



# ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2020

2019/2020

Harrisburg Urban Renewal  
Agency

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.

---

# Annual Report for Fiscal Year Ending June 30th, 2020

## HARRISBURG URBAN RENEWAL AGENCY

### **HRA Executive Directors Annual Report – July 1, 2019 to June 30, 2020**

As Harrisburg City Administrator/HRA Executive Director, I am pleased to present the city's Annual Redevelopment Agency (HRA) Report.

This year we are including some specific urban renewal project information so that report recipients will have an improved understanding of the progress being made since the HRA last did a major amendment in 2015.

I am also happy to report that the projects that have already been completed, or are projected for completion by the end of Fiscal Year 20/21, are coming in under the original budget projections made in 2015. I want to thank our Public Works Director Chuck Scholz and City Engineer, Damien Gilbert for their careful value engineering and project management.

All of the current projects are resulting in safer, more modern buildings that have substantially enhanced economic viability. This results in increased assessed valuations that will ultimately benefit all taxing districts. In addition, these improvements not only 'turn around' the assessed valuations that had been dropping, but indirectly help promote business and other private improvements in the HRA area.

Finally, it is important to keep in mind that there are also significant infrastructure benefits because of HRA funded work. These result in better public and safety access, a higher quality and more reliable water supply and improved storm drainage.

Another powerful benefit of the HRA is its ability to leverage investments from the private sector and other public agencies, as noted herein. Almost all HRA projects have attracted new private and public sector dollars that are well in excess of HRA money spent.

In summary, the Harrisburg Redevelopment Agency is meeting all the goals that were part of the adopted HRA Plan. This in turn enhances overall community values and acts as a stimulant for both public and private improvements throughout the City of Harrisburg.

## URBAN RENEWAL AREA BACKGROUND

The Harrisburg Urban Renewal Plan (Plan) was adopted by the the City of Harrisburg in December 1992. It was amended to increase the maximum indebtedness in 2014-2015.

The frozen base assessed value (“Frozen Base”) of the Harrisburg Urban Renewal Area (“Area”) is \$3,936,405. The FY 2019/2020 total assessed value is \$32,256,566. The excess value, or the value on which taxes are paid to the Harrisburg Redevelopment Agency (“HRA”) in FY 2019/2020 is \$28,320,161.<sup>1</sup>

The Harrisburg Redevelopment Agency (HRA) manages the Harrisburg Urban Renewal Area. It is a separate legal and financial entity, governed by the members of the the City of Harrisburg City Council.

### Urban Renewal Goals

The HRA’s guiding document is the Harrisburg Urban Renewal Plan, which lists a series of goals and objectives to guide activities in the Area. Goals listed in the Plan are as follows:

1. Implement the Comprehensive Plan for the Urban Renewal Area, and to implement Goals 1 to 3 of the Efficient Governance portion of the Harrisburg Strategic Plan. These goals and Economic Development Objectives make up the renewal area strategy discussed in part B of this section.
2. Improve conditions and appearance of public and private properties in the downtown and on Third Street.
3. Create funding opportunities for renovation of properties and construction of new structures in downtown and on Third Street consistent with an historic theme.
4. Make public infrastructure improvements necessary for the development of adjacent undeveloped and underdeveloped parcels for both commercial and industrial sites.
5. Create new job opportunities.
6. Create new non-residential taxable values.
7. Improve the visual character of the area for visitors and residents.
8. Enhance the growth of local businesses.

The entire Harrisburg Urban Renewal Plan and Report can be found on the Harrisburg Urban Renewal Agency’s website, at [www.ci.harrisburg.or.us](http://www.ci.harrisburg.or.us).

### Urban Renewal Projects

#### INFRASTRUCTURE IMPROVEMENTS:

The Smith, Macy & 2<sup>nd</sup> St. Rehabilitation Project, which includes Smith, from 1<sup>st</sup> to 3<sup>rd</sup>, Macy, from 2<sup>nd</sup> to 3<sup>rd</sup>, and 2<sup>nd</sup> St., from Smith to Macy, was started in May of 2020. This ambitious project will improve deficiencies in the infrastructure of Harrisburg’s historic downtown core. It includes utility upgrades, sidewalk improvements, ADA improvements, and replacement of random light poles and intermittent tree boxes. The project will continue through spring 2021. Improvements being made will provide a safe and appealing network of pedestrian and vehicular travel, making it more attractive as a location for business owners. The improvements in the infrastructure will better support businesses in the downtown area. Street projects were budgeted at \$3,169,646 in the 2015 updated HRA plan.

