

# ANNUAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2018

2017/2018

Coos Bay Urban Renewal  
Agency

This report fulfills the requirements, prescribed in ORS.457.460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.



# Annual Report for Fiscal Year Ended June 30, 2018

## COOS BAY URBAN RENEWAL AGENCY

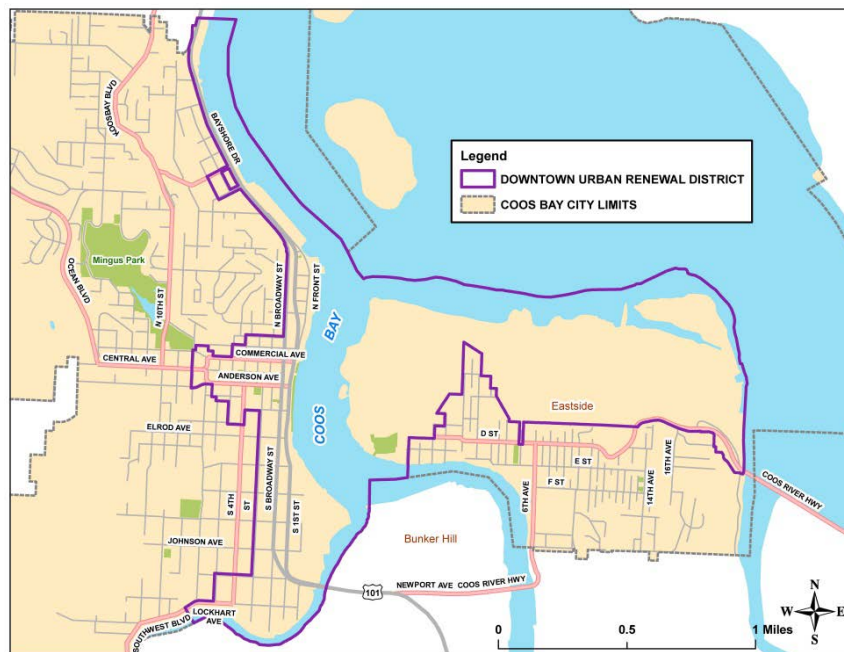
### COOS BAY URBAN RENEWAL AREA BACKGROUND

The City of Coos Bay established the Downtown Urban Renewal District in 1988 and the Empire Urban Renewal District in 1995. The Coos Bay Urban Renewal Agency Board (Agency) is comprised of the City Council; and through annual goal setting and the budget process, it is determined what projects will be funded. Urban renewal funds benefit Coos Bay through the projects and programs that play a major role in revitalizing and curing blight within the urban renewal areas.

### DOWNTOWN URBAN RENEWAL DISTRICT

The Downtown Urban Renewal District (Downtown District) consists of 1,298.3 acres. The Downtown District (as shown below) 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 Downtown 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 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 Downtown Urban Renewal Plan classifies potential urban renewal projects in three general, broad categories: Waterfront Development, Core Area Revitalization (Downtown), and Streets and Infrastructure. The objective of the proposed projects is to encourage public/private investment, eliminate existing blight, and respond to the business needs of the community. The Agency began formulating a revised Downtown Urban Renewal Plan during the FY15/16. The Plan update was completed in October of 2017.

