



City *of* Tigard

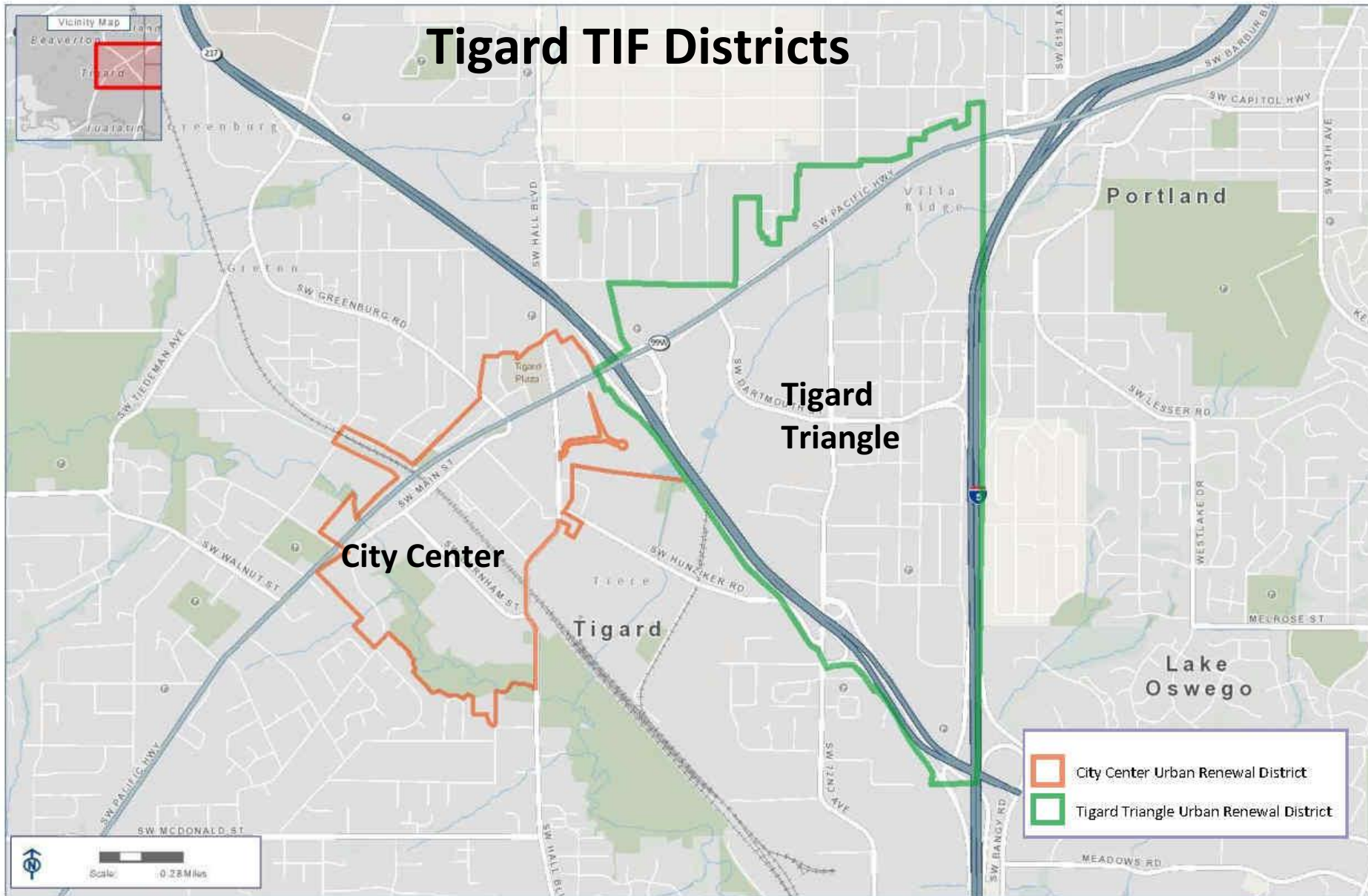
Respect and Care | Do the Right Thing | Get it Done

Tax Increment Financing Best Practices

March 4, 2025



Tigard TIF Districts



Tigard Strategic Plan

“Tigard: An equitable community that is walkable healthy, and accessible for everyone.”



Why Use TIF?



Many opportunities for improvements and redevelopment in cities that need funding



