Urban Renewal: An Overview

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What is Urban Renewal?

- Program to address blighting influences in specifically designated areas
- Authorized through Federal 1949 Housing Act, State Statute in 1951, authorized for cities in 1957
- Used throughout Oregon
- Provides Financing Mechanism to Implement City Plans:
  - Uses increases in Property Taxes to Fund Projects in Area
What is Blight?

- Defined by the State Statute ORS 457
- Generally covers:
  - Underdevelopment or underutilization of property
  - Poor condition of buildings
  - Inadequacy of infrastructure including streets and utilities
Industrial Uses on Riverfront Property
State Limitations on Urban Renewal

- **Population under 50,000**
  - 25% of Assessed Value of Property in City
  - 25% of Acreage of City

- **Population over 50,000**
  - 15% of Assessed Value of Property in City
  - 15% of Acreage of City

- **Existing Plan limitations:**
  - Can not be increased in size by more than 20% of original Plan acreage
  - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing
How Does Financing in Urban Renewal Work?

- An area is designated as an urban renewal area
- The tax assessed value of properties within the area is frozen
- Taxes from that “frozen base” go to all taxing jurisdictions
- Increases in taxes over the “frozen base” go to the urban renewal agency for use in the Area
Projected TIF Revenues

Taxes

Years After Formation of URA

Post-URA Tax Revenue  Revenue Sharing  TIF Revenue  Frozen Tax Base

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Scenario Showing TIF Revenues and Debt Service

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# How Impacts are Calculated by Assessor

<table>
<thead>
<tr>
<th>District Name</th>
<th>Perm. Rates</th>
<th>2012</th>
<th>2013</th>
<th>2013</th>
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<td>$38.49</td>
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<td><strong>$1,283.16</strong></td>
<td><strong>$1,321.65</strong></td>
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Property Tax Bills

- Add all increases in Assessed Value in Area
- Distribute Amount to all Property Tax Bills in City
- Does Not Increase Tax Bills, Just Shows the Division of Taxes
- Bonds

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Impacts on Taxing Jurisdictions

- Continue Receiving Taxes on Frozen Base
- Forego taxes on growth in Area
- “But For Urban Renewal”
- Local Options Impact
- Increased Tax Revenues After UR
2009 Legislation

- Revenue Sharing Triggers 10% and 12.5% of MI
  - New plans and Substantial Amendments
- Limits on MI Increases: Indexing
- Concurrence
- Plans which have been amended since 2009
- Ability to Under-levy
What Types of Projects are Typically Completed?

- Infrastructure: Streets and Utilities
- Streetscape
- Catalyze development
- Storefront loans
- Parks, plazas
Parks and Plazas: Place Making

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Redevelopment/Infrastructure: The Dalles Brewery Grade

Established in 1990
1998 Frozen Base $24,866,020
Area is 7.31% of City Acreage
3.41% of City Assessed Value
Present AV

Increased MI in 2009 to $29,125,583 from $14M

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Redevelopment:
The Dalles Commodore Hotel

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Storefront Loans/Redevelopment: Coos Bay

Downtown Urban Renewal Plan adopted in 1988
MI of $45,055,764

Star of Hope Building Façade Grant, 2010

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The Urban Renewal Agency has awarded $328,991 in grants in the Downtown District and $130,000 in the Empire District.
First Call Resolution: New business with an additional 50 employees
Storefront Loans/Redevelopment: Coos Bay

Coos Bay National Bank: Vacant, historic register building, 2011
Storefront Loans/Redevelopment: Florence

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Storefront Loans/Redevelopment: Florence

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“First and A” Lake Oswego
Lake View Village, Lake Oswego
Lake Oswego Redevelopment: Parking Garage
Lake Oswego Redevelopment: Streetscape
Bandon: Plan Adopted in 1987, Substantial Amendment in 2012

2 areas: 11.45% of Acreage
3.32% of AV
MI of $12M
Frozen Base $8.7M 2011-12 AV
$36,343,079 417% growth

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Bandon: Crabbing Dock Near Old Town
Bandon: Purchase of Museum Site, Traffic Light to Old Town
La Grande Medical Clinic

*BECORE*

Downtown Plan adopted 1999 MI of $21.4 M

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La Grande Medical Clinic

*Opened 4/2/12

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La Grande Storefront Program

