



OFFICE OF THE CITY MANAGER
City of Newport, Oregon
169 S.W. Coast Hwy.
Newport, OR 97365
541-574-0603
s.nebel@newportoregon.gov

MEMO

DATE: March 12, 2024
TO: Mayor and City Council
FROM: Spencer Nebel, City Manager

SUBJECT: Status report for the four-week period ending Friday, March 8.

Over the next few weeks, I will be heavily engaged in preparing a proposed budget for the fiscal year beginning July 1, 2024 and ending June 30, 2025. My preparation time on the budget really ramps up during the week of March 18 with the individual departmental meetings to review department budget requests for the next year, and then compiling the proposed budget for the Budget Committee's review and action. I have blocked out significant time to work from home on the budget between the dates of March 29 through April 14 to complete these tasks. As a result, my availability will be limited during this time. The budget is slated to be released on Tuesday, April 16, 2024.

Erik Glover and I will be attending the Northwest Managers' Spring Conference in Seaside. We will be out of the office Tuesday afternoon March 26 returning to town on Friday, March 29. Derrick Tokos will be Acting City Manager while Erik and I are attending the Northwest Regional Managers' meeting.

Highlights of Activities During the Past Few Weeks Include the Following:

- Participated in the day-long goal setting session with the City Council on Monday, February 12. We changed the format of the goal setting session and had good discussions about the direction of the City for the fiscal year that will begin July 1, 2024. This will be a transitional year with my retirement and hiring a new city manager to begin Fiscal Year 2025!
- Steve Baugher and I have met to prepare the agenda for the preliminary Budget Committee meeting.
- Held bi-monthly meetings with Jason Malloy, Rob Murphy and Lance Vanderbeck.
- Met to sort the holiday pay for employees based on the variable work schedules we have implemented. In the past, for any employees working 10-hour days received the full 10 hour holiday for any of the holidays recognized by the City. This created an inequity for employees working 8 or 9-hour days. When we made the conversion, with the majority of employees working four

ten-hour days, we had to address that issue by providing eight hours of holiday pay on a holiday with employees utilizing either floating holiday or vacation time to make up the additional two hour difference for each holiday. This has been implemented City-wide.

- Erik Glover and I participated in a city managers' meeting we hosted at City Hall. During the meeting, we discussed negotiations, budgeting and other similar issues facing the Cities and County for this upcoming year.
- Met with our consulting engineers, Brown and Caldwell, on the wastewater treatment plant master plan. Participating for the City were Chris Beatty, Steve Stewart, DJ Fox and I. This was in preparation for making several adjustments to the plan in order to provide a more reasonable implementation schedule. This plan was presented to the City Council by Brown and Caldwell at the March 4 City Council work session.
- Participated in the Recreation Center public open house on the Sam Moore Parkway project. While there was quite a buildup on social media, the actual turnout was fairly slim for this meeting. I believe that Mike got good feedback from those who attended this open house.
- Held bi-monthly meetings with Laura Kimberly, Steve Stewart and Justin Scharbrough to discuss Library and Public Works issues.
- Scheduled a meeting to address neighborhood concerns regarding the winter shelter located on 7th Street in City Center. Participants included Derrick Tokos and Jason Malloy, from the County, Health Department Director Jane Romero, Susan Trachsel, Geneva Campitelli and Chantel Estes participated. Also attending was Karen Rockwell from the Housing Authority of Lincoln County. This was a good opportunity to hear reports on how the operation has been going, and to address a couple of complaints the City has received since the facility opened. Overall, according to Chief Malloy, the location has been well-run with no need for any police calls to the shelter, and any complaints that the City has received, has been limited to date. Concern over the impact of the shelter on property values from an adjacent landlord was shared with the group. In addition, a business across from the post office had an altercation with a homeless individual that was reported to the City. By all accounts, those that are actually staying in the shelter have not been tied to any of these direct complaints. The County provided stats on people served at the shelter to date, which I have attached to this report. The County and the Housing Authority are both committed to running a tight ship for this facility. So far, I think they have been effective at providing needed shelter space with significantly less impacts and complaints than what surrounded the Grace Wins facility on 1st Street. We will continue to monitor the situation.
- Prepared agenda items for the February 20 City Council meeting.
- The City was closed on Monday, February 19, in observation of Presidents' Day.
- Held a routine Department Head meeting.
- Reviewed applications for the communications position. We had a number of applicants with a variety of experience and we will be proceeding with the phone screens and interviews.

- Had a meeting with ODOT to prepare for a meeting requested by Representative Gomberg with Nyla Jebousek, regarding the intersection of San Bay-O Circle and US 101. The actual meeting was scheduled a week later, and it is my understanding that Nyla Jebousek opted not to move forward with the meeting, if the City was participating. She had apparently requested a meeting just with ODOT and Representative Gomberg. I have not heard if this meeting has been rescheduled.
- Participated in a work session on Tuesday, February 20, where interviews were conducted for Budget Committee members by the City Council; a discussion held on effective meetings; Council Rules; and an overview of the affordable housing construction excise tax code changes, was presented by Derrick Tokos. This was followed by an Urban Renewal meeting that included public hearings for the South Beach Development project and a supplemental budget. Unfortunately, the developer for the South Beach project indicated that circumstances have changed, and they will need to pull out of that project. The Urban Renewal Agency has instructed staff to proceed with another round of request for proposals for the development of the site.
- Participated in the regular meeting on Tuesday, February 20, with the City Council.
- I was on vacation from Wednesday, February 21 through Tuesday, February 27. Angela and I had a nice time visiting friends in Las Cruces, New Mexico, and enjoyed dry weather and explored a state that I had not visited before.
- Attended the February Yaquina Bay Economic Foundation (YBEF) meeting held at the Maritime Heritage Center on the Bayfront. A number of issues were discussed, a Center tour was provided, as well as the proposed expansion taking place to provide conference facilities. I have attached a copy of the building floor plan showing the area to be developed as part of a conference center.
- Met with Mayor Kaplan and Council President Hall to discuss my upcoming retirement, the recruitment process for a new city manager, and their proposal to move forward with a pay adjustment for my position. A report was provided to the City Council at the March 4 meeting.
- Held a routine Department Head meeting.
- Jason Malloy, Chris Beatty, Derrick Tokos, Beth Young and I met to review the comments from the City Council meeting, the Bike and Ped meeting, and the report from Kittelson on traffic management issues for Oceanview Drive. A meeting with Kittelson has been scheduled to follow-up on issues we would like to address further, and report to the City Council.
- Participated in a meeting with Mayor Kaplan, Council President Hall, Chris Beatty, Steve Stewart, DJ Fox and Cathie Rigby to prepare the delegation for the upcoming trip to Washington D.C. This trip will be to explain the work that is being proposed for federal funding for the Plant. The primary purpose of this trip will be more focused on federal funding for the Plant than Big Creek Dam. I indicated I would prepare updates of the Big Creek Dam project since this is a great opportunity to share the status of this project. The federal fiscal year is still a little early to start securing Dam funding for construction,

since the preliminary, design, engineering and permitting will likely take three to four years. This work is necessary to determine the ultimate scope of this project.

