CITY OF BROOKINGS

REPORT ON THE URBAN RENEWAL PLAN

Brookings Urban Renewal Agency
July, 2002
Adopted by the Brookings Common Council
August 12, 2002

CITY OF BROOKINGS URBAN RENEWAL PLAN

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PROJECT BACKGROUND

The primary purpose of the Brookings urban renewal plan is to revitalize the commercial area of the City, and to attract new businesses and jobs to the commercially zoned areas of Brookings. The renewal plan builds upon other work and study efforts focused on this area of Brookings. They include a 1990 urban renewal plan (not adopted), a 1999 ODDA Resource Team Report, a July 2000 local Town Center revitalization study effort (The PROUD Study), and a 2002 Downtown Master Plan by the Urban Design Studio.

The Brookings urban renewal area is larger than either the PROUD study area, or the 2002 Master Plan area, but incorporates those areas within its boundary. The Introduction to the PROUD study forms a good general summary of the current state of conditions within the Brookings Urban Renewal area. It state as follows:

"The commercial area of Brookings can be divided into two distinct parts. The first part is the newer, more modem, area that extends from the north side of Highway 10 1 to the south side of Railroad Street and from Arnold Lane on the west to Wharf Street on the east. The second part is the old commercial district that extends from the north side of Highway 101 to the north side of Railroad Street and from Wharf Street on the west to Oak Street.

Development in the newer area consists of businesses in buildings that are, for the most part, in good condition on larger lots with room for off-street parking. Most of the streets in this area are improved with curbs, gutters and sidewalks. Businesses in this area consist of a mixture of chain stores like Ray's Market, Fred Meyer, McDonald's, and independent, locally owned stores.

In the older area, most of the businesses are concentrated along Highway 101 and to a lesser extent, Railroad Street. The area between these two streets is developed with residential uses and a few scattered businesses. Even with the exposure enjoyed along the highway, some vacant store fronts can be found at any given time and many of these buildings are in need of renovation. Most of the buildings within the interior are also in need of renovation and some are not worth the effort or cost to refurbish. The streets in this area have very few improvements other than a paved travel way and some water, sewer and storm sewer mains are in need of repair or replacement. Parking for the businesses in this area is also limited, particularly for stores along the highway. The older area of town could be defined as blighted!

Another factor reinforcing the overall need for revitalization was the fact that although thriving, the city is not realizing the potential from the tourist dollars that flow through the city every day of the year. The poor condition of the downtown core area, the empty store fronts and the lack of convenient parking contribute to the loss of this resource."

The PROUD study wording is cited to show the local awareness and concern over deteriorating conditions within that limited study area. The existence of blighting conditions extends throughout the larger area covered by the Brookings Urban Renewal Plan.

DEFINITION OF BLIGHTING CONDITIONS

ORS 457.010 defines "blight" as follows: (underlining is added for emphasis)

"Blighted areas mean areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of <u>one or more</u> of the following conditions:

"The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

"Defective design and quality of physical construction;
"Faulty interior arrangement and exterior spacing;
"Overcrowding and a high density of population;
"Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
'Obsolescence, deterioration, dilapidation, mixed character or shifting of uses."

"An economic dislocation, deterioration or disuse of property resulting from faulty planning;

"The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;

"The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;

"The existence of inadequate streets and other rights-of-way, open spaces and utilities;

"The existence of property or lots or other areas which are subject to inundation by water;

"A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;

"A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare; or

"A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere."

Note that it is not necessary for each of the cited conditions to be present in the renewal area, or that these conditions be prevalent in each and every sector of the urban renewal area.

100. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE RENEWAL AREA

100A. PHYSICAL CONDITIONS

1. Land Area

The Brookings Renewal Area contains approximately 354 acres of land area. ORS 457.420 provides that the total land area of a proposed urban renewal district, when added to the land area of existing Renewal Areas may not exceed 25% of the City's land area. The City's current land area is approximately 1750 acres. The total of all acreage in renewal areas represents 20.22% of the City's land area. Total renewal area acreage is within the 25% limitation prescribed by ORS 457.420..

2. Existing Land Use and Development

The Brookings Urban Renewal Area consists primarily of commercial land uses. The next largest land use is for industrial purposes. There are a very limited number of of residential uses scattered throughout the project area. Commercial development is concentrated along Chetco Avenue, which runs through the project area. This development is mostly strip commercial, which serves Brookings, and surrounding communities with a range of services, and convenience and comparison shopping opportunities. The Brookings Urban Renewal Area contains 380 tax lots. The zoning of the tax lots is shown in Table 1, below.

