

## MADRAS HURD | INCENTIVES FOR SINGLE FAMILY DEVELOPMENT

The Madras Redevelopment Commission (MRC) may provide incentives to developers for the development of housing units in the Madras Housing Urban Renewal District (HURD). This will be completed through a development agreement with the developer/builder/property owner that stipulates the timing of the development and the amount and timing of the incentive. Possible incentives for a hypothetical single-family home is shown below. These incentives are in addition to the SDC reductions.

### Single Family Home Example:

Assessed Value of Hypothetical Development	
<b>Real Market Value (RMV) of New Development</b>	\$245,000
<b>Existing Land RMV</b>	\$4,660
<b>RMV of new improvements</b> <i>Equals total RMV of new development less existing RMV of land.</i>	\$240,340
<b>Changed Property Ratio (CPR)</b> <i>The CPR is equal to the ratio of aggregate RMV to assessed value (AV) across Jefferson County for a given property type. This ratio is applied to the RMV of all new development to determine the initial AV of the development. The CPR for each property type is updated by the Jefferson County Assessor each year.</i>	0.5675
<b>Assessed Value of new improvements</b> <i>Equals RMV of new improvements multiplied by CPR.</i>	\$136,393
Tax Revenue to HURD	
<b>Consolidated Tax Rate</b> <i>The consolidated tax rate for all new urban renewal areas is equal to the sum of all permanent property tax rates. The consolidated tax rate does not include general obligation bonds or local option levies. A property owner in the HURD will pay a higher tax rate that includes the bonds and local option levies (currently \$20.0681 per \$1,000 AV), but the HURD will only receive the proceeds from the lower consolidated tax rate.</i>	\$15.0093 per \$1,000 AV
<b>Tax Revenue to HURD (first year on tax roll)</b> <i>For each year, equals assessed value multiplied by consolidated tax rate.</i>	\$2,172
<b>Tax Revenue Over 7 Years (Nominal Dollars)</b> <i>Assumes that assessed value increases at a rate of 3.0% per year, the maximum allowed by Oregon's property tax. This is equal to the <b>TOTAL INCENTIVE</b>.</i>	\$16,640
Incentive for Development	
<b>Option 1 - Lump Sum:</b> Receive 50% of incentive at certificate of occupancy	\$8,320 total
<b>Option 2 - Tax Rebate:</b> Receive 100% of incentive through equal installment payments over the course of seven years.	\$2,337 per year \$16,640 total
<b>Option 3 - Infrastructure:</b> City builds infrastructure improvements required as a condition of development with a cost up to 100% of total incentive. Timing of improvements to be determined by City.	\$16,640 in infrastructure improvements

For more information or to be kept on a contact list, please contact Nick Snead, Community Development Director, 541.475.2344 or nsnead@ci.madras.or.us