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Florence Urban Renewal Agency

Memorandum

To: Florence Urban Renewal Board

From: Erin Reynolds, City Manager/FURA Manager

Date: March 27, 2019

Memo Outline

- Update on Florence City Code (FCC) 2-5
- Next Steps for FURA By-Laws, Policies, and Procedures Review
- Current FURA Board Members/Status of Positions
- FURA Foundational Knowledge –
- Distribute FURA Binder at March Meeting

Update on Florence City Code (FCC) 2-5

In 2018 the City Council undertook a process to review and update the City Committee and Commission Code and created a new policy document. As a result of that process a Committee and Commission Policy Manual was adopted by Council in November 2018.

It was during this process that City Attorney Ross Williamson noted that the City had been applying the same appointment process for FURA Board members as they had been for Committees even though the City Code and FURA By-laws were both silent. The initial thought by staff was this void should be first addressed in the FURA By-Laws and this is what was shared at the January 30, 2019, FURA Board meeting. Since that time we have learned that the appointment process is within the purview of the City Council. Staff has learned since the last FURA Board meeting that the By-Laws are subservient to the City Code. Therefore, the first item of business was for the City Council to determine how they would like to appoint members to the FURA Board.

City Attorney Ross Williamson has reviewed the matter and provided his analysis. ORS Chapter 457 creates urban renewal agencies, but they must be “activated” at the local level by cities or counties. Once activated, the agency becomes a separate legal entity apart from the City – the agency has a separate legal corporate status.

In “activating” FURA, the Council acted in June 2006 to create the urban renewal agency of Florence. ORS 457.045 allowed the City to pick one of three options as to assigning the agency’s authority: delegating the authority to a local housing authority; delegating the authority to a separate board or commission; or delegating the authority to the City Council itself. The Council

picked the second option by creating the 9 member Board via Ord. No. 4, Series 2006. Because the City Council did not initially state how the members are appointed, it was our Attorney's recommendation that we apply ORS 457.045 to this question and conclude that the FURA Board is appointed by "the governing body" of the municipality; in other words, the Board Appointment process is in the purview of the Florence City Council.

City Attorney recommended that the City Council (not the FURA Board) should first review the Code provisions governing FURA (FCC 2-5). In this review he noted that FCC Chapter 2-5 does not define an appointment process for FURA Board Members. Ross suggested that City fill-in this hole in FCC Chapter 2-5. At the City Council work session on February 13, 2019, the City Council requested that this item be brought forward for discussion and action at their next regular business meeting. The Council took up this issue at its regular Council meeting on March 4, 2019.

Because FCC Chapter 2-5 is silent on how the members are appointed, and because it is not clear that FCC Chapter 2-1 applies to FURA, the Council was given options on how to solve this problem with the Code. (The appointment process has never been defined, with this hole in the process being in existence since the original 2006 City Council ordinance that activated FURA.) In recent history, varying forms over the last 12 years, and at inception, the FURA Board Members have been appointed following the same process the City follows for the Committee and Commission members. Due to this history in the appointment process, City Staff suggested that the most straight-forward solution would be to formally apply the appointment process for Board and Commissions (FCC 2-1-4) to FURA.

This was the proposal brought to the Council on March 4, 2019. This recommended appointment process is the same process the City has used in the last several years. The process continues to direct the City to give special consideration to special districts for the appointment of the five at-large positions on the FURA Board. At the meeting the City Council received a quick primer on urban renewals in Oregon, a condensed history of FURA, and a bit of education on tax increment financing. That presentation has been recapped in the FURA Foundational Knowledge section of this memo.

Most importantly we learned that the City Council must maintain the authority to make the appointments because if they delegated that authority to another body whether that be the FURA Board or the overlapping tax districts it would be an unconstitutional delegation of authority. Therefore, ceding outright appointment authority to the overlapping taxing jurisdictions was not be an option.

The City Council proceeded with the second reading and finalized the process to amend the City Code at the March 18, 2019, meeting. The City Council received public comment from the overlapping tax districts and community members voicing their thoughts on this proposal.

In summary, the amendment to the City Code incorporated the committee appointment process in FCC 2-1-4 for the purposes of the FURA Board positions. Specifically, the FURA Chapter will now refer to FCC 2-1-4 for the appointment of FURA Board Members. The appointment process will continue to give consideration to special district membership for the at-large positions.

After hearing the public comments, the City Council voted 3-2 to amend FCC 2-5 as follows:

TITLE 2
CHAPTER 5

URBAN RENEWAL AGENCY
OF THE CITY OF FLORENCE

[Amend FCC 2-5-5 as follows]

2-5-5: BOARD OF DIRECTORS: The Board of Directors shall be made up of nine members who shall be appointed, using the appointment process set out in FCC 2-1-4, based upon their positions as follows:

- A. One shall be the Mayor of Florence.
- B. Two shall be City Councilors of the City of Florence.
- C. One shall be nominated by the Lane County Board of Commissioners.
- D. ~~Six~~ Five shall be citizens at large. Special consideration shall be given to the potential appointment of elected members of the governing bodies of the Western Lane Ambulance District, the Port of Siuslaw, Siuslaw Valley Fire and Rescue, and/or the Siuslaw Library District.

A copy of FCC 2-1-4 Appointments is below for ease of reference

2-1-4: APPOINTMENTS:

- A. **APPOINTMENT PARTY:** Subject to the provisions of this section, the Mayor is authorized to appoint the members of all boards, commissions and committees created or supervised by the Council.
- B. **QUALIFICATIONS:** Qualifications for appointment and term of office for a position on a Commission, Committee or Ad-Hoc Committee shall be provided in its enabling provisions. If a member of a commission, committee or ad-hoc committee is qualified pursuant to the enabling provisions at the time of appointment, but later ceases to be qualified, he or she must notify the City Recorder immediately.
- C. **APPOINTMENT PROCESS:** Prior to making any appointment authorized herein, the Mayor shall:
 - 1. Provide notice to the public and the Council of the position to be filled, qualifications if applicable, and the time and manner in which application may be submitted.
 - 2. Solicit recommendations from the Councilors concerning potential appointees; and,

FLORENCE CITY CODE TITLE 2

1

COMMISSIONS & COMMITTEES 2-1

- 3. Confer with the Council, at a meeting, or with each Councilor individually, concerning potential appointees.
- D. **APPOINTMENT PROCESS AMENDMENTS:** Notwithstanding paragraphs A and B of this section, upon receipt of the Mayor's notice required under paragraph C.1, but before an appointment is made, the Council may direct that a different appointment process be followed in filling a position on a particular board, commission or committee.
- E. **TERMS:** The term of office for each commission & committee shall be established in its enabling provisions and shall run on a committee service year from February 1st to the following January 31st. Initial terms for a newly created commission or committee shall be staggered so that the majority of the positions do not become vacant in the same year and so that an equal or approximately equal number of positions become vacant each year.
- F. **SERVICE ON MULTIPLE COMMITTEES:** No person shall be appointed to serve simultaneously on more than one of the standing commissions or committees, unless such a position is established in the committee or commission's enabling provisions.

NEXT STEPS: FURA BY-LAWS, POLICIES, AND PROCEDURES REVIEW

While FURA is a separate corporate entity, with its own statutory powers and authorities, by statute the City still retains certain authority over the entity. Now that the City has clarified things that are in its powers, the FURA By-Laws will need to be revised. The areas in which the FURA By-Laws differ from City Code should be updated so that the By-Laws are in-sync with the City Code.

Now it is time for staff will work with the FURA Board to review and update the FURA By-Laws. The By-Laws should be consistent with the Board Member appointment process selected by the City Council. Staff believe impacts to the FURA By-Laws will be minimal, but this will provide the Board a good opportunity to revisit the By-Laws and incorporate the latest best practices for urban renewal agency operations. *(included in the FURA Binder)*

There may be some items that the Board wishes staff to research and propose to solidify policies, and procedures that will help clarify how the FURA Board conducts the business of the urban renewal agency.

Current FURA Board Members/Status of Positions

As was discussed at the last FURA Board meeting, there are two positions open on the Board. Now that the appointment process has been clarified and with the new knowledge we understand that the FURA Board didn't have the authority to temporarily accept and appoint Dave Braley and Mike Webb to the positions. The highlighted positions below have expired and the City Council will at their next meeting begin the process to fill those positions following the appointment process that has been adopted and previously explained.

Urban Renewal Agency 2018

Name	Position	Term Expiration
Joe Henry	Mayor, current term ends Jan 2021	Mayoral Term
Ron Preisler	Councilor	Jan-20
Joshua Greene	Councilor	Jan-21
Dave Braley	Citizen at large	Jan-19
Patricia Riley	Citizen at large - Library (not on board but representing)	Jan-20
Mike Webb	Citizen at Large - Ambulance	Jan-19
Ron Caputo	Lane County Board Nomination	Jan-21
John Scott	Citizen at large	Jan-20
William Meyer	Port of Siuslaw	Jan-21

FURA FOUNDATIONAL KNOWLEDGE

Included in the FURA Binder distributed at the meeting are many of the items referenced in this section of the memo.

What is urban renewal?

Three distinct terms: 1) Agency; 2) Plan; and 3) Area.

AGENCY

Urban renewal agencies are separate and unique entities that may be activated by a city or county under the authority of ORS 457.035. As a separate entity, the city council or county board of commissioners must establish the governing structure of the agency, including appointing a board.

PLAN

The first task for a new urban renewal agency is the development and adoption of an urban renewal plan. An urban renewal plan sets out the parameters of the actions to be undertaken in an urban renewal area by an urban renewal agency.

An urban renewal report accompanies an urban renewal plan. The report identifies the existing conditions of the proposed area, the estimated costs of projects, and sources of funding. The plan also provides a financial feasibility analysis.

AREA

Among other requirements, the plan sets out the boundary for the urban renewal area, establishes the projects that the agency will undertake within the area, and whether the projects will be funded through tax incremental financing. (*Boundary Map included in FURA Binder*)

FURA History

In March, 2005, the City Council appointed a Downtown Urban Renewal Advisory Committee (DURAC). After public meetings and studying the issues, the DURAC recommended an urban renewal agency for the City.

The Council created the "Urban Renewal Agency of the City of Florence" via Ordinance No. 4, Series 2006, adopted on June 14, 2006. (*included in FURA Binder*)

Urban Renewal Plan adoption, Ordinance No. 7, Series 2006. August 21, 2006. Recorded with Lane County Deeds and Records September 11, 2006. (Plan *included in FURA Binder*)

The Council put an advisory question on the November 2006 ballot, asking the voters of Florence whether the Council should take action to rescind Ordinance No. 7, the Urban Renewal Plan adoption ordinance. This was just an advisory vote, the vote itself could not have caused an effect (e.g., a "no" vote would not have rescinded Ordinance No. 7). The measure passed by a vote of 1,951 to 1,872 (79 vote margin).

Overlapping taxing districts

Urban renewal essentially diverts some future tax revenues from all taxing districts within the urban renewal area to the Agency for projects listed in the plan. Known as tax increment financing. The projects are intended to “renew” or cure the blight that exists in the area. The goal is that the assessed value of the entire area will be increased during the plan’s existence, such that when the plan terminates, all the taxing districts will be better off in the long run because property values will have increased. This is the notion of “but for” projects – but for the urban renewal project, the assessed value of the area would stagnate and not keep pace with other areas of the city. (Projects that would not be constructed but for urban renewal.) A list of the Projects included in the Report. *(Included in the Binder)*

Taxing districts are understandably concerned about the impact of urban renewal on their future tax revenues. During the operation of an urban renewal plan, the taxing districts will forego increases in property taxes within the area. The reason for pursuing urban renewal is to increase the value of properties in the area, thereby increasing the property tax revenues. At the termination of a plan, taxing districts will receive the benefit of the use of urban renewal if the plan was successful at increasing the taxable assessed value.

The enacting City Code and FURA By-Laws *(included in FURA Binder)* both reference and continue to give Special Consideration to be given to the Special Districts impacted by the creation of the urban renewal agency.

Why No Mention of the School District?

There isn’t a specific position on the FURA Board for the Siuslaw School District. The reason for that is because of the equalized state funding formula for all school districts in Oregon. School districts are not directly impacted by urban renewal agencies because funding is equalized at the state level regardless of the property tax collections. Urban renewal agencies also don’t impact GO Bond or Local Option levies of any municipality. With that knowledge, the City created the FURA Board to give special consideration for representation of the Board Members of the Special Districts and one nominated by the Lane County Board of Commissioners because they are impacted financially by the creation of an urban renewal agency. Special consideration for representation for the School District was not deemed necessary due to the mechanics of funding for schools.

REFERENCE

City Council meeting materials video and electronic materials can be accessed on the City's website for the meeting dates:

March 4, 2019 – First Reading of Ordinance 1, Series 2019 amending FCC 2-5
<https://www.ci.florence.or.us/council/city-council-meeting-163>

March 18, 2019 – Second Reading and Adoption of Ordinance 1, Series 2019
<https://www.ci.florence.or.us/council/city-council-meeting-164>

DISTRIBUTED AT MEETING

FURA Binder with following information:

- 2019-2021 Budget Calendar
- FCC 2-1-4 Commissions and Committees – General Provisions – Appointments
- FURA Boundaries with Zoning
- City Ordinance No.7, Series 2006: Approving FURA Plan
- FURA Resolution No.1, Series 2006: Urban Renewal By-Laws
- Ordinance 1, Series 2019 amending FCC 2-5 Urban Renewal Agency of the City of Florence
- Florence Downtown Preservation and Renewal Plan
- Report on the Florence Downtown Preservation and Renewal Plan
- ORS 457- Urban Renewal
- Best Practices for Urban Renewal Agencies in Oregon
- Local Budget Law: Urban Renewal Agencies

Florence Urban Renewal Agency

Open Positions	2 positions – both three-year terms
Total Membership	<p>9 Members</p> <ul style="list-style-type: none"> - One shall be Mayor of Florence - Two shall be City Councilors of Florence - One shall be nominated by the Lane County Board of Commissioners - Five shall be citizens at large. Special consideration shall be given to the potential appointment of elected members of the governing bodies of the: <ul style="list-style-type: none"> - Western Lane Ambulance District - Port of Siuslaw - Siuslaw Valley Fire & Rescue - Siuslaw Library District
Residency Requirements	None
Agency Information	In August of 2006 the Florence City Council adopted an ordinance approving the Florence Downtown Preservation and Renewal Plan. The plan creates an urban renewal district encompassing properties along Hwy 101 generally south of Hwy 126, east of Kingwood Avenue and inland of the Siuslaw River. The Florence Urban Renewal Agency is the body authorized to implement the Downtown preservation and renewal plan.

Florence Urban Renewal Agency Membership - 2018

Name	Position	Term Expiration
Joe Henry	Mayor	Per Mayoral term
Ron Preisler	Councilor	January 2020
Joshua Greene	Councilor	January 2021
Dave Braley	Citizen at Large	January 2019
Patricia Riley	Citizen at Large Siuslaw Public Library District	January 2020
Mike Webb	Citizen at Large Western Lane Ambulance District	January 2019
Ron Caputo	Lane County Board Nomination	January 2021
John Scott	Citizen at Large Siuslaw Valley Fire and Rescue	January 2020
Bill Meyer	Citizen at Large Port of Siuslaw	January 2021

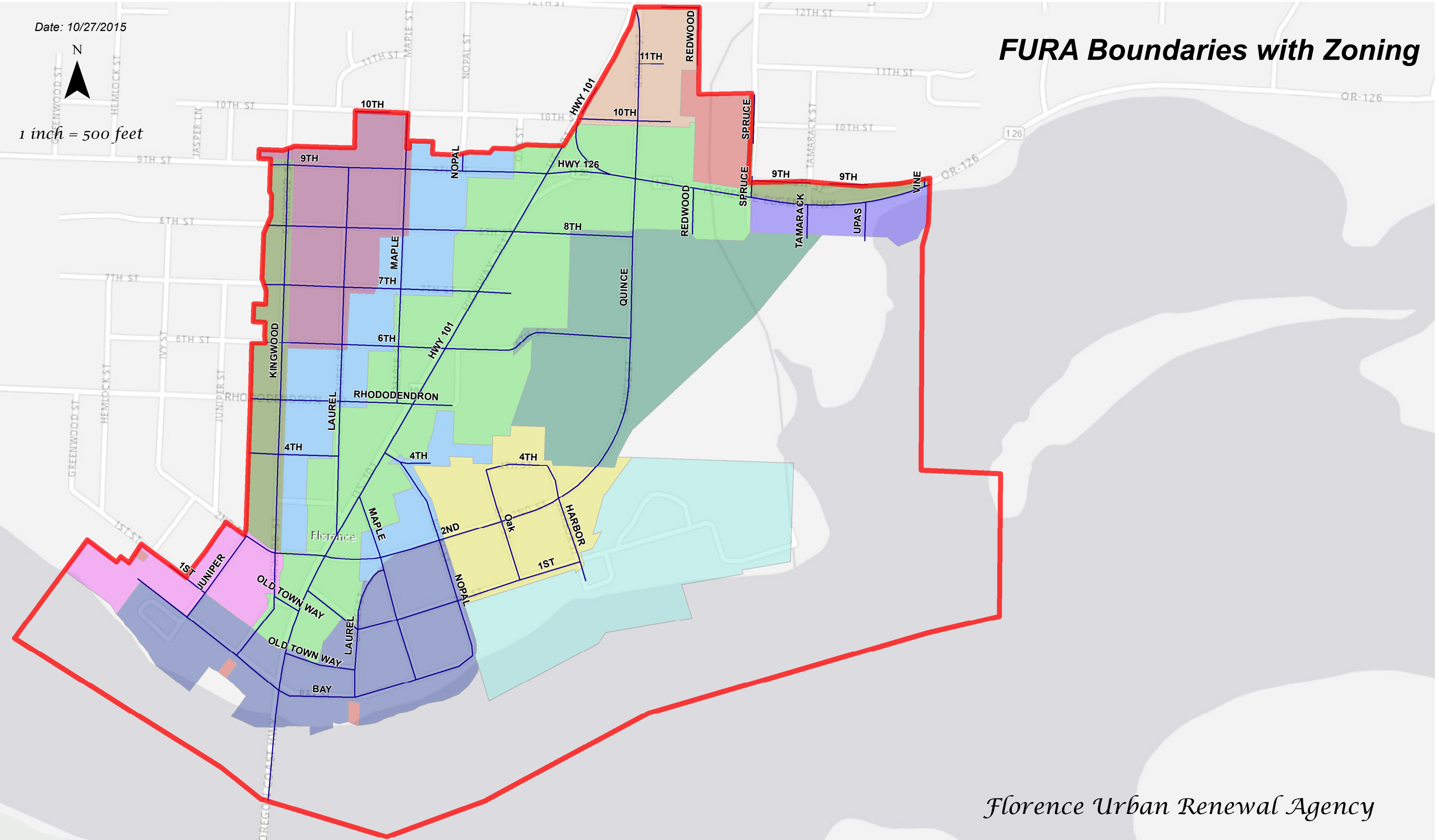
Date: 10/27/2015

N



1 inch = 500 feet

FURA Boundaries with Zoning



Florence Urban Renewal Agency

	Commercial		Main Street /Area B		Old Town District		Restricted Residential
	Highway District		Multi-Family Residential		Old Town District/Area A		Single Family Resident
	Main Street		Old Town Area C		Open Space		Waterfront/Marine

The information on this map was derived from digital files that are owned by the City of Florence. While care was taken in the creation of this map, it is not a legal document. It is provided "as is" and the City of Florence cannot accept any responsibility for errors or the positional accuracy in the digital data or the underlying records. Specific parcels or zoning should be confirmed with the appropriate jurisdictions. There are no warranties accompanying this product. However, notifications of any errors would be appreciated.

City Ordinance No. 7, Series 2006

Approving FURA Plan

ORDINANCE NO. 7, SERIES 2006

AN ORDINANCE OF THE CITY OF FLORENCE APPROVING THE FLORENCE URBAN RENEWAL PLAN AND DIRECTING THAT NOTICE OF APPROVAL BE PUBLISHED

WHEREAS, the Florence Urban Renewal Agency (the "Agency") has prepared and has sent to the City Council for its approval an urban renewal plan for an urban renewal area within the boundaries of the City of Florence which urban renewal plan is known as the Florence Urban Renewal Plan (the "Plan"); and

WHEREAS, such Plan and its accompanying Report have been prepared in conformity with the requirements of ORS 457.085 and with public involvement in all stages of the development of the Plan; and

WHEREAS, additional notice of the public hearing on adoption of this Plan has been provided as required by ORS 457.120, and

WHEREAS, the Plan and Report were forwarded to the governing body of each tax district affected by the Plan, with an invitation to meet and discuss the plan, or forward comments on the plan, and any comments received by the Renewal Agency have been responded to, and forwarded to the Council for consideration, and

WHEREAS, pursuant to ORS 457.105, on July 26, 2006, the Plan and Report and maximum indebtedness were submitted to the Lane County Commission, and

WHEREAS, the Plan and Report were forwarded to the Florence Planning Commission for recommendations and the Planning Commission has reviewed the Plan and Report and made certain recommendations with respect thereto; and

WHEREAS, on August 8, 2006, the Florence Planning Commission recommended approval of the Florence Urban Renewal Plan; and

WHEREAS, pursuant to ORS 457.095, the Florence City Council held a public hearing on August 14, 2006 to review and consider the Plan, the Report, the recommendation of the Planning Commission, and public testimony, and

WHEREAS, on the City Council finds the Urban Renewal Plan should be adopted and approved, based on the findings listed below,

NOW THEREFORE, THE CITY OF FLORENCE ORDAINS AS FOLLOWS:

FINDINGS

1. That the area described in the Florence Urban Renewal Plan is blighted.
2. That rehabilitation and redevelopment is necessary to protect the public health, safety, or welfare of the City of Florence.
3. That the Florence Urban Renewal Plan conforms to the City's Comprehensive Plan as a whole, and provides an outline for accomplishing the projects that the Florence Urban Renewal Plan proposes.

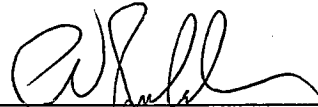
4. That provisions have been made to house displaced persons within their financial means and in accordance with ORS 281.045-ORS - 281.105 and, except in the relocation of elderly or handicapped individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing.
5. That no real property has been identified for acquisition at this time, and therefore, that no findings of necessity have been made at this time.
6. That the adoption and carrying out of the urban renewal plan is economically sound and feasible.
7. That the City shall assume and complete any activities prescribed it by the urban renewal plan.
8. That the Florence City Council hereby incorporates by reference the Florence Urban Renewal Plan, attached to this Ordinance as Exhibit "A", as support for its above-mentioned findings.
9. That the Florence City Council further relies on the Report on the Florence Urban Renewal Plan, attached to this Ordinance as Exhibit "B", which is incorporated by reference, the report of the Planning Commission, the public hearing and the entire record before the City Council in this matter.

CONCLUSIONS


1. The Florence City Council hereby adopts and approves the Florence Urban Renewal Plan, pursuant to the provision of ORS 457, and directs the City Recorder to publish notice of the adoption of this Ordinance in accordance with the requirements of ORS 457.115.
2. The Florence City Council directs the City Recorder to record a copy of the Ordinance approving the Florence Urban Renewal Plan with the Recording Officer of Lane County, Oregon, pursuant to ORS 457.125, and directs the City Recorder to send a copy of this Ordinance to the Urban Renewal Agency for the City of Florence, Oregon.

This Ordinance adopted by the City Council and approved by the Mayor this 21st day of August, 2006.

AYES	3 – Councilors Osbon, Xavier and Mayor Brubaker
NAYS	1 - Councilor Holman
ABSTAIN	0
ABSENT	1 – Councilor Braley



 Phil Brubaker, Mayor

ATTEST:


 Barbara Miller, City Recorder

FURA Resolution No. 1, Series 2006

Urban Renewal By-Laws

URBAN RENEWAL AGENCY RESOLUTION NO. 1, Series 2006

**RESOLUTION OF THE FLORENCE DOWNTOWN URBAN RENEWAL
AGENCY**

APPROVING AND ADOPTING AGENCY BY-LAWS

WHEREAS, the Florence Downtown Urban Renewal Agency acting by and through the City of Florence, Oregon, pursuant to the provisions of Chapter 457 of the Oregon Revised Statutes, is the duly appointed Urban Renewal Agency of the City of Florence, Oregon:

WHEREAS, the Agency wishes to adopt a set of by-laws to govern the conduct and business of the Agency;

NOW, THEREFORE, THE FLORENCE DOWNTOWN URBAN RENEWAL AGENCY DOES RESOLVE AS FOLLOWS:

ARTICLE I – AUTHORITY

Section 1. Name: The name of the Agency shall be the Florence Downtown Urban Renewal Agency, hereinafter referred to as “FDURA”.

Section 2. Office: The office of FDURA shall be City Hall of the City of Florence, Oregon, or as mutually agreed to by the Florence City Council and FDURA.

Section 3. Powers and Duties of the Agency: The powers and duties of FDURA shall be as provided by Chapter 457 of the Oregon Revised Statutes and the Florence City Charter and as authorized by the Florence City Council in accordance with Ordinance No. 4, Series 2006, adopted by the Florence City Council on June 14th, 2006.

ARTICLE II – BOARD MEMBERS

Section 1. Agency Membership: The Board of the Agency shall be composed of nine members who shall be appointed based upon their positions as follows:

- A. One shall be the Mayor of Florence.
- B. Two shall be City Councilors of the City of Florence.
- C. One shall be nominated by the Lane County Board of Commissioners.
- D. Five shall be citizens at large. Special consideration shall be given to the potential appointment of elected members of the governing bodies of the Western Lane Ambulance District, the Port of Siuslaw and/or the Siuslaw Library District.

Section 2. Term of Office: The term of office for each member is covered by City Ordinance.

ARTICLE III – OFFICERS AND PERSONNEL

Section 1. Officers: The officers of the FDURA shall be Chair and Vice Chair.

Section 2. Chair: The chair shall be elected by a majority of the board members of FDURA and shall preside at all meetings of the FDURA. Except as otherwise authorized by resolution of board members, the chair and vice chair shall sign all contracts, deeds, and other instruments made by FDURA. At each meeting, the chair shall submit such recommendations and information as the chair may consider proper concerning the business, affairs, and policies of FDURA.

Section 3. Vice Chair: The vice chair shall be elected by a majority of the board members of FDURA and shall perform the duties of the chair in the absence or incapacity of the chair; and in case of resignation or death of the chair, the vice chair shall perform such duties as are imposed on the chair until such time as the board shall elect a new chair.

Section 4. Additional Duties: The officers of FDURA shall perform such other duties and functions as may from time to time be required by FDURA or by the by-laws or rules and regulations of FDURA.

Section 5. Election or Appointment: The chair and vice chair shall be elected annually by a majority of board members at the first board meeting following July 1st of each year, and shall hold office for one year or until their successors are elected.

Section 6. Vacancies: Should the offices of the chair or vice chair become vacant, the board shall elect a successor from its members at the next regular meeting and such election shall be for the un-expired term of such office.

Section 7. Personnel: The board shall appoint an administrator for an indefinite term by a majority vote of the board members. The administrator shall keep the records of FDURA, record all votes, keep a record of the proceedings of FDURA, and perform all duties incident to the office and other duties and functions as may from time to time be required by FDURA, its by-laws or rules and regulations of FDURA.

The board may create additional positions and appoint such personnel as it may from time to time find necessary or convenient to perform its duties and obligations as such compensation as may be established by FDURA, which appointments shall continue at the pleasure of FDURA or until resignation.

Section 8. Removal: The chair, vice chair and/or administrator may be removed at any time by a majority vote of the entire board.

ARTICLE IV – MEETINGS

Section 1. Regular Meetings: Regular meetings shall be in accordance with ORS Chapter 192. All meetings shall be held in the Council Chambers in the City of Florence, Oregon, or at such other place as the chair shall determine. A regular meeting may be adjourned to a time and date certain decided by a vote of the majority of FDURA board members present and voting, and no notice of such adjourned meeting need be given.

Section 2. Special Meetings: The chair may, when the chair deems it expedient, and/or shall, upon written request of two board members of FDURA, call a special meeting of FDURA to be held at the regular meeting place, unless otherwise specified in the call, for the purpose of transacting any business designated. Special meetings may also be held at any time by the unanimous consent of all board members of FDURA. Notice of such meeting shall be in accordance with ORS Chapter 192.

Section 3. Quorum: Five board members of FDURA shall constitute a quorum for the purpose of conducting its' business and exercising its' powers and for all other purposes. A majority of the board members of FDURA present and voting shall be necessary to determine any question before FDURA.

Section 4. Manner of Voting: The voting on formal resolutions, matters to any federal, state, county or city agency, and on such other matters as may be requested by a majority of FDURA board members shall be by roll call, and the ayes and nays along with board members present and not voting shall be entered upon the minutes of such meeting.

Section 5. Order of Business: At the regular meetings of FDURA, the following shall be substantially the order of business:

- (a) Call the roll
- (b) Additions to the Agenda
- (c) Discussion and/or Action items
- (d) Public Comment
- (e) Agenda Additions
- (f) Adjourn

Section 6. Resolutions: All resolutions shall be in writing.

Section 7. Roberts Rules: All rules of order not herein provided for or provided for by resolution shall be determined in accordance with Roberts Rules of Order, Newly Revised.

Section 8. Open Meetings: All meetings shall be open to the public, except that any portion of a meeting may be held in executive session if such session is in conformity with ORS Chapter 192.

ARTICLE V – PROCEDURES

Section 1. Standing or Special Committees: The chair is authorized to refer items to standing or special committees for recommendation and report. Appointments to such committees need not be restricted to board members of FDURA.

Section 2. Authorization of Expenditures: Authorization and approval of the expenditures of money may be made only at a regular meeting or at a special meeting called for that purpose. Provided, that no authorization or approval of expenditures of money may be made at a special meeting unless all board members of FDURA have been advised in advance of said meeting that such authorizing action is intended to be taken or considered.

ARTICLE VI – FINANCIAL

Section 1. Separate Fund: A separate fund or funds of the City of Florence shall be established for FDURA. All disbursements from these funds shall follow the regular disbursement procedures of the City of Florence.

Section 2. Budget: Budget procedures shall be in compliance with state budget laws. The committee which reviews the budget of FDURA shall consist of the board members of FDURA.

Section 3. Audit: An annual audit of the fund or funds of FDURA shall be performed by the auditor of the City of Florence using the same procedures as are used for all other funds of the City and in accordance with state audit laws.

ARTICLE VII – AMENDMENTS

Amendments to By-Laws: The by-laws of FDURA shall be amended only with the approval of a majority of all members of FDURA at a regular or special meeting, but no such amendment shall be adopted unless at least ten (7) days notice thereof has been previously given to all of the board members.

END OF BY LAWS

City Ordinance No. 1, Series 2019

Amending FCC Title 2,
Chapter, Section 5 for FURA
Board Appointments

**CITY OF FLORENCE
ORDINANCE NO. 1, SERIES 2019**

**An Ordinance amending Florence City Code Title 2, Chapter 5, Section 5
regarding the appointment method for Urban Renewal Agency Board of Director
positions.**

RECITALS:

1. The City Council activated the Urban Renewal Agency of the City of Florence in 2006 via enactment of Ordinance No. 4, Series 2006, which is codified into the Florence City Code at Chapter 2-5-5.
2. The City Council established a separate governing Board to provide policy direction for the Urban Renewal Agency, as allowed by ORS 457.045.
3. Although the Council established the Urban Renewal Agency Board, the Council did not clearly establish the appointment process for members of the Board. Historically, for the appointment of Urban Renewal Agency Board Members the City has followed procedures established for City committees and commissions in FCC Chapter 2-1.
4. The Council wishes to correct the lack of clarity in the appointment process and affirm the historical practice of using the appointment process in FCC Chapter 2-1.

Based on these findings,

THE CITY OF FLORENCE ORDAINS AS FOLLOWS:

1. The Florence City Code Chapter 5 of Title 2 is amended as shown in Exhibit A.
2. This Ordinance shall become effective 30 days after adoption.
3. The City Recorder is authorized to administratively correct any reference errors contained herein or in other provisions of the Florence City Code to the provisions added, amended, or repealed herein.

ADOPTION:

First Reading on the _____ day of _____, 2019.

Second Reading on the _____ day of _____, 2019.

This Ordinance is passed and adopted on the _____ day of _____, 2019.

AYES
NAYS
ABSTAIN
ABSENT

Councilors

Joe Henry, Mayor

Attest:

Kelli Weese, City Recorder

Exhibit A
ORDINANCE NO. 1, SERIES 2019

Additions are shown in double underline and deletions are shown as strike-out.
[Change Directions are shown in Bold within Brackets]

TITLE 2
CHAPTER 5

**URBAN RENEWAL AGENCY
OF THE CITY OF FLORENCE**

[Amend FCC 2-5-5 as follows]

2-5-5: BOARD OF DIRECTORS: The Board of Directors shall be made up of nine members who shall be appointed, using the appointment process set out in FCC 2-1-4, based upon their positions as follows:

- A. One shall be the Mayor of Florence.
- B. Two shall be City Councilors of the City of Florence.
- C. One shall be nominated by the Lane County Board of Commissioners.
- D. ~~Six~~ Five shall be citizens at large. Special consideration shall be given to the potential appointment of elected members of the governing bodies of the Western Lane Ambulance District, the Port of Siuslaw, Siuslaw Valley Fire and Rescue, and/or the Siuslaw Library District.

Florence Downtown Preservation and Renewal Plan

**FLORENCE
DOWNTOWN
PRESERVATION AND
RENEWAL PLAN**

**Agency Approved
July 24, 2006**

**Florence Council Adopted
August 21, 2006**

**Section 500 Amended on March 9, 2011 per Resolution No. 1
Series 2011.**

Exhibit A

FLORENCE DOWNTOWN URBAN RENEWAL PLAN

ACKNOWLEDGEMENTS

Members of the Advisory Committee

Co-Chair	Frank	Casazza
Co-Chair	Joshua	Greene
Secretary	Pam	Hickson
Committee Member	Arnold	Buchman
Committee Member	Ron	Hogeland
Committee Member	Duane	Marble
Committee Member	David	Stoutenburg
Committee Member	Audrey	Thieme
Committee Member	Marteen	Wick
Committee Member	Lynnette	Wikstrom

Staff Assistance

City Mgr	Rodger	Bennett
Pub. Info	Jacque	Morgan
City Staff	Barbara	Miller
City Staff	Wendy	Farley
City Staff	Denice	Ambrosio

City Council Representative

City Councilman Dave Braley

Urban Renewal Consultants

Charles Kupper, Spencer & Kupper

FLORENCE URBAN RENEWAL PLAN

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100. INTRODUCTION

Renewal Plan Background

The City of Florence has invested considerable time and money in study efforts on downtown and Old Town Florence. Among the studies are a 1998 Downtown Plan, a 1999 Implementation Plan, and a Downtown Plan Update Report. The missing catalyst for implementing the recommendations in these reports was a reliable source for financing their recommendations.

On March 23, 2005, Florence City Council appointed a Downtown Urban Renewal Advisory Committee (DURAC), and gave it these charges:

- Find a funding method to complete the Council Approved Downtown Plan
- Evaluate the feasibility of establishing a Downtown Urban Renewal District
- Provide advice on any matter relating to updating and/or implementing the Downtown Plan

Over the next several months the Committee developed a Vision Statement and a list of objectives for the Downtown Area, and gathered information on the workings of Urban Renewal and tax increment financing. The Committee's work included visits to several cities with renewal programs to discuss their experience, and get their advice on urban renewal. Based on its work, the Committee made a recommendation that the City develop an urban renewal plan for the Downtown Plan area. The City of Florence hired an urban renewal consultant, and the Urban Renewal Advisory Committee started work on an urban renewal plan in January, 2006.

The Florence Downtown Preservation and Renewal Plan consists of Part One – Text and Part Two – Exhibits.

The City Council of Florence appoints members of the Urban Renewal Agency of Florence, Oregon.

This Plan has been prepared pursuant to Oregon Revised Statute (ORS) Chapter 457, the Oregon Constitution, and all applicable laws and ordinances of the State of Oregon and Florence respectively. All such applicable laws and ordinances are made a part of this Plan, whether expressly referred to in the text or not.

This Florence Downtown Preservation and Renewal Plan for the Florence Urban Renewal Area was approved by the Florence City Council on Date, 2006 by Ordinance No. 7, Series 2006.

200. CITIZEN PARTICIPATION

This Plan was formulated with the assistance and participation of the Downtown Urban Renewal Advisory Committee (DURAC) appointed by the Florence City Council. The Advisory Committee initiated its first round of meetings to discuss urban renewal beginning April 1, 2005. In that initial phase, DURAC thoroughly familiarized itself with urban renewal issues, and visited several communities to discuss their renewal programs. Following the hire of an urban renewal consultant, DURAC began a second round of meetings to discuss and provide input on each element of the urban renewal plan. DURAC met almost weekly from February, 2006, provided information to and met with affected taxing bodies, held a briefing workshop for City Council on September 12, 2005 and held a public workshop on the plan on August 1, 2006.

The Florence Planning Commission met to review the Plan on August 8, 2006. The Florence City Council scheduled a public hearing on adoption of this Plan on August 14, 2006. Additional notice for the Council hearing on adoption of the Plan was provided, as required by ORS 457.120.

300. BOUNDARY DESCRIPTION

A map of the boundary of the Florence Urban Renewal Area is shown in Exhibit 1, attached to this Plan. A legal description of the project boundary is included as Attachment "A" of this Plan. If inconsistencies exist between Exhibit 1 and Attachment A, Attachment A governs.

400. RELATIONSHIP TO LOCAL OBJECTIVES

A. OVERALL VISION AND OBJECTIVES OF DURAC

The Vision and Objectives adopted by the Downtown Urban Renewal Advisory Committee (DURAC) are consistent with those contained in the Florence Downtown Plan and those contained in the Florence Comprehensive Plan Goals and Objectives. More specifically, DURAC's Vision and Objectives are as follows:

Vision:

To preserve and revitalize the Downtown Area as the primary cultural, tourist, commercial and community core to serve all of Florence's citizens and visitors by encouraging continuing growth, development and enhancement consistent with Florence's small-town ambiance and character.

Objectives:

- To develop a unified Downtown Area consisting of the neighborhoods and commercial districts on both sides of Highway 101, generally south of Highway 126 and 9th Street, east of Kingwood Ave. and inland from the Siuslaw River Bridge and the Siuslaw River estuary.
- To facilitate public/private partnerships to revitalize deteriorating sections of the Downtown Area and adjoining waterfront.
- To enhance the Downtown Area through the promotion of mixed-use development, pedestrian and bicycle accessibility, provision of useful public space, and attractive site and architectural design to create a special place that enables citizens to live, work, shop and recreate all within easy walking distance.
- To achieve a balanced transportation/land use solution for Highway 101 that maintains its historic function as both the coast's primary transportation route and as the center of Florence's Downtown, and ensuring that the transportation objectives of the Transportation System Plan (TSP), the Oregon Highway Plan, and ODOT's adopted plans for Highways 101 and 126 are consistent with the Downtown Plan.
- To develop safe, convenient and attractive public parking areas to accommodate residents and visitors that connects with a system of walking, biking and driving options throughout the Downtown Area.
- To improve access to, and visibility of, Old Town and the waterfront from Highway 101.
- To re-establish a mixed use, retail core along Highway 101 in the Downtown Area featuring streetscapes and buildings that support the 'mainstreet' character and reflect a unified retail theme with coordinated architectural and voluntary merchandising guidelines.
- To restore, revitalize and preserve waterfront spaces for public access and water dependent recreational, commercial and industrial uses, which directly benefit the economy of the Florence area.

B. FLORENCE DOWNTOWN PLAN, 1999 GOALS AND OBJECTIVES

The following describes the Goal and Objectives contained in the Florence Downtown Implementation Plan adopted by Florence's City Council on September 20, 1999 as Resolution No. 29:

Goal:

To revitalize the downtown area as the primary cultural, tourist, commercial and community core to serve all of Florence's citizens and visitors.

Objectives:

1. To develop a unified downtown consisting of the neighborhoods and commercial districts on both sides of Highway 101, south of Highway 126 and 9th Street, east of Kingwood Avenue, and west of the Port property along the Siuslaw River estuary.
2. To revitalize deteriorating sections of the downtown area.
3. To enhance the downtown area through the promotion of mixed-use development, pedestrian and bicycle accessibility, provision of useful public space, and attractive site and architectural design to create one of Florence's special places.
4. To provide safe, convenient and attractive choices for people to walk, bike and drive throughout the downtown. Such connections should tie together downtown attractions such as the Florence Events Center, Old Town, the Boardwalk, the Downtown Green, the Post Office, parks, lodging establishments and retail businesses.
5. To facilitate public/private partnerships to carry out the plan.
6. To achieve a balanced transportation/land use solution for Highway 101 that maintains its historic function as both the Coast's primary transportation route, and as the center of Florence's downtown.
7. To develop safe, convenient and attractive public parking areas to accommodate visitors and residents accessing the downtown from Highway 101 and adjacent neighborhoods.
8. To ensure that the transportation objectives of the downtown plan are consistent with the Transportation System Plan (TSP), the Oregon Highway Plan, and ODOT's adopted plans for Highway 101 and Highway 126.
9. To identify suggested transportation improvements needed to facilitate redevelopment of the downtown area consistent with land use and retail market strategies.
10. To encourage mixed-use development that enables citizens to live, work, shop, and recreate all within easy walking distance with the downtown area.
11. To improve access to and visibility of Old Town from Highway 101.

C. FLORENCE COMPREHENSIVE PLAN GOALS AND OBJECTIVES

The Florence Comprehensive Plan (adopted January 14, 2002 by Resolution number 1, Series 2002) contains a long list of Goals and Objectives. Those that are germane to the Florence Urban Renewal Plan are as follows:

Land Use Plan – Florence Downtown (page 38)

The long-term goal is to create a “Mainstreet” character for the area, with streets designed to encourage pedestrian use by: widening sidewalks and providing safer pedestrian crossings, providing for on-street parking, locating building fronts at the back of the sidewalk, providing for parking in the interior of blocks, encouraging two, three and sometimes four-story buildings, encouraging mixed use development with residential units on the upper stories, retaining key public uses in the downtown, providing design guidelines to assist property owners in designing new or redeveloped structures in the historic character of the community and other landscaping appropriate to a Mainstreet character.

Commercial (page 19)

Goal: To utilize appropriately designated land for the development of commercial businesses and establishments in a manner that provides for the needs and desires of the Florence resident, tourist, and regional marketplace while enhancing the attractive nature of this coastal community.

Open Spaces, Scenic & Historical and Natural Resources (page 44)

Goal: To conserve natural resources such as wetlands, riparian areas, groundwater supplies, beaches and dunes, air and water, and wildlife habitat in recognition of their important environmental, social, cultural, historic and economic value to the Florence area and the central Oregon Coast.

Scenic Resources/Visual Quality (page 63)

Goal: To maintain the scenic quality of the community for the benefit of residents and visitors.

Historic Resources (page 66)

Goal: To identify and protect the historic resources within the community.

Economic Development (page 75)

Goal: To embrace a stable, prosperous business environment focused on industry diversity, yielding family incomes to support education, recreation, social and cultural

opportunities, comprehensive health services, affordable housing and public safety while preserving the environment and its natural beauty.

Housing Opportunities (page 81)

Goal: To provide the opportunities and conditions to meet housing needs within the City of Florence and the Urban Services Area.

Utilities and Facilities (page 83)

Goal: To provide cost effective collection and treatment of wastewater consistent with projected population growth and development needs.

Water System Supplies And Needs (page 85)

Goal: To provide an adequate supply of potable water for domestic, business, and industrial needs, as well as sufficient water for fire protection, all in a cost effective manner.

Stormwater Management (page 87)

Goal: To provide a stormwater system that enhances and maintains livability through balanced, cost effective solutions to stormwater management.

Parks, Recreation And Open Space (page 89)

Goal: To provide a variety of recreational opportunities and to provide open space and protect unique areas of the city.

Telephone Services And Telecommunications (page 95)

Goal: To secure residential and business telecommunications services equivalent to that found at any given time in similar size communities in the I-5 corridor.

Public Safety And Health Related Services (page 98)

Goal: To maintain public safety services at levels necessary to provide quality services to present and future residents and visitors.

Transportation (page 119)

Goal: To create a safe and effective transportation system.

500. PROPOSED LAND USES

A. LAND USE PLAN

The use and development of land in the Florence Urban Renewal Area shall be in accordance with the regulations prescribed in the City’s Comprehensive Plan, Zoning Ordinance, Sign Ordinance, Subdivision Ordinance, and other applicable local, county, state or federal laws regulating the use of property in the Urban Renewal Area.

1.

Florence Urban Renewal Area Zoning Descriptions	
Zoning Classification	Purpose
Restricted Residential RR	The Restricted Residential District is intended to provide a quality environment for low density, urban single-family residential use and other single or multifamily Planned Unit Development as determined to be necessary and/or desirable.
Single Family Residential RS	The Single-Family Residential District is intended to provide a quality environment for medium density, urban, single-family residential uses and other compatible land uses determined to be desirable and/or necessary.
Multi-Family Residential RM	The Multi-Family Residential District is intended to provide a quality environment for high density, urban, single-family residential uses together with other compatible land uses determined to be desirable and/or necessary.
Commercial C	The Commercial District is intended to preserve and enhance areas within which a wide range of retail sales and businesses will occur.
Highway District H	The Highway District includes the area adjacent to Highways 101 and 126. Highway frontage is recognized as an item of major concern that needs individual attention in order to serve the public interest and deal with its special nature and character.
Old Town	The Old Town District is intended to provide an area for pedestrian oriented, mixed land uses. Areas A and B are located near or along the waterfront and comprise the historic old town with generally smaller scale structures than Area C. The Old Town District is also intended to encourage restoration, revitalization and preservation of the District.
Old Town A OTDA	The Old Town Area A is intended as the primary tourist destination, which provides for shopping, entertainment and water-related activities for visitors and residents of Florence.
Old Town OTDB	The Old Town Area B is an area of mixed-use residential intended to provide a transition between the waterfront visitors attractions and the Events center campus, with Quince/2 nd Street as the pedestrian-friendly link between these key areas.
Old Town OTDC	The Old Town Area C is intended for mixed-uses which provide a range of housing and hospitality options around the Events Center that take advantage of the surrounding natural features and view of the river.
Waterfront Marine WF/M	The Waterfront/Marine District applies to areas designated a Water Dependent Site in the Florence Comprehensive Plan. The District is intended to allow a mix of water-dependent, water-related and water-oriented uses along the

	Siuslaw River Estuary. The WF/M zone, while allowing up to 50% of the zone to be used for non-water-dependent or non-water related uses, will continue to be the community's center for water-dependent and water-related activities and will continue to provide access for such uses to the Siuslaw River Estuary in Florence.
Mainstreet MSA, MSB	The Mainstreet District is intended to provide an area for small and medium sized commercial uses that are appropriate in a traditional, historic downtown. It is also intended to encourage revitalization of the downtown area, and to maintain adequate traffic flows on Highway 101, while providing a pedestrian friendly environment. There is a Mainstreet A and Mainstreet B section of the code.

600. OUTLINE OF DEVELOPMENT

The Florence Downtown Preservation and Renewal Plan consists of activities and actions, which treat the causes of blight and deterioration in the Florence Urban Renewal Area. Project activities further are intended to implement the vision and guiding principles in Section 400 of this Plan.

