



**AGENDA and Notice of
Special Meeting of the Newport City Council**

The City Council of the City of Newport will hold a Special Meeting on Monday, October 5, 2015, beginning at 5:15 P.M., in Conference Room "B", at the Newport City Hall, 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder 541.574.0613.

The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

City Council Special Meeting
Monday, October 5, 2015
5:15 P.M.
Conference Room "B"

- I. Call to Order
- II. Executive Session Pursuant to ORS 192.660(2)(d) for Labor Negotiation
Updates on NEA and NPA
- III. Adjournment



CITY COUNCIL AND LOCAL CONTRACT REVIEW BOARD AGENDA
Monday, October 5, 2015 - 6:00 P.M.
Council Chambers

The meetings of the Newport City Council and the Local Contract Review Board will be held on Monday, October 5, 2015, at 6:00 P.M. The meetings will be held in the Council Chambers of the Newport City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meetings location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

CITY COUNCIL MEETING AGENDA
Monday, October 5, 2015
Council Chambers

Anyone wishing to speak at a Public Hearing or on an agenda item should complete a Public Comment Form and give it to the City Recorder. Public Comment Forms are located at the entrance to the City Council Chambers. Anyone commenting on a subject not on the agenda will be called upon during the Public Comment section of the agenda. Comments pertaining to specific agenda items will be taken at the time the matter is discussed by the City Council.

- I. Pledge of Allegiance
- II. Call to Order and Roll Call
- III. Public Comment
This is an opportunity for members of the audience to bring to the Council's attention any item not listed on the agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others

IV. Proclamations, Presentations, and Special Recognitions

Any formal proclamations or recognitions by the Mayor and Council can be placed in this section. Brief presentations to the City Council of five minutes or less are also included in this part of the agenda.

- A. Proclamation for National Fire Prevention Week - October 4-10, 2015
- B. Proclamation on Recognizing October 2015 as the Great Oregon ShakeOut Month

V. Consent Calendar

The consent calendar consists of items of a repeating or routine nature considered under a single action. Any Councilor may have an item on the consent agenda removed and considered separately on request.

- A. Approval of City Council Minutes from City Council Special Meeting, Executive Session and Regular Meeting of September 21, 2015 (Hawker)

VI. Public Hearing

This is an opportunity for members of the audience to provide testimony/comments on the specific issue being considered by the City Council. Comments will be limited to three (3) minutes per person.

VII. Communications

Any agenda items requested by Mayor, City Council Members, City Attorney, or any presentations by boards or commissions, other government agencies, and general public will be placed on this part of the agenda.

VIII. City Manager Report

All matters requiring approval of the City Council originating from the City Manager and departments will be included in this section. This section will also include any status reports for the City Council's information.

- A. Possible Adoption of Ordinance No. 2083, Establishing the Newport North Side Urban Renewal District
- B. Possible Adoption of Ordinance No. 2086, Establishing the McLean Point
- C. Resolution No. 3727, Establishing a Vision 2040 Steering Committee
- D. Approval of Simulcast Radio System Maintenance IGA with Lincoln County
- E. Report on Great Oregon Shakeout

**IX. LOCAL CONTRACT REVIEW BOARD
Monday, October 5, 2015**

- A. Call to Order
- B. Notice of Intent to Award a Contract to Fire Mountain Farms, Inc., for Backwash Pond Sludge Removal at Water Treatment Facility
- C. Adjournment

X. Report from Mayor and Council

This section of the agenda is where the Mayor and Council can report any activities or discuss issues of concern.

XI. Public Comment

This is an additional opportunity for members of the audience to provide public comment. Comments will be limited to five (5) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.



PROCLAMATION
NATIONAL FIRE PREVENTION WEEK
OCTOBER 4th THROUGH OCTOBER 10th

WHEREAS, the City of Newport, Oregon is committed to ensuring the safety and security of all those living in and visiting our city; and

WHEREAS, fire is a serious public safety concern both locally and nationally, and homes are the locations where people are at greatest risk from fire; and

WHEREAS, the nonprofit National Fire Protection Association (NFPA) has documented through its research that roughly half of home fire deaths result from fires reported between 11 p.m. and 7 a.m., when most people are asleep; and

WHEREAS, having a working smoke alarm cuts the chances of dying in a reported fire in half; and

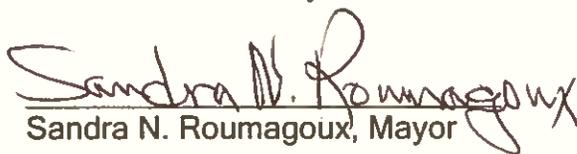
WHEREAS, Newport's firefighters are dedicated to reducing the occurrence of home fires and home fire injuries and deaths through prevention and protection education; and

WHEREAS, residents who have a working smoke alarm are more likely to be woken up early enough to escape and will therefore be more likely to survive a fire; and

WHEREAS, the key message of this year's Fire Prevention Week campaign, October 4-10, is to install smoke alarms in every bedroom, outside each separate sleeping area, and on every level of your home, including the basement.

NOW, THEREFORE, I, Sandra Roumagoux, Mayor of the City of Newport, Oregon, do hereby proclaim October 4th through the 10th, 2015 as National Fire Prevention week, and I urge all the people of Newport to test their smoke alarms and install additional alarms as needed during Fire Prevention Week 2015.

Dated this 5th day of October, 2015.


Sandra N. Roumagoux, Mayor





PROCLAMATION
A RESOLUTION OF INTENT TO PARTICIPATE IN
THE GREAT OREGON SHAKEOUT
AND RECOGNIZE OCTOBER 2015 AS SHAKEOUT MONTH

WHEREAS, the City of Newport recognizes that no community is immune from natural hazards including major earthquake events and recognizes the importance enhancing its ability to withstand natural hazards to reduce human suffering, property damage, interruption of public services and economic losses caused by those hazards; and

WHEREAS, major earthquakes pose a particular, significant, and ongoing threat to the entire central Oregon coast region; and

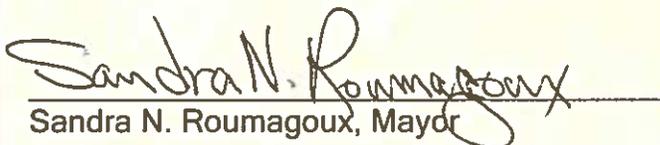
WHEREAS, the City of Newport has a responsibility to promote earthquake preparedness internally as well as with the public and plan appropriately for earthquake-related disasters; and

WHEREAS, the protection of city employees will allow them to facilitate the continuity of government and assist the public following a major earthquake event; and

WHEREAS, by participating in the Great Oregon ShakeOut on October 15th, 2015, the City of Newport has the opportunity to join and support all Oregonians in strengthening community and regional resiliency; and

NOW, THEREFORE, I, Sandra Roumagoux, Mayor of the City of Newport, Oregon, do hereby proclaim October 2015 as ShakeOut month and encourage participating in the Great Oregon Shakeout at 10:15 A.M., on October 15th to better prepare the City for a major earthquake event.

Dated this 5th day of October, 2015.


Sandra N. Roumagoux, Mayor



September 21, 2015
5:15 P.M.
Newport, Oregon

The City Council of the City of Newport met, in a special meeting, on the above date in the City Council Chambers, of the Newport City Hall. On roll call, Allen, Engler, Busby, Swanson, Saelens, and Roumagoux were present. Sawyer arrived later.

Staff present was City Manager Nebel, City Manager, City Recorder Hawker, City Attorney Rich, Fire Chief Murphy, Police Chief Miranda, Public Works Director Gross, and Human Resources Coordinator James.

Executive Session Pursuant to ORS 192.660(2)(d) to Consult with the City's Labor Negotiators Regarding the Newport Employees Association, Newport Police Association, and International Association of Fire Fighters Agreements. Hawker introduced the agenda item. MOTION was made by Engler, seconded by Allen, to enter executive session pursuant to ORS 192.660(2)(d) to discuss the status of labor negotiations with the NEA, NPA, and IAFF. The motion carried unanimously, and Council entered executive session at 5:18 P.M.

MOTION was made by Allen, seconded by Engler, to leave executive session. The motion carried unanimously, and Council returned to its special meeting at 6:05 P.M.

ADJOURNMENT

MOTION was made by Busby, seconded by Saelens, to adjourn the special meeting. The motion carried unanimously, and the special meeting adjourned at 6:07 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor

September 21, 2015
6:07 P.M.
Newport, Oregon

The City Council of the City of Newport met on the above date in the Council Chambers of the Newport City Hall. On roll call, Allen, Engler, Busby, Saelens, Swanson, Sawyer, and Roumagoux were present.

Staff present was City Manager Nebel, City Recorder Hawker, City Attorney Rich, Community Development Director Tokos, Public Works Director Gross, Finance Director Murzynsky, Police Chief Miranda, and Parks and Recreation Director Protiva.

PLEDGE OF ALLEGIANCE

Council, staff, and the audience participated in the Pledge of Allegiance.

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Presentation of the Plaque Commemorating the First Day Issuance of the U.S. Coast Guard Forever Stamp to Postmaster, Rob Pratt. Hawker introduced the agenda item. Roumagoux presented a plaque commemorating the first day issuance of the U.S. Coast Guard Forever Stamp to Postmaster Rob Pratt. Pratt accepted the proclamation on behalf of the United States Postal Service Newport branch.

PUBLIC COMMENT

Susan Andersen, representing Clean Water Newport, asked the following questions regarding fluoridation of the city's water: what chemical would be used; where would it come from; how much would it cost; and would each batch be tested for contaminants including lead and arsenic. She invited Council to attend a presentation at the PUD, on September 30, regarding fluoridation.

Jim Lynn, representing Clean Water Newport, stated that he is disturbed by the fact that both sides of the fluoridation discussion have good intentions regarding what they would like to accomplish. He suggested that a group be formed, with supporters and opponents of fluoride, and include one or two Councilors, to meet and discuss the issue. He added that he believes there could be a mutually feasible solution that would take care of children and not take away the choice of adults. He noted that he would be happy to be a part of this group.

Carole Feese, representing Clean Water Newport, stated that the group was disappointed that it was not allowed an opportunity to make a presentation on the fluoride issues. She added that supporters of the issue had made a presentation, and that this is a matter of fairness.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of the September 8, 2015 City Council minutes;
- B. Approval of a Recommendation to the OLCC for a full, on-premise liquor license for a new outlet to Green Gables Bed and Breakfast/Italian Café, LLC, located at 156 SW Coast Street;
- C. Approval of a Recommendation to the OLCC for an off-premise sales liquor license, from Reliance Petroleum, LLC, 1517 North Coast Highway;
- D. Acceptance of the resignation of Fred Springsteen from the Audit Committee, and confirmation of the Mayor's appointment of Don Huster to fill this vacancy, with a term expiring on December 31, 2015; and
- E. Confirmation of the Mayor's appointment of David Bigelow, CEO, Samaritan Pacific Communities Hospital, to the Airport Master Plan Planning Advisory Committee for a term expiring upon completion of the task.

MOTION was made by Engler, seconded by Swanson, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

PUBLIC HEARING

Public Hearing on Ordinance No. 2083 Regarding the Newport Northside Urban Renewal District. Hawker introduced the agenda item. Nebel reported that the city established an Urban Renewal Agency in 1972, and since that time, the Agency has had two separate districts; one north of Yaquina Bay, and the second district in South Beach. He stated that these districts have played an influential part in creating the city that we have today with improvements such as the Nye Beach Turnaround, the PAC, the VAC, the Library, Parks and Recreation, City Hall, the walkway on the Bayfront, the Oregon Coast Aquarium, facilitation of NOAA locating in South Beach, the development of improved roads and bike paths throughout South Beach, and currently the reconstruction of a number of South Beach streets, based on the refinement plans that were developed after extensive public input. He noted that the Northside Urban Renewal District has the potential to redefine other areas of the city including the City Center, Highway 20 corridor, and Agate Beach. He added that the proposed Northside Urban Renewal District is 545.9 acres in size and has the duration of 25 years and a maximum level of indebtedness of \$39.92 million over the life of the plan. He stated that urban renewal projects are generally described to allow the community an opportunity to refine the plans and identify projects in which urban renewal funds can be utilized.

Nebel reported that the creation of an Urban Renewal District does not increase individual property owner taxes in that district, rather it creates a base value with those property taxes with the base value going to those taxing entities that currently receive those amounts. He stated that as the value in the district grows, that increment is captured and redirected to the Urban Renewal Agency for the completion of projects that are in the Urban Renewal Plan. He noted that the Urban Renewal District does not provide a quick fix to projects, and it may likely be a decade or more before major projects can be accomplished with the urban renewal funds depending upon the growth of the district. He

added that initially, the district will likely pursue refinement plans for Agate Beach and for the City Center, and that both of these plans will involve significant public input to develop the best plan for those areas.

Nebel reported that at tonight's meeting, there will be a public hearing to complete public testimony on the plans. He stated that this public testimony has to be incorporated into the record that ultimately is approved by the Council as part of the plan. He noted that it was hoped to meet a time schedule in which the county Tax Assessor would be able to initiate the capture year now if we were able to have the ordinance approved at this time. He added that unfortunately, this will not occur, which allows the actual adoption of the districts to occur later. He stated that staff has not received the legal descriptions that are required to be part of the plan, and it makes sense to wait until after the public hearing, and have the plans ready for approval at the first meeting in October.

Roumagoux opened the public hearing on Ordinance No. 2083 at 6:23 P.M. She called for public comment.

Caroline Bauman, executive director of the Economic Development Alliance of Lincoln County, expressed appreciation for the opportunity to serve on the Urban Renewal Advisory Committee. She spoke to the need for workforce housing in the community, and requested that the plans include a framework to encourage workforce housing.

Rachel Cotton stated that at a previous Urban Renewal Agency meeting, she was told that it was a City Council decision to include money for workforce housing. She spoke to the need for workforce housing in the community, and suggested reallocating economic development monies for workforce housing. She urged Council to use at least ten percent of the URA funding to address the workforce housing issue.

Ellen Bristow stated that she hoped that each of the taxing entities have cross-checked each other's financial health. She added that, during the process, she did not see direct references to environment or livability, and expressed hope that these two items carry weight in the future.

Jane Heida stated that unless funding for housing is written into the plan today, it will not happen. She expressed dismay that people do not get to vote on the urban renewal issue.

Roumagoux summarized an e-mail, sent by Matthew Ebel, into the record. Ebel's e-mail follows: "Re Newport Northside UR Report 082615. Section IX Financial Analysis of the Plan posits an annual 4.5% increase in the assessed value of the property within the Urban Renewal District. Since the annual increases in the assessed value of property is limited to 3%, the additional 1.5% is presumably coming from an increase in the assessed value of property within the district due to redevelopment of properties within the district. There is no discussion within the report as to how the figure of an additional 1.5% increase was arrived at in the assessed value. While there is some interesting information regarding the nature of the property and demographics within the district, there is nothing that even begins to justify this increase in assessed value due to redevelopment:

How does this compare to the experience of similar projects in similar sized communities in Oregon?

What level of redevelopment (undeveloped acreage converted to developed acreage) is required in the district to achieve this level of growth in assessed value? How does this compare to current levels of redevelopment in the district?

Table 13a applies the 4.5% increase in assessed value of the property in EACH year from 2016 thru 2039. Without knowing the assumptions behind the 1.5% increase in

assessed value, it is impossible to know if the 4.5% increase is realistic in the early and late years even if it is realistic in the intervening years - projects take time to plan and complete; 25 years from now, the benefits from this redevelopment may have been spent, resulting in no additional redevelopment.”

Roumagoux closed the public hearing on Ordinance No. 2083 at 6:35 P.M. Nebel noted that no action is required this evening, as Ordinance No. 2083 will be on the agenda of October 5, 2015, for adoption. He added that this evening closes the public comment period, and that he would prepare a report for the October 5 meeting.

Allen asked whether Cotton was referring to affordable housing, workforce housing, or both. Cotton noted that she was referring to housing that would be targeted toward workers in the community.

Allen asked Tokos whether the plan could accommodate housing related issues that are not necessarily determined at this time. Tokos noted that there are some possible areas for housing in Agate Beach. He added that economic development and redevelopment is a broad category, and that affordable and workforce housing could be a part of that process. Allen asked whether there could be an amendment to address future needs, and Tokos confirmed that an amendment is a possibility.

Allen discussed the ongoing citizen’s advisory committee, noting that it is planned to be the Planning Commission. He suggested the addition of at least two citizen at-large members. He also suggested utilizing the Planning Advisory Committee to work with plan implementation. Tokos noted that the recommendations are the minimum bar for membership to the ad hoc committee, and that Council may make changes to the composition of the group. Tokos stated, in response to a discussion regarding standing committees, that these committees create administrative and staffing issues. He added that there would not be work for a standing committee for significant periods of time. Allen suggested giving the Planning Commission the authority to add members to that process.

Public Hearing on Ordinance No. 2086 Regarding the McLean Point Urban Renewal District. Hawker introduced the agenda item. Nebel reported that the city established an Urban Renewal Agency in 1972, and since that time, the Agency has had two separate districts; one north of Yaquina Bay, and the second district in South Beach. He stated that these districts have played an influential part in creating the city that we have today with improvements such as the Nye Beach Turnaround, the PAC, the VAC, the Library, Parks and Recreation, City Hall, the walkway on the Bayfront, the Oregon Coast Aquarium, facilitation of NOAA locating in South Beach, the development of improved roads and bike paths throughout South Beach, and currently the reconstruction of a number of South Beach streets, based on the refinement plans that were developed after extensive public input. He stated that the primary purpose for this district will be to provide for the extension of utilities to allow for the development of the public and private properties on McLean Point for shipping and industrial purposes.

Nebel reported that the creation of an Urban Renewal District does not increase individual property owner taxes in that district, rather, it creates a base value with those property taxes from the base value going to those taxing entities that currently receive those amounts. He noted that as the value in the district grows, that increment is captured and redirected to the Urban Renewal Agency for the completion of projects that are in accordance with the Urban Renewal Plan. He added that with the McLean Point Urban Renewal District, the potential for incurring significant projects may be quicker than the

Northside Urban Renewal District, since the entire taxable value will be captured in its entirety as property is placed on the tax rolls.

Nebel reported that at tonight's meeting, a public hearing will be conducted to complete public testimony on the plan. He noted that public testimony has to be incorporated in record that ultimately is approved by Council as part of the plan. He stated that originally, it was hoped that the city would meet a time schedule in which the County Tax Assessor would be able to initiate the capture this year if the ordinance was approved at this time. He added that unfortunately, this will not occur, which allows the actual approval of the districts to occur later. He stated that in addition, staff has not received the legal descriptions that are required to be part of the plan. He added that it makes sense to wait until after the public hearing, and have the plan ready for approval for the first meeting in October.

Roumagoux opened the public hearing on Ordinance No. 2086 at 6:48 P.M. She called for public comment.

Roumagoux noted that two communications had been received. One was from Carla Perry, and one from Rondy's. She reported that Rondy's was in support of the plan, and she summarized Perry's e-mail for the record.

Dennis Bartoldus, speaking on behalf of Rondy's, encouraged the City Council to move forward with the plan. He stated that Rondy's has been working with the Port and others on this development for some time, adding that Rondy's has had extensive work done and continues to have work done to support the proposed projects. He noted that Rondy's property is a critical component to the development of Newport. He stated that the wetland is pretty small, and discussed mitigation.

Roumagoux closed the public hearing at 6:54 P.M., and noted that the adoption of Ordinance No. 2086 will be considered at the October 5 City Council meeting. Allen noted that the Port Commission was listed as the citizen's advisory committee for this proposed district. He suggested that the advisory committee include one member of the Hall family. He added that he would like a provision that allows the City Council discretion to add members to the advisory committee, noting that in addition to a member of the Hall family, he would like to add two citizens at-large.

Engler stated that she is unclear on the wetland mitigation and potential mitigation sites. She asked whether she could get a copy of the wetland mitigation studies that were completed. Bartoldus noted that the studies were private reports although they may have been discussed at Port meetings during the log exporting discussions. He suggested asking the Port if it has copies of the report. Engler noted that she would like to see the wetland report incorporated into the plan. Nebel stated that the plan does not go into that level of detail. Tokos noted that the Port Commission is the ongoing citizen advisory committee. He added that the caution is whether there is enough work to keep others engaged. He noted that it could be years before anything happens. Allen suggested delegating the authority to the Port Commission, as the advisory committee, to add two public at-large over time. Allen asked when it was anticipated that the Port would be walking away from the current lease which would make the property taxable. Bartoldus stated that he does not represent the Port, but noted that there have been discussions regarding whether portions of property should be removed from the lease as development occurs, or whether it should be released at one time. He added that the Port and Rondy's are looking at economic development opportunities in the area. Tokos reported that the property will be included in phases.

Public Hearing and Possible Adoption of Ordinance No. 2084 Regarding the Nye Beach Design Overlay Zone. Hawker introduced the agenda item. Nebel reported that at the September 8, 2015 City Council meeting, a public hearing was held regarding the Nye Beach Design Overlay Zone. He noted that one property owner expressed support for the changes, and the public hearing was closed following this comment.

Nebel reported that in 2003, the city created the Nye Beach Design Review Overlay to guide the development of this significant part of the city. He stated that the ordinance required a public hearing to be held within ten years of original adoption to consider whether changes needed to be made to the overlay zone. He added that the hearing was held on December 16, 2013 and changes were suggested. He noted that the issue was referred back to the Planning Commission which developed an ad hoc work group to review the existing ordinance and make modifications to it. He stated that the changes include a slight boundary adjustment; removal of the R-2 zoned property; addition of a small amount of C-2 zoned property next to the Whaler Motel with a small amount of R-4 zoned property being added to the north end of the overlay. He stated that these changes impact approximately nine acres of property. He noted that a design review will be required for a greater number of projects; the design guidelines have been updated; guidelines have been developed to address solar impacts; sign standards have been clarified; larger buildings have also satisfied the new standards to ensure they visually align with the scale of existing development in Nye Beach; definitions have been revised to align with like type definitions elsewhere in the Municipal Code; the definition for substantial improvement has been changed allowing structural renovations up to 50% of market value before design review is triggered, regardless of whether a building permit is required; and the threshold for review of accessory structures is reduced to align with building code standards that stipulate when a building permit is required. He added that there was a lot of give and take through the process and there was a general consensus that these changes will clarify the rules and help protect the nature of Nye Beach without creating unnecessary burdens for future developments in the area.

Roumagoux opened the public hearing on Ordinance No. 2084 at 7:05 P.M. She called for public comment. There was none.

Roumagoux closed the public hearing at 7:06 P.M., for Council deliberation.

MOTION was made by Engler, seconded by Swanson, to read Ordinance No. 2084, regarding changes to the Nye Beach Design Overlay Zone, by title only, and place for final passage. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No. 2084. Voting aye on the adoption of Ordinance No. 2084 were Allen, Sawyer, Busby, Saelens, Swanson, Engler, and Roumagoux.

Public Hearing and Possible Adoption of Resolution No. 3715 Establishing a Comprehensive Fee Schedule. Hawker introduced the agenda item. Nebel reported that in accordance with the Council's 2015/2016 Fiscal Year goals, Murzynsky and Hawker spent a significant amount of time compiling a list of all current fees to develop a comprehensive fee schedule for the city. He stated that the development of the fee schedule should accomplish several goals. He noted that there has been some confusion among departments as to what fees have actually been established for specific purposes, and that this results when departments rely on previous resolutions, and are unaware that

a new resolution has been approved which modifies the fee schedule. He added that by having a comprehensive fee schedule, which is updated annually as part of the budget process, a new document will be circulated to all departments for fees effective July 1 of each year. He noted that a second significant benefit of having a comprehensive fee schedule is that during the upcoming budget process for the 2016/2017 Fiscal Year, each department will be asked to review the fees impacting their operations, and make recommendations for any modifications to the fee schedule for the next fiscal year. He stated that this will facilitate revenue projections that are built into the budget. He added that it is his intent to have the Budget Committee review the proposed fee schedule for the upcoming year. He stated that the City Council, at the time of budget adoption, will be asked to adopt a revised fee schedule for the next fiscal year. He noted that this process will result in an annual comprehensive review of all fees, at the department level, by the City Manager, by the Budget Committee, and the City Council. He added that the comprehensive fee schedule will improve transparency for citizens and others doing business with the city, and it will be available on the city's website.

Nebel reported that he expects that there may be fees that are being charged that are not on the schedule, and as these are discovered, they can be added to the fee schedule through the course of the year, or added at the time the fee schedule is reviewed as part of the annual budget process. He stated that the Municipal Code normally provides that the fees shall be set by resolution of the City Council, but that there are a number of fees that are specified within the code as well. He added that it is the intent of staff, over the course of the next year, to amend the code provisions that specifically state a fee, and instead have that fee established by Council resolution. He noted this way it can be included in the comprehensive fee schedule and not lost in the Municipal Code.

Nebel reported that the city currently has a couple of fees that are established on a calendar year basis, rather than a fiscal year basis. He stated that staff will be making a determination as to whether these fees can be shifted to a fiscal year, or whether there will be a supplemental adjustment to the fee schedule on January 1 of each year.

Roumagoux opened the public hearing on Resolution No. 3715 at 7:10 P.M. She called for public comment. There was none.

Roumagoux closed the public hearing at 7:11 P.M., for Council deliberation.

MOTION was made by Swanson, seconded by Saelens, to adopt Resolution No. 3715, establishing a comprehensive fee schedule for the City of Newport and repealing the following Resolutions: 3290, 3334, 3335, 3348, 3373, 3377, 3388, 3415, 3429, 3447, 3487, 3537, 3587, 3596, 3650A, 3688, 3699, 3702, 3709, 3713, 3719, 3720, 3721, 3722, and 3723. The motion carried unanimously in a voice vote.

