



The Central Beaverton Urban Renewal Plan Frequently Asked Questions

What is urban renewal?

Urban renewal is a program to help Oregon cities and counties renew areas within their boundaries. Urban renewal and tax increment financing are ways for local governments to focus investments on a particular area in order to bring about public and private improvements. The public improvements may include infrastructure such as streets, roadway improvements, sidewalks, utilities, public spaces, or plazas. These improvements would address declining areas, provide incentives to attract private business and housing, build streets and utilities, address traffic flow and public safety, and support private investment in the area.

How does urban renewal work?

Within an urban renewal area, the assessed value of property within that defined area is split into two categories: the current value and the future additional value that would potentially result from improvements. Property taxes on the difference between current and future value is the amount of funding that would be available to the Beaverton Urban Redevelopment Agency (BURA) to finance identified public improvement projects. Once an area is redeveloped, properties within the area typically generate more in property taxes.

What is BURA?

BURA is the City of Beaverton's urban redevelopment agency. It consists of the City Council, the Mayor, and three at large members. Currently, the at-large members are Jerry Jones, Jr., Doug Menke, and Jim McCreight, with Jerry Jones, Jr., serving as Chair of the Board.

How is urban renewal funded?

Investments can attract private development to the urban renewal district, BURA then uses increased tax revenue from increased property values in the district area to pay off bonds sold to finance public investment in the area. This is called tax increment financing.

Where is Beaverton's urban renewal district?

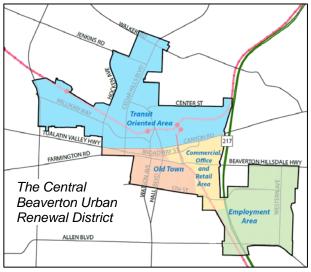
The Central Beaverton Urban Renewal Area encompasses areas near transit stations, historic Old Town, the central Beaverton office and commercial area, and the employment area east of Highway 217. The area includes three MAX stations and a WES commuter rail station.

Why was this area selected?

Conditions in the district meet the definition of blight as contained in ORS 457:

- Structures are obsolete for temporary commercial, mixed use, and industrial uses due to inadequate interior arrangement or size;
- Some platted properties and lots prevent the use or redevelopment in accordance with local land use policies;
- ent the use ocal land
- Inadequate transportation facilities, public spaces, and utilities;
- Underutilized commercial, industrial, and mixed-use properties; and properties subject to inundation by water.

Source: ORS 457



How was the concept of the urban renewal realized for the City of Beaverton? How did the idea develop?

The 2008 urban renewal feasibility study found the proposed Central Beaverton Urban Renewal Area to be distressed. The City worked with a citizen advisory committee to develop the Urban Renewal Plan to address these issues within the area.

What kinds of projects are proposed for Beaverton's urban renewal area as stated in the Central Beaverton Urban Renewal Plan?

The urban renewal projects proposed for the area include:

- **Development loans and grants** to reduce the costs and risks of developing within the area so that the area attracts rehabilitation, preservation, redevelopment, and new development that align with existing City policies and plans.
- Public/Private Partnerships to encourage a broad mix of uses within the area (housing, commercial, office, and transit-oriented development), spur development on specific parcels, and increase capacity for jobs in industrial areas.
- Gateways and Streetscapes to provide district identity and increase the efficiency and safety of traffic, pedestrian and cyclist circulation.
- **Creek Enhancements** to provide green space, reduce the flooding risk of nearby properties, and a transportation facility for pedestrians and cyclists.
- **Increased Street Connections** to reduce congestion, enhance travel options, and ease passage for emergency/safety vehicles.
- Sidewalk Infill, where missing, to improve safety for pedestrians and increase activity levels.
- Parking Structures to support the sustainable use of land and support the business community
- **Utility Upgrades** to create an environment conducive to investment.

How much debt would the Beaverton Urban Redevelopment Agency (BURA) incur as a result of urban renewal?

The urban renewal plan would establish up to \$150 million as the maximum indebtedness that may be incurred under the plan over a 30-year period. Under the laws that allow creation of Urban Renewal Agencies, those agencies have no authority to raise taxes (ORS 457).

What would happen over the course of the next 30 years?

