

Coos Bay

North Bay Urban Renewal Plan Update



Prepared for:
Coos County Urban Renewal Agency

Prepared by:



In association with:



June, 2006

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Acknowledgements

This project was funded by a grant from the Oregon Economic and Community Development Department.

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INTRODUCTION

After an economic downturn in the 1980s due to a reduction in timber production, Coos Bay looked to the North Spit for industrial development and economic growth and recovery. The North Bay Marine Industrial Park was established in 1982 within areas zoned for industrial development¹ and an Urban Renewal District was formed in 1986. The 1986 urban renewal plan provided a list of projects and funding mechanism to help economic development on the North Spit. However, build-out of the North Spit has occurred slowly and with the exception of a few businesses many industrially zoned acres remain vacant.

Today, with the North Spit's features that include relatively flat land with deep-draft marine access to the Coos Bay harbor, Highway 101 access, railroad spur service and ocean wastewater outfall have poised it for industrial development. The recent interest to locate a Liquefied Natural Gas (LNG) facility by Jordan Cove and its potential to create additional water and non-water dependant industrial on the North Spit have lead to the need to update the 1986 Urban Renewal Plan. This document serves as update to the findings of the 1986 North Spit Urban Renewal Plan now that is 20 years old.

From November 2005 through May 2006, a consultant team worked with the North Bay Urban Renewal Agency to map and study the economic opportunities and constraints and formulate a preferred alternative.

¹ Coos Bay Estuary Management Plan regulates zoning on most of the North Spit.



PLANNING PROCESS

The Planning Process used to develop the recommendation of this plan update consists of the following studies, meetings, interviews, mapping and information collected:

1. Stakeholder Interviews
2. Technical Advisory Committee (TAC) Meetings
3. Opportunities and Constraints Mapping Process
4. Market Analysis
5. Market Demand for Industrial (North Spit)

Stakeholder Interview Process

Twenty Six stakeholder interviews were conducted in person and by phone (please see Appendix A, Interview List). The interview guide (Appendix B) was developed by the project team to focus interviews that would result in a list of key issues. Some of the questions were tailored to the individual depending if they were representing the community, a company, a government agency or public utilities. Questions common to each interview included:

- ◆ Vision for The North Spit
- ◆ Key opportunity for development
- ◆ Key constraint for development
- ◆ Thoughts regarding the proposed Liquefied Natural Gas (LNG) facility

Stakeholder Interview Key Issues:

1. Industrial Development for Areas Zoned for Industrial

Most interviewed felt that the area zoned industrial on the North Spit should be put to industrial use or were okay with industrial use if recreational access and environmentally sensitive areas were protected.

Some of the specific ideas for development included:

- Southside of the Trans-Pacific Parkway should be used for heavy water-dependant industrial and north side for mixed-use commercial/industrial.
- Most agreed that the proposed LNG and existing businesses were all good examples of industry for the North Spit.
- If the LNG facility is not built most would want some other type of clean industry.
- Downtown Coos Bay should become more of a mixed-use commercial waterfront with industry at the North Spit.
- Cruise ships could dock at the North Spit for tours of the Oregon Dunes National Scenic Area.

2. Recreational Access

Protecting recreational access was a reoccurring theme. Most felt that a good plan should separate industrial and recreational uses. Many mentioned that horseback riding has become popular on the North Spit and these areas are accessed by the Trans-Pacific Parkway. LNG ships require a buffer that may create temporary inconvenience to other vessels since the bar would be closed to allow the LNG ship to enter the harbor.

3. Cultural Resources & Environmental Issues

Native American Tribes did not address any specific concerns but did ask that private development have a cultural resource survey completed with subsurface testing and sites with cultural resources mitigated. Tribes are generally concerned with the following:

1. Cultural Resources
2. Archaeological Sites
3. Homestead Sites
4. Other Places of natural significance (i.e. fish & wildlife and wetlands)
5. Human Health

The Audubon Society indicated that the waste water ponds are being used for habitat for shorebirds and is one of the largest habitats for migrating shorebirds on the Oregon coast. They felt that this area might make a good mitigation site.

