

**CITY OF COOS BAY**  
**Agenda Staff Report**

MEETING DATE	AGENDA ITEM NUMBER
January 15, 2013	

TO: Mayor Shoji and Councilors

FROM: Joyce Jansen, Economic Revitalization Administrator 

Through: Rodger Craddock, City Manager

ISSUE      **Filing of the Urban Renewal Annual Financial Impact Statement for Fiscal Year 2011/2012 with the City Council**

BACKGROUND

Oregon Revised Statutes (ORS) 457.460 requires a financial impact statement from the Urban Renewal Agency be filed with the City Council by January 31<sup>st</sup> of each year. The attached report complies with ORS 457.460 and is in addition to the Urban Renewal Budget which was adopted after a public hearing on June 5, 2012 and in addition to the Urban Renewal Agency Audit which was accepted on December 4, 2012.

Components of the financial report include:

- The amount of money received during the preceding fiscal year and the indebtedness incurred.
- The purposes and amounts for which money received, including indebtedness, were expended during the previous fiscal year.
- An estimate of money received in the current fiscal year, including indebtedness.
- A budget identifying the purposes and estimated amounts to be received for the current fiscal year and how funds are to be expended.
- An analysis of impacts, if any, of carrying out the plan for all taxing authorities for the preceding year.

Notice that the report has been prepared and is available to the public will be published in the local newspaper. The report will be available on the city's website at [www.coosbay.org](http://www.coosbay.org) and from the Finance Department during normal business hours.

A few of the major projects during 2011/2012 include the expansion of the Eastside boat ramp, Coos Art Museum façade improvements, Hollering Place Wayside historic marker, city hall seismic retro-fit, planning and design for the Empire Blvd street improvement project, Egyptian Theatre restoration, Dolphin Theatre project, and façade grants. The purpose of urban renewal is to improve specific areas of the city which are poorly developed or underdeveloped, eliminate blighting conditions and improve conditions to encourage economic development. Projects for this purpose are included in the Downtown and Empire Urban Renewal Plans.

**ADVANTAGES**

Preparation of the report and acceptance by the City Council complies with the requirements of ORS 457.460. The report provides an accounting and record of urban renewal revenues and expenditures, and a summary of the projects completed or worked on during the time period of the report.

**DISADVANTAGES**

None identified.

**ACTION REQUESTED**

City Council acceptance of the Urban Renewal Agency's annual report for fiscal year 2011/2012.

**Attachment**

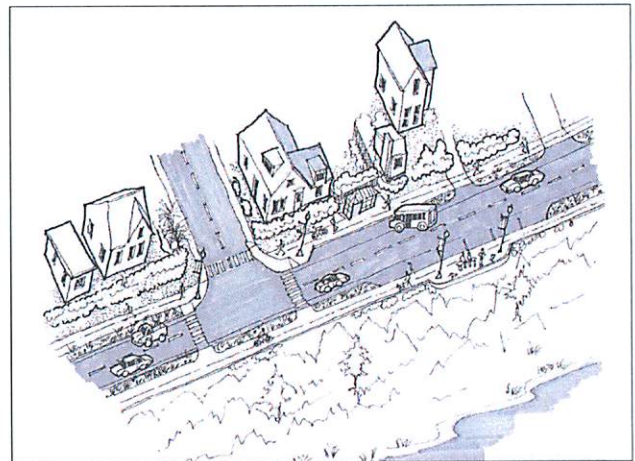
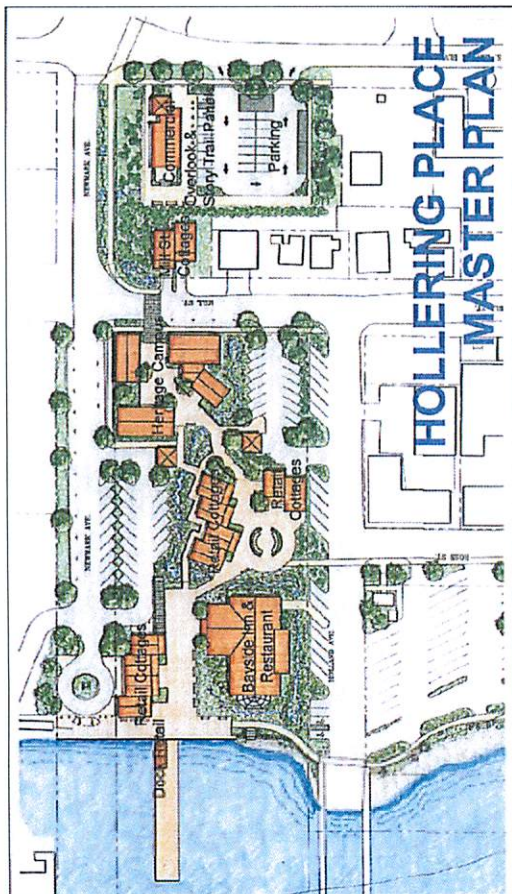
- 2011/2012 URA Financial Impact Statement

