

**MINUTES OF THE PROCEEDINGS OF THE
CITY OF COOS BAY URBAN RENEWAL AGENCY**

November 17, 2009

A regular meeting was held by the City of Coos Bay Urban Renewal Agency immediately following the City Council meeting held at 7:00 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Chair Gene Melton and Board Members Mark Daily, Jon Eck, Joanie Johnson, Stephanie Kramer, Jeff McKeown, and John Pundt. City staff present were Interim City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Rae Lea Cousens, Deputy Finance Director Susanne Baker, Public Works and Development Director Jim Hossley, City Engineer Carl Nolte, Chief Stan Gibson, Library Director Carol Ventgen, Economic and Community Development Manager Joyce Jansen, Acting Police Chief Gary McCullough, and Captain Cal Mitts.

Approval of the Minutes of November 3, 2009

Board Member Eck moved to approve the minutes of the November 3, 2009 meeting. Board Member Johnson seconded the motion which passed with Chair Melton, and Board Members Daily, Eck, Kramer, Johnson, McKeown, and Pundt voting aye.

Public Hearing to Consider Approval on an Urban Renewal Supplemental Budget – Approval would Require Adoption of Resolution 09-08

Interim City Manager Rodger Craddock stated on October 20, 2009, the Agency approved the Empire Boat Ramp Restroom project in the Empire Plan which anticipated \$80,000 in Oregon State Marine Board (OSMB) grant funds, \$20,000 grant match, and \$2,000 in-kind match for a total project of approximately \$102,000. On October 12, 2009, urban renewal consultant Jeff Tashman and Association of Oregon Revitalization Agencies (AORA) advised pursuant to ORS 457 and the Oregon Constitution, urban renewal revenues can only be spent on debt service. On November 3, 2009, the City of Coos Bay and the Urban Renewal Agency entered into an Intergovernmental Agreement (IGA) to authorize du jour lending from the City to the Agency for the purpose of funding approved projects thereby converting urban renewal funds to debt. To comply with Oregon budget law and Constitution, Resolution 09-08 appropriates \$102,000 Empire Boat Ramp Restroom project, funds \$34,672 less Capital Projects Carryover (draft FYE09 draft audit), and converts \$160,000 FYE10 budgeted transfer of urban renewal revenues to debt to be expended on projects. Chair Melton opened the public hearing. No public comments were made. Chair Melton closed the public hearing. Board Member Daily moved to adopt Resolution 09-08 approving supplemental budget making appropriations for the construction of the Empire Boat Ramp Restroom and complying with Oregon budget law. Board Member Eck seconded the motion which carried with Chair Melton and Board Members Daily, Eck, Kramer, Johnson, McKeown, and Pundt voting aye.

Approval of an Intergovernmental Agreement between the City of Coos Bay and the Urban Renewal Agency

Interim City Manager Rodger Craddock stated pursuant to ORS 457 and the Oregon

Constitution Article IX, Section 1(c) the Agency is required to incur debt for the purpose of financing projects of an urban renewal plan and to repay the debt and cost of borrowing with tax increment revenues. The Intergovernmental Agreement (IGA) presented authorizes du jour (overnight) financing between the City of Coos Bay and the Agency for the purpose of converting previously collected tax increment revenues (carryover) into spendable debt proceeds in the Empire Urban Renewal area. The du jour financing is a common low cost (1% interest) used by urban renewal agencies to convert tax increment collections into debt proceeds to expend on qualified urban renewal projects. The Empire Plan of the Agency has resources to repay the du jour loan to the City up to a maximum of \$500,000. Councilor Daily moved to authorize the IGA related to the Urban Renewal Agency of the City of Coos Bay borrowing funds (not to exceed \$500,000) from the City of Coos Bay for the purpose of du jour (overnight) financing so that tax increment collections can be converted into debt proceeds that can be spent on approved projects on a project by project basis within the Empire Urban Renewal area. Board Member Eck seconded the motion which passed with Chair Melton and Board Members Daily, Eck, Kramer, Johnson, McKeown, and Pundt voting aye.

Approval to Authorize Urban Renewal Indebtedness up to \$500,000 – Approval would require adoption of Resolution 09-09

Interim City Manager Rodger Craddock stated Resolution 09-09 would authorize a short term subordinate urban renewal bond, series 2009 for the Empire Urban Renewal area in an amount not to exceed \$500,000 through du jour financing with the City of Coos Bay. The previously collected \$500,000 tax increment revenues would be converted into expendable debt proceeds. Board Member Eck moved to adopt Resolution 09-09 to authorize the indebtedness up to \$500,000 to the City of Coos Bay to finance projects within the Empire Urban Renewal area. Board Member Johnson seconded the motion which passed with Chair Melton and Board Members Daily, Eck, Kramer, Johnson, McKeown, and Pundt voting aye.

Approval of Short Term Subordinate Urban Renewal Bond Series Loan #1

Interim City Manager Rodger Craddock stated Exhibit A, short term subordinate urban renewal bond series 2009, Loan No. 1, \$216,672 would convert tax increment revenues into debt to fund projects in the Empire Urban Renewal area. Board Member Daily moved to authorize indebtedness for the Empire Urban Renewal Agency totaling \$216,672 for projects and necessary financing as evidenced by loan document (IGA Exhibit A). Board Member Eck seconded the motion which passed with Chair Melton and Board Members Daily, Eck, Kramer, Johnson, McKeown, and Pundt voting aye.