Project activities to treat blighting conditions and to implement community and comprehensive plan goals include:

- Providing infrastructure and utility upgrades to service new development in the Urban Renewal Area.
- Providing incentives to new public and private building investments in the Urban Renewal Area.
- Providing assistance to create and maintain mixed income housing in the Urban Renewal Area.
- Providing incentives for the repair and rehabilitation of deficient structures in the Urban Renewal Area.
- Contributing to funding new parking opportunities in the Urban Renewal Area.
- Contribute to public buildings and facilities in the Urban Renewal Area.
- Contribute to streetscape improvements in the Urban Renewal Area
- Provide funding for public parks and trails in the Urban Renewal Area.

Section 700 provides further description of each urban renewal project to be undertaken within the Florence Urban Renewal Area.

700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

To achieve the objectives of this Downtown Preservation and Renewal Plan, the following activities will be undertaken by the Urban Renewal Agency in accordance with applicable federal, state, and county laws, policies and procedures. The Renewal Agency may fund these activities in full, in part, or it may seek other sources of funding for them. The examples cited are illustrative, not definitive.

A. PUBLIC IMPROVEMENTS

Definition - Public improvements include the construction, repair, or replacement of curbs, sidewalks, streets, parking, parks and open spaces, pedestrian and bicycle amenities, water, sanitary sewer and storm sewer facilities, utilities, and other public facilities necessary to carry out the goals and objectives of this Plan.

1. Public Parks and Open Spaces

The Renewal Agency may participate in funding the design, acquisition, construction or rehabilitation of public spaces, parks or public recreation facilities within the Urban Renewal Area. Projects that may be undertaken include:

- Complete interpretive site with viewing area and signage on northern bank of Siuslaw under arches of the bridge

2. Street, Curb, and Sidewalk Improvements

The Renewal Agency may participate in funding sidewalk and roadway improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of way for curbs, streets, and sidewalks. Street, curb, and sidewalk improvements may include:

- Construct bulb-outs with planters in project area.
- Stripe Highway 101 for parking

3. Public Utilities

The Renewal Agency is authorized to participate in funding improvements to water, storm, and sanitary sewer facilities in the area. Utility improvements that may include:

- Storm water abatement and sewer system upgrades in downtown area

4. Streetscape and Beautification Projects

The Renewal Agency is authorized to participate in activities improving the visual appearance of the project area. These improvements may include:

- Install antique lighting in downtown
- Install benches, waste receptacles, planters, bike racks, trees

5. Pedestrian, Bicycle, and Transit Improvements

The Renewal Agency may participate in funding improvements to public transit facilities, and make improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of-way for pedestrian and bicycle paths and connections. These activities will improve transit options, and facilitate pedestrian and bicycle usage in the Florence Urban Renewal Area. These improvements may include:

- Develop estuary trail from Highway 126 to bridge

6. Public Safety Improvements

The Renewal Agency may participate in funding improvements needed for public safety purposes. Public safety improvements may include:

- Upgrade water delivery system to improve fire safety
- Install Traffic light at 2nd Street and Highway 101
- Install emergency vehicle control of traffic lights

7. Public Buildings and Facilities

The Renewal Agency may participate in development of public facilities in the Renewal Area. The extent of the Renewal Agency's participation in funding such facilities will be based upon a Renewal Agency finding on the proportional benefit of that project to the Florence Urban Renewal Area, and the importance of the project in carrying out Plan objectives. Potential public facilities to be funded may include:

- Install public restrooms in Old Town
- Assist in development of a visitor's center
- Assist in development of a senior center
- Assist in repair or replacement of public fishing dock, wharf and ice facility
- Assist in repair or replacement of Maple Street public boat dock

B. PRESERVATION AND REHABILITATION

This activity will help improve the condition and appearance of buildings in the project area, and encourage infill and reuse in the Florence Urban Renewal Area. The Renewal Agency may participate, through loans, grants, or both, in maintaining and improving exterior and interior conditions of buildings or properties within the Florence Urban Renewal Area. Program terms, conditions, and eligibility requirements will be developed by the renewal agency following adoption of the urban renewal plan. Specific uses or preservation and rehabilitation funds will include:

- Providing financial and technical assistance to bring properties into compliance with the Downtown Plan.

C. DEVELOPMENT AND REDEVELOPMENT

The Renewal Agency also is authorized to provide loans or other forms of financial assistance to parties wishing to develop or redevelop land or buildings within the Florence Urban Renewal Area. This assistance is intended to make development within the renewal area financially feasible and competitive with other locations, and carry out the public and private redevelopment goals of this Plan. The Agency may make this assistance available as it deems necessary to achieve the objectives of this Plan.

Examples of such assistance include, but are not limited to:

- Below market interest rate loans.
- Write down of land acquisition costs.
- Provision of public parking to assist development.
- Assistance in providing utilities and other infrastructure.
- Technical assistance, including architectural assistance, and zoning change work.
- Transfer of assembled sites at fair reuse value.

Projects to be assisted include

- Facilitate development of old middle school property
- Assist rebuilding of commercial wharf
- Provide assistance for development of mixed-income housing
- Provide incentives for development of public parking
- Provide incentives for under grounding of public utilities

D. PROPERTY ACQUISITION AND DISPOSITION

In order to carry out the objectives of this Plan, the Renewal Agency is authorized to acquire land or buildings for public development purposes. The procedures for acquiring and disposing of property are described in Sections 800 of this Plan.

E. PLAN ADMINISTRATION

Tax increment funds may be utilized to pay indebtedness associated with preparation of this Plan, to carry out design plans, miscellaneous land use and public facility studies, engineering, market, and other technical studies as may be needed during the course of the Plan. Project funds also may be used to pay for personnel and other administrative costs incurred in management of the Plan.

800. PROPERTY ACQUISITION AND DISPOSITION PROCEDURES

The Renewal Agency is authorized to acquire property within the Area, if necessary, by any legal means to achieve the objectives of this Plan. Property acquisition, including

limited interest acquisition, is hereby made a part of this Plan and may be used to achieve the objectives of this Plan. However, private property within the Renewal District shall not be taken by eminent domain for the purpose of conveying any ownership or possessory interest in all or part of the property to a private party for economic development by or the commercial benefit of the private party. This restriction will not be overruled except by public referendum, it will not apply to cases where there is a willing seller and this restriction shall not apply to property which, by reason of dilapidated condition, compromised structural integrity, or failed mechanical systems poses an actual identifiable threat of harm to public safety or health. All acquisition of property will require an amendment to the plan as set forth in Section 1100.

A. Acquisition requiring City Council approval.

Acquisitions described in Section 800 A1, and A2 of this plan will require an amendment as set forth in Section 1100B 2. City Council ratification is required for Renewal Agency acquisitions for the following purposes:

1. Acquisition of land for development by the public or private sector.
2. Acquisition for any purpose that requires the use of the Agency's powers of eminent domain.

B. Acquisition not requiring City Council approval.

Land acquisition not requiring City Council ratification requires a minor amendment to this Plan as set forth in Section 1100 C2. The minor amendment to the Renewal Plan may be adopted by the Renewal Agency by Resolution. The Agency may acquire land without Council ratification where the following conditions exist:

1. Where it is determined that the property can be acquired without condemnation and is needed to provide public improvements and facilities as follows:
 - a. Right-of-way acquisition for streets, alleys or pedestrian ways;
 - b. Right of way and easement acquisition for water, sewer, and other utilities
2. Where the owner of real property within the boundaries of the Area wishes to convey title of such property by any means, including by gift.

C. Properties to be acquired

At the time this Plan is prepared, no properties are identified for acquisition. If plan amendments to acquire property are approved, a map exhibit shall be prepared showing the properties to be acquired and the property will be added to the list of properties to be acquired. The list of properties acquired will be shown in this section of the Plan. The map exhibit shall be appropriately numbered and shall be included in Part Two as an official part of this Urban Renewal Plan.

D. Property Disposition Policies and Procedures

The Renewal Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property which has been acquired, in accordance with the provisions of this Plan.

All real property acquired by the Renewal Agency for redevelopment in the Florence Urban Renewal Area shall be disposed of for development for the uses permitted in the Plan at its fair re-use value. All persons and entities obtaining property from the Renewal Agency shall use the property for the purposes designated in this Plan, and shall commence and complete development of the property within a period of time which the Renewal Agency fixes as reasonable, and shall comply with other conditions which the Renewal Agency deems necessary to carry out the purposes of this Plan.

To provide adequate safeguards to insure that the provisions of this Plan will be carried out to prevent the recurrence of blight, all real property disposed of by the Renewal Agency, as well as all other real property the development of which is assisted financially by the Renewal Agency, shall be made subject to this Plan. Leases, deeds, contracts, agreements, and declarations of restrictions by the Renewal Agency may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Plan.

900. REDEVELOPERS' OBLIGATIONS

Redevelopers within the Florence Urban Renewal Area will be subject to controls and obligations imposed by the provisions of this Plan. Redevelopers also will be obligated by the following requirements:

1. The Redeveloper shall develop or redevelop property in accordance with the land-use provisions and other requirements specified in this Plan.
2. The Renewal Agency may require the redeveloper to execute a development agreement acceptable to the Renewal Agency as a condition of any form of assistance by the Renewal Agency. The Redeveloper shall

accept all conditions and agreements as may be required by the Renewal Agency.

3. The Redeveloper shall submit all plans and specifications for construction of improvements on the land to the Renewal Agency or its designated agent, for review and approval prior to distribution to reviewing bodies as required by the City.
4. The Redeveloper shall commence and complete the development of such property for the use provided in this Plan within a reasonable period of time as determined by the Renewal Agency.
5. The Redeveloper shall not execute any instrument whereby the sale, lease, or occupancy of the real property, or any part thereof, is restricted upon the basis of age, race, color, religion, sex, marital status, or national origin.

1000. RELOCATION

The Renewal Agency will provide relocation assistance to all persons or businesses displaced by project activities. Those displaced will be given assistance in finding replacement facilities. All persons or businesses, which may be displaced, will be contacted to determine such relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made, in accordance with the requirements of ORS 281.045-281.105 and any other applicable laws or regulations.

Relocation payments will be made as provided in ORS 281.060. Payments made to persons displaced from dwellings will assure that they will have available to them decent, safe, and sanitary dwellings at costs or rents within their financial reach. Payment for moving expenses will be made to residences and businesses displaced. The Renewal Agency may contract with Oregon Department of Transportation (ODOT), or other appropriate agencies or parties for assistance in administering its relocation program.

1100. PLAN AMENDMENTS

It is anticipated that this Plan will be reviewed periodically. The Plan may be changed, modified, or amended as future conditions warrant. Types of Plan amendments are:

A. Substantial Amendments

Substantial Amendments are limited to amendments:

- Adding land to the Urban Renewal Area that is in excess of one percent of the existing area of the Plan.
- Increasing the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments shall require the same notice, hearing and approval procedure required of the original Plan, including public involvement, consultation with taxing districts, presentation to the Planning Commission and adoption by the City Council by non-emergency ordinance after a hearing notice of which is provided to individual households as prescribed in ORS 457.

B. Other Amendments Requiring Approval by Ordinance of City Council

The following types of amendments will require adoption by a non-emergency Ordinance of the City Council, and require consultation with taxing districts, and presentation to the Planning Commission, but will not require the special notice prescribed in ORS 457.120.

1. The addition of improvements or activities which represent a substantial change in the purpose and objectives of this Plan, and which cost more than \$500,000. The \$500,000 amount will be adjusted annually from the year 2006 according to the "Engineering News Record" construction cost index for the Northwest area.
2. Acquisition of property for purposes specified in Section 800A1 and 800A2 of this Plan.

C. Minor Amendments..

Minor amendments may be approved by the Renewal Agency Board in resolution form. Such amendments are defined as:

1. Amendments to clarify language, add graphic exhibits, make minor modifications in the scope or location of improvements authorized by this Plan, or other such modifications which do not change the basic planning or engineering principles of the Plan.
2. Acquisition of property for purposes specified in Section 800B1 and B2 of this Plan.
3. Addition of a project substantially different from those identified in Sections 700 of the Plan or substantial modification of a project identified in Section 700 if the addition or modification of the project costs less than \$500,000 in 2006 dollars.
4. Increases in the Florence Urban Renewal Area boundary that are less than one percent of the existing area of the Plan.

From time to time during the implementation of this Plan, the Planning Commission and the City Council may officially approve amendments or modifications to the City's

Comprehensive Plan and implementing ordinances. Furthermore, the City Council may from time to time amend or approve new codes, regulation or ordinances, which affect the implementation of this Plan. When such amendments, modifications, or approvals have been officially enacted by the City Council, such amendments, modifications or approvals which affect the provisions of the Plan shall, by reference, become a part of this Plan.

1200. MAXIMUM INDEBTEDNESS

The maximum indebtedness authorized under this Plan is twenty-two million, five hundred and forty-five thousand dollars (\$22,545,000). This amount is the principal of indebtedness, and does not include interest or indebtedness incurred to refund existing indebtedness.

1300. FINANCING METHODS

A. GENERAL

The Renewal Agency may borrow money and accept advances, loans, grants and other forms of financial assistance from the federal government, the state, city, county or other public body, or from any sources, public or private for the purposes of undertaking and carrying out this Plan. In addition, the Renewal Agency may borrow money from, or lend money to a public entity in conjunction with a joint undertaking of a project authorized by this Plan. If such funds are loaned, the Renewal Agency may promulgate rules and procedures for the methods and conditions of payment of such loans. The funds obtained by the Renewal Agency shall be used to pay or repay any costs, expenses, advances and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457.

The Renewal Agency shall comply with ORS 457.460 regarding financial reporting. The Renewal Agency shall comply with all Oregon state laws governing budget formation and reporting for public agencies. The Renewal Agency shall produce independently audited financial statements on an annual basis.

B. TAX INCREMENT FINANCING

This Plan will be financed in whole, or in part, by tax increment revenues. The ad valorem taxes levied by all taxing districts in which all or a portion of the Florence Urban Renewal Area is located shall be divided as provided in Section 1C, Article IX of the Oregon Constitution and ORS 457.420 to 457.460.

C. PRIOR INDEBTEDNESS

Any indebtedness permitted by law and incurred by the Renewal Agency or the County

in connection with preplanning for this Plan shall be repaid from tax increment proceeds generated pursuant to this section.

1400. DEFINITIONS

The following definitions will govern the construction of this Plan unless the context otherwise requires:

“Agency”, “Renewal Agency” or “Urban Renewal Agency” means the Urban Renewal Agency for Florence.

"Area" means the area included within the boundaries of the Florence Urban Renewal Area.

"Bonded Indebtedness" means any formally executed written agreement representing a promise by a unit of government to pay to another a specified sum of money, at a specified date or dates at least one year in the future.

“City” means the city of Florence, Oregon.

"County" means Lane County, Oregon.

"Comprehensive Plan" means the City’s Comprehensive Land Use Plan and its implementing Ordinances, policies and development standards.

“Development Agency” and “Urban Renewal Agency” means the Urban Renewal Agency of Florence, Oregon.

"Displaced" person or business means any person or business required to relocate as a result of action by the Urban Renewal Agency to vacate a property for public use or purpose.

"Disposition and Development Agreement" means an agreement between the Urban Renewal Agency and a private developer which sets forth the terms and conditions under which will govern the disposition of land to a private developer.

“DURAC” means the Downtown Urban Renewal Advisory Committee of Florence, Oregon.

"Exhibit" means an attachment, either narrative or map, to the Urban Renewal Plan for the Overland Park Urban Renewal Area, Part Two - Exhibits.

“Mixed Use” means a development site, or a single building containing multiple uses. For example, a common type of mixed-use development is one that includes residential and retail uses, with related parking. Other combinations of uses are possible.

"ORS" means Oregon Revised Statute (State Law) and specifically Chapter 457 thereof.

“Plan” or “Renewal Plan" means the Florence Downtown Preservation and Renewal Plan for the Florence Urban Renewal Area, Parts One and Two.

"Planning Commission" means the Planning Commission of Florence, Oregon.

"Project, Activity or Project Activity" means any undertaking or activity within the Renewal Area, such as a public improvement, street project or other activity which is authorized and for which implementing provisions are set forth in the Renewal Plan.

"Report" refers to the report accompanying the Urban Renewal Plan, as provided in ORS 457.085 (3).

"Redeveloper" means any person, individual or group acquiring property from the Renewal Agency or receiving financial assistance for the physical improvement of privately or publicly held structures and land.

"Rehabilitation Loans and Grants" – Funds provided by the Renewal Agency to owners of existing properties within the urban renewal area for the purpose of rehabilitation, renovation, repair, or historic preservation of the property. Loan and grant policies and procedures will be developed by the Urban Renewal Agency, to carry out the Rehabilitation and Conservation activities of this Plan.

"Redevelopment Assistance" – Financial assistance provided by the Renewal Agency to private or public developers of property within the urban renewal area. This assistance is intended to make development within the renewal area financially feasible and competitive with other locations, and carry out the redevelopment through new construction activities of this Plan. Redevelopment Assistance may take the form of participation in financing public improvements such as parking, infrastructure, landscaping, and public places, providing technical information and assistance to potential redevelopers, re-sale of land at reduced prices, and such other assistance as the Agency determines is within its authority, and necessary.

"State" means the State of Oregon.

"Text" means the Florence Downtown Preservation and Renewal Plan for the Florence Urban Renewal Area, Part One - Text.

"Urban Renewal Area", "Florence Urban Renewal Area", or "Revitalization Area" means the geographic area for which this Renewal Plan has been approved. The boundary of the Renewal Area is described in Exhibits made a part of this plan.

Florence Downtown Preservation and Renewal Plan

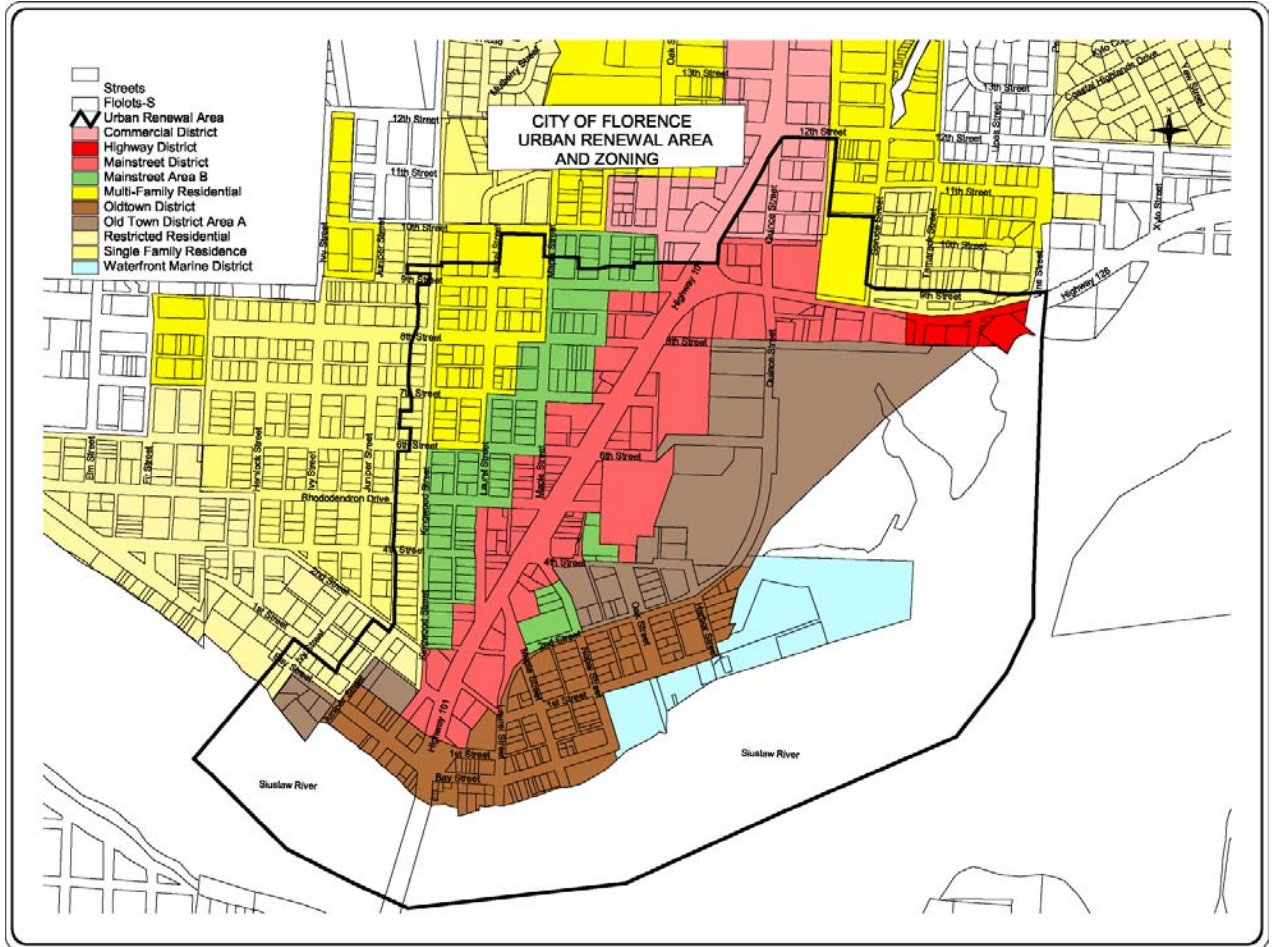
Florence, Oregon

Part Two-Exhibits

EXHIBITS

Exhibit 1 Map of Plan Boundary

EXHIBIT 1 – BOUNDARY MAP OF RENEWAL AREA



ATTACHMENTS

Attachment A Boundary Description

Attachment A - Boundary Description

Beginning at the point of intersection of the center of the Siuslaw River and the Southwesterly projection of the Western line of Lot 9 Block 7 as shown on the Amended Plat of Cox's Part of the City of Florence, Book 2, Page 3, Lane County Oregon Plat Records. Thence Northeast along said line, along the Western line of said Lot 9, as said line projects across Bay Street (formerly Main Street) to the Northern Right of Way line of said Bay Street, said point being the Southwest corner of Lot 9, Block 6 of said Plat. Thence Northeast along the Western line of said Lot 9 to the Southern Right of Way line of First Street.

Thence Northeast across First Street to a point in the Northern Right of Way line of First Street, said point being four feet Easterly of the Southwest corner of Lot 10 Block 12 of the Plat of Florence, Volume T, Page 181, Lane County Oregon Deed Records. Thence Southeast along said Right of Way line to a point four feet Easterly of the Southwest corner of Lot 9, Block 11 of said Plat. Thence Northeast to a point lying four feet Easterly of the Northwest corner of said Lot 9. Thence Northeast along projection of said line, across the Platted alley, to the Northern line of said alley. Thence Northwest along said Northern Line to the Southwest corner of Lot 2, Block 11 of said Plat. Thence along Western line of said Lot 2 to the Southern Right of Way line of Second Street. Thence Southeast along said Right of Way line to the Western Right of Way line of Juniper Street (formerly Madison Street).

Thence going Northeast, across Second Street to the Southwest corner, of Lot 42, Block 6, Amended Plat of Miller's Addition to the Town of Florence, Volume 25, Page 185, Lane County Oregon Deed Records, said corner lying in the Eastern line of the Platted alley. Thence North along the Eastern line of said alley to the Southern Right of Way line of Sixth Street. Thence East along said Right of Way, 52 feet to a point.

Thence leaving said Right of Way line going Northerly to a point in the Northern Right of Way line of Sixth Street, said point being 68 feet East of the Eastern Line of alley shown in Block 44 of the Amended Plat of the Chicago Addition to Florence, Volume 25, Page 552 and 553, Lane County Oregon Deed Records. Thence North to the Northern Line of Lot 8 of said Plat, said point being 68 feet East of the Eastern line of the alley shown on said Plat. Thence West 68 feet to the Eastern line of said alley. Thence along the Eastern line of said alley to the Northern line of Lot 4, Block 44 of said Plat. Thence East along the North line of Lot 4 for 68 feet. Thence North to the Southern Right of Way line of Seventh Street, said point being 68 feet East of the Eastern line of aforesaid alley. Thence Northwest to the Southwest corner of Lot 18, Block 37 of said Plat, in the Northern Right of Way line of Seventh Street. Thence North along the Western lines of Lots 18 and 3, through the Platted alley, to the Southern Right of Way line of Eighth Street (formerly Pacific Avenue). Thence Northeast to a line that is 10 feet West of the West line of Lot 20, Block 28 of said Plat. Thence North along a line 10 feet West of said Lot 20, through the Platted alley of Block 28 of said Plat, to a point in the North line of said alley. Thence West along said Northern line to the Southwest corner of Lot 2,

Block 28 of said Plat. Thence North along the West Line of said Lot 2 to the Southern Right of Way line of Ninth Street. Thence East along said Southern Right of Way line to the Western Right of Way of Kingwood Street (formerly Gargnier Avenue). Thence North along said Western Right of Way line to the Northern Right of Way line of Ninth Street. Thence West along said Northern Right of Way line to the Eastern line of the alley of Block 21 of said Plat. Thence North along said Eastern line of said alley to the Northwest corner of Lot 9, Block 21 of said Plat. Thence East along said North Line, across Kingwood Street to the Eastern Right of Way line of Kingwood Street. Thence North along said Eastern Right of Way line to the North line of Lot 13, Block 20 of said Plat. Thence along the Northern lines of Lots 13 and 8, through the Platted alley and through the Right of Way of Laurel Street (formerly Adams Street), to the Northwest corner of Lot 13, Block 19 of said Plat and said point lying in the Eastern Right of Way line of Laurel Street. Thence North along the Eastern Right of Way line of Laurel Street to the Southern Right of Way line of Tenth Street. Thence East along said Right of Way line to the Western Right of Way line of Maple Street (formerly Hamlin Street). Thence South along said Right of Way line to Southeast corner of Lot 5, Block 19 of said Plat. Thence East across Maple Street to the Northwest corner of Lot 15, Block 18 of said Plat, said corner lying in the Eastern Right of Way line of Maple Street. Thence East along the North line of said Lot 15, projecting said line through the Platted alley to the Eastern line of said alley. Thence South along the Eastern line of said alley to a point six and one half feet North of the Southwest corner of Lot 8, Block 18 of said Plat. Thence East to a point in the Western Right of Way of Nopal Street (formerly Seward Street) and lying six and one half feet North of the Southeast corner of Lot 8, Block 18 of said Plat. Thence Northeast to the Southwest corner of Lot 14, Block 17 of said plat. Thence East along the Southern line of Lot 14, projecting Easterly through the Platted alley to the Eastern line of said alley and being the Southwest corner of Lot 7, Block 17 of said Plat. Thence North along said Eastern line of said alley to the Southwest corner of Lot 6, Block 17 of said plat. Thence East along the South line of said Lot 6 to the Western Right of Way of Oak Street (formerly Howard Street).

Thence Easterly across Oak Street to the center of the twenty foot alley (now abandoned) of Block 45 as shown on Plat of Gallagher's Part of the City of Florence, Book 30, Pages 12 and 13, Lane County Oregon Deed Records. Thence along the center of said alley , crossing the Oregon Coast Highway (US 101) and the former Frasier Street, to a point of intersection of the centerline of a now abandoned alley of Block 46 of said Plat and the existing Eastern Right of Way line of said Oregon Coast Highway. Thence Northward along said Eastern Right of Way line to the Northwest corner of Lot 10, Block 39 of said Plat, said corner lying in the Southern Right of Way line of Twelfth Street. Thence Easterly along said Southern Right of Way line to the Eastern Right of Way line of Redwood Street (formerly Berry Street). Thence South along said Eastern Right of Way line to the Southern line of the Platted alley of Block 41 of said Plat. Thence East along said South line to the Western Right of Way line of Spruce Street (formerly Mabel Street). Thence South along said Right of Way line to the Southeast corner of Lot 20, Block 48 of said Plat. Thence Easterly across Spruce Street to the Southwest corner of Lot 11, Block 55 of said Plat, said corner lying in the Northern Right of Way line of Ninth Street. Thence Easterly along said Northern Right of Way line to a point of

intersection of the Northern Right of Way line of Ninth Street and the Northern Right of Way line of Highway 126. Thence along the Northern Right of Way line of Highway 126 to a point of intersection of the Northern Right of Way line of Highway 126 and the Eastern Right of Way line of Vine Street (formerly Cherry Street). Thence South along the Eastern Right of Way line of Vine Street, and it's Southerly projection, to the center of the Siuslaw River. Thence Westerly along the center of the Siuslaw River to the point of beginning.

Report on the Florence Downtown Preservation and Renewal Plan

CITY OF FLORENCE

REPORT ON THE FLORENCE DOWNTOWN PRESERVATION AND RENEWAL PLAN

**Agency Approved
July 24, 2006**

**Florence Council Adopted
August 21, 2006**

Exhibit B

**REPORT ON THE
CITY OF FLORENCE DOWNTOWN PRESERVATION AND RENEWAL PLAN**

ACKNOWLEDGEMENTS

Members of the Advisory Committee

Co-Chair	Frank	Casazza
Co-Chair	Joshua	Greene
Secretary	Pam	Hickson
Committee Member	Arnold	Buchman
Committee Member	Ron	Hogeland
Committee Member	Duane	Marble
Committee Member	David	Stoutenburg
Committee Member	Audrey	Thieme
Committee Member	Marteen	Wick
Committee Member	Lynnette	Wikstrom

Staff Assistance

City Mgr	Rodger	Bennett
Pub. Info	Jacque	Morgan
City Staff	Barbara	Miller
City Staff	Wendy	Farley
City Staff	Denice	Ambrosio

City Council Representative

City Councilman Dave Braley

Urban Renewal Consultant

Charles Kupper, Spencer & Kupper

REPORT ON THE CITY OF FLORENCE DOWNTOWN PRESERVATION AND RENEWAL PLAN

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REPORT ON THE CITY OF FLORENCE DOWNTOWN PRESERVATION AND RENEWAL PLAN

PROJECT BACKGROUND

The City of Florence has invested considerable time and money in study efforts on downtown and Old Town Florence. Among the studies are a 1998 Downtown Plan, a 1999 Implementation Plan, and a Downtown Plan Update Report. The missing catalyst for implementing the recommendations in these reports was a reliable source for financing their recommendations.

On March 23, 2005, Florence City Council appointed a Downtown Urban Renewal Advisory Committee (DURAC), and gave it these charges:

- Find a funding method to complete the Council Approved Downtown Plan
- Evaluate the feasibility of establishing a Downtown Urban Renewal District
- Provide advice on any matter relating to updating and/or implementing the Downtown Plan

Over the next several months the Committee developed a Vision Statement, a list of objectives for the Downtown Area, and gathered information on the workings of Urban Renewal and tax increment financing. The Committee's work included visits to several cities with renewal programs to discuss their experience, and get their advice on urban renewal. Based on its work, the Committee made a recommendation that the City develop an urban renewal plan for the Downtown Plan area. The City of Florence hired an urban renewal consultant, and the Urban Renewal Advisory Committee started work on the urban renewal plan in January, 2006.

The Urban Renewal Plan is formally titled "The Florence Downtown Preservation and Renewal Plan". "Renewal Plan" in this text refers to the "Florence Downtown Preservation and Renewal Plan".

DEFINITION OF BLIGHTING CONDITIONS

ORS 457.010 defines "blight" as follows: (underlining is added for emphasis)

"Blighted areas mean areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

"The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

"Defective design and quality of physical construction;
"Faulty interior arrangement and exterior spacing;
"Overcrowding and a high density of population;
"Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
"Obsolescence, deterioration, dilapidation, mixed character or shifting of uses."

"An economic dislocation, deterioration or disuse of property resulting from faulty planning;

"The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;

"The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;

"The existence of inadequate streets and other rights-of-way, open spaces and utilities;

"The existence of property or lots or other areas which are subject to inundation by water;

"A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;

"A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare; or

"A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere."

Note that it is not necessary for each of the cited conditions to be present in the renewal area, or that these conditions be prevalent in each and every sector of the urban renewal area.

100. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE RENEWAL AREA

100A. PHYSICAL CONDITIONS

1. Land Area and Conformance with 25 % limit on acreage

The Florence Renewal Plan Area is focused on the Old Town area of Florence, and areas immediately adjacent to Highway 101. The Renewal Plan Area contains approximately 337.6 acres. ORS 457.420 provides that the total area of a proposed urban renewal district, when added to the acreage of existing Renewal Areas may not exceed 25% of the City's land area. The City's current acreage is approximately 3327 acres. The total of all acreage in renewal areas represents 10.14 % of the City's acreage. Total renewal area acreage is within the 25% limitation prescribed by ORS 457.420.

2. Existing Land Use and Development

The Florence Renewal Plan Area contains a mixture of residential and commercial land uses. Community-oriented commercial development is concentrated along Highway 101, which runs through the project area. There is a tourism-related commercial area in the Old Town area, adjacent to the Siuslaw River. The acreage by zoning designation of the renewal area is shown in Table 1, below.

Florence Renewal Plan	
Table 1 - Acres, by Zoning Class	
ACRES	DISTRICT
7.98	Single Family Residential
24.23	Main Street "B"
54.94	Main Street
6.6	Commercial
18.35	Multi-Family Residential
17.95	Waterfront/Marine District
3.4	Highway District
30.11	Old Town District
41.54	Old Town District "A"
8.84	Restricted Residential
91.14	Water Area
337.56	TOTAL

3. Conditions – Building conditions

Visual inspection of building exteriors in the area shows the overall level of building conditions and upkeep in residential properties is fair to good. The commercial portions of the renewal area on and adjacent to Highway 101 contain many poorly maintained or under-utilized properties.

There are residential and commercial properties in need of exterior maintenance scattered throughout the area. In most cases, the maintenance and repair needs are minor, but the condition of some of these properties may make it economically infeasible to rehabilitate or repair them.

4. Conditions – Investment and Utilization of land

Property values in Oregon consist of two components – a value for the land, and a value for the improvements, or buildings on that land. Property tax revenues are generated in large part from the improvement value on land in an area. The proposed urban renewal area contains a very large number of properties with no, or very low, improvement values. Assessor’s data shows there are 452 tax lots in the renewal area. Data on real market values shows that of the 452 lots, 76 taxable properties show no improvement value, another 21 show improvement values less than \$10,000, and 9 show improvement values less than \$20,000. Using those dollar values as a measure, nearly 25% of the taxable lots in the area have improvement values less than \$25,000. From the standpoint of Florence taxpayers, a substantial portion of the renewal area is under-performing in its contribution to property taxes and basic services.

Another measure of tax production and contribution to property values is the ratio of improvement values to land values in an area. For example, a property with an improvement value of \$50,000 and a land value of \$50,000 would have an improvement to land ratio of 1 to 1. If the improvement value was \$100,000, the improvement to land ratio would become 2 to 1. Expectations are that property zoned and developed for commercial use will have improvement to land ratios at least 3 to 1. Residential property ratios usually are lower, but well maintained, good quality properties should show a ratio around 2 to 1 or better. Again, using assessors data on real market values, of 452 tax lots in the area, 221 have improvement to land ratios less than 1 to 1. This means that for nearly 50% of the tax lots in the area, the land is worth more than the improvement made to the land. For a developed, older area of city, this is a extremely high percentage of properties with low improvement values. The overall ratio of improvement to land values is 1.26 to 1, again a disappointingly low ratio for a mature area containing a substantial amount of commercial property. The data points to a lack of investment in the renewal area, depreciated values, and a loss of tax producing ability for the Florence community.

5. Conditions – Basic Infrastructure

a. Streets

There is a pocket of the renewal area bounded by Quince, Harbor, and Oak that lacks paved streets, curb, and sidewalk. In general, the condition of streets in the area appears to be good. Traffic circulation between the Old Town portion of the plan area, and areas west of Highway 101 is limited, and is confusing to the casual user. Highway 101 through the renewal area is a four lane roadway. Crossing Highway 101 in the renewal area is difficult, and potentially dangerous to pedestrians and bicyclists.

b. Curbs and Sidewalks

Portions of Kingswood and Laurel Streets in the renewal area lack curb and sidewalk. As noted previously, the area bounded by Quince, Harbor and Oak lacks curb and sidewalk.

c. Water, Sewer, Storm Sewer

There are deficiencies in water, sewer, and storm sewer systems in the renewal area. Deficiencies are shown in Map Exhibits 1, 2, and 3 attached to this Report on the Plan.

6. Conformance with 25% limit on Assessed Values Land and Building values

It is anticipated that the 2005 tax roll will establish the initial base of assessed values for the Florence Renewal Plan Area. The total assessed valuation for the City of Florence for that tax year was \$596,269,914. The total assessed value of property within the Renewal Plan Area for the 2005 tax year is calculated at \$80,924,627. The total assessed value Florence Renewal Plan Area represents 13.58% of the total assessed value of property within the City of Florence. Total assessed value within the renewal area therefore will be within the maximum 25% of total valuation allowed by urban renewal law.

100B. SOCIAL AND ECONOMIC CONDITIONS

No census data is available for the renewal area. Without demographic data available at the Urban Renewal Area level, it is difficult to reliably compare the social and economic conditions of residents within the Urban Renewal Area to conditions within the city as a whole.

200. EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN

Urban renewal plan activities are aimed at making physical improvements to the renewal area, with the intention that these improvements will lead to increased public and private investment in the area. The urban renewal improvements will provide fiscal and service benefits to the City of Florence by undertaking millions of dollars of improvements to utilities, streets, and public facilities that otherwise would need to be built with city general funds, or bond measures. Experience throughout the state has shown that improvements within the renewal area will, over time, produce additional investment in areas immediately adjacent to the renewal area, and will result in additional property tax revenues for the City of Florence, and other taxing bodies.

Carrying out the Renewal Plan is not expected to result directly in significant population growth for the City of Florence. The Plan is not expected to result in a need for additional police, fire, or other emergency services beyond those already contemplated by the City and other service providers. Carrying out the Renewal Plan will require the use of tax increment revenues. Collection of tax increment revenue will have an impact on revenues of taxing bodies in Florence. The tax impacts of the Renewal Plan are discussed in detail in Section 500 D of this report.

The expenditure of tax increment funds is expected to produce new property values for the City of Florence. The renewal project is estimated to be completed by the year 2026-27. During that period, assessed property values in the renewal area are expected to increase by approximately \$286.6 million. At tax rates expected to prevail at the termination of this plan, the new property values anticipated in the renewal area will contribute approximately \$3.02 million in property tax revenues to all taxing bodies in the first year after the project is ended. Of that revenue, approximately \$879,000 will return to the City of Florence. That property tax revenue will grow as a result of annual assessment increases.

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

The Florence Renewal Plan Area was selected based on the existence of blighting conditions within the area, on goals and objectives from the Florence Comprehensive Plan, and on recommendations from the 1999 Florence Downtown Plan. The project area evidences the following characteristics of blight:

- A lack of proper utilization of land planned for tax producing purposes.
- Deficiencies in water, sewer, and storm sewer systems in the project area
- Deficiencies in streets, curb, and sidewalk in the project area.
- Poor building conditions in portions of the project area.
- A prevalence of low values and lack of investment in the project area, resulting in reduced tax receipts.

Treating these conditions is the reason for selecting this renewal area

400. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA

All project activities described in Section 700 of the Plan are intended to correct the deficiencies described in Section 100 of this Report and summarized in Section 300 of this Report.

1. Utilities, curbs and sidewalks will be improved to city standard throughout the renewal area.
2. Assistance for rehabilitation and new development will attract new investment to the area, produce new property tax revenues, encourage better utilization of land, and improve the building conditions and blighted appearance of the area.
3. Streetscape activities will improve the visual appearance of the area, and provide a better climate for new investment in the project area.

500. FINANCIAL ANALYSIS OF PLAN

500A. ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 2 shows the estimated total costs of the Florence Urban Renewal Project. These costs are the anticipated costs of project activities. The costs and project activities are derived from estimates made by DURAC, and City staff.

Florence Renewal Plan	
Table 2- Proposed Urban Renewal Projects	
<u>Project Activity</u>	<u>Funding</u>
Development and Redevelopment	
Complete interpretative site (North)	\$ 300,000
Develop estuary trail (Hwy 126 to Bridge)	\$ 300,000
Financial & tech assist to bring properties into compliance w/ Downtown Plan	\$ 3,500,000
Create financial incentives to provide "workforce housing"	\$ 3,000,000
Incent development of public parking (e.g. Library , etc.)	\$ 4,000,000
Infrastructure	
Facilitate development of old middle school property	\$ 1,500,000
Upgrade water delivery system to enhance fire safety / Improve sewer capacity	\$ 2,500,000
Storm water abatement in downtown area	\$ 500,000
Pedestrian Safety	
Stripe Hwy 101 for parking	\$ 200,000
Construct bulb outs with planters	\$ 800,000
Install a traffic light at 2nd St. and Hwy 101	\$ 400,000
Install emergency vehicle control of traffic lights	\$ 100,000
Sidewalk improvements including accessibility & visibility	\$ 1,000,000
Public Facilities	
Install Old Town restrooms	\$ 400,000
Complete visitor's center / Chamber office	\$ 800,000
Mini-Park Development & Enhancement including Veterans Park	\$ 1,000,000
Facilitate the development of a new senior center	\$ 1,000,000
Preservation and Rehabilitation	
Repair/replace dilapidated public fishing dock	\$ 300,000
Replace dilapidated Maple St. public boat dock	\$ 300,000
Facilitate rebuild of commercial wharf (Mo's, ICM) / Add Ice Machine facility	\$ 800,000
Streetscape Projects	
Complete downtown antique lighting project	\$ 500,000
Install benches, waste receptacles, planters, bike racks, trees	\$ 1,200,000
Underground existing overhead wires	\$ 1,500,000
Project Totals	\$ 25,900,000

The principal method of funding the project share of costs will be through use of tax increment financing as authorized by ORS 457. Revenues are obtained from anticipated urban renewal bond proceeds and the proceeds of short term urban renewal notes.

Updated April 1, 2013 per Urban Renewal Agency direction at March 27, 2013 meeting.

The total cost of project activities and administration, plus the interest on indebtedness to fund the projects is estimated to be \$25,900,000.

The capacity for urban renewal bonds is based on projections of urban renewal revenues. Anticipated annual revenues are shown in Table 3 of this Report. Table 3 anticipates there will be five long-term bond issues during the life of the plan. The term of the bonds are 20, 15, 10, 8, and 5 years. The term of the bond issues will allow all indebtedness to be retired in the year 2027. Bonds will be issued at such intervals as revenues, project requirements, and overall market conditions dictate. The Agency will make use of short-term indebtedness to carry out project activities not covered by issue of long-term debt. In addition, the Renewal Agency will apply for, and make use of funding from other federal, state, local, or private sources as such funds become available.

500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES

The project activities shown in Table 2 will begin in 2007-08. The sequencing and prioritization of the project activities shown in Table 2 will be done by the Urban Renewal Agency, and any citizen advisory bodies that the Agency calls upon to assist in this process. The priority of projects and annual levels of funding will be as established in the annual budget process. Completion dates for individual activities may be affected by changes to local economic and market conditions, changes in the availability of tax increment funds, and changes in priorities for carrying out project activities.

It is estimated that all activities proposed in this plan will be completed, and project indebtedness paid off by 2026-27. At that time, the tax increment provisions of this plan can be ended.

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT

It is estimated that the project will collect tax increment revenue between the years 2007-08 and 2026-27. The amount of tax increment revenue needed to service all project debt and carry out project activities is estimated at \$25.9 million.

It is anticipated that available project revenues, and funds accumulated in a special fund for debt redemption will be sufficient to retire outstanding bonded indebtedness in the year 2027, and terminate the tax increment financing provisions of the project. After all project debt is retired, and the project closed out, it is estimated that there will be surplus tax increment funds. These funds will be distributed to taxing bodies affected by this plan, as provided in ORS 457. Table 3 of this Report shows the anticipated tax increment receipts and project requirements for each year of the project. Table 3 follows on the next page.

**Table 3 - Florence Renewal Plan
Project Resources and Requirements**

a. Resources	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Beginning Balance	\$0	\$3,131	\$1,327	\$31,885	\$45,834	\$32,750	\$52,415	\$47,488	\$78,779	\$52,045
Tax increment Revenue	\$78,131	\$194,696	\$249,558	\$407,949	\$515,916	\$598,665	\$799,073	\$910,291	\$1,027,266	\$1,168,504
Bond Proceeds										
long term	\$0	\$2,500,000	\$0	\$0	\$2,975,000	\$0	\$0	\$0	\$0	\$3,770,000
Short term	\$0	\$2,500	\$25,000	\$200,000	\$50,000	\$100,000	\$325,000	\$400,000	\$575,000	\$175,000
Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Resources	\$78,131	\$2,700,327	\$275,885	\$639,834	\$3,586,750	\$731,415	\$1,176,488	\$1,357,779	\$1,681,045	\$5,165,549
b. Project Requirements										
Debt Service	\$0	\$194,000	\$194,000	\$194,000	\$479,000	\$479,000	\$479,000	\$479,000	\$479,000	\$979,000
To Project Activities & Admin	\$75,000	\$2,502,500	\$25,000	\$200,000	\$3,025,000	\$100,000	\$325,000	\$400,000	\$575,000	\$3,945,000
Ending Balance	\$3,131	\$1,327	\$31,885	\$45,834	\$32,750	\$52,415	\$47,488	\$78,779	\$52,045	\$66,549

**Table 3 (continued)
Project Resources and Requirements**

a. Resources	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Beginning Balance	\$66,549	\$60,854	\$66,564	\$45,586	\$45,146	\$52,796	\$51,436	\$49,323	\$80,089	\$87,758
Tax increment Revenue	\$1,298,305	\$1,434,710	\$1,578,023	\$1,728,560	\$1,886,651	\$2,052,640	\$2,226,887	\$2,409,766	\$2,601,669	\$2,803,003
Bond Proceeds										
long term	\$0	\$0	\$0	\$3,730,000	\$0	\$0	\$2,450,000	\$0	\$0	\$0
Short term	\$325,000	\$450,000	\$620,000	\$150,000	\$300,000	\$475,000	\$50,000	\$200,000	\$1,200,000	\$1,400,000
Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Resources	\$1,689,854	\$1,945,564	\$2,264,586	\$5,654,146	\$2,231,796	\$2,580,436	\$4,778,323	\$2,659,089	\$3,881,758	\$4,290,761
b. Project Requirements										
Debt Service	\$979,000	\$979,000	\$979,000	\$1,579,000	\$1,579,000	\$1,579,000	\$2,179,000	\$2,179,000	\$1,394,000	\$1,394,000
To Project Activities & Admin	\$325,000	\$450,000	\$620,000	\$3,880,000	\$300,000	\$475,000	\$2,500,000	\$200,000	\$1,200,000	\$1,400,000
Ending Balance	\$60,854	\$66,564	\$45,586	\$45,146	\$52,796	\$51,436	\$49,323	\$80,089	\$87,758	\$96,761

500D. IMPACT OF TAX INCREMENT FINANCING

The passage of Ballot Measure changed Oregon's property tax system, and the impacts of urban renewal on taxpayers, and other taxing bodies. Prior to BM50, collection of tax increment revenues for a renewal agency resulted in an increase in the taxpayer's property tax rate. Taxing bodies suffered no revenue losses, unless there was overall compression of property tax revenues.

Under Ballot Measure 50, the taxpayers' permanent rates will not change. However, collection of tax increment revenue will impact the potential property tax revenues received by overlapping tax bodies. These taxing bodies will not be able to apply their permanent BM50 tax rates against the new values added within the urban renewal area. As a result, the taxing bodies will forego revenue they otherwise might have had if there was no renewal plan in effect. The presence of the urban renewal program could slightly impact the tax rates for future local option levies, or exempt bond issues by taxing bodies, for the tax rates for these bonds and levies will be calculated without the incremental values within the urban renewal area.

Table 4 shows the anticipated cumulative incremental values in the Renewal Area over the life of the Plan, and the anticipated property tax revenues foregone as a result of taxing bodies not being able to apply their permanent BM50 tax rates to those values.