BROOKINGS URBAN RENEWAL PLAN		
TABLE 1		
Renewal Area Zoning Breakdown		
Zoning Class	Tax Lots	% of Total
C3	250	65.79%
C4	35	9.21%
C5	1	0.26%
IP	49	12.89%
M2	9	2.37%
R2	11	2.89%
R3	12	3.16%
R16	7	1.84%
P/OS	6	1.58%
TOTALS:	380	100.00%

Table 1 shows that C3 and C4 commercial uses comprise 75% of the uses in the area., while residential uses are only about 8%. The renewal area boundary in fact was drawn with the purpose of creating a plan area that was primarily commercial in nature.

Actions undertaken in the Brookings Urban Renewal Area will help make more productive use of land in the project area.

3. Building Conditions

There are 280 buildings in the Brookings Urban Renewal area. As noted in Table 1, most buildings in the area are zoned for commercial purposes. Visual inspection of building exteriors in the area shows the overall level of building conditions and upkeep is fair to good. However, in scattered pockets, there exist a significant number of buildings in poor condition. The condition of some of these properties may make it economically infeasible to rehabilitate or repair them. The renewal area also contains vacant buildings in various states of repair, and commercial and residential properties in need of exterior repairs to roofing, siding, steps, and exterior trim.

4. Conditions - Streets and Sidewalk

The general level of this basic infrastructure in the project area is more consistent with a rural area than with an urbanized one. A summary conditions report from City staff noted the following conditions:

Wharf to Oak/Highway 10 1 to Railroad St.-zoned C-3 (General Commercial).

- Small lots-26 x 89 feet with many older building and houses needing repair or replacement. Infrastructure in poor condition, no street improvements except pavement in most of the area.

King St. between Center St. and Wharf St.-zoned M-2 (General Manufacturing) on west side and I-P (Industrial Park) on the east side.

- Private street in poor repair. Several buildings in poor repair, many yards in general disarray.

Wharf St. to Tanbark Rd./ Railroad St. to the "The Cove" development--zoned I-P (Industrial Park).

- Several old nonconforming houses on west side of Wharf St. No curb gutter or sidewalk on west side of Wharf missing areas of sidewalk on west side. Old dilapidated buildings near Railroad between Wharf St. and Cove Rd.

West end of Wharf St.-zoned R-2 (Two Family Residential).

- Gravel street serving three or four homes.

Cottage St. between Pacific Ave. and Mill St.-zoned I-P (Industrial Park) on the south side and C-3 (General Commercial) on the north side.

- Several old nonconforming houses along the south side of the street. Need curb gutter and sidewalk along south side of the street.

Hillside Ave. between Highway 101 and Valley St.-zoned C-3 (General Commercial).

- Older houses on east side of street. Need curb, gutter and sidewalk on east side.

Valley St. between Hillside Ave. and Pacific Ave.-zoned C-3 (General Commercial) on south side and R-3 (Multiple Family Residential) on north side.

- Need curb, gutter, sidewalk on both sides and new pavement.

Pacific Ave. north of Highway 101-zoned C-3 (General Commercial).

- Needs sidewalk on east side.

South side of Highway 101 north of Spindrift Motel-zoned C-4 (Tourist Commercial)

- Needs curb, gutter and sidewalk from Crissy Circle to Arnold St.

5. Conditions - Public Parking

There is curbside public parking available throughout the urban renewal area, but during working hours, these spaces are heavily used. There is no public parking lot on Chetco Avenue, and no public parking is readily visible from this main commercial thoroughfare. There is private, off street parking available to patrons of most of the newer strip commercial properties along Chetco Avenue. The lack of accessible and convenient parking is a detriment to investment in the urban renewal area.

6. Conditions - Water and Sewer Services

Water and sanitary sewer service in the renewal project area is in need of repair and maintenance, but is adequate for existing levels of development.

7. Conditions - Visual Appearance

The commercial core of Brookings is aligned along Chetco Avenue. Chetco is characterized by a mix of strip commercial development of varying styles and quality, fronted by parking lots, and a mix of older, “main street” commercial properties on very small lots, with curbside parking. The “main street” area has several vacant storefronts, and generally shows more need of repair. There are overhead power lines throughout the area, adding to the visual clutter. Attractive street furniture, signs, banners, trees and landscaping and other visual amenities are rare or non-existent. Physical appearance is not specifically listed as a condition of blight in ORS 457. However, a commercial or residential area that appears visually unpleasant and rundown is detrimental to new investment. Such areas likely are already blighted or is on its way to becoming so.