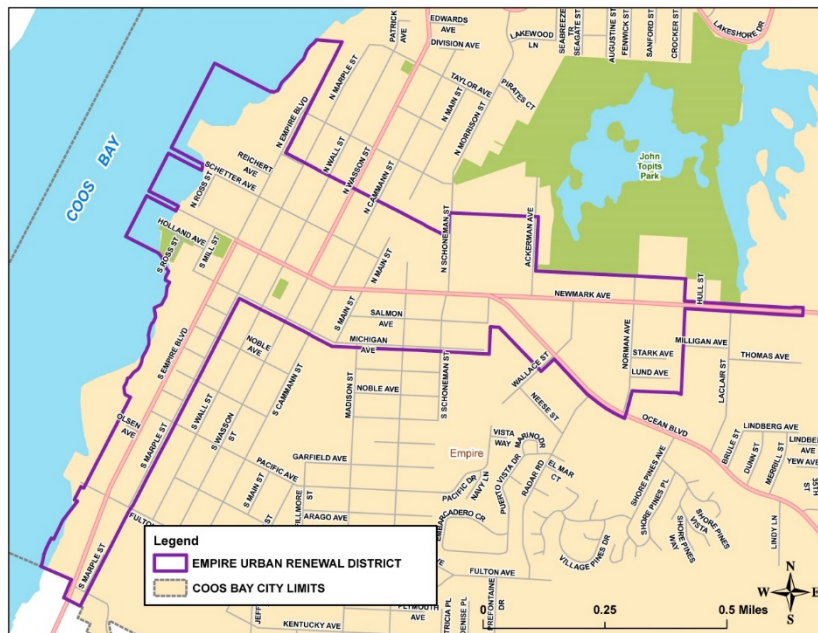


## EMPIRE URBAN RENEWAL DISTRICT

The Empire Urban Renewal District (Empire District) consists of 273.41 acres. The Empire District (as shown below) borders the Empire Bayfront parcels adjacent to Empire Boulevard from Wisconsin Avenue north to the shoreline. At the intersection of Empire Boulevard and Newmark Avenue, east on either side of Newmark Avenue to the intersection with Ocean Boulevard, east to the property line between Norman Avenue and LaClair Street.

The objectives of the Empire Urban Renewal Plan (Empire 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 Boulevard and Bayfront Improvements, and Improve Primary Commercial Area.

The Empire Plan was updated October 16, 2018 after consideration of the need to complete street construction in the Area. Acknowledging that there are few other funding tools for those improvements, the Agency determined an increase to the maximum indebtedness to allow for additional funds for street improvements was warranted. This allows for urban renewal funds to be used to construct streets in this neighborhood, and therefore allows funds that might have been otherwise used in this Area to be used in the remainder of the city where there is not an urban renewal area. The maximum indebtedness was increased to \$18,890,011.



## PROMINENT DOWNTOWN DISTRICT PROJECTS MADE DURING FISCAL YEAR 2017/2018

### Coos Bay Downtown Association

The Coos Bay Downtown Association (CBDA) is an independent, non-profit organization which is part of the national Main Street Program, which leverages community assets to generate investment, create jobs, and foster the rehabilitation of downtown areas and Main Streets. As part of this program, CBDA is supported by a Board of Directors, Main Street Manager, and four Committees: Promotions, Organization, Design, and

Economic Development. CBDA works closely with its members, downtown businesses, and local organizations to strengthen existing business, to expand opportunities for new businesses, and to plan events and activities that improve the quality of life in downtown Coos Bay.

The Downtown District provides a \$35,000 annual payment to the CBDA to assist with funding for work related to the Main Street Program. Under this program, the CBDA successfully organizes and operates procurement of flower baskets for downtown corridor, Downtown Farmer's Market, Maritime Legacy Days, Blackberry Arts Festival, Fun Festival, Shop Small Saturday, Truck-or-Treat Halloween events/promotion, kickoff of the Holly Jolly Christmas season, and the Music on the Corner events.

### **Polishing Up Our Welcome on Highway 101: City Entrances Pour on the Shine**

Progress was made towards the Downtown District's Plan to improve the appeal of the Highway 101 streetscape within the City limits. In 2016, the Agency engaged the services of GreenWorks, a Portland-based landscape architectural and urban design firm, to prepare renderings for streetscape concepts throughout the Highway 101 corridor in Coos Bay. The streetscape designs included both a basic concept for landscaping along with fence railing that matched the railing project between the Rail Museum and Front Street. While there are a number of areas identified for streetscape improvements along Highway 101, the Agency chose to start with improvements to the two-existing City entry monument locations.

Site preparations first began in November 2017 and both projects were substantially completed in May 2018. Portions of Highway 101 within City limits now boast new urban streetscapes with improved eye-appeal thanks to funding from the Urban Renewal Agency.

The north entry, near the existing "Welcome to Coos Bay" monument sign on the west side of Highway 101 is located just north of the ACE Hardware store.

### **North Gateway Project on Highway 101**



The south entry project area involved the "island" on Highway 101, just south of the Shell service station and across the street from Fred Meyers.

