

Newberg Urban Renewal Frequently Asked Questions

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1. What is Urban Renewal?

Urban Renewal is a local government tool used to improve and revitalize areas within a city that have been neglected or lack businesses and development. When cities want to create an urban renewal area, they first have to do a feasibility study that shows that the area is “blighted” or undeveloped. An urban renewal governing body is then established and a plan is created to demonstrate how this economic development tool can help improve the area identified in the future.

2. Does Urban Renewal raise property taxes?

No. Urban renewal does not raise property taxes.

Instead it uses “tax increment financing” to help fund projects within the identified urban renewal area. The money for urban renewal essentially comes from any growth in property taxes within the area identified, either from an increase from the annual 3% appreciation, or development. The money from the growth is redirected to fund projects in the urban renewal area instead of going to the taxing districts such as Tualatin Valley Fire & Rescue, the Chehalem Park & Recreation District. See “How does urban renewal work?” to learn more.

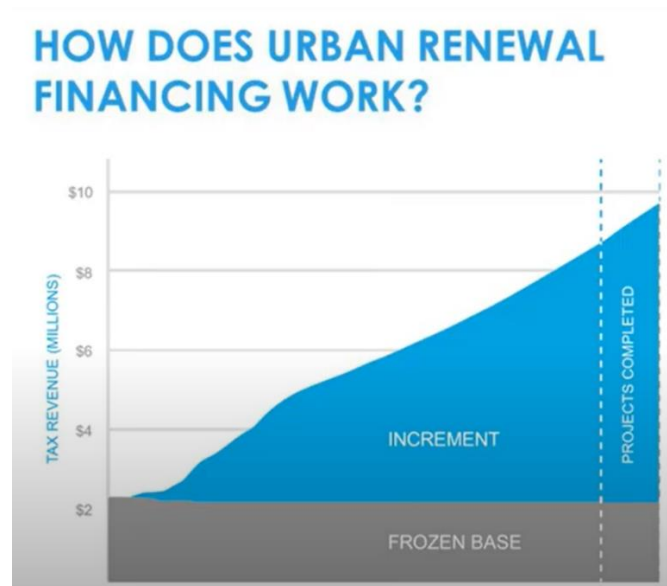
3. Why is the City considering urban renewal?

Urban renewal has proven successful in growing local economies across Oregon by providing much needed infrastructure that helps encourage development. With the old paper mill shutting down, the community lost 200+ jobs. These jobs have not been recovered. The Newberg Urban Renewal Plan (Urban Renewal Plan) aims to bring living wage jobs to this area of town.

The City has completed extensive planning for both the downtown and Riverfront areas, but does not have adequate funding to pay for the needed improvements. The Riverfront Master Plan and the Downtown Improvement Plan both indicated that urban renewal should be considered as a potential funding source for implementation of the plans.

The City conducted a feasibility study in 2020 which determined that urban renewal will help revitalize both the downtown and riverfront area. Essentially, we want to encourage development in downtown Newberg and the Newberg riverfront area. Urban renewal provides us the means to do that.

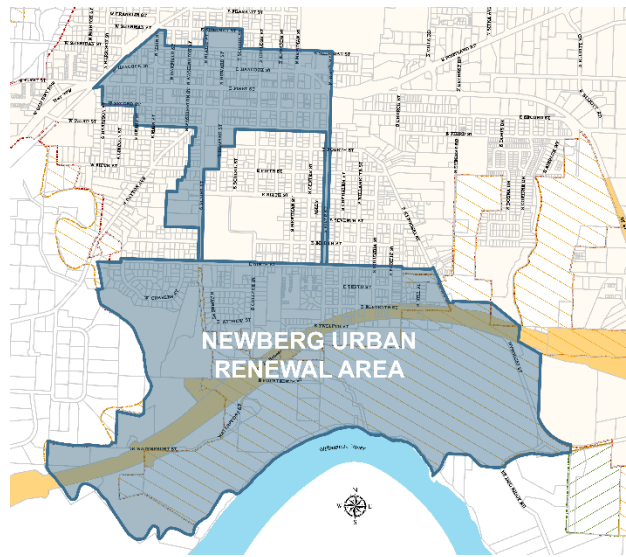
4. How does urban renewal work?



In Oregon, “urban renewal” is the title of the program that authorizes the City to use tax increment financing. Tax increment financing is a tool that allows local governments to set aside property taxes generated from new businesses and development in the urban renewal area. It also creates guidelines for how the money can be spent. The funds are used on projects that encourage public and private development. Put into a chart, you can see that Urban Renewal works with a “frozen base” meaning the amount that currently goes to taxing districts and will for the length of the Urban Renewal Plan, with the new money going towards Urban Renewal.