City general funds typically lack the funds to contribute to these opportunities



TIF provides a funding source to bridge the gap

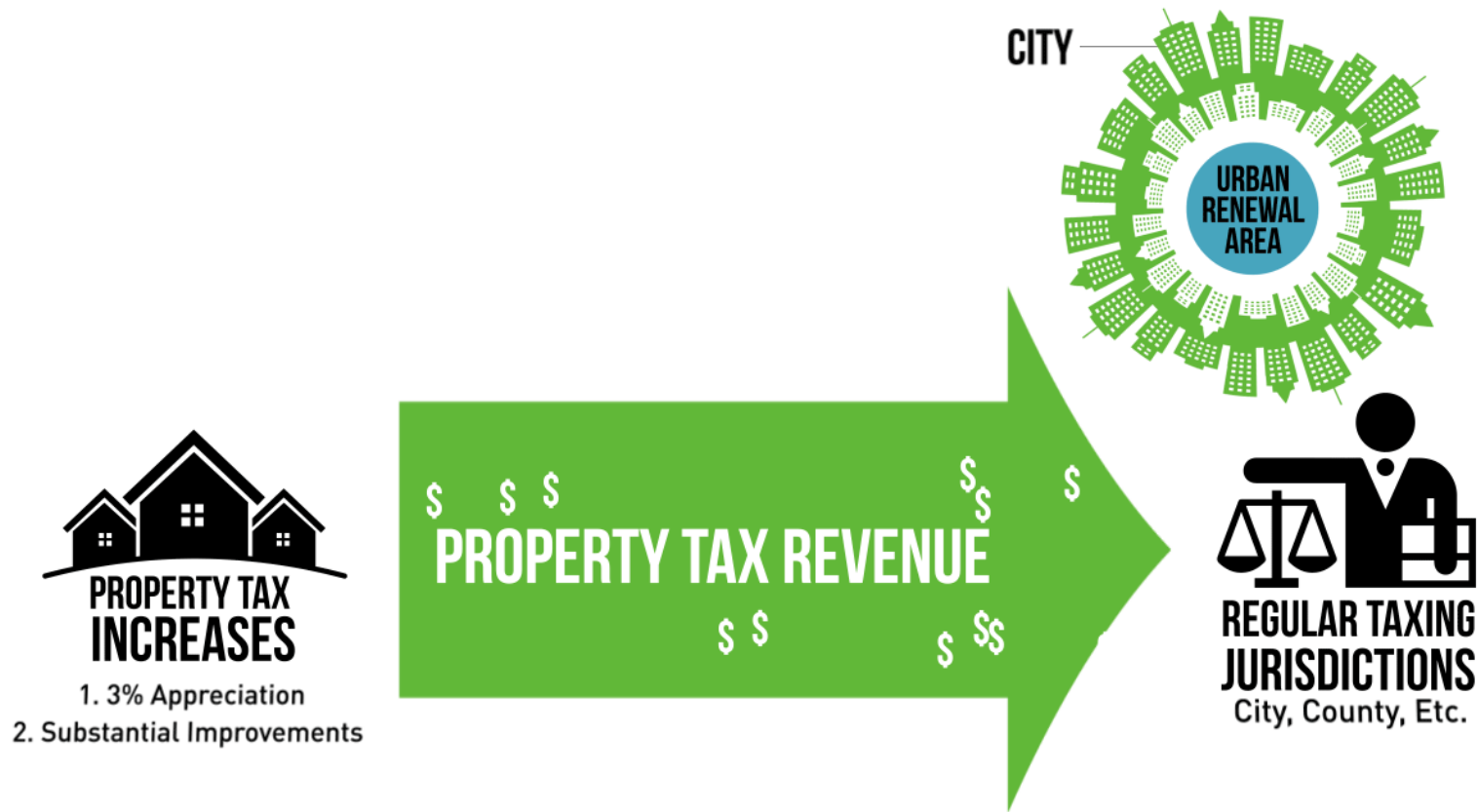
CRASH COURSE | TIF Districts 101



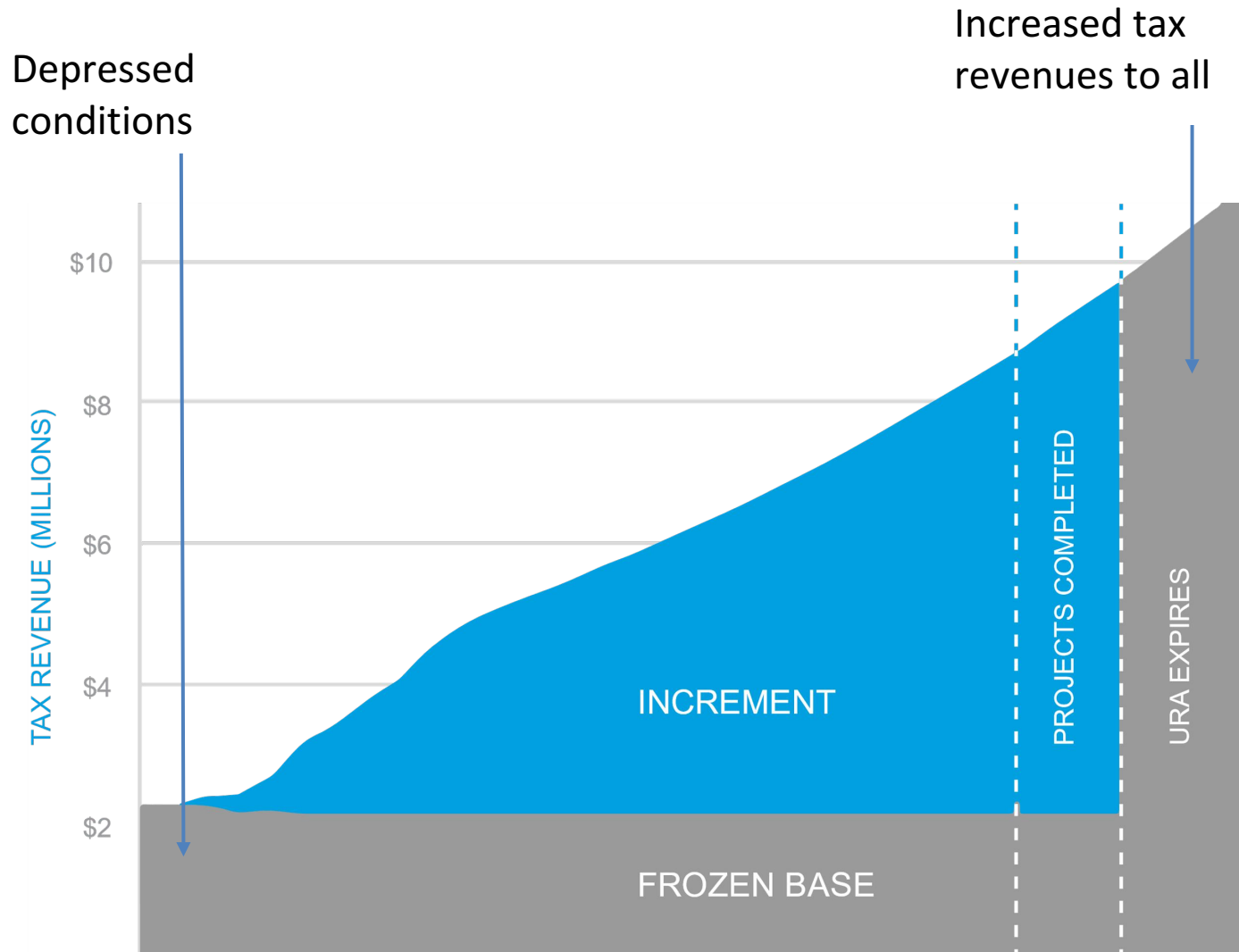
CRASH COURSE | TIF 101



CRASH COURSE | TIF 101



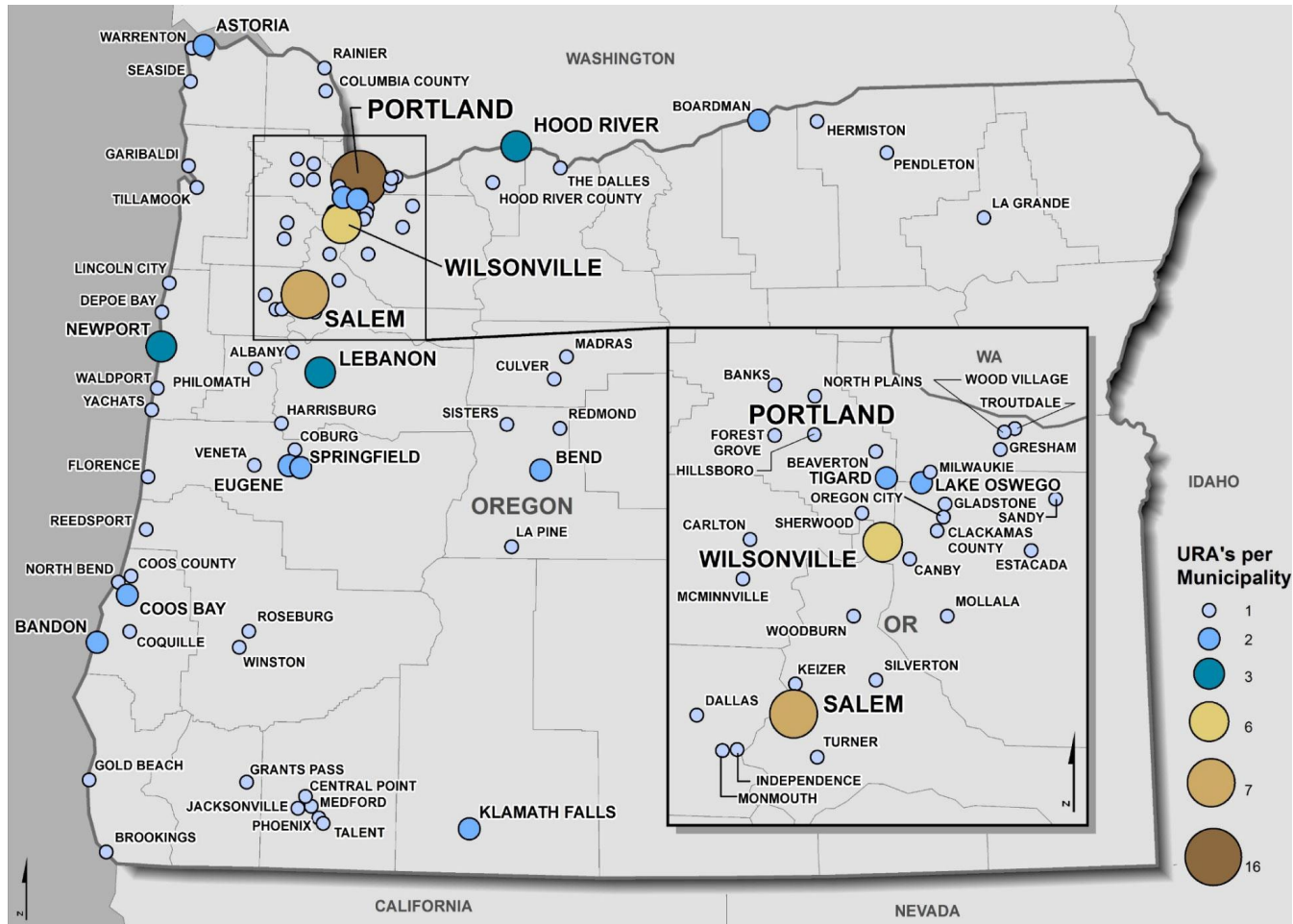
Tax Increment Finance Over Time



What is Tax Increment Financing?

- Economic development tool
- Unique in that it is a financing tool, but also a plan with projects
- Used to address “blighting” influences in specific areas
- Functions on increases in property tax revenues in “TIF Areas”
- Used all over Oregon

Cities with TIF



What is Blight?

- ❖ Blight is a precondition to any TIF Area
- ❖ Specific criteria defined by state statute, generally covers:
 - Underdevelopment or underutilization of property
 - Poor condition of buildings
 - Inadequacy of infrastructure including streets and utilities

How Does a TIF Area Function?

- **Income Source**
 - ❖ Yearly property tax collections based on growth within Boundary
- **Expenses**
 - ❖ Projects, programs, and administration
- **Spending Limit**
 - ❖ Capped by Maximum Indebtedness (MI):
 - The total amount of money that can be spent over the life of the district on projects, programs, and administration.

Why is Urban Renewal on My Property Tax Bill?

2024-25 CURRENT TAX BY DISTRICT:

NW Regional Education Services - Perm Rate	45.32
Portland Community College - Perm Rate	83.29
Tigard/Tualatin School District - Local Option	302.53
Tigard/Tualatin School District - Perm Rate	1,460.58

EDUCATION TAXES: **\$1,891.72**

City of Tigard - Local Option	87.73
City of Tigard - Perm Rate	739.84
Metro Service District - Local Option	29.04
Metro Service District - Perm Rate	28.47