# City of Coos Bay Urban Renewal Agency

Annual Financial Impact Report  
2011-2012



City Hall Seismic Upgrade



Empire Blvd Street Improvement

Hollering Place Development

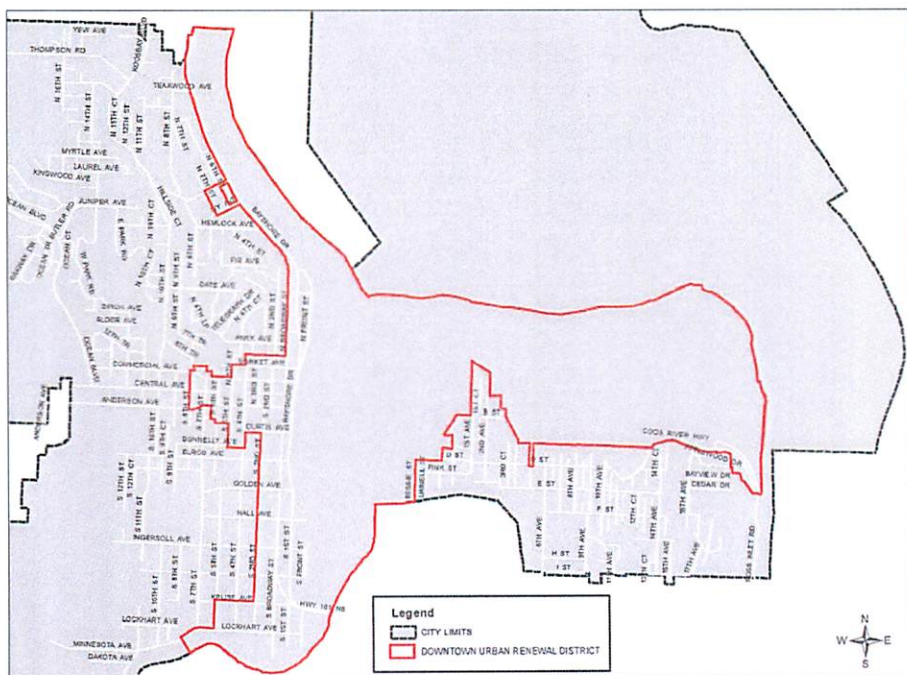
### City of Coos Bay's Urban Renewal Districts

The City of Coos Bay established the Downtown Urban Renewal District in 1988 and the Empire Urban Renewal District in 1995. The Urban Renewal Agency is comprised of the City Council and through annual goal setting and the budget process, determines projects to be funded. Urban renewal funds provide sustainable livability for Coos Bay through projects and programs that play a major role in revitalizing the city.

#### Downtown Urban Renewal District

The Downtown Urban Renewal District consists of 1,298.3 acres. The district begins at the north city limits and runs between the navigation channel and Highway 101 south and southeast toward the city's core area. The district's boundaries proceed south until they come nearly in line with the industrial property located in Eastside. The eastern boundary then turns east to include the industrial-commercial lands in the Eastside area. The westerly boundary proceeds west to include the downtown core area which was a part of the first Urban Renewal Plan and also includes several blocks of transportation corridor immediately west of the core area. The eastern and western urban renewal area boundaries begin to come together in the southern portion of the city and extend to the south city limits along Coalbank Slough.

