

Milwaukie Urban Renewal Advisory Committee Meeting 1



ECONNorthwest
ECONOMICS • FINANCE • PLANNING

Role of Committee



- Appointed by City Council
- Charge

Advisory Committee Meetings

Meeting	Date	Agenda
Advisory Committee 1	17-Feb	Urban Renewal 101/ CC direction/boundary
Advisory Committee 2	23-Mar	Goals and Objectives and Projects
Advisory Committee 3	20-Apr	Finance, timing, project prioritization
Advisory Committee 4	18-May	Review draft UR Plan and Report
Advisory Committee 5	31-May	if necessary

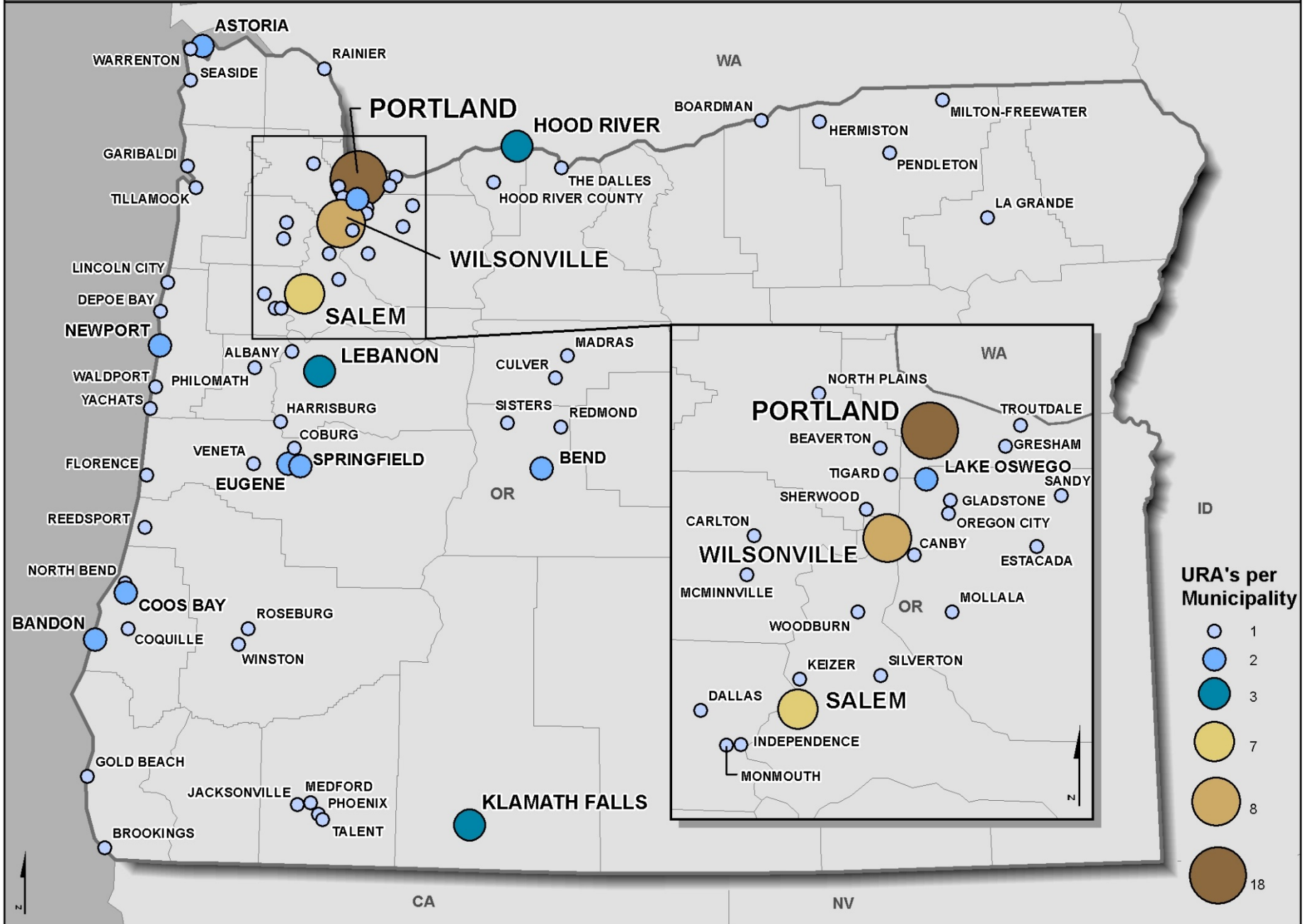
What is Urban Renewal?



