

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
March 5, 2013	

TO: Mayor Shoji and City Councilors

FROM: Rodger Craddock, City Manager *RC*

ISSUE: **Report and Request from the Coos Bay Boat Building Center**

BACKGROUND:

During the community meetings held in 2008 for the development of the Hollering Place development concept plan, the dream of a boat building center in Coos Bay began to emerge. The Urban Renewal Agency formed the Boat Building Center Board and appointed directors in June 2009. Since that time, the City/URA, community members and consultants have come together in an attempt to make this dream a reality. Through their collective work a non-profit organization has been formed, the Coos Bay Boat Building Center (BBC). The URA leased the property in 2009 to house the BBC and entered into a three year management agreement with BBC in an effort to provide them financial support during their first few fledgling years.

In August 2010, the leased facility had to be vacated while the structure deficiencies involving the pier system were mitigated by the property owner and until the building at that location was brought up to code and prepared for use by the BBC. In May of 2011 after the owner of the facility repaired the pier system, the URA entered into an agreement to transfer the lease of the facility to the BBC and provided the owner of the facility \$100,000 to bring the building up to code (this agreement saved the URA approximately \$60,000). In January 2012, the City Council approved a revision to the management agreement with the BBC which provided the BBC with a monthly stipend of \$1,200 per month for the 2012 calendar year which would be lowered to \$800 per month for the 2013 calendar year. The agreement is scheduled to end at the end of this year.

Jim Berg, President of the BBC Board of Directors, and Tom Leahy, member of the Board, recently contacted the city manager's office regarding the possibility of increasing the management agreement stipend to \$1,000 per month and extending the agreement two years. Jim and Tom are scheduled to make a presentation to the Council to share what the BBC has been doing and make their request.

BUDGET IMPLICATIONS:

The impact to the budget would depend on the increase to the monthly stipend approved, the effective date, and the agreement end date. The current monthly stipend is \$800 per month through December 2013. Under the current agreement which ends December 2013, the total amount is \$9,600 annually. At \$1,000 per month, the total would be \$12,000, an increase of \$2,400 annually.

Current agreement FYE June 2013
\$9,600

Current agreement ending Dec. 2013 / FYE June 2014
\$4,800

ADVANTAGES:

The Boat Building Center is a key component of the Hollering Place waterfront development project and serves as both an educational and recreational facility while preserving our community's boat building heritage. The City's financial support for operational costs significantly helps the Center be successful and fulfill their mission.

DISADVANTAGES:

While the Coos Bay Boat Building Center was started as an urban renewal project, the management stipend is not an eligible URA expense. The stipend is currently budgeted within Fund 5 Hotel Motel Tax. As the current budgeted expenses in the Hotel Motel Tax Fund exceed the expected transient tax revenue, the Council has adopted a budget which requires transferring general fund resources to balance the budget. The City has been and expected to experience flat general fund revenues while general fund expenses have risen, making it challenging to maintain the core services provided by the City.

ACTION REQUESTED:

Consider the request and give direction to staff.

Mission Statement

The Mission of the Coos Bay Boat Building Center is to honor and extend the maritime heritage of Coos Bay established by all of our ancestors by perpetuating the craft of building wooden boats.

Adopted: September 24, 2009



The old Hallmark Fisheries Plant
leased from Doug Devine

2009

A work in progress. The City
funded essential repairs to the
structure before it could be used
for the Boat Building Center.

August 2011



The Boat Building Center re-opened
in December 2011