COMMUNICATIONS

From the Community Visioning Work Group - Final Report on Proceeding with Visioning Process. Hawker introduced the agenda item. Nebel reported that the packet contains a report from the Community Visioning Work Group with a recommendation that the City Council pursue the development of a comprehensive community vision. He stated that the Community Visioning Work Group met three times to develop a recommendation for City Council consideration, and that Carla Perry chaired this effort. He noted that the report identifies the guiding principles that would guide a visioning process; creates a visioning target of 2040; and identifies the types of community stakeholders that need to

be involved with this overall effort. He added that the report describes potential topic areas for a community vision, and the type of engagement tools that can be utilized to involve various aspects of the community in the process. He stated that it is estimated that a comprehensive visioning process will likely take one year to complete, and that a vision for the city should create broad aspirational descriptions of the quality of life that the community desires in the future. He noted that this vision will guide future updates to the Comprehensive Plan, which is one way to move the community toward the overall vision. He added that the vision will create a statement of community values which will help guide future city decision making. He added that the community vision would be the focus of the annual goal setting sessions, as well as appropriation processes to continue moving the community in a specific direction.

Nebel reported that the work group is recommending that Council establish a steering committee that will help guide the visioning process up and until such time this process would be concluded, which is suggested to be January of 2017. He stated that it is his opinion that the steering committee could be made up of the work group members, and possibly some additional representation to guide this process. He noted that if Council is interested in additional representation to this group, staff would advertise that immediately to present names for possible appointments to the steering committee for the October 5 Council meeting.

Nebel reported a vision serves as the goal line for the deliberative processes of the City Council and other entities to guide the community's future development. He stated that without these long term, commonly held values, the process of decision making can be more random with frequent directional changes in an attempt to move the community forward without knowing what the long term goals are for the greater Newport area. He noted that this would be like playing a game of football without any goal line. He stated that it would be difficult for the offense and defense to figure out what they are supposed to be doing on the field. He noted that a successful visioning process will create an overall mission for the community, identify core values to help guide future decision making, create realistic strategies to guide sustainable and ongoing attainment of this vision, and build community capacity for public engagement for future decision making in the city.

Carla Perry read the definition visioning from a Steve Ames book. Engler stated that the visioning process will provide a good opportunity to add housing as a real priority. Roumagoux noted that the vision will really help when setting goals. She added that it will be great to incorporate past studies.

MOTION was made by Sawyer, seconded by Engler, to formally accept the report from the Community Visioning Work Group, dated August 31, 2015, and direct the city administration to proceed with the report on implementing the recommendations for the development of a "Request for Proposals" and the creation of a steering committee for the October 5, 2015 City Council meeting. The motion carried unanimously in a voice vote.

From the Senior Advisory Committee - Requesting a formal name change of the Newport Senior Activity Center to the 60+ Activity Center. Hawker introduced the agenda item. Nebel reported that the Newport Senior Advisory Committee has been working with facilitator, John Baker, to identify ways the center can best serve the senior population in the area. He stated that one of the key areas of emphasis of this effort is to address the "baby boomer" population needs at the center. He added that to meet these needs, the

center has been offering more exercise and health programs, and exploring other ways to best serve this expanding population.

Nebel reported that one specific recommendation from this process is to formally rename the Newport Senior Activity Center as the "Newport 60+ Activity Center". He stated that the "60+ Activity Center" has been informally used for the past five years, and that renaming this facility will better reflect the population it serves.

Peggy O'Callaghan and Mike Rickus urged Council support of the requested name change.

Mike Rickus talked about the Center including signage, activities and excursions, and fundraising. He added that the circulation pool of warm water is a significant issue for seniors and people needing rehabilitation.

MOTION was made by Swanson, seconded by Engler, that the Newport Senior Activity Center be formally renamed as the Newport 60+ Activity Center as requested by the Senior Advisory Committee. The motion carried unanimously in a voice vote.

CITY MANAGER'S REPORT

Adoption of Resolution No. 3724 Accepting the Big Creek Dam Feasibility Study.

Hawker introduced the agenda item. Nebel reported that in October of 2011, it was discovered that soils under the Big Creek Dam No. 1 had significant stability issues, and high potential for failure during a seismic event. He stated that this discovery required a change order to be executed for the Water Treatment Plant to address foundation issues. He noted that in May of 2013, the city issued an RFP for the selection of an engineer of record for dam study and design, and that HDR Engineering, Inc. was selected as the most qualified engineering firm to conduct this work. He added that the first task order with HDR Engineering was issued in October 2013 for the completion of a seismic stability study and preparation of a feasibility report for remediation options and costs. He stated that a significant portion of this effort was funded by the state through grants obtained with the assistance of Chase Park Grants. He noted that to complete the requirements from the funding source and to pursue any additional funding requests by the city. It is necessary for Council to accept the feasibility study for the seismic evaluation of Big Creek Dams No. 1 and 2, Phase 3 - engineering evaluation and corrective action alternatives.

Nebel reported that it is important for Council to determine the city's future path regarding the alternatives identified in this report, which range from doing nothing to selecting one of the alternatives identified in the seismic evaluation, or consider the development of Rocky Creek as the city's primary water source. He stated that the city has a current water rights application with the Water Resources Department to continue maintaining the option of utilizing Rocky Creek for the city's water supply.

Nebel reported that he had an opportunity to talk to retired engineer, Jim Fuller, who was directly involved in the design of Dam No. 2. He stated that Fuller sat through the presentation at the last work session on this matter, and that Fuller indicated the city should eliminate the lower dam since the design did not take into account any seismic activity. He noted that Fuller also indicated that it was his recollection that the upper dam was designed for a .1G seismic event. He noted that Fuller suggested that if the city could mitigate the potential loss of life, there could be other alternatives beyond building a new dam that might address these issues. He stated that it was also Fuller's theory that the individuals in the impact area of the dam would also be in the impact area of potential

tsunami and would, if able, have evacuated their properties before a complete failure of the upper dam.

Nebel reported that in reviewing this very complex issue, Council will need to provide direction to staff on how to proceed. He stated that it is clear from the work session that the option of doing nothing is, in his opinion, not an acceptable option for Council based on the comments from Keith Mills, Chief Dam Safety Engineer with Oregon Dam Safety. He added that these two dams are identified as the second and third most critical dam structures in the state, and the state will require the city to address those safety issues. He noted that Gross concurs with the recommendation of HDR Engineering, Inc. to proceed with a new roller compacted concrete dam structure downstream from the existing upper dam at a location where the valley narrows. He stated that this would create a dam structure designed to survive a 5,000 year Cascadia Subduction Zone re-occurrence interval. He added that the dam could be constructed so the normal water surface elevation would be at 112 feet, which would significantly increase the storage capacity of the reservoir to allow for additional water availability for the city.

Nebel reported that in order to provide preliminary direction to staff on how to proceed, it is his recommendation that Council begin the process for pursuing Alternate No. 2 as identified in the Seismic Evaluation Report. He stated that he also believes, before any contractual obligations for a preliminary design are put into place, it would be appropriate to have further discussion with Oregon Dam Safety and HDR Engineering. He noted that this discussion would be to determine whether there are any other options for addressing the potential risk for loss of life following a seismic event that may cause the failure of the upper and lower dams. He added that if this recommendation is acted on by Council, there will be a later opportunity for Council review of these issues when a proposal is brought back to Council for preliminary design of Alternate No. 2. He noted that this would give us the opportunity to vet these issues more thoroughly prior to that time; but also provide some direction as to where Council believes, at this time, we should be headed to address this issue. He stated that he recommends Council approve Task Order No. 3.04 with Chase Park Grants to continue efforts in identifying potential funding to address the remediation issue with the dams. He noted that he believes that we may be at a unique point with the added national attention that has been given to the Cascadia Subduction Zone, which has placed additional pressure on Congress to help fund various issues. He stated that Chase Park Grants has been very good at being at the ground level of the development of these types of funding sources which increases the probability that a Newport project may meet the criteria established for this purpose. He added that this is a separate recommendation for the Local Contract Review Board's consideration.

Gross clarified the City Manager's report.

MOTION was made by Swanson, seconded by Engler, to adopt Resolution No. 3724, which accepts the Seismic Evaluation Report of Big Creek Dams No. 1 & 2, Phase 3 - Engineering Evaluation and Corrective Action Alternatives as prepared by HDR Engineering, date June 30, 2015. The motion carried unanimously in a voice vote.

MOTION was made by Swanson, seconded by Engler, to authorize city staff to begin the process for implementing Alternate No. 2, as identified in the Seismic Evaluation of Big Creek Dams No. 1 & 2, Phase 3 - Engineering Evaluation and Corrective Action Alternatives Report, with further discussion and analysis being provided to the City Council regarding any other alternatives to mitigate the life risk posed by the existing

dams, and to do this prior to entering into a contract for preliminary design services for this alternative. The motion carried unanimously in a voice vote.

Letter of Support for the Avery Street Industrial Shovel-Ready Certification. Hawker introduced the agenda item. Nebel reported that in 2013, land owner Paul Lawson received an industrial site certification from Business Oregon for the Avery Street Industrial Park, which is 30-acre parcel located at 7654 NE Avery Street. He stated that the current industrial site certification has expired and the land owner has requested a letter to proceed with the recertification of the park.

Nebel reported that a letter has been drafted for Roumagoux' signature expressing the support of the City Council.

MOTION was made by Sawyer, seconded by Saelens, to authorize the Mayor to provide Business Oregon with a letter indicating the City of Newport supports development of the Avery Street Industrial Park located at 7654 NE Avery Street for the purposes stated in the original application. The motion carried unanimously in a voice vote.

Re-Appropriate Funding for the Nye Creek Storm Sewer Repair. Hawker introduced the agenda item. Nebel reported that as was indicated with the Agate Beach Wayside Project, staff anticipated utilizing a portion of the funding from the NW 6th Street Storm Sewer Project to address emergency needs regarding a sinkhole that developed in NE 6th Street approximately 50 feet east of Highway 101. He stated that on further evaluation, it is advisable the city reline this storm sewer, since it averages approximately 30-feet in depth, and passes under several buildings including the Washington Federal Credit Union, Newport Café, Cash and Carry, and several homes and apartments around the intersection of NE Avery and NE 7th Street.

Nebel reported that at the August 31 special meeting, Council appropriated a portion of the NW 6th Street funding to address the financial needs for the Agate Beach Wayside Project. He noted as was indicated at that time, it is unlikely that the NW 6th Street Storm Sewer Project will occur until after July 1, so funding for that project would not be used during the current fiscal year. He stated that funding would be made available as part of the appropriations process for the 2016/2017 Fiscal Year, and staff is hopeful that the design would be in place so this project could proceed at that time. He noted that the re-appropriation of this funding will enable staff to proceed with the required engineering to solicit bids to install a cured in-place liner within approximately 1,000 feet of pipe at this location. He added that the appropriated amount should be sufficient to add this project to the lining project that has been appropriated for the storm sewer at NE 7th & Harney Streets.

Engler asked whether that item will be in next year's budget for allocation, and Nebel noted that it would be a high priority.

MOTION was made by Sawyer, seconded by Saelens, to re-appropriate \$200,000 from Project No. 13-002, NW 6th Street Storm Sewer to Project No. 2015-036, Nye Creek Storm Sewer Repair with these funds remaining in the Capital Projects Fund. The motion carried unanimously in a voice vote.

CLARIFICATION OF PROCESS FOR FLUORIDE ISSUE

Nebel noted that some audience members are present to address the fluoride issue. He stated that this issue is scheduled for the second meeting in October to potentially make a decision. He added that one of the things discussed is the creation of a format in which the advocates and the opponents of the issue have an opportunity to provide written reports, with a structure, including a discussion about concerns surrounding fluoridation. He stated that staff would develop a format and invite two groups to submit a brief report on the matter for the meeting on October 19. He added that the format would be provided to the two groups the city is aware of, and anyone else interested in the subject. Swanson stated that she is interested in responses to Dr. Andersen's questions. Nebel noted that he will provide a report with responses to questions and both groups could provide a formal written presentation, as well as any other organizations out there. He stated that he would try to make this information available by Wednesday of this week. Allen asked whether the format would be posted on line. Nebel reported that it would be provided to the two groups the city is aware of, and posted on the city's website for other potential groups.

LOCAL CONTRACT REVIEW BOARD

The City Council, acting as the Local Contract Review Board, convened at 8:02 P.M.

Notice of Intent to Award a Contract to the Apparent Low Bidder, Pavilion Construction, for the Newport Aquatic Center. Hawker introduced the agenda item. Nebel reported that on July 29, 2015, the city received five bids for the construction of a new aquatic center to be located adjacent to the Newport Recreation Center. He stated that the confirmed bid results were very tight with a low bid of \$8,308,669 and a high bid of \$8,653,163. He stated that included in the bids were a number of deductive alternates for consideration at time of award. He added that Council has 60 days in which to award bids for this project. He noted that the bidding was in response to Ballot Proposal 21-152, General Obligation Bonds for New Indoor Municipal Swimming Pool, which was approved by the voters on November 5, 2013. He stated that the ballot question was in regard to whether the City of Newport shall authorize \$7.9 million in general obligation bonds for a new indoor municipal swimming pool. He added that in the summary of the ballot provision, it indicated the current plan is that the new pool would be located adjacent to the Newport Recreation Center and share resources with the center.

Nebel reported that the low bid was submitted by Pavilion Construction in the amount of \$8,308,669. He stated that when design engineering, construction engineering, and other expenses are included, the total cost for this project is \$9,479,729. He noted that the current revenues appropriated for this expense are \$8,590,000 leaving an unbudgeted amount of \$889,729. He added that it is important to have a budgeted contingency for this project for unanticipated costs, and for new construction, a five percent contingency would be appropriate and would require additional resources of \$415,433.

Nebel reported that in reviewing the bids, there are several factors that contributed to the higher costs from the time the bond issue was voted on, including: \$271,144

for campus parking improvements; \$100,253 in sewer line improvements to eliminate existing problems with the Recreation and Senior Centers; additional design for the current channel in the amount of \$20,000; and additional engineering to address unforeseen utility issues of \$73,000. He stated that the conceptual design estimates did not make a provision for the Percent for the Arts Program. He stated that the amount of additional costs added up to \$540,297. He noted that the architect underestimated the construction costs by approximately six percent, which contributed to this gap in funding. He stated that he, Gross, Protiva, and Murzynsky have compiled a list of potential cost savings, and revenue sources that could be used to fill this gap, which were reviewed at the September 8 meeting. He added that he and Murzynsky have also explored the issues of defeasance (refunding) the bond issue if a decision was made not to go forward with the project. He noted that these concepts were reviewed with Council at the September 8 meeting to prepare a recommendation for Council's consideration for the September 21 meeting. He noted that bids have to be awarded within 60 days of the bid opening to be timely and valid. He added that, as was reported on September 8, 2015, the city has been contacted about developing off-site parking on a lease purchase basis for an estimated cost of \$3,950 per month plus property tax (if any), insurance, and maintenance for 100 spaces, which could be a cost-effective way to address the parking demands for this facility.

Nebel reviewed the defeasance of the pool bond. He reported that if Council elected not to go forward with a pool project, it would be necessary to proceed with defeasance of the bonds that have been issued. He stated that municipal bonds are typically issued with the earliest years of the bond not being subject to refunding through refinancing or any other means. He added that this creates a very stable scenario reducing the interest rates charged to municipalities when they issue bonds. He stated that as a result, if a municipal bond is cancelled, it is necessary for the city to set aside sufficient cash to service or pay off this debt. He added that this provision provides security to the municipal bond holders, which again reduces the risk and reduces the interest rates paid by municipalities for municipal bonds. He stated that Murzynsky contacted Piper Jaffry and Company to calculate the city's debt costs if there was a defeasance of the bonds. He noted that since the unused bond funds would be deposited in a secure trust, and would likely earn interest that is less than the interest paid to bond holders, the city would be responsible for this difference. He added that assuming that all bonds become defeasible beginning June 1, 2016, the total principle and interest that would need to be funded is \$8,752,315.70. He stated that the estimate of available bond funds is based on \$7,600,000. He added that if the city decides to go forward with the defeasance of the bonds based on these assumptions, the city would be responsible for generating an additional \$1,152,315.70 to have a defeasance of the bonds through the life of the bonds.

Nebel reported that this scenario includes an additional \$300,000 to close out the projects, and that this amount would be significantly less (probably less than \$50,000). He stated that this would still place the city's obligation to pay over \$900,000 in addition to the remaining bond proceeds to allow for the defeasance of the bonds.

Nebel reported that investments made to date for the pool project are as follows:

Invested to Date

<u>Names</u>	<u>Dollar Amounts</u>
Bond Issuance Cost	\$145,413.00
Architect	\$493,657.00
Engineers	\$ 65,464.00
Geotechnical	<u>\$ 23,408.00</u>
Total Cost Expended to Date	\$727,942.00

Nebel reported that the city would also incur costs of approximately \$20,000 to provide for bond/advisory counsel for the defeasance of the bonds. He noted that the total investment the city would need to make if this project does not go forward, would be as follows:

Total Cost if the City Council Approves Defeasance of the Bonds

Cost Incurred to Date	\$727,942.00
Bond Costs	\$ 20,000.00
Additional Proceeds for Defeasance of Bonds	<u>\$900,000.00</u>
	\$1,647,942.00

Nebel reported that in this case, there would be a high expense incurred to cancel the project and have a defeasance of the bonds without having any measureable benefit for the citizens. He added that the city will need to deal with an existing pool that has many needs in order to keep it functional.

Allen asked about the use of revenue bonds for bonding projects, Nebel explained the differences between revenue bonds and GO bonds.

Nebel reviewed the possibility of rebidding the project. He stated that another alternative Council could consider is rebidding the project as is, or redesigning and rebidding the project to build it in some other location. He stated that the ballot language stated: "the current plan is that the new pool would be located adjacent to the existing Newport Recreation Center and share resources with the Center....." He added that while the language is not restrictive, it certainly indicated what the city's thoughts were as to how this project would proceed, and people voted based on that information. He stated that in reviewing how close the bids were, and other bids that are coming in, it appears that simply rebidding the project, as is at the current location, would likely not yield any benefit to the city. He noted that if the project was redesigned, the city would incur additional architectural costs without a guarantee of any savings. He stated that it is his opinion that rebidding is not a valid option for Council to pursue.

Nebel reviewed the following scenario that he shared with Council at its September 8 meeting:

Aquatic Center
Resources & Expenses

Budget Shortfall

Budgeted Resources	\$8,590,000
Expenses (Design, Engineering, Construction Unbudgeted	<u>(\$9,479,729)</u> <u>(\$889,729)</u>

Deductions

Bid Alternative No. 2 (Delete UV Treatment)	\$89,000
Value Engineering (Block & plumbing changes)	\$74,400
Value Engineering (Eliminate Hydrotherapy Spa)	\$78,000
Value Engineering (Eliminate Current Channel South Parking Lot	\$34,800 <u>\$273,000</u>
<u>Total Reduction</u>	<u>\$549,600</u>

Net Shortfall (340,129)

Additional Resources

General Fund, 2015-16	\$200,000
Room Tax, 2015-16	<u>\$280,000</u>
Revenues	<u>\$480,000</u>

Net \$139,871
Recommended Contingencies
5% of Construction Cost (\$415,433)

Net Shortfall (\$275,562)

Inter-fund Loan for Agate Beach
Closure Fund \$275,502

Shortfall \$0

Nebel reviewed revenues. He reported that the three revenue sources identified in the previous funding scenario included General Fund dollars in the amount of \$200,000, Room Tax Fund dollars in the amount of \$280,000, and reliance on the Agate Beach Closure Fund surplus to fund any contingency. He noted that in both the General Fund and Room Tax Fund, there are revenues that exceeded the anticipated fund balance based on the closeout of the fiscal year that ended June 30, 2015. He stated that in other words, these funds are available and not appropriated for any specific purpose in the 2015/2016 Fiscal Year Budget.

Nebel reported that the use of the room taxes is governed by Section 3.05.150 of

the Municipal Code, which requires that at least 46% of the room tax revenue be used for tourism promotion and tourism related facilities. He stated that Council has the authority to determine which facilities are tourism related, or in part tourism related, and in this particular case, it seems that \$280,000 from the Room Tax Fund for a \$9.5 million project that will facilitate Aquatic Center related events bringing people to the community is not unreasonable.

Nebel reported that the Agate Beach Closure Fund has a balance of \$1.4 million which is over \$550,000 in excess of requirements. He stated that funds borrowed would be paid back to the Closure Fund by the General Fund. He added that Rich discussed this matter with County Counsel, Wayne Belmont, to determine whether there are any other restrictions that would prevent this loan from occurring. He stated that Rich indicated there are no legal impediments from proceeding with this inter-fund loan.

Nebel reviewed a revised option for revenues and expenditures relating to the award of the bid for the aquatic center. He reported that following the last meeting, he met with Gross, Murzynsky, and Protiva to review how to proceed with this project. He stated that after considering the comments made by Council, and utilizing the Aquatic Center resources and expenses example from the September 8 meeting, there are a couple of modifications that he is proposing to that schedule as part of a recommendation to go forward with the pool project. He reported that Gross had had discussions with the low bidder regarding a slightly different approach to the project. He stated that it is believed that the majority of the contingency fund would be necessary through the foundation work for the pool project, and that this is the area in which the most unknowns may occur as well as the physical connections between the Recreation Center and the pool. He noted that if we get through that process without any major surprises then we may be able to accomplish the hydro-therapy spa and the current channel as proposed. He added that the contractor is willing to postpone those decisions to a specific point during the project, so that if there are additional expenses, we will be able to deduct the hydro-therapy pool and current channel from the project. He stated that the city would also reserve the right to deduct, at a later point, the enclosed spectator entrance. He noted that this scenario is outlined as follows:

Recommended Approach
Aquatic Center
Resources & Expenses

Budget Shortfall

Budgeted Resources	\$8,590,000
Expenses (Design, Engineering, Construction)	<u>(\$9,479,729)</u>
Unbudgeted	(\$889,729)

Deductions

Bid Alternative No. 2 (Delete UV Treatment)	\$89,000
Value Engineering	\$74,400

(Block & plumbing changes)	
South Parking Lot	\$273,000
<u>Total Reduction</u>	<u>\$436,800</u>
<u>Net Shortfall</u>	(\$452,929)
<u>Additional Resources</u>	
General Fund, 2015-16	\$200,000
Room Tax, 2015-16	<u>\$280,000</u>
Revenues	<u>\$480,000</u>
<u>Net</u>	\$ 27,071
Recommended Contingencies	
5% of Construction Cost	<u>(\$415,433)</u>
<u>Net Shortfall</u>	(\$388,362)
Inter-fund Loan for Agate Beach	
Closure Fund	<u>\$275,502</u>
Shortfall	(\$112,860)

Other Reductions after Foundation & Building Connections are Complete

Bid Alternate No. 1		
Enclosed Spectator	\$ 27,000	
Value Engineering		
(Eliminate Hydro Spa)	\$ 78,000	
Value Engineering		
(Eliminate Current Channel)	<u>\$ 34,800</u>	\$339,000
Net	<u>\$ 26,940</u>	

Nebel reviewed parking for the pool. He noted that as indicated in the report, an opportunity to develop parking on a lease purchase basis has been discussed with an adjacent property owner. He stated that in this case, the city could obtain one hundred (100) parking spaces for \$3,950 per month, plus any property tax, insurance, and maintenance for these spaces. He added that this could be a cost effective way to substantially increase the parking that would be available from the construction of the south parking lot at a cost of estimated at \$273,000. He noted that as a result of this option, staff is recommending the south parking lot be pulled from the contract, and if staff is not successful in coming to terms for the negotiation of these parking spaces, then the south parking lot could be built from funds appropriated in the 2016/2017 Fiscal Year. He added that there would be an annual outlay for the lease, if this option is pursued. He stated that prior to receiving an occupancy permit for the pool, the parking issue will need to be resolved.

Nebel stated that if Council makes a decision to proceed with awarding a bid, he

has scheduled one last item that follows the Local Contract Review Board meeting to allow Council to appropriate the General Fund and Room Tax Fund dollars that will be necessary to proceed with the project.

Allen spoke to the issue of parking. He asked what a parking lease, at \$4,000 monthly, would get the city in five or six years. Nebel noted that this is kind of a lease/purchase arrangement, and rather conceptual at this point. He added that he thinks that the parking lot should be removed at this time to allow an opportunity to work through potential parking arrangements. It was noted that the south parking lot would net 25 increased spaces, and the potential leased parking would net 100 increased spaces. Allen noted that the city may have to deal with a purchase arrangement, of potential leased parking, in the future.

