
Urban Renewal Agency

of the City of Coos Bay, Oregon



Annual Urban Renewal Report
Fiscal Year Ended June 30, 2021

Table of Contents

Introduction.....	1
Urban Renewal Concept	1
Tax Increment Financing	1
Urban Renewal Area Background	1
Urban Renewal Districts.....	2
Prominent Downtown District Projects.....	4
Prominent Empire District Projects	9
Façade Grant Program	15
Financial Reporting.....	23

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Introduction

As required by ORS 457.460, an urban renewal agency must prepare a statement for the governing body and citizens. This statement, or report, must include a financial recap of the preceding year, the budget for the current fiscal year, and an analysis of the impact of carrying out the urban renewal plan on each of the overlapping governmental units within the urban renewal area.

The following report is meant to meet that requirement, as well as, expand upon the minimum requirement and provide the reader more detailed information about the Urban Renewal Agency of the City of Coos Bay and its activities during the period July 1, 2020 through June 30, 2021 (FY21).

Urban Renewal Concept

Tax increment financing is used in areas where private development has stagnated or is not feasible without public sector investment and partnership. Public investment through urban renewal is one way to change those conditions. The types of urban renewal activities undertaken generally include land assembly and development of infrastructure and public amenities, as well as façade improvement grants. As the result of publicly funded efforts, investment becomes feasible for private developers. Developments consistent with the City’s urban renewal plan then gain forward momentum and stagnated areas become renewed.

Tax Increment Financing

Urban renewal, as a mechanism to jump-start area growth and improvement, starts with a point-in-time freeze of the assessed value within the designated urban renewal area. As the improvements and growth happen, the assessed property values within the urban renewal area increase above that frozen base, creating “incremental revenue” which is entirely distributed to the urban renewal agency. Urban renewal agencies use debt to fund the improvement projects as part of their plan. This debt, either through standard bank/financing options or through Du Jour financing (a short “daily” internal loan), is then repaid from the incremental tax revenue. As the urban renewal agency sunsets, this incremental value is then distributed, along with the frozen base revenue, to the overlapping government units.

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 their full permanent rate of taxes, plus the incremental tax revenues generated by the urban renewal area improvements. 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.

