

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

**February 24, 1998**

The minutes of the proceedings of a meeting of the Urban Renewal Agency of the City of Coos Bay, Coos County, Oregon, held at 7 p.m. in the Council Chambers at City Hall.

## **Those Present**

Those present were Board Chair Joe Benetti, and Board Members Jeff McKeown, Don Spangler, Kevin Stufflebean, Joanne Verger, and Judy Weeks. Board Member Cindi Miller was absent. City staff present were City Manager Bill Grile, Deputy Recorder Joyce Jansen, City Attorney Randall Tosh, Library Director Carol Ventgen, and Community Services Director Bruce Meithof.

## **Approval of the Minutes of January 15, 1998**

Board Member Weeks moved to approve the January 15, 1998 meeting minutes. Board Member Stufflebean seconded the motion which passed with all members present voting aye.

## **Update on the Library Project**

City Manager Bill Grile reported the architect team and the management team are working to put together the library project for \$1.5 million, and the actual submission of the bids will tell if all the things can be done. Board Member Spangler asked if there was flexibility in the plan that perhaps some components could be done at a later time. Mr. Grile reported there is an 8 percent contingency, and the project is on track.

## **Discussion of Placement of the Empire Gateway**

Community Services Director Bruce Meithof reported the Agency Board had previously reviewed sites for the gateway and recommended placement of the gateway at Newmark and Cammann. Mr. Meithof explained the original site was at the Y; however, Coos Bay Marine does not want the gateway in front of their building. The site at Ace Hardware would be very expensive due to moving the power pole and lines, and difficulty in alignment of the gateway across the street. Mr. Meithof said the owner at the Newmark and Cammann location would not be contacted until staff receives direction from the Agency Board. He said the area has been reviewed and the gateway would work in this location.

Board Member Spangler commented the Y was the first choice, and suggested the problem with the power pole and lines be moved. Mr. Meithof said the gateway would not be aligned in this location and Oregon Department of Transportation would have to approve the change of the Devereaux driveway. Board Member Spangler suggested placing the gateway between the Devereaux and Hempstead properties. Mr. Meithof said he has not spoken to Mr. Hempstead. Board Member Verger commented a decision cannot be made without first contacting Mr. Hempstead. Board Member Spangler suggested putting the wiring underground and Mr. Meithof said it is very expensive to do. Consensus of the Board was to have staff contact the other businesses and report back.

Elaine Plummer, Ace Hardware, commented the gateway should be at the Y and they are willing to help in achieving this. Mrs. Plummer said she felt Mr. Hempstead would be agreeable and she would be willing to contact him about the matter.

Julia Spangler suggested if the gateway were placed in front of Ace Hardware, they be angled and it would appear as a gateway. She noted the gateway is not a solid structure and would lend itself to this. Mrs. Spangler contacted the businesses near the Y and they are supportive of the gateway located at the Y.

Board Chair Benetti suggested staff talk with the property owners and Mr. Meithof reported it would be the middle of April before he could continue with this project. Board Member Spangler objected to a month and a half delay and suggested Mr. Meithof delegate to another staff member. Mr. Meithof said his staff deals with the day to day business and he must do the special projects. Board Member Verger suggested Mrs. Plummer contact Mr. Hempstead and ask him to send a letter to the City agreeing to place the gateway on his property. Board Chair Benetti noted the majority of the Board supported locating the gateway at Newmark and Cammann at the Agency's previous meeting. Chair Benetti commented the process was stopped because one member wanted the location at the Y looked at again, and as the Board wants to accommodate the property owners, it will take time.

### **Review of Consultant Charles Kupper's Preliminary Revenue and Cash-flow Scenarios**

City Manager Grile reported he and the city attorney had reviewed the cash flow in context with the downtown district projects first because the district is more complex, older and bigger than the Empire urban renewal district. Mr. Grile explained the definition for maximum indebtedness does not mean in the normal way; not bonded debt or interest costs. The project cost and inflation cost in context with our ability to make a good faith estimate.

