

TUALATIN URBAN RENEWAL BASICS



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ROADMAP

1. Terminology
2. Why use Urban Renewal?
3. Crash Course – UR
4. Proposed Legislation
5. Next Steps

TERMINOLOGY

1. UR – Urban Renewal
2. URA - Urban Renewal Area
3. URD - Urban Renewal District
4. TIF - Tax Increment Funds or Tax Increment Financing
5. MI - Maximum Indebtedness
6. AV - Assessed Value
7. TDC - Tualatin Development Commission

WHY USE URBAN RENEWAL?



Many opportunities for improvements and redevelopment in cities that need funding -
Infrastructure

Plans that need to be implemented

Housing Needs

City general funds typically lack the funds to contribute to these opportunities

Urban Renewal provides an additional tool to the city's toolbox - funding source to bridge the gap

CRASH COURSE | UR 101



CRASH COURSE | UR 101



PROPERTY TAX INCREASES

1. 3% Appreciation
2. Substantial Improvements



REGULAR TAXING JURISDICTIONS
City, County, Etc.

CRASH COURSE | UR 101

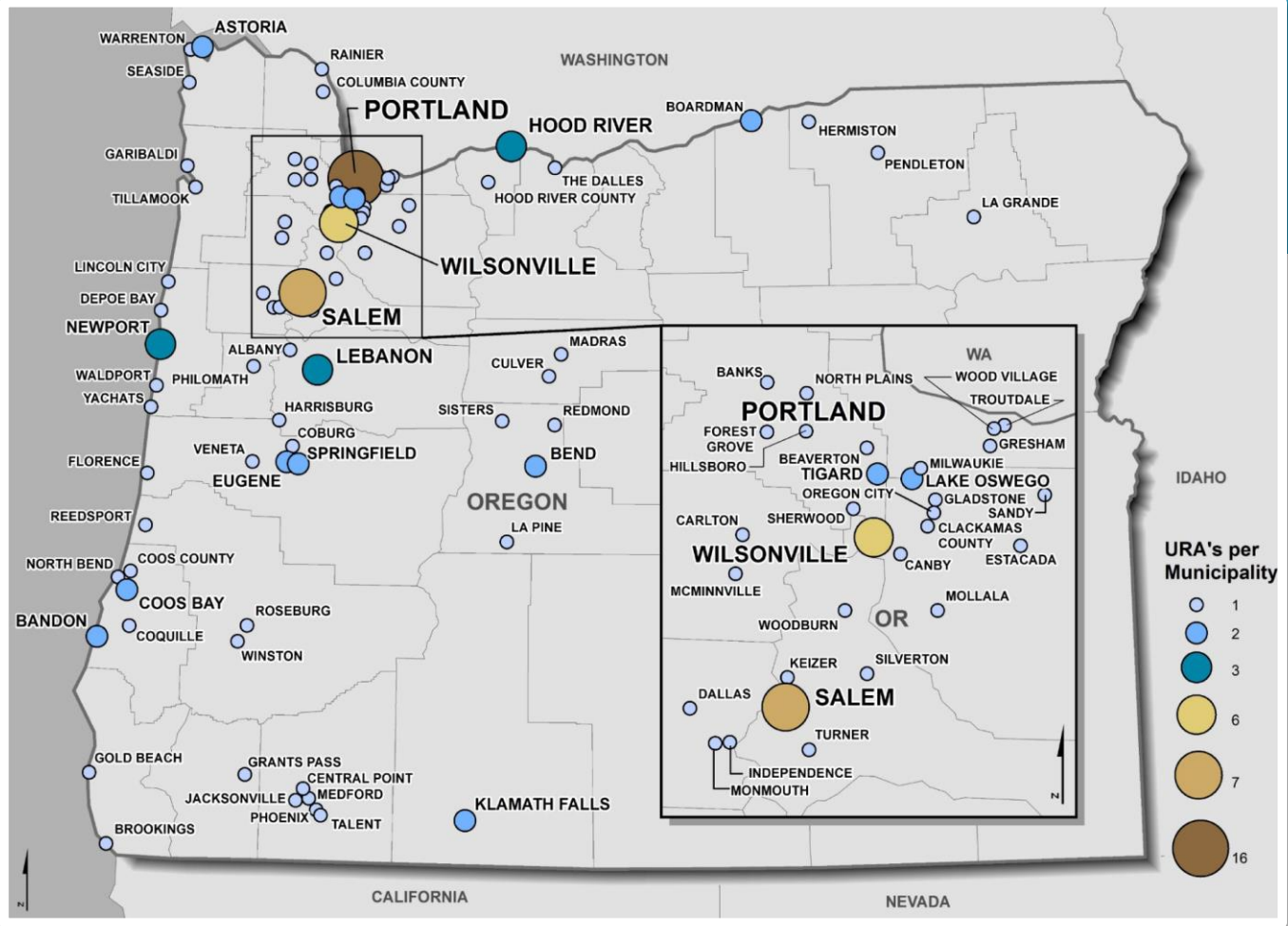




WHAT IS URBAN RENEWAL?

- Economic development tool
- Unique in that it is a financing tool, but also a plan with projects
- Used to address “blighting” influences in specific areas
- Functions on increases in property tax revenues in “Urban Renewal Areas”
- Used all over Oregon (Map on next slide)

CITIES WITH URBAN RENEWAL



WHAT IS BLIGHT?

- ❖ Blight is a precondition to any Urban Renewal Area
- ❖ Specific criteria defined by state statute, generally covers:
 - Underdevelopment or underutilization of property
 - Poor condition of buildings
 - Inadequacy of infrastructure including streets and utilities

HOW DOES AN URBAN RENEWAL AREA FUNCTION?