Busby asked about project management. He asked who would manage the project and what tools would be used in project management. Gross reported that the architect will manage the contractor with city staff conducting daily walk-throughs. He added that there may be a need for additional inspections coordinated through the architect. Busby asked whether Gross thinks there is a need for a full-time, dedicated project manager. Gross noted that ideally, there will be a senior project manager on board by then. Busby stated that the lack of a project manager seems pretty high risk on a nine million dollar project. Gross reported that there would be a separate contract for site inspection and other work leading up to building the facility. Busby noted that there should be plenty of work for a program manager. Busby asked whether the administration would be amenable to incentivizing staff on this project. He said that there is a lot of concern regarding the city's ability to pull this off, adding that he was thinking that he would like to see a percentage added or deducted from the compensation package of responsible staff. Nebel noted that staff would look at this proposal if Council was interested. Busby reiterated that he would like to see incentivization, motivation, and risk put on the backs of those responsible. He added that the majority of input that he has heard is that the city should get out of the project. He stated that he agrees with that due to program management and costs. He noted that the part most people did not understand is the amount lost if the project is canceled tonight. He added that he will probably vote for the project, but would like to have a work session on incentivizing staff on this project. Allen noted that even though the general obligation vote was for 7.9 million dollars, the city actually has approximately 8.2 or 8.3 million dollars. Nebel explained the packaging of municipal bonds and premiums, noting that the amount the City pays back is 7.9 million dollars. Allen reiterated that the cost of not going forward is great. Allen stated that if Council made a determination that at least six percent of the facility was a tourism-related facility, it would lessen the load on the General Fund. Busby agreed with Allen. Busby asked whether money could be simply transferred from the Agate Beach Closure Fund, rather than making a loan. Sawyer noted that the market has changed since this project began. He noted that many community members have wondered why the existing pool was not simply renovated, but that possibility had been vetted. Sawyer stated that he supports Allen's suggestion. He added that the pool is used by tourists. Protiva explained potential uses for the new pool. Nebel addressed Allen's alternate financial proposal. He stated that he and Murzynsky have reviewed the proposal and find no reason not to go this direction if that is the desire of Council. He added that at the close of last year, the transient room taxes were underestimated, and stated that

he does not think that Allen's proposal would diminish funds that are available for marketing. Busby asked whether funds can be transferred from the Agate Beach Closure Fund, and Rich noted that he would not recommend this transfer, noting that it is advisable to make a loan and track the money. Nebel noted that there is no action on the contingency required until much later in the process.

MOTION was made by Allen, seconded by Engler, to issue a Notice of Intent to Award the Bids for the Construction of the Newport Aquatic Center to Pavilion Construction in the amount of \$8,308,669, less bid alternative no. 2 in the amount of \$89,000 in accordance with the City Manager's report outlining the recommended approach to proceeding with this project as ultimately determined by the City Council, and contingent upon no protest, authorize award and direct the City Manager to execute the contract after seven days on behalf of the City of Newport. The motion carried unanimously in a voice vote.

Approval of Task Order No. 3.04 with Chase Park Grants. Hawker introduced the agenda item. Nebel reported that at the time the agreement with Chase Park Grants was renewed, the one component that was not included in his recommendation for approval related to grant assistance, specifically for the water supply and storage issues that were part of this effort. He added that he wanted to hold on this component until after the two work sessions were completed with Council on the feasibility reports for the dams. He stated that if this task order is approved, Chase Park Grants will begin pursuing funding to assist with the planning and design of the Big Creek Dam Remediation Project, as well as funding to explore the feasibility of creating a reservoir at Rocky Creek. He added that this task would also pursue potential funding for the installation of automatic meter equipment and flowmeters.

Nebel reported that he believes it is critical, and an opportune time, to pursue this type of funding for these projects. He stated that Chase Park Grants has had a good track record of procuring substantial resources for a number of city projects, and that this task order would not to exceed \$145,500 for these purposes. He noted that a copy of the task order is included in the packet.

MOTION was made by Engler, seconded by Sawyer, to approve Task Order 3.04, for Technical Grant Assistance for Water Supply and Storage Issues with Chase Park Grants, LLC, in the amount of \$145,500, and authorize the City Manager to execute the task order on behalf of the City of Newport. The motion carried unanimously in a voice vote.

Notice of Intent to Award a Contract to DSL Builders for Repairs to the Exterior of the Airport FBO Building. Hawker introduced the agenda item. Nebel reported that on September 17, 2015, one bid was received for the airport FBO building exterior repair project from DSL Builders. He stated that there have been roof and wall problems resulting from water infiltration at this location which created mold damage in the FBO building. He noted that the proposed contract will stabilize the building which has a lack in cross bracing that allows the building to flex significantly which breaks seals on windows and increases the water infiltration on the south wall. He added that the project will add a new shingled roof over the entire FBO building and replace siding on the building.

MOTION was made by Engler, seconded by Allen, to issue a Notice of Intent to Award for the Airport FBO Building Exterior Repair Project base bid and Alternate A

to DSL Builders in the amount of \$220,930 and contingent upon on no protest authorize the award and direct the City Manager to execute the contract after seven days on behalf of the City of Newport. The motion carried unanimously in a voice vote.

RETURN TO CITY COUNCIL MEETING

The City Council returned to its regular meeting at 9:02 P.M.

Consideration of Resolution No. 3726 Adopting a Supplemental Budget Adjustment for Fiscal Year 2015/2016, Making Appropriation/Total Requirement Changes for Specific Funds. Hawker introduced the agenda item. Nebel reported that since the City Council awarded the pool project, it is advisable to proceed with the appropriations of additional funding for completing this project. He noted that this amendment deals specifically with the Room Tax, Capital Outlay, and General Fund portions of the funding. He stated that the Agate Beach funding portion will be handled at a later point with a general appropriations amendment, since that request will require a public hearing. He added that a hearing will be necessary as the appropriation funding exceeds ten percent of that fund.

Nebel reported that the beginning fund balance exceeds the projected fund balance making these funds available for this project from the General Fund. He added that in the Room Tax Fund, \$200,000 was appropriated in the 2015/2016 budget for two projects that were actually funded in June of 2015, as part of the Tourism Facilities grants. He noted that as a result, the appropriation for those projects are not necessary in the current fiscal year. He added that he has no objections to the alternate financing plan, noting that the important thing is to appropriate those funds needed in this fiscal year.

Allen noted that if he gets the sense that Council is in agreement with the suggestion to use additional room tax monies to fund this project, he will propose adjustments in the resolution. Nebel noted that staff has no objection to the change, as this is a policy issue of Council.

Council agreed to allow staff to tweak the resolution while Council reports occur.

REPORT FROM MAYOR AND COUNCIL

Roumagoux reported that she attended an Oregon Cultural Trust Board reception on September 10. She added that this is the first time the Trust has held its meeting in Newport.

Roumagoux reported that she attended a breakfast at the Coast Guard station on September 11. She added that she also attended the morning briefing noting that this is a great way to connect with the local Coast Guard.

Roumagoux reported that she met with Tom Webb regarding the Mayor's exhibit at the VAC. She stated that it will be organized so that future Mayors will not need to know anything about art.

Sawyer reported that OMSI is under construction and noted that he would like a tour. Tokos noted that OMSI's projected opening date is April of 2016.

Sawyer reported that he received the COG's State of the Region Report which he will leave in the Council office for others to read.

Sawyer reported on 2014 tourist spending noting that 496 million dollars was spent in Lincoln County. He added that the regional wholesale/retail wine and beer industry had a nine million dollar impact.

Sawyer asked about planning for the next STIP funding. Tokos reported that he has a pedestrian project from WalMart to 36th Street which he is proposing. He added that it should be very competitive and is a great project that is long overdue.

Busby reported that the Port Commission will be meeting tomorrow, and that the Regional Airport Review Task Force has been postponed.

Engler reported on a recent meeting of the Library Board. She noted that the Library is near to completing the RSID on all books which will help in tracking. She added that the system will not become effective until all the libraries in the district are prepared to move forward with the system.

Allen reported that the Audit Committee will be meeting tomorrow.

Allen reported on the recent Oregon Coast Economic Summit. He noted that a pamphlet recapping the marine studies initiative will be in the Council office for others to review.

Continued Consideration of Resolution No. 3726 Adopting a Supplemental Budget Adjustment for Fiscal Year 2015/2016, Making Appropriation/Total Requirement Changes for Specific Funds.

Nebel noted that Resolution No. 3726 is before Council. He recommended the fourth “whereas” read \$50,000 rather than \$200,000, with a corresponding increase of \$50,000 to the \$200,000 in the third line. He also recommended that in the sixth “whereas,” the amount, on line two, of \$472,000, be amended to \$322,000, and the amount of \$472,000 in the last line of this paragraph be amended to read \$322,000. He further recommended that a seventh “whereas” be added to read as follows: “WHEREAS, in Fiscal Year 2016/2017, the City Council directs city administration to budget \$150,000 in funding from the Room Tax Fund and utilize an interfund loan from the Agate Beach Closure Fund for the contingency for this project, which would be paid back equally, on a schedule adopted by the City Council, by the General Fund and the Room Tax Fund.”

MOTION was made by Allen, seconded by Engler, to adopt Resolution No. 3726 approving a supplemental budget adjustment for Fiscal Years 2015/2016, and 2016/2017 making appropriation/total requirement changes for specific funds as revised and modified this evening. The motion carried unanimously in a voice vote.

PUBLIC COMMENT

Gary Lahman reported that before this meeting, he attended the Pacific Communities Health District Board Meeting and gave suggestions about agendas and minutes. He thanked City Council and staff for placing materials on the city website.

ADJOURNMENT

Having no further business, the meeting adjourned at 9:21 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor



Agenda #:VIII.A.
Meeting Date: 9-5-2015

Agenda Item:

Possible Adoption of Ordinance No. 2083, Establishing the Newport North Side Urban Renewal District

Background:

On Monday, September 21, the City Council held a public hearing on the possible adoption of Ordinance No. 2083, which would establish the Newport North Side Urban Renewal District. The Council accepted the final public comments on establishing this district. An issue that was discussed during the public hearing was in relationship to housing. It should be noted that the North Side Plan includes references to the City's goal to provide adequate housing, affordable to Newport workers at all wage levels. Investments in infrastructure to improve this type of housing is emphasized in the plan. Based on the comments, the language has been clarified to indicate that consideration for workforce housing is encouraged through the "strategic site acquisition for economic development" category, which would allow for a mixed-use concept in the City Center or other similar opportunities that may come out of any future refinement plans. Furthermore, language has been added indicating that the Planning Commission may recruit members of the public in an ad-hoc capacity to assist with advisory responsibilities.

Following the end of the public comment period, the public hearing was closed. The Council then discussed a number of issues and a number of issues have been modified to reflect that conversation. There will be emphasis on the Planning Commission being empowered to tap members of the public in an advisory capacity to assist the agency with plan administration. Furthermore, the legal descriptions are now incorporated in each plan.

The City of Newport established an Urban Renewal Agency in 1972. Since that time, the Urban Renewal Agency has had two separate districts; one north of Yaquina Bay and the second district in South Beach. These districts have played an influential part in creating the City of Newport that we currently have today with improvements such as the Nye Beach Turnaround area, the PAC, the VAC, the Library, Parks & Recreation, City Hall, the walkway on the Bayfront, the Oregon Coast Aquarium, helped facilitate the coming of NOAA to South Beach, the development of improved roads and bike paths throughout South Beach and currently the reconstruction of a number of streets in accordance with the refinement plans that were developed after very much public input to define the elements of that plan in past years. The North Side Urban Renewal District has the potential to redefine other areas of the City of Newport including the City Center, the US Highway 20 corridor, and Agate Beach. The proposed North Side Urban Renewal District is 545.9 acres in size and has the duration of 25 years and a maximum level of indebtedness of \$39.92 million over the life of the plan. Urban Renewal projects are generally described in order for the community to have an opportunity to refine those plans and identify projects in which Urban Renewal funds can be utilized in the future.

The creation of an Urban Renewal District does not increase individual property owner taxes within that district. Instead it creates a base value with those property taxes from the base value going to those taxing entities that currently receive those amounts. As the value within the district grows, that increment is captured and redirected to the Urban Renewal Agency for the completion of projects that

are in accordance with the Urban Renewal Plan. Secondly, the Urban Renewal District does not provide a quick fix to projects. It may likely be a decade or more from now before major projects can be accomplished with the Urban Renewal funds depending the growth of the district between now and that point. Initially, the district will likely pursue refinement plans for Agate Beach and for the City Center. Both of these plans will involve significant public input to develop the best plan for those two parts of the Newport community.

Originally we were hoping that we would meet a time schedule in which the County Tax Assessor would be able to initiate the capture year now if we were able to have the ordinance approved at this time. Unfortunately, this will not occur, which allows the actual approval of the Districts to occur at a later point.

On Monday, September 21, 2015, the final public hearing was conducted to close out the public testimony on the plans. Please note that public testimony has to be incorporated in the record that ultimately is approved by the Council as part of the plan. The Council can now proceed with approval of the North Side Urban Renewal District.

Recommendation:

I recommend that the City Council consider the following motion:

I move the adoption of Ordinance No. 2083, establishing the Newport North Side Urban Renewal District be read by title only and placed for final passage.

The Mayor will then ask for a voice vote on whether or not to read the ordinance by title only and placed for final passage.

If the motion is approved, the City Recorder will read the title of the ordinance.

A roll call vote on the final passage of the ordinance will then be requested by the Mayor, and taken by the City Recorder.

Fiscal Effects:

Adoption of the ordinance will put into place a tax increment financing district that will cap property values within the district, and redirect any new tax revenue for values in excess of the cap to the Urban Renewal District from the City and other taxing entities in order to fund the improvements that are eligible under this plan. This is described in detail within the attached report.

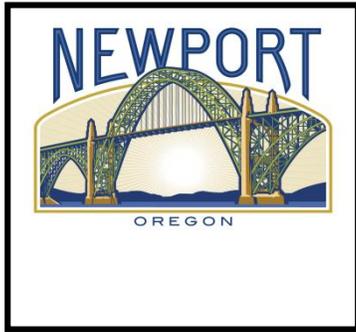
Alternatives:

None recommended.

Respectfully Submitted,



Spencer R. Nebel
City Manager



Agenda Item VIII.A.
Meeting Date October 5, 2015

CITY COUNCIL
AGENDA ITEM SUMMARY
City of Newport, Oregon

Issue/Agenda Title Consideration of Ordinance No. 2083 Establishing the Newport Northside Urban Renewal Area

Prepared By: Derrick Tokos Dept Head Approval: DT City Mgr Approval: _____

ISSUE BEFORE THE CITY COUNCIL: Consideration of Ordinance No. 2083, which if adopted, will establish an urban renewal area within the City of Newport as outlined in the Newport Northside Urban Renewal Plan and Report (“Plan”). The geographic boundary of the Plan includes lands in Agate Beach, along US 20, and along US 101 north of the Yaquina Bay Bridge. It is 545.9 acres in size, has a duration of 25 years, and a maximum level of indebtedness of \$39.92 million over the life of the Pan.

At its September 14, 2015 meeting the Newport Planning Commission found that the Plan conforms to the Newport Comprehensive Plan.

STAFF RECOMMENDATION: Staff recommends that the City Council adopt the Ordinance.

PROPOSED MOTIONS: I move the adoption of Ordinance No. 2083, establishing the Newport Northside Urban Renewal District be read by title only and placed for final passage.

KEY FACTS AND INFORMATION SUMMARY: A detailed summary of the key facts and information related to this agenda item was included with the September 21, 2015 City Council Agenda packet. Changes made to the Newport Northside Urban Renewal Plan since the City Council closed the September 21, 2015 public hearing include:

- Language has been added to Objective 2, Goal 1, Public Involvement, indicating that the Planning Commission may recruit members of the public in an ad-hoc capacity to assist it with its advisory responsibilities.
- Amendments were made to objectives listed under Goal 3, Housing, to emphasize the use of infrastructure investments to improve the quality of service to existing residential properties and expand the City’s housing supply, and to encourage the development of affordable and workforce housing in Agate Beach and commercial core areas.

These changes were made in response to public testimony and feedback from the City Council. No changes have been made to the Report Accompanying the Newport Northside Urban Renewal Plan.

New Finding No. 11 and Finding No. 12 were added to Ordinance No. 2083. Finding No. 11 addresses the fact that the Ordinance is up for adoption on October 5, 2015. Finding No. 12 provides that technical corrections may be made to the legal description found in Appendix A to the Newport Northside Urban Renewal Plan after adoption of the Ordinance without further Council action provided the changes are limited to ensuring that the description aligns with the graphic depiction of the boundary included as Figure 1 to the Plan.

OTHER ALTERNATIVES CONSIDERED: Not proceeding with an urban renewal plan.

CITY COUNCIL GOALS: Moving forward with preparing a plan is consistent with the City Council's goals.

ATTACHMENT LIST:

- Ordinance No. 2083 with attached exhibits

FISCAL NOTES: If the plan is adopted, the first tax initial increment will be collected in FYE 2017. Financial analysis outlining the impact the Plan will have on affected taxing entities, including the City of Newport, is included in the Plan.

CITY OF NEWPORT

ORDINANCE NO. 2083

AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO, AND APPROVING, THE NEWPORT NORTHSIDE URBAN RENEWAL PLAN.

Summary of Findings:

1. Pursuant to Ordinance No. 1910, the Newport City Council (the "Council") declared that blighted areas exist in the City of Newport ("City") and elected to have the powers of an urban renewal agency exercised by the Council.
2. Pursuant to the Ordinance, the Council declared that the name of the urban renewal agency will be the Newport Urban Renewal Agency (the "Agency").
3. The Agency, as the City's duly authorized and acting urban renewal agency, is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457.
4. The Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of that certain Urban Renewal Plan attached hereto as Exhibit A (the "Plan"). The Plan authorizes certain urban renewal activities within the Newport Northside Urban Renewal Area (the "Area").
5. The Agency has caused the preparation of a certain Urban Renewal Report dated September 21, 2015 attached hereto as Exhibit B (the "Report") to accompany the Plan as required under ORS 457.085(3).
6. The Agency forwarded the Plan and Report to the City's Planning Commission (the "Commission") for review and recommendation. The Commission considered the Plan and Report on September 14, 2015 and adopted a finding that the Plan conformed with the Newport Comprehensive Plan.
7. The Plan and the Report were forwarded on August 26, 2015 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with each taxing district during the feasibility study phase and by including taxing districts in the advisory committee and by sending a formal notice of the Plan; no taxing jurisdiction has sent a written response to the Plan.
8. On September 2, 2015, the City met with representatives of Lincoln County to review the Plan, including proposed maximum indebtedness for the Plan.
9. On August 31, 2015, the City caused notice of the hearing to be held before the Council on the Plan, including the required statements of ORS 457.120(3), to be mailed to utility customers; and
10. On September 21, 2015 the Council held a public hearing to review and consider the Plan, the Report, the recommendation of the Planning Commission, and the public testimony received on or before that date.
11. On October 5, 2015 the Council deliberated on this Ordinance and, after such deliberation, elected to adopt the Ordinance and approve the Plan and Report.

12. Technical corrections to the legal description of the Plan boundary included as Appendix A to the Plan may be made after the adoption of the Ordinance without further Council action provided the changes are limited to ensuring that the description aligns with the graphic depiction of the boundary included as Figure 1 of the Plan.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. Findings. The above-stated findings are hereby adopted.

Section 2. Short Title. This Ordinance No. 2083 (this “Ordinance”) may be referred to and cited as the “Urban Renewal Plan Ordinance.”

Section 3. Compliance with Requirements. The Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1)-(7). To this end, based on the information provided in the Report, the recommendation of the Commission, and public testimony before the Council, the Council hereby determines and finds as follows:

(a) The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1), and is eligible for inclusion within the Plan because of conditions described in Section II of the Report, including inadequate streets and other rights-of-way, inadequate utilities, and a prevalence of depreciated values resulting from underdevelopment and underutilization of property within the Area; and

(b) The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety, and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the Newport comprehensive plan; and

(c) The Plan conforms to the Newport comprehensive plan as a whole and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the minutes of the Planning Commission attached hereto as Exhibit C; and

(d) In connection with any residential displacement occurring as a result of the acquisition and disposition of land in the Plan, provision has been made for displaced persons in the Relocation Section of the Report as required under applicable state and federal law; and

(e) The acquisition of real property provided in the Plan is necessary for the development of infrastructure improvements, in the Area and for the development of public spaces; because the Agency does not own all the real property interests (e.g., rights-of-way, easements, fee ownership, etc.) that will be required to undertake and complete these projects as described in Chapter IV of the Plan and Section V of the Report; and

(f) Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to Section 1c, Article IX of the Oregon

Constitution and ORS 457.440, and other available funding as shown in the following Report sections: (VI) Estimated Total Cost of Each Project and Sources of Moneys to Pay Such Costs; (VIII) Estimated Amount of Tax Increment Revenues Required and Anticipated Year in Which Indebtedness Will be Retired; and (IX) Financial Analysis of the Plan; and

(g) The City will assume and complete any activities prescribed it by the Plan.

Section 4. Approval of Plan. The Plan is hereby approved based upon review and consideration by the Council of the Plan, the Report, the recommendations of the Commission, and the public testimony in the record.

Section 5. City Recorder. The City's City Recorder will forward to the Agency a copy of this Ordinance once the legal description is finalized. The Agency will thereafter cause a copy of the Plan to be recorded in the Lincoln County Official Records. The City Recorder, in accordance with ORS 457.115, will publish notice of the adoption of this Ordinance, including the provisions of ORS 457.135, in the Newport News-Times no later than four days following adoption of this Ordinance.

Section 6. Severability; Corrections. If any section, subsection, sentence, clause, and/or portion of this Ordinance is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Ordinance. This Ordinance may be corrected by order of the City Council to cure editorial and/or clerical errors.

Section 7. Effective Date. This ordinance shall take effect 30 days after passage.

Date adopted on initial vote and read by title only: October 5, 2015

Date adopted on final roll call vote: October 5, 2015

Signed by the Mayor on October 5, 2015.

Sandra Roumagoux, Mayor

ATTEST:

Spencer Nebel, City Manager

Approved as to form:

Steve Rich, City Attorney

Exhibit A

Ordinance No. 2083

Newport Northside

Urban Renewal Plan

Newport Northside Urban Renewal Plan

Adopted by the City of Newport

October 5, 2015

Ordinance No. 2083

Elaine Howard Consulting, LLC

ECONorthwest

Jeannette Launer

List of Participants

Mayor: Sandra Roumagoux
City Council: Ralph Busby, President
David Allen
Wendy Engler
Mark Saelens
Dean Sawyer
Laura Swanson
Planning Commission: Jim Patrick, Chair
Bob Berman
William Branigan
Rod Croteau
Gary East
Michael Franklin
Lee Hardy
City Manager: Spencer Nebel
City Recorder: Peggy Hawker
Community Development Director: Derrick Tokos
Executive Assistant: Wanda Haney

Urban Renewal Advisory Committee:
Ralph Busby, City Council Member
Rod Croteau, Planning Commission and Agate Beach resident
Caroline Bauman, Yaquina Bay Economic Foundation
Wayne Belmont, Lincoln County
Ken Brown, Port of Newport
Chris Chandler, Central Lincoln Public Utility District
Lorna Davis, Greater Newport Chamber of Commerce
Frank Geltner, City Center Newport Association
Don Huster, Newport Budget Committee
Tim Kaufman, Lincoln County School District
Don Mann, Lincoln County
Robert McAfee, Citizen at large
Bill Posner, Citizen at large
Birgitte Ryslinge, Oregon Coast Community College
Ralph Breitenstein, Pacific Communities Hospital Health District
Jon Conner (alternate), Pacific Communities Hospital Health District
Chuck Forinash (alternate,) Newport Budget Committee

Consultant Team: Elaine Howard Consulting LLC, Elaine Howard
ECONorthwest, Nick Popenuk, Rob Wyman
Jeannette Launer, Legal Counsel

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I. DEFINITIONS

“Advisory Committee” means the committee composed of public officials and consultants to provide input on the McLean Point Urban Renewal Plan. Those members are identified on the acknowledgement page of the urban renewal plan.

“Agency” means the Newport Urban Renewal Agency. This Agency is responsible for administration of the urban renewal plan. In Newport, the Agency is the Newport City Council.

“Annual report” means annual report on impacts to taxing jurisdictions and former year and following year budgets as required in ORS 457.460.

“Area” means the properties and rights of way located with the McLean Point urban renewal boundary.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the urban renewal plan.

“City” means the city of Newport, Oregon.

“City Council” or “Council” means the City Council of the City of Newport.

“Commercial Core Areas” means the commercial areas that provide services within the Area. These will be further defined in the commercial core areas revitalization plan.

“Comprehensive Plan” means the city of Newport comprehensive land use plan and its implementing ordinances, policies and standards.

“County” means Lincoln County.

“Fiscal year” means the year commencing on July 1 and closing on June 30.

“Frozen base” means the total assessed value including all real, personal, manufactured and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

“Legislative process” is a public process where the planning commission or city council is acting as a legislator, making new law. Chapter 14.52 of the Newport Municipal Code (Zoning Ordinance) provides procedures for legislative processes.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“Newport Transportation Systems Plan (TSP)” means the transportation system plan adopted by the Newport City Council.

“ORS” means the Oregon revised statutes and specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Newport Planning Commission.

“Revenue Sharing” means sharing tax increment proceeds as defined in ORS 457.470.

“Tax increment financing (TIF)” means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“Under-levy” means taking less than the available tax increment in any year as defined in ORS 457.455.

“Urban renewal agency” or “Agency” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for administration of the urban renewal plan.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3).

II. INTRODUCTION

The Newport Northside Urban Renewal Plan (Plan) has been developed for the Newport City Council (City Council) with the cooperative input of an Urban Renewal Advisory Committee (Advisory Committee) and community input from two urban renewal public meetings.

The Advisory Committee met six times to review components of the Plan and Report accompanying the Plan (Report), specifically the goals and objectives, projects, amendment procedures, duration of the Plan, under-levy provisions, socio-economic data, funding, and financial tables in the Report. The Advisory Committee also reviewed the input from the public meetings. The Advisory Committee voted unanimously of those present to forward the Plan and Report to the Newport Urban Renewal Agency for their consideration. There were representatives of the community at the majority of the Advisory Committee meetings.

