

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

March 16, 2010

A regular meeting was held by the City of Coos Bay Urban Renewal Agency immediately following the City Council meeting held at 7 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, Jeff McKeown, and John Pundt. Board Member Stephanie Kramer was absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Rae Lea Cousens, Intermediate Accountant Amy Kinnaman, Public Works and Development Director Jim Hossley, City Engineer Carl Nolte, Fire Chief Stan Gibson, Library Director Carol Ventgen, Economic Revitalization Administrator Joyce Jansen, and Acting Police Chief Gary McCullough.

Approval of the Minutes of March 2, 2010

Board Member Pundt moved to approve the minutes of the March 2, 2010. Board Member Eck seconded the motion which passed with Chair Melton and Board Members Daily, Eck, Johnson, McKeown, and Pundt voting aye. Board Member Kramer was absent.

**Consideration of Virtual Business Incubator Grant
Applications for Black Cat Antiques and Fellowship
Art and Literature Bookstore**

It was the consensus of the Agency to postpone the consideration for virtual incubator grants for Black Cat Antiques and Fellowship Art and Literature Bookstore to allow time for staff to review the criteria of which the program was based.

**Economic Revitalization's Quarterly Report by Economic
Revitalization Manager Joyce Jansen**

Economic Revitalization Administrator Joyce Jansen provided a brief overview of the Urban Renewal Revitalization Plan which focused on business retention and business recruitment. Ms. Jansen reported for the period beginning October 1, ending December 31, 2009 the total amount of virtual business incubator grants awarded was \$60,000 which consisted of six businesses in the Downtown District and two in the Empire District. No façade grants were approved in the Downtown District and one was approved in the Empire District. Ms. Jansen noted projects worked on during the quarter included: the Visitor Information Center, Boat Building Center, Pedway Plaza, Hollering Place, Oregon Coast Historical Railway, Sustainable Design Assessment Team (SDAT), Shop Coos Bay Campaign, and the Downtown and Empire Urban Renewal Plan Amendments. Ms. Jansen shared with the Agency, a draft copy of a pamphlet for "Doing Business in Coos Bay" and requested Board Members to review the pamphlet and provide feedback.

South Coast Development Council's Quarterly Report by Sandra Messerle

Sandra Messerle, Director of the South Coast Development Council (SCDC) provided a brief overview of SCDC's activities from October – December 31, 2009 which included attending several meetings throughout Oregon on behalf of the Coos Bay Urban Renewal Districts. The meetings resulted in a number of resources to assist our community with future development, ideas and needs. Additionally, Ms. Messerle reported she had participated in ancillary efforts pursuant to Coos Bay's urban renewal districts which included the Coos Waterway Partnership, Bay Area Chamber of Commerce's Economic Development, Transportation, and Tourism Committees as well as the Chamber's Board of Directors. Ms. Messerle stated the American Institute of Architects had selected Coos County to be reviewed by its Sustainable Design Assessment Team (SDAT) through its Communities by Design program and noted the nine member design team was scheduled to visit the county on June 21-24, 2010. Announced a partnership agreement with the Southwest Oregon Marketing Team involving the Umpqua Partnership, Southwest Oregon Regional Economic Development, International Port of Coos Bay, Pacific Power and more; the partnership focus was to market the area and region in the national market place. Northern California was identified as a specific target to seek businesses ready to relocate and those who were a natural fit for our area including industrial, commercial, and retail. Ms. Messerle thanked the Agency on behalf of the SCDC for the Agency's continued support.

Approval of the Hollering Place Wayside Parking Design

City Engineer Carl Nolte reported the Community Coalition of Empire (CCE) had reviewed the proposed Hollering Place Wayside Parking options and recommended option 6 with option 7 as an alternative. Mr. Nolte stated both options 6 and 7 utilized permeable pavement materials and it was staff's recommendation not to use permeable pavement materials. Estimated costs for option 6 totaled \$100,312, or \$90,156 if no permeable pavers were used; and \$85,403 for option 7, or \$79,313 if no permeable pavers. Board Member McKeown inquired if all the options presented were consistent with the master conceptual plan, whereby Mr. Nolte stated option 5 was not consistent with the master plan. Tom Greaves, 155 S Mill St: suggested option 6 was the best utilization of the space. City Manager Rodger Craddock stated Board Member Kramer was unable to attend the meeting but wanted to relay her preference of option 6 without the use of permeable pavers. Board Member Pundt moved to approve option 6 without the use of permeable pavers and to move RV parking, to include signage to direct RV's to the lower lot. Board Member Johnson seconded the motion which passed with Chair Melton and Board Members Daily, Eck, Johnson, McKeown, and Pundt voting aye. Board Member Kramer was absent.

