

North Bend Urban Renewal Report

August 23, 1994

Prepared for:

City of North Bend
P.O. Box B
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ADOPTED BY ORDINANCE 1823 BY THE NORTH BEND CITY COUNCIL
ON AUGUST 23, 1994

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I. INTRODUCTION

The North Bend Urban Renewal Report has been prepared to provide the essential background information on the area to the Renewal Agency, the Planning Commission, the City Council and the citizens of the community. The report has been prepared to comply with State Law regarding Urban Renewal (ORS 457.085). It is intended to be used in conjunction with the North Bend Urban Renewal Plan. The capitalized headings at the beginning of each major section of this report directly correspond to the information required by ORS 457.

II. DESCRIPTION OF EXISTING CONDITIONS AND ANTICIPATED IMPACTS

A. Physical Conditions

1. General Description

The Renewal Area encompasses 350 acres, all within the North Bend City Limits. In general, the area borders the bay front from Lindberg Avenue north to Pony Slough and extends west as far as Marion Avenue. The area includes 214 tax lots (see **Exhibit I**).

2. Existing Land Use

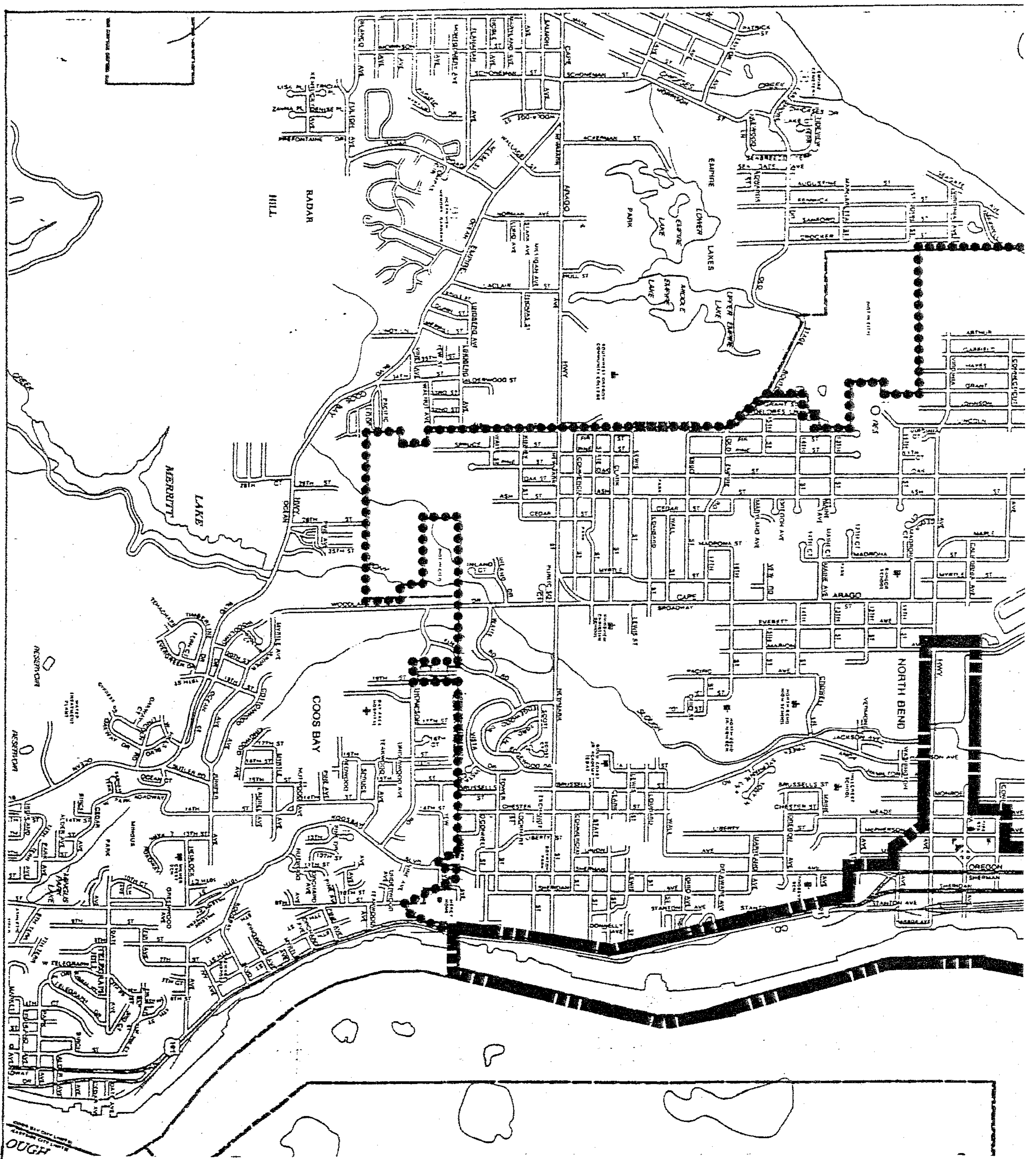
The focus of the Renewal Area is centered around California Avenue from Grant Circle East to the Bay Front. This area is bordered roughly by McPherson Avenue to the west, Coos Bay to the east, Florida Avenue to the north and Washington Avenue to the south. This area encompasses what is essentially downtown North Bend and contains a broad mix of land uses including: retail and service commercial, public facilities, single and multi-family residential, professional offices, industrial uses and vacant or under-utilized property.

In addition to this central portion of the Renewal Area the district extends south to incorporate the waterfront industrial area and north to include vacant and industrial property along the waterfront to the natural area at the mouth of Pony Creek (see **Exhibit II**).

3. Comprehensive Plan Designations

The entire Urban Renewal Area is located within the City limits and thus, within the North Bend Urban Growth Area. The City Comprehensive Plan/Zoning Map designates the planned uses for all land within the Urban Growth Boundary (see **Exhibit III**).

The Renewal area is planned for two primary uses: Commercial and Industrial. The commercial districts include the central commercial district centered around the intersection of Virginia and Sherman Avenue and the general commercial district extending north from Connecticut and west from McPherson, as well as a small limited (light) commercial district located northeast of the intersection of Vermont and Sherman Avenues.



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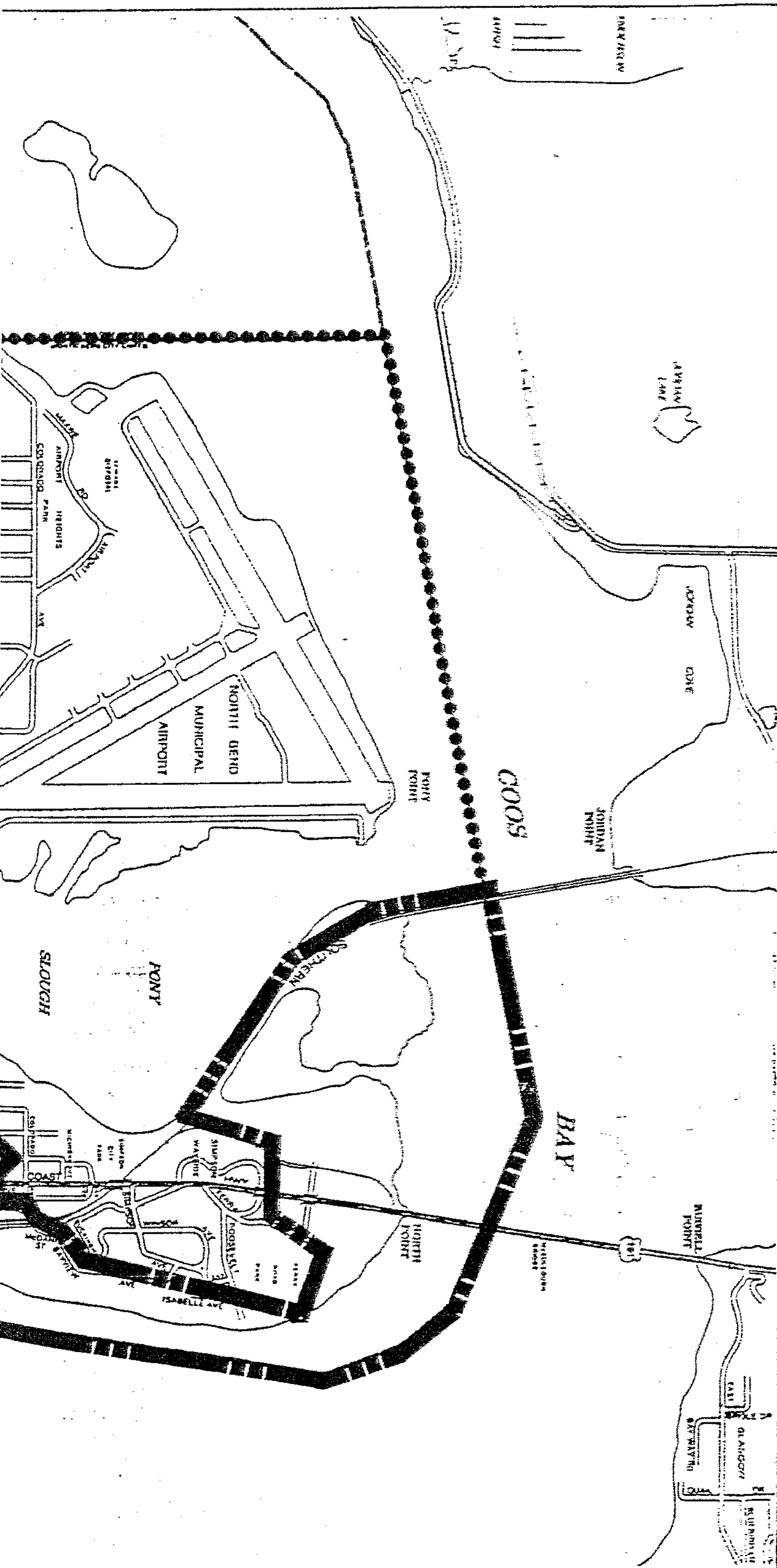
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Site Location

