

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL WORK SESSION

December 14, 2005

The minutes of the proceedings of a work session of the City Council of the City of Coos Bay, Coos County, Oregon, held at 5:30 p.m. in the Manager's Conference Room at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Joe Benetti and Councilors Jon Eck, Roger Gould, Jeff McKeown, Cindi Miller, John Muenchrath, and Kevin Stufflebean. City staff present were City Manager Scott McClure, Deputy Recorder Joyce Jansen, Community Services Director Jim Hossley, and Finance Director Janell Howard.

Review of System Development Charge for City Streets

Community Services Director Jim Hossley reported the City contracted with Dyer Partnership for development of the system development charge plan, and introduced Mr. Dees to the Council. Mr. Dees explained system development charges (SDCs) are a one time charge to be used for capital improvements, and the goal is to recover capital funding for growth. Mr. Dees explained SDCs are established under Oregon statute and briefly reviewed the process for establishing a system development charge. There was further discussion on developing SDCs and Mr. Dees explained the funds can be used for major projects, all funds must be accounted for and no more than 75 percent of the cost of a project can be done with SDC funds. Councilor McKeown inquired about receiving credit for all street capital improvements projects, such as Newmark Widening Project. Mr. Dees reported they had reviewed city records and there were few examples for arterials and streets, however, he would do further research.

Mr. Dees reviewed the report which included a model ordinance and the method of figuring the SDC rate using population growth, vehicle trip ends, and housing. The report established the eligible SDC at \$639 Equivalent Dwelling Units (EDU). Mr. Dees briefly reviewed SDCs for other Oregon communities. Bob Vandervelden, representing the Homebuilders Association, commented the developer is not the one paying the SDCs; the purchaser does, and there are other SDCs such as for water, parks, and schools. Mr. Vandervelden reported only 18 percent of the homes in the Coos Bay-North Bend area were sold under \$150,000. Councilor Gould commented the City needs a way to pay for infrastructure improvements. Councilor McKeown noted the Council can control how much the SDCs will be charged. City Manager McClure commented the City would still need to come up with their share of the cost of the project. Mayor Benetti inquired if the SDC can be waived and Mr. Dees reported the state attorney general's recommendation is to not waive the fee because of equity considerations. Consensus of the Council to proceed with developing the plan and ordinance for SDCs and bring the documents to the Council in January or February.

Discussion on Affordable Housing – Small Lot Development

Community Services Director Jim Hossley briefly commented on the need for affordable housing and reported the city has been approached with a proposal to develop 1200 sq. ft. lots

using row houses. The city's current ordinance established the minimum lot size at 5,000 sq. ft. Mr. Hossley explained an advantage to row housing is it would increase the types of dwellings available for ownership and increase the number of people who can afford housing. The disadvantage would be the issue of on-street parking and the need for architectural review. There was further discussion on placing homes in a small area, parking requirements, and the need for affordable housing. Councilor Gould commented other cities have successfully used row housing. Consensus of the Council to research the concept and bring to the Council at a future meeting.

Discussion on Improvements to the Downtown Area

City Manager Scott McClure reported on advice from bond counsel, in order to use urban renewal funds for facades and helping property owners, the use would need to be referenced in the urban renewal plan. It is not currently in the plan and would require a substantial plan amendment. Councilor Stufflebean commented if the Agency did the improvements to buildings, the buildings would need to be deeded over to the Agency. Mayor Benetti suggested placing criteria on the improvements. There was discussion on setting aside funding for the categories of downtown improvements, offering grants or low interest loans, and giving tax breaks.

Councilor McKeown inquired about using urban renewal funds for marketing. Councilor Gould commented urban renewal funds cannot be given to the Tourism Promotion Committee or to SCDC. Councilor McKeown suggested hiring Ron Opitz to attract business to the urban renewal area. Councilor Gould recommended the Agency spend time considering what to spend the urban renewal funds on and prioritize the projects. The Council briefly discussed the Home Depot project and the problems with the South Town property. Mr. McClure asked the Council if they would like a list of projects by category for review. Consensus of the Council to review a list of current project and potential projects.

Lon Samuels and James Tarantino inquired about loans from the Urban Renewal Agency for improvements to downtown buildings. Mayor Benetti explained there would be funds for façade fix-ups, but not large loans. Mr. McClure commented there is an issue of taxable and non-taxable in loaning public funds. Councilor Gould commented urban renewal agencies are not structured to be lending agencies. Councilor McKeown recommended Mr. Tarantino contact the State Economic Development Department.

Adjourn

There being no further business to come before the Council, Mayor Benetti adjourned the meeting to December 20, 2005 in the Council Chambers at City Hall.

Joe Benetti, Mayor

ATTEST:

Joyce Jansen, Deputy Recorder