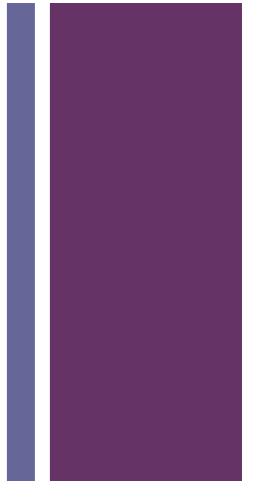




# House Committee on Economic Development and Trade



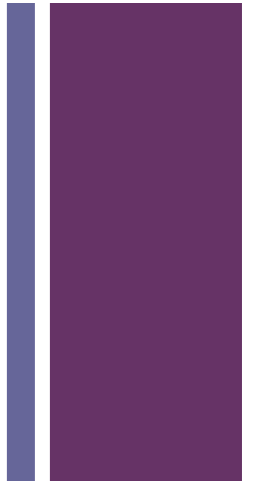
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**Urban Renewal Primer**  
**March 15, 2017**

Kyle R. Gorman, MBA



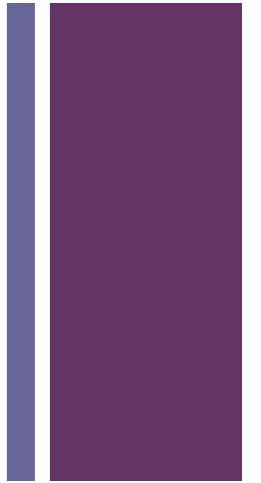
# What is Urban Renewal?



- A municipal tool to improve areas of a city or county that are poorly developed or underdeveloped (“blighted”).
- 1951 Oregon Legislature enabling legislation, ORS 457.
- 1957 Legislature substantially changes ORS 457.
- 1960 Voters approve use of TIF for financing.
- 2001 HB 3215 exempts bonds & LOLs.
- 2009 HB 3056 places additional restrictions.



# The Urban Renewal Agency

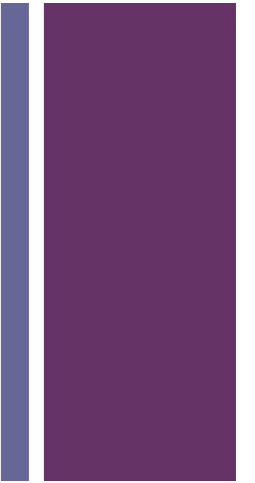


- The Agency is created by a City Council/County Board of Commissioners.
- In most cases the urban renewal agency board is the City Council members or County Board of Commissioners.
- The Agency creates a plan—by statutory rules.
- The plan describes the projects, timelines, governance and the financing methods—typically tax increment financing (TIF).
- Statutory rules exist for adopting the plan.



# Plan Activities/Projects

- Construction or improvement of streets, utilities and other public uses.
- Rehabilitation or conservation of existing buildings.
- No operations or maintenance.
- Acquisition and improvement of properties.
- Re-sale or lease of property.
- Basically--Bricks and mortar projects only.





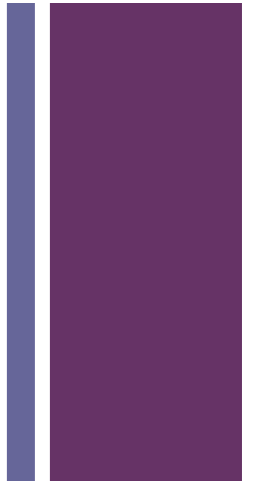
# Implementation

- Municipality picks a boundary
- It establishes maximum indebtedness—another term for the maximum expenditures.
- It caps assessed values. (creates “Frozen Base”)
- It borrows money to pay for projects.
- The agency collects taxes on increment above the frozen base.





# Financing

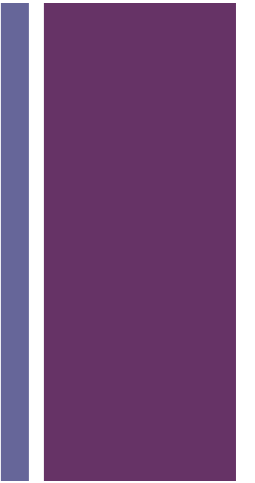


- Value Growth – Projects attract private investment, property values increase, increased assessed value
- Collect Taxes on Increment – Agency collects \$ to pay debt on borrowed money up to maximum limit.
- Other tax entities continue to share the frozen base and lose intrinsic increase value (3% year).