- Program to address blighting influences in specifically designated areas
- Used throughout Oregon
- Provides Financing Mechanism to Implement City Plans:
Uses increases in Property Taxes to Fund
Projects in Area

Amount of spending in an urban renewal area is
Controlled by Maximum Indebtedness in each Plan

Cities with Urban Renewal



What is Blight?



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

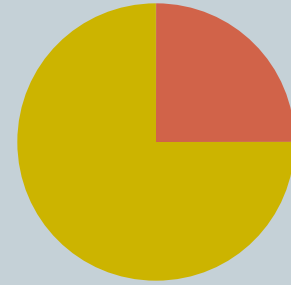


State Limitations on Urban Renewal



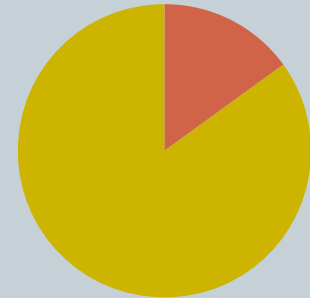
- **Population under 50,000**

- 25% of Assessed Value of Property in City
- 25% of Acreage of City



- **Population over 50,000**

- 15% of Assessed Value of Property in City
- 15% of Acreage of City



- **Existing Plan limitations:**

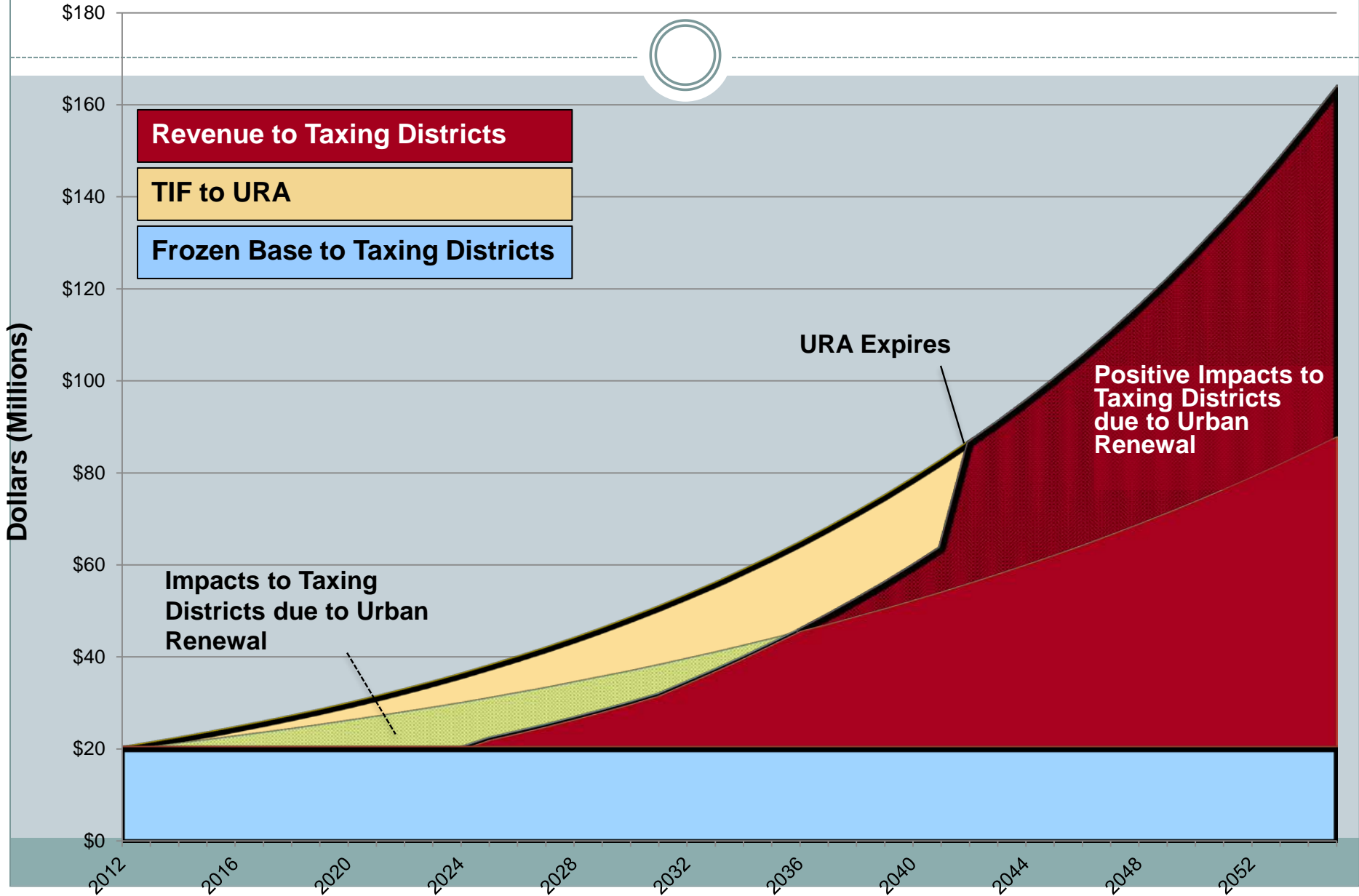
- Can not be increased in size by more than 20% of original Plan acreage
- Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing

How Does Financing in Urban Renewal Work?



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

How Urban Renewal Works



How Long Does Urban Renewal Last?



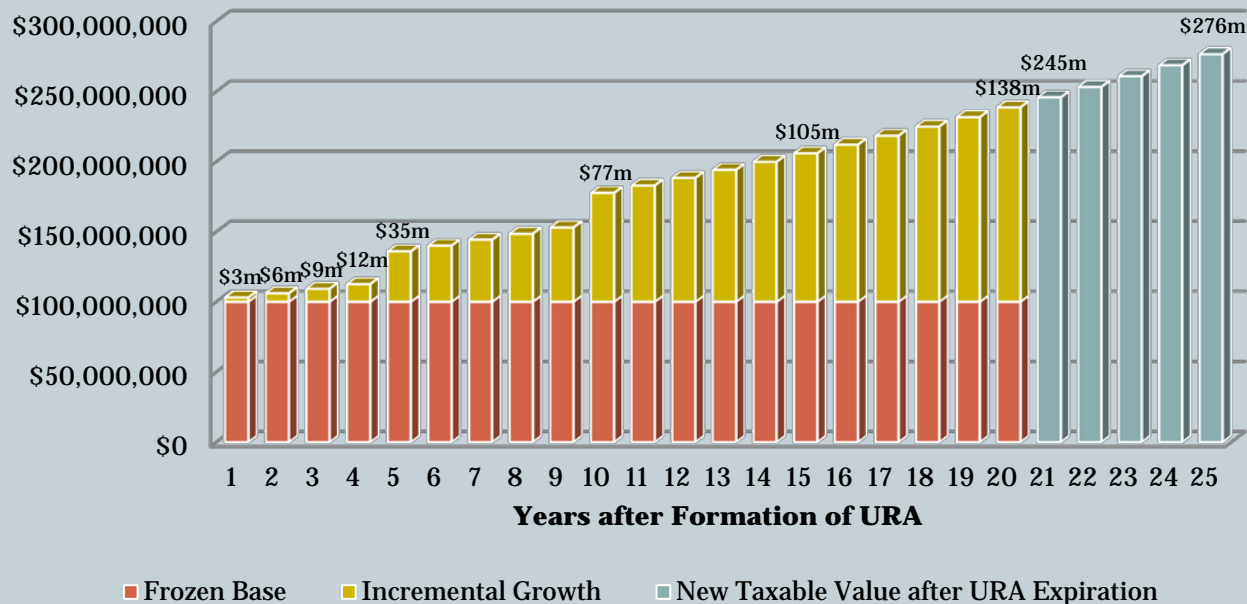
- Typical for 20 to 30 year period to invest in projects
- May last a few years longer to pay off the debt
- Time period is not a requirement