### **South Gateway Project on Highway 101**



### **Streetscape Phase II**

The next phase of the Downtown District's streetscape plan focuses on two areas on the north end of Coos Bay; the hillside across from Super 8 Motel and just north of Super 8 at the traffic island separating the highway. Design concepts were already developed but final artwork and structural themes are pending approval from the Agency. Coordination with the Oregon Department of Transportation (ODOT) will also be required for final approval on the median site; the traffic island, which divides northbound and southbound lanes of the highway, falls under ODOT's right-of-way, requiring the agency's approval for any change in configuration.

In total, six locations were identified for streetscape makeovers, the Highway 101 Streetscape Plan will ultimately add to the image and beauty of the City's major transportation corridor. These highly visible

locations along Highway 101 are specifically relevant to the Downtown District, which concentrates on projects related to streets and infrastructure, along with waterfront development, and core area revitalization. They are also a key example of the Downtown District's purpose, to improve specific areas of the City that are poorly developed or underdeveloped, to improve conditions, and to encourage economic development.

### Hillside Location



### Concept Design



### Traffic Island/Median



### Concept Design



### Improving Downtown Sidewalks - One Step at a Time

Downtown District urban renewal dollars funded the sidewalk repairs to Second Street. This was one of three sidewalks chosen for restoration downtown due to the poor condition of the sidewalks. Photos were taken during the week of demolition and paving.



### Other Planned Improvements

Due to several safety concerns and challenges for pedestrians and motoring public, improvements were planned for the Fourth Street corridor between Market and Golden Avenues. The Agency engaged the assistance of Civil West Engineering Services, Inc. to prepare layouts for possible options available to address these concerns. These options included several street striping layouts, pedestrian safety improvements, and parking configurations. The Council/Agency also requested and received public input on the options. After careful consideration of public input and review of the options, final selection was made which addressed the greatest extent of safety concerns. The layout included new striping that provided one lane of traffic in each direction, northbound and southbound, through the corridor along with a continuous shared center turn lane. The selected option also included sidewalk bump outs at intersections for pedestrian safety; rapid flash beacon signs for Fourth Street crosswalks at Bennett Avenue and Central Avenue; the addition of sidewalk on the east side of Fourth Street in front of the Old City Hall building; and parallel parking throughout the corridor.

The capital expenditures for this project will be funded from revenues collected from the Special Urban Renewal Levy, specifically for street improvements within the Downtown District. Depending on the total project cost, it may be a year or two (possibly more) before adequate funds are available for making the capital improvements.

### **Coos Bay Village**

This project is located along the North Bayshore Drive waterfront, between Ivy Street and the Coos History Museum. The project will be comprised of multiple retail, restaurant and office buildings, pedestrian plazas, public boardwalk, off-street parking, landscaping, installation of a lighted intersection at Hemlock Avenue and related infrastructure.

The plans are representative of the community's goals for the waterfront area noted in the 2017 Front Street Action Plan and other City waterfront visioning documents in years past. Project Representative Daniel Graham shared his excitement to clean up this portion of the Coos Bay waterfront. He indicated demolition over a portion of the property had already commenced and construction would start in the coming year.

PHOTO (Below)-Artist's rendering of Coos Bay Village Project on the waterfront.



## **PROMINENT EMPIRE DISTRICT PROJECTS MADE DURING FISCAL YEAR 2017/2018**

As of close of fiscal year ended 2018, a substantial plan amendment was in process for the Empire Urban Renewal District (Empire District). The substantial plan amendment would increase current maximum indebtedness of \$12,550,011 by \$6,340,000, for total of \$18,890,011 and would extend the sunset date for the plan an additional six years to fiscal year end 2031.



## The Hollering Place

For the past several years, the Agency has been working with the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians (Tribe) to develop the property known as the Hollering Place. In March of 2018, Agency entered into a development agreement with the Tribe for the development of the property.