Port of Portland - Perm Rate	20.66
Tigard/Tualatin Aquatic Center - Perm Rate	26.38
Tualatin Soil & Water District - Perm Rate	26.50
Tualatin Valley Fire & Rescue - Local Option	136.14
Tualatin Valley Fire & Rescue - Perm Rate	449.02
Urban Renewal - Tigard Division of Tax	106.31
Washington County - Local Option	208.75
Washington County - Perm Rate	661.91

GENERAL GOVERNMENT TAXES: **\$2,520.75**

City of Tigard - Bond	101.53
Metro Service District - Bond	115.17
Portland Community College - Bond	112.75
Tigard/Tualatin School District - Bond	511.40
Tualatin Valley Fire & Rescue - Bond	39.75
Washington County - Bond	19.45

BONDS AND MISC TAXES: **\$900.05**

2024-25 LEVIED TAX: **\$5,312.52**
(Before Discount)

Leveraging City Tax Rate

Tax rates

- County
- County Library
- Soil and Water
- 4H and Extension
- City
- School District
- Community College
- ESD
- Port

A Hypothetical Property Tax Bill

Taxing District	Rate	Property Tax Without UR	Property Tax with UR
County	\$ 3.5000	\$360.50	\$350.00
County Library	\$ 0.3947	\$40.657	\$39.47
Soil and Water	\$ 0.0500	\$5.15	\$5.00
4H and Extension	\$ 0.0800	\$8.24	\$8.00
City	\$ 5.1067	\$529.99	\$510.67
School District	\$ 4.4614	\$459.52	\$446.14
Community College	\$ 0.5019	\$51.70	\$50.19
ESD	\$ 0.3049	\$31.40	\$30.49
Port	\$ 0.6004	\$61.84	\$60.04
Urban Renewal			\$45.00
Total	\$ 15.0000	\$1,545.00	\$1,545.00

Property Taxes and TIF

- TIF Division of Taxes does not increase property taxes, it uses increases in property taxes that were already happening
- Urban Renewal is a line item on your property tax bill
- The Assessor must go through the following steps when distributing TIF:
 - ▶ “Calculation” of TIF to be collected
 - ▶ “Distribution” of TIF Citywide to property taxpayers
 - ▶ “Collection” of property tax revenues