1. Income Source

- ❖ Yearly property tax collections based on growth within Boundary (more detail on mechanism in later slide)

2. Expenses

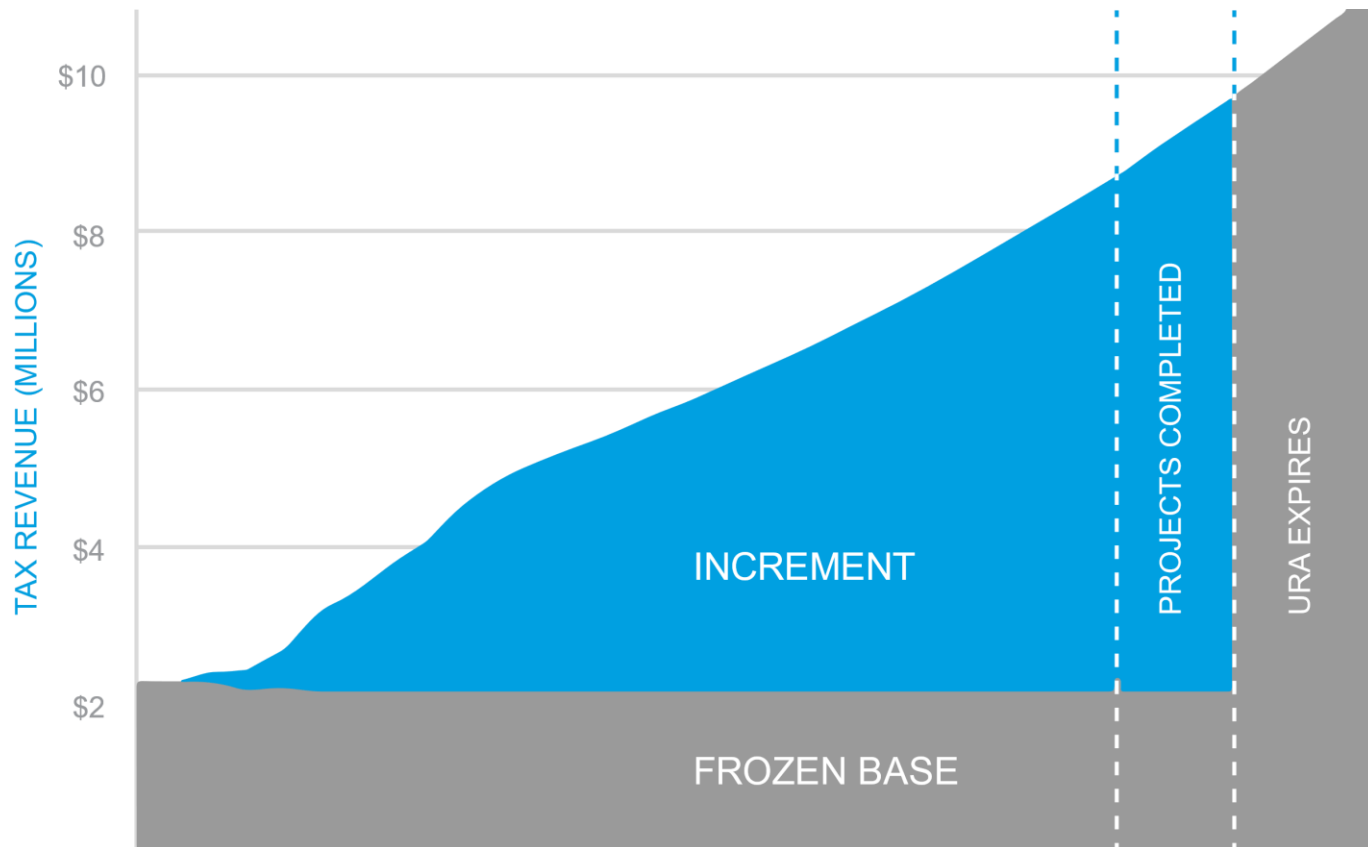
- ❖ Projects, programs, and administration

