

# Urban Renewal: An Overview



Elaine Howard Consulting, LLC

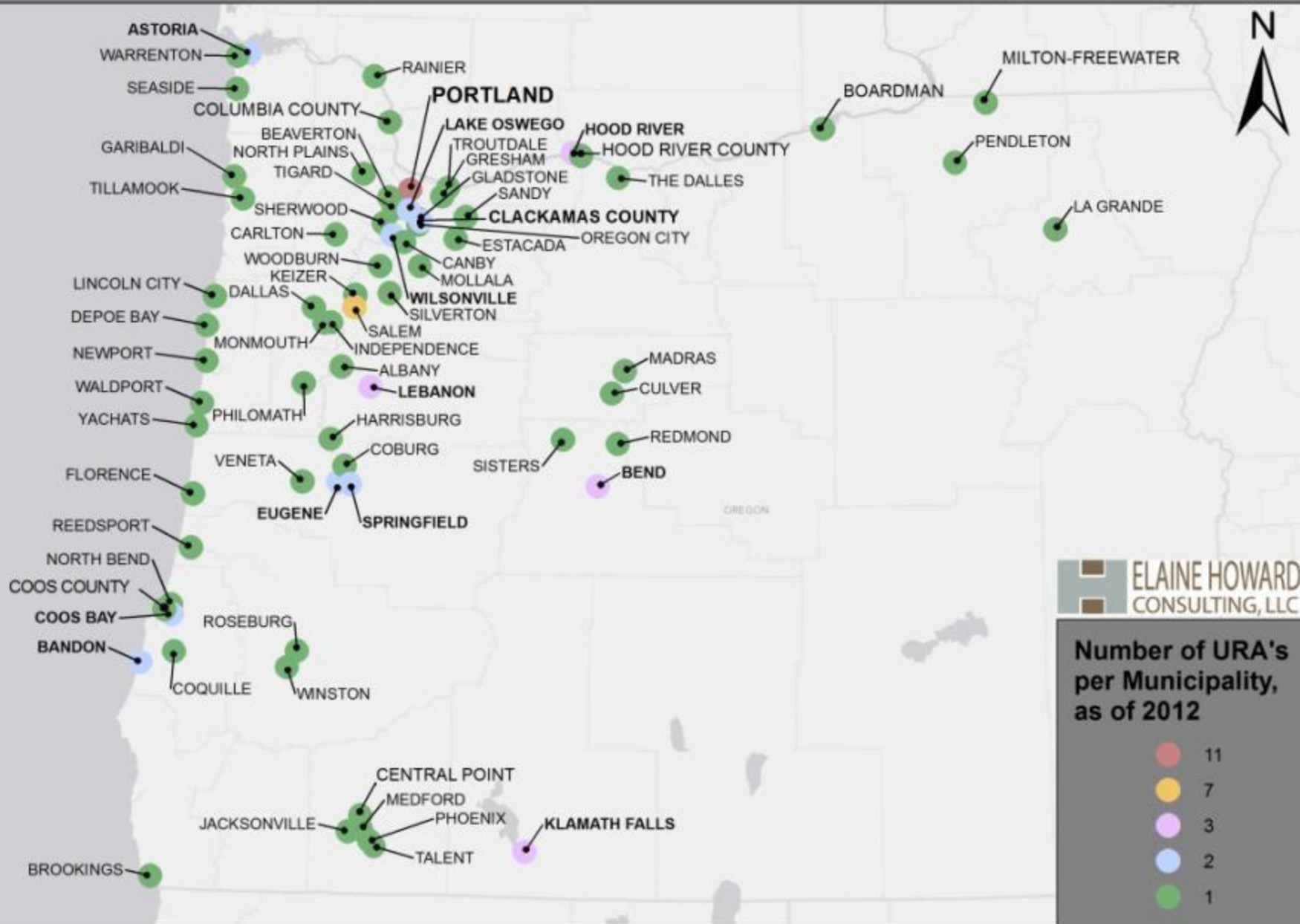
# What is Urban Renewal?



