

Stayton fire officials oppose urban renewal district

By Denise Ruttan

The Stayton Mail
July 15, 2009

Stayton Fire District officials are concerned about the financial effects of a proposed urban renewal district. The fire district's board of directors voted unanimously Monday night to oppose to the plan.

"The fact remains that this is taking operating money away from us because what we rely on is growth ... to even stay up with the cost of living," Chief Jack Carriger said.

According to the city, the district could lose close to \$1 million in additional revenue in the 20-year period the plan is in effect, if it is approved by Stayton City Council.

The plan, approved by the city's Urban Renewal Agency, is headed for its first public hearing at the city council level on July 20.

The plan is funded through tax-increment financing over the 20-year period, Planning and Development Director Dan Fleishman said. Assessed property value is frozen at a base rate when the plan takes effect.

"Tax-increment financing means the urban renewal agency receives the taxes paid on new assessed value created after the the implementation of the urban renewal program," Fleishman said. "Property owners do not pay any additional taxes (to the urban renewal district); it's about how the taxes they pay are distributed."

The fire district is mostly funded by property taxes, Carriger said. The district's base budget for 2009-10 is about \$1.8 million, but a major factor included in that total is grants not received yet, Carriger said. Revenue from property taxes is \$884,530. Its protection area is 107 square miles and includes four stations.

"Any incremental growth goes to the city, and yet we would still be expected to provide service for that," Carriger said. "We would get no offset costs for the increased hydrant maintenance, increased inspections, increased plan approvals and increased call volume for emergency services."

But Fleishman said additional revenue is tied to increased value in an area in which growth has stalled in the past six years.

"I believe urban renewal, if successful, will be the stimulant for growth that will not occur otherwise," Fleishman said. "If we didn't have urban renewal then the foregone revenue wouldn't be there to be lost."

Rate increases are the alternative to the urban renewal financing mechanism to pay for infrastructure improvements, Fleishman said.

"Instead of 7 to 10 percent rate increases we'd probably see increases by 15 and 25 percent," Fleishman said.

Fleishman said people should have a "long view" when it comes to understanding urban renewal.

"We're looking at past history and making a set of assumptions of what will happen and applying those. That's what planning is," Fleishman said. "It's looking at where you are now, where you want to go, what are the assumptions, what are the opportunities and constraints and how do we get to where we want to go?"

But for Carriger, who attended the first urban renewal committee meeting as a committee member and does not feel the city has adequately addressed his concerns, urban renewal is still a big question mark.

"When you have an unknown expansion that takes away money from the fire district to be able to deal with that expansion, you have a very strong conflict of being able to provide service and being able to meet the expectations of the community," Carriger said. "That conflict is funding."

druttan@salem.gannett.com