CITY OF COOS BAY CITY COUNCIL

Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
February 17, 2026	5.c

TO: Mayor Benetti, Council President DiNovo and City Councilors

FROM: Brianna Weigel, Finance Director

THROUGH: Nichole Rutherford, City Manager

ISSUE: Adoption of Resolution 26-03 Approving an Intergovernmental Agreement (IGA) between the City of Coos Bay and Urban Renewal Agency for Du Jour Financing

SUMMARY:

As stated in ORS 457 and the Oregon Constitution, as well as confirmed by the City's Urban Renewal Agency Consultant Elaine Howard and the Association of Oregon Revitalization Agencies (AORA), tax increment urban renewal revenue can only be spent on debt service. To convert the tax increment urban renewal revenue received by the urban renewal agency (agency) into debt service, the agency initiates a loan from the city and immediately repays the debt service in a Du Jour financing. The loan proceeds received by the agency then become available to be expended on capital projects as set forth in the plan areas and as adopted in the current year budget. To complete this process, an Intergovernmental Agreement between the city and the agency, along with resolutions are presented to the city council and agency board for approval.

ACTION REQUESTED:

If it pleases Council, adopt Resolution 26-03 to approve an Intergovernmental Agreement between City of Coos Bay and the Urban Renewal Agency of the City of Coos Bay and authorize up to $2,038,165 in Du Jour financing budgeted to fund planned projects of which $555,535 will be for the Empire District and $1,482,630 for the Downtown District.

BACKGROUND:

There are two methods to expend urban renewal tax increment revenue on debt service, one of which involves obtaining conventional financing through bonds or a bank loan. This process involves the use of financial advisers, bond attorneys, and a Request for Funding (RFF) to solicit bids for financing and other financing costs. This conventional bond or loan process provides a large amount of tax increment revenue to expend on typically long term capital projects within the urban renewal plans.

The second option is an overnight loan process, Du Jour financing, from the City of Coos Bay which is a substantial cost savings in financing fees and other related costs over the conventional process. The Du Jour financing converts the current year tax increment revenue into debt service proceeds and immediately repays the debt service. To complete this process, an Intergovernmental Agreement between the city and the agency, along with resolutions, are presented to the city council and agency board for approval.

BUDGET IMPLICATIONS:

The financing process was approved in the FYE 2025-2026 budget to fund this year's capital projects.

ATTACHMENT(S):

- Resolution 26-03 FY26 Du Jour-City.pdf
- IGA Du Jour FY26 URA City.pdf