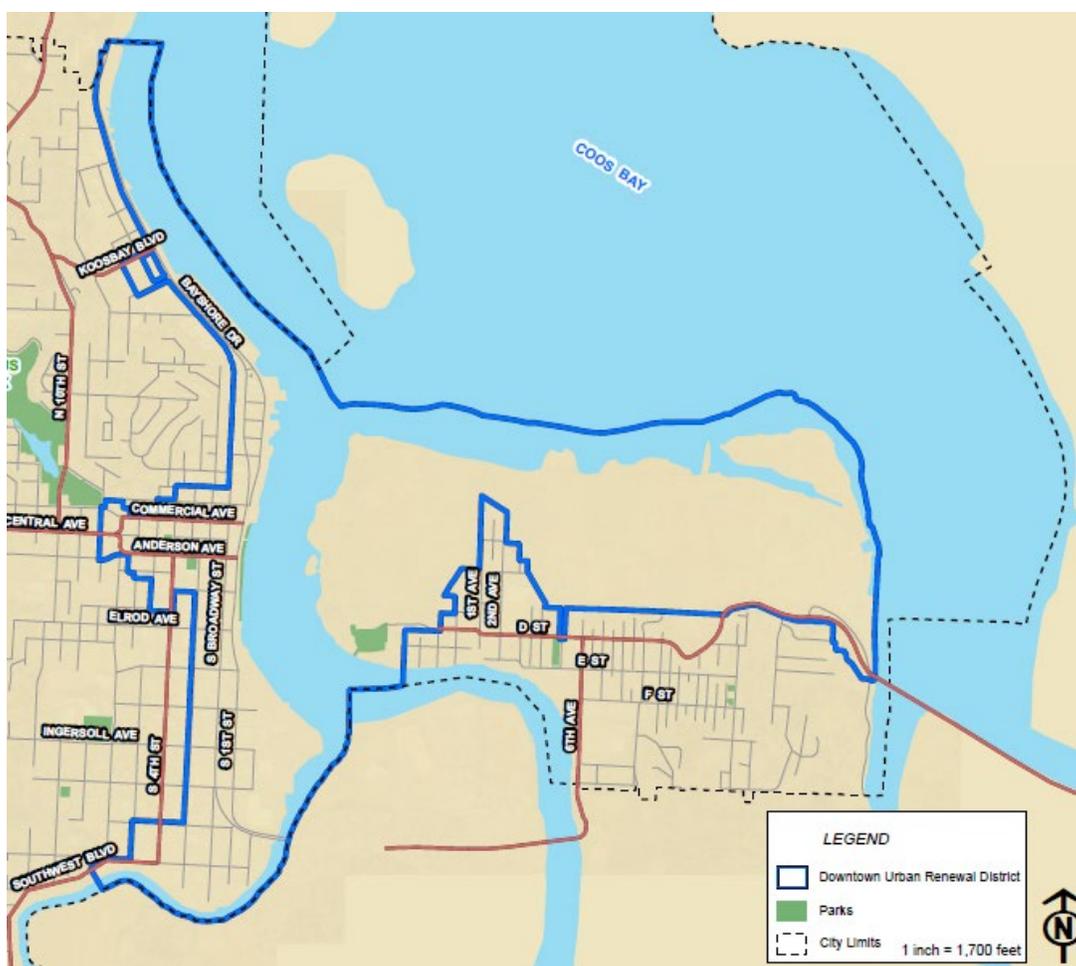
Urban Renewal Area Background

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 bi-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.

Urban Renewal Districts

Downtown District

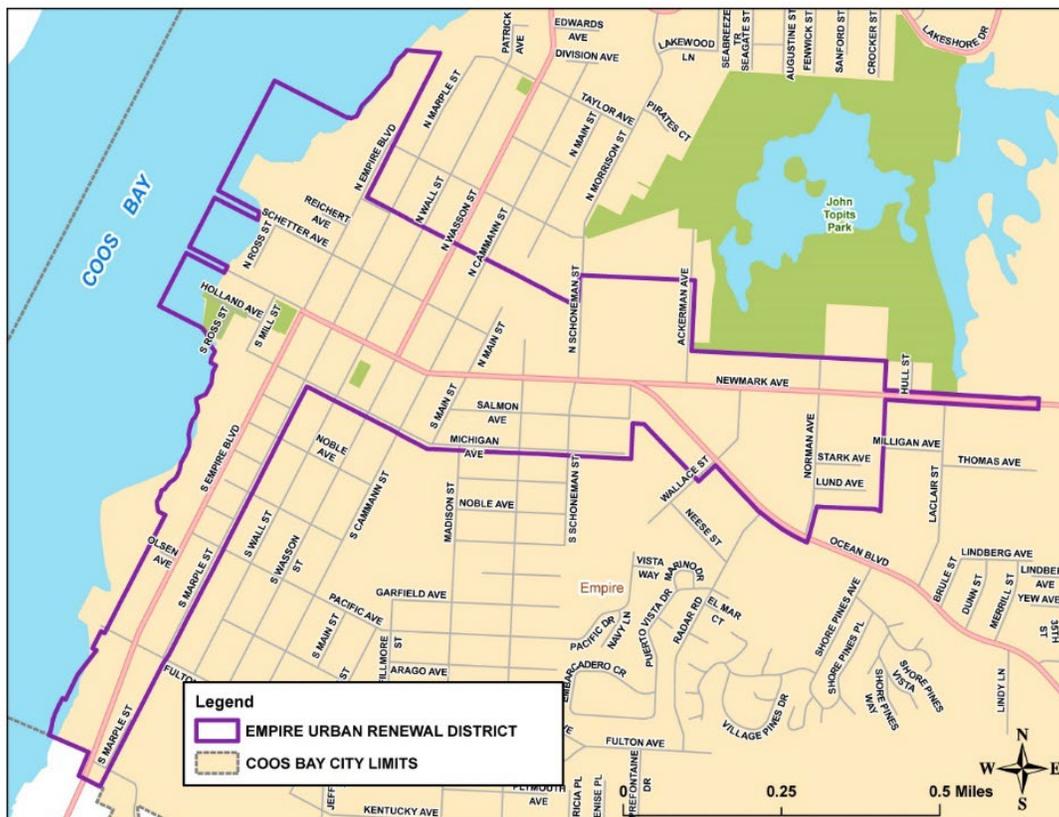
The Downtown Urban Renewal District (Downtown District) consists of 1,298.3 acres. The Downtown District (as shown below) begins at the north city limits, and runs between the navigation channel and Highway 101 south and southeast toward the City's core area. The Downtown District's boundaries proceed 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 District