Table 4 actually presents a worst case picture of revenue foregone, for it assumes that all the new values in the Florence Renewal Area would occur, even without the investment of urban renewal funds. In fact, however, it is more realistic to assume that the public expenditures on renewal activities will have some effect on the growth of values within the urban renewal area. Table 4 does not make this adjustment.

More important, Table 4 expresses all revenue foregone in 2006 dollars. It therefore does not take into account the fact that a dollar in the future is not as valuable as today's dollar. A present value calculation of the revenues foregone, using just a 3.5 % rate would substantially reduce the revenue foregone total. Evidence of that reduction is shown in the bottom row of Table 4.

Also, during the plan period, overall values in Florence will increase, and those value increases will diminish the tax foregone impact on the budgets of taxing bodies.

Note on Impact on Schools

Under the current method of funding K-12 level education, the urban renewal program will not result in revenue losses for those educational units of government. The level of funding per student is not dependent on the amount of property tax raised locally.

When the project is completed, an estimated \$286.6 million in assessed values will be placed back on the tax roll. In the following year, the permanent rates of the overlapping taxing bodies will generate property tax revenues estimated to at approximately \$3.02 million. Given just a 3% inflation of assessed values in the area, the revenues foregone by the overlapping taxing bodies will be repaid in a period of nine years after the project is completed.

500E. FINANCIAL FEASIBILITY OF PLAN

The total capital cost and interest on indebtedness to carry out the project activities shown in Table 2 are estimated \$25.9 million. The principal source of revenue to carry out project activities will be annual tax increment revenues of the Renewal Agency. Anticipated tax increment revenues are shown in Table 3. The tax increment revenues shown in Table 3 are based on the following assumptions:

- The duration of the renewal plan will be 20 years
- A frozen base assessed value of \$81 million
- The plan would be adopted by August 31 of the calendar year. Adoption in August 2006 is used here, for illustrative purposes only
- The first tax increment revenue receipt is in November 2007
- 2.75% annual growth in existing incremental values in the area,
- PLUS \$174.6 million in “new building” values (assessors’ term is “exception” value) during the renewal plan. (See Note below)
- A \$9.8569 combined tax rate used to calculate tax increment revenue

Note - The \$174.6 million in new building values during the renewal plan are based on assumptions regarding anticipated new development. Table 5 summarizes projects identified by the DURAC which are expected to add new building value to the tax base and are the basis for this calculation. The real market value shown in Table 5 is in 2006 dollars. For estimating the real market value at the estimated time of completion for these properties, a 4% annual increase in property value is assumed. Development in years 2014, 2015, and 2017-2026 does not identify specific projects, but rather assumes \$8 million (in 2006 dollars) in new building value is contributed for each of these years.

Florence Renewal Plan			
Table 5- Potential Development Projects			
Development	Description	2006 Est. Real Mkt. Value**	Est. Completion Yr.
Bridgeport Landing	Condo - Commercial	4.0	2007
Korando	Condo Phase 1	9.0	2008
Korando	Condo Phase 2	6.0	2010
Korando	Condo Phase 3	6.0	2012
Stillwater	Condos & Commercial	3.5	2008
N. Bay	Condos	4.0	2009
Safeway	Remodel & Gas Station	0.8	2007
Hoberg	New bldg 3600 sf	1.2	2008
Middle School	Major Develop- Phase 1	10.0	2010
Middle School	Major Develop- Phase 2	20.0	2013
Middle School	Major Develop- Phase 3	10.0	2016
Peace Harbor	Renovate 4000 sf	0.5	2007
Howey Goldstein	Renovation	0.2	2008
Lumber Yard	Sold - use unknown	2.0	2010
Board Walk	For lease = unknown	10.0	2011
Estimated 2014	Estimated new RMV	8.0	2014
Estimated 2015	Estimated new RMV	8.0	2015
Estimated 2017-2026	\$8MM per year	80.0	2017-2026
Total	In millions	183.2	

** Property taxes in Oregon are based on assessed value, not real market value. The assessor will convert the real market values in Table One to assessed values by applying a reduction factor to the real market value. This factor is called the “change property ratio”. A change property ratio of .6300 was used to estimate the assessed values of the properties in Table 5.

The revenues shown in Table 3 are expected to be sufficient to carry out all project activities currently shown on the Urban Renewal Plan, and to retire project indebtedness within a 20 year period. It is financially feasible to carry out the Renewal Plan for the Florence Urban Renewal Area.

Florence Renewal Plan

Table 4- Taxes Foregone by Affected Taxing Bodies

		<u>County tax rate</u>	<u>City Tax Rate</u>	<u>Library Tax Rate</u>	<u>Port Tax Rate</u>	<u>Amb Dist Rate</u>	<u>LCC</u>	<u>Siuslaw SD</u>	<u>ESD Rate</u>
	Cumulative New	\$1.2773	\$2.8610	\$0.5163	\$0.1474	\$0.3198	\$0.6191	\$3.8928	\$0.2232
	Incremental	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on	foregone on
Year	Values in area	new values	new values	new values	new values	new values	new values	new values	new values
2007	\$7,988,816	\$10,204	\$22,856	\$4,125	\$1,178	\$2,555	\$4,946	\$31,099	\$1,783
2008	\$19,907,580	\$25,428	\$56,956	\$10,278	\$2,934	\$6,366	\$12,325	\$77,496	\$4,443
2009	\$25,517,196	\$32,593	\$73,005	\$13,175	\$3,761	\$8,160	\$15,798	\$99,333	\$5,695
2010	\$41,712,615	\$53,280	\$119,340	\$21,536	\$6,148	\$13,340	\$25,824	\$162,379	\$9,310
2011	\$52,752,125	\$67,380	\$150,924	\$27,236	\$7,776	\$16,870	\$32,659	\$205,353	\$11,774
2012	\$61,213,214	\$78,188	\$175,131	\$31,604	\$9,023	\$19,576	\$37,897	\$238,291	\$13,663
2013	\$81,704,818	\$104,362	\$233,757	\$42,184	\$12,043	\$26,129	\$50,583	\$318,061	\$18,237
2014	\$93,076,788	\$118,887	\$266,293	\$48,056	\$13,720	\$29,766	\$57,624	\$362,329	\$20,775
2015	\$105,037,392	\$134,164	\$300,512	\$54,231	\$15,483	\$33,591	\$65,029	\$408,890	\$23,444
2016	\$119,478,959	\$152,610	\$341,829	\$61,687	\$17,611	\$38,209	\$73,969	\$465,108	\$26,668
2017	\$132,750,979	\$169,563	\$379,801	\$68,539	\$19,567	\$42,454	\$82,186	\$516,773	\$29,630
2018	\$146,698,333	\$187,378	\$419,704	\$75,740	\$21,623	\$46,914	\$90,821	\$571,067	\$32,743
2019	\$161,352,008	\$206,095	\$461,628	\$83,306	\$23,783	\$51,600	\$99,893	\$628,111	\$36,014
2020	\$176,744,337	\$225,756	\$505,666	\$91,253	\$26,052	\$56,523	\$109,422	\$688,030	\$39,449
2021	\$192,909,062	\$246,403	\$551,913	\$99,599	\$28,435	\$61,692	\$119,430	\$750,956	\$43,057
2022	\$209,881,386	\$268,081	\$600,471	\$108,362	\$30,937	\$67,120	\$129,938	\$817,026	\$46,846
2023	\$227,698,043	\$290,839	\$651,444	\$117,560	\$33,563	\$72,818	\$140,968	\$886,383	\$50,822
2024	\$246,397,354	\$314,723	\$704,943	\$127,215	\$36,319	\$78,798	\$152,545	\$959,176	\$54,996
2025	\$266,019,301	\$339,786	\$761,081	\$137,346	\$39,211	\$85,073	\$164,693	\$1,035,560	\$59,376
2026	\$286,605,593	\$366,081	\$819,979	\$147,974	\$42,246	\$91,656	\$177,438	\$1,115,698	\$63,970
	Total	\$3,391,801	\$7,597,231	\$1,371,007	\$391,413	\$849,212	\$1,643,987	\$10,337,120	\$592,696
	PV @3.5%	\$2,113,985	\$4,735,182	\$854,498	\$243,953	\$529,282	\$1,024,636	\$6,442,747	\$369,405

Note: School and ESD revenue foregone is replaced dollar-for-dollar by State funds, and does not affect per student funding.

PV = Present value of the revenue foregone. This adjusts future dollars to 2006 dollar totals.

600. RELOCATION

A. PROPERTIES REQUIRING RELOCATION

No relocation is anticipated at the adoption of this plan.

B. RELOCATION METHODS

If in the implementation of this Plan, persons or businesses should be displaced by action of the Agency, the Agency shall provide assistance to such persons or businesses to be displaced. Such displacees will be contacted to determine their individual relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045 - 281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060.

No relocation of businesses or residents is anticipated in this plan.

C. HOUSING COST ENUMERATION

The Renewal Plan will remove no existing housing units. Several proposed developments during the life of the plan are assumed to include new residential units.. However, the actual price range, quality, number of units, size, unit mix, and other details regarding these developments are not known at this time. The estimated costs of the project shown in Table 2 include a funding allocation for assistance to workforce housing. This assistance should make housing units proposed for the area more affordable.

EXHIBIT 2 – STORMWATER DEFICIENCIES

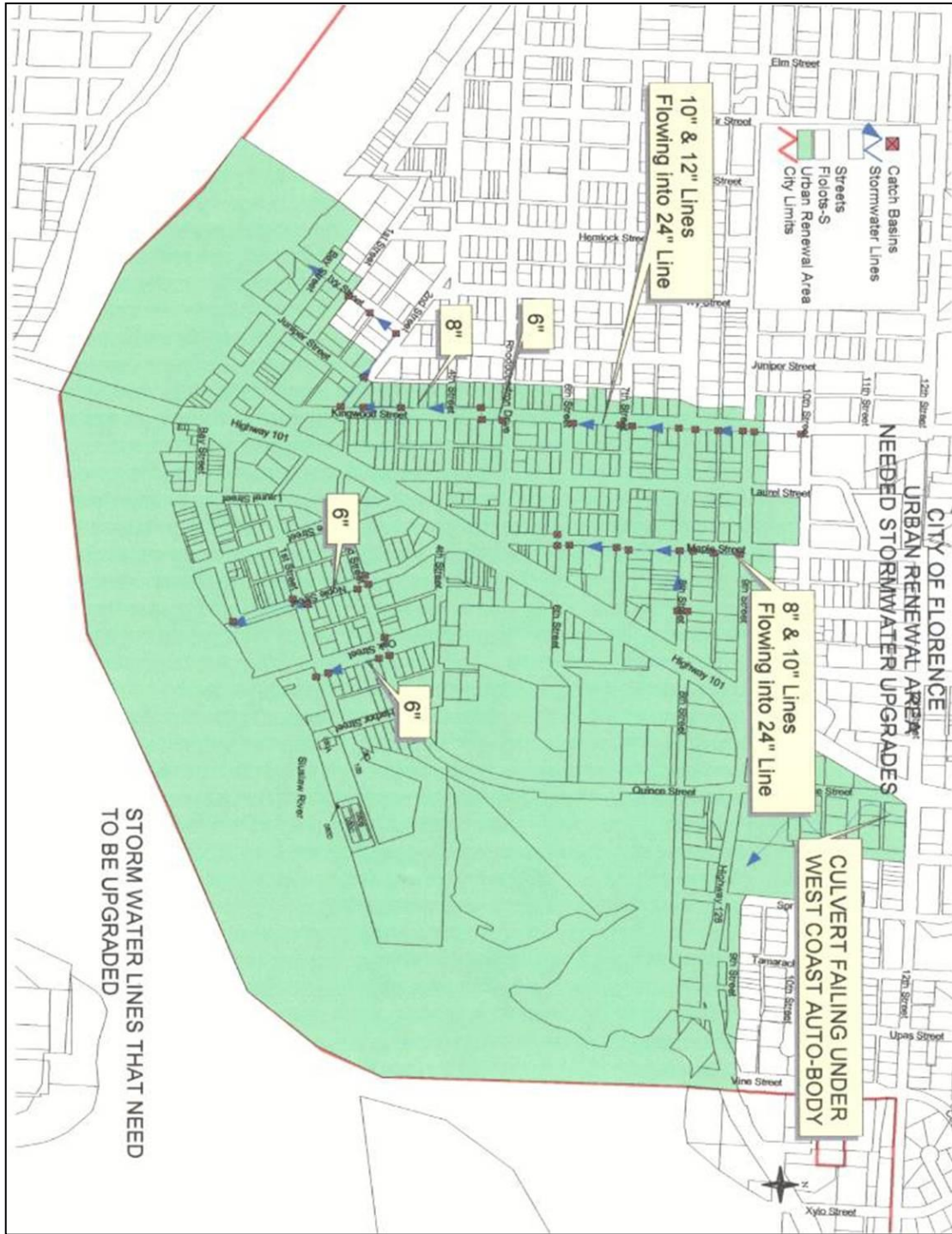
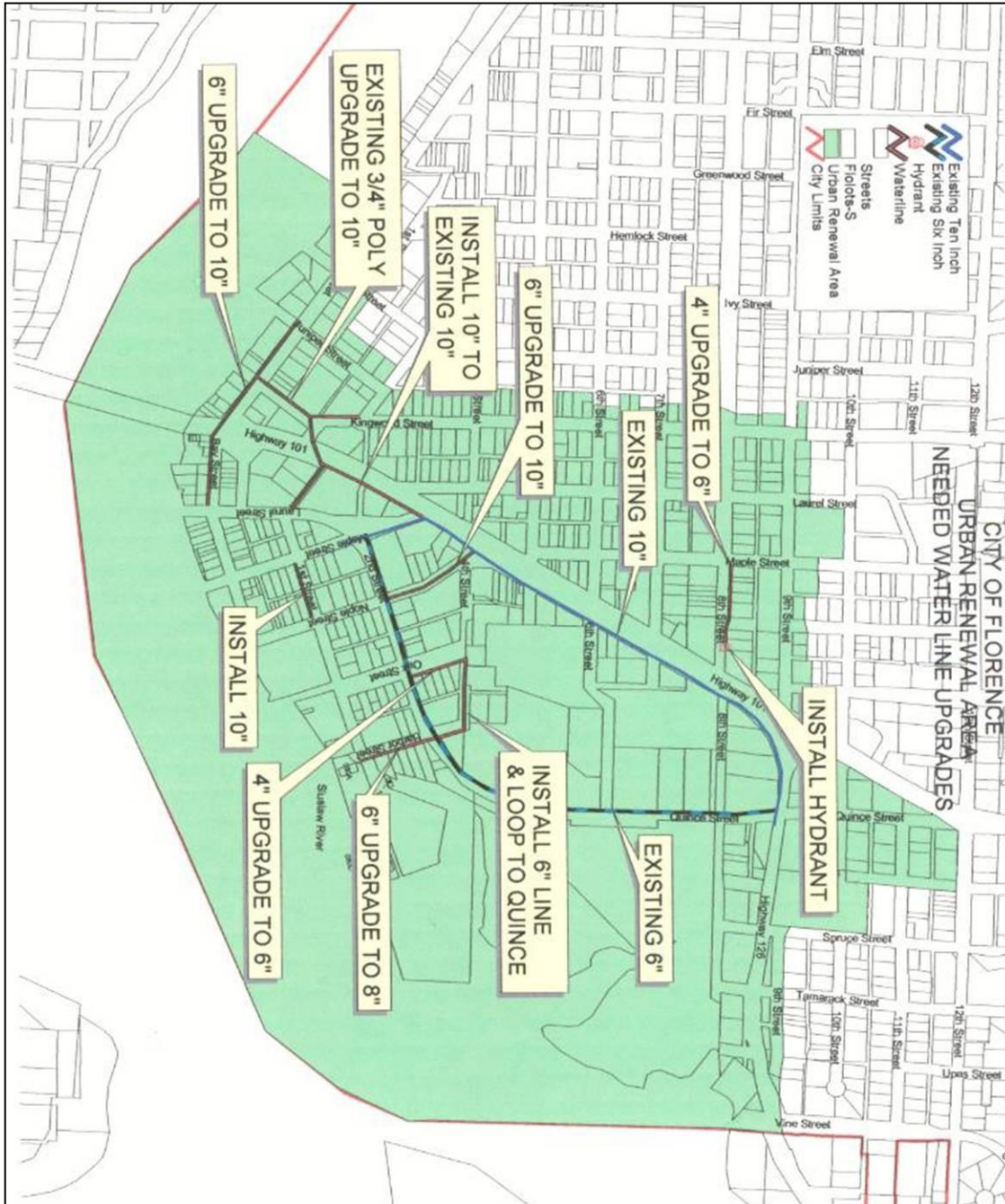


EXHIBIT 3 – WATER DEFICIENCIES



ORS 457 – Urban Renewal

Chapter 457 — Urban Renewal

2017 EDITION

URBAN RENEWAL

PUBLIC HEALTH AND SAFETY

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GENERAL PROVISIONS

457.010 Definitions. As used in this chapter, unless the context requires otherwise:

(1) "Blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

(a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

- (A) Defective design and quality of physical construction;
- (B) Faulty interior arrangement and exterior spacing;
- (C) Overcrowding and a high density of population;
- (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
- (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;

(b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;

(c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;

(d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;

(e) The existence of inadequate streets and other rights of way, open spaces and utilities;

(f) The existence of property or lots or other areas that are subject to inundation by water;

(g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;

(h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or

(i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

(2) "Certified statement" means the statement prepared and filed pursuant to ORS 457.430 or an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

(3) "City" means any incorporated city.

(4)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before December 6, 1996, that:

(A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b) of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A) or (B), on or after December 6, 1996; and

(B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as described in ORS 457.190 (3).

(b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial amendment, then "indebtedness issued or incurred to carry out the existing urban renewal plan" for purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by ordinance under ORS 457.190 (3)(c) before July 1, 1998.

(5) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.

(6) "Governing body of a municipality" means, in the case of a city, the common council or other legislative body thereof, and, in the case of a county, the board of county commissioners or other legislative body thereof.

(7) "Housing authority" or "authority" means any housing authority established pursuant to the Housing Authorities Law.

(8) "Increment" means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

(9) "Maximum indebtedness" means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

(10) "Municipality" means any county or any city in this state. "The municipality" means the municipality for which a particular urban renewal agency is created.

(11) "Taxing body" or "taxing district" means the state, city, county or any other taxing unit which has the power to levy a tax.

(12) "Urban renewal agency" or "agency" means an urban renewal agency created under ORS 457.035 and 457.045.

(13) "Urban renewal area" means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

(14) "Urban renewal plan" or "plan" means a plan, as it exists or is changed or modified from time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

(15) "Urban renewal project" or "project" means any work or undertaking carried out under ORS 457.170 in an urban renewal area. [Amended by 1957 c.456 §1; 1969 c.225 §1; 1979 c.621 §10; 1991 c.67 §128; 1991 c.459 §330; 1997 c.541 §442; 1999 c.21 §76; 1999 c.579 §25; 2001 c.477 §1; 2003 c.621 §106; 2007 c.884 §1; 2009 c.700 §11; 2013 c.579 §1]

457.020 Declaration of necessity and purpose. It hereby is found and declared:

(1) That there exist within the state blighted areas.

(2) That such areas impair economic values and tax revenues.

(3) That such areas cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the residents of the state and that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, safety and welfare, fire and accident protection and other public services and facilities.

(4) That certain blighted areas may require acquisition and clearance since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation, but other areas or portions thereof may be susceptible of conservation or rehabilitation in such manner that the conditions and evils mentioned in subsections (1), (2) and (3) of this section may be eliminated, remedied or prevented and that such areas should, if possible, be conserved and rehabilitated through appropriate public action and the cooperation and voluntary action of the owners and tenants of property in such areas.

(5) That the acquisition, conservation, rehabilitation, redevelopment, clearance, replanning and preparation for rebuilding of these areas, and the prevention or the reduction of blight and its causes, are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state concern.

(6) That there are also certain areas where the condition of the title, the diverse ownership of the land to be assembled, the street or lot layouts or other conditions prevent a proper development of the land, and that it is in the public interest that such areas, as well as blighted areas, be acquired by eminent domain and made available for sound and wholesome development in accordance with a redevelopment or urban renewal plan, and that the exercise of the power of eminent domain and the financing of the acquisition and preparation of land by a public agency for such redevelopment or urban renewal is likewise a public use and purpose.

(7) That redevelopment and urban renewal activities will stimulate residential construction which is closely correlated with general economic activity; that undertakings authorized by this chapter will aid the production of better housing and more desirable neighborhood and community development at lower costs and will make possible a more stable and larger volume of residential construction, which will assist materially in maintaining full employment.

(8) That the necessity in the public interest for this chapter is a matter of legislative determination. [Amended by 1957 c.456 §2; 1979 c.621 §11]

457.025 Powers supplemental to other laws. The powers conferred by this chapter are in addition and supplemental to the powers conferred by any other law. [Formerly 457.110]

457.030 [Amended by 1957 c.456 §18; repealed by 1979 c.621 §28]

URBAN RENEWAL AGENCIES; PLANS; ACTIVITIES

457.035 Urban renewal agencies; creation; ordinance to exercise powers; area of operation. (1) In each municipality, as defined in ORS 457.010, there hereby is created a public body corporate and politic to be known as the “urban renewal agency” of the municipality. However, the urban renewal agency shall not exercise its powers until or unless the governing body of the municipality, by nonemergency ordinance, declares that blighted areas exist in the municipality and that there is need for an urban renewal agency to function in the municipality and elects to have the powers of an urban renewal agency exercised in any of the three ways provided in ORS 457.045.

(2) An urban renewal agency, upon activation under subsection (1) of this section, shall have authority to exercise its powers within the same area of operation given a housing authority of the municipality under ORS 456.060. [Formerly 457.130]

457.040 [Repealed by 1979 c.621 §28]

457.045 Election of method of exercise of urban renewal agency’s powers. The governing body of a municipality shall, in the ordinance adopted under ORS 457.035, elect to have the powers of an urban renewal agency under this chapter exercised in one of the following ways:

(1) By a housing authority of the municipality established pursuant to the Housing Authorities Law in which case the name of the body corporate and politic shall be the “housing authority and urban renewal agency” of the

municipality.

(2) By appointing a board or commission composed of not less than three members.

(3) By the governing body, itself, provided, however, that any act of the governing body acting as the urban renewal agency shall be, and shall be considered, the act of the urban renewal agency only and not of the governing body. [Formerly 457.140]

457.050 [Amended by 1953 c.230 §3; 1957 c.456 §19; repealed by 1979 c.621 §28]

457.055 Transfer of urban renewal agency powers. At any time following adoption of the ordinance under ORS 457.035, or for urban renewal agencies activated before October 3, 1979, at any time following adoption of a proper resolution or ordinance of the governing body of the municipality, the governing body of a municipality may, by ordinance, transfer the authority to exercise the powers of the urban renewal agency to any other body authorized to exercise those powers under ORS 457.045. All duties and obligations of the urban renewal agency shall thereafter be assumed by the body to which those powers are transferred. [1979 c.621 §16 (enacted in lieu of 457.145)]

457.060 [Repealed by 1979 c.621 §28]

457.065 Advisory board for housing authority acting as urban renewal agency. For the purpose of coordinating its activities and undertakings under this chapter with the needs and undertakings of other local organizations and groups, a housing authority exercising the powers of an urban renewal agency under ORS 457.045 shall establish an advisory board consisting of the chairperson of the authority, who shall be chairperson of the advisory board, and of sufficient members, to be appointed by the chairperson, to represent as far as practicable:

- (1) The general public and consumers of housing.
- (2) General business interests.
- (3) Real estate, building and home financing interests.
- (4) Labor.
- (5) Any official planning body in the locality.
- (6) Church and welfare groups. [Formerly 457.100]

457.070 [Repealed by 1979 c.621 §28]

457.075 Termination of urban renewal agency. If the governing body of a municipality which has an urban renewal agency under ORS 457.035 finds that there no longer exists a need for an urban renewal agency in the municipality, the governing body shall provide, by ordinance, for a termination of the agency and a transfer of the agency's facilities, files and personnel to the municipality. The termination of an urban renewal agency shall not affect any outstanding legal actions, contracts or obligations of the agency and the municipality shall be substituted for the agency and, for the purpose of those legal actions, contracts or obligations, shall be considered a continuation of the urban renewal agency and not a new entity. No urban renewal agency shall be terminated under this section unless all indebtedness to which a portion of taxes is irrevocably pledged for payment under ORS 457.420 to 457.460 is fully paid. [1979 c.621 §6; 1991 c.459 §331; 1997 c.541 §443]

457.080 [Repealed by 1979 c.621 §28]

457.085 Urban renewal plan requirements; accompanying report; contents; approval required. (1) An urban renewal agency shall provide for public involvement in all stages in the development of an urban renewal plan.

(2) An urban renewal plan proposed by an urban renewal agency shall include all of the following:

(a) A description of each urban renewal project to be undertaken.

(b) An outline for the development, redevelopment, improvements, land acquisition, demolition and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of the plan.

(c) A map and legal description of the urban renewal areas of the plan.

(d) An explanation of its relationship to definite local objectives regarding appropriate land uses and improved traffic, public transportation, public utilities, telecommunications utilities, recreational and community facilities and other public improvements.

(e) An indication of proposed land uses, maximum densities and building requirements for each urban renewal area.

(f) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area of the plan.

(g) An indication of which real property may be acquired and the anticipated disposition of said real property, whether by retention, resale, lease or other legal use, together with an estimated time schedule for such acquisition and disposition.

(h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, the maximum amount of indebtedness that can be issued or incurred under the plan.

(i) A description of what types of possible future amendments to the plan are substantial amendments and require the same notice, hearing and approval procedure required of the original plan under ORS 457.095 as provided in ORS 457.220, including but not limited to amendments:

(A) Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.

(B) Increasing the maximum amount of indebtedness that can be issued or incurred under the plan.

(j) For a project which includes a public building, an explanation of how the building serves or benefits the urban renewal area.

(3) An urban renewal plan shall be accompanied by a report which shall contain:

(a) A description of physical, social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;

(b) Reasons for selection of each urban renewal area in the plan;

(c) The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;

(d) The estimated total cost of each project and the sources of moneys to pay such costs;

(e) The anticipated completion date for each project;

(f) The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.460;

(g) A financial analysis of the plan with sufficient information to determine feasibility;

(h) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area; and

(i) A relocation report which shall include:

(A) An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;

(B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500 to 35.530; and

(C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

(4) An urban renewal plan and accompanying report shall be forwarded to the planning commission of the municipality for recommendations, prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095.

(5) An urban renewal plan and accompanying report shall be forwarded to the governing body of each taxing district affected by the urban renewal plan and the agency shall consult and confer with the taxing districts prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095. Any written recommendations of the governing body of each taxing district shall be accepted, rejected or modified by the governing body of the municipality in adopting the plan.

(6) No urban renewal plan shall be carried out until the plan has been approved by the governing body of each municipality pursuant to ORS 457.095 and 457.105. [1979 c.621 §2; 1983 c.544 §1; 1987 c.668 §1; 1987 c.447 §130; 1991 c.459 §332; 1997 c.541 §444]

457.095 Approval of plan by ordinance; required contents of ordinance; notice. The governing body of the municipality, upon receipt of a proposed urban renewal plan and report from the municipality's urban renewal agency and after public notice and hearing and consideration of public testimony and planning commission recommendations, if any, may approve the urban renewal plan. The approval shall be by nonemergency ordinance which shall incorporate the plan by reference. Notice of adoption of the ordinance approving the urban renewal plan, and the provisions of ORS 457.135, shall be published by the governing body of the municipality in accordance with ORS 457.115 no later than four days following the ordinance adoption. The ordinance shall include determinations and findings by the governing body that:

- (1) Each urban renewal area is blighted;
- (2) The rehabilitation and redevelopment is necessary to protect the public health, safety or welfare of the municipality;
- (3) The urban renewal plan conforms to the comprehensive plan and economic development plan, if any, of the municipality as a whole and provides an outline for accomplishing the urban renewal projects the urban renewal plan proposes;
- (4) Provision has been made to house displaced persons within their financial means in accordance with ORS 35.500 to 35.530 and, except in the relocation of elderly individuals or individuals with disabilities, without displacing on priority lists persons already waiting for existing federally subsidized housing;
- (5) If acquisition of real property is provided for, that it is necessary;
- (6) Adoption and carrying out of the urban renewal plan is economically sound and feasible; and
- (7) The municipality shall assume and complete any activities prescribed it by the urban renewal plan. [1979 c.621 §3; 1989 c.224 §121; 2007 c.70 §263]

457.100 [Amended by 1979 c.621 §12; renumbered 457.065]

457.105 Approval of plan by other municipalities. In addition to the approval of a plan by the governing body of the municipality under ORS 457.095, when any portion of the area of a proposed urban renewal plan extends beyond the boundaries of the municipality into any other municipality and, in the case of a proposed plan by a county agency, when any portion of such area is within the boundaries of a city, the governing body of the other municipality may approve the plan and may do so by resolution, rather than by ordinance. A proposed plan for an urban renewal area which is wholly within the boundaries of a city, or which is wholly within the boundaries of a county and does not include any area within the boundaries of a city, must be approved only by the governing body of the municipality in accordance with ORS 457.095. [1979 c.621 §3a; 1987 c.668 §2]

457.110 [Renumbered 457.025]

457.115 Manner of newspaper notice. Notice of adoption of an urban renewal plan required under ORS 457.095 and notice of filing of an annual financial statement required under ORS 457.460 shall be published in the newspaper, as defined in ORS 193.010, having the greatest circulation in the municipality and which is published within the municipality. If no newspaper is published within the municipality, the required notice shall be published in the newspaper having greatest circulation within the municipality published nearest to the municipality. [1979 c.621 §3b]

457.120 When additional notice required; to whom sent; contents; notice by publication. (1) In addition to any required public notice of hearing on a proposed urban renewal plan or substantial amendment or change to a plan, as described in ORS 457.085 (2)(i) and 457.220, the municipality shall cause notice of a hearing by the governing body on a proposed plan for a new urban renewal area or on a proposed change containing one of the types of amendments specified in ORS 457.085 (2)(i) to be mailed to each individual or household in one of the following groups:

- (a) Owners of real property that is located in the municipality;
- (b) Electors registered in the municipality;
- (c) Sewer, water, electric or other utility customers in the municipality; or
- (d) Postal patrons in the municipality.

(2) If the urban renewal area governed by the plan or substantial amendment thereof extends beyond the boundaries of the municipality, notice shall also be sent to each individual in the selected group who is located in the urban renewal area.

(3) The notice required by this section shall contain a statement in plain language that:

(a) The governing body, on a specified date, will hold a public hearing and consider an ordinance adopting or substantially amending an urban renewal plan;

(b) The adoption or amendment may impact property tax rates;

(c) States the proposed maximum amount of indebtedness that can be issued or incurred under the plan or amendment;

(d) The ordinance, if approved, is subject to referendum; and

(e) A copy of the ordinance, urban renewal plan and accompanying report can be obtained by contacting a designated person within the municipality.

(4) If the municipality which activated the urban renewal agency is a county:

(a) The notice required by subsection (1) of this section shall be sent to each individual or household in one of the groups listed in subsections (1)(a) to (d) of this section, except that the notice need be sent only to those individuals or households located in a school district with territory affected or to be affected by the tax increment financing for the new urban renewal area or proposed change.

(b) In addition to the notice under paragraph (a) of this subsection, the county shall cause notice to be published in a paper of general circulation throughout the county. The published notice shall contain the information described in subsection (3) of this section, be published in an advertisement not less than three inches in height and three inches in width and be located in a general interest section of the newspaper other than the classified advertisement section. [1991 c.459 §335f; 1997 c.541 §445]

Note: 457.120 was added to and made a part of ORS chapter 457 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

457.125 Recording of plan upon approval. A copy of the ordinance approving an urban renewal plan under ORS 457.095 shall be sent by the governing body of the municipality to the urban renewal agency. A copy of the resolution approving an urban renewal plan under ORS 457.105 shall be sent by the governing body of a municipality to the urban renewal agency. Upon receipt of the necessary approval of each municipality governing body, the urban renewal plan shall be recorded by the urban renewal agency with the recording officer of each county in which any portion of an urban renewal area within the plan is situated. [1979 c.621 §4]

457.130 [1957 c.456 §§4,5; 1979 c.621 §13; renumbered 457.035]

457.135 Conclusive presumption of plan validity. After October 3, 1979, any urban renewal plan purported to be adopted in conformance with applicable legal requirements shall be conclusively presumed valid for all purposes 90 days after adoption of the plan by ordinance of the governing body of the municipality. No direct or collateral attack on the action may thereafter be commenced. [1979 c.621 §5]

457.140 [1957 c.456 §6; 1975 c.246 §1; 1979 c.621 §14; renumbered 457.045]

457.145 [1967 c.311 §2; repealed by 1979 c.621 §15 (457.055 enacted in lieu of 457.145)]

457.150 [1957 c.456 §8; repealed by 1979 c.621 §28]

457.160 Exceptions to plan requirements for disaster areas. Notwithstanding any other provisions of ORS chapters 455 and 456 or this chapter and ORS 446.515 to 446.547, where the governing body of a municipality certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe respecting which the Governor has certified the need for disaster assistance under federal law, the governing body may declare a need for an urban renewal agency, if necessary, and may approve an urban renewal plan and an urban renewal project for such area without regard to the provisions requiring:

(1) That the urban renewal plan conform to the comprehensive plan and economic development plan, if any, for the municipality as a whole.

(2) That the urban renewal area be a blighted area. [1957 c.456 §15; 1979 c.621 §18; 1993 c.18 §114]

457.170 Urban renewal agency's powers in planning or undertaking an urban renewal project. An urban renewal agency may plan or undertake any urban renewal project to carry out an approved urban renewal plan. In planning or undertaking an urban renewal project, the urban renewal agency has the power:

(1) To carry out any work or undertaking and exercise any powers which a housing authority is authorized to perform or exercise under ORS 456.055 to 456.235, subject to the provisions of this chapter provided, however, that ORS 456.155 and 456.160 do not limit the power of an agency in event of a default by a purchaser or lessee of land in an urban renewal plan to acquire property and operate it free from the restrictions in those sections.

(2) To carry out any rehabilitation or conservation work in an urban renewal area.

(3) To acquire real property, by condemnation if necessary, when needed to carry out the plan.

(4) To clear any areas acquired, including the demolition, removal or rehabilitation of buildings and improvements.

(5) To install, construct or reconstruct streets, utilities and site improvements in accordance with the urban renewal plan.

(6) To carry out plans for a program of the voluntary repair and rehabilitation of buildings or other improvements in an urban renewal area in accordance with the urban renewal plan.

(7) To assist in relocating persons living in, and property situated in, the urban renewal area in accordance with the approved urban renewal plan and to make relocation payments.

(8) To dispose of, including by sale or lease, any property or part thereof acquired in the urban renewal area in accordance with the approved urban renewal plan.

(9) To plan, undertake and carry out neighborhood development programs consisting of urban renewal project undertakings in one or more urban renewal areas which are planned and carried out on the basis of annual increments in accordance with the provisions of this chapter for planning and carrying out urban renewal plans.

(10) To accomplish a combination of the things listed in this section to carry out an urban renewal plan. [1957 c.456 §7; 1969 c.225 §2; 1969 c.539 §1; 1979 c.621 §19; 1995 c.79 §268]

457.180 Powers of urban renewal agencies in general. An urban renewal agency, in addition to its other powers, may:

(1) Make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements.

(2) Make plans for the enforcement of laws, codes and regulations relating to:

(a) The use of land.

(b) The use and occupancy of buildings and improvements.

(c) The repair, rehabilitation, demolition or removal of buildings and improvements.

(3) Make plans for the relocation of persons and property displaced by an urban renewal project.

(4) Make preliminary plans outlining urban renewal activities for neighborhoods to embrace two or more urban renewal areas.

(5) Conduct preliminary surveys to determine if the undertaking and carrying out of an urban renewal project is feasible.

(6) Develop, test and report methods and techniques and carry out demonstrations and other activities for the prevention and the elimination of urban blight.

(7) Engage in any other housing or community development activities specifically delegated to it by the governing body of the municipality including but not limited to land acquisition and disposition, conservation and rehabilitation, residential or business relocation, construction, leasing or management of housing, and the making of grants and loans from any available source. [1957 c.456 §10; 1975 c.382 §1]

457.190 Acquisition of funds by urban renewal agency; maximum amount of indebtedness. (1) An urban renewal agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out urban renewal projects.

(2) An urban renewal agency may do all things necessary or desirable to secure such financial aid, including obligating itself in any contract with the federal government for federal financial aid to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default thereunder, in the same manner as a housing authority may do to secure such aid in connection with blighted area clearance and housing projects under the Housing Authorities Law.

(3)(a) Each urban renewal plan adopted by ordinance on or after July 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 shall include in the plan the maximum amount of indebtedness that may be issued or incurred under the plan. Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not included in the plan, the urban renewal agency may not issue indebtedness for which taxes divided under ORS 457.440 are to be pledged to carry out the plan.

(b) Each urban renewal plan adopted by ordinance on or after December 6, 1996, and before July 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 but does not include a maximum amount of indebtedness that may be issued or incurred under the plan shall be changed, by substantial plan amendment pursuant to ORS 457.220, to include the maximum amount of indebtedness that may be issued or incurred under the plan before July 1, 2000. Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not included in the plan on or before July 1, 2000, the urban renewal agency may not on or after July 1, 2000, issue indebtedness for which taxes divided under ORS 457.440 are to be pledged to carry out the plan.

(c)(A) Each existing urban renewal plan that provides for a division of taxes pursuant to ORS 457.420 to 457.460 may be changed by substantial amendment no later than July 1, 1998, to include a maximum amount of indebtedness that may be issued or incurred under the plan determined as described in subparagraph (B) of this paragraph. The additional notices required under ORS 457.120 are not required for an amendment adopted pursuant to this paragraph.

(B) The maximum amount of indebtedness that may be issued or incurred under the plan, as determined for purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996. The maximum amount of indebtedness shall be specified in dollars and cents.

(C) Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not adopted for an existing urban renewal plan as described in this paragraph before July 1, 1998, the urban renewal agency may not collect funds under ORS 457.435.

(4) For an urban renewal plan initially approved on or after January 1, 2010, other than for a large metropolitan plan as defined in ORS 457.470, the initial maximum indebtedness that may be issued or incurred under the plan shall be established as follows:

(a) If the total assessed value in the certified statement under ORS 457.430 is less than or equal to \$50 million, the initial maximum indebtedness may not exceed \$50 million.

(b) If the total assessed value in the certified statement is more than \$50 million and less than or equal to \$150 million, the initial maximum indebtedness may not exceed \$50 million plus 50 percent of the total assessed value in the certified statement that is over \$50 million.

(c) If the total assessed value in the certified statement exceeds \$150 million, the initial maximum indebtedness may not exceed \$100 million, plus 35 percent of the total assessed value in the certified statement that is over \$150 million.

(d) Beginning July 1, 2010, the dollar limits set forth in this subsection may be increased on July 1 of each year by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan.

(e) The limits in this subsection do not apply if the agency obtains concurrence as provided in ORS 457.470. [1957 c.456 §14; 1991 c.459 §333; 1997 c.541 §446; 2007 c.606 §12; 2009 c.700 §1]

Note: Section 335e, chapter 459, Oregon Laws 1991, provides:

Sec. 335e. Bonded indebtedness for project agreed to prior to September 29, 1991. Notwithstanding ORS 457.190, an urban renewal agency may issue bonded indebtedness to undertake an urban renewal project to carry out an urban renewal plan if, prior to September 29, 1991, a written contract or other written agreement for the project was made, the instrument setting forth the contract or agreement was executed and the parties were bound. The urban renewal agency of the municipality may use any of the money available to it from the issuance

of the bonds for carrying out the project in accordance with the contract or agreement. [1991 c.459 §335e; 1997 c.541 §446a]

457.210 Applicability of housing cooperation law to urban renewal projects; delegation of urban renewal agency powers and functions. (1) Any state public body, as defined in ORS 456.305, shall have the same rights and powers to cooperate with and assist urban renewal agencies with respect to urban renewal projects that such state public body has pursuant to ORS 456.305 to 456.325 to cooperate and assist housing authorities with respect to housing projects in the same manner as though those sections were applicable to urban renewal agencies and projects under this chapter.

(2) Any state public body, as defined in ORS 456.305, hereby is authorized to enter into agreements with any other public body, including an urban renewal agency, respecting action to be taken pursuant to any of the powers granted by this chapter, including, but not limited to, the furnishing of funds or other assistance in connection with an urban renewal plan or urban renewal project.

(3) An urban renewal agency hereby is authorized to delegate any of its powers or functions to the municipality or other state public body, as defined in ORS 456.305, with respect to the planning or undertaking of an urban renewal project in the area in which such municipality or other state public body is authorized to act. The municipality, or other state public body to which the powers or functions are delegated hereby is authorized to carry out or perform such powers or functions. [1957 c.456 §11]

457.220 Plan amendment; limit on additional land and increased maximum indebtedness. (1) Except for the provisions of subsections (2) and (4) of this section, an urban renewal agency shall carry out the urban renewal plan approved under ORS 457.095.

(2) Any substantial change made in the urban renewal plan shall, before being carried out, be approved and recorded in the same manner as the original plan.

(3) No land equal to more than 20 percent of the total land area of the original plan shall be added to the urban renewal areas of a plan by amendments.

(4) On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:

(a) The aggregate of all amendments under this subsection may not exceed 20 percent of the plan's initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.

(b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the initial maximum indebtedness may be increased annually on the anniversary date of initial approval of the plan by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary of plan approval. This increase may be applied only to the first amendment to the maximum indebtedness that is made on or after January 1, 2010.

(5) The limits in subsection (4) of this section do not apply if the agency obtains concurrence as provided in ORS 457.470. [1957 c.456 §9; 1979 c.621 §20; 2009 c.700 §2]

457.230 Disposition of land in urban renewal project; determination of value; obligations of purchaser or lessee; recordation. (1) The urban renewal agency shall, in accordance with the approved urban renewal plan, make land in an urban renewal project available for use by private enterprise or public agencies. Such land shall be made available at a value determined by the urban renewal agency to be its fair reuse value, which represents the value, whether expressed in terms of rental or capital price, at which the urban renewal agency in its discretion determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved or rehabilitated for the purposes specified in such plan.

(2) To assure that land acquired in an urban renewal project is used in accordance with the urban renewal plan, an urban renewal agency, upon the sale or lease of such land, shall obligate purchasers or lessees:

(a) To use the land for the purposes designated in the urban renewal plan.

(b) To begin the building of their improvements within a period of time which the urban renewal agency fixes as reasonable.

(3) Any obligations by the purchaser shall be covenants and conditions running with the land where the urban renewal agency so stipulates.

(4) Any contract for the transfer of any interest in land by the urban renewal agency may be recorded in the land records of the county in which the land is situated in the same manner as any other contract for the transfer

of an interest in land is recorded. [1957 c.456 §12; 1965 c.571 §1; 1967 c.312 §1]

457.240 Tax status of land leased under a plan. Any property which the urban renewal agency leases to private persons as defined in ORS 174.100 under an urban renewal plan shall have the same tax status as if such leased property were owned by such private individuals or corporations. [1957 c.456 §13; 1983 c.327 §11]

457.310 [1957 c.456 §16; repealed by 1979 c.621 §28]

457.320 Municipal assistance under plan; assumption by urban renewal agency of general obligation bond payments of municipality. In addition to the other powers granted a municipality under this chapter, a municipality may exercise any of its powers otherwise provided by law to assist in the planning or the carrying out of an urban renewal plan. Without limiting the powers granted by the preceding sentence, a municipality may issue its general obligation bonds for the purpose of assisting in the planning or the carrying out of an urban renewal plan. The urban renewal agency of the municipality may assume payment of the general obligation bonds and may use any of the moneys available to it for that purpose. [1957 c.456 §17; 1979 c.621 §21]

457.410 [1961 c.554 §2; repealed by 1979 c.621 §28]

TAX INCREMENT FINANCING OF URBAN RENEWAL INDEBTEDNESS

457.420 Plan may provide for division of property taxes; limits on land area. (1) Any urban renewal plan may contain a provision that the ad valorem taxes, if any, levied by a taxing district in which all or a portion of an urban renewal area is located, shall be divided as provided in section 1c, Article IX of the Oregon Constitution, and ORS 457.420 to 457.460. Ad valorem taxes shall not be divided if there is no provision in the urban renewal plan for the division.

(2) No plan adopted after October 3, 1979, shall provide for a division of ad valorem taxes under subsection (1) of this section if:

(a) For municipalities having a population of more than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided, exceeds a figure equal to 15 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas and without regard to adjustments made pursuant to ORS 457.435 (2)(c), 457.455 or 457.470 (2) to (5); or

(B) The urban renewal areas of the plan when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 15 percent of the total land area of that municipality.

(b) For municipalities having a population of less than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided, exceeds a figure equal to 25 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas and without regard to adjustments made pursuant to ORS 457.435 (2)(c), 457.455 or 457.470 (2) to (5); or

(B) The urban renewal areas of the plan, when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 25 percent of the total land area of that municipality.

(3) Property may not be included in more than one urban renewal area. [1961 c.554 §3; 1969 c.539 §2; 1971 c.544 §4; 1979 c.621 §24; 1991 c.459 §334; 1997 c.541 §447; 2009 c.700 §3]

457.430 Certification of assessed value of property in urban renewal area; amendment. (1) As soon as practicable after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor of each county in which an urban renewal area is located shall prepare, in duplicate, a certified statement of the total assessed value, as shown on the county assessment roll last certified prior to the effective date of the ordinance approving the plan, of all of the taxable real and personal property contained in the urban renewal area in the county.

(2) Wherever only a part of an urban renewal area is located in a taxing district, the assessor also shall show in the statement required by subsection (1) of this section the assessed value of the real and personal property in the part of the urban renewal area located in the taxing district.

(3) One copy of the certified statement shall be filed by the assessor with the agency and the other copy shall constitute a part of the public records of the county assessor's office.

(4) Whenever a part of an urban renewal area comes within the territory of a taxing district either by annexation, incorporation of a new taxing district or consolidation, after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor shall in the same manner as under subsection (3) of this section file a certified statement or an amendment to a certified statement to show the assessed value of the real and personal property in that part of the urban renewal area incorporated by annexation or consolidation into the taxing district. The assessed value of the real and personal property so incorporated shall be determined in the same manner and as of the same date as provided in subsections (1) and (2) of this section.

(5) When a certified statement is filed as required by subsection (1) of this section, if the law provides a reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time of the filing, the assessor shall state the total assessed value as it is so reduced or increased. After a certified statement has been filed as required by subsection (1) of this section, if a law is enacted which provides a reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time the certified statement was filed, the assessor shall amend the certified statement annually or as otherwise required to reduce or increase the stated total assessed value of the real and personal property accordingly. An amendment to the certified statement shall be filed in the manner provided by subsections (3) and (4) of this section.

(6)(a) Subject to subsections (4) and (5) of this section and paragraph (b) of this subsection, all certified statements and amendments thereto filed under this section before July 14, 1997, shall continue to remain in effect.

(b) Effective as of the tax year beginning on July 1, 1997, the assessor shall amend the amount of assessed value included in a certified statement by applying to the certified assessed value of each tax code area located within an urban renewal area the percentage obtained by dividing the total assessed value within the tax code area, including growth in assessed value over the certified assessed value, by the total real market value within the tax code area. [1961 c.554 §4; 1969 c.539 §3; 1979 c.621 §25; 1981 c.804 §105; 1983 s.s. c.5 §24; 1991 c.459 §335; 1997 c.541 §448]

457.435 Property tax collection methods for existing plans; special levies. (1) For each existing urban renewal plan that includes a provision for a division of ad valorem taxes under ORS 457.420 to 457.460, the municipality that activated the urban renewal agency that is carrying out the plan shall adopt an ordinance choosing one of the options listed in subsection (2) of this section as the method of collecting ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred to carry out the plan as permitted by section 11 (16), Article XI of the Oregon Constitution.

