

**CITY OF COOS BAY CITY COUNCIL**  
**Agenda Staff Report**

<b>MEETING DATE</b> August 6, 2013	<b>AGENDA ITEM NUMBER</b>
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TO: Mayor Shoji and City Councilors  
FROM: Rodger Craddock, City Manager  
ISSUE Acceptance of USDA RBEG Funds

**BACKGROUND**

We have been hearing for a number of years about the possibility of Jordan Cove building and operating an LNG Terminal and more recently a Power Plant within the Coos Bay harbor on the North Spit of lower Coos Bay. With the passing of each day, that possibility appears to becoming more of a reality. If it does become a reality, the proposed construction of the project will take approximately 42 months; and during peak construction, there will be about 2,800 workers residing in or around our community. Lately, project discussions have centered on workforce housing during the construction phase. It goes without saying that we don't have enough housing in the community to house that many workers. Jordan Cove has been exploring "man camps" which will require substantial investment to develop and they create long-term value.

Currently, we have a number of buildings in downtown Coos Bay and in the Empire district of our city with vacant/unused upper floors. The concept of minimizing the use of the "man camps" by utilizing/redeveloping vacant/unused upper floors in downtown and Empire buildings was presented to Bob Braddock, Vice President – Project Manager at Jordan Cove Energy Project L.P. During the meeting, a proposal which staff prepared identifying potential buildings which could be used for upper floor living spaces was given to Mr. Braddock. This concept would not only minimize the need for "man camps" it would redevelop blighted buildings in our urban renewal districts, increase valuations, help our building owners, and put the workers near our downtown businesses. Mr. Braddock saw this as a favorable opportunity in concept.

Staff applied for a \$20,000 grant from the United States Department of Agriculture (USDA) Rural Business Enterprise Grant (RBEG) to assist in conducting assessments of the buildings as to their suitability for residential development. Jordan Cove agreed to provide the required grant match of \$20,000. On July 18<sup>th</sup>, staff was advised that our application was approved.

Both the grant funds and the match will be used to pay for professional services to aid staff which include but is not limited to performing assessments of the buildings for: (1) building codes requirements; (2) identifying any zoning issues that may apply; (3) obtaining conceptual drawings of possible apartment layouts; and (4) identifying ball-park redevelopment costs.

**ADVANTAGES**

Revitalizing the downtown and Empire buildings will have a significant impact on local businesses and economy; and whether or not Jordan Cove builds their facility, the City desires to move forward with the project to renovate the buildings.

DISADVANTAGES

None

BUDGET

As this is a URA project there's no anticipated budget impact on City funds.

RECOMMENDATION

While the grant provides funding for a URA project, the grant has been awarded to the City. If it pleases the Council, accept the grant and authorize staff to expend the grant monies and match from the URA.