



**PORTLAND BUSINESS
ALLIANCE**

Leading the way

April 12, 2011

The Honorable Ginny Burdick
Oregon State Senate
Oregon State Capitol
900 Court St., N.E.
Salem, OR 97301

Dear Senator Burdick:

The Alliance would like to take this opportunity to express its concern regarding provisions of SB 217 related to the creation of so-called "satellite" areas of urban renewal districts.

One of the long-established pre-requisites for successful urban renewal areas is that they be discrete areas with unifying characteristics that lend themselves to comprehensive and targeted urban renewal strategies. Coherent urban renewal plans rely on contiguous districts with shared infrastructure, similar economic drivers and common interests.

Satellite districts are unlikely to share the characteristics of the underlying urban renewal area, will be part of a comprehensive strategy in name only and are highly unlikely to contribute to ameliorating the blighting factors that resulted in the creation of the district in the first place.

Used wisely, tax increment financing can result in increased economic activity, job creation, housing opportunities and higher property tax revenues for local government. We believe the creation of satellite districts dilutes the effectiveness of urban renewal and threatens to undermine the rationale that stands behind the existence of this important community revitalization tool.

We respectfully urge the committee to remove the language allowing the creation of satellite urban renewal districts from SB 217.

Sincerely,

Sandra McDonough
President & CEO
Portland Business Alliance