Urban Renewal and Property Tax Bill

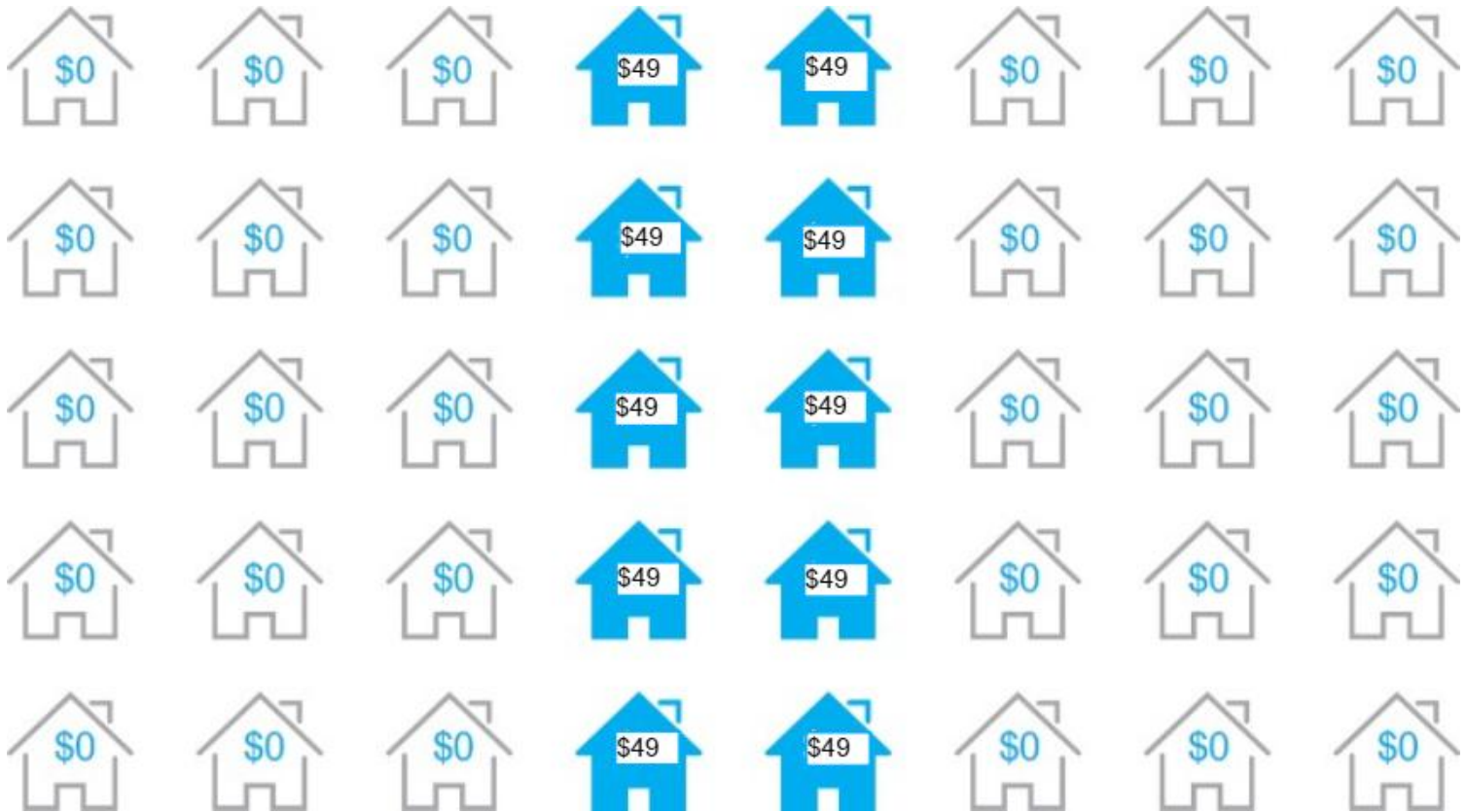
The following slides detail in a conceptual manner the steps an Assessor goes through to distribute TIF revenues to TIF Agency:

- } Calculation
- } Distribution
- } Collection

“DISTRIBUTION”

Houses in City **40**
Total AV 1st Year **\$4,000,000**

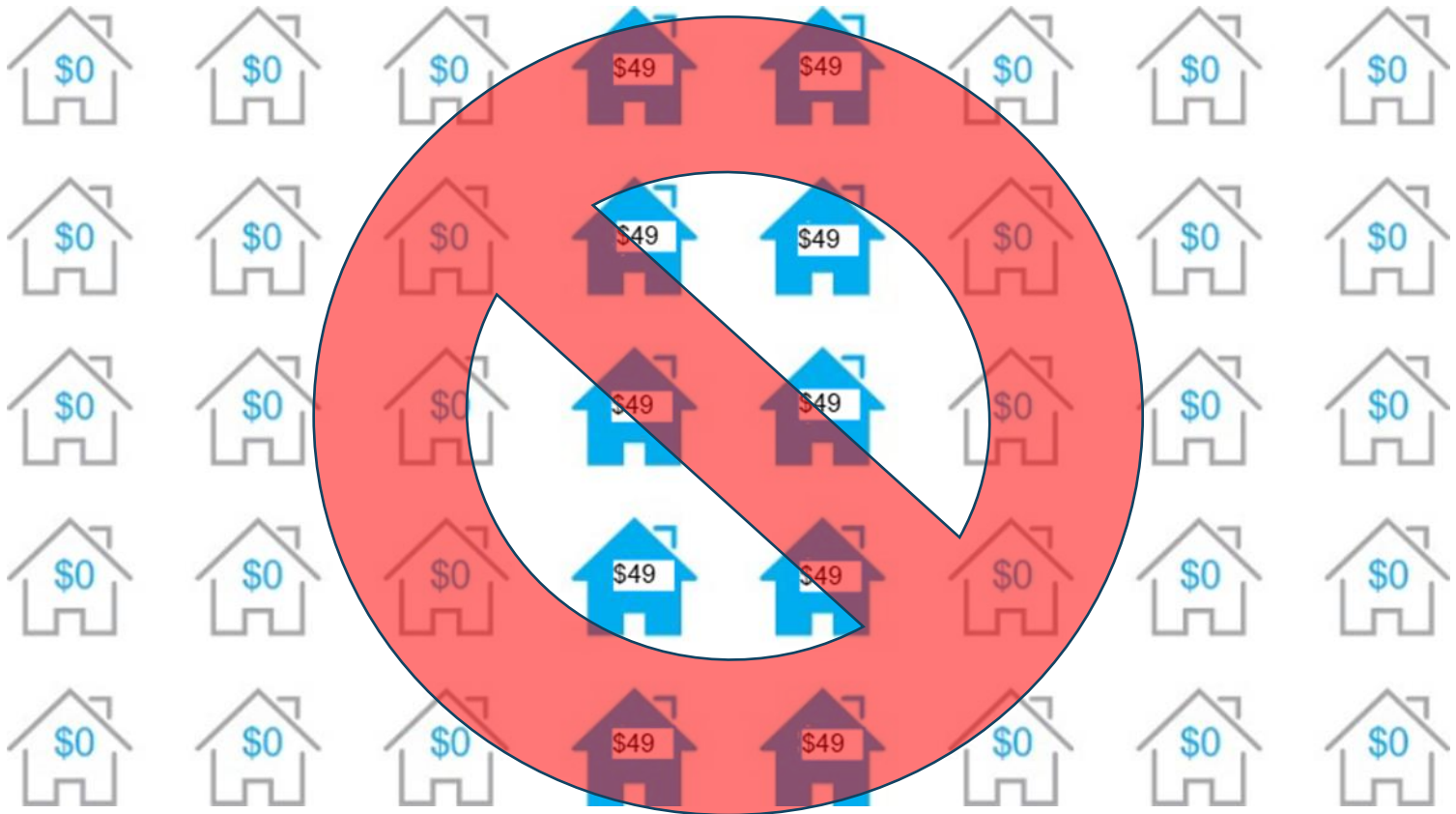
25% First Year **\$1,000,000**
Houses in URA **10**



