

**2008-2009 Annual Report of the Urban Renewal Agency (URA)  
of the City of Coos Bay, Coos County Oregon**

**October 6, 2009**

**INTRODUCTION**

The City of Coos Bay has an Urban Renewal Agency of the City of Coos Bay, Coos County, Oregon that receives property taxes to pay for projects to improve the Downtown District and the Empire District. Oregon Revised Statutes (ORS) 457.460 requires urban renewal agencies to provide a summary of their finances for public information. This report is in addition to the annual Urban Renewal Budget which was adopted after a public hearing on June 2, 2009.

Urban Renewal Agencies can receive property taxes in two ways. First, they are entitled to the amount of property taxes that are imposed on the increase in property values (taxable assessed values) within the urban renewal area since the urban renewal plan was adopted. This process is called the “division of tax” process.

Second, for Urban Renewal Plans that were adopted prior to December 6, 1996, the Urban Renewal Agency may receive funds from a Special Urban Renewal Levy on property within the City of Coos Bay. Both the Downtown District Plan and the Empire District Plan can receive both of these sources.

**Division of Tax**

The Division of Tax process results in some property taxes that may have been received by the “taxing districts” that levy property taxes with the Urban Renewal area (Coos Bay Schools, Coos County, Library, SWOCC, Port of Coos Bay, Airport, ESD, 4-H, City of Coos Bay) being paid over to the Urban Renewal Agency of Coos Bay. The taxing districts forego a share of property tax income during the life of an Urban Renewal Plan so that the Urban Renewal Agency can carry out activities that increase property values in the long-term. Tables 1A (Downtown District) and Table 1B (Empire District) show the budgeted Revenues and Expenditures for FYE10 next to the actual (unaudited) Revenues and Expenditures for FYE09. Table 2 shows the Overlapping Districts’ Foregone Taxes for the Downtown District and the Empire District.

In FYE 02/03 the Oregon Supreme Court issued an opinion concerning Urban Renewal Division of Tax. Urban Renewal now has a rate to calculate the division of tax. This Urban Renewal Rate has caused other Taxing authorities’ rates to be adjusted to a new “effective rate” which also includes the urban renewal rate. This new effective rate for all taxing authorities now applies to the assessed value above the frozen base amount (assessed value of the urban renewal area before formation of the urban renewal district) within an Urban Renewal District. Previously, taxing authorities could not share in urban renewal assessed value above the frozen base. The effect of this method of calculating Division of Tax is a larger base for taxing authorities called a “shared area” value to collect their revenues. Table 2 shows a method of pro-rating the actual “Division of Tax” collections which are based on each Overlapping Taxing Districts’ permanent rate not regarding the “effective rate” (unavailable).

The tax revenue foregone by the City of Coos Bay for the Downtown Plan is \$372,223 and for the Empire Plan is \$184,414.

**FISCAL YEAR 2008/09**

**Downtown Bond Fund**

In FYE 08-09, the Downtown Bond Fund had no Beginning Balance; received \$525,219 of Division of Taxes transferred from the Downtown Special Revenue Fund and earned \$25 in interest. The Downtown Bond Fund paid annual debt service of \$525,244.

**Downtown Special Revenue Fund**

In FYE 08-09, the Downtown Special Revenue Fund had a Beginning Balance of \$1,612,457, received \$825,226 in current and \$48,116 in delinquent Division of Taxes and earned Interest of \$38,738. The Downtown Special Revenue Fund expended \$12,356 in Urban Renewal Projects and transferred \$525,220 to the Downtown Bond Fund.

**Downtown Capital Projects Funds**

In FYE 08-09, the Downtown Capital Projects Fund had a Beginning Balance of \$2,878,703 and earned Interest of \$61,524 and \$596 in Reimbursements. The Downtown Capital Projects Fund expended \$7,508 in Contractual Service, \$137,000 in Agency Management, \$8,048 in Traffic Circulation, \$43,414 in Façade Program, \$146,653 in Urban Renewal Projects, \$48,263 in the Central Dock, \$7,952 in Art Museum, \$101,944 in the Virtual Incubator Program and \$176,743 in the Visitor's Center.

**Downtown Program Fund**

In FYE 08-09, the Downtown Program Fund had a Beginning Balance of \$11,666, earned Lease Revenue of \$3,032 and Interest of \$234. The Downtown Program Fund expended \$149 in Contractual Services.

In FYE 08-09 \$677,525 of Projects were funded by the Downtown Capital Projects Fund as follows:

<b>Project</b>	<b>Objectives</b>	<b>Funding</b>
Traffic Circulation	Streets & Infrastructure	10,230
Façade Program	Economic Revitalization	55,184
Urban Renewal Projects	Streets & Infrastructure	186,413
Central Dock	Waterfront Development	62,348
Art Museum	Core Area Revitalization	10,108
Virtual Incubator	Economic Revitalization	129,582

Visitors Center	Core Area Revitalization	224.660
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\* includes approximate pro-rated Agency Management Costs

**Empire Plan Bond Fund**

In FYE 08-09, the Empire Bond Fund had no Beginning Balance, received \$236,676 of Division of Taxes transferred from the Empire Special Revenue Fund. The Empire Bond Fund paid annual debt service of \$236,676.

