



Association of Oregon Redevelopment Agencies

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March 29, 2011

Senator Lee Beyer
Chairman
Senate Business and Transportation and Economic Development Committee
900 Court St. NE - Room 453
Salem, OR 97301

Regarding: SB 904 – Funding Rural Airport
Infrastructure and Services

Chair Beyer, and Members of the Committee

The Association of Oregon Redevelopment Agencies (AORA) is a statewide association of urban renewal agencies supporting development and redevelopment to enhance the economic health of communities throughout the state.

We have reviewed SB 904 establishing a state-supervised mechanism to fund infrastructure and services at the state's rural airports. The bill uses certain terms that have been long associated with urban renewal programs adopted pursuant to ORS chapter 457, specifically the terms "tax increment financing" and "tax increment districts." SB 904 may be viewed as an urban renewal bill that seeks to expand urban renewal powers to support airport improvements and services, but without the checks and balances that have evolved in ORS Chapter 457.

Based on a unique collaboration among urban renewal stakeholders that occurred during the 2009 session, we must oppose the bill. With encouragement and from the legislative leadership, we worked together in support of the value of urban renewal districts, but also in recognition of the need to add property value to the tax rolls in order to provide funding for services provided by the taxing districts. After a year-long process and emersion into the specifics of urban renewal, the result was the passage of a landmark piece of legislation- HB 3056.

In addition, the collaborative partners made written commitments to cooperate and communicate on future issues relating to urban renewal districts and tax increment financing. In fact, they established an Oversight Committee just for that purpose. The group further agreed that it was appropriate to allow time for the affected jurisdictions to gain experience with the significant provisions of HB 3056 before additional changes were made to urban renewal statutes. We all agreed to indicate our opposition to urban renewal legislation proposed before 2017. AORA supports that understanding, and respectfully requests that SB 904 not move forward.