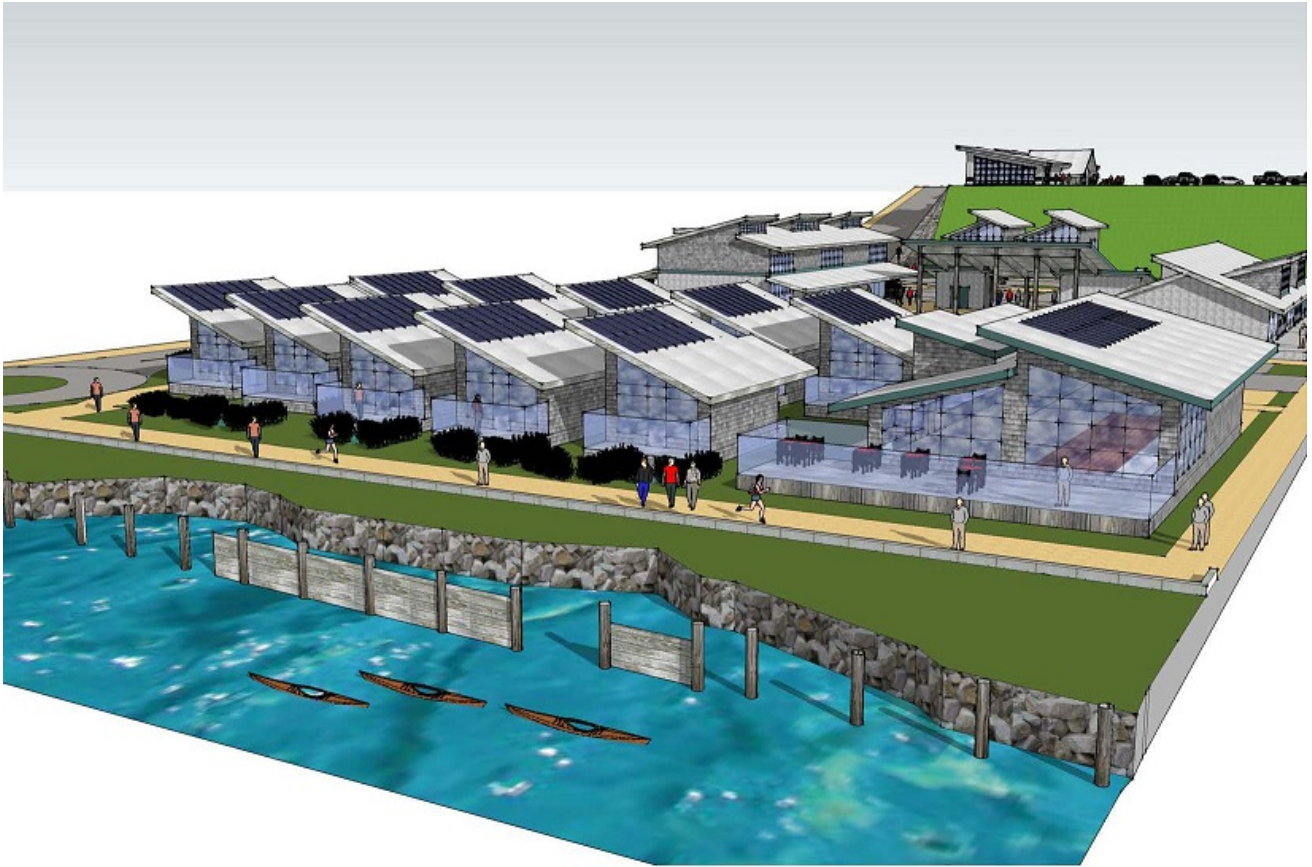
Located at the junction of Newmark and Cape Arago Highway at the end of the Empire District, the Hollering Place Cultural/Visitor Center is anticipated within the next five years. Along with the cultural center the tribe also has plans for retail shops, a possible restaurant, and lodging area for visitors. The Confederated Tribes have a lot of history down where the Hollering Place will be. It was a very large village site centuries ago. The Hollering Place is one of the oldest settlements and one of the largest settlements of tribal members in the area.

A sea wall to reinforce the existing shore line is the first priority of the Tribe and Agency. After the sea wall is developed contractors will begin developing the lower areas of the property, with the visitors' center being the first anticipated building. As plans develop the Tribe and the city hope that the community will become involved in the process.