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●●●●●●●● City Limits

▬▬▬▬▬ Urban Renewal Boundary

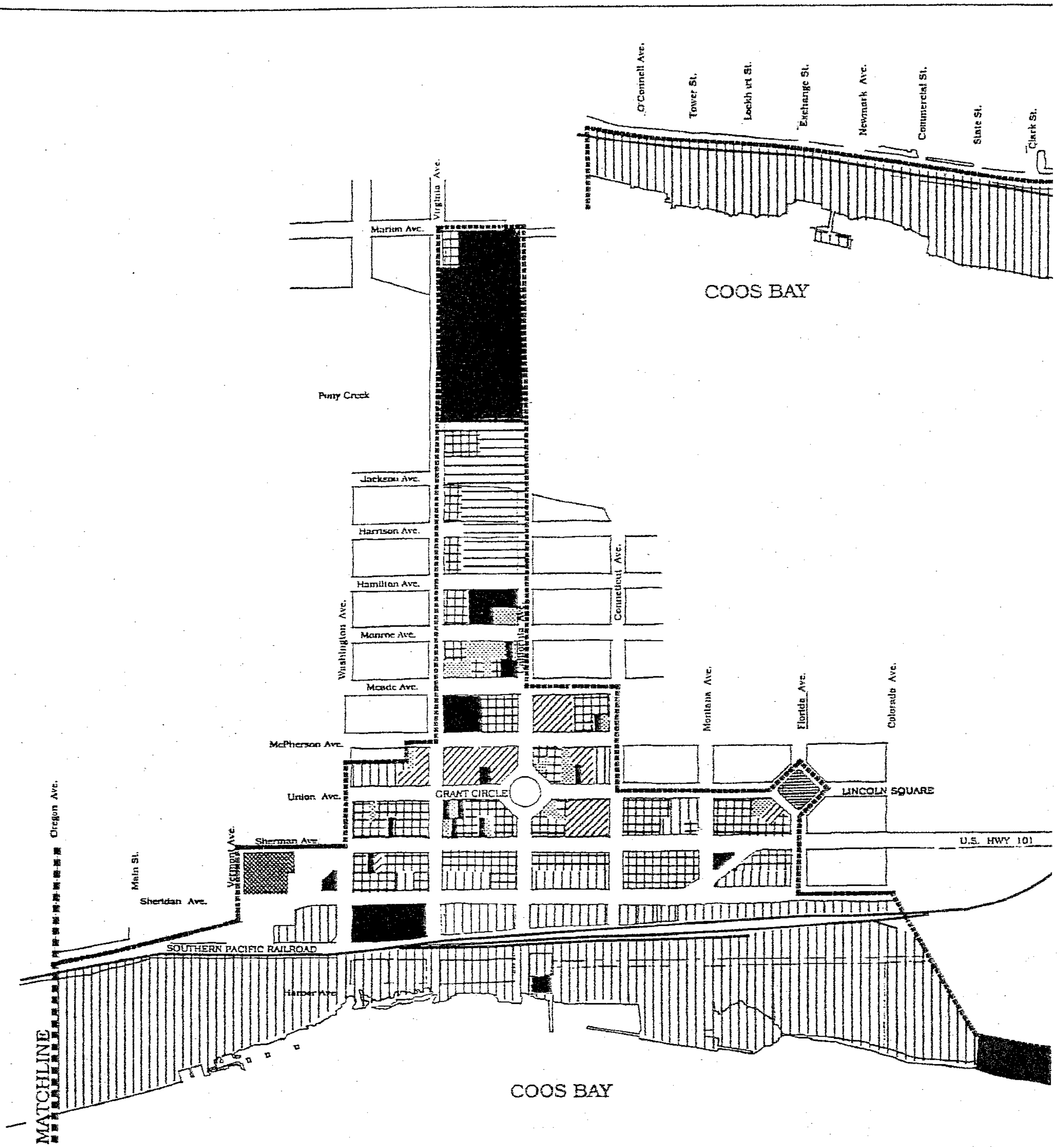


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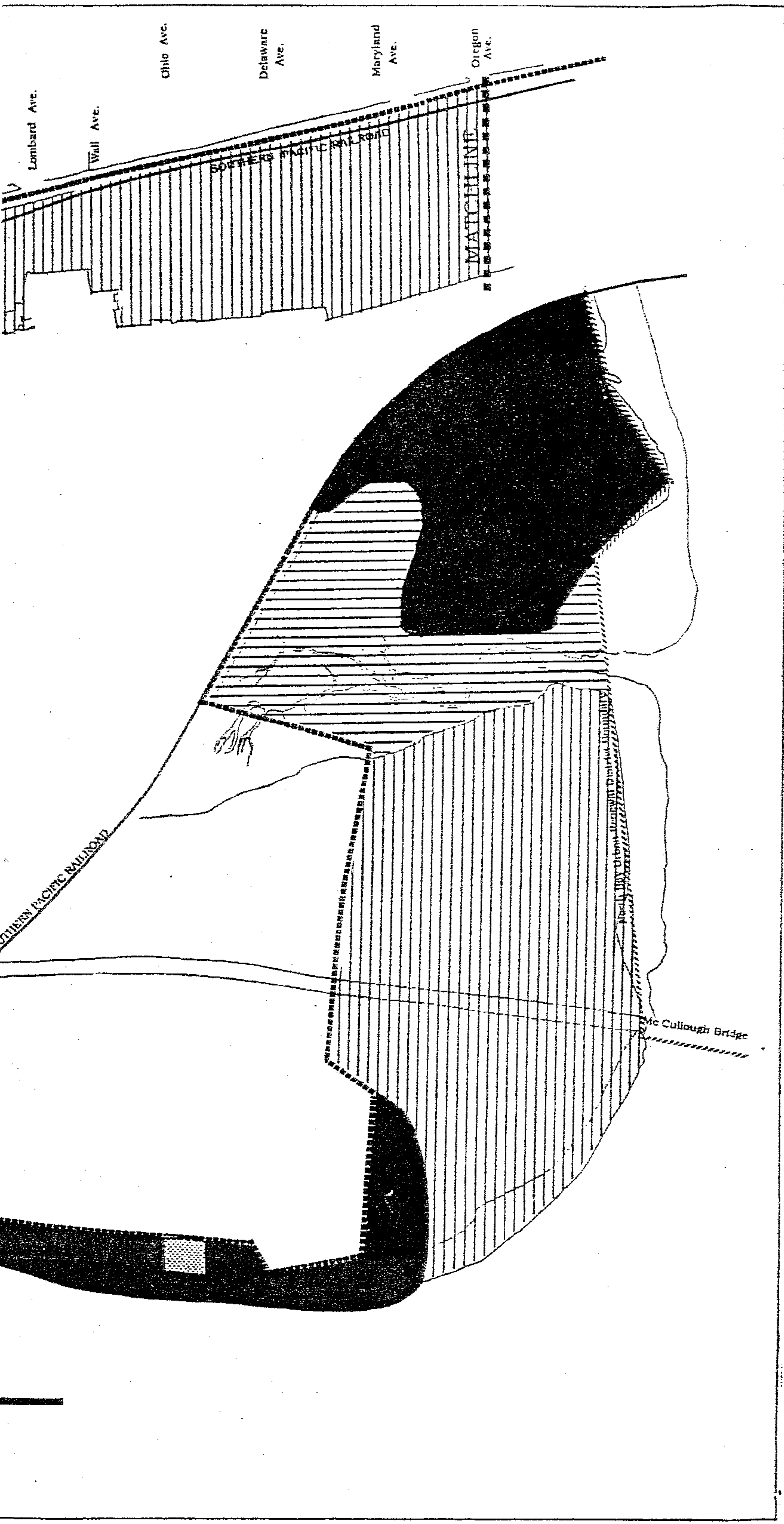
URBAN RENEWAL City of North Bend

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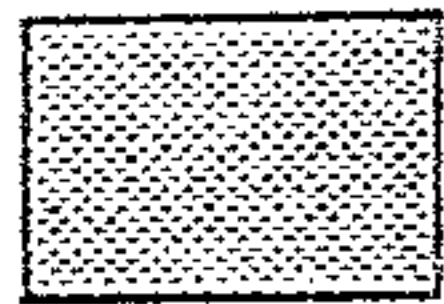




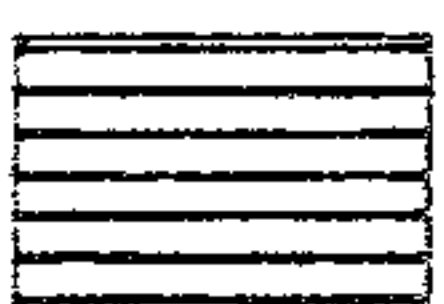



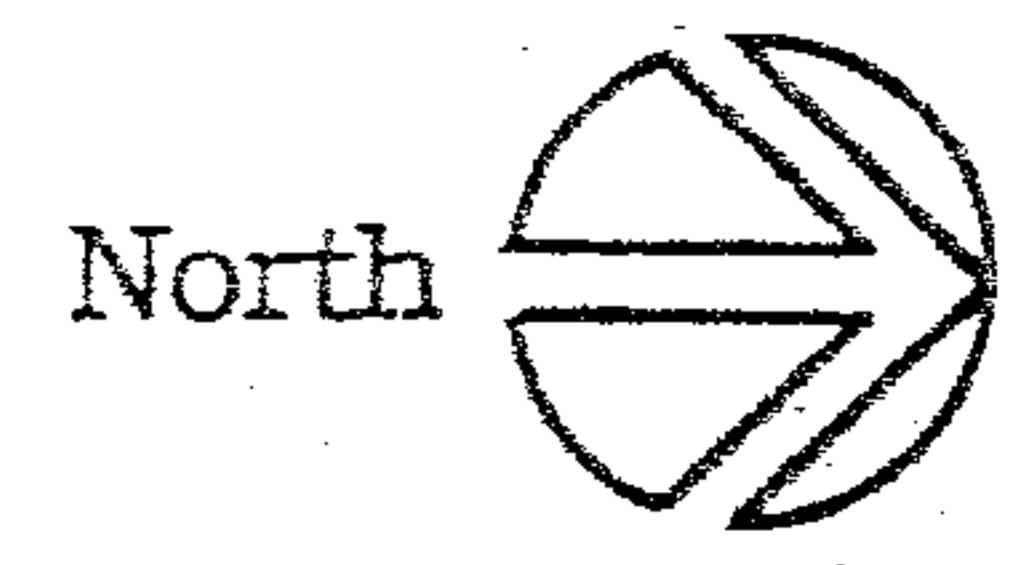
CITY OF NORTH BEND URBAN RENEWAL
 North Bend, Oregon