“DISTRIBUTION”

Houses in City	40
Total AV 1st Year	\$4,000,000

25% First Year	\$1,000,000
Houses in URA	10



“DISTRIBUTION” + “COLLECTION”

Houses in City	40
Total AV 1st Year	\$4,000,000

25% First Year	\$1,000,000
Houses in URA	10

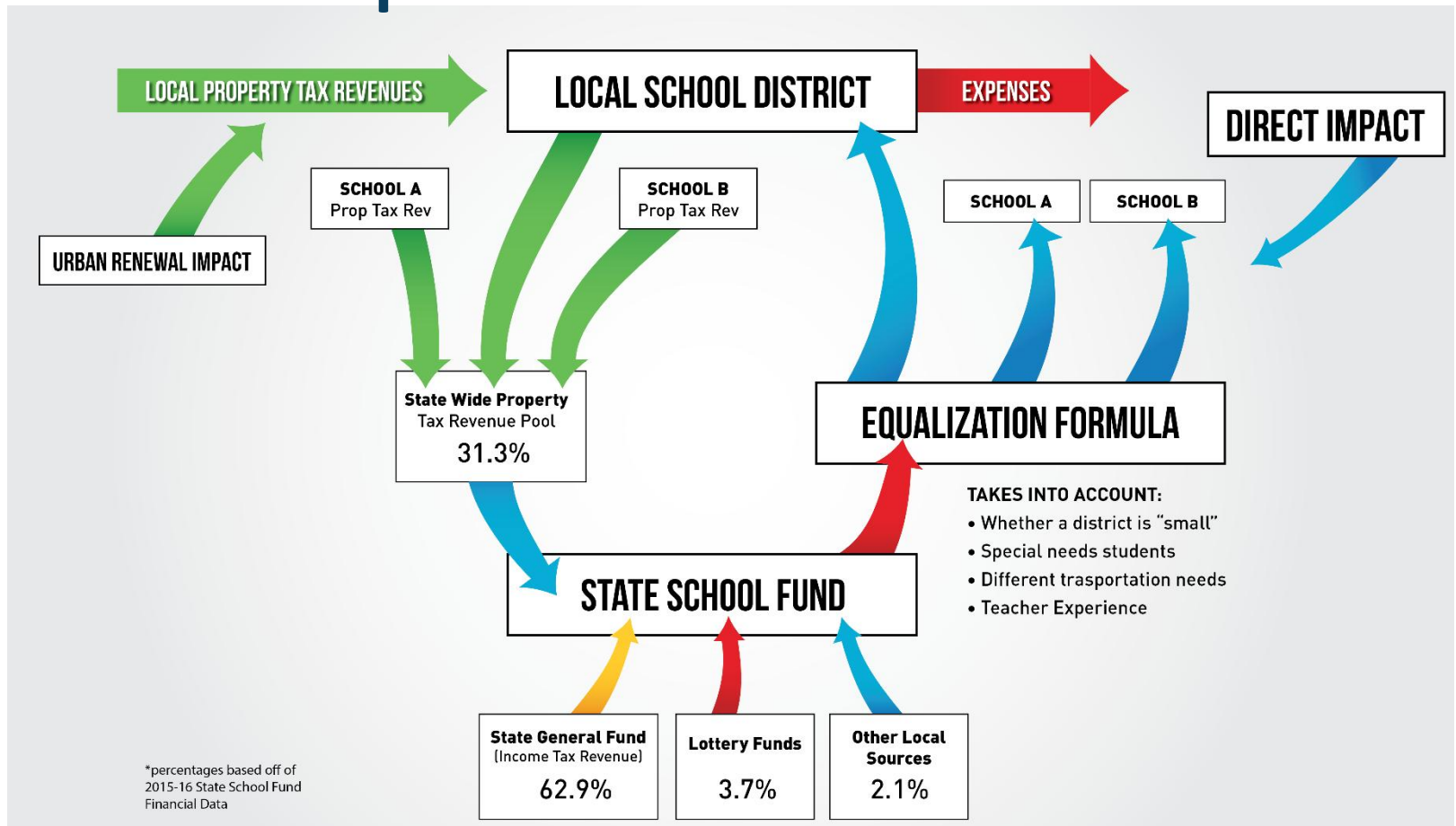


Impacts to Taxing Districts

- ❖ TIF diverts funds that would go to other property tax districts
- ❖ Continue receiving taxes on frozen base
- ❖ Temporarily forego taxes on any growth in TIF area
- ❖ Growth may not have occurred but for the TIF area