As of the period of this report, the Empire Urban Renewal District (Empire District) consisted 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 Empire District area for this reporting period is shown below.



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 District. 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 District, and therefore allows funds that might have been otherwise used in this District to be used in the remainder of the city where there is not an urban renewal area. With this plan update, the maximum indebtedness was increased to \$18,890,011.

The Agency began the process to once again amend the Empire Plan during the spring of 2021. The proposed amendment includes a project addition of site development for the new Library facility to be located in John Topits Park which required this additional park acreage (nearly 30 acres) to be added to the plan, bringing the total Empire Plan acreage to 303.31. This amendment also increases the maximum indebtedness to \$29,000,000 which also extends the life of the plan through 2040. The amendment was finalized in August of 2021, subsequent to this reporting period. Below is the amended Empire District area:



Prominent Downtown District Projects

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 annual support for the current reporting year was \$35,000.

The Downtown District provides an 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. During FY21 (and into FY22), many of these events were cancelled due to COVID-19, however, because the cancellation of these events had a severe financial impact from loss of revenue generation, the Agency continued to provide the annual support payment to the Coos Bay Downtown Association. During the reporting period, CBDA was awarded a grant which allowed them to purchase and install some bicycle racks in the downtown area. These racks were specially designed by the Marshfield High School Metal Shop and intended to coordinate and further enhance the cement structure already in place, depicting the running legs of Steve Prefontaine. Below is a photo of the bike racks located at the Visitor Information Center.



4th Street Reconstruction and Pedestrian Safety Improvements

After several years of research, public input, and multiple plan variations, final design for the 4th Street Reconstruction and Pedestrian Safety Improvements project was accepted in November 2019. The capital road project included a complete reconstruction of the road bed and driving surface, new sidewalks, bump outs at the intersections, new traffic signals at the intersections of 4th Street at Commercial Avenue and 4th Street at Anderson Avenue, improved pedestrian crossings at Central Avenue and in between Curtis and Bennett Avenues. In April 2020, financing was secured for the project and the project bid awarded. Construction was completed by December 2021.

Shown below are, photos of construction in progress and completed project.



