

W. 7.b.

MEMORANDUM

To: Board of Commissioners
From: Jim Gangle, Assessor
Date: January 28, 2004
Re: Urban Renewal – Riverfront Research Park

From a property tax perspective, there are two significant effects on the creation or expansion of an urban renewal plan on Lane County's property tax revenue.

First, Lane County will forgo any increase in revenue that would have been created as a result of the increase in value within the plan area. This includes:

- The 3% growth in value under Measure 50.
- New construction value under Measure 50.
- The value of property removed from exemption.

Second, taxes collected in the plan area are subject to the Measure 5 limitation. There is little or no compression at this time, so this is a potential issue.

- Urban Renewal tax collected from education is compressed under the government limitation.
- Taxes levied for government are compressed under Measure 5.

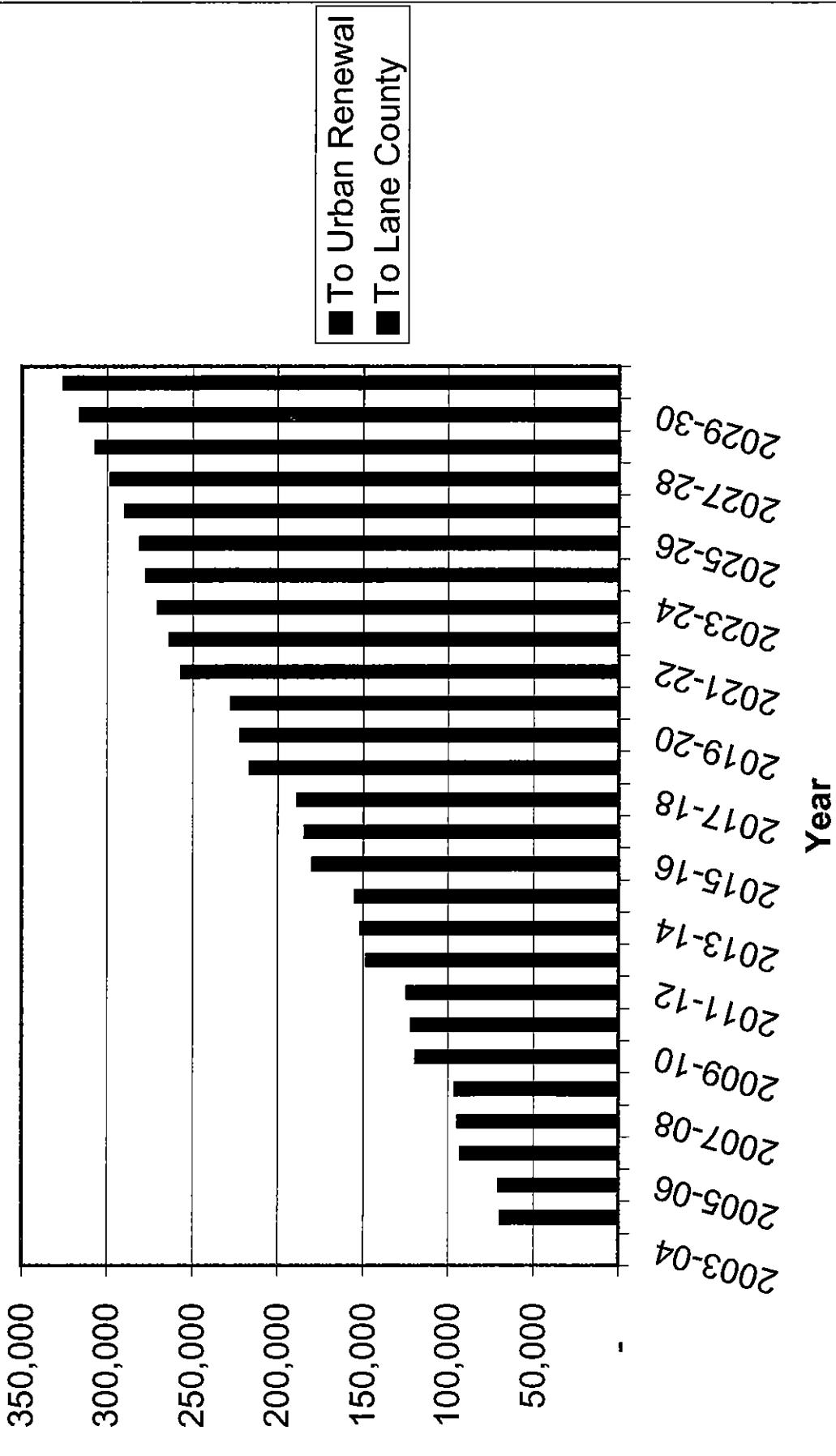
In addition, bond levies also contribute to urban renewal and the amounts collected are increased to cover both the amount requested for the bond levy and the amount for the urban renewal increment.

