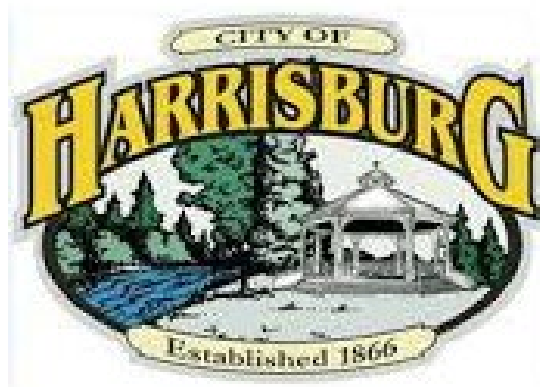


# ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2021

2020/2021

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, 2021

## HARRISBURG URBAN RENEWAL AGENCY

### 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.

The frozen base assessed value (“Frozen Base”) of the Harrisburg Urban Renewal Area (“Area”) is \$3,936,405. The FY 2020/2021 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 2020/2021 is \$32,563,113.<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 and 3 of the Harrisburg Strategic Plan. These goals 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 industrial and commercial 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 Harrisburg Urban Renewal Agency’s website, <http://www.ci.harrisburg.or.us>.

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<sup>1</sup>Linn County Assessor Tax FY 2020/2021 Table 4e

## 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 2020/2021, the HRA received \$395,962 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 \$76,736 not shown in the money received table below.

**Table 1. Money Received During FY 2020/2021**

Receipt Category	2020/2021 Amount
Taxes and Assessments	395,962
Interest and Investment Earnings	20,874
Grants	76,736
TOTAL:	\$493,572

Source: Harrisburg Redevelopment Agency Financial Statement FYE 2021, 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 2020/2021**

Expenditure Category	2020/2021 Amount
Materials and Supplies	13,521
Debt Service – Principal	115,457
Debt Service - Interest	104,549
Capital Outlay	1,367,428
TOTAL:	\$1,600,955

Source: Harrisburg Redevelopment Agency Financial Statement FYE 2021, pg. 10

### Estimated Revenues

The estimated tax revenues from the FY 2021/2022 adopted HRA budget are \$233,260 from current year taxes and \$6,000 from prior years taxes.<sup>3</sup>

<sup>2</sup> Harrisburg Urban Renewal Agency Financial Statement FYE 2021

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

## Proposed Budget for Current Fiscal Year, FY 2021/2022

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 2021/2022 Urban Renewal Fund**

<b>Budget Category (Expenditures)</b>	<b>2021/2022 Amount</b>
Materials and Services	28,450
Capital Outlay	1,361,120
Special Payments	134,000
Debt Service	220,050
Unappropriated Ending Fund Balance	0
<b>TOTAL:</b>	<b>\$1,743,620</b>

<b>Budget Category (Revenues)</b>	<b>2021/2022 Amount</b>
Beginning Fund Balance	1,394,200
Taxes	239,260
Investment Revenues	15,000
Miscellaneous Revenue	95,160
<b>TOTAL:</b>	<b>\$1,743,620</b>

Source: Harrisburg Redevelopment Agency Budget FY 2021/2022 p 3,5

## 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 has improved 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 was substantially finished by fall 2021, but was held up slightly because of the pandemic, and staff shortages that affected utility companies. Street projects were budgeted at \$3,169,646 in the 2015 updated HRA plan.

Improvements will provide a safe and appealing network of pedestrian and vehicular travel, making it more attractive as a location for business/property owners. The improvements in the infrastructure will better support businesses in the downtown area, as well as improving the areas where events are held. Ultimately, these projects will help to drive tourism, and will be used to market the City’s downtown and 3<sup>rd</sup> St. commercial cores.



Figure 1- BEFORE: Smith St. facing Quonset Hut & Spot Hogg; Moore St. from in front of Hurds; Smith St. facing the VFW



Figure 2 – AFTER: Same view points



2<sup>nd</sup> St – View from Post Office towards Voo & I.O.O.F. Building

### 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 an increase in RMV values for these buildings and the HRA district for the 2020-2021 fiscal year. This area of town has seen a huge improvement, with 5 businesses who have taken advantage of the program prior to the 2020-2021 year.

**PROJECT: GRAVEL UNIMPROVED LOT AT MACY & 3<sup>RD</sup> ST. – HEIDI KROPF 245 N. 3<sup>RD</sup> ST. COMPLETED IN EARLY SPRING 2021. \$145,454 PRIVATE EXPENDITURES – HRA \$50,000: TOTAL OF \$195,454 INVESTED**



Figure 3 – Before



Figure 4 - After

*HEIDI DEMOLISHED A BLIGHTED BUILDING, AND CONVERTED A GRAVEL LOT INTO A PAVED LOT, WITH LANDSCAPING, A NEW FENCE, AND A READER BOARD. THE PROJECT INCREASED PARKING IN ANTICIPATION OF THE FUTURE EXPANSION OF HER MARKET, GROCERY DEALS.*

**PROJECT: 1890 ORDER OF THE ODDFELLOWS BUILDING – OWNERS CLYDE THE GLIDE LLC 190 SMITH ST. IN PROGRESS. \$145,454 PRIVATE EXPENDITURES – HRA \$50,000 – MAIN ST. REVITALIZATION GRANT \$200,000: TOTAL OF \$395,454 INVESTED BETWEEN PRIVATE & PUBLIC PARTNERSHIPS & GRANTS**

This building is undoubtedly one of Harrisburg's most iconic structures and is an important building to Harrisburg's downtown area. The building is on the historical resource list; the City/HRA is incredibly lucky to have property owners who respect the history, and the appearance of this structure. Because of the work done here, there has been an increase in RMV, that will only increase over time. The 2<sup>nd</sup> story is being developed as a dwelling, which will be rented out through VRBO or AirBNB when complete; providing the City with additional commercial space that can be used for tourism purposes. The business suite completed on the bottom floor is now home to an Allstate Insurance office. The work being done on this building, and the visible commercial use, also brought attention to the historic Rampy Bank located across the street. That structure now has a company who is providing general business services to the public.



The owners of the I.O.O.F. building have received approval for a 3<sup>rd</sup> HRA Grant in December 2021. The next \$50,000 provided will allow for the restoration/renovation of the 2<sup>nd</sup> story windows, as well as replacing and installing a man-door on the east facing elevation. The grant will result in another \$50,000 of private investment in this building. Combined with the road and sidewalk improvements in this area, this intersection along with the improvements on Moore St. have done a lot to improve development opportunities in the downtown core.



Figure 5 - Street View

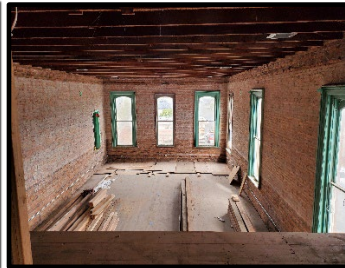


Figure 6 - Interior, 2nd Floor



Figure 7 - Interior of Allstate Ins.

## 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. Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. 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 2020/2021**

Taxing Jurisdiction	Impact	Bonds
Linn County	\$41,466	
4-H Extension Service District	\$2,275	
L-B-L Education Service District	\$9,915	
Lane Community College	\$20,152	
Harrisburg Rural Fire Department	\$36,774	
City of Harrisburg	\$103,607	\$10,927
Harrisburg School District #7	\$151,573	\$32,589

Source: FY 2020/2021 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 \$2,692,862.