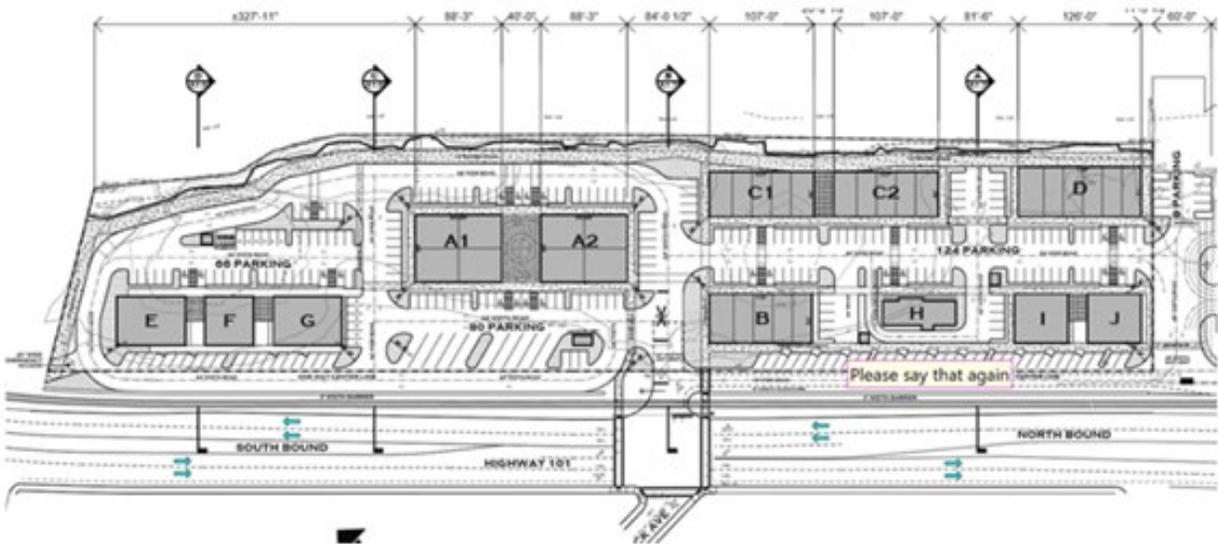
Coos Bay Village

This project, located along the North Bayshore Drive waterfront between Ivy Street and Coos History Museum, and locally known as the Central Dock property, continued during FY21. 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 Agency agreed to provide financial support of up to \$2,460,000 towards the installation of the lighted intersection at Hemlock Avenue, which also include railroad crossing safety improvements. An aerial shot of the Central Dock property is shown below prior to commencement of work.



The following 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. The Coos Bay Planning Commission approved the below site plan in December 2018. The projects will be phased, with full buildout shown in the rendering below:



At the time of this report and pictured below, several buildings have been constructed (buildings B, D, H, I and J), with C1 and C2 under construction, along with completed necessary improvements to the rail crossing and the Hemlock Ave / Bayshore Blvd intersection, this development has made a significant impact to the waterfront and Front Street area.



The concrete boardwalk along the waterfront is a great addition to the development which will extend for the full length of the development, with future plans envisioning connection to a proposed boardwalk at the Coos History Museum.



Revitalization of core business district – Front Street

As part of the Front Street Master Plan, the Agency has begun efforts to bring new life to the business district along the waterfront which includes the Coos Bay Village development. A continuation of that energy proceeds into Front Street and can be seen through façade grants awarded in previous years to businesses on Front Street. As this revitalization occurs, an obstacle to its continuation arose, how to accommodate additional traffic and provide necessary places for parking. To overcome this challenge, the Agency acquired a property on Front Street which had been left to disrepair. The warehouse property had also been used for equipment storage, resulting in soil seepage of environmental hazards. The following picture shows the property prior to demolition.



Following the acquisition process, the Agency worked with the Department of Environmental Quality to develop a remediation plan that would allow the re-use of the property. Once approved, the Agency began the necessary remediation work can begin which will allow the Agency to transform the property into a green parking lot. Subsequent to the close of this report year, the warehouse on the lot was removed. It is anticipated that construction of the new parking lot at that location will begin in FYE23.