4. Potential Infrastructure Needs

- Sewer and gas should be extended the length of the spit from where it currently crosses under the bay at the south end of the Trans-Pacific Parkway.
- Sewer capacity may become an issue as new businesses hook up to sewer. A regional facility that would utilize the ocean outfall is one potential solution with a larger line underneath the bay.
- Affordable and redundant electric power supply to the North Spit and general area is needed.
- Rebuilding of the train tunnels to allow for double stacked rail cars is needed.
- A fire station is needed on the North Spit.
- Stormwater treatment for new developments is needed.
-

5. General Public Concern of Adverse Impacts

Those interviewed were not opposed and were supportive of industrial development in areas zoned for industrial especially if it entailed clean types

of industries. However, among the strong supporters of industrial development it was felt that opposition from groups opposed to development was likely to be the biggest challenge in getting industrial projects built on the North Spit. The airport expansion and natural gas pipeline are examples of how the community has worked together to get projects completed.

6. Deep Water Port

Most agreed that the North Spit's location on the deep water channel was the greatest asset for attracting industrial development. Some indicated that there is a need to deepen the channel as well.

7. Distance for Major Markets

The area's distance to major markets by road and rail has been a constraint in the past for potential new business and industry.

8. State Support

Recent interest in the area and support by the State of Oregon is believed to be a major opportunity for development. The most shining example was the state's support for funding the rail spur to the North Spit.

9. Zoning

The site is located outside the Urban Growth Boundary (UGB). The State of Oregon land use planning program typically does not allow urban level development or services outside the UGB. However, House Bill 2458 adopted in 2005 allows industrial development outside the growth boundary on land zoned industrial. Therefore, industrial development is allowed on the North Spit even though it is outside the UGB.

10. Additional Issues and Concerns

The Army Corps of Engineers main concern is to maintain access to the Corps property for maintenance and repairs.

Technical Advisory Committee (TAC) Process

The Urban Renewal Agency Board served as the Technical Advisory Committee (TAC) for the project. A total of three meetings were held to go over the market study findings, the concept map and to formulate a preferred alternative and recommendation. The preferred alternative and recommendation are outlined under the heading Recommendations on page 10 of this report.



Site Opportunities and Constraints Mapping Process

Because the North Spit is such a large area, the area zoned for industrial use and other areas held in private land ownership but not zoned for industrial use were put into sub areas. A total of six sub areas were developed.

The first set of maps created were the opportunities and constraints maps that identified zoning and potential wetland areas. These maps were later overlaid with development areas to accommodate small, medium, large and very large users as projected through the marketing analysis. After development areas were added to the maps the maps were renamed as the "concept plan maps" and are attached as Figures 1 through 7.

Market Analysis Findings

Future economic prospects are favorable for the greater Coos Bay/North Bend region. Several public and private development projects and policy initiatives are now beginning to support both employment and population increases for Oregon's South Coast Region.

Public economic development projects and policies that are leading to favorable development forecasts include:

- Completion of a 60-miles extension of the Coos County natural gas pipeline with more competitive service levels for local consumers and employers;
- Completion of a new \$4.0 million railroad spur on the Port of Coos Bay North Bay Marine Industrial Park;
- Planned rehabilitation of the Coos Bay Railroad Bridge;
- Planned expansion of the North Bend Municipal Airport;
- Planned capacity improvements to the TransPacific Parkway to support future development of the North Marine Industrial Park;
- Planned acquisition of nearly 1,300 acres by the Port of Coos Bay in the Coos Bay North Bay Marine Industrial Park. This effort is expected to result in the largest deep-water industrial development parcels along the west coast of the United States.
- Continued operation of the Foreign Trade Zone and Enterprise Zone designations to provide important private development incentives for strategic development locations, including the North Spit of Coos Bay.

These types of public investments have been coupled with favorable national and regional market trends. Recent private development activity in the South Coast Region includes:

- Ongoing permitting and related due diligence for a the Jordan Cove Energy Project and related 250-mile natural gas trunk line from the proposed Jordan Cove Liquid Natural Gas (LNG) facility in the North Bay Marine Industrial Park;
- Ocean Air Aviation is expanding its private/charter terminal at North Bend airport;

- American Bridge is adding employees to construct pre-fabricated steel structures in Coos County;
- Southport Forest Products recently relocated and expanded operations at a new site in the North Bay Marine Industrial Park;
- Bandon Dunes golf course opened its third 18-hole professional course and is attracting international acclaim and visitation;
- Several national retailers are locating in the greater Coos Bay/North Bend region, including Home Depot, Ross Dress for Less, Primerica Financial Services and others.