8 .Conditions – Land and Building values

It is anticipated that the 2001-02 tax roll will establish the initial base of assessed values for the Renewal Area. The total assessed valuation for the City of Brookings for that tax year was $419,732,781 The total assessed value of property within the urban Renewal Area for the 2001-02 tax year is calculated at $64,687,680 in land and building values. It is estimated personal property, utility, and mobile home values will add approximately 5% more in value, producing a total of $67,921,350 in values within the Brookings Renewal Area.. The total assessed value Brookings Renewal Area represents 16.17% of the total property valuation within the City of Brookings. Total certified values within all renewal areas therefore are expected to be well within the maximum 25% of total valuation allowed by urban renewal law.

9. Conditions – Investment and Utilization of land

Real property values within the Renewal Area are largely concentrated in commercial property classifications. The overall value of land to improvements in the Renewal Area is extraordinarily low for an urban area, especially an area that represents the heart of the

City's commercial properties.. The real market value of land in the renewal area is $37.26 million and the real market value of improvements is $39.63 million. The ratio of building value to land value barely exceeds 1:1. Mature urban areas, especially those containing the community's commercial core, are expected to exhibit improvement to value ratios in the 4:1 or 5:1 range. While this ratio can not be expected in a community like Brookings, it is most unusual for building values in a developed part of an urbanized area to barely exceed land values. It is even more unusual to find this improvement to land value ratio in Brookings's in an area that takes in much of Brookings' commercial areas. The data points to a lack of investment in the renewal area, depreciated values, and a loss of tax producing ability for the Brookings community.

100B. SOCIAL AND ECONOMIC CONDITIONS

Census data for the renewal area itself is not available. Census data shows that the percentage of Brookings households with incomes below $15,000 is 16.6%, reflecting both the high percentage of elderly residing in Brookings, and the high unemployment and under-employment rates common to Oregon's coastal communities. Census data also shows that only about 15% of Brookings population has more than a high school education. The data illustrates that Brookings at this time is not a high-skill, high wage community. The urban renewal effort is an attempt to improve overall economic conditions in the community, as well as the physical conditions in the renewal area.

200. EXPECTED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN

Urban renewal plan activities are aimed at alleviating traffic, parking and pedestrian safety problems, at repairing and redeveloping property within the area, and at upgrading lighting, streets, sidewalks, and open space conditions in the Renewal Area. Carrying out the Renewal Plan is not expected to result in any significant population growth impacts for the City of Brookings. The Plan is expected to facilitate planned, orderly growth as anticipated in the Comprehensive Plan. The Plan is not expected to result in a need for any additional police, fire, or other emergency services beyond those already contemplated by the City and other service providers. The Renewal Area boundary includes a proposed housing development. Renewal Plan activities, however, are not expected to influence the timing or scale of these developments. Therefore, carrying out the Plan is expected to have no impacts on the school system. Carrying out the Renewal Plan is not expected to have any significant impact on water and sewer service needs. Project activities are not expected to require the relocation or removal of any residential or commercial properties.

Carrying out the Renewal Plan will require the use of tax increment revenues. The tax impacts of the Renewal Plan are discussed in detail in Section 500 D of this report.

The Renewal Plan is expected to produce positive fiscal and service impacts for Brookings. Among the public benefits of the renewal plan are

- Street and circulation improvements will improve public safety and convenience.
- Infrastructure improvements will provide better utility service, and decrease public maintenance costs
- New businesses will provide additional shopping convenience, and reduce vehicular trips and time.
- Rehabilitation programs will preserve and renew properties in downtown Brookings.
- An increase in construction expenditures, and purchases kept in Brookings will create secondary jobs.
- The Renewal Plan will help the City of Brookings fund a number of projects listed in the City's Capital Improvements Program, Downtown Master Plan and PROUD study.

The public and private investments made in the renewal area are likely to encourage new investment in areas adjacent to the renewal area. The value thus created can not be quantified, but observation of renewal programs around the state indicates that there are spillover investment effects from a successful renewal program. There are other positive effects of a renewal program that do not lend themselves easily to quantification, for they are quality of life issues. Retaining Brookings's small town atmosphere, maintaining the downtown core as the heart of the city, improving cultural and shopping opportunities, and improving the appearance of Brookings all have value to the community. These in fact, have been expressed as important community values, and directly influenced creation of this renewal plan.