**Empire Special Revenue Fund**

In FYE 08-09, the Empire Special Revenue Fund had a Beginning Balance of \$893,808 received \$408,849 in current and \$23,633 in delinquent Division of Taxes and earned Interest of \$20,513. The Empire Special Revenue Fund Transferred \$236,676 to the Empire Bond Fund.

**Empire Capital Projects Fund**

In FYE 08-09, the Empire Capital Projects Fund had a Beginning Balance of \$188,118 and earned Interest of \$17,223. The Empire Capital Projects Fund expended \$4,063 in Contractual Service, \$68,000 in Agency Management, \$122,999 on the Hollering Point Project, and \$203 in Urban Renewal Projects.

**Empire Program Fund**

In FYE 08-09, the Empire Program Fund had a Beginning Balance of \$ 427,837 and earned Interest of \$8,070. The Empire Program Fund expended \$12,420 in Contractual Services and \$31 in Urban Renewal Projects.

In FYE 08-09 \$195,265 in Projects were funded by the Empire Capital Projects Fund as follows\*:

Project	Objectives	Funding
Hollering Place	Waterfront Development	195,265

\* includes approximate pro-rated Agency Management Costs

**FISCAL YEAR 2009/10**

**Downtown Bond Fund**

In FYE 09-10 the Downtown Bond Fund expects to have no Beginning Balance; receive

\$680,925 of Division of Taxes transferred from the Downtown Special Revenue Fund. The Downtown Bond Fund will expend annual debt service of \$680,925.

**Downtown Special Revenue Fund**

In FYE 09-10, the Downtown Special Revenue Fund expects to have a Beginning Balance of \$1,733,396, receive \$840,627 in current and \$42,031 in delinquent Division of Taxes and earn Interest of \$16,514. The Downtown Special Revenue has \$1,796,238 available for du jour (short-term) Urban Renewal Project financing, will transfer \$680,925 to the Downtown Bond Fund and \$155,405 to the Downtown Bond Reserve Fund.

**Downtown Capital Projects Funds**

In FYE 09-10, the Downtown Capital Projects Fund expects to have a Beginning Balance of \$2,553,977 and earn Interest of \$25,500. The Downtown Capital Projects Fund will expend \$20,000 in Contractual Service, \$172,391 in Agency Management, \$20,000 in Traffic Circulation, \$150,000 in Façade Program, \$420,486 in Urban Renewal Projects, \$50,000 in the Pedway, \$25,000 in the Central Dock, \$250,000 on the Egyptian Theatre, \$1,600 in the Art Museum, \$270,00 in the Virtual Incubator Program and \$1,200,000 in the Visitor's Center.

**Downtown Program Fund**

In FYE 09-10, the Downtown Program Fund expects to have a Beginning Balance of \$13,880, earn Lease Revenue of \$2,400 and Interest of \$150. The Downtown Program Fund will expend \$2,000 and has \$14,430 available for jour (short-term) Urban Renewal Project financing.

In FYE 09-10 \$2,579,477 of Projects will be funded by the Downtown Capital Projects Fund as follows:

<b>Project</b>	<b>Objectives</b>	<b>Funding</b>
Traffic Circulation	Streets & Infrastructure	21,612
Façade Program	Economic Revitalization	162,089
Urban Renewal Projects	Streets & Infrastructure	454,376
Pedway	Streets & Infrastructure	54,030
Art Museum	Core Area Revitalization	1,729
Central Dock	Waterfront Development	27,015
Egyptian Theatre	Core Area Revitalization	270.149
Virtual Incubator	Economic Revitalization	291,761
Visitors Center	Core Area Revitalization	1,296,716

\* includes approximate pro-rated Agency Management Costs

### **Empire Plan Bond Fund**

In FYE 09-10, the Empire Bond Fund expects to have no Beginning Balance, receive \$239,711 of Division of Taxes transferred from the Empire Special Revenue Fund. The Empire Bond Fund will expend annual debt service of \$239,711.

### **Empire Special Revenue Fund**

In FYE 09-10, the Empire Special Revenue Fund expects to have a Beginning Balance of \$951,616, receive \$417,140 in current and \$20,857 in delinquent Division of Taxes and earn Interest of \$9,174. The Empire Special Revenue Fund has \$999,076 available for du jour (short-term) Urban Renewal Project financing, will transfer \$239,711 to the Empire Bond Fund and \$160,000 to the Empire Capital Projects Fund.

### **Empire Capital Projects Fund**

In FYE 09-10, the Empire Capital Projects Fund expects to have a Beginning Balance of \$44,749. earn Interest of \$1,612. The Empire Capital Projects Fund will expend \$5,000 in Contractual Service, \$56,361 in Agency Management, \$50,000 on the Hollering Point Project, \$50,000 on Façade Program and \$45,000 on the Virtual Incubator Program.

### **Empire Program Fund**

In FYE 09-10, the Empire Program Fund expects to have a Beginning Balance of \$430,112 and earn Interest of \$4,300. The Empire Program Fund will expend \$20,000 in Contractual Services and has \$414,412 available for jour (short-term) Urban Renewal Project financing.

In FYE 09-10 \$206,361 Projects will be funded by the Empire Capital Projects Fund as follows\*:

<b>Project</b>	<b>Objectives</b>	<b>Funding</b>
Hollering Place	Waterfront Development	71,174
Façade Program	Economic Revitalization	71,174
Virtual Incubator	Economic Revitalization	64,013

\* includes approximate pro-rated Agency Management Costs