### Aerial View North West



**Restaurant & Vacation Cabins from the South West**



**Commercial/Residential Buildings North**



## Façade Grant Projects

The Façade Improvement Program is a grant program designed to provide financial assistance to property owners and tenants of commercial properties and to promote revitalization of Coos Bay's urban renewal districts. Matching grants are typically awarded up to 50% of the project cost from a minimum of \$1,000 to maximum of \$25,000.

During the fiscal year ended 2018, the following façade grant projects were completed:

### **Downtown Urban Renewal District**

**Building:** Old City Hall

**Address:** 375 Central Avenue

**URA Funds:** \$7,500

**Value of Improvements:** \$15,000

**Project Completed:** August 2017

**Description:** The building owner refurbished/repared the main exterior staircase. The restoration project was made possible by two grants; the Downtown District façade improvement grant and a Certified Local Government Restoration grant. The structure is included in the National Registry of Historic Places and is on the City's newly established Local Landmark Registry, as part of the State's Local Government Registry program.

**Project in Progress**

**After Project was Completed**



**Building:** Commercial Building/Warehouse

**Address:** 737 N. Front Street

**URA Funds:** \$50,000 (Phase 1: \$25,000; Phase 2: \$25,000)

**Value of Improvements:** \$130, 500

**Project Completed:** August 2018

**Description:** Investing in our waterfront Heritage, old commercial building gets new life! In late 2016, Heidi Sause purchased the commercial building located at 737 N. Front Street in downtown Coos Bay; a partial two-story structure built in 1940. Over the years the structure had a variety of uses. City Hall files indicate in the 1950's, the structure was used as "Pat's Distributing." In later years, the building was used as a roller rink, soda bottling plant, produce distribution, Mayflower storage, Veterans Affairs meeting hall, and a mill blade sharpening shop. In more recent years, uses included retail sales of imports and books (1999-2001), saw sales/repair (1999-2000), a Saturday Market (2002-2003,) and Morrison Studios (metal fabrication). In early 2017, Sause approached the Coos Bay URA with plans to renovate the exterior façade of the building.

Phase 1 of the project focused on rehabbing the east and south facing exterior walls with the goal of ensuring the original character which celebrated the “belonging and working history” of our waterfront heritage. Phase 2 of the project focused on rehabbing the north and west facing exterior walls.

Phase II of the project finished the façade upgrades on the north and west elevations of the existing structure, completing the external improvements to the building.

**Phase 1 - Before**



**Phase 1 – After**



**Phase 2 – Before/After**

**North Elevation**



**West Elevation**



**Other Downtown URA Façade Projects Approved/Pending Completion Included:**

**Building:** Coos Elderly  
**Address:** 390 S. 2<sup>nd</sup> St.  
**URA Funds:** \$25,000

**Project Detail:** Proposed improvements addressed structural repairs including removal and replacement of current floor to ceiling exterior windows and solid wall construction extending from the existing sidewalk grade to three or four feet above the sidewalk.

**Empire Urban Renewal Area**

No façade grant projects were awarded or completed in the Empire District during fiscal year ended 2018.

## Urban Renewal Taxes Imposed

The Downtown District, formed in 1988 has a frozen base is \$50,671,009. The Empire District, formed in 1995, has a frozen base of \$23,772,166. This frozen base is the assessed value at the time of formation of the urban renewal district. As shown in Table 1 (below) the Downtown District is now valued at \$110,190,184 which reflects an excess value of \$59,519,175. The Empire District now has a value of \$73,668,724 which reflects an excess value of \$49,896,558.

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".

**Table 1. District Assessed Values**

Urban Renewal Area	Plan Area Current Value	Plan Area Frozen Value	Plan Area Excess Value
Downtown	\$110,190,184	\$50,671,009	\$59,519,175
Empire	\$73,668,724	\$23,772,166	\$49,896,558

Source: FY 2017/2018 Sal 4e from Coos County Assessor

## Overlapping Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 2. This information is from Coos County Assessor records, Table 4a and 4e and is after total losses of \$5,264 to compression.