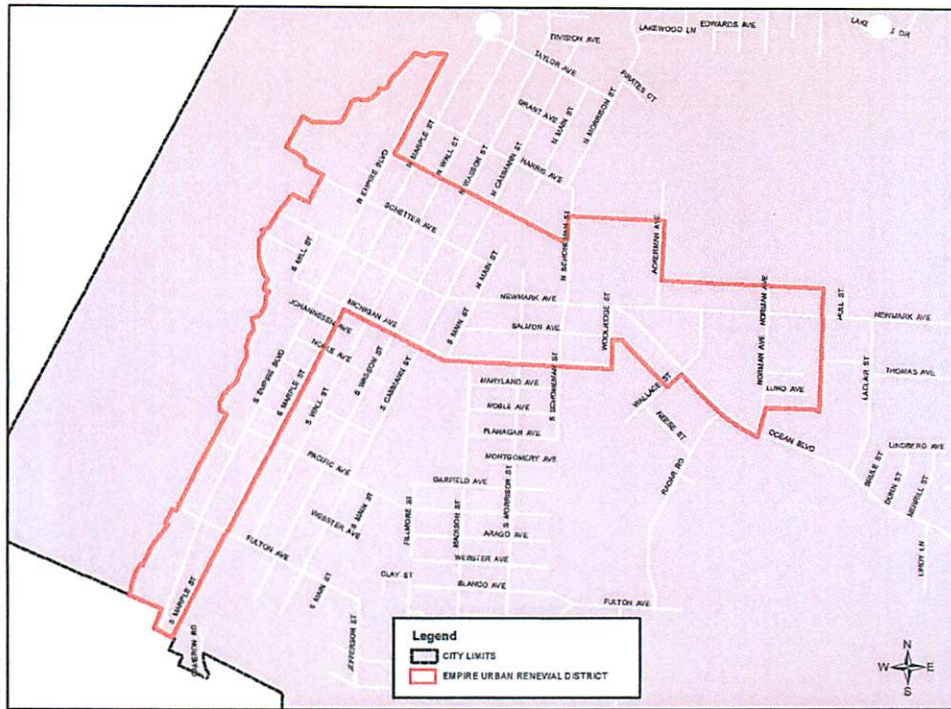
The Plan classifies potential urban renewal projects in three general, broad categories: Waterfront Development, Core Area Revitalization, and Streets and Infrastructure. The objective of the proposed projects is to encourage public/private investment and respond to the business needs of the community.



### Empire Urban Renewal District

The Empire Urban Renewal District consists of 271.3 acres. The district in general borders the bayfront adjacent to Empire Blvd from Wisconsin Avenue north to the shoreline. At the intersection of Empire Blvd and Newmark Avenue, east on either side of Newmark Avenue to the intersection with Ocean Blvd, east to the property line between Norman Avenue and LaClair Street.

The objectives of the plan are to improve the function, condition and appearance of the urban renewal area and eliminate existing blight. Project categories for the Empire Plan are: Waterfront Development, Empire Blvd and Bayfront Improvements, and Improve Primary Commercial Area.



## Downtown District Projects

### City Hall Seismic Upgrade



The \$2.5 million seismic retrofit of city hall was made possible through a \$1.5 million Seismic Rehabilitation grant from Oregon Emergency Management, \$600,000 from the City's general fund, and \$400,000 from City Urban Renewal Agency. The project included upgrading the electrical and heating/cooling system, and updating the interior of the facility. The primary goal of the project was to upgrade city hall to a level of performance necessary to allow immediate re-occupancy following a seismic event and thus allow police emergency services to provide services to the community. The project took eight months to complete and a rededication and ribbon cutting ceremony was held October 16, 2012.

### Coos Art Museum

The Coos Art Museum façade project included repairs to the exterior and a new coat of paint with tri-color scheme of terracotta, yellow ocher, and hunter green. The color selection highlights the building's many interesting architectural details. Although the 1936 building was originally painted in "gleaming white" the current color scheme also refers back to the 1930s and the era of Art Deco.



### Eastside Boat Ramp Expansion

Phase I of the Eastside Boat Ramp Expansion Project included expanding the parking lot to increase the number of parking spaces for single-car and boat trailer parking. With the expansion there are now a total of 130 parking spaces (98 combination vehicle / trailer spaces and 42 single vehicle spaces). Resurfacing and restriping of the existing parking lot were also included in Phase I. Phase II of the project will be the construction of a fish cleaning station.



The project was made possible by a \$20,000 grant from the Oregon State Marine Board and \$141,323 in federal Sport Fish Restoration Funds from the Oregon Department of Fish and Wildlife, and \$64,450 in-kind contributions from the City.

### Downtown Traffic Changes

As a result of a downtown business and customer survey, an in-depth two-year traffic study, and numerous public meetings, long-awaited changes to downtown traffic circulation were completed in October 2011.