Existing Land Use



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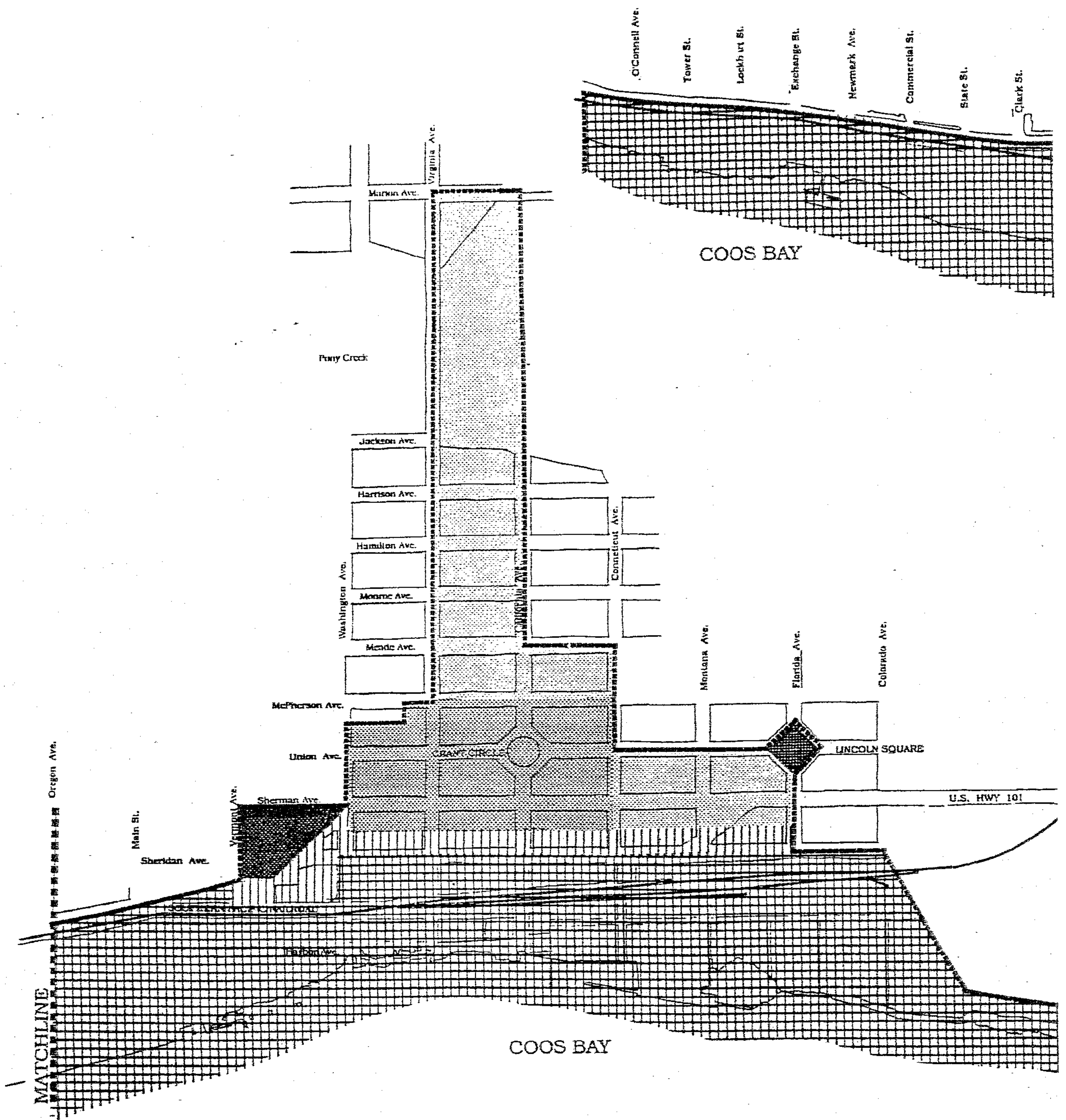
-  Commercial
-  Residential
-  Industrial
-  Public
-  Vacant
-  Open Space
-  Sensitive Areas
-  Urban Renewal Boundary



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CITY OF NORTH BEND URBAN RENEWAL
 North Bend, Oregon

The entire waterfront extending north and south along the eastern boundary of the district is planned for industrial uses. The industrial district is dedicated almost entirely to heavy manufacturing with a small strip along the western side of Sheridan planned for light manufacturing.

4. **Land Use Analysis**

The City's Comprehensive Plan provides general descriptions of the land use designations within the Urban Growth Area as follows:

Industrial: To provide adequate, suitable area for existing industrial uses and for future industrial use needs in areas which have access to transportation, public services and utilities. Industrial use and development is best suited in areas which have limited effect on adjacent uses. Such areas should have the potential for transportation service, adequate access, public facilities and utilities extensions.

Commercial: To provide adequate land areas for commercial and community support services. The existing commercial areas need protection. As well as ensuring that new commercial activities have the availability of public services, the areas for further commercial development must be located on street systems which have a larger traffic volume capacity, adequate areas for parking, and adequate pedestrian access. Neighborhood commercial uses need to be located in areas which promote good traffic patterns and minimize conflicts.

At the heart of the Urban Renewal Area is what is considered the Central Business District (CBD). The CBD, as defined in the Plan, is generally bordered by Washington, Connecticut, McPherson and Sheridan. This central commercial district was recognized in the Comprehensive Plan for its unique character, and the importance of revitalizing and restoring this diverse and historic commercial district is mentioned in a significant number of the goals and policies. An important element of this commercial district revitalization will be the adjacent properties, located just outside the renewal district, which are planned for multiple family residential uses. The high density residential uses are a valuable asset to the Renewal Area in terms of providing a resident customer base for the Central Commercial area.

From the central commercial area the Renewal Area boundary extends west along Virginia Avenue to include the general commercial property that lies

north of this road up to Marion Avenue. This major east/west arterial provides a connection between the Central Business District and Pony Village Shopping Center. The majority of this commercial property is vacant and represents a valuable opportunity for commercial development that can complement both commercial districts and create value for the Urban Renewal Area.

The Urban Renewal Area contains a substantial portion of the City's industrial base including both the area between Highway 101 and the shoreland and the area under McCulloch Bridge at North Point. With the exception of one small light manufacturing area located just west of the central commercial area the entire industrial area is designated for heavy manufacturing uses. The district contains Weyerhaeuser Company, the largest industrial employer in the City as well as two other major wood product companies. The mix of industrial uses in the two areas includes logging companies, paper and wood products companies, beverage bottling companies, and a firm which manufactures plywood and sawmill machinery. While a significant supply of industrial land exists, there has been minimal new industrial construction in North Bend since 1975.

The eastern waterfront area has been designated as a Development Management Unit, this designation is compatible with the adjacent upland characteristics and existing land uses. The upland is flat and dominated by urban development, mostly of port-type use and the navigation channel lines the shoreline. Railroad and highway transportation is accessible.

The North Point area is made up of dredge deposits. The area is mostly undeveloped and considered to be prime industrial land for water related but non-water dependent uses.

5. Hazard Areas and Natural Areas

No identified hazard areas exist within the Renewal Area. The only area of natural significance is the area that begins at the mouth of Pony Slough, continues west around North Point and south to the Renewal Area Boundary. The area is planned for industrial use and the majority of the property is presently being utilized for that purpose. There is minimal biological significance associated with this area and it is considered to be well suited to industrial development. The North Point area is made up of recent dredge disposal material. Because of the strong current affecting this area and the occurrence of shoaling, North Point is not considered to

be suitable for water-dependent use, although it is extremely suitable for industrial use of other types.

B. Social and Economic Conditions

1. Housing

Although there is no land planned/zoned for residential uses in the Urban Renewal Area a small number of single-family and multi-family dwelling units have been grandfathered into the area. Apartments not located on the ground floor are allowed as a conditional use in the Central Commercial area. In addition, the Urban Renewal Area is surrounded by land planned for Multiple-family Residential uses.

2. Population

The population of the Urban Renewal Area is difficult to estimate and project due to the fact that it is not planned for residential uses but rather as a center for trade and commerce. The population studies at both the county and city levels do, however, provide a valuable means of considering the future impacts of population trends on revitalization efforts.

The population of the City of North Bend as of July 1, 1992 was 9,760 which amounted to approximately 16% of the Coos County population of 62,100. Both the City and County experienced declines in population in the 1980's due largely to severe reductions in timber-based employment, which fell by more than 50 percent in that decade. Since 1990 North Bend and Coos County have experienced population growth. This is a trend that is expected to continue with both the University of Portland Center for Population Research and the Bonneville Power Administration projecting the Coos County population to rise to about 68,000 by the year 2000, a gain of nearly 13% since the 1990 Census count (Oregon Employment Division, "Business & Employment Outlook 1992 Volume 1" and Oregon Employment Department, "Regional Economic Profile, Region 7 1993").

The most significant force in population growth at this time is the immigration of the retirement population. Industrial employment growth or loss in such areas as wood products or fishing will also play an important part in future population trends as will any efforts to attract new industry and diversity into local economies.

3. Income

According to the 1990 U.S. Census Median Household Income in North Bend, at \$24,845, was higher than Coos County at \$22,146. Conversely, Per Capita Income in North Bend was lower than the County at \$11,590 and \$14,845 respectively.

Median Household income has historically been higher in North Bend than in all other City's in the Coos County or in the County as a whole. The lower figure for Per Capita Income can be partially explained by the slightly higher household size, 2.47 persons per household, in North Bend as compared to 2.45 in the County as a whole. Another element contributing to the lower per capital income may be the fact that the bay area contains the majority of the county's industrial base, and therefore the higher paying jobs which provide the opportunity for a single wage earner to support a greater number of dependents (1990 U.S. Census).

4. Employment

The local economy in the City of North Bend has traditionally been dominated by employment in the wood products industry. The wood products industry which includes logging, sawmills, plywood and veneer processing, pulp and paper board and paper manufacturing represents over 50% of the region's economy. Within the Urban Renewal Area, Weyerhaeuser employs approximately 900 people, and thus, is a major contributor to the City's economy. While the wood products industry continues to play a major role in both the local and regional economy its contribution to the economy is expected to continue to decline. In the past decade, the number of timber industry jobs has fallen by nearly one-half in Coos County. An examination of the past 15 years shows that wood products employment in Coos County has declined by 65%, falling from an average of 5,000 in 1978 to 1,750 in 1993. While this trend is expected to taper off, uncertainty surrounding the availability of federal timber and adverse market conditions will continue to impact the wood products industry.

Employment growth in Coos County in recent years has come largely from non-manufacturing industries. Non-manufacturing employment in Coos County has increased by nearly 3,300 in the past ten years, a 24% increase. Some of the growth in non-manufacturing occurred as the coastal economy recovered from the recession and the loss of population of the early

1980's. In recent years, however, most of the growth has occurred because of the demand generated by the increasing number of retired persons who have moved to the area. Growth among businesses that serve tourists and other travelers has been evident.

Coos County saw employment for all occupations fall by just over 1,200 between 1980 and 1990, a reduction of 5%. The heaviest job losses, as noted above, occurred among those categories most closely identified with the timber industry, trucking, and longshoring. However, growth in the trade and service industries fueled increases in the employment of sales workers, executives, and protective service workers during that time.

Occupational projections show that increases are anticipated in professional and technical occupations: sales services, and construction. Losses are projected for forestry, and fishing jobs. (Oregon Employment Division, "Business & Employment Outlook 1992 Volume 1" and Oregon Employment Department, "Regional Economic Profile, Region 7 1993")

C. Renewal Area Qualifications

ORS 457.420 specifies that the Renewal Area identified in the Plan along with other renewal areas in the City may not exceed 25% of the City's land area or 25% of the City's assessed value. This plan meets that requirement.