3. Spending Limit

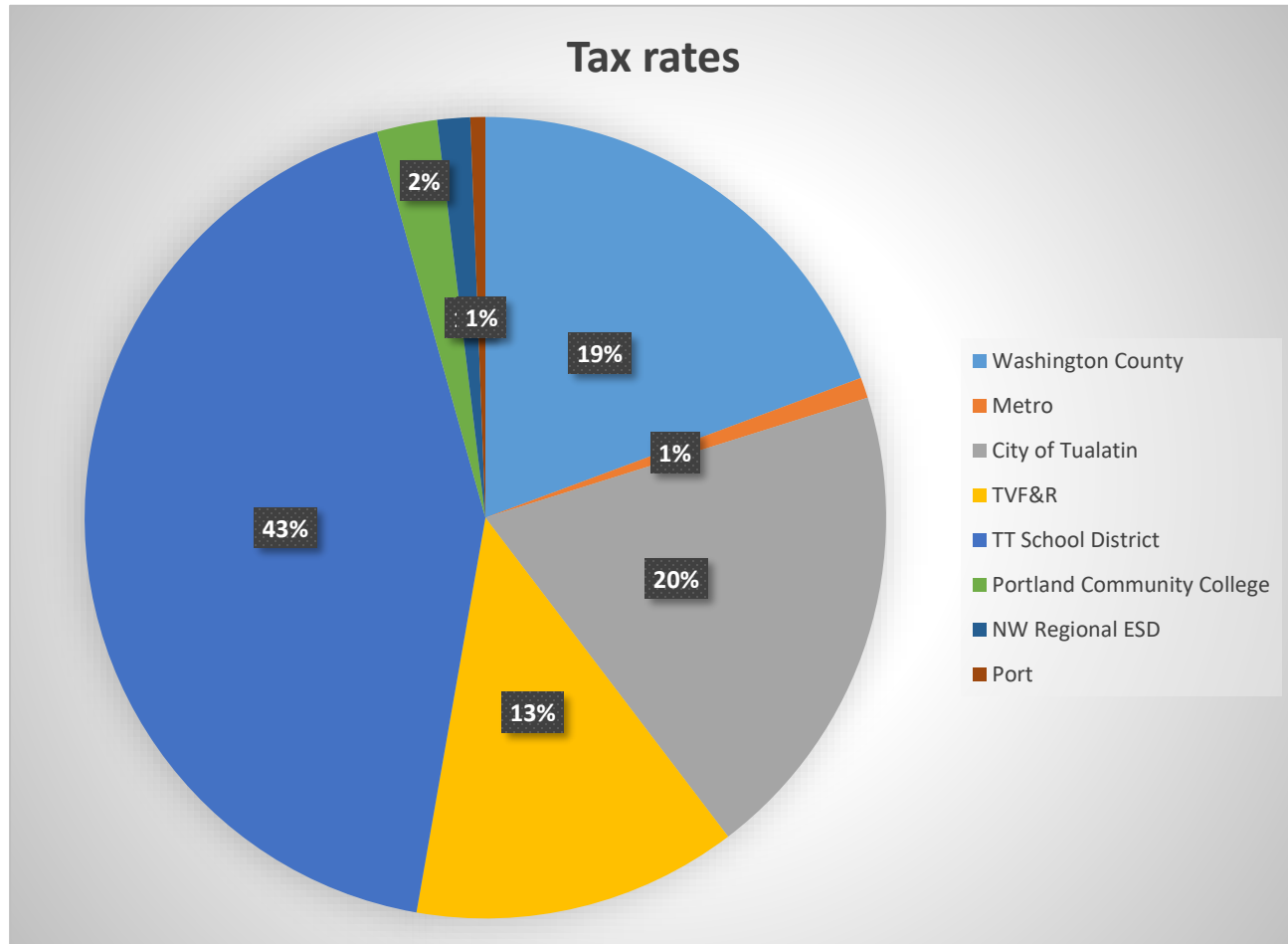
- ❖ Capped by Maximum Indebtedness (MI):
 - The total amount of money that can be spent over the life of the district on projects, programs, and administration.



HOW DOES URBAN RENEWAL FINANCING WORK?



LEVERAGING CITY TAX RATE



A HYPOTHETICAL PROPERTY TAX BILL


Taxing District	Rate	Property Value
Property Value		\$100,000
Washington County	\$ 2.2484	\$224.84
Metro	\$ 0.0966	\$9.66
City of Tualatin	\$ 2.2665	\$226.65
TVF&R	\$ 1.5252	\$152.52
TT School District	\$ 4.9892	\$498.92
Portland Community College	\$ 0.2828	\$28.28
NW Regional ESD	\$ 0.1538	\$15.38
Port	\$ 0.0701	\$7.01
Tigard Tualatin Acquatic	\$ 0.0900	\$9.00
Tualatin Soil and Water	\$ 0.0691	\$6.91
Urban Renewal		
Total	\$ 11.7917	\$1,179.17

A HYPOTHETICAL PROPERTY TAX BILL

Taxing District	Rate	Property Value	Property Value without UR
Property Value		\$100,000	\$103,000.00
Washington County	\$ 2.2484	\$224.84	\$231.59
Metro	\$ 0.0966	\$9.66	\$9.95
City of Tualatin	\$ 2.2665	\$226.65	\$233.45
TVF&R	\$ 1.5252	\$152.52	\$157.10
TT School District	\$ 4.9892	\$498.92	\$513.89
Portland Community College	\$ 0.2828	\$28.28	\$29.13
NW Regional ESD	\$ 0.1538	\$15.38	\$15.84
Port	\$ 0.0701	\$7.01	\$7.22
Tigard Tualatin Acquatic	\$ 0.0900	\$9.00	\$9.27
Tualatin Soil and Water	\$ 0.0691	\$6.91	\$7.12
Urban Renewal			
Total	\$ 11.7917	\$1,179.17	\$1,198.16

A HYPOTHETICAL PROPERTY TAX BILL

Taxing District	Rate	Property Value	Property Value without UR	Property Value With UR
Property Value		\$100,000	\$103,000.00	\$103,000.00
Washington County	\$ 2.2484	\$224.84	\$231.59	\$224.84
Metro	\$ 0.0966	\$9.66	\$9.95	\$9.66
City of Tualatin	\$ 2.2665	\$226.65	\$233.45	\$226.65
TVF&R	\$ 1.5252	\$152.52	\$157.10	\$152.52
TT School District	\$ 4.9892	\$498.92	\$513.89	\$498.92
Portland Community College	\$ 0.2828	\$28.28	\$29.13	\$28.28
NW Regional ESD	\$ 0.1538	\$15.38	\$15.84	\$15.38
Port	\$ 0.0701	\$7.01	\$7.22	\$7.01
Tigard Tualatin Aquatic	\$ 0.0900	\$9.00	\$9.27	\$9.00
Tualatin Soil and Water	\$ 0.0691	\$6.91	\$7.12	\$6.91
Urban Renewal				\$18.99
Total	\$ 11.7917	\$1,179.17	\$1,198.16	\$1,198.16