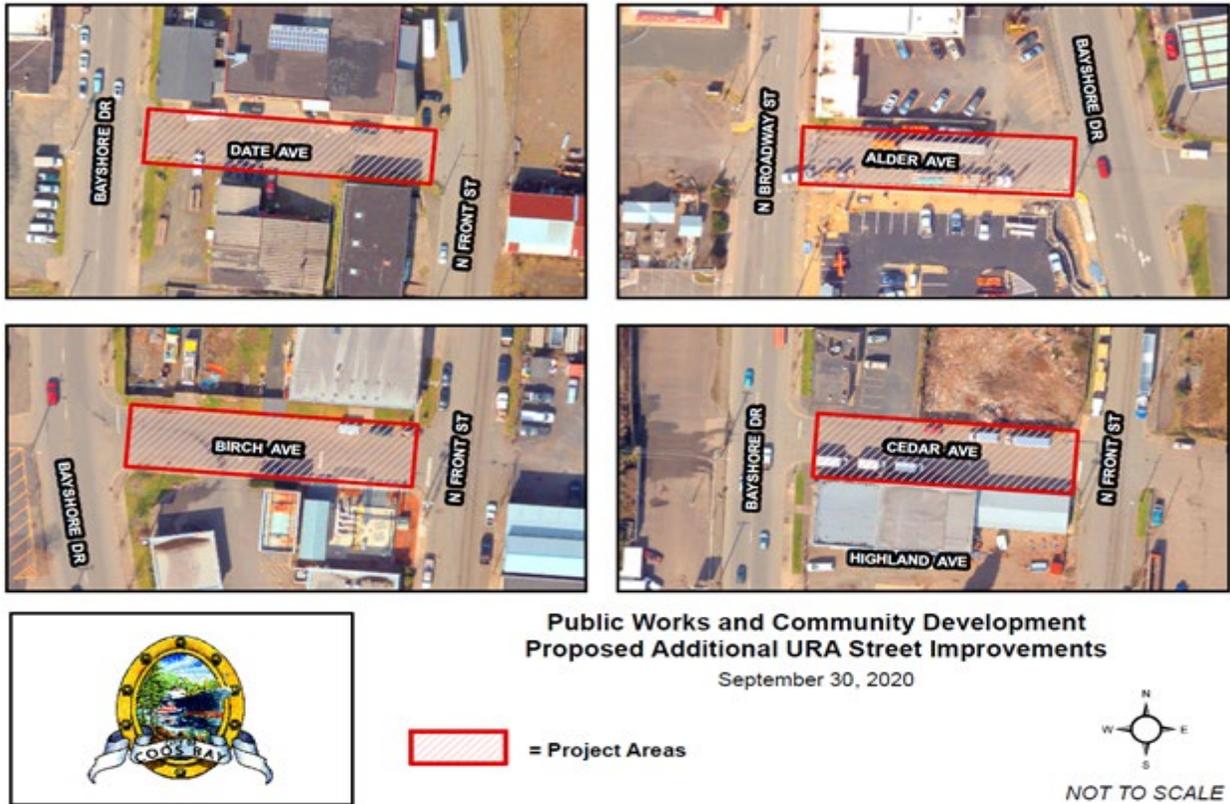
Egyptian Theater Roof replacement

In partnership with the Egyptian Theater Preservation Association (ETPA), the roof membrane system was replaced. The funding for this project came from an Oregon Parks & Recreation Department grant and local community donation made to the ETPA. The project was completed in September 2020. Below is a picture of the historic theater.



Road and Sidewalk Improvement Projects

With additional funds available from the 2020A bond, the Agency began the design process for several road improvement projects in the Front Street area, between Hwy 101 and Front Street at: Alder Avenue, Birch Avenue, Cedar Avenue and Date Street. With final designs, the road improvement projects will be completed in coordination with other area projects.



In addition to the street projects above, several sidewalk improvement projects were undertaken in the downtown area. One of the most significant improvements was the sidewalk adjacent to the Coos Art Museum which included hand rails and ADA improvements:



Coalbank Village

As with many community, Coos Bay is facing a housing crisis. That coupled with economic conditions, many within the community are faced with homelessness. The Agency worked with the Devereux Center, along with city staff efforts to vacate a portion of the right-of-way at the end of South 2nd Street, to develop a transitional housing facility. The Agency provided funding for fencing and utility connection, with the Devereux providing funding for the facilities, as well as daily operation and maintenance. The facility is comprised of 25 pallet home structures, small living spaces with electricity, providing those facing homelessness temporary housing. Coalbank Village also include a shared kitchen, dining and storage facility, as well as an office space for residents to meet with community resource representatives.



Prominent Empire District Projects

Newmark Avenue Seawall Construction

The Newmark Avenue seawall has been in needed repair. Following in the footsteps of the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians (CTCLUSI), who installed a seawall on the western boundary of the Hollering Place property, the Agency agreed to extend their wall along western boundary of the Newmark Avenue right-of-way. The Agency contracted with KPFF, the same engineering firm that CTCLUSI used for their seawall work. This firm designed a seawall, following current standards, a rock revetment wall that would be double thickness as a protection against erosion over time.



Roundabout – Corner of Newmark Ave & Empire Blvd

With the potential development along the bay in the area known as the Hollering Point, as well as the large undeveloped lot to the north of the Hollering Point, a traffic analysis was completed which determined that traffic improvements would be needed at the corner of Newmark Avenue and Empire Blvd. The analysis went so far as to identify the type of traffic improvement that would be facility the area as the density of building, pedestrians, and vehicles increased with development. A roundabout was disclosed as the best option, given the complexity of the intersection topography. In order to have the necessary land size to construct a roundabout, the properties at the northwest corner and southwest corner were acquired.

