

## **MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL**

**May 6, 2014**

The minutes of the proceedings of the regular meeting of the City Council of the City of Coos Bay, Coos County Oregon, held immediately following the City of Coos Bay Urban Renewal Agency meeting which began prior to 7 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

### **Those Attending**

Those present were Mayor Crystal Shoji, Councilors Mark Daily, Jennifer Groth, Stephanie Kramer, Thomas Leahy, John Muenchrath, and Mike Vaughan. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Susanne Baker, Deputy Finance Director Amy Kinnaman, Library Director Sami Pierson, Community Development Director Eric Day, Public Works Director Jim Hossley, Fire Chief Mark Anderson, and Police Chief Gary McCullough.

### **Executive Session**

At 6:00 p.m. prior to the start of the City of Coos Bay Urban Renewal Agency meeting, a Coos Bay City Council executive session was held in the Conference Room at City Hall pursuant to ORS 192.660 (2) (h) for consultation with legal counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed and ORS 192.660 (2) (d) for the purpose of discussing labor negotiations. No decisions were made.

### **Public Comments**

Phillip Thompson, Coos Bay: thanked the four Councilors that endorsed the Community Enhancement Plan. Katherine Hayes, Coos Bay: spoke on behalf of the Coos Bay Downtown Association and reported the new wayfinding signs were installed in the downtown; this week Downtown Coos Bay was celebrating Tall Ship week and Restaurant week; noted Coos Bay was identified by Oregon Main Street as a potential host community for next year; upcoming events included the grand re-opening of the Egyptian Theatre and the Blackberry Arts Festival.

### **Consent Calendar**

Mayor Shoji reviewed the consent calendar which consisted of 2a: approval of the minutes of April 15, 2014; and 2b: approval of an OLCC catering application for Black Market Gourmet, LLC. Councilor Groth moved to approve the consent calendar approving the minutes of April 15, 2014 and an OLCC catering application for Black Market Gourmet, LLC. Councilor Daily seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

### **New Council Business**

Mayor Shoji asked for a staff report on tsunami readiness.

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### **Presentation of a Proclamation on Emergency Medical Services (EMS) Week by Tonya Wahl**

Tonya Wahl stated she was from Bay Cities Ambulance. Ms. Wahl stated the Emergency Medical Services proclamation would identify the City of Coos Bay as a community that recognized the important contributions the Emergency Medical Services provide to our citizens. Ms. Wahl and Mayor Shoji read the proclamation aloud, declaring the week of May 18 – 24, 2014 as Emergency Medical Services Week. Councilor Groth moved to approve the Emergency Medical Services Week proclamation. Councilor Daily seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

### **Presentation of a Proclamation on Relay for Life by Kim Davidson**

City Manager Rodger Craddock introduced Kim Davidson. Ms. Davidson stated the Relay for Life proclamation would identify the City of Coos Bay as a community that recognized the importance of Relay for Life to give hope to those in need. Ms. Davidson and Mayor Shoji read the proclamation aloud, declaring the week of May 12 – 16, 2014 as Relay for Life – Paint the Town Purple Week. Councilor Kramer moved to approve the Relay for Life Week proclamation. Councilor Groth seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

### **Public Hearing to Consider Approval of the Proposed Ocean Grove Subdivision Application**

Community Development Director Eric Day stated Ocean Grove submitted a land use application requesting approval for a Planned Unit Development (PUD), Conditional Use Permit (CUP), Site Plan and Architectural Review (SPAR), and Partition II (subdivision) for the purpose of building a mixed-use Planned Unit Residential Development within the City of Coos Bay. The proposed site was 71.9 acres and was located south of the developed portion of Lindy Lane. Mr. Day stated Ocean Grove was proposing two phases for development also referred to as Life Cycle One and Life Cycle Two. Life Cycle One was proposed to primarily house construction workers and associated recreational and residential uses for the proposed Jordan Cove Energy Project for an estimated duration of 60 months. Life Cycle Two was proposed as a long term multi-family residential project with a variety of residential features and types. A hearings officer held two public hearings on the application and took public testimony; also approved the PUD, CUP, SPAR, and recommended the City Council approve the partition II (subdivision) application for the purpose of building a phased, mixed-use planned unit residential subject to conditions of approval. Mr. Day briefly reviewed Chapter 17.335 Land Division – Partition II and Subdivision. Councilor Daily inquired if there was a system in place in which the City could require compliance to required conditions wherein City Attorney Nate McClintock stated the City could issue a stop work order to close the project down.