- Program to address blighting influences in specifically designated areas
- Authorized through Federal 1949 Housing Act, State Statute in 1951, authorized for cities in 1957
- Used throughout Oregon
- Provides Financing Mechanism to Implement City Plans:

Uses increases in Property Taxes to Fund Projects in Area

# Urban Renewal Areas in Oregon





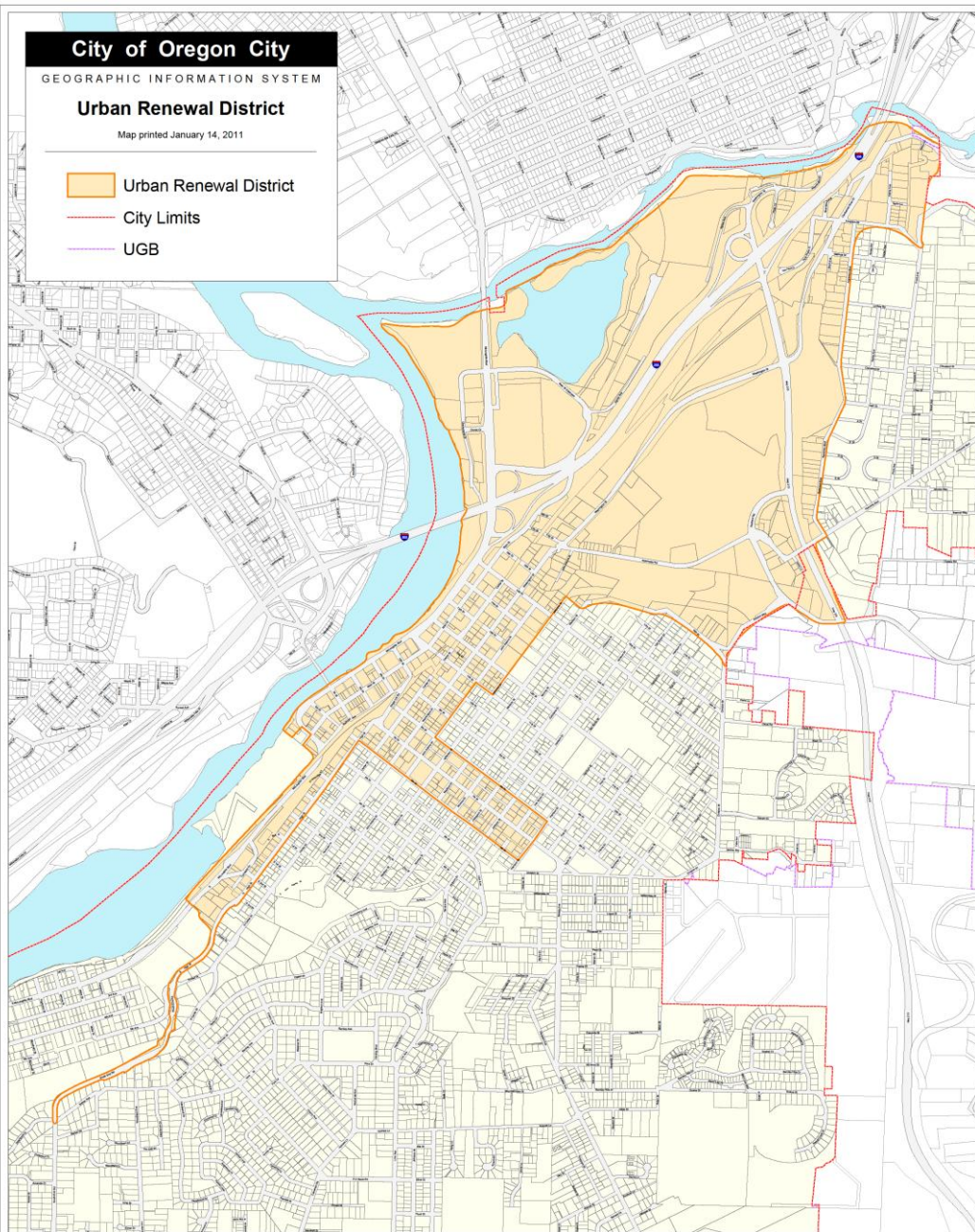
# City of Oregon City

GEOGRAPHIC INFORMATION SYSTEM

## Urban Renewal District

Map printed January 14, 2011

- Urban Renewal District
- City Limits
- UGB



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File date: January 14, 2011  
File name: Urban Renewal District - 30x48P - 20110114.pdf  
Map name: Urban Renewal District - 30x48P.mxd

# What is Blight?



- Defined by the State Statute ORS 457
- Generally covers:
  - Underdevelopment or underutilization of property
  - Poor condition of buildings
  - Inadequacy of infrastructure including streets and utilities



# State Limitations on Urban Renewal



- Population under 50,000
  - 25% of Assessed Value of Property in City
  - 25% of Acreage of City
- Population over 50,000
  - 15% of Assessed Value of Property in City
  - 15% of Acreage of City
- Existing Plan limitations:
  - Can not be increased in size by more than 20% of original Plan acreage
  - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing

# Maximum Indebtedness



- Maximum Indebtedness of Oregon City Plan is  
\$130,100,000

Total amount to spend on administration, projects and programs in an urban renewal area.

