

HB 2470 Testimony

I am Steve McCoid, Council President of the Salem City Council, and also a member of the Salem Urban Renewal Agency Board.

We have seven urban renewal areas in Salem and the urban renewal Agency Board is made up of the same individuals that serve on our City Council.

Salem has 12 overlapping taxing districts, some representing as little as .03%, .05% and .28% of the property tax increment that goes to urban renewal. To provide each affected taxing district with the seat on the urban renewal Agency Board is impractical for administering urban renewal and delivering the mission of the Urban Renewal Agency.

Urban renewal is one of the few tools that cities have to engage in economic development activities. Companies looking to make an investment to expand or locate somewhere typically have a very short decision-making timeline. As they put together their deals, they need quick decision making.

If the company is seeking an urban renewal grant, or infrastructure construction to make their project feasible, they are going to need pretty fast assurance and certainty from the urban renewal Agency Board that these financial commitments can be met. If 12 taxing district seats were added to our urban renewal Agency Board, we would face significant challenges in having a quorum present to conduct business. Delaying an Agency Board meeting a month or more in order to achieve a quorum can mean losing a project to another community or to another state.

One of Salem's urban renewal areas is the Mill Creek corporate center. This urban renewal area is home to Home Depot and FedEx

logistic centers. Henningsen Cold Storage is currently under construction, and this summer Pac Trust will be break ground on new spec industrial buildings, which is the first new construction of this type in Salem in a very long time. Mill Creek is owned by the State of Oregon. When the State determined it no longer needed the property, an urban renewal area was created in 2005 to assist with infrastructure needed for private sector development. Without urban renewal, the parcels in Mill Creek would continue to remain undeveloped and in State ownership and would not generate tax revenue. Urban renewal has been critical in this area for bringing publicly owned property back onto the tax rolls and creating jobs.

But to achieve this, the partners in Mill Creek need to be nimble and responsive. We have seen investment go elsewhere when deal making has taken too long, and adding bodies to urban renewal boards will only slow down this process and negatively impact the use of urban renewal in Oregon as an economic development tool.

The City of Salem opposes HB 2470 and any legislation that would harm the use of urban renewal for local economic development and revitalization efforts.

The City also has a long history of close communication with our affected taxing districts, including regular breakfasts between council members and county commissioners. We have very regular dialogue with these partners and a history of working together. In our opinion, HB 2470 is burdensome, unnecessary, and would have the practical impact of harming economic development activities and job creation in Salem