- Participated in a Council work session where Brown and Caldwell presented a report on the investment necessary for the wastewater treatment plant and the North Side Pump Station for the next 15 years. Unfortunately, the reinvestment necessary to upgrade current processes and deal with additional future capacity needs, is well in excess of \$100 million. This, coupled with the Dam project, will require an investment of over \$200 million for the community during this next 15-year period. Continued efforts to obtain state and federal funding will be an important function in order to address these issues; there was also a report from Derrick Tokos on ordinance changes necessary for the implementation of the City's housing production strategy to reduce code barriers for housing development; there was a brief report provided about Zoom implementation and Granicus upgrades to increase our meeting flexibility and streamlining the process to incorporate Zoom participants in meetings; questions were requested by Council regarding speed cameras with a report to go to Council at a future work session. A decision will then be made by Council whether we should proceed with this technology to help enforce speed issues in specific areas of the city.
- An executive session was held with the Urban Renewal Agency on potential property transactions.
- The regular city Council meeting was held at 6 PM on Monday, March 4, to address a variety of business issues.
- Held a bi-monthly meeting with Chris Beatty.
- Held the preliminary Budget Committee meeting on Tuesday, March 5 at 6 PM. The Budget Committee includes City Council members and an equal number of citizens appointed by the Mayor and Council. The first meeting is a procedural meeting to discuss overall financial conditions and to prepare the Committee for reviewing Fiscal Year 2024-2025.
- Jason Malloy, Derrick Tokos, Chris Beatty, Beth Young and I participated in a meeting with Kittelson to review the areas in which additional information was requested by the City Council and the Bike and Pedestrian Committee. A report will be provided to the City Council at the April 1 City Council meeting.
- Steve Baugher, Barb James and I met on an employee concern in the Finance Department.
- Melanie Nelson and I met with Emily Rehder from Jensen Strategies on logistical issues relating to the space needed for the city manager interviews the week of April 15. We blocked the rooms necessary for those days, and we have now refined that schedule to open up space for other meetings. We will be using various spaces in City Hall for the citizen interviews, professional managers' interviews, and the department head interviews of the selected city manager candidates. Jensen Strategies will be meeting with the City Council on April 1 beginning at 3 PM to determine which candidates will be selected for interviews. At that time, Council should also be prepared to discuss potential members of the citizen interview panel, and I indicated

to Emily that Council would like to also discuss potential interview questions for the interviews on Thursday, April 18, occurring following the various panel interviews. The deadline for applications was Monday, March 11.

- I participated in a meeting with Dig Deep Research and HDR Engineering on the Dam project. I requested finalization of the fundraising graphics for both the Big Creek Dam and the wastewater treatment plant for the delegates to take with them to Washington D.C. This is something that Mayor Kaplan had requested. I enclosed a copy of these documents for your review. In addition, I asked that HDR provide a report on the status of the engineering/permitting work for the Big Creek Dam, which is also enclosed. These documents were sent with the delegation traveling to Washington D.C. to advocate for funding for the wastewater treatment plant.
- Held bi-monthly meetings with an Anna Laukea, Derrick Tokos and Barb James to discuss various departmental issues.
- Participated in an internal Newport Police Association negotiation session with Mark Wolf from Local Government Law Group, Barb James and Jason Malloy to prepare for the next negotiation session.
- Had a meeting with Chief Malloy, Lt. Gainer and Barb James on an employee issue.
- Had a meeting with Chief Malloy and Lt. Haynes on office improvements in the Police Department for a working space for the new lieutenant.
- Chris Beatty, Derrick Tokos, Melissa Román and I met to review the engineering standards handbook that is being developed, with Melissa taking the lead on this effort. This will be a living document, but should provide better guidance to developers, engineers and architects undertaking projects within the City of Newport. We will be presenting this to the City Council for review and asking Council to ultimately accept the design standards going forward. Again, this is an item that will be modified from time to time, but I believe it will put us in a much stronger position in sorting out various issues that can occur between developers and the City on regulatory issues.
- Met with Karen Rockwell, Executive Director for the Housing Authority for Lincoln County, and Jane Romero head of the Lincoln County Health Department, regarding funding for capital improvements necessary for the winter shelter on SW 7th Street. They will be making a request to City Council to utilize the City's designated funding for a permanent shelter for homeless individuals. This request will be made at an upcoming City Council meeting. It should be noted that we have an obligation to commit the ARPA funds by December 2024 for the selected projects. As part of the budget process, we will be providing an update to the Budget Committee of where we are with the ARPA funds. All funds must be committed by December 2025.
- Participated in a meeting with Dig Deep Research and Water Strategies, LLC, to discuss the upcoming meetings in Washington that Mayor Kaplan, Councilor Hall and Acting City Engineer, Chris Beatty, will be attending during the week of March 11. A final packet was prepared for the delegation.
- Held a bi-monthly meeting with Mike Cavanaugh to discuss Parks and Recreation matters.

- Steve Baugher, Eric Carpenter and I participated in a meeting with Glenn Gahan, who is with the City's pension actuaries, HUB, to view the actuarial report for the time period ending June 30, 2023. This is the report that identifies the financial standing of the City's pension and determines the contributions that the City may make into the retirement fund based on various assumptions. This was a helpful meeting in understanding the numbers that were generated by our actuaries for the contributions necessary for this coming year. One thing that I had forgotten about, is that the 10-year, 20-year, and 25-year actuarial periods, are in reality, three years, 13 years and 18-year time periods. This is because the Newport Retirement Trust had a goal to have the defined benefit portion of the retirement system fully funded in 10 years in 2016. The Newport Retirement Trust recommended that the City continue on a 10-year program, not knowing that, actually, this was a three-year program to address unfunded liability for the defined benefit employees. My recommendation, as part of the budget, will be to utilize the 20-year numbers (which is actually a 13-year period) for the contribution for this next year. Three years is unrealistic to cover the unfunded liability as determined by the actuaries. The 20-year plan is in reality, a 13-year plan to address this issue. This is a reasonable period of time in which to try to achieve 100% funding for the plan. By making this such a short window, the finances are subjected to significant swings up-and-down of market trends.
- Held a bi-monthly meeting with Travis Reeves to discuss various IT issues.
- Barb James and I had a conference call with the consultant preparing the salary study for non-represented positions for the City Newport. This process is taking a little longer than expected. I indicated that we need these prior to me finalizing a proposed budget for the next fiscal year. During our conversation, the contractor doing the work for Lane County COG has indicated that she will send portions of it in pieces as she completes these sections.
- Barb James and I are using Fridays and Saturdays to work through the final part of the Employee Manual. This has been a project that we have been working on for some time. It is my goal to get this completed prior to the end of my tenure on June 30. This will be an important guide for the next city manager.

As part of the review, we continue to look at specific sections that have been identified in the work place culture plan. One of the issues that has been identified are the vacation time accrual schedule, as well as addressing the time that employees can accumulate vacation time moving forward. I will be proposing some changes to the accrual schedule, and the cap of what employees can carryover and be paid out for on separation from the City.

Upcoming Events:

- I will be working from home periodically from Friday, March 29 through Friday, April 12 to work on my final proposed budget for the City. We

- anticipate sending out the proposed budget on Tuesday, April 16, to the Budget Committee with the first Budget Committee meeting on April 23.
- I am planning to attend the Northwest Regional Managers' meeting from March 26 to March 29 in Seaside, OR.
 - The City Council has scheduled an early work session on April 1 beginning at 3 PM to hold an executive session with Jensen Strategies to review candidates for the city manager position.
 - Interview panels, community and staff receptions will be held the week of April 15 for the city manager selection process.
 - April 16 at 3 PM is the staff reception at the Recreation Center.
 - April 16 at 6 PM is the community reception at the Performing Arts Center.
 - April 17 are Panel interviews 11 AM to 5:30 PM.
 - April 18 City Council interviews will take place in executive session from 8:30 AM to 1 PM.
 - April 19, from 9 AM to 11 AM will be an executive session to select a city manager; and, in open session from 11 AM to noon, to make a job offer to a candidate.
 - April 23 is the first Budget Committee meeting.
 - The League of Oregon Cities Local Government Spring Conference will be held in Klamath Falls from April 25 - April 26. We have registered Mayor Kaplan, Councilors Parker, Hall, Botello, Edmond and Erik and I. Please let Erik know if you need to cancel so we can get a refund on our rooms.
 - Monday, April 29 at 6 PM is a town hall meeting. We intend to focus on street system funding.
 - Tuesday, May 14 at 5 PM is the second Budget Committee meeting.
 - Wednesday, May 15 from 11AM to 1 PM is the LOC Small Cities meeting in Depoe Bay.
 - Tuesday, May 21 is election day in Oregon.
 - Tuesday, May 28 at 6 PM is the third Budget Committee meeting.
 - I plan to attend my last OCCMA Summer Conference which will be held in Hood River on June 24 - 27.
 - My tentative retirement date as city manager is Sunday, July 7. The tentative start date for the new city manager is Monday, July 8.
 - Monday, September 2 is the Labor Day holiday. Council meetings will be held Tuesday, September 3.
 - The annual ICMA meeting is going to be held from September 21 - 25, 2024, in Pittsburgh, Pennsylvania. I encourage my successor to participate in the annual ICMA meetings. These there are very important professional development opportunities for members of ICMA. There is a wealth of information that is provided at these conferences and the experience of traveling to different cities to participate in various demonstrations and tours to view how other cities tackle various municipal problems is extremely beneficial. Please encourage your new manager to participate in the ICMA meetings.
 - Monday, September 30 at 6 PM is scheduled for a town hall meeting.