# How is a Plan Adopted/Substantial Amendment Approved?



Public

- Public Input
- Goals and Objectives, Projects, Initial Budgets

PC

- Planning Commission Review
- Conformance with Comprehensive Plan

CC

- City Council Hearing and Vote
- Notice to all Citizens



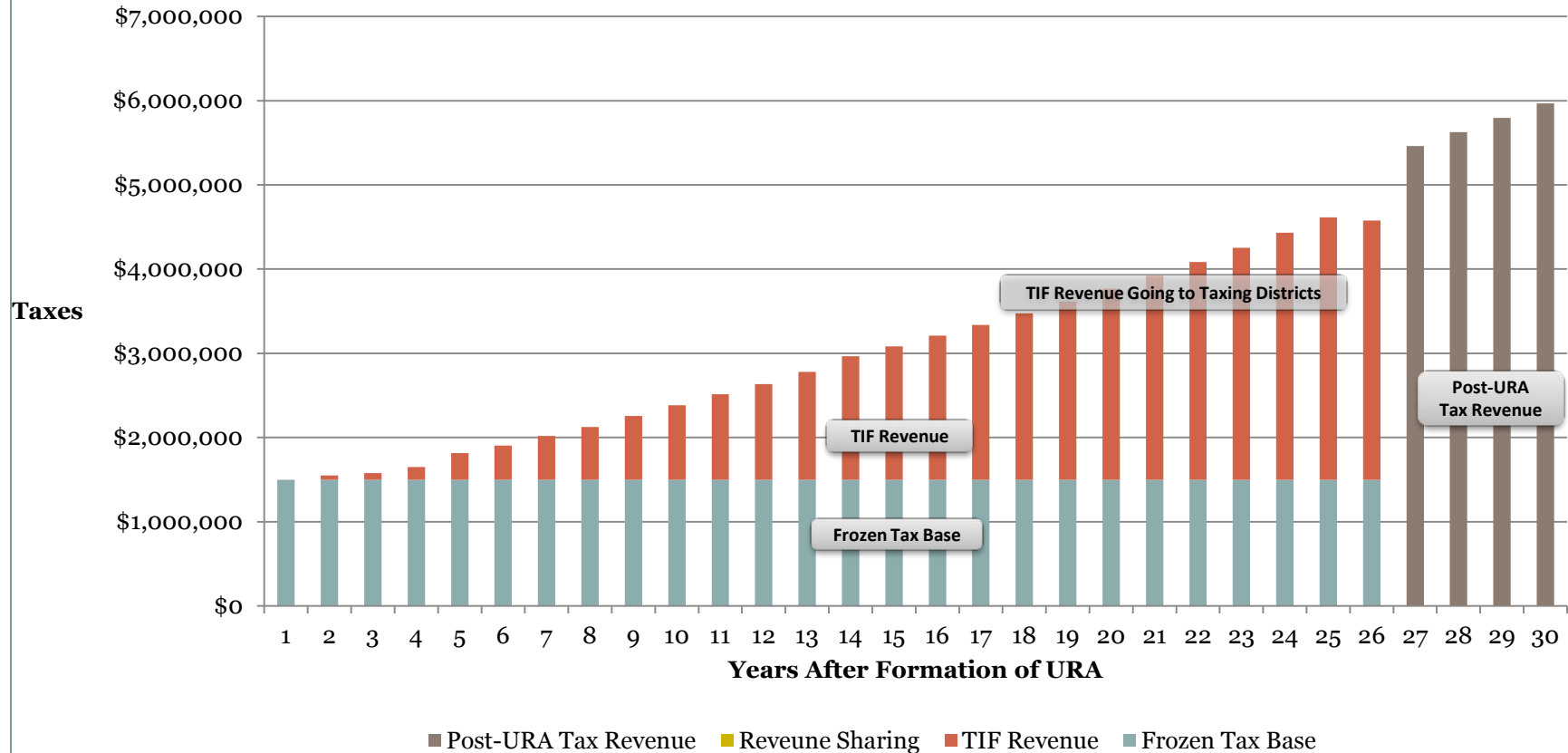


