



# CITY OF GRESHAM

## Objections to HB 2470

The Gresham City Council’s adopted 2017 Legislative Priorities express strong support for maintaining economic development tools in Oregon, and in particular, urban renewal. With such few tools available, it is critical to keep the existing proven, effective programs intact, without threatening their efficacy through the creation of new obstacles and constraints. While there are many issues with HB 2470, Gresham’s testimony focuses on two, proposed changes to urban renewal governance, and use of Urban Renewal for public buildings.

**Governance:** The requirement to add a member of an overlapping taxing district to the board of Urban Renewal Areas would be cumbersome and administratively difficult, and could result in mission-confusion, given the naturally different interests of different types of taxing districts. Urban Renewal Areas are created (in Gresham’s case, by the voters) to carry out the Urban Renewal Plan that is proposed for the district. The existing district representation is responsible for accomplishing that plan, leaving a clear line of transparent interests and authorities.

With the narrow array of economic development tools available at the local level in Oregon, it is critical to keep the tools we have focused on their intent: in urban renewal’s case, to catalyze development, improve livability, and create an environment that is more conducive to economic investment. Currently, the tool requires approval of a specific plan, and gives the public a clear idea of how that plan will be governed. Adding additional representatives from service districts that have completely different missions and purposes would confuse and detract from the economic development and community revitalization mission of urban renewal.

**Disallows Public Buildings:** HB 2470 would prohibit Urban Renewal Areas from using Area revenues for the purpose of constructing public buildings, ostensibly because they do not directly generate new tax increment. Gresham is an excellent example of why public projects are important for urban renewal purposes. Gresham’s voter-approved 2003 Urban Renewal Plan not only authorized this type of investment, but described its necessity to generate new tax increment and improve land values:

*“The Plan authorizes the development of public facilities to provide public meeting space, cultural and recreational facilities, public safety facilities, educational facilities and social service facilities. These facilities will serve and benefit the Area by addressing*

*the inadequacies in recreational, cultural and social service facilities that slow the rate of private investment in housing, commercial space and employment uses. It will also address the need for an enhanced public safety presence to help ensure an environment that promotes investment.” -City of Gresham 2003 Urban Renewal Plan, pg. 13*

As the plan describes, public safety issues in the Rockwood/West Gresham area are an impediment to private investment. As a result, the Gresham Urban Renewal Commission delivered on this component of the plan in 2013, building a police facility on 181<sup>st</sup> Avenue, one of the heaviest-traveled and most visible streets in the Plan Area. If public safety is an impediment to development and investment, Urban Renewal Areas should be able to address that impediment by investing in facilities that provide a visible presence and leverage other services. In Gresham’s case, the facility also provides a community meeting room -another amenity specifically called for in the original 2003 Urban Renewal Plan.

Once again, urban renewal is a key local tool in an unfortunately sparse economic development and community revitalization toolbox. New regulations and restrictions, like those proposed in HB 2470 would weaken the tool, erode local control over the Urban Renewal Plan, and cause unnecessary mission confusion. The City of Gresham urges the Committee to carefully consider the potential problems inherent in this proposed legislation.