



House Committee on Economic Development and Trade
State of Oregon

RE: HB 2470
March 14, 2017

Dear Committee Members:

I am a consultant who, for the last twelve years, has specialized in urban renewal consulting. My firm has prepared 29 new urban renewal plans, 46 amendments, 15 feasibility studies and numerous other minor amendments along with providing general urban renewal advice to over 40 urban renewal agencies in the State of Oregon. Urban Renewal has been a very effective tool used by cities and counties across Oregon to help improve their vitality. The Association of Oregon Redevelopment Agencies (AORA) website features individual Fact Sheets on numerous successful projects that incorporated funding from tax increment as well as leveraging it with other funding sources. Some of those include assistance to the Liberty Theater in Astoria, the Face Rock Creamery in Bandon, the Pelican Brewery Company in Tillamook, all of which helped spur economic activity in these coastal cities. Hood River and Lebanon have used urban renewal to provide infrastructure necessary to allow for significant development in their communities. Lake Oswego is partnering with local developers to provide downtown commercial uses and housing development. They are also using tax increment to leverage a publicly approved bond to re-construct Boones Ferry Road. There are many, many more examples of the successful use of urban renewal throughout Oregon.

While working with communities in Oregon, my firm strongly encourages working with the impacted taxing districts. The taxing district with the largest impacts in urban renewal is always the city itself. For example, in Jacksonville, the division of taxes is 9.32% of the city's permanent rate levy while it is under .45% of any other taxing district's permanent rate levy. For most county-wide districts, it is .19% of the permanent rate levy. This is typical for most urban renewal areas.

Since the 2009 urban renewal legislation, cities have been much more proactive in involving taxing districts in decisions on new urban renewal plans and amendments. Most new urban renewal plans and substantial amendments are preceded with advice from an advisory committee, typically with a fire district on that committee as fire districts have been the most active in desiring to be involved.

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School districts have typically not opposed urban renewal. Of all of the urban renewal work I have done, I have only one instance of a school board opposing an urban renewal plan amendment. When asked to participate on advisory committees, school districts have readily accepted that request. In many instances, schools have been very supportive of urban renewal as they realize that a better, thriving community may well mean growth of housing development, which in turn adds students to the school district's pupil counts, and thereby more funding.

In addition to serving on advisory committees, taxing districts receive a statutorily required "consult and confer" letter from the city on any new urban renewal plan or substantial amendment. It is extremely rare for the city to receive any negative input from an impacted taxing district.

I believe that HB 2470 is unnecessary. The taxing districts that have shown interest on being involved have been able to do that at the local level. Requiring that all new urban renewal plans be approved by all taxing districts and that they all have a seat on the board and will negatively impact the ability of urban renewal agencies across the state in their efforts to improve their communities.

Thank you for taking the time to receive my testimony.

Sincerely,

Elaine Howard
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