The expenditure of tax increment funds is expected to produce new property values for the City of Brookings. The renewal project is estimated to be completed by the year 2027-28. During that period, property values in the renewal area are expected to increase by approximately $139 million At current tax rates, the new property values anticipated in the renewal area will contribute over $1.3 million in property tax revenues in the first year after the project is ended. Of that revenue, approximately $522,000 will return to the City of Brookings. That property tax revenue will continue to grow as a result of annual assessment increases**.**

300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

The Urban Renewal Plan Area was selected based on Brookings Comprehensive Plan goals, objectives, and policies and on the existence of blighting conditions within the area. The project area evidences the following characteristics of blight

- A lack of proper utilization of land planned for tax producing purposes.
- Deficiencies in streets, curb, sidewalk, water and sewer services in the project area.
- Deficiencies in public recreation and open space opportunities.

- Poor visual and aesthetic conditions, contributing to a low level of investment in the project area.
- Poor building conditions in the project area.
- A prevalence of low values and lack of investment in the project area, and reduced tax receipts resulting therefrom.

Conditions exist within the Renewal Area which meet the definitions of blight in ORS 457.010. Treating these conditions is the reason for selecting this renewal area

400. RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY AND EXISTING CONDITIONS IN THE PROJECT AREA

All project activities described in Section 700 of the Plan are intended to correct the deficiencies described in Section 100 of this Report and summarized in Section 300 of this Report.

1. Unpaved streets, or those lacking curbs and sidewalks will be improved throughout the Renewal Area.
2. Assistance for rehabilitation and new development will attract new investment to the area, and improve the building conditions and blighted appearance of the area.
3. Streetscape activities will improve the visual appearance of the area, and provide a better climate for new investment in the project area.
4. Parking improvements will make it easier for tourists and visitors to shop, or take advantage of recreational opportunities, thereby encouraging expenditures and new investments in the area.
5. Improvements to parks, public buildings, and open spaces will treat deficiencies in those areas
6. Administration and planning activities will assure the plan is carried out effectively, and in conformance with applicable requirements

500. FINANCIAL ANALYSIS OF PLAN

500A. ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 2 shows the estimated total costs of the Brookings Urban Renewal Project.. These costs are the total anticipated costs, allowing for 4% inflation during the life of the project.

BROOKINGS RENEWAL PLAN	
Table 2	
Estimated Cost of Project Activities	
	Estimated cost
Public Parks & Open Spaces	$1,582,500
Create a Central Plaza	
Walkways and Plazas	
Local Nature Interpretive Areas	
Looped walkway from downtown to public parks	
Wetlands Park at Old Mill Pond	
Enhance Chetco Park and other parks in project area	
Streets and Public Utilities	$3,165,000
Improve Railroad St, Chetco Av, Fern, Willow, Spruce,	
Hemlock, Alder & Wharf Sts	
Assist Street improvements in CIP	
Assist Water, Sewer, Storm improvements in CIP	
Streetscape	$791,250
Accent Paving	
Decorative lighting	
Street trees , planters, landscaping	
Benches, trash receptacles, bike racks	
Street & Directional signs	
Public art	
Gateway monuments and landscape features	
Under grounding of overhead utilities	
Pedestrian, Bike, & Transit Improvements	$791,250
New bike paths in renewal area	
Pedestrian connections to waterfront	
Other Public Facilities	$2,373,750
Public Restrooms	

Enhancement of public museum	
Relocate City Hall	
Performing Arts Center	
Community Center	
Public Parking Facilities	$791,250
New lot at Fern & Spruce	
New lots at pockets along Railroad St.	
New RV parking lot	
Development and Redevelopment	$3,165,000
Assist development of new medical facility	
Assist development of higher education facilities	
Assist in construction or expansion of job creating facilities	
Provide Low Interest Rate Loans & Incentives	$791,250
Preservation & Rehabilitation	$791,250
Program Administration	$1,582,500
TOTALS	**$15,825,000**

The principal method of funding the project share of costs will be through use of tax increment financing as authorized by ORS 457. Revenues are obtained from anticipated urban renewal bond proceeds and the proceeds of short term urban renewal notes.
Table 2 shows that the total costs of project activities are estimated at $15,825,000. This is the maximum indebtedness figure inserted in the urban renewal plan .

The capacity for urban renewal bonds is based on projections of urban renewal revenues. Anticipated annual revenues are shown in Table 3 of this Report. Table 3 anticipates there will be four long-term bond issues during the life of the plan. Bond will be issued as revenues, project requirements, and overall bond market conditions dictate. In addition, the Renewal Agency will apply for, and make use of funding from other federal, state, local, or private sources as such funds become available.