A formally two-way section of Anderson Avenue became one-way and the portions of Second and Third Streets between Anderson and Commercial Avenues became two-way. On-street parking remained on the east side of Second Street and on the west side of Third Street. Converting the streets to two-way traffic provides for easier navigation of the downtown core area.



### Main Street Program



The Downtown Main Street program was launched in January 2012 and is a partnership between the city and the Coos Bay Downtown Association. The city provides staff support and funding for the program and the Downtown Association hired a Main Street Manager through the Resource Assistance for Rural Environments (RARE). The Main Street Program provides assistance, training, and technical services to communities who want to strengthen, preserve, and revitalize their historic downtown commercial districts. Projects this year included development of a downtown logo, banners, improvements to a vacant lot, and promotion of local businesses.

### **Egyptian Theatre Restoration**

- 1925 Opened as a theater
- 2005 Egyptian Theatre was closed
- 2006 Purchased by the Urban Renewal Agency
- 2010 Listed on the National Register of Historic Places
- 2011 Theatre closed due to structural issues
- 2011 Placed on the Historic Preservation League of Oregon's 2011 Oregon's Most Endangered Places list



The Urban Renewal Agency and the Egyptian Theatre Preservation Association have partnered in the endeavor to restore the historic Egyptian Theatre. Since its closure in March 2011 a number of steps have taken place: establishment of the Egyptian Theatre Restoration Steering Committee comprised of three members from the Urban Renewal Agency, the Economic Revitalization Administrator, and three members of the Egyptian Theatre Preservation Association, George Kramer of Kramer and Company was hired as historic preservation consultant, Rich Foster of Cascadia Consulting was hired as grant writer, a market/feasibility study was completed by Herb Stratford of Historic Theatre Consulting, and development of the Capital Campaign Plan.

### **Empire District Projects**

#### **Dolphin Theatre**

The Sunset Movie Theatre was constructed in the 1940s and later served as the Scottish Rite Temple lodge for many years. The Dolphin Players purchased the building for the purpose of returning the facility to an active theater. The Urban Renewal Agency partnered with the Dolphin Players to construct two ADA compliant restrooms. One of the goals of the Empire Plan is to develop or redevelop vacant and under-utilized property. Repurposing the old theater building is a significant component for the revitalization of the Empire business district. The facility will provide a place for community theater, cultural and education activities, and a community meeting place.





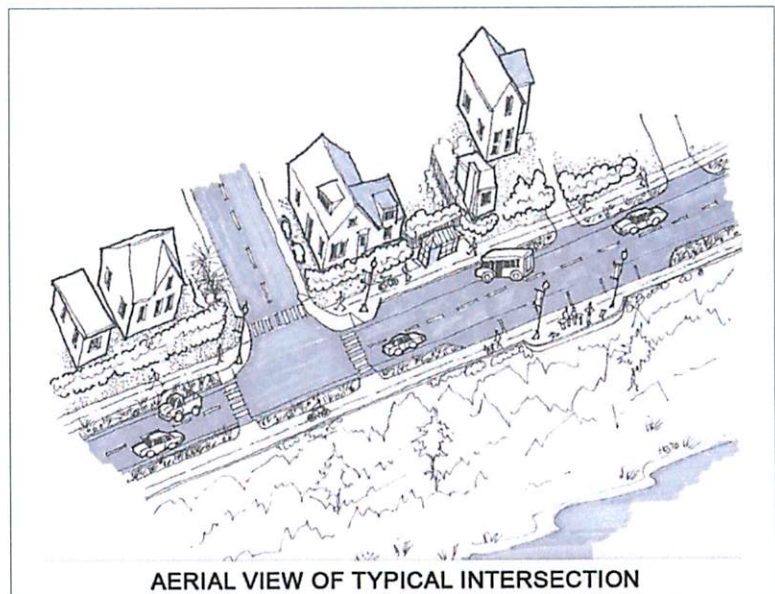
### Empire Blvd / Cape Arago Street Improvement



Camp  
Cast-a-way  
Historic  
marker

A number of improvements have been made to the Empire District over the In the past few years. A master plan for the Hollering Place was developed, the Boat Building Center was established, the Historic Hollering Place Wayside was completed, several building owners made façade improvements, and development of an historic marker through Oregon Travel Experience.