The first public meeting was held on July 27, 2015 at which approximately 47 citizens participated. Staff and the consultant provided background information on urban renewal, the proposed plan and on the process for adoption of an urban renewal plan. Comment forms were available for attendees to complete. The comments received were compiled and placed on the city of Newport website. In addition, where appropriate, responses to the comments were drafted and also posted to the website and distributed at the second open house and to the Newport Urban Renewal Agency as part of the staff report on the process of preparing the urban renewal plan.

The second public meeting was an urban renewal open house on August 31, 2015 at which 75 people signed in and others attended, but chose not to sign in. Staff provided general urban renewal information, background information on why to consider urban renewal at this time, an overview of the potential projects, and answered questions. Attendees were provided opportunities to provide input at 5 different stations in the room. The majority of the comments received were in response to the potential of traffic solutions in the commercial core. All but one of those comments were against any couplet as a solution to traffic problems. It was noted by staff that the issue of traffic in the commercial core will be addressed in the Commercial Core Refinement Plan which is anticipated to be a two to three-year process, including substantial community input. The Commercial Core Refinement Plan will be one of the two first projects completed within the Plan, and will identify specific projects under the general categories allowed within the urban renewal plan. The Commercial Core Refinement Plan will be based on substantial data gathered about traffic problems in the area with different alternative solutions identified and studied. Whether or not a couplet will be one of the

recommended solutions is unknown at this time. However, staff consistently stated their desire for transparency that all options will be discussed and vetted in the refinement plan process. The second area of concern was surrounding the proposed projects in Agate Beach. There was concern about whether they were getting a fair share of funding and about the specifics of what improvements would be completed. Staff reiterated that those decisions would be made in the Agate Beach Refinement Plan, one of the first projects to be funded in the urban renewal plan.

There was also opportunity for public input at the Advisory Committee meetings, the Newport Urban Renewal Agency (Agency) meeting, the Newport Planning Commission (Planning Commission) meeting, and the City Council meeting.

In addition, the consultant and city staff briefed the Newport Port Commission on both urban renewal plans on August 17, 2015. Staff briefed the Lincoln County Commission on September 2, 2015.

The Plan contains goals, objectives, and projects for the development of the Newport Northside Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to overcome obstacles to the proper development of the Area.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in ORS 457. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area has infrastructure needs, including street and utility upgrades, lacks adequate streetscape and parking, and would benefit from a program for assistance to business owners. Those needs are specifically cited in the Report accompanying the Newport Northside Urban Renewal Plan and specifically cited in the ordinance for adoption of the urban renewal plan.

Urban renewal allows for the use of tax increment financing (TIF), a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to repay borrowed funds. The funds borrowed are used to pay for urban renewal projects.

In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities; assistance for rehabilitation or redevelopment of property; acquisition and re-sale of property (site assembly) from willing sellers; and improvements to public spaces. The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Newport, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban

renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 545.9 total acres: 396.3 acres of land in parcels and 149.6 acres of public right-of-way.

The Plan will be administered by the Newport Urban Renewal Agency (Agency), which was established by the Newport City Council as the City's Urban Renewal Agency. Substantial changes to the Plan must be approved by the City Council, as outlined in the Amendments Section, Section IX of this Plan.

The Plan is accompanied by an Urban Renewal Report (Report) that contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

It is anticipated that the Plan will take 23 years to implement. The duration of the Plan is set at 25 years to allow for changes in the economy and opportunities for a potential under-levy at some point in the life of the Plan. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$39,920,000.

Future amendments will be listed numerically in this section of the Plan and then incorporated into the Plan document and noted by footnote as to amendment number, type of amendment (substantial, major or minor) and date adopted.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XII, and were developed with input from the Newport Urban Renewal Plan Advisory Committee. The goals and objectives will be pursued as economically as is feasible and at the discretion of the Agency. The goals and objectives are not ranked by priority.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal implementation process.

Objectives:

1. Provide opportunities for public input throughout the implementation process.
2. Establish the Planning Commission as the ongoing Citizens' Advisory Committee to assist the Urban Renewal Agency in decisions regarding plan implementation and to provide input on Substantial and Major Amendments as identified in the Amendments section of the Plan. The Planning Commission may recruit members of the public in an ad-hoc capacity to assist it with its advisory responsibilities.
3. Utilize ad hoc advisory committees to review Major Amendments that include changes in the Plan as identified in the Amendments section of the Plan.

Goal 2: *ECONOMY*

Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs. Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities.

Objectives:

1. US 101/US 20 Streetscape
 - a. Assist in the financing and provision of transportation improvements for improving traffic flow and traffic patterns, reconfiguring

intersections, installing or upgrading traffic signals, improving pedestrian and bicycle connections, right of way acquisition and parking improvements.

- b. Improve overall aesthetics, for example: landscaping, utility undergrounding, wayfinding, and billboard removal.
 - c. Work with property owners to promote development and redevelopment of properties within the Area including but not limited to site prep for re-use, property consolidation, business assistance programs including façade improvement program and strategic site acquisition for economic development. Implement loan and grant programs.
2. Commercial Core Areas
- a. Complete a Refinement Plan for the commercial core areas, including identifying a boundary.
 - b. Assist in the financing and provision of transportation improvements to ease congestion, spread out traffic, enhance pedestrian experience, and facilitate redevelopment.
 - c. Help create and enhance a district identity through the provision of amenities including but not limited to benches, public art, public spaces, street and landscape island enhancements, wayfinding, utility undergrounding, and billboard removal.
 - d. Work with property owners to promote mixed use development and redevelopment of properties within the Area including but not limited to site prep for re-use, business assistance programs including façade improvement program and strategic site acquisition for economic development. Implement loan and grant programs.
3. Hospital Area
- a. Assist in the financing and provision of transportation improvements including access and parking.
 - b. Assist in financing and provision of utility infrastructure.
 - c. Provide improvements to help establish a gateway to the city.
4. Tourism/Fairgrounds Area
- a. Develop tourism related amenities and facilities including fairgrounds redevelopment.
 - b. Identify and make infrastructure investments on opportunity sites.
 - c. Assist in the improvement of the transportation system to support existing development and allow for future development.

- d. Facilitate redevelopment through assistance in parcel reconfiguration and potential public/private partnerships.
- e. Improve the visual appearance of the Highway 20 corridor through redevelopment, transportation improvements and streetscape improvements.

Goal 3: *HOUSING*

Support existing and potential new residential neighborhoods through upgrading utility and transportation infrastructure. Provide for the housing needs of the citizens of Newport in adequate numbers, price ranges, and rent levels which are commensurate with the financial capabilities of Newport households.

Objectives:

- 1. Complete a Refinement Plan for the Agate Beach area.
- 2. Upgrade infrastructure in existing residential neighborhoods to improve the quality of services needed for the units to be viable and desirable over the long term.
- 3. Assist with the extension of infrastructure to undeveloped residential properties to facilitate the construction of residential units, increasing the supply of housing.
- 4. Assist in the improvement of the transportation system to support existing development and allow for future housing development.
- 5. Explore public and private partnerships to encourage development of affordable and workforce housing in Agate Beach and commercial core areas.

Goal 4: *INFRASTRUCTURE*

To assure adequate planning for public facilities to meet the changing needs of the City of Newport urbanizable area. To provide a storm water drainage system, water system, wastewater collection and treatment system with sufficient capacity to meet the present and future needs of the Newport urbanizable area. To provide a safe and efficient multi-modal transportation system consistent with the Transportation System Plan.

Objectives:

- 1. Complete a Refinement Plan for the Agate Beach area.
- 2. Complete a Refinement Plan for the commercial core areas.
- 3. Build utility infrastructure to accommodate growth in the Area.
- 4. Identify and make infrastructure investments on opportunity sites.

5. Coordinate with the Oregon Department of Transportation on transportation improvements, including street, sidewalk and bridge improvements, in the Area.
6. Assist in the improvement of the transportation system to support existing development and allow for future development.
7. Assist in the financing and provision of transportation improvements for US 101 and US 20 for improving traffic flow and traffic patterns, reconfiguring intersections, installing or upgrading traffic signals, improving pedestrian and bicycle connections, right of way acquisition and parking improvements.
8. Assist in the financing and provision of transportation improvements in the commercial core areas to ease congestion, spread out traffic, enhance pedestrian experience, and facilitate redevelopment.
9. Assist in the provision of telecommunications infrastructure.

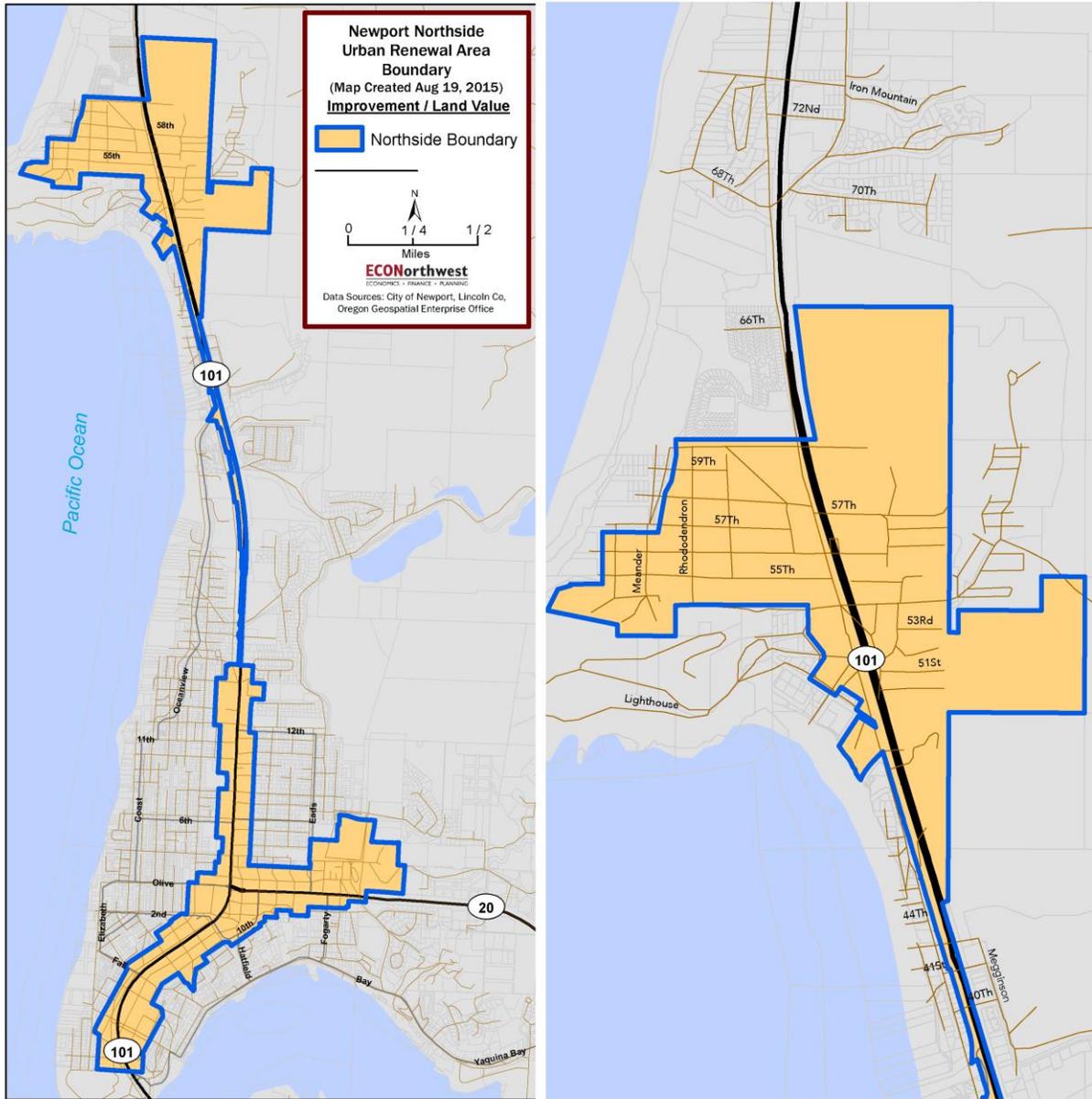
Goal 5: *FISCAL STEWARDSHIP*

Work with taxing jurisdictions to both inform them of the annual project and financial activities of the urban renewal area and to evaluate opportunities to share tax increment revenues.

Objectives:

1. Send a copy of the annual project and financial report to all taxing jurisdictions, informing them of the activities of the urban renewal area.
2. Notify taxing jurisdictions of revenue sharing responsibilities and the timing of those responsibilities.
3. Identify process for evaluating an under-levy request.
4. Reimburse city for annual costs in administering the urban renewal area.

Figure 1 – Urban Renewal Area Boundary



IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The projects within the Area include:

- *Refinement Plans*
- *Public Buildings*
- *Transportation and Utility Enhancements*
- *Economic Development*
- *Planning and development assistance programs*
- *Debt service and plan administration*
- *Property acquisition*

V. URBAN RENEWAL PROJECTS

Urban renewal projects authorized by the Plan are described below. Public improvements authorized under the Plan include upgrading of infrastructure including streets and utilities to encourage development, and economic assistance to developers. These projects are consistent with the Newport Transportation Systems Plan (TSP), The Newport Economic Development Strategy and the Newport Public Infrastructure System Development Charges methodology, all adopted by the Newport City Council. The projects are in conformance with the Newport Comprehensive Plan as detailed in Section XII of this Plan.

As shown in the Report, urban renewal funds will be combined with existing and other future sources of funding to finance project costs. At this time, these project categories are general in nature. They will be further defined as a result of the two refinement plans that are initial projects in the Area. Once these projects are further defined, the Plan will be amended to include specifics on the projects. Each specific project will be itemized under the project category listed below. Projects authorized by the Plan are:

A. *Refinement Plans*

a) Commercial Core Areas Revitalization Plan

The Commercial Core Areas Revitalization Plan (CCARP) will analyze key transportation and infrastructure issues within the commercial core areas in the Plan. The CCARP boundary for the study will be defined at the point that the plan is undertaken. It will study key transportation issues including traffic flow, safety, and parking issues within the study area. The CCARP will help define the transportation system enhancements and the priority of implementation of those

enhancements that are undertaken as projects in this Plan. The CCARP will be completed using a legislative process as defined in Chapter 14.52 of the Newport Municipal Code (Zoning Ordinance).

b) Agate Beach Neighborhood Plan

The Agate Beach Neighborhood Plan (ABNP) will analyze key transportation and infrastructure issues within the Agate Beach neighborhood. The ABNP will help define the transportation system enhancements and the priority of implementation of those enhancements that are undertaken as projects in this Plan. The CCARP will be completed using a legislative process as defined in Chapter 14.52 of the Newport Municipal Code (Zoning Ordinance).

B. *Public Buildings*

Lincoln County is developing plans to redevelop the fairgrounds property, including the potential addition of multipurpose building. Redevelopment of the fairgrounds in a manner that provides for the property to be more heavily used year round could be a catalyst for redevelopment of adjoining underdeveloped public and commercially zoned lands between the fairgrounds site and US 20. This project would provide funding for support infrastructure and strategic site acquisition to assist with reconfiguration of the fairgrounds to facilitate redevelopment and to ensure that water, sewer, street, parking and related services are adequate to serve the new uses. The project will be further defined as the County moves through the process of planning for that area.

C. *Transportation and Utility Enhancements*

Transportation system enhancements include enhancements to the commercial core areas as well as to US 101 and US 20. These enhancements could include street upgrades, transportation improvements as defined in the CCARP, widening, intersection realignments, local street right-of-way improvements, parking improvements right-of-way acquisition, signal installation or adjustment, storm drainage improvements, and water, sewer and other utility line relocation and capacity upgrades, including fiber optics lines. The exact location and further definition of these transportation enhancements will come as a result of the CCARP in addition to the Transportation System Plan and the r city utility master plans.

D. Economic Development

Economic development projects include but are not limited to site preparation for reuse including demolition and lot aggregation, storefront façade loans and grants, strategic site acquisition for economic development, street tree and landscape island enhancements, benches, public art, public spaces, wayfinding improvements, utility undergrounding, including fiber optics, and billboard removal. Priority projects may be identified in the Agate Beach and Commercial Core Area refinement plans.

E. Debt Service and Plan Administration

This project will allow for the repayment of costs associated with the implementation of the Newport Northside Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

The way the projects relate to the goals and objectives is shown in Table 1.

Table 1 – Projects and Relationship to Goals and Objectives

Project Name	Goals and Objectives Number
Newport Northside Urban Renewal Plan	
Infrastructure Refinement Plans	
Commercial Core Area Revitalization Plan	Goal 1, Obj. 1; Goal 2, Obj. 2; Goal 4, Obj. 2
Agate Beach Neighborhood Plan	Goal 1, Obj. 1; Goal 3, Obj. 1; Goal 4, Obj. 1
Public Buildings	
Multi-purpose building (includes supporting infrastructure)	Goal 2, Obj. 4
Transportation System Enhancements	
Commercial core area highway/street upgrades	Goal 2, Obj. 1,2,3, Goal 4, Obj. 5,6,7,8,9
Intersection realignment	Goal 2, Obj. 1,2
Local street right-of-way improvements	Goal 3, Obj. 3
Parking improvements	Goal 2, Obj. 1
Right-of-way acquisition	Goal 2, Obj. 1
Signal installation or adjustment	Goal 2, Obj. 1
Storm drainage improvements	Goal 4, Obj. 3; Goal 3, Obj. 2
Water, sewer, utility line relocation and capacity upgrades	Goal 2, Obj. 3; Goal 4, Obj. 3; Goal 3, Obj. 2; Goal 4, Obj. 3,4
Economic Development	
Benches, public art, gateway	Goal 2, Obj. 2, Goal 2, Obj. 3
Billboard removal	Goal 2, Obj. 1,2
Site prep for reuse	Goal 2, Obj. 1,2
Storefront façade loans/grants	Goal 2, Obj. 1,2
Strategic site acquisition for economic development; Redevelopment	Goal 2, Obj. 1, 2; Goal 3, Obj. 4
Street tree and landscape island enhancements	Goal 2, Obj. 1,2
Wayfinding improvements	Goal 2, Obj. 1, 2
Utility undergrounding	Goal 2, Obj. 1,2
Administration	Goal 5, Objectives 1,2,3,4
Total	

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use.

A. Property acquisition for public improvements

The Agency may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

B. Property acquisition – from willing sellers

The Plan authorizes Agency acquisition of any interest in property within the Area that the Agency finds is necessary to support private redevelopment, but only in those cases where the property owner wishes to convey such interest to the Agency. The Plan does not authorize the Agency to use the power of eminent domain to acquire property from a private party to transfer property to another private party for private redevelopment. Property acquisition from willing sellers may be required to support development of projects within the Area.

C. Land disposition

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement.

The Agency may dispose of property acquired under Subsection B of this Section VI by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal agency, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in such plan. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

VII. RELOCATION METHODS

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance.

VIII. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on loans, usually in the form of tax increment bonds. The proceeds of the bonds are used to finance the urban renewal projects authorized in the Plan. Bonds may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from the federal, state, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$39,920,000 (thirty nine million nine hundred and twenty thousand dollars and no cents). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds. It does include initial bond financing fees and interest earned on tax increment proceeds, separate from interest on bond proceeds.

IX. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Newport, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:

1. Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

B. Major Amendments

Major amendments require adoption of a resolution by the Agency. Major amendments will be reviewed by the Newport Planning Commission and by an ad hoc advisory committee appointed by the City Council, both of whom will send an advisory recommendation to the Agency. The ad hoc committee will include a representative from at least one of the affected taxing entities, a property or business owner from the Agate Beach area, a property or business owner from the commercial core area, a citizen(s) at-large from within the community, and representation by any other group or organization that the Council feels should be involved. Agency will provide opportunities for public involvement in all stages of the development of major amendments.

Major amendments are amendments that:

1. Increase the duration of the timeframe for the urban renewal area. Any increase in the duration of the timeframe of the urban renewal area will also require consultation with affected taxing districts.
2. Deletion of land that totals more than 1% of the existing area of the urban renewal area.

3. Add any new project where the project cost is in excess of \$500,000 as indexed annually by the inflation rate used in the Report accompanying the adoption of the Newport Northside Urban Renewal Plan or any subsequent Report for a Substantial Amendment, whichever is most current. A new project is a project that is not already designated in the Plan or does not fall within one of the general categories of projects designated in the Plan.

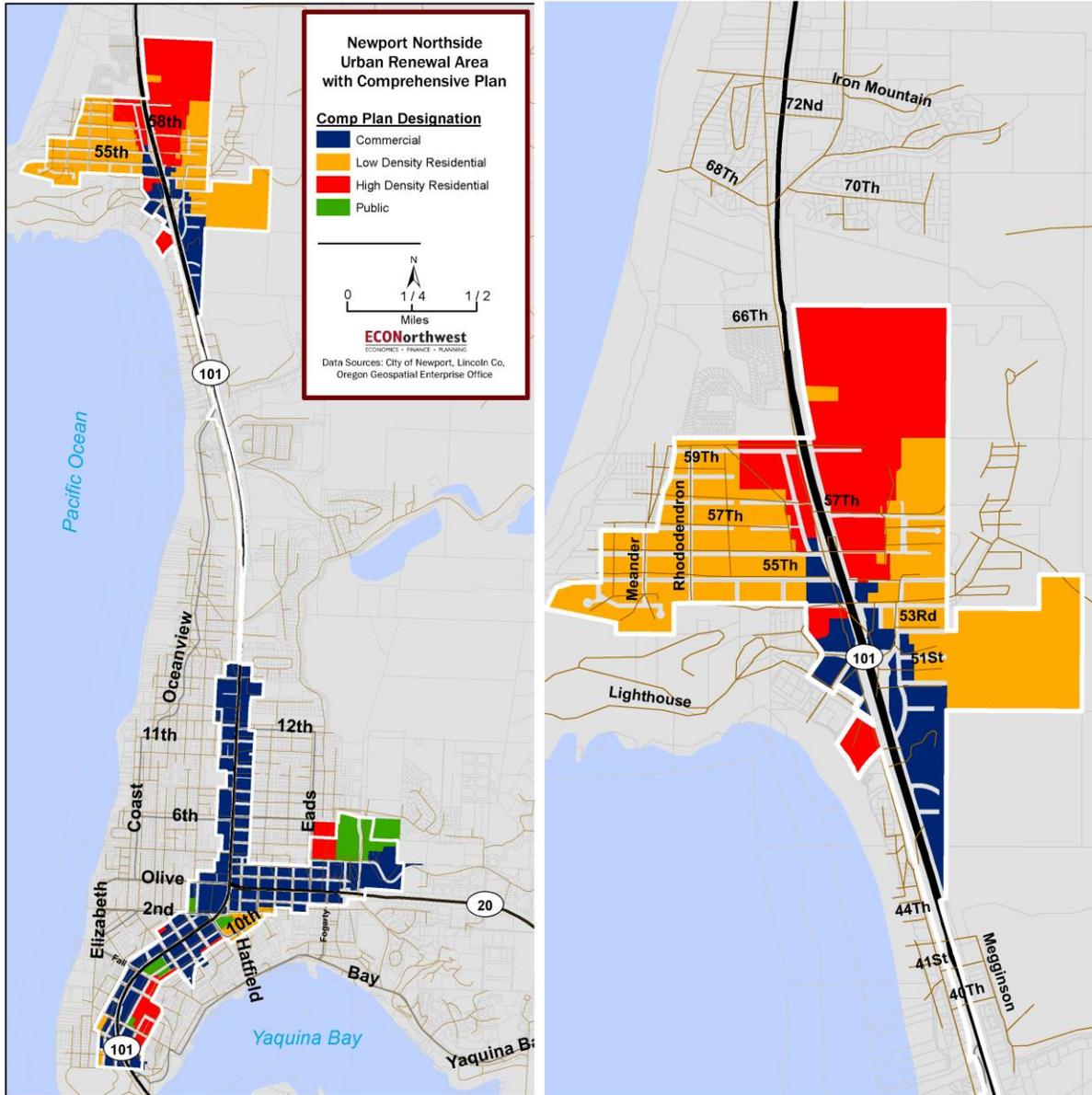
C. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457 and are not Major Amendments as defined in this Plan. They require approval by the Agency by resolution. The level of complexity of minor amendments will vary, and the Agency will evaluate each such amendment to determine the level of public engagement that is needed and whether or not an advisory recommendation should be secured from the Planning Commission or an ad hoc committee before the Agency takes action on a resolution.

D. Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance

Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance that affect the Urban Renewal Plan and/or the Urban Renewal Area shall be incorporated automatically within the Urban Renewal Plan without any separate action required by the Agency or the City Council.

Figure 2 – Comprehensive Plan Designations



X. DURATION OF THE PLAN

This Plan will not exceed 25 years from the date of adoption. The financial analysis projects a 23 year plan. The duration of the Plan was extended to allow for a potential under-levy at some point in the Plan and for slight variations in assessed value projections. Since overall maximum indebtedness remains the same, the impacts on taxing jurisdictions would vary only slightly if the district were extended beyond twenty three years. This variance would be increased costs of interest on debt. Since debt issuance is not guaranteed, nor is an under-levy, the impacts on taxing jurisdictions is predicated on the financial analysis of a 23 year plan.

XI. FISCAL STEWARDSHIP

A. Annual Report

The Agency will prepare an annual report as required by ORS 457.460. In addition to the requirements stated therein, the Agency will send a copy of the annual project and financial report to all taxing jurisdictions. The annual report will include a statement of the remaining maximum indebtedness of the Plan.