500B. ANTICIPATED START & FINISH DATES OF PROJECT ACTIVITIES

The project activities shown in Table 2 will begin in 2003-04. The sequencing and prioritization of individual project activities shown in Table 2 will be done by the Urban Renewal Agency, and any citizen advisory bodies that the Agency calls upon to assist in this process. The priority of projects and annual funding will be as established in the annual budget process. Completion dates for individual activities may be affected by changes to local economic and market conditions, changes in the availability of tax increment funds, and changes in priorities for carrying out project activities.

It is estimated that all activities proposed in this plan will be completed, and project indebtedness paid off by 2028-29. At that time, the tax increment provisions of this plan can be ended.

500C. ESTIMATED EXPENDITURES AND YEAR OF DEBT RETIREMENT

It is estimated that the project will collect tax increment revenue between the years 2003-2004 and 2028-29. It is estimated that the project will produce $20.4 million in tax increment receipts in that period. These funds will be utilized to finance project activities, and pay all debt service costs, including interest, associated with undertaking these project activities.

It is anticipated that available project revenues, and funds accumulated in a special fund for debt redemption will be sufficient to retire outstanding bonded indebtedness in the year 2028, and terminate the tax increment financing provisions of the project. After all project debt is retired, and the project closed out, it is estimated that there will be surplus tax increment funds. These funds will be distributed to taxing bodies affected by this plan, as provided in ORS 457.

Table 3 of this Report shows the anticipated tax increment receipts for each year of the project, and the use of those receipts. Table 3 follows on the next page.

BROOKINGS URBAN RENEWAL PLAN

TABLE 3

RESOURCES AND REQUIREMENTS	2003	2004	2005	2006	2007	2008	2009	2010
RESOURCES								
Beginning Balance	$0	$8,477	$3,437	$10,694	$4,330	$9,586	$15,514	$19,217
Tax Increment Revenue	$87,169	$113,871	$228,672	$259,266	$290,700	$424,135	$460,104	$497,061
Delinquency at 3% average	-$2,615	-$3,416	-$6,860	-$7,778	-$8,721	-$12,724	-$13,803	-$14,912
Proceeds of Borrowings	$0	$429,000	$0	$0	$0	$0	$3,386,000	$0
Investment Earnings at 4.5%	$3,923	$5,506	$10,445	$12,148	$13,276	$19,517	$21,403	$23,233
Total Resources	**$88,477**	**$553,437**	**$235,694**	**$274,330**	**$299,586**	**$440,514**	**$3,869,217**	**$524,599**
REQUIREMENTS								
Outlay on Projects	$80,000	$450,000	$125,000	$170,000	$190,000	$325,000	$3,400,000	$70,000
Total project costs funded in year	$80,000	$450,000	$125,000	$170,000	$190,000	$325,000	$3,400,000	$70,000
Debt Service - borrowing A - 5 yrs @5.75%	$0	$100,000	$100,000	$100,000	$100,000	$100,000	$0	$0
Debt Service - borrowing B - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$450,000	$450,000
Debt Service - borrowing C - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service - borrowing D - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0
Total Outlays	**$80,000**	**$550,000**	**$225,000**	**$270,000**	**$290,000**	**$425,000**	**$3,850,000**	**$520,000**
Total Resources	$88,477	$553,437	$235,694	$274,330	$299,586	$440,514	$3,869,217	$524,599
Ending Balance	$8,477	$3,437	$10,694	$4,330	$9,586	$15,514	$19,217	$4,599

BROOKINGS URBAN RENEWAL PLAN
TABLE 3 (continued)

RESOURCES AND REQUIREMENTS	2011	2012	2013	2014	2015	2016	2017	2018	2019
RESOURCES									
Beginning Balance	$4,599	$16,700	$12,217	$11,583	$13,182	$9,360	$8,151	$5,988	$4,177
Tax Increment Revenue	$652,112	$694,350	$737,750	$782,343	$828,162	$875,242	$923,616	$973,320	$1,024,391
Delinquency at 3% average	-$19,563	-$20,831	-$22,132	-$23,470	-$24,845	-$26,257	-$27,708	-$29,200	-$30,732
Proceeds of Borrowings	$0	$0	$0	$2,257,000	$0	$0	$0	$0	$5,080,000
Investment Earnings at 4.5%	$29,552	$31,997	$33,749	$35,727	$37,860	$39,807	$41,930	$44,069	$46,286
Total Resources	**$666,700**	**$722,217**	**$761,583**	**$3,063,182**	**$854,360**	**$898,151**	**$945,988**	**$994,177**	**$6,124,122**
REQUIREMENTS									
Outlay on Projects	$200,000	$260,000	$300,000	$2,300,000	$95,000	$140,000	$190,000	$240,000	$5,100,000
Total project costs funded in year	$200,000	$260,000	$300,000	$2,300,000	$95,000	$140,000	$190,000	$240,000	$5,100,000
Debt Service - borrowing A - 5 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service - borrowing B - 10 yrs @5.75%	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$0
Debt Service - borrowing C - 10 yrs @5.75%	$0	$0	$0	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
Debt Service - borrowing D - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0	$675,000
Total Outlays	**$650,000**	**$710,000**	**$750,000**	**$3,050,000**	**$845,000**	**$890,000**	**$940,000**	**$990,000**	**$6,075,000**
Total Resources	$666,700	$722,217	$761,583	$3,063,182	$854,360	$898,151	$945,988	$994,177	$6,124,122
Ending Balance	$16,700	$12,217	$11,583	$13,182	$9,360	$8,151	$5,988	$4,177	$49,122