The next big project will be improvements to the Empire Blvd from Newmark Avenue to Wisconsin Avenue. In March 2012 the city was awarded \$2.1 million for Phase I of the "Empire Pedestrian and Bicycle Access Project". The purpose of the project is to increase pedestrian and bicyclist safety through the widening and overlay of South Empire Blvd, installation of bicycle lanes, sidewalks and lighting on both sides of the street. The project will also include the installation of some viewpoints and creation of some on-street



parking. Funding for the project will come from the \$2.1 grant and \$600,000 from urban renewal. Construction is expected to start in the summer 2013.

Phase II will improve Empire Blvd elevation and perform stabilization at the Wisconsin Avenue intersection. This area has a 60 ft drop off along the west side of the street and will require an extensive retaining wall and drainage to complete the bicycle and pedestrian access to the city limits. The city has submitted a grant application to the Oregon Department of Transportation to help with Phase II which is estimated to cost \$1.6 million.

### Façade Projects

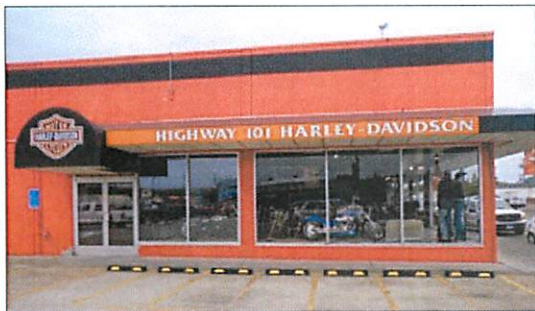
The Façade Improvement Program is a grant program designed to provide financial assistance to property owners and tenants of commercial properties to promote the revitalization of Coos Bay's Urban Renewal Districts. Matching grants may be awarded up to 50% of the project cost from a minimum of \$1,000 to a maximum of \$25,000. A total project of under \$2,000 would not be eligible for assistance under this program.



Old Coos Bay Nat'l Bank Building



Memories of Time



Hwy 101 Harley Davidson



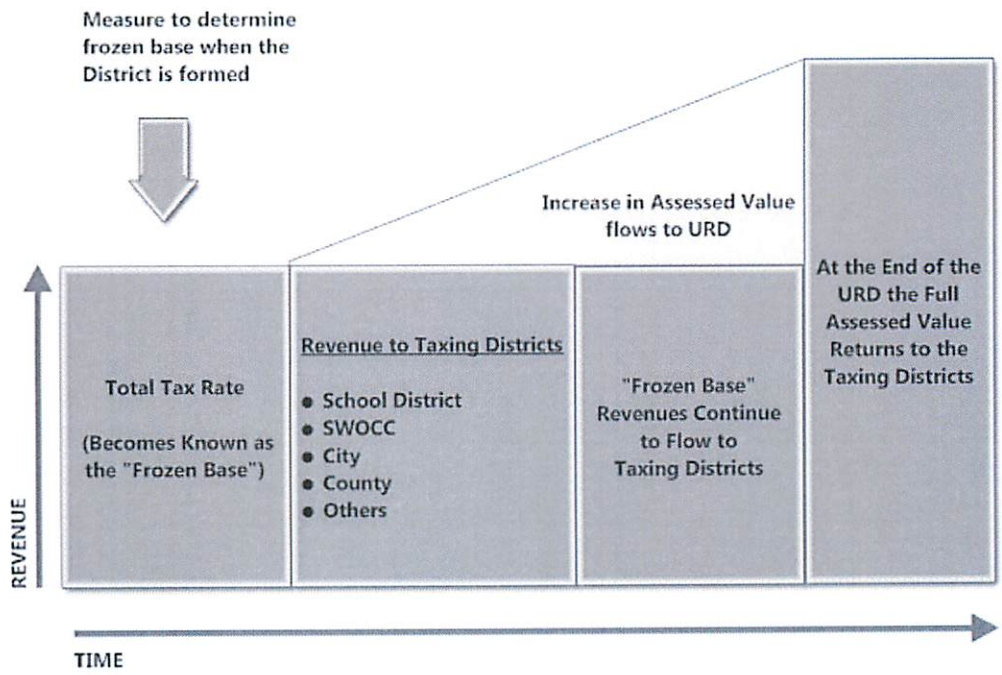
Little Caesars

The Urban Renewal Agency amended both district plans and adopted a grant program in November 2006. As of November 6, 2012 a total of 21 grants have been awarded in the Downtown District and five grants have been awarded in the Empire District for a total of \$393,786 in grant funding and \$976,532 total in estimated value of improvements. With three façade projects in the works the Agency should reach a total improvements valuation of \$1 million in the next two months.

