



American Planning Association  
**Oregon Chapter**

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*Making Great Communities Happen*

March 14, 2017

Representative Ann Lininger, Chair  
House Committee on Economic Development and Trade  
Oregon State Legislature  
900 Court Street  
Salem, OR 97301

RE: Oregon Chapter of the American Planning Association testimony to the House Committee on Economic Development and Trade regarding HB 2470

Dear Chair Lininger and members of the Committee,

The Oregon Chapter of the American Planning Association (OAPA) is an independent, statewide, not-for-profit educational organization with 850 members that provides leadership in the development of vital communities by advocating excellence in community planning, promoting education and citizen empowerment, and providing the tools and support necessary to meet the challenges of growth and change.

Our organization has reviewed HB 2470 and oppose the bill as drafted. **We respectfully ask that the Committee do not advance the bill out of committee.**

As proposed, this bill would severely hamper a municipality's ability to apply a number of critical economic development incentives to spur growth in blighted or otherwise underutilized areas. In short, the requirement to appoint board members to an urban renewal agency that represent the myriad taxing districts with jurisdiction over the urban renewal district creates a burdensome layer of bureaucracy, greatly increased board membership size and coordination burden, and dilutes the efficacy of the urban renewal program. In addition, it delegates decision-making, and in effect veto power, over urban renewal plans to jurisdictions other than those most directly affected by the plan. This is due to the addition of proposed language in ORS 457.095 that requires formal approval, by resolution or ordinance, of the urban renewal plan by all other municipalities and taxing districts with jurisdiction over the urban renewal area.

Urban renewal is a key tool for economic and community development agencies throughout the State of Oregon. There are currently 221 urban renewal agencies in the state that have dedicated tens of millions of dollars, collected and applied through tax increment financing under the urban renewal statutes, to projects that revitalize neglected and deteriorated commercial cores, industrial employment opportunity centers, and historic buildings essential to a community's character. While a water district may not find a priority in downtown revitalization, such a project may be the critical ingredient in a community's progress or survival. With the passing of HB 2470,

the water district could potentially veto a city's proposal to apply urban renewal to their blighted downtown, in order to retain a proportionally nominal tax revenue.

In addition to the potential degradation of urban renewal programs, the proposed bill also amends ORS 285C.175 to allow a taxing jurisdiction to omit their participation in ad valorem property taxation exemptions under the state enterprise zone program. The enterprise zone program allows for up to five years of property tax exemptions for eligible businesses who locate or expand their operations in an enterprise zone area. These benefits are subject to certain requisite community benefits, such as increasing employment by specific thresholds, compensation at certain levels, and first source hiring agreements. In essence this bill opens the door for taxing jurisdiction to "opt out" of the enterprise zone program. While the proportional share of each taxing jurisdiction (such as special districts) may be small, the cumulative impact to multiple opt-outs may result in an ineffective enterprise zone program and the reduction of its application across the state.

We recognize that some special districts may feel that they are subject to pressures and inequities based on the existing policies regarding urban renewal and enterprise zones. However, ORS 457.085 currently requires consultation with other taxing districts and an opportunity for those districts to express support or opposition of a proposed urban renewal plan. It is our position that the current statute affords sufficient opportunity for collaboration among the numerous taxing districts, while maintaining ultimate direction of urban renewal efforts by the municipality and the appointed members of the urban renewal agency.

The Oregon Chapter of the American Planning Association strongly urges the Committee to not pass HB 2470.

Sincerely,

A handwritten signature in cursive script, appearing to read "Damian Syrnyk".

Damian Syrnyk, AICP  
Chair, Legislative and Policy Affairs Committee