BROOKINGS URBAN RENEWAL PLAN
TABLE 3 (continued)

RESOURCES AND REQUIREMENTS	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESOURCES									
Beginning Balance	$49,122	$9,353	$7,521	$14,711	$22,943	$8,659	$22,278	$106,528	$761,102
Tax Increment Revenue	$1,076,867	$1,130,786	$1,041,233	$1,091,202	$1,142,545	$1,195,300	$1,249,505	$1,305,202	$1,362,429
Delinquency at 3% average	-$32,306	-$33,924	-$31,237	-$32,736	-$34,276	-$35,859	-$37,485	-$39,156	-$40,873
Proceeds of Borrowings	$0	$0	$0	$0	$0	$0	$0	$0	$0
Investment Earnings at 4.5%	$50,670	$51,306	$47,194	$49,766	$52,447	$54,178	$57,230	$63,528	$95,559
Total Resources	**$1,144,353**	**$1,157,521**	**$1,064,711**	**$1,122,943**	**$1,183,659**	**$1,222,278**	**$1,291,528**	**$1,436,102**	**$2,178,217**
REQUIREMENTS	$160,000	$175,000	$75,000	$125,000	$500,000	$525,000	$510,000	$0	$0
Outlay on Projects	$160,000	$175,000	$225,000	$280,000	$600,000	$750,000	$0	$0	$0
Total project costs funded in year	$160,000	$175,000	$75,000	$125,000	$500,000	$525,000	$510,000	$0	$0
Debt Service - borrowing A - 5 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service - borrowing B - 10 yrs @5.75%	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service - borrowing C - 10 yrs @5.75%	$300,000	$300,000	$300,000	$300,000	$0	$0	$0	$0	$0
Debt Service - borrowing D - 10 yrs @5.75%	$675,000	$675,000	$675,000	$675,000	$675,000	$675,000	$675,000	$675,000	$675,000
Total Outlays	**$1,135,000**	**$1,150,000**	**$1,050,000**	**$1,100,000**	**$1,175,000**	**$1,200,000**	**$1,185,000**	**$675,000**	**$675,000**
Total Resources	$1,144,353	$1,157,521	$1,064,711	$1,122,943	$1,183,659	$1,222,278	$1,291,528	$1,436,102	$2,178,217
Ending Balance	$9,353	$7,521	$14,711	$22,943	$8,659	$22,278	$106,528	$761,102	$1,503,217 Debt retired

500D. IMPACT OF TAX INCREMENT FINANCING

The passage of Ballot Measure 50 changed Oregon's property tax system, and the impacts of urban renewal on taxpayers, and other taxing bodies. Prior to BM50, collection of tax increment revenues for a renewal agency resulted in an increase in the taxpayer's property tax rate. Taxing bodies suffered no revenue losses, unless there was overall compression of property tax revenues.

Under Ballot Measure 50, collection of tax increment revenue can impact the potential property tax revenues received by overlapping tax bodies. These taxing bodies will not be able to apply their permanent BM50 tax rates against the new values added within the urban renewal area. As a result, the taxing bodies will forego revenue they otherwise might have had if there was no renewal plan in effect. In addition, the presence of the urban renewal program could impact the tax rates for future local option levies, or exempt bond issues by taxing bodies, for the tax rates for these bonds and levies will be calculated without the incremental values within the urban renewal area.

Table 4 shows the anticipated cumulative incremental values in the Renewal Area over the life of the Plan, and the anticipated property tax revenues foregone as a result of taxing bodies not being able to apply their permanent BM50 tax rates to those values. Table 4 actually presents an absolute worst case picture of revenue foregone, for it assumes that all the new values in the Brookings Renewal Area would occur, even without the investment of urban renewal funds. In fact, however, it is more realistic to assume that the public expenditures on renewal activities will have some effect on the growth of values within the urban renewal area.

