

Tapes 135-136, (A\B)  
Public Hearing: HB 2609-A  
Work Session: HB 2609A, HB 2550A  
SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE  
May 1, 1991 1:00 PM Hearing Room A State Capitol Building  
Members Present: Senator Jane Cease, Chair  
Senator Joan Dukes, Vice-Chair  
Senator John Brenneman (departed 2:19)  
Senator Shirley Gold (arrived 2:05)  
Senator Ron Grensky  
Senator Bill McCoy  
Senator Tricia Smith (arrived 1:28)

Staff Present: Jim Scherzinger, Legislative Revenue Officer  
Mary Ann Zimmermann, Committee Assistant  
Witnesses Present: Larry Dully, Portland Development Commission  
Donald Davis, City Manager of Newport  
Stephen Rhodes, City Manager of Tualatin  
Gary Eide, City Manager of Salem  
Mary Tobias, Tualatin Valley Economic Development  
Corporation (TVEDC)  
David Lawrence, City of Hillsboro  
B.J. Smith, League of Oregon Cities LOC  
Ollie Norville, Attorney representing Portland  
Glenn Klein, Attorney representing Eugene  
TAPE 135. SIDE A

005 CHAIR CEASE called the meeting to order at 1:10 and conducted  
administrative business.  
PUBLIC HEARING - HB 2609-A  
030 LARRY DULLY read prepared testimony. EXHIBIT 1  
122 LARRY DULLY referred to Page 10, of EXHIBIT 1 depicting the net change  
in tax rate in Portland.  
128 LARRY DULLY presented a chart illustrating the urban renewal plan  
adoption and amendment process. Page 15, EXHIBIT 1.  
140 SEN. GRENSKY referred to the need of bonding authority without voter  
approval and asked for the cost to Portland for a plan amendment.  
152 LARRY DULLY responded the cost would be about \$40 thousand dollars per  
amendment. Discussion follows.

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meetings. Text enclosed in quotation marks reports the speakers exact  
words. For complete context of proceedings, please refer to the tape  
recording.

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162 CHAIR CEASE pointed out Section 5 of HB 2609A deals with the issue of  
plan amendment. Reference is made to Section 8.  
177 SEN. GRENSKY asked if there is an estimate on the cost of an election.  
Reference was made to the notification costs.  
194 SEN. MCCOY questioned the provision for housing of the homeless.  
199 LARRY DULLY responded with current programs in Portland dealing with  
the homeless issue.  
207 Discussion follows regarding the Albina Plan in Portland.  
226 SEN. BRENNEMAN supported the position on improving the notification  
procedure in HB 2609A and suggested the development of language changes in  
the bill.  
235 Discussion follows regarding the Oregon Convention Center Plan in  
Portland.  
330 DONALD DAVIS read prepared testimony. EXHIBIT 2

TAPE 136 SIDE A

000 DONALD DAVIS continued reading prepared testimony. EXHIBIT 2

021 SEN. DUKES asked if someone is suggesting to get rid of urban renewal districts.

025 DONALD DAVIS responded that Measure 5 has made an impact on urban renewal districts. Urban renewal will survive better in some cities than in others.

035 Discussion follows regarding the urban renewal districts.

060 SEN. SMITH questioned the implication that the local government must have an elected official serving as a overseer on the urban renewal agency since the current urban renewal system does work in Oregon.

084 DONALD DAVIS responded with a comparison of urban renewal and land use planning. Extensive notification is not necessary and discussion continued regarding the mandated elected official as stated in HB 2609A.

107 SEN. SMITH asked if the residents of Newport feel loss of control since the City Council is not the urban renewal agency.

112 DONALD DAVIS responded no and presented examples of the projects that have taken place in Newport.

127 STEPHEN RHODES read prepared testimony. EXHIBIT 3

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180 GARY EIDE presented and discussed written testimony.

EXHIBIT 4

340 SEN. SMITH asked for examples of what would be different in Salem if the requirements listed in HB 2609A had been in prior existence.

351 GARY EIDE responded the Salem Public Library would not have been built. Discussion follows regarding the public response to the expansion of the Public Library in Salem.

388 MARY TOBIAS presented a perspective of HB 2609A from the business community and the desire for Oregon to remain in a competitive job market and maintain the jobs that currently exist in Oregon. Reference is made to infrastructure.

TAPE 135 SIDE

B

000 MARY TOBIAS continued testifying in support of urban renewal.

055 MARY TOBIAS testified on the burden of attempting to notify every individual that will be impacted about urban renewal.

072 MARY TOBIAS urged support of HB 2609A with the suggested modifications.

080 DAVID LAWRENCE pointed out many changes have been brought about by the passage of Measure 5 and urged the committee not to create too many additional changes. Three areas affected by Measure 5 were discussed: 1) immediate return of values to the rolls; 2) the under levy; 3) having urban renewal show on the tax statement.