- The League of Oregon Cities Annual Conference will be held from October 17-19 in Bend, Oregon. Erik will be contacting Council in early summer to determine attendees to secure rooms for this event. It is important that Erik secure rooms the first hour of conference registration to assure everyone stays in the conference facility.
- November 21 and 22, City offices will be closed due to the Thanksgiving holiday.
- On Tuesday, December 24 City offices will be closed half day and a full day on Wednesday, December 25 for the Christmas holiday.

Attachments:

- I have attached information that was provided to Mayor Kaplan, Council President Hall and Acting City Engineer Chris Beatty, for their trip to Washington D.C. to advocate for funding for the City's wastewater treatment plant.
- Attached is a "cyber hygiene" report card that is provided by the US Department of Homeland Security regarding the city's IT vulnerabilities. Homeland security is continually testing participating local units of government to determine where vulnerabilities exist within their systems. We received a stellar report card indicating that we have no critical or high vulnerabilities within our data systems. Their testing has identified only three medium and one low vulnerability within our systems. In these cases, it is a matter of the effort needed to eliminate these vulnerabilities, the relatively risk of addressing problems with these items. If you look at the chart, you can see the efforts that Travis has made in addressing medium-low vulnerabilities throughout the time period from September 2023 to the present, we had no active critical or high vulnerabilities identified in our systems.
- Attached is a report provided by Justin Scharbrough on the pothole management program showing the number of work orders completed in 2023. The street budget has been hit hard with some significant cost increases during this past year for dust control and pavement marking. These will all be considerations in next year's budget request.
- Attached are the statistics provided by the county health department on the demographics of individuals that have been housed at the overnight winter shelter. Guests ages range from 0 to 83. Individuals identified with Lincoln City and Newport are the highest participants in the sheltering program. The highest guest count through the course of the winter was 38 with 218 individuals being served by the shelter in Newport, as well as the hotel rooms in Lincoln city.
- Attached is a floor plan for the multipurpose room at the Maritime Heritage Center . City Council authorized a grant agreement with the historical society to help make these improvements to this facility.
- Attached is a story from OPB on commuter air service to Newport.
- Attached is a story from OPB on the Newport South Beach Urban Renewal District.

I hope everyone enjoys the last days of winter. The first day of spring is about a week and-a-half away!

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel".

Spencer R. Nebel, City Manager

cc: Department Heads

Washington D.C. March 11-13

Summary of Travel Plans

CM Hall has made all of her own travel arrangements. She will arrive in Washington D.C. on Sunday, March 10 and will stay at the Cambria Hotel on Sunday, March 10 and will be staying with friends the remainder of the time in D.C.

Chris Beatty will be staying with family in Portland on Sunday night.

On Sunday night, David, Susan Gomberg and Jan Kaplan will be staying at the Airport Sheraton Hotel. David will be dropped off by Susan. Jan Kaplan will be driving a city vehicle to the airport on Sunday night and will be returning Wednesday night with Representative Gomberg.

Tia Cavender will be flying to Washington, D.C. on Sunday and staying at the Cambria Hotel.

Jan, Chris and David will be staying at the Cambria Hotel on Monday and Tuesday nights.

Participants:

Mayor Jan Kaplan, City of Newport	541-270-2667
Councilor CM Hall, City of Newport	503-888-7172
Engineer Chris Beatty, City of Newport	503-349-2426
Representative David Gomberg	541-921-1281
Kris Polly, President & CEO, Water Strategies	703-517-3962
Drake Wood, Legislative Asst., Water Strategies	816-673-6842
Tia Cavender, CEO, Dig Deep Research	720-785-4155

March 10- Sheraton Portland Airport (these rooms have been are prepaid)

8235 NE Airport Way, Portland; (503) 281-2500

Hotel Reservations:

- David and Susan- 773 229 69
- Jan- 773 229 67

*A credit card will be needed for any personal expenses at the hotel.

March 11 Departure Flight: 9:45 -Alaska Flight 10 Arrival: 5:30 PM

Seats Assigned:

- David - 30A
- Jan - 30 F
- Chris - 30D

Hotel

Cambria Hotel - Washington D.C. Navy Yard Riverfront
69 Q Street, SW, Washington, D.C. (202) 509-0982

Hotel Reservations:

- David - 912 628 894
- Jan - 912 628 895
- Chris - 912 628 896

* All three of these reservations should pop up under 894. Chris will take care of room payments.

On Monday, March 11 from 7-9 PM, the LOC is hosting an Oregon-Only reception at the Marriott Marquis at 901 Massachusetts Ave. NW in the Silver Linden Room.

Water Strategies Tentative Schedule

Tuesday, March 12

TBD Breakfast Briefing
Water Strategies, LLC
4 E Street SE

10:30 AM Congresswoman Val Hoyle's Office (D-OR)
Meeting with Congresswoman Hoyle and Bobby Puckett
1620 Longworth HOB
Washington, DC (202) 225-6416

TBD Lunch
Water Strategies, LLC
4 E Street SE

12:45 PM Senator Jeff Merkley's Office (D-OR)
Meeting with Senator Merkley
531 Hart Senate Office Building
Washington, DC 20510 Phone: (202) 224-7783

3:00 PM Senator Ron Wyden's Office (D-OR)
Meeting with Senator Wyden
221 Dirksen Senate Office Building
Washington, DC 20510
Phone: (202) 224-1118

6:00 PM Dinner with CHIP Class
Water Strategies, LLC
4 E Street SE

Wednesday, March 13

TBD Breakfast Briefing
Water Strategies, LLC
4 E Street SE

11:45 AM Congresswoman Andrea Salinas' Office
Meeting with Congresswoman Salinas
109 Cannon House Office Building
Washington, DC 20515

March 13 Return Flight: 6:30 PM -Alaska Flight 9 Arrival: 9:36 PM

Seats Assigned:

- David - 27 A
- Jan - 26 F
- Chris - 26 A



Spencer R. Nebel
City Manager
CITY OF NEWPORT
169 S.W. Coast Hwy.
Newport, OR 97365
s.nebel@newportoregon.gov

DATE: March 7, 2024

TO: Mayor Kaplan, Councilor Hall, State Representative Gomberg and Acting City Engineer, Chris Beatty

FROM: Spencer Nebel

RE: Washington D.C. Trip Background Information

Attached is information for your trip to Washington, D.C. to assist in your meetings with various legislative and staff offices. The primary purpose of this trip has evolved away from dam funding to advocate for federal funding for the City's wastewater treatment plant upgrades and a general long-term commitment to fund deteriorated infrastructure across the U.S. However, it will be a good opportunity to brief folks on the Big Creek Dam project as well. The City has requested through Senator Merkley and Senator Wyden a \$3 million Fiscal Year 2025 Community Initiated Project (CIP) Appropriation for the North Side Pump Station (NSPS) replacement. Congresswoman Hoyle will get the submission when the opportunity opens on the House side. Dig Deep is monitoring that closely, and Congresswoman Hoyle's staff is aware of our efforts. As soon as it opens, we will submit.

As you are aware, the City is completing a wastewater treatment plant master plan to address both obsolescence of the existing plant and capacity issues for the future. The initial price tag for this work is anticipated to exceed \$100 million over a 15-year period. This is in conjunction with another major infrastructure project of \$100 million dam project. It is important to remember that the City has miles of aging water, sewer and storm sewer lines that will require significant investment in the future as well. These two projects alone will have a significant impact on the families and businesses that utilize water and sewer services within the City of Newport.