# How Does Financing in Urban Renewal Work?

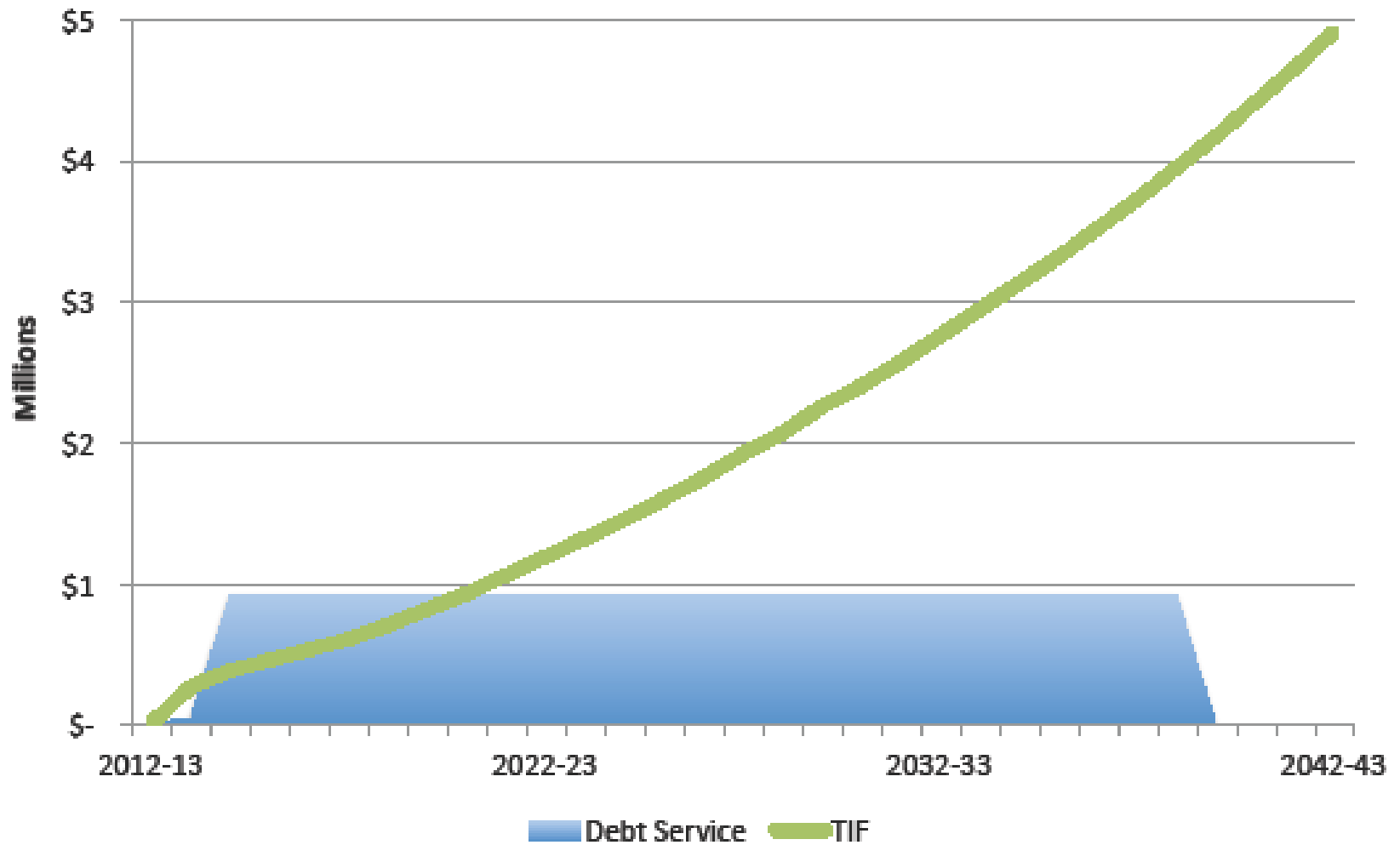


- An area is designated as an urban renewal area
- The tax assessed value of properties within the area is frozen
- Taxes from that “frozen base” go to all taxing jurisdictions
- Increases in taxes over the “frozen base” go to the urban renewal agency for use in the Area