1. Land Area

The total land area in the Renewal Area is approximately 350 acres, all within the North Bend City limits. The City's total land area is approximately 2,700 acres. The Renewal Area comprises approximately 13% of the City's land area.

2. Assessed Value

The total assessed value of the Renewal Area as of October, 1993 was approximately \$28,297,000 which amounts to approximately 8 % of the City's assessed value of \$347,160,283. This satisfies the ORS requirement of being less than 25% of the total City assessed value.

D. Condition of Area Infrastructure

1. Transportation and Access

Transportation linkage to the Renewal Area includes highways, water, rail and the nearby North Bend Airport. Highway 101 which passes through the center of the Renewal Area in the form of a one-way-couplet on Sherman and Sheridan Avenues brings travelers to the Area year round. The eastern boundary of the area fronts on the navigation channel and provides good shipping access for a variety of waterfront uses. While not in the Renewal Area itself, the nearby North Bend Airport provides limited commercial passenger air service and represents a valuable asset to the Renewal Area in terms of business recruitment and retention. In addition, Greyhound provides both passenger and freight service to the district and a taxi service operates within the North Bend-Coos Bay urban area.

The local access streets in the area are wide and seem to provide sufficient access throughout most of the renewal district. The development of a portion of the waterfront for commercial and recreational uses may require access improvements for both automobiles and pedestrians. While there are sidewalks throughout most of the Renewal Area there is a visible need for improvement in order to facilitate more pedestrian activities. East/west pedestrian access is difficult along the Sherman and Sheridan Avenue intersections. Some intersection improvement will therefore be required in order to provide better connection to the waterfront.

The City's Comprehensive Plan identifies a need for improved access to North Bend's industrial lands from the surrounding land areas and from the navigation channel.

2. Water, Sanitary Sewer, and Storm Drainage

a. Water

There are no current deficiencies in the provision of water service to the Renewal Area.

The Coos Bay-North Bend Water Board has conducted detailed planning for the regional water system in order to ensure adequate water service to the area over the long term.

b. Sanitary Sewer

There are no current deficiencies in sanitary sewer service in the Renewal Area.

As part of its long range planning efforts, the City of North Bend has adopted a 20-year Waste Water Facility Plan that meets both U.S. Environmental Protection Agency and the State of Oregon Department of Environmental Quality planning requirements.

c. Storm Drainage

A 1971 Storm Sewer Study indicate that the storm sewer system in North Bend is inadequate. Since that time the City has effectively resolved its storm sewer deficiencies and has planned for the continued maintenance of its current system.

E. Impacts on City Services and Costs

Improvements to the existing streets and infrastructure in the Renewal Area will encourage rehabilitation as well as additional development in the area. By encouraging the use of vacant or under-utilized land, the base assessed value within the area should increase substantially. This improved assessed value will benefit the taxing districts when the tax increment process is completed since the districts will then have a much higher assessed valuation on which to levy taxes. Without the new streets and infrastructure, it is unlikely that any rehabilitation or new development will occur.

The redevelopment and revitalization of industrial and commercial property within the area may result in added demands on the City Police Department in terms of patrols, property crime enforcement, and traffic enforcement. Likewise, greater development will mean an increase in the demand for fire protection services. However, given the assumption that over the next twenty years the City will grow as projected, and that the area is presently served by City Police and Fire Departments, Renewal should not require significantly larger budgets than already required.

III. REASONS FOR SELECTION OF THE RENEWAL AREA INVOLVED IN THE PROGRAM

The Urban Renewal Area was selected for the purpose of providing a more attractive living, working and shopping environment for the public in downtown North Bend by: (1) improving the parking in, and appearance of, the downtown; (2) providing an attractive commercial facility centered around the development of a public/private waterfront use area; (3) providing a link between the downtown and the waterfront.

In addition, the Renewal Area was selected for the purpose of revitalizing and redeveloping key waterfront industrial areas and in particular the North Point industrial area.

Finally, the Renewal Area was selected as a result of specific policies, objectives and concerns identified in the Comprehensive Plan that singled out this area for redevelopment and revitalization. The Comprehensive Plan makes the following statements that identify the City's continuous interest in the revitalization of the area identified in this plan.

Need

The Central Business District located adjacent to Sherman Avenue has experienced decline and has conspicuous problems. Many buildings are in whole or in part vacant. Inadequate parking areas continue to be an impediment to downtown revitalization. The visual appearance of the Central Business District is less than confident. Sidewalk areas between buildings are frequently unprotected, which does not stimulate pedestrian access among the businesses in inclement weather.

Related Objectives

1. To Encourage the Orderly Growth of Trade and Service Oriented Establishments. This objective encourages the logical placement of commercial and retail establishments to enhance the accessibility to the area's residents.
2. To Encourage Diversification of the Industrial Base of the City and to Provide Appropriate Amounts of Land for Industrial Uses.
3. To Encourage Revitalization of the Sherman Avenue Central Business District. Downtown revitalization in North Bend thus far has been financed by the individual owners. Since mid 1978 several businesses have started refurbishing their buildings and twelve new businesses have opened in the downtown area.

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This objective is meant to encourage the utilization of any appropriate means to aid in downtown revitalization.

4. To Encourage Clustering of Commercial Developments rather than additional Commercial Strip Developments. Clustering of commercial developments will also aid energy conservation

Related Policies

1. Direct industrial development into areas which are appropriate for industrial use.
2. Direct commercial development into areas which are appropriate for commercial use.
3. Consider the alternatives for revitalization of the Sherman Avenue Central Business District.
4. The commercial area along Broadway is evolving into a commercial strip zone. While this may be appropriate for the area along Broadway, this type of commercial corridor should be discouraged in other areas of the City and the clustering of commercial developments in appropriate areas should be encouraged.
5. Areas should be provided for wholesale and warehouse activities. Generally, these should be at locations convenient to industrial areas and commercial enterprises located throughout the City, but should not occupy prime land needed for intensive commercial or industrial use.

Recommended Strategies for Implementation

1. Provide alternatives that may increase the availability of parking in the downtown. Parking facilities may be developed by a local non-profit or limited-profit corporation such as a downtown development corporation or merchant's association. The advantage of this type of operation is the association or corporation can develop a balanced downtown parking program which effectively serves the needs of downtown businesses.
2. Examine the possibility of acquiring state funds for downtown revitalization from agencies such as Housing and Urban Development or the Small Business Administration. There may also be a possibility of acquiring a loan from the Coos-Curry-Douglas Economic Improvement Association's Revolving Loan Fund.

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3. Encourage the Downtown Merchants to consider the possibility of organizing a downtown development corporation to address the need to revitalize the downtown area.
4. Utilization of special area plans such as a Downtown Master Plan.

These statements from the North Bend Comprehensive Plan represent only a few of the more general references to the need to include the waterfront and downtown commercial areas within the Urban Renewal Area.

Certain deficiencies, set forth in the Urban Renewal Plan, together with recent depressed economic conditions, have discouraged private development of the Urban Renewal Area. The plan is intended to eliminate the described deficiencies and stimulate commercial activity in the central business district and waterfront industrial area in a way that is consistent with and complementary to the Comprehensive Plan.

IV. RELATIONSHIP BETWEEN THE PROJECTS TO BE UNDERTAKEN IN THE PROGRAM AND EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The Urban Renewal Area as expressed above, is an area around which projects have been planned. The existing conditions in the area include deficiencies related to the lack of infrastructure/public amenities which prevents proper development and investment in the area. The proposed projects are designed to correct the deficiencies described in this Report. The projects will provide the infrastructure necessary to encourage development and revitalization of the Renewal Area in accordance with the City's Comprehensive Plan.

V. CITIZEN PARTICIPATION

The activities and projects identified in the Plan and Report were undertaken with the participation of citizens of the community and owners of land within the Renewal Area.

A fourteen member Advisory Committee was established to work with City Staff and Consultants in the development of the Plan and Report. The Advisory Committee met on a regular basis from February through June, 1994. The general public was encouraged to attend and participate in the meetings.

Informational meetings, which were open to the public, were held by the Planning Commission and City Council in June and July, 1994. Public Hearings were also conducted by the Planning Commission and City Council in June and July, 1994.

VI. RELOCATION REPORT

The Urban Renewal Plan anticipates the acquisition and redevelopment of property which may result in the displacement of businesses and possibly residents. Although the Agency has not identified specific parcels which will require acquisition at this point in time, it does intend to establish a Relocation Policy which will call for the Agency's assistance to those businesses or residents that may be displaced when a formal acquisition analysis is completed. When the Agency does acquire developed and/or occupied property, it will assist displaced businesses or persons in finding replacements facilities. All displaced persons or businesses shall be contacted to determine relocation needs and shall be provided information on available space and be given assistance in moving. All relocation activities will be undertaken and payments made in accordance with the requirements of Oregon Revised Statutes 281.045 to 281.105, and any other applicable laws or regulations.

VII. PROJECT COSTS AND TIMING

A. Projects

The projects have been identified to achieve the objectives of the Urban Renewal Plan. The projects relate to the Urban Renewal Plan for the identified area (see **Exhibit IV**). The Urban Renewal Plan depicts the street/pedestrian improvements, intersection improvements, entrance improvements, waterfront improvements, parking facilities and other elements of the program that will be phased in over the course of the 20-year planning period.

To guide the timing of development in the Renewal Area as efficiently and effectively as possible, projects have been grouped into five phases (see **Exhibit V**).

