, nuclear medicine, CT Scan, women's health clinic and a same-day surgery unit. The Columbia Basin Nursing Home employs 112 people and is licensed for 120 beds. The Valley Vista Nursing Home offers convalescent facilities, employing 68 people.

INFORMATION SOURCES

Historical data have been collected from generally accepted standard sources, usually from public bodies. In Oregon data is frequently available for counties and also, to a somewhat lesser degree, for cities. This statement presents data for Wasco County and the City of The Dalles when available.

APPENDIX B
BOND RESOLUTION

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF URBAN RENEWAL AND REDEVELOPMENT BONDS, 1991 SERIES A AND B IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,500,000.

WHEREAS, the Urban Renewal Agency of the City of The Dalles (the "Agency") finds it desirable to issue its urban renewal and redevelopment bonds to pay for the costs of redevelopment projects within the Columbia Gateway/Downtown Area (the "Area") which are described in the Columbia Gateway/Downtown Urban Renewal Area Plan (the "Plan") of the Agency; and

WHEREAS, the Agency has caused a hearing to be held on _____, 1991 regarding the issuance of tax-exempt bonds to finance redevelopment projects within the Hilltop Redevelopment Area in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, adoption of this Resolution shall constitute "public approval" of such bonds in accordance with that section of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Agency finds it desirable to sell such bonds to Security Pacific Securities; now, therefore,

THE URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES RESOLVES:

Section 1. Definitions. For purposes of this resolution, the following capitalized terms shall have the following meanings unless the context clearly requires otherwise:

"1991 Bonds" means the Agency's Urban Renewal and Redevelopment Bonds, 1991 Series A (Governmental Purpose) and Urban Renewal and Redevelopment Bonds, 1991 Series B (Qualified Redevelopment), which are issued pursuant to Section 2 of this Resolution.

"Accumulated Redemption" means the mandatory redemption of the 1991 Bonds with the Tax Increment Revenues generated by the Coverage Amount and on deposit in the Accumulated Redemption Account.

"Accumulated Redemption Account" means that account of the Tax Increment Fund established in Section 6 hereof.

"Annual Debt Service" means the amount in a given Bond Year necessary for the payment of the principal of and interest on the 1991 Bonds and any Parity Bonds, except for amounts payable for the Accumulated Redemption of the Bonds and interest to be paid from the proceeds of any Parity Bonds.

"Area" means the Columbia Gateway/Downtown Area which is described in the Plan.

"Bonded Indebtedness" shall have the same meaning as assigned to such term in House Bill 2550 of the 1991 Regular Session of the State of Oregon Legislature.

"Bond Year" means the one year period commencing September 1 and ending August 31.

"Bonds" means the 1991 Bonds, and any Parity Bonds.

"City" means the City of The Dalles, Oregon, a city duly organized and existing under and by virtue of the laws of the State of Oregon and the Charter of the City.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Closing" means the date on which Bonds are delivered in exchange for payment.

"Coverage Amount" means the amount certified to the county assessor as Bonded Indebtedness or other indebtedness in excess of the Annual Debt Service.

"Finance Director" means the Finance Director of the City.

"General Account" means that account of the Tax Increment Fund established in Section 6 hereof.

"Owners" or "Bondowners" means the registered owners of registered Bonds, as shown on the Bond Register maintained by the Bond Registrar for each issue of Bonds, and the holders of any bearer Bonds.

"Payment Date" means a date on which Bond principal or interest is due to be paid.

"Parity Bonds" means bonds, notes or other obligations which have a lien on the Tax Increment Revenues which is equal to the lien of the Series A Bonds, and which are issued in accordance with Section 10(b) or Section 10(c) of this Resolution.

"Plan" means the Agency's Urban Renewal Plan for the Columbia Gateway/Downtown Area, which is dated _____.

"Proceeds Account" means the Proceeds Account of the Tax Increment Fund established to receive the proceeds from the sale of the 1991 Bonds and to be utilized to pay the costs of redevelopment projects in the Area.

"Record Date" means the fifteenth day of the month which precedes a Payment Date.

"Registrar" means the paying agent and registrar for the 1991 Bonds, which is currently Security Pacific Bank Oregon.

"Series A Bond Account" means that account of the Tax Increment Fund established in Section 6 hereof.

"Series B Bond Account" means that account of the Tax Increment Fund established in Section 6 hereof.

"Series A Bonds" means the Agency's Urban Renewal and Redevelopment Bonds, 1991 Series A (Governmental Purpose), which are authorized by Section 2 of this Resolution.

"Series B Bonds" means the Agency's Urban Renewal and Redevelopment Bonds, 1991 Series B (Qualified Redevelopment), which are authorized by Section 2 of this Resolution.

"Series A Reserve Account" means that account of the Tax Increment Fund established in Section 6 hereof.

"Series B Reserve Account" means that account of the Tax Increment Fund established in Section 6 hereof.

"Series A Reserve Requirement" means, as of any date, an amount equal to the sum of the lowest of the following amounts for the Series A Bonds: maximum annual debt service, 125% of average annual debt service, ten (10%) percent of the proceeds of the issue (as "proceeds" is used in Section 148(d)(2) of the Code), or all debt service remaining to be paid on the issue.

"Series B Reserve Requirement" means, as of any date, an amount equal to the sum of the lowest of the following amounts for the Series B Bonds: maximum annual debt service, 125% of average annual debt service, ten (10%) percent of the proceeds of the issue (as "proceeds" is used in Section 148(d)(2) of the Code), or all debt service remaining to be paid on the issue.

"Tax Increment Fund" means the fund established under ORS 457.440(3) to hold the Tax Increment Revenues.

"Tax Increment Revenues" means all revenues from property within the Area which are attributable to the increase in true cash value of property within the Area pursuant to

section 1c, Article IX of the Oregon Constitution and Oregon Revised Statutes, Sections 457.420 and 457.460, inclusive, as amended, and all earnings thereon while the Tax Increment Revenues are held in the Tax Increment Fund.

Section 2. Authorization of 1991 Bonds. The Agency shall issue the 1991 Bonds in two series, as provided below:

(a) The first series shall be the Agency's Urban Renewal and Redevelopment Bonds, 1991 Series A (Governmental Purpose), (the "Series A Bonds") which shall be in the principal amount not to exceed \$1,930,000, shall be dated September 15, 1991, shall bear interest at rates that shall not exceed an effective true interest rate of _____ percent (___%), shall be for a term not to exceed twenty (20) years, shall mature on the dates and in the years and annual principal amounts as determined by the Finance Director.

(b) The second series shall be the Agency's Urban Renewal and Redevelopment Bonds, 1991 Series B (Qualified Redevelopment) (the "Series B Bonds") which shall be in the principal amount not to exceed \$570,000, shall be dated September 15, 1991, shall bear interest at rates that shall not exceed an effective true interest rate of _____ percent (___%), shall be for a term not to exceed twenty (20) years, shall mature on the dates and in the years and annual principal amounts as determined by the Finance Director.

(c) The 1991 Bonds shall be in registered form, in five thousand dollar (\$5,000) denominations or integral multiples thereof. The 1991 Bonds may be registered in book entry form.

Section 3. Use of Proceeds.

(a) The proceeds of the Series A Bonds shall be used in accordance with Chapter 457 of the Oregon Revised Statutes to finance publicly owned facilities in the Area and to pay the costs of issuance of the Series A Bonds. All facilities financed with the proceeds of the Series A Bonds shall be owned and operated by the Agency or a unit of State or local government, and shall not be sold, leased, rented, or otherwise used in the trade or business of any person or entity, so long as the Series A Bonds are outstanding, unless the Agency obtains the written opinion of nationally recognized bond counsel that such use will not cause the interest paid on the Series A Bonds to be included in gross income of Bondowners under the Code.

(b) The proceeds of the Series B Bonds shall be used in accordance with Chapter 457 of the Oregon Revised Statutes to finance the acquisition and redevelopment of real property in the Area and to pay the costs of issuance of the Bonds. All uses of the proceeds of the Series B Bonds shall be uses permitted for proceeds of governmental function bonds or "private activity bonds" which are "qualified redevelopment bonds" under Section 144(c) of the Code.

(c) In no event shall more than 2% of the proceeds of the Series B Bonds be utilized to pay the costs of issuance of the Series B Bonds. To the extent such costs of issuance

exceed 2% of the proceeds of the Series B Bonds, the Agency shall pay such excess with other moneys lawfully available for such purpose and not with moneys directly or indirectly derived from the proceeds of the Series B Bonds.

Section 4. Redemption of the Bonds.

(a) The Series A Bonds maturing after August 1, 1996 shall be subject to optional redemption by the Agency on August 1, 1996 and any Payment Date thereafter, in whole or in part, in inverse order of maturity and by lot within a maturity, at par together with accrued interest to the date set for redemption.

(b) The Series B Bonds shall be subject to optional redemption by the Agency on any Payment Date, in whole or in part, in inverse order of maturity and by lot within a maturity, at par together with accrued interest to the date of redemption.

(c) The Series B Bonds shall be subject to Accumulated Redemption on August 1 of each year to the extent that funds are on deposit in the Accumulated Redemption Account. The Agency shall certify to the Registrar as soon as practical after May 15 of each year, but in no event later than June 15, the amount on deposit in the Accumulated Redemption Account and shall provide to the Registrar prior to June 15 of each year a Notice of Intent to Redeem setting forth the Series B Bonds to be redeemed on the following August 1 pursuant to this subparagraph.

(d) Unless waived by any Owner of the 1991 Bonds to be redeemed, official notice of any such redemption shall be given by the Registrar on behalf of the Agency by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the 1991 Bonds or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar. The Agency shall notify the Registrar of any intended redemption not less than 45 days prior to the redemption date.

(e) All official notices of redemption shall be dated and shall state:

(i) the redemption date,

(ii) the redemption price,

(iii) if less than all outstanding 1991 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the 1991 Bonds to be redeemed,

(iv) that on the redemption date the redemption price will become due and payable upon each such 1991 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(v) the place where such 1991 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

Section 5. Security for 1991 Bonds.

(a) The Series A Bonds shall not be general obligations of the City, the Agency or Wasco County, Oregon. The Series A Bonds and the interest and premium, if any, thereon shall be payable solely from the Tax Increment Revenues, the Series A Reserve Account and the proceeds of the Series A Bonds, all as provided herein. The Agency hereby irrevocably pledges the Tax Increment Revenues to pay the Series A Bonds, and, to the extent that the Tax Increment Revenues are insufficient to pay debt service on the Series A Bonds when due, covenants to pay such debt service from the Series A Reserve Account and any unexpended proceeds of the Series A Bonds on deposit in the Series A Proceeds Account. The provisions of this Resolution shall constitute a contract with the Owners, and shall be enforceable by them.