Improvement Grant Projects

The Improvement Grant Program, renamed from 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, unless otherwise approved by the Agency. During the fiscal year the following façade grant projects were awarded and/or completed:

Downtown Urban Renewal District

Building: Tioga

URA Funds: \$264,493

Grant Awarded: September 1, 2020

Address: 275 N. Broadway

Value of Improvements: \$528,985

Project Completed: Expected Completion FY22

Description: The Tioga building owners applied for an Improvement Program grant to support significant upgrades to the building, sign and parking area. For the exterior, improvements included repair to exterior stucco/concrete (patch/fill cracks), repair/reseal exterior penetrations (windows, doors, vents), primer and paint all exterior surfaces, and install exterior LED cylinder wall and rope lights. Sign repairs were intended to refurbish the sign to its original state, including a return to the original red color. Parking area improvements include installation of black iron fencing around the perimeter of the property with three electronic gates, lighting installation, and reseal and striping of the entire parking surface. Before and in progress pictures are shown below:



Building: Kioski

URA Funds: \$32,250

Grant Awarded: September 1, 2020

Address: 241 N. Broadway

Value of Improvements: \$64,500

Project Completed: Expected Completion FY22

Description: The Koski building owners submitted an Improvement Program grant application to repair exterior stucco/concrete, repair/reseal exterior penetrations (windows, doors, vents), primer and paint all exterior surfaces, and repair front transom windows. The before photo is shown below:



Building: Saw Shop

URA Funds: \$25,000

Grant Awarded: March 2, 2021

Address: 1127 S. Broadway

Value of Improvements: \$58,289

Project Completed: Estimated Completion FY22

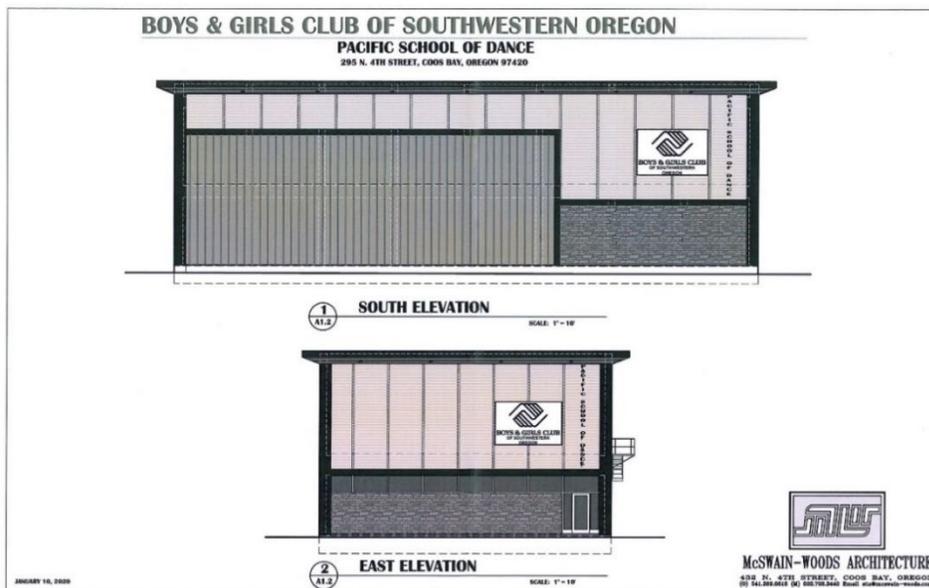
Description: The building owner submitted an application for repairs to the north and east building façade, including repairing water damage, sealing existing concrete, installing vapor wrap on north and east elevations, installing tongue/groove cedar hardi-plank siding, replace five windows and one exterior door, replace exterior lighting, and painting/staining exterior. Before and after photos are shown below:



Building: Boys & Girls Club-Pacific School of Dance
URA Funds: \$50,000 (additional funding)
Grant Awarded: March 2, 2021

Address: 295 N. 4th Street
Value of Improvements: est >\$600,000
Project Completed: Estimated Completion FY22