The primary mission for this trip is to request a fiscal year 2025 Community Initiated Project (CIP) Congressional appropriation for improvements to the City's NSPS. This is part of the first phase of improvements included in the draft master plan. The NSWF collects all of the wastewater north of Yaquina Bay and directs that wastewater to the wastewater treatment plant in South Beach. This facility plays a critical role in removing grit and debris from the wastewater that reduces wear and tear on components of the wastewater system, including the wastewater treatment plant. After the wastewater is treated at the WWTP, then cleaned effluent flows back from the wastewater plant under

Yaquina Bay back through the NSPS, with the effluent being dechlorinated and then discharged off of Nye Beach. Funding is being requested for this first phase of the \$100 million-dollar master plan projects. This project will replace the NSWf with a modern pump station, including screening process improvements, grit system, modification of the replacement of the geodesic dome system upgrades and electrical upgrades. The proposed facility will eliminate much of the exposure the currently face employees to pathogens and other threats since much of the work to clear the screens and remove grit is done by hand. Failure of components of the NSPS could result in raw sewage overflowing at Nye Beach, and a total failure of the NSPS would result in the inability to treat any sewage north of Yaquina Bay.

The cost estimate for this work is \$7.9 million. The City has received a commitment of state lottery bond funding from the State Legislature from House Bill 5030 in the amount of \$3.825 million to make improvements to its wastewater treatment plant. The 2025 Community Initiated Project Appropriation request for the NSPS from the City of Newport is \$3 million. This request was made to both Senator Merkley, and Senator Wyden.

In addition to the CIP request, the delegation should be prepared to give an update on the Big Creek Dam meeting with the members of our delegation familiar with this project. I have forwarded updates on this project for your review as well as a few other attachments to help you with your advocacy efforts. The information included in this packet are as follows:

- 1.) A travel itinerary and meeting schedule for the Washington trip;
- 2.) Talking points that illustrate the impact on ratepayers of the City of Newport if the entire burden of the dam and wastewater improvements had to be borne by the ratepayers of the City;
- 3.) Status on current design and permitting efforts for the Big Creek Dam project;
- 4.) Status on funding for both the Big Creek Dam project and wastewater treatment projects;
- 5.) Fiscal Year 2025 CIP request form. (Includes Oregon HB 5030 authorizing \$3.825 Million and Support Letter from Representative Gomberg)
- 6) Travel Documents

I appreciate everyone's willingness to make the trip to Washington D.C. to support these ongoing projects.

Sincerely,



Spencer R. Nebel,
City Manager

Talking Points for Washington DC Trip

City needs to construct a \$100,000,000 dam

City Wastewater Treatment Plant will need a \$100,000,000 in improvements over the next 15 years according to the draft master plan being developed by Brown and Caldwell

US Census QuickFacts - Newport city, Oregon

City Population (est. July 1, 2022) 10,412

Median Household Income \$57,511

Median selected monthly owner costs -with a mortgage, 2018-2022 \$1,909/m \$23,028/y

Median gross rent, 2018-2022 \$1,086/m \$13,032/y

Illustration of impacts on Families for these improvements

Cost for the dam, without State and Federal Support per Household of Four

Cost per Household \$100,000,000 divided by 10,412 = 9,604/capita or \$38,416/family of four.

Cost for Wastewater Treatment Plant, without State and Federal Support per Household of Four

Cost per Household \$100,000,000 divided by 10,412 = 9,604/capita or \$38,416/family of four.

Combined Cost of Two Capital Projects per household of four

These costs to Newport's residents and businesses would be spread out over a period of time, but when looking at the total financial impact using population as basis for this impact the capital cost for just these two facilities would equal the following: $\$38,416 \times 2 = \$76,832$ /family of four. Please note that these costs do not reflect other improvements that will be necessary over this time period for water distribution lines upgrades, replacement of sanitary sewer lines and address storm water issues that will also impact our local rate payers over time.

The impact on Water, Sewer and Storm Sewer Utility bills would be as follows:

Presuming that these improvements were financed over a 30-year period at 4% interest without Federal or State assistance, the impact on rate payers would be as follows: a family of four using 5,000 gallons of water a month currently pay \$135.88 per month. If these expenses were supported strictly from utility rates, the cost for this same family would increase to \$348.06 per month, a 156% increase in costs. This family would pay an additional \$2,546.16/year to cover these two projects alone or \$76,384.80 over the 30-year life of the bonds.



Fact Sheet

March 2024

Newport, Oregon's Big Creek Dams Project

Targeted Completion: 2033 Critical Funding Gap: Approximately \$79M

The Big Creek Dams Project is the City of Newport, Oregon's effort to protect the sole water supply for its 10,700 year-round residents and 2.5 million annual visitors against forecasted seismic events.

The project will replace two aging earthen dams - deemed "unsafe/potentially unsafe" by the Governor's Office - with a single, modern concrete dam designed to withstand major earthquakes.

Project Status

Design, Engineering, and Permitting:

- The project is currently in the Preliminary Design stage, with plans to transition to Final Design early in 2025.
- Comprehensive, multidisciplinary engineering and state/federal permitting work is underway.

Water Rights and the Environment:

- An application to transfer existing water storage rights (1,170 acre-feet) to the new reservoir is under state review.
- The project will apply for a fish passage waiver to authorize enhanced fish passage at nearby sites, with 1 to 3 locations being considered from an initial pool of over a dozen sites in need.

Public Outreach:

- Engaging and educating the community is a top priority, so an array of communication and outreach tools will soon be in place. The city plans public engagement through town hall meetings, local stakeholder engagements, and regional activities.
- Initial discussions with property owners potentially impacted by construction have been conducted to ensure transparency and address concerns.

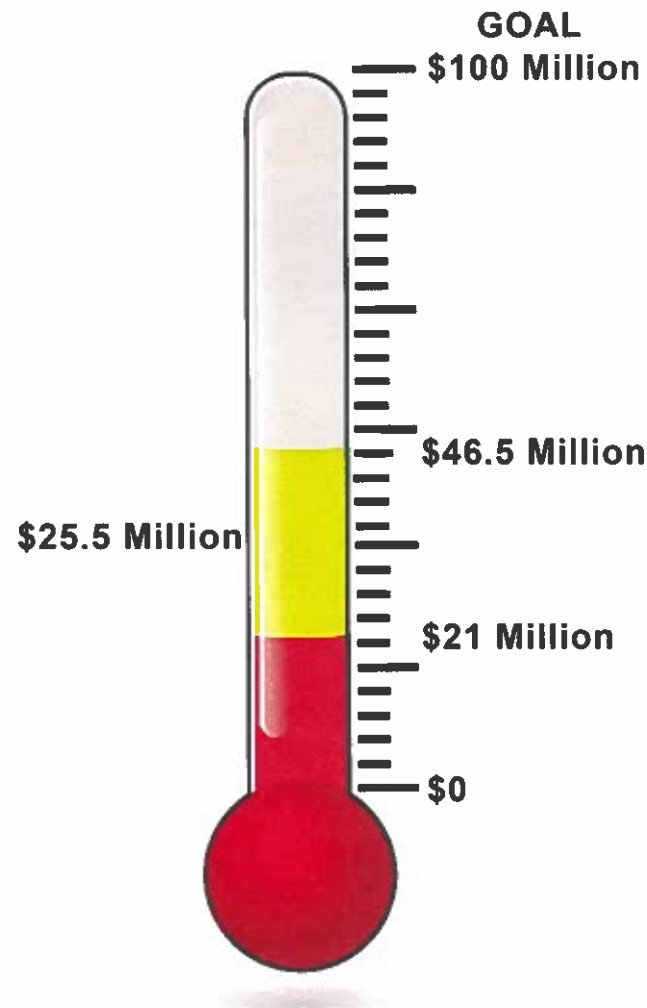
Project Timeline:

- Preliminary Design: Approximately one year (2023 - 2024).
- Design, Permitting, & Bidding: Approximately four years (2024-2028).
- Construction: Approximately 4-5 years (2028-2033).