B. Revenue Sharing

The Agency will notify the taxing jurisdictions of revenue sharing responsibilities of the Plan as defined in ORS 457.470 and as analyzed in the Report accompanying the Plan and any Substantial Amendment. If ORS 457.470 is amended, this section is amended accordingly. The analysis will include the projected timing of revenue sharing. Revenue sharing commences by statute as detailed in ORS 457.470, but generally described as when the annual tax increment equals 10% of the initial maximum indebtedness of the Plan. When the annual tax increment equals 12.5% of the initial maximum indebtedness, the increment to the Agency is capped at this amount and any excess is shared by the impacted taxing jurisdictions on a pro rata share equal to their tax rate.

C. Under-levy

Under-levy provisions are allowed under ORS 457.455. If ORS 457.455 is amended, this section is amended accordingly. An under-levy is when the Agency asks for less urban renewal tax increment than the total amount for which the Area qualifies. To cause an under-levy, the Agency notifies the county assessor on Form UR-50 by July 15 of the year when the under-levy is desired (ORS 457.440). The amount of increment that is under-levied is returned to the impacted taxing jurisdictions on a pro rata share equal to their tax rate. The Agency must consult and confer with the taxing jurisdictions as there might be

unexpected consequences of an under-levy, especially to local option taxes for education. The specific steps in evaluating an under-levy request are:

1. The taxing jurisdiction will send a formal under-levy request to the Agency. The taxing jurisdiction sending the request will be responsible for any costs associated with the evaluation of the under-levy.
2. The Agency will, within 30 days of the under-levy request, determine whether or not to review the under-levy request. The initial review will be based on whether there is sufficient revenue to under-levy given either current debt requirements or the requirements for the anticipated imminent issuance of debt. If the Agency determines to proceed with review of the under-levy, the Agency will determine the cost to review an under-levy request and notify the requesting taxing jurisdiction of the cost. The cost will include a financial evaluation. It will also include staff time to
 - a) Review bond documents for any bond covenants that may impact an under-levy.
 - b) Consult and confer with all taxing jurisdictions as required by ORS 457.455.
 - c) Participate in meetings required to evaluate the proposal.

D. Administration

The Agency is the body designated with implementation of the Plan. The Agency has no paid employees. Actual implementation of the Plan is done by City of Newport (City) employees. In order to ensure sufficient resources are available to efficiently administer the Plan, the cost of administration will be an eligible project of the Plan through reimbursement by the Agency of costs incurred by the City. The costs of administration allocated to the Plan will be evaluated and established in the annual budgeting process. After the annual budget is complete, an Order will be adopted by the Agency to memorialize the agreement between the Agency and the City as to the administrative costs to be incurred that year.

XII. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Newport's Comprehensive Plan, Newport Municipal Code (Section 17: Zoning Ordinance), and the Transportation System Plan. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that *has* been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2. The maximum densities and building requirements are contained in the Newport Zoning Ordinance. The proposed land uses conform to Figure 2.

This is not a comprehensive list of all parts of the Newport Comprehensive Plan that are supported by this Plan. This list includes the major Goals and Policies from the Comprehensive Plan that are supported, however, there may be other Goals and Policies that are not listed, but are still supported by this Plan.

A. City of Newport Comprehensive Plan

Goal: Energy Conservation

To conserve energy.

Policy 3: The city will encourage the use of forms of transportation (e.g. bicycles and mass transit) that are more energy efficient.

Policy 4: The city will encourage neighborhood commercial areas in order to conserve energy.

Policy 5: The city shall encourage the location of high density residential areas near high-capacity transportation corridors in order to achieve greater energy efficiency.

The Plan conforms to the Energy Conservation goal as it contains projects that will complete refinement plans for both the Agate Beach neighborhood and the Commercial Core Areas that will help define projects and project priorities to improve the transportation infrastructure in the Area. The Plan also contains projects that will assist in upgrading of neighborhood commercial areas including streetscape improvements and loans and grants to businesses to upgrade storefront façades, and development and redevelopment assistance programs. The development and redevelopment assistance programs could include high density residential components.

Goal: Housing Goals, Policies, and Implementation Measures

To provide for the housing needs of the citizens of Newport in adequate numbers, price ranges, and rent levels which are commensurate with the financial capabilities of Newport households.

To provide adequate housing that is affordable to Newport workers at all wage levels.

Policy 2. The city shall cooperate with private developers, nonprofits, and federal, state, and local government agencies in the provision and improvement of government assisted and workforce housing.

Policy 3. The city shall encourage diversity and innovation in residential design, development and redevelopment that is consistent with community goals.

Policy 5. The City of Newport shall coordinate planning for housing with provision of infrastructure. The Community Development Department shall coordinate with other city departments and state agencies to ensure the provision of adequate and cost-effective infrastructure to support housing development.

The Plan conforms to the Housing Goals, Policies, and Implementation Measures as it contains projects that will assist in the development of new housing in the Agate Beach residential area as well as programs that will be available for the development and redevelopment of property that could include residential uses. In addition, infrastructure improvements will help increase the livability in the Agate Beach neighborhood. The Plan also provides projects that will provide infrastructure improvements throughout the Area, which will support future residential development.

Goal: Economy

Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs.

Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period.

Policy 2. The city shall encourage growth of tourism-related employment.

Policy 6. The city shall encourage better use of underutilized and/or blighted commercial sites.

Action 6.1 Evaluate creation of urban renewal district north of Yaquina Bay

Policy 7. The city shall insure an adequate supply of commercial and industrial sites

The Plan conforms to the Economy goal as it contains projects that will complete refinement plans for both the Agate Beach neighborhood and the Commercial Core Areas that will help define projects and project priorities to improve the transportation infrastructure in the Area. The Plan contains projects to upgrade the utility

infrastructure, to support existing business and allow for development of new businesses to create jobs, including potential redevelopment of the fairgrounds site. The Plan provides for site aggregation and demolition to facilitate new development. The Plan provides for assistance to property owners in the form of storefront grants or loans. The Plan provides for streetscape improvements and utility undergrounding, both of which help support existing business and attract new businesses in the Area.

In addition, the ability to provide new housing in the Area will help support businesses within the Area by both bringing in new residents and providing potential affordable housing for the workforce.

Goal: Infrastructure and Public Facilities

Make investments in infrastructure and public facilities to support the target industries.

Policy 8. Identify and make infrastructure investments on opportunity sites.

The Plan conforms to the Infrastructure and Public Facilities goal as it contains projects that will complete refinement plans for both the Agate Beach neighborhood and the Commercial Core Areas that will help define projects and project priorities to improve the transportation and utility infrastructure in the Area. The Plan also has a project to assist in the redevelopment of the fairgrounds area, a public facility.

B. Newport Peninsula Urban Design Plan

Policies:

- 3. Improve the vehicular and pedestrian networks in order to improve safety, efficiency, continuity, and relationships connecting the peninsula neighborhoods.*
- 4. Coordinate with the Oregon Department of Transportation (ODOT) highway projects which are compatible with and responsive to these policy objectives and design districts implementing said policies.*
- 6. Preserve and strengthen the ability of peninsula institutions to continue as centers of employment.*
- 7. Improve the built environment in order to strengthen the visual appearance and attractiveness of developed areas.*
- 8. Strengthen the peninsula's economic vitality by improving its desirability through improved appearance, function, and efficiency.*
- 9. Preserve and enhance existing housing supply. Encourage the increase of affordable housing in Newport.*

The Plan conforms to the Newport Peninsula Urban Design Plan as it has projects that will help implement policies within the Newport Peninsula Urban Design Plan. These projects include transportation improvements, utility upgrades, programs to assist

existing and new businesses, programs to help promote new commercial and residential development, streetscape and utility undergrounding projects, and billboard removal.

C. Newport Economic Opportunity Analysis

The Newport Economic Opportunity Analysis is incorporated under the Economy section of the Newport Comprehensive Plan, identified above.

XIII. APPENDIX A: LEGAL DESCRIPTION

Beginning at the southwest corner of Lot 1, Block 98, Bayley and Case's 3rd Addition to the City of Newport, thence South 30 feet to a point on the south line of SW Government Street, said point also being on the north line of the SW1/4, SW1/4, Section 8, T11S, R11W, W.M.; thence continuing easterly along said north line, to the southwest corner Lot 1, Block 99, Bayley and Case's 3rd Addition to the City of Newport; thence northerly along the west line of said Lot 1 to the northwest corner of Lot 1 and continuing to the northwest corner of Lot 6, Block 92, Bayley and Case's 3rd Addition to the City of Newport, said point also being on the north line of SW Bayley Street; thence northwesterly along the south line of SW Bayley Street to the southeast corner of the intersection with SW Elizabeth Street; thence northerly along the east line of SW Elizabeth Street to the northeasterly corner intersection with SW 7th Street; thence easterly along the northerly line of SW 7th Street to the southwest corner of the intersection with SW Fall Street; thence northerly to the intersection with the north line of SW Fall Street and the westerly line of SW 7th Street; thence along the westerly line of SW 7th Street to the northeast corner of the intersection with SW Alder Street; thence northerly along the east line of SW Alder Street to the intersection with the easterly line of SW 6th Street; thence northerly along the east line of SW 6th Street to the southeast corner of the intersection with SW Hubert Street; thence northwesterly to the northeast corner of the intersection with SW Hubert Street and SW 6th Street; thence northeasterly along the north line of SW 6th Street to the southwest corner of Lot 1, Nevada Block of the East Half of Block 2 in Nye and Thompson's Addition to the City of Newport, said point also being on the north line of SW 2nd Street; thence along the north line of SW 2nd Street to the west line of SW Lee Street; thence along the west line of SW Lee Street to the south line of W. Olive Street; thence continuing to the north line of W. Olive Street; thence easterly along the north line of W. Olive Street to the west line of NW Nye Street; thence northerly along NW Nye Street to a point west of NW 1st Avenue; thence east to the northeast corner of the intersection with NW 1st Avenue and NW Nye Street; thence easterly along the north line of NW 1st Street to a point on the west line of Lot 1, Block 8 of the Nob Hill Addition to the City of Newport; thence northerly along the west line of Said Lot 1, Block 8, to the northwesterly corner thereof, said point also being the southwest corner of that property described in Doc. 2003-21648; thence northerly to the northwest corner of that property described in Doc. 2003-21648; thence easterly along the north line of that property described in Doc. 2003-21648 to a point on the southwest corner of that property described in MF385-1637; thence northerly along the west line of that property described in MF385-1637 to a point on the south line of NW 3rd Street; thence continuing northerly to a point on the north line of NW 3rd Street; thence east along the north line of NW 3rd Street to a point at the southeast corner of that property described in DV 235-0556; thence northerly along the east line of that property described in DV 235-0556; thence westerly along the north line of that property described in DV 235-0556 to the northwest corner thereof; thence northerly to a point on the south line of SW 6th Street; thence north to the southeast corner with the intersection of NW Grove Street; thence northerly along the east line of NW Grove Street to the north end of the NW Grove Street; thence northerly to a point on the southwest corner described of that property described in MF410-1927; thence northerly along the west line of that property described in MF410-1927 to the northwest corner thereof, said point also being on the south line of NW 8th Street; thence north to the north line of NW 8th Street; thence easterly along the north

line of NW 8th Street to the southwest corner of that property described in MF385- 1275; thence northerly along the west line of that property described in MF385-1275 to the southwesterly corner of that property described in MF339-1894; thence northerly along the west line of that property described in MF339-1894 to the northwest corner thereof, said point also being on the south line of NW 9th Street; thence westerly along the south line of NW 9th Street, to the end of the street; thence northerly to the north line of NW 9th Street, said point also being the southeasterly corner of Lot 10, Block 14, Oceanview Subdivision; thence westerly along the south line of said Lot 10, to the southwest corner thereof; thence continuing westerly to the southeast corner of Block 13, Oceanview Subdivision; thence northerly along the east line of said Block 13, to the northeast corner of Lot 1 Block 30, Oceanview Subdivision; thence westerly along the south line of said Lot 1, Block 30, to a point on the east line of the alley of said Block 30; thence northerly, in a straight line, to the northwesterly corner of that property described in MF72-0827, said point also being on the south line of NW 15th Street; thence continuing northerly to the north line of NW 15th Street; thence easterly along the north line of NW 15th Street to the southeast corner of the intersection with NW Grove Street; thence northerly along the east line of NW Grove Street to the south line of NW 16th Street; thence easterly along the south line of NW 16th Street to a point on the west line of the Oregon Coast Highway; thence northwesterly along the west line of the Oregon Coast Highway to the northwest corner of the intersection with NW Lucky Gap Road; thence southwesterly along the north line of NW Lucky Gap Road to a point on the Bluff Line; thence northerly along the Bluff Line to a point on the easterly line of NW Circle Way; thence northerly along easterly line of NW Circle Way to the southerly intersection with NW Gilbert Way; thence southeasterly along the south line of NW Gilbert Way to the west line of Oregon Coast Highway; thence northwesterly to the northwest corner of the intersection with NW Gilbert Way; thence northwesterly along the north line of NW Gilbert Way to the southeasterly corner of the intersection with NW Rocky Way; thence northwesterly along the east line of NW Rocky Way, to the northwesterly corner of Block 37, Agate Beach No. 2 Subdivision; thence northerly to the southwesterly corner of Lot 13, Block 134, Agate Beach No. 2 Subdivision; thence westerly in a straight line to the northeast corner of the property described in MF209-0956; thence southerly along the east line of that property described in MF209-0956 to the southeast corner thereof; thence westerly in a straight line to the southwest corner of Lot 2, Block 1, Lighthouse Addition to the City of Newport; thence northerly to the southwest corner of Lot 12, Block 1, Lighthouse Addition to the City of Newport; thence northwesterly along the north line of said Block 1 to the intersection with the east line of Pinery Avenue; thence northerly along the east line of Pinery Avenue to the southeasterly corner of the intersection with NW 57th Street; thence easterly along the south line of NW 57th Street to the northeast corner of Lot 7, Block 122, Agate Beach No. 1 Subdivision; thence northerly to the northeast corner of the intersection with NW Sylva Street; thence northerly along the east line of NW Sylva Street to the intersection with the south line of NW 60th Street; thence northerly to the north line of NW 60th Street; thence northerly to the section corner common to section 19/20/29/30, township 10 south, range 11 west, W.M.; thence east along the north line of said Section 29, to the easterly line of the Oregon Coast Highway; thence northerly along the east line of the Oregon Coast Highway, to the intersection with the north line of the SW1/4, SW1/4, Section 20, township 10, range 11 west, W.M.; thence easterly along the said northerly line to the southwest corner of the SE1/4, SW1/4, said Section 20; thence easterly along the said south line to the center quarter section of said section 20; thence southerly along the quarter section line to the south quarter corner of said Section 20, thence southerly to the southwesterly corner of that property described in MF192-2086; thence easterly along the

south line of that property described in MF192-2086; thence northerly along the easterly line of that property described in MF192-2086, to the northwest corner of that property described in Doc. 2007-09957; thence easterly, northerly, southerly and westerly along the north, east and south lines of that property described in Doc. 2007-09957, to the southwest corner thereof; thence in a straight line to the south corner of that property described in Doc. 2003-18535, said point also being on the east line of the Oregon Coast Highway; thence southerly along said east line of the Oregon Coast Highway to the northeast corner of the intersection with NE San-Bay-O Circle; thence easterly along the north line of NW San-Bay-O Circle 200 feet; thence southerly to the northeast corner of Lot 2, Block A, San-Bay-O Subdivision; thence southerly along the east line of said Lot 2, Block A to the southwest corner of Lot 4, Block A, San-Bay-O subdivision; thence easterly along the south line of said Lot 4, Block A, to the northeast corner of that property described in Doc. 2009-10312; thence southerly along the east line of that property described in Doc. 2009-10312, to the southeast corner thereof; thence westerly along the south line of that property described in Doc. 2009-10312, to the southeast interior corner thereof; thence southerly along the east line of that property described in Doc. 2009-10312 to the southeast corner thereof; thence westerly along the south line of Doc. 2009-10312 to the northeast corner of that property described Doc. 2007-10459; thence in a straight line to the southeast corner of that property described in MF426-2171, said point also being on the north line of NE 12th Street; thence southerly to a point on the south line of NE 12th Street; thence easterly along the south line of SE 12th Street to the southwesterly corner of the intersection with NE Avery Street; thence southerly along the west line of NE Avery Street to the northwest corner of the intersection of NE 3rd Street; thence southerly to the south line of NE 3rd Street; thence westerly along the south line of NE 3rd Street to the northeast corner of the intersection with NE Avery Street; thence south along the east line of NE Avery Street to the northeast corner of the intersection with NE 2nd Street; thence east along the north line of NE 2nd Street to the northwesterly corner of the intersection with NE Eads Street; thence northerly along the west line of NE Eads Street, to the northeast corner of Lot 7, Block 5, Phelps Addition to the City of Newport; thence easterly 460 feet more or less, to a point on the east line of that property described in DV131-289; thence northerly along the east line of that property described in DV131-289 to the northeast corner thereof; thence easterly to the southwesterly corner of Lot 3, Block 20, Bakers 2nd Addition to the City of Newport, said point also being on the east line of NE Grant Street; thence northerly along the east line of NE Grant Street to the southeast corner of the intersection with NE 7th Street; thence along the south line of NE 7th Street to the southwest corner of the intersection with NE Harney Street; thence easterly 350 feet, more or less, along the south line of NE Harney Street to the northeast corner; thence southwesterly to the northwesterly corner of that property described in DV223-0346; thence easterly along the northerly line of that property described in DV223-0346 to the northeast corner of that property described in MF93-0394, thence southerly along the east line of that property described in MF93-0394 to the southeast corner thereof, said point also being on the north line of that property described in DV58-0463; thence easterly along the north line of that property described in DV58-0463 to the northeast corner thereof; thence southerly along the east line to the southeast corner thereof; thence southeasterly to the northeast corner of the property described in MF109-0717; thence southerly along the east line of that property described in MF109-0717; thence westerly in a straight line to the south west corner of that property described in MF41-0909, said point also being in the east line of NE Harney Street; thence southerly along the east line of NE Harney Street to the southeast corner of the intersection with Corvallis-Newport Highway; thence westerly along the south line of Corvallis-Newport Highway to the

northeast corner Lot 5, Block 21, Fredricksburg Subdivision; thence westerly along the north line of said Block 21 to the northwest corner of Lot 2, said Block 21; thence southerly to the southwest corner of Lot 2, said Block 21; thence southwesterly to the northwest corner of Lot 7, Block 7, Fredricksburg Subdivision, said point also being on the south line of SE 1st Avenue; thence westerly along the south line of SE 1st Street to the southwesterly corner of the intersection with SE Eads Street; thence southerly along the west line of SE Eads Street to the southwesterly corner of the intersection with SE 2nd Street; thence westerly along the south line of SE 2nd Street to the southwesterly corner of the intersection with SE Douglas Street; thence northerly along the west line of SE Douglas Street to the northeast corner of Lot 6, Block 10, Fredricksburg Subdivision; thence westerly to the northwest corner of Lot 1, said Block 10, said point also being on the east line of SE Coos Street; thence southerly along the east line of SE Coos Street to the southeast corner of the intersection with SE 2nd Street; thence southerly to the northeast corner of Lot 8, Block 41, Bayley and Case's Second Addition to the City of Newport, said point also being on the south line of SE 10th Street; thence southwesterly along the south line of SE 10th Street to the southeast corner of the intersection with SW Angle Street; thence northwesterly to the northwest corner of the intersection with SW 10th Street and SW Angle Street; thence westerly along the north line of SW 10th Street to the southeast corner of Lot 3, Block 45, Bayley and Case's Second Addition to the City of Newport; thence southeasterly in a straight line to the southeast corner of Lot 3, Block 35, Bayley and Case's Second Addition to the City of Newport, thence southwesterly in a straight line to a point on the south line of Lot 4, Block 37, Bayley and Case's Second Addition to the City of Newport, said point also being on the westerly line of SW Canyon Way; thence southerly along the west line of SW Canyon Way to the northeasterly corner of the intersection with SW Alder Street; thence northerly along the east line of SW Alder Street to the southeasterly corner of the intersection with SW 11th Street; thence westerly to the northwesterly corner of the intersection with SW 11th Street and SW Alder Street; thence northerly along the west line of SW Alder Street to the northwesterly corner of the intersection with SW 10th Street; thence westerly along the north line of SW 10th Street, to the southwest corner of the intersection with SW Abbey Street; thence southerly along the west line of SW Abbey Street to the southeasterly corner of the intersection with SW 11th Street; thence southerly along the east line of SW 11th Street to the northeast corner of the intersection with SW Bayley Street; thence southerly along the east line of SW 11th Street to a point on the north line of that property described in MF357-0600; thence westerly in a straight line to the point of beginning.

Exhibit B

Ordinance No. 2083
Report Accompanying
Newport Northside
Urban Renewal Plan

REPORT ACCOMPANYING NEWPORT NORTHSIDE
URBAN RENEWAL PLAN

Adopted by the City of Newport

October 5, 2015

Ordinance No. 2083

Newport Northside Urban Renewal Area

Elaine Howard Consulting, LLC

Elaine Howard

ECONorthwest

Nick Popunek

Rob Wyman

Ali Danko

Jeannette Launer, Legal Counsel

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II. INTRODUCTION

The Report on the Newport Northside Urban Renewal Plan (Report) contains background information and project details that pertain to the Newport Northside Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the Newport Northside Urban Renewal Area (Area).

However, the Report provides only guidance on how reviews revenues and potential projects each year, they have the authority to make adjustments to the assumptions in this Report. They may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes, as allowed in the amendments section of the Plan.

III. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Newport Northside Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

1. Land Use

According to data obtained from the City of Newport and Lincoln County Assessor’s office, the Area, shown in Figure 1 above, contains 1,243 parcels and consists of 396.3 acres in parcels and 149.6 acres of public right-of-way, for a total size of 545.9 acres.

An analysis of property classification data from the City of Newport and Lincoln County Assessment and Taxation database was used to determine the land use designation of parcels in the Area. Within the Area, the largest use of land by acreage is Commercial (28% of total acreage). The second largest use by acreage is Single-family Residential (26%).

Table 1 – Existing Land Use of Area

Land Use	Acres		Parcels	
	Number	Percent	Number	Percent
Condominium	0.5	0.10%	10	0.80%
Single-family residential	101.8	25.70%	524	42.20%
Multi-family residential	9.6	2.40%	17	1.40%
Commercial	111.2	28.10%	398	32.00%
Industrial	8.8	2.20%	24	1.90%
Rural / Ag / Farm	33.2	8.40%	2	0.20%
Public / Exempt	55.7	14.10%	81	6.50%
Vacant	74.8	18.90%	187	15.00%
Other	0.7	0.20%	0	0.00%
Total	396.3	100%	1,243	100%

Source: Lincoln County Assessor Data

2. Zoning and Comprehensive Plan Designations

The zoning code establishes districts to control land use throughout the city and regulates development standards within these established use districts. Medium Density Single-family Residential zoning accounts for 38% of the acreage in the Area. Retail and Service Commercial accounts for 23% of the acreage in the Area.

Table 2a – Existing Zoning Plan Designations of Area

Zone Designation	Acres		Parcels	
	Number	Percent	Number	Percent
Medium Density Single -family Residential	150.6	38.00%	423	34.00%
Retail and Service Commercial	92.5	23.30%	397	31.90%
Heavy Commercial	69.6	17.60%	250	20.10%
Exempt/Institutional	41.4	10.50%	41	3.30%
High Density Multi- family Residential	35.3	8.90%	121	9.70%
Single Family/Multi-family	2.6	0.70%	2	0.20%
Commercial/Multi- family	1.8	0.40%	2	0.20%
Commercial/Single- family	1.5	0.40%	2	0.20%
Low Density Single -family	0.9	0.20%	3	0.20%
Medium Density Multi-family	0.1	0.00%	2	0.20%
Total	396.3	100%	1,243	100%

Source: Lincoln County Assessor Data

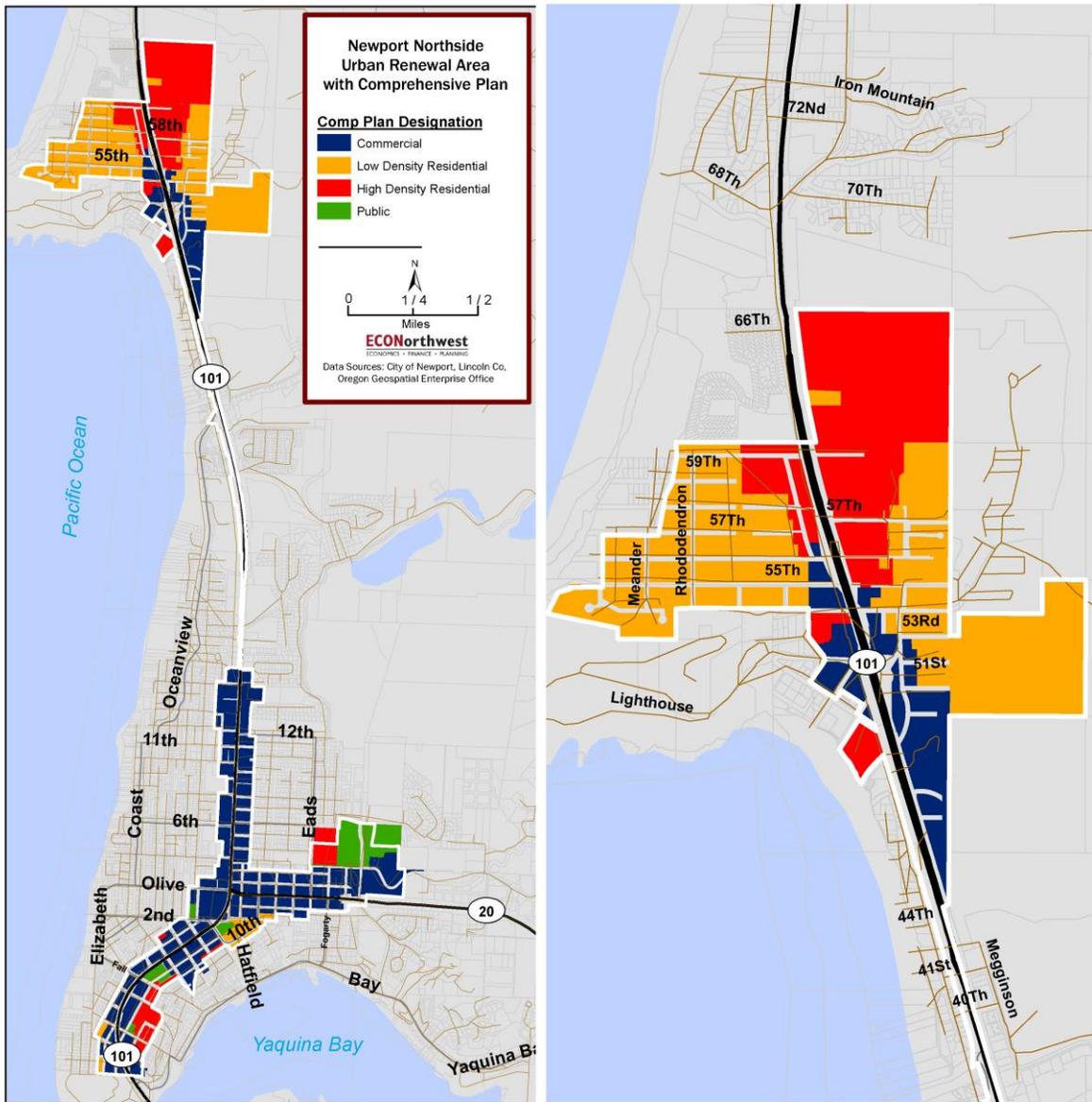
As illustrated in Table 2b, 44% of the acreage is designated as commercial in the comprehensive plan. Low Density Residential accounts for 25% of the acreage by comprehensive plan designation.