Over the next 30 years, a series of bonds would be sold to fund designated projects. As the plan progresses, the area would see new streetscape projects, pedestrian amenities, incentive programs aimed at encouraging new investment within the area. Using tax increment financing (explained above), the bonds would be paid back with revenue from the designated area, if property values increase within the designated area.

Would the urban renewal plan be extended should its goals not be met?

According to the Urban Renewal Plan and the City's Charter, in order to be extended after 30 years, an amendment to the urban renewal plan would need to be referred to voters.

Would urban renewal be a new tax?

No. The formation of an urban renewal area and sale of urban renewal bonds would not be a new tax. By law, the urban renewal agency itself cannot impose any new taxes. The urban renewal agency would sell bonds that finance the agency's investments. The bonds would be repaid from property taxes generated by the predicted increase in value of properties within the proposed urban renewal area.

The Oregon Constitution regulates the value of property for tax purposes (the "assessed value") are the same regardless of whether or not urban renewal is enacted. Specifically, Article 11, Section 11 of the State Constitution (b) limits the growth in the assessed value to three percent per year, unless a property owner constructs a major redevelopment or remodel/reuse of their property. For property within the urban renewal area, the "market value" of the property (what someone might pay to purchase the property) may increase as public improvements are made in the area.

Would urban renewal mean that there would be less money for special districts like the school district, park district and fire district?

Under the State's School Financing Statutes (ORS Chapter 327), according to a white paper prepared by ECONorthwest, in the case of Beaverton School District, tax increment financing has negligible impact on the total amount of funding received by the District. Property taxes allocated to schools, the city and other special districts are limited to the 2011 property value within the urban renewal area.

The urban renewal plan itself would not affect the level and rates of taxes, according to the Urban Renewal Plan. Only property tax proceeds resulting from the increase in property values (the tax increment) are used for urban renewal. However, special districts, the city and county do not collect the additional taxes on increased property values, so there would be a constant base level of funding for the districts, the city and county regardless of increasing property values. In Beaverton's Urban Renewal Plan, the division of taxes would conclude after 30 years and the Washington County Office of Assessment and Taxation would return the full value to the regular tax base, including special districts.

What other funding sources are available?

Public infrastructure can be paid for through local, state and federal grants, systems development charges, transportation impact fees, local option levies or general obligation bonds, private investments and donations and City general fund allocations. According to the City's projected Capital Improvements Plan and the Metro Transportation Improvement Plan, funding has not kept pace with demand for transportation and other infrastructure projects.

Has Beaverton used urban renewal before? What did it accomplish?

The last urban renewal plan for the City was enacted in 1972. This 1972 plan focused on the creation of new street connections (such as the Hall/Watson couplet), parking lots, and an interconnected traffic signal system within the urban renewal area. A full list of the projects can be found at *BeavertonOregon.gov/BURA*

What are some other examples of urban renewal initiatives in other cities?

There are more than 100 urban renewal plans in Oregon scattered among more than 40 cities and counties. (Oregon Department of Revenue) Eleven of 25 cities in the Portland metropolitan region have used urban renewal to make public improvements. (Metro Financial Toolkit)

Are urban renewal areas limited by state and local law?

Yes. Oregon law (ORS 457) limits tax increment financing methods to the urban renewal area in the following ways:

- The funds cannot be used to fund social programs or wage and income support.
- Urban renewal cannot be used to condemn private property for private development.
- By law the urban renewal area, for cities of Beaverton's size, can be no larger than 15 percent of a city's total area or assessed valuation.
- The urban renewal area cannot be expanded by more than one percent, or additions made, without new voter approval under the City charter amendment approved by voters in 2008.

How will citizens be engaged, informed, and participate in the decision making process?

The Urban Renewal Advisory Committee (URAC) is comprised of representatives of a diverse array of stakeholder groups. At URAC meetings, members of the public are able to comment on matters relating to urban renewal for committee consideration. Also, members of the public may comment at the Beaverton Urban Redevelopment Agency meetings.

Who can be contacted for more information?

Call the Urban Renewal Message Line at 503-526-2521.

Email the Urban Renewal mailbox at urbanrenewal@BeavertonOregon.gov
Visit the website at www.BeavertonOregon.gov/bura