(b) The Series B Bonds shall not be general obligations of the City, the Agency or Wasco County, Oregon. The Series B Bonds and the interest and premium, if any, thereon shall be payable solely from the Tax Increment Revenues, the Series B Reserve Account, the proceeds from the sale of properties acquired with the proceeds of the Series B Bonds and the proceeds of the Series B Bonds, all as provided herein. The Agency hereby irrevocably pledges the Tax Increment Revenues to pay the Series B Bonds, and, to the extent that the Tax Increment Revenues are insufficient to pay debt service on the Series B Bonds when due, covenants to pay such debt service from the Series B Reserve Account, the proceeds from the sale of properties acquired with the proceeds of the Series B Bonds and any unexpended proceeds of the Series B Bonds on deposit in the Series B Proceeds Account. The pledge of the Tax Increment Revenues and the lien of the Series B Bonds on the Tax Increment Revenues shall be junior to the pledge and lien of the Series A Bonds on the Tax Increment Revenues. The provisions of this Resolution shall constitute a contract with the Owners, and shall be enforceable by them.

(c) The Agency covenants and agrees that it will certify to the county assessor, for a each fiscal year Bonds are outstanding, as Bonded Indebtedness an amount equal to the sum of the Annual Debt Service and a Coverage Amount, which sum shall not be less than 1.30 times the Annual Debt Service on the 1991 Bonds due during the Bond Year next ending on or after the end of the fiscal year for which the amount is certified. If the Agency is not legally able certify to the county assessor for any fiscal year as Bonded Indebtedness an amount equal to 1.30 times the Annual Debt Service, the Agency covenants and agrees that it will certify as other indebtedness an amount which will result in the Tax Increment Revenues to be received by the Agency during such fiscal year to be no less than 1.30 times the Annual Debt Service.

In the event the Tax Increment Revenues in any fiscal year are less than 1.30 times the Annual Debt Service on the 1991 Bonds in the corresponding Bond Year, then the Agency will certify to the county assessor as Bonded Indebtedness, to the extent it is legally able to do so and otherwise as other indebtedness, in future fiscal years such amount as is necessary to make up any deficiency under the terms of this subparagraph for previous fiscal years.

Section 6. The Tax Increment Fund.

(a) The Tax Increment Fund shall be divided into a Series A Bond Account, a Series B Bond Account, a Series A Reserve Account, a Series B Reserve Account, a Series A Proceeds Account, a Series B Proceeds Account, a Series A Restricted Account, a Series B Restricted Account, an Accumulated Redemption Account and a General Account. The Agency shall deposit all Tax Increment Revenues in its Tax Increment Fund, and shall credit each deposit to the following accounts with the Tax Increment Fund, in the following order of priority:

(i) to the Series A Bond Account, until the Series A Bond Account contains an amount sufficient to pay all the Annual Debt Service during the current Bond Year on outstanding Series A Bonds, including any payments for the mandatory redemption of Series A Bonds occurring in such Bond Year;

(ii) to the Series A Reserve Account, until the Series A Reserve Account contains an amount equal to the Reserve Requirement;

(iii) to the Series B Bond Account, until the Series B Bond Account contains an amount sufficient to pay all the Annual Debt Service during the current Bond Year on outstanding Series B Bonds, including any payments for the mandatory redemption of Series B Bonds occurring in such Bond Year;

(iv) to the Series B Reserve Account, until the Series B Reserve Account contains an amount equal to the Reserve Requirement;

(v) to the Accumulated Redemption Account, an amount equal to the Coverage Amount; and

(vi) to the General Account, any amounts which are not required to be deposited in the Series A Bond Account, the Series B Bond Account, the Series A Reserve Account, the Series B Reserve Account or the Accumulated Redemption Account.

(b) Money in the Series A Bond Account and the Series A Reserve Account shall be used only to pay debt service on Series A Bonds. Money in the Series A Reserve Account shall be used to pay debt service on Series A Bonds only if insufficient funds are available in

the Series A Bond Account, the Accumulated Redemption Account and the General Account.

(c) Money in the Series B Bond Account and the Series B Reserve Account shall be used only to pay debt service on Series B Bonds. Money in the Series B Reserve Account shall be used to pay debt service on Series B Bonds only if insufficient funds are available in the Series B Bond Account, the Accumulated Redemption Account and the General Account.

(d) Money in the Accumulated Redemption Account shall be used only to redeem Series B Bonds on August 1 of each year, unless inadequate money is available in the Series B Bond Account to pay debt service which is then due on the Series B Bonds, in which event money in the Accumulated Redemption Account shall be used to pay such debt service.

(e) Money in the General Account may be used at any time for any legal purpose permitted under Chapter 457 of the Oregon Revised Statutes, provided that money in the General Account shall be transferred in accounts having a higher priority under Section 6(a) of this Resolution to remedy any deficiencies therein, before money in the General Account is used for any other purpose.

(f) So long as there is no deficiency in accounts having a higher priority under Section 6(a) of this Resolution, earnings on each account in the Tax Increment Fund shall be credited to the General Account; if there is a deficiency in any account in the Tax Increment Fund, interest on the Tax Increment Fund shall be credited to the deficient accounts in order of their priority under Section 6(a) of this Resolution.

(g) Money in the Series A Proceeds Account shall be used solely as described in Section 3(a) hereof or to pay debt service on the Series A Bonds pursuant to Section 5 hereof.

(h) Money in the Series B Proceeds Account shall be used solely as described in Section 3(b) hereof or to pay debt service on the Series B Bonds pursuant to Section 5 hereof.

(i) Money in the Series A Restricted Account and the Series B Restricted Account shall be utilized for debt service or redemption of their respective series of 1991 Bonds until such time as the Agency receives a certification from the Wasco county assessor that the certified property values in the Area for the 1991-1992 fiscal year exceed the certified property values in the Area for the 1990-1991 fiscal year by not less than \$4.5 million. Upon receipt of such certificate, the Agency may transfer funds on deposit in the Series A Restricted Account and the Series B Restricted Account to the Series A Proceeds Account and the Series B Proceeds Account, respectively, to be expended in accordance with (g) and (h) of this section. The rate of such permitted transfer shall be 1% of the initial balance in the applicable restricted account for each \$40,000 in certified property value above \$4.5 million. The provisions of this subsection shall also apply to certifications by the Wasco county assessor for fiscal years subsequent to the 1991-1992 fiscal year.

If moneys held in the Series A Restricted Account or the Series B Restricted Account are applied to pay debt service or redemption of the appropriate series of 1991 Bonds, such money shall be treated as if they were Tax Increment Revenues and deposited and applied as provided in Section 6(a)(i) through (v) hereof. Notwithstanding the provisions of Section 6(a)(vi), if such application of moneys held in the Series A Restricted Account and the Series B Restricted Account produces a balance in the Accumulated Redemption Account in excess of the Coverage Requirement, such balance shall remain in that account and be applied as provided in Sections 4(b) and 6(d) hereof.

(j) Five (5) days before any payment of principal, premium or interest on the 1991 Bonds is due, the Agency shall satisfy any deficiency in the Series A Bond Account or the Series B Bond Account by transferring monies to the Series A Bond Account or the Series B Bond Account, whichever has a deficiency, from the following accounts in the following order of priority:

- (i) the General Account;
- (ii) with respect to the Series B Bonds only, the Accumulated Redemption Account;
- (iii) the Series A Reserve Account or the Series B Reserve Account, whichever is applicable;
- (iv) the Proceeds Account.

Section 7. Execution of the Bonds. The 1991 Bonds shall be signed with the facsimile signatures of the ^{VICE CHAIR}Chair and Secretary of the Agency. The Bonds shall be in substantially the form approved by the Finance Director and Bond Counsel.

Section 8. Maintenance of Tax-Exempt Status. The Agency covenants for the benefit of the owners of the 1991 Bonds to comply with all provisions of the Code which are required for 1991 Bond interest to be excludable from gross income under the Code (except for any period the Series B Bonds are held by a "substantial user" or a related person as defined in Section 147(A) of the Code). The Agency further covenants for the benefit of the Owners of the 1991 Bonds to comply with all provisions of the Code which are required so that the Series A Bonds are not "private activity bonds" within the meaning of Section 141 of the Code and the Series B Bonds are "private activity bonds" within the meaning of Section 141 of the Code which are "qualified redevelopment bonds" within the meaning of Section 144(c) of the Code. The Agency specifically covenants that it shall not take any action or omit any action, if it would cause the 1991 Bonds to become "arbitrage bonds" under Section 148 of the Code, and that it shall pay, but solely from the Tax Increment Revenues, all rebates on the "gross proceeds" of the 1991 Bonds when and as required under that Section.

The covenants contained in this Resolution and any covenants in the closing documents for the 1991 Bonds shall constitute contracts with the owners of the 1991 Bonds, and shall be enforceable by them.

Section 9. Authentication, Registration and Transfer.

(a) No 1991 Bond shall be entitled to any right or benefit under this Resolution unless it shall have been authenticated by an authorized officer of the Registrar. The Registrar shall authenticate all 1991 Bonds to be delivered at closing of the 1991 Bonds, and shall additionally authenticate all 1991 Bonds properly surrendered for exchange or transfer pursuant to this Resolution.

(b) The Agency hereby appoints Security Pacific Bank Oregon as the initial Registrar for the 1991 Bonds. A successor Registrar may be appointed for the 1991 Bonds by resolution of the Agency. The Registrar shall provide notice to 1991 Bondowners of any change in the Registrar not later than the 1991 Bond Payment Date following the change in Registrar.

(c) The ownership of all 1991 Bonds shall be entered in the 1991 Bond register maintained by the Registrar, and the Agency and the Registrar may treat the person listed as owner in the 1991 Bond register as the owner of the 1991 Bond for all purposes.

(d) The Registrar shall mail each interest payment on the applicable Payment Date (or the next business day if the Payment Date is not a business day) to the name and address of the 1991 Bondowners as they appear on the 1991 Bond register as of the Record Date. If payment is so mailed, neither the Agency nor the Registrar shall have any further liability to any party for such payment.

(e) 1991 Bonds may be exchanged for an equal principal amount of 1991 Bonds of the same maturity which are in different denominations, and 1991 Bonds may be transferred to other owners if the 1991 Bondowner submits the following to the Registrar:

(i) written instructions for exchange or transfer satisfactory to the Registrar, signed by the 1991 Bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and

(ii) the 1991 Bonds to be exchanged or transferred.

(f) The Registrar shall not be required to exchange or transfer any 1991 Bonds submitted to it during any period beginning with a Record Date and ending on the next following Payment Date; however, such 1991 Bonds shall be exchanged or transferred promptly following that Payment Date.

(g) The Registrar shall note the date of authentication on each 1991 Bond. The date of authentication shall be the date on which the Owner of a 1991 Bond is listed on the 1991 Bond register.

(h) For purposes of this Section, 1991 Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the material described in subsection (e) of this Section.

(i) The 1991 Bonds may be initially delivered as a typewritten, temporary installment bond. In such event, printed definitive bonds shall be exchanged for the temporary bond within thirty (30) days of the Closing.

(j) The Agency may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all 1991 Bondowners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

Section 10. Parity Bonds.

(a) The Agency covenants not to issue any obligations payable from the Tax Increment Revenues which have a lien or claim on the Tax Increment Revenues which is superior to the lien of the Bonds.