Request for Funding from the Virtual Business Incubator Program for Shark Bites Seafood Cafe

Economic and Community Development Manager Joyce Jansen presented a grant application on behalf of Shark Bites Seafood Café for \$7,200 for architectural drawings, electrical work, demolition, framing, finish work, insulation, and drywall. Ms. Jansen noted the maximum amount for a grant application was \$7,200 with an additional \$300 held in reserve for two years for reimbursement to the business owner, pending completion of a 10-week small business workshop. Board Member Kramer moved to approve the Shark Bites Seafood Café grant

application as presented. Board Member Eck seconded the motion which passed with Chair Melton and Board Members Daily, Eck, Kramer, Johnson, McKeown and Pundt voting aye.

Visitor Information Center Project Update by Hilary Baker

Hilary Baker of Crow/Clay and Associates provided an update on the Visitor Information Center (VIC) construction project. Ms. Baker stated the project was on schedule and since the last report, five pile caps have been poured, utilities brought into the footprint, grade filled to the building footprint, installation of rebar and rebar mat, and the concrete slab would be poured over the next few days. Ms. Baker provided pictures via Power Point reflecting the project before construction, demolition, footprint definition, excavation of underground obstacles, pile driving of approximately 27 wooden piles, pile caps poured, grade beams, structural fill, moisture barrier, and sand placement on top of the moisture barrier and in between the grade beams. Construction costs total \$1,180,050 including change orders approved at the last meeting (deduction for inspection, connection for Highway 101 reader board, and removal of underground obstacles). Pending change orders include repair/replacement of the sidewalk on the east and west side of Highway 101 and \$1,100 for floor drains in the north restrooms.

Discussion of City Involvement in the Coos Bay Boat Building Center Project

Economic and Community Development Manager Joyce Jansen provided a historical perspective of the establishment of the Coos Bay Boat Building Center Project to date. Ms. Jansen stated since the appointment of the Board of Directors for the Coos Bay Boat Building Center, considerable work had been accomplished. Interim City Manager Rodger Craddock stated by the steps taken by the Agency to date, this project has been desired to become a reality. The project commenced after the budget process and therefore funds not budgeted; a lease for property secured and signed; and staff requested direction from the Agency regarding the scope of the involvement by the Agency. Due to the lease agreement requirements, the Agency is committed to a long term involvement which could require up to \$100,000 this budget year. Board Member Kramer stated Mr. Wagner stated the City's support would be important and would establish a good start for the Hollering Place development; once the Board received nonprofit status they would start fundraising and be self supporting. Board Member McKeown suggested understanding the commitment already made in the lease, determining the available funding in the Empire Urban Renewal District, and then make an informed decision regarding new commitments. Board Member Daily stated the importance of knowing the capacity to acquire new debt and the commitments to other Agency projects. Chair Melton stated the Board Building Center is asking the City to assist in the interim until the non-profit status is approved. Interim City Manager Rodger Craddock stated because the City and Agency have leased the building, liability has been assumed, accurate information for the structural repairs would be imperative, and financial estimates would be available on December 15th. Jim Berg, Coos Bay Boat Building Center Director, stated the application fee for the 5013(c) would be approximately \$600 less after January 1st and would be filed at that time. The Board anticipates activity in the Center, functional equipment, programs ramping up, and classes by June. Anticipated upfront costs include clerical staff and advertising expenses. Board Member McKeown asked the expectation of the Board wherein Mr. Berg stated the presumption was the Center would have Agency support until it would be able to operate independently. Board Member McKeown stated that was not his presumption and expressed the need for clear understanding. Mr. Berg stated the Center would need to know the extent of the Agency's

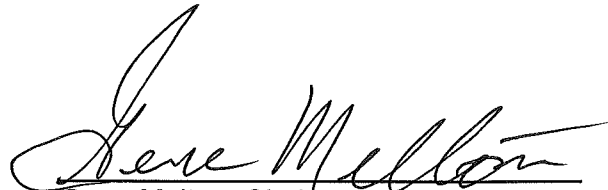
commitment, have anticipated and found some other donations to put into the building, require more seed money to properly outfit the Center with the most expense in the items listed in the lease by the end of January. Mr. Berg stated to be as successful as possible, additional advertising funds and support beyond volunteers would be needed. Board Member Pundt stated before a commitment could be made the available funding would need to be determined and prioritization of those funds among the projects. Chair Melton stated once staff determined the available funding and project priorities determined there could be a work session with the Boat Building Center and the Agency to determine the extent of commitment. Board Member Daily asked Mr. Berg to provide an accurate list of anticipated expenses. City Attorney Nate McClintock stated the Agency can only fund capital improvements, not administrative expenses, and some expenses to date have been paid by the City and not the Agency.

Public Comments

Steve Pickering, 2170 N 28th Street: Stated the community widely supports the Boat Building Center; did not remember the Agency committing funds for staff and other items; the importance of determining the level of commitment; and questioned the ability of the Agency to commit \$100,000. Chair Melton expressed concern to Mr. Pickering regarding the questions posed wherein Mayor McKeown called for a point of order.

Adjourn

There being no further business to come before the Agency, Chair Melton adjourned the meeting.


Gene Melton, Chair

Attest: 
Mark Daily, Secretary