Mayor Shoji opened the public hearing. Jay Harland, Medford: stated he was with CSA Planning Ltd and hired Planner for the Ocean Grove project; stated he agreed with staff report and hearings officer recommended the Council approve moving forward with the plan. Jody McCaffree, North Bend: stated she was not in favor of the proposed project and suggested project would have a cumulative impact on future projects and infrastructure. Tom Luther,

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Salem: stated his mother lived on Lindy Lane; requested an assurance of unlimited access to his mother's home; noted the family owned three properties on Lindy Lane and suggested either the developer or the City of Coos Bay pick up the cost for the properties to be connected to City sewer; expressed concern about the Lindy Lane widening project and the impact to homeowners. Jim McKee, Coos Bay: stated he lived on Lindy Lane and expressed concern about the increased traffic due and noise due to the proposed project; noted he was not in favor of the proposed project. No further public comments were given and the hearing was closed. Public Works Director Jim Hossley stated based on the traffic study a road diet would be implemented and noted a traffic signal was not warranted. Councilor Daily moved to approve the proposed Ocean Grove subdivision application with the conditions of approval that were attached in the Final Order. Mayor Shoji seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

### **Approval of Membership in South Coast Community Foundation and Ratification of Bylaws**

Mayor Shoji explained there had been many meetings throughout the City and County regarding membership in South Coast Community Foundation (SCCF); noted public comments would be taken from City of Coos Bay residents, businesses, and/or property owners. City Manager Rodger Craddock stated the City of Coos Bay was working in partnership with the City of North Bend, Coos County, and the Oregon International Port of Coos Bay as the four legally designated sponsors of the Bay Area Enterprise Zone to develop a Community Enhancement Plan (CEP) that would be the basis for creating a mechanism to support educational, civic, environmental, economic, and municipal programs and projects throughout the region encompassing all of Coos County as well as Reedsport, Western Douglas County, and Northern Curry County. Mr. Craddock explained the CEP rested on the legal authority of the Enterprise Zone to grant a long-term rural enterprise property tax exemption to Jordan Cove Energy Partnership (JCEP), and included within the tax exemption was a condition requiring JCEP to pay a Community Service Fee (CSF) that would be distributed according to the terms of the CEP. Based on recent meeting with Senator Roblan, Representative McKeown, and various members of Governor Kitzhaber's staff, the proposed long-term rural enterprise property tax exemption, SCF, and CEP were allowable under Oregon Revised Statutes. Mr. Craddock briefly reviewed the updated SCCF bylaws.

In effort to move forward, the enterprise zone sponsors were being asked to (1) ratify the formation of the SCCF (become a member), (2) ratify the current SCCF bylaws, (3) appoint its initial Board of Directors, (4) select and appoint a public representative to the Board, and thereby empower the Foundation Board to continue working with stakeholders and the Enterprise Zone Committee to expound the details of the SCCF's part in the CEP. Councilor Groth stated she thought the workgroup meetings were productive and had a lot of public input. Councilor Daily suggested the bylaws should be updated to include the application of Oregon Public Meeting Law; suggested changes to bylaws should require a unanimous vote; proposed appointing school board members or educators as members of the foundation since they were stakeholders. City Attorney Nate McClintock stated the Oregon Public Meetings Law provided all public meetings are open and noted the proposed bylaws were consistent with the Oregon Public Meetings Law. Councilor Vaughan clarified support of the SCCF was not a vote for or against the Jordon Cove Energy project. Councilor Muenchrath suggested there was a discrepancy with the use of "members" and "representative" within the proposed bylaws;

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suggested the bylaws should state they would follow Oregon Public Meeting Law and change of the bylaws should require a unanimous vote. Councilor Kramer agreed with Councilors Daily and Muenchrath's statements. Councilor Leahy stated as an educator he felt the community needed the program. Mayor Shoji stated she supported the work completed to date and recommended the City move forward with its decision.