(b) The Agency may issue Parity Bonds wherein the principal, interest and premium, if any, shall be payable from the Tax Increment Revenues if, on the date of delivery of the Parity Bonds:

(i) the Series B Bonds have been redeemed, retired or defeased; and

(ii) the balance in the Series A Reserve Account is at least equal to the Series A Reserve Requirement; and

(iii) the amount of Tax Increment Revenues for the fiscal year prior to the fiscal year in which the Parity Bonds are to be issued (or such shorter time as the Tax Increment Revenues have actually been received by the Agency and indebtedness of the Agency has been outstanding) equaled or exceeded 1.30 times the Annual Debt Service on the Bonds outstanding and the proposed Parity Bonds; and

(iv) the annual Tax Increment Revenues for the fiscal year in which the Parity Bonds are issued and the next fiscal year is projected to equal or exceed, on an average basis, 1.50 times the Annual Debt Service on all Bonds and Parity Bonds Outstanding, including the Parity Bonds then being issued, in any future fiscal year. The projection of debt service coverage shall be prepared by a firm of independent certified public accountants, which may be

the firm of certified public accountants regularly auditing the books and records of the City or the Agency, or other recognized independent experts.

(c) The Agency may issue Parity Bonds to refund 1991 Bonds without meeting the requirements of subsection (b) of this Section, but only if the Annual Debt Service on the refunding Parity Bonds in each fiscal year in which any Bonds are outstanding does not exceed by more than \$5,000 the amount of the Annual Debt Service in that fiscal year on the 1991 Bonds being refunded.

(d) The Agency may issue subordinate obligations which have a lien on the Tax Increment Revenues which is subordinate to the lien of the Bonds, but only as provided in this subsection. Debt service on such subordinate obligations shall be payable solely from the General Account.

Section 11. Amendment.

(a) This resolution may be amended or supplemented without the consent of the Bondowners for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Agency contained in this resolution any other covenants or agreements for the benefit of Bondowners thereafter to be observed by the Agency or to surrender any right or power herein reserved to or conferred on the Agency provided the Agency obtains an opinion of nationally recognized bond counsel that such amendment will not cause interest on the 1991 Bonds to be includable in gross income for federal income tax purposes;

(ii) To cure any ambiguity or formal defect provided the Agency obtains an opinion of nationally recognized bond counsel that such amendment will not cause interest on the Bonds to be includable in gross income for federal income tax purposes;
or

(iii) To issue Parity Bonds or subordinate obligations in accordance with Section 10 hereof.

(b) This resolution may be amended for any other purpose only upon consent of the Owners of not less than sixty (60) percent of the aggregate principal amount of 1991 Bonds then outstanding; provided, however, that no amendment shall be valid without the consent of the Owners of all affected 1991 Bonds which:

(i) Extends the maturity of any 1991 Bond, reduces the rate of interest upon any 1991 Bond, or reduces the amount of principal or premium payable on any 1991 Bond; or

(ii) Reduces the percentage of Owners required to approve an amendment to this resolution.

Section 12. Defeasance. 1991 Bonds shall be deemed paid if direct obligations of the United States, or obligations guaranteed by the United States, are irrevocably deposited in escrow in amount sufficient, without reinvestment, to pay all principal, interest, and redemption premium (if any) on the 1991 Bonds as they become due, either at maturity or upon prior redemption and the Agency obtains:

(a) a verification report from a nationally recognized independent certified public accountant to the effect that the cash and securities irrevocably placed in escrow and sufficient to pay the 1991 Bonds being defeased when due without reinvestment; and

(b) an opinion of nationally recognized bond counsel to the effect that such bonds have been defeased, are no longer outstanding under this Resolution and the defeasance will not cause interest on any such defeased bonds to become includable in gross income under the Code (provided that the opinion may assume the Agency will comply with any covenants it makes in connection with the defeasance.

Section 13. Sale of Bonds. The 1991 Bonds shall be sold to Security Pacific Securities (the "Underwriter") in accordance with a Bond Purchase Agreement to be negotiated and approved by the Finance Director. The Finance Director is hereby authorized, on behalf of the Agency:

(a) To determine the dates, amounts and interest rates applicable to each maturity of the 1991 Bonds;

(b) To approve and authorize the distribution of preliminary and final official statements for the 1991 Bonds;

(c) To execute the final Bond Purchase Agreement; and

(d) To execute all documents on behalf of the Agency and to take any other action which is desirable in order to issue, sell and deliver the 1991 Bonds in accordance with this Resolution.

Section 14. Disposition of 1991 Bond Proceeds. The proceeds of the 1991 Bonds shall be disbursed as follows in the order of priority indicated:

First, interest accrued from the dated date of the Series A Bonds until the Closing shall be deposited to the Series A Bond Account and shall be used to pay interest on the Series A Bonds on the next Payment Date;

Second, interest accrued from the dated date of the Series B Bonds until the Closing shall be deposited to the Series B Bond Account and shall be used to pay interest on the Series B Bonds on the next Payment Date;

Third, an amount equal to the Reserve Requirement applicable to the Series A Bonds shall be deposited to the Series A Reserve Account and utilized in accordance with the terms of this Resolution;

Fourth, an amount equal to the Reserve Requirement applicable to the Series B Bonds shall be deposited to the Series B Reserve Account and utilized in accordance with the terms of this Resolution;

Fifth, one-half (1/2) of the remaining proceeds of the Series A Bonds shall be deposited to the Series A Restricted Account and one-half (1/2) of the remaining proceeds of the Series B Bonds shall be deposited to the Series B Restricted Account. Funds on deposit in the Series A Restricted Account and the Series B Restricted Account may be invested in accordance with Oregon law and shall be held by the Agency and applied in accordance with Section 6(i) hereof.

Sixth, the balance of the proceeds of the Series A Bonds shall be deposited to the Series A Proceeds Account and utilized in accordance with Sections 3 and 5 hereof.

Seventh, the balance of the proceeds of the Series B Bonds shall be deposited to the Series B Proceeds Account and utilized in accordance with Sections 3 and 5 hereof.

Section 15. Agency Covenants. The covenants and agreements of the Agency contained herein shall be binding and enforceable against the Agency so long as the Agency is legally authorized to perform such covenants and agreements.

Section 16. Bond Counsel. The Agency appoints Rankin Mersereau & Shannon to serve as Bond Counsel in connection with the issuance of the 1991 Bonds.

Section 17. Official Statement. The Agency shall prepare, with the assistance of the Underwriter, a preliminary official statement with respect to the Bonds. When advised by staff that the final Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the Official Statement not misleading in light of the circumstances under which they are made, the Finance Director is authorized to certify the accuracy of the Official Statement on behalf of the Agency. Pursuant to Securities and Exchange Commission Rule 15c2-12, the Agency deems the preliminary official statement as final as of its date except for the omission of information

dependent upon the pricing of the issue and the completion of the underwriting agreement such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds dependent on the foregoing matters.

ADOPTED this ____ day of _____, 1991.

URBAN RENEWAL AGENCY OF THE
CITY OF THE DALLES

By _____
Chair

ATTEST:

By _____
Secretary

APPENDIX C
FORM OF BOND OPINION

RANKIN MERSEREAU & SHANNON

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PETER R. MERSEREAU
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TELEPHONE: 503-226-6400
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September ____, 1991

Urban Renewal Agency of
the City of The Dalles
313 Court Street
The Dalles, Oregon 97058

Re: Urban Renewal Agency of the City of The Dalles,
Oregon Urban Renewal and Redevelopment
Bonds, Series 1991 A (Governmental Purpose) - \$ _____

We have acted as bond counsel in connection with the issuance by the Urban Renewal Agency of the City of The Dalles, Oregon (the "Issuer") of \$ _____ Urban Renewal and Redevelopment Bonds, Series 1991 A (Governmental Purpose), dated September 15, 1991 (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion as to the remainder of the Official Statement.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds have been legally authorized, sold and issued under and pursuant to the Constitution and statutes of the State of Oregon and the Bonds are valid and legally binding obligations of the Issuer.
2. The Bonds are not general obligations of the Issuer. The Bonds and the interest thereon shall be payable from the Tax Increment Revenues and the Reserve Account. The Issuer irrevocably pledges the Tax Increment Revenues collected to pay the Bonds, and, to the extent that the Tax Increment Revenues are insufficient to pay debt service on the

Bonds when due, the Issuer covenants to pay such debt service from any legally available unobligated funds of the Issuer.

3. Assuming compliance with certain covenants of the Issuer concerning the tax status of interest on the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from present State of Oregon personal income taxes.

It is to be understood that the rights of the Registered Owners of the Bonds and the enforceability thereof may be subject to the bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

RANKIN MERSEREAU & SHANNON
Attorneys

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PETER R. MERSEREAU
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September ____, 1991

Urban Renewal Agency of
the City of The Dalles
313 Court Street
The Dalles, Oregon 97058

Re: Urban Renewal Agency of the City of The Dalles,
Oregon Urban Renewal and Redevelopment
Bonds, Series 1991 B (Qualified Redevelopment) - \$ _____

We have acted as bond counsel in connection with the issuance by the Urban Renewal Agency of the City of The Dalles, Oregon (the "Issuer") of \$ _____ Urban Renewal and Redevelopment Bonds, Series 1991 B (Qualified Redevelopment), dated September 15, 1991 (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion as to the remainder of the Official Statement.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds have been legally authorized, sold and issued under and pursuant to the Constitution and statutes of the State of Oregon and the Bylaws of the Issuer and the Bonds are valid and legally binding obligations of the Issuer.

2. The Bonds are not general obligations of the Issuer. The Bonds and the interest thereon shall be payable from the Tax Increment Revenues and the Reserve Account. The Issuer irrevocably pledges the Tax Increment Revenues collected to pay the Bonds, and, to the extent that the Tax Increment Revenues are insufficient to pay debt service on the

Bonds when due, the Issuer covenants to pay such debt service from any unobligated funds of the Issuer.

3. Assuming compliance with certain covenants of the Issuer concerning the tax status of interest on the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes except (1) for any period during which a Bond is held by a "substantial user" or the facilities financed with the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, and (2) that such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on the holder under Section 57(a)(5) of the Code; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from present State of Oregon personal income taxes.

It is to be understood that the rights of the Registered Owners of the Bonds and the enforceability thereof may be subject to the bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

RANKIN MERSEREAU & SHANNON
Attorneys

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APPENDIX D

CONSULTANT'S TAX INCREMENT RECEIPT PROJECTIONS

**THE DALLES URBAN RENEWAL AGENCY
ANALYSIS FOR
TAX INCREMENT REVENUE (RECEIPTS) PROJECTIONS
AUGUST 21, 1991**

The Columbia Gateway/Downtown Urban Renewal Plan and Program was approved by The Dalles City Council on August 23, 1990, by Council Non-Emergency Ordinance No. 90-1113. Subsequent to this approval by the City Council, substantive changes in the State Laws that govern the formation and implementation of the Urban Renewal Process have been made. While many of the changes were anticipated during the period of Plan preparation, others were not.

