

Steve Schopp

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Urban Renewal

I have 30 years of experience studying TIF use in Oregon.

Tax Increment Financing is a tool used for Public Deception.

Municipalities use the TIF to deceitfully tell their residents that an intended project will essentially be free because it will not require any new taxation.

In truth TIF is a means to dishonestly divert existing city revenue streams away from public services to repay TIF debt.

In every use of TIF in Oregon it is well established that at least 3 out of every 4 dollars of TIF revenue is a taking of existing property tax revenue stream dollars generated without the UR project.

The effect of this taking must and does result in either service cuts or higher fees or taxes to replace the revenue taken.

Making the use of TIF even more nefarious is when public buildings or facilities are funded with an Urban Renewal district. These produce no property taxes at all.

The only reason Urban Renewal TIF is used is to avoid the difficulty of persuading voters that a project is worthy of support for new taxation for a bond measure.

Even when allowing a public vote, municipalities routinely deceive voters in their campaigns seeking approval. All of the same language is used to paint a false impression of a free money, pay for itself scenario while TIF documents always reveal the cost as I detailed above.

It would be preferable to outlaw the use of TIF entirely and get back to honest funding mechanism.

But allowing the residents to vote on Urban Renewal (TIF) is the next best thing and at least provides an opportunity for city or county residents to participate in challenging the public deceit.

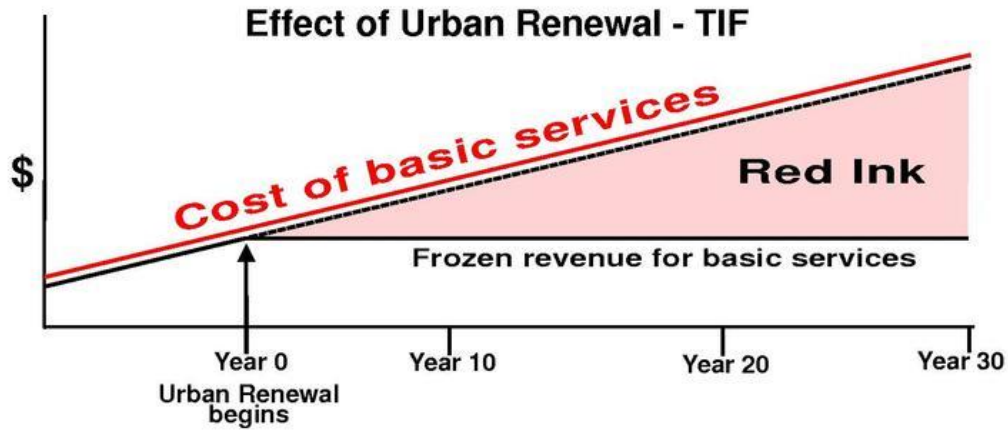
The graph I am providing below is the best impression of the true effect of using TIF.



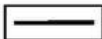


Regards,

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-  Costs of basic services rises every year due to inflation, payroll costs, population growth, etc.
-  Revenue for basic services rises every year with increased property tax assessments.
-  When urban renewal begins, property tax revenue for basic services no longer increases as costs continue to rise.
-  Increasing property tax revenue gets taken, for decades, to retire the Urban Renewal debt.
-  For decades other tax revenue must replace what Urban Renewal has taken. Without new or higher fees and/or taxes, services must be cut.