Façade projects in process: Subway on Newmark Avenue, Big A Autoworks on Schoneman Street, the Ford Building on 2<sup>nd</sup> Street, Old City Hall on Central Avenue, the Ector Building on South Broadway, and The Fellowship Art and Literature Bookstore on South Broadway.

**Urban Renewal Taxes Imposed**

When Coos Bay formed the Downtown District in 1988 it created an urban renewal boundary and determined the assessed value in the district at \$50,671,009. The Empire District was formed in 1995 and its assessed value was determined at \$23,772,166. This assessed value is the "frozen base". Improvements within an urban renewal district increase property values and this new value is called "increment" or "excess value". The property taxes from the increase in value go to the urban renewal agency. Revenue generated in this manner is referred to as "tax increment financing" or "division of tax revenue".



**Effect of Urban Renewal District on Assessed Value**

How much would the assessed valuation of the land in the urban renewal district have increased without urban renewal? There is no way to answer this question accurately. If the frozen assessed valuation of the land had increased by 3% each year, the assessed valuation at July 1, 2011 would be \$99,798,336 in the Downtown District and \$38,147,267 in the Empire District.

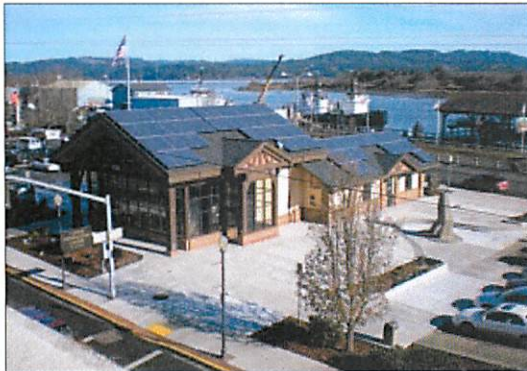
So it is reasonable to assume that any assessed valuation increase beyond \$99,798,336 in the Downtown Urban Renewal District and \$38,147,267 in the Empire Urban Renewal District would be due to development in the urban renewal districts. What is not possible to pin down is what part of the \$15,181,157 (Downtown URD) and \$25,539,869 (Empire URD) additional assessed valuation increase is due to the urban renewal district-funded public improvements.

Coos Bay Urban Renewal Agency Annual Report  
 Fiscal Year Ending June 30, 2012

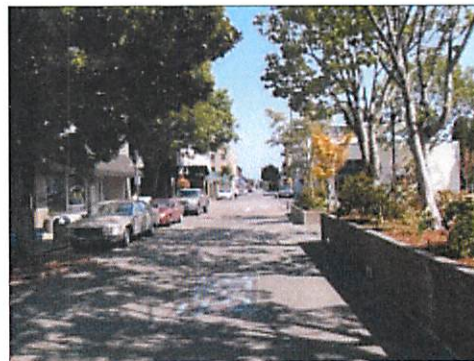
**Stated Another Way**

	Downtown URD	Empire URD
07/01/11 Assessed Valuation of the URD(s)	\$114,979,493	\$63,687,136
<b>Minus:</b> Frozen Base Value	<u>\$ 50,567,009</u>	<u>\$23,772,166</u>
<b>Equals:</b> Increase in Assessed Valuation	\$ 64,412,484	\$39,914,970
<b>Less:</b> Increased Valuation Due to Annual 3%	\$ 49,231,327	\$14,375,101
<b>Increased Due to URA Investment</b>	<b>\$ 15,484,157</b>	<b>\$25,539,869</b>

Urban renewal has provided Coos Bay with the ability to fund public improvements and assist property owners with improvements that otherwise may not have been done. Some of these projects include the purchase of property to develop the Hollering Place project and wayside, establishment of the Boat Building Center, various streetscape projects including the Newmark widening project, purchase of the historic Egyptian Theatre, development of the Front Street master plan and street improvements, removal of downtown canopies and opening Central Avenue to traffic, and construction of a new visitor information center.



Visitor Information Center  
2009/2010



Canopy removal and open Central Avenue to traffic 1991 / 1992



Newmark Widening Project 2002-2004. Groundbreaking was held May 2003. The project widened Newmark from the Y in Empire to the College and added traffic signals and sidewalks. A portion of the project was funded with urban renewal dollars.

**Overlapping Taxing Districts**

Throughout the life of the urban renew district the overlapping taxing districts continue to receive tax revenues from the original assessed value (frozen base). When the district ends, all assessed value will be redistributed back to the taxing districts at the higher assessed value.