In November, 1990, Oregon voters approved Ballot Measure 5, which provides constitutional limits on the tax rates of all taxing districts in the State. Measure 5, as approved, has become Section 11b, Article XI of the Oregon Constitution.

The 1991 session of the Oregon Legislature approved House Bill (HB) 2550 which translated the broad provisions of Measure 5 into specific legislative procedures, policies and regulations. HB 2550, as approved, will become a part of the amended Chapter 457 of the Oregon Revised Statutes (ORS 457) as well as other applicable ORS Chapters. ORS 457 is State Law which regulates the elimination of blight in Urban Renewal areas.

The provisions of Section 1c, Article IX, of the Oregon Constitution, the provisions which authorized the use of the tax increment financing process, remain in place and are not amended by the approval of Measure 5.

The estimated annual tax increment proceeds available to The Dalles Urban Renewal Agency have been determined using the above Constitutional provisions and the methodology set forth in HB 2550.

ASSUMPTIONS:

Projection computations consistent with the provisions of HB 2550 provide three alternative scenarios for annual tax increment revenue which are summarized later in this text. It has been assumed that The Dalles City Council will certify to the County Assessor the largest levy economically possible and that 100% of the levy so certified will be used to service bonded indebtedness and hence, will not be subject to the limitations of Section 11b

of Article XI of the Oregon Constitution (Measure 5). Alternatives "A" and "B" (See Assumption 3.) assume that the tax rates used to compute annual tax increment proceeds will be the rates prior to reduction to Measure 5 limitations. Alternative "C", on the other hand, assumes that tax rates will be reduced to comply to Measure 5 limits before computation of annual tax increment proceeds.

Further, assumptions were made on the assessed value growth of the Urban Renewal Area as well as for the eight (8) affected taxing districts.

ASSUMPTION 1. Assessed Value Growth in the Affected Taxing Districts

The following table records the actual average annual change in assessed value in the eight (8) principal affected taxing districts for the 10 and 20 year periods shown:

TABLE 1.1 AVERAGE ANNUAL ASSESSED VALUE GROWTH OF AFFECTED TAXING DISTRICTS

\1 Taxing District	Annual Average Growth Rates	
	20 Year 1970-71 to 1990-91	10 Year 1980-81 to 1990-91
Wasco County	8.90	1.37
City of The Dalles	13.22	2.08
Port of The Dalles	8.59	0.83
School District #12	11.99	1.85
School District #9	6.28	(1.26)
Wasco Co. E.S.D.	8.81	1.26
C. G. Community College	\2	1.35
N. Wasco Park & Recreation	\2	\2

\1 The Wasco Rural Fire Protection District encompasses approximately 0.3% of the Urban Renewal Area's base year assessed value and has been ignored for the purposes of these projections.

\2 Columbia Gorge Community College (Treaty Oaks) became a Taxing District in 1977-78. North Wasco Park and Recreation became a Taxing District in 1985-86. The Community College District is similar to Wasco County and the Park and Recreation District is slightly larger but similar to School District 12. Computations were made on that basis.

The annual average growth rates of each of the eight (8) taxing districts have been estimated at rates less than their actual growth for the period 1970-71 to 1990-91, but at a rate greater than 1980-81 to 1990-91 when the recessions of the early and late 1980's limited growth.

The taxing districts, their fiscal 1990-91 assessed values, the estimated future average annual growth rates and their 1990-91 tax rates for their levies and bonded debt are as follows:

TABLE 1.2 **TAXING DISTRICTS - PROJECTED GROWTH RATES IN ASSESSED VALUE**

<u>Taxing District</u>	<u>1990-91 A V</u>	<u>Annual Avg. Projected Growth Rate</u>	<u>1990-91 Levy</u>	<u>Tax Rate Bonds</u>
Wasco County	\$599,430,061	3.0%	\$6.3395	-
City of The Dalles	261,778,914	4.2	7.2760	\$1.1700
Port of The Dalles	469,379,139	2.7	0.2058	1.1040
Park & Recreation	337,856,220	3.0	0.9920	-
School District 12	305,512,713	4.0	18.2836	0.5212
Community College	596,669,658	3.0	1.0589	-
Wasco Co. E.S.D.	590,794,434	3.0	1.7105	-
School District 9	121,704,127	1.0	22.9329	-

The Wasco Rural Fire Protection District has a \$0.1091 tax rate for Bonds in Tax Code Areas 12.71 and 12.81. For the purpose of these estimates, this has been ignored.

Using the average annual growth rates noted in Table 1.2, above, the results are reported in Table 1.3, below. The City's adopted Urban Renewal Plan authorizes the Urban Renewal Agency to receive tax increment proceeds until fiscal year 2014-15 if necessary. Therefore, the taxing districts' estimated future assessed values are projected to the year 2014-15.

TABLE 1.3

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TAXING DISTRICTS - ESTIMATED PROJECTED GROWTH IN ASSESSED VALUE \1

FISCAL YEAR	General Governments				Schools			
	WASCO CO. AT 3.0% \$	CITY OF THE DALLES AT 4.2% \$	PORT OF THE DALLES AT 2.7% \$	N. W. PARK AND REC. AT 3.0% \$	SCHOOL DIST. # 12 AT 4.0% \$	COMMUNITY COLLEGE AT 3.0% \$	WASCO CO. E.S.D. AT 3.0% \$	SCHOOL DIST. # 9 AT 1.0% \$
1990-91	599,430,061	261,778,914	469,379,139	337,856,220	305,512,713	596,669,658	590,794,434	121,704,127
91-92	617,412,963	272,773,628	482,052,376	347,991,907	317,733,222	614,569,748	608,518,267	122,921,168
92-93	635,935,352	284,230,121	495,067,790	358,431,664	330,442,550	633,006,840	626,773,815	124,150,380
93-94	655,013,412	296,167,786	508,434,620	369,184,614	343,660,252	651,997,045	645,577,029	125,391,884
94-95	674,663,815	308,606,833	522,162,355	380,260,152	357,406,662	671,556,957	664,944,340	126,645,803
95-96	694,903,729	321,568,320	536,260,739	391,667,957	371,702,929	691,703,665	684,892,671	127,912,261
96-97	715,750,841	335,074,189	550,739,778	403,417,995	386,571,046	712,454,775	705,439,451	129,191,383
97-98	737,223,366	349,147,305	565,609,753	415,520,535	402,033,888	733,828,419	726,602,634	130,483,297
98-99	759,340,067	363,811,492	580,881,216	427,986,151	418,115,244	755,843,271	748,400,713	131,788,130
99-00	782,120,269	379,091,575	596,565,009	440,825,736	434,839,853	778,518,569	770,852,735	133,106,011
2000-01	805,583,877	395,013,421	612,672,264	454,050,508	452,233,447	801,874,126	793,978,317	134,437,071
01-02	829,751,394	411,603,985	629,214,415	467,672,023	470,322,785	825,930,350	817,797,666	135,781,442
02-03	854,643,935	428,891,352	646,203,204	481,702,184	489,135,697	850,708,261	842,331,596	137,139,257
03-04	880,283,253	446,904,789	663,650,691	496,153,249	508,701,125	876,229,509	867,601,544	138,510,649
04-05	906,691,751	465,674,790	681,569,259	511,037,847	529,049,170	902,516,394	893,629,590	139,895,756
05-06	933,892,504	485,233,131	699,971,629	526,368,982	550,211,136	929,591,886	920,438,478	141,294,713
06-07	961,909,279	505,612,922	718,870,863	542,160,052	572,219,582	957,479,642	948,051,632	142,707,660
07-08	990,766,557	526,848,665	738,280,377	558,424,853	595,108,365	986,204,031	976,493,181	144,134,737
08-09	1,020,489,554	548,976,309	758,213,947	575,177,599	618,912,700	1,015,790,152	1,005,787,977	145,576,084
09-10	1,051,104,240	572,033,314	778,685,723	592,432,927	643,669,208	1,046,263,857	1,035,961,616	147,031,845
2010-11	1,082,637,368	596,058,713	799,710,238	610,205,915	669,415,976	1,077,651,773	1,067,040,465	148,502,164
11-12	1,115,116,489	621,093,179	821,302,414	628,512,092	696,192,615	1,109,981,326	1,099,051,679	149,987,185
12-13	1,148,569,983	647,179,093	843,477,580	647,367,455	724,040,320	1,143,280,766	1,132,023,229	151,487,057
13-14	1,183,027,083	674,360,615	866,251,474	666,788,478	753,001,932	1,177,579,189	1,165,983,926	153,001,928
14-15	1,218,517,895	702,683,760	889,640,264	686,792,133	783,122,010	1,212,906,564	1,200,963,444	154,531,947

\1 DISTRICT ASSESSED VALUE IS EXCLUSIVE OF INCREASE IN UR AREA. THESE VALUES APPLY TO ALL 3 ALTERNATE DEVELOPMENT SCENARIOS FOR THE UR AREA.

ASSUMPTION 2. Assessed Value Growth in Urban Renewal Area

The U.S. Forest Service will be constructing The Gorge Discovery Center, a Columbia Gorge interpretive center, to be opened in 1993. The site of this Center is approximately two-and-one-half (2 1/2) miles west of the westerly boundary of the Urban Renewal Area. The Discovery Center is expected to be a major tourist attraction and has already stimulated development activity in the City and its Urban Renewal Area.

The Wasco County Tax Assessor has certified the base year (1990-91) assessed value (AV) of the Urban Renewal Area to be \$45,072,989 (\$45,072,990 - rounded). This represents 17.2% of the City's 1990-91 AV of \$261,778,914.

On August 14, 1991, the Assessor has determined the anticipated increase in AV within the Urban Renewal Area since July 1, 1990, to be approximately \$9,287,000. The following figures were provided to the City by the Assessor on August 14, 1991:

New Construction	\$ 7,333,070
Less 5% Utility Depreciation	(407,070)
Approx. Increase in Other Property	<u>2,361,000</u>
Anticipated AV Increase	\$ 9,287,000

New Construction - K-Mart

New construction consists principally of the first phase of the 16 acre K-Mart Center which will be on the fiscal 1991-92 tax roll. The K-Mart first phase development contains a completed 86,500 square foot retail facility with 400 parking spaces. In September, 1991, construction will begin on a 42,000 square foot market (Shop 'N Kart) together with two other retail structures containing 15,000 and 11,000 square feet, with an additional 309 parking spaces. The Center is located at West Sixth Street and Snipes Street.

With development of the K-Mart Center's second phase, described above, the 68,000 additional square feet should result in approximately \$3,800,000 of additional assessed value within the Urban Renewal Area in fiscal year 1992-93.

New Construction - Bank Addition

Since July 1, 1990, a 2,500 square foot addition to the existing 4,000 square foot Columbia River Bank on Third Street was constructed in the City's Central Business District.