---

<sup>1</sup>Linn County Assessor Tax FY 2019/2020 Table 4e



## HRA TARGETED IMPROVEMENT GRANTS

Substantial Amendment No. 5 set aside \$500,000 for the Building Façade Program. The HRA had both a targeted improvement loan/grant program, and a property improvement grant program. In the past few years, the loan program brought in both a doctor's office, on 3<sup>rd</sup> St., and a dentist's office on the corner of Macy & 2<sup>nd</sup> St. The HRA Board felt there were more incentives in the grant program, and at the beginning of 2019, stopped offering the loan program.

The investment of money in this program has resulted in a \$276,180 increase in RMV values for these buildings for the 2019-2020 fiscal year. This area of town has seen a huge improvement; 3 of these projects are located on Moore St., which was the first street that was improved in the HRA District, completed in 2017.

**PROJECT: 1920 MOODY HARDWARE BUILDING – JIM & BRENDA HOILAND OF JB WOODWORKS. 206 S. 3<sup>RD</sup> ST. COMPLETED IN DECEMBER 2019. \$18,992 PRIVATE EXPENDITURES – HRA \$18,992: TOTAL OF \$37,984 INVESTED ~ RMV INCREASE OF \$86,450**



Figure 2: Before



Figure 1: Before (1940's)



Figure 3: After



Figure 4: After



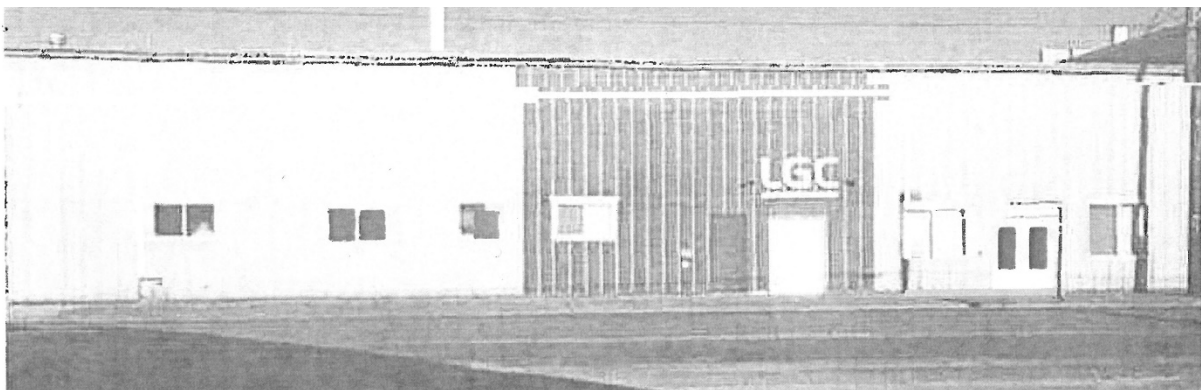
Figure 5: After



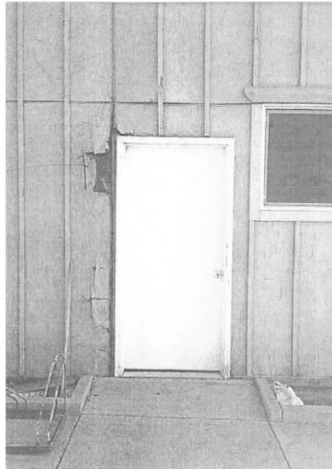
*JIM & BRENDA REPLACED WINDOWS AND DOORS, PLUS INSTALLED NEW AWNINGS. THEY ALSO REPLACED DILAPIDATED PLASTER ON THE SOUTH WALL AND INSTALLED NEW SIGNS. NEW PAINT FINISHED THE LOOK, ALONG WITH THE RESTORED MOODY HARDWARE SIGN.*

**PROJECT:**

**1920'S COMMERCIAL WAREHOUSE BUILDING – SCOTT & RENEE PHELPS @170 S. 3<sup>RD</sup> ST. COMPLETED JANUARY 2020. \$20,490 PRIVATE EXPENDITURES – HRA \$20,490: TOTAL OF \$40,980 INVESTED ~ RMV INCREASE OF \$72,710**



*Figure 1 Before*



South Side Damage around Door



Figure 2 – Before Siding around windows

Figure 3 – Before, Siding around door

Figure 4 – After, South Side

*SCOTT & RENEE HAD EXTENSIVE DRY-ROT, REPLACED DILAPIDATED T-1-11 SIDING WITH FIBER CEMENT LAP SIDING, AND ADDED FIBER CEMENT BOARD AND BATTEN. THEY ALSO REPLACED THE TRIM ON WINDOWS & DOORS AND FINISHED WITH NEW PAINT. THE BUILDING NOW HOUSES 3 DIFFERENT BUSINESSES.*