# Projected TIF Revenues



# Scenario Showing TIF Revenues and Debt Service



# How Impacts are Calculated by Assessor



			2012	2013	20134
			Property value		
District Name	Perm Rates		\$100,000	\$103,000	\$103,000
Clackamas County	2.4042		\$240.42	\$247.63	\$240.42
Clack Co Ext Service 4H	0.05		\$5.00	\$5.15	\$5.00
Clackamas Co Soil and Conservation	0.049		\$4.90	\$5.05	\$4.90
Oregon City School District	4.9629		\$496.29	\$511.18	\$496.29
Clackamas ESD	0.3687		\$36.87	\$37.98	\$36.87
City of Oregon City	4.159		\$415.90	\$428.38	\$415.90
County Library	0.3974		\$39.74	\$40.93	\$39.74
Clackamas Comm College	0.5582		\$55.82	\$57.49	\$55.82
Clackamas Fire District 1	2.4012		\$240.12	\$247.32	\$240.12
Port of Portland	0.0701		\$7.01	\$7.22	\$7.01
Metro	0.0966		\$9.66	\$9.95	\$9.66
Vector Control	0.0065		\$0.65	\$0.67	\$0.65
Urban Renewal			\$0.00	\$0.00	\$46.57
Bonds					
	15.5238		\$1,552.38	\$1,598.95	\$1,598.95

# Property Tax Bills



- Add all increases in Assessed Value in Area
- Distribute Amount to all Property Tax Bills in City
- Does Not Increase Tax Bills (unless you have pre 2001 bonds) , Just Shows the Division of Taxes
- Bonds: You are an Option 1 Plan Reduced Rate Plan. You get division of taxes on bonds issued prior to 2001, or refunded/refinanced and initial issue date prior to 2001: 2012-13 Bonds = \$232,752.87 of revenue
- Table 4e by Assessor shows Urban Renewal Impacts



# Property Tax Bills



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# Impacts on Taxing Jurisdictions



- Continue Receiving Taxes on Frozen Base
- Forego taxes on growth in Area
- “But For Urban Renewal”
- Increased Tax Revenues After UR

# 2009 Legislation



- Revenue Sharing Triggers 10% and 12.5% of MI
  - New plans and Substantial Amendments after 2009 (Oregon City amendment preceded this)
- Limits on MI Increases: Indexing
- Concurrence
- Plans which have been amended since 2009
- Ability to Under-levy

# What Types of Projects are Typically Completed?

- Infrastructure: Streets and Utilities
- Streetscape
- Catalyze development
- Storefront loans
- Parks, plazas



# Parks and Plazas: Place Making





# Redevelopment/Infrastructure: The Dalles Brewery Grade



Established in 1990  
1998 Frozen Base \$24,866,020  
Area is 7.31% of City Acreage  
3.41% of City Assessed Value  
Present AV



Increased MI in 2009 to  
\$29,125,583 from \$14M

# Redevelopment: The Dalles Commodore Hotel



# Storefront Improvements





# Oregon City Core Values FY 2012/13



- Return on Investment; qualitative and quantitative
- Cultivating Resources, Processes and Investment in Underutilized or Affected Areas
- Make the Urban Renewal District a Destination
- Job Creation; Permanent and Temporary
- Economic Development
- Historical and Cultural Interpretation

# Issues Relevant to Oregon City



- Need for voter approval for bonded indebtedness



# Projects



## Short Term

- Amtrak Train Depot (5)
- Economic Development Opportunities at the North End (5)
- Disposition/Development of Infill Properties (5)
- Transfer of Stimson Property as part of Jughandle Project (4)



# Projects



## Mid Term

- Blue Heron (3)

## Long Term

- Urban Renewal Incentive Programs (1.55)
- Terminating UR District and forming smaller UR areas (1)
- Explore Economic Development Opportunities at the South End (1)
-

# Issues Relevant to Oregon City



- Should the district be broken up into smaller districts?
  - Issues: Administrative work, re-sets the frozen base presently getting 1.8M annually
  - Alternatives: Area planning/advisory groups for specific areas
- Should the urban renewal area be expanded?
  - Issues: 20% overall expansion limitation
  - Expansion over 1% requires substantial amendment: Substantial amendments put district into the 2009 legislative changes: revenue sharing

# How Long Does Urban Renewal Last?



- Typical plans are designed for a 20 - 25 year period, time period is not a requirement
  - Impacts may last a few years longer to pay off the debt
- Plans can be closed out if all projects are completed earlier:

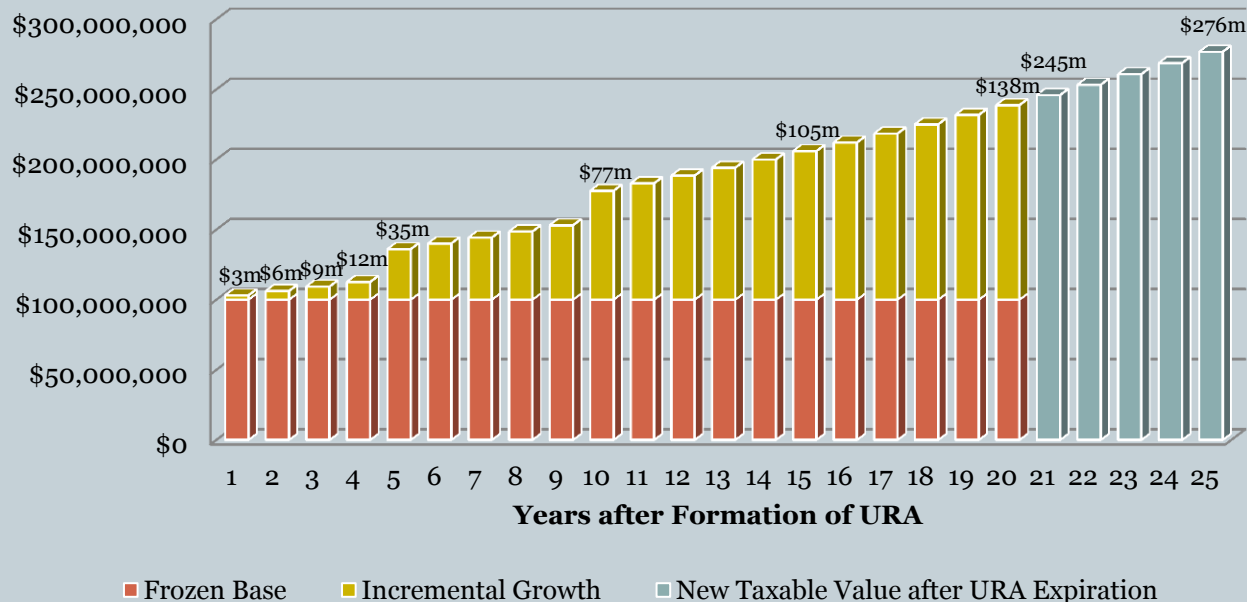
Redmond Industrial Area and Airport  
Proposed Wilsonville Plan

# What Happens After Urban Renewal?



- Increased value of the Area is returned to the tax rolls and all taxing jurisdictions gain the benefit of increased taxes
- Area of the City has been improved, better serving the citizens of the community