PROPERTY TAXES AND URBAN RENEWAL

- Urban Renewals Division of Taxes does not increase property taxes, it uses increases in property taxes that were already happening
- Urban Renewal is a line item on your property tax bill
- The Assessor must go through the following steps when distributing Urban Renewal Taxes:
 1. “Calculation” of TIF to be collected
 2. “Distribution” of TIF Citywide to property tax payers
 3. “Collection” of property tax revenues

URBAN RENEWAL UTOPIA

The following slides detail in a conceptual manner the steps an Assessor goes through to distribute TIF revenues to an Urban Renewal Agency:

1. Calculation

2. Distribution

3. Collection

HYPOTHETICAL CITY

Houses in City 40

Total AV 1st Year \$4,000,000



FORMATION OF URA

Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



“CALCULATION”

Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



Growth = **3%**

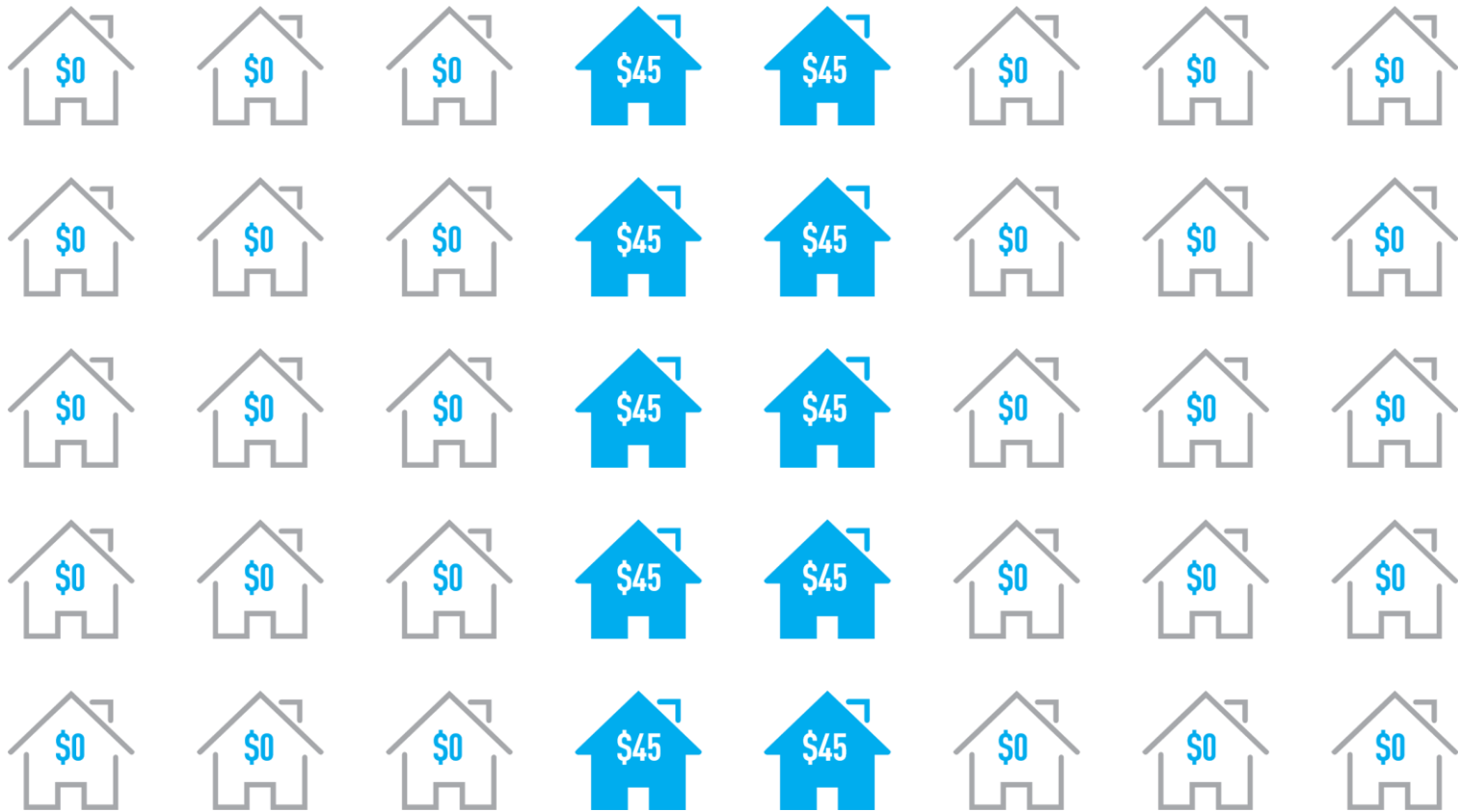
Total URA AV Growth = **\$30,000**

Tax Rate = **15.0000**

1st Year TIF = **\$450**

“DISTRIBUTION”

Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



“DISTRIBUTION”


Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



“DISTRIBUTION” + “COLLECTION”

Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



A photograph of a modern house with a blue and green color overlay. The house has a prominent front door and several windows. The text 'PROPERTY TAX FACTS' is overlaid in white on the left side of the image.

