

## **How Urban Renewal Will Help Restore Talent And Address Affordable Housing, Small Businesses, Fire Preparedness, and More**

### **Why is Talent considering an Urban Renewal plan?**

- Talent lost 1/3 of our housing in the Almeda fire, including much of our more affordable housing.
- We lost 60% of our businesses.
- Firefighters were needed to respond to the Fire immediately, but Talent quickly learned that it did not have the fire-resistant infrastructure or buildings required to protect itself from the disasters. Firefighters also quickly found that they didn't have the water they needed to fight the fire because the underlying infrastructure that brought water to Talent was not disaster-resistant.
- Many residents who had to flee had no idea where to go because there weren't clear evacuation systems in place.
- Talent has blighted areas that overlap with the burn scar area of the Almeda Fire.

### **What would the Urban Renewal plan do?**

After the Fire, hundreds of people turned out to meet with our elected officials for a town hall meeting. Speaker after speaker made it clear that our priority must be to restore our community, bring all our families home, and maintain our community's diversity.

Talent's elected leaders are still seeking public input to shape the Urban Renewal Plan, but initial proposals are to use urban renewal to help improve blighted areas of Talent through launching the following projects and programs:

- **Affordable housing.** The Urban Renewal plan can generate funding, without increasing tax rates, to develop new housing stock for lower-income households, acquire land for housing development, develop a purchase program to assist families who otherwise couldn't afford it, promote energy efficiency and renewable energy, and other innovative strategies.
- **Small businesses.** Urban Renewal can help bring back small businesses by such strategies as developing incubator hubs for small business startup and growth, recruiting new small businesses into the community, providing support for workforce training, and supporting diversity, equity, and inclusion in business assistance.
- **Fire prevention and emergency preparedness.** Urban Renewal can provide funding for addressing fire prevention and preparedness on the front end. It can help restore our infrastructure and our buildings in ways that are more fire-resistant, meeting a need that is not part of the responsibility or budget of the Fire District. It can also work with other agencies to improve disaster preparedness, signage, wayfinding, routing, and hubs to go to in emergencies.
- **Strengthening our community.** Urban Renewal can generate funding to improve walkability to schools, connections to the Highway 99 corridor and greenway, our parks, public art, and much more.

**What are Urban Renewal plans supposed to be for, according to state law?**

State law authorizes a city to adopt an Urban Renewal plan for up to 30 years to address “blight” or when “an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe.”

**How do Urban Renewal plans work?**

Like other cities that use this tool, an Urban Renewal plan will allow the Agency to borrow money to invest in restoring our community in the burn zone without raising tax rates on residents.

With the help of this investment, the future increase in property tax revenue from the burn zone that results from the improvements will go back to the City of Talent – along with other agencies like Jackson County, the Library District, the Fire District, or the Rogue Valley Transportation District. Once the plan expires, all taxing districts, including the City of Talent, resume receiving their normal share of property taxes within the community with higher tax revenue due to the strategic investment that occurred during the plan period.

**Has Talent had an Urban Renewal plan before?**

Yes, for the past 30 years. What our elected leaders are now proposing is to establish a new one.

Before the first Urban Renewal plan, Talent Avenue and Main Street were dirt paths into town. The Talent Urban Renewal Agency (TURA) built streets, planted trees, and put lighting leading into the downtown area. It built infrastructure to attract small businesses downtown and new neighborhoods we see today. It helped the Camelot Theatre move and added to a vibrant downtown before the Fire. It built City Hall and a park.

When catastrophe struck, we were lucky that TURA owned the Gateway property. Although it took time, the Agency raised the money for emergency transitional housing to bring families back to their school district and set the stage for permanently affordable housing on the Gateway Site.

**Do other cities routinely use Urban Renewal to put local revenue to work for needed improvements without raising tax rates?**

Yes. Medford, Phoenix, Jacksonville, and Central Point are among the more than 75 cities in Oregon that have used this tool, and Jackson County, itself, operated an Urban Renewal Plan for White City. Jackson County also donated county land and structures to Jacksonville’s plan to promote “preservation and enhancement of the historic integrity and character” of the town.

**When cities set up an Urban Renewal District, how much impact does that have on revenue growth for other agencies?**

The adoption of a new work plan doesn’t impact the school district, whose total budget is administered by the state.