## Tax Base Through Life of URA





# Storefront Loans/Redevelopment: Coos Bay



First Call Resolution: New business with an additional 50 employees

# Storefront Loans/Redevelopment: Coos Bay



Coos Bay National  
Bank: Vacant,  
historic register  
building, 2011



# Waterfront Industrial: Hood River

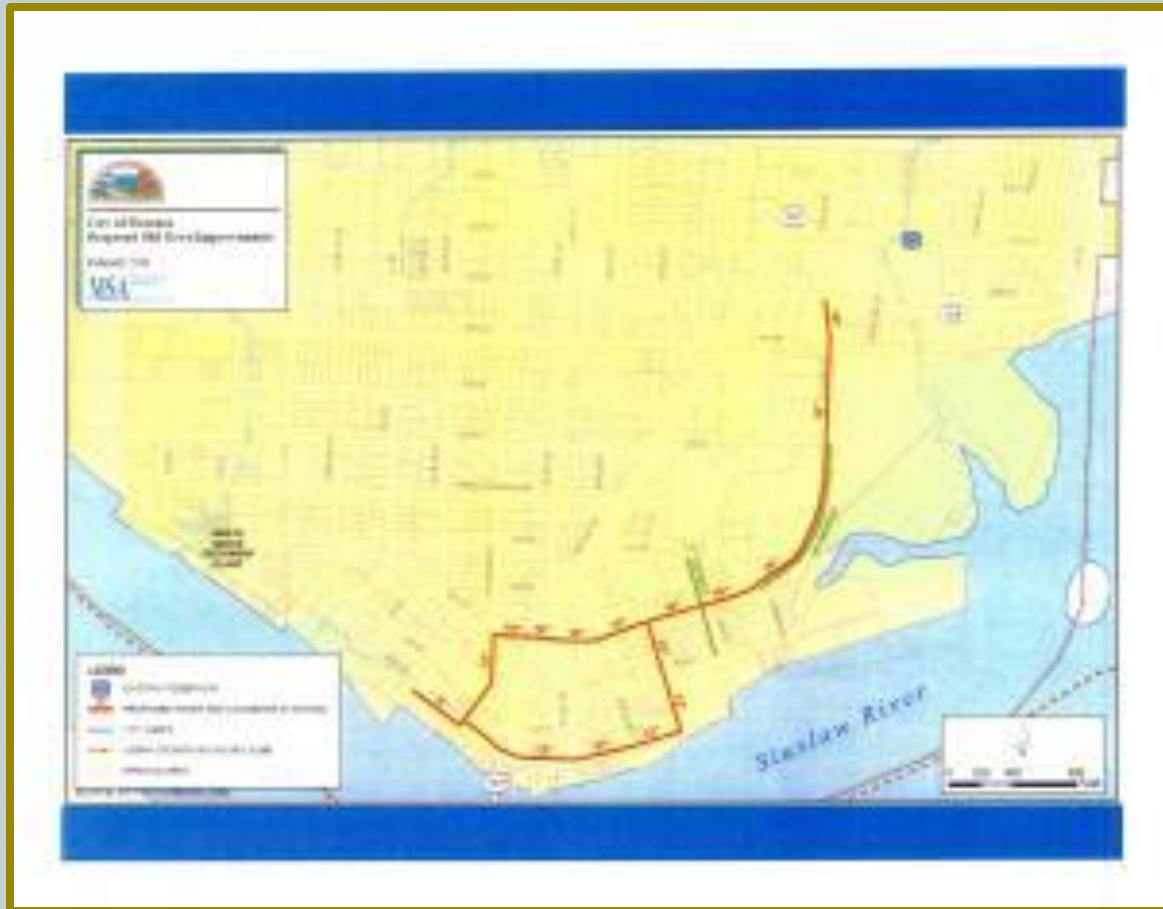




# Storefront Loans/Redevelopment: Florence



# Florence Infrastructure Project



# “First and A” Lake Oswego





# Lake View Village, Lake Oswego



# Lake Oswego Redevelopment: Parking Garage





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# 1<sup>st</sup> Street Lake Oswego



# Lake Oswego Redevelopment: Streetscape



# Bandon: Plan Adopted in 1987, Substantial Amendment in 2012



2 areas: 11.45% of Acreage  
3.32% of AV  
MI of \$12M  
Frozen Base \$8.7M 2011-12 AV  
\$36,343,079 417% growth



# Bandon: Crabbing Dock Near Old Town





# Bandon: Cheese Factory



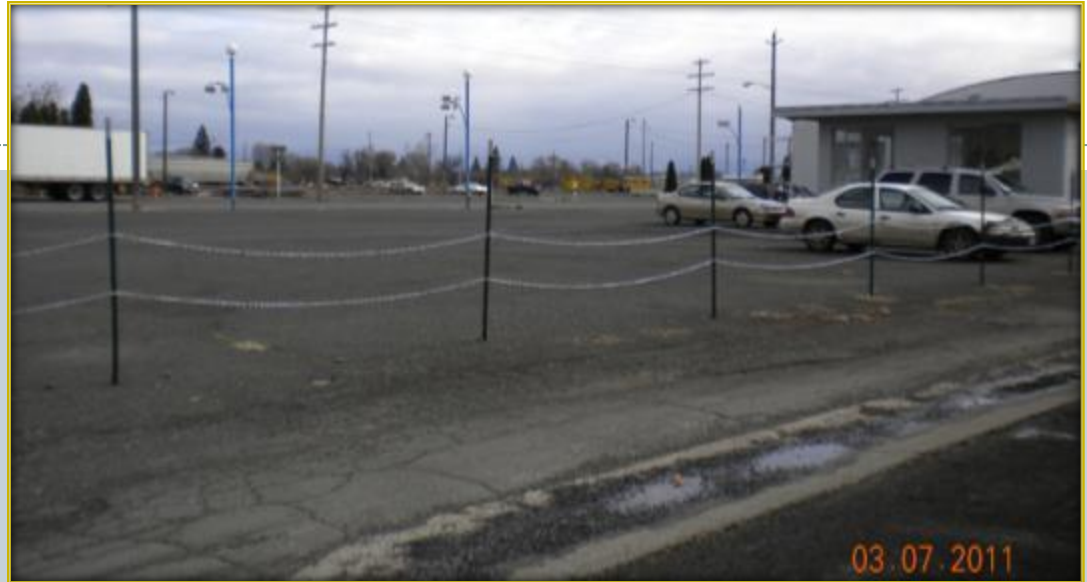
Private Developer \$2+ M  
Construction Jobs  
Long Term Jobs 10  
Tourist Attraction