Dick Leshly, Coos Bay: urged the Council to approve the bylaws. Todd Goergen, Coos Bay: also urged the Council to approve membership in the SCCF. Megan Jacquot, Coos Bay: stated she was the Chair of the North Bend School Board suggested children deserved the support and funding that would be derived from the SCCF; noted each school district had unfunded needs for capital and infrastructure improvements as well as technology due to lack of adequate funds received from the State; asked the Council to move forward in support of the SCCF. Tenneal Wetherell, North Bend: stated she was the Superintendent at the South Coast Education Service District; noted throughout the region school districts were in support of each other and the potential opportunities derived from the formation of the CEP. John Hitt, Coos Bay: spoke on behalf of the South Coast Development Council and stated the SCCF was a unique opportunity that would help keep money in our local area and was in support of the City joining the SCCF. James Martin, Coos Bay: stated he was the Chair of the Coos Bay School Board but was speaking on his own behalf; noted his past reservation about the long term enterprise zone tax exemption; however, in following the various meetings and workgroups regarding the SCCF his reservations were alleviated; urged the Council to appoint someone from the Coos Bay School District as member to the SCCF. Patty Saden, Coos Bay: stated she was Program Manager for the Coos Bay School District Maslow Project; noted during a recent grant writing workshop she was advised to implement use of a collective impact method in order to continue to be eligible to receive State funding. Richard Moore, Coos Bay: suggested the bylaws did not govern bonding of the the person holding the funds. Dawn Granger, Charleston: Stated she was the Superintendent for the Coos Bay School District but was speaking on her own behalf; expressed thanks to the three founding members of the SCCF; suggested local school children were underfunded as compared to other school districts throughout Oregon. Ron Strauser, Coos Bay: stated he wanted more and better education for his kids and spoke in support of the SCCF. Bitten Duggan, Coos Bay: stated she was discouraged by a flyer she received about the Jordon Cove Energy Project. Rick Skinner, Coos Bay: urged all Councilors and the Mayor to support the SCCF.

Councilor Groth moved to authorize the City's membership in the South Coast Community Foundation, ratification of the current foundation bylaws, and to ratify the appointments of Bill Lansing, Joanne Verger, and John Whitty as the initial directors. Mayor Shoji seconded the motion. Councilor Muenchrath suggested the bylaws should be changed to require a unanimous vote to change the SCCF bylaws. Councilor Daily stated the Coos Bay City Council would be 1/7<sup>th</sup> of the vote and noted concern there would not be equal representation by all members. Councilor Leahy suggested the SCCF could help strengthen the community. A call for the question was made which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

Councilor Groth briefed the Council as to how the other SCCF sponsors planned to appoint their membership; noted going forward the Council would need to make a decision on appointing a member; advised the Chair of the Coos Bay School Board was amenable to be appointed as a director. City Manager Rodger Craddock stated the Council could choose to make a direct

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appointment by majority vote or take letters of interest. Mayor Shoji suggested the person that represented the City Council could be the City Manager or designated Council Member; liked the idea of appointing the School Board Chair to the SCCF. Councilor Daily liked the idea of having the City Manager represent the City on the SCCF and invited the community to provide feedback to the Council on the matter.

### **Consideration of Request by ORCA Communications to Grant an Easement on City Property**

Public Works Director Jim Hossley stated Carl Kennedy with ORCA Communications contacted City staff to request consideration for an easement across City owned property on the north side of the Pedway. ORCA's project would provide private line services via a fiber optic cable to First Call Resolution (FCR) located at 161 Anderson. ORCA currently provided FCR with a private line via fiber optic cable using the public right of way; the secondary service would be fed underground starting at a Pacific Power and Light power pole located on Broadway at Benetti's, running west under Broadway and approximately 30 inches under the Pedway through 2<sup>nd</sup> Court then turning north to FCR. The easement request was for 145' x 12' of a City owned parcel that made up the north 12' of the Pedway; the remaining path was in the public right-of-way covered by the Franchise Agreement the City of Coos Bay and ORCA. The fiber would be located in 1 ½" conduit made of plastic called high-density polyethylene (HDPE).

