

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

April 21, 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 Jon Eck, Joanie Johnson, Stephanie Kramer, Jeff McKeown, and John Pundt. Board Member Mark Daily was absent. Staff present were City Manager Chuck Freeman, City Attorney Nate McClintock, City Clerk Amy Kinnaman, Economic and Community Development Manager Joyce Jansen, Public Works and Development Director Jim Hossley, City Engineer Carl Nolte, Finance Director Rae Lea Cousens, Library Director Carol Ventgen, and Fire Chief Stan Gibson.

Approval of the Minutes of April 7, 2009

Board Member Eck moved to approve the minutes of April 7, 2009. Board Member Kramer seconded the motion which passed with Chair Melton and Board Members Eck, Kramer, Johnson, McKeown and Pundt voting aye. Board Member Daily was absent.

Visitor Information Center Project Update

Hilary Baker of Crow Clay presented comparisons for three HVAC systems; Code compliant, Standard Track and Custom Track. The Code complaint system was previously presented to the Agency but was not approved; the system meets the need to heat and cool but is not zoned and therefore does not give the building occupants flexibility in controlling the system or efficiency in operating it; approximate cost, \$75,000. The Standard Track system offers the same system as the Code compliant system but uses energy efficient equipment with an estimated longer life and is eligible for incentives from Oregon Energy Trust (OET); approximated cost less incentives, \$75,918. The projected annual cost savings for the Standard Track system is \$864.00 or \$.24 per square foot. The Custom Track split system provides four heating and cooling zones to better accommodate the building occupants with flexible controls and greater user comfort. Additionally, the equipment is energy efficient and will have a longer life than the Code complaint system and is also eligible for incentives from OET; approximate cost less incentives \$93,531. The projected annual cost savings for the Custom Track system is \$1,469 or \$.41 per square foot. Ms. Baker noted that the Custom Track system can be submitted for incentives under the Standard Track which is a simpler process and would reduce consultant fees by \$2,250.

Board Member McKeown questioned if a grant was available to cover the additional costs of the energy savings package. City Manager Chuck Freeman stated he submitted a grant to the Oregon Department of Energy in the amount of \$30,500. It was a consensus of the Agency to move forward with the Custom Track system.

Ms. Baker presented comparisons for two Solar Cost Calculations for the installation of photovoltaic (solar panels) to the Visitors Information Center; Oregon Energy Trust Incentives and a Power Purchase Incentive. The OET Incentive Cost Calculation would be owned and

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operated by the Agency. This would allow the Agency to be eligible for the OET Incentives. Mrs. Baker noted the tax credit option shows an estimated outstanding balance of \$40,000 after 15 years.

The Power Purchase Agreement involves a third party procuring the system and receiving the savings from the OET Incentives; with a payback in five years. The Agency would not own the system and would negotiate to purchase the power from the third party at a discounted rate. The Agency may also consider negotiating to purchase the entire system at a later point in time. The benefit of the Power Purchase Agreement is that capital outlay would not be required to fund the installation of the PV panels.

The layout would utilize both south facing roofs of the Visitors Information Center and generate 15.58 KW of power; which is not enough to power to sustain the building over a year. Ms. Baker stated it was unlikely any profit could be made by selling power back to power company. Anticipated cost of the photovoltaic (PV) panel installation is \$118,408, plus electrical consultant fees. In addition, due to the added weight of the panels, the roof trusses need to be engineered for additional support; increasing the cost of the engineered trusses, rough carpentry and roofing. City Manager Chuck Freeman noted the City will be applying for the Blue Sky Grant in the amount of \$21,603.

Board Member McKeown moved to approve the use of solar panels if the figures presented were found to be approximate of the actual costs, with further evaluation required to determine which Solar Cost Calculation should be used to pay for the system. Board Member Johnson seconded the motion which passed with Chair Melton and Board Members, Kramer, Johnson and McKeown voting aye and Board Members Eck and Pundt voting nay. Board Member Daily was absent.

Ms. Baker stated the Leadership in Energy and Environmental Design (LEED) Certification is a holistic approach to the entire building design. The Energy Trust programs address only the conservation of energy within a building. LEED Certification is typically incorporated into buildings exceeding 20,000 sf. whereas the Visitors Information Center building is at 3647 sf. A typical LEED Cert adds 3% to the cost per 10K sf. with the Visitors Information Center costs increasing 6-9% or \$60,390-\$90,586. It was a consensus of the Agency not to pursue the use of the Leadership in Energy and Environmental Design Certification.