# La Grande Medical Clinic

*\*BEFORE\**

Downtown Plan  
adopted 1999 MI of  
\$21.4 M



# La Grande Medical Clinic





# La Grande Storefront Program



**Golden Crown Restaurant - \*FRONT BEFORE\***



**- \*REAR shortly after start\***

# Golden Crown Restaurant



# IOOF Theater in La Grande



Removal of environmental hazards, partners  
with Oregon Coalition Brownfields Cleanup  
Fund, Oregon Business Development

# Astor East Urban Renewal Area



- Frozen Base \$2,949,516
- Established in 1994  
FY 2011-12 Assessed Value \$17,495,950  
593% growth over 17 years
- City of Astoria AV 1994 \$337,804,459  
2011-12 AV \$647,580,970  
191% growth over 17 years
- 4.19% of total AV in UR: two districts



# Astoria: Liberty Theater



Theater acquired by City of Astoria for \$1,100,000,  
transferred to non-profit

Repairs and Improvements Phase I \$300,000

Built in 1925, reopened after renovations in 2005

\$386,000 matching grant in Phase II – Phase II is starting construction in June  
Operates as a premier performing arts theater



# Astoria: Astor Hotel



Built in 1922 and under renovation since 2008

Urban Renewal Provided:

- Low interest loan \$346,000 with a 9-year maturity date
- Grant of \$45,000

Community Benefits include:

- 56 low income housing units
- Street level visual improvements
- 380% (25%-95%) increase in ground floor occupancy in building



# Astoria: Garden of Surging Waves

## Commemorating Chinese History in Astoria

Located where Chinese immigrants resided in the 1800's

### Urban Renewal Provided:

- Design Grant of \$250,000
- Construction grant \$350,000

City of Astoria: \$350,000

### Community Benefits include:

- Historical and cultural education
- Provide outdoor space to complement downtown businesses
- Enhances destination tourism





# Astoria: Garden of Surging Waves



# Sherwood: New Streetscape



Area Established 2000  
MI \$45,133,469  
Increased in 2012 in  
Substantial Amendment

Original Frozen Base  
\$62,419,260  
2011-12 AV:  
\$290,643,763  
465% growth

City 217%

# Site of Sherwood City Hall





# From Old Warehouse to New City Hall & Library

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# Public Square Sherwood



# Sherwood Streetscape



# Lebanon Samaritan Health Sciences Campus



North Gateway Urban  
Renewal Plan Adopted  
2008 20 year Plan  
\$15,700,000 MI

Original AV \$8,365,939  
2011-12 AV \$19,554,249

40 long term jobs  
at Medical School  
alone





Sam Fit, Samaritan Health  
Sciences OB, GYN, PED,  
Western University

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# Lowe's Distribution Center Lebanon



Plan adopted  
in 1989

MI  
\$24,680,770,  
2012  
Amendment  
MI \$33 M

Agency invested in infrastructure, estimated 450 FTE  
with 750 associated. Lowe's came on 2011-12 tax rolls:  
increase AV of \$76M

# Keizer Station



Area Formed 1990

Agency issued \$26.8 M in TIF  
bonds for infrastructure  
LID formed for repayment

Frozen Base \$45,328,592  
2011-12 AV \$346,182,840

763% increase in value



# Astoria: Fort George Brewery and Pub



Historic building re-constructed in 1923, remodeled over 80 years later in 2006  
Urban Renewal provided:

- Low interest loan for \$120,039 with an 8-year maturity date
- Storefront Improvement Grant of \$30,000

Leverage:

- SBA Loan
- State of Oregon (forgivable loan)

# Astoria: Fort George Brewery and Pub

New use: 10-hectoliter Fort George brewery and public house, Blue Scorcher bakery

## Community Benefits:

- Job Creation
- Demand for local goods
- Support for local artists
- Support community events
- Provide craft beer to over 45 establishments along the Oregon Coast alone
- 2012: 3 additional brewing tanks, unveiling their 5<sup>th</sup> canned beer this month
- Getting permits for expanding Pub to 2<sup>nd</sup> Floor





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