5. What’s Newberg’s Urban Renewal Area?

Newberg’s urban renewal area focuses on downtown Newberg and the Newberg Riverfront area while improving two roads that connect the two areas of town, S River Street and S Blaine Street.



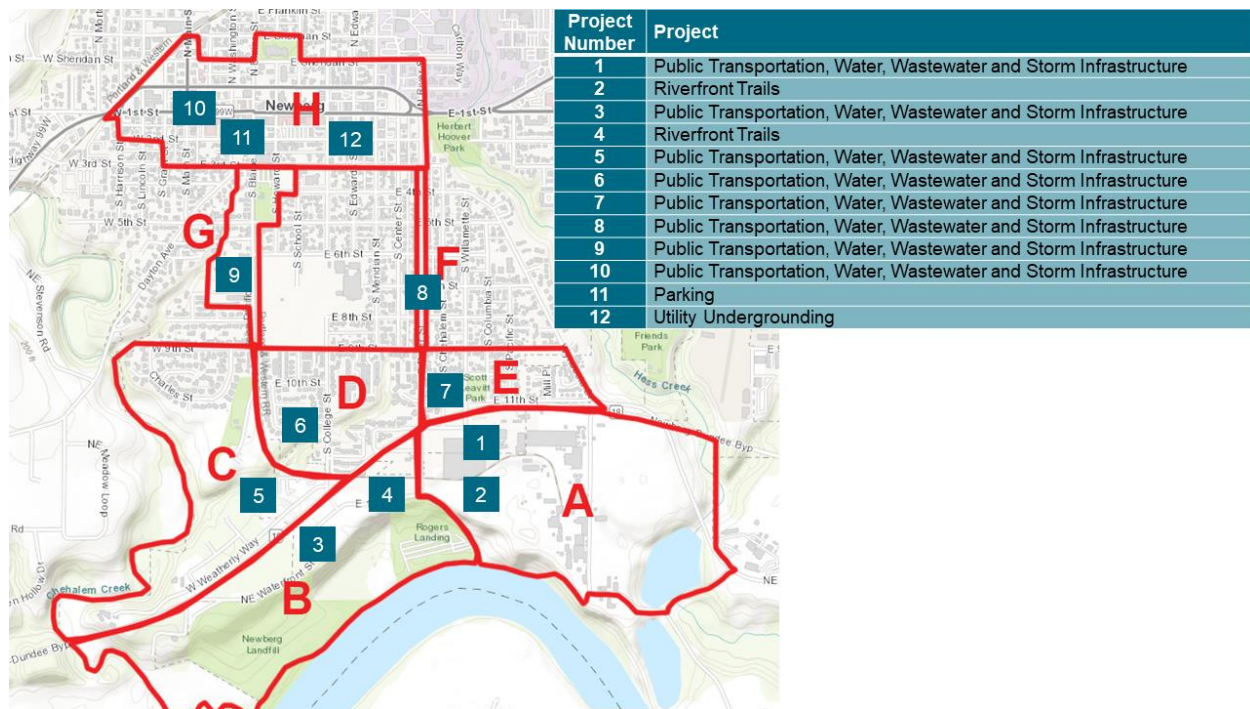
6. Where does the money come from?

Urban renewal isn't new money, instead, it redirects money that would usually go to the taxing districts to the urban renewal agency. This shifts the impact of funding urban renewal to the taxing districts instead of taxpayers.

7. How will the money be spent?

Money will be spent on projects identified in the Urban Renewal Plan. These projects were identified from existing adopted master plans. The Urban Renewal Citizens' Advisory Committee helped the City identify the highest priority projects within the urban renewal area. The majority of projects focus on building infrastructure in the Riverfront area including water lines, wastewater pipes, stormwater drains, and building and improving roads for transportation. These improvements will provide the capacity for new development in our community. All projects identified were done so to create an attractive Riverfront district for businesses and developers. This will result in new jobs for Newberg residents, more affordable housing options, and a more bikeable and walkable community that can be enjoyed by all.

Along with this, projects to improve downtown Newberg include additional parking, transportation improvements, and infrastructure improvements.



8. How will Urban Renewal impact the school district?

Schools get their funds on a “per pupil basis” from the State School Fund. Because of the ways funds are given to schools, urban renewal will not result in the school district getting less funds over the course of the Urban Renewal Plan. The impact to the school district will be negligible.

