

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

**May 24, 2011**

The minutes of the proceedings of a special meeting of the City of Coos Bay Urban Renewal Agency, held immediately following the City Council meeting held at 7 p.m. in the Council Chambers, 500 Central Avenue, Coos Bay, County, Oregon.

**Those Attending**

Those present were Chair Gene Melton and Board Members Jennifer Groth, Joanie Johnson, Stephanie Kramer, John Muenchrath and Crystal Shoji. City staff present were City Manager Rodger Craddock, Acting Finance Director Susanne Baker, Acting Deputy Finance Director Amy Kinnaman, Public Works and Development Director Jim Hossley, Operations Administrator Randy Dixon, Economic Revitalization Administrator Joyce Jansen, and Police Captain Cal Mitts.

**Public Comments**

No comments were given.

**Discussion on the Boat Building Center**

City Manager Rodger Craddock stated over the past four years community members had worked to establish a boat building center in Coos Bay. Through this effort the Coos Bay Boat Building Center (BBC) was established as a non-profit organization and the Urban Renewal Agency (URA) entered into a three year management agreement with the BBC in an effort to help sustain and establish the program. On August 16, 2009 the URA entered into a lease with Doug and Donna Devine for the premises located at 100 Newmark Avenue to house the BBC.

Mr. Craddock reported after the lease was signed, staff assessed the property and identified additional repairs beyond the scope identified in the lease but were also necessary to mitigate risk management issues. In December of 2009, the URA approved a budget of \$130,340 to complete both the repairs required in the lease and the additional work; total balance remaining for site improvements was \$76,026. Mr. Craddock stated the BBC had to vacate the premises in August 2010 while structural deficiencies involving the pier system were mitigated by the property owner and the location was brought up to code. The estimated cost to bring the building up to code was \$160,000 which exceeded the approved project budget by \$83,974. Mr. Craddock also noted an additional estimate of \$65,000 for alternate work requested by the BBC.

Mr. Craddock stated the property owner was near completion of the restoration of the pier structure and staff was prepared to put out bids for the work on the structure. However, prior to going out to bid, staff was contacted by Doug Devine, the property owner, and Jim Burg, BBC President with a proposal for the BBC taking over the lease of the property and for the owner to use his contractors to perform the necessary building repairs for a cost not to exceed \$100,000. The URA would remain as part of the project by way of the management agreement with the BBC of which the BBC planned to renegotiate in the near future. Mr. Craddock stated the proposal was advantageous to the URA by providing an opportunity to establish a useable location for the BBC. The proposal would also eliminate blight, create economic development,

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and would save the URA an estimated \$60,000. The proposal would also allow the BBC to reoccupy the facility sooner than previously anticipated. Mr. Craddock noted the building owner had the ability to conduct the needed repairs and already had contractors on site and would not need to go out for bid on the project.

Board Member Shoji inquired if the City/URA would continue to pay the costs agreed to in the original lease agreement whereby Mr. Craddock confirmed the agency would still continue to provide assistance to the BBC. Mr. Craddock noted if the BBC was to take over the lease, they would be requesting a tax exemption from the county. It was Mr. Craddock's recommendation that the BBC be required to pay the portion of taxes allocated to the City/URA. Board Member Kramer inquired if it was legal to refund a portion of assessed taxes whereby Mr. Craddock confirmed it was legal by way of the URA entering into a management agreement with the BBC. Board Member Groth questioned if the agency provided money for the project if Mr. Devine would be required to abide by prevailing wage. Mr. Craddock stated the project did not meet the criteria of a prevailing wage project because the city did not own the property and would not be completing the repairs to the property.

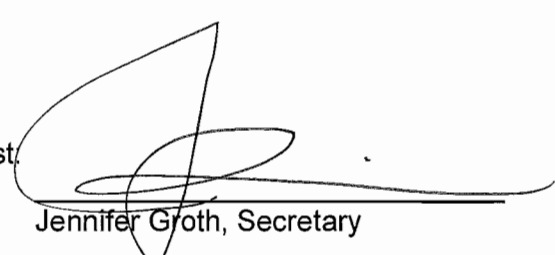
Board Muenchrath inquired as to what the next step was for the project whereby Mr. Craddock stated Board Members Kramer and Melton were on the BBC board and would be able to provide the agency with updates. Property owner Doug Devine estimated the project would be completed June 25<sup>th</sup>. Mr. Devine expressed concern over city owned property located adjacent to his property, noting there was a large hole in need of fill. Mr. Devine offered to assist in the remedy of the problem. Board Member Shoji inquired if permits would be required to complete the repairs whereby it was determined permits would be required prior to filling the hole. Chair Melton inquired if Operations Administrator Randy Dixon had determined how much material it would take to remedy the problem.

Board Member Kramer moved to terminate the lease agreement with Doug and Donna Devine, to craft and enter into an agreement with Doug Devine to bring the building structure located at 100 Newmark Avenue up to code as detailed in ZCS engineered and stamped plans dated March 1, 2011 in exchange for payment of \$100,000, to draft the required minor plan amendment to Empire URA Plan to include the project, and to allow staff to renegotiate the terms of the management agreement with the BBC. Board Member Muenchrath seconded the motion which passed with Chair Melton and Board Members Groth, Johnson, Kramer, Muenchrath, and Shoji voting aye.

**Adjourn**

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

Attest:

  
Jennifer Groth, Secretary

  
Gene Melton, Chair