Table 2b – Existing Comprehensive Plan Designations of Area

Comprehensive Plan Designation	Acres		Parcels	
	Number	Percent	Number	Percent
Commercial	175.1	44.20%	669	53.80%
Low Density Residential	111.3	28.10%	405	32.60%
High Density Residential	88.2	22.30%	149	12.00%
Public	21.8	5.50%	20	1.60%
Total	396.3	100%	1,243	100%

Source: Lincoln County Assessor Data

Figure 2 – Area Comprehensive Plan Designations



B. Infrastructure: Existing Conditions

Existing conditions are examined within an urban renewal area to help identify blighting conditions in the urban renewal area. **This does not mean that a project has been identified in the urban renewal plan to address each deficiency, this is solely to identify conditions that are deficient within the Area, as required by statute.**

1. Infrastructure

This section of the study identifies the existing deficiencies in the infrastructure in the Area. The street conditions information is from the Newport Transportation Systems Plan (TSP), the Newport Comprehensive Plan and the Newport Public Infrastructure System Development Charge Methodology.

a) Streets

The following improvements are identified in the TSP.

Widen US 101 to five lanes (NE 31st Street to North City Limits)

Widen US 20 to five lanes (John Moore Road to US 101)

Improve to 3-Lane urban standard NE 1st Street from US 101 US 20 to provide westbound two northbound bypass of US 101 and US 20 intersection

b) Transportation Management System Improvements

US 101 revisions (between OR 20 and Yaquina Bay Bridge)

NE 52nd Street area improvements - improve Northeast Lucky Gap between NE. 52nd Street in North E. 54th Street; provide access from Longview Hills to North E. 52nd Street

NW 56th Street improvement area – Eliminate Old Highway Loop between NW 55th Street and NW 58th Street, extend NW 56th Street to US 101, improve NW Gladys Street between NW 56th Street and NW 60th Street as a frontage road.

Surface parking lots for US 101 business

NE 57th - eliminate US 101 access; cul-de-sac NE. 57th Street on its western terminus; connect NE Hazel Court to NE 60th Street

US 101/US 20 - signal revisions/improvements; realign E Olive Street

US 101 at NW 11th Street - realign intersection to eliminate slight offset. Consider need for additional east/west turning lanes and/or signalization improvements.

US 101 at NW 6th Street - realign intersection to eliminate offset. Consider need for added east/west turning lanes and/or improved signal to address congestion problem.

US 101, US 20 North to NW 12th Street - evaluate opportunities for driveway and/or minor street closures or consolidation.

US 101 at US 20 - add second southbound left turn lane. Widen eastbound US 22 received two lanes of traffic, transition to one lane east of US 101.

US 20 at NE Coos Street - add signal and improve intersection to encourage North/S. Local St. alternative to US 101. Signal could help relieve congestion at NE Eads Street.

c) Traffic Signals

US 101 at Northeast 36th Street

d) Pedestrian and Bicycle Facility Improvements

US 101 crossings:

NW 68th Undercrossing - an undercrossing at US 101 at Northwest 68th Street midblock between 16th and 17th streets - add median, raised stop bars, appropriate signage, and striped continental crosswalk

e) Sidewalks

There are numerous sidewalk deficiencies throughout the Area.

Avery Street - US 101 to end of street

NE 3rd Street – NE Eads to NE Harney

NE 2nd Street – US 01 to NE Eads Street

f) Sidewalks and Bike Lanes

NE Harney Street - US 20 to NE 3rd Street

US 20 NE Harney Street/SE Moore Drive to US 101 intersection

g) Bicycle System Improvements

NE Eads Street – NE 12th Street to NE 3rd Street – provide a bike route

NE 3rd Street – Eads Street to Harney Road – provide a bike route

h) Shared roadways/bicycle boulevards

NE Eads Street – US 20 to NE 12th Street

i) Water

The City of Newport Water Master Plan, prepared in October 2008, identifies the following projects in the Capital Improvement Project summary.

Agate Beach lower storage tank

Agate Beach upper storage tank

Highway 101 Northeast 36 to North East 40th water line

Highway 101 N. East 40th to circle way water line

j) Storm Water

The city of Newport is currently developing a Storm Water Master plan.

Agate Way Storm Drainage Improvements. The project is to include approximately 500-lf of 18-inch storm drainage piping. The project is needed to correct existing deficiencies but components should be doubled in size to provide additional capacity for potential future development.

k) Sanitary Sewer

48th Street Lift Station Upgrade. The 48th Street pump station is located near 48th Street and Highway 101. The 1996 Facilities Plan recommends that the station be upgraded to a firm pumping capacity of around 3 MGD (2,100 gpm). The station will require significant upgrades with only minor station components being adequate to be reused as part of the upgrade. The project includes approximately 1,500 lf of 12-inch diameter force main that is to be installed through a pipe bursting technique.

l) Parks

West Agate Beach Park Development Located in the northern portion of the City, this existing park is only partially developed and capable of limited service to park users. Under this project, the existing park would be improved to provide a higher level of service and increase the ability of the park to accommodate additional users.

C. Social Conditions

An analysis of the social conditions of the area was compiled using data from the U.S. Census Bureau, 2013 update and Social Explorer. The data was retrieved from block group summaries that roughly correspond to the Agate Beach residential area and then block group summaries that correspond to the city of Newport as a whole in order to also include the other residential neighborhood surrounding US 20 that is also within the urban renewal area. The charts include the Agate Beach information and the information for the city of Newport as a whole.

2. Age

The age distribution of the Area is shown in Table 3. The majority of the population in the Area is between the ages of 25 and 74.

Table 3 – Age Distribution of Area

Age	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
0 to 4 Years	412	6%	622	6%
5 to 9 Years	282	4%	570	5%
10 to 14 Years	313	5%	566	5%
15 to 17 Years	162	2%	364	3%
18 to 24 Years	425	7%	695	7%
25 to 34 Years	811	12%	1,306	12%
35 to 44 Years	773	12%	1,225	11%
45 to 54 Years	838	13%	1,399	13%
55 to 64 Years	1,115	17%	1,846	17%
65 to 74 Years	776	12%	1,187	11%
75 to 84 Years	388	6%	585	5%
85 Years and over	198	3%	310	3%
Total	6,493	100%	10,675	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

3. Race

The racial characteristics of the Area are shown in Table 4. The majority of people (88%) identify themselves as white and the second largest group (4% in the Agate beach area and 3% in Newport as a whole) that people identify with is “some other race.” The U.S. Census does not provide a breakout on race that includes Hispanic in their definitions, Hispanic are those people who classify themselves in one of the specific Spanish, Hispanic, or Latino categories listed in the U.S. Census questionnaire. Hispanic or Latino of any race in Newport is 15.3% of the population.

Table 4 – Racial Characteristics of the Area

Race	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
White Alone	5,724	88%	9,346	88%
Black or African American Alone	39	1%	59	1%
American Indian and Alaska Native Alone	124	2%	186	2%
Asian Alone	31	0%	117	1%
Native Hawaiian and Other Pacific Islander Alone	120	2%	161	2%
Some Other Race Alone	249	4%	319	3%
Two or More races	206	3%	487	5%
Total	6,493	100%	10,675	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

4. Educational Attainment

Thirty five percent of the residents in the Agate Beach area and 37% of Newport as a whole have some college. An additional 17% of Agate Beach area and 19% of Newport as a whole have a Bachelor’s degree, 7% of both areas have a Master’s degree.

Table 5 – Educational Attainment of the Area

Educational Attainment	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
Less Than High School	550	11%	737	9%
High School Graduate (includes equivalency)	1,313	27%	1,978	25%
Some college	1,718	35%	2,878	37%
Bachelor's degree	839	17%	1,468	19%
Master's degree	358	7%	589	7%
Professional school degree	28	1%	55	1%
Doctorate degree	93	2%	153	2%
Total	4,899	100%	7,858	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

5. *Travel time to work*

Forty-one percent of the residents of the Agate Beach area and 43% of Newport as a whole travel less than 10 minutes to work. Another 29% of the Agate Beach area and 28% of Newport as a whole travel less than 20 minutes.

Table 6 – Travel Time to Work in the Area

Travel Time to Work	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
Less than 10 minutes	1,105	41%	1,990	43%
10 to 19 minutes	785	29%	1,301	28%
20 to 29 minutes	223	8%	347	8%
30 to 39 minutes	318	12%	510	11%
40 to 59 minutes	107	4%	139	3%
60 to 89 minutes	14	1%	50	1%
90 or More minutes	64	2%	76	2%
Worked at home	55	2%	200	4%
Total	2,671	100%	4,613	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

6. *Means of Transportation to Work*

Seventy-three percent of the residents of Agate Beach and 74% of Newport as a whole drove alone to work. Fifteen percent of the residents of Agate Beach and 14% of Newport as a whole carpooled.

Table 7 – Means of Transportation to Work in the Area

Means of Transportation to Work	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
Drove Alone	1,957	73%	3,427	74%
Carpooled	392	15%	628	14%
Public transportation (Includes Taxicab)	98	4%	115	2%
Motorcycle	-	0%	0	0%
Bicycle	4	0%	9	0%
Walked	131	5%	200	4%
Other means	34	1%	34	1%
Worked at home	55	2%	200	4%
Total	2,671	100%	4,613	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

7. Population

In the last few years, Newport has remained stable in population. There are annual projections performed by the Portland State University Population and Research Center after reviewing the 2010 Census data. The overall population of Newport in the 2014 adjustment by Portland State University was 10,095 people, and the 2010 data indicates Newport had 10,030 people.

D. Economic Conditions

1. Taxable Value of Property Within the Area

The estimated 2014/2015 total assessed value of the real property in the Area is \$210,510,678. The total estimated assessed value, including all real, personal, and utility properties, is \$237,000,136. This data is summarized in Table 8.

Table 8 – Total Estimated Assessed Value

Property Type	Urban Renewal Area
Real	\$210,510,678
Personal	15,386,790
Manufactured	1,004,350
Utility	10,098,308
Total	\$237,000,136

Source: Lincoln County Assessor's data

If an urban renewal plan is adopted, the Lincoln County Assessor will calculate the frozen base using tax accounts for all of the real, personal, manufactured, and utility properties in the Area. The total assessed value of the City of Newport is \$1,243,361,351.¹

2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L may be

¹ Data from Lincoln County Assessor's 20114/15 tax roll summary

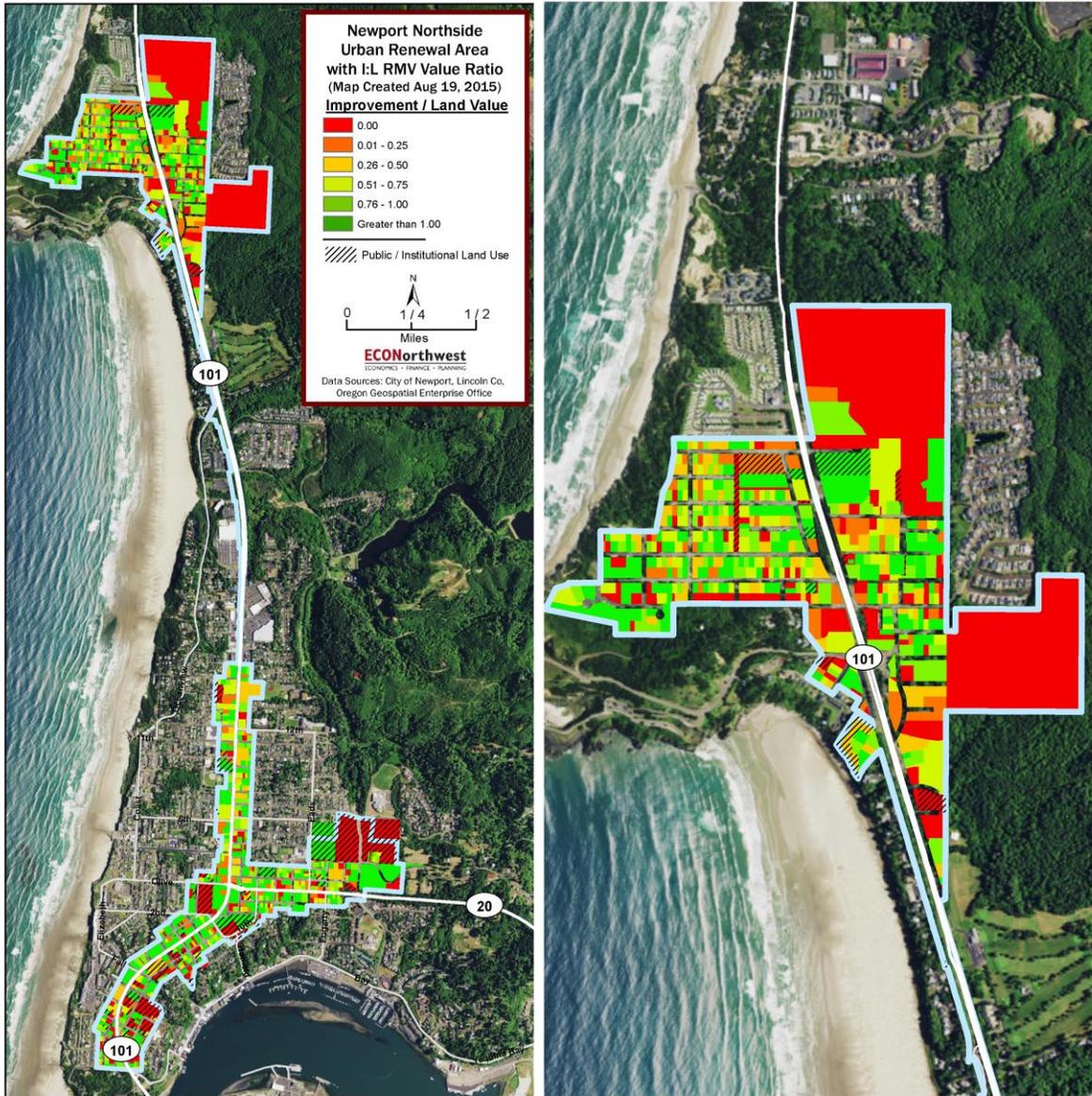
used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 2:1 or more, for both residential and commercial properties. Non-taxable parcels account for 17% of the total acreage. Properties with no improvements account for 27% of the total acreage. An additional 49% of the acreage is below the 2:1 threshold. Many of the properties in the Area are under-utilized and or underdeveloped.

Table 9 – I:L Ratio of Parcels in the Area

I:L Ratio	Parcels	Acreage	% of Total Acreage
Not Taxable	115	69.91	17.34%
No Improvements	194	110.14	27.31%
No land value	61	4.25	1.05%
0.01 - 0.50	197	48.64	12.06%
0.51 - 1.00	311	75.03	18.60%
1.01 - 1.50	171	40.02	9.92%
1.51 - 2.00	98	23.45	5.81%
2.01 – 2.51	43	11.79	2.92%
2.51 – 3.00	22	10.05	2.49%
>3.01	31	10.01	2.48%
Total	1,243	403.29	100.00%

Source: Lincoln County Assessor Real Market Value data The acreage total number is different from the total acreage number due to some double counts on parcels in the GIS system. This double count is very minor and does not impact the analysis of the data.

Figure 3 – Improvement to Land Ratios



E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in the Section on Impact of Tax Increment Financing of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal are primarily district identity/transportation, business improvement/development, and public facilities projects. The use of urban renewal funding for these projects allows the City to match other funding sources to actually construct the improvements. It also allows the City to tap a different funding source besides the City of Newport's general funds and system development charges funds to make these improvements.

It is anticipated that these improvements will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require city services. However, since the property is within the city limits, the city has anticipated the need to provide infrastructure to the Area. As the development will be new construction or redevelopment, it will be up to current building code and will aid in any fire protection needs.

These impacts will be countered by providing transportation funding for vital connections to Newport and major parcels of undeveloped and underdeveloped land. This land will provide future jobs to the Newport area and future increased tax base for all taxing jurisdictions.

IV. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the Area is to provide the ability to fund improvements necessary to cure blight within the Area.

V. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. The projects are listed in no particular order.

1. *Refinement Plans*

a) Commercial Core Areas Revitalization Plan

The Commercial Core Areas Revitalization Plan (CCARP) will analyze key transportation infrastructure issues within the commercial core areas in the Plan. The CCARP boundary for the study will be defined at the point that the plan is undertaken. It will study key transportation issues including traffic flow, safety, and parking issues within the study area. The CCARP will help define the transportation system enhancements and the priority of implementation of those enhancements that are undertaken as projects in this Plan.

Existing Conditions:

There is no revitalization plan for the commercial core areas. The Oregon Department of Transportation has indicated a desire to study transportation issues in the Area, but requires a match for part of the funding. There is a need to identify solutions to traffic flow, safety and parking issues within the area.

b) Agate Beach Neighborhood Plan

The Agate Beach Neighborhood Plan (ABNP) will analyze key transportation infrastructure issues within the Agate Beach neighborhood. The ABNP will help define the transportation system enhancements and infrastructure needs and the priority of implementation of those enhancements and needs that are undertaken as projects in this Plan.

Existing Conditions:

There is no revitalization plan for the Agate Beach area. There is a need to identify define and prioritize the needed transportation and infrastructure system enhancements in Agate Beach.

2. Public Buildings

The fairgrounds property has future renovation potential as a multipurpose building. This project would incorporate supporting infrastructure to the site and potential funding for the structure. The project will be further defined as the county moves through the process of planning for that area.

Existing Conditions:

The existing fairgrounds area is underutilized and underdeveloped. The area has capacity to attract new uses for both existing residents and tourists to the area, expanding the economy through the provision of business and recreational activities in Newport.

3. Transportation and Utility Enhancements

Transportation system enhancements include enhancements to the commercial core areas as well as to US 101 and US 20. These enhancements could include street upgrades, potential couplet if defined in the CCARP, widening, intersection realignments, local street right-of-way improvements, parking improvements right-of-way acquisition, signal installation or adjustment, storm drainage improvements, and water, sewer and other utility line relocation and capacity upgrades, including fiber-optics. The exact location and further definition of these transportation enhancements will come as a result of the CCAARP in addition to the Transportation System Plan and the other city utility master plans.

Existing Conditions:

There is a need to identify solutions to traffic flow, safety and parking issues within the area. In addition to those transportation needs, there are storm drainage and water line capacity deficiencies in the area.

4. Economic Development

Economic development projects include but are not limited to site preparation for reuse including demolition and lot aggregation, storefront façade loans and grants, strategic site acquisition for economic development, including potential mixed use development, street tree and landscape island enhancements, benches, public art, public spaces, wayfinding improvements, utility undergrounding including fiber-optics and billboard removal.

Existing Conditions:

There are properties within the area that are underdeveloped and underutilized. There are properties that are in need of façade improvements. The streetscape within

the area is deficient and can be enhanced through the provision of street tree and landscape island enhancements, benches, public art, public spaces wayfinding improvements, utility undergrounding and billboard removal.

5. Debt service and project administration

This project will allow for the repayment of costs associated with the implementation of the Newport Northside Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

Existing Conditions:

As there is currently no urban renewal program for this area, these activities do not exist.

VI. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 8. The sources of funds are tax increment revenues. There will be other funding sources sought to leverage urban renewal funds. These sources include system development charge funds (SDC) grant funds, general funds, state funding, or other sources of funding the City may identify, including private developer contributions.

These figures are in **total dollars to be spent on the projects through the life of the urban renewal area**. The Agency will be able to review the allocations on an annual basis when they prepare their budgets.

Table 10 – Projects to be Completed Using Urban Renewal Area Funds

Project Name	Urban Renewal Share	Total Cost
<u>Newport Northside Urban Renewal Plan</u>		
Infrastructure Refinement Plans		
Commercial Core Area Revitalization Plan	\$100,000	\$100,000
Agate Beach Neighborhood Plan	\$100,000	\$100,000
Public Buildings		
Multi-purpose building (includes supporting infrastructure)	\$3,000,000	\$9,000,000
Transportation System Enhancements		
Commercial core area highway/street upgrades	\$12,500,000	\$25,000,000
Intersection realignment	\$2,000,000	\$4,500,000
Local street right-of-way improvements	\$2,000,000	\$3,000,000
Parking improvements	\$800,000	\$1,500,000
Right-of-way acquisition	\$600,000	\$1,200,000
Signal installation or adjustment	\$500,000	\$1,000,000
Storm drainage improvements	\$1,500,000	\$2,000,000
Water,sewer, utility line relocation and capacity upgrades	\$600,000	\$1,200,000
Economic Development		
Benches, public art	\$250,000	\$250,000
Billboard removal	\$450,000	\$500,000
Site prep for reuse	\$2,500,000	\$2,500,000
Storefront façade loans/grants	\$1,500,000	\$1,000,000
Strategic site acquisition for economic development	\$5,000,000	\$5,000,000
Street tree and landscape island enhancements	\$250,000	\$250,000
Wayfinding improvements	\$200,000	\$200,000
Utility undergrounding	\$4,000,000	\$8,000,000
Total	\$37,850,000	\$66,300,000

Source: City of Newport with ECONorthwest

VII. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The projects will be scheduled as shown in the financing plan in Table 11. The projects will be ongoing and will be completed as directed by the Urban Renewal Agency (Agency). The projects are set up in five phases. The first phase is using “pay as you go” from the annual increment. The next four phases are predicated on bond placements and additional “pay as you go” tax increment proceeds.. They are allocated in four year intervals. The table shows the earliest that the bond issue could be placed, but the Agency will determine actual placement depending on financial and project considerations at the time. The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the urban renewal plan.

The inflation rate for project costs is not a factor in this Plan as the project costs were set at a “not to exceed” amount in the direction from the city council for a not to exceed maximum indebtedness of \$39,920,000 for this Plan. For the purposes of calculating the maximum indebtedness in the future, an inflation percentage of 3% should be used. Administration is allocated at approximately 4% of the total project/programs costs.

