

**CITY OF COOS BAY URBAN RENEWAL AGENCY**  
**Agenda Staff Report**

<b>MEETING DATE</b> August 6, 2013	<b>AGENDA ITEM NUMBER</b>
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TO: Chair Melton and Board Members

FROM: Rodger Craddock, City Manager *rc*

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 the awarded grant is based upon the anticipated need for housing units that will result from the development of the Jordan Cove Liquefied Natural Gas (LNG) project, one of the grant conditions requires the RBEG funds to be directly tied to the implementations of that project. The release of the RBEG funds is contingent upon the approval of the Jordan Cove LNG project by all required regulatory authorities. As preparation (building assessments) for these potential redevelopment projects are time sensitive, it is possible that the URA may not receive reimbursement for the cost of the assessments (\$20,000) should the Jordan Cove LNG project not receive the necessary regulatory approvals.

RECOMMENDATION

Utilization of both the RBEG and Jordan Cove match funds will require the Agency to adopt Resolution 13-07. Staff recommends the Agency adopt Resolution 13-07.

**Urban Renewal Agency of the City of Coos Bay**

**City of Coos Bay**

**Resolution 13-07**

**A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY, COOS COUNTY, OREGON, ADOPTING A SUPPLEMENTAL BUDGET, MAKING APPROPRIATIONS IN THE DOWNTOWN CAPITAL PROJECTS FUND.**

WHEREAS, the City of Coos Bay Urban Renewal Agency has complied with the provisions of ORS 294.471(3) where the new appropriation differs by less than ten percent of the individual fund; the governing body may adopt the supplemental budget at a regular meeting of the governing body; notice of the regular meeting includes a statement that a supplemental budget will be considered; the notice was published not less than five days before the meeting; and the resolution states the need, purpose, and amount of the appropriation; and

WHEREAS, the City of Coos Bay received a \$20,000 Rural Business Enterprise Grant (RBEG) through the US Department of Agriculture for Upper Floor Residential Development in downtown Coos Bay; and,

WHEREAS, the Urban Renewal Agency will receive \$20,000 as a grant match from Jordan Cove for the RBEG, new appropriations are made as set forth:

<u>Downtown Capital Projects Fund</u>			
Resources	Grants/Donation	\$40,000	
Requirements	Material & Services	\$40,000	
	New Total Downtown Capital Projects Fund		\$2,501,886

The foregoing resolution was duly adopted by the Urban Renewal Agency of the City of Coos Bay, Coos County, Oregon this 6<sup>th</sup> day of August 2013.

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Gene Melton, Chair

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