The attached chart illustrates the effect of the expansion of the plan area on Lane County revenue. Between 2003 and 2024 Lane County would receive approximately \$32,000 on the frozen base value of the area. Based on projections of value contained in the RIVERFRONT URBAN RENEWAL DISTRICT REPORT, pages 19 to 21, the current year's Lane County billing rate, and a 93% collection rate Lane County would forego revenue per annum ranging approximately from \$33,000 in 2004 to 241,000 in 2024. If the plan area were to dissolve in 2024, Lane County would begin in 2025 to receive the revenue created by the urban renewal value plus any increases in assessed value.

Another attachment, "Effect of Urban Renewal on Lane County – 2003-04," shows the approximate effect on urban renewal on Lane County this past year.

The attachment labeled "TABLE 4f -- SUMMARY OF URBAN RENEWAL REVENUE" a breakdown of the revenue the various urban renewal agencies received in 2003-04.

Lane County Share of Property Tax



Effect of Urban Renewal on Lane County -- 2003-04

	Agency and Plan Area	Eugene Downtown	Eugene Riverfront	Coburg Industrial Area	Row River Urban Renewal	Veneta Urban Renewal Downtown
Urban Renewal From Lane County's Permanent Rate						
This is revenue that Lane County loses.						
Plan Area Current Value	154,185,684	51,430,285	35,895,138	42,718,771	31,522,326	279,857,066
Plan Area Frozen Value	31,386,991	25,259,985	15,462,696	7,641,993	7,028,892	71,317,861
Excess Value	122,798,693	26,170,300	20,432,442	35,076,778	24,493,434	208,539,205
To Lane County	40,726	32,356	19,665	9,734	8,934	111,415
To Urban Renewal	155,244	33,262	25,970	44,583	31,131	290,190
Total	195,970	65,619	45,635	54,317	40,065	401,605

Urban Renewal From Bonds

Lane County does not loose this, but taxpayers pick up.

To Urban Renewal

These numbers are approximate.

34,691

3,803

5,421

3,569

3,162

18,736

TABLE 4f -- SUMMARY OF URBAN RENEWAL REVENUE

Tax Year 2003-04

Agency Name: Eugene Urban Renewal Agency								
At which point were division of tax rates truncated? Each levy separately								
1 Plan Name	2 Total Amount to be Raised from UR Division of Tax	3 Total UR Division of Tax Truncation Loss	4 Total Gain/Loss from Extension of UR Div. of Tax	5 Total UR Div. of Tax Compression Loss	6 UR Revenue from Division of Tax	7 Revenue from Special Levies (Table 4a, line/column 39)	8 Total Revenue (column 6 plus column 7)	9 Percentage Schedule (Optional, see instructions)
Downtown	2,033,782.68	4,724.74	2,033,782.68	0.00	1,041.39	2,032,741.29	1,796,899.23	3,829,640.52
Riverfront	482,611.22	5,642.83	482,611.22	0.00	404.90	482,206.32	-	482,206.32
							-	-
							-	-
							-	-
Agency Total:	2,514,947.61		1,796,899.23				4,311,846.84	

Agency Name: Cottage Grove Urban Renewal Agency								
At which point were division of tax rates truncated? Each levy separately								
1 Plan Name	2 Total Amount to be Raised from UR Division of Tax	3 Total UR Division of Tax Truncation Loss	4 Total Gain/Loss from Extension of UR Div. of Tax	5 Total UR Div. of Tax Compression Loss	6 UR Revenue from Division of Tax	7 Revenue from Special Levies (Table 4a, line/column 39)	8 Total Revenue (column 6 plus column 7)	9 Percentage Schedule (Optional, see instructions)
Row River	574,284.63	222.84	574,264.63	0.00	23.29	574,241.34	-	574,241.34
							-	-
							-	-
Agency Total:	574,241.34		-				574,241.34	

Agency Name: Coburg Urban Renewal Agency								
At which point were division of tax rates truncated? Each levy separately								
1 Plan Name	2 Total Amount to be Raised from UR Division of Tax	3 Total UR Division of Tax Truncation Loss	4 Total Gain/Loss from Extension of UR Div. of Tax	5 Total UR Div. of Tax Compression Loss	6 UR Revenue from Division of Tax	7 Revenue from Special Levies (Table 4a, line/column 39)	8 Total Revenue (column 6 plus column 7)	9 Percentage Schedule (Optional, see instructions)
Coburg Industrial Area	313,408.91	92.16	313,408.91	0.00	0.22	313,408.69	-	313,408.69
							-	-
							-	-
Agency Total:	313,408.69		-				313,408.69	

Agency Name: Veneta Urban Renewal Agency								
At which point were division of tax rates truncated? Each levy separately								
1 Plan Name	2 Total Amount to be Raised from UR Division of Tax	3 Total UR Division of Tax Truncation Loss	4 Total Gain/Loss from Extension of UR Div. of Tax	5 Total UR Div. of Tax Compression Loss	6 UR Revenue from Division of Tax	7 Revenue from Special Levies (Table 4a, line/column 39)	8 Total Revenue (column 6 plus column 7)	9 Percentage Schedule (Optional, see instructions)
Veneta Urban Renewal - Downtown	458,353.81	58.00	458,353.81	0.00	11,508.18	446,845.63	-	446,845.63
							-	-
							-	-
Agency Total:	446,845.63		-				446,845.63	