

April 15, 2025

To Committee Chair and Members,

Urban Renewal Financing, known as Tax Increment Financing, sounds complicated. It's available in rural and urban areas. It's not meant as a one size fits all funding mechanism. It's not political. As I look over the comments to this bill, there's one thing that stands out to me - there's a lot of misunderstanding about the subject. It's a tool for communities to use.

I've been involved in Urban Renewal Financing as an investment banker, board member of an economic development council in the county with the single largest power generating capacity in the entire nation, and as one of the top ten tax payers in that same county. Here's what I learned from those experiences, and in seeing the results of Urban Renewal Financing: improved jobs, prosperity, and quality of life in every circumstance.

There are three choices regarding property taxes: 1) they go up without expanding the tax base; 2) taxes are more stable by expanding the tax base; 3) the community withers and dies without a viable tax base. That's it. There are no other choices. Prosper, wither, or die.

Urban Renewal Financing is a solution for door #2. YOUR TAXES DO NOT GO UP. This is where the misunderstanding comes in. Let's see how it works in the real world.

There is no private entity that would have taken on the acquisition of Dammasch State Hospital for property development. It was essentially a city-within-a-city. Over many years it transformed into the vibrant community of Villebois, in Wilsonville. Totally unfeasible without Urban Renewal Financing. Now, it's a significant addition to Wilsonville's tax base - WITHOUT RAISING TAXES ON EXISTING TAXPAYERS - who lived or owned property in Wilsonville. I live in Wilsonville. The taxes in my community, which existed when the Villebois Urban Renewal Project occurred, DID NOT RISE as a result of it. In fact, they were surely lower because of the new tax revenue Villebois produced.

Another example. A county in central Washington has access to the cheapest power in the entire nation, yet as an agricultural economy, family wage jobs are few in a stagnant economy. Without increasing taxes on one single residence or business, the county financed improvements attracting high tech businesses needing reliable power: silicon wafer, semiconductor, other high value manufacturing, and server complexes. High wage jobs. These firms moved in and invested millions beyond the cost of the project, employing the next generation, who would not have those jobs without this special financing.

At the time, I saw this specific case as providing opportunities for kids who grew up there to actually have a stable, prosperous career in their own hometown. Far too many home towns don't have these opportunities for the next generations. Urban Renewal Financing is a big boost for enabling opportunities and the prosperity it brings.

Coffee Creek in Wilsonville is another example. State prisons aren't exactly a magnet for developers to drop their millions next door to such a facility. Yet, with Urban Renewal Financing, Wilsonville not only attracted many businesses in this under-developed industrial corridor, the property valuation increased on those properties. It went from approximately \$50 million to over a half billion after the project closed. That's revenue that supplements Wilsonville's taxpayers, of which I'm one, that didn't exist before the project. NOT ONE OF US PAID EXTRA TAXES because of it. We essentially got a tax subsidy, due to the taxes the new entities paid, saving us from paying more.

Last example. Canby, another Clackamas County community, is less urbanized than Wilsonville, with lower property valuations. Yet like any municipality, it needs taxes to pave roads, build water treatment facilities, have a police force, provide a safe community and public services, and so much more. Their nearly completed Urban Renewal Financing wasn't for housing infrastructure like Villebois, or industrial development like Coffee Creek, or Grant County, Washington. It was for amenities to make Canby an attractive place to have a home, raise a family, or have a business. My neighbors and I go to Canby all the time and spend money there we could spend many other places. We do it because of those urban renewal improvements that make Canby a better place to visit, as well as live and work.

Much of what is posted in the commentary to this legislation is about raising taxes without representation. The United States of America is a representative democracy. We elect representatives to do the work of wading through, along with lots of other issues, Urban Renewal Financing. It's complex. And it's clear that this isn't a subject most citizens have dug into or become fluid in. Why would anyone? That's why we elect people to do this for us. Let them do their jobs. Legislators, I'm speaking to you, too.

Urban renewal. Opposite of urban decay. Empty store fronts and empty lots suggest it's time for urban renewal, as decay has already set in. Wilsonville, I'm talking to you. Urban Renewal Financing DOES NOT RAISE YOUR TAXES. Your choice: don't raise taxes and see your community wither and die. Improve your community before that happens to create jobs, opportunities and a great place to live or work. Or, because you do nothing but watch your taxes go up, urban decay creeps in, quality of life declines, and your home is worth less.

Urban Renewal Financing is funding designed to raise communities up by building infrastructure, enhancing amenities, and in growing employment, inbound residents, visitors, businesses, and tourists. It's the NEW taxes from urban renewal that supplement the ones you already pay for services, while your taxes aren't raised even more.

It's actually that simple. Grow your tax base, or watch your taxes go up even more. Urban Renewal Financing is a program that's designed and works to NOT RAISE YOUR TAXES, but build your tax base as an alternative. It's not so complicating after all.

Respectfully,

David E. Mauk,

resident of Wilsonville's Charbonneau District, #1 voting precinct in Oregon