TIF Impact on Local Schools





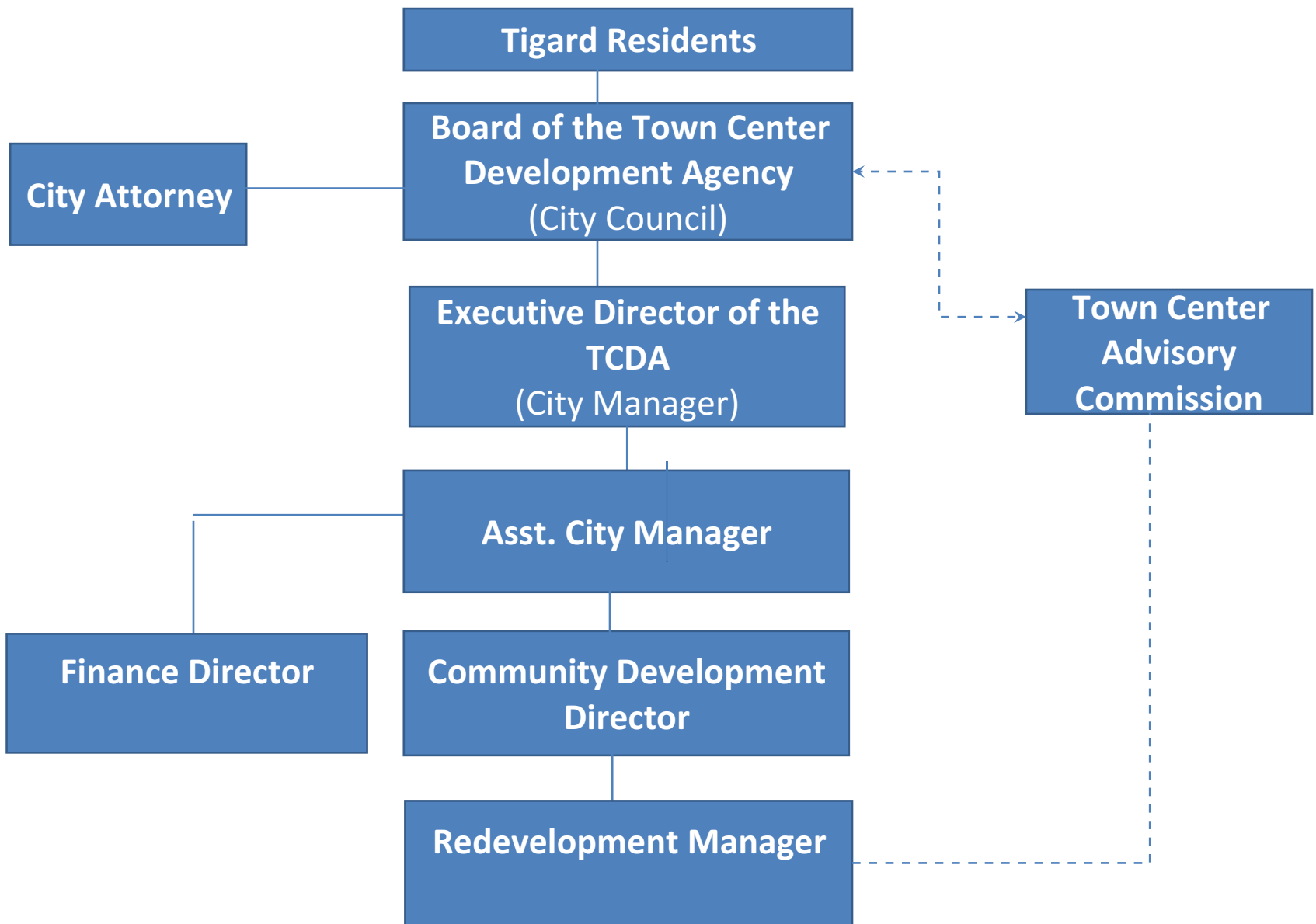
State Limitations on TIF

- ❖ Population over 50,000
 - 15% of Assessed Value of Property in City
 - 15% of Acreage of City
- ❖ Existing Plan limitations:
 - Can not be increased in size by more than 20% of original Plan acreage
 - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing
 - May increase MI above 20% as adjusted only with concurrence from 75% of other taxing districts

		Assessed Value	UR Excess	Acreage
	City of Tigard	\$8,318,226,162		8,166
A	City of Tigard minus UR excess	\$8,096,150,343		
	City Center Frozen base	\$117,522,911	\$80,036,073	228.96
	Tigard Triangle Frozen base	\$424,744,405	\$142,039,746	547.90
B	City Center Plus Tigard Triangle	\$542,267,316	\$222,075,819	776.86
B/A	Percentage in UR	6.7%		9.5%

How is a TIF Plan Adopted?





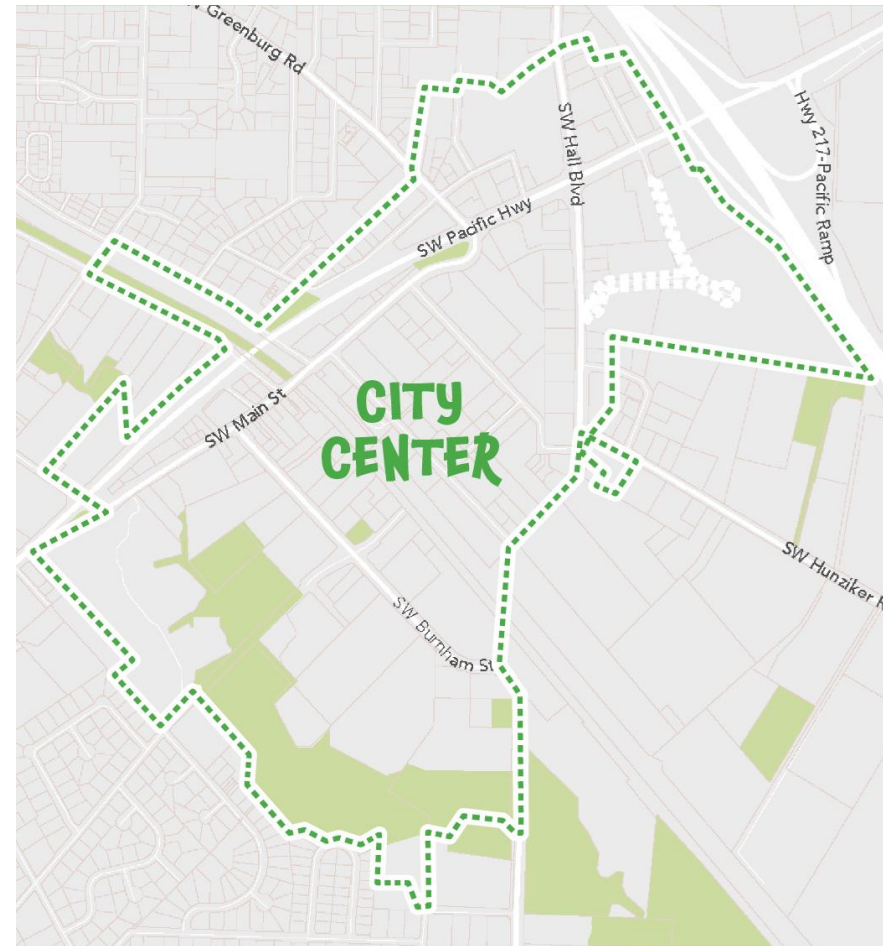
Town Center Development Agency Governance/ Org. Chart

Agency, TCAC and Staff

- The **elected body** (Agency Board) establishes policy, adopts budgets, decides on projects, and makes final decisions. They are the people who must respond to the public on issues.
- The TCAC provides input/recommendations for those decisions. The Agency Board might not always follow those recommendations.
- The TCAC advises on more global matters.
- Details and implementation are the responsibility of staff.