The Economic and Market Analysis for the North Spit has been completed by Fiscal Research Institute, LLC (FRI) and is provided in Appendix D. The economic and market analysis takes into account 10-year employment forecasts by the Oregon Employment Department, which expect total non-farm employment in Coos and Curry Counties to expand by 3,360 jobs over the next 10 years. This forecast equates to a 11.6% change on the total non-farm employment level which stood at 28,860 jobs for the two-county region in 2004.

During the next 20-years, FRI forecasts baseline job growth to reach 7,410 jobs for the two-county region, with the North Spit capturing between 4% and 9% of the net increase in total non-farm jobs. This equates to up to 660 additional “baseline” jobs being accommodated on the North Spit over the next 20-years. Baseline job growth is forecast to require up to 167 gross buildable acres of industrial land area.

In addition to these “baseline” job growth forecasts, FRI analysis indicates the potential for “special siting” industrial job growth that exceeds the “baseline” job growth forecasts. Demand attributed to “special siting” is now supported by the recently amended Oregon Land Use Goal 9 (adopted by the Oregon Land Conservation and Development Commission and put into effect January 2006). Jurisdictions in Oregon may now plan for designation of lands for industrial and other employment uses that require special siting characteristics (OAR 660-009-0020 (8)). This includes large contiguous parcels, direct access to transportation facilities, such as ports and rail spurs, and other unique requirements.

The market findings by FRI indicate favorable potential for industrial users with direct and indirect energy development, research and distribution, as well as sustainable recycling and reuse activities. With proper infrastructure, land use controls, and marketing, the North Spit is expected to attract 6 to 10 special industrial users that require 360 and 580 gross buildable acres of industrial land.

Market Demand for Industrial (North Spit)

As indicated in Table 1 below, with proper on-site infrastructure, strategic marketing, competitive pricing, streamlined permitting, and favorable national and international economic growth trends it is predicted that over the next 20 years, the North Spit can attract:

- 27 new or expanded industrial operations with a total of 800 to 900 employees;
- This amount of development would require approximately 747 gross buildable acres of industrial land (net of wetlands and unbuildable soils);



- This demand assumes the North Bay Marine Industrial Park is designed to accommodate 9 small, 13 medium, 3 large, and 2 very large industrial users;
- Average parcel sizes would range from 3.6 acres for the small users, 18 acres for the medium users, 90 acres for the large users, and 105+ acres for the very large users.
- The overall success of the North Spit's ability to attract the medium and large users is tied to its ability to attract one or two very large users, including the Jordan Cove LNG facility. Large energy users tend to support development of ancillary businesses and service industries that require proximity to their large customer.
- There would be substantial local and regional economic benefits attributed to the 800 to 900 permanent employment increases and the construction related expenditures for new development on the North Spit. Preliminary analysis by Fiscal Research Institute indicates that the total local and regional economic impact after 20-years of development on the North Spit could reach \$50 to \$60 million per year in direct and indirect regional spending.
- The construction impact of building new industrial facilities on the North Spit are expected to generate nearly \$300 million in payroll which supports 1,200 construction jobs over the next 20 years. Peak annual construction jobs are estimated to range from 100 to 150 jobs per year as workers build necessary marine and land based infrastructure and industrial improvements. The majority of these construction benefits will be concentrated in the South Coast Region.

Table 1, Projected Land Absorption, North Spit Coos Bay (20-year Projection)

	Parcel Size (acres)	Projected 20- year Land Absorption (acres)	Potential New Users (20 year forecast)	Avg. Parcel Size (acres)
Small	1 to 5	32	9	3.6
Medium	6 to 40	235	13	18.1
Large	41 to 100	270	3	90.0
Very Large	101 or more	210	2	105.0
Total		747	27	27.7

Source: Fiscal Research Institute, LLC. (Technical Memorandum included in Appendix A).