(2) The options referred to in subsection (1) of this section are as follows:

(a) Option One: To collect amounts sufficient to pay the obligations, as budgeted for the plan, from ORS 457.440, and if the amount estimated to be received from ORS 457.440 is not sufficient to meet the budgeted obligations of the plan for the tax or fiscal year, to make a special levy in the amount of the remainder upon all of the taxable property of the municipality that activated the urban renewal agency and upon all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(b) Option Two: To make a special levy in the amount stated in the notice given under ORS 457.440 (2) upon all of the taxable property of the municipality that activated the urban renewal agency, and upon all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(c) Option Three: To collect an amount equal to the amount stated in the ordinance adopted as provided in subsection (1) of this section by dividing the taxes pursuant to ORS 457.440, and to make a special levy upon all of the taxable property of the municipality that activated the urban renewal agency and upon all of the taxable property lying outside the municipality but within an urban renewal area of the plan. The county assessor shall adjust the amount of the total assessed value included in the certified statement filed under ORS 457.430 so that the amount collected by dividing the taxes pursuant to ORS 457.440 does not exceed the amount stated in the ordinance to be collected by dividing the taxes pursuant to ORS 457.440.

(3)(a) The total amount obtained under an option listed in subsection (2) of this section for any plan shall not exceed the maximum amount that could have been certified to the assessor for the plan under ORS 457.440 (1995 Edition) for the tax year beginning July 1, 1997.

(b) For each tax year beginning after the 1997-1998 tax year, the limitation of paragraph (a) of this subsection shall be adjusted by a percentage change equal to the percentage change in the increment within the urban renewal area from the preceding year.

(4)(a) The ordinance choosing the option referred to in subsection (1) of this section shall be adopted no later than July 1, 1998, and shall be applicable for tax years beginning on or after July 1, 1998. If not so adopted, the municipality shall be considered to have chosen Option One as its method of collection of ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred to carry out the existing urban renewal plan. An option, once chosen, may not be changed to another option. In addition, if Option Three is chosen, the amount specified in the ordinance choosing the option to be collected by dividing the taxes pursuant to ORS 457.440 shall not be changed by subsequent ordinance or amendment to the certified statement.

(b) The option chosen, together with the particulars of the option, including but not limited to any limit on the amount to be received from ORS 457.440, shall be reflected in the notice filed by the urban renewal agency with the county assessor.

(5)(a) The county assessor, or county assessors if the taxable property is in more than one county, shall extend the special levy against all of the taxable property of the municipality that activated the urban renewal agency and all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(b) Any amounts collected from special levies made under this section shall be paid into the special fund or funds of the urban renewal agency referred to in ORS 457.440 (6) and shall be used to pay the principal and interest to finance or refinance the existing urban renewal plan or plans of the urban renewal agency.

(6) This section applies to existing urban renewal plans with respect to principal and interest on indebtedness until the indebtedness is fully paid or it is found that deposits in the special fund are sufficient to pay the principal and interest on the indebtedness issued or incurred under the existing urban renewal plan.

(7) Nothing in this section shall prevent the funding of urban renewal indebtedness as provided under ORS 457.440. [1997 c.541 §454; 1999 c.579 §32]

457.437 Consultation with municipalities; resolution requirements. (1) Prior to the establishment of a maximum amount of indebtedness for an urban renewal plan under ORS 457.190 and before an option is adopted under ORS 457.435, the urban renewal agency that is carrying out the plan shall meet with the governing bodies of the municipality that activated the urban renewal agency and other municipalities affected by the urban renewal plan and review the proposed maximum amount of indebtedness for the plan and the agency's recommended option under ORS 457.435.

(2) After the meeting described in subsection (1) of this section, the governing bodies shall adopt resolutions in support of or opposition to the recommended option under ORS 457.435.

(3) If an affected municipality adopts a resolution in opposition to the recommended option, then the agency's recommendations may be adopted only by the adoption of a separate resolution by the municipality that activated the urban renewal agency. [1997 c.541 §454a]

457.440 Computation of amounts to be raised from property taxes; notice; rules. During the period specified under ORS 457.450:

(1) The county assessor shall determine the amount of funds to be raised each year for urban renewal within the county levied by taxing districts in accordance with Article IX, section 1c, of the Oregon Constitution, and ORS 457.420 to 457.460.

(2) Not later than July 15 of each tax year, each urban renewal agency shall determine and file with the county assessor a notice stating the amount of funds to be raised for each urban renewal area as follows:

(a) If the municipality that activated the urban renewal agency has chosen Option One as provided in ORS 457.435 (2)(a), the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under Article IX, section 1c, of the Oregon Constitution, shall be raised for the agency.

(b) If the municipality that activated the urban renewal agency has chosen Option Two as provided in ORS 457.435 (2)(b), the notice shall state the amount of funds to be raised by the special levy.

(c) If the municipality that activated the urban renewal agency has chosen Option Three as provided in ORS 457.435 (2)(c), the notice shall state the amount of funds to be raised by special levy in addition to the amount to

be raised by dividing the taxes as stated in the ordinance adopted under ORS 457.435 (1).

(d) For plans that are initially approved or substantially amended to increase maximum indebtedness on or after January 1, 2010, the notice must comply with ORS 457.470.

(e) If the agency limits the amount that may be raised by the division of taxes, as provided in ORS 457.455 (1), the notice shall comply with ORS 457.455 (1).

(f) If the plan is not described in paragraph (a), (b), (c), (d) or (e) of this subsection, the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under Article IX, section 1c, of the Oregon Constitution, shall be raised for the agency.

(3) If a municipality has chosen Option Three pursuant to ORS 457.435, the maximum amount of funds that may be raised for an urban renewal agency by dividing the taxes as provided in Article IX, section 1c, of the Oregon Constitution, may be limited by the municipality in which the urban renewal agency is located. The decision of the municipality to limit the amount of funds to be included in the notice filed under subsection (2) of this section shall be reflected in the certified statement filed by the urban renewal agency with the county assessor.

(4) Not later than September 25 of each tax year, the assessor of any county in which a joint district is located shall provide, to the assessor of each other county in which the joint district is located, the assessed values of the property in the joint district that is located within the county, including the certified statement value and the increment for each code area containing any urban renewal area located within the joint district, and a copy of the notice filed by the urban renewal agency for the area located within the joint district under subsection (2) of this section.

(5) The maximum amount of funds that may be raised for an urban renewal plan by dividing the taxes as provided in Article IX, section 1c, of the Oregon Constitution, shall be computed by the county assessor as follows:

(a) The county assessor shall compute, in the manner required under ORS 457.445, the total consolidated billing tax rate for each code area in which an urban renewal area of the plan is located.

(b) The assessor shall determine the amount of taxes that would be produced by extending the tax rate computed under paragraph (a) of this subsection against the increment of each code area.

(c) The total amount determined for all code areas containing urban renewal areas included within the urban renewal plan is the maximum amount of funds to be raised for the urban renewal plan by dividing the taxes.

(6)(a) The county assessor shall certify to the tax collector the amount of funds to be raised for an urban renewal agency as determined under subsection (2) of this section. The tax collector shall include the amount so certified in the percentage schedule of the ratio of taxes on property prepared under ORS 311.390 and filed with the county treasurer. Notwithstanding ORS 311.395 (6), the county treasurer shall credit the amount to the urban renewal agency and shall distribute its percentage amount to the urban renewal agency as determined by the schedule at the times other distributions are made under ORS 311.395 (7).

(b) The county assessor shall notify the urban renewal agency of the amounts received under subsection (5) of this section or amounts received pursuant to the notice provided in subsection (2) of this section for each urban renewal plan area. Any amounts received by the urban renewal agency under paragraph (a) of this subsection shall be attributed to the urban renewal plan in which the urban renewal area is included, shall be paid into a special fund of the urban renewal agency for the urban renewal plan and shall be used to pay the principal and interest on any indebtedness issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan.

(7) Unless and until the total assessed value of the taxable property in an urban renewal area exceeds the total assessed value specified in the certified statement, all of the ad valorem taxes levied and collected upon the taxable property in the urban renewal area shall be paid into the funds of the respective taxing districts.

(8) The agency may incur indebtedness, including obtaining loans and advances in carrying out the urban renewal plan, and the portion of taxes received under this section may be irrevocably pledged for the payment of principal of and interest on the indebtedness.

(9) The Department of Revenue shall by rule establish procedures for giving notice of amounts to be raised for urban renewal agencies and for determination of amounts to be raised and distributed to urban renewal agencies.

(10) The notice required under this section shall serve as the notice required under ORS 310.060 for the special levy described under ORS 457.435.

(11) Notwithstanding any other provision of this chapter, a city with a population of more than 500,000 on January 1, 2010, may, in lieu of its urban renewal agency, take any actions that an urban renewal agency is authorized to take under this section and any other actions that are required to certify, collect, receive, hold and apply tax revenues raised for the urban renewal agency under Article IX, section 1c, of the Oregon Constitution, and taxes authorized for the urban renewal agency by Article XI, section 11 (16), of the Oregon Constitution. [1961 c.554 §5; 1979 c.621 §26; 1981 c.804 §106; 1983 s.s. c.5 §25; 1985 c.613 §17; 1987 c.158 §87; 1991 c.459 §335a; 1997 c.541 §449; 1999 c.579 §26; 2003 c.190 §§16,17; 2007 c.537 §7; 2009 c.700 §4; 2013 c.579 §3]

457.445 Consolidated billing tax rate; election of alternative. (1)(a) The consolidated billing tax rate of the following urban renewal plans shall be determined under paragraph (b) of this subsection:

(A) An existing urban renewal plan (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c));

(B) An urban renewal plan that was an existing urban renewal plan on October 6, 2001, (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)) and that was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001; and

(C) An urban renewal plan adopted on or after October 6, 2001.

(b)(A) The consolidated billing tax rate of an urban renewal plan described in paragraph (a) of this subsection equals the total of all district tax rates used to extend taxes after any adjustment to reflect tax offsets under ORS 310.105.

(B) Notwithstanding subparagraph (A) of this paragraph, the consolidated billing tax rate of an urban renewal plan described in paragraph (a) of this subsection excludes any rate derived from:

(i) An urban renewal special levy under ORS 457.435.

(ii) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors after October 6, 2001.

(iii) A tax pledged to repay exempt bonded indebtedness (other than exempt bonded indebtedness used to fund local government pension and disability plan obligations that, until funded by the exempt bonded indebtedness, were described in Article XI, section 11 (5), of the Oregon Constitution), as defined in ORS 310.140, that is approved by taxing district electors after October 6, 2001.

(iv) The increase in the rate of ad valorem property tax allowable under Article XI, section 11 (5)(d), of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded from local revenues, as that term is used in ORS chapter 327, and provided that the school district notifies the county assessor of the rate to be excluded for the current fiscal year not later than July 15.

(2)(a) The consolidated billing tax rate of all other urban renewal plans equals the total of all district ad valorem property tax rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105.

(b) Notwithstanding paragraph (a) of this subsection, the consolidated billing tax rate of urban renewal plans referred to in paragraph (a) of this subsection excludes:

(A) An urban renewal special levy rate under ORS 457.435.

(B) A new local option tax.

(3)(a) Notwithstanding subsection (2)(b)(B) of this section, the consolidated billing tax rate of urban renewal plans referred to in subsection (2)(a) of this section includes a new local option tax imposed in a fiscal year for which the urban renewal agency files with the county assessor an impairment certificate in the manner described in paragraph (b) of this subsection not later than the May 1 immediately preceding the beginning of the fiscal year.

(b) An impairment certificate must:

(A) Identify the urban renewal plan to which it relates;

(B) Instruct the county assessor to include the new local option tax in the consolidated billing tax rate for the urban renewal plan for the ensuing fiscal year;

(C) State that the urban renewal agency has reasonably determined that excluding the new local option tax from the consolidated billing tax rate for the fiscal year under this subsection would impair contracts that the agency has entered into with owners of indebtedness incurred before October 7, 2013, to carry out an urban renewal plan described in subsection (2) of this section; and

(D) Be signed by an authorized representative of the agency.

(4)(a) Notwithstanding subsection (2) of this section, the governing body of a municipality that adopted an urban renewal plan before December 5, 1996 (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)), that would otherwise be required to use a consolidated billing tax rate determined under subsection (2) of this section may, by resolution or ordinance, irrevocably elect to have amounts collected by dividing the taxes for the urban renewal plan pursuant to ORS 457.440 be determined under subsection (1)(b) of this section.

(b) An election made pursuant to this subsection applies first to the assessment roll next following if the assessor has received notice of the election from the urban renewal agency before January 1.

(5) As used in this section, "new local option tax" means a local option tax, as defined in ORS 280.040, that is approved by taxing district electors after January 1, 2013. [2009 c.317 §2; 2013 c.579 §2]

Note: 457.445 was added to and made a part of ORS chapter 457 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

457.450 Notice to tax assessor; provision for debt retirement; distribution of remaining tax increment funds. (1)(a) ORS 457.440 shall first apply to the assessment roll next following the tax roll referred to in ORS 457.430 if the assessor is provided notice of a plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which the plan first applies.

(b) If the assessor is not provided notice of plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which ORS 457.440 would otherwise first apply, then ORS 457.440 shall first apply to the assessment roll next following the assessment roll described in paragraph (a) of this subsection.

(2) When the principal and interest on the maximum indebtedness of an urban renewal plan to which the portion of taxes is irrevocably pledged for payment under ORS 457.435 or 457.440 is fully paid, or it is found that deposits in the special fund are sufficient to fully pay principal and interest on the maximum indebtedness either through direct payment of the indebtedness or by payment of principal and interest on bonds or notes issued to finance the indebtedness, the agency shall notify the assessor of that fact.

(3) All moneys remaining unexpended from the special fund provided for in ORS 457.435 or 457.440, after payment of all the principal and interest on indebtedness is provided for, shall be turned over to the county treasurer by the agency and prorated by the treasurer back to the taxing districts in which the area, or part thereof, is located, in proportion to the amount of money in the fund attributable to each taxing district for the last fiscal year in which tax levy moneys were paid into the special fund of the agency under ORS 457.435 or 457.440. [1961 c.554 §6; 1971 c.426 §1; 1979 c.621 §27; 1991 c.459 §335b; 1997 c.541 §450; 2009 c.700 §5]

457.455 Limiting collections; notification; consultation with taxing districts. (1) If the maximum amount of funds under ORS 457.440 is not required to pay the principal and interest on indebtedness incurred for an urban renewal plan, the urban renewal agency may take formal action to limit collections under a plan for a single fiscal year, and may notify the county assessor pursuant to ORS 457.440 (2)(e) to compute the division of taxes for the urban renewal area using an assessed value that is equal to the amount specified by the agency. The assessor may not use an amount that is greater than the increment.

(2) If the maximum amount of funds under ORS 457.440 is not required to pay the principal and interest on indebtedness incurred for an urban renewal plan, the urban renewal agency may limit future collections under a plan by notifying the county assessor to permanently increase the amount of the total assessed value included in the certified statement filed under ORS 457.430. The assessed value included in the certified statement may not be subsequently decreased except in connection with boundary changes.

(3) Before taking formal action under this section, the urban renewal agency shall consult and confer with each taxing district affected by the urban renewal plan. [2009 c.700 §7]

Note: 457.455 was added to and made a part of ORS chapter 457 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

457.460 Financial report required for agency; contents; notice. (1) Not later than January 31 of each year, an urban renewal agency shall prepare a statement on the same basis on which its financial statements are prepared containing:

(a) The amount of money received during the preceding fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(b) The purposes and amounts for which any money received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the preceding fiscal year;

(c) An estimate of moneys to be received during the current fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(d) A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 are to be expended during the current fiscal year; and

(e) An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430.

(2) The statement required by subsection (1) of this section shall be filed with the governing body of the municipality. Notice shall be published that the statement has been prepared and is on file with the municipality and the agency and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before March 1 of the year in which the statement is filed, in accordance with ORS 457.115. The notice shall summarize the information required under subsection (1)(a) to (d) of this section and shall set forth in full the information required under subsection (1)(e) of this section. [1979 c.621 §23; 1991 c.459 §335c; 1997 c.541 §451; 2009 c.700 §8]

457.470 Modification of assessed value; indexing; concurrence of taxing districts; rules. (1) As used in this section, unless the context requires otherwise:

(a) “Assumed increment” means the assessed value of the increment in the prior year, increased by the average percentage increase of the increment, if any, during the three prior years.

(b) “Large metropolitan plan” means a plan for an urban renewal area by a city with a population of more than 500,000 on January 1, 2010, that is either first approved on or after January 1, 2010, or is substantially amended to increase maximum indebtedness on or after January 1, 2010.

(c) “Maximum division of taxes” means the maximum amount of funds that may be raised for an urban renewal plan by dividing the taxes as provided in section 1c, Article IX of the Oregon Constitution, as described in ORS 457.440 (5), without regard to notices to assessors under this section or ORS 457.455 (1) or adjustments made pursuant to ORS 457.435 (2)(c).

(d) “Transition amount” means the maximum division of taxes for a plan in the year in which the plan is first substantially amended to increase maximum indebtedness on or after January 1, 2010.

(2)(a) Except as provided in paragraphs (b) and (c) of this subsection, an urban renewal agency may notify the assessor to collect the maximum division of taxes for a plan, other than a large metropolitan plan, that is first approved on or after January 1, 2010.

(b) Beginning with the later of the 11th year after the initial approval of the plan or the first year after the year in which the maximum division of taxes equals or exceeds 10 percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to 10 percent of the initial maximum indebtedness in the plan; and

(B) 25 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to 10 percent of the initial maximum indebtedness in the plan.

(c) Beginning with the first year after the year in which the division of taxes equals or exceeds 12.5 percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an amount of assessed value that the agency estimates will produce division of tax revenues that does not exceed 12.5 percent of the initial maximum indebtedness in the plan.

(d) After computing the assessed value as required under paragraph (b) or (c) of this subsection, an urban renewal agency shall further modify the value if, for reasons other than use of the assumed increment, the value included in the prior year’s notice to the assessor resulted in division of tax revenues different from the respective target amounts under paragraphs (b) and (c) of this subsection. The modification under this paragraph

may not exceed an amount that would result in the difference between the actual revenues and the target amounts.

(3)(a) Except as provided in paragraphs (b) and (c) of this subsection, an urban renewal agency may notify the assessor to collect the maximum division of taxes for a plan, other than a large metropolitan plan, that is substantially amended on or after January 1, 2010, to increase maximum indebtedness.

(b) Beginning with the later of the year after the year in which the plan is substantially amended or the 11th year after the plan was initially approved, when the maximum division of taxes exceeds 10 percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greater of:

- (i) 10 percent of the initial maximum indebtedness in the plan; or
- (ii) The transition amount; and

(B) 25 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greater of:

- (i) 10 percent of the initial maximum indebtedness in the plan; or
- (ii) The transition amount.

(c) Beginning with the first year after the year in which the division of taxes equals or exceeds the greater of 12.5 percent of the initial maximum indebtedness in the plan or the transition amount, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an amount of assessed value that the agency estimates will produce division of tax revenues that does not exceed the greater of 12.5 percent of the initial maximum indebtedness in the plan or the transition amount.

(d) After computing the assessed value as required under paragraph (b) or (c) of this subsection, an agency shall further modify the value if, for reasons other than use of the assumed increment, the value included in the prior year's notice to the assessor resulted in division of tax revenues different from the respective target amounts under paragraphs (b) and (c) of this subsection. The modification under this paragraph may not exceed an amount that would result in the difference between the actual revenues and the target amounts.

(4)(a) Except as provided in paragraphs (b) to (d) of this subsection, an urban renewal agency may notify the assessor to impose the maximum division of taxes for a large metropolitan plan that is initially approved on or after January 1, 2010.

(b) In the first year after the year in which the maximum division of taxes equals or exceeds three percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to three percent of the initial maximum indebtedness in the plan; and

(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to three percent of the initial maximum indebtedness in the plan.

(c) Except as provided in paragraph (d) of this subsection, beginning with the year after the year described in paragraph (b) of this subsection, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year to compute assessed value under this paragraph or paragraph (b) of this subsection; and

(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year under this paragraph or paragraph (b) of this subsection.

(d) Beginning with the first year after the year described in paragraph (c) of this subsection in which the division of tax revenues equals or exceeds 10 percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban

renewal area using an amount of assessed value the agency estimates will produce division of tax revenues that does not exceed 10 percent of the initial maximum indebtedness in the plan.

(e) After computing the assessed value as required under paragraph (b), (c) or (d) of this subsection, an agency shall further modify the value if, for reasons other than use of the assumed increment, the value included in the prior year's notice to the assessor resulted in division of tax revenues different from the respective target amounts under paragraphs (b) to (d) of this subsection. The modification under this paragraph may not exceed an amount that would result in the difference between the actual revenues and the target amounts.

(5)(a) As used in this subsection, "substantial amendment" refers to the first substantial amendment to increase maximum indebtedness for the urban renewal plan after January 1, 2010.

(b) This subsection applies to an urban renewal plan that becomes a large metropolitan plan because it is substantially amended to increase its maximum indebtedness on or after January 1, 2010. This subsection applies beginning in the first year after the year in which the urban renewal plan is first amended to increase its maximum indebtedness on or after January 1, 2010. Except as provided in paragraphs (c) to (e) of this subsection, an urban renewal agency may notify the assessor to impose the maximum division of taxes.

(c) In the first year following a year that the maximum division of taxes exceeds three percent of the maximum indebtedness in effect for the plan immediately before the substantial amendment, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greater of:

(i) The transition amount; or

(ii) Three percent of the maximum indebtedness in the plan immediately before the substantial amendment; and

(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greater of:

(i) The transition amount; or

(ii) Three percent of the maximum indebtedness in the plan immediately before the substantial amendment.

(d) Except as provided in paragraph (e) of this subsection, beginning with the year after the year described in paragraph (c) of this subsection, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year to compute assessed value under this paragraph or paragraph (c) of this subsection; and

(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year under this paragraph or paragraph (c) of this subsection.

(e) Beginning with the first year after the year in which the division of tax revenues equals or exceeds the greater of the transition amount or 10 percent of the maximum indebtedness in effect for the plan immediately before the substantial amendment, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an amount of assessed value that is not greater than an amount the agency estimates will produce division of tax revenues equal to the greater of the transition amount or 10 percent of the maximum indebtedness in effect for the plan immediately before the substantial amendment.

(f) After computing the assessed value as required under paragraph (c), (d) or (e) of this subsection, an agency shall further modify the value if, for reasons other than use of the assumed increment, the value included in the prior year's notice to the assessor resulted in division of tax revenues different from the respective target amounts under paragraphs (c) to (e) of this subsection. The modification under this paragraph may not exceed an amount that would result in the difference between the actual revenues and the target amounts.

(6)(a) The initial maximum indebtedness for a large metropolitan plan that is initially approved after January 1, 2010, shall be established as provided in ORS 457.190 (4)(a) to (c).

(b) Beginning in 2010, the dollar amounts in this subsection may be increased on July 1 of any year by the percent change in average construction costs since July 1, 2009, according to the Engineering News-Record

Northwest (Seattle, Washington) Construction Cost Index. The adjusted dollar amounts may be used only when a large metropolitan plan is initially approved.

(c) The maximum indebtedness may not be increased by more than 20 percent of the initial maximum indebtedness of the plan.

(d) The maximum indebtedness for a plan that becomes a large metropolitan plan because it is substantially amended on or after January 1, 2010, to increase its maximum indebtedness may not be increased above 20 percent of the maximum indebtedness in effect for the plan immediately before the first substantial amendment to increase maximum indebtedness that was made on or after January 1, 2010.

(7) Limitations imposed under this section and ORS 457.190 (4), 457.220 (4) and 457.455 do not apply to the extent the municipality approving a plan obtains the written concurrence of taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal area. For plans that are initially approved or substantially amended on or after January 1, 2010, compliance with this section is determined based on the amount of taxes imposed under permanent rate limits in the fiscal year prior to the fiscal year in which the plan is approved or amended, as applicable.

(8) For purposes of this section, a plan is treated as approved or amended on the day on which the municipality took final action to enact the nonemergency ordinance approving or amending the plan.

(9) The amounts shown in the certified statement filed under ORS 457.430 are not affected by subsections (2) to (5) of this section. If the increment for an area is less than the assessed value that the assessor is directed to use under subsections (2) to (5) of this section, the division of taxes shall be computed based on the increment and the assessor shall impose the maximum division of taxes for the plan.

(10)(a) Notwithstanding subsection (1) of this section, as used in this subsection, "transition amount" means the maximum division of taxes for the plan in the fiscal year that the first amendment made after June 1, 2008, to increase maximum indebtedness takes effect.

(b) Notwithstanding any provisions in this section to the contrary, an urban renewal plan that was first approved in 1998 and had an initial maximum indebtedness of \$224,780,350 may be substantially amended after June 1, 2008, to increase maximum indebtedness by not more than \$343,719,650.

(c) Except as provided in paragraph (d) of this subsection, an urban renewal agency may notify the assessor to collect the maximum division of taxes for an urban renewal plan described in paragraph (b) of this subsection that is substantially amended to increase its maximum indebtedness after June 1, 2008.

(d) Beginning with the first fiscal year after the fiscal year in which the first amendment made after June 1, 2008, to increase maximum indebtedness in the plan described in paragraph (b) of this subsection takes effect that the maximum division of taxes exceeds three percent of the maximum indebtedness in effect for the plan immediately after the first amendment made after June 1, 2008, to increase maximum indebtedness takes effect, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greater of:

(i) The transition amount; or

(ii) Three percent of the maximum indebtedness in effect for the plan immediately after the first amendment made after June 1, 2008, to increase maximum indebtedness takes effect; and

(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greater of:

(i) The transition amount; or

(ii) Three percent of the maximum indebtedness in effect for the plan immediately after the first amendment made after June 1, 2008, to increase maximum indebtedness takes effect.

(e)(A) To the extent permitted by law, a plan amendment described in this subsection shall provide direct economic benefits to the county in which the plan's urban renewal area is located in the following amounts:

(i) If the plan is substantially amended to increase maximum indebtedness by \$343,719,650 or more, at least \$35,000,000.

(ii) If the plan is amended to increase maximum indebtedness by less than \$343,719,650, no less than 10.18 percent of any increase in maximum indebtedness.

(B) Benefits required under subparagraph (A) of this paragraph shall be paid as follows:

(i) \$10,000,000 no later than June 30, 2014; and

(ii) The balance no later than June 30, 2021.

(11)(a) The Director of the Department of Revenue shall adopt rules necessary to apportion assessed value among tax code areas in an urban renewal area for which the urban renewal agency has notified the assessor pursuant to this section or ORS 457.440 (2)(d) or 457.455 to compute the division of taxes.

(b) The director may adopt any rule necessary or convenient for the imposition and collection of taxes under this section or ORS 457.455.

(12) The taxing districts affected by the urban renewal plan and the urban renewal agency are not liable for any amount by which amounts intended to be collected pursuant to this section differ from the targeted amounts in subsections (2) to (5) of this section. The sole remedy for any difference is the agency's modification of assessed value in subsequent years' notices as provided in subsections (2)(d), (3)(d), (4)(e) and (5)(f) of this section. [2009 c.700 §10]

Best Practices for Urban Renewal Agencies in Oregon

Association of
Redevelopment Agencies

BEST PRACTICES

FOR URBAN RENEWAL AGENCIES

IN OREGON

January 2014



Association of
Oregon
Redevelopment Agencies

ABOUT THE ASSOCIATION OF OREGON REDEVELOPMENT AGENCIES (AORA)

The Association of Oregon Redevelopment Agencies (AORA), established in 1987, represents established urban renewal agencies. Urban renewal agencies may be initiated by cities or counties, and their boards can be comprised of the municipal governing body, a housing authority, or members may be appointed by the governing body.

Leadership of AORA is vested in a board of three officers that includes a President, Vice-President, and Secretary/Treasurer. The Executive Committee includes, in addition, two elected directors at-large and the immediate past President also serves.

AORA holds at least two general membership meetings each year, one of which is at the League of Oregon Cities' annual conference. Other meetings are convened on an as-needed basis.

AORA is a resource for urban renewal agencies and public and private redevelopment professionals that:

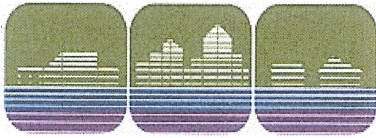
- Promotes urban renewal 'best practices' among the state's urban renewal agencies;
- Provides a forum for discussion with professional colleagues throughout the state on issues pertinent to redevelopment;
- Provides education and information to the Legislature and state agencies on issues related to redevelopment and tax increment financing;
- Evaluates and coordinates urban renewal agency responses to litigation on urban renewal and redevelopment; and
- Assists the League of Oregon Cities.

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Association of
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Redevelopment Agencies



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Dear Urban Renewal Practitioner,

The Best Practices document before you is designed to be an easy-to-navigate, consolidated reference about urban renewal in Oregon. Whether you are considering a new district for your community, or if you are a seasoned practitioner, this document provides valuable information related to all aspects of urban renewal.

The name of the document was chosen to represent what it truly is—a sharing of best practices related to urban renewal in Oregon. From a background on how urban renewal works, to the procedural steps and requirements of districts, the document contains great information. Throughout the manual, you will find best-practice tips from experienced practitioners including local district managers and consultants as well as urban renewal attorneys and bond counsel (of course it is always recommended to check with your consultant or attorney when navigating new territory in urban renewal).

A letter from the Special Districts Association of Oregon and Oregon School Boards Association—two groups directly impacted by the use of urban renewal-- has been included in the appendix. Their letter and thoughts give great insight into the concerns and tension spots surrounding urban renewal, but also provide recommendations for how communities can work to better partner with taxing districts to create successful urban renewal districts supported by all.

The document represents the energy of a great group of people committed to making urban renewal a better tool for redevelopment and economic development in Oregon.

We hope you find this to be a useful reference in your urban renewal work, and that these best practices help to keep the tool of urban renewal strong in Oregon.

Kate Porsche
AORA President

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1. Introduction and Overview

1.1 INTRODUCTION

The Association of Oregon Redevelopment Agencies represents urban renewal agencies throughout the state of Oregon. A major part of AORA's mission is to provide guidance and information to urban renewal agencies in the planning, administration, and implementation of their urban renewal programs. To fulfill part of its mission, AORA has partnered with several consultants that have served Oregon's redevelopment agencies and its parent city and county entities, as well as with similar organizations in other states to review the *Urban Renewal Administrative Guidelines and Procedures* (2001) and update the document.

This document and the best practices tips contained herein were reviewed and discussed with the AORA Board, the AORA Advisory Committee, and experienced urban renewal bond counsel who volunteered to assist the AORA board. This urban renewal manual addresses issues that commonly arise in the practice of urban redevelopment within the state of Oregon. The best practices tips will provide agencies and practitioners with guidance based on over 250 combined years of consultants' experience with urban redevelopment.

The online version of this document is intended to be a living document and will be reviewed and revised as appropriate. AORA welcomes the comments and suggestions of urban renewal agencies at any time.

DISCLAIMER

The information in the *Best Practices for Urban Renewal Agencies in Oregon* is not intended to be legal advice and should not be relied upon by the user as a substitute for specific legal or other expert opinions. All users are responsible for determining the applicability of these materials for their particular issue.

CHAPTER CONTENTS

This chapter contains the following sections:

- 1.1 Introduction
- 1.2 How to use this document

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1.2 HOW TO USE THE DOCUMENT

This document provides an update and expansion to a previous AORA publication, *Urban Renewal Administrative Guidelines and Procedures* (2001). AORA's goal for this document is to provide Oregon's cities and counties with an easy-to-navigate, consolidated reference about the following information:

- Requirements for urban renewal in Oregon
- Background on how urban renewal works and its procedural steps
- Best practices for urban renewal topics from practitioners who have been working in Oregon for many years

The document is organized by major topic. For each topic, there is an introduction, the statutory provisions that pertain to the topic, a discussion, and best practices tips. Throughout the document there are sidebars to assist the reader or to provide examples from communities around the state.

The online version of this document will provide updated content on a regular basis, and this PDF version will be reviewed periodically to add updated information and note any changes to the law in Oregon.

The online document can be found at www.orurbanrenewal.org.

2. Preliminary Feasibility Studies

Feasibility studies are used to evaluate the potential political and economic success of an urban renewal area (URA). They typically entail less detail than an urban renewal plan and report and allow a jurisdiction to take a relatively inexpensive look at the benefits and constraints of a proposed URA. There are no statutory requirements for a feasibility study.

Feasibility studies provide valuable information about the potential success of an URA and are usually completed prior to writing an urban renewal plan. Exceptions to this may include, but are not limited to, response to an opportunity that has certain time constraints that would not allow for completion of an urban renewal feasibility study.

CHAPTER CONTENTS

This chapter contains the following sections:

- 2.1 Public involvement
- 2.2 Area boundary
- 2.3 Blight
- 2.4 Preliminary projects and programs
- 2.5 Comprehensive plan review
- 2.6 Financial analysis
- 2.7 Impacts on taxes imposed by overlapping taxing districts
- 2.8 Gaps and issues

2.1 PUBLIC INVOLVEMENT

A. Background

Feasibility studies can either be an internal technical study to determine if tax increment financing (TIF) would be an effective tool or they can be a more fully vetted study that incorporates input from stakeholders. Some jurisdictions prefer to examine the technical aspects of urban renewal before including stakeholder input, as they may decide not to proceed with an urban renewal plan depending on the outcome of the initial technical study.

B. Statutory Provisions

ORS 457.085(1) requires public involvement in all stages of development of an urban renewal plan.

C. Discussion

Different types of public involvement include meetings with the jurisdiction's staff and elected/appointed officials (a technical advisory committee), business district participants, residents, and taxing jurisdictions (a community advisory committee).

The technical advisory committee can ensure that projects are consistent with the jurisdiction's plans and can provide valuable information about the cost of projects. They can also analyze a project in the context of other jurisdictional needs and look at the impact of TIF on the overall city or county budget.

The community advisory committee can provide important input on the viability of projects and the willingness of the taxing jurisdictions to support the effort.

For other ideas, refer to **Section 4.1 on Public Involvement**.

D. Best Practice Tips

Stakeholder participation will assist a locality in adopting an urban renewal plan that has been fully vetted with both public officials and community stakeholders. The scope of the feasibility study should determine the amount of stakeholder involvement.



In 2010 and 2011, the Hood River City Council developed the Hood River Heights Business District Urban Renewal Plan with cooperative input from the Hood River Heights Business Association (HRHBA). During the feasibility stage, the HRHBA met monthly in open public meetings to review the boundary, establish goals and objectives, and establish and prioritize projects. Once the feasibility study was completed, the HRHBA reviewed the components of the proposed urban renewal plan and became an advocacy group for the preparation of the urban renewal plan, which resulted in a widely supported urban renewal plan.

2.2 AREA BOUNDARY

A. Background

An urban renewal feasibility study must be predicated on specific boundaries and, if desired, specific alternative boundaries.

B. Statutory Provisions

ORS 457.420 limits the amount of acreage and assessed value that may be in urban renewal for cities with a population of more than 50,000 (15%) and less than 50,000 (25%). The area must also be blighted in accordance with ORS 457.010.

C. Discussion

Area boundaries are meant to include the entire blighted area where the jurisdiction intends to undertake its projects and programs. For example, if a jurisdiction is considering a commercial district in the downtown, it makes sense to include all of the commercially-zoned properties in that district. There are a few special circumstances to consider when establishing boundaries:

- **Cherry stems:** There may be development opportunities or blighting conditions that are not directly adjacent to the area being studied, but which have a direct relationship to the main area. Those areas can be added to the study area through a “cherry stem,” a small section that connects one area to the other.
- **Donuts:** There may be an area within the potential boundary of an URA that is not included in the URA. This may be because it is a different land use, no projects are planned in that area, or because it may not relate to the URA in some other way. It is acceptable to establish a boundary and exclude that area, making a “donut.”
- **Non-contiguous areas:** If a jurisdiction is considering multiple areas in one urban renewal boundary that are not tied together by area, there should be a direct functional or planning relationship between the two areas.

Jurisdictions sometimes study the possibility of adding more acreage to an URA than the specific area where projects will be considered. This is done because the larger area typically benefits from the improvements and can use the overall growth to help establish the URA.

D. Best Practices Tips

The most logical boundary encompasses the area that is blighted and will benefit from the use of tax increment funding for projects and programs within the area. Larger URAs should be carefully reviewed to avoid controversy in a later stage of plan development.

A boundary including non-contiguous areas should be established only after legal counsel review and approval. A cherry stem is the most conservative method to address this situation and should be the first method explored.

2.3 BLIGHT

A. Background

Blighting conditions must be present in an URA. However, not every parcel in an URA has to be blighted. Blighting conditions are documented through an existing conditions analysis.

B. Statutory Provisions

ORS 457.010(1) defines blight.

ORS 457.085(3)(a) states the requirements of an urban renewal report that identifies blight.

C. Discussion

The existing conditions analysis includes data on:

- Land use
- Zoning
- Comprehensive plan designations
- Platting (if pertinent)
- The conditions of the utilities in the area, including water, sewer, and wastewater systems
- Conditions of the transportation system
- Economic analysis, including an investment to land ratio analysis
- An analysis of the social conditions of the area

If a master plan or capital improvement plan exists for the utilities, it can be analyzed for projects identified for the study area. This analysis should include a cross-check by the jurisdiction's engineer for projects that have been completed or are going to be added to the master plan.

Improvement to land ratio values are determined by analyzing the county assessor's data on properties within the area and are used to demonstrate underdevelopment in an area.

Blighting indications include deficiencies in the jurisdiction's utility and transportation systems and any issues in the present platting of the properties within the area. This is the same information that is required in the preparation of a report that accompanies an urban renewal plan.

D. Best Practices Tips

The URA must meet at least one condition of blight identified in the statute .

2.4 PRELIMINARY PROJECTS AND PROGRAMS

A. Background

Projects and programs are meant to address the blighting conditions of the area and should help catalyze future development in the area.

B. Statutory Provisions

There are no statutory requirements for the identification of projects and programs at the feasibility study phase. However, the projects and programs identified for an urban renewal plan ultimately need to comply with ORS 457.

C. Discussion

Projects are ideally identified and prioritized based on their maximum effect in curing blight and encouraging the private development that will provide the increment necessary to pay the urban renewal plan debt. Prioritization must also be flexible enough to react to opportunities, such as providing “match” for grant programs or responding to development opportunities as they arise. Local preferences will also influence project choices.



FORT GEORGE BREWERY REMODEL

Remodeled in 2009, the Fort George Brewery has become a major attraction in Astoria. The project was funded through a variety of loans and grants, some of which were sourced through urban renewal.

2. PRELIMINARY FEASIBILITY STUDIES



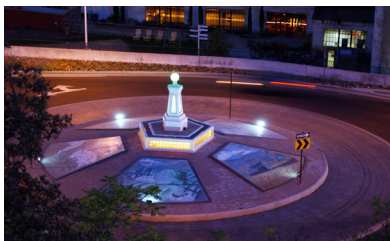
Before



After

STOREFRONT IMPROVEMENT

Coos Bay has a façade improvement program that has successfully revitalized its downtown area.



STREET INFRASTRUCTURE

The Columbia Gateway URA in The Dalles provided redevelopment financing to assist in the redevelopment of the eastern entrance to the city's downtown, pictured here.

Projected costs for projects should come from the city engineer and/or master plans or capital improvement plans for infrastructure projects and other adopted plans on the study area. Costs may also come from input from consultants and/or other jurisdictions for projects and programs such as storefront grant and loan programs and redevelopment assistance. At the feasibility stage of review, the costs do not need to be detailed, but a general idea of the magnitude of costs associated with the projects will enable the locality to determine the trends that are needed to address blight in the area.

The types of projects and programs typically used in urban renewal are:

- Storefront grant and loan programs
- Redevelopment grant and loan programs
- Infrastructure projects, including streetscape, water, sewer, wastewater, and undergrounding utilities
- Developing parking to support downtown businesses
- Development of public buildings
- Assistance to private developers and owners to rehabilitate or redevelop property

D. Best Practices Tips

Projects should be identified that will address the blighting conditions in the area and help catalyze development in the area, thereby increasing property values.



DEVELOP PARKING TO SUPPORT DOWNTOWN BUSINESSES

Lake Oswego worked under a redevelopment agreement with a private developer for an anchor project on the south end of the retail district in downtown Lake Oswego. The City of Lake Oswego paid for the construction of a structured parking facility that was integral to the development of the surrounding retail and office space. The city owns the parking facility, which is adjacent to the highly successful Millennium Park.

2.5 COMPREHENSIVE PLAN REVIEW

A. Background

A succinct review of the comprehensive plan and other plans and reports enables the jurisdiction to ensure that a future urban renewal plan will conform to the comprehensive plan and other local objectives.

B. Statutory Provisions

There are no statutory requirements for comprehensive plan review at the feasibility study phase. However, ORS 457.085 (1)(d) and ORS 457.095(3) address the need for an urban renewal plan to be in conformance with the comprehensive plan.

C. Discussion

A review of the comprehensive plan and other adopted plans does not require the full analysis that is required in the preparation of an urban renewal plan, but it can help to ensure that these issues will not interfere with the adoption of a plan. For example, if a jurisdiction would like to see a mixed-use development on a site that is presently designated as industrial land and does not allow for mixed-use development, that issue must be resolved before the adoption of an urban renewal plan.

D. Best Practices Tips

A comprehensive plan should be reviewed in a feasibility study to identify any issues that may need to be resolved before preparing an urban renewal plan.

2.6 FINANCIAL ANALYSIS

A. Background

An initial assessment of the financial feasibility of a plan can determine if the anticipated revenue sources, including tax increment revenues, will be sufficient to cover the anticipated project costs. It is beneficial for estimates of tax increment revenues to be based on an informed judgment of the types and levels of development likely to occur within the URA.

B. Statutory Provisions

There are no statutory requirements for financial review at the feasibility study phase. However, ORS 457.085(3)(f) and (g) require financial analysis in an urban renewal plan.

C. Discussion

At the feasibility study stage, detailed cost estimates for specific projects may be unknown. Jurisdictions often find that it is helpful for the emphasis at this stage of analysis to be on understanding the order of magnitude of the financial resources available, and whether or not those revenues seem reasonable to cover estimated project costs in a reasonable time period. It is often useful to look at long-term historical trends as a starting place for future growth assumptions, then adjust these assumptions to account for known taxable redevelopment that is planned or in progress, current market conditions, and anticipated urban renewal projects that would stimulate additional redevelopment in the future.

It is valuable to consider the timing of revenues and expenditures. Timing can be particularly important when establishing the frozen base, and determining the first year to receive TIF. The frozen base is the total assessed value of the URA and is based on the most recent year of assessor's data. The first year to receive TIF is based on the first year that tax rolls are set after adoption of the plan. For more on how the timing of plan adoption can affect early year TIF revenues, see **Section 4.9 Finance**.

Other timing issues can arise when trying to finance projects early in the life of an URA. Many lenders look at historical tax collections when determining the terms of available financing. It may be difficult to obtain financing for expensive projects in the early years of an URA, even if preliminary projections show rapidly growing TIF revenues.

It is not always necessary (or ideal) to focus on one specific forecast of TIF revenues. Often, jurisdictions model multiple scenarios, presenting a range of forecasts and showing the TIF revenue potential under various assumptions.

It is important to remember that TIF revenues do not equal the dollars available for projects. TIF revenues are used to pay debt service on debt that pays for project costs. Thus, the financial feasibility analysis needs to make general assumptions on the type of debt that will be incurred by the URA and the terms associated with that debt (for example, interest rates, coverage ratios, reserve requirements, issuance costs, and amortization period). At the feasibility stage it is not necessary to have all of these assumptions nailed down, but it may be helpful to check with financial advisors to ensure that the analysis is grounded in reasonable assumptions.

D. Best Practices Tips

A jurisdiction should conduct a preliminary financial analysis to ensure that projected revenues are of an order of magnitude that is sufficient to cover its anticipated project costs. Forecasts of TIF revenues should be based on conservative assumptions of growth in assessed value.

A jurisdiction should account for inflation in its financial feasibility analysis. It may be a decade or more before some urban renewal projects are funded. Even with conservative inflation assumptions of 3% per year, project costs can increase by more than 33% in a decade. A jurisdiction should cite the source of its inflation assumptions (e.g., consumer price index, construction cost indices, etc.).

Also, a jurisdiction should include some funding for administrative costs throughout the life of the urban renewal plan.

If, at the feasibility stage, a jurisdiction wants to recover the costs of conducting the feasibility study and developing the plan itself, it must identify those activities as a project of the plan.

HELPFUL TIPS

When evaluating the financial feasibility of an URA, consider the following:

Inflation: Always make sure to have realistic forecasts for inflation. URAs often wait years (if not decades) before funding certain projects. Inflation can significantly increase project costs over this time. Including inflation in your project cost estimates is necessary to ensure the maximum indebtedness is sufficient to cover all project costs.

Administrative costs: While it is natural to focus on the costs for specific capital projects, make sure that administrative costs are also included. URAs typically incur some level of ongoing administrative costs.

Reimbursement of preliminary expenditures: Prior to adopting an urban renewal plan, a jurisdiction may incur costs writing, evaluating, and adopting the plan. These costs require an upfront source of funding (typically a jurisdiction's general fund), but can be reimbursed by an URA, when resources are available. Jurisdictions that wish to have these costs reimbursed by the urban renewal area need to list these activities as a project in the plan.

2.7 IMPACTS ON TAXES IMPOSED BY OVERLAPPING TAXING DISTRICTS

A. Background

Taxing districts are understandably concerned about the impact of urban renewal on their future tax revenues. During the operation of an urban renewal plan, the taxing districts will forego any increase in property taxes within the URA. The reason for pursuing urban renewal is to increase the value of properties in the URA, thereby increasing the property tax revenues. At the termination of an URA, taxing districts will receive the benefit of the use of urban renewal if the URA was successful at increasing the taxable assessed value.

B. Statutory Provisions

There are no statutory provisions for analyzing the impacts on taxing jurisdictions in a feasibility study. However, ORS 457.085(3)(h) requires the analysis of impacts on taxing jurisdictions in an urban renewal plan.

C. Discussion

Financial analysis of the revenues foregone by overlapping taxing districts is required in the report accompanying an urban renewal plan and it can be helpful to conduct this analysis during the preliminary feasibility study. The analysis can show the impact to other jurisdictions without new development, using the average annual appreciation rate in the area, and the impact of new development using projections developed within the feasibility study. A key factor to consider is whether the projected new development would occur regardless of urban renewal, and, therefore, whether those taxes should be considered as foregone or whether the taxing district would not have seen that growth without urban renewal.

It can be beneficial to involve taxing districts in the information sharing about a potential new URA. The jurisdiction may benefit from the participation of special districts in the collaborative effort to design projects and programs to benefit the URA.

Analyzing the impact to taxing districts entails estimating the taxes that may be foregone by overlapping taxing districts from the division of taxes for the urban renewal plan. Again, these would be the taxes that would have been generated by growth, with or without the urban renewal plan. At the feasibility stage, estimating the order of magnitude of impacts is typically all that is necessary.

This will help the governing body understand how an urban renewal plan would affect overlapping taxing districts before it proceeds with creating a plan.