Phase I projects include the following:

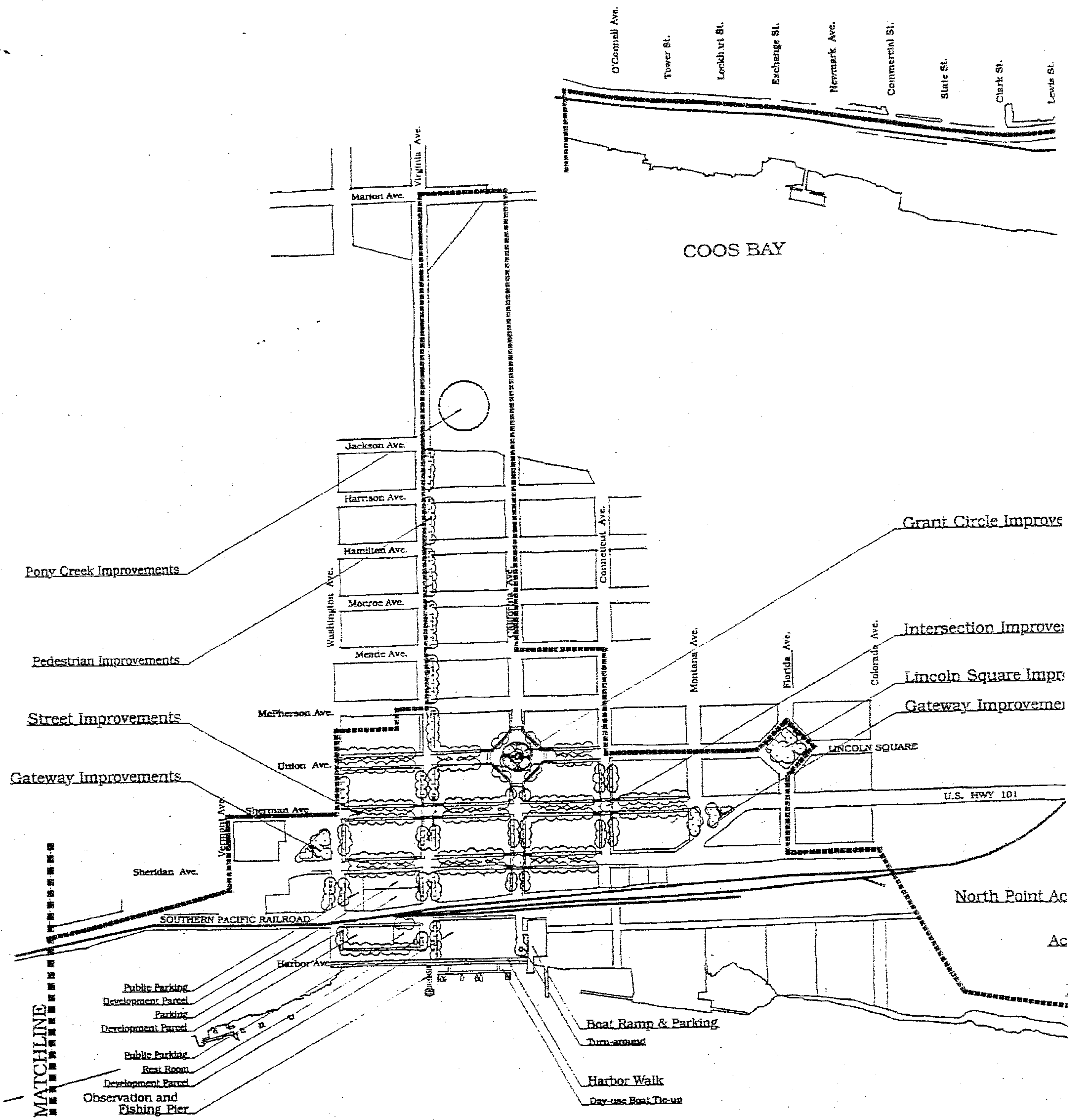
- Entrance Improvements
- Property Acquisition
- Pedestrian Improvements
- Waterfront Improvements including; public parking, public restrooms, an observation/fishing pier and related site amenities.
- Land Use Amendments necessary to maintain consistency between the Urban Renewal Plan and the Comprehensive Plan.
- A Downtown Parking Study that analyzes the demand and supply for downtown parking and provides a long term parking plan that will serve the needs of both customers and employees.

Phase II projects include the following:

- Property Acquisition
- Pedestrian Improvements
- Intersection Improvements at the intersections of Virginia and Sherman and California and Sheridan.
- Waterfront Improvements including a harbor walk, concrete waterfront walkways and related site amenities.
- Implementation of the strategies identified in the Phase I parking study.
- Utility Improvements as required in relation to project implementation.

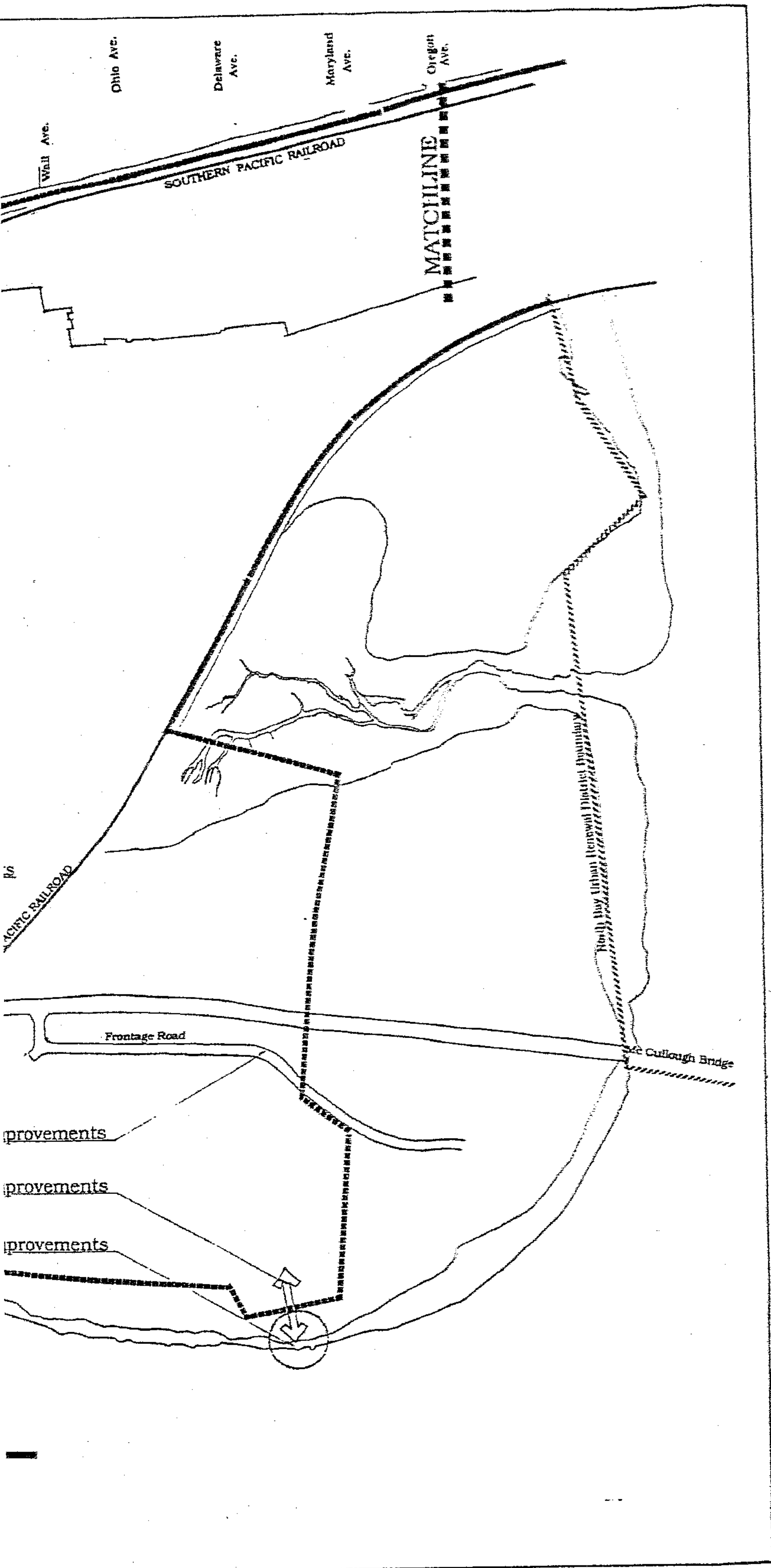
Phase III projects include the following:

- Property Acquisition
- Pedestrian Improvements
- Intersection Improvement at the intersection of Connecticut and Sherman.