118 DAVID LAWRENCE continued addressing urban renewal with reference to notification and the capability of the public to cause an election.

140 DAVID LAWRENCE suggested four options for providing the notification aspect: 1) property owner notice; 2) utility billings; 3) electors list; 4) the postal patron mailing.

154 DAVID LAWRENCE suggested changing what is a "substantial amendment". The addition of a few acres is not a substantial change and should not require the notification process.

164 DAVID LAWRENCE urged the grandfathering of existing plans. The issue of an elected official on the board is addressed. Latitude will be necessary in interpreting Option 3 in HB 2609A. It was suggested to have the general

details be worked out by the Department of Revenue.

205 B.J. SMITH recapped issues of 1) how the constitutional authority for urban renewal and Measure 5 relate and 2) the general obligation bond is different from tax increment bonds.

218 CHAIR CEASE questioned the language in Section 8 "the notice of the hearing to each real property taxpayer of the municipality."

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227 B.J. SMITH responded with reference to where the notification should go and the final decision by the House Committee was to go to the real property owner but there was discussion regarding what method of notification would be used.

254 CHAIR CEASE felt the language refers to the taxpayer no matter where the owned property is located.

269 CHAIR CEASE questioned the new language on Section 2a, 2b and 3, Page 8 in HB 2609A.

278 B.J. SMITH responded that the language refers to making a distinction on public buildings based on whether the building primarily serves or benefits the urban renewal area. The cost to the urban renewal districts was addressed.

292 CHAIR CEASE asked if there is language that defines what "primarily serves or benefits" means.

298 OLLIE NORVILLE explained the wording refers to where or how the building would be used whether by the entire city or just the urban renewal district.

316 CHAIR CEASE asked if people attending the Civic Auditorium in Portland are part of the municipality or from outside the municipality.

332 OLLIE NORVILLE responded the Convention Center is an example of a building that serves the municipality as a whole rather than the members in the district.

346 JIM SCHERZINGER referred to confusion because under current law there are differences of opinion regarding whether the Convention Center would be considered eligible use. HB 2609A is placing a standard in which some people will think they can do more then intended while others would feel they can do less.

372 OLLIE NORVILLE addressed the serve and benefit standard.

377 B.J. SMITH referred to whether the public building issue was a restriction or an authority. The language in HB 2609A was drafted because of specific examples relating to urban renewal.

406 GLENN KLEIN referred to other provisions in HB 2609A relating to public buildings; Page 5, Line 21 requires a plan include an explanation of how the building serves or benefits the urban renewal area, and Page 6, Line 37 requires the ordinance include determinations and findings of how the public building benefits the area.

TAPE 136 SIDE

B

007 CHAIR CEASE questioned a "joint district" on Page 11, Line 44.

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011 JIM SCHERZINGER responded that a joint district is one that is in more than one county. Discussion follows regarding joint districts.

027 CHAIR CEASE questioned the clarity of what can and can not be paid for under bonds.

033 OLLIE NORVILLE responded bonded indebtedness is clearly addressed in statute. Reference is made to Section 9, Page 7 which lists the powers of an urban renewal agency.

051 JIM SCHERZINGER referred to ORS 457.180, Subsection 7 which gives a broad and unclear idea of what the authority is.

072 OLLIE NORVILLE presented the historical background of the drafting of the ORS Section which permitted an urban renewal agency to perform the functions permitted under the federal act.

084 CHAIR CEASE asked how far away from an elected official are some of the urban renewal bodies.

092 OLLIE NORVILLE responded that under current law three different entities can operate as an urban renewal agency: 1) City Council or County Commission, 2) the housing authority, or 3) an agency or commission appointed by the governing body. It was pointed out that about 90 percent of the urban renewal agencies are the City Council or County Commission and there are no known examples of the housing authority being the urban renewal agency.

113 CHAIR CEASE commented that placing HB 2609A back into HB 2550A does not look like a possibility.

127 CHAIR CEASE conducted administrative business and adjourned the meeting at 2:45.

Mary Ann Zimmermann, Committee Assistant

Kimberly Taylor, Office Manager

#### EXHIBIT SUMMARY

1. Written Testimony, Larry Dully, 5/1/91 - HB  
260 9A
2. Written Testimony, Donald Davis, 5/1/91 - HB  
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3. Written Testimony, Stephen Rhodes, 5/1/91 - HB  
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4. Written Testimony, Gary Eide, 5/1/91 - HB 2609A
5. Written Testimony, City of Keizer, 5/1/91 - HB  
260 9A

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