City Center (Downtown) TIF District

- Approved by voters in 2006
- Two Substantial Amendments-
 - 38-acre expansion (2017)
 - Increase max. indebtedness + duration (2021)
- Maximum indebtedness: \$42.8M (\$30.3 M remaining)
- Expires 2035
- 228 acres
- Annual TIF for FY24-25: \$944K



Downtown Tigard Future Vision



Goals of City Center TIF District



1. Recognize the value of natural resources as amenities and contributing to a sense of place



2. Capitalize on Commuter Rail and Fanno Creek as catalysts for future development



3. Downtown transportation system should be multi-modal



4. Streetscape and public spaces should be pedestrian friendly



5. Promote high quality development of retail, office, and residential

City Center TIF Plan Projects

Street
Improvements

Streetscape
Improvements

Bike/Pedestrian
Facilities

Parks

Public Spaces

Public Facilities

Planning and
Development
Assistance

Property
Acquisition and
Disposition

Street/Streetscape Improvements (Completed)

- Main Street Green Street Phase 1
- Burnham Street Improvements
- Burnham Public Parking Lot
- Ash Avenue Connection
- Main Street Green Street Phase 2





Public Spaces/Trails (Completed)

- Rotary Plaza/Tigard St Heritage Trail
- Fanno Creek Trail
- Undercrossing Lights
- Ash Avenue Dog Park

Public Space/Trails (Completed)

Active Projects



Building Improvement Grant Program

- Program started in 2009
- 43 Façade & Interior Improvement Grants



Mixed-Use and Affordable Housing (Completed)



Attwell Off Main



The Knoll (Affordable Senior Housing)

Affordable Housing Projects (Completed)



Alongside Senior Apartments

Mixed-Use Projects (Completed)



AVA Roasteria Mixed Use

Tigard Triangle TIF District

City of Tigard



- Approved by voters in May 2017
- 548 acres
- Maximum indebtedness: \$188 million (\$179M remaining)
- 35 year- district
- TIF for FY24-25: \$1.7 M

Goals of the Triangle Plan

1. Encourage meaningful involvement to ensure that the district reflects the community's values and priorities.
2. Provide a safe and effective multimodal transportation network that supports mixed-use and pedestrian-oriented development.
3. Provide public utility improvements to support desired development.
4. Create a clear identity for the area as a fun and diverse place to live, work, shop, eat, and play by building upon existing unique and desirable features.
5. Provide financial and technical assistance to new and existing businesses and housing developments that contribute to the area's diversity and vitality.

Triangle TIF Plan Project Categories

Transportation

Public Utilities

Public Spaces,
Facilities, and
Installations

Re/Development
Assistance and
Partnerships

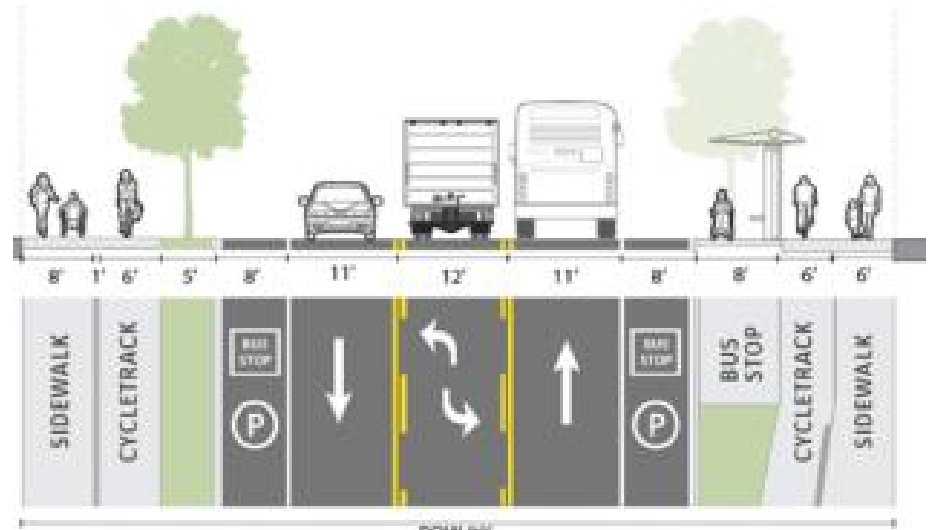
Project
Administration

A New Tigard Triangle: Planning for Equitable Development

- Metro grant
- 8-month public engagement
- Equitable Development Strategy, Finance Plan, preliminary design of top-ranked projects
- Adopted by the TCDA Board



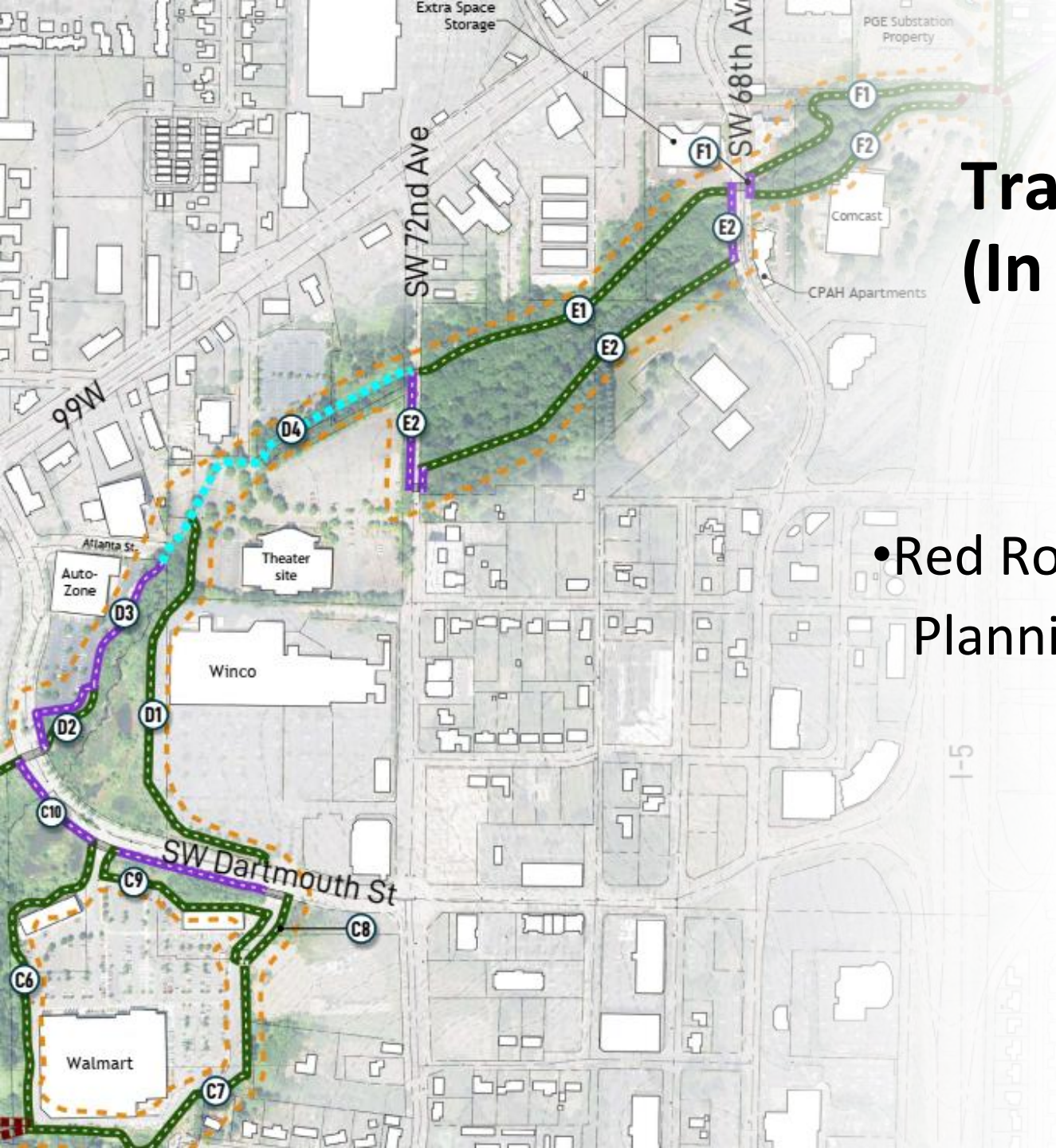
Transportation (In Progress)