Urban renewal agencies do not create an additional tax. Instead, during the Agency's lifespan, overlapping taxing districts "forego" a portion of their permanent rate. Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. The School District and Education Service District are funded through the State School Fund on a per pupil allocation. There is no *direct* impact of urban renewal on their funding. The State School Fund is funded through property tax allocations, but also through other state resources.

**Table 2. Impact on Taxing Districts FY 2017/2018**

Taxing Jurisdiction	Downtown District Impact	Empire District Impact	Total Impact
Coos County 4H/Extension	5,230	4,393	9,624
Coos County Library Services	43,202	36,194	79,396
Coos County	64,019	53,663	117,682
City of Coos Bay	377,525	316,434	693,959
South Coast ESD	26,256	21,967	48,224
Coos Bay School District #9	268,525	225,113	493,638
SW Oregon Community College	41,529	34,834	76,363
Port of Coos Bay	36,298	30,336	66,634
Coos County Airport	14,226	11,925	26,152
TOTAL:	\$876,810	\$734,859	\$1,611,672

Source: FY 2017/2018 Sal 4a and 4e from Coos County Assessor

## Downtown District Financial Reporting

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information responds to the requirements of this statute.

### Money Received

In FY 2017/2018, the Downtown District received \$1,185,532 from division of taxes.<sup>1</sup> The detailed earnings of the Downtown District can be seen in Table 3.

**Table 3. Money Received During FY 2017/2018 -Downtown District**

Receipt Category Downtown	2017/2018 Amount
Division of Taxes	1,185,532
Interest on Investments	33,712
Seismic Project Loan - City of Coos Bay	63,000
Miscellaneous	22,967
<b>TOTAL:</b>	<b>\$1,305,211</b>

Source: Coos Bay Urban Renewal Agency Financial Statement FYE 2018, pg. 15-16

### Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 4.

**Table 4. Expenditures During FY 2017/2018 – Downtown District**

Expenditure Category Downtown	2017/2018 Amount
Materials and Services	(581,815)
Capital Outlay	(527,261)
Debt Service	(337,543)
<b>TOTAL:</b>	<b>\$(1,446,619)</b>

Source: Coos Bay Urban Renewal Agency Financial Statement FYE 2018, pg. 15-16

### Estimated Revenues

The estimated tax revenues from the FY Downtown District's 2018/19 adopted budget are \$901,004.<sup>2</sup>

### Proposed Budget for Current Fiscal Year, FY 2018/2019

A compiled budget listing the money to be received due to urban renewal, money to be spent, and what projects/expenses the money will fund is shown in Table 5 on the following page.

<sup>1</sup> Coos Bay Urban Renewal Agency Audited Financial Statement FYE 2018, pg. 15-16

<sup>2</sup> Source: the City of Coos Bay FY 2018/19 Urban Renewal Budget, pg. 3-16

**Table 5. FY 2018/2019 Downtown District Budget**

<b>Budget Category (Expenditures) Downtown District</b>	<b>Approved Budget Value</b>
<b>Downtown Special Revenue Fund 51</b>	
Transfers	(1,475,000)
Contingency	(114,719)
TOTAL:	\$(1,589,719)
<b>Downtown Bond Fund 54</b>	
Debt Service	(1,325,000)
TOTAL:	\$(1,325,000)
<b>Downtown Program Fund 56</b>	
Materials and Services	(4,104)
Capital Outlay	(18,546)
TOTAL:	\$(22,650)
<b>Downtown Capital Projects Fund 57</b>	
Materials and Services	(629,893)
Capital Outlay	(3,823,007)
Contingency	(50,000)
TOTAL:	\$(4,502,900)
<b>Downtown Bond Reserve Fund 60</b>	
Reserve for Future Expenditures	(150,000)
TOTAL:	\$(150,000)
TOTAL ALL FUNDS:	\$(7,590,269)