Approval of the Oregon Department of Transportation Highway 101 Sidewalk Project

Public Works and Development Director Jim Hossley reported the Oregon Department of Transportation (ODOT) had scheduled an overlay project of Highway 101 from north of the Super 8 motel north to the McCullough Bridge which included sidewalk construction and replacement. Mr. Hossley noted ODOT was requesting the Agency to consider contributing funds to the sidewalk project; and stated the Agency had previously agreed to a match amount

of \$50,000 for a prior joint grant application for the same sidewalk project. Mark Leedom, representative from the Oregon Department of Transportation provided the Agency with a brief overview of the project which included adding a sidewalk on the west side of Highway 101 from the ProBuild store, south along the base of the existing retaining wall and joining the sidewalk north of the old Kings Table restaurant site. Mr. Leedom stated there was no required funding match for the project but noted sidewalks in the proposed project area were the City's responsibility. Board Member Daily inquired if the sidewalk repair project would proceed if the Agency did not contribute funds to the project. Mr. Leedom stated the sidewalk along the rock wall would be ODOT's highest priority but if the city did not contribute funds it could mean some sidewalk repairs would not be completed. Board Member McKeown moved to contribute \$50,000 to the Oregon Department of Transportation for the Highway 101 sidewalk project. Board Member Johnson seconded the motion which passed with Chair Melton and Board Members Daily, Eck, Johnson, McKeown, and Pundt voting aye. Board Member Kramer was absent.

Consideration to Pay Demolition Cost of the Christian Science Church Building

Jerry Worthen, owner of the old Christian Science Building located at the corner of 7th Street and Central Avenue stated several months ago he was contacted by the City's Building Code Administrator regarding the condition of the building. Mr. Worthen stated he had pursued several options for salvaging or demolishing the building; and noted he had spent in excess of \$30,000 for the removal asbestos and a buried oil tank. Mr. Worthen requested the Agency for consideration of providing financial assistance for the demolition of the old Christian Science Building. City Manager Rodger Craddock asked City Attorney Nate McClintock if the Agency would be setting a precedent if they were to approve payment of demolition costs whereby Mr. McClintock confirmed the Agency would be setting a precedent if they were to approve payment of demolition costs for the old Christian Science Building. Board Member McKeown moved to direct staff not to proceed with the request to pay for demolition costs of the old Christian Science Building owned by Jerry Worthen. Board Member Eck seconded the motion which passed with Chair Melton and Board Members Daily, Eck, Johnson, McKeown, and Pundt voting aye. Board Member Kramer was absent.

Visitor Information Center Project Monthly Update by Hilary Baker

Hilary Baker of Crow/Clay and Associates provided an update on the Visitor Information Center (VIC) construction project. Ms. Baker presented construction photos via Power Point and stated since the last report most of the interior walls had been painted, all the windows were installed, electrical work was in the final stage, and brick work continued on the outside of the building.

Discussion on Central Dock and Maritime Museum

Public Works and Development Director Jim Hossley reported prior to considering the transfer of the property to the Coos County Historical Society (CCHS) for the Maritime Museum, Board Member Daily requested a review of Agency expenditures associated with the Central Dock property. Mr. Hossley noted to date, the Urban Renewal Agency had expended over \$890,000 on the property which included the property purchase, appraisal expense, demolition of the

existing building, fencing the property, environmental investigation, payments to Department of Environmental Quality (DEQ) for staff review time and attorney fees. Councilor Daily suggested the property transfer agreement between the Agency and the CCHS should include an indemnification for the City/Agency against future liability for environmental cleanup. City Attorney Nate McClintock reported CCHS was in the process of negotiating a perspective purchaser's agreement with DEQ to limit their liability to exposure for toxins and pollutants that were already on the property prior to the property transfer but noted CCHS would be liable for any actions they took that exposed the toxins. Mr. McClintock stated in view of what the Agency had learned about the pollutants on the property, CCHS was taking the necessary steps as a potential purchaser; advised the Agency and prior property owners would have a potential liability exposure if DEQ should decided they wanted the property cleaned of toxins and pollutants; advised if the City/Agency were to enter into an indemnity agreement with CCHS, the agreement could potentially void the agreement CCHS negotiated with DEQ.