Table 11 – Projects and Costs in Year of Expenditure Dollars

	Phase 0 2017 to 2018	Phase 1 2019 to 2022	Phase 2 2023 to 2026	Phase 3 2027 to 2030	Phase 4 2031 to 2034*	Total
Revenues						
Total TIF Revenue	\$ 799,857	\$ 3,779,305	\$ 7,148,287	\$ 11,165,859	\$ 33,487,555	\$ 56,380,863
Debt Service	\$ -	-\$ 1,765,336	-\$ 3,851,644	-\$ 6,339,164	-\$ 32,578,496	-\$ 44,534,640
Pay as you go	\$ 799,857	\$ 2,013,969	\$ 3,296,643	\$ 4,826,695	\$ 1,179,836	\$ 12,117,000
Bond/Loan proceeds	\$ -	\$ 5,500,000	\$ 6,500,000	\$ 7,750,000	\$ 8,000,000	\$ 27,750,000
Interest earnings	\$ 500	\$ 3,400	\$ 7,900	\$ 11,100	\$ 30,100	\$ 53,000
Total Revenue for Projects	\$ 800,357	\$ 7,517,369	\$ 9,804,543	\$ 12,587,795	\$ 9,209,936	\$ 39,920,000
Expenditures						
Finance Fees	\$ -	\$ 110,000	\$ 130,000	\$ 155,000	\$ 160,000	\$ 555,000
Admin Costs	\$ 50,000	\$ 312,000	\$ 347,000	\$ 394,000	\$ 412,000	\$ 1,515,000
Amount available for projects	\$ 750,357	\$ 7,095,369	\$ 9,327,543	\$ 12,038,795	\$ 8,637,936	\$ 37,850,000
Total Expenditures	\$ 800,357	\$ 7,517,369	\$ 9,804,543	\$ 12,587,795	\$ 9,209,936	\$ 39,920,000
Project Detail						
Downtown Revitalization Plan	\$ 100,000					\$ 100,000
Agate Beach Neighborhood Plan	\$ 100,000					\$ 100,000
Multi-purpose building (and infrastructure)		\$ 3,000,000				\$ 3,000,000
Downtown highway/street upgrades			\$ 2,000,000	\$ 4,500,000	\$ 6,000,000	\$ 12,500,000
Intersection realignment		\$ 250,000	\$ 250,000	\$ 500,000	\$ 1,000,000	\$ 2,000,000
Local street ROW improvements	\$ 300,000	\$ 1,000,000	\$ 500,000	\$ 200,000		\$ 2,000,000
Parking improvements			\$ 500,000	\$ 300,000		\$ 800,000
ROW acquisition	\$ 100,000	\$ 100,000	\$ 200,000	\$ 200,000		\$ 600,000
Signal installation or adjustment		\$ 250,000	\$ 250,000			\$ 500,000
Storm drainage improvements		\$ 1,000,000	\$ 500,000			\$ 1,500,000
Water line capacity upgrades		\$ 600,000				\$ 600,000
Benches, public art			\$ 100,000	\$ 150,000		\$ 250,000
Billboard removal			\$ 100,000	\$ 150,000	\$ 200,000	\$ 450,000
Site prep for reuse			\$ 1,500,000	\$ 500,000	\$ 500,000	\$ 2,500,000
Storefront façade loans/grants			\$ 1,000,000	\$ 500,000		\$ 1,500,000
Strategic site acquisition for ec dev		\$ 500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 5,000,000
Street tree and landscape island enhancement				\$ 100,000	\$ 150,000	\$ 250,000
Wayfinding improvements			\$ 100,000	\$ 100,000		\$ 200,000
Utility undergrounding		\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 2,000,000	\$ 4,000,000
Total	\$ 600,000	\$ 7,200,000	\$ 9,000,000	\$ 9,700,000	\$ 11,350,000	\$ 37,850,000
Ending Balance	\$ 150,357	\$ 45,726	\$ 373,269	\$ 2,712,064	\$ -	\$ -

Source: City of Newport with ECONorthwest

VIII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 12 shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. The Area reaches the point where revenue sharing is required to begin, as implemented by the State in ORS 457.470, and this is further described in the section of this report on Impacts to Taxing Jurisdictions.

It is anticipated that all debt will be retired by FY2038/39 (any outstanding bonds will be defeased). The maximum indebtedness is \$39,920,000 (thirty nine million nine hundred twenty thousand dollars and no cents).

The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$39,920,000 is \$56,380,863.

The interest rate for the bonds is estimated at 5% and the terms of the bonds are varied, depending on time of issuance. The Agency may decide to issue bonds on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and this scenario is financially feasible.

Table 12a – Tax Increment Revenues and Allocations to Debt Service

	Total	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
DEBT SERVICE FUND								
Resources								
Beginning Fund Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF for URA	\$56,380,863	\$315,650	\$484,207	\$660,348	\$844,416	\$1,036,767	\$1,237,774	\$1,447,826
Total Resources	\$56,380,863	\$315,650	\$484,207	\$660,348	\$844,416	\$1,036,767	\$1,237,774	\$1,447,826
Expenditures								
<i>Debt Service</i>								
New Loan 2019	-\$8,826,680			-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334
New Loan 2023	-\$10,431,540							-\$521,577
New Loan 2027	-\$12,437,600							
New Loan 2031	-\$12,838,820							
Total Debt Service	-\$44,534,640	\$0	\$0	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$962,911
Coverage Ratio		0.00	0.00	1.50	1.91	2.35	2.80	1.50
<i>Transfer to D/S Reserve Fund</i>	<i>-\$68,624,964</i>	<i>-\$315,650</i>	<i>-\$484,207</i>	<i>-\$219,014</i>	<i>-\$403,082</i>	<i>-\$595,433</i>	<i>-\$796,440</i>	<i>-\$484,915</i>
Total Expenditures	-\$113,159,604	-\$315,650	-\$484,207	-\$660,348	-\$844,416	-\$1,036,767	-\$1,237,774	-\$1,447,826
Ending Fund Balance		\$ -	\$ -	\$ -				

Source: ECONorthwest

Table 12a – Tax Increment Revenues and Allocations to Debt Service, continued

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
DEBT SERVICE FUND								
Resources								
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF for URA	\$1,667,331	\$1,896,713	\$2,136,417	\$2,386,908	\$2,648,671	\$2,922,214	\$3,208,066	\$3,506,781
Total Resources	\$1,667,331	\$1,896,713	\$2,136,417	\$2,386,908	\$2,648,671	\$2,922,214	\$3,208,066	\$3,506,781
Expenditures								
<i>Debt Service</i>								
New Loan 2019	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334
New Loan 2023	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577
New Loan 2027				-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880
New Loan 2031								-\$641,941
Total Debt Service	-\$962,911	-\$962,911	-\$962,911	-\$1,584,791	-\$1,584,791	-\$1,584,791	-\$1,584,791	-\$2,226,732
Coverage Ratio	1.73	1.97	2.22	1.51	1.67	1.84	2.0	1.6
<i>Transfer to D/S Reserve Fund</i>	-\$704,420	-\$933,802	-\$1,173,506	-\$802,117	-\$1,063,880	-\$1,337,423	-\$1,623,275	-\$1,280,049
Total Expenditures	-\$1,667,331	-\$1,896,713	-\$2,136,417	-\$2,386,908	-\$2,648,671	-\$2,922,214	-\$3,208,066	-\$3,506,781
Ending Fund Balance	\$ -							

Source: ECONorthwest

Table 12a – Tax Increment Revenues and Allocations to Debt Service, continued

	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
DEBT SERVICE FUND								
Resources								
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF for URA	\$3,818,938	\$4,145,143	\$4,115,507	\$4,204,563	\$4,297,626	\$4,394,877	\$4,496,505	\$507,616
Total Resources	\$3,818,938	\$4,145,143	\$4,115,507	\$4,204,563	\$4,297,626	\$4,394,877	\$4,496,505	\$507,616
Expenditures								
<i>Debt Service</i>								
New Loan 2019	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	
New Loan 2023	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577
New Loan 2027	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880
New Loan 2031	-\$641,941	-\$641,941	-\$641,941	-\$641,941	-\$641,941	-\$641,941	-\$641,941	-\$641,941
Total Debt Service	-\$2,226,732	-\$1,785,398						
Coverage Ratio	1.7	1.9	1.8	1.9	1.9	2.0	2.0	0.3
<i>Transfer to D/S Reserve Fund</i>	-\$1,592,206	-\$1,918,411	-\$1,888,775	-\$1,977,831	-\$2,070,894	-\$2,168,145	-\$2,269,773	\$1,277,782
Total Expenditures	-\$3,818,938	-\$4,145,143	-\$4,115,507	-\$4,204,563	-\$4,297,626	-\$4,394,877	-\$4,496,505	-\$507,616

Source: ECONorthwest

Note: The debt service ratio in FY 2038/39 is .3. This is because the financial assumptions show that not all tax increment revenues will be necessary in this year and the debt will be defeased.

Table 12b – Projected Annual Debt Service Schedule

FYE	Debt Service				Total D/S	Total TIF	Debt Service Coverage	Remaining after D/S
	2019	2023	2027	2031				
2016	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$315,650	0.00	\$315,650
2018	\$0	\$0	\$0	\$0	\$0	\$484,207	0.00	\$484,207
2019	-\$441,334	\$0	\$0	\$0	-\$441,334	\$660,348	-1.50	\$219,014
2020	-\$441,334	\$0	\$0	\$0	-\$441,334	\$844,416	-1.91	\$403,082
2021	-\$441,334	\$0	\$0	\$0	-\$441,334	\$1,036,767	-2.35	\$595,433
2022	-\$441,334	\$0	\$0	\$0	-\$441,334	\$1,237,774	-2.80	\$796,440
2023	-\$441,334	-\$521,577	\$0	\$0	-\$962,911	\$1,447,826	-1.50	\$484,915
2024	-\$441,334	-\$521,577	\$0	\$0	-\$962,911	\$1,667,331	-1.73	\$704,420
2025	-\$441,334	-\$521,577	\$0	\$0	-\$962,911	\$1,896,713	-1.97	\$933,802
2026	-\$441,334	-\$521,577	\$0	\$0	-\$962,911	\$2,136,417	-2.22	\$1,173,506
2027	-\$441,334	-\$521,577	-\$621,880	\$0	-\$1,584,791	\$2,386,908	-1.51	\$802,117
2028	-\$441,334	-\$521,577	-\$621,880	\$0	-\$1,584,791	\$2,648,671	-1.67	\$1,063,880
2029	-\$441,334	-\$521,577	-\$621,880	\$0	-\$1,584,791	\$2,922,214	-1.84	\$1,337,423
2030	-\$441,334	-\$521,577	-\$621,880	\$0	-\$1,584,791	\$3,208,066	-2.02	\$1,623,275
2031	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$3,506,781	-1.57	\$1,280,049
2032	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$3,818,938	-1.72	\$1,592,206
2033	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,145,143	-1.86	\$1,918,411
2034	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,115,507	-1.85	\$1,888,775
2035	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,204,563	-1.89	\$1,977,831
2036	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,297,626	-1.93	\$2,070,894
2037	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,394,877	-1.97	\$2,168,145
2038	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,496,505	-2.02	\$2,269,773
2039	\$0	-\$521,577	-\$621,880	-\$641,941	-\$1,785,398	\$507,616	-0.28	-\$1,277,782

Source: ECONorthwest

IX. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2038/39, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The assumptions include assessed value growth rates at 4.5%. There is substantial acreage in the Area that is undeveloped where the full future development value will add to the incremental assessed value of the Area.

Table 13 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Tables 11 and 12. Revenue sharing is projected to be a feature of this urban renewal plan in FY 2033/34. However, if growth occurs at a faster pace, the Area will commence revenue sharing at the time required by the stature, the year after the tax increment proceeds equal 10% of the initial maximum indebtedness. At the point that tax increment revenues equal 12.5% of the initial maximum indebtedness, the annual increment is capped at that number and the remaining increment is divided among the taxing jurisdictions. This is not anticipated as shown in the following table.

Note the revenues to the urban renewal area is FYE 3039 are lower than the prior year, anticipating an under-levy in that year as all of the available tax revenues would not be needed to pay off the remaining debt.

Table 13a – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2015	\$236,886,829	\$236,886,829	\$0	14.4797	\$0
2016	\$247,546,737	\$236,886,829	\$0	14.4797	\$0
2017	\$258,686,341	\$236,886,829	\$21,799,512	14.4797	\$315,650
2018	\$270,327,226	\$236,886,829	\$33,440,397	14.4797	\$484,207
2019	\$282,491,952	\$236,886,829	\$45,605,123	14.4797	\$660,348
2020	\$295,204,091	\$236,886,829	\$58,317,262	14.4797	\$844,416
2021	\$308,488,275	\$236,886,829	\$71,601,446	14.4797	\$1,036,767
2022	\$322,370,247	\$236,886,829	\$85,483,418	14.4797	\$1,237,774
2023	\$336,876,907	\$236,886,829	\$99,990,078	14.4797	\$1,447,826
2024	\$352,036,368	\$236,886,829	\$115,149,539	14.4797	\$1,667,331
2025	\$367,878,005	\$236,886,829	\$130,991,176	14.4797	\$1,896,713
2026	\$384,432,516	\$236,886,829	\$147,545,687	14.4797	\$2,136,417
2027	\$401,731,979	\$236,886,829	\$164,845,150	14.4797	\$2,386,908
2028	\$419,809,918	\$236,886,829	\$182,923,089	14.4797	\$2,648,671
2029	\$438,701,364	\$236,886,829	\$201,814,535	14.4797	\$2,922,214
2030	\$458,442,926	\$236,886,829	\$221,556,097	14.4797	\$3,208,066
2031	\$479,072,858	\$236,886,829	\$242,186,029	14.4797	\$3,506,781
2032	\$500,631,136	\$236,886,829	\$263,744,307	14.4797	\$3,818,938
2033	\$523,159,538	\$236,886,829	\$286,272,709	14.4797	\$4,145,143
2034	\$546,701,717	\$236,886,829	\$309,814,888	14.4797	\$4,486,027
2035	\$571,303,294	\$236,886,829	\$334,416,465	14.4797	\$4,842,250
2036	\$597,011,942	\$236,886,829	\$360,125,113	14.4797	\$5,214,504
2037	\$623,877,479	\$236,886,829	\$386,990,650	14.4797	\$5,603,509
2038	\$651,951,966	\$236,886,829	\$415,065,137	14.4797	\$6,010,019
2039	\$681,289,804	\$236,886,829	\$444,402,975	14.4797	\$6,434,822
Total					\$66,955,301

Source: ECONorthwest

Table 13b – Projected Revenue Sharing

FYE	TIF		
	Total	for URA	Shared
2015	\$0	\$0	\$0
2016	\$0	\$0	\$0
2017	\$315,650	\$315,650	\$0
2018	\$484,207	\$484,207	\$0
2019	\$660,348	\$660,348	\$0
2020	\$844,416	\$844,416	\$0
2021	\$1,036,767	\$1,036,767	\$0
2022	\$1,237,774	\$1,237,774	\$0
2023	\$1,447,826	\$1,447,826	\$0
2024	\$1,667,331	\$1,667,331	\$0
2025	\$1,896,713	\$1,896,713	\$0
2026	\$2,136,417	\$2,136,417	\$0
2027	\$2,386,908	\$2,386,908	\$0
2028	\$2,648,671	\$2,648,671	\$0
2029	\$2,922,214	\$2,922,214	\$0
2030	\$3,208,066	\$3,208,066	\$0
2031	\$3,506,781	\$3,506,781	\$0
2032	\$3,818,938	\$3,818,938	\$0
2033	\$4,145,143	\$4,145,143	\$0
2034	\$4,486,027	\$4,115,507	\$370,520
2035	\$4,842,250	\$4,204,563	\$637,688
2036	\$5,214,504	\$4,297,626	\$916,878
2037	\$5,603,509	\$4,394,877	\$1,208,632
2038	\$6,010,019	\$4,496,505	\$1,513,514
2039	\$6,434,822	\$507,616	\$5,927,206
Total	\$66,955,301	\$56,380,863	\$10,574,438

Source: ECONorthwest

X. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FY 2038/39, and are shown in Tables 14a and 14b.

Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. The share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness, however the projections do not estimate this threshold is met. Revenue sharing is projected to commence during the final year of the 25-year life of tax increment proceeds of the Plan. Note that the total impact to taxing jurisdictions equals the total amount to the Agency in Table 12b above, \$56,380,863.

The Newport School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the State level.

Dedicating efforts to maintaining a healthy downtown is one variable in a livable city. These efforts will produce spin-off economic benefits in terms of increased economic development in the area, increased jobs, and expected increases in overall populations, including the student populations in the schools. These increases in the schools' populations will bring in more funding to the schools through the per pupil funding formula.

Tables 14a and 14b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. The table is based on fiscal year end (FYE) impacts. It assumes the growth as projected in the other tables in this Report, a 4.5% average annual growth rate in assessed value. Table 14a shows the general government levies and Table 14b shows the education levies.

Table 14a – Projected Impact on Taxing District Permanent Rate Levies General Government

FYE	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUNITIE S HEALTH	SUBTOTAL
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	(\$61,479)	(\$2,398)	(\$983)	(\$2,123)	(\$1,328)	(\$121,942)	(\$7,902)	(\$198,155)
2018	(\$94,309)	(\$3,678)	(\$1,508)	(\$3,257)	(\$2,037)	(\$187,059)	(\$12,122)	(\$303,970)
2019	(\$128,615)	(\$5,017)	(\$2,057)	(\$4,442)	(\$2,777)	(\$255,106)	(\$16,532)	(\$414,546)
2020	(\$164,466)	(\$6,415)	(\$2,630)	(\$5,680)	(\$3,552)	(\$326,215)	(\$21,140)	(\$530,098)
2021	(\$201,930)	(\$7,876)	(\$3,229)	(\$6,974)	(\$4,361)	(\$400,524)	(\$25,956)	(\$650,850)
2022	(\$241,080)	(\$9,403)	(\$3,855)	(\$8,326)	(\$5,206)	(\$478,177)	(\$30,988)	(\$777,036)
2023	(\$281,992)	(\$10,999)	(\$4,510)	(\$9,739)	(\$6,089)	(\$559,324)	(\$36,246)	(\$908,900)
2024	(\$324,745)	(\$12,666)	(\$5,193)	(\$11,216)	(\$7,013)	(\$644,124)	(\$41,742)	(\$1,046,698)
2025	(\$369,421)	(\$14,409)	(\$5,908)	(\$12,759)	(\$7,977)	(\$732,738)	(\$47,484)	(\$1,190,697)
2026	(\$416,108)	(\$16,230)	(\$6,654)	(\$14,371)	(\$8,986)	(\$825,341)	(\$53,485)	(\$1,341,175)
2027	(\$464,896)	(\$18,133)	(\$7,435)	(\$16,056)	(\$10,039)	(\$922,111)	(\$59,756)	(\$1,498,426)
2028	(\$515,880)	(\$20,122)	(\$8,250)	(\$17,817)	(\$11,140)	(\$1,023,235)	(\$66,310)	(\$1,662,752)
2029	(\$569,157)	(\$22,200)	(\$9,102)	(\$19,657)	(\$12,291)	(\$1,128,910)	(\$73,158)	(\$1,834,474)
2030	(\$624,833)	(\$24,371)	(\$9,992)	(\$21,580)	(\$13,493)	(\$1,239,341)	(\$80,314)	(\$2,013,923)
2031	(\$683,013)	(\$26,640)	(\$10,923)	(\$23,589)	(\$14,749)	(\$1,354,740)	(\$87,792)	(\$2,201,447)
2032	(\$743,812)	(\$29,012)	(\$11,895)	(\$25,689)	(\$16,062)	(\$1,475,333)	(\$95,607)	(\$2,397,409)
2033	(\$807,346)	(\$31,490)	(\$12,911)	(\$27,883)	(\$17,434)	(\$1,601,352)	(\$103,774)	(\$2,602,190)
2034	(\$801,574)	(\$31,265)	(\$12,819)	(\$27,684)	(\$17,309)	(\$1,589,903)	(\$103,032)	(\$2,583,586)
2035	(\$818,919)	(\$31,941)	(\$13,096)	(\$28,283)	(\$17,684)	(\$1,624,307)	(\$105,261)	(\$2,639,492)
2036	(\$837,045)	(\$32,648)	(\$13,386)	(\$28,909)	(\$18,075)	(\$1,660,260)	(\$107,591)	(\$2,697,914)
2037	(\$855,987)	(\$33,387)	(\$13,689)	(\$29,563)	(\$18,484)	(\$1,697,830)	(\$110,026)	(\$2,758,966)
2038	(\$875,781)	(\$34,159)	(\$14,005)	(\$30,246)	(\$18,912)	(\$1,737,090)	(\$112,570)	(\$2,822,764)
2039	(\$98,868)	(\$3,856)	(\$1,581)	(\$3,415)	(\$2,135)	(\$196,102)	(\$12,708)	(\$318,665)
Total	(\$10,981,256)	(\$428,315)	(\$175,611)	(\$379,258)	(\$237,133)	(\$21,781,064)	(\$1,411,496)	(\$35,394,133)

Table 14b – Projected Impact on Taxing District Permanent Rate Levies Education

FYE	LINCOLN COUNTY SCHOOL	OR COAST COM COLLEGE	LINN-BENTON ESD	SUBTOTAL	TOTAL
2015	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0
2017	(\$107,018)	(\$3,830)	(\$6,647)	(\$117,495)	(\$315,650)
2018	(\$164,166)	(\$5,875)	(\$10,196)	(\$180,237)	(\$484,207)
2019	(\$223,885)	(\$8,013)	(\$13,905)	(\$245,802)	(\$660,348)
2020	(\$286,291)	(\$10,246)	(\$17,781)	(\$314,318)	(\$844,416)
2021	(\$351,506)	(\$12,580)	(\$21,831)	(\$385,917)	(\$1,036,767)
2022	(\$419,655)	(\$15,019)	(\$26,064)	(\$460,738)	(\$1,237,774)
2023	(\$490,871)	(\$17,568)	(\$30,487)	(\$538,926)	(\$1,447,826)
2024	(\$565,292)	(\$20,232)	(\$35,109)	(\$620,633)	(\$1,667,331)
2025	(\$643,062)	(\$23,015)	(\$39,939)	(\$706,016)	(\$1,896,713)
2026	(\$724,331)	(\$25,924)	(\$44,987)	(\$795,242)	(\$2,136,417)
2027	(\$809,258)	(\$28,963)	(\$50,261)	(\$888,482)	(\$2,386,908)
2028	(\$898,006)	(\$32,140)	(\$55,773)	(\$985,919)	(\$2,648,671)
2029	(\$990,748)	(\$35,459)	(\$61,533)	(\$1,087,740)	(\$2,922,214)
2030	(\$1,087,663)	(\$38,927)	(\$67,552)	(\$1,194,143)	(\$3,208,066)
2031	(\$1,188,940)	(\$42,552)	(\$73,843)	(\$1,305,334)	(\$3,506,781)
2032	(\$1,294,773)	(\$46,340)	(\$80,416)	(\$1,421,529)	(\$3,818,938)
2033	(\$1,405,370)	(\$50,298)	(\$87,285)	(\$1,542,953)	(\$4,145,143)
2034	(\$1,395,322)	(\$49,939)	(\$86,660)	(\$1,531,921)	(\$4,115,507)
2035	(\$1,425,516)	(\$51,019)	(\$88,536)	(\$1,565,070)	(\$4,204,562)
2036	(\$1,457,068)	(\$52,148)	(\$90,495)	(\$1,599,712)	(\$4,297,626)
2037	(\$1,490,040)	(\$53,328)	(\$92,543)	(\$1,635,912)	(\$4,394,878)
2038	(\$1,524,496)	(\$54,562)	(\$94,683)	(\$1,673,741)	(\$4,496,505)
2039	(\$172,102)	(\$6,160)	(\$10,689)	(\$188,951)	(\$507,616)
Total	(\$19,115,379)	(\$684,137)	(\$1,187,215)	(\$20,986,731)	(\$56,380,863)

Source: ECONorthwest Please refer to the explanation of the schools funding in the preceding section

Table 15 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2040.

Table 15 – Projected Revenue to Taxing Jurisdictions after Termination of Urban Renewal

Tax District Name	Tax Rate	Tax Revenue in FYE 2040 (year after expiration)		
		From Frozen	From Excess	Total
		Base	Value	
General Government				
Lincoln County	\$2.8202	\$668,068	\$1,339,767	\$2,007,835
Lincoln County - Animal Service	\$0.1100	\$26,058	\$52,257	\$78,315
Lincoln County Extension	\$0.0451	\$10,684	\$21,425	\$32,109
Lincoln County Transportation	\$0.0974	\$23,073	\$46,271	\$69,344
Port of Newport	\$0.0609	\$14,426	\$28,931	\$43,357
City of Newport	\$5.5938	\$1,325,098	\$2,657,396	\$3,982,494
H-PAC Community Health	\$0.3625	\$85,871	\$172,210	\$258,081
Total General Government	\$9.0899	\$2,153,278	\$4,318,257	\$6,471,535
Education				
Lincoln County School	\$4.9092	\$1,162,925	\$2,332,170	\$3,495,095
Oregon Coast Community College	\$0.1757	\$41,621	\$83,468	\$125,089
ESD	\$0.3049	\$72,227	\$144,846	\$217,073
Total Education	\$5.3898	\$1,276,773	\$2,560,484	\$3,837,257
Total	\$14.4797	\$3,430,051	\$6,878,741	\$10,308,792

Source: ECONorthwest

XI. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, personal manufactured, and utility properties in the Area, is projected to be \$236,886,829. The total assessed value of the City of Newport is \$1,243,361,351. The excess value of the South Beach Urban Renewal Area is \$136,869,617. Excess value is the growth of assessed value over the frozen base in an urban renewal area. The total urban renewal assessed value is 23.4% of the total assessed value of the city, minus excess value, below the 25% maximum. The Urban Renewal Area has 545.9 acres, including right-of-way, and the City of Newport has 7,166.53 acres. Given the acreages of the exiting South Beach Plan and the McLean Point Plan, 24.96% of the City’s acreage is in an urban renewal area, below the 25% state limit.

Table 16 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
South Beach Urban Renewal Area	\$18,548,383	1,168.84
McLean Point Urban Renewal Area	\$3,514,349	73.79
Newport Northside Urban Renewal Area	\$236,886,829	545.9
Total in Urban Renewal	\$258,949,561	1,788.53
City of Newport	\$1,243,361,351	7,166.53
Excess AV in South Beach	\$136,869,617	
Percent of Newport Assessed Value in Urban Renewal	23.40%	
Percent of Newport Acreage in Urban Renewal		24.96%

Source: City of Newport, Lincoln County Assessor

XII. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

Draft MINUTES
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
Monday, September 14, 2015

Commissioners Present: Jim Patrick, Rod Croteau, Lee Hardy, Bob Berman, and Mike Franklin.

Commissioners Absent: Gary East and Bill Branigan (*excused*).

City Staff Present: Community Development Director (CDD) Derrick Tokos and Executive Assistant Wanda Haney.

A. Roll Call: Chair Patrick called the meeting to order in the City Hall Council Chambers at 7:00 p.m. On roll call, Hardy, Berman, Croteau, Patrick, and Franklin were present; Branigan was absent but excused, and East was absent.

B. Approval of Minutes.

1. Approval of the Planning Commission regular session meeting minutes of August 10, 2015, and the work session minutes of August 24, 2015.