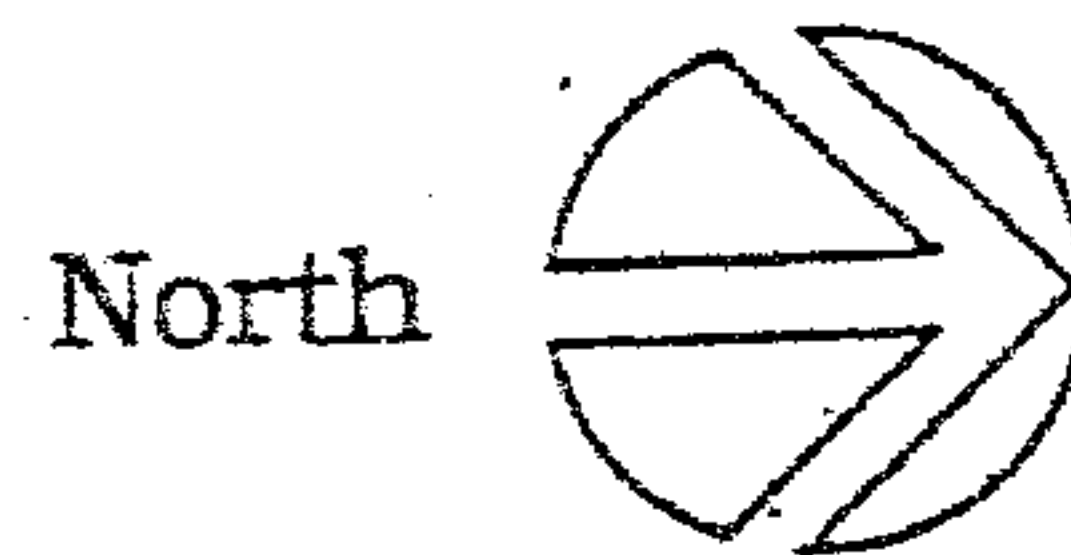


CITY OF NORTH BEND URBAN RENEWAL PLAN
North Bend, Oregon

Urban Renewal Plan



----- Urban Renewal Boundary

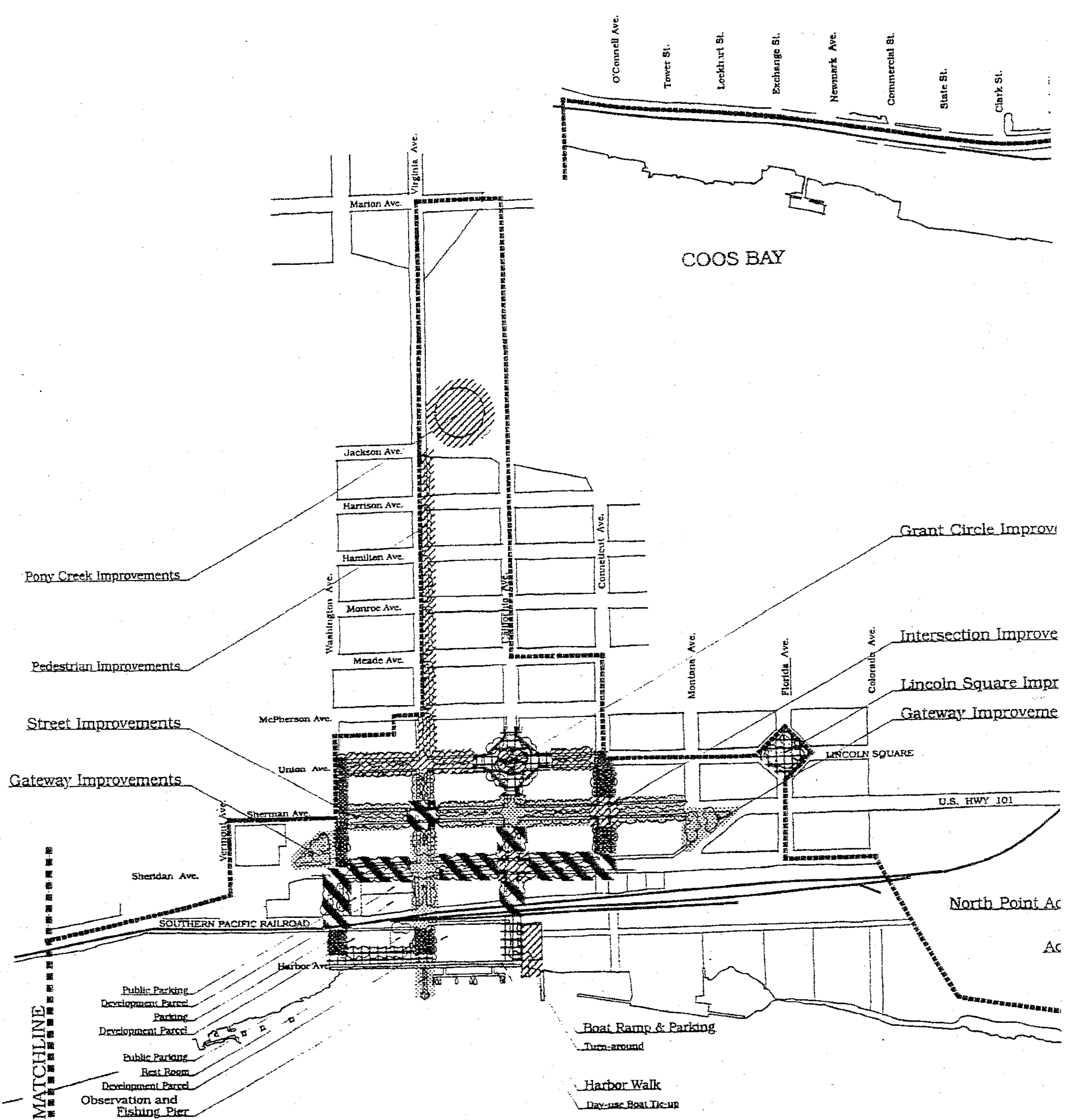


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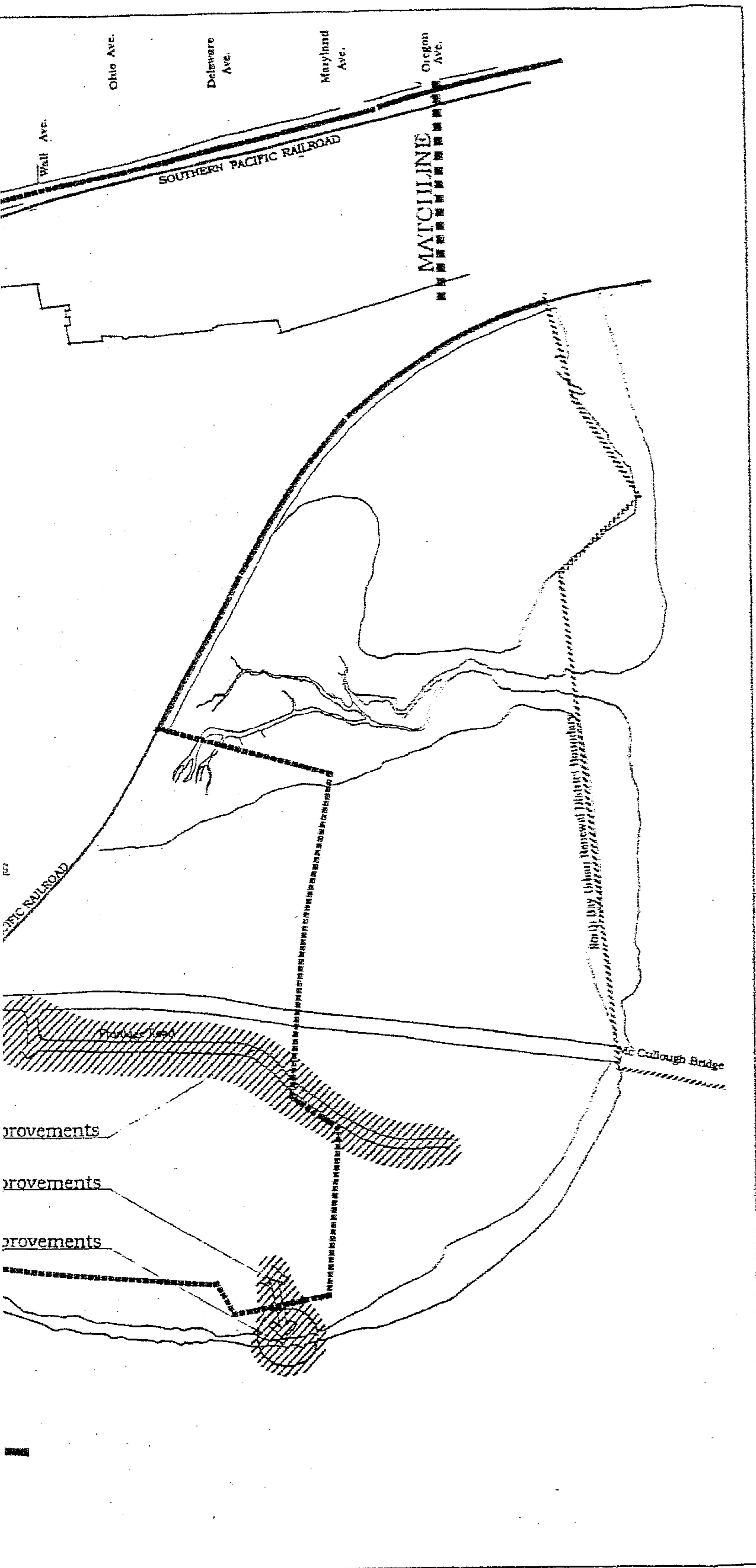
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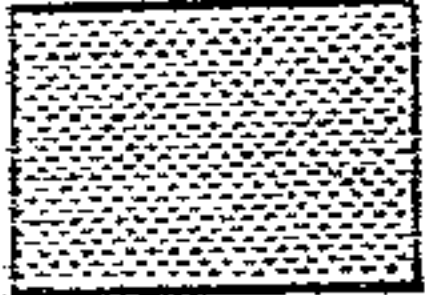


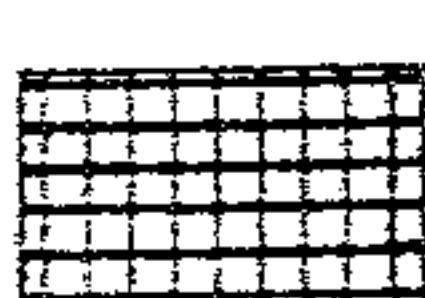



CITY OF NORTH BEND URBAN RENEWAL PLAN
North Bend, Oregon

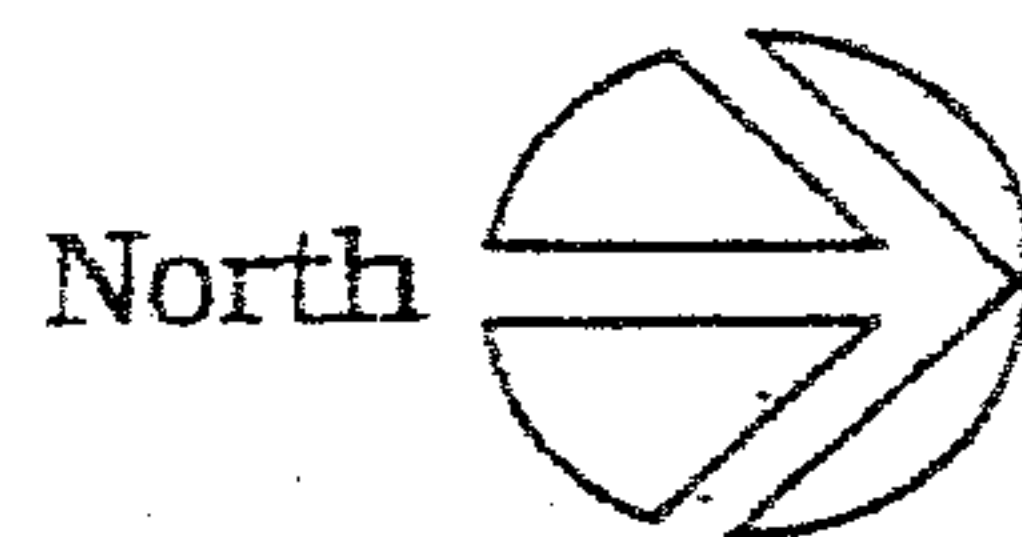
Phasing Plan



Legend

-  Phase I
-  Phase II
-  Phase III
-  Phase IV
-  Phase V

 Urban Renewal Boundary



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- Waterfront Improvements including a seawall, public walkway extensions, a second public parking lot and related site amenities.
- Utility Improvements as required in relation to project implementation.

Phase IV projects include the following:

- Waterfront Improvements including a turn-around where California Avenue meets the waterfront, construction of Harbor Avenue and related site amenities.
- Intersection Improvement at the intersection of Union and California Avenues.
- Grant Circle landscaping and design improvements.
- Implementation of the strategies identified in the Phase I parking study.
- Property Acquisition
- Utility Improvements as required in relation to project implementation.

Phase V projects include the following:

- Simpson Heights Waterfront Access and Park Amenities.
- Lincoln Square Landscaping.
- North Point Access Improvements
- Pedestrian Improvements on Virginia between Union Avenue and Pony Creek.
- Pony Creek landscaping and design improvements.
- Utility Improvements as required in relation to project implementation.