Shilo Decision

In December 2001, the Oregon Supreme Court ruled in favor of the plaintiff in a matter regarding the methodology of calculating the division of taxes that creates tax increment revenue for an urban renewal agency. In May 2002, the Oregon Dept of Revenue (DOR) issued an administrative rule implementing the Supreme Court decision. The administrative rule requires calculation of a tax rate for collection of the tax increment revenue. This "calculated rate" is applied to the shared assessed value of each tax code in the municipality with the urban renewal plan. The shared value in most cases will be the total assessed value of the municipality that adopts the urban renewal plan. The practical effect of the DOR rule is to spread the "calculated rate" over a wide base of values, producing a lower figure than if it were applied to a more restricted base of values.

If this calculated renewal rate causes the imposition of taxes that exceed the 1% ($10.00 per thousand) limit established by BM5, then general government revenues must be compressed. The limit on taxes imposed, however, is calculated against the real market value of each property, not the assessed value. Since the real market value for most properties is higher than the assessed value, there usually is a "cushion" against compression, even if the general government rate is somewhat higher than $10.00 per thousand.

Brookings has an extremely low general government tax rate of $5.005, and a high total assessed value, and it is expected that annual division of tax revenues to the Agency will be relatively low until late in the life of the project. Given those conditions, no compression of general government revenue is anticipated during the life of the renewal project.

HB 3215

House Bill 3215, passed by the Legislature in 2001, will impact the Brookings Urban Renewal plan. For new renewal plans such as Brookings', the provisions of the bill remove the tax rates for voter approved bonded indebtedness from the formula for calculating tax increment revenues. These tax rates will be phased out of the tax increment revenue formula gradually, as current bond issues are retired. Bond rates currently account for $1.316 per thousand of the total Measure 50 rate in Brookings. This bond rate is completely phased out by year 20. Increases in assessed values during the same period will reduce the revenue impact of phasing out the bond rates.

Note on Impact on Schools

Under the current method of funding K-12 level education, the urban renewal program will not result in revenue losses for those educational units of government.

When the project is completed, an estimated $144.7 million in assessed values will be placed back on the tax roll. In the following year, property tax revenues generated by those values are estimated to be approximately $1.38 million. Given a 3% inflation of values, the revenues foregone by the overlapping taxing bodies will be repaid in a period of twelve years after the project is completed.

The tax impact on each of the overlapping taxing bodies is shown on Table 4 on the following page.

