



## BOARD OF COUNTY COMMISSIONERS

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June 20, 2024

Mayor Annette Frank, City of Dayton  
Dayton City Council President Luke Wildhaber  
Economic Development Director Dave Rucklos

Delivered via email: [drucklos@daytonoregon.gov](mailto:drucklos@daytonoregon.gov); [annettefrank@daytonoregon.gov](mailto:annettefrank@daytonoregon.gov);  
[LukeWildhaber@ci.dayton.or.us](mailto:LukeWildhaber@ci.dayton.or.us)

RE: **Testimony regarding proposed Dayton Urban Renewal Plan**  
Mayor Frank, Council President Wildhaber, Director Rucklos:

Over the past two weeks, the Yamhill County Board of Commissioners has considered a request to approve a Board Order allowing public projects to be included in the Dayton Urban Renewal Plan. At today's board meeting, we declined to approve the request and appreciate the opportunity to provide our reasoning.

Urban Renewal is a tax-increment financing "tool" that many jurisdictions use as a way to fund economic development in "blighted" areas with the assumption that if not for the existence of an urban renewal district, development would not otherwise occur. While the Board challenges this assumption based on past experience with urban renewal districts outside of Dayton, we are more concerned that urban renewal siphons off future tax revenue from taxing districts in order to pay for this development.

The proposed Dayton Urban Renewal Plan would impact local taxing districts for at least the next 25 years, with an estimated loss of nearly \$8M to the County, over \$5M to the City of Dayton, almost \$4M to the Dayton Fire District, and a whopping \$15.7M to the Dayton School District. After reviewing testimony from the Yamhill Soil & Water Conservation District, it should not be overlooked that smaller overlapping taxing districts will see significant long-term impacts to their budgets as these urban renewal districts "stack up" and create large budget shortfalls.

The overlapping taxing districts often lack the ability or opportunity to seek tax revenue elsewhere, leaving them with no choice but to cut basic funding and service levels as the urban renewal district ages. Keep in mind that these taxing districts also have to deal with and serve the potential new development areas regardless of receiving less tax revenue.

The inclusion of public projects/infrastructure in the proposed Dayton Urban Renewal Plan is counterintuitive to the purpose of tax-increment financing. Public properties do not pay taxes and will not create future tax revenue. The more appropriate avenue to developing public properties is to ask the taxpaying public to approve a bond or seek grants to offset costs. While supporting the Dayton School District and Fire Department is important, we remain concerned that the net impact to these districts is a significant loss of funds over the life of the urban renewal plan.

Thank you for the opportunity for the Yamhill County Board of Commissioners to submit public testimony regarding this important issue.

Lindsay Berschauer  
Chair

Kit Johnston  
Vice-Chair

Mary Starrett  
Commissioner

Approved by the Yamhill County Board of  
Commissioners on 06/20/2024  
via Board Order 24-165