Councilor Daily expressed concern that the property was being donated to CCHS and not sold and CCHS's purchaser's agreement with DEQ would indemnify CCHS for potential liability and not the City/Agency. John Whitty, 1815 Cypress Drive, Coos Bay; stated he was the legal advisor for the CCHS. Mr. Whitty provided a detailed history of the property and on-site contamination. Mr. Whitty stated it was his understanding that DEQ was willing to sign off on the property's current environmental condition and suggested if that were the case any future exposure to contaminates would fall to CCHS; CCHS could then go back on the previous owner who caused the contaminate; but noted all previous property owners were potential liability for the property. Anne Donnelly, 90962 Oxford Lane, Coos Bay; stated she was the project director for the Coos Art Museum and stated the agreement was being pursued with DEQ to specifically identify ahead of time all of the disturbance CCHS would need to make to the cap during the construction process and to help identify measures CCHS could take to insure the construction process. Ms. Donnelly reported DEQ recently identified documents that could potentially better determine the status/condition of the property during the time it was owned by Hall-Buck Marine. It was the consensus of the Agency to revisit consideration of the matter at a later date to allow time for DEQ to finalize their determination on the property.

Approval of Demolition of the Lockhart Building and Adjacent Property(s)

Public Works and Development Director Jim Hosley reported the Lockhart Building, located at the corner of Central Avenue and 3rd Street in Coos Bay was a public nuisance and recommended abatement due to the dangerous condition of the building. Based on the building's location and in consideration of the shared wall with the adjacent building owned by Gary Rifkin, staff suggested it would be more cost effective to purchase the building owned by Gary Rifkin and to take down both buildings in lieu of the cost involved with placing a temporary or replacement wall. Additionally due to the condition of the soon to be vacated fire station, located at the corner of S. 4th and Anderson staff also recommended demolition of the fire station building at the same time as the other Lockhart and the building owned by Gary Rifkin. Mr. Hossley noted the bidding process for the demoiition for any or all of the buildings would require the City to pre-quality potential bidders prior to advertising for the demolition projects due to significant experience required to safely and successfully demolish a mulit-story building that shared a common wall with an adjacent building. Board Member McKeown moved to direct staff to pre-qualify contractors for the demolition of the Lockhart Building. Board Member

Urban Renewal Agency Minutes – March 16, 2010

Johnson seconded the motion. Board Member McKeown amended the motion to include the Fire Station. Board Member Johnson re-seconded the motion as amended which passed with Chair Melton and Board Members Daily, Eck, Johnson, McKeown, and Pundt voting aye. Board Member Kramer was absent.

Public Comments

Mike Vaughn, 598 N 4th Court, Coos Bay: extended his gratitude for the approval of the Hollering Place Wayside Parking design. Gino Landrum, 63281 Clover Drive, Coos Bay: asked why the Agency was considering approval for the demolition of the Lockhart building but denied Mr. Worthen's request for assistance to demolish the old Christian Science Building.

Executive Session

An executive session was held pursuant to ORS 192.660 (2) (e) for the Purpose of Discussing Real Property Transactions. The Agency reconvened into regular session.

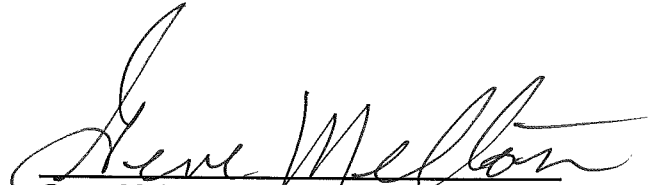
Adjourn

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

Attest:



Mark Daily, Secretary



Gene Melton, Chair