**Overlapping District's Foregone Taxes  
 Fiscal Year 2011/2012**

	Downtown District	Empire District
Shared Value	\$954,221,863	
Plan Area Current Value	\$ 114,979,493	\$ 63,687,136
Plan Area Frozen Value	\$ 50,671,009	\$ 23,772,166
Plan Area Excess Value	\$ 64,308,484	\$ 39,914,970

Overlapping Taxing Districts	Permanent Rate	Downtown District	Empire District	Foregone Taxes
4 H	0.0888	\$ 5,630	\$ 3,530	\$ 9,160
Library	0.7289	\$ 46,850	\$ 29,007	\$ 75,857
Coos County	1.0799	\$ 69,369	\$ 43,034	\$ 112,403
ESD	0.4432	\$ 28,435	\$ 17,652	\$ 46,087
Airport	0.24	\$ 15,362	\$ 9,542	\$ 24,904
Coos Bay Schools	4.5276	\$ 291,121	\$ 180,627	\$ 471,748
SWOCC	0.7017	\$ 45,037	\$ 27,958	\$ 72,995
Port of Coos Bay	0.6119	\$ 39,312	\$ 24,332	\$ 63,644
City of Coos Bay	6.3643	\$ 409,249	\$ 254,003	\$ 663,252
Total Foregone Taxes		\$ 950,366	\$ 589,684	\$ 1,540,050

Data derived from Summary of Assessment and Tax Roll for Tax Year 2011-12, Table 4b, 4c, 4e

Coos Bay Urban Renewal Agency Annual Report  
 Fiscal Year Ending June 30, 2012

<b>Downtown District</b>	<b>FYE 12/13 Budgeted</b>	<b>FYE 11/12 Audited</b>
<b>Special Revenue Fund (51)</b>		
<b>Revenue</b>		
Beginning Balance	337,590	903,222
Tax Increment, Current & Prior Years	971,770	957,547
Interest	1,000	5,811
<b>Expenditures</b>		
Urban Renewal Projects	222,064	0
Transfer to Downtown Bond Fund	1,054,940	1,528,730
Transfer to Downtown Bond Reserve	33,356	0
Ending Balance	0	337,850
<b>Bond Fund (54)</b>		
<b>Revenue</b>		
Beginning Balance	1,034	1,034
Transfer from DT Spec Revenue Fund	1,054,940	1,528,730
<b>Expenditures</b>		
Debt Service	1,054,940	1,528,730
Unappropriated Ending Fund Balance	1,034	0
Ending Balance	0	1,034
<b>Downtown Program Fund (56)</b>		
<b>Revenue</b>		
Beginning Balance	23,750	23,064
Interest	75	151
<b>Expenditures</b>		
Urban Renewal Projects	23,825	0
Ending Balance	0	23,215
<b>Capital Projects Fund (57)</b>		
<b>Revenue</b>		
Beginning Balance	1,200,378	2,055,396
Interest	2,300	14,146
Bond Proceeds	355,834	829,581
Grants	634,000	25,219
Miscellaneous	96,000	10,904
<b>Expenditures</b>		
Contractual	135,000	15,237
Agency Management	197,237	163,469
Façade Program	125,000	0
Loan to City	0	600,000
Urban Renewal Projects	1,539,750	596,228
Unappropriated Ending Fund Balance	291,525	0
Ending Balance	0	1,560,312
<b>Downtown Bond Reserve Fund (60)</b>		
<b>Revenue</b>		
Beginning Balance	665,720	665,720
Transfer from Downtown Special Revenue	33,356	0
<b>Expenditures</b>		
Reserve for Future Expenditures	699,076	0
Ending Balance	0	665,720

