
South Corvallis Urban Renewal District

Annual Report *for Fiscal Year Ending June 30, 2019*

This report fulfills the requirements, prescribed in ORS.457.460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.



Urban Renewal in South Corvallis

Urban renewal is an economic development tool that provides funding for projects in specific areas in cities. It has been used for decades in cities around the country, including more than 100 urban renewal areas in Oregon.

In March 2019, Corvallis voters approved the City's first-ever urban renewal district in South Corvallis. The district is intended to help spur economic growth in the area by enhancing public assets such as streets and sidewalks, improving access to commercial services and housing opportunities, and developing resources that can assist other projects in South Corvallis. All of this work will make South Corvallis more appealing to new and existing businesses, which will catalyze economic growth in the area.

Many of the projects identified by the Urban Renewal Plan will build on the action items identified in the City's Climate Action Plan by enhancing resiliency and encouraging alternative transportation options throughout South Corvallis.

The current plan was created with input from community members, property owners, City Councilors and representatives of taxing districts.

How Did We Get Here?

Back in 1997, the City of Corvallis adopted the [South Corvallis Area Refinement Plan](#), which envisioned a neighborhood commercial center that would provide a mix of housing, and a range of retail and neighborhood services to serve the area. More than 20 years later, the contemplated projects have not been completed, and South Corvallis still lacks many of the amenities that other neighborhoods enjoy.

To develop its urban renewal plan, the City partnered with Living Southtown, Willamette Neighborhood Housing Services, and other property owners and South Corvallis neighborhoods. An advisory committee was formed, and additional community input was obtained through more than 30 public meetings and events.

Urban Renewal and the Imagine Corvallis 2040 Vision



Engage and Support

Corvallis supports and engages a changing population in a welcoming community that accommodates all income and cultural groups, advances the wellbeing of all residents, emphasizes open, transparent, accessible government, plans for stable financing of long-term city needs, and promotes collaborative City/University relationships in all aspects of community life.



Steward and Sustain

Corvallis is a safe, sustainable, resilient, small city that maintains the community's safety and security, protects its natural environment, addresses a changing climate, and prepares for emergencies with special attention paid to its most vulnerable populations.



Learn and Thrive

Corvallis connects health care, education, and human services supporting a healthy, educated, accessible community with a high level of well-being; enhanced understanding of cultural differences; and an environment of learning, engagement and achievement.



Innovate and Prosper

Corvallis has a robust, diversified economy supporting good jobs and a livable community with a wide range of small and medium-sized businesses that are environmentally responsible and involved in the community, including innovative new companies serving local and global markets.



Create and Celebrate

Corvallis cultivates an identity centered on arts, culture, recreation and celebration...where the arts and recreation are essential parts of the community's economy, quality of life and sense of place. Arts, cultural experiences, and recreational opportunities benefit from exceptional community support, are accessible to all community members, and make the city a regional destination.



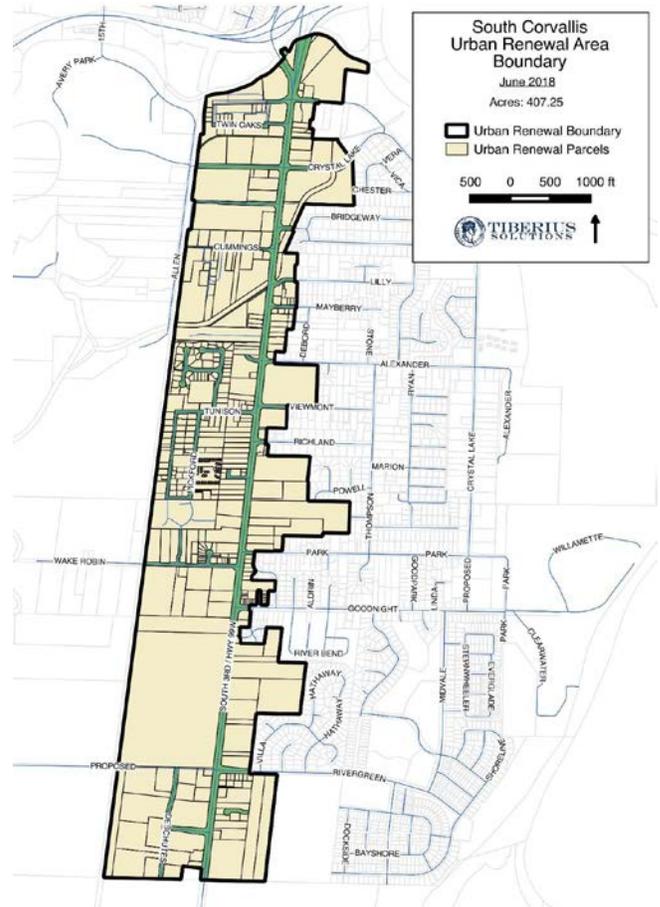
Plan and Change

Corvallis is a compact, well-planned, livable city with a vibrant downtown and commercial centers that blend employment, retail and housing; stable, healthy neighborhoods; a diverse mix of affordable housing; and a network of parks and green spaces, all connected by transit, biking and walking.