BROOKINGS RENEWAL PLAN		County tax rate	City Rate	Port	Library	4H	Cemetery	School Dist 17C	SWOCC	ESD
TABLE 4		$0.5530	$3.7630	$0.1249	$0.4256	$0.1021	$0.0368	$3.2494	$0.7017	$0.4432
TAX IMPACT ESTIMATE										
Year	Cumulative New Values	Curry County tax foregone	Brookings tax	Port foregone	Library foregone	4H foregone	Cemetery foregone	SD 17C tax foregone	SWOCC tax foregone	ESD tax foregone
2003	$8,131,449	$4,497	$30,599	$1,016	$3,461	$830	$299	$26,422	$5,706	$3,604
2004	$10,622,314	$5,874	$39,972	$1,327	$4,521	$1,085	$391	$34,516	$7,454	$4,708
2005	$21,331,358	$11,796	$80,270	$2,664	$9,079	$2,178	$785	$69,314	$14,968	$9,454
2006	$24,185,220	$13,374	$91,009	$3,021	$10,293	$2,469	$890	$78,587	$16,971	$10,719
2007	$27,117,564	$14,996	$102,043	$3,387	$11,541	$2,769	$998	$88,116	$19,028	$12,019
2008	$39,564,820	$21,879	$148,882	$4,942	$16,839	$4,040	$1,456	$128,562	$27,763	$17,535
2009	$42,920,103	$23,735	$161,508	$5,361	$18,267	$4,382	$1,579	$139,465	$30,117	$19,022
2010	$46,367,655	$25,641	$174,481	$5,791	$19,734	$4,734	$1,706	$150,667	$32,536	$20,550
2011	$60,831,367	$33,640	$228,908	$7,598	$25,890	$6,211	$2,239	$197,665	$42,685	$26,960
2012	$64,771,479	$35,819	$243,735	$8,090	$27,567	$6,613	$2,384	$210,468	$45,450	$28,707
2013	$68,819,945	$38,057	$258,969	$8,596	$29,290	$7,027	$2,533	$223,624	$48,291	$30,501
2014	$72,979,743	$40,358	$274,623	$9,115	$31,060	$7,451	$2,686	$237,140	$51,210	$32,345
2015	$77,253,936	$42,721	$290,707	$9,649	$32,879	$7,888	$2,843	$251,029	$54,209	$34,239
2016	$81,645,670	$45,150	$307,233	$10,198	$34,748	$8,336	$3,005	$265,299	$57,291	$36,185
2017	$86,158,175	$47,645	$324,213	$10,761	$36,669	$8,797	$3,171	$279,962	$60,457	$38,185
2018	$90,794,775	$50,210	$341,661	$11,340	$38,642	$9,270	$3,341	$295,029	$63,711	$40,240
2019	$95,558,882	$52,844	$359,588	$11,935	$40,670	$9,757	$3,517	$310,509	$67,054	$42,352
2020	$100,454,001	$55,551	$378,008	$12,547	$42,753	$10,256	$3,697	$326,415	$70,489	$44,521
2021	$105,483,736	$58,333	$396,935	$13,175	$44,894	$10,770	$3,882	$342,759	$74,018	$46,750
2022	$110,651,789	$61,190	$416,383	$13,820	$47,093	$11,298	$4,072	$359,552	$77,644	$49,041
2023	$115,961,963	$64,127	$436,365	$14,484	$49,353	$11,840	$4,267	$376,807	$81,371	$51,394
2024	$121,418,167	$67,144	$456,897	$15,165	$51,676	$12,397	$4,468	$394,536	$85,199	$53,813
2025	$127,024,416	$70,245	$477,993	$15,865	$54,062	$12,969	$4,674	$412,753	$89,133	$56,297
2026	$132,784,838	$73,430	$499,669	$16,585	$56,513	$13,557	$4,886	$431,471	$93,175	$58,850
2027	$138,703,671	$76,703	$521,942	$17,324	$59,032	$14,162	$5,104	$450,704	$97,328	$61,473
2028	$144,785,272	$80,066	$544,827	$18,084	$61,621	$14,783	$5,328	$470,465	$101,596	$64,169
	Totals	$1,115,026	$7,587,421	$251,839	$858,147	$205,867	$74,201	$6,551,838	$1,414,853	$893,634

As noted previously, the revenues foregone assume all of the values would occur even without urban renewal investments. This does not appear to be a realistic assumption. Revenues foregone could be reduced if one assumed that some values do not materialize without urban renewal. The totals foregone also may be misleading in another way The reader should understand that these revenues are foregone annually, over an extended period of time, not all at once. The total does not take into account the fact that dollars twenty years form now are not as valuable as today's dollars. A present value calculation of the revenues foregone, using just a 3.5 % rate would reduce the revenue foregone total by almost 40%. Also, during the plan period, overall values in Brookings will increase, and those value increases will diminish the tax foregone impact on the budgets of taxing bodies.

500E. FINANCIAL FEASIBILITY OF PLAN

Table 4 in Section 500 of the Report to the Plan shows the estimated costs of project activities at $15.8 million. The principal source of revenue to carry out project activities will be annual tax increment revenues of the Renewal Agency. Anticipated tax increment revenues are shown in Table 5. The tax increment revenues shown in Table 5 are based on the following assumptions:

1. Approximately $4.8 million in new values will be available to the Agency at the beginning of the project, from projects under way or completed after Jan 1, 2001.
2. A higher-end condominium development of approximately 130 units will be developed near Chetco Point in three stages, beginning in 2005-06. The units are assumed to have a value of $88 million in 2002 dollars.
3. Other new additions to real market values are held at $500,000 annually through the entire plan period.
4. Overall assessed values in the renewal area are indexed upward 2.75% annually.

The revenues shown in Table 3 are expected to be sufficient to carry out all project activities currently shown on the Urban Renewal Plan, and to retire project indebtedness within a 26-year period. It is financially feasible to carry out the Urban Renewal Plan for the Brookings Urban Renewal Area.

600. RELOCATION

A. PROPERTIES REQUIRING RELOCATION

No relocation is anticipated at the adoption of this plan.

B. RELOCATION METHODS

If in the implementation of this Plan, persons or businesses should be displaced by action of the Agency, the Agency shall provide assistance to such persons or businesses to be displaced. Such displacees will be contacted to determine their individual relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045 - 281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060.

C. HOUSING COST ENUMERATION

The Renewal Plan will remove no existing housing units. Approximately 130 units of new housing are expected to develop in the renewal area. These units are expected to be sales housing units with ocean views. They are expected to be priced for sale to upper middle and upper income households.