Project Budget Estimates:

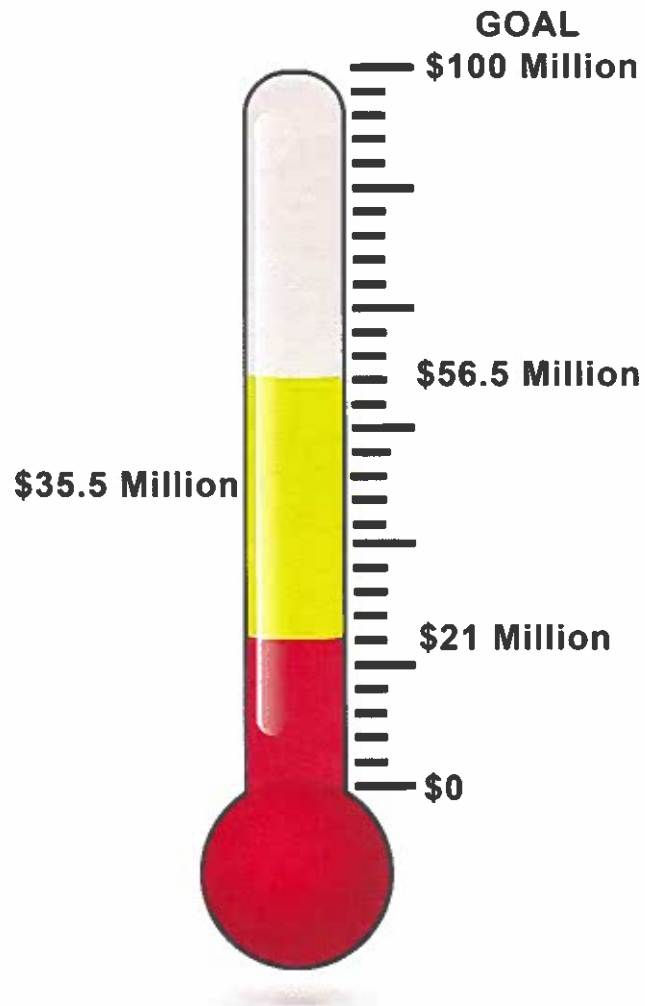
- Total Project Cost: Estimated between \$94.9M and \$123M.
- Funding Secured: \$21M, with \$35.5M in grants and loans being pursued
- **Critical Funding Gap: Approximately \$79M**

Big Creek Dam Grants Only



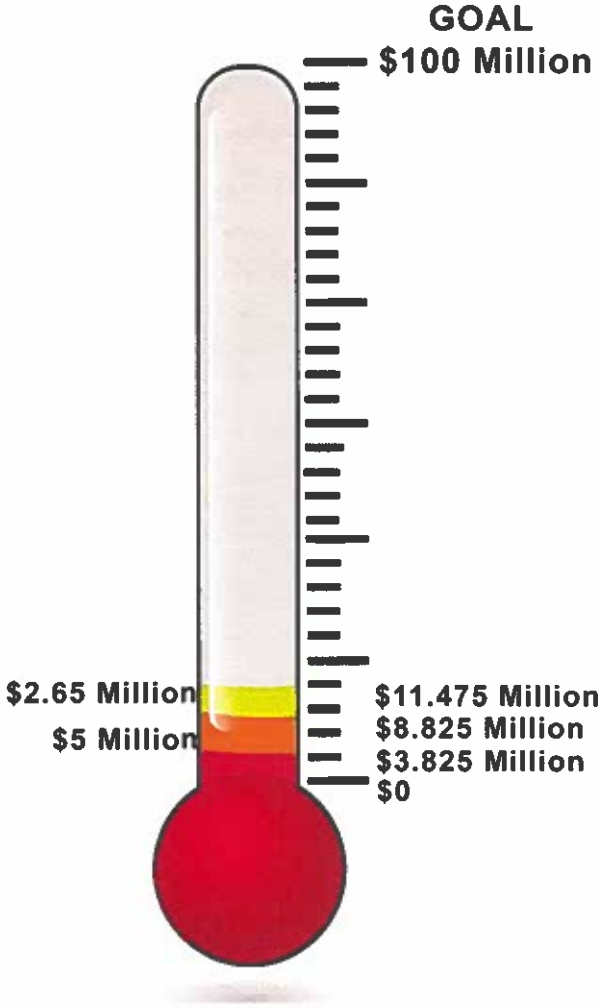
- Fundraising Goal: \$100M
- Secured to Date: \$21M
- Vetting New Pursuits: \$25.5M
- *WRDA Authorization: \$60M*

Big Creek Dam Grants & Loans



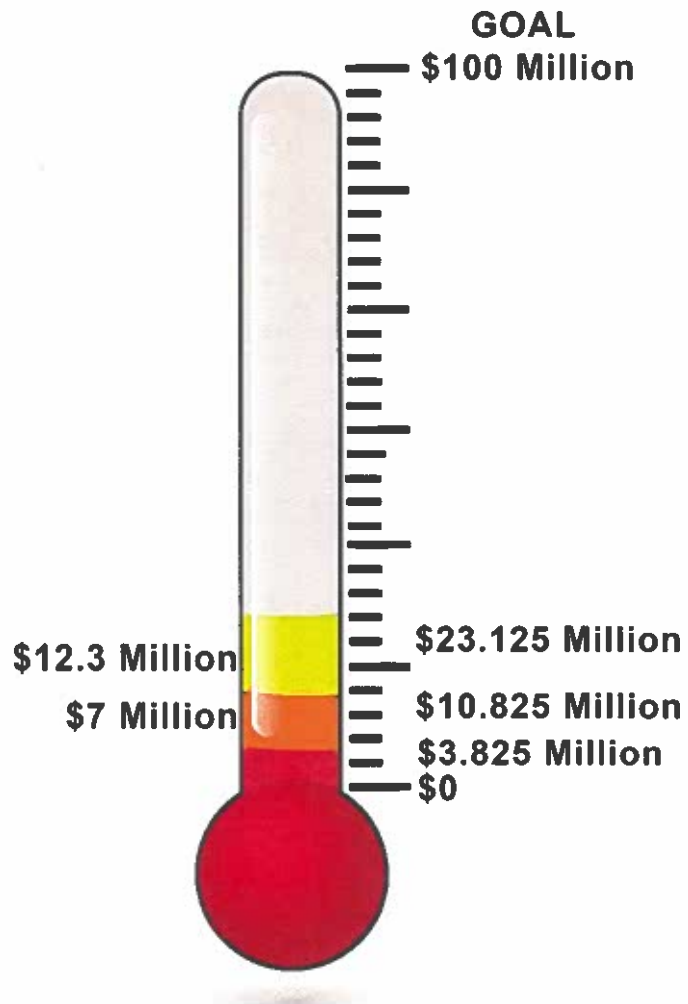
- Fundraising Goal: \$100M
- Secured to Date: \$21M
- Vetting New Pursuits: \$35.5M
- *WRDA Authorization: \$60M*

Wastewater MP Grants Only



- Fundraising Goal: \$100M
- Secured to Date: \$3.825M
- Under Review: \$5M
- Planned New Pursuits: \$2.65M

Wastewater MP Grants & Loans



- Fundraising Goal: \$100M
- Secured to Date: \$3.825M
- Under Review: \$7M
- Planned New Pursuits: \$12.3M

Council Updated Goals

Pothole Management Program (CM Hall question)

- 137 work orders were completed for pothole repair in 2023.
- \$27,137.71 FY 22-23 spent patching potholes with asphalt.
- \$12,179.72 FY 23-24 (so far) spent patching potholes with asphalt.

These repairs were done with the Street Maintenance fund. The total available funds for Street infrastructure have been \$100,00 and \$50,000 for construction for the past two years. The funds for these line items also pay for paint, dust control, rock, cold patch, deicer, sand, cones, barricades, etc., so the funding available for asphalt is limited. The gas tax funding has generally been utilized by Engineering and not for maintenance.