PROPERTY TAX FACTS

- No new taxes due to the division of taxes from Urban Renewal
- Schools are indirectly impacted by urban renewal
- There will be a line item for Urban Renewal on your property tax bill if this Plan is adopted
- There are no bonds or local option levies impacted by the proposed urban renewal plan unless bonds issued prior to 2001

IMPACTS TO TAXING DISTRICTS

- ❖ Urban Renewal does not provide new money
 - Diverts funds that would go to other property tax districts
- ❖ Continue receiving taxes on frozen base
- ❖ Temporarily forego taxes on any growth in Urban Renewal area
- ❖ Growth may not have occurred but not for urban renewal



URBAN RENEWAL AND LOCAL SCHOOL DISTRICTS

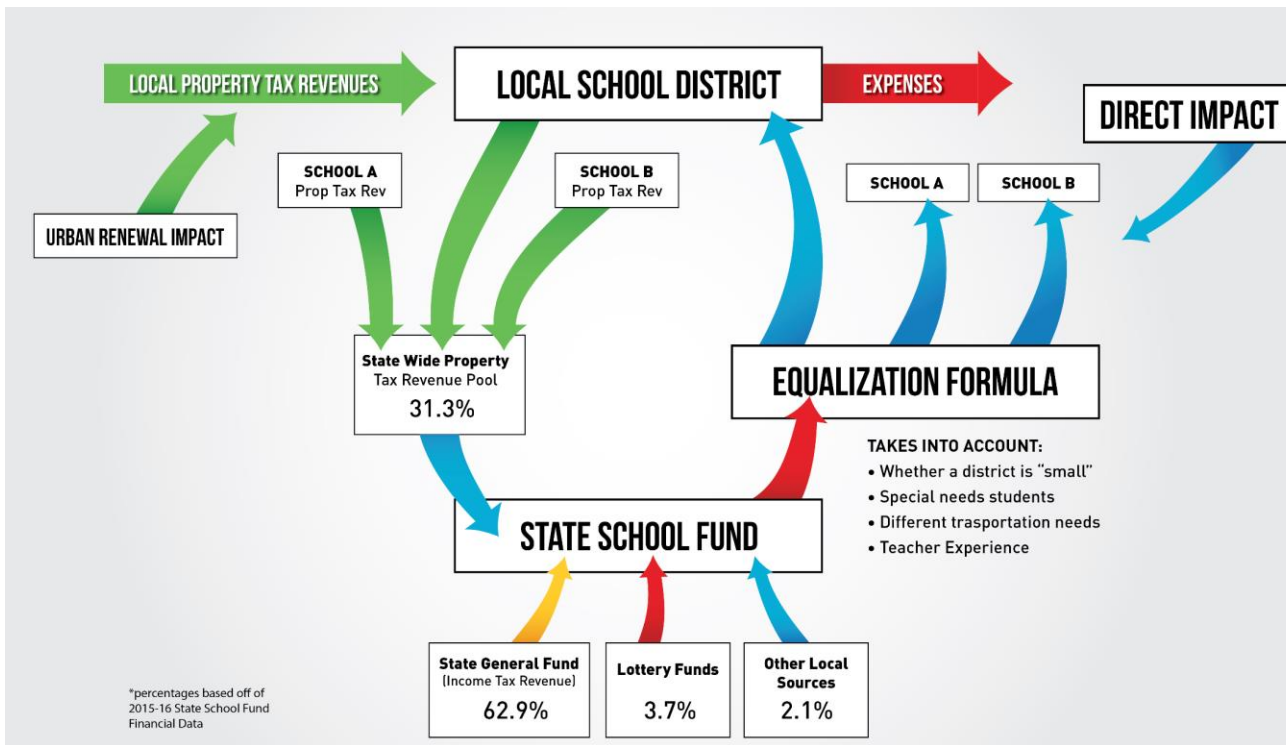
An Indirect Impact

URBAN RENEWAL IMPACT

Regular Taxing District



URBAN RENEWAL IMPACT Local Schools

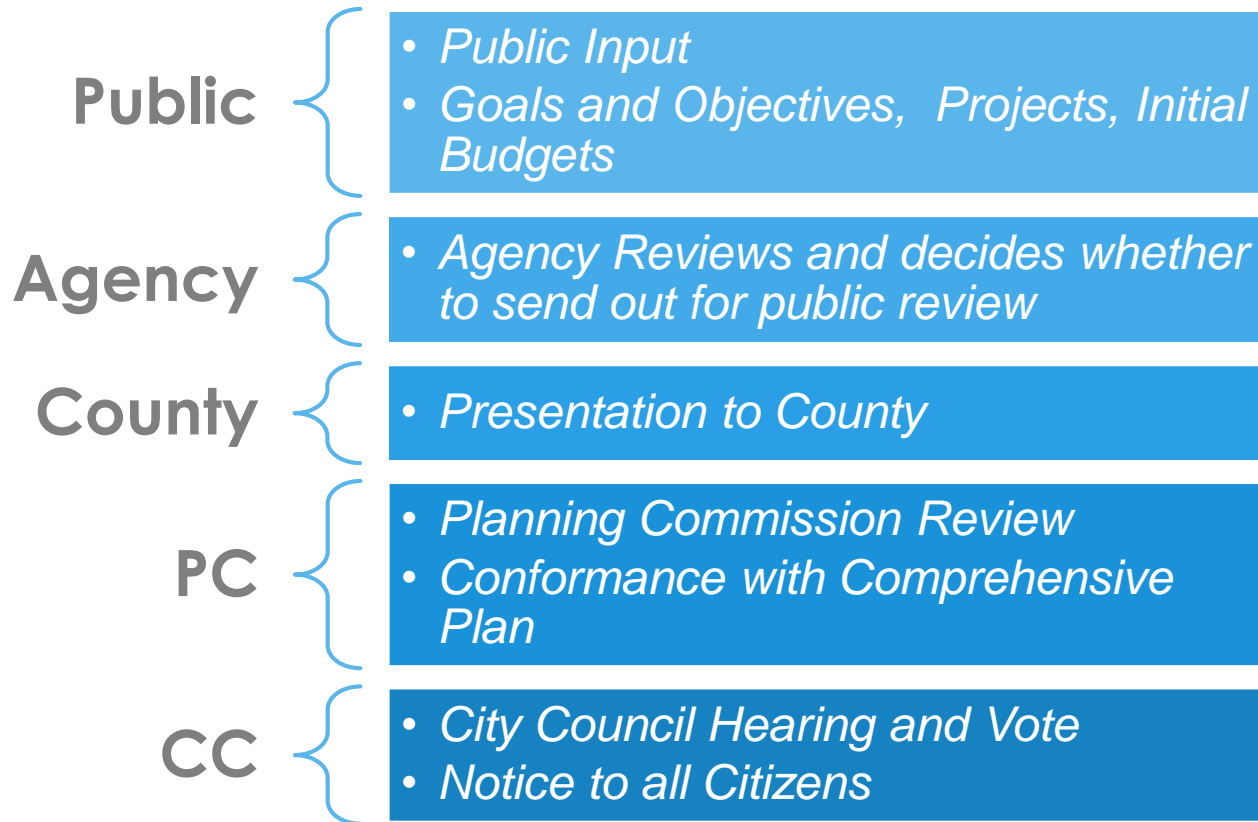




STATE LIMITATIONS ON URBAN RENEWAL

- ❖ Population under 50,000
 - 25% of Assessed Value of Property in City
 - 25% of Acreage of City
