



URBAN RENEWAL

An Economic Development Tool for Retaining Businesses, Attracting Development, and Revitalizing

Urban Renewal is being discussed for potential use in Downtown Milwaukie and parts of Central Milwaukie to create more vibrant and economically viable areas.



WHAT IS URBAN RENEWAL?

Urban Renewal is an economic development tool that allows cities to borrow against future tax increases in a designated area to create funds for street or façade improvements, pedestrian amenities, and loans or grants to make development more feasible in difficult locations.

An area can qualify for Urban Renewal if at least part of the specified area meets the definition of blight. Broadly defined, blight can include such commonplace factors as inadequacy of streets, irregularity of plots, and diversity of land ownership.

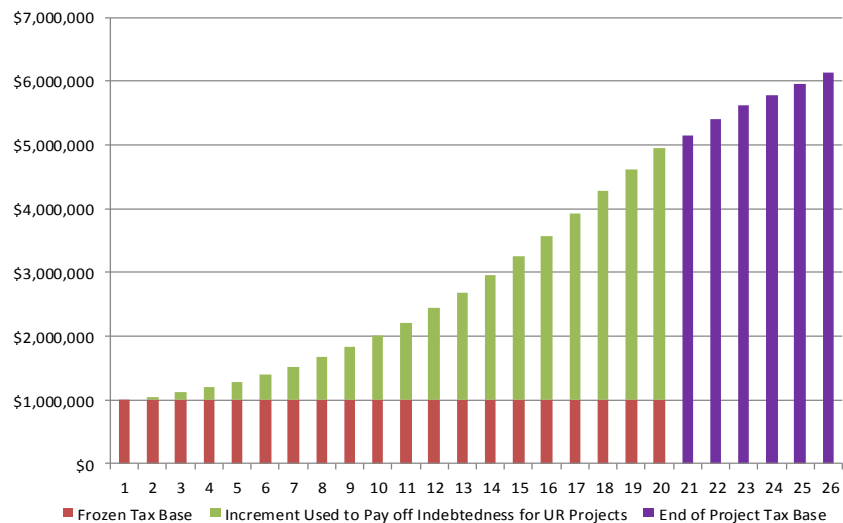
HOW ARE URBAN RENEWAL AREAS FUNDED?

Important to note, **the impact on schools is indirect as schools are funded through a separate state school fund on a per pupil basis.**

Rather, Urban Renewal uses tax increment financing (TIF) to fund projects. This means that the existing tax base for the Urban Renewal Area is frozen for their current uses during the designated period (usually between 20-25 years). Then, as projects are completed thereby increasing the tax base, the additional tax revenues are used to pay off bonds taken to finance the projects. At the end of the URA period, ALL of the tax revenue can then be used as normal. See the chart below for an example of how this works.

If the URA is more successful than projected, **parcels can be returned to general tax rolls BEFORE the URA period is complete.** See the reverse of this flyer for example of a district that has returned value and an example of a district with successful projects.

Tax Base and Tax Increment Financing Example



CLACKAMAS TOWN CENTER

Overview: The Clackamas Town Center area is the region's fastest growing business center. In the last 25 years many high quality office, retail and multifamily projects have been built. Long-term success depends on achieving a balance of access and amenities that attract residents.

Area: Approximately 819 acres of land in the north part of unincorporated Clackamas County between the cities of Milwaukie and Happy Valley.

Maximum Indebtedness: Created in 1980 it had a Maximum Indebtedness of \$177 million.

Assessed Value: \$706 million in 2014, up from \$32 million in 1980. Approximately \$90 million of incremental assessed value returned to the tax rolls in 1987 and another \$48 million in 2005. An additional \$704 million returned in 2013 when the levy was terminated.

Key Projects: Sunnyside Road capacity improvements, I-205 Light Rail, Residential and Commercial development projects, Land acquisition and other support for community facilities including fire, public safety, affordable housing, community college, and library projects.



LAKE OSWEGO

Overview: The East End Redevelopment Plan used Urban Renewal to catalyze and support the redevelopment of the East End commercial area of Lake Oswego in order to create pride in the area, enhance shopping services, utilize the unique physical characteristics of the area, and improve the tax base of the entire city.

Area: Approximately 168 acres encompassing the heart of downtown Lake Oswego.

Maximum Indebtedness: Created in 1986 it had a Maximum Indebtedness of \$59 million.

Assessed Value: \$211 million by 2014, up from \$45.8 million. The incremental property tax through 2014 was \$11.6 million.

Key Projects: Streetscape improvements and utility undergrounding for State Street, A Avenue, First Street, Fifth Street, and others, Downtown Façade Improvement Grant program, Land acquisition for downtown mixed use redevelopment projects, Millennium Plaza Park, and Sundeleaf Plaza.



MORE INFORMATION

For more information about Clackamas County Renewal Districts visit <http://www.clackamas.us/development/urbanrenewal.html> or contact Alma Flores at floresa@MilwaukieOregon.gov or (503)-786-7652.

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