Figure 6: After - East Elevation View

## PROJECT:

1950'S TAVERN & RETAIL BUILDING (RON-D-VOO) – NOW IS CALLED 'THE VOO'.  
OWNERS: DENTAL RE HOLDINGS LLC @172 S. 2<sup>ND</sup> ST. COMPLETED FALL 2019.  
\$55,994 PRIVATE EXPENDITURES – HRA \$50,000: TOTAL OF \$111,987 INVESTED  
~ RMV INCREASE OF \$117,020

THE RON-D-VOO BUILDING WAS BLIGHTED, RUN DOWN, AND SOME OF IT WAS UNUSABLE. THERE HAD BEEN A SECONDHAND STORE ON THE SOUTH SIDE OF THE BUILDING, WHICH WAS PACKED FLOOR TO CEILING WITH KNICK KNACKS, AND WAS ONLY OPEN ONCE A WEEK OR ON OCCASION. A TAVERN OCCUPIED THE OTHER HALF. THERE WAS A LARGE STORAGE AREA ON THE BACKSIDE OF THE BUILDING, WHICH WAS USED FOR STORAGE OF HOUSEHOLD GOODS FOR THE OWNERS. THE ROOF WAS DECLARED AS DANGEROUS, AND HARRISBURG FIRE VOLUNTEERS WERE TOLD TO AVOID USING THE ROOF IF THE PROPERTY WERE TO CATCH ON FIRE. THE RESTAURANT/BAR HAS SINCE BEEN RENAMED AS 'THE VOO', AND NOW TAKES UP THE ENTIRE FRONT PART OF THE BUILDING ADJACENT TO 2<sup>ND</sup> ST. THE STORAGE PART OF THE BUILDING WAS SPLIT IN HALF. ONE HALF NOW COMPRISES THE OUTDOOR RESTAURANT/BAR AREA, WHILE THE OTHER HALF WAS DEVELOPED INTO A THRIVING CROSS-FIT GYM, WHICH PROVIDES THE OWNERS WITH MORE REVENUE. THE OWNERS PUT SUBSTANTIALLY MORE INVESTMENT INTO THE BUILDING THEN LISTED ABOVE, BUT ONLY A PORTION OF IT WAS REPORTED TO THE HRA IN SUPPORT OF THEIR GRANT.



*Figure 7: Ron-D-Voo - East Elevation View*

THE CONTRACTOR REMOVED THE 1950'S SLANTED SINGLE PANE WINDOWS, AND REPLACED THEM WITH INSULATED WINDOWS, ALONG WITH ADDED SIDING AND ADDITIONAL INSULATION. THE ENTRANCE WAS MOVED AND INTERIOR WALLS WERE REMOVED, CREATING A SPACIOUS OPEN AREA INSIDE. ADA BATHROOMS WERE ADDED. MOST OF THE ROOF WAS REPLACED AND IS NO LONGER A PUBLIC SAFETY HAZARD.



Figure 8: Before - Views from Smith St. and Moore St.



Figure 9: After-View from the corner of Moore & 2nd



THE VIEW NORTH ON 2<sup>ND</sup> ST IS SUBSTANTIALLY BETTER; PLANTERS ARE UTILIZED AND REPRESENT HARRISBURG HIGH SCHOOL COLORS

The interior has stained concrete floors, wood salvaged from the project, new restrooms, a new kitchen and new bar area. A stage was also added.



Figure 10: Interior view, (under construction) concrete work & patio entrance





Figure 11: Rear Patio area under construction

*THE PATIO AREA IS PERFECT FOR SUMMER IN HARRISBURG, WITH WROUGHT IRON FENCING THAT MATCHES THE HISTORICAL DISTRICT.*

**PROJECT:**

**1890 ORDER OF THE ODDFELLOWS BUILDING – OWNERS: CLYDE THE GLIDE @190 SMITH ST.** THIS PROPERTY WAS THE FIRST TO RECEIVE GRANT FUNDS IN 2018. THAT \$50,000 GRANT PROJECT HELPED TO REPAIR THE ROOF AND PARAPET, WITH THE OWNERS PRIVATE EXPENDITURES AT \$75,000. IN MARCH 2019, A SECOND GRANT OF \$50,000 WAS APPROVED, IN ADDITION TO THE APPROVAL OF AN OREGON MAIN STREET REVITALIZATION GRANT IN JUNE 2019 FOR \$200,000. WORK BEING DONE IN EARLY 2019 INCLUDES MASONRY REPAIR, AND SUBSTANTIAL ELECTRICAL RE-WIRING. AS OF MARCH 2020, THE BOTTOM FLOOR RETAIL AREA WAS COMPLETED, AND FOR THE FIRST TIME IN 25 YEARS, A BUSINESS (ALLSTATE INSURANCE) RENTED THIS SPACE. THE OWNERS WILL HAVE LIVING SPACE ON THE 2<sup>ND</sup> FLOOR, AND SOME OF THE 1<sup>ST</sup>. THEY EXPECT TO FINALIZE THE WORK AND THE GRANT IN SUMMER 2021. BECAUSE SO MUCH OF THE WORK WAS INDOORS, AND NOT YET COMPLETE, THE INCREASE IN RMV WASN'T AS ROBUST AS IT WILL BE IN THE FUTURE. IN THIS FISCAL YEAR ONLY: **\$71,206 PRIVATE EXPENDITURES – HRA \$30,343: TOTAL OF \$101,549 INVESTED ~ RMV INCREASE OF \$39,520 IN FY 19-20.**