- ❖ Existing Plan limitations:
 - Can not be increased in size by more than 20% of original Plan acreage
 - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing
 - May increase MI above 20% as adjusted only with concurrence from 75% of other taxing districts

HOW IS A PLAN ADOPTED?



TIME FRAME FOR A NEW URBAN RENEWAL AREA

1. Depends on what preparation work has been completed
 - Projects identified
 - General community input and education – is there a desire for the projects and is urban renewal the right tool?
2. If the projects are identified – 6 - 8 months

2019 LEGISLATIVE ISSUES

1. Public buildings
2. Annual Reports
3. Clean up confusing issues



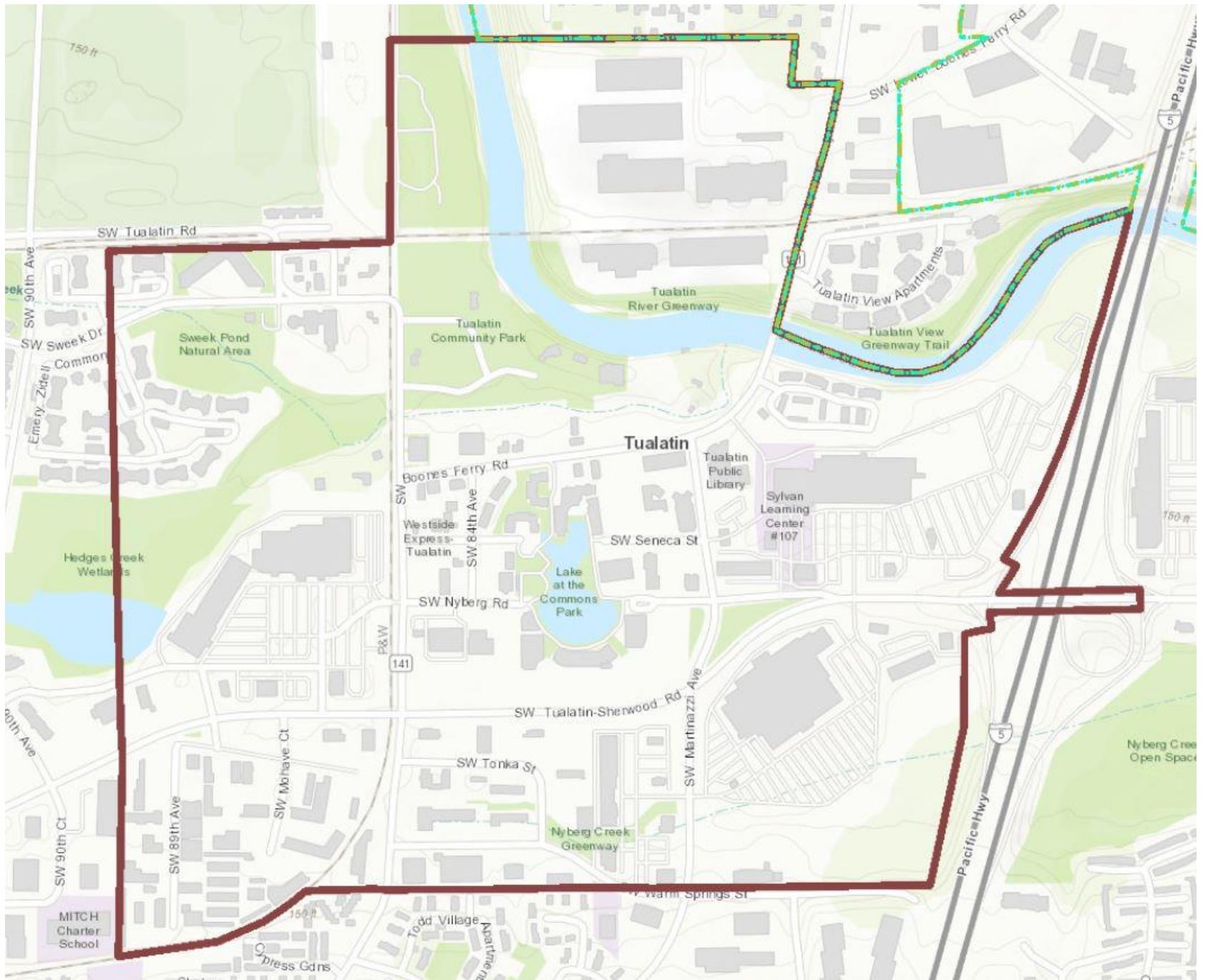
TUALATIN URBAN RENEWAL HISTORY



Tualatin Central

- Frozen base: \$14,067,089
- AV at closing: \$194,288,400
- MI \$27,705,384
- Established 1975
- Projects
 - ❑ Tualatin Commons
 - ❑ Tualatin Sherwood Road bypass
 - ❑ Nyberg Street and I-5 Interchange
 - ❑ Surface parking
 - ❑ Local street improvements