Coos Bay Urban Renewal Agency Annual Report  
 Fiscal Year Ending June 30, 2012

<b>Empire District</b>	<b>FYE 12/13</b>	<b>FYE 11/12</b>
	Budgeted	Audited
<b>Bond Fund (55)</b>		
<b>Revenue</b>		
Transfer fr Empire Spec Revenue Fund	619,883	967,855
<b>Expenditures</b>		
Debt Service	619,883	967,855
Ending Balance	0	0
<b>Special Revenue Fund (52)</b>		
<b>Revenue</b>		
Beginning Balance	27,727	441,104
Tax Increment, Current & Prior Years	592,059	584,256
Interest	100	2,746
<b>Expenditures</b>		
Transfer to Empire Bond Fund	619,886	967,855
Ending Balance	0	60,251
<b>Capital Projects Fund (58)</b>		
<b>Revenue</b>		
Beginning Balance	784,132	735,691
Interest	400	5,307
Miscellaneous Revenue	3,394,687	2,427
Bond Proceeds	380,137	728,083
<b>Expenditures</b>		
Contractual	8,000	-4,490
Agency Management	120,887	100,191
Urban Renewal Projects	4,380,469	264,286
Façade Program	50,000	0
Ending Balance	0	1,111,521
<b>Program Fund (53)</b>		
<b>Revenue</b>		
Beginning Balance	442,000	429,550
Interest	1,326	2,802
<b>Expenditures</b>		
Contractual	0	0
Urban Renewal Projects	443,326	0
Ending Balance	0	432,352
<b>Bond Reserve Fund (61)</b>		
<b>Revenue</b>		
Beginning Balance	239,711	239,711
Transfer from Empire Special Revenue	3	0
Interest	0	0
Reserve for Future Expenditures	239,714	0
Ending Balance	0	239,711

Urban Renewal Agency Board for 2011/2012

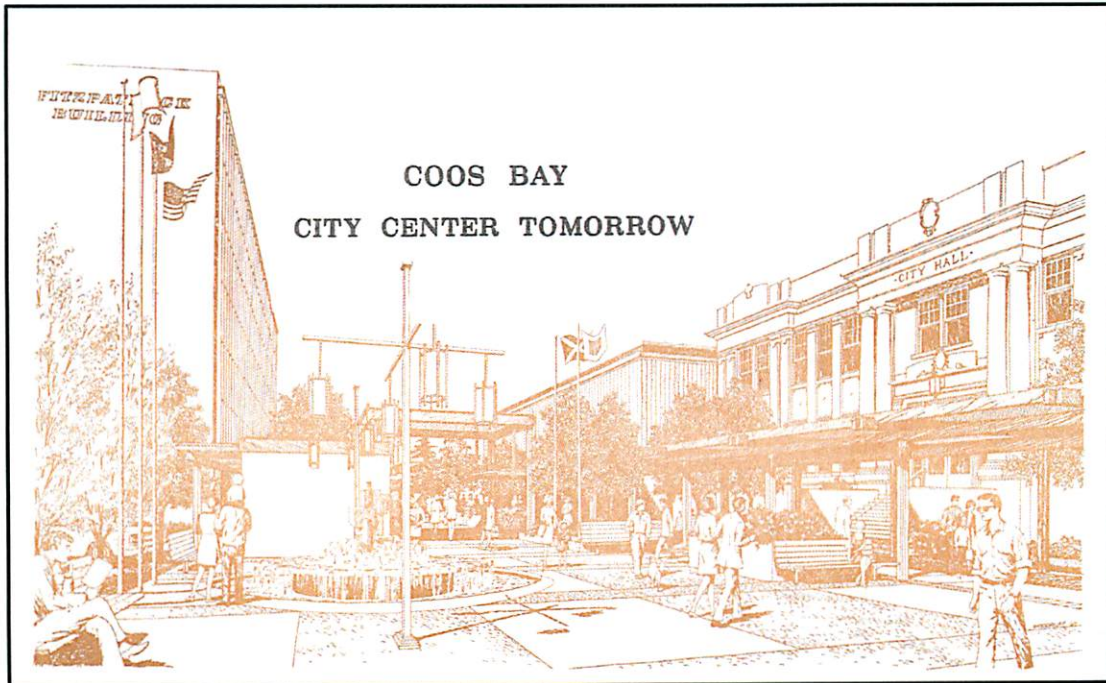
Gene Melton, Chair  
Jon Hanson  
John Muenchrath  
Mike Vaughan

Jennifer Groth, Secretary  
Stephanie Kramer, Vice-Chair  
Crystal Shoji

City Manager  
Rodger Craddock

**Past Coos Bay Urban Renewal District**

An earlier urban renewal district was established in 1968 and was located in the central downtown business core. The district's projects included elimination of traffic on Central Avenue from Highway 101 to 4<sup>th</sup> Street, creation of a pedestrian mall, undergrounding of many utilities within the district, property acquisition to create parking lots and remove blighted structures, and canopied walkways to connect parking lots and other district areas with the pedestrian mall. The projects were completed in the early 1970s and the district ceased tax increment revenue financing in 1984. The district ended in 1989.



For More Information Contact  
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