Table 2, New Industrial Building Floor Area, North Spit Coos Bay (20-Year Projection)

	Parcel Size (acres)	Projected 20- year Land Absorption (acres)	Net Development Area (net acres)*	Avg. Building Floor-Area Ratio	Projected Building Absorption (square feet)
Small	1 to 5	32	22.4	0.15	146,000
Medium	6 to 40	235	164.5	0.10	717,000
Large	41 to 100	270	189	0.10	823,000
Very Large	101 or more	210	147	n/a	n/a
Total		747	522.9		1,686,000

* assumes 30% of gross land area is dedicated to streets, utility easements, mitigation, and open space.

n/a= not applicable

Source: Fiscal Research Institute, LLC.



RECOMMENDATIONS

After presenting three development alternatives to the project's Technical Advisory Committee (TAC), the TAC selected Option A2 as the preferred alternative. This option assumes that the North Spit will expand to become the North Bay's primary marine industrial park and will accommodate new industrial users with a mix of small and medium light industrial users; and large heavy industrial users. Option A2 assumes a new LNG facility is sited on the North Spit and that the Port of Coos Bay controls the majority of land to help facilitate development activity near the LNG facility.

Recommendations based on Option A2 consist of the following components:

1. Concept Plan Maps
2. Urban Renewal Area Projected Revenue
3. Recommended Public Improvements and Land Acquisition
4. Fiscal Analysis

Concept Plan Maps

The preferred concept plan for the North Spit assumes expansion of the North Bay Marine Industrial Park with a combination of small and medium size light industrial users, and large heavy industrial users. Using the six sub areas that were developed for this study, a concept plan for each sub area was completed to show potential development sites. These maps are attached as Figures 1 through 7.

The recommended concept plan has been prepared to accommodate a variety of industrial user space requirements, as shown in Table 3 next page. The concept plan indicates the potential for approximately 1,189 gross buildable acres of industrial land area on the North Spit. After adjusting for local streets, utility easements, and additional environmental mitigation the net buildable land area would likely range from 70% to 80% of gross buildable land area, or 830 to 950 net acres of land area. This amount of development potential can accommodate the anticipated 20-year market absorption (523 net acres).

Table 3. Potential Industrial Development Area, North Spit Concept Plan				
Subarea	Gross Acres	Less Potential Environmental Constraints (acres)	Less Existing Developed Land	Equals Gross Buildable Land (acres)
1	170	12	4	154
2	352	51	156	145
3	473	36	0	437
4	135	135	0	0
5	290	290	0	0
6	486	33	0	453
Total	1,906	557	160	1,189
Potential Development Parcels by Size, North Spit Concept Plan				
Subarea	Small (1-5 acres)	Medium (6 to 40 acres)	Large (41 to 100 acres)	Very Large (101+ acres)
1	11	7	0	0
2	0	0	3	1*
3	0	0	0	2
4	0	0	0	0
5	0	0	1	0
6	0	8	2	0
Total	11	15	6	3
<i>* This subarea includes Roseburg Forest Products, which can accommodate facility expansion on the designated site.</i>				

Urban Renewal Area Projected Revenue

The North Bay Urban Renewal Plan consists of activities and actions which treat the causes of blight and vacant deteriorated properties in the urban renewal area. Project activities are intended to implement the vision and guiding objectives for the area, which were adopted in the North Bay Urban Renewal Plan, including:

- Eliminate blight and causes of blight
- Stimulate development of industry, supporting commercial businesses, and recreation facilities by the private sector
- Create long-term employment opportunities
- Increase the county's taxable assessed value.²

To achieve the objectives of the Urban Renewal Plan, the following activities will be undertaken by the Urban Renewal Agency in accordance with applicable federal, state, and county laws, policies and procedures. The Renewal Agency may fund these activities in full, in part, or it may seek other sources of funding for them. The Renewal

² North Bay Urban Renewal Plan, October 1986 (amended May 1998 and October 2000).



Agency may prepare refinement plans and engineering studies to future define and update the planning level cost estimates stated in Table 4.