New Construction - Mill Creek Development

A developer ... Columbia River Gorge Development, Inc. ... has assembled a 15 acre site and has completed initial site grading for a 175,000 square foot, enclosed climate controlled retail mall. Other developments being planned include a freestanding 42,000 to 50,000 square foot market, other satellite retail facilities, a 60 room (or larger) motel and a restaurant of about 2,500 square feet. The developers are in the process of assembling an additional three-and-one-half (3 1/2) acres adjacent to the initial 15 acres. Over 1,000 parking spaces are proposed.

The project, as yet unnamed, is located immediately west of Mill Creek in the heart of the Urban Renewal Area. It has excellent freeway (I-84) exposure and access. This development could create over \$20,000,000 in additional assessed value. For estimating purposes, it is assumed that \$18,750,000 additional value will enter the tax roll over a two year period ... 1993-94 and 1994-95. See Table 4.1.

The Urban Renewal Agency and the developer are currently evaluating a Second Street to Sixth Street connection in the immediate vicinity of the mall site. The engineering details of this important street connection are not yet formalized and building construction likely will not begin until they are. Construction could begin as early as 1992.

Utility Depreciation

Utility assessed values are determined by the State Department of Revenue. Their value change since certification of the Urban Renewal Area's value will be depreciated by about five percent (5%) of the 1990-91 AV ... or about \$407,000 in depreciation.

Increase in Other Properties

The Assessor's office has analyzed the price structure of property transactions that have occurred over the past year. The value of property has, on recent sales, increased approximately six percent (6%) or about \$2,361,000 in appreciation.

The Urban Renewal Area includes portions of six Tax Code Areas. From the Wasco County Assessor's Certificate of Assessed Value for the URA for fiscal year 1990-91, the values are as follows:

TABLE 2.1 **BASE YEAR (1990-91) ASSESSED VALUE OF URBAN RENEWAL AREA BY TAX CODE AREAS AND THEIR CONSOLIDATED TAX RATES**

<u>Tax Code Area</u>	<u>1990-91 Assessed Value</u>	<u>Tax Rate</u>
9.41	\$ 1,406,493	\$ 42.7896
9.71	51,354	42.8987
9.91 \1	<u>37,291</u>	<u>38.4663</u>
Sub-Total Series 9	\$ 1,495,138	
12.11	\$43,526,894	\$ 38.6615
12.71	44,706	38.7706
12.81	<u>6,252</u>	<u>34.3382</u>
Sub-Total Series 12	\$43,577,852	
Total Urban Renewal Area	\$45,072,990	

\1 Located outside City. Assessed Value is all Utilities.

The Series 12 Tax Code Areas include School District No. 12 ... the Series 9 TCAs include School District No. 9. Since the assessed values of Tax Code Areas 9.71, 9.91, 12.71 and 12.81 represent only 0.3% of the total value, the differences in their tax rates, including those of the Wasco RFPD, have been ignored for the purposes of these estimates.

Table 4.1 sets forth estimates of growth above the base year. The 21.3% growth rate for fiscal 1991-92 results from new development ... the K-Mart Center, the bank addition ... and the increased values of existing development as reflected by recent sales.

The 25.2% and 9.9% growth in fiscal 1993-94 and 1994-95, respectively, reflect the Mill Creek site development coming onto the Tax Roll over a two year period. Since the basic site preparation work has been completed and some key tenants committed, some of this development could enter the Tax Roll as early as 1993-94.

An alternative growth scenario is shown for Tables 5.1 and 6.1. In this lower AV growth scenario it is assumed that the \$18,750,000 Mill Creek complex will not materialize.

ASSUMPTION 3. Computation of Urban Renewal Agency Tax Increment Proceeds Under Three Alternative Development Scenarios in the Urban Renewal Area

HB 2550 provides that the Urban Renewal Agency's annual tax increment proceeds shall be determined by multiplying the tax rate of each affected taxing district ... prior to reduction to Measure 5 limits ... by each \$1000 of cumulative increased assessed value (incremental AV) of the Urban Renewal Area above the base year value of \$45,072,990. Provided, however, that the tax rate necessary to produce proceeds that are not to be used to retire bonded debt of the Agency could be subject to reduction.

As discussed above, the Wasco County Assessor has informed the City that such incremental assessed value for fiscal 1991-92 will be about \$9,287,000.

For the purposes of these projections, it has been assumed that the consolidated tax rates, before reduction to Measure 5 limits, will remain at about their 1990-91 levels of \$38.00 to \$41.00 per \$1000 incremental AV. This assumption has been applied to the generation of tax increment proceeds resulting from development Alternatives "A" and "B".

Development Alternative "C" assumes that the tax rates of the affected taxing districts will be at the limits established by Measure 5 when they are applied to the generation of tax increment proceeds. Under this assumption, the limited tax rates together with the rate for bonded debt (outside the limit) was used to calculate the Agency's annual tax increment revenue.

TABLE 3.1 CONSOLIDATED TAX RATE LIMITS OF MEASURE 5 \1

<u>Fiscal Year</u>	<u>General Government (Non School) Districts</u>	<u>Schools and School Related</u>	<u>Consolid. Tax Rate</u>
1991-92	\$10.00	\$15.00	\$25.00
1992-93	10.00	12.50	22.50
1993-94	10.00	10.00	20.00
1994-95	10.00	7.50	17.50
1995-96 and beyond	10.00	5.00	15.00

\1 The taxing districts' tax rates to fund bonded indebtedness, per the provisions of Measure 5 (and HB 2550), are outside the limits established by Measure 5.

As discussed earlier in this analysis, the Urban Renewal Area encompasses six (6) Tax Code Areas ... three (3) each in the Series 9 and Series 12 Tax Code Areas. Measure 5 requires that each taxing district within each Tax Code Area be segregated into Government (Non-School) and School functions.

The taxing districts, by function, are as follows:

General Government Taxing Districts for both Tax Code Area Series 9 and 12 are the same and include:

Wasco County
City of The Dalles
Port of The Dalles
North Wasco Park and Recreation

The School Districts for Series 12 Tax Code Areas, only, include:

School District #12
Wasco County E.S.D.
Columbia Gorge Community College

The School districts for Series 9 Tax Code Areas, only, include:

School District #9
Wasco County E.S.D.
Columbia Gorge Community College

Three (3) alternative tax increment revenue scenarios are herein provided, as follows:

- A. Development in the Urban Renewal Area, as discussed in this analysis, would occur ... including the Mill Creek development. The tax rate, including levies for bonded debt, would be at the rates before reduction to Measure 5 limits (HB 2550). See Tables 4.1, 4.2, 4.3, 4.4 and 4.5.
- B. The same tax rates as alternative "A", but no Mill Creek development. See Tables 5.1 and 5.2.
- C. No Mill Creek development as for alternative "B", and tax rates used to compute tax increment proceeds established by the limitations of Measure 5 with the addition of levies for bonded debt. See Tables 6.1 and 6.2.

The URA tax rate, annually, is a function of the URA Funds "Available" divided by each \$1,000 of assessed value of the Shared Property of the affected taxing district and the City. Shared Property is equal to the assessed value of the City's portion of the affected taxing district's Total Assessed Value. The estimated annual URA tax rates are shown for each of the alternative development and/or tax rate scenarios within the Urban Renewal Area.

The following tables, with their alternative designation noted, include the total estimated incremental assessed value within the Urban Renewal Area, the estimated annual tax increment revenue and the Urban Renewal tax rates:

- Alternative A - Tables 4.1, 4.2, 4.3, 4.4 and 4.5
- Alternative B - Tables 5.1 and 5.2
- Alternative C - Tables 6.1 and 6.2

Summary Tables 5.2 and 6.2 are calculated using similar computation methods as Table 4.5 ... the details have been omitted.

The tax increment revenue streams for Alternatives "A" and "B" are based on my understanding of Oregon law, effective September 28, 1991. The magnitude of these tax increment streams, as estimated, could be subject to change either by legislative or judicial action, or by both. Alternative "C" is an example of this possibility.

Further, future unknown events could alter real property values or other factors in a way which could significantly increase, decrease or eliminate the Agency's tax increment revenue.

TABLE 4.1

ALTERNATE A

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TOTAL ESTIMATED URA GROWTH AND INCREMENTAL ASSESSED VALUE \1
 ASSUMING MILL CREEK SHOPPING CENTER-MOTEL-RESTAURANT DEVELOPMENT AND BEFORE
 REDUCTION OF DISTRICTS' TAX RATE TO MEASURE 5 LIMITS

PROJECTED 1991-92 TO 2014-15

A FISCAL YEAR	B T.I. YEAR	C	D	E	F	G	H	I
		SERIES 12 ASSESSED VALUE \$	GROWTH %	SERIES 12 INCREMENTAL A. V. \$	SERIES 9 ASSESSED VALUE \$	GROWTH %	SERIES 9 INCREMENTAL A. V. \$	TOTAL INCREMENTAL A. V. \$
1990-91		43,577,852			1,495,138			↓
91-92	1	52,864,852	21.3	9,287,000	1,569,895	5.0	74,757	9,361,757
92-93	2	56,664,852	7.2	13,087,000	1,577,744	.5	82,606	13,169,606
93-94	3	70,923,149	25.2	27,345,297	1,585,633	.5	90,495	27,435,792
94-95	4	77,966,612	9.9	34,388,760	1,593,561	.5	98,423	34,487,183
95-96	5	79,525,944	2.0	35,948,092	1,601,529	.5	106,391	36,054,483
96-97	6	80,718,833	1.5	37,140,981	1,609,537	.5	114,399	37,255,380
97-98	7	81,929,616	1.5	38,351,764	1,617,584	.5	122,446	38,474,210
98-99	8	83,240,490	1.6	39,662,638	1,625,672	.5	130,534	39,793,172
99-00	9	84,655,578	1.7	41,077,726	1,633,801	.5	138,663	41,216,389
2000-01	10	86,179,379	1.8	42,601,527	1,641,970	.5	146,832	42,748,358
01-02	11	87,472,069	1.5	43,894,217	1,650,180	.5	155,042	44,049,259
02-03	12	89,221,511	2.0	45,643,659	1,658,430	.5	163,292	45,806,951
03-04	13	91,005,941	2.0	47,428,089	1,666,723	.5	171,585	47,599,673
04-05	14	92,826,060	2.0	49,248,208	1,675,056	.5	179,918	49,428,126
05-06	15	95,146,711	2.5	51,568,859	1,683,431	.5	188,293	51,757,153
06-07	16	98,001,112	3.0	54,423,260	1,691,849	.5	196,711	54,619,971
07-08	17	99,471,129	1.5	55,893,277	1,700,308	.5	205,170	56,098,447
08-09	18	100,465,840	1.0	56,887,988	1,708,809	.5	213,671	57,101,660
09-10	19	101,470,499	1.0	57,892,647	1,717,353	.5	222,215	58,114,862
2010-11	20	102,992,556	1.5	59,414,704	1,725,940	.5	230,802	59,645,507
11-12	21	104,537,445	1.5	60,959,593	1,734,570	.5	239,432	61,199,025
12-13	22	106,105,506	1.5	62,527,654	1,743,243	.5	248,105	62,775,759
13-14	23	107,697,089	1.5	64,119,237	1,751,959	.5	256,821	64,376,058
14-15	24	109,851,031	2.0	66,273,179	1,760,719	.5	265,581	66,538,759
AVERAGE GROWTH RATE			4.1			.7		