Account No.	Description	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2022-2023	FY 2022-2023	FY 2022-2023	FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024
		Prior Year Actuals	Prior Year Actuals	Current Year Beg. Budget	Current Year Amend. Budget	8 Months Actuals	Fiscal Year End Estimates	Department Request	Proposed Budget	Approved Budget	Adopted Budget	
251-3210-52130	RETIREMENT	24,821	24,870	18,917	16,578	9,172	11,758	11,157	11,157	11,157	11,157	11,157
251-3210-52150	WORKER'S COMPENSATION	4,003	4,968	6,282	6,297	1,832	2,287	6,701	6,701	6,701	6,701	6,701
251-3210-52160	UNEMPLOYMENT INSURANCE	112	113	2,588	2,672	791	1,439	7,074	7,074	7,074	7,074	7,074
251-3210-52170	PAID LEAVE OREGON	-	-	-	-	68	271	890	890	890	890	890
	TOTAL PERSONAL SERVICES	179,093	179,190	216,132	222,002	99,977	157,261	261,450	261,450	261,450	261,450	261,450
	Total Full Time Equivalent (FTE)	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	MATERIAL & SERVICES											
251-3210-40100	PROFESSIONAL SERVICES	312	342	1,000	1,000	3,446	5,000	8,000	8,000	8,000	8,000	8,000
251-3210-40200	FINANCIAL PROFESSIONAL SERVICE	368	451	450	450	89	549	800	600	600	600	600
251-3210-60400	EMPLOYMENT SERVICES	13,799	3,317	5,000	5,000	-	-	5,000	5,000	5,000	5,000	5,000
251-3210-61100	UTILITIES - ELECTRIC	2,116	1,080	2,500	2,500	865	2,000	2,500	2,500	2,500	2,500	2,500
251-3210-61130	UTILITIES - GAS HEATING	982	710	1,000	1,000	777	1,000	1,200	1,200	1,200	1,200	1,200
251-3210-61190	UTILITIES - OTHER	1,210	1,652	2,200	2,200	135	1,500	2,200	2,200	2,200	2,200	2,200
251-3210-61200	BUILDING & GROUNDS EXPENSES	5,968	12,615	6,000	6,000	5,193	8,000	10,000	10,000	10,000	10,000	10,000
251-3210-61300	PERMITS/LICENSES EXPENSES	313	348	500	500	115	350	500	500	500	500	500
251-3210-62100	CLEANING EXPENSES	5,221	4,852	4,500	4,500	3,093	4,500	5,000	5,000	5,000	5,000	5,000
251-3210-63100	VEHICLE EXPENSES	19,930	28,211	25,000	25,000	7,234	14,000	25,000	25,000	25,000	25,000	25,000
251-3210-63200	EQUIPMENT EXPENSES	13,866	14,323	12,000	12,000	15,911	18,000	25,000	20,000	20,000	20,000	20,000
251-3210-63300	MAINTENANCE AGREEMENTS	-	720	960	960	-	-	-	-	-	-	-
251-3210-63400	INFRASTRUCTURE EXPENSES	21,625	94,764	100,000	100,000	45,834	90,000	110,000	100,000	100,000	100,000	100,000
251-3210-64200	RENTAL EXPENSES	125	-	-	-	-	-	-	-	-	-	-
251-3210-65100	INSURANCE PREMIUM & EXPENSES	12,323	15,699	18,996	18,996	18,137	18,137	22,309	22,309	22,309	22,309	22,309
251-3210-65200	COMMUNICATIONS EXPENSES	4,891	4,354	4,500	4,500	2,789	1,700	4,500	4,500	4,500	4,500	4,500
251-3210-65400	PRINTING & BINDING	1,057	1,420	1,300	1,300	664	1,500	1,500	1,500	1,500	1,500	1,500
251-3210-65500	TRAVEL & MEETING EXPENSES	475	1,628	2,000	2,000	997	2,000	2,500	2,500	2,500	2,500	2,500
251-3210-65550	MEMBERSHIPS, DUES & FEES	-	187	300	300	178	300	300	300	300	300	300
251-3210-65600	TRAINING	1,186	2,307	2,000	2,000	1,248	2,400	2,500	2,500	2,500	2,500	2,500
251-3210-66100	OFFICE SUPPLIES	641	400	450	450	538	700	700	700	700	700	700
251-3210-66200	POSTAGE/SHIPPING EXPENSES	98	115	100	100	146	200	300	300	300	300	300
251-3210-66250	CONSTRUCTION MATERIALS/SUPPLIES	21,819	12,089	50,000	50,000	15,582	35,000	50,000	50,000	50,000	50,000	50,000
251-3210-66300	TRAFFIC SAFETY & SIGNAGE	23,453	16,862	30,000	30,000	42,883	50,000	50,000	50,000	50,000	50,000	50,000
251-3210-66500	CLOTHING & UNIFORMS	1,830	492	750	750	271	400	750	750	750	750	750
251-3210-66600	GENERAL EXPENSES	27	27	250	250	-	-	-	-	-	-	-
251-3210-66700	SAFETY & HEALTH EXPENSES	1,243	659	250	250	243	300	350	350	350	350	350
251-3210-66800	FUEL	8,371	11,597	15,000	15,000	8,824	15,000	15,000	15,000	15,000	15,000	15,000
251-3210-67200	OTHER DATA PROCESSING EXPENSES	600	-	1,000	1,000	-	-	-	-	-	-	-
251-3210-69101	SERV PROVIDED BY GENERAL FUND	50,922	52,704	73,817	73,817	49,206	73,817	77,877	77,877	77,877	77,877	77,877
251-3210-69701	SERV PROVIDED BY PUBLIC WORKS	96,767	100,154	135,239	135,239	90,160	135,239	142,677	142,677	142,677	142,677	142,677
	TOTAL MATERIAL & SERVICES	311,171	384,039	497,262	497,262	314,540	481,592	566,263	594,540	594,540	594,540	594,540

Price increases for Dust control;

- 2020- \$24,771.25
- 2021- \$30,408
- 2022- \$33,534
- 2023- \$42,544

Price increase for Centerline Striping;

- 2020- \$16,756
- 2022- \$13,281.95
- 2023- \$43,200
- Paint prices skyrocketed 22-23

FY 23-24 The Infrastructure budget was nearly cleared by the cost increase with dust control and striping. Aside from requesting more funding in these line items, Public Works will work with Engineering to utilize overlay funding to assist with our pothole management. PW has also requested a 2-ton asphalt trailer for crews to utilize to improve our proactive pothole program for FY 24-25. Also, one of our primary goals this coming fiscal year is to work with ODOT on improving pavement in crosswalks along Highway 101.



Justin Scharbrough

Acting Public Works Director for Operations

The Community Shelter & Resource Center **Newport / Lincoln City**

3/04/24

218 unique individuals

Open 153 nights with an average of 32 per night =3,825 stays – Newport

Open 61 nights with an average of 12-14 per night (limited space) =732 stays – Lincoln City

Total Guest Age range 0-83

0-5	2	6-9	1	10-17	4	18-29	19	30-39	43
40-49	59	50-59	55	60-69	25	70-79	8	83	2

Total Guest Location

LC	45	NP	54	Waldport	16	Depo Bay	5	Yachats	6	Toledo	4
		Siletz	9	Corvallis	5	Eugene	8	Portland	1	Out of state	26
The rest of Oregon State 34											

Total Guest Race

Asian	6	American Indian	33	Black	12	Pacific Islander	8
White	157	Other Romanian	2				

Total Guest Ethnicity

Hispanic	19
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Total Guest Gender

Non-Binary	5	Female	69	Male	136	Transgender	8
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From October 23 to February 24, the shelter manager trained 29 volunteers and 25 BBSI shelter staff in de-escalation, mental health first aid, bloodborne pathogens, and Narcan

We have 17 shelter staff: 5 for Lincoln City opening Jan 4th, 2024, and 12 in Newport.

43 guest referrals for housing resources with 14 housing placements.