Table 4, Estimated Cost of Urban Renewal Project Activities

Project Activities	Cost in 2006 Dollars	
Public Utilities		\$9,800,000
Short-Term Sewer Step System	\$2,300,000	
Long-Term North Sewer System	\$1,700,000	
Long-Term South Sewer System	\$1,900,000	
Water System Improvements	\$3,900,000	
Public Parks and Open Space		\$1,000,000
Marine Park Parking & Amenities	\$1,000,000	
Land Acquisition		\$20,000,000
Public Buildings and Facilities		\$1,500,000
Street, Curb & Sidewalk Improvements		\$5,600,000
Transpacific Parkway Improvements	\$2,400,000	
Railroad Spur Extension	\$1,800,000	
Hwy. 101 Access Improvements	\$1,400,000	
Mitigation Activities		\$6,000,000
Storm water Detention/Containment	\$5,000,000	
Miscellaneous Conservation Activities	\$1,000,000	
Redevelopment Loans		\$1,000,000
Plan Administration		\$3,000,000
TOTAL		\$47,900,000

Recommended Public Improvements

Many of the recommended urban renewal plan projects listed in Table 4 above, include public improvements that are necessary to achieve the objectives of the Urban Renewal Plan. This includes the construction, repair and/or replacement of roadways, curbs, pathways, parking, parks and open spaces, pedestrian and bicycle facilities, water, sanitary sewer facilities, utilities, and other public facilities necessary to carry out the goals and objectives of the Urban Renewal Plan.

Descriptions of the proposed activities are as follows:

Public Utilities

The Renewal Agency is authorized to participate in funding improvements to water, storm and sanitary sewer facilities in the area. Utility improvements may include:

- Assistance to property owners and service providers in reducing the cost of connection to sewer and water service.
- Placement of fire hydrants in required locations.
- Assist in funding technical studies of providing sewer service to the area.
- Assist in mitigating flood impacts.
- Assist with development of telecommunications infrastructure.



Appendix C includes preliminary cost estimates for sewer and water system improvements which are summarized in Table 4 above.

Public Parks and Open Space

The Renewal Agency may participate in funding the design, acquisition, construction or rehabilitation of public spaces, parks or public recreation facilities in the Urban Renewal Area. This may include:

- Acquiring land and expanding facilities at the existing boat launch;
- Acquiring land and constructing new recreational trails.

Property Acquisition and Disposition

The Renewal Agency is authorized to acquire land or buildings for public and private development purposes. Property acquisition, including limited interest acquisition can be undertaken within the Plan Area. The Renewal Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property and improvements that have been acquired, in accordance with the provision of the Urban Renewal Plan.

All persons and entities obtaining property from the Urban Renewal Agency shall use the property for the purposes designated in this Plan, and shall commence and complete development of property within a period of time which the Renewal Agency fixes as reasonable, and shall comply with other conditions which the Renewal Agency deems necessary to carry out the purposes of the Plan.

Public Buildings and Facilities

The Renewal Agency may participate in development of public buildings and facilities in the Renewal Area. The extent of the Renewal Agency's participation in funding such facilities will be based on the importance of the project in carrying out plan objectives. Potential public facilities that may be funded include:

- Recreational facilities and amenities
- Acquisition and re-use of existing buildings and improvements
- Construction of parking facilities
- Construction of new industrial buildings, as "flex", "incubator" or "build-to-suit" development projects.
- Assist in cost of cleanup of contaminated properties.

Street, Curb and Transportation Improvements

The Renewal Agency may participate in funding roadway and transportation improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of-way for curbs, streets, pathways and bicycle/pedestrian facilities. Street improvements may include:

- Transpacific Parkway improvements
- Hwy. 101/Transpacific Parkway intersection improvements
- Rail spur connections



Mitigation Activities

The Renewal Agency may undertake improvement designed to mitigate flooding and enhance wetlands and natural conservation areas. This may include assistance in the design, construction and funding of stormwater detention, hazardous spill containment facilities, and wildlife conservation areas.

Redevelopment Loans

The Renewal Agency also is authorized to provide loans or other forms of financial assistance to parties wishing to develop or redevelop land or buildings in the Urban Renewal Area. The Agency may make this assistance available as it deems necessary to achieve the objectives of this Plan. Examples of such assistance may include:

- Below market interest rate loans.
- Write down of land acquisition costs.
- Assistance in providing utilities and other infrastructure
- Technical assistance including engineering, planning, architecture, permitting work.
- Transfer of assembled sites at fair reuse value.