What Happens After Urban Renewal?



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

Tax Base Through Life of URA



How Impacts are Calculated by Assessor



		2015	2016	2016
		Property Value	Property Value	Property Value
		\$100,000	\$103,000	\$103,000
District Name	Perm. Rates			
Clackamas County	2.4042	\$240.42	\$247.63	\$240.42
City of Milwaukie	4.0801	\$408.01	\$420.25	\$408.01
Clack County Fire Dist No. 1	2.4012	\$240.12	\$247.32	\$240.12
North Clackamas SD	4.8701	\$487.01	\$501.62	\$487.01
Clack ESD	0.3687	\$36.87	\$37.98	\$36.87
Clack Comm Coll	0.5582	\$55.82	\$57.49	\$55.82
Vector Control	0.0065	\$0.65	\$0.67	\$0.65
Co Library	0.3974	\$39.74	\$40.93	\$39.74
County 4-H	0.05	\$5.00	\$5.15	\$5.00
County Soil	0.05	\$5.00	\$5.15	\$5.00
Port of Portland	0.0701	\$7.01	\$7.22	\$7.01
Urban Renewal				\$45.77
Total	15.2565	\$1,525.65	\$1,571.42	\$1,571.42

Property Tax Bills



- Add all increases in Assessed Value in Area
- Distribute Amount to all Property Tax Bills in City
- Does Not Increase Tax Bills, Just Shows the Division of Taxes
- Bonds, Local Options

	Property Value	Property Value
	\$103,000	\$103,000
District Name		
Clackamas County	\$247.63	\$240.42
City of Milwaukie	\$420.25	\$408.01
Clack County Fire Dist No. 1	\$247.32	\$240.12
North Clackamas SD	\$501.62	\$487.01
Clack ESD	\$37.98	\$36.87
Clack Comm Coll	\$57.49	\$55.82
Vector Control	\$0.67	\$0.65
Co Library	\$40.93	\$39.74
County 4-H	\$5.15	\$5.00
County Soil	\$5.15	\$5.00
Port of Portland	\$7.22	\$7.01
Urban Renewal		\$45.77
Total	\$1,571.42	\$1,571.42

Impacts on Taxing Jurisdictions



Communication is Key

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

Timing



- Implement to take increment in FY 2017/18: Must be recorded and accepted by Assessor by December 31, 2016.

First Increment FY 17/18

December 31, 2016

First Increment FY 18/19



Frozen Base



If completed before October, 2015 uses AV from 2015/16 tax roll, based on values on Jan 1, 2015.

If completed after October, 2016 uses AV from 2016/17 tax roll, based on values on Jan 1, 2016.

Uses FY 2015/16 Tax Rolls

October 15, 2016

Uses FY 2016/17 Tax Rolls



How is a Plan Adopted?



Public

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

PC

- **Planning Commission Review**
- Conformance with Comprehensive Plan

CC

- Notice to all Citizens
- City Council Hearing/Ordinance adoption

What Types of Projects are Typically Completed?