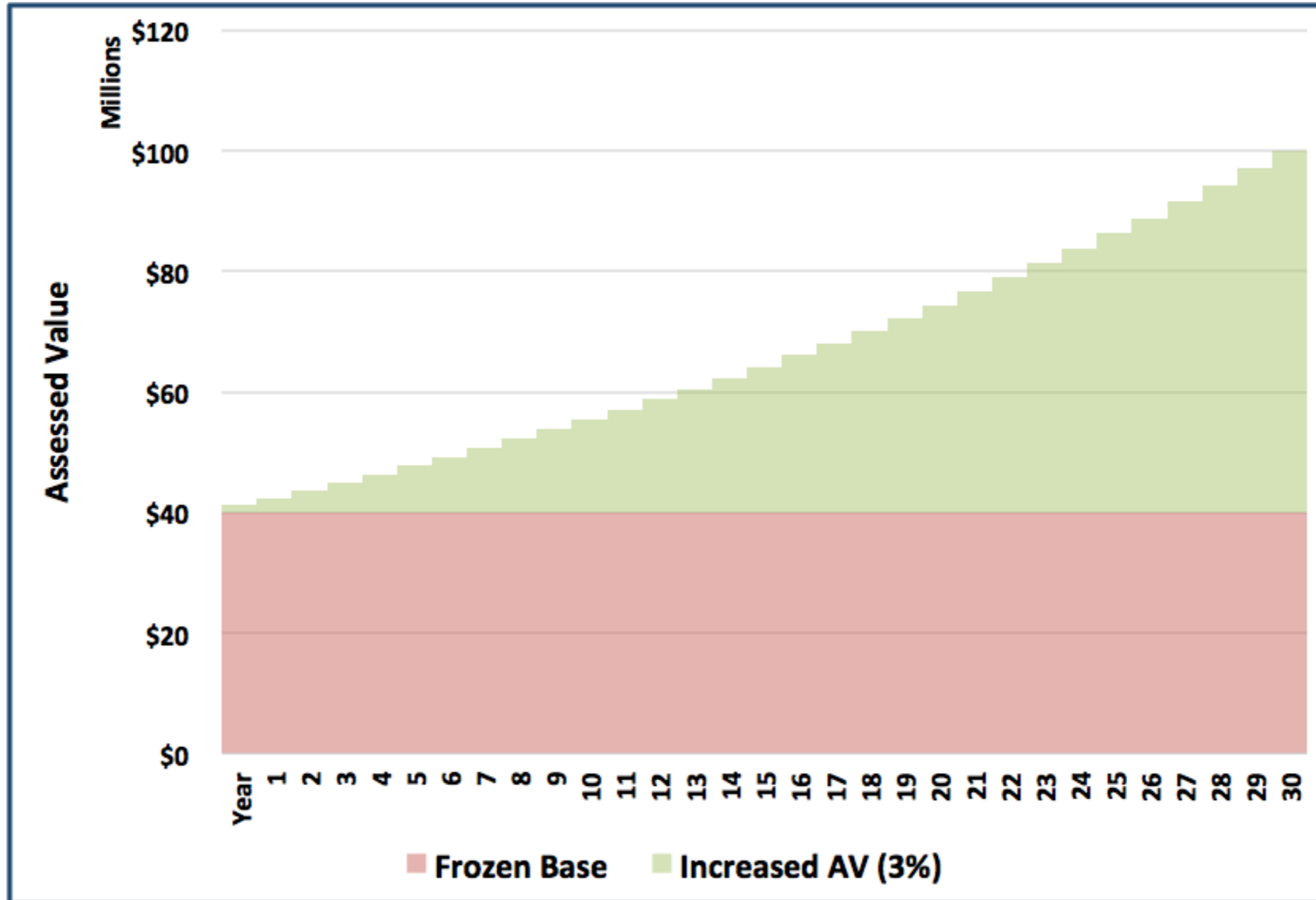
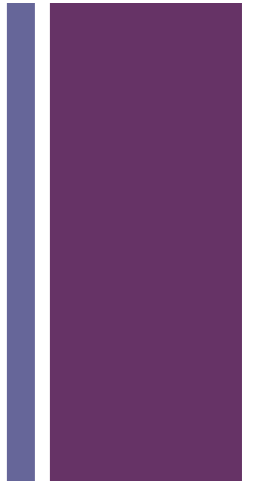
# Financing

- When the plan is completed, properties go back on tax rolls at higher values.
- Urban Renewal does not “directly” increase property taxes.
- Taxes are redistributed/redirected from other taxing authorities.
- The total amount you pay on your tax bill is the same with or without urban renewal.





# Effect of Urban renewal over 30-Year Period





# + UR Issues For Overlapping Agencies

- Types of projects--especially municipal buildings.
- Maximum indebtedness.
- Timelines.
- Program extensions.
- Governance.
- The “But-For” Rule



+ Thank you!

■ For more information:

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