Land Acquisition

The Port is currently actively engaged in discussions with the BLM and Weyerhaeuser in purchasing land to be held by the Port and leased to industrial users or for selling back to specific companies. These land acquisitions include:

- Weyerhaeuser Land Purchase – The Port is actively pursuing purchase of 1,300 acres of land. This includes the Old Weyerhaeuser Mill Site (Sub Area 1), Henderson Ranch (Sub Area 2), North Weyerhaeuser Property (Sub Area 4) and the Waste Water Ponds (Sub Area 5). See the attached Figures 1 through 7.
- BLM Purchase #1 – The Port is pursuing purchase of 80 acres owned by the BLM (Sub Area 2) See the attached Figures 1 through 7.
- BLM Purchase #2 – The Port is pursuing purchase of approximately 210 acres in Sub Area 6. This area includes land zoned industrial on the west side of the Trans-Pacific Parkway. See the attached Figures 1 through 7.

With the purchase of these properties all of the industrially zoned land on the North Spit will be in Port or private ownership and will be adequate to support the lead needs addressed in the market study.

Plan Administration

Tax increment funds may be utilized to pay indebtedness associated with preparation of this Plan, to carry out Plan activities, miscellaneous land use and public facility studies, engineering, market, and other technical studies as may be needed during the course of

the Plan. Project funds also may be used to pay for personnel and other administrative costs incurred in management of the Plan.

Financial Analysis

The cost estimates for funding the activities listed in Table 4 are provided in Appendix C, and were derived from data on comparable projects. The principal method of funding the projected share of costs will be through the use of tax increment financing as authorized by ORS 457. Revenues are to be obtained from anticipated urban renewal bond proceeds and the proceeds of short-term urban renewal notes.

The development and assessed value for private improvements within the North Spit are summarized in Table 5. This analysis assumes that approximately two-thirds of the land is developed within 20 years. The total projected improvement market value is projected to be \$660 million and the total assessed value (before abatements) is projected to be \$528 million. These assessed values have been further reduced to reflect potential tax abatements attributed to Enterprise Zone incentives, which are assumed to range from 3 to 5 years.

Table 5 New Industrial Development Value, North Spit Coos Bay (20-Year Projection)

	Parcel Size (acres)	Projected 20-year Land Absorption (net acres)	Projected Building Absorption (square feet)	Projected Improvement Market Value*	Potential Assessed Value **
Small	1 to 5	22.4	146,000	\$13,870,000	\$11,096,000
Medium	6 to 40	164.5	717,000	\$68,115,000	\$54,492,000
Large	41 to 100	189	823,000	\$78,185,000	\$62,548,000
Very Large	101 or more	147	n/a	\$500,000,000	\$400,000,000
Total		522.9	1,686,000	\$660,170,000	\$528,136,000

Industrial Incentive Program Assumptions, North Spit Coos Bay (20-Year Projection)

	Parcel Size (acres)	Projected Assessed Value	Potential New Users	Avg. AV per User	Tax Abatement Assumptio n	State Program
Small	1 to 5	\$11,096,000	9	\$1,232,889	3 year	Enterprise Zone
Medium	6 to 40	\$54,492,000	13	\$4,191,692	3 year	Enterprise Zone
Large	41 to 100	\$62,548,000	3	\$20,849,333	5 year	Enterprise Zone
Very Large	101 or more	\$400,000,000	2	\$200,000,000	3 year	Enterprise Zone
Total		\$528,136,000	27			

* Based on average value of \$95 per square foot of building floor area for building and other improvements. Includes \$500 million allowance for market investment in LNG and other heavy industrial uses.

** Projected assessed value (AV) after expiration of enterprise zone tax abatement, based on ratio of 80% of AV to market value.

Source: Fiscal Research Institute, LLC.



Table 6 (next page) indicates that the cumulative new assessed value (AV) in the Urban Renewal Area is expected to increase over the next 20 years to \$1,057,348,000 by year 2025. This amount of increase is primarily dependent upon the completion of the Jordan Cove LNG facility and related development. The average compressed tax rate for various permanent local levies (e.g., county tax, Port tax, library tax, school tax, etc.) is \$12.19621 per \$1,000 of AV. This rate applied to the new incremental AV in the Urban Renewal Area is expected to generate \$87,289,000 over the next 20 years.