\1 SEE TEXT FOR EXPLANATION

INCREMENTAL ASSESSED VALUE IN URBAN RENEWAL AREA

A:URA6

TABLE 4.2 ALTERNATE A

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TOTAL ESTIMATED URA FUNDS AND TAX RATE - GENERAL GOVERNMENT - SERIES 9 AND 12 \1
 ASSUMING MILL CREEK SHOPPING CENTER-MOTEL-RESTAURANT DEVELOPMENT AND BEFORE
 REDUCTION OF DISTRICTS' TAX RATE TO MEASURE 5 LIMITS

PROJECTED 1991-92 TO 2014-15

					(E / 1000) X D	F / (C / 1000)
A	B	C	D	E	F	G
FISCAL YEAR	T. I. YEAR	CITY A.V. SHARED PROPERTY \$	COMBINED GEN GOVT TAX RATE \$/1000	TOTAL INCREMENTAL A. V. \$	GEN GOVT URA FUNDS "AVAILABLE" \$	\2 URA TAX RATE \$/1000
1990-91		261,778,914	17.0873			
91-92	1	272,773,628	17.0873	9,361,757	159,967	.5864
92-93	2	284,230,121	17.0873	13,169,606	225,033	.7917
93-94	3	296,167,786	17.0873	27,435,792	468,804	1.5829
94-95	4	308,606,833	17.0873	34,487,183	589,293	1.9095
95-96	5	321,568,320	17.0873	36,054,483	616,074	1.9158
96-97	6	335,074,189	17.0873	37,255,380	636,594	1.8999
97-98	7	349,147,305	17.0873	38,474,210	657,420	1.8829
98-99	8	363,811,492	17.0873	39,793,172	679,958	1.8690
99-00	9	379,091,575	17.0873	41,216,389	704,277	1.8578
2000-01	10	395,013,421	17.0873	42,748,358	730,454	1.8492
01-02	11	411,603,985	17.0873	44,049,259	752,683	1.8287
02-03	12	428,891,352	17.0873	45,806,951	782,717	1.8250
03-04	13	446,904,789	17.0873	47,599,673	813,350	1.8200
04-05	14	465,674,790	17.0873	49,428,126	844,593	1.8137
05-06	15	485,233,131	17.0873	51,757,153	884,390	1.8226
06-07	16	505,612,922	17.0873	54,619,971	933,308	1.8459
07-08	17	526,848,665	17.0873	56,098,447	958,571	1.8194
08-09	18	548,976,309	17.0873	57,101,660	975,713	1.7773
09-10	19	572,033,314	17.0873	58,114,862	993,026	1.7360
2010-11	20	596,058,713	17.0873	59,645,507	1,019,181	1.7099
11-12	21	621,093,179	17.0873	61,199,025	1,045,726	1.6837
12-13	22	647,179,093	17.0873	62,775,759	1,072,668	1.6575
13-14	23	674,360,615	17.0873	64,376,058	1,100,013	1.6312
14-15	24	702,683,760	17.0873	66,538,759	1,136,968	1.6180

\1 SEE TEXT OF THIS LETTER FOR EXPLANATION

\2 ASSUMED TO PAY PRINCIPAL AND INTEREST ON BONDED DEBT AND HENCE,
 OUTSIDE THE LIMITATIONS OF MEASURE 5.

A:GENGOVT6

TABLE 4.3 ALTERNATE A

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TOTAL ESTIMATED URA FUNDS AND TAX RATE - TAX CODE AREAS - SERIES 9 - SCHOOLS \1
 ASSUMING MILL CREEK SHOPPING CENTER-MOTEL-RESTAURANT DEVELOPMENT AND BEFORE
 REDUCTION OF DISTRICTS' TAX RATE TO MEASURE 5 LIMITS

PROJECTED 1991-92 TO 2014-15

					(E / 1000) X D	F / (C / 1000)
A	B	C	D	E	F	G
FISCAL YEAR	T.I. YEAR	CITY A.V. SHARED PROPERTY \$	COMBINED SERIES 9 TAX RATE \$/1000	SERIES 9 INCREMENTAL A. V. \$	SERIES 9 URA FUNDS "AVAILABLE" \$	\2 URA TAX RATE \$/1000
1990-91		261,778,914	25.7023			
91-92	1	272,773,628	25.7023	74,757	1,921	.0070
92-93	2	284,230,121	25.7023	82,606	2,123	.0074
93-94	3	296,167,786	25.7023	90,495	2,326	.0078
94-95	4	308,606,833	25.7023	98,423	2,530	.0081
95-96	5	321,568,320	25.7023	106,391	2,734	.0085
96-97	6	335,074,189	25.7023	114,399	2,940	.0087
97-98	7	349,147,305	25.7023	122,446	3,147	.0090
98-99	8	363,811,492	25.7023	130,534	3,355	.0092
99-00	9	379,091,575	25.7023	138,663	3,564	.0094
2000-01	10	395,013,421	25.7023	146,832	3,774	.0095
01-02	11	411,603,985	25.7023	155,042	3,985	.0096
02-03	12	428,891,352	25.7023	163,292	4,197	.0097
03-04	13	446,904,789	25.7023	171,585	4,410	.0098
04-05	14	465,674,790	25.7023	179,918	4,624	.0099
05-06	15	485,233,131	25.7023	188,293	4,840	.0099
06-07	16	505,612,922	25.7023	196,711	5,056	.0100
07-08	17	526,848,665	25.7023	205,170	5,273	.0100
08-09	18	548,976,309	25.7023	213,671	5,492	.0100
09-10	19	572,033,314	25.7023	222,215	5,711	.0099
2010-11	20	596,058,713	25.7023	230,802	5,932	.0099
11-12	21	621,093,179	25.7023	239,432	6,154	.0099
12-13	22	647,179,093	25.7023	248,105	6,377	.0098
13-14	23	674,360,615	25.7023	256,821	6,601	.0097
14-15	24	702,683,760	25.7023	265,581	6,826	.0097

\1 SEE TEXT OF THIS LETTER FOR EXPLANATION. THESE ESTIMATES APPLY TO THE SCENARIOS WITH AND WITHOUT THE MILL CREEK DEVELOPMENT AT THE PRE-LIMITED TAX RATES.

\2 ASSUMED TO PAY PRINCIPAL AND INTEREST ON BONDED DEBT AND HENCE, OUTSIDE THE LIMITATIONS OF MEASURE 5.

TABLE 4.4 ALTERNATE A

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TOTAL ESTIMATED URA FUNDS AND TAX RATE - TAX CODE AREAS - SERIES 12 - SCHOOLS \1
 ASSUMING MILL CREEK SHOPPING CENTER-MOTEL-RESTAURANT DEVELOPMENT AND BEFORE
 REDUCTION OF DISTRICTS' TAX RATE TO MEASURE 5 LIMITS

PROJECTED 1991-92 TO 2014-15

A	B	C	D	E	(E / 1000) X D	F / (C / 1000)
FISCAL YEAR	T.I. YEAR	CITY A.V. SHARED PROPERTY \$	COMBINED SERIES 12 TAX RATE \$/1000	SERIES 12 INCREMENTAL A. V. \$	SERIES 12 URA FUNDS "AVAILABLE" \$	\2 URA TAX RATE \$/1000
1990-91		261,778,914	21.5742			
91-92	1	272,773,628	21.5742	9,287,000	200,360	.7345
92-93	2	284,230,121	21.5742	13,087,000	282,342	.9934
93-94	3	296,167,786	21.5742	27,345,297	589,953	1.9920
94-95	4	308,606,833	21.5742	34,388,760	741,910	2.4041
95-96	5	321,568,320	21.5742	35,948,092	775,551	2.4118
96-97	6	335,074,189	21.5742	37,140,981	801,287	2.3914
97-98	7	349,147,305	21.5742	38,351,764	827,409	2.3698
98-99	8	363,811,492	21.5742	39,662,638	855,690	2.3520
99-00	9	379,091,575	21.5742	41,077,726	886,219	2.3377
2000-01	10	395,013,421	21.5742	42,601,527	919,094	2.3267
01-02	11	411,603,985	21.5742	43,894,217	946,983	2.3007
02-03	12	428,891,352	21.5742	45,643,659	984,725	2.2960
03-04	13	446,904,789	21.5742	47,428,089	1,023,223	2.2896
04-05	14	465,674,790	21.5742	49,248,208	1,062,491	2.2816
05-06	15	485,233,131	21.5742	51,568,859	1,112,557	2.2928
06-07	16	505,612,922	21.5742	54,423,260	1,174,138	2.3222
07-08	17	526,848,665	21.5742	55,893,277	1,205,853	2.2888
08-09	18	548,976,309	21.5742	56,887,988	1,227,313	2.2356
09-10	19	572,033,314	21.5742	57,892,647	1,248,988	2.1834
2010-11	20	596,058,713	21.5742	59,414,704	1,281,825	2.1505
11-12	21	621,093,179	21.5742	60,959,593	1,315,154	2.1175
12-13	22	647,179,093	21.5742	62,527,654	1,348,984	2.0844
13-14	23	674,360,615	21.5742	64,119,237	1,383,321	2.0513
14-15	24	702,683,760	21.5742	66,273,179	1,429,791	2.0348

\1 SEE TEXT OF THIS LETTER FOR EXPLANATION

\2 ASSUMED TO PAY PRINCIPAL AND INTEREST ON BONDED DEBT AND HENCE,
 OUTSIDE THE LIMITATIONS OF MEASURE 5.