B. Source of Funds

Tax increment revenues are planned to be a major source of funds for the projects within the Renewal Area. Additional sources of revenue include:

- State funds for eligible projects including entrance improvements, boat ramp and parking facility
- Community Development Block Grants for downtown and waterfront improvements
- Tax Increment Bonds for project improvements
- General Obligation Bonds for project improvements

C. Project Costs

Project Costs are listed by Phase (see Table 1). Design, engineering, administrative costs and contingencies are included and incorporated into the totals. Because all projects will not be implemented immediately, an inflation factor has been included in the cost estimates. It has been assumed that inflation will average approximately 4% per year over the life of the Plan. **The inflation factor has caused an imbalance between the projects costs and the available revenues. The projects will have to be adjusted to account for this imbalance.**

Table 1

Projects and Costs by Phase

Phase I	1998 - 2000		
A.	Property Acquisition	310,000	
	Dock	160,000	
	Lot 1	25,000	
	Environmental Clean-up	\$150,000	DONE
B.	Entrance Improvements		
C.	Pedestrian Improvements 2,000 lineal feet	206,350	
D.	Waterfront	63,000	
	1 Public Parking Lot	150,000	
	Public Restroom	200,000	
	Observation/Fishing Pier	20,000	
	Site Amenities	25,000	
E.	Land Use Amendments	20,000	DONE
F.	Downtown Parking Study	159,838	
G.	Design and Contingency		
		Subtotal: \$1,489,188	
Phase II	2001 - 2003		
A.	Property Acquisition	\$280,000	
	Lot 2		
B.	Pedestrian Improvements 2,000 lineal feet	206,350	
C.	Intersection Improvement	100,000	
D.	Waterfront	157,500	
	Harbor Walk	46,240	
	Concrete Walkways	20,000	
	Site Amenities	51,200	
	Public Walkway Extensions	100,000	
E.	Downtown Parking: Implementation	150,000	
F.	Utilities	207,823	
G.	Design & Contingency		
		Subtotal: \$1,319,113	

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Phase III	2004 - 2006	
A.	Property Acquisition Lot 3	\$200,000
B.	Pedestrian Improvements 1,000 lineal feet	100,000
C.	Waterfront Seawall	400,000
	Second Parking Lot	63,000
	Site Amenities	20,000
D.	Utilities	200,000
E.	Design & Contingency	195,750
		Subtotal: \$1,178,750

Phase IV	2007 - 2009	
A.	Waterfront California Turn-around	\$75,000
	Harbor Avenue	60,000
	Site Amenities	13,000
B.	Intersection Improvements	200,000
C.	Downtown Parking	200,000
D.	Lincoln Square Landscaping	30,000
E.	Utilities	300,000
F.	Design & Contingency	219,500
		Subtotal: \$1,097,500

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Phase V

A.	Property Acquisition	0
	Lot 4	235,000
	Environmental Clean-up	50,000
B.	Simpson Heights Waterfront Access and Park	200,000
C.	North Point Access Improvements	210,000
D.	Virginia - West Pedestrian Improvements	30,000
E.	Pony Creek Improvements	216,000
F.	Utilities	
G.	Waterfront	50,000
	Boat Ramp Parking	350,000
H.	Intersection Improvements	
I.	Pedestrian Improvements	137,300
	1,300 linear feet	319,500
J.	Grant Circle	390,700
K.	Design & Contingency	

Subtotal: \$2,188,500

TOTAL: \$7,439,301

D. Future Public Improvements

As private development occurs within the Renewal Area, or as the Agency attempts to stimulate it, future public improvements including streets, sidewalks, water, storm sewer, lighting, drainage, etc. will be undertaken to permit, or compliment the new development.

E. Estimated Completion Date

It is estimated that projects will be completed by the year 2014.

VIII. FINANCIAL ANALYSIS OF THE PLAN

A. Anticipated Tax Increment Funds

As of July 1, 1993 there was an estimated Real Market Value of taxable property within the Renewal Area boundaries of approximately \$30,980,070. This represents 8.93% of the Real Market Value of all property within the City of North Bend which had a value of \$346,857,253. This estimated percentage is important because State Law limits the valuation within the renewal area(s) to no more the 25% of the value of the City.

The components of the estimated value within the renewal area are shown below:

Table 2

Real Market Value
Estimated Frozen Base by Property Type - July 1, 1993

Property Type	Valuation
Land & Improvements (actual)	\$26,080,070
Personal Property (estimated)	\$4,000,000
State Assessed/Public Utility (estimated)	\$900,000
Total Real Market Value	\$30,980,070

Note: The valuations of Land and Improvements are compiled from Assessor records for individual tax lots. Tangible Personal Property and Public Utility and State Assessed are estimated by Moore Breithaupt & Associates, Inc.

Source: Coos County Assessor & Moore Breithaupt & Associates, Inc.

Greater detail on the Land and Improvement Values included within the boundaries of the Renewal Area are shown on **Table 3**, "Land and Improvement Assessed Values" on the following page.

Table 3

Land and Improvement Assessed Values

Map #	Note	93 Land	93 Imp	Total Exempt	93 Total RMV
25 13 10DC		394,786	918,588	115,106	1,198,268
25 13 10AD		107,143	297,619	0	404,762
25 13 15AA		780,325	746,979	113,528	1,413,776
25 13 15AA		1,584,089	2,266,202	924,769	2,925,522
25 13 15AB		1,122,494	3,562,052	2,173,034	2,511,512
25-13-15AB	excluded	0	0	0	0
25-13-15AB		481,498	663,136	22,481	1,122,153
25-13-15AB		636,912	1,465,963	0	2,102,875
25-13-15AB		425,720	2,247,815	2,673,535	0
25-13-10		1,781,683	1,098,904	0	2,880,587
25-13-15		2,040,000	4,179,790	0	6,219,790
25-13-22AA		93,367	71,327	0	164,694
25-13-22AD		809,200	572,951	0	1,382,151
25-13-15 B		804,269	0	0	804,269
25 13 15BB		328,621	279,514	147,317	460,818
25-13-15BA		574,596	805,055	0	1,379,651
25-13-10-DD		470,132	589,556	289,264	770,424
25-13-15AD		227,190	111,628	0	338,818
Grand Total		\$12,662,025	\$19,877,079	\$6,459,034	\$26,080,070

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The estimated value of \$30,980,070 as of July 1, 1993 is the estimated frozen base value of the Renewal Area. Projected increases in value within the area above the frozen base produce the Incremental Value used as half of the formula for determining the annual Tax Increment Revenue which is projected to flow to the Urban Renewal Agency.

The other critical component for projecting Tax Increment revenue is the projected composite tax rate of the seven tax districts overlapping the Renewal Area. They are:

- City of North Bend
- Coos Library
- Coos County
- Port of Coos Bay
- School District 13
- Coos County ESD
- Southwest Oregon Community College

The fiscal year 1993-94 composite tax rate for these districts was \$19.0297 per \$1,000 of Assessed Value. This tax rate reflects the effects of the State's property tax limitation measure found in Article XI of the Oregon Constitution. Because tax rates are capped by the measure, the composite tax rate may be less than it would otherwise have been. Such is the case in Code Area 13, (that portion of North Bend overlapping School District 13 and containing the Urban Renewal Area). Were it not for the tax limitation, the 1993-94 tax rate would have been \$26.2280 per \$1,000. The effect of reducing tax rates to the Constitutional limit is referred to as compression. **Table 4** on the following page shows the detail of these rates - both compressed and not compressed. The table for 1994 is followed by tables showing projection of these rates for 1995, 1996, 1997, and 1998 (see **Tables 5 through 8**).

Note that a "tax rate" for urban renewal is shown on these projections. Under Administrative Rule the Oregon Department of Revenue, the County Assessor does not express a tax increment "tax rate". It is shown here to better reveal the mechanics of the process.

The Incremental Value in the Urban Renewal Area is multiplied times the "not compressed composite tax rate" to calculate the amount of Tax Increment Revenue that will be generated if the Agency chooses to "levy" the full amount. For this analysis we have assumed that the agency will levy the full amount.

Table 4

Tax Rate Projection - 1994

TAXING DISTRICT	1994 Rate before Compression	1994 Rate after Compression	1994 Exempt from Compression	1994 Total Tax Rate
City of North Bend	5.1323	5.1323	0.5538	5.6861
Coos Library	0.7010	0.7010	0.0000	0.7010
Coos County	0.9251	0.9251	0.4334	1.3585
Port of Coos Bay	0.5438	0.5438	0.1092	0.6530
North Bend Urban Renewal	0.0000	0.0000	0.0000	0.0000

Total Gov. Dist. Rate	\$7.3023	\$7.3023	\$1.0963	\$8.3986
SD 13	14.1676	8.2378	0.6311	8.8689
Coss ESD	1.2813	0.7450	0.0000	0.7450
SWOCC	1.7494	1.0172	0.0000	1.0172

Total Educ. Dist. Rate	\$17.1983	\$10.0000	\$0.6311	\$10.6311
Composite Tax Rate - 01	1994 \$19.0297			
Elevated Rate - 01	\$26.2280			
Max. Incremental Rev.		\$0		
Tax Collection Percent		0.00%		

Net Incremental Revenue		\$0		

Table 5

Tax Rate Projection - 1995

TAXING DISTRICT	1995 Rate before Compression	1995 Rate after Compression	1995 Exempt from Compression	1995 Total Tax Rate
City of North Bend	5.0373	5.0373	0.5127	5.5500
Coos Library	0.6880	0.6880	0.0000	0.6880
Coos County	0.9080	0.9080	0.6421	1.5501
Port of Coos Bay	0.5337	0.5337	0.0096	0.5433
North Bend Urban Renewal	0.0000	0.0000	0.0000	0.0000
Total Gov. Dist. Rate	\$7.1670	\$7.1670	\$1.1644	\$8.3314
SD 13	13.9052	6.1783	0.5844	6.7627
Coss ESD	1.2576	0.5588	0.0000	0.5588
SWOCC	1.7170	0.7629	0.0000	0.7629
Total Educ. Dist. Rate	\$16.8798	\$7.5000	\$0.5844	\$8.0844
Composite Tax Rate - 01	1995 \$16.4158			
Elevated Rate - 01	\$25.7956			
Max. Incremental Rev. Tax Collection Percent	\$0 98.00%			
Net Incremental Revenue	\$0			

Table 6

Tax Rate Projection - 1996

TAXING DISTRICT	1996 Rate before Compression	1996 Rate after Compression	1996 Exempt from Compression	1996 Total Tax Rate
City of North Bend	4.9440	4.9440	0.4748	5.4188
Coos Library	0.6722	0.6722	0.0000	0.6722
Coos County	0.8871	0.8871	0.5918	1.4789
Port of Coos Bay	0.5217	0.5217	0.0088	0.5305
North Bend Urban Renewal	0.2059	0.2059	0.0000	0.2059
Total Gov. Dist. Rate	\$7.2310	\$7.2310	\$1.0754	\$8.3064
SD 13	13.6164	4.1205	0.5399	4.6604
Coos ESD	1.2287	0.3718	0.0000	0.3718
SWOCC	1.6776	0.5077	0.0000	0.5077
Total Educ. Dist. Rate	\$16.5226	\$5.0000	\$0.5399	\$5.5399
Composite Tax Rate - 01	1996 \$13.8462			
Elevated Rate - 01	\$25.3688			
Max. Incremental Rev.	\$54,863			
Tax Collection Percent	90.00%			
Net Incremental Revenue	\$49,376			