The level of supportable tax increment bond funding from projected levels of new development is expected to be \$48,600,000. This amount is calculated by assuming a 3.5 percent inflation/real discount rate (the difference between the cost of financing and the real inflation rate) and a 5 percent reduction in tax revenue collections due to late payments or other reductions in collections. Hence, the total value of potential AV collections \$87 million converts to \$52 million in 2006 dollars, or \$48.6 million after allowing a deduction of \$3 million for uncollectible AV (please refer to Table 6).

It is anticipated that available project revenues and funds accumulated in special fund for debt redemption will be sufficient to retire outstanding bonded indebtedness by the year 2025, and terminate the tax increment financing provisions of project activities. After all project debt is retired, and project activities are closed out, it is estimated there will be a surplus of tax increment funds that will flow directly into county, city and service district general funds. These funds would be distributed to taxing bodies affected by this Plan, as provided in ORS 457.

The findings and conclusions contained in this Urban Renewal Plan update are considered to be consistent with current market expectations. To the extent major improvements, such as the Jordan Cove Energy Project, are not realized or delayed for several years, the actual financial performance for the Urban Renewal District will be lower than that shown in Table 6. The opportunity cost to the Urban Renewal District of not developing the Jordan Cove Energy Project would likely result in total supportable tax increment bond funding being half of that shown on Table 6, or approximately \$24 million.

Table 6, Taxes Foregone by Affected Taxing Bodies (using average of permanent rates for affected area)

Year	Cumulative New Incremental AV in area (after abatement)*	12.19621 Avg. Compressed Tax Rate for County Taxes foregone on New AV**
2006	\$0	\$0
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$6,345,993	\$77,397
2011	\$6,599,832	\$80,493
2012	\$13,727,652	\$167,425
2013	\$310,415,395	\$3,785,891
2014	\$324,519,304	\$3,957,906
2015	\$343,466,162	\$4,188,985
2016	\$365,234,513	\$4,454,477
2017	\$386,296,812	\$4,711,357
2018	\$403,722,579	\$4,923,885
2019	\$426,850,958	\$5,205,964
2020	\$489,422,915	\$5,969,105
2021	\$516,548,833	\$6,299,938
2022	\$539,519,964	\$6,580,099
2023	\$958,845,861	\$11,694,285
2024	\$1,008,188,902	\$12,296,084
2025	\$1,057,347,721	\$12,895,635
Total 20 years		\$87,288,926
PV @3.5%		\$51,580,000

* Assumes Enterprise Zone incentives are applied to all new users.

** Permanent levies provided by Coos County Tax Assessor. Includes permanent levies only. Affected area includes 10 separate tax districts with consolidated levies ranging from 9.9606 to 16.9874 per \$1000 AV.



CONCLUSION AND NEXT STEPS

The North Spit of Coos Bay provides an excellent industrial development opportunity for a mix of large, medium and small users. Given the centralized location of this deep water port along the western coast of North, Central and South America, the increasingly urgent energy needs; and recycling industry opportunities in the Northwest, it is very likely that a few large industrial users will locate on the North Spit. Large industrial users will likely create several spin-off development opportunities for small and medium size industrial firms in related manufacturing, production, distribution, and service industries.

Over the next 20 years it is forecasted that the North Bay Urban Renewal Plan Area can attract at least 27 new industrial users, as long as adequate public infrastructure is provided. This Urban Renewal Plan update identifies a list of project activities designed to leverage strategic private development and investment.

Recommended next steps for the Urban Renewal Plan update includes the following:

- Review by the Coos County Urban Renewal Agency, North Bay District officers and members of the Governing Board.
- Revision as directed and agreed to by the Governing Board and consulting team.
- Public review of the Urban Renewal Plan update and subsequent adoption of the Urban Renewal Plan amendment per ORS 457, and other applicable state and local planning policies, laws and procedures.
- Commencement of near-term Urban Renewal Plan activities.

It should be noted that many of the identified Urban Renewal Plan activities require close coordination with local, regional and state agencies for permitting as well as project funding and construction. Hence, it is advisable that Urban Renewal Agency and Port of Coos Bay staff continue to take a leadership role in working with local and state governments to amend their Capital Improvement Plans in a manner that optimizes and leverages limited urban renewal funding.

Questions regarding this urban renewal plan update should be directed to Donna Nichols at dnichols@portofcoosbay.com