Golden Crown Restaurant - *FRONT BEFORE*

- *REAR shortly after start*

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IOOF Theater in La Grande

Removal of environmental hazards, partners with Oregon Coalition Brownfields Cleanup Fund, Oregon Business Development

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Astor East Urban Renewal Area

- Frozen Base $2,949,516
- Established in 1994
- FY 2011-12 Assessed Value $17,495,950
  593% growth over 17 years

- City of Astoria AV 1994 $337,804,459
  2011-12 AV $647,580,970
  191% growth over 17 years

- 4.19% of total AV in UR: two districts
Astoria: Liberty Theater

Theater acquired by City of Astoria for $1,100,000, transferred to non-profit
Repairs and Improvements  Phase I $300,000

Built in 1925, reopened after renovations in 2005

$386,000 matching grant in Phase II – Phase II is starting construction in June
Operates as a premier performing arts theater

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Astoria: Astor Hotel

Built in 1922 and under renovation since 2008

Urban Renewal Provided:
• Low interest loan $346,000 with a 9-year maturity date
• Grant of $45,000

Community Benefits include:
• 56 low income housing units
• Street level visual improvements
• 380% (25%-95%) increase in ground floor occupancy in building

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Astoria: Garden of Surging Waves

Commemorating Chinese History in Astoria
Located where Chinese immigrants resided in the 1800’s

Urban Renewal Provided:
• Design Grant of $250,000
• Construction grant $350,000
City of Astoria: $350,000

Community Benefits include:
• Historical and cultural education
• Provide outdoor space to complement downtown businesses
• Enhances destination tourism

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Astoria: Garden of Surging Waves
Sherwood: New Streetscape

Area Established 2000
MI $45,133,469
Increased in 2012 in Substantial Amendment

Original Frozen Base
$62,419,260
2011-12 AV:
$290,643,763
465% growth

City 217%

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Site of Sherwood City Hall
From Old Warehouse to New City Hall & Library

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Public Square Sherwood
Sherwood Streetscape
Lebanon Samaritan Health Sciences Campus

North Gateway Urban Renewal Plan Adopted
2008  20 year Plan
$15,700,000 MI

Original AV  $8,365,939
2011-12 AV   $19,554,249

40 long term jobs
at Medical School
alone

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Sam Fit, Samaritan Health Sciences OB, GYN, PED, Western University

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Lowe’s Distribution Center  Lebanon

Plan adopted in 1989

MI $24,680,770, 2012 Amendment
MI $33 M

Agency invested in infrastructure, estimated 450 FTE with 750 associated. Lowe’s came on 2011-12 tax rolls: increase AV of $76M

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Keizer Station

Area Formed 1990

Agency issued $26.8 M in TIF bonds for infrastructure
LID formed for repayment

Frozen Base $45,328,592
2011-12 AV $346,182,840
763% increase in value
Astoria: Fort George Brewery and Pub

Historic building re-constructed in 1923, remodeled over 80 years later in 2006
Urban Renewal provided:
- Low interest loan for $120,039 with an 8-year maturity date
- Storefront Improvement Grant of $30,000

Leverage:
- SBA Loan
- State of Oregon (forgivable loan)

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Astoria: Fort George Brewery and Pub

New use: 10- hectoliter Fort George brewery and public house, Blue Scorcher bakery

Community Benefits:
• Job Creation
• Demand for local goods
• Support for local artists
• Support community events
• Provide craft beer to over 45 establishments along the Oregon Coast alone
• 2012: 3 additional brewing tanks, unveiling their 5th canned beer this month
• Getting permits for expanding Pub to 2nd Floor

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How Long Does Urban Renewal Last?

- Typical plans are designed for a 20 - 25 year period, time period is not a requirement
  - Impacts may last a few years longer to pay off the debt
- Plans can be closed out if all projects are completed earlier:
  
  Redmond Industrial Area and Airport
  Proposed Wilsonville Plan
What Happens After Urban Renewal?

- Increased value of the Area is returned to the tax rolls and all taxing jurisdictions gain the benefit of increased taxes
- Area of the City has been improved, better serving the citizens of the community

**Tax Base Through Life of URA**

![Graph showing tax base growth over years](image)

- **Frozen Base**
- **Incremental Growth**
- **New Taxable Value after URA Expiration**

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