MOTION was made by Commissioner Berman seconded by Commissioner Hardy, to approve the Planning Commission meeting minutes as presented. The motion carried unanimously in a voice vote.

C. Citizen/Public Comment. No public comment.

D. Consent Calendar. Nothing on the Consent Calendar.

E. Action Items. No items requiring action to be taken.

F. Public Hearings. Patrick opened the public hearing portion of the meeting at 7:01 p.m. by reading the statement of rights and relevance. He asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits; with nothing being declared. Patrick called for objections to any member of the Planning Commission or the Commission as a whole hearing this matter; and none were heard.

1. Consideration of the proposed Newport Northside and the McLean Point Urban Renewal Plans. The Planning Commission will review the proposed Urban Renewal Plans, including the relationship to the City's Comprehensive Plan, and make a recommendation to the Newport City Council. The Commission will take public testimony and consider such testimony before providing a recommendation.

At 7:02 p.m. Patrick read the summary of the file from the agenda and called for the staff report. Tokos noted that the Planning Commission had an opportunity to discuss what they needed to do at tonight's meeting at their work session on August 24th. At that time, they had an opportunity to look at the Plans. There are two Urban Renewal Plans. The Newport Northside picks up portions of Highways 20 and 101 and the Agate Beach area. The McLean Point is primarily undeveloped industrial land around the Port's International Terminal. Tokos explained that this hearing and the City Council hearing on the 21st were noticed according to Statute. When considering the adoption of an Urban Renewal District, one form of notice is to include the notice in the utility billing. So, some 4400 notices were sent out citywide with the utility billing on August 31st. As with the open houses, we also sent out an additional 860 notices to those who own property within the proposed boundaries. We could have doubled up on some; but we wanted to make sure we were picking up everybody. There were press releases as well. Tokos noted that there were two open houses; July 27th and August 31st. An Urban Renewal Advisory Committee was formed to assist in the preparation of the Plans. Following the open houses, the Advisory Committee asked the consultant to make some changes; and the Commission had a copy of her memo outlining those. The Committee met seven times and participated in the open houses. Tokos said, as the Commission is aware, this planning work towards creating new Urban Renewal Districts was initiated in 2012 after a group of stakeholders in the community assisted in reworking the goals and assisted in

moving ahead with economic activities. The feasibility study was done in 2014. The Planning Commission had a key role in creating that. The taxing entities participated; and each one had a representative on the advisory committee. The City had meetings with each of the entities and held some public briefings with them; the Port on August 18th, and the Board of Commissioners on September 2nd. He said the reason they were engaged is that, if these districts are formed, it doesn't create a new tax; it takes a portion of the tax that otherwise would be paid to them and moving forward would redirect it for the type of projects that are listed in the Plan. The taxing entities including the City will receive less money. Tokos said as these are long-lasting plans, over a 25-year period for the Northside and 20 years for McLean Point, the nature of the projects is somewhat general at this point and will be further defined as we move forward. Much of them are infrastructure-related. In the core area, the projects are designed to help traffic circulation and assist business owners in redevelopment. In Agate Beach, the projects are providing needed funding to do infrastructure improvements; assisting developed areas lacking things like sidewalks and storm drainage, and to provide access to a couple of large vacant residential areas so they can develop and help increase our housing supply. The McLean Point Area is much smaller than the Northside. It contains targeted improvements allowing those properties to develop by extending sewer, water, utilities, and doing street and stormwater improvements. That allows those properties to develop in a manner that will complement the International Terminal, which has been renovated over the last couple of years. He said that to sync that up just makes sense.

Tokos said under Statute, the Planning Commission has a role to play; the key one being to review the Plans to confirm that the projects and objectives outlined are consistent with the Comprehensive Plan and will make a recommendation to the City Council who will hold a hearing on September 21st. He said the Commission is not limited to that issue, but that is the key issue. Those findings have to be made by the City Council; and they rely on the Planning Commission as their advisory body on these plans, which are part of the Comprehensive Plan. At the end of the day, the City Council will make findings that one, there are conditions that warrant the formation of these Urban Renewal Districts; by Statute that's considered blight, which means they are in need of redevelopment, and projects of this nature will help to revitalize them. Secondly, a finding is needed that the projects identified conform to the Comprehensive Plan; and third, that the Plans are financially viable. He said those are the key findings.

Tokos said throughout the public engagement process, we talked about the potential projects that will be studied further; the couplet as an alternative, the widening of 101. There was discussion about different streets in Agate Beach that may need to be surfaced; such as 55th. This plan does not call out specific projects of that nature; it puts a funding structure in place to do these projects and puts in place priority planning projects that will happen in the first years of the Plan. Agate Beach will likely be a nine to twelve month timeframe; and he anticipates that will be something like 2017-2018. Through that planning process is where we would engage the public and figure out exactly what kind of infrastructure improvements are needed, the costs at least at the planning level, and their relative priority. That process would involve public hearings before both the Planning Commission and the City Council. The other planning is for the commercial core area, and that is looking hard at Highways 20 and 101. That will also include ODOT since those are state facilities. ODOT has reserved funding to initiate that work in the 2016-2017 timeframe. The Plan calls for Urban Renewal funds to be brought to bear in about the same amount. That is where decisions will be made about what are the appropriate solutions along 101 and 20. The state is putting together a model and have been conducting traffic data; so there will be actual data as part of that process. That conversation will also involve the future of the bridge and an alternative to its existing location. He anticipates that process will be a two-and-a-half to three year timeframe.

Tokos noted that the Comprehensive Plan provisions, which is one of the priority pieces, is covered in detail in each of the Plans. It's centered on the Economic policies; redevelopment and revitalization on the highway corridors and improve traffic flow. Those are captured in the Comprehensive Plan. Also, Housing. There was much discussion about the lack of affordable housing. Those policies are captured in the Plans. There are opportunities to address affordable housing through the projects in the Plans. For McLean Point, we heard from those that want it to stay natural habitat where they can walk their dogs. There is an Estuary goal in the Comprehensive Plan. It calls for that area to be for development to support the Port's infrastructure. There are other areas in the Bay that are natural areas or conservation areas. From the Terminal to the bridge on the north side of the Bay is considered development area. This is the type of development envisioned at this location. Should there be in-water work, other agencies step in to assure that it doesn't have an adverse impact on habitat. That's another package of Comprehensive Plan policies that are addressed in the Plan.

Tokos encouraged the Planning Commission to take testimony and ask any questions of him or those who come forward and then deliberate about how to move this matter forward.

Testimony: Darrell Clark, 439 SE 130th Drive, South Beach. Clark noted that the last meeting he attended was on September 8th where it was presented at the City Council, and there was a conversation that it was really important that an advisory committee be set forth because of closed plans that a lot of people have come and complained about. So, you're having to make amendments to closed plans.

Tokos explained that the chair of our Urban Renewal Agency, David Allen, at the September 8th meeting expressed very clearly a desire and that he was encouraged to see language in the Plans that includes an advisory committee, the Planning Commission in some cases, serving in an advisory capacity but also an ad hoc work group or advisory committee would need to be involved on any major changes to ensure that there is full public vetting. At least in his mind, a desire to make that as robust as possible and add additional people. In the Planning Commission's case, a desire to see that the Planning Commission Advisory Committee has a role along with the Planning Commission proper so that the Plans have full public vetting and views from a variety of perspective and informing them before the Urban Renewal Agency has to make decisions on future changes to the Plans.

Clark said his concern is if South Beach is still an open venue, the idea of an advisory committee not being set forth as such to go out and reach the public to understand what was going on. The people he talked to and several businesses like in Aquarium Village and others don't have a clue of what's going on. He said there was not an extensive reach to these people; and it just happened. He wondered if South Beach is still an open venue. Are there still amendments for that Plan? He has some definite concerns.

Tokos said the Plan itself is still alive. The Plan has a number of projects that are either under construction now, and there's one more phase coming in 2017-2020, and then the Plan closes. An ad hoc committee or an advisory committee was formed to create the 10-year plan that we've been working through. There was also the Coho/Brant Neighborhood Plan that was a public outreach plan that went through a hearings process, and the Planning Commission and City Council were involved with. Transportation System Plan updates also had public hearings and matters that went before both the Planning Commission and the City Council and were noticed to property owners. He said at some point you go through a planning process, and decisions are made, and you're financially committed. So, there are some projects that aren't really open for revisiting at this point because they're actually under binding intergovernmental agreements. There are other projects that are earlier on that certainly could be revisited; and there will probably be some actual additional work done before the final phase is initiated in the 2017-2020 timeframe when we define what that should look like. The stuff that's under construction now and under design now has gone through a public hearings process and is kind of past the point of no return at this point.

Clark said those are some things he doesn't understand; and he thinks some things are reversible if they don't make sense. He asked to read a letter that he had written; and Patrick told him to proceed. He read the points he doesn't understand regarding South Beach: Traveling an extra 680 feet and passing 32nd because we're removing the 32nd Street stoplights. Now going to 35th means tourists are by the shops and hotels, and human nature says they're not going back. Secondly, by removing the 32nd signal, you've stated that the traffic flow on and off 101 is improved; and he doesn't understand that. You have eliminated the left turn off, plus you could design a right turn off using the old drive-in theater road behind Toby Murry's. Now you've wanted to get access off Highway 101, but you've eliminated two ways off 101. Third, by moving the 32nd Street signal, the state has lifted limits on the amount of traffic it will accept on 101; and where will this increased traffic flow. Yaquina Bay Bridge stands in the way; no matter what you do north or south for traffic flow, there will always be the bridge. Why are you not taking on the bridge first? Fourth, the statement is made that when the 32nd Street signals are gone, there's good visibility on the affected businesses before reaching 35th. He said there's no way you can see Pirate's Plunder, Fish Tails, or the Aquarium Village, or even the marine fish building there, especially at an increased downhill speed. When people reach 35th, they will continue on. Human nature; passed it, move on. They're not coming back. Fifth, it has been stated no left turn signal at 32nd will have a chilling effect on the Rogue and Hatfield; and in what way is that? How about the concern of the chilling effects to the two hotels, the candy shop, Pirates Plunder, Fish Tails, and the Aquarium Village when no left turn is allowed and no one knows they are there. Once by them; gone. It seems to him that the only one that benefits from this is the property owner who receives \$1.5 million for their property. He thanked the Commissioners for listening to his opinion.

Robert Heida, 109 SE Coos Street, Newport. Heida's biggest concern is the lack of oversight. We're talking \$42 million, and to him it looks like they basically figured out the maximum amount of money they could get away with. He's sure everyone tried to figure out what would do the most good. But now the City Council and the Urban Renewal Committee, which are the same thing, are going to make decisions on what projects go ahead because like they've been told, these are intentionally vague descriptions so we can better decide in the future what projects are actually going to happen. So, it comes down to one group of people making these decisions; and it just doesn't seem like that's enough.

John Rairgh, South Beach. He has attended several meetings recently regarding the fairgrounds. He's heard at those meetings that the fairgrounds is going to be put into the Urban Renewal boundary; and he sees from this meeting that it has been. He strongly encouraged the Commission to challenge that. Don't put the fairgrounds in. Let the fairgrounds stand on its own two feet. Make it work. Don't be giving it billions and billions of Newport tax money as part of the Urban Renewal District. Make the fair be self-sustaining. Do not support it as an entity that is struggling. Make it work.

Ellen Bristow, 128 SE Coos Street, Newport. She became involved in watching the Urban Renewal program from July 14th, which is the first she knew about it. She was curious about who owns the fairgrounds; and is it contingent on it being a fair. If there is not a fair there, who does that property divert to? Patrick said she would have to ask the County that because it's the County's fairgrounds, not the City's. Bristow said \$3 million of Urban Renewal is going into that piece of property, so she thought we'd be interested in knowing a little bit about its history. She said, aside from that, she took a look at the fairground diagram. She went to the fair the last time it was there; and she said it was very sad. The new plans eliminate the horse barns. It eliminates animals generally, except maybe under a tented area at the end of a long building, which looks like it's designed very well for the Seafood and Wine Festival. She said like the gentleman had just said, make it work like a fair; and if the fair can't handle it on its own, let's find out who the property goes to.

Jane Heida, 109 SE Coos Street, Newport. She said that she understood the Urban Renewal Project; and it's a good idea. She said that Newport is a struggling, stagnant town. She understands that is why they came up with the Urban Renewal idea. But the fact that it is an open venue, we the people have no say about the real oversight of it such as the gentleman's concern about South Beach. If we are looking to make this town grow, why are we just taking one stop sign and moving it over here? Why not put a second stop sign in down further, which creates growth in that area; not tying our hands. Again, the oversight with the new Urban Renewal project. We're giving you \$42 million to make this town better; but whose idea of making this town better? Putting a couplet in? She said to look at downtown; it's concrete and metal. She asked if they've gone to any other town and really looked at how their towns look. Our infrastructure; how long has it been since we've done good plumbing and wiring throughout this town? She asked if that isn't a real need. She understands that we invested in a new school and a new hospital. We want to put fluoridation in water, which she doesn't agree with. Her concern is, did Newport win the lottery? Where is all this money coming from? We have a hospital, a school, fluoridation. You want to put a swimming pool in an area where we already have traffic and parking issues as well as construction issues with the facility that's there. You want to put a swimming pool and event center right smack dab in the middle of that, tying this town's hands where if you have two events, you don't have the facilities for two events to happen. She asked where the open mindedness of this Planning Commission is on how to make this town better and actually make it grow for the benefit of all and not just one or two of the property owners. She thanked the Commissioners for listening.

For clarification, Berman asked, this list of projects we have, and some people have talked about specific pieces of that, when these individual projects are decided on through the planning process, will each or in groups have a full public hearing before both the Planning Commission and the Urban Renewal Agency before they are approved. Tokos said there will be full public hearings on the large items. The Agate Beach stuff is going to require public hearings to identify what those specific projects will be before the Planning Commission and the City Council before they're put in there. There will be full public hearings on anything that happens in the 20 and 101 corridors. He expects that the City Council is going to look for any changes to infrastructure to support fairground redevelopment would involve full public hearings before the Planning Commission and the City Council. There may be through the life of the Plan some smaller stuff that doesn't involve full public hearings because it would be considered minor amendments in the context of the Plan.

Patrick wanted to address some of the comments that had been raised. He said as far as borrowing the maximum amount of money, we actually didn't. The City Council actually came to the Planning Commission and told us that they wanted to max it at \$42 million. They could have borrowed a lot more than that; they could have set that a lot higher. As they told us, it had to do with their budgetary needs; there's only so much they are willing to give up to Urban Renewal. It's all the same pot of money. All you're basically doing is taking a piece of it and setting it aside and reserving it for these projects. Regarding the South Beach stuff, Patrick set in on a lot of those hearings on the Transportation Plan and whatnot. That stuff was decided a long time ago. We're not the only player in that. ODOT has a really big say. As far as the bridge is concerned, we've been hammering ODOT for years and finally got them to at least tell us if they're going to fix the bridge, where's it going to be because there are some options about putting it someplace else. We don't want to do all this work and find out they're going to build the bridge inland someplace. One of the things the Urban Renewal funds are going to go to is to nail down what the plan is for the bridge. He said ODOT is not going to touch anything on that bridge for the next 50 years. They said that bridge is good for 50 years; they don't plan on rebuilding it or doing anything for a long time, and they don't have the money either. Regarding the fairgrounds, Patrick said we don't necessarily have to get the County to agree to this; but we want them to be on our side as far as Urban Renewal and taking their tax money away. He said one of the reasons the fairgrounds got tossed into that was because that was the piece that got the County to be happy about it. If they're not going to get anything out of it, they're not really enthused about doing this.

From the audience, Bristow asked if he was saying that compliance with the County for going to Urban Renewal is how we got the addition of the fairgrounds. Patrick said, no. They don't have a say if we're under the \$50 million. We prefer them to be happy about it. It's easier to get things done if you get all of the players to agree on something. Bristow said this is part of what caught her attention about this Urban Renewal; the phrase "Derrick went around shopping the idea." She's quick to jump to cynicism; but she was taken with that phrase. She hasn't actually asked. She assumed there were persuasions. The County could come back and say they're not interested in this. She agrees that it's nice to have them go along. Patrick said the fairgrounds is something they requested. We went along because it makes sense for us.

From the audience, Clark asked if he understood that no matter the venue and the policies of the City Council and the Planning Commission, whatever ODOT decides that is what we have to do no matter how much that affects us. Patrick said we fight really hard to get things done through ODOT. It took seven years to get them off our case in South Beach. They were going to lock South Beach down to where we couldn't do anything; you couldn't develop anything in South Beach; and they have the tools to be able to do that. Tokos explained that we got relief from a standard that the state has for the maximum amount of congestion they will allow on a highway. The way we did that was because we recognized and they recognized that nothing was going to happen for that bridge for a long period of time. That is in fact a choke point. We ended up going through a long very public process of trying to figure out what all could be done to improve mobility on that highway short of replacing the bridge. They did a lot of detailed traffic analysis on terms of how the existing system was working. One of the projects that was identified as a priority was getting that signal relocated so that vehicles could get up to speed a little bit easier as they approach that incline on the bridge; particularly big vehicles such as large RVs and truck traffic. That's one of a number of different projects that we were able to work through in a very public forum over a number of years and work it into an Urban Renewal Plan. That last amendment to South Beach happened in 2008 for a ten-year extension in South Beach so we could have some funding to do some of this work and match it up with state resources. He said you can debate whether or not it's the best thing in the world, but one thing for certain it has done is it got us an alternate mobility standard that allows a whole bunch of different properties in South Beach to develop to their full potential; not the least of which is Hatfield, OMSI, and Wilder for example was under a trip cap where they couldn't develop fully. There were a number of things that we did get out of that deal. Is it ideal for every property; no. Any change that's made to a major transportation system is going to have its pros and cons. But it was fully vetted through a very public process.

Tokos said, with respect to the fairgrounds, the fairgrounds process the County was going through happened about the same time that we were undertaking the feasibility study. The County is looking at redeveloping the fairgrounds, and there is an event venue that they've been looking at. He doesn't know if they're fully done with their planning work. He's not sure where they're at on that right now at all. It was clear that for that to be a successful redevelopment project and that it has potential of reshaping that US 20 entrance to the community, that there would need to be infrastructure changes made such as widening Harney between 20 and he believes 3rd where it's very narrow there by the asphalt batch plant. Those are things that Urban Renewal is good at. There may be other things as well. There was an opportunity for a partnership. Anytime you're engaging with taxing entities that are going to be impacted, if

there's a partnership that makes sense, you want to talk about it. That's what was done; and that's why in large part this found its way into the Plan. It's a potential redevelopment gamechanger on US 20 just like a number of these other projects can be gamechangers in Agate Beach or along 101. He said what ultimately happens down the road, as Planning Commission members or if you're familiar with the South Beach Plan or the original Newport Plan, what we put in here today may look very different in fifteen years because some projects through community support and resources by developers or others will make sense; and we'll be able to move those forward, and other projects won't because they won't make sense or there won't be that consensus and it's just not going to happen. So, this Plan will be reshaped; much like the South Beach Plan, which is now on its eleventh amendment. Those will come through. There will be public hearings processes, and there will be ample public involvement as we go through. He said our Urban Renewal Agency made a very good point. That's why work was done on these Plans to make sure that any major changes will have separate advisory committees providing feedback to the Council.

Again from the audience, Clark said that it doesn't make sense for him. He can't get a grip on getting vehicles up to speed to get over the bridge and then get bogged down on the bridge. It makes no sense to him at all. He said, yes, some business are going to succeed, and some are going to die. He said Pirates Plunder is going to die. Fish Tails is going to die. The whole Aquarium Village is going to die. People will not even know they're there. This is good for the South Beach community? He said he can't support this at all. He said it doesn't make sense.

Patrick said in looking forward to the Plans, the City and the Planning Commission both have done a lot of outreach. None of this is set in stone. Most of the beginnings of all of these plans is to go get the people's involvement and find out what we really want to do. He said there was an events center in the South Beach Plan. There was an events center in the original Newport Plan. City center was in the original northside district and got almost nothing out of all that. The money mostly went into the Bay Front and into Nye Beach. Both of those are a success. The City Center is still dying on the vine. This is our attempt to make sure we actually get something done with the City Center this time and do what we need to do in Agate Beach.

Berman said he would like to encourage anybody that is interested in this and interested in a role in influencing things going forward. A lot of things are already set in stone and can't be changed; but these two Urban Renewal Districts are wide open within the categories of projects we are proposing. There are lots of opportunities to get involved. The Planning Commission has an Advisory Committee with two openings on it. We are constantly looking for people to help us work through these things and ask some of these types of tough questions so that we can make sure that we have a general consensus about what's the best thing to do for the community. Franklin said he came on this committee because he didn't agree with certain things. That got him up here. It's your opinion that gets you up here, and then you can have a voice. He said your opinion matters. Hardy agreed that definitely opinions matter, and what she's hearing is that there might be some better hindsight than foresight in terms of some of the earlier discussion and maybe it just didn't make a dent that these decisions were being made. She said it's easy to go through day-by-day things and really not pay attention. She doesn't know if there's a better way to generate an information source. She can't believe that there was that much ignorance of what was being decided and what issues were being considered. Patrick said actually there was because we have been making a real effort lately to try to engage people more so. After our experience with the geologic hazards code update where everything went great up until our hearing, that is when he really started making a push for getting more public involvement ahead of time to get that stuff hashed out. He said we have had a lot of comments; and we have the comments tonight. He went to the open house at the health education center, and there were lots of different comments there too. So, we're doing our diligence to get the input.

Mr. Heida from the audience said just looking at everything you've targeted, good luck trying to figure out how to spend that \$42 million. There's an awful lot on your plate there. Patrick said a lot of that is leveraged. A lot of those transportation things, if they're on 101 or 20, we will use ODOT money. On other things we'll go looking for grants to do them. It may be a joint effort between the City and the County. Tokos added, or public/private partnerships. He noted for example that OMSI on Abalone contributed about a half million dollars; the rest of that was Urban Renewal. Patrick said if we get a development or something that brings in some money, we can use it there too. \$42 million doesn't cover the project costs. Some of it also gets financed too.

Ellen Bristow came back up and said that when she first started exploring Urban Renewal it was completely foreign to her. She said she probably stumbled from place to place for a long time before she got even a glimmer of what was going on. One of the things she wanted to point out is as the tax entities have no say, they don't vote; although they could publish reports in the final decision either positive or negative. She has run into a lot of people who assume

that this is put up to a public vote. She said it's not so much ignorance as once you start digging, you find yourself running to a lot of meetings that you've never done before, and you're trying to put these things together. She does applaud that there's more and more outreach. It's wonderful to get access to City documents by computer. It can be improved. She said this is an ongoing opportunity. She hopes to make it to more planning meetings because this seems to be the place it's going to happen. Even on the City website, it can be a little confusing to know what's going on at any given moment. She assumes that the website could be improved. One of the surprising things to her when she was looking at taxes and bonds and Urban Renewal is that without any say we extract money for Urban Renewal in Newport from all other taxing entities. She said if she was outside of the urban area county resident, she might wonder just what the County was thinking. She guesses it lays a huge morale responsibility on Newport to not only acquire the money but to use it extremely well because you're using other people's money. She said she does have a lot of faith; but it's big.

Berman thought it was important to point out that in terms of the money, we are temporarily using the other taxing entities' money. The result of which, if done right, will be a much greater tax base; and in the long run they will end up with much more money. In the short-term, less. Bristow said she likes cooperation and collaboration. But in other cases sometimes the situation becomes so cooperative that one financial weakness in one particular entity has the tendency to bring the whole game down. She wondered if the other entities checked each other out to see if they are sound; or does it weaken everybody? Tokos said we've met with each of the taxing entities. They've had a chance to look at the financial information in detail. It impacts each taxing district differently. Newport for example gets hit the most because it has the largest percentage of its land area in an Urban Renewal Area as opposed to the County, which has a much larger geographic area to draw taxes from. The analysis each taxing district does is going to be a little bit different. He thought the taxing entities appreciate the fact that the Legislature changed the Urban Renewal laws back in 2009 such that now they can ask for an under-levy. We put a process together in here that in any given year they can ask that Urban Renewal take less than the increment it otherwise would be entitled to. Our Council wanted a formal process that says this is something that's allowed by state law, we don't want to see it done in a willy-nilly manner; and if someone looks back on the books in years they can't figure out how the under-levy requests were handled or what projects were given up to do the under-levy, etc. So, a formal process has been put in here so that a taxing entity can make that under-levy request, there will be a formal deliberation during the budgetary process, and then there will be decisions made; and if the under-levy is done, if they have to forego doing certain projects, they will identify what that will be. If we're doing borrowing as part of Urban Renewal, we know not to allow the lender to lock us into having to pull our full increment every year just to provide them an extra cushion. He thought it was a worthwhile conversation. He knows the different representatives from the taxing districts appreciated that.

In the audience, Mrs. Heida said for Urban Renewal to be a success it needs to generate at least 4.5% growth in this town. We have to make sure we get industries and businesses here and not just education.

Croteau had a couple of minor changes to point out. He was looking at page 23 of the Northside Plan with the map (he noted that there were two page 23s). He said there are three different shades of red but only two in the color scheme. He thought that needs to be brought into consistency. It's just an issue with color coding. On page 25, looking at "to conserve energy" about 2/3 of the way down the page where it says "(e.g. bicycles in mass transit)"; that should say "and". He asked on page 27 what is the "Peninsula Neighborhoods." Tokos said in the Comprehensive Plan that is a phrase given to basically the downtown or city center area. It's a hold-over from that. That's how it's framed in the Comprehensive Plan. Croteau said on page 18 there is discussion about property acquisition from willing sellers