Table 7

Tax Rate Projection - 1997

TAXING DISTRICT	1997 Rate before Compression	1997 Rate after Compression	1997 Exempt from Compression	1997 Total Tax Rate
City of North Bend	4.8525	4.8525	0.4396	5.2921
Coos Library	0.6569	0.6569	0.0000	0.6569
Coos County	0.8670	0.8670	0.5456	1.4126
Port of Coos Bay	0.5101	0.5101	0.0081	0.5182
North Bend Urban Renewal	0.3874	0.3874	0.0000	0.3874
Total Gov. Dist. Rate	\$7.2738	\$7.2738	\$0.9934	\$8.2672
SD 13	13.3359	4.1458	0.4988	4.6446
Coss ESD	1.2008	0.3733	0.0000	0.3733
SWOCC	1.5467	0.4808	0.0000	0.4808
Total Educ. Dist. Rate	\$16.0835	\$5.0000	\$0.4988	\$5.4988
Composite Tax Rate - 01	1997 \$13.7660			
Elevated Rate - 01	\$24.8495			
Max. Incremental Rev.	\$110,951			
Tax Collection Percent	95.00%			
Net Incremental Revenue	\$105,403			

Table 8

Tax Rate Projection - 1998

TAXING DISTRICT	1998 Rate before Compression	1998 Rate after Compression	1998 Exempt from Compression	1998 Total Tax Rate
City of North Bend	4.7627	4.7627	0.4070	5.1697
Coos Library	0.6423	0.6423	0.0000	0.6423
Coos County	0.8476	0.8476	0.5032	1.3508
Port of Coos Bay	0.4990	0.4990	0.0075	0.5065
North Bend Urban Renewal	0.5398	0.5398	0.0000	0.5398

Total Gov. Dist. Rate	\$7.2914	\$7.2914	\$0.9178	\$8.2092
SD 13	13.0634	4.1699	0.0000	4.1699
Coos ESD	1.1740	0.3747	0.0000	0.3747
SWOCC	1.4266	0.4554	0.0000	0.4554

Total Educ. Dist. Rate	\$15.6640	\$5.0000	\$0.0000	\$5.0000
Composite Tax Rate - 01	1998 \$13.2092			
Elevated Rate - 01	\$23.8731			
Max. Incremental Rev.	\$165,116			
Tax Collection Percent	98.00%			

Net Incremental Revenue	\$161,814			

Table 9 on the following page titled "Projected Growth in Assessed Values and Tax Increment Revenue" shows for each year of the project the projected value of taxable property within the area. For 1995 that value is the estimated \$30,980,070 referred to previously. The value is projected to increase at a rate of 7% per year. Meanwhile the assumptions underlying the table include an assumed growth rate of 8% for the overlapping taxing district. The column showing "Growth Over Frozen Base" is the projected tax increment each year. The net estimated tax rate shown in the last column is the rates which are projected were the tax limitation measure not in place. After 1998, the tax rates are assumed to stay essentially level, reflecting probable voter approval from time to time of General Obligation Bond Issues, and new tax bases. Were there none of these, and property value continued to grow more rapidly than tax levies, the rates would continue to slowly decline. The Annual Tax Increment Revenue column on the table assumes a 90% collection rate in 1996, a 95% collection rate in 1997, and 98% in all subsequent years.

Table 9

Projected Growth in Assessed Values and Tax Increment Revenues

Est. Urban Renewal Area Frozen Base Value = \$30,980,070

Fiscal Year	Projected/1 Dev. Area RM	Project Values	Growth Over Frozen Base	Annual T.I. Revenue	Cumulative T.I. Revenue 2/	Net Estmt'd Tax Rate 3/
-	-	-	-	0	0	\$26.23
1994	-	-	-	0	0	\$25.80
1995	30,980,000	0	0	0	0	\$25.37
1996	33,149,000	0	2,168,930	49,521	49,521	\$24.85
1997	35,469,000	0	4,488,930	105,970	155,491	\$23.87
1998	37,952,000	0	6,971,930	163,113	318,604	\$22.50
1999	40,609,000	0	9,628,930	212,318	530,922	\$22.50
2000	43,452,000	0	12,471,930	275,006	805,928	\$22.50
2001	46,494,000	0	15,513,930	342,082	1,148,010	\$22.50
2002	49,749,000	0	18,768,930	413,855	1,561,865	\$22.50
2003	53,231,000	0	22,250,930	490,633	2,052,498	\$22.50
2004	56,957,000	0	25,976,930	572,791	2,625,289	\$22.50
2005	60,944,000	0	29,963,930	660,705	3,285,994	\$22.50
2006	65,210,000	0	34,229,930	754,770	4,040,764	\$22.50
2007	69,775,000	0	38,794,930	855,428	4,896,192	\$22.50
2008	74,659,000	0	43,678,930	963,120	5,859,312	\$22.50
2009	79,885,000	0	48,904,930	1,078,354	6,937,666	\$22.50
2010	85,477,000	0	54,496,930	1,201,657	8,139,323	\$22.50
2011	91,460,000	0	60,479,930	1,333,582	9,472,906	\$22.50
2012	97,862,000	0	66,881,930	1,474,747	10,947,652	\$22.50
2013	104,712,000	0	73,731,930	1,625,789	12,573,442	\$22.50
2014	112,042,000	0	81,061,930	1,787,416	14,360,857	\$22.50
2014	119,885,000	0	88,904,930	1,960,354	14,533,795	\$22.50

1/ Assumed annual growth rate of 7% in overall Assessed Value within Renewal Area.
 2/ Tax Increment Revenue attributable to Tax Rate, Valuation, and tax collection efficiency.
 3/ Estimated Elevated Tax Rate of all taxing jurisdictions levying within proposed Urban Renewal area.

June 10, 1994

B. Estimated Amount of Money Required Under ORS 457

Table 10 on the following page titled "Analysis of Borrowing and Tax Increment Debt Retirement Capacity" illustrates the anticipated Tax Increment Revenues collected through the fiscal year 2015. These revenues, along with some other interest earnings are required to repay the indebtedness incurred by the Agency for the projected life of the project.

It is anticipated that the Urban Renewal Agency's indebtedness will be incurred through:

1. Repayment of monies advanced by the City
2. Sale of Bonds and short-term notes
3. Lease purchase financings
4. Contract indebtedness for projects
5. Contract indebtedness for administrative support and other services from the City.

C. Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided for Under ORS 457.450

The Agency should be able to redeem the outstanding amount of bonded indebtedness requiring Tax Increment Revenues in Fiscal Year 2015. This will be accomplished through the use of the accumulated balance in the Debt Service Reserve Account, plus annual revenues entering the Debt Service Retirement Fund throughout the life of the project. Should any funds remain available after satisfying all indebtedness, the balance will be transferred to the County Treasurer for use by all the overlapping taxing districts.

Table 10

Analysis of Borrowing and Tax Increment Debt Retirement Capacity

May 19, 1994

ASSUMED 7% GROWTH RATE
ASSUMED LEVEL TAX RATE

FISCAL YEAR	TAX INCREMENT	INTEREST EARNINGS ¹¹	GRANTS AND OTHER REVENUE ¹²	T.A. BONDS SOLD ¹³	TOTAL ¹⁴ PROJECT EXPENDITURES	-D/S RESERVE FUND		---Use of Increment---		NON-BOND DEBT ¹⁶	BOND COVERAGE RATIO ¹⁷	ACCUMLTD ¹⁸ BALANCE LESS PROGRAM ADMN.
						PAYMENT	BALANCE	DEBT SERVICE PAYMENTS	PROGRAM ADMIN.			
1994	0	0	0	0	0	0	0	0	0	0	-	0
1995	0	0	0	0	0	0	0	0	0	0	-	0
1996	49,521	0	0	0	0	0	0	0	0	0	-	49,500
1997	105,970	1,980	0	0	0	0	0	0	50,000	0	-	107,500
1998	163,113	4,300	0	1,300,000	1,244,000	130,000	132,600	0	52,500	100,000	125.47%	122,400
1999	212,318	4,896	150,000	0	115,000	0	137,904	130,000	55,125	115,000	-	189,500
2000	275,006	7,580	0	0	125,000	0	143,420	130,000	57,881	125,000	-	159,200
2001	342,082	6,368	0	1,500,000	1,445,000	150,000	302,157	130,000	60,775	125,000	117.96%	191,900
2002	413,855	7,676	0	0	100,000	0	314,243	290,000	100,000	100,000	-	123,400
2003	490,633	4,936	0	0	125,000	0	326,813	290,000	105,000	125,000	-	99,000
2004	572,791	3,960	0	1,250,000	1,240,000	125,000	467,385	290,000	110,250	140,000	122.39%	135,500
2005	660,705	5,420	0	0	115,000	0	486,081	468,000	115,763	115,000	-	102,900
2006	754,770	4,116	0	0	350,000	0	505,524	468,000	150,000	350,000	-	136,800
2007	855,428	5,472	0	1,000,000	1,230,000	100,000	627,745	468,000	157,500	350,000	140.23%	508,300
2008	963,120	20,332	0	0	250,000	0	456,575	610,000	185,375	250,000	-	100,000
2009	1,078,354	4,000	0	0	425,000	0	474,838	480,000	173,644	425,000	-	103,700
2010	1,201,657	4,148	50,000	0	450,000	0	493,831	480,000	250,000	450,000	-	179,500
2011	1,333,582	7,180	0	0	225,000	0	287,107	480,000	262,500	225,000	-	105,600
2012	1,474,747	4,224	0	0	270,000	0	(0)	320,000	275,625	270,000	-	102,000
2013	1,625,789	4,080	0	0	1,340,000	0	0	0	289,406	1,340,000	-	102,500
2014	1,787,416	4,100	0	0	1,490,000	0	0	0	303,877	1,490,000	-	100,100
2015	1,960,354	4,004	0	0	1,745,000	0	0	0	319,070	1,745,000	-	400
	16,321,211	108,772	200,000	5,050,000	12,284,000			5,034,000	3,054,291	7,840,000		

** Optional Call exercised. All bonds paid in full.

- 11. Interest is assumed to accrue at 4% per year on prior year's balance.
- 12. No Proceeds from land sales.
- 13. Bond issues are level debt service with serial maturities. Average interest on Bond Issue #1 = 5.5%; #2 = 6.5%; #3 = 7.0%; #4 = 7.0%. Issues #1 & #2 are 15 year; and #3 & #4 are 10 year term. Bonds are called as shown.
- 14. Total project expenditures are net bond proceeds plus non-bond debt (see: note 6).
- 15. 10% of new bond proceeds applied to DSR which accumulates at 4% per year. Balance used to pay off bonds.
- 16. \$8,480,000 in short term debt (notes or projects) paid from Debt Retirement Fund.
- 17. A required bond coverage ratio of approximately 125% for issuance of new bonds is assumed.
- 18. Debt Service has first call on money in fund.