9. Do any of the taxing districts oppose urban renewal?

In short, no – no taxing districts have sent written comments that say they oppose the Urban Renewal Plan. Many of the taxing districts had representatives on the Urban Renewal Citizens’ Advisory Committee and helped shape the Urban Renewal Plan. Additionally, our Community Development Director gave a presentation to every entity who desired one. Each taxing district was given time to submit comments on the Urban Renewal Plan. No taxing districts chose to.

10. Will Urban Renewal impact TVF&R building a new fire station or the services they provide?

No. TVF&R Board President Randy Lauer has stated “1) The TVF&R board does support properly constructed urban renewal plans, which we recently confirmed in a special board workshop to update our board policy, and 2) progress toward a new fire station in the former Newberg Rural Fire Protection District will not be affected by Newberg’s Urban Renewal Plan.”

11. Who was represented on the Citizens' Advisory Committee?

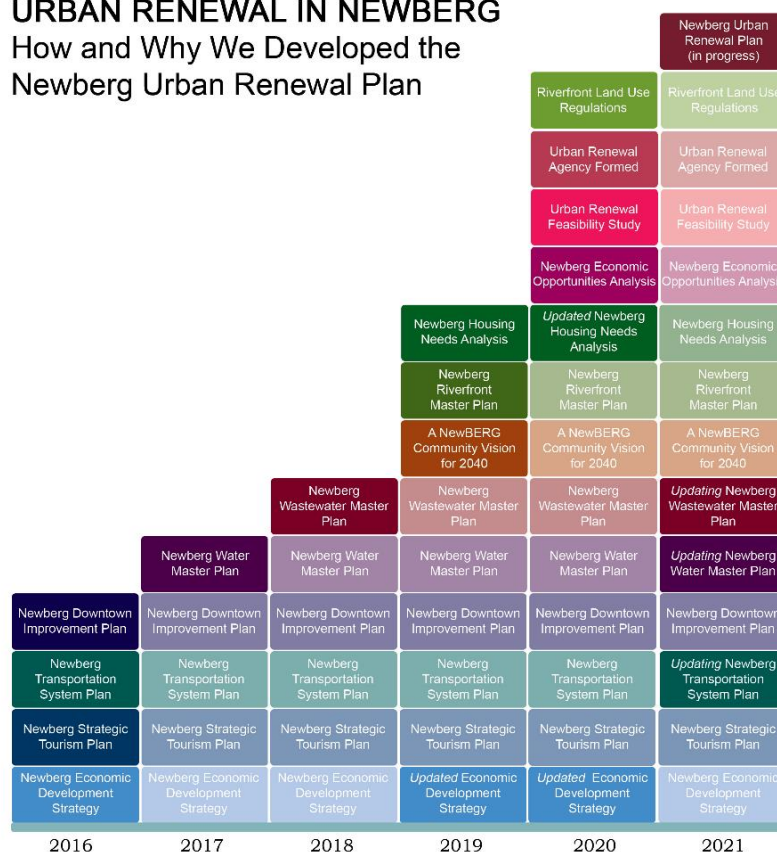
The Citizens Advisory Committee has representatives from local residents, businesses owners, the Newberg Downtown Coalition, the Chehalem Valley Chamber of Commerce, the Newberg City Council, the Chehalem Park & Recreation District, Tualatin Valley Fire & Rescue, and the Newberg School District.

12. How do system development charges (SDCs) differ from Urban Renewal money?

System Development Charges are a one-time fee charged to developers to help pay for needed infrastructure that results in development increasing the need for use and future growth. Projects covered by SDCs can be found in the City's masterplans and there are parameters to how the money can be used. Almost all of the projects identified in the Urban Renewal Plan could not use money from SDCs to fund. The two projects that could (road improvements for connector roads) would have to be done much further into the future than if urban renewal funds are used.

13. What work has been done by the City on Urban Renewal?

URBAN RENEWAL IN NEWBERG How and Why We Developed the Newberg Urban Renewal Plan



This urban renewal project is the result of years of outreach in the community while developing several plans that are shaping the future of our community, including the Newberg Downtown Improvement Plan, the Riverfront Master Plan, and the Newberg Community Visioning process. Urban renewal can help pay for infrastructure improvements already identified as needed by the community. This graphic shows all of the plans leading up to this decision. Each one of these plans included substantial public input and many identified urban renewal as the way to pay for the projects.