## FINANCIAL REPORTING

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information responds to the requirements of this statute.

### Money Received

In FY 2019/2020, the HRA received \$343,480 from division of taxes.<sup>2</sup> The detailed earnings of the HRA can be seen in Table 1. There are additional special payments of \$107,617 not shown in the money received table below.

**Table 1. Money Received During FY 2019/2020**

Receipt Category	2019/2020 Amount
Taxes and Assessments	343,480
Interest and Investment Earnings	67,998
Grants	41,480
TOTAL:	\$452,958

Source: Harrisburg Redevelopment Agency Financial Statement FYE 2020, pg. 10

### Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 2.

**Table 2. Expenditures During FY 2019/2020**

Expenditure Category	2019/2020 Amount
Materials and Supplies	11,549
Debt Service – Principal	110,363
Debt Service - Interest	109,643
Capital Outlay	92,163
TOTAL:	\$323,718

Source: Harrisburg Redevelopment Agency Financial Statement FYE 2020, pg. 10

### Estimated Revenues

The estimated tax revenues from the FY 2020/2021 adopted HRA budget are \$277,040 from current year taxes and \$6,000 from prior years taxes.<sup>3</sup>

<sup>2</sup> Harrisburg Urban Renewal Agency Financial Statement FYE 2020

<sup>3</sup> Harrisburg Urban Renewal Agency Budget, page 3

## Proposed Budget for Current Fiscal Year, FY 2020/2021

A compiled budget listing the money to be received due to urban renewal, money to be spent, and what projects/expenses the money will fund is shown in Table 3 below.

**Table 3. Budget FY 2020/2021 Urban Renewal Fund**

<b>Budget Category (Expenditures)</b>	<b>2019/2020 Amount</b>
Materials and Services	19,200
Capital Outlay	2,947,785
Special Payments	208,161
Debt Service	220,050
Unappropriated Ending Fund Balance	0
<b>TOTAL:</b>	<b>\$3,395,196</b>

<b>Budget Category (Revenues)</b>	<b>2019/2020 Amount</b>
Taxes	283,040
Investment Revenues	65,000
Miscellaneous Revenue	113,156
<b>TOTAL:</b>	<b>\$3,395,196</b>

Source: Harrisburg Redevelopment Agency Budget FY 2020/2021 p 3,4

## Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 4. This information is from Linn and Lane County Assessor records, Table 4a and 4e.

Urban renewal agencies do not create an additional tax permanent rate levy tax. Instead, during the urban renewal area’s lifespan, overlapping taxing districts “forego” a portion of their permanent rate. Technically, the valuation of property is ‘frozen’ at the time the HRA district is formed. Taxing districts still receive property tax revenue for all property in the district but do so at the frozen valuation.

The goal is to use those property tax increases over time, to fund projects in the urban renewal district that will increase the property values, or that will bring additional jobs to the community. Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. Those permanent rates will reflect a much higher value upon the end of an Urban Renewal District, than they would have without the district being formed.

The Harrisburg School District #7 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 is funded through property tax allocations, but also through other state resources. There is a direct impact on property taxpayers due to bond revenues collected.

**Table 4. Impact on Taxing Districts FY 2019/2020**

Taxing Jurisdiction	Impact	Bonds
Linn County	\$36,061	
4-H Extension Service District	\$1,979	
L-B-L Education Service District	\$8,621	
Lane Community College	\$17,524	
Harrisburg Rural Fire Department	\$31,983	
City of Harrisburg	\$90,122	\$9,019
Harrisburg School District #7	\$131,829	\$30,007

Source: FY 2019/2020 Sal 4a and 4e from Lane County Assessor

## Maximum Indebtedness

The maximum indebtedness authorized for the Area was \$8,177,674. The maximum indebtedness is the total amount of funds that can be spent on projects, programs, and administration in the urban renewal area over the life of the urban renewal plan. The amount of indebtedness remaining for the Plan Area is \$4,200,548.