Requests for Approval of Grant Funding from the Virtual Business Incubator Program

Economic and Community Development Manager Joyce Jansen presented grant applications on behalf of Coos Bay Seaplanes for \$7,438 for marketing and advertising including signage; Egyptian Theatre for \$7,500 for signage and new equipment. Chair Melton questioned if Coos Bay Seaplanes is a transient business and if the grant is applicable to transient business. City Attorney Nate McClintock stated if the sites of the businesses operation is in the Urban Renewal District the business would be eligible. Ms. Jansen stated it was her understanding Coos Bay Seaplanes only operates from the City's dock in the summer. Ms. Jansen stated it was her feeling Coos Bay Seaplanes would be eligible for the grant noting that it brought considerable business to the Coos Bay Waterfront. City Manager Chuck Freeman requested advertising and marketing be restricted to Coos Bay only. Board Member Pundt felt more information from

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Coos Bay Seaplanes' business plan was necessary to better determine the businesses eligibility in addition to further clarity defining the Agency's position to establish the legitimate use of Urban Renewal funds; suggesting a storefront be a requirement of the application process. Board Member Eck moved to approve the grant applications as presented. Board Member Johnson seconded the motion which passed with Chair Melton and Board Members Eck, Kramer, Johnson and McKeown voting aye and Board Member Pundt voting nay. Board Member Daily was absent.

Approval of a Façade Improvement Grant and Virtual Business Incubator Grant for Bayshore Chevron

Economic and Community Development Manager Joyce Jansen presented a Façade Improvement Grant Applications on behalf of Bayshore Chevron for \$49,652 with \$36,828 eligible for the façade grant and a 50/50 match requirement; making the total grant amount to be considered by the Agency \$18,414 for painting and lighting. In addition Bayshore Chevron applied for a virtual business incubator grant in the amount of \$11,774 for signage and is eligible for the full \$7,500 grant. Ms. Jansen noted the Historic Design Review Committee reviewed and approved the use of nonconforming historical district color standards. City Manager Chuck Freeman stated Board Member Daily was unable to attend this evenings meetings but had contacted him to convey his concern that the business comply with historical design standards; Board Member Daily requested the issue to be tabled until he was present to articulate his concerns. Board Member Eck moved to approve the Façade Improvement Application as presented. Board Member McKeown seconded the motion which passed with Chair Melton and Board Members, Eck, Kramer, Johnson, McKeown and Pundt voting aye. Board Member Daily was absent.

Discussion on Request to Expand the Downtown Urban Renewal District Boundary

City Manager Chuck Freeman stated he contacted Jeff Tashman of Tashman Johnson, LLC to research the costs of expanding the Urban Renewal District. It was determined the cost to increase the UR District was incremental. The Downtown UR District is eligible to expand up to seven acres and the impact of only increasing the district by .04 acre as requested by Mike Vaughan, co-owner of Garden Elements would require the Agency to pay for a consultant review. Staff requested if the Agency is not inclined to increase the UR District a work session with Mr. Tashman be scheduled to assist the Agency in evaluating its options for increasing the district. Board Member McKeown moved to table the decision awaiting further information from Mr. Tashman. Board Member Eck seconded the motion which passed with Chair Melton and Board Members, Eck, Kramer, Johnson, McKeown and Pundt voting aye. Board Member Daily was absent.

Establishing Criteria for Eligibility for Virtual Business Incubator Grant

Board Member McKeown suggested the Virtual Business Incubator Grant program to be limited to locally owned and operated retail businesses. Economic and Community Development Manager Joyce Jansen requested eligibility clarification for professionals such as physicians, dentists and attorneys. Board Member McKeown stated he would like to see the program

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limited to retail businesses. City Manager Chuck Freeman stated he would research the applicable source code that defines retail; as a guide to clearly establishing eligibility criteria. By Agency consensus, it was agreed to limit grant eligibility to locally owned and managed businesses and to revisit the matter in the future to allow time to research the matter further.

Public Comments

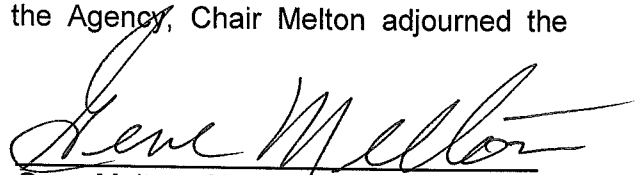
Mike Vaughn, 598 N. Fourth Court, Coos Bay: stated he was in favor of including the property facing Broadway from Highland Avenue to Birch Avenue; increasing the district by 2.0 acres, as presented during the March 17th meeting. Stephen Pickering, 2170 N 28th Street, Coos Bay: asked the Urban Renewal Agency to consider providing funds for cleanup of graffiti.

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.


Gene Melton, Chair

Attest:


Mark Daily, Secretary