Zero calls for law enforcement intervention

Zero Fire Department calls

Zero Ambulance calls (Newport) 1 Lincoln City

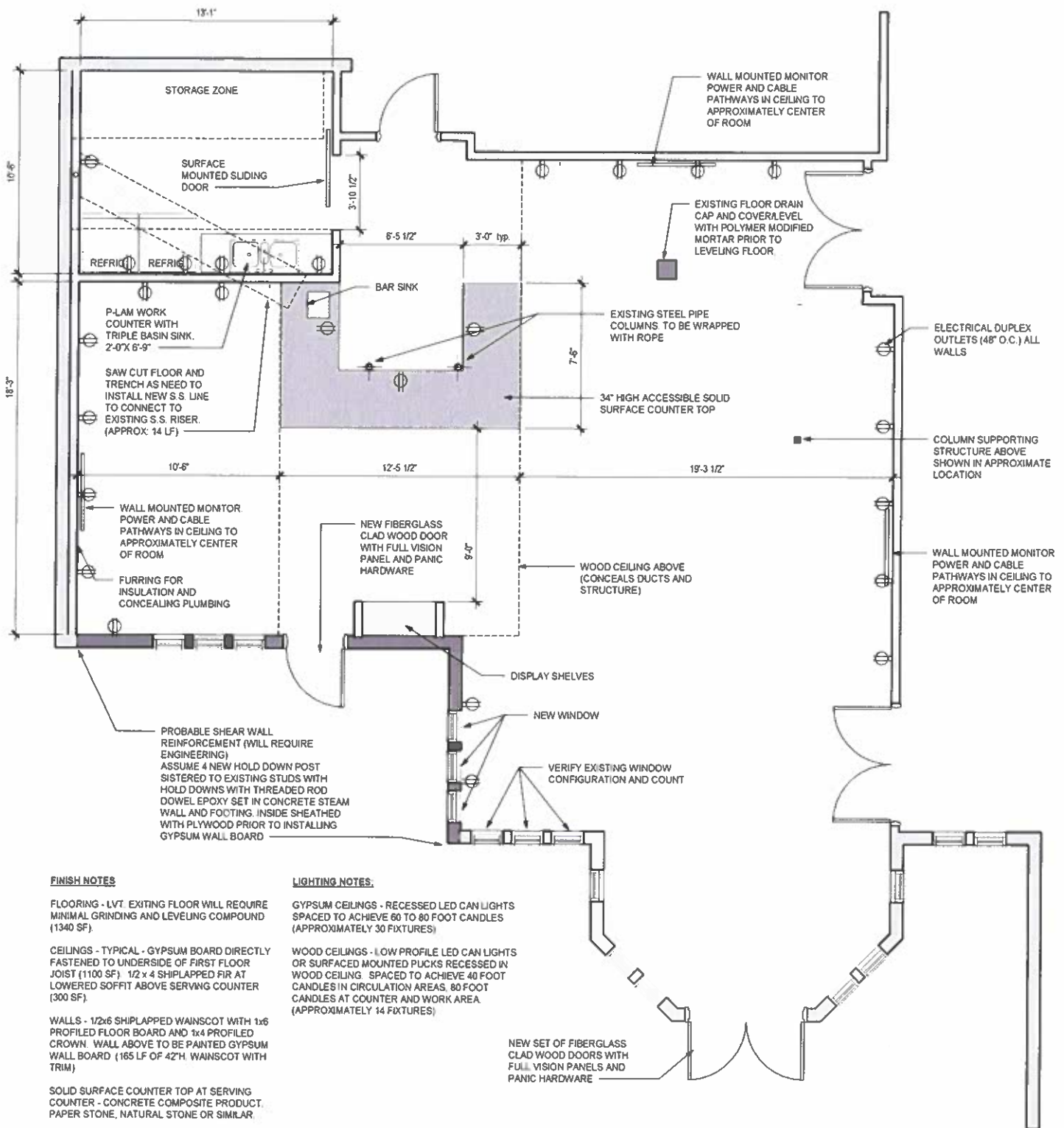
53 Shelter Manager after hour calls for intervention

26 Officer Escorts for guest placement

15 Emergency room transports

11 After hour crisis placements

The highest guest count for one night was 38



LINCOLN COUNTY HISTORICAL SOCIETY
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PMHC MULTIPURPOSE ROOM PROJECT

Location: PMHC, across the hall from the Doerffer Family Theater | Approximately 1,700 sq feet

Project Budget: \$223,860 | Room design includes custom milled salvaged Doug Fir from the Siletz River Mill

The completion of this much needed space will be used to facilitate classes, workshops, K-12 education, adult education programs, training sessions, and special events.



Backers on a mission to bring commuter air service back to Newport on Oregon Coast



By Kristian Foden-Vencil (OPB)

Feb. 17, 2024 6 a.m.

Business owners say they'd buy plenty of ticket vouchers if that would help bring passenger service back again.



A LifeFlight helicopter is just one of the operations running out of Newport Airport. Town leaders are hoping to attract passenger flights as well.

Kristian Foden-Vencil / OPB



STREAMING NOW
Morning Edition

Oregon has 98 airports, both private and public. Some are little more than a field where pilots can practice takeoffs and landings. Others, like Portland International, help drive Oregon's economy.

Newport Airport, on the central Oregon Coast, lies somewhere in between. But locals want it to be bigger.

"We need to attract commuter air service," said Newport city airport director Lance Vanderbeck, who is one of just three airport staff.

He started pumping gas here, then moved up to ground maintenance, then administration.

Newport has two large World War II-era runways, a place for visiting pilots to rent cars, a LifeFlight office, small hangars for planes, and a U.S. Coast Guard air station.

"We also have FedEx on the field, which is for cargo. UPS flies in on a daily basis. The other thing that we see is corporate flights, like Fred Meyer or Kroger," Vanderbeck said. "We also get some of the larger entertainers that go up to the casino."

Newport Airport director Lance Vanderbeck crosses the taxiway on an airport tour on Feb. 7, 2024.

Newport Airport director Lance Vanderbeck crosses the taxiway on an airport tour on Feb. 7, 2024.

Kristian Foden-Vencil / OPB

Despite all the activity, there is a big hole: Newport doesn't have commuter air service.

Attracting commuter flights can be the difference between businesses settling in town or moving somewhere more convenient.

"I probably head to Portland 40 to 50 times a year," said Paula Miranda, the executive director of the Port of Newport.

She oversees the marina, with its fishing boats, research vessels and an RV park. That means lots of meetings, many in Portland. She makes the two-and-a-half hour drive about once a week. Flying would take 45 minutes and be cheaper.

She said traffic, weather and timing often mean she has to stay the night when she's out of town on business.

"I just went to a conference out of state. And I had to spend a night on my way in and on the way back," she said.

Port of Newport executive director Paula Miranda estimates that she has to drive to Portland about once a week.

Port of Newport executive director Paula Miranda estimates that she has to drive to Portland about once a week.

Kristian Foden-Vencil / OPB

What's really frustrating for Miranda is that Newport used to have passenger air service.

SeaPort Airlines started flying between Astoria, Newport and Portland in 2009. But it was only sustainable with government subsidies totaling more than \$2 million a year. When those subsidies started running out, SeaPort canceled the service, blaming market trends and fuel costs.

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Newport leaders tried to keep things running with free housing for pilots and fuel discounts. But Vanderbeck said it wasn't enough: "You know SeaPort was required to fly four flights a day, whether they had passengers or not, which of course means you're just burning through your grant money."

Newport Airport has plenty of activity, from recreational pilots to UPS and FedEx. But local businesses really want a commuter service.

Newport Airport has plenty of activity, from recreational pilots to UPS and FedEx. But local businesses really want a commuter service.

Kristian Foden-Vencil / OPB

The financial cost of losing passenger service has been minimal so far. But that could change.

The National Oceanic and Atmospheric Administration moved its Pacific fleet to Newport in 2011. That includes half a dozen vessels including deep sea research ships and nearshore scientific craft.

The move was a real feather in Newport's cap, and an economic boon.

But shortly afterward, SeaPort canceled air service, leaving NOAA executives and scientists with a tougher commute to Washington D.C., Portland or frankly anywhere.

Luckily for Newport, NOAA had signed a long lease. But Miranda said keeping the agency in town — and hanging on to other big businesses, for that matter — requires regular, reliable air service.

"NOAA is definitely a big factor. Because the port and the state put a lot of money into bringing NOAA here. We're seven years away from their lease expiring. Do we want to keep them here? Of course, we do," Miranda said.

But attracting airlines to a small town is not easy. Profitability relies on having a critical mass of local travelers. And airlines won't usually set up shop without government help.

The city's last attempt to lure an airline was in 2018. For \$500,000 in government help, Boutique Airline said it could provide 520 flights to Portland at a ticket cost of \$45. After that, the airline would need more money. But the Oregon Department of Aviation did not approve the grant because not enough local businesses had come forward with concrete support.