72nd Ave Improvement Design

Transportation (In Progress)

- Red Rock Creek Trail Planning



Affordable Housing Investments (Completed)



- Red Rock Creek Commons

Affordable Housing Investments (Completed)



Family Promise A Bridge to Home

Affordable Housing Investments (In Progress)



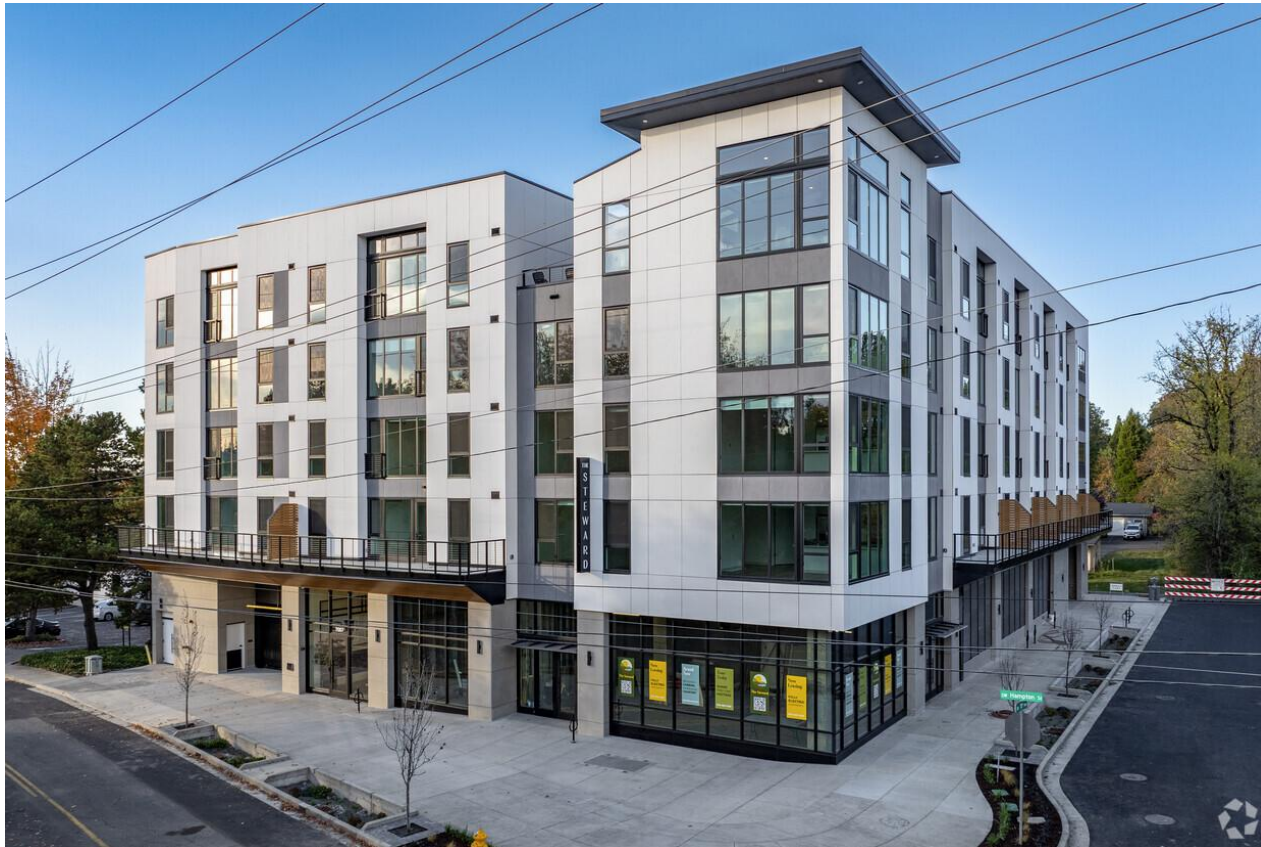
- REACH Dartmouth Crossing North
- Includes pocket park

Mixed Use Development Assistance (Completed)



The Overland

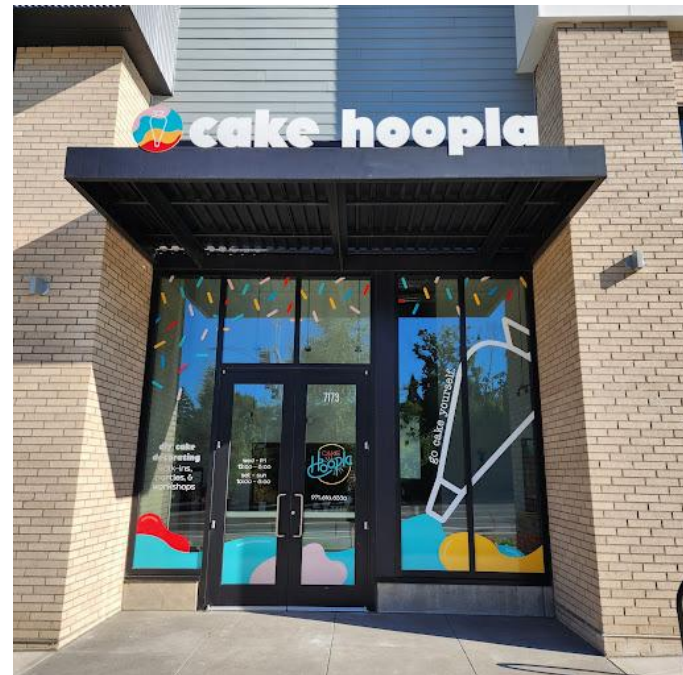
Mixed Use Development Assistance (Completed)



The Steward

Triangle Opportunity Fund

- Started in 2022
- Matching grants to 7 businesses



Questions?