Goals and Projects

The goals of the South Corvallis Urban Renewal Plan

1. **Housing Opportunities:** Support the development of diverse and inclusive housing options and types, including low-income, workforce, and market rate housing to meet the needs of a broad range of community members.
2. **Neighborhood Enhancements:** Support the development of and access to diverse retail, commercial, and personal services with sufficient safe, walkable routes to provide nearby neighborhood access to those goods and services.
3. **Transportation Alternatives:** Develop multi-modal transportation options that are safe, efficient and attractive, including the improvement of the multi-modal system on the west side of Highway 99W/South 3rd Street.
4. **Connectivity Improvements:** Achieve the community's goal of developing safe, efficient, and attractive streets throughout South Corvallis to connect neighborhoods, and to improve the safety and function of Highway 99W/South 3rd Street.
5. **Economic Advancement:** Participate in public-private partnerships and other programs that support and enhance existing business while providing opportunities for new business in South Corvallis.
6. **Resource Awareness:** Support natural resources reservation, restoration, and mitigation efforts.
7. **Climate Mindfulness:** Support projects and partnerships that have a focus on reducing carbon emissions, and that advance the goals of the City's Climate Action Plan.
8. **Environmental Protection:** Invest in planning, management and mitigation of environmental concerns, support the enhancement of natural resources in the district, and allow for natural hazard planning and mitigation.
9. **Operational Accountability:** Provide sufficient administrative oversight to ensure appropriate use of funding, and that projects support the goals of the Plan.



Project Categories in the South Corvallis Urban Renewal Plan

<i>Project Title</i>	<i>2018 \$ Project Cost</i>	<i>Estimated Total Cost/other Investment</i>
<i>Affordable Housing Partnerships and Support</i>	8,500,000	85,000,000
<i>Neighborhood Center and Other Commercial and Residential Development</i>	7,500,000	75,000,000
<i>Business Support and Enhancement</i>	1,000,000	7,200,000
<i>South Corvallis Multi-Use Path</i>	670,000	840,000
<i>Street Design and Improvements</i>	10,400,000	18,000,000
<i>Millrace Stream Restoration</i>	180,000	180,000
<i>Natural Resources Management and Enhancement, and Natural Hazard Mitigation</i>	750,000	750,000
<i>Plan Administration and Planning Refinement</i>	4,585,000	4,585,000
<i>TOTAL in 2018 dollars</i>	\$33,585,000	\$191,555,000
<i>Total future dollars (including inflation)</i>	\$62,377,000	\$356,675,410

Financial Reporting

Just Getting Started – Funding Received

Fiscal year 18/19, which this report represents, was the creation year of the district. Because of this, the report reflects zero dollars through all categories of financial reporting. Fiscal year 19/20 will be the district’s “year zero” when the tax assessor to measure the value of the district. Called the “Frozen Base”, this value, multiplied by the tax rate will continue to flow through to the taxing districts. As we move forward, any increase in value above the frozen base, multiplied by the tax rate, will come to the urban renewal district to implement the projects in the plan. The first year the district is to received funds will be FY 20/21. Details will be reported in that year’s Annual report, to be published in January of 2022.

Table 1. Money Received During FY 2018/2019

Receipt Category	2018/2019 Amount
Division of Taxes	0
Miscellaneous Revenue	0
Unrestricted Investment Earnings	0
TOTAL:	\$0

Money Expended

Table 2. Money Expended During FY 2018/2019

Expenditure Category	2018/2019 Amount
General Government	0
Assets Acquired	0
Interest Expense	0
TOTAL:	\$0

Estimated Revenues

The estimated tax revenues for FY 2019/2020 are \$0. Funds will not begin to flow into the district until FY 2020/2021.

Proposed Budget for Current Fiscal Year 2019/2020

Table 3. Budget FY 2019/2020 Urban Renewal Fund

Expenditures	Budget Category	2019/2020 Amount
	Materials and Services	0
	Capital	0
	Transfers Out	0
	Debt Service	0
	TOTAL:	\$0
Revenues		
Revenues	Budget Category	2019/2020 Amount
	Division of Taxes	0
	Miscellaneous Revenue	0
	Investment Income	0
	Beginning Balance	0
	TOTAL:	\$0

Maximum Indebtedness

Maximum indebtedness is a legal term for the total amount of money that can be spent on projects, programs and administration throughout the life of the Plan. The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion, is \$62,377,000 (Sixty-Two Million Three Hundred Seventy-Seven Thousand). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness, or interest earned on bond proceeds. It does include initial bond financing fees and interest earned on tax increment proceeds, separate from interest on bond proceeds.

Table 4. Maximum Indebtedness FY 2018/2019

Maximum Indebtedness of Plan	\$62,377,000
Indebtedness incurred in 2019/2019	0
Total Indebtedness incurred through 2018/2019	0
Balance	\$0

Impact on Taxing Districts

In the future, when funds are received, the revenues foregone by local taxing districts due to urban renewal will be shown in Table 5. This information will come from the Benton County Assessor records, Table 4a and 4e.

Urban renewal agencies do not create an additional tax. Instead, during the Agency’s lifespan, overlapping taxing districts “forego” a portion of their permanent rate. Once the urban renewal area terminates, the taxing jurisdictions receive the full permanent rate of taxes. The School District and Education Service District are funded through the State School Fund on a per pupil allocation. There is no *direct* impact of urban renewal on their funding. The State School Fund receives its money from property tax allocations, but also through other state resources.

Although the taxing districts will be forgoing tax revenue, the district will also spur development that would not occur otherwise. It is estimated that these projects and developments, which wouldn’t have otherwise occurred, will increase not only the livability of South Corvallis, but the tax base available to all of the taxing districts at the urban renewal district’s conclusion.

Table 5. Impact on Taxing Districts FY 2018/2019

Taxing Jurisdiction	Impact	Percent of Total Permanent Rate Levy
Corvallis School District 509J	\$0	0%
Linn-Benton Community College	\$0	0%
Linn-Benton ESD	\$0	0%
Benton County	\$0	0%
Benton County Library	\$0	0%
Benton Soil and Water	\$0	0%
Benton County Extension	\$0	0%
City of Corvallis	\$0	0%

Source: FY 2018/2019 Sal 4a from Benton County Assessor