<b>Budget Category (Revenues) Downtown District</b>	<b>Approved Budget Value</b>
<b>Downtown Special Revenue Fund 51</b>	
Beginning Balance	350,000
Division of Taxes 1	901,004
Special Levy	336,715
Interest Income	2,000
TOTAL:	\$1,589,719
<b>Downtown Bond Fund 54</b>	
Transfer from Special Revenue Fund	1,325,000
TOTAL:	\$1,325,000
<b>Downtown Program Fund 56</b>	
Beginning Balance	22,450
Interest Income	200
TOTAL:	\$22,650
<b>Downtown Capital Projects Fund 57</b>	
Beginning Balance	1,250,000
Interest Income	7,000
Other Revenue	137,400
Other Financing Sources	3,108,500
TOTAL:	\$4,502,900
<b>Downtown Bond Reserve Fund 60</b>	
Other Financing Sources	150,000
TOTAL:	\$150,000
TOTAL ALL FUNDS:	\$7,590,269

The City of Coos Bay FY 2018/19 Urban Renewal Budget, pgs. 3-16



## Empire District

### FINANCIAL REPORTING

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information responds to the requirements of this statute.

#### Money Received

In FY 2017/2018, the Empire District received \$733,680 from division of taxes.<sup>3</sup> The detailed earnings of the Empire Urban Renewal Plan can be seen in Table 6.

**Table 6. Money Received During FY 2017/2018 – Empire District**

Receipt Category Empire	2017/2018 Amount
Division of Taxes	733,680
Interest on Investments	24,648
TOTAL:	\$758,328

Source: Coos Bay Urban Renewal Agency Financial Statement FYE 2018, pg. 15-16

#### Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 7.

**Table 7. Expenditures During FY 2017/2018 – Empire District**

Expenditure Category Empire	2017/2018 Amount
Materials and Services	(335,224)
Capital Outlay	(684,782)
TOTAL:	\$(1,020,006)

Source: Coos Bay Urban Renewal Agency Financial Statement FYE 2018, pg. 15-16

#### Estimated Revenues

The estimated tax revenues from the FY Empire District's 2018/19 adopted budget are \$755,204.<sup>4</sup>

#### Proposed Budget for Current Fiscal Year, FY 2018/2019

A compiled budget listing the money to be received due to urban renewal, money to be spent, and what projects/expenses the money will fund is shown in Table 8 on the following page.

<sup>3</sup> Coos Bay Urban Renewal Agency Audited Financial Statement FYE 2018, pg. 15-16

<sup>4</sup> Source: the City of Coos Bay FY 2018/19 Urban Renewal Budget, pg. 3-16

Table 8. FY 2018/2019 Empire District Budget

Budget Category (Expenditures) Empire	Approved Budget Value
<b>Empire Special Revenue Fund 52</b>	
Transfers	(1,110,000)
TOTAL:	\$(1,110,000)
<b>Empire Program Fund 53</b>	
Materials and Services	(50,000)
Capital Outlay	(522,000)
TOTAL:	\$(572,000)
<b>Empire Bond Fund 55</b>	
Debt Service	(960,000)
TOTAL:	\$(960,000)
<b>Empire Capital Projects Fund 58</b>	
Materials and Services	(519,840)
Capital Outlay	(2,671,160)
Transfers	(125,000)
TOTAL:	\$(3,316,000)
<b>Empire Bond Reserve Fund 61</b>	
Reserve for Future Expenditures	(150,000)
TOTAL:	\$(150,000)
TOTAL ALL FUNDS:	\$(6,108,000)

Budget Category (Revenues) Empire	Approved Budget Value
<b>Empire Special Revenue Fund 52</b>	
Beginning Balance	350,796
Division of Taxes	755,204
Interest Income	4,000
TOTAL:	\$1,110,000
<b>Empire Program Fund 53</b>	
Beginning Balance	445,000
Interest Income	2,000
Transfer from Capital Projects Fund	125,000
TOTAL:	\$572,000
<b>Empire Bond Fund 55</b>	
Transfer from Special Revenue Fund	960,000
TOTAL:	\$960,000
<b>Empire Capital Projects Fund 58</b>	
Beginning Balance	325,000
Interest Income	3,000
Other Financing Sources	2,988,000
TOTAL:	\$3,316,000
<b>Empire Bond Reserve Fund 61</b>	
Other Financing Sources	150,000
TOTAL:	\$150,000
TOTAL ALL FUNDS:	\$6,108,000

The City of Coos Bay FY 2018/19 Urban Renewal Budget, pgs. 3-16