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



Infrastructure



Redevelopment



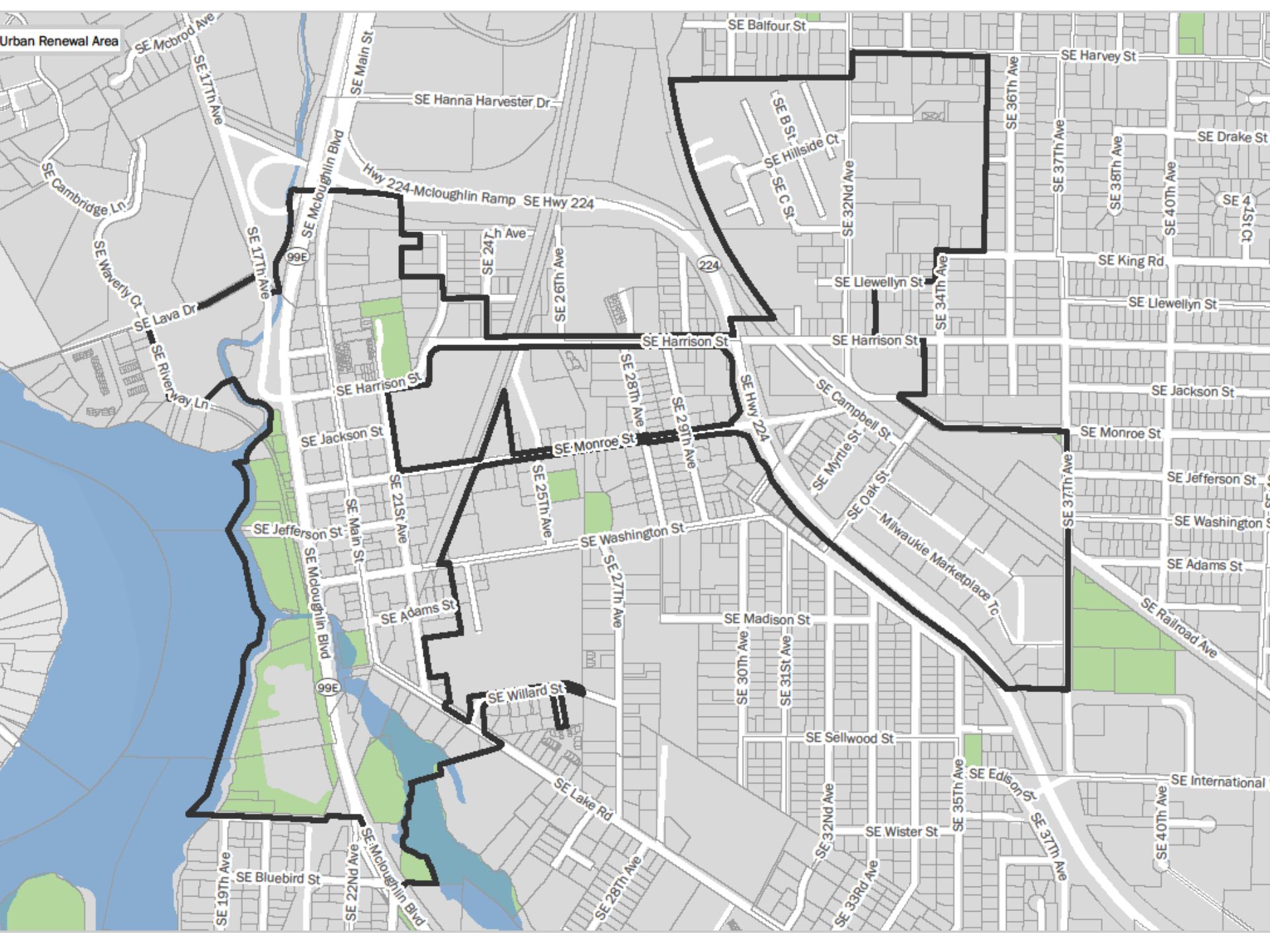
Historic building re-constructed in 1923, remodeled over 80 years later in 2006
Urban Renewal provided:

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

Leverage:

- SBA Loan
- State of Oregon (forgivable loan)

Urban Renewal Area



Next Meeting



March 23 - Goals/Objectives and Projects