Now Newport is taking another run. This time it has conducted a survey to prove local interest.

"To find out if there's any there, there," said Paul Schuytema, executive director of the Economic Development Alliance of Lincoln County.

Schuytema said 235 businesses and individuals responded quickly to the survey. Eighty percent said they'd consider purchasing air travel vouchers in advance.

"Then when we started diving into, 'How often would you make trips?' Those numbers blew me away," he said.

"There's a huge chunk of the companies that responded that they would make well over 10 trips a year. To me that's a lot. Some of them would make 200-plus trips a year."

Lincoln County hosts a number of larger organizations, including a Georgia Pacific facility, Oregon State University programs and the Chinook Winds Casino. So the study proves substantial interest. But supporters now have to convince local governments to back the idea.

Newport City manager Spencer Nebel thinks city councilors will probably provide some money. But he said it's early, "It's not something that we've specifically talked about. This is kind of a conversation that we're building up to at this point."

Now airport backers are spreading out across the central coast to build momentum. In the back of their minds is Redmond Municipal Airport.

In 2003, with a half-million dollar government grant, Redmond residents got 120 local companies to buy prepaid tickets — enough to both prove interest and attract air service. Now, 20 years later, Redmond Airport can boast 30 flights a day and five carriers.

Newport's 40-year experiment with urban renewal nears an end



By Kristian Foden-Vencil (OPB)

March 9, 2024 6 a.m.



Urban renewal has helped the South Beach Fish Market in Newport, Ore., attract customers, pictured here on Feb. 8, 2024.

Kristian Foden-Vencil / OPB

Newport's 40-year experiment with urban renewal nears an end

By Kristian Foden-Vencil (OPB)

March 9, 2024 6 a.m.

Urban renewal has helped the South Beach Fish Market in Newport, Ore., attract customers, pictured here on Feb. 8, 2024.

Urban renewal has helped the South Beach Fish Market in Newport, Ore., attract customers, pictured here on Feb. 8, 2024.

Kristian Foden-Vencil / OPB

The South Beach neighborhood of Newport has traditionally played the role of rural cousin to other parts of this coastal community, with lots of gravel roads, lush countryside and low-density housing.

But 40 years ago, Newport leaders created an urban renewal plan for South Beach, and things changed. The neighborhood is now home to the Oregon Coast Aquarium, the National Oceanic and Atmospheric Administration's Pacific fleet, Oregon Coast Community College and more. Still, local business owners are split on how much they're benefiting.

"As far as we can tell, urban renewal has been a good thing," said Steve Halsey, the owner of the South Beach Fish Market. He uses massive, hand painted signs of crab and shrimp to draw diners.

He said the neighborhood's first new set of traffic lights, on the corner of Highway 101 and Southwest 35th Street, slow drivers and make it easier for customers to get into his restaurant.

"It has not adversely affected us at all," Halsey said.

Steve Halsey, the owner of South Beach Fish Market in Newport, Ore., thinks urban renewal has helped his business, pictured here on Feb. 8, 2024.

Steve Halsey, the owner of South Beach Fish Market in Newport, Ore., thinks urban renewal has helped his business, pictured here on Feb. 8, 2024.

Kristian Foden-Vencil / OPB

But kitty corner at Off the Hook Bar & Grill, owner Robert Hoefs is not a fan of all the urban renewal work.

“My property value went down,” Hoefs said.

The city paved his parking lot in exchange for taking some of his land to build a turn lane for the new traffic light. But city planners also changed his zoning from light industrial to commercial.

“A light industrial zoning is better because you open a gas station ... you could open a hotel. You could do anything on it,” Hoefs said.

Well, not anything. And Hoefs is not planning any new developments right now. But he’s not alone in his skepticism.

Garrett Bush runs Arrow Heating next door. He’s not sure how urban renewal is helping his business.

“That’s the tickle,” Bush said. “As we see this concept of growth take place, we almost get the feeling like, we’re in the way.”

Robert Hoefs, the owner of Off the Hook Bar & Grill in Newport, Ore., is not a fan of all the urban renewal work, “My property value went down,” Hoefs said, pictured here on Feb. 8, 2024.

Robert Hoefs, the owner of Off the Hook Bar & Grill in Newport, Ore., is not a fan of all the urban renewal work, “My property value went down,” Hoefs said, pictured here on Feb. 8, 2024.

Kristian Foden-Vencil / OPB

To understand the local ambivalence to the urban renewal effort, it’s necessary to go back to 1983. That’s when Newport labeled South Beach “blighted” so it could be designated as an urban renewal district.

“It was more rural under-developed, lacked urban infrastructure,” said Derrick Tokos, Newport’s current community development director. He was hired in 2009.

Urban renewal works by taking new taxes generated in an area and using them to pay for public services that will help spur economic growth. The idea is that the new businesses and homes will generate more taxes and make the area more prosperous.

Tokos said that back in 1983, few people lived in South Beach so the city started by focusing on creating a critical mass of marine research organizations. Oregon State University’s Hatfield Marine Science Center was already there on Yaquina Bay.

It turned out to be a good idea. Oregon Coast Community College set up in South Beach as did the Oregon Coast Aquarium.

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FILE - In this June 9, 1998 file photo, Keiko, who starred in the Free Willy films, carries a live crab in his mouth at Oregon Coast Aquarium in Newport, Ore.

FILE - In this June 9, 1998 file photo, Keiko, who starred in the Free Willy films, carries a live crab in his mouth at Oregon Coast Aquarium in Newport, Ore.

Don Ryan / AP

“One of its first major attractions was Keiko,” Tokos said.

Keiko was the orca that starred in the movie “Free Willy.” He came to Newport in preparation for release. But over his three-year stay, millions came to see him and spent plenty of tourist dollars.

Keiko and the aquarium were considered a success, and Newport city leaders funneled more urban renewal money into infrastructure such as fiber optic cable for faster internet, new docks in the bay and a network of bike and walking paths.

Again the investments paid dividends. The National Oceanic and Atmospheric Administration brought a dozen research vessels to town; Oregon State University greatly expanded its marine science center in South Beach; and OMSI opened Grey Camp.

OSU is planning to build a new \$50 million dollar marine science research center in Newport's tsunami zone.

South Beach, Newport, before Oregon State University built its new marine science research center.

Oregon State University

"There are a lot of benefits to the community that you get from these investments, in terms of the additional employment and all that," Tokos said. "But it's not a huge tax driver."

That's because government organizations like NOAA, OSU and the community college don't pay taxes.

So the city had to tweak the urban renewal plan to attract housing. Some big developments were built, including the Southshore neighborhood.

"It's got an East Coast kind of theme to it. All of the homes are various shades of gray with white trim," said Tokos. "It's very planned out. A kind of beach access, second home feel to it down there."

About half of Southshore homes are second homes. But what Newport really needs is low-cost housing. So the urban renewal plan was changed again. In fact, the plan has been tweaked more than a dozen times.

"I think the history with South Beach has been a mixture of success and some stumbles," Tokos said.

The initial lack of tax income was one challenge. Another involved a failed plan to build an events center.

"You know, you're never going to make everybody happy," said Greg Schrock, an assistant professor of urban planning at Portland State University.

He said there's bound to be friction when planners shake things up.

Schrock said it's also not unusual for urban renewal to change focus over time. In the case of South Beach it was almost inevitable that as prestigious organizations moved in, people would want to start living nearby.

"You don't just make a plan and expect that it's going to function for 25 years," said Schrock.

He said a 40-year timeline is also not unheard of for urban renewal. When pushed, Schrock gave South Beach a positive grade: "I would give it probably a B+ or an A-. They've clearly sought to adapt their plans over time."

That grade is reflected in the feelings of many South Beach residents like Lance Vanderbeck.

"Seeing some of the dilapidated buildings being taken down, seeing that there's a plan for restoration ... all the other buildings people are starting to maintain a little better and stuff," he said.

Eight new projects remain in the works for South Beach, from maybe a new food cart area to more sewer and water hook-ups. But the district is due to sunset in 2027.

After 44 years, Newport will have spent about \$40 million.