Final figures will be available soon, but it is estimated that it would impact the growth in Fire District revenue by less than 3.5%. But the Urban Renewal plan itself can improve fire

prevention and preparedness on the front end – something the Fire District cannot and does not do.

The impact on revenue growth would be below 1% for Jackson County, the Library District, and Rogue Valley Transportation District (RVTD). Meanwhile, Jackson County reported last year that it has reserve funds of at least \$190 million.

Our experienced urban renewal and financial consultant team continues to work with taxing district data as the work plan is being developed. These impacts **only** detail the impact on property tax revenue to partner taxing districts. Most taxing districts have other sources of revenue that would lessen these already-minor impacts. Additionally, these estimated impacts are **limited by statute** as the total maximum indebtedness (total amount of tax dollars that may be spent on the projects, programs, and administration in an urban renewal area) is set out within the original work plan.

**Why is the impact on other agencies' revenue growth so small?**

First of all, Talent is a tiny part of those county-wide districts, and the Fire District also covers much more than the City of Talent. Meanwhile, tax revenue to other taxing districts across the remaining portion of Talent – the most valuable part – will not be affected at all by this new, proposed work plan. For the 25% outside the blighted, burn scar area, all other agencies, including the Fire District, will continue to receive the tax revenue they receive now. They won't get the **extra** revenue growth from Urban Renewal investments by Talent until the work plan expires, after Talent has invested money into these areas to help them grow and prosper.

Remember, there are currently no buildings on the majority of properties within the proposed work plan area. Our commercial corridor and downtown that overlaps the burn scar area have been heavily impacted by the devastating effects of the Almeda Fire, with many business owners uncertain about rebuilding. Urban renewal can help provide businesses and property owners with the tools and financing necessary to help rebuild and establish a stronger tax base for partner taxing districts. Other taxing districts simply cannot provide this assistance. We can.

**Since lots of cities in the Rogue Valley have Urban Renewal plans, do agencies like the Fire District routinely take Urban Renewal plans into account when they make their budgets?**

Of course. Other agencies know that Urban Renewal plans are a standard tool for local cities, so they accordingly adopt their budgets. For example, Fire District 5's current budget says explicitly, beginning on page 8, that it takes into account the revenue growth it won't receive because Phoenix has an Urban Renewal plan.

When Talent's first Urban Renewal plan was established in 1991, other agencies incorrectly predicted that their services would suffer. But when that plan was in effect, the Fire District built its new facility along 99, Talent got its brand new library, and RVTD expanded its services, amongst other improvements and infrastructure being delivered to the Talent Community.

Simply, the strength of these other public services is determined by many other factors and not by a small, temporary reduction in revenue growth from a small portion of Talent. All agencies ultimately benefit when a community like Talent is stronger and receives additional tax revenue from the increase in value surrounding the work plan area.

**Did the Fire District receive state money to rebuild after the fire?**

Yes, the Mail Tribune reported on July 12, 2021, that the state was paying to repair the main fire station in Talent, build a new one in Phoenix, and remodel the one at Neil Creek.

**What about the impact of Urban Renewal on the City of Talent's budget?**

The city budget itself will see a slight reduction in revenue growth. But at the same time, the Urban Renewal plan will be generating far more money to benefit our community, its infrastructure, and its long-term recovery. The city and its Urban Renewal Agency will partner together to help rebuild and restore our community. TURA will reimburse the city for any staff time or other expenses to carry out the Urban Renewal plan. All Talent residents will benefit from a plan that helps to keep our community affordable, brings back small businesses, improves fire prevention and preparedness, and strengthens our community in other ways.

**Who governs the Talent Urban Renewal Agency?**

The elected mayor and city council make up the TURA board. The agency seeks public comment through town halls, surveys, public comment, and other means just like the city does.

**Did Talent's elected leaders consider alternatives?**

Yes. Talent will continue to seek other funding from federal, state, or foundation sources. But even if obtained, those grants will never be large enough or last long enough to do everything needed to restore our community. Talent is open to working with all partner districts in building a community stronger together for the long-term prosperity of its residents. We look forward to hearing any specific suggestions on projects or programs within the burn scar area from our partner taxing districts that pave the way to realizing the Community's long-term recovery.

Urban Renewal will not solve all of Talent's problems, and some of its impacts will take time. But it is an essential tool and needs to be put in place as soon as possible.