Description: The Boys & Girls Club applied for an Improvement Program grant for upgrades to the exterior of the building located at 295 N. 4th Street. The building formerly housed the Masonic Lodge and is home to multiple programs that serve Coos Bay children. The improvements include new siding and windows, with the current brick siding removed and replaced with cultured stone. On the west side of the building, the canopy will be reconstructed and ADA parking will be added to the parking lot. Construction was delayed on external improvements funded by the Agency approved façade grant; the applicant elected to begin improvements to the inside of the building while dance classes were canceled due to COVID-19 concerns. The delay to starting the external improvements increased the costs of the project to nearly \$600,000. The applicant requested to be allowed to reduce the scope of the original request to remove some elements and decrease the overall costs of the project. The Agency supported the project, allowing for revision of the original scope by removing the proposed overhang around the top of the entire building, removing the proposed additional windows on the north side, the cultured stone, and some siding design components, as well as providing additional funding to help cover the elevated project costs.



BEFORE PHOTO



AFTER PHOTOS





Buildings: Tower Ford Collision/Body Shop Center **Address:** 385 & 399 South Broadway
URA Funds: \$96,955 **Value of Improvements:** \$193,909
Grant Awarded: April 6, 2021 **Project Completed:** Expected Completion FY22

Description: Tower Ford submitted an Improvement Program grant application to replace the existing cedar siding on their Collision and Body Shop Centers with metal siding/trim to match previous modifications made to the other buildings on the dealership's campus. Before photo is shown below:



Building: 7 Devils Brewery

URA Funds: \$11,841

Façade Grant Awarded: December 1, 2020

Address: 247 South 2nd Street

Value of Improvements: \$23,682

Project Completed: March 2021

Description: 7 Devils Brewery owners which to create an outside dining space to help the during the pandemic, with restrictions for seating limitations, increasing their total dining space, as well as providing opportunities for new dining experiences in all seasons. This improvement project would include construction of a patio cover on the south side of the building, providing dining during the rainy months, as well as shaded space during the sunny months. Before and after photos are shown below:

BEFORE PHOTO



AFTER PHOTO



Empire Urban Renewal District

Building: Tom & Gigs Automotive

URA Funds: \$25,000

Façade Grant Awarded: June 1, 2021

Address: 135 South Schoneman Street

Value of Improvements: \$43,505

Project Completed: Expected Completion FY22

Description: The building located at 135 South Schoneman Street was constructed in 1969. The owners of Tom & Gigs Automotive submitted an application to include replacement of existing awning on north/west elevations, replacement of small window on south elevation, repair/replace the metal siding as needed, weatherization under the newly installed awning, and painting of the entire structure. Before photo shown below:



Financial Reporting

Table 1 – District Assessed Values (below) shows the current value, frozen value and excess value of each district and shows the increased valuation of each district since inception, with both districts more than doubling their areas assessed value over the original frozen value.

Table 1 - District Assessed Values

Urban Renewal Area	Current Value	Frozen Value	Excess Value
Downtown	134,827,346	50,671,009	84,156,337
Empire	81,020,595	23,772,166	57,248,429
Total	215,847,941	74,443,175	141,404,766

Source: Coos County Assessor, Table 4e, 2020/21 Summary Assessment & Tax Roll

Table 2 – Impact on Over-lapping Taxing Districts (below) shows the amount of property tax revenue foregone by the overlapping taxing districts, as these revenues are considered urban renewal area revenues.

Taxing Jurisdiction	Impact-Downtown	Impact-Empire	Total Impact
Coos County 4H/Extension	7,381	5,000	12,381
Coos County Library Services	61,075	41,550	102,625
Coos County	90,472	61,552	152,024
City of Coos Bay	533,844	363,118	896,962
South Coast ESD	37,145	25,240	62,385
Coos Bay School District #9	379,786	258,350	638,136
SW Oregon Community College	58,813	40,003	98,816
Port of Coos Bay	51,313	34,883	86,196
Coos County Airport	20,120	13,691	33,811
Total	1,239,949	843,387	2,083,336

Source: Coos County Assessor, Table 4e, 2020/21 Summary Assessment & Tax Roll

Table 3 – Money Received and Money Expended (below) shows the amount of revenue received by each district and the expenditures paid by each district.