City Attorney Tosh explained it is important to remember that maximum indebtedness for the purpose of the plan amendment is only the principle amount, not including the interest. Considerations when computing the maximum indebtedness; selection of the rate of inflationary growth, and estimated rate of increase in the expected revenue to the Agency.

City Manager Grile said five assumptions were used in the calculations; 1) the Agency would collect the full amount of taxes, 2) all project costs would be inflated 2.56%, 3) revenues would increase by 4.43% per year, 4) the project list would be as currently listed in the downtown urban renewal plan, and 5) all projects in the plan will be done. Mr. Grile explained the Agency cannot add more projects prior to computing the maximum indebtedness. Mr. Tosh said this is a good faith estimate and the Agency cannot spend more for principle than the amount that is certified. Mr. Grile reported using this inflation and revenue rates, for \$31.5 million in project costs, the proposed maximum debt would be \$46.58 million and the district would end in 27 years. Mr. Tosh explained the maximum indebtedness is the ceiling on the principle, administrative costs would be part of the project cost, and the Agency can substitute projects.

Mr. Grile noted the Agency must comply with the new statute by July 1<sup>st</sup> and projects can be substituted with a plan amendment after this process has been completed. Board Member McKeown commented the Agency would be limited by the amount of the revenue. Mr. Grile said the revenue is limited by ballot measure 50 and the Agency could not get more revenue by playing with the project list. Board Member Weeks asked what if projects were deleted and Mr. Tosh responded that would lower the maximum indebtedness figure. Mr. Grile noted that if a greater inflation rate was used, the plan would never be completed and the statute now requires the plan to have a completion date. Board Member McKeown opinioned the computations work fine. Board Member Weeks inquired if the same inflation and revenue rates would be used for the Empire Urban Renewal Plan and Mr. Tosh said yes. Board Member Verger asked if the maximum indebtedness figure is cast in stone once submitted.

Mr. Tosh explained the Agency can chose the option that would equal the amount before ballot measure 50; could increase the amount which would require a substantial amendment to the plan and would use a different way of obtaining the revenue. Mr. Grile commented it is not realistic to consider levying additional tax and suggested the Agency chose option 1 or 3. He noted option 2 would levy a citywide tax and the other options keep the status quo division of taxes. Board Member Spangler commented if one

district improves, it benefits the whole city.

Mr. Tosh explained with option 1 the amount needed for debt is taken via division of taxes method, based on the new permanent rate, and if that is enough to cover the debt, then a special levy may be used. This option is only available for 1997-98. Option 2 does not have the division of taxes and would levy a citywide tax dedicated to urban renewal projects. Under option 3 the Agency could specify the amount it wishes to raise under division of taxes and take the rest via levy, and is not compelled to collect the whole amount. Mr. Tosh said the selection of the option is a policy choice. He commented under option 1 would affect the property owners within the district, option 2 all property owners within the city would be affected, and option 3 is a combination of the two in the proportion other than reflected by division of taxes.

Board Member Verger commented everyone benefits from urban renewal and the policy decision is who should pay. There was further discussion on the how each of the options work and would affect the taxpayers. Board Member McKeown noted the decision did not need to be made right now and he would need a better understanding before making a decision. Chair Benetti said he agreed with option 1. Board Member Spangler commented the Agency should go in with a good faith manner and with no hidden agenda. Board Member McKeown said option 1 does not lock the Agency into a levy and give the Agency some flexibility. Mr. Tosh commented a plan amendment must be made to comply with the statute to establish the maximum indebtedness. Consensus to proceed and bring the matter back to the Agency.

Board Member Stufflebean moved to recommend option 1 to the City Council. Board Member Weeks seconded the motion which passed with all Board Members present voting aye.

### **Adjournment**

There being no further business, Chair Benetti adjourned the Urban Renewal Agency meeting.

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Joe Benetti  
Chair of the Urban Renewal District  
of the City of Coos Bay  
Coos County, Oregon

ATTEST:

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Don Spangler  
Secretary of the Urban Renewal Agency  
of the City of Coos Bay  
Coos County, Oregon