To determine the impact to other taxing districts, a jurisdiction must first estimate what the future assessed value of the URA would be without urban renewal. Then the future assessed value without urban renewal must be multiplied by the permanent tax rates for all overlapping taxing districts.¹ If the URA is anticipated to experience revenue sharing, then the revenue sharing amount is added to calculate the total impact to taxing districts. It may also be helpful to calculate what the positive impact to taxing districts will be in the first year that the URA is scheduled to end. This will provide affected taxing districts with an idea of the revenue they would give up in the early years compared to the benefit they would receive in later years. **Table 1** shows an example of a table summarizing the impacts of an existing URA.

Table 1. Summary of impacts of an existing URA

Rate Type	Tax Rate	Included in TIF Consolidated Rate?	Incremental Value	Annual Foregone Revenue
Permanent	\$4.0000	Yes	\$ 10,000,000	\$ 40,000
Local Option Levy	\$1.0000	No	\$ 10,000,000	\$ -
General Obligation Bond				
Approved prior to Oct. 2001	\$0.7500	Yes	\$ 10,000,000	\$ 7,500
Approved after Oct. 2001	\$1.2500	No	\$ 10,000,000	\$ -
Total	\$7.0000		\$ 10,000,000	\$ 47,500

HB2632 was adopted by the Oregon legislature in 2013. It provides that standard rate plans will not receive division of taxes from local option levies approved after January 1, 2013.

D. Best Practices Tips

An analysis of the impacts on taxing jurisdictions should be an integral component of a feasibility study and should be reviewed with the taxing jurisdictions if the agency intends to pursue development of an urban renewal plan.

Taxing districts should be involved in the information sharing about a potential new URA and should participate in the collaborative effort on designing projects and programs that will benefit the URA. Although urban renewal does not have a direct impact on local school district funding, it is important for school districts to also be included in the information sharing so that all interested parties understand the extent of the potential impacts.

1. Local option levies are excluded from the consolidated tax rate for new URAs, as are general obligation bonds approved after 2001. Even if there are general obligation (GO) bonds approved prior to 2001, a new URA would affect the bond rate, but not the amount of the levy collected, and therefore would have no fiscal impact on a jurisdiction's GO bonds collection.

IMPACTS ON SCHOOL DISTRICTS

When considering the impact on taxes imposed by overlapping taxing districts, it should be noted that school districts are affected differently than other types of taxing districts.

Property taxes were once the primary funding source for K-12 schools, and tax rates varied by district. Today, the State of Oregon “equalizes” school funding, using a formula that takes into account property tax revenue generated at the school district level and revenue from the State’s coffers generated by the statewide income tax, Oregon Lottery, and intergovernmental revenues.

Allocation of State revenues to local school districts comes in the form of “general purpose grants.” The primary driver of the State allocation is the number of students in each district. This means that local property taxes generated by a school district have no direct impact on school funding in that district. Thus, any impacts that an URA might have on local school district property tax revenues would have no direct impact on school funding in that district.

2.8 GAPS AND ISSUES

A. Background

A feasibility study is used to assess the preliminary viability of using urban renewal and TIF for redevelopment. It will identify the gaps and issues that could arise if the jurisdiction determines that it would like to proceed with the preparation of an urban renewal plan. These may be technical or political issues.

B. Statutory Provisions

There are no specific statutory provisions for feasibility studies.

C. Discussion

The types of gaps and issues are generally either technical or political in nature. Technical issues often include:

- **More project expenditures than projected TIF revenue.** Once preliminary URA boundaries are identified many jurisdictions will fold extensive projects outlined in their capital improvement plans and transportation systems plans into consideration for TIF assistance. Those projects, in addition to projects and programs targeted to directly promote redevelopment of the URA, such as rehabilitation loan programs, site assembly, and storefront improvements, can result in a very long list. If the total estimated cost of these projects exceeds the financial projections for tax increment funds, the projects will need to be prioritized and reduced to a level that can be reasonably funded through TIF. If the projects cannot be reduced, the jurisdiction will need to look for other sources of funding that can potentially be leveraged with TIF.
- **Lack of funding in the early years.** Most URAs have very small amounts of TIF cash flow in the early years, which limits their bonding capacity. This sometimes means that a jurisdiction may need to defer larger scale projects that rely on TIF for a period of time. A jurisdiction that chooses to initiate more projects and programs earlier on can borrow from sources other than the bond market, though some of these sources will have restrictions on how their monies can be used. Alternative sources can include: a jurisdiction’s general fund; GO Bond of the jurisdiction; enterprise funds from system development charges (SDCs) from transportation, public works, parks, or other departments; private lenders; and tax anticipation notes based on TIF projections from the URA. All of these can be repaid by future TIF cash flow or by issuing a TIF bond once that becomes viable.

- **Revenue sharing within the taxing districts impacts time period of the district.** Revenue sharing with taxing districts (see Section 4.9) needs to be planned for and URAs should accommodate projected changes in TIF revenue (adjusting project goals and/or securing non-TIF resources to complete projects). The options are to lengthen the estimates for the time frame of the URA or reduce the amount of money to be used.
- **Comprehensive plan needs to be updated to conform with the present desires of the jurisdiction.** Redevelopment often requires changes to the underlying zoning and comprehensive plan designations. The adoption of an urban renewal plan requires that the plan be in conformance with the comprehensive plan. Therefore, there may be instances where the comprehensive plan should be updated before an urban renewal plan can be adopted.
- **Compression impacts financial feasibility.** The financial feasibility of a plan needs to take into account the impact of tax compression (see Section 4.9) in the analysis, understanding that the analysis is an estimate and cannot account for unexpected changes in economic dynamics.

The major political issues identified are:

- **Impacts on taxing jurisdictions, including the jurisdiction pursuing the urban renewal plan.** Other taxing districts will forego revenues upon the adoption of an urban renewal plan. There are many instances where the taxing jurisdictions are aware of that impact and are supportive of the efforts of the jurisdiction to implement urban renewal. They understand the overall impact urban renewal can have on the community and feel that the overall benefit is positive. However, there are also taxing districts who feel they cannot forego tax revenues. The jurisdiction must decide how to balance the needs of the taxing districts with the needs of the community.
- **Lack of support for the proposed redevelopment.** The jurisdiction may be proposing redevelopment in an area where there is not support for the redevelopment. This is an issue that is best resolved by the jurisdiction prior to proceeding with the adoption of an urban renewal plan.
- **Need to go to a public vote.** Some jurisdictions require that voters approve new urban renewal plans or substantial amendments to existing plans. Such approvals will add time to the district formation process. There may also be extra work required to effectively and legally communicate the objectives of urban renewal to voters.
- **Changing governing body before feasibility study adoption.** If the urban renewal feasibility process spans an election, there is a risk that the composition of the governing body and support for urban renewal could change before the feasibility analysis is complete.

D. Best Practices Tips

It is helpful for governmental entities to perform feasibility studies that identify issues and gaps, prior to creating an urban renewal agency.

3. Creating an Urban Renewal Agency

Urban renewal agencies are separate and unique entities that may be activated by municipal entities (cities or counties) under the authority of Oregon Revised Statutes (ORS 457.035).

As a separate entity, the elected municipal governing board must establish the governing structure of the agency, including appointing a board. This decision may be influenced by a number of factors discussed in this section, as well as other factors such as the various projects and programs that are considered for inclusion in the URA's plan.

CHAPTER CONTENTS

This chapter contains the following sections:

- 3.1 Establishing the Board
- 3.2 Advisory Committees

3.1 ESTABLISHING THE BOARD

A. Background

Urban renewal agencies are governed by a body that is separate and distinct from the municipality that activates the URA. For simplicity in this document the URA body is called a “board.” The municipal entity that creates the URA is responsible for determining the structure of the board, as provided by ORS. There are three potential structures for the urban renewal agency board:

- Governing body itself
- Separate group—appointed by the municipal governing body
- Housing authority

B. Statutory Provisions

ORS 457.045 provides that a municipality’s governing body may choose to exercise the powers of an urban renewal agency by:

- (1) the municipality’s housing authority,
- (2) a separate board or commission of no fewer than three members, or
- (3) by the governing body itself, acting as a governing body separate from the municipality they were elected to represent.

A housing authority functioning as an urban renewal agency must appoint an advisory board, but otherwise, advisory committees are not required.

C. Discussion

Historically, in Oregon, elected municipal officials have generally desired substantial control over urban renewal decisions. Therefore, most urban renewal agency boards consist of the members of the city council or county commission. Of those urban renewal agencies where the municipality’s governing board created boards consisting of non-elected officials, some require that at least one member of the board be an elected municipal official.

The governing bodies of municipalities just starting an urban renewal program can sometimes find it difficult to decide whether to establish a separate board or retain direct authority. There are examples where municipalities have created a separate board and later decided to return authority to the elected governing body. The agency board may also decide whether or not to designate one or more advisory committees, and if so, the board also determines what functions those committee(s) should serve.



Phoenix urban renewal agency at work reviewing a loan application.

So what is the best governance structure and why? Although there are no specific authoritative sources that address best practices for local government board governance, guidance can be found in *Best Practices: Nonprofit Corporate Governance* and the *Five Habits of High Performance Boards*. The key issues raised by the authors of these documents are as follows:

Key considerations included in both documents directly relevant to the creation of an urban renewal agency:

- The relationship between the board and staff
- Duty of loyalty, distinct entity

1. Relationship between board and staff

The success of the URA, just as is the case with the municipality itself, is very much dependent upon the staff and the support they receive from the urban renewal agency board. Additionally, what often undermines the success of an organization are actual or perceived conflicts of interest.

Practically speaking, there are very few urban renewal agencies that have the staff resources to operate independently. Although the urban renewal agency may have staff dedicated to urban renewal projects and activities, the agency is generally supported by departments in the rest of the municipal organization, such as finance, planning, public works, and city or county management. This reality makes it very challenging for staff should there be two separate and distinct boards.

2. Duty of loyalty

The duty of loyalty to a distinct entity may be addressed through the recognition that the urban renewal agency is a “component unit” of its founding municipality. In other words, loyalty belongs to the parent entity, i.e. the municipality that created the urban renewal agency.

Urban renewal functions and activities are generally specific and limited. The urban renewal agency’s authority is controlled not only by state law but also by policy documents, e.g. the urban renewal plan, that specify, among other items, the projects and activities to be undertaken, the estimated cost of projects and activities, the maximum amount of funding, and the estimated period of time to accomplish the plan.

Each urban renewal plan is different, with various projects and activities of the urban renewal agency supporting the overall vision. Therefore, each urban renewal agency has different leadership and governing requirements, and these may vary from time to time during the life and implementation of an urban renewal plan.



In Astoria, the Agency is the the City Council.

3. *Municipal governing board vs. appointed board configuration*

There are advantages and disadvantages to each of the two options that are currently used in Oregon (no housing authorities currently exercise urban renewal powers).

Table 2. Overview of Board Structure

	ELECTED CITY OR COUNTY OFFICIALS	APPOINTED BOARD
Direct oversight of elected officials	Retained	Compromised
Perception of decision being final	Retained	Perception may be that decisions may be challenged
Public attendance at meetings	Improved attendance (other business)	Attendance may be reduced
Representation of board	Limited to elected officials	Board members with unique qualifications can be recruited
Accountability	Accountable to voters	Accountable to elected body
Stability	Potential to be less stable (subject to change with each election)	Generally more stable
Sufficient Attention	Heavy demands of the primary entity may reduce attention—involvement with other related issues may offset	Generally more direct attention

4. *City council or county commission as agency board*

The advantages of designating the city council, city commission, or county commission as the urban renewal agency board include:

- Direct oversight is retained by the municipality's elected officials. Given the scope and importance of decisions regarding urban renewal in most communities, this degree of oversight is important.
- Decisions will be considered final, as opposed to the decisions of a separate board, which might be appealed to the governing body. (However, the decisions of a separate urban renewal agency board in undertaking an adopted urban renewal plan are not, strictly speaking, appealable to the municipal's governing body.)
- The urban renewal agency's board meetings may be better attended if they are held concurrently with council or commission meetings.

The disadvantages of this form of governance include:

- Representation on the urban renewal agency board is limited to the elected municipal officials. Opportunities for other qualified or interested citizens (e.g. real estate developers, lenders, and other experts) to directly participate in URA governance are eliminated.
- Board membership can be unstable, i.e., subject to change with each election, potentially resulting in a lack of continuity in urban renewal agency governance and decision-making. This instability is often mitigated by continuity among staff, legal representation, and advisors.
- Urban renewal agency decisions may, in part, be based on political agendas rather than sound development considerations.
- Urban renewal agency issues may not receive sufficient attention from board members who often have heavy demands placed on them in their roles as city council or county commission members. This can be mitigated by the use of advisory committees (ad-hoc or otherwise).
- Actual or perceived conflicts between the urban renewal agency and the municipality may exist, making it more difficult for these interests to be kept separate.
- The urban renewal agency board may not be as willing to advocate for their interests when they conflict with municipal interests.
- In some cases, there may be simple confusion as to which legal body has the authority to make a particular decision.

5. Separate agency board

The advantages of designating a separate urban renewal agency board include:

- The board's full attention can be given to urban renewal matters.
- The board may be more likely to represent the interests of the urban renewal agency in those circumstances where there may be conflicts with the municipality.
- The potential conflict of interest is limited as the urban renewal agency is a component unit of the parent municipality.
- Urban renewal agency decisions might be more likely to be made on the basis of sound development considerations.
- Board membership may include one or more elected officials in order to retain a measure of direct oversight by the municipal governing body.
- There may be other unintended consequences associated with appointing fewer than all elected officials to an advisory committee.

- Perception, real or not, that the appointed elected officials speak for the majority of the municipal governing board.
- Potential communication issues created by filtering information.
- Board membership may represent particular areas of expertise, interests in the community, and/or within the URA.

The disadvantages of this form of governance include:

- The municipal governing body may be unwilling to truly delegate authority to a separate board, and this may result in “second guessing” board decisions.
- The board is less accountable to the voters of the municipality.
- Board decisions may not be considered final by the public. They may be appealed to the governing body, causing delays or reversals of board decisions.
- In smaller organizations, where the same staff that performs city or county functions also performs urban renewal functions, the potential for conflicting direction increases.

6. Urban renewal boards in Oregon

In Oregon, a majority of urban renewal agencies are governed by the elected officials of the municipality by which it was created. Additionally, there are examples within the state of the elected body of the municipality changing the board composition to address changes in conditions within the community or the urban renewal plan.

Table 3. Elected boards vs. appointed boards

	ELECTED CITY OR COUNTY OFFICIALS	APPOINTED BOARD
Number of agencies	Retained	Compromised
Advisory boards	Retained	Perception may be that decisions may be challenged
Change in board composition	Improved attendance – other business	Attendance may be reduced

D. Best Practices Tips

Elected officials of the municipal governing board are encouraged to give serious consideration to the issues presented above. They should also consider public comments about the various options for board composition, given their specific plan, community, and other issues, prior to forming the urban renewal agency and/or making changes to an existing agency board.

If the municipal governing board chooses to appoint a “separate group,” whether that group includes one or more elected municipal governing board members or not, the municipal governing board is encouraged to document desired board member profiles, roles and responsibilities for the board, its members, and the governing body.

3.2 ADVISORY COMMITTEES

A. Background

Any urban renewal agency board may appoint an advisory committee, although advisory committees are more frequently appointed by boards that consist of the municipal governing body. Advising committees can be either long-standing or ad-hoc to respond to specific issues.

B. Statutory Provisions

There are no statutory provisions for advisory committees.

C. Discussion

Appointing an advisory committee(s) can help mitigate some of the disadvantages of having the city council or county commission serve as the urban renewal agency board.

- Advisory committees can devote their full attention to urban renewal issues, and the urban renewal agency board, in many cases, can choose to heavily rely on their advice.
- Advisory committees can also broaden participation in urban renewal decisions and can represent varying interests and expertise in the community.
 - o Municipalities should be aware that advisory committees may have a tendency to desire direct decision-making authority when it is not desired by the urban renewal agency board, which can lead to conflicts with the urban renewal agency board.
- The urban renewal agency board can also decide whether the committee is to advise on all urban renewal issues or only on certain types of issues.
- Ad-hoc committees may serve the urban renewal agency board best because they have a limited scope and time frame. This may serve to:
 - o Increase the efficiency of an organization

3. CREATING AN URBAN RENEWAL AGENCY

- o Reduce potential conflicts in authority with elected boards
- o Increase ability to recruit experts for a given project or program
- o Expand the field of potential committee members due to reduced length of time commitment
- An urban renewal agency board can give consistent and substantial weight to advisory committee recommendations.
- Though the urban renewal agency board is not bound by advisory committee recommendations, if such recommendations are not given a prominent place in board decisions, the advisory committee will lose its effectiveness.
- Ad-hoc committees can be assigned to specific projects or programs.

Table 4. Ad-hoc committees vs. standing committees

	AD-HOC COMMITTEE	STANDING COMMITTEE
Dedicate full attention to agency activities	Yes	Yes
Broaden participation in agency activities	Yes	Yes
May desire direct decision authority	Less likely	More likely
Limited scope and timeline	Generally	Generally no
Increase efficiency of staff	Generally	Possibly, but less often
Reduce potential conflicts of authority with elected officials	Generally	Possibly, but less often
Increase potential to recruit experts	Yes	More so than elected bodies, less so than ad-hoc committee
Expanded pool of potential members due to reduced time commitment	Yes	More so than elected bodies, less so than ad-hoc committee

D. Best Practices Tips

If the board consists of the municipal governing board, ad-hoc committees may be effective to advise the municipal governing board on various projects and/or programs.

If jurisdictions decide to create continuing advisory committees, then these committees should have clear and defined parameters, and those parameters should include topics like: purpose, composition, term-limits, staffing, costs, etc.

4. Urban Renewal Plan

An urban renewal plan sets out the parameters of the actions to be undertaken in an URA by an urban renewal agency. It is important to consider all issues in preparation of an urban renewal plan, as implementing substantial amendments to an urban renewal plan is very time-consuming and expensive.

Urban renewal plans must be proposed by an urban renewal agency (ORS 457.085(2)). Therefore, if a jurisdiction is considering adopting an urban renewal plan, they must first establish an urban renewal agency.

The statutes require that an urban renewal agency shall provide for public involvement in all stages of the development of an urban renewal plan.

CHAPTER CONTENTS

This chapter contains the following sections:

- 4.1 Public involvement
- 4.2 Area boundary
- 4.3 Goals/objectives
- 4.4 Projects funded with TIF revenue
- 4.5 Comprehensive plan and economic development plan review
- 4.6 Procedural requirements for approval of a plan
- 4.7 Urban renewal report
- 4.8 Blight
- 4.9 Finance

URBAN RENEWAL PLAN COMPONENTS

1. A description of each urban renewal project to be undertaken.
2. An outline of the major project activities planned for the URA or areas.
3. A map and legal description of the URAs of the plan.
4. An explanation of how the plan relates to local objectives.
5. A discussion of the relevant objectives of the local comprehensive plan and other council - adopted related plans.
6. An indication (map and text) of proposed land uses, maximum densities, and building requirements for each URA.
7. Urban renewal plans no longer regulate land uses, and this section of the statute is obsolete, but has not been repealed. Therefore, the plan should consist of a reference to the jurisdiction's comprehensive plan and implementing ordinances.
8. A description of relocation methods for residents or businesses that must move because of urban renewal agency projects.
9. A description of property to be acquired by the urban renewal agency (if any) and how it will be disposed of (e.g., sale or lease), along with a schedule for acquisition and disposition.
10. If the plan calls for the use of TIF, the maximum amount of indebtedness to be issued or incurred.
11. A description of which types of changes to the plan are to be considered substantial amendments (See **Section 5.3 Substantial Amendments**). Duration provisions of urban renewal plans are not required by statute. Localities may want to impose durations, and if they do, they become another provision of the plan. If imposed, the plan should specify how those provisions might be amended, if at all. Typically, jurisdictions want URAs to be active for a period of 20 to 30 years, though it is not uncommon for an urban renewal agency to take longer than 30 years to repay the debt.
12. If the plan calls for the development of a public building (e.g., a fire station), an explanation of how the building serves or benefits the URA.

4.1 PUBLIC INVOLVEMENT

A. Background

Public involvement is a key component of all phases of urban renewal planning, from the inception of an URA to the ongoing administration of the urban renewal plan. Involvement needs range from including the public to including the specific affected local taxing jurisdictions. Adoption of an urban renewal plan goes much more smoothly when there is significant public support for the plan.

Some jurisdictions have included a public vote for establishing urban renewal agencies, approving urban renewal plans, and making substantial amendments as a component of their public involvement.

B. Statutory Provisions

- ORS 457.085(1) requires that “an urban renewal agency shall provide for public involvement in all stages of the development of an urban renewal plan.”
- ORS 457.085(4) and ORS 457.085(5) require that new plans or substantial amendments must be presented to the planning commission of the jurisdiction and to the governing bodies of taxing districts affected by the plan.
- ORS 457.437 requires that a city urban renewal agency meet with the governing body of the county affected by the plan.
- ORS 457.095 and ORS 457.120 require that direct notice be sent (by a jurisdiction) to individuals or households within certain areas in addition to the normal notice provisions of a jurisdiction for a public hearing on a new plan or substantial amendments.
- ORS 457.460 requires that annual reports be prepared and published in the newspaper at least two times each year.
- ORS 457.095 requires published notice of adoption of an urban renewal plan.

The statutory requirements are for public involvement in all stages of the development of an urban renewal plan. The ranges of involvement are shown below.

The City of Beaverton met extensively with the general public, key stakeholders, and the affected taxing districts when it was creating its Downtown Urban Renewal Plan. During this public outreach, a key concern was the duration of the Plan. At first, there was a desire to have a hard stop date in the Plan for the last year to issue debt, but the community realized the potential danger of limiting their Plan from accomplishing all of the projects included in the Plan. After reviewing the detailed TIF estimates and projections of borrowing capacity, the Advisory Committee felt comfortable that the maximum indebtedness could be repaid in a 30-year timeline, which lessened the need to include a hard end date.

Ultimately, a compromise was reached, and the Plan includes a provision that calls for all affected taxing districts to reconvene in 20 years to review the history of the URA, evaluate the remaining projects, maximum indebtedness, and TIF projections, and make a recommendation to the URA Board as to whether the Plan should continue, or if amendments are needed to ensure that the URA repays all debt in a reasonable timeframe.

In 2010-2012, the Portland Development Commission worked with a diverse advisory committee to make recommendations for the amendment of the Interstate Corridor Urban Renewal Plan. Staff averaged 30 tweets per meeting for the monthly meetings from August 2009 to May 2010. Between 60-75 citizens came to each of the planning meetings, all of which were open for public testimony.

In 2010, the Philomath Downtown Association's input was the key force in the decision to amend the existing urban renewal plan to increase the acreage, designate new projects that would support the downtown business core, and increase the maximum indebtedness.

C. Discussion

The minimum required by statute: Two opportunities for general public review and input are required by statute: the urban renewal plan and accompanying report are forwarded to the planning commission prior to presenting it to the governing body (city council or county commission) (ORS 457.095). The planning commission meetings are open to the public. Therefore, the public has an opportunity for comment at this point in the preparation of a plan.

Approval of an urban renewal plan by the governing body is by non-emergency ordinance (ORS 457.095). In most localities, this means two readings of the ordinance. The first reading is a public hearing that has been noticed by mail to the public group required in ORS 457.120. The second reading does not typically include public testimony, but testimony can be accepted at the discretion of the governing body.

The urban renewal plan must also be sent to the governing body of all affected taxing jurisdictions. The urban renewal agency should consult and confer with the taxing jurisdictions prior to presenting the plan to the governing body for approval. (ORS 457.085)(5). In addition to sending the plan by mail, the urban renewal agency may also contact the taxing jurisdictions personally and may agree to present the plan to the taxing jurisdictions' boards. The urban renewal plan must be presented to the county, although they do not get a vote on its approval.

The jurisdiction must publish notice of the approval of an urban renewal plan within four days of adoption of the ordinance approving the plan.

Other options for review:

- Forming an advisory committee for the development of the urban renewal plan. The advisory committee can be a combination of residents, business owners, city or county staff, affected taxing jurisdictions, and/or elected officials. The committee can provide input on all key portions of an urban renewal plan.
- Holding one or more public hearings specifically to provide information on urban renewal and the proposed plan.
- Establishing a web presence by both posting the proposed plan and posting information about the opportunities for public input.
- Having one or more public open houses where the public is invited to participate actively in planning: through dot voting or other activities.
- Using social networking tools such as Twitter and Facebook to broadcast meetings and solicit feedback.
- Working with the local business organizations and districts to provide input on urban renewal decisions.
- Mailing to households within the URA to provide information or invite

them to public meetings.

Some communities require a public vote to establish an urban renewal agency, and some require a public vote to adopt an ordinance approving an urban renewal plan.

D. Best Practices Tips

The jurisdiction should create a public involvement plan suitable for local conditions prior to embarking on the urban renewal creation process. The public involvement plan should be reviewed periodically to ensure it is meeting the needs of the community.

Community input should be considered when determining the targeted duration of an urban renewal plan. However, best practice is to let the maximum indebtedness serve as the limiting factor on plan duration rather than including a provision in the plan that defines a final date for either issuing or repaying debt. The financial analysis that accompanies an urban renewal plan (see Section 4.8) will show the likely timeline necessary to incur and repay the maximum indebtedness of the plan.

4.2 AREA BOUNDARY

A. Background

An urban renewal plan must be predicated on specific boundaries.

B. Statutory Provisions

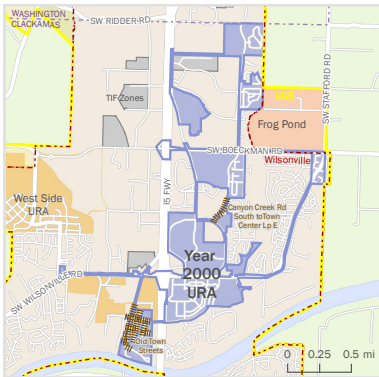
ORS 457.420 limits the amount of acreage and assessed value that may be in urban renewal areas for cities with a population of more than 50,000 (15%) and less than 50,000 (25%). The URA must also be blighted in accordance with ORS 457.010.

C. Discussion

Area boundaries are meant to include the entire blighted area where the jurisdiction intends to undertake its projects and programs. For example, if a jurisdiction is considering a commercial district in the downtown, it makes sense to include all of the commercially-zoned properties in that district. There are a few special circumstances to consider when establishing boundaries:

- **Cherry stems:** There may be development opportunities or blighting

4. URBAN RENEWAL PLAN



The Wilsonville Year 2000 Plan has multiple cherry stems due to releasing accessed value from the district.

conditions that are not directly adjacent to the area being studied, but which have a direct relationship to the area. Those areas can be added to the study area through a “cherry stem,” a small section that connects one area to the other.

- **Donuts:** There may be an area within the potential boundary of an URA that is not included in the URA. This may be because it is a different land use, no projects are planned in that area, or may not relate to the URA. It is acceptable to establish a boundary and exclude that area, making a “donut.”
- **Non-contiguous areas:** If a jurisdiction is considering multiple non-contiguous areas in one urban renewal boundary it should only be done when there is a direct functional or planning relationship between the two areas.

Jurisdictions sometimes study the possibility of adding more acreage to an URA than the specific area where projects would be implemented. This is done because the larger area typically benefits from the projects and the URA can use the overall growth to help establish the financial feasibility of the URA. This potential boundary adjustment should be carefully reviewed, as the constituents from the “added” areas often request to be removed from the urban renewal boundary in later stages of the process, especially if the main area is a commercial area and the “added” area is residential.

It can be challenging to determine exactly how much property to include in an URA. The URA needs to be blighted, and property in the URA should have a clear connection to projects in the urban renewal plan. Drawing a boundary that is too small and includes only severely blighted properties, however, could generate insufficient TIF to implement the plan. On the other hand, drawing a boundary that is very large and has less blight is likely to generate more TIF, but can be viewed as a “value grab,” and could open up the URA to criticism.

D. Best Practices Tips

The most logical boundary encompasses the area that is blighted and will benefit from the use of TIF for the urban renewal projects and programs.

A boundary including non-contiguous areas should be established only after legal counsel review and approval. A cherry stem is the most conservative method to address multiple focus areas and should be the first method explored.

When determining the boundary for an URA, jurisdictions should balance the need to generate sufficient TIF to implement the projects defined in the urban renewal plan and the requirement for property in the URA to be blighted and have a clear connection to the projects in the plan.

4.3 GOALS/OBJECTIVES

A. Background

Urban renewal plans typically begin by stating the goals and objectives for the URA.

B. Statutory Provisions

There are no statutory requirements for goals and objectives.

C. Discussion

The basis for the goals and objectives of an urban renewal plan usually comes from the comprehensive plan and other adopted plans for the URA. Many jurisdictions will have specific planning activities that will spur the desire for urban renewal as an implementation tool, such as an action plan for realizing comprehensive plan goals, area plans for downtown commercial districts, Main Street actions, economic development plans, and other planning activities. These documents may be used as a basis for drafting goals and objectives for an URA.

The draft goals and objectives may then be reviewed by city or county staff and by stakeholders. The input from staff and stakeholders helps refine the goals and objectives and prioritizes them. Identifying the goals for the URA makes the project prioritization process easier, as those projects that help to fulfill the goals and objectives become priorities.

Well-written goals and objectives will help an urban renewal agency keep its focus as it begins accruing sufficient revenues to actually start working on projects. There is always a multitude of ways to spend funds, and it takes discipline to stick to the goals and objectives of an URA.

D. Best Practices Tips

Goals and objectives should provide a clear identification of the desire to address the blight in an URA and make the area function at a higher level. Well-written goals and objectives will help an agency keep its focus on activities that will improve the area. If the primary goals and objectives for the area change, the goals and objectives for the urban renewal plan should be revised to appropriately reflect those changes.



Before



After

STOREFRONT GRANT AND LOAN PROGRAMS

Florence has a façade improvement program that has successfully revitalized its downtown area.

SEWER INFRASTRUCTURE

In 2007, Hood River County developed an URA to assist in the financing of a sanitary sewer system for an unincorporated area of the county. The area was classified as a health hazard because of failing septic tanks. The County established a sewer service district to assess property owners for a part of the system, but reduced the costs to the property owners through an urban renewal program.

4.4 PROJECTS FUNDED WITH TIF

A. Background

When proposing an urban renewal plan, the urban renewal agency must determine the scope and types of projects that are appropriate for inclusion in urban renewal plan and the use of tax increment funds.²

B. Constitutional and Statutory Provisions

The Oregon Constitution, Article IX, Section 1c requires that tax increment funds be used only to “pay any indebtedness incurred for the redevelopment or urban renewal project.”

ORS 457.010(15) defines an urban renewal project as: “Urban renewal project” or ‘project’ means any work or undertaking carried out under ORS 457.170 in an urban renewal area.”

ORS 457.170 lists the projects that may be undertaken in an urban renewal plan.

ORS 457.010(15) establishes the definition of an urban renewal project.

ORS 457.170 lists types of projects that may be funded with tax increment revenues.

ORS 457.085(2)(a) requires that the urban renewal plan include a description of each project.

ORS 457.085(3)(d) requires that the urban renewal report include the cost of each project and the source of monies to pay such costs.

ORS 457.085(3)(e) requires that the urban renewal report include the anticipated completion date for each project.

ORS 457.085(2)(j) describes additional urban renewal plan requirements when projects include public buildings.

C. Discussion

Statutory provisions govern the types of projects that may be funded with tax increment funds. ORS 457.170 lists the following types of projects:

- Housing authority powers
- Rehabilitation or conservation work in an URA
- Acquisition of property

² For purposes of this section, “tax increment funds” means the proceeds of debt issued or incurred by a URA, for which the URA has pledged its collection of taxes allowed by ORS 457.440 - 457.470 for repayment.

- Clearance or rehabilitation of property that is acquired by the urban renewal agency
- Construction or improvement of streets, utilities, and site improvements in accordance with the urban renewal plan
- Plans for voluntary repair and rehabilitation of buildings or other improvements in accordance with the plan
- Relocation of persons and property displaced by urban renewal projects
- Sale or lease of property
- Neighborhood development programs

All of these types of projects may be included in an urban renewal plan and may be funded with tax increment funds. However, an urban renewal agency needs to be aware of the allowed fund uses if the tax increment funds are the proceeds of bonded debt. Use of bonded debt proceeds are limited by the bond covenants.

Some urban renewal plans include paying all or a portion of local improvement district assessments, system development charges, or building permit fees for private or public development as an urban renewal project. These are acceptable projects because they are part of the costs of “site improvements,” which are an allowed project under an urban renewal plan. ORS 457.170(5).

1. General description of projects

Urban renewal project descriptions have evolved through the years and largely depend on the purpose and politics of an urban renewal plan. When describing the projects in the urban renewal plan, typically a balance must be struck between specificity and flexibility. Overly specific project descriptions can be problematic because they require the urban renewal agency to make plan amendments when even small changes to projects are needed, such as adjusting for changing physical conditions, market conditions, policy goals, and other constantly evolving factors. Therefore, many plans use broad categories to describe projects, which allows for the flexibility to fund a range of projects throughout the project area while still staying within the overall guidelines of each project category. This flexibility, however, cannot ignore that projects must be sufficiently specific to allow a finding of economic feasibility in the ordinance approving the plan, and to establish the project cost estimates necessary to determine maximum indebtedness.

For example, rather than calling for a streetscape improvement at a specific location consisting of a pre-determined design (e.g., width, materials, amenities), many plans will simply include a project called “streetscape improvements” that describes a range of streetscape improvements anywhere in the URA (or possibly within a specified sub-area). Within that definition would be language that authorizes different types of improvements, but does not obligate any particular form or location (unless desired). The identification of the broader categories,

INFRASTRUCTURE, INCLUDING STREETScape, WATER, SEWER, WASTEWATER, AND UNDERGROUNDING UTILITIES

In 2010, the City of Florence decided that the most important project for the redevelopment of their URA was the provision of a water line sufficient to support new redevelopment of major portions of vacant, underutilized properties.

INFRASTRUCTURE, INCLUDING STREETScape, WATER, SEWER, WASTEWATER, AND UNDERGROUNDING UTILITIES

The Redmond South Airport URA was formed to provide infrastructure improvements to the industrial properties surrounding the Redmond Airport. The provision of this infrastructure promoted significant development and allowed the City of Redmond to close out the URA ahead of initial projections.

4. URBAN RENEWAL PLAN



Astoria used tax increment funds in conjunction with other funding sources to renovate the Astor Hotel in their downtown core. The renovation has enlivened the ground floor retail spaces of the building, provided low income housing units on the upper floors, and helped retain or restore a historic building.

however, is generally accompanied by more detailed studies, reports, or plans that clearly articulate the need for such projects and can provide justification for the recommended project budgets in the urban renewal plan and the finding of economic feasibility required to approve the overall plan. These studies may already be in place through recent planning efforts that preceded the urban renewal discussion.

In addition to the legal requirements that require some level of specificity, flexibility must be balanced with a community's desire for certainty that the urban renewal plan will be used to fund projects that are of community importance. However, a plan does not need to use specific project definitions to provide this certainty, and public involvement is still key. Regular agency meetings where major expenses are authorized, annual budgeting is processed, and the preparation of other plans such as downtown plans, development strategies, and comprehensive plans, still provide ongoing opportunities for public input into the projects that will be funded by urban renewal. To this end, projects to be included in the urban renewal plan should be inspired by these other plans and documents.

In addition to deciding which projects to include in an urban renewal plan, a jurisdiction also needs to determine what level of funding for each project should come from urban renewal. For example, if a plan includes a project to provide financial assistance to private developers for vacant properties in downtown, how much assistance should the urban renewal agency contribute? If total development costs for this vacant lot are \$10 million, should the agency contribute \$500,000 or \$5 million? There is no hard and fast rule for determining the share of urban renewal funding that should go to each urban renewal project.

In general, an urban renewal agency may want to consider several factors when deciding the appropriate level of funding for various projects. Those factors can include:

- **Impact on blight:** The primary goal of urban renewal is to alleviate blight. Therefore, when deciding how to spend urban renewal funds it makes sense that the impact a project has on curing blight in the area would be a major consideration.
- **Return on investment:** Another basic goal of urban renewal is to increase property values and generate the TIF revenues necessary to carry out urban renewal activities. Therefore, another consideration should be how much TIF a project will generate, or how much additional funding will be leveraged by investment of TIF dollars.
- **Proportionality:** Although proportionality is not a concept defined in statute, it resonates with many communities because it appeals to common sense. Some projects in an URA may have benefits that extend far beyond that area. Many jurisdictions consider the relative benefits of a

project when determining the portion of the total project that should be funded by urban renewal.

While these factors for evaluating the appropriate level of funding for projects are applicable to all urban renewal projects, they have proven to be particularly helpful when addressing certain types of projects: projects with citywide or regional benefit and public buildings. These projects are discussed in greater detail below.

2. Projects with citywide or regional benefit

Some projects located within URAs provide benefits on a much broader scale. One such project would be a city hall, main library, or a public convention center. These “public buildings” are discussed in a separate section below.

Other examples of projects with broad benefits include a main trunk sanitary sewer, storm sewer, or water lines that connect major parts of the system to a source or outfall. Similarly, transportation projects that range from freeway interchange improvements to transit facilities can often benefit the whole city or region. These projects are allowed under urban renewal and can be paid for with tax increment funds.

3. Projects outside of the URA

There is no legal authority for an urban renewal agency to fund projects that are located outside of URA boundaries with tax increment funds. An urban renewal agency should always look to expand the URA (using a plan amendment, if necessary) to include the proposed project area. Areas in one urban renewal boundary do not have to be contiguous. In the past, some agencies have, with a supporting legal opinion, included projects outside the plan area because the projects were necessary to complete another project inside the plan area. This should only be considered with legal advice.

4. Public buildings with focused use

Public buildings, such as local fire stations and police precinct offices and substations that directly and primarily serve the URA, are relatively common projects. The statutes require that the urban renewal plan include a description of how a public building included as a plan project “serves or benefits” the urban renewal area. Even with incidental benefit to areas outside of the URA, tax increment funds may be used to partially or fully to fund the cost of their development.

5. Tax increment funding of public buildings

For projects that benefit an area larger than the URA, the benefit of the public building to the URA may not be as clear. But, for example, public buildings,



DEVELOPMENT OF PUBLIC BUILDINGS

The City of Sherwood made a strategic decision to develop their city hall and library in a blighted section of their URA. This decision has spurred adjacent redevelopment totalling millions of dollars. The library is heavily used and each visit to the city hall provides an opportunity for spill over traffic to the nearby retailers.

such as conference centers, can directly stimulate the development of private facilities (such as hotels) within an URA. Other public facilities may also directly stimulate private development within the URA.

The statutes neither allow for nor prohibit contributing a certain level of tax increment funds to public building projects that cure blight in the URA but that also have an impact outside the URA. However, many jurisdictions have funded public buildings using a proportionality approach. The specific statutes governing urban renewal are found in ORS Chapter 457, and are referred to in this document as ‘the statutes.’

In 1987, the legislature considered several proposals limiting the use of tax increment funds. The urban renewal agencies argued that additional state prohibitions on the scope of urban renewal projects would restrict a jurisdiction’s decision-making in relation to its local circumstances and its ability to address specific blighting conditions in each community. A particular legislative target was one city’s main library that was funded entirely with tax increment funds. After much discussion, the current statutory language emerged as a compromise; it requires a jurisdiction to, at a minimum, justify including a public building project in its urban renewal plan.

Since the language requires a showing of the public building’s connection to the URA, many believe that the scope of that connection should govern the size of the urban renewal contribution to the cost of the public building.

In addition, there is an argument that public buildings that serve a larger area than the URA should not be constructed entirely using funds that are fundamentally meant to cure “blight” in the defined area. Tax increment funds are funds limited by the amount of taxes divided in an URA to repay the debt that produced the funds, and that debt is limited by the required statement of maximum indebtedness in an urban renewal plan. Many agencies have found that they have greater success investing in projects that clearly cure blighting conditions and/or encourage private development that cures blight. Investment in citywide or regional facilities may not have the same impact on conditions within the URA as these other targeted investments.

Using TIF for financing public buildings currently remains within local discretion. However, ORS 457.085(2)(j) and the scope of tax increment funding of public buildings has not been tested in the courts.

In some cases, the proportionate share of benefits enjoyed by the URA can be quantified, but in other cases the determination of the share of benefit of a project to the URA will be qualitative and will require a judgment call.

Examples of formulas that have been used to determine proportionality are:

- Percent of land inside/outside the URA benefited
- Percent of linear feet of a utility line or street inside/outside the URA benefited
- Percent of users of a facility originating from inside/outside the URA
- Percent of growth of property value that a project is estimated to encourage inside/outside the URA
- Return on investment in the URA

6. Local improvement district assessments/system development charges/building permit fees

Some urban renewal agencies include paying all or a portion of local improvement district (LID) assessments, system development charges (SDC), or building permit fees for private development as an urban renewal project in an urban renewal plan. These are acceptable projects because they are part of the costs of “site improvements,” which are allowed projects in an urban renewal plan. ORS 457.170(5).

D. Best Practices Tips

Though an urban renewal agency should consult counsel on many issues, this consultation is especially important with regard to decisions about what types of projects may be included in an urban renewal plan and if they can be funded with tax increment revenues. There are, however, some general principles that can help guide these decisions:

1. General project scope

The best practice is to prepare project descriptions that are as broad as possible while still providing an adequate basis for finding economic feasibility, guiding policy makers, and assuring the community. As this is an inherently political benchmark, definitions will vary substantially from community to community. Amending an urban renewal plan is a difficult process, so it is important to make sure the appropriate project descriptions are included in the plan and the estimated project costs are accurate and clear when the plan is first adopted.

2. Projects with citywide or regional benefit

An urban renewal plan should demonstrate the particular benefits to the urban renewal area of a project with citywide or regional benefit, focusing on the project’s ability to cure blight in the URA.

3. Projects outside URA boundaries

An urban renewal plan should not include projects outside the urban renewal area and instead should include all projects within the urban renewal boundary.



STREETSCAPE IMPROVEMENTS

Downtown Lake Oswego installed extensive streetscape features to catalyze development in the downtown. These features included angled parking, brick pavers, decorative bollards, public art, benches, planter boxes, lighting, and signage.

4. Public buildings

- The URA should demonstrate clear connections between a public building and the particular objectives of the urban renewal plan.
- The findings in the urban renewal plan and urban renewal report should provide a solid basis for the undertaking of a public building project and must explain how the public building serves or benefits the urban renewal area.

5. Funding public buildings

Tax increment funds may be used for public buildings that benefit or serve an area greater than the urban renewal area, but special consideration and financial participation should be given based on the the direct benefits to the urban renewal area.

6. LIDs/SDCs/building permit fees

Payment of local improvement district assessments, systems development charges, and building permit fees may all be projects in an urban renewal plan.

7. Tracking maximum indebtedness

For all projects carried out by an urban renewal agency it is important to track the impact they will have on the maximum indebtedness of the urban renewal plan. The recommended method for tracking maximum indebtedness is described in greater detail in *Section 6.8, Debt and Maximum Indebtedness Reporting*.

4.5 COMPREHENSIVE PLAN AND ECONOMIC DEVELOPMENT PLAN REVIEW

A. Background

An analysis of the comprehensive plan and other plans and reports, including an economic development plan, will enable a jurisdiction to ensure that a future urban renewal plan will conform to the adopted planning documents.

B. Statutory Provisions

ORS 457.085(1)(d) and ORS 457.095(3) address the need for an urban renewal plan to be in conformance with the comprehensive plan and economic development plan.

C. Discussion

The review should identify each major goal and supporting policies in the comprehensive plan and economic development plan that are relevant to the established boundary and then state how the urban renewal plan conforms to that goal. It is not anticipated that the urban renewal plan will conform to every goal in a comprehensive or economic development plan, but it should conform to the intent of those documents.

D. Best Practices Tips

The urban renewal plan must be analyzed for its conformance with the comprehensive plan and economic development plan. This documentation can sometimes be lengthy; it may be better to make the statement that the urban renewal plan conforms in the body of the text and then refer to an appendix in the plan for the full analysis.

4.6 PROCEDURAL REQUIREMENTS FOR APPROVAL OF A PLAN

A. Background

There are specific steps identified in ORS 457 for the adoption of an urban renewal plan. These steps vary slightly depending on whether the jurisdiction is a city or a county.

B. Statutory Provisions

The following statutory provisions apply:

ORS 457.085 covers the requirements for the content of an urban renewal plan and specifies to whom it must go for recommendations and consulting and conferring with taxing jurisdictions

ORS 457.095 covers approval of a plan

ORS 457.105 details the additional provisions if any part of the URA is in another jurisdiction

ORS 457.115 and 457.120 cover notice of the adoption of a plan

ORS 457.120 covers the notice procedures of the city council hearing

ORS 457.125 details recording of a plan

ORS 457.437 requires meetings with affected jurisdictions

ORS 457.470 requires consultation with affected taxing jurisdictions

C. Discussion

1. Activation of an urban renewal agency

Section 3 of this manual describes establishing an urban renewal agency.

2. Establishing an area boundary

Section 2.2: Area Boundary of this manual describes establishing an area boundary.

3. Referral of the proposed plan to the planning commission for their review

If the jurisdiction has a planning commission, the plan and report must be

presented to the commission for its recommendation before the plan may be presented to the city council or county commission for approval. The planning commission review is best done at a public hearing.

ORS 457.085 and 457.095 require planning commission recommendations. ORS 457.095(3) requires that the urban renewal plan conform with the comprehensive plan and economic development plan. However, the planning commission's recommendations are not further defined in the statutes. The planning commission is generally advised that their role should be to determine the conformance of the urban renewal plan with the jurisdiction's comprehensive plan, as planning is the purview of the planning commission. Some planning commissions prefer to just review and make recommendations on the conformance issue while others like to encourage the jurisdiction to approve the plan.

Notice of the planning commission review is the same as for any planning commission meeting. No other notice provisions are required.

4. Consult and confer with the affected taxing districts

The minimum level of interaction with the affected taxing districts is set out in the statutes. At a minimum, an agency must consult and confer with the affected taxing districts. Both the urban renewal plan and the urban renewal report must be sent to the governing body of any taxing district that is affected by the plan with an offer to consult and confer. (Taxing districts that levy taxes within the URA are "affected" taxing districts.) Any written recommendations made by these taxing districts must be accepted, rejected, or modified by the city council or county commission when approving the plan. ***Section 4.1: Public Involvement*** and ***Section 2.7 Impacts on Taxes Imposed by Overlapping Taxing Districts*** of this document details other ideas about working with taxing districts. The requirements under this section are different if the URA is requesting concurrence, as described in ORS 457.470.

5. Meeting with affected municipalities

Prior to the establishment of a maximum amount of indebtedness for an urban renewal plan, the urban renewal agency that is carrying out the plan shall meet with the governing bodies of the municipality that activated the agency and other municipalities affected by the urban renewal plan to review the proposed maximum amount of indebtedness. No formal action is required by the affected municipalities (ORS 457.085(5)). The meaning of this section is that a "city" urban renewal plan must be presented to the county commission for their information. Their vote is not required.

However, when any portion of the area of a proposed urban renewal plan extends beyond the boundaries of a city into any other municipality (city or county) and, in the case of a proposed plan by a county agency, when any portion of the URA is within the boundaries of a city, the governing body of the

In this section of the document, "municipality" is used to define any county or city in Oregon, as that is the term used in the statutes. The municipality means the municipality for which a particular agency is created.

other municipality may approve the plan and may do so by resolution rather than by ordinance (ORS 457.105).

6. Municipality public hearing/notice of hearing

Under the provisions of ORS 457.120(3) notice of a proposed plan must include the following specific information:

- That the governing body, on a specified date, will hold a public hearing and consider an ordinance adopting an urban renewal plan;
- That the adoption of the plan may impact property tax rates;
- Statement of the maximum indebtedness that can be issued or incurred under the plan;
- That the ordinance, if approved, is subject to referendum; and
- That a copy of the ordinance, plan, and report can be obtained by contacting a designated person.

