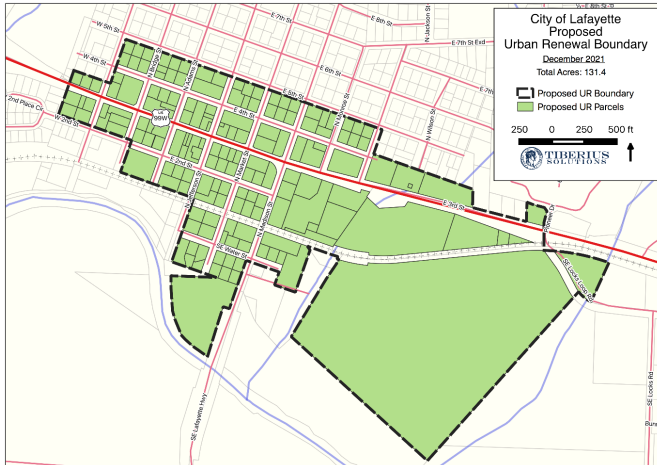


What is happening now?

The City of Lafayette is considering the adoption of an urban renewal plan for financing projects in the urban renewal area which encompasses the commercial area of Lafayette and a vacant undeveloped parcel at the east end of the city. The proposed area is shown below.



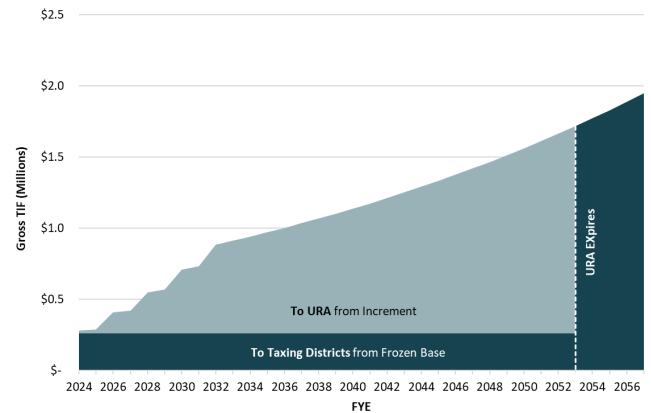
What is Urban Renewal?

Urban renewal is a program authorized under state law and implemented locally that allows for the concentrated use of property tax revenues to upgrade certain designated areas of a city. It is not a new tax or an increase in taxes. These urban renewal areas are called “blighted” by state statute and typically contain sections of a city that are underdeveloped, have infrastructure needs and are not contributing fully to the local economy.

How does Tax Increment Financing Work?

While urban renewal itself does not increase property tax rates, it does function on the increases in property tax revenues from year-to-year. An individual property taxpayer’s property taxes may increase for two reasons, one, the assessor can increase property values at a rate of 3% per year and does so in most cases, and, two, if a substantial renovation is completed on a property resulting in increased assessed valuation.

When an urban renewal area is created, the property tax revenue from that area is diverted into two revenue streams. The first stream is what is called “the frozen base”. The frozen base is the property tax revenue from the total assessed value of the urban renewal area from the year the urban renewal area was formed.



The frozen base revenue stream continues to go to the regular taxing jurisdictions, such as the city and the county. The second revenue stream is any increase over the frozen base which is called “the increment”. The increment represents the basis for tax increment financing and is any increase in property tax revenues above the frozen base. The second revenue stream goes to the urban renewal agency for use on projects, programs, and administration.

How Does Tax Increment Financing Affect Property Taxpayers?

Property taxpayers will **not** see an increase in property taxes as a direct result of a new urban renewal area or an amendment to an urban renewal plan. The allocation of revenues received from a property taxpayer’s payment is changed as a portion of that payment would go to the new urban renewal area. This is called “division of taxes” and is the administrative way that assessors must calculate the urban renewal revenue.

When an urban renewal area is adopted in a city, all property taxpayers see a line item on the property tax bills that shows a division of taxes for urban renewal. This is a result of the property tax limitations in

Oregon. Again, this is not an increase in property taxes, merely a division of taxes already paid. Since urban renewal already exists in Lafayette, all property owners in Lafayette already see this line item on their property tax bills. Again, this does not mean that you pay additional taxes, but is a division of taxes already paid.

Who Administers an Urban Renewal Program?

The Lafayette Urban renewal Agency administers an urban renewal program. The Lafayette Urban Renewal Agency board members are the Mayor and City Council.

How Does Tax Increment Financing Affect Overlapping Taxing Districts?

Taxing jurisdictions gain revenues through the collection of property taxes. During the use of tax increment financing, the permanent rate property taxes on the **growth** in assessed value in the urban renewal area are allocated to the Lafayette Development Commission and not the individual taxing districts. The taxing districts are still able to collect the property tax revenues from the assessed value of the frozen base but increases in revenues allocated to the Urban Renewal Agency for use within the urban renewal area. In many urban renewal areas, that growth from new investment would not have occurred but for the use of urban renewal which has completed projects to stimulate the growth.

The impact on schools and education service districts is indirect, as they are funded through a state allocation based on per pupil counts. Property taxes fund a portion of the State School Fund, but not all of it. Your local schools do not lose funding due to urban renewal in your community.

Once an urban renewal area is terminated, there generally will be an increase in property tax revenues to all taxing jurisdictions. This increase of property tax revenue is a result of the ability to concentrate funding

in a specific area, encouraging the area to develop properly.

What Projects are being Considered?

The projects included in the urban renewal plan have been identified to both improve the downtown area, address transportation issues within the urban renewal area and provide infrastructure needed to allow for future growth within the area. The specific project categories are:

Business Development Assistance: technical assistance, incentives for eliminating blight grant and loan programs for storefront/façade improvements and capital improvements, land acquisition from willing sellers.

Housing Conditions: Blight removal
City Identity: signage, streetscape, street trees, furniture, lighting, pedestrian safety, connections to Terry Park, overall park improvements

Infrastructure: upgrade water, sewer, storm infrastructure, extend the lines to unserved properties, provide public restrooms, improve parking conditions, improve side streets, bury overhead utility lines.

Development/redevelopment: Acquire buildings from willing sellers and improve the site for re-use either through rehabilitation or clearance and remediation.

Administration and Planning: Expenditures for administrative costs.

How Can You Provide Input?

There is a City Council meeting on August 4 at 6:30 pm at city hall where you can provide input.

You may also provide input by contacting:

Kevin Perkins, Assistant City Administrator 503-864-2451 ext. 207 or kevinp@ci.lafayette.or.us

Updates on the proposed Plan will be posted to the City of Lafayette website at www.ci.lafayette.or.us/URA