Mr. Hossley noted in the event of future development at the Pedway, ORCA would have to coordinate rerouting the fiber at ORCA's expense. ORCA would never have to excavate the site in order to maintain the fiber. In the event of fiber and/or HDPE damage, the City would have to replace the damaged material either by placing new fiber (in case of fiber damage only) or remove the damaged HDPE and place new (in the case of fiber and HDPE damage). The expense associated would be based on how the damage occurred. The Council considered the possibility of charging for the easement. Councilor Muenchrath moved to grant an easement for a subsurface communication line to ORCA Communications across the entire 12' width of parcel which was the north 12' of the property known as the Pedway and authorize the City Manager to negotiate and sign documents granting the utility easement to ORCA Communications such that they [ORCA] were responsible for any filing charges and that no charges were to be incurred by the City. Councilor Kramer seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

### **Request for Acceptance of a State of Oregon Planning Grant**

Community Development Director Eric Day stated staff applied for and was granted a planning grant from the State of Oregon Department of Land Conservation and Development Department (DLCD) in the amount of \$20,000 for the review and rewriting of the City's development code. Councilor Kramer moved to accept the \$20,000 grant from DLCD and to direct staff to use the grant funds for the rewriting of the development code. Mayor Shoji seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

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### **Authorization of Expenditure of Surface Transportation Program (STP) Funds for Highway 101 Fence/Sidewalk Project**

Mr. Hossley stated the City of Coos Bay participated in a Surface Transportation Program (STP) which provided flexible funding that may be used by States and local municipalities for projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals. Currently the City of Coos Bay had \$522,074.88 in available STP funds. Staff recommended the City use \$82,500 in STP funds towards the Hwy 101/Bayshore Sidewalk project; leaving a remaining balance of \$439,574.88 in STP funds available for other street/sidewalk enhancement projects. Mr. Hossley noted the STP funds could not be used for general maintenance, and if the funds were not used within a two year cycle the funds would revert back to the Federal Government. Councilor Muenchrath moved to authorized staff to transfer \$82,500 from the City STP to ODOT for the Hwy 101/Bayshore project. Councilor Groth seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

### **Approval of a Proposed Sewer Rate Increase – Approval Would Require Adoption of Resolution 14-06**

Public Works Director Jim Hossley stated the City of Coos Bay Budget Committee concluded the FY 2014-2015 budget hearings in April which included a 6.5% increase in sewer user rates. The sewer fee portion on the Coos Bay – North Bend Water Board billing would increase, based upon the rate study average use of 560 cubic feet per household, approximately \$3.42 per month. The revenue would provide funding for sewer line replacements, pump station rehabilitations, storm drain repairs, and the capital improvements at both wastewater treatment plants pursuant to the Dept. of Environmental Quality (DEQ) Mutual Agreement and Orders (MAO). Councilor Groth moved to adopt Resolution 14-06. Councilor Leahy seconded the motion which carried with Mayor Shoji and Councilors Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye and Councilor Daily voting nay.

### **City Attorney's Report**

No comments were given.

### **City Manager's Report**

City Manager Rodger Craddock reminded the Council of the two Town Hall meetings on Wastewater and Street Infrastructure were scheduled for next Tuesday, May 13th at noon at the Coos Bay Library and Wednesday, May 14th at 6:00 p.m. at Sunset Middle School; shared the City received a 20 year anniversary award for being a Tree City USA during a recent Arbor Day event; announced he would be out of the office the next three days and that Public Works Director Jim Hossley would be in charge in his place.

### **Council Comments**

Councilor Vaughan provided the Council with an update on the Egyptian Theatre. Councilor Kramer expressed concern about debris around the Welcome to Coos Bay sign on the north

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end of highway 101. Councilor Daily briefly reviewed concerns noted by Jody McCaffree; stated it was good to have concerns and to see so many projects in the works. Councilor Leahy stated Tall Ship Days was going well; requested non-smoking signs be installed in the covered shelters on the Boardwalk. City Manager Rodger Craddock stated the Council would need to amend the no smoking ordinance to include the Boardwalk. Mayor Shoji stated she received a letter from Marshfield High School student from Heidi Bear inviting all City Council Members to attend Memorial Day celebration on May 21<sup>st</sup> at 9:00 a.m.

### Adjourn

There being no further business to come before the Council, Mayor Shoji adjourned the meeting. The next regular Council meeting was scheduled for May 20, 2014 in the Council Chambers at City Hall.

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Crystal Shoji, Mayor

Attest: \_\_\_\_\_  
Susanne Baker, City Recorder