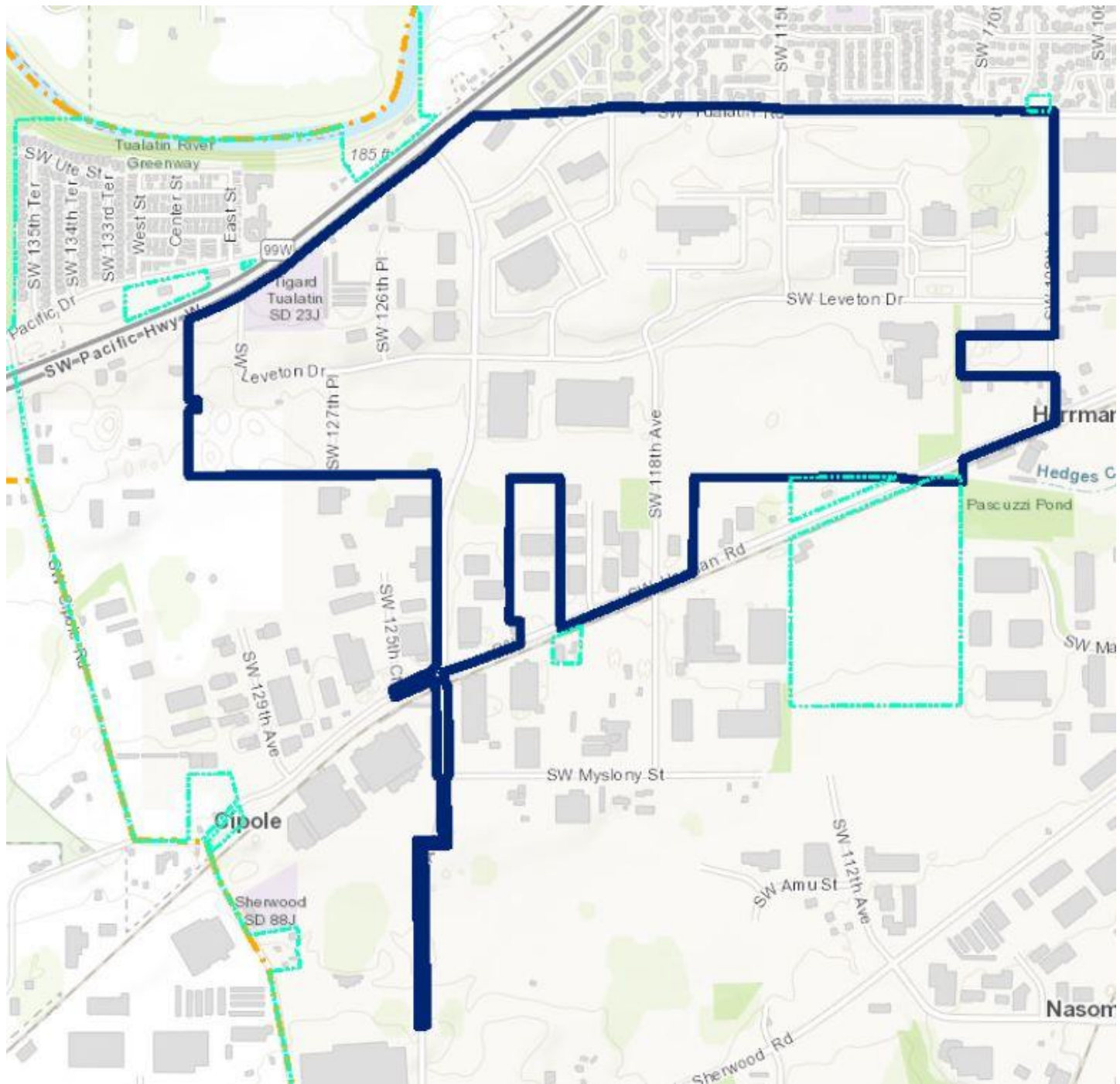


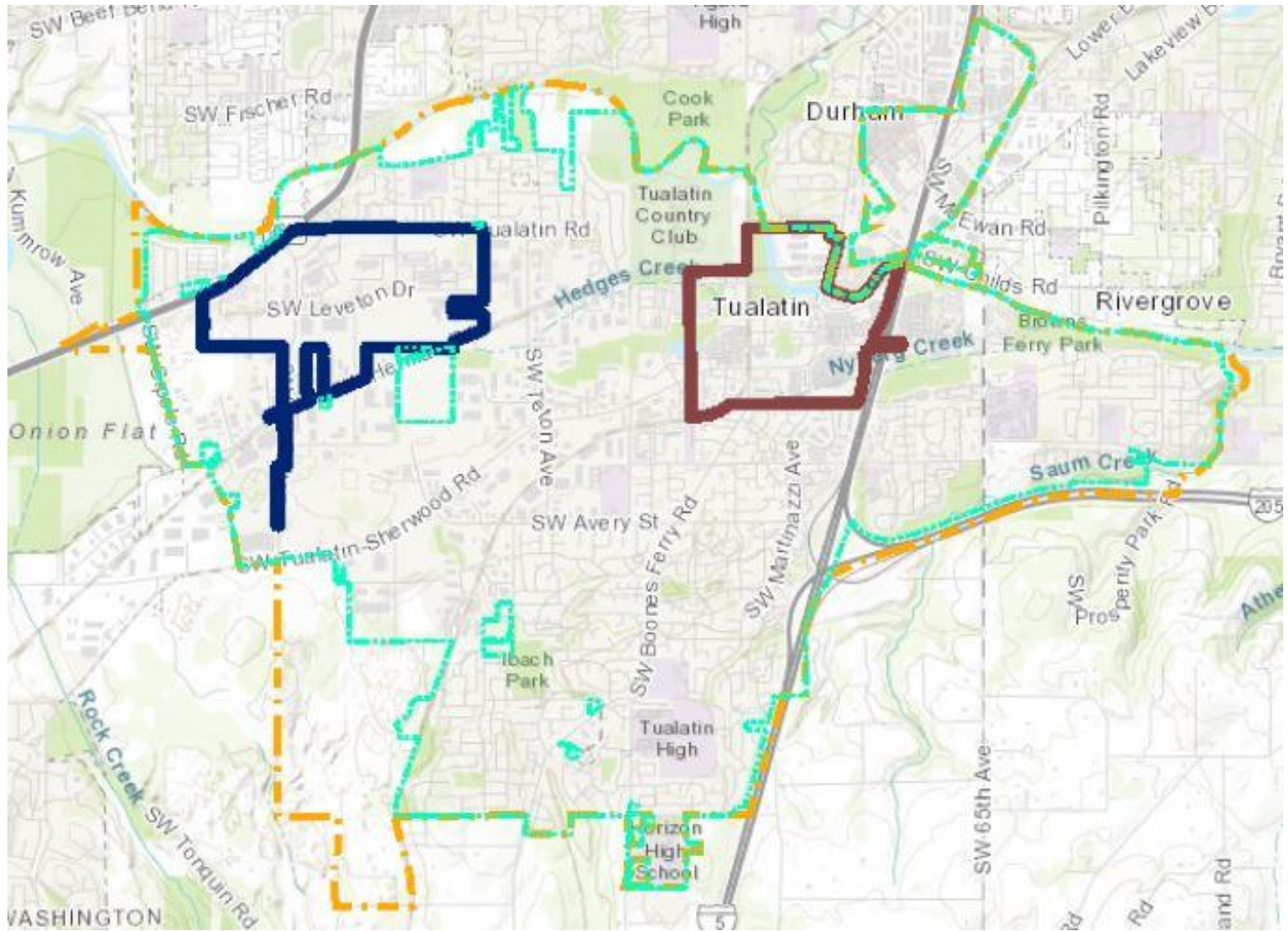


TUALATIN LEVETON

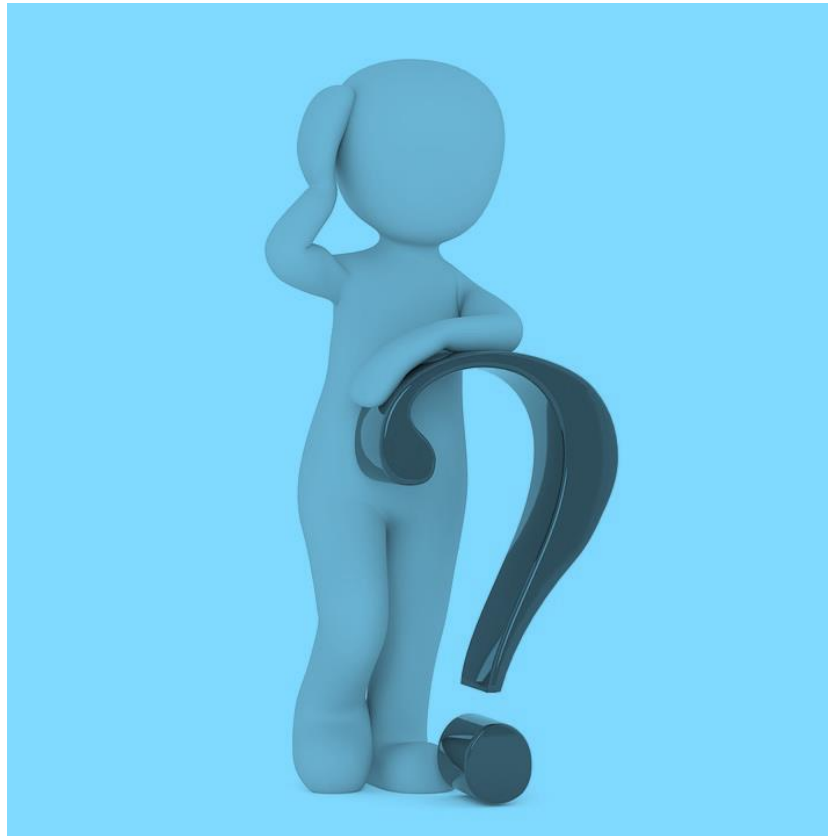
- Open new lands for employment and industry
- Increased in value by \$255.5M between 1985-2010
- Projects included improvements to
 - Transportation
 - Water
 - Sanitary Sewer
 - Storm Drainage







Questions?



NEXT STEPS - Meeting 2

- What is the Tualatin Development Commission and how does it operate?
 - Role of TDC versus City Council
- Status of existing URAs
 - Financial
 - Projects
 - Assets
 - How to close down a URA

NEXT STEPS - Meeting 3

- What are needs in Tualatin that can be addressed by UR? – Meeting 3 if desired
 - Address goals of city
 - Projects that need financing
 - Areas of city that need infrastructure
 - Property to develop
 - Housing issues to address