A:SER126

TABLE 4.5 ALTERNATE A

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TOTAL ESTIMATED URA FUNDS AND TAX RATE - SUMMARY - GENERAL GOVERNMENT AND SCHOOLS
ASSUMING MILL CREEK SHOPPING CENTER-MOTEL-RESTAURANT DEVELOPMENT AND BEFORE
REDUCTION OF DISTRICTS' TAX RATE TO MEASURE 5 LIMITS

PROJECTED 1991-92 TO 2014-15

A	B	C	D	E	F	G	H	I	J	K L	
FISCAL YEAR	T.I. YEAR	TOTAL GEN. GOVT FUNDS AVAILABLE \$	GEN GOVT URA TAX RATE \$/\$1000	SERIES 12 URA FUNDS AVAILABLE \$	SER 12 URA TAX RATE \$/\$1000	SERIES 9 URA FUNDS AVAILABLE \$	SER 9 URA TAX RATE \$/\$1000	SERIES 12 TOTAL URA TAX RATE \$/1000	SERIES 9 TOTAL URA TAX RATE \$/1000	COMBINED TOTAL URA FUNDS	
										AVAILABLE AT 100% \$	COLLECTED AT \1 \$
1990-91											↓
91-92	1	159,967	.5864	200,360	.7345	1,921	.0070	1.3210	.5935	362,248	322,401
92-93	2	225,033	.7917	282,342	.9934	2,123	.0074	1.7851	.7992	509,498	453,453
93-94	3	468,804	1.5829	589,953	1.9920	2,326	.0078	3.5749	1.5908	1,061,082	944,363
94-95	4	589,293	1.9095	741,910	2.4041	2,530	.0081	4.3136	1.9177	1,333,733	1,307,058
95-96	5	616,074	1.9158	775,551	2.4118	2,734	.0085	4.3276	1.9243	1,394,360	1,366,472
96-97	6	636,594	1.8999	801,287	2.3914	2,940	.0087	4.2912	1.9086	1,440,821	1,412,005
97-98	7	657,420	1.8829	827,409	2.3698	3,147	.0090	4.2527	1.8919	1,487,976	1,458,217
98-99	8	679,958	1.8690	855,690	2.3520	3,355	.0092	4.2210	1.8782	1,539,003	1,508,223
99-00	9	704,277	1.8578	886,219	2.3377	3,564	.0094	4.1955	1.8672	1,594,060	1,562,179
2000-01	10	730,454	1.8492	919,094	2.3267	3,774	.0095	4.1759	1.8587	1,653,322	1,620,255
01-02	11	752,683	1.8287	946,983	2.3007	3,985	.0096	4.1294	1.8383	1,703,650	1,669,577
02-03	12	782,717	1.8250	984,725	2.2960	4,197	.0097	4.1210	1.8348	1,771,640	1,736,207
03-04	13	813,350	1.8200	1,023,223	2.2896	4,410	.0098	4.1095	1.8298	1,840,983	1,804,163
04-05	14	844,593	1.8137	1,062,491	2.2816	4,624	.0099	4.0953	1.8236	1,911,708	1,873,474
05-06	15	884,390	1.8226	1,112,557	2.2928	4,840	.0099	4.1154	1.8326	2,001,786	1,961,751
06-07	16	933,308	1.8459	1,174,138	2.3222	5,056	.0100	4.1681	1.8559	2,112,502	2,070,252
07-08	17	958,571	1.8194	1,205,853	2.2888	5,273	.0100	4.1082	1.8295	2,169,697	2,126,303
08-09	18	975,713	1.7773	1,227,313	2.2356	5,492	.0100	4.0130	1.7873	2,208,518	2,164,348
09-10	19	993,026	1.7360	1,248,988	2.1834	5,711	.0099	3.9194	1.7459	2,247,725	2,202,771
2010-11	20	1,019,181	1.7099	1,281,825	2.1505	5,932	.0099	3.8604	1.7198	2,306,938	2,260,799
11-12	21	1,045,726	1.6837	1,315,154	2.1175	6,154	.0099	3.8012	1.6936	2,367,034	2,319,694
12-13	22	1,072,668	1.6575	1,348,984	2.0844	6,377	.0098	3.7419	1.6673	2,428,029	2,379,469
13-14	23	1,100,013	1.6312	1,383,321	2.0513	6,601	.0097	3.6825	1.6410	2,489,935	2,440,136
14-15	24	1,136,968	1.6180	1,429,791	2.0348	6,826	.0097	3.6528	1.6278	2,573,585	2,522,113
TOTALS		18,780,780		23,625,159		103,893				42,509,833	41,485,682
AVERAGES			1.6972		2.1351		.0093	3.8324	1.7066		

\1 ASSUMES AN 11% DELINQUENCY RATE IN COLLECTION OF RECEIPTS FIRST 3 YEARS,
 REMAINING YEARS ARE AT 2% BECAUSE OF PAYMENTS OF DELINQUENCIES.

SUMMARY - TAX INCREMENT REVENUE STREAM

A:TOTURA6

TABLE 5.1 ALTERNATE B

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TOTAL ESTIMATED URA GROWTH AND INCREMENTAL ASSESSED VALUE \1
 ASSUMING NO MILL CREEK SHOPPING CENTER-MOTEL-RESTAURANT DEVELOPMENT AND BEFORE
 REDUCTION OF DISTRICTS' TAX RATE TO MEASURE 5 LIMITS

PROJECTED 1991-92 TO 2014-15

A FISCAL YEAR	B T.I. YEAR	C	D	E	F	G	H	I TOTAL INCREMENTAL A. V. \$
		SERIES 12 ASSESSED VALUE \$	GROWTH %	SERIES 12 INCREMENTAL A. V. \$	SERIES 9 ASSESSED VALUE \$	GROWTH %	SERIES 9 INCREMENTAL A. V. \$	
1990-91		43,577,852			1,495,138			↓
91-92	1	52,864,852	21.3	9,287,000	1,569,895	5.0	74,757	9,361,757
92-93	2	56,664,852	7.2	13,087,000	1,577,744	.5	82,606	13,169,606
93-94	3	57,798,149	2.0	14,220,297	1,585,633	.5	90,495	14,310,792
94-95	4	58,954,112	2.0	15,376,260	1,593,561	.5	98,423	15,474,683
95-96	5	60,133,194	2.0	16,555,342	1,601,529	.5	106,391	16,661,733
96-97	6	61,035,192	1.5	17,457,340	1,609,537	.5	114,399	17,571,739
97-98	7	61,950,720	1.5	18,372,868	1,617,584	.5	122,446	18,495,314
98-99	8	62,941,932	1.6	19,364,080	1,625,672	.5	130,534	19,494,614
99-00	9	64,011,944	1.7	20,434,092	1,633,801	.5	138,663	20,572,755
2000-01	10	65,164,159	1.8	21,586,307	1,641,970	.5	146,832	21,733,139
01-02	11	66,141,622	1.5	22,563,770	1,650,180	.5	155,042	22,718,811
02-03	12	67,464,454	2.0	23,886,602	1,658,430	.5	163,292	24,049,895
03-04	13	68,813,743	2.0	25,235,891	1,666,723	.5	171,585	25,407,476
04-05	14	70,190,018	2.0	26,612,166	1,675,056	.5	179,918	26,792,084
05-06	15	71,944,769	2.5	28,366,917	1,683,431	.5	188,293	28,555,210
06-07	16	74,103,112	3.0	30,525,260	1,691,849	.5	196,711	30,721,970
07-08	17	75,214,658	1.5	31,636,806	1,700,308	.5	205,170	31,841,976
08-09	18	75,966,805	1.0	32,388,953	1,708,809	.5	213,671	32,602,624
09-10	19	76,726,473	1.0	33,148,621	1,717,353	.5	222,215	33,370,836
2010-11	20	77,877,370	1.5	34,299,518	1,725,940	.5	230,802	34,530,320
11-12	21	79,045,531	1.5	35,467,679	1,734,570	.5	239,432	35,707,111
12-13	22	80,231,214	1.5	36,653,362	1,743,243	.5	248,105	36,901,466
13-14	23	81,434,682	1.5	37,856,830	1,751,959	.5	256,821	38,113,651
14-15	24	83,063,375	2.0	39,485,523	1,760,719	.5	265,581	39,751,104
AVERAGE GROWTH RATE			2.8			.7		

\1 SEE TEXT FOR EXPLANATION

INCREMENTAL ASSESSED VALUE IN URBAN RENEWAL AREA

A:URA7

TABLE 5.2 ALTERNATE B

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TOTAL ESTIMATED URA FUNDS AND TAX RATE - SUMMARY - GENERAL GOVERNMENT AND SCHOOLS \1
ASSUMING NO MILL CREEK SHOPPING CENTER-MOTEL-RESTAURANT DEVELOPMENT AND BEFORE
REDUCTION OF DISTRICTS' TAX RATE TO MEASURE 5 LIMITS

PROJECTED 1991-92 TO 2014-15

A	B	C	D	E	F	G	H	I	J	K L	
FISCAL YEAR	T.I. YEAR	TOTAL GEN. GOVT FUNDS AVAILABLE \$	GEN GOVT URA TAX RATE \$/\$1000	SERIES 12 URA FUNDS AVAILABLE \$	SER 12 URA TAX RATE \$/\$1000	SERIES 9 URA FUNDS AVAILABLE \$	SER 9 URA TAX RATE \$/\$1000	SERIES 12 TOTAL URA TAX RATE \$/1000	SERIES 9 TOTAL URA TAX RATE \$/1000	COMBINED TOTAL URA FUNDS	
										AVAILABLE AT 100% \$	COLLECTED AT \2 \$
1990-91											↓
91-92	1	159,967	.5864	200,360	.7345	1,921	.0070	1.3210	.5935	362,248	322,401
92-93	2	225,033	.7917	282,342	.9934	2,123	.0074	1.7851	.7992	509,498	453,453
93-94	3	244,533	.8257	306,792	1.0359	2,326	.0078	1.8615	.8335	553,650	492,749
94-95	4	264,421	.8568	331,731	1.0749	2,530	.0081	1.9317	.8650	598,681	586,707
95-96	5	284,704	.8854	357,168	1.1107	2,734	.0085	1.9961	.8939	644,607	631,715
96-97	6	300,254	.8961	376,628	1.1240	2,940	.0087	2.0201	.9049	679,822	666,226
97-98	7	316,035	.9052	396,380	1.1353	3,147	.0090	2.0404	.9142	715,562	701,251
98-99	8	333,110	.9156	417,765	1.1483	3,355	.0092	2.0639	.9248	754,230	739,145
99-00	9	351,533	.9273	440,849	1.1629	3,564	.0094	2.0902	.9367	795,946	780,027
2000-01	10	371,361	.9401	465,707	1.1790	3,774	.0095	2.1191	.9497	840,842	824,025
01-02	11	388,203	.9431	486,795	1.1827	3,985	.0096	2.1258	.9528	878,983	861,404
02-03	12	410,948	.9582	515,334	1.2015	4,197	.0097	2.1597	.9679	930,479	911,870
03-04	13	434,145	.9714	544,444	1.2183	4,410	.0098	2.1897	.9813	982,999	963,339
04-05	14	457,804	.9831	574,136	1.2329	4,624	.0099	2.2160	.9930	1,036,565	1,015,834
05-06	15	487,931	1.0056	611,994	1.2612	4,840	.0099	2.2668	1.0155	1,104,765	1,082,669
06-07	16	524,956	1.0383	658,558	1.3025	5,056	.0100	2.3408	1.0483	1,188,569	1,164,798
07-08	17	544,093	1.0327	682,539	1.2955	5,273	.0100	2.3282	1.0427	1,231,906	1,207,267
08-09	18	557,091	1.0148	698,766	1.2729	5,492	.0100	2.2876	1.0248	1,261,348	1,236,121
09-10	19	570,217	.9968	715,155	1.2502	5,711	.0099	2.2470	1.0068	1,291,084	1,265,262
2010-11	20	590,030	.9899	739,985	1.2415	5,932	.0099	2.2313	.9998	1,335,947	1,309,228
11-12	21	610,138	.9824	765,187	1.2320	6,154	.0099	2.2144	.9923	1,381,479	1,353,849
12-13	22	630,546	.9743	790,767	1.2219	6,377	.0098	2.1962	.9842	1,427,690	1,399,136
13-14	23	651,259	.9657	816,731	1.2111	6,601	.0097	2.1769	.9755	1,474,591	1,445,099
14-15	24	679,239	.9666	851,869	1.2123	6,826	.0097	2.1789	.9763	1,537,934	1,507,175
TOTALS		10,387,552		13,027,979		103,893				23,519,425	22,920,751
AVERAGES			.9314		1.1681		.0093	2.0995	.9407		

\1 THIS SUMMARY TABLE IS BASED ON DETAILED CALCULATIONS SIMILAR TO THOSE MADE FOR DEVELOPMENT ALTERNATE A (TABLES 4.2, 4.3 AND 4.4).