Category	Downtown	Empire	Total
Revenues			
Division of Taxes	1,691,314	841,573	2,532,887
Interest on Investments	46,753	20,386	67,139
Grants	150,956	-	150,956
Debt Proceeds	7,916,475	1,405,626	9,322,101
Property Sales	-	60,000	60,000
Notes Receivable	200,000	-	200,000
Insurance Proceeds	52,247	-	52,247
Miscellaneous	21,875	49,788	71,663
Total	10,079,620	2,377,373	12,456,993
Expenditures			
Materials & Services	1,159,455	197,937	1,357,392
Capital Outlay	4,433,109	717,362	5,150,471
Debt Service	4,168,814	955,408	5,124,222
Total	9,761,378	1,870,707	11,632,085

Source: Urban Renewal Agency Audited Financial Statements FY 2020-2021

Table 4 – Proposed Budget for FYE 2021-22 (below) shows the current fiscal year budget for each district, including estimated tax revenues to be received by each district.

DOWNTOWN DISTRICT	Special Revenue Fund	Capital Projects Fund	Program Fund	Bond Fund	Bond Reserve Fund	Total
Resources						
Beginning Balance	110,000	2,450,000	32,000	130,000	640,000	3,362,000
Division of Taxes	1,253,000	-	-	-	-	1,253,000
Special Levy	495,000	-	-	-	-	495,000
Interest	3,000	15,000	-	-	-	18,000
Grants	-	-	-	-	-	-
Debt Proceeds	-	1,519,939	-	-	-	1,519,939
Transfers	-	32,000	-	2,501,000	-	2,533,000
Miscellaneous	-	25,000	-	-	-	25,000
Total	1,861,000	4,041,939	32,000	2,631,000	640,000	9,205,939
Expenditures						
Materials & Services	-	1,430,978	-	-	-	1,430,978
Capital Outlay	-	2,610,961	-	-	-	2,610,961
Debt Service	-	-	-	1,865,000	-	1,865,000
Transfers	1,861,000	-	32,000	-	640,000	2,533,000
Contingency	-	-	-	-	-	-
Reserved for Future Expenditure	-	-	-	766,000	-	766,000
Total	1,861,000	4,041,939	32,000	2,631,000	640,000	9,205,939

Source: Urban Renewal Agency Adopted Budget FY 2021-22

EMPIRE DISTRICT	Special Revenue Fund	Capital Projects Fund	Program Fund	Bond Fund	Bond Reserve Fund	Total
Resources						
Beginning Balance	65,000	2,250,000	477,000	15,000	526,000	3,333,000
Division of Taxes	975,000	-	-	-	-	975,000
Interest	2,500	15,000	-	-	-	17,500
Debt Proceeds	-	447,474	-	-	-	447,474
Transfers	-	477,000	-	1,468,500	-	1,945,500
Total	1,042,500	3,189,474	477,000	1,483,500	526,000	6,718,474
Expenditures						
Materials & Services	-	705,425	-	-	-	705,425
Capital Outlay	-	2,459,049	-	-	-	2,459,049
Debt Service	-	-	-	966,500	-	966,500
Transfers	945,500	-	477,000	-	526,000	1,948,500
Contingency	-	25,000	-	-	-	25,000
Reserved for Future Expenditure	-	-	-	517,000	-	517,000
Total	945,500	3,189,474	477,000	1,483,500	526,000	6,621,474

Source: Urban Renewal Agency Adopted Budget FY 2021-22

Table 5 – Maximum Indebtedness (below) shows each district’s maximum indebtedness (MI), any changes to the approved MI, MI used and MI still available for projects.

	Downtown	Empire	Total
Original Plan Maximum Indebtedness	45,055,764	12,550,011	57,605,775
Increase *	-	16,449,989	16,449,989
Maximum Indebtedness limit	45,055,764	29,000,000	74,055,764
Maximum Indebtedness used to date **	(22,283,388)	(12,798,983)	(35,082,371)
Maximum Indebtedness remaining	22,772,376	16,201,017	38,973,393
* Increased by Ordinance #502 & 543			
** Authorized, but not issued	1,099,939	(447,474)	652,465

Source: URA financial records