7. Notice requirements for plan approval

The statutory requirements for individual, mailed notice, often called “supernotice” are stated in ORS 457.120. Notice of the city council public hearing on approval of the urban renewal plan must be sent to individuals or households in one of the following groups:

- Owners of real property that is located in the municipality;
- Electors registered in the municipality;
- Sewer, water, electric, or other utility customers in the municipality; or
- Postal patrons in the municipality and parts of the URA that extend beyond the municipality.

For county plans, the individual notice must be provided to one of the same groups within the boundaries of any K-12 school district that levies taxes within the URA. Counties must also provide notice in the paper of general circulation throughout the county in an advertisement not less than three inches in height and three inches in width in the general interest section of the newspaper (ORS 457.120(4)(b)). It must contain language identified in ORS 457.120(3)(a-e).

If a plan is both in a city and in a county, notice must not only be sent to the requirements stated for a city above, but also be sent to each individual in the selected group that is located in the URA (ORS 457.120(2)). This supernotice must contain specific language, as defined in ORS 457.120(3)(a-e).

8. Approval of the plan by the municipality

An urban renewal plan is approved by the governing body of the municipality (city council or county commission) by the adoption of an ordinance. The ordinance must be a non-emergency ordinance. The specific requirements for the contents of the ordinance (ORS 457.095(1)-(7)) are as follows:

- Each URA is blighted;
- The rehabilitation and redevelopment of the URA(s) is necessary to protect public health, safety, or welfare;
- The plan conforms to the comprehensive plan and economic development plan, if any, of the municipality and the urban renewal plan provides an outline of planned urban renewal projects;
- Relocation requirements have been met;
- Any property acquisition called for in the urban renewal plan is necessary to achieve the objectives of the plan. *See Section 6.12: Acquisition/Disposition of Real Property* of this document.
- The plan is economically sound and feasible; and
- The city or county will assume any responsibilities given to it under the plan.

There are no state statutory requirements for a citywide or district-wide vote on approval of an urban renewal plan, but a city council or county commission (as the case may be) may decide to refer the decision to the voters. There are some local laws requiring a vote on establishing an urban renewal agency, adopting an urban renewal plan, and amending a plan.

9. Hearing

At the public hearing on the ordinance, the jurisdiction (city council or county commission) should hear the report and recommendations of the urban renewal agency and take public testimony and consider the recommendations, if any, of the planning commission and affected taxing districts. Any written recommendations from the affected taxing districts must be formally accepted, rejected, or modified.

10. Recording

An urban renewal plan, along with a copy of the ordinance approving the urban renewal plan, must be recorded with the recording officer of each county in which any portion of an URA within the plan is situated. A copy of the plan should also be sent to the county assessor. This should be done after the 30 day waiting period.

11. Notices

Notice of adoption of an ordinance approving an urban renewal plan shall be published within four days of adoption of the ordinance in a newspaper that has the greatest circulation in the municipality and which is published within the municipality no later than four days following the adoption of the ordinance. If no newspaper is published in the municipality, the notice may be published in the newspaper having greatest circulation within the municipality. The notice must say that the ordinance has been adopted, and that 90 days after adoption of the urban renewal plan, the plan will be conclusively presumed to be valid. (ORS 457.095 and ORS 457.115)

D. Best Practices Tips

Writing an urban renewal plan is technical and complicated. Jurisdictions should use an urban renewal professional or have staff with extensive urban renewal experience assist in the preparation of an urban renewal plan. If internal staff prepares the urban renewal plan, seasoned urban renewal counsel should review the plan prior to adoption.

Staff should make sure the county assessor has accurately identified the boundaries of the URA.

4.7 URBAN RENEWAL REPORT

A. Background

An urban renewal report shall accompany an urban renewal plan. Its purpose is to identify the existing conditions of the proposed URA (including proposed projects) and the estimated costs of projects and sources of funding and perform the financial feasibility analysis.

B. Statutory Provisions

ORS 457.085(3)(a-i) identifies the required components of an urban renewal report. These components are detailed in the discussion section below.

C. Discussion

The components of an urban renewal report accompanying an urban renewal plan are:

- A description of the physical, social, and economic conditions within the URA and the impact of the plan, including fiscal impacts, in light of

added services or increased population.

- o This includes data that describes the current land use, zoning, and comprehensive plan designations, as well as a review of the capital improvement plans (water, sewer, stormwater) and the transportation systems plan to identify those projects that are scheduled for the URA and to identify the existing conditions of the infrastructure within the URA (*Section 2.3 Blight*).
- The reasons why the URA was selected.
 - o The primary reason any URA is selected is to cure blight. The secondary reasons will relate to any adopted plans for the URA or projects that are designated for the URA.
- The relationship between each urban renewal project and the conditions within the URA
- A description of any projects and a detailed description of the present condition of that specific project. See examples below:
 - o Project: Union Avenue will be constructed from Astor Street to Benton Street.
 - o Union Avenue is in poor condition and does not have adequate sidewalks or adequate streetscape.
- The estimated costs of the projects and the sources of project funding. See examples below:
 - o Project: Union Avenue from Astor Street to Benton Street
\$1,200,000
 - o Urban Renewal: \$1,000,000; Local Improvement District:
\$200,000
- The estimated completion date for each project (all projects in a table). See example below:
 - o Project: Union Avenue from Astor Street to Benton Street
Estimated Completion: 2014
- The amount of tax increment funds that are estimated to be required and the year in which the urban renewal agency plans to pay off all outstanding tax increment indebtedness (*Section 2.6 Financial Analysis*).
- A financial analysis that shows the financial feasibility of the urban renewal plan (*Section 2.6 Financial Analysis*).
- An analysis of the impact on the tax rates and/or revenues of the taxing districts that overlap the URA (*Section 2.6 Financial Analysis*).



McMinnville adapted an urban renewal plan in 2013 to implement the Northeast Gateway Plan and resulting comprehensive plan overlays.



State statutes do not require that an urban renewal report be recorded with the urban renewal plan.

- A relocation report which includes:
 - o An analysis of businesses or residents that may be required to relocate;
 - o A description of the methods to be used in the relocation program; and
 - o An analysis (number and cost range) of the existing housing units that may be destroyed or altered and the housing units that may be added.

If the urban renewal plan does not include acquisition or projects that would require relocation, then this report can address general relocation requirements. If specific actions are being taken that will require relocation, then the section needs to contain the explicit information required by ORS 457.085(3)(i)(A-C).

An urban renewal report should also cover the compliance with acreage and assessed value limitations of ORS 457.420.

D. Best Practices Tips

Writing an urban renewal report is technical and complicated. Jurisdictions should use an urban renewal professional or have staff with extensive urban renewal experience assist in the preparation of an urban renewal plan and report. If internal staff prepares the urban renewal report, it should also be reviewed by seasoned urban renewal counsel prior to presentation.

DEFINING BLIGHT

Oregon statutes define blighted areas as areas characterized by one or more of the following conditions:

- Unfit or unsafe structures
- Economic deterioration resulting from faulty planning
- Poor platting
- Disregard of physical characteristics
- Inadequate streets, open spaces, and utilities
- Flooding
- Property value depreciation
- Underutilized property
- Loss of population and assessed value

4.8 BLIGHT

A. Background

The purpose of urban renewal is to cure existing blight and prevent future blight. Blight is defined in the statutes (ORS 457.010(1)(a-i)). The jurisdiction must find that an area is blighted and therefore eligible for urban renewal. ORS Chapter 457 clearly defines the components of an urban renewal plan and report, and sections of those documents must include information on the existing conditions of the area being studied. In addition, in order to approve an urban renewal plan, the jurisdiction is required to find that “blight” exists in the URA that is included in the urban renewal plan. The actual findings and determinations of blight occur in the municipal ordinance that adopts the urban renewal plan, but those findings and determinations are based on the information compiled in an existing conditions analysis. The methods used to document blight may vary by jurisdiction depending on the conditions in the URA. Some areas may have buildings that are unfit or unsafe whereas other areas may lack development and have infrastructure needs.

URAs must be found to be “blighted areas” by the governing body.

B. Statutory Provisions

ORS 457.095(1) requires that the municipal governing body find conditions of blight within the URA.

ORS 457.085(3)(a) requires that an urban renewal report accompanying an urban renewal plan “describe the physical, social, and economic conditions in the urban renewal areas of the plan.”

ORS 457.010(1) defines blighted areas.

C. Discussion

Examples of blight analyses include the following:

- Building surveys, using an explicit coding system to classify buildings.
- Building surveys, including upgrades to meet seismic requirements.
- Improvement value to land value ratios, based on assessed value data. (Different ratios may be established as representing a healthy level of development, considering the planned land use and the characteristics of property values on similar properties in other locations.)
- Analysis of platting patterns and comparison of lot sizes and configurations that exist in the URA with typical lot sizes and configurations that are desirable for particular land uses.
- Documentation of physical and environmental characteristics and the inadequate response to these conditions in such areas as comprehensive plan designations, zoning, platting, and capital improvement plans.
- Environmental characteristics may include the presence of wetlands, contaminated soils, air quality issues, water quality issues, and other environmental constraints to development.
- Analysis of the transportation and utility requirements of the planned land uses and development and comparison of these requirements with the existing level of such facilities. This analysis includes review of the utility master plans and projects identified in the capital improvement plan.
- Analysis of flooding problems, including delineation of 100-year flood plains and floodways and analysis of development restrictions imposed in such areas either by local ordinance or Federal Flood Insurance Program requirements.
- Analysis of population, income, and housing characteristics of the URA, using data from the US Census, local housing plans, local community development plans, and other sources.

Not all of these surveys and documentation must be completed; the minimum



Blight is a condition that pertains to the URA as a whole. URA boundaries may include specific properties that are not individually blighted.

requirements are those stated in the statute (ORS 457.085(3)(a)). Circumstances may require a more full documentation of blight, which would involve a more thorough analysis.

D. Best Practices Tips

It is a good idea to connect blight findings in the analysis to specific conditions within the URA.

4.9 FINANCE

A. Background

New urban renewal plans must include an analysis of the timing and sources of funding for projects described in the urban renewal plan. This includes estimating when TIF revenues would be available to finance projects (and prioritizing projects accordingly), determining what share of total project costs should be reasonably expected to be covered by TIF and estimating the overall impact of the urban renewal on affected taxing districts.

B. Statutory Provisions

ORS 457.420 to ORS 457.470 describes tax increment financing of urban renewal indebtedness.

C. Discussion

Forecasting TIF revenues is a relatively straightforward process and involves five steps:

1. Determining the frozen base
2. Estimating future growth in assessed value
3. Determining the applicable tax rate
4. Calculating increment and total TIF
5. Accounting for revenue sharing

1. Determining the frozen base

The frozen base is the total assessed value of all property in an URA in the most recent fiscal year for which data was available before approval of the urban renewal plan. The local county assessor's office can provide this assessed value

data. The frozen base needs to include all four property types: real, personal, manufactured, and utility. Records for utility property are not site specific and will need to be estimated for the purposes of the urban renewal plan. Typically, the assessor will determine the amount of utility value to be included in the frozen base by looking at the ratio of utility property assessed value to real property assessed value in the tax code area(s) that overlap the proposed URA and applying the same ratio to property within the URA.

Sometimes the planning process for a new URA can be long and new assessment data may become available during this process. It is important to update any preliminary analysis with new data when it becomes available, as this will be the data that the assessor uses to establish the actual frozen base.

2. Estimating future growth in assessed value

A prudent approach is for forecasts of TIF revenues to be based on conservative assumptions of growth in assessed value. It is often useful to look at long-term historical trends as a starting place for future growth assumptions, then adjust these assumptions to account for known taxable redevelopment that is planned or in progress, current market conditions, and anticipated urban renewal projects that would stimulate additional redevelopment in the future.

3. Determining the applicable tax rate

All new urban renewal plans are “reduced rate plans.” This means that the applicable tax rates include permanent property tax rates, as well as a calculated rate for payment of any GO bonds approved prior to 2001. The local county assessor’s office will have information on applicable tax rates.

Jurisdictions that already have one or more URAs may report urban renewal adjusted tax rates in addition to their full permanent rates. It is important to use the full permanent rates and not urban renewal adjusted rates.

4. Calculating increment and total TIF

Calculating the incremental value (increment) is straightforward. Subtract the frozen base value from the forecast future value to determine the increment in any given year.

To calculate TIF revenues, multiply the increment by the total applicable tax rate.

The first year to receive TIF is based on the first year that tax rolls are set after adoption of the urban renewal plan. In many cases, there is a year gap when the plan has been adopted but no TIF revenue is collected. Figure 1 shows how the timing of adopting an URA can affect TIF revenues in the early years.

Figure 1. Timing of URA adoption

2011			2012											
10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
A			B									C		

Period	Frozen Base Year	First Year to Collect TIF
A	2011-12	2012-13
B	2011-12	2013-14
C	2012-13	2013-14

Assessment and Taxation Milestones

Date	Milestone
Oct. 2011	Tax roll released for FY 2011-12
Jan. 1, 2012	Tax roll set for FY 2012-13
Oct. 2012	Tax roll released for FY 2012-13
Jan. 1, 2013	Tax roll set for FY 2013-14

5. Accounting for revenue sharing

Not all TIF revenue will accrue to the urban renewal agency. Some TIF revenue is shared with other taxing districts. The amount of sharing depends on the prior year's total TIF revenues as a percentage of the URA's maximum indebtedness.

Figure 2. Revenue Sharing

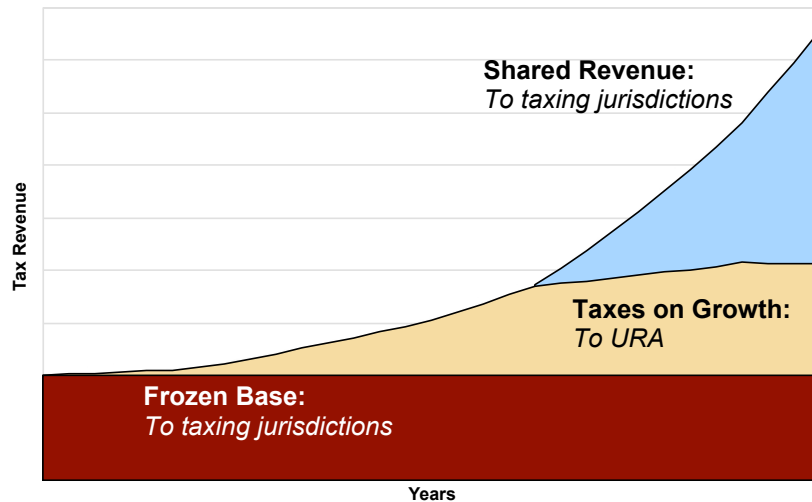


Figure 2 illustrates how revenue sharing works for a hypothetical URA. If the prior year's TIF collections exceeded 10% of maximum indebtedness, then the URA receives TIF equal to 10% of maximum indebtedness, plus 25% of the amount of TIF that exceeds 10% of maximum indebtedness. If the prior year's TIF collections exceeded 12.5% of maximum indebtedness, then the URA receives 12.5% of maximum indebtedness, and all additional TIF revenue is shared with other taxing districts. Essentially, TIF revenues for an URA are capped at 12.5% of maximum indebtedness.

6. Financing

It is important to remember that TIF revenues do not equal the dollars available for projects. TIF revenues are used to pay debt service on debt that pays for project costs. Thus, the financial analysis needs to make assumptions on the type of debt that will be incurred by the urban renewal agency and the terms

associated with that debt (for example, interest rates, coverage ratios, reserve requirements, issuance costs, and amortization period). It may be helpful to check with financial advisors to ensure that the analysis is grounded in reasonable assumptions.

7. Impact to overlapping taxing districts

Calculating the impact to overlapping taxing districts is relatively straightforward. The impact is equal to the lost revenues that would have been received by the taxing districts plus the shared revenue (if any) generated by the URA for the taxing districts.

The lost revenues that would have been received by the taxing district are calculated by multiplying a jurisdiction’s applicable tax rate by the assessed value that would have been in the area without urban renewal investment. The applicable tax rate for most URAs will be equal to the permanent rate. GO bond rates for post-2001 bonds should not be included in the impact to taxing districts because tax increment revenues do not decrease the taxes levied for GO bonds. Local option levies should also not be included in the impact to taxing districts as they are not included in the consolidated tax rate used by the URA to calculate division of taxes revenues.

The assessed value that would have been in the area without urban renewal investment can be tricky to measure and ultimately requires a judgment call. On one extreme, it is possible that none of the new development in an URA could have occurred without urban renewal, which would mean that the assessed value that would have been in the area without urban renewal would be limited to 3% growth per year. On the other extreme, all of the new development in an URA could have occurred without urban renewal. Figure 3 shows a graph of the impact of a hypothetical URA on overlapping taxing districts.

Figure 3. Impact on Taxing Districts

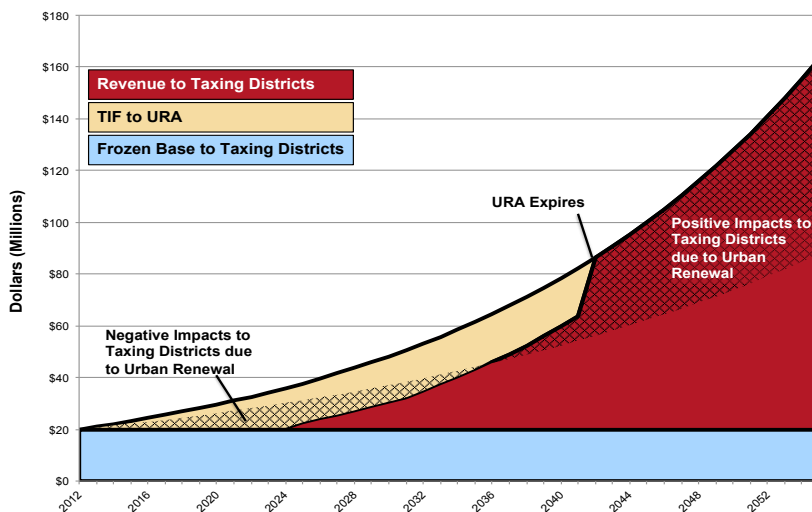


Figure 3 shows that, in early years, the district has a negative impact on overlapping taxing districts. When revenue sharing begins, the annual negative impact begins to shrink. Over a long enough period of time, the revenue sharing has a larger impact and could eventually result in a positive annual impact for overlapping taxing districts. Figure 3 only shows the impacts on overlapping taxing districts while an URA is collecting tax increment revenues. If the graph were to show years after the URA stops collecting tax increment revenues then there would be a dramatic surge in the positive impact to overlapping taxing districts.

ESTIMATING THE PORTION OF PUBLIC COSTS ATTRIBUTED TO THE URA

If development of a new business park occurs within an URA, then it may have gross impacts from the jobs it provides, the assessed value it adds to the tax rolls, and the infrastructure needed to serve the building. But, one cannot calculate the net impact of new development without making assumptions on what would have happened without urban renewal.

- Would the businesses located in the business park cease to exist?
- Would they locate in existing buildings in the URA or elsewhere in the jurisdiction?
- Would a similar business park have developed elsewhere in the jurisdiction?

Major assumptions are required to determine what would have happened without urban renewal, and they would be difficult to defend with any certainty.

8. Fiscal Impacts

The fiscal impacts of urban renewal include more than the tax rate impacts. Urban renewal plans commonly result in the acceleration or intensification of development than may have otherwise occurred without an urban renewal program. This development requires public facilities and services and will have impacts on the community's economic, social, and physical environment.

Broader fiscal impacts should be analyzed in light of the community's comprehensive plan. That plan is required to demonstrate how the community will provide public facilities and services to serve the development called for in the plan and show how the impacts of such development are to be addressed.

The property tax revenue impacts to overlapping taxing districts are especially important if implementation of the urban renewal plan is projected to increase the demand for the services provided by the taxing districts. On the other hand, the projects undertaken under the urban renewal plan can also result in service improvements. For example, older buildings may be brought up to fire and life safety codes, and so, alleviating blight can result in reduced need for police services. Utility projects commonly include looped water lines that allow for better and more reliable fire service.

In discussing these impacts, the urban renewal report should balance the negative impacts of loss of revenue with the positive impacts of implementing the urban renewal plan. The detail with which this is analyzed should depend on the degree of the impacts.

Attempting to calculate the full fiscal impact of any proposed development is an exercise fraught with challenges. One challenge is distinguishing between gross and net impacts. See the sidebar for one example.

Another challenge of calculating the fiscal impacts of development in URAs is determining the portion of public costs that should be attributed to the URA and the portion that stems from demand outside of the URA. Considering the example of the business park discussed inside the box, what happens if a new police station is built to provide public safety services to the business park? Certainly the police station serves a population larger than just the business park. The addition of the business park is likely just one of many factors that determined the timing, size, and location of the public investment in a new police station. In short, when new infrastructure is needed to serve development in URAs, it can be difficult to determine exactly what portion of those infrastructure costs can be attributed to the URA versus other factors.

In general, it is best to recognize that there are many challenges to calculating the fiscal impact of URAs, and any attempt to do so should recognize the limitations of such an analysis.

D. Best Practices Tips

It is prudent for jurisdictions to prepare a comprehensive financial analysis that considers all relevant assumptions to ensure that decisions made relative to the establishment of maximum indebtedness are appropriately informed. Financial analysis for an urban renewal plan and report is both important and complex and jurisdictions should ensure that they have adequate expertise to complete this analysis. Jurisdictions are encouraged to work with legal counsel, professional consultants, or experienced urban renewal practitioners when they conduct this analysis.

CHAPTER CONTENTS

This chapter contains the following sections:

- 5.1 Minor amendments
- 5.2 Council-approved/major amendments
- 5.3 Substantial amendments

The 2009 Oregon Legislature enacted new provisions to urban renewal, some of which come into effect for amendments to an urban renewal plan. These provisions allowed for:

- The requirement of revenue sharing when tax increment revenues hit certain trigger points
- Limitations on maximum indebtedness increases without concurrence from taxing jurisdictions (ORS 457.470)

5. Amendments to the Urban Renewal Plan

Urban renewal agencies may need to amend urban renewal plans to adjust to current issues and opportunities. Urban renewal plans must contain a section where the types of amendments are defined.

There are different types of urban renewal plan amendments, depending both on statutory provisions and political realities in different jurisdictions. The definition of substantial plan amendments is a major means of exerting policy direction over the implementation of an urban renewal plan. Local jurisdictions often express their sensitivity to particular urban renewal issues by defining changes in those activities as substantial amendments to the urban renewal plan. Alternatively, the jurisdiction can allow the urban renewal agency latitude in dealing with activities on which there is strong community consensus by not defining changes in such activities as substantial amendments.

ORS 457.085(1)(i)(A,B) define the amendments that must be considered substantial and further require that the hearings on substantial amendments be subject to the direct notice (supernotice) requirements for the new urban renewal plans themselves. For all agencies, the definition of which plan amendments are to be considered substantial is a critical decision. Amendments that are not substantial amendments are termed minor amendments.

In light of the supernotice requirements for substantial amendments, some jurisdictions may want to have a higher level of review for a decision but feel that the cost of a supernotice is not warranted. These urban renewal plans contain a third category of amendment and require a process in between the processes for substantial and minor amendments. Commonly called a “council-approved” or “major” amendment (because for a city agency, it would require the approval of the city council by non-emergency ordinance), amendments of this type are processed in the same manner as substantial amendments, except there is no supernotice requirement. Many plans use this category for amendments that were formerly, or would otherwise be, substantial amendments.

Where any plan amendment constitutes a land use decision, municipal counsel should be consulted to determine the appropriate procedures to be followed. If the amendment is found to constitute a land use decision, the urban renewal agency should determine whether such decisions are legislative or quasi-judicial in nature.

5.1 MINOR AMENDMENTS

A. Background

Minor amendments may cover any action of the urban renewal agency to change the existing urban renewal plan in a way other than that which is defined as a substantial amendment in ORS 457.085(2)(i). These typically include changes to projects, programs, goals, or objectives, additions of land that are not in excess of 1% of the total land area of the URA, acquisition, and identification of public purpose for any new project that includes a public building.

B. Statutory Provisions

ORS 457.085(2)(i) states that there are substantial amendments and specifies which actions must be substantial amendments. The statutes do not deal with minor amendments.

C. Discussion

Minor amendments are commonly approved by action of the urban renewal agency and are commonly affected through resolutions as opposed to ordinances of the governing body. Urban renewal plans are not required to specify processes for minor amendments.

1. Report requirements for minor or other lower level amendments

The following information should be documented and put in the staff report on a minor amendment. The documentation is an addition to the initial urban renewal report; a full new report is not required.

- If there is property added, do a full existing conditions analysis of the property to be added (ORS 457.085(3)(a-i)).
- If projects are added, perform a financial feasibility to show the projects are feasible under the project section on total costs of projects and monies to pay such costs.
- For projects added, state the project and its relationship to the existing conditions in the URA.
- For projects, state the estimated completion date for each project.

While not required in most cases, a new report or amendment to the old report can keep the report document up to date as the plan changes.

2. Existing plan provisions for substantial amendments

If the existing urban renewal plan has provisions for substantial amendments other than those identified in the statutes, and the jurisdiction wishes to change the provisions, they should consult with legal counsel about how to make changes.

D. Best Practices Tips

Minor amendments should cover all urban renewal plan amendments that the locality is comfortable having made at the urban renewal agency level. These minor amendments are typically affected through a resolution of the agency.

If the jurisdiction wishes to have city council review and approval of some amendments to certain provisions of an urban renewal plan, but wishes to avoid the full substantial amendment process, those amendments should be identified as council-approved amendments.

5.2 COUNCIL-APPROVED/MAJOR AMENDMENTS

A. Background

In light of the individual, mailed notice requirements for substantial amendments, some jurisdictions may want to have a higher level of review for a decision but feel that the cost of a supernotice is not warranted. These urban renewal plans contain a third category of amendment and require a process in between the processes for substantial and minor amendments. Commonly called a council-approved or major amendment (because, for a city agency, it may require the approval of the city council by ordinance). Amendments of this type are processed in the same manner as substantial amendments, except there is no supernotice requirement. Many plans use this category for amendments that were formerly, or would otherwise be, substantial amendments. These are generally an addition or change of a project that exceeds a specified dollar amount or acquisition of property.

B. Statutory Provisions

ORS 457.085(2)(i) states that there are substantial amendments, and specifies which actions must be substantial amendments, but the statutes do not deal with council-approved or major amendments.

C. Discussion

Council-approved or major amendments should be presented to the jurisdiction by the urban renewal agency and approved by either an ordinance or a resolution of the governing body.

D. Best Practices Tips

The use of council-approved or major amendments should be made at the local level. If they are used, they should be termed council-approved amendments, as the term major amendment is often confused with substantial amendment,” which is a statutorily defined term.

5.2.1 PUBLIC INVOLVEMENT FOR MINOR AND COUNCIL-APPROVED/MAJOR AMENDMENTS

A. Background

A minor amendment or council-approved amendment (any amendment not considered substantial) will be defined in most urban renewal plans. A minor amendment can be done with the approval of the urban renewal agency or jurisdiction and does not typically require any additional stakeholder involvement.

B. Statutory Provisions

There are no statutory requirements for public involvement in amendments that are not substantial amendments.

C. Discussion

Stakeholder involvement may be beneficial in some of the following examples: from a citizen’s advisory committee, a citywide committee, such as a parks committee that would have input on specific projects, or a business district that would want input on projects.

D. Best Practices Tips

The public involvement process on a minor amendment or council-approved amendment should reflect the impact of the change, i.e. a change with more



Bandon Area Two Amendment was designed around the Bandon Parks Committee recommendations on projects. The projects in Area Two are mostly parks and trail projects. Pictured above are two of the Bandon Area Two projects: the Barn Community Center and pedestrian bridge.

impact should have more involvement. If the change is a major change in a project and there is a stakeholder committee with vital interest in that change, that group should review the change before the plan is amended.

5.3 SUBSTANTIAL AMENDMENTS

A. Background

A substantial amendment must be adopted in the same manner as a new urban renewal plan. This is the highest level of review for amendments. In general, a full report is required to both re-document the existence of blight within the existing area and provide the information required in a report for the change being proposed. However, if the plan has been recently adopted and the existing conditions have not changed, a re-documentation of blight for the existing area may not be required. This section contains the following information:

- Public involvement
- Procedural requirements for approval of a substantial amendment
- Finance

B. Statutory Provisions

The statutes (ORS 457.085(2)(i)(A) and (B)) define two types of amendments that must be considered substantial, and which, therefore, must be adopted in the same manner as the adoption of the original urban renewal plan. These two types must include supernotice. These types of amendments are:

- Increasing the size of the URA by more than 1%.
- Increasing the maximum amount of indebtedness that may be issued or incurred under the urban renewal plan.

ORS 457.010(5)(a) and (b) define existing urban renewal plans.

C. Discussion

1. Determining the type of plan

Before pursuing a substantial amendment, the urban renewal agency will want to verify the type of urban renewal plan it has. There are three types of plans: existing plans, window plans, and new plans. The type of plan is based on the time frame of adoption and adoption of maximum debt prior to December 6, 1996. Financial impacts are different depending on the type of plan.

The increase of land by more than 1% refers to the original plan acreage. This 1% is irrespective of any removals of land from the area.

Existing plans: reduced rate or standard rate

Window plans: standard rate

New plans: reduced rate

See Appendix A for more information on determining the type of plan.

D. Best Practices Tips

If the prior urban renewal report is current within a few years and little has changed in a district, the following standards could be followed:

1. If there is property added, do a full existing conditions analysis of the property to be added or of the new area in total;
2. State the reasons for the selection of the URA;
3. If a new maximum indebtedness is established, perform a full financial feasibility, including the impact on affected taxing jurisdictions;
4. For projects added, perform a financial feasibility to show the projects are feasible under the report section on total costs of projects and monies to pay such costs;
5. For projects added, state the project and the relationship to the existing conditions in the URA; and
6. For projects, state the estimated completion date for each project.

If the prior urban renewal report is not current, a full report in accordance with ORS 457.085(3)(a-i) should be completed, including an analysis of the existing area.

5.3.1 PUBLIC INVOLVEMENT FOR SUBSTANTIAL AMENDMENTS

A. Background

Public involvement is a key component of all phases of urban renewal planning, from the inception of an URA to the ongoing administration of the urban renewal plan, including the adoption of a substantial amendment. Involvement needs range from including the public as a whole to including the specific affected local taxing jurisdictions. Adoption of an urban renewal plan amendment goes more smoothly when there is public support for the plan.

OPTIONS FOR PUBLIC REVIEW:

- Review of the substantial amendment by an advisory committee.
- Holding a public hearing specifically to provide information on urban renewal and the proposed amendment.
- Establishing a web presence by both posting the proposed amendment and posting information about the opportunities for public input.
- Having one or more public open houses where the public is invited to participate actively in planning: putting “dots” on specific ideas for projects, voting for key concepts.
- Using social networking tools, such as Twitter, to broadcast meetings.
- Working with the local business district to provide input to urban renewal decisions.
- Designing a Facebook page for the URA.
- Mailing to households within the URA to provide information or invite them to public meetings.
- Presenting information at other public forums such as a farmer’s market or other public gathering spaces/events.
- Streaming the public meetings on public television.
- Some localities may require public vote of substantial amendments.

B. Statutory Provisions

The statutory requirements are for public involvement in all stages of the development of an urban renewal plan:

- ORS 457.085(1) requires that “an urban renewal agency shall provide for public involvement in all stages of the development of an urban renewal plan.”
- ORS 457.085(2)(i) requires substantial amendments to require the same notice, hearing, and approval procedure required of the original urban renewal plan.
- ORS 457.085(4) and ORS 457.085(5) require that substantial amendments must be presented to the planning commission of the jurisdiction and to the governing bodies of taxing districts affected by the plan.
- ORS 457.437 requires that a city urban renewal agency meet with the governing body of the county affected by the plan.
- ORS 457.095 and ORS 457.120 require that direct notice be sent (by a jurisdiction) to individuals or households within certain areas, in addition to the normal notice provisions of a jurisdiction for a public hearing on a new plan or substantial amendments.
- ORS 457.095 requires published notice of adoption of a substantial amendment.

C. Discussion

The statutory requirements are for public involvement in all stages of the development of an urban renewal plan and any substantial amendment(s). The ranges of involvement are shown in the sidebar.

The minimum required by statute is two opportunities for general citizenry review and input. First, the urban renewal substantial amendment and accompanying report are forwarded to the planning commission prior to presenting it to the governing body (city council or county commission) (ORS 457.095). The planning commission meetings are open to the public, and therefore, citizens have an opportunity for comment at this point in the preparation of a substantial amendment.

Approval of a substantial amendment by a governing body is by non-emergency ordinance (ORS 457.095). In most jurisdictions, this means two readings of the ordinance. The first reading is a public hearing that has been noticed to all citizens of the jurisdiction in accordance with ORS 457.120. The second reading does not typically include public testimony but can be at the discretion of the governing body.

The substantial amendment must also be sent to the governing body of all affected taxing jurisdictions and the urban renewal agency shall consult and confer with the taxing jurisdictions prior to presenting the substantial amendment to the governing body for approval (ORS 457.085)(5)). In addition to sending the substantial amendment by mail, the agency may also contact the taxing jurisdictions personally and may agree to present the plan to the taxing jurisdictions' boards if requested. ***See Section 2.7 on Impacts on Taxes Imposed by Overlapping Taxing Districts.***

The jurisdiction must publish notice of the adoption of a substantial amendment within four days of adoption.

The definition of substantial plan amendments is a major means of exerting policy direction over the implementation of an urban renewal plan. Local jurisdictions often express their sensitivity to particular urban renewal issues by defining changes in those activities as substantial amendments to the urban renewal plan. Alternatively, the jurisdiction can allow the urban renewal agency latitude in dealing with activities on which there is strong community consensus by not defining changes in such activities as substantial amendments.

D. Best Practices Tips

Public involvement for substantial amendments should mirror the involvement required for the adoption of an urban renewal plan as the statute requires the amendment to be adopted in the same manner as a plan.

5.3.2 PROCEDURAL REQUIREMENTS FOR APPROVAL OF SUBSTANTIAL AMENDMENTS

A. Background

To approve substantial amendments, a jurisdiction must go through the following procedural requirements:

1. Meeting by urban renewal agency

The urban renewal agency has the power to create an urban renewal plan (ORS 457.085(2)), and as a substantial amendment follows the procedures of plan approval (ORS 457.085(2)(i)), the agency also authorizes a substantial amendment.

Some planning commissions prefer to just review and make recommendations on the conformance issue, while others like to encourage the jurisdiction to approve the substantial amendment.

Sections 2.1 Public Involvement and **4.1 Public Involvement** detail other ideas about working with taxing districts.

2. Referral of the proposed plan to the planning commission for their review

If the jurisdiction has a planning commission, the substantial amendment and report must be presented to the commission for its recommendation before the substantial amendment may be presented to the jurisdiction (city council or county commission) for approval.

The planning commission review is best done at a public hearing. The planning commission's formal role is not specified in the statutes. They generally are advised that their role should be to determine the conformance of the substantial amendment with the jurisdiction's comprehensive plan, as planning is the purview of the planning commission. Two separate motions may be presented to the planning commission, one that finds the urban renewal plan substantial amendment in conformance with the comprehensive plan, and the other that finds the urban renewal plan substantial amendment in conformance with the comprehensive plan and recommends approval of the substantial amendment by the municipality.

Some planning commissions want to just take the action to find conformance with the comprehensive plan while others want to further recommend approval by the city council.

Notice of the planning commission review should be done as for any planning commission meeting. No other notice provisions are required.

3. Consult and confer with the affected taxing districts

The minimum level of interaction of the affected taxing districts is set out in the statutes. At a minimum, an agency must consult and confer with the affected taxing districts. The substantial amendment and urban renewal report must be sent to the governing body of any taxing district that is affected by the urban renewal plan with an offer to consult and confer. (Taxing districts that levy taxes within the URA are affected taxing districts.) Any written recommendations of these taxing districts must be accepted, rejected, or modified by the jurisdiction (city council or county commission) in order to proceed with the substantial amendment. The requirements under this section are different if the urban renewal agency is requesting concurrence, as described in ORS 457.470.

4. Meeting with affected municipalities ORS 457.437

Prior to the establishment of a maximum amount of indebtedness in a substantial amendment to an urban renewal plan, the urban renewal agency that is carrying out the plan shall meet with the governing bodies of the municipality that activated the urban renewal agency, and other municipalities affected by the urban renewal plan, to review the proposed maximum amount of indebtedness for the plan. No formal action is required by the affected municipalities (ORS 457.085(5)). The meaning of this section is that a substantial amendment must

not only be presented to the enacting municipality, but also must be presented to the county commission for their information. Their vote is not required.

However, when any portion of the area of a proposed urban renewal plan extends beyond the boundaries of a city into any other municipality (city or county) and, in the case of a proposed plan by a county agency, when any portion of the URA is within the boundaries of a city, the governing body of the other municipality may approve the substantial amendment, and may do so by resolution rather than by ordinance (ORS 457.105).

5. Municipality public hearing/notice of hearing

Under provisions of ORS 457.120(3), notice of a proposed substantial amendment must include the following specific provisions:

- The governing body, on a specified date, will hold a public hearing and consider an ordinance substantially amending an urban renewal plan;
- The adoption of the substantial amendment may impact property tax rates;
- States the maximum indebtedness that can be issued or incurred under the substantial amendment;
- The ordinance, if approved, is subject to referendum; and
- A copy of the ordinance, urban renewal plan amendment, and urban renewal report can be obtained by contacting a designated person.

6. Notice requirements for a substantial amendment

The statutory requirements for supernotice are stated in ORS 457.120(1). Notice of the public hearing on adoption of the urban renewal plan amendment must be sent to individuals or households in one of the following groups:

- Owners of real property that is located in the municipality;
- Electors registered in the municipality;
- Sewer, water, electric, or other utility customers in the municipality; or
- Postal patrons in the municipality and any parts of the URA that extend beyond the municipality.

For county plans, the individual notice must be provided to one of the same groups within the boundaries of any K-12 school district that levies taxes within the URA. Counties must also provide notice in the paper of general circulation throughout the county in an advertisement not less than three inches in height and three inches in width in the general interest section of the newspaper (ORS 457.120(4)(b)). It must contain language identified in ORS 457.120(3)(a-e).

If a plan is both in a city and in a county, notice must not only be sent to the

requirements stated for a city above, but also be sent to each individual in the selected group that is located in the URA (ORS 457.120 (2)). This supernotice must contain specific language, as defined in ORS 457.120(3)(a-e) and stated in sub-paragraph 5 above.

7. Approval of a substantial amendment by the municipality

A substantial amendment is adopted by the governing body of the municipality (city council or county commission) by ordinance. The ordinance must be a non-emergency ordinance. There are specific requirements for the contents of the ordinance (ORS 457.095)(1)-(7):

- Each urban renewal area is blighted.
- The rehabilitation and redevelopment of the urban renewal area(s) is necessary to protect the public health, safety, or welfare of the community.
 - o The urban renewal plan conforms to the comprehensive plan and economic development plan, if any, of the municipality. The plan must also provide an outline of planned urban renewal projects.
- Relocation requirements must be met.
- That any property acquisition called for in the urban renewal plan is necessary to achieve the objectives of the plan.
- That the plan is economically sound and feasible.
- That the city or county will assume any responsibilities given to it under the plan.

8. Hearing

At the public hearing on the ordinance, the governing body should hear the report and recommendations of the urban renewal agency, take public testimony, and consider the recommendations, if any, of the planning commission and of affected taxing districts. Any written recommendations of the affected taxing districts must be formally accepted, rejected, or modified.

9. Recording

A substantial amendment, along with a copy of the ordinance approving the substantial amendment, must be recorded with the recording officer of each county in which any portion of an URA within the urban renewal plan is situated. A copy of the plan should also be sent to the county assessor.

10. Notices

Notice of adoption of an ordinance approving a substantial amendment shall

Presumed valid: Any plan adopted in conformance with all legal requirements shall be conclusively presumed valid 90 days after adoption of the urban renewal plan amendment by ordinance of the governing body of the municipality. No direct or collateral attack on the action may thereafter be commenced.

be published within four days of adoption of the ordinance approving the amendment in a newspaper having the greatest circulation in the municipality and that is published within the municipality no later than four days following the ordinance adoption. If no newspaper is published in the municipality, the notice may be published in the newspaper of the closest published paper. The notice must say that the ordinance has been adopted and that 90 days after adoption of the plan amendment the amendment will be conclusively presumed to be valid. (ORS 457.095 and ORS 457.115)

D. Best Practices Tips

A jurisdiction should use an urban renewal professional or have staff with extensive urban renewal experience assist in the preparation of an urban renewal plan or a substantial amendment. If internal staff prepares the amendment to the urban renewal plan, it should also be reviewed by seasoned urban renewal counsel prior to adoption.

5.3.3 FINANCIAL ANALYSIS FOR SUBSTANTIAL AMENDMENTS

A. Background

When a plan is substantially amended, it requires additional financial analysis. The required analysis follows the same requirements as described in Section 4 for writing an urban renewal plan and report.

B. Statutory Provisions

ORS 457.420 to ORS 457.470 describe tax increment financing of urban renewal indebtedness.

C. Discussion

Amendments to urban renewal plans cannot increase maximum indebtedness by more than 20% of the original maximum indebtedness without obtaining concurrence (see sidebar definition).

All urban renewal plans adopted prior to January 1, 2010 that have not been amended to increase maximum indebtedness since that date are not subject to revenue sharing. When these plans are amended they will be subject to revenue sharing provisions. Amended plans will obey the same revenue sharing limits as described in **Section 2.7**, with one exception. The amount of TIF revenues collected by the URA in the first year in which the plan is substantially

Concurrence is defined as written concurrence of taxing jurisdictions imposing at least 75% of the amount of taxes levied under permanent rate limits in the URA.

Relevant distinctions:

- Concurrence refers to taxes, not tax rate
- Only taxes imposed under permanent rates are counted, not bonds or local option levies.

amended is known as the transition amount. If the transition amount is greater than the amount of TIF revenue that the URA would be able to collect under revenue sharing limits, then the URA receives annual TIF revenues equal to the transition amount. In short, the transition amount ensures that jurisdictions with amended plans that trigger revenue sharing will not see TIF revenues decline below their previous year's TIF collections due to revenue sharing.

D. Best Practices Tips

A jurisdiction should determine the type of plan it has, and the specific impacts associated with amending that plan, before undertaking the amendment process.

6. Running an Urban Renewal Agency

Urban renewal agencies vary in their organizational structure, from single individuals assigned responsibility to run the urban renewal program, to portions of various individuals assigned other responsibilities within the organization that created the urban renewal agency collaborating to perform urban renewal projects and programs, to agencies that operate as purely separate entities, complete with staffing and separate boards. Irrespective of how the urban renewal agency is staffed or governed, as a separate entity, it is necessary for staff and the governing board to ensure they each fulfill the various legal requirements for the urban renewal agency on an ongoing basis.

CHAPTER CONTENTS

The chapter contains the following sections:

- 6.1 Establishing bylaws
- 6.2 Changing the form of agency governance
- 6.3 Public involvement
- 6.4 Financial reporting
- 6.5 Budget
- 6.6 Auxiliary uses of TIF funds
- 6.7 Program income
- 6.8 Debt and maximum indebtedness reporting
- 6.9 Performance measures
- 6.10 Leveraging TIF
- 6.11 Relocation
- 6.12 Acquisition/disposition of real property

6.1 ESTABLISHING BYLAWS

A. Background

As a separate and distinct entity, establishing bylaws for an urban renewal agency is a requisite organizing function.

B. Statutory Provisions

ORS 457.035 provides for the creation, choice to exercise power, and jurisdiction for urban renewal activities. ORS 457.170 and 457.180 further addresses specific powers of urban renewal agencies. No statute requires the adoption of urban renewal agency bylaws.

C. Discussion

An organization's bylaws are legally binding and detail how the organization is structured and governed. State law does not determine the content of bylaws for an urban renewal agency. However, many agencies find that bylaws assist in the orderly conduct of business. Urban renewal agencies are encouraged to review the bylaws on a periodic basis, or at least every three years, to ensure that they are consistent with the organization's operations.

D. Best Practices Tips

Best practices suggest that urban renewal agencies should establish bylaws that address general information, governing board information, officers, and fiscal matters. A complete list can be found in Appendix B.

6.2 CHANGING THE FORM OF AGENCY GOVERNANCE

A. Background

The municipality that sponsors an urban renewal agency may decide that the initial choice of governance body is undesirable. The governance body may be changed.

B. Statutory Provisions

ORS 457.055 allows the municipality to change the form of the agency's

governance body to any form allowed by statute.

C. Discussion

The governing body of the municipality may, by ordinance, transfer the authority of the urban renewal agency to any other body that may have been initially appointed to exercise the agency powers. These are: the governing body itself, the housing authority of the municipality, or a separate board consisting of at least three members. Examples influencing a change of governance could include a consistent lack of quorum, a practice of inability to make program or project decisions, or actions that are contrary to the objectives of the urban renewal plan.

D. Best Practices Tips

Changing the form of the urban renewal agency's governance body should be a carefully considered decision, taken only when in the best interest of completing the urban renewal plan.

6.3 PUBLIC INVOLVEMENT

A. Background

Public involvement is a key component of the ongoing administration of an urban renewal plan. Involvement needs range from providing transparency on the activities of the urban renewal agency to providing an opportunity for citizens to serve on a citizens' advisory committee to allowing the broader public to interact with the agency on a Facebook page. There is significant incentive for an urban renewal agency to establish an effort to engage the public. For example, the adoption of an urban renewal plan amendment goes much more smoothly when there is significant public support for the plan.

B. Statutory Provisions

There is one statutory requirement for public information in the ongoing administration of an urban renewal agency. The agency must file an annual report (ORS 457.460). This report must be on file at the city or county (depending on the governing jurisdiction) to allow for public viewing and portions must be published in the newspaper at two separate times.

C. Discussion

Options for involvement while running an urban renewal agency include:



The City of Astoria works directly with the Astoria Downtown Historic District Association on determining projects and priorities for urban renewal spending. Member of the city staff are on the ADHDA board and ADHDA board members are on City committees dealing with specific projects such as the planning for the Garden of Surging Waves as a cornerstone to the downtown. The Garden of Surging Waves will bring tourist activity to the Astoria Urban Renewal Area.

- A citizens' advisory committee to review decisions on the administration of the urban renewal plan, from input on the annual budgeting process to making recommendations to the urban renewal agency on policy issues such as potential amendments to the plan.
- Publishing more information in the annual report than is strictly required by the statute. Summarizing the projects of the previous year and identifying the public benefit, leverage of funding, private investment, and/or projected return on investment.
- Working with an established Main Street or business organization to review plan priorities.
- Publishing information about the urban renewal agency on the city webpage, including the adopted urban renewal plan and report and any current activities.
- Social media activities, including a Facebook and/or Twitter page for the activities of the urban renewal agency.
- Work with local newspaper to document success stories, giving credit to urban renewal.

D. Best Practices Tips

When the URA is established, it should adopt a public involvement policy. The public involvement policy should be reviewed periodically to ensure it is meeting the needs of the community.

6.4 FINANCIAL REPORTING

A. Background

One of the key responsibilities of the urban renewal agency board is its fiduciary responsibilities. A key component of ensuring the financial integrity of the organization is regular and timely financial reporting, including management discussion and analysis of the agency's programs and projects.

There are three groups responsible for the quality of financial reporting: the governing board, financial management and staff, and the independent auditor. First among these groups is the governing board, due to its unique position as the ultimate responsibility for oversight of financial reporting processes.

Urban renewal agencies are component units of jurisdictions and the financial reporting function is generally performed by city (or county) staff. Also, a jurisdiction's auditor generally performs the audit function. Lastly, since the

agency is a component unit of the jurisdiction, the jurisdiction's governing board has the ultimate responsibility for oversight.

B. Statutory Provisions

ORS 297.405 – 297.555 provide the various statutory requirements for financial reporting of Oregon municipalities, including annual audits by independent auditors (ORS 297.425).

ORS 457.460 requires limited duplication of annual financial reporting and budgeting, and additionally requires reporting on the analysis of the impacts, if any, of carrying out the urban renewal plan on the tax collections for the proceeding year of the overlapping taxing jurisdictions.

C. Discussion

Presently, urban renewal agencies are preparing a separate report to meet the specific requirements of each statute noted above, although there is no requirement to do so. Additionally, most urban renewal agencies in Oregon do not provide management analysis and discussion of the agency's performance during the reporting period or projected activity during the ensuring period(s).

Also, many urban renewal agencies, like their jurisdictions, struggle to complete their audits and file their reports by December 31. As a result, the information from these valuable reports is not timely for decision-making and may be viewed by decision makers as mere compliance work rather than an integral element of strategic planning.

D. Best Practices Tips

Consistent with the Government Finance Officers Association recommended best practices for governmental accounting, auditing, and financial reporting practices, AORA urges each urban renewal agency to do the following to fulfill its financial reporting responsibilities:

- Maintain an accounting system adequate to provide all of the data needed to allow for the timely preparation of financial statements for the entire financial reporting entity in conformity with generally accepted accounting principles (GAAP);
- Issue timely financial statements for the entire financial reporting entity in conformity with GAAP as part of a comprehensive annual financial report (CAFR); and
- Have those financial statements independently audited in accordance with either generally accepted auditing standards (GAAS) or Government Auditing Standards (GAS), as appropriate.



The City of Wilsonville specifically identifies project activity from the previous year in their annual report.

Suggested financial reporting includes the following:

Monthly financial reports should be prepared and distributed in a timely fashion. The reports should be prepared at an appropriate level for the intended audience, e.g., board reports should be at a general level, with detail available as needed, while reports to management should provide greater detail. Board members, managers, and staff should review reports in a timely fashion and provide timely feedback on any discrepancies. The reports should provide explanations for significant variations to budget.

Quarterly financial reports should be prepared and distributed in a timely fashion. These reports should include an update on the urban renewal agency's activities, including, but not limited to, explanation of any significant variances, both financially and operationally. Reports should be prepared for the intended audience and recipients should provide timely feedback on any discrepancies.

Annual financial reports should be prepared, audited, and distributed in a timely fashion. The reports should include management discussion and analysis of activities in the reporting period and upcoming period(s). Although statutes require audited financial reports be submitted by December 31 each year, reports should be completed and distributed to users much earlier.

Additionally, consistent with the Government Finance Officers Association best practice recommendation, the municipality's governing board should appoint an audit committee to provide much needed independent review and oversight of the urban renewal agency's financial reporting processes, internal controls, and independent auditors. The audit committee should be the same committee that serves the municipality. Further details regarding this best practice is available at GFOA Best Practice - Audit Committees.³

AORA also suggests that urban renewal agencies consider consolidating the required reporting of ORS 457.460 with the annual audited financial report, or, in the absence of the ability to prepare and distribute, in a timely manner, annual audited financial statements, AORA suggests agencies consider participation in the Government Finance Officers Association (GFOA) Popular Annual Financial Reports program. These financial reports are more readable and usable by non-financial and regulatory readers. The required elements of ORS 457.460 may also be considered for consolidation in this report.

6.5 BUDGET

A. Background

The National Advisory Council on State and Local Budgeting (NACSLB) has

³ http://www.gfoa.org/index.php?option=com_content&task=view&id=1451

identified four essential principles of effective budgeting. The specific principles include:

- Set broad goals to guide decisions;
- Develop strategies and financial policies;
- Design a budget supportive of strategies and goals; and
- Focus on the necessity of continually evaluating a government's success at achieving the goals that it has set for itself (i.e., performance).

B. Statutory Provisions

ORS 294.305 – 294.565 provide the various statutory requirements for budgeting of Oregon public agencies.

C. Discussion

The Government Finance Officers Association has officially adopted the recommendations of the NACSLB. GFOA has also issued separate recommended practices on strategic planning and performance measurement. All of these documents underscore GFOA's long-standing support of strategic planning and performance measurement as part of the budget process.

Consistent with the NACSLB principles, a growing number of governments use the budgeting for results and outcomes approach. Rather than starting with the prior period's budgeted programs and activities, they begin with available revenues, continue by considering desired results and strategies, and then end by deciding which activities and programs can best achieve desired results.

This approach is a departure from the incrementalism often characteristic of budgeting. Budgeting for results and outcomes links strategic planning, long-range financial planning, performance measures, budgeting, and evaluation. It also links resources to objectives at the beginning of the budgetary process so that the primary focus is on outcomes rather than organizational structure.

D. Best Practices Tips

Consistent with the GFOA, urban renewal agencies should consider budgeting for results and outcomes as a practical way to achieve the NACSLB objective of integrating performance into the budgetary process. The steps below should help an agency make a successful transition:

1. Determine how much money is available. The budget should be built on expected resources. This would include existing revenue, any new revenue sources, and the potential use of fund balance and/or debt.
2. Prioritize projects. The results or outcomes that matter most to the success of the agency fulfilling its mission should be prioritized.

Budgeting for results and outcomes is not just a one-year exercise, but instead a multi-year effort that should improve the budget process.

3. Allocate resources among high priority projects. The allocations should be made in a fair and objective manner.
4. Conduct analysis to determine which strategies, programs, and activities will best achieve desired results.
5. Budget available dollars to the most significant programs and projects. The objective is to maximize the benefit of the available resources.
6. Set measures of annual progress, monitor, and close the feedback loop. These measures should spell out the expected results and outcomes and how they will be measured.
7. Check what actually happened. This involves using performance measures to compare actual versus budgeted results.
8. Communicate performance results. Internal and external stakeholders should be informed of the results in an understandable format.

6.6 AUXILIARY USES OF TIF

A. Background

Use of tax increment funds is limited to paying debt incurred for projects listed in ORS 457.170. In all cases, activities to be funded with tax increment funds must be included in the urban renewal plan. Even with the liberal interpretation of these projects that has evolved over the years, the project definitions are not infinitely expandable.

Jurisdictions sometimes ask urban renewal agencies to finance operating and maintenance costs associated with capital improvements financed by the agency or even to finance regular ongoing municipal service costs.

Another issue is whether tax increment funds can be spent for urban renewal agency staff. These questions include whether staff costs can be funded from tax increment bond proceeds and whether tax increment funds can pay staff for work not related to urban renewal. Questions sometimes arise regarding the expenditure of tax increment revenues generated within one URA for the benefit of another URA within the same jurisdiction. Finally, funds that an urban renewal agency may receive that are not tax increment funds should be considered.

B. Statutory Provisions

ORS 457.170 describes the projects allowed in an urban renewal plan.

C. Discussion

1. Expenditures on operation and maintenance

Expenditures of tax increment revenues on operation and maintenance of capital facilities and expenditures on municipal services (e.g., police) are not allowed. This generally applies to capital facilities that have been developed with tax increment funds. There are two distinct considerations. First, from a legal standpoint, redevelopment attorneys have stated that such expenditures are not authorized by statute and the powers cited above from ORS 457.170 do not specifically include operation and maintenance. Second, as a matter of practice, tax increment revenues are not an ongoing revenue source and should not be used to fund ongoing expenses. Such a practice, like fully funding citywide projects with tax increments funds, diverts the tax increment funds from other projects in the URA that will cure blighted conditions.

Exceptions however, may include expenditures for start-up operational costs of a capital facility developed with tax increment funds, because these costs are considered part of the capital budget. Property management costs relating to property acquired by the urban renewal agency prior to its disposition for development or redevelopment are allowed to preserve the property value.

Decisions about what constitutes a capital project and what constitutes a maintenance activity are often difficult to make. For example, is the overlaying of street pavement maintenance or a capital improvement? The urban renewal agency should use its best judgment to make these determinations about whether to include them as projects in the urban renewal plan.

2. Expenditures on urban renewal agency staff

The administrative costs of operating an urban renewal agency are appropriately funded from tax increment funds. If an agency borrows money, it needs to conform to compliance with the covenants in its bond documents. Examples of such covenants are continuing disclosure, restrictions on private use and limitations on additional borrowing. Alternatively, expenditures may be made from annual tax increment revenues, provided that such expenditures are used to repay debt incurred in paying staff and administrative costs. It is common that the staff of the sponsoring jurisdiction administer the urban renewal agency.

3. Expenditure of tax increment funds for another URA

Tax increment revenues generated within one URA of a jurisdiction may not be expended for projects within another URA of the jurisdiction (ORS 457.440(6) (b)). Likewise, tax increment funds generated by debt in one URA may not be loaned to another URA. The proceeds of bonds are restricted to expenditure for projects in the URA that is generating revenue to pay the bonds.

Costs include staff (salary and benefits), office space, office equipment and supplies, consultants' and attorneys' fees, and other miscellaneous costs of implementing the urban renewal plan.

D. Best Practices Tips

1. Expenditures of tax increment revenues on operation and maintenance of capital facilities (except as are included in a capital investment) and expenditures on municipal services (e.g., police) must be avoided.
2. When staff performs a mix of duties, including some unrelated to the URA, other funds should pay for the non-urban renewal duties.
3. If the urban renewal agency does not have exclusive staff or exclusive consultants/contractors dedicated to agency administration, then the agency should enter into an intergovernmental agreement (IGA) with the sponsoring jurisdiction that specifies the urban renewal duties, the percentage of time and costs that will be allocated to the URA, and the basis and time for payment of these costs. This allocation must be done on a reasonable basis, and should take into account the actual or estimated percentages of the services or supplies used by the urban renewal agency. The IGA becomes a debt instrument and the costs can be paid directly from tax increment revenue collections.
4. An urban renewal agency should not grant or loan tax increment funds from one URA to another.

6.7 PROGRAM INCOME

A. Background

From time to time, as a result of its urban renewal project activities, an urban renewal agency may acquire funds that are not the proceeds of debt and are not tax increment revenue distributed from the tax collector. These funds are called program income. Examples are proceeds from the sale of real property the urban renewal agency acquired and funds repaid by borrowers from an urban renewal plan loan program, such as a façade improvement program or a private property rehabilitation loan. Interest paid on tax collections paid into an URA's special fund under ORS 457.440(6) is not program income. The acquisition or expenditure of program income is not included when calculating maximum indebtedness.

B. Statutory Provisions

ORS 457.190 limits the use of grants or loans received by the urban renewal agency from third parties.

ORS 457.180 lists activities that an urban renewal agency may perform outside the projects in an urban renewal plan.

C. Discussion

Proceeds of grants or loans received by an urban renewal agency from third parties must be the “undertaking and carrying out of urban renewal projects.”

Use of program income will be limited in the first instance by the covenants of any debt that produced the tax increment funds for the original urban renewal activity. Determining the limits is a case-by-case inquiry and bond counsel must be consulted.

Use of program income may also be limited by the terms of an urban renewal plan itself. A plan may provide that all income generated by the plan activities will be dedicated to debt repayment.

Finally, if not limited as stated above, program income may only be used for activities described either in ORS 457.170 (designated urban renewal projects in the plan) or ORS 457.180. The latter section gives an urban renewal agency the power to:

“457.180 Powers of urban renewal agencies in general. An urban renewal agency, in addition to its other powers, may:

- (1) Make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements.
- (2) Make plans for the enforcement of laws, codes and regulations relating to:
 - (a) The use of land.
 - (b) The use and occupancy of buildings and improvements.
 - (c) The repair, rehabilitation, demolition or removal of buildings and improvements.
- (3) Make plans for the relocation of persons and property displaced by an urban renewal project.
- (4) Make preliminary plans outlining urban renewal activities for neighborhoods to embrace two or more URAs.
- (5) Conduct preliminary surveys to determine if the undertaking and carrying out of an urban renewal project is feasible.
- (6) Develop, test and report methods and techniques and carry out demonstrations and other activities for the prevention and the elimination of urban blight.
- (7) Engage in any other housing or community development activities specifically delegated to it by the governing body of the municipality including but not limited to land acquisition and disposition, conservation and rehabilitation, residential or business relocation,

construction, leasing or management of housing, and the making of grants and loans from any available source.”

D. Best Practices Tips

1. Use of program income is a case-by-case inquiry and urban renewal agency counsel and bond counsel must be consulted.
2. If allowed at all, an urban renewal agency should use program income for non-plan related activities only pursuant to official action to spend such funds within the agency budget.
3. Using program income for housing or community development activities specifically delegated to an urban renewal agency by the governing body of the jurisdiction should be based only on official governing body action expressing delegation.

6.8 DEBT AND MAXIMUM INDEBTEDNESS REPORTING

A. Background

Every urban renewal plan must include a statement of maximum indebtedness. Additionally, limitations related to future urban renewal plan amendments to increase maximum indebtedness and future potential revenue sharing with the affected taxing districts necessitate periodic review of the status of remaining maximum indebtedness relative to the remaining projects and activities to implement and complete the plan.

B. Statutory Provisions

ORS 457.450 (2) states that tax increment funds are to be collected until the urban renewal agency’s maximum indebtedness is fully paid or sufficient tax increment funds have been collected to retire the maximum debt.

C. Discussion

Additional considerations relative to maximum indebtedness for urban renewal agencies include:

Maximum indebtedness is stated in actual dollars at the time debt is issued; therefore, the timing to incur indebtedness and make expenditures becomes more important. In other words, as a result of inflation, dollars spent today likely

will accomplish more than the same dollar spent at a later date.

To more effectively manage available resources including debt, an urban renewal agency must understand its debt capacity at any given time to better plan capital investment.

D. Best Practices Tips

An urban renewal agency should annually track and report the status of its maximum indebtedness and its expenditures relative to its urban renewal plan. Maximum Indebtedness includes all money spent on projects, programs, and administration of the plan. It does not include indebtedness incurred to refund or refinance existing indebtedness, nor does it include interest payments.

6.9 PERFORMANCE MEASURES

A. Background

Measuring the impact of an urban renewal area should be an integral part of an urban renewal agency's annual reporting process, as well as the jurisdiction's overall communications program. Urban renewal, by definition, should help attract and retain jobs, build housing, grow businesses, remove blight, and accomplish many other positive things. Identifying and quantifying these impacts should be a part of each urban renewal agency's mission. This section of the document discusses potential conditions that could be measured and suggests several strategies for conducting that analysis.

B. Statutory Provisions

There are no statutory requirements for performance measures.

C. Discussion

Before attempting to measure a project's impact, it is important to understand the distinction between direct and indirect impacts and which of these should be measured and reported. Direct impacts are those that are directly connected to the urban renewal investment itself, such as the number of apartments built as part of a project supported by TIF funding. Indirect impacts could include a range of benefits, such as the increased retail activity that might take place within a district due to the new residents that live in the apartment building.

There is no best practice for whether direct or indirect impact analysis is the most appropriate—it will depend on local circumstances. Direct impacts tend

to be the easiest to measure (and explain), but may significantly understate the value of an investment to a community. Likewise, indirect impacts may present a fuller picture of the benefits of a project, but are harder to measure.

In addition to measuring the impacts from specific urban renewal investments, it is useful to catalog all new investments in the URA in order to ensure that indirect impacts are captured. By identifying these projects, and even mapping them, patterns of investment momentum can be demonstrated, which can often help tell the story of how urban renewal facilitates revitalization and private sector development.

Some specific areas that are good indicators of an URA's performance and might be included in a performance measurement process, include:

- **Tax base growth:** This is the most fundamental assessment of the success of an URA and should be included in every annual report.
- **Leverage ratio:** See Section 5.2.3.
- **New housing units:** Measure and map the location of new housing built in the URA. In smaller districts, project staff will likely be aware of all new projects, but in larger districts reviewing building permit data might be necessary.
- **New businesses and employment:** Jobs are one of the most important indicators of a community's health. Identify new businesses that have located in the URA, especially those that are the direct result of an urban renewal project.
- **Retail activity:** For downtown and business district-based URAs, increasing retail activity and reducing storefront vacancies is an important measure of success. Since Oregon does not have a sales tax, it is difficult to directly measure retail sales activity. While it can be estimated from some proprietary economic databases, similar information can be attained from a survey of building vacancies, interviews with merchants, and partnering with business associations
- **Major projects:** Identifying and mapping the location of major projects, both public and private, can be instrumental in telling the big picture story of an urban renewal plan's success. From an analytical point of view, mapping can also highlight patterns of investment that might indicate the catalytic effect that certain urban renewal investments have had on private investment in the URA.

The specific methodology for measuring each element will vary from community to community, where the availability of data will range from robust to minimal. While there can be no standard methodology that will work for all communities, the best practice is to clearly document what is being counted and from where the data has come. This helps to answer questions from stakeholders, the media, and elected officials, and it also helps to document for

future urban renewal agency staff how to update the information over time.

D. Best Practices Tips

Measuring the performance of an URA should be done integrally with the annual reporting process. Maintaining templates and other types of standardization will help in the measuring of performance across years and over the life of the urban renewal plan. In all cases, information sources should be clearly documented in order to answer possible questions and assist others in updating the information over time.

Finally, the presentation format should be such that it is easily readable and can serve as a communications tool—telling the story of the URA's success. For examples of potential performance measures, see Section 6.9 (C).

6.10 LEVERAGING TIF

A. Background

Leveraging TIF means increasing the impact of urban renewal dollars by attracting a matching amount of private investment. Indeed, the financial model of tax increment financing requires new private investment in order to generate the new taxes over the frozen base. Leverage can be measured in terms of a leverage ratio—the ratio of private investment (in a project, district, or any other defined area) to public investment. While there are no hard and fast rules for an appropriate leverage ratio, many districts have been able to achieve ratios of five or ten to one or higher. That is, for every dollar of public investment, the jurisdiction has seen five or ten dollars of private investment.

B. Statutory Provisions

There are no statutory requirements for leveraging TIF.

C. Discussion

1. Leveraging Private Financing

TIF can help leverage private funding by being the gap financing that completes a financing package for a project. In an era of increasingly challenging financial markets, the need for gap financing to make innovative projects possible is increasing. These types of contributions can be structured as grants, loans, and guarantees. Public-private partnerships and development agreements can be



Lake Oswego's Lake View Village was a joint partnership of the Agency and a private developer. The Agency provided funding for the parking garage while the developer funded the building construction.

structured so as to manage the amount of risk that the urban renewal agency is willing to take.

2. Leveraging Public Funding Tools

TIF can be most effective when it is paired with other funding tools. Particularly for grants, TIF can represent a critical local match that can bring in outside resources several times the size of the local contribution. In addition to grants, TIF can leverage other public funding tools such as Housing and Urban Development Sec 108 tax credits (Housing Tax Credits, New Market Tax Credits, Low Income Housing Tax Credits, etc.).

3. Leveraging Property Acquisitions

An urban renewal agency can leverage TIF by acquiring properties and then writing down the value of the land when selling to a private developer. This can leverage private investment by reducing the holding costs for a developer (they don't have to buy the land until they are ready for development) and by reducing the cost of the land, which reduces the overall project costs.

4. Leveraging Shared Infrastructure

TIF is leveraged when a particular investment can be used to support multiple private investments around it. A shared parking garage, a public plaza, and utility upgrades are investments that can have benefits for multiple adjacent and nearby properties for many years to come. Conversely, leverage will be limited when the TIF investment is in a project or location that has little opportunity to benefit other projects in the future.

5. Strategic Planning

Strategic planning is a process where an urban renewal agency (or its city or county) works with stakeholders to analyze conditions and update its priorities. The resulting strategic plan can then feed into the urban renewal agency's annual budgeting process to prioritize investments. In some cases, the strategic plan may even lead to recommended plan amendments.

Since an urban renewal plan identifies projects to be implemented over the life of an URA (sometimes longer than 20 years), it usually cannot provide the type of specificity to guide annual priorities, budgeting, and actions on a year-to-year basis, especially in the later years of a district.

The benefits of a strategic plan are that it allows an agency to adjust to changing conditions, provides an avenue for ongoing community input and the cultivation of project champions, and reflects a proactive rather than reactive approach to project identification and prioritization.

There are many factors that will change over the course of a plan that may influence the spending and action priorities of an urban renewal agency. Changing market conditions, the departure of a major employer, economic cycles, new zoning and other policies, demographic shifts, and many, many other factors will affect the specific projects an urban renewal agency will pursue in any given year.

D. Best Practices Tips

Through strategic planning and individual project analysis, an urban renewal agency can leverage TIF in order to maximize its return on investment.

6.11 RELOCATION

A. Background

An urban renewal agency that undertakes projects that displace residents or businesses is obligated to temporarily or permanently relocate those residents and/or businesses. Though requirements for relocation programs are set out in some detail in the Oregon Revised Statutes, an urban renewal agency is sometimes faced with situations in which it is unclear whether residents and businesses are displaced by agency projects or by the anticipation of possible agency projects in the future.

B. Statutory Provisions

ORS 457.085(3)(i) requires a relocation report in the urban renewal report accompanying the approval of the urban renewal plan.

ORS 35.500 to 35.530 sets out the state mandated procedures for relocation.

C. Discussion

An urban renewal agency is required to include a relocation report in the urban renewal report accompanying the approval of the urban renewal plan. The report must analyze the need for relocation of residents and businesses, describe the methods to be used in relocation (which must conform with ORS 35.500 to 35.530), and enumerate by cost range the existing housing units that are to be demolished, altered, and/or new units to be added.

- Sometimes, a property owner or tenant moves before the urban renewal agency acquires a property.
- In some cases, the urban renewal plan does not contemplate property acquisition or the need for resident or business relocation.
- A property owner has the right to relocation benefits whether the transaction is voluntary or involuntary.
- Relocation benefits may not be waived except in writing.

The Oregon Department of Transportation has adopted a set of such regulations that several urban renewal agencies have used as a model. In addition, there are expert consultants who will assist in relocation matters.

D. Best Practices Tips

- For plans that include acquisition and relocation, an urban renewal agency should adopt formal and complete relocation regulations that conform to statutory requirements and the Uniform Relocation Act.
- For plans with no acquisition, an urban renewal report may include a statement that, if property acquisition is later included in a plan by amendment, then relocation regulations will be adopted before acquisition activities begin.
- An urban renewal agency should use reasonable efforts to determine whether residents or businesses have been displaced as a result of a property owner anticipating possible future acquisition of the property by the agency. In such cases, the agency should determine to what extent, if any, relocation benefits should be provided to the residents or businesses.

6.12 ACQUISITION/DISPOSITION OF REAL PROPERTY

A. Background

Some of the more significant powers of urban renewal agencies are their ability to acquire land for redevelopment and their ability to dispose of such property for its fair reuse value. Urban renewal agencies can sell or lease property for less than fair market value under certain circumstances. Fair market value is based on highest and best use of a property. Fair reuse value takes into consideration restrictions on the use or type of uses that may be developed or redeveloped on the property and other limitations imposed by the urban renewal plan that may affect the property's value. The fair reuse value of a particular property may be \$0 if the urban renewal plan provisions warrant.

B. Statutory Provisions

ORS 457.170(3) allows the urban renewal plan to include the acquisition of real property as a project if it is necessary to carry out the plan.

ORS 457.230(1) allows the urban renewal agency to dispose of real property for fair reuse value.

ORS 457.230(2) requires that an urban renewal agency, upon sale or lease of land for redevelopment, require that the purchaser use the land for purposes called for in the urban renewal plan and begin the improvements within a reasonable period of time.

C. Discussion

An urban renewal agency may acquire land when needed to carry out the urban renewal plan. However, an agency may not acquire property by condemnation (involuntarily) if the property is to be transferred to another private party for redevelopment. There are no limitations on the purchase price for property, either minimum or maximum, with purchase price being determined by negotiation. Note that an urban renewal agency may still use condemnation for public improvement projects and to cure certain blighted conditions within the URA.

An urban renewal agency will make land available for redevelopment at its fair reuse value, “which represents the value, whether expressed in terms of rental or capital price, at which the urban renewal agency in its discretion determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in such plan” (ORS 457.230). The fair reuse value of a property is determined by the urban renewal agency in its discretion, but is based on an analysis of the value of the property as encumbered by the requirements of the urban renewal plan. The use of an independent expert to determine fair reuse value will assist the urban renewal agency in understanding and defending a fair reuse value determination during the public discussion.

Because of statutory requirements noted above, the urban renewal agency must have a contract with the property purchaser to comply with the statute. Urban renewal agencies commonly use a disposition and development agreement (DDA) for the transaction, which may include other conditions for redevelopment in the discretion of the agency.

The particular process used for disposition by an urban renewal agency is a matter to be determined by the agency. An agency may consider competitive processes, in which any interested party is invited to submit either a proposal or letter of interest are desirable. Such processes can result in a wider range and higher quality of development proposals and higher economic returns for the URA. Competitive processes also help ensure that the urban renewal agency is treating all potential purchasers or lessees of agency-owned property in a fair and equitable manner.

Often urban renewal agencies offer land for sale or lease using solicitation processes such as a request for proposals (RFP) or request for qualifications (RFQ), whereby interested purchasers or lessees propose development plans and schedules for the property, which are in turn evaluated by the urban renewal agency according to criteria it has established. Such proposals may or may not include a proposed purchase price for the property.

A RFQ can have several benefits over a RFP. A RFQ, properly designed, is a method whereby the urban renewal agency would solicit interest from qualified parties. Those parties would be responding to an informational package that outlines the urban renewal agency’s expectations and goals for the project while

requesting detailed documentation of the development team's experience and financial capabilities. It is far more important to select the right partner with whom the agency can work to design and implement the right project. With an RFP, the process is often nothing more than a beauty contest where submittals are designed to win but haven't received the scrutiny of detailed planning. Therefore, the final product rarely looks like what was initially promised. An RFQ, on the other hand, directly addresses the need to select the right people with a demonstrated history of success to become the urban renewal agency's partner. With the right team in hand, the agency and developer can confidently work through the many complex details of a physical and business plan to reach a deal and break ground on construction.

In some cases, urban renewal agencies solicit statements of qualifications or letters of interest, and based on subsequent evaluation, enter into exclusive negotiating agreements with one party to negotiate a disposition and development agreement for the property.

Urban renewal agencies can also achieve their redevelopment goals in cases where a private or non-profit entity owns land adjacent to an agency-owned parcel. In these cases, it can be beneficial to enter into a direct development agreement with that entity and avoid a formal solicitation process.

D. Best Practices Tips

1. Acquisition procedures

An urban renewal agency should obtain an appraisal of property before undertaking negotiations for property acquisition. An appraisal is required if the property is to be condemned. Condemnation can only take place if reuse of the property is for public purposes.

The urban renewal agency acquisition procedures (including relocation rules) should be in writing to inform the agency and the public of the process and support its integrity.

2. Fair reuse value

For properties of substantial value, such determination should be based upon an independent appraisal of the property. The appraiser should be instructed to determine the property's fair reuse value and should be asked to thoroughly investigate and take into account any and all restrictions imposed on the property by the urban renewal plan and the DDA.

3. Offering property for purchase

In general, a competitive process of some kind should be used to dispose of property.

If urban renewal agency property is specially related in some way to property controlled by a potential purchaser, the agency should consider the benefits of an exclusive negotiation for sale of the property.

When possible, an urban renewal agency should utilize an RFQ process to select developers for property that is being disposed. With proper criteria to evaluate bidders, the agency can be assured that the design process will result in a project that meets its goals, financial objectives, and community aspirations.

7. Closing an Urban Renewal District

The presence of termination or expiration dates in urban renewal plans reflects the concern of citizens and the governing body that the urban renewal plan should have a finite duration. Though termination dates commonly exist in older plans, the specific meaning of the termination or expiration date (i.e., what exactly ends on the termination date?) is not generally clear. It could refer to the retirement of debt and corresponding termination of collection of tax increment funds, the completion of all projects, and/or the expiration of other provisions in the plan.

7.1 PLAN TERMINATION

A. Background

Many urban renewal plans have termination or expiration dates. Some mature plans have a “date after which no debt will be issued,” which is a likely holdover from a former statutory requirement for such dates.

B. Statutory Provisions

There are no statutory provisions for plan termination.

C. Discussion

The fact that some mature plans have a date after which no debt will be issued is a likely holdover from a former statutory requirement for such dates. There are no longer statutory requirements for urban renewal plans to have termination dates. ORS 457.085(3) requires that urban renewal reports contain the anticipated completion dates for each project and the anticipated year in which debt will be retired, however, this is not considered a termination date for a plan.

The concept of maximum indebtedness as a limit on plan duration has generally replaced termination dates in urban renewal plans. See **Section 7.2**, below.

D. Best Practices Tips

Although establishing a termination date for an urban renewal plan is optional, it is an important consideration for some citizens. If it is included, an urban renewal plan should specify which actions would end at the termination date. Options include:

- All projects will be completed, but tax increment revenue collection will continue.
- No new projects will be undertaken, but tax increment revenue collection will continue.
- No new debt will be issued, but tax increment revenue collection will continue.
- Tax increment debt will be retired and tax increment collections will cease. This limit should be used cautiously, given the predictability of tax increment revenue collection, and it is not necessary since maximum indebtedness already determines when tax increment revenue collections will cease.

CHAPTER CONTENTS

This chapter contains the following sections:

- 7.1 Plan termination
- 7.2 Termination of tax increment collections
- 7.3 Termination of an urban renewal agency

- Land use restrictions and special design guidelines will expire. However, it is uncommon now for urban renewal plans to contain either type of provision, relying instead on zoning and comprehensive plan provisions or private covenants, conditions, and restrictions (CC&R's). Note that an urban renewal agency can cause covenants and conditions on the use of land purchased from the agency for redevelopment to run with the land. These may continue in effect after the termination date of a plan.
- The urban renewal agency having disposed of real and other property owned by the agency.

Terminating an urban renewal plan should be done by express action of the urban renewal agency through a resolution. The resolution should be accompanied by a closing report summarizing the effects that the plan had in terms of projects and finance.

7.2 TERMINATION OF TAX INCREMENT COLLECTIONS

A. Background

Collection of tax increment funds for every urban renewal plan is limited by the plan's stated maximum indebtedness.

B. Statutory Provisions

ORS 457.450(2) requires the urban renewal agency to notify the assessor to terminate the collection of tax increment revenues when the urban renewal plan's maximum debt is, or can be, retired.

C. Discussion

An urban renewal agency is required to notify the assessor when the principal and interest on the maximum indebtedness of an urban renewal plan to which tax increment collection is pledged is fully paid, or it is found that deposits in the special fund for tax collections for that plan are sufficient to fully pay principal and interest on the maximum indebtedness, either through direct payment of the indebtedness or by payment of principal and interest on bonds or notes issued to finance the indebtedness. Upon notification, the assessor will discontinue dividing the taxes for tax increment purposes in all future tax years. The tax increment collections will be terminated permanently, and all taxes collected on the full assessed value of the property in the URA will be collected by the overlapping taxing districts.

The urban renewal plan may continue after tax increment collections are terminated. The urban renewal agency may continue the projects under the plan with the funds available after the tax collections cease, or, the urban renewal agency may terminate the plan if all activities are complete, or if the agency determines it will not complete some plan activities. See Section 7.1 above.

After the urban renewal plan itself is discontinued, and if any tax increment proceeds remain in the special fund of the plan and all maximum debt is provided for, those proceeds are distributed pro rata to the overlapping taxing districts.

D. Best Practices Tips

The analysis to determine whether or not the deposits in the special fund holding tax increment collections are sufficient to pay the maximum indebtedness should be made annually, within the agency's budget process.

Notification to the assessor should be made as soon as the budget process is complete, or at the end of the fiscal year, but in no event later than the date required for filing of the UR-50 form by which the urban renewal agency would have requested tax increment division amounts from the assessor in the following fiscal year. Notification should be in writing.

7.3 TERMINATION OF AN URBAN RENEWAL AGENCY

A. Background

If the governing body of a jurisdiction with an urban renewal agency decides that there no longer exists a need for an agency in the jurisdiction, the governing body shall provide, by ordinance, for a termination of the agency and a transfer of the agency's facilities, files, and personnel to the jurisdiction.

B. Statutory Provisions

ORS 457.075 allows the municipality that activated its urban renewal agency to terminate the agency.

C. Discussion

The termination of an urban renewal agency does not affect any outstanding legal actions, contracts, or obligations of the agency. The jurisdiction shall be substituted for the agency and, for the purpose of those legal actions, contracts,

or obligations, shall be considered a continuation of the agency and not a new entity.

However, no urban renewal agency may be terminated unless all indebtedness secured by tax increment collections is fully paid.

D. Best Practices Tips

An urban renewal agency and its governing body should inventory all the assets and liabilities of the agency and the jurisdiction should be confident that it has the resources to satisfy any continuing obligations of the agency.

The ordinance terminating the urban renewal agency should include reference to the inventory described above.

If there is outstanding tax increment debt, the urban renewal agency cannot be terminated.

Appendix

- A. Determining the type of plan
- B. Suggested bylaws contents for urban renewal agencies
- C. Barriers to Development
- D. A Letter from the Taxing Districts

Appendix A: Determining the Type of Plan

Oregon state statutes pertaining to urban renewal provide for several different types of urban renewal plans, depending on the date on which the district was formed or amended. The impacts of a substantial amendment are different depending on the type of plan. The statutes allow for a variety of urban renewal plans: “Existing: Option One, Two, or Three,” “standard rate,” and “reduced rate” plans. The provisions for collection of taxes under Option One, Two, and Three plans may not be changed. Existing plans are plans that provide for a division of ad valorem property taxes under ORS 457.420 to 457.460 adopted by ordinance before December 6, 1996.

Table A-1. Types of Plans

TYPE OF PLAN	ADOPTION DATES	FUNDS FROM	CONSEQUENCE OF SUBSTANTIAL AMENDMENT
Reduced Rate Plan	On or after October 6, 2001	Permanent rate levies only	May be subject to revenue sharing, MI caps
Reduced Rate: Existing Plan Option 1	Prior to December 6, 1996	Full amount of Divide the Tax revenue plus Special Levy	Loses right to Special Levy. May not collect Local Option or Bond approved after October 6, 2001 and may be subject to revenue sharing, MI caps
Existing Plan Option 2 (none in existence as of Jan 2012)	Prior to December 6, 1996	Special Levy	May be subject to revenue sharing, MI caps
Existing Plan Option 3	Prior to December 6, 1996	Fixed amount of Divide the Taxes plus Special Levy	May be subject to revenue sharing, MI caps
Standard Rate Plan	On or after December 6, 1996, before October 6, 2001	Permanent rate plus rates for GO bonds and local option levies	May be subject to revenue sharing, MI caps
Standard Rate	Adopted before December 6, 1996	Permanent rate plus rates for GO bonds and local option levies	City or county may make irrevocable request to Assessor to become a Reduced Rate Plan

Option One urban renewal plans must be existing plans that were formed prior to December 6, 1996 and must have chosen Option One prior to July 1, 1998. Option One allows for the collection of funds from ORS 457.440 (Divide the Taxes Revenue). If the amount is not sufficient to meet the budgeted obligations of the plan for the tax or fiscal year, the agency must make a special levy in the amount of the remainder upon all taxable property of the jurisdiction that activated the urban renewal agency, and all property outside the jurisdiction, but included in the boundary of the area of the plan.

Option Two must be existing urban renewal plans that were formed prior to December 6, 1996 and must have chosen Option Two prior to July 1, 1998. Option Two plans allow for the making of a special levy in the amount stated in the notice in ORS 457.440 upon all taxable property of the jurisdiction that activated the URA, and all property outside the jurisdiction but included in the boundary of the area of the plan.

Option Three must be existing plans that were formed prior to December 6, 1996 and must have chosen Option Three prior to July 1, 1998. These urban renewal areas may collect a fixed amount of Divide the Taxes Revenues and may receive an allocation of a citywide special levy. The amount of this levy may not be changed.

Substantial amendments will cause an urban renewal plan to lose its existing plan status, resulting in the loss of the special levy in accordance with ORS 457.010(5)(a)(A). Therefore, if an existing plan is amended, it will then be changed to a reduced rate plan.

Standard Rate plans must have been formed or amended on or after December 6, 1996 but before October 6, 2001. The applicable tax rate used to calculate the Divide the Taxes Revenues is comprised of the permanent rates of the taxing jurisdictions overlapping the urban renewal area, the local option levies, and general obligation bond levies.

Reduced Rate plans are those formed or amended on or after October 6, 2001. The applicable consolidated tax rate for Reduced Rate plans is comprised of only the permanent rates of the taxing jurisdictions overlapping the urban renewal areas, and local option and general obligation bond levies approved prior to October 6, 2001. Local option and general obligation bond levies approved by the voters on or after October 6, 2001 are excluded from the applicable tax rate.

Additionally, there are some limitations on urban renewal plans first adopted or amended after January 1, 2010, that can only be exceeded with concurrence from affected taxing districts. Specifically, a jurisdiction must obtain written concurrence of taxing districts imposing at least 75% of the amount of taxes imposed under permanent rate limits in the urban renewal area.

Actions that require concurrence include:

- Establishing an urban renewal plan with maximum indebtedness exceeding the limits established in ORS 457.470.
- Computing the division of taxes for an urban renewal area that exceeds the limits imposed by “revenue sharing” legislation described in ORS 457.470(2) and ORS 457.470(4).
- Amending an urban renewal plan to increase maximum indebtedness beyond the limits established in ORS 457.420(3) and ORS 457.470(5).

Appendix B: Suggested Bylaw Contents for Urban Renewal Agencies

General Information

- Official name of the organization
- Primary office location
- Agency’s purpose(s)
- Procedures for amending the bylaws

Governing Board Information

- General powers of the governing board
- Number of board members
 - o Members’ backgrounds (e.g., real estate, development, finance, two outside directors, etc.)
- Terms and term limits of members
- Nomination and election of members
- Resignation of members
- Removal of a member (e.g., with or without notice, failure to attend three consecutive meetings, etc.)
- Process for filling vacancies
- Notice required for board of members’ meetings

- Frequency of meetings and meeting procedures (e.g., four per year)
- Quorum requirements
- Descriptions and powers of standing committees (if any)
- Meeting procedures (e.g., actions without a meeting, meeting by telephone, etc.)
- Action taken without a meeting (e.g., consent in writing to waive a meeting, vote, etc.)

Officers

- Qualifications for holding office
- Duties of officers (e.g., chair, vice-chair, secretary, and treasurer)
- Process for selecting or appointing officers
- Terms and term limits (if any)
- Provision for a executive director (if not an officer)
- Circumstances under which officers may be removed
- Fiscal Matters
- Audit (only needed if different from the statutory requirement)
- Indemnification and insurance
- Purchasing (contracting)
 - o Should be consistent with municipal organization
- Investments (only needed if different from the jurisdiction entity or statutory requirements)

Special Note: It is not necessary for an organization's bylaws to specify rules of order. However, if they do specify rules of order (e.g., Robert's Rules of Order), then the organization should be very careful to follow those procedures. Any action taken by the board that does not follow those rules of order may be vulnerable if challenged.

Appendix C: Barriers to Development

In the operation of an urban renewal district, many unforeseen issues can arise that can complicate the urban renewal plan and require course corrections and changes along the way. This is inevitable given that most urban renewal plans require 20 or more years to complete. This section highlights several of the most common types of barriers to implementation that can arise and it provides some strategies that an urban renewal agency can use to avoid the barriers, or mitigate them if they cannot be avoided.

The potential barriers are organized into several categories: Political/Policy, Physical, Economic, Financial:

A. *Changing board political/policy or council priorities.* Over the life of an urban renewal district, a city council or urban renewal board will change, and along with that change their priorities as to the types of projects that they want to fund may also change. This is inevitable. Sometimes these changes will be for very good reasons (new economic conditions, community aspirations, or other factors) and at times they may seem capricious and merely based on opinions or special interests. In either case, the best strategy for urban renewal agency staff is to provide the board with good information on which to base its decisions. This means being able to point to existing plans and policies that support the desired investments, financial and economic analyses to demonstrate the positive impacts that the projects will have, and producing annual reports that clearly communicate the pattern of success and interconnectedness of the projects identified in the original plan.

B. *Community opposition.* Despite the public involvement that goes into the formation of an urban renewal area, new opposition may arise from the community when it comes time to implement specific projects. As with changing board or council priorities, the reasons for opposition to projects may be well-grounded or they may be very narrow or self-serving. There are no silver bullets to avoiding community opposition to projects, but it is always advisable to conduct outreach early and often in order to understand where potential opposition might lie. In this way, the community will be informed about the reasons for (and benefits of) the proposed project, educated about the policy support for the project, and ensured that there are no surprises when the project is brought to the board. Likewise, many staff seek out project advocates in the community who can support the urban renewal agency in communicating the project's benefits to others.

C. *Outdated regulations.* Do not overlook that urban renewal projects must meet zoning and building codes like every other type of project. Often, especially in an older downtown, issues related to historic buildings, parking codes, mixed-

uses (allowances or prohibitions), and numerous other issues can add additional hurdles to making projects possible. Coordinating urban renewal planning with other planning efforts is essential.

Physical

- **Environmental remediation.** Sometimes the costs of environmental remediation needed to implement a project are higher than anticipated during the planning process (or such remediation was not even anticipated). Better project analysis in the planning stage can help avoid these situations, but particularly as it pertains to environmentally contaminated sites, such surprises cannot always be avoided. If this occurs, options can include re-scoping the project to reduce overall costs or pursuing brownfield remediation grants and other sources of project funding.
- **Off-site impacts.** As with environmental remediation, some project costs may not be known until project implementation has already begun. These can often include off-site impacts, such as traffic impacts (and associated mitigation costs), wetlands mitigations, historical impacts, view corridors, and other factors. Again, there is no single solution to avoiding this situation, but it speaks to a need to plan for project costs beyond the direct costs of the project construction itself.
- **Building barriers.** Many buildings within URAs that need rehabilitation are plagued with challenging and expensive obstacles, such as seismic and asbestos problems. Often the extent of these maladies in older buildings isn't clear until after work on them has already begun. This can create situations where private and public (TIF) resources that were committed to the project are no longer sufficient to complete it. While establishing a contingency fund in advance can help mitigate the financial impact, this is sometimes still insufficient. These circumstances usually bring the public and private partners back to the table to work out viable solutions.

Economic

- **Changing Market Conditions.** Regardless of the financial boost given to a project by urban renewal, it will not be successful if there is not market demand for the target users of the project upon completion – be they apartment tenants, office users, or industrial businesses. Without demonstrated demand for the type of space to be built, the space will stay empty or perform below financial targets and it may compete with nearby properties, diluting the overall economic impact. Successful urban renewal projects should be based on a sound market analysis and urban renewal agencies should be ready to delay (or accelerate) timelines to address evolving market conditions. Likewise, public-private partnerships should have provisions to relieve developers of certain obligations if

market conditions do not support ongoing investment.

- **Property Ownership.** Blighted properties that an urban renewal agency is targeting for redevelopment may be owned by an entity that is unwilling or unable to sell it to the agency or a developer. Since urban renewal agencies can no longer condemn properties for private reuse, agencies are left with three options:
 - o Try to work with the existing owner on rehabbing the target property so that it is not as great of a detriment to the URA.
 - o If viable, work around the blighted property, and continue trying to address it in the future.
 - o Explore whether the blighted property can be redeveloped for public use (e.g., plaza, parks, public parking, etc.), in which case it could be acquired through condemnation.

Financial

- **Slow TIF Growth.** Particularly in the early years of an URA, there may be little increment created, meaning that there is little capacity to fund projects. This is a common situation that cannot be avoided. Financial projections should be carefully reviewed to ensure that they are realistic about the types of projects that may be built in the early years and the amount of new increment that they will generate. If growth is slow, the URA or the jurisdiction may want to find other sources of funding to ensure that projects can move forward early, starting the momentum that will create greater increment over the long term.
 - o It may be necessary or desirable to utilize other funding sources, such as utility resources (existing or debt), to stimulate activity within an URA, with subsequent repayment of those resources from future tax increment.
- **Demolitions.** An often-overlooked problem is the demolition of structures in a district or the departure of a major user. When an URA has a relatively large portion of its taxable value based in just a handful of properties, it becomes vulnerable to negative growth if one or more of those users should go away and there is no commensurate development with which it can be replaced.
- **Tax abatements.** The State of Oregon authorizes a number of tax abatement programs as incentives for development, including affordable housing and multi-family housing tax abatements and enterprise zones, where property taxes are waived on new, qualifying development for a typical period of five to ten years. While these abatements can serve as an important financial incentive that can make the difference on whether a project gets built, the abatement of taxes means that the investment will generate no increment to support the URA for the life of the plan.

This is not to say that such abatements should not be used, but that their financial impact should be discussed by policy makers and must be accounted for in the urban renewal plan's financial analysis.

- **Declining values.** Prior to the recession that began in 2007, it was not anticipated that real property values would decline below taxable assessed value, particularly an urban renewal plan's base year assessment. However, it is now known that such declines are possible and urban renewal agencies should carefully monitor economic conditions to anticipate such declines and adjust accordingly.
- **Debt capacity.** There are many external factors that will affect the urban renewal agency's debt capacity, including, but not limited to, revenue and revenue projections, interest rate and other terms, the city's or county's bond rating, and fluctuations in national and international bond markets overall. While many of these issues are largely outside the control of the URA, financial plans and projections should be updated to reflect the most current rates and terms. Additionally, an individual entity's risk tolerance needs to be factored into financial modeling.
- **Utilities and equipment.** In some districts, a sizable portion of tax revenues come from private property (equipment) and utilities. The valuation of these utilities has been volatile, particularly with changes in valuation methodologies. Additionally, if major utility infrastructure is abandoned and/or relocated outside the urban renewal area, significant impacts to tax increment revenue can result. Likewise, if significant utility infrastructure is constructed in the URA, significant tax increment can result.

Urban renewal areas that include significant equipment valuations face similar considerations. The relocation in or out of an URA can have significant immediate positive and negative impacts to tax increment. In addition, depreciation schedules for expensive equipment will impact TIF.

Appendix D: A Letter from Taxing Districts



Thank you for the opportunity to provide input on the Best Practices for Urban Renewal in Oregon document. The Special Districts Association of Oregon (SDAO) and Oregon School Boards Association (OSBA) believe that a reasoned and balanced perspective should be used when determining whether to use urban renewal. Our hope is to provide some of that balance in this appendix to that document.

From our perspective, urban renewal should be used to increase assessed value and return the increment to the tax rolls as quickly as possible.

SDAO and the OSBA believe that the use of urban renewal can be a powerful tool when establishing economic development plans for a municipality. Ultimately, city and county planners desire that urban renewal will produce benefits not only within the urban renewal district, but also the surrounding areas. We want the same things. In order to achieve those outcomes, our groups believe that four core criteria must be considered prior to initiating an urban renewal plan for it to be successful:

- 1) that cities and counties recognize the value of partnerships with overlapping districts as a method to become more successful,
- 2) the “but-for” rule,
- 3) that the use of smaller, focused urban renewal projects are likely to be more successful than large ambiguous ones, especially when those projects return value to the tax rolls while eliminating blight, and
- 4) that the work of urban renewal is accomplished quickly and the value returned to the tax rolls as soon as possible.

Partnerships with Overlapping Districts

The first core path to success in creating an urban renewal plan is to engage the overlapping taxing districts early in the process. Early engagement allows time to adjust the plans, projects, timelines and deliverables to accommodate specific needs of overlapping taxing districts. Early engagement also provides the opportunity for cities and counties to explain the project list and to describe desired objectives and outcomes.

Most districts are concerned about a number of issues—specifically, loss of future income, increased workload, and the effect that urban renewal has on cannibalizing investment in adjacent areas (thereby lowering values). As just one example, commercial development increased substantially at Clackamas Town Center after an urban renewal plan was implemented, while during those same years the McLoughlin area suffered from disinvestment. When these issues are not addressed early in the process, special districts (along with school districts and community groups) have later actively campaigned against urban renewal plans.

In some situations the local resistance has been successful in derailing urban renewal plans or, in cases such as in Clackamas County, virtually eliminating urban renewal altogether through the initiative process.

Securing community support should be a primary goal of economic development agencies and that support is best gained through early, honest, and thorough conversations with the overlapping taxing district partners. We believe that one of the best ways to accomplish this is to identify clearly defined projects to be undertaken rather than ambiguous projects.

The “But-For” Rule

A long-held argument used by supporters of tax increment financing is that TIF actually causes development to happen. In other words, supporters are quick to tout, “but-for” urban renewal, this project would not have happened. In some cases this might be true, but overlapping taxing districts are concerned that data supporting these claims has not yet been substantiated. In fact the opposite may be true—an urban renewal plan in one area may actually pirate development intended for other areas in the community, the region, or the state. That halo disinvestment can be seen around many urban renewal areas – McLoughlin being one example.

To garner the support of those impacted by urban renewal, the urban renewal agencies must be prepared to show how the money will be invested and must be prepared to demonstrate how that investment will return value to the tax rolls over the long term. There is often some level of support among districts for infrastructure projects that provide subsurface or transportation infrastructure. But that support wanes when the projects include beautification efforts, tax incentives, system development charge waivers or other taxpayer-funded inducements.

Projects.

Special districts and school districts are probably most concerned about the nature of the projects that are frequently proposed under urban renewal plans. In general, many urban renewal agencies fail to consider the impacts on overlapping districts when they elect to pursue projects that may really do nothing to increase property values. A city hall, police station, or a civic building may create public resistance when projects do not clearly and directly contribute to increased value.

Advocates argue that these civic projects create value and that investment wouldn't happen without them. Seldom (or rather never) do we hear from developers or builders that they would be willing to invest if only there were a brand new city hall nearby. Further, municipal buildings funded with increment dollars are subsidized by overlapping districts that don't receive the municipal services throughout their respective areas. These types of subsidies generally do not receive the support of the overlapping agencies. Instead, when confronted with projects that support a build out of sewer, water, and transportation infrastructure—especially when that infrastructure is designed to support industrial and commercial development—special districts are more supportive. Projects that are supported only by some ambiguous future need are unlikely to garner that support.

Scope and Scale

In addition to helping districts understand how the proposed projects will ultimately increase the tax base and effect workload, overlapping agencies are concerned about the size of projects and the scheduled timing for return of value.

Districts understand the limits on funding availability during the first few years of the plan and the complexity of bonding during those times. We also understand municipal agencies' desires to have plans that have 1) extensive and ambiguous project lists, 2) last for decades, and 3) have high maximum indebtedness structures. Plans that meet one or more of these criteria are likely to ensure the most amount of resistance by urban renewal opponents.

Instead, overlapping districts will be more interested in and more likely to support plans that are focused to a few important projects, that limit the maximum indebtedness, and that resolve blight then go away. These plans are likely to build trust in the community, return value to the roles more quickly, and could ensure a long-term relationship between agencies that will lead to more focused development in the future.

Local Budget Law: Urban Renewal Agencies

Urban Renewal Agencies

Local Budget Law Forms and Instructions

2019-2020

This booklet contains forms and instructions that an urban renewal agency uses to publish notice of its budget committee meetings, budget hearing and a financial summary of its budget in order to comply with Oregon's Local Budget Law.¹ It also contains the forms necessary to notify the county assessor of your agency's tax increment financing request and to publish notice for a supplemental budget hearing.

This booklet is arranged with the instructions and examples in the front and the forms in the back.

Publication forms

The publication forms are used to give notice of the first budget committee meeting, and to publish the notice of the budget hearing and financial summary of the budget. These forms are available in this booklet or on our website at: www.oregon.gov/dor/forms, scroll down to "Local budget". Computer-produced versions of these forms may be used as long as the format is the same as the forms provided in this booklet.

Be sure to use the new forms for 2019-2020 provided in this booklet or on our website. Read the instructions in this booklet carefully. If you use forms generated by your computer, revise your forms accordingly.

Form UR-50, Notice to Assessor, 150-504-076-5

Each urban renewal agency requesting tax increment financing must notify the county assessor by July 15. This notice, Form UR-50, is provided in this booklet or on the department's website.

If the urban renewal agency files an impairment certificate with the assessor as allowed for under ORS 457.445, check the box on the UR-50 as well to indicate the impairment certificate was filed.

Forms included in this booklet Page

- Notice of Budget Committee Meeting,
150-504-076-1 17
- Form UR-1, Notice of Budget Hearing,
150-504-076-2 19
- Resolutions, 150-504-076-4 21
- Form UR-50, Notice to Assessor,
150-504-076-5 23
- Notice of Supplemental Budget Hearing,
150-504-076-6 25

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¹ Local Budget Law is found in Oregon Revised Statutes (ORS) 294.305 to 294.565.

General information

Budget detail sheets

Budget detail sheets are used to prepare your urban renewal agency's budget.² These forms are not included in this booklet but are available for download in fillable PDF or Microsoft Excel format on the Department of Revenue website at: www.oregon.gov/dor/forms, scroll down to "Local budget". You may create your own computer-produced versions of these forms as long as the formats are the same as the detail sheets provided by the department.

Notice of Supplemental Budget Hearing, 150-504-076-6

At least five days before a supplemental budget may be adopted, you must publish notice of the meeting at which the supplemental budget will be considered.

If a supplemental budget changes expenditures in any fund by more than 10 percent, the governing body must hold a public hearing and notice of the hearing must include a summary of the changes proposed in the funds that are changing by more than 10 percent. This booklet contains Form 150-504-076-6 for publishing this hearing notice and summary.

If a supplemental budget changes the expenditures in no fund by more than 10 percent, the supplemental budget can be adopted at a regular meeting of the governing body. The notice of the meeting must contain a statement that a supplemental budget will be considered at the meeting.

How to publish

Publication is defined in ORS 294.311(35) as being one of the following actions:

- Printing in one or more newspapers of general circulation within the boundaries of the municipal corporation; or
- Mailing through the U.S. Postal Service by first class mail, postage prepaid to each street address, PO Box and rural route number within the boundaries of the municipal corporation; or
- Hand delivery to each street address within the boundaries of the municipal corporation.

When this booklet says "publish" it means by any of the methods described above, unless otherwise noted.

² Budget law requires the urban renewal agency to create a distinctly separate budget from the city's budget.

Filling out the forms

You may fill out the electronic versions of the forms found on our website at: www.oregon.gov/dor, click on "Forms and Publications." There is a "fillable" PDF version and a Microsoft Excel version of each form. The "fillable" PDF version can be filled in online and then printed. However, it can't be edited once you have saved it to your computer, so every time you access a form online, you must begin with the blank form. The Excel version can be downloaded to your computer and then filled in, saved, and edited later. If you use the Excel version you may insert lines (rows) as necessary to make more room, for example on the Form UR-1 for all of your organizational units/programs. You may also delete any blank lines.

Alternatively, you may cut out and fill in the paper versions of the blank forms found in this booklet or download and print the blank forms from our website and then fill in your information by hand. If you prepare a paper version of a form, you may cut and paste to add more space or to delete blank lines.

Biennial budgets

Urban renewal agencies may budget either for a one-year (fiscal year) or a two-year (biennial) budget period. Except as noted, all requirements for publishing notices and certifying property tax are the same for both.

If an agency adopts a biennial budget, the financial summary of the budget as approved by the budget committee that is published on Form UR-1, *Notice of Budget Hearing* must show actual revenues and expenditures for the biennial budget period preceding the current budget period, the estimated resources and requirements in the budget adopted for the current biennial budget period, and the estimated resources and requirements for the ensuing biennial budget period.

After the budget hearing and before the June 30 that precedes the start of the budget period, the governing body must pass a resolution to adopt the budget and make appropriations for the ensuing budget period of 24 months. The governing body must also pass a resolution to request revenue from tax increment financing for each year of the ensuing budget period.

Regardless of whether a budget is for a single fiscal year or for a biennium, Form UR-50, *Notice to Assessor* and a copy of the resolution requesting division of taxes and any special levy for the ensuing year must be submitted to the county assessor every year by July 15.

Agencies that are required to submit their budgets to the Tax Supervising and Conservation Commission must do so only during the first year of a biennial budget period.

Notice of Budget Committee Meeting, 150-504-076-1

A notice must be filed prior to the first budget committee meeting at which they will be:

- (1) Receiving the budget message and the budget document; and
- (2) Providing members of the public with an opportunity to ask questions about and comment on the budget document. If more than one meeting is being held to meet these two requirements, then the first meeting must be to receive the budget and budget message. The public comments may also be heard at that meeting. If the public won't be provided the opportunity to comment at that first meeting, then the budget committee must provide such an opportunity at one or more subsequent meetings.

If more than one meeting is used to meet the requirements, the published notice may be a single notice containing all of the required information. If several meetings are being held to take public questions and comments, only the first of the series must be formally "published," but notice of each subsequent meeting must be given in the same time frame as meetings of the governing body and in the same manner, or in one of the publication formats described in Local Budget Law: printing in newspaper, mailing, or hand delivery.

Notice of the meeting(s) to fulfill the two budget committee requirements must state:

- The purpose, time and place of the meeting(s) and where the budget document is available.
- That the meeting is a public meeting.
- If the meeting is one at which public comment will be invited, then the notice must state that any person may ask questions about and comment on the budget document at that meeting.

The *Notice of Budget Committee Meeting* form included in this packet may be used to provide notice of the budget committee meeting. Two versions of the form are provided in this booklet. Use the "A" version of the form if the budget committee will receive the budget message and take public comment at the same meeting. Use the "B" form if public comment will be taken only at a meeting held after the meeting at which the budget message is delivered. If you use the "B" form, you must publish the date, time, and location of the meeting at which the budget message will be delivered, and also the date, time, and location of the first meeting at which public comment will be taken.

You may compose your own notice. This is acceptable as long as all of the required elements are included in the notice.

Publishing the notice of the budget committee meeting

If the notice is only published in a newspaper, the notice must be published at least twice. The first publication can't be more than 30 days prior to the meeting date, and the second publication can't be less than five days prior to the meeting date.

Alternatively, you may post notice of the meeting prominently on your internet website for at least 10 days before the meeting and publish one time in a newspaper, five to 30 days before the meeting. If you choose to post one of the notices on your website, the newspaper notice must give the website address where the notice is posted.

If notice is published by mailing or by hand delivery, only one notice is required and it must be mailed or hand delivered not later than 10 days prior to the meeting date.

Form UR-1, Notice of Budget Hearing, 150-504-076-2

Every agency must publish notice of the budget hearing and a summary of the approved budget. Form UR-1 may be used for this purpose.

Important: If you generate your publication notice from a computerized accounting system, the output must conform to the current version of Form UR-1.

Instead of using Form UR-1, you may use a narrative publication format of your own design. If a narrative format is used, it must contain all of the same information provided on the form, but it can also include any other information you want to provide.

Form UR-1, Notice of Budget Hearing contains six sections:

1. Legal notice of the time and place of the budget hearing, including a statement of where a copy of the budget may be obtained, and a statement of the basis of accounting used to prepare the budget. If the basis of accounting has changed, include a description of the effect this change will have on the budget.
2. A financial summary of the budget resources.
3. A financial summary of the budget requirements by object classification.
4. A financial summary of the budget requirements by organizational unit or program including the number of full-time equivalent employees in each unit or program.
5. A narrative statement of the prominent changes from the current year in the activities and financing of the organizational units or programs.
6. A statement of indebtedness.

Columns on the form

Some sections of Form UR-1 contain three columns for financial data. These columns provide data for different fiscal years. They are explained as follows:

Actual Amounts Last Year. This column contains the actual amounts spent or received as reflected in the audited financial data for the prior fiscal year or biennial budget period. This column corresponds with column 2 of the budget detail sheet, "First Preceding Year."

Adopted Budget This Year. This column contains the amounts in the current year's adopted budget, including any supplemental budgets adopted by the governing body. This column corresponds with column 3 of the budget detail sheet, "Adopted Budget this Year."

Approved Budget Next Year. This column contains the amounts for next year as **approved by the budget committee**. This column corresponds with the "Approved by Budget Committee" column on the budget detail sheets.

Summarizing resources and expenditures

The amounts in the financial summary sections must include the total from all funds. A resource or expenditure item or an organizational unit or program must be included in the publication if an amount was adopted for the item in the current year budget or in the preceding year or was approved for that item for next year.

Financial summary—Resources

Fill in the total amount for each year for the following budget resource items:

- **Beginning Fund Balance/Net Working Capital.** The amount of cash, cash equivalents and investments (if you use the cash basis of accounting) or net working capital and investments (accrual basis) on hand at the beginning of the budget period.
- **Federal, State and All Other Grants.** Grants, gifts and allocations given to you by others during the budget year.
- **Revenue from Bonds and Other Debt.** Any money you borrow and receive during the budget year.
- **Interfund Transfers.** Amounts transferred from one fund to another are resources in the fund that receives the transfer
- **All Other Resources Except Division of Tax and Special Levy.** This includes any prior years' urban renewal tax revenues to be received in the budgeted year.
- **Revenue from Division of Tax.** This is the amount of urban renewal taxes expected to be received during the budget year through the division of tax process [see ORS 457.440 and OAR 150-457-0420].
- **Revenue from Special Levy.** This is the amount of urban renewal taxes expected to be received from an urban renewal special levy (see ORS 457.435). Only Option One and Option Three plans may impose a special levy. The amount to be received is the levy amount less discounts allowed, unpaid taxes, and reduction to meet the constitutional limit.

Financial summary—Requirements by Object Classification

Fill in the total amount of budget requirements for each year for the following object classification categories:

- **Personnel Services.** Salaries, benefits, workers compensation insurance, social security tax and other costs associated with employees.
- **Materials and Services.** Contractual and other services, materials, supplies, utilities, insurance, travel and other miscellaneous charges and operating expenses.
- **Capital Outlay.** Expenditures for land acquisition, buildings, improvements, machinery, equipment and other capital assets.
- **Debt Service.** The amount set aside for repayment of debt. It includes principal and interest on both short-term debt and long-term debt
- **Interfund Transfers.** Amounts budgeted to be transferred from one fund to another within the budget.
- **Contingencies.** This is the amount set aside for anticipated operating expenses that can't be specifically identified at the time the budget is prepared.
- **All Other Expenditures and Requirements Special Payments.** Payments of taxes, fees or charges collected by one entity and then paid to another organization on a pass-through basis, grants made or distributed to others that will be expended by them, and other expenditures that don't fit into one of the other expenditure categories.
- **Unappropriated Ending Balance and reserved for future expenditure.** The total of unappropriated ending fund balances or ending fund balances and reserved for future expenditure amounts in all funds. Unappropriated ending fund balance is the amount set aside under ORS 294.398 to provide funds in the budget period following the one for which this budget is approved, for expenditures expected between July 1 and the time when enough new revenues are on hand to meet cash flow needs. Reserved for future expenditure is the amount that isn't anticipated to be spent in the upcoming budget period, but rather "saved" for future needs.

The "Total Requirements" in each column in this section of the form should equal the "Total Resources" in the corresponding column of the "Resources" section of the form.

Financial summary—Requirements and Full-Time Equivalent Employees by Organizational Unit or Program

In this section of the form list the total expenditures and other budget requirements and the total number of Full-Time Equivalent employees (FTE) in each organizational unit or program in your budget. Write in the name of each organizational unit or program as it appears in your budget. In the columns to the right of the unit or program name, show the total requirements in all funds budgeted for that unit or program last year, in the current year, and in the approved budget for next year. On the line immediately below the total requirements for each unit or program, write the number of FTEs for that unit or program in each year. Add more lines if necessary so that all the units or programs are shown. You may delete any unused rows before publishing.

If you have expenditures or employees that are not budgeted for a particular organizational unit or program, write the total of all such requirements on the line labeled "Non-Departmental/Non-Program," and the total FTE of such employees on the line immediately below.

The "Total Requirements" in each column in this section of the form should equal the "Total Requirements" in the corresponding column in the "Requirements by Object Classification" section of the form.

Statement of Changes in Activities and Sources of Financing

In this section of the form, write a narrative description of any prominent changes in the activities and financing of the organizational units or programs in the approved budget as compared with the current year budget. The information you include here might be copied from similar information in the budget message that you presented to your budget committee this year.

Take as much space or as little as necessary to describe all prominent changes. If you need more space and you are using the Excel version of the form, you may insert lines (rows). If you are using a paper version of the form, you may use additional sheets of paper. If you use a paper version of the form, and you publish the notice in a newspaper, be sure to cut and paste, so the narrative section is printed, all together. As in other sections of the form, if you don't need all of the lines or space provided, you may delete any unused Rows before publishing.

Statement of Indebtedness

This section summarizes your authorized and outstanding debt. List for any general obligation bonds, other bonds and other borrowings the debt outstanding and the debt authorized but not yet incurred on July 1. Debt authorized but not incurred usually refers to debt that has been budgeted in the approved budget, but for which the bonds haven't yet been sold.

Publishing Form UR-1, Notice of Budget Hearing, 150-504-076-2

Urban renewal agencies must notify the public of the budget hearing by publishing the notice and financial summary in a newspaper, first class mail, or

hand delivery not less than five or more than 30 days before the scheduled hearing. You may also post this notice on your website, but one of the other methods of publishing must also be used. See page 3 for "How to Publish."

Posting

If no newspaper is published in the municipality that created the urban renewal agency **and** the total anticipated requirements won't exceed \$100,000 (\$200,000 if a biennial budget), the hearing notice and financial summary may be posted in three conspicuous places in the municipality for at least **20 days** before the scheduled budget hearing instead of publishing the notice by newspaper, mail or hand-delivery.

Resolutions Adopting, Appropriating, and Declaring Tax Increment Financing

After the public hearing, at a regularly scheduled meeting, the governing body must enact specific resolutions to adopt the budget, make appropriations, and declare tax increment financing.

Resolution Adopting the Budget

Adopt the budget by June 30. The resolution that adopts the budget should state the total amount of all the budget requirements. Budget requirements include all expenditures, transfers and contingencies, along with “Reserved for Future” amounts and “Unappropriated Ending Fund Balance” amounts.

Resolution Making Appropriations

Include a schedule of appropriations by fund and organizational unit or program in the resolution making appropriations. This schedule provides the agency with legal spending authority and spending limitations throughout the fiscal year.

If you adopt a biennial budget, you must appropriate for the entire 24-month budget period.

At a minimum, for each fund you must 1) appropriate a separate amount for each organizational unit or program, and 2) appropriate separate amounts for expenses that can't be allocated to a particular organizational unit or program using the appropriation categories outlined in statute [ORS 294.456(3)]. For example:

General Fund

Housing.....	\$100,000
Economic Development.....	\$200,000
Special Payments	\$150,000

The amount appropriated for a unit or program should include the amounts for personnel services, materials and services, and any capital outlay attributed to that unit or program.

Items to appropriate separately for that are not specifically identified with an organizational unit or program include interfund transfers, debt service, special payments, non-departmental/non-program expenditures (by category), and operating contingency.

150-504-076 (Rev. 11-18)

Resolution Declaring Tax Increment Financing

Urban renewal agencies with **Option One** plans must declare for each plan area whether or not the agency is requesting a special levy. If a special levy is wanted, identify the amount as the “remainder of authority,” as a percentage of the remainder, or as a specific dollar amount. If a special levy is requested for an Option One plan, the agency must also request the maximum amount of division of tax revenue.

Alternatively, instead of a special levy and 100 percent of division of tax, under the provisions of ORS 457.455 and 457.440, the agency may request less than 100 percent of division of tax by specifying an amount of increment value to use that is less than 100 percent of the increment available. If an agency requests less than the full increment be used for an Option One plan, it may not at the same time request a special levy for that plan.

Agencies with an **Option Three** plan have a similar choice. The agency may declare the amount of money wanted from the division of tax, where the amount from the division of tax is the amount stated in the 1998 ordinance selecting Option Three. In that case, the resolution statement for an Option Three plan area also may declare that the agency is requesting a special levy and the amount of that levy. The special levy amount may be stated as the “remainder of authority,” a percentage of the remainder or a specific dollar amount.

Alternatively, instead of the amount of division of tax stated in the 1998 ordinance, under the provisions of ORS 457.455 and 457.440, an Option Three plan may request less than the division of tax amount stated in the 1998 ordinance. An agency may do this by specifying a lesser amount of increment value to use.

If an Option Three plan requests less increment be used, it may also request a special levy. However, the total of division of tax stated in the 1998 ordinance plus the special levy may not exceed the plan's maximum authority.

Plans that are not Option One or Option Three plans may request revenue only from the division of tax. These plans have no authority to impose a special levy. Under ORS 457.455 they may take less than their full amount of revenue from the division of tax by specifying a lesser amount of increment to use.

The declarations made in the resolution statements must match the information that will be certified on the Form UR-50, *Notice to Assessor*.

Sample resolutions

The resolution form provided in this booklet is designed to be removed and the blanks filled in. If it doesn't meet your needs (perhaps because you have more than four funds), use the language as an example, and create your own resolution. For more details on the resolution statements read Chapter 11 in the *Local Budgeting Manual*.

Sample Resolution

Resolution No. 2019-20

RESOLUTION ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Directors of the Very Large City Redevelopment Agency hereby adopts the budget for fiscal year 2017-18 in the total of \$ 18,300,000 now on file at the Agency Office, 123 First St., Very Large City, Oregon 97777.

RESOLUTION MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2019, and for the purposes shown below are hereby appropriated:

General Fund

Housing.....\$ 100,000
Economic Development.....\$ 200,000
Special Payments.....\$ 150,000
Total.....\$ 450,000

Downtown Plan Fund

Downtown Plan Activities.....\$ 300,000
Operating Contingency.....\$ 50,000
Total.....\$ 350,000

Downtown Debt Service Fund

Debt Service.....\$ 50,000
Total.....\$ 50,000

North Center Plan Fund

North Center Plan Activities.....\$ 1,000,000
Operating Contingency.....\$ 25,000
Total.....\$ 1,025,000

North Center Debt Service Fund

Debt Service.....\$ 100,000
Total.....\$ 100,000

(See Appendix A for additional appropriations)

Total Appropriations, All Funds \$ 18,300,000

DECLARATION OF TAX INCREMENT

Option One

BE IT RESOLVED that the Board of Directors of the Very Large City Redevelopment Agency hereby resolves to certify to the county assessor for the Downtown Plan Area a request for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution, and \$ 1,000,000 as the amount to be raised through the imposition of a special levy, and for the North Center Plan Area a request for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution, and the Remainder of Authority as the amount to be raised through the imposition of a special levy.

Option One (alternate)

BE IT RESOLVED that the Board of Directors of the Very Large City Redevelopment Agency hereby resolves to certify to the county assessor for the Uptown Plan Area a request that \$ 12,500,000 in increment value be used for the purpose of dividing the taxes under Section 1c, Article IX, of the Oregon Constitution.

Option Three

BE IT RESOLVED that the Board of Directors of the Very Large City Redevelopment Agency hereby resolves to certify to the county assessor for the South Center Plan Area a request for \$ 5,600,000 of revenue specified in the Ordinance choosing Option Three to be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution, and 100% as the amount to be raised through the imposition of a special levy, and for the Airport Plan Area that \$ 5,000,000 in increment value be used for the purpose of dividing the taxes under Section 1c, Article IX, of the Oregon Constitution.

Other Plans

BE IT RESOLVED that the Board of Directors of the Very Large City Redevelopment Agency hereby resolves to certify to the county assessor a request for the New Plan South Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457, and for the New Plan Area that \$ 1,000,000 in increment value be used for the purpose of dividing the taxes under Section 1c, Article IX, of the Oregon Constitution.

The above resolution statements were approved and declared adopted on this 13th day of June 2019.

X Ima Sample
Signature

Form UR-50, Notice to Assessor, 150-504-076-5

Form UR-50 is used to notify the county assessor of the type of tax increment financing authority that will be used by your agency. Urban renewal agencies that use tax increment financing must provide notice of their urban renewal taxes for **each** plan by submitting this form to their county assessor by **July 15**. If you have more than one plan area, submit one combined UR-50 that includes all plans.

Is the plan area an “existing urban renewal plan”? Plans that existed on December 6, 1996 that were amended as provided for in ORS 457.190(3) and meeting the definition in ORS 457.010(4) are “existing urban renewal plans.”

Before July 1, 1998, options were selected for imposing urban renewal taxes for all “existing urban renewal plans” [ORS 457.010(4)]. The choices are known as “Option One,” or “Option Three” (ORS 457.435).

Substantial amendments described in ORS 457.085(2) (i)(A) or (B) terminate a plan’s “existing” status. Existing plans that adopt a substantial amendment of this type become either an “other standard rate plan” or an “other reduced rate plan,” and **lose the authority to impose a special levy**.

Option One. The assessor will calculate the amount of urban renewal revenue to be raised through a division of ad valorem taxes as provided in ORS 457.420 to 457.460. If this amount is less than the urban renewal plan area’s maximum authority [ORS 457.435(3)(a)] and the agency requests a special levy amount on the Form UR-50, the assessor will calculate, and extend, a “special levy” for the plan. The special levy will be imposed on all taxable property in the municipality and any portion of the urban renewal plan area outside of the municipality.

Alternatively, under the provisions of ORS 457.455, if an Option One plan doesn’t need 100 percent of the division of tax to pay the principal and interest on its indebtedness in the coming year, the plan may specify a lesser amount of increment value to use in computing division of tax. The remaining increment value will be taxed by the taxing districts. If a plan specifies less than 100 percent of increment value to use, it may not request a special levy in the current year.

Option Three. The ordinance selecting Option Three stated a maximum amount to be collected through division of tax. If this amount is less than the plan area’s maximum authority, the assessor may calculate, and extend an urban renewal “special levy” for the additional amount, if requested by the agency on the UR-50. The assessor will calculate the amount of

increment value necessary to supply the amount for division of tax stated in the ordinance. The remaining increment value, if any, will be taxed by the taxing districts.

Alternatively, under ORS 457.455, if an Option Three plan doesn’t need 100 percent of the division of tax specified in its 1998 ordinance to pay the principal and interest on its indebtedness, the plan may specify a lesser amount of increment value to use in computing division of tax. The remaining increment value will be taxed by the taxing districts. If an Option Three plan specifies less increment value than stated in its ordinance, it may request a special levy. The total of the division of tax amount stated in the 1998 ordinance adopting Option Three and the special levy may not exceed the plan’s maximum authority.

Filling out Form UR-50

Notification

Complete the top of the form with the following information:

- Name of your agency.
- Name of county or counties in which your agency lies.
- Name and telephone number of your contact person.
- Your agency mailing address.
- E-mail address is optional but encouraged.
- Check the box if the agency filed an “impairment certificate” with the county assessor by May 1.

Part 1: Option One Plans (Reduced Rate Plans) ORS 457.435(2)(a)

Plan area name. Enter the name of each Option One plan area.

Increment Value to Use. If less than 100 percent of the division of tax amount is desired, specify the amount of increment value to use in computing division of tax. If a plan specifies less than 100 percent of increment value to use, it may not request a special levy.

Amount from Division of Tax. If an amount of “Increment Value to Use” isn’t specified and “Yes” is checked, the assessor will compute and distribute the full division of tax for the plan.

Special Levy. Option One plans may either specify an amount of “Increment Value to Use” that is less than 100 percent of the total increment in the plan area, or the plan may request a “Special Levy” to

raise revenues in addition to 100 percent the division of tax amount. The special levy can be any amount up to the amount which, when added to the division of tax amount, equals the plan's maximum authority. Option One plans may choose not to request any special levy. If the agency has chosen **not to impose any special levy, enter "0" (zero) under "Special Levy Amount."**

Special Levy Amount. Subject to the provisions of ORS 457.470, Option One plans are entitled to tax increment amounts from a combination of division of tax and special levy up to their maximum authority. In no case will the assessor extend a special levy amount that, in combination with the division of tax amount, exceeds the plan area maximum authority. If the difference between the plan area maximum authority and the amount calculated for the division of tax using 100 percent of the increment value is greater than the amount entered in this column, the assessor will only use the lower number as the special levy. If the plan requires all of the taxes due to it using 100 percent of the increment value, you may enter the words "remainder of authority" or "100 percent" in this column.

Part 2: Option Three Plans (Standard Rate Plans) ORS 457.435(2)(c)

Plan Area Name. Enter the name of each plan area.

Increment Value to Use. If an amount of "Increment Value to Use" is specified, the assessor will use that amount for computing division of tax, provided the amount of increment value specified is less than the total increment value in the plan area and it will raise no more than the amount of division of tax stated in the 1998 ordinance adopting Option Three.

If an amount of "Increment Value to Use" is specified, the assessor may extend a special levy, but the amount of the special levy that may be requested is limited to the amount that would have been available under the plan's maximum authority if the agency had requested the amount of division of tax stated in the 1998 ordinance.

Amount from the Division of Tax. If an amount of Increment Value to Use isn't specified, enter the amount stated in the 1998 ordinance selecting Option Three as the maximum division of tax amount. This is entered as a dollar amount.

Special Levy. Option Three plans may request a special levy to raise revenues in addition to the division of tax amount. The special levy can be any amount up to the amount which, when added to the division of tax amount stated in the 1998 ordinance adopting

Option Three, equals the plan's maximum authority. Option Three plans may choose not to request any special levy. If the agency has chosen not to request any special levy, enter "0" (zero) under "Special Levy Amount."

Special Levy Amount. Option Three plans are entitled to request amounts from a combination of the division of tax amount stated in the 1998 ordinance adopting Option Three and a special levy, up to their maximum authority. In no case will the assessor extend a special levy amount that, in combination with the division of tax amount stated in the 1998 ordinance, exceeds the plan area maximum authority. However, if the difference between the plan area maximum authority and the amount calculated for the division of tax is greater than the amount entered in this column, the assessor will only use the lower number as the special levy. If the plan requires all of the taxes due to it you may enter "100 percent" or the words "remainder of authority" in this column.

Part 3: Other Standard Rate Plans ORS 457.445(2)

Other standard rate plans are those adopted before October 6, 2001 that didn't qualify as an Option One or Three plan; and plans that were an Option Three plan on October 6, 2001 that were substantially amended since then as described in ORS 457.085(2)(i)(A) or (B).

Plan Area Name. Enter the name of each plan area.

Increment Value to Use. Under the provisions of ORS 457.455, if a plan doesn't need 100 percent of the division of tax to pay the principal and interest on its indebtedness, the plan may specify a lesser amount of "Increment Value to Use" for computing division of tax. The tax raised on the remaining increment value will be distributed to the taxing districts. No special levy is allowed.

Amount from Division of Tax. If no Increment Value to Use is specified, indicate "Yes" under "100% from Division of Tax." The assessor will calculate and distribute to the agency the full amount of urban renewal taxes available from the division of taxes. No special levy is allowed.

Part 4: Other Reduced Rate Plans ORS 457.445(1)

Other reduced rate plans are those adopted on or after October 6, 2001, and plans that were an Option One plan on October 6, 2001 that were substantially amended since, as described in ORS 457.085(2)(i)(A) or (B).

Plan Area Name. Enter the name of each plan area.

Increment Value to Use. Under the provisions of ORS 457.455, if a plan doesn't need 100 percent of the division of tax to pay the principal and interest on its indebtedness, the plan may specify a lesser amount of "Increment Value to Use" in computing division of tax. The tax raised on the remaining increment value will be distributed to the taxing districts. No special levy is allowed.

Amount from Division of Tax. If no Increment Value to Use is specified, indicate "Yes" under "100% from Division of Tax." The assessor will calculate and distribute to the agency the full amount of urban renewal taxes available from the division of taxes. No special levy is allowed.

Permanently increasing frozen value

Under ORS 457.455, if 100 percent of division of tax will never be required to pay principal and interest on indebtedness, an agency may notify the assessor to permanently increase the plan area's frozen value. There is a section near the bottom of the Form UR-50 for this notice. The agency must specify the new frozen value. The new value may not be subsequently

decreased except in connection with boundary changes.

Submission to assessor/other filings

You must submit the following documents to the county assessor in each county in which your plan exists by July 15 if any plan will receive tax increment financing:

- Two copies of a complete Form UR-50.
- Two copies of the resolutions adopting the budget, making appropriations, and declaring tax increment financing.

If no plans raise revenue from special levies or division of tax, file one copy of the resolution adopting the budget and making appropriations with the Department of Revenue.

A copy of your complete budget must be submitted to the county clerk by September 30.

A copy of the budget must also be filed with the governing body of the city or county that activated the agency by August 1. See ORS 457.460 for this and other annual filing and notice requirements.

Form UR-50 Sample

**FORM
UR-50**

NOTICE TO ASSESSOR

2019-2020

• Submit two (2) copies to the county assessor by July 15.

Check here if this is an amended form.

Notification

Very Large City Redevelopment Agency (Agency name) authorizes its 2019 - 20 ad valorem tax increment amounts by plan area for the tax roll of Sample (County name).

Urb Newal (Contact person) 541-555-1212 (Telephone number) June 30, 2019 (Date submitted)

123 First Street, Very Large City, Oregon 97000 (Agency's mailing address) urbnewal@vlc.ci.or.us (Contact person's e-mail address)

Yes, the agency has filed an impairment certificate by May 1 with the assessor (ORS 457.445).

Part 1: Option One Plans (Reduced Rate). [ORS 457.435(2)(a)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax	Special Levy Amount**
Downtown	\$ OR <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	1,000,000
Uptown	\$ 12,500,000 OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
North Center	\$ OR <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	Remainder
	\$ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	

Part 2: Option Three Plans (Standard Rate). [ORS 457.435(2)(c)]

Plan Area Name	Increment Value to Use***	100% from Division of Tax***	Special Levy Amount****
Airport	\$ 5,000,000 OR		
South Center	\$ OR	\$5,600,000	100%
	\$ OR		

Part 3: Other Standard Rate Plans. [ORS 457.445(2)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax*	
New Plan	\$ 1,000,000 OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
New Plan South	\$ OR <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	
	\$ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
	\$ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	

Part 4: Other Reduced Rate Plans [ORS 457.445(1)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax*	
	\$ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
	\$ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
	\$ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
	\$ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	

Notice to Assessor of Permanent Increase in Frozen Value. Beginning tax year 2019-20 permanently increase frozen value to:

Plan Area Name	New frozen value
	\$
	\$

*All Plans except Option Three: Enter amount of Increment Value to Use that is less than 100 percent or check "Yes" to receive 100 percent of division of tax. Do NOT enter an amount of "Increment Value to Use" AND check "Yes."
 **If an Option One plan enters a Special Levy Amount, you MUST check "Yes" and NOT enter an amount of "Increment to Use."
 ***Option Three plans enter EITHER an amount of "Increment Value to Use" to raise less than the amount of division of tax stated in the 1998 ordinance under ORS 457.435(2)(c) OR the "Amount from Division of Tax" stated in the ordinance, NOT both.
 ****If an Option Three plan requests both an amount of "Increment Value to Use" that will raise less than the amount of division of tax stated in the 1998 ordinance and a "Special Levy Amount," the "Special Levy Amount" cannot exceed the amount available when the amount from division of tax stated in the ordinance is subtracted from the plan's Maximum Authority.

Notice of Supplemental Budget Hearing, 150-504-076-6

General

Use this form only if a supplemental budget hearing is needed. Not every supplemental budget requires a hearing. A hearing is required when the supplemental budget makes a change in expenditures of more than 10 percent in any fund.

A supplemental budget that **doesn't change expenditures in any fund by more than 10 percent** may be adopted at a regular meeting of the governing body. Publish notice of the regular meeting at least five days prior to the meeting, and include a statement that a supplemental budget will be considered at the meeting.

Hearing notice

Complete the upper portion of the form by giving the agency name, the location, date, and time of the hearing, and indicate when and where a copy of the supplemental budget document can be obtained or inspected.

Summary of Proposed Budget Changes

Give the name of each fund being adjusted by more than 10 percent. Use a separate section of the form for

each fund being adjusted by more than 10 percent. You don't have to summarize the changes in any fund that is being adjusted by 10 percent or less.

Next, list any new resource that isn't currently in the budget or any resource that is being adjusted, and the new amount. Also list of any expenditure category that is being added or adjusted and its new amount. In the explanation of changes area, explain the reason for the adjustment and identify the organizational units or programs associated with the expenditures being adjusted. See example below.

If the supplemental budget is changing an existing resource or requirement, the amount shown should be the new total amount. The amounts in the "Revised Total Fund Resources" and "Revised Total Fund Requirements" boxes should be the new total for the fund.

Publication

Publish this form at least 5 days before the supplemental budget hearing by publishing in a newspaper, mailing by first class mail or hand-delivering.

SUMMARY OF PROPOSED BUDGET CHANGES AMOUNTS SHOWN ARE REVISED TOTALS IN THOSE FUNDS BEING MODIFIED

FUND: General Fund

Resource	Amount	Expenditure—indicate Org. unit / Prog. & Activity, and Object class.	Amount
1. _____	_____	1. Transfer out	\$200,000
2. _____	_____	2. Materials and Services	\$50,000
3. _____	_____	3. _____	_____
Revised Total Fund Resources	\$1,000,000	Revised Total Fund Requirements	\$1,000,000

Explanation of change(s):

Anticipated legal costs came in under budget so the costs for the Housing and Econ. Dev. programs for materials and services were reduced by a total of \$200,000 in order to send \$200,000 to the Downtown Plan Fund. Fund total requirements are unchanged.

FUND: Downtown Plan Fund

Resource	Amount	Expenditure—indicate Org. unit / Prog. & Activity, and Object class.	Amount
1. Transfer in	\$200,000	1. Materials and services	\$200,000
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____
Revised Total Fund Resources	\$550,000	Revised Total Fund Requirements	\$550,000

Explanation of change(s):

Transfer from General Fund of \$200,000 will be expended on rent, equipment, and contract labor for the Housing program activities in the Downtown Plan Area.

A

Use this notice if public comment will be taken at this meeting.

NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of the _____, _____, State of Oregon,
(Agency name) (County)

to discuss the budget for the fiscal year July 1, _____ to June 30, _____, will be held at _____.
(Location)

The meeting will take place on _____, at _____ a.m. p.m.. The purpose of the meeting is to receive the budget
(Date)

message and to receive comment from the public on the budget.

This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee.

A copy of the budget document may be inspected or obtained on or after _____ at _____,
(Date) (Location)

between the hours of _____ a.m. a.m. p.m. and _____ p.m..

B

Use this notice if public comment will be taken at a later meeting.

NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of the _____, _____, State of Oregon,
(Agency name) (County)

on the budget for the fiscal year July 1, _____ to June 30, _____, will be held at _____.
(Location)

The meeting will take place on _____ at _____ a.m. p.m.. The purpose of the meeting is to receive the budget message.
(Date)

This is a public meeting where deliberation of the Budget Committee will take place. An additional, separate meeting of the Budget Committee will be held to take public comment. Any person may appear at that meeting and discuss the proposed programs with the

Budget Committee. The meeting for public comment will be on _____ at _____ a.m. p.m.,
(Date)

held at _____.
(Location)

A copy of the budget document may be inspected or obtained on or after _____ at _____,
(Date) (Location)

between the hours of _____ a.m. a.m. p.m. and _____ p.m..

**FORM
UR-1**

NOTICE OF BUDGET HEARING

A public meeting of the _____ will be held on _____ at _____ a.m. at _____
(Governing body) (Date) (Street address)

_____, Oregon. The purpose of this meeting is to discuss the budget for the
(Location)

fiscal year beginning July 1, 20____ as approved by the _____ Budget Committee. A summary of
(Municipal corporation)

the budget is presented below. A copy of the budget may be inspected or obtained at _____
(Street address)

_____ between the hours of _____ a.m., and _____ p.m., or online at _____

This budget is for an annual; biennial budget period. This budget was prepared on a basis of accounting that is: the same as;
 different than the preceding year. If different, the major changes and their effect on the budget are:

Contact	Telephone number ()	E-mail
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FINANCIAL SUMMARY – RESOURCES

TOTAL OF ALL FUNDS	Actual Amounts 20____-20____	Adopted Budget This Year: 20____-20____	Approved Budget Next Year: 20____-20____
1. Beginning Fund Balance/Net Working Capital			
2. Federal, State & all Other Grants			
3. Revenue from Bonds & Other Debt			
4. Interfund Transfers.....			
5. All Other Resources Except Division of Tax & Special Levy.....			
6. Revenue from Division of Tax			
7. Revenue from Special Levy.....			
8. Total Resources —add lines 1 through 7.....			

FINANCIAL SUMMARY – REQUIREMENTS BY OBJECT CLASSIFICATION

9. Personnel Services			
10. Materials and Services			
11. Capital Outlay			
12. Debt Service			
13. Interfund Transfers.....			
14. Contingencies.....			
15. Special Payments.....			
16. Unappropriated Ending Fund Balance and Reserved for Future Expenditure ...			
17. Total Requirements —add lines 9 through 16.....			

FINANCIAL SUMMARY – REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM*

Name of Organizational Unit or Program			
FTE for Unit or Program			
Name			
FTE			
Name			
FTE			
Name			
FTE			
Name			
FTE			

Name			
FTE			
Name			
FTE			
Name			
FTE			
Not Allocated to Organizational Unit or Program			
FTE			
Total Requirements			
Total FTE			

STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING*

Blank lines for reporting activities and sources of financing.

STATEMENT OF INDEBTEDNESS

Long Term Debt	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, but not Incurred on July 1
General Obligation Bonds		
Other Bonds		
Other Borrowings		
Total		

*If more space is needed to complete any section of this form, use the space below or add sheets.

Blank lines for providing additional information or notes.

Resolution No. _____

RESOLUTION ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Directors of the _____ hereby adopts the budget for fiscal year 20__-__ in the total of \$_____. This budget is now on file at the _____, Oregon.

RESOLUTION MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 20____, and for the purposes shown below are hereby appropriated:

General Fund

Organizational Unit or Program
.....\$
.....\$
.....\$
.....\$

Not Allocated to Organizational Unit or Program

.....\$
.....\$
.....\$

Total.....\$

Debt Service Fund

Debt Service\$
Total.....\$

Fund

Organizational Unit or Program
.....\$
.....\$
.....\$
.....\$

Not Allocated to Organizational Unit or Program

.....\$
.....\$
.....\$

Total Appropriations, All Funds \$ _____

RESOLUTION DECLARING TAX INCREMENT

Option One

BE IT RESOLVED that the Board of Directors of the _____ hereby resolves to certify to the county assessor for the _____ Plan Area a request for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution, and \$_____ as the amount to be raised through the imposition of a special levy.

Option One (alternate)

BE IT RESOLVED that the Board of Directors of the _____ hereby resolves to certify to the county assessor for the _____ Plan Area a request that \$_____ in increment value be used for the purpose of dividing the taxes under Section 1c, Article IX, of the Oregon Constitution.

Option Three

BE IT RESOLVED that the Board of Directors of the _____ hereby resolves to certify to the county assessor for the _____ Plan Area a request for \$_____ of revenue specified in the Ordinance choosing Option Three to be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution, and _____ as the amount to be raised through the imposition of a special levy, and for the _____ Plan Area that \$_____ in increment value be used for the purpose of dividing the taxes under Section 1c, Article IX, of the Oregon Constitution.

Other Plans

BE IT RESOLVED that the Board of Directors of the _____ hereby resolves to certify to the county assessor a request for the _____ Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

Other Plans (alternate)

BE IT RESOLVED that the Board of Directors of the _____ hereby resolves to certify to the county assessor a request for the _____ Plan Area that \$_____ in increment value be used for the purpose of dividing the taxes under Section 1c, Article IX, of the Oregon Constitution.

The above resolution statements were approved and declared adopted on this _____ day of _____ 20_____.

X _____
Signature

Check here if this is an amended form.

• Submit two (2) copies to the county assessor by July 15.

Notification

_____ authorizes its 20__ - ____ ad valorem tax increment amounts
by plan area for the tax roll of _____
(Agency name) (County name)

(Contact person) (Telephone number) (Date submitted)

(Agency's mailing address) (Contact person's e-mail address)

Yes, the agency has filed an impairment certificate by May 1 with the assessor (ORS 457.445).

Part 1: Option One Plans (Reduced Rate). [ORS 457.435(2)(a)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax	Special Levy Amount**
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	_____
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	_____
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	_____
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	_____

Part 2: Option Three Plans (Standard Rate). [ORS 457.435(2)(c)]

Plan Area Name	Increment Value to Use***	100% from Division of Tax***	Special Levy Amount****
_____	\$ _____ OR _____	_____	_____
_____	\$ _____ OR _____	_____	_____
_____	\$ _____ OR _____	_____	_____

Part 3: Other Standard Rate Plans. [ORS 457.445(2)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax*	
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	

Part 4: Other Reduced Rate Plans [ORS 457.445(1)]

Plan Area Name	Increment Value to Use*	100% from Division of Tax*	
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
_____	\$ _____ OR <input type="checkbox"/> Yes	<input type="checkbox"/> Yes	

Notice to Assessor of Permanent Increase in Frozen Value. Beginning tax year 2019-20, permanently increase frozen value to:

Plan Area Name	New frozen value
_____	\$ _____
_____	\$ _____

***All Plans except Option Three:** Enter amount of Increment Value to Use that is less than 100 percent or check "Yes" to receive 100 percent of division of tax. **Do NOT enter an amount of "Increment Value to Use" AND check "Yes."**
****If an Option One plan enters a Special Levy Amount, you MUST check "Yes" and NOT enter an amount of "Increment to Use."**
*****Option Three plans enter EITHER an amount of "Increment Value to Use" to raise less than the amount of division of tax stated in the 1998 ordinance under ORS 457.435(2)(c) OR the "Amount from Division of Tax" stated in the ordinance, NOT both.**
******If an Option Three plan requests both an amount of "Increment Value to Use" that will raise less than the amount of division of tax stated in the 1998 ordinance and a "Special Levy Amount," the "Special Levy Amount" cannot exceed the amount available when the amount from division of tax stated in the ordinance is subtracted from the plan's Maximum Authority.**

NOTICE OF SUPPLEMENTAL BUDGET HEARING

- For supplemental budgets proposing any change in a fund's expenditures by more than 10 percent.

A public hearing on a proposed supplemental budget for _____, _____, State
(Agency name) (County)

of Oregon, for the current fiscal year, will be held at _____.
(Location) The hearing will take place

on _____ at _____
(Date) a.m. p.m. The purpose of the hearing is to discuss the supplemental budget with interested

persons.

A copy of the supplemental budget document may be inspected or obtained on or after _____ at
(Date)

_____, between the hours of _____ and _____
(Location) a.m. p.m. a.m. p.m.

SUMMARY OF PROPOSED BUDGET CHANGES

AMOUNTS SHOWN ARE REVISED TOTALS IN THOSE FUNDS BEING MODIFIED

FUND: _____

Resource	Amount	Expenditure—indicate <small>Org. unit / Prog. & Activity, and Object class.</small>	Amount
1. _____	_____	1. _____	_____
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____
Revised Total Fund Resources	_____	Revised Total Fund Requirements	_____

Explanation of change(s):

FUND: _____

Resource	Amount	Expenditure—indicate <small>Org. unit / Prog. & Activity, and Object class.</small>	Amount
1. _____	_____	1. _____	_____
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____
Revised Total Fund Resources	_____	Revised Total Fund Requirements	_____

Explanation of change(s):



OREGON
DEPARTMENT
OF REVENUE
PO Box 14380
Salem OR 97309-5075