\2 ASSUMES AN 11% DELINQUENCY RATE IN COLLECTION OF RECEIPTS FIRST 3 YEARS, REMAINING YEARS ARE AT 2% BECAUSE OF PAYMENTS OF DELINQUENCIES.

A:TOTURA7

SUMMARY - TAX INCREMENT REVENUE STREAM

TABLE 6.1

ALTERNATE C

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TOTAL ESTIMATED URA GROWTH AND INCREMENTAL ASSESSED VALUE \1
 ASSUMING NO MILL CREEK SHOPPING CENTER-MOTEL-RESTAURANT DEVELOPMENT AND AFTER
 REDUCTION OF DISTRICTS' TAX RATE TO MEASURE 5 LIMITS

PROJECTED 1991-92 TO 2014-15

A FISCAL YEAR	B T.I. YEAR	C	D	E	F	G	H	I
		SERIES 12 ASSESSED VALUE \$	GROWTH %	SERIES 12 INCREMENTAL A. V. \$	SERIES 9 ASSESSED VALUE \$	GROWTH %	SERIES 9 INCREMENTAL A. V. \$	TOTAL INCREMENTAL A. V. \$
1990-91		43,577,852			1,495,138			↓
91-92	1	52,864,852	21.3	9,287,000	1,569,895	5.0	74,757	9,361,757
92-93	2	56,664,852	7.2	13,087,000	1,577,744	.5	82,606	13,169,606
93-94	3	57,798,149	2.0	14,220,297	1,585,633	.5	90,495	14,310,792
94-95	4	58,954,112	2.0	15,376,260	1,593,561	.5	98,423	15,474,683
95-96	5	60,133,194	2.0	16,555,342	1,601,529	.5	106,391	16,661,733
96-97	6	61,035,192	1.5	17,457,340	1,609,537	.5	114,399	17,571,739
97-98	7	61,950,720	1.5	18,372,868	1,617,584	.5	122,446	18,495,314
98-99	8	62,941,932	1.6	19,364,080	1,625,672	.5	130,534	19,494,614
99-00	9	64,011,944	1.7	20,434,092	1,633,801	.5	138,663	20,572,755
2000-01	10	65,164,159	1.8	21,586,307	1,641,970	.5	146,832	21,733,139
01-02	11	66,141,622	1.5	22,563,770	1,650,180	.5	155,042	22,718,811
02-03	12	67,464,454	2.0	23,886,602	1,658,430	.5	163,292	24,049,895
03-04	13	68,813,743	2.0	25,235,891	1,666,723	.5	171,585	25,407,476
04-05	14	70,190,018	2.0	26,612,166	1,675,056	.5	179,918	26,792,084
05-06	15	71,944,769	2.5	28,366,917	1,683,431	.5	188,293	28,555,210
06-07	16	74,103,112	3.0	30,525,260	1,691,849	.5	196,711	30,721,970
07-08	17	75,214,658	1.5	31,636,806	1,700,308	.5	205,170	31,841,976
08-09	18	75,966,805	1.0	32,388,953	1,708,809	.5	213,671	32,602,624
09-10	19	76,726,473	1.0	33,148,621	1,717,353	.5	222,215	33,370,836
2010-11	20	77,877,370	1.5	34,299,518	1,725,940	.5	230,802	34,530,320
11-12	21	79,045,531	1.5	35,467,679	1,734,570	.5	239,432	35,707,111
12-13	22	80,231,214	1.5	36,653,362	1,743,243	.5	248,105	36,901,466
13-14	23	81,434,682	1.5	37,856,830	1,751,959	.5	256,821	38,113,651
14-15	24	83,063,375	2.0	39,485,523	1,760,719	.5	265,581	39,751,104
AVERAGE GROWTH RATE			2.8			.7		

\1 SEE TEXT FOR EXPLANATION

INCREMENTAL ASSESSED VALUE IN URBAN RENEWAL AREA

A:URA77

TABLE 6.2

ALTERNATE C

**SUMMARY -
TAX INCREMENT
REVENUE STREAM**

COLUMBIA GATEWAY/DOWNTOWN URBAN RENEWAL AREA, THE DALLES, OREGON

TOTAL ESTIMATED URA FUNDS AND TAX RATE - SUMMARY - GENERAL GOVERNMENT AND SCHOOLS \1
ASSUMING NO MILL CREEK SHOPPING CENTER-MOTEL-RESTAURANT DEVELOPMENT AND AFTER
REDUCTION OF DISTRICTS' TAX RATE TO MEASURE 5 LIMITS

A	C		D	E	F		G	H	I	J	K	L	
FISCAL YEAR	TAX CODE AREA SERIES 12				TAX CODE AREA SERIES 9 \2				TOTAL INCREMENTAL A. V. \$	COMBINED TOTAL URA FUNDS			
	TAX RATES		INCRE- MENTAL A. V. \$	ANNUAL TAX INCREMENT \$	TAX RATES		INCRE- MENTAL A. V. \$	ANNUAL TAX INCREMENT \$		AVAILABLE AT 100% \$	COLLECTED AT \3 \$		
	LEVY \$/1000	BOND \$/1000			LEVY \$/1000	BOND \$/1000							
1990-91	35.0661	2.7954			40.5154	2.3833						↓	
91-92	25.0000	2.7400	9,287,000	257,621	25.0000	2.3300	74,757	2,043	9,361,757	259,664	231,101		
92-93	22.5000	2.6900	13,087,000	329,662	22.5000	2.2800	82,606	2,047	13,169,606	331,709	295,221		
93-94	20.0000	2.6400	14,220,297	321,948	20.0000	2.2300	90,495	2,012	14,310,792	323,959	288,324		
94-95	17.5000	2.5900	15,376,260	308,909	17.5000	2.1800	98,423	1,937	15,474,683	310,846	304,629		
95-96	15.0000	2.5400	16,555,342	290,381	15.0000	2.1300	106,391	1,822	16,661,733	292,203	286,359		
96-97	15.0000	2.2200	17,457,340	300,615	15.0000	1.8100	114,399	1,923	17,571,739	302,538	296,488		
97-98	15.0000	2.1700	18,372,868	315,462	15.0000	1.7900	122,446	2,056	18,495,314	317,518	311,168		
98-99	15.0000	2.1200	19,364,080	331,513	15.0000	1.7700	130,534	2,189	19,494,614	333,702	327,028		
99-00	15.0000	2.0700	20,434,092	348,810	15.0000	1.7500	138,663	2,323	20,572,755	351,133	344,110		
2000-01	15.0000	2.0200	21,586,307	367,399	15.0000	1.7100	146,832	2,454	21,733,139	369,853	362,455		
01-02	15.0000	1.9700	22,563,770	382,907	15.0000	1.6700	155,042	2,585	22,718,811	385,492	377,782		
02-03	15.0000	1.9200	23,886,602	404,161	15.0000	1.6300	163,292	2,716	24,049,895	406,877	398,739		
03-04	15.0000	1.8700	25,235,891	425,729	15.0000	1.5900	171,585	2,847	25,407,476	428,576	420,005		
04-05	15.0000	1.8200	26,612,166	447,617	15.0000	1.5500	179,918	2,978	26,792,084	450,594	441,582		
05-06	15.0000	.7700	28,366,917	447,346	15.0000	0.0000	188,293	2,824	28,555,210	450,171	441,167		
06-07	15.0000	.7500	30,525,260	480,773	15.0000	0.0000	196,711	2,951	30,721,970	483,723	474,049		
07-08	15.0000	.7300	31,636,806	497,647	15.0000	0.0000	205,170	3,078	31,841,976	500,725	490,710		
08-09	15.0000	.7100	32,388,953	508,830	15.0000	0.0000	213,671	3,205	32,602,624	512,036	501,795		
09-10	15.0000	.6900	33,148,621	520,102	15.0000	0.0000	222,215	3,333	33,370,836	523,435	512,966		
2010-11	15.0000	.6700	34,299,518	537,473	15.0000	0.0000	230,802	3,462	34,530,320	540,935	530,117		
11-12	15.0000	.6500	35,467,679	555,069	15.0000	0.0000	239,432	3,591	35,707,111	558,661	547,487		
12-13	15.0000	.6300	36,653,362	572,892	15.0000	0.0000	248,105	3,722	36,901,466	576,614	565,081		
13-14	15.0000	.6100	37,856,830	590,945	15.0000	0.0000	256,821	3,852	38,113,651	594,797	582,901		
14-15	15.0000	.5900	39,485,523	615,579	15.0000	0.0000	265,581	3,984	39,751,104	619,563	607,172		
TOTALS				10,159,392					65,932			10,225,324	9,938,437

\1 THIS SUMMARY TABLE IS BASED ON DETAILED CALCULATIONS SIMILAR TO THOSE MADE FOR DEVELOPMENT ALTERNATE A (TABLES 4.2, 4.3 AND 4.4).

\2 THE ONLY DIFFERENCE BETWEEN TAX CODE AREAS 9.4 AND 9.7 IS THE PRESENCE OF AN ADDITIONAL TAX RATE OF ABOUT \$0.10 IN TCA 9.7 FOR BOND DEBT SERVICE FOR THE WASCO RFPD. THE TAX RATES FOR BONDED DEBT ARE OUTSIDE THE LIMITATIONS IMPOSED BY MEASURE 5.

\3 ASSUMES AN 11% DELINQUENCY RATE IN COLLECTION OF RECEIPTS FIRST 3 YEARS, REMAINING YEARS ARE AT 2% BECAUSE OF PAYMENTS OF DELINQUENCIES.

LYLE A. STEWART, AIA, AICP

As a private practitioner, Mr. Stewart has been involved with the redevelopment and urban renewal process continuously since 1949. In the intervening 42 years, he has prepared 115 Urban Renewal Plans including their financing elements. 110 of these renewal programs included tax increment financing as an integral part of their total financing package. His renewal planning practice has taken him to 15 different states including both Atlantic Coast and Western States. He has participated in over 30 Urban Renewal Planning Programs in Oregon, all of which utilized tax increment financing together with other funding sources.

In California in the early 1950's, Mr. Stewart with others, conceived of the concept of Tax Increment Financing as a tool to aid in Urban Renewal costs. Because of that experience, he has been invited to several other Western States to describe and explain the process to both local and state governments as well as people representing financing and security institutions. This concept has since been adopted by 37 States.

Mr. Stewart is a licensed Architect and Urban Planner and has also participated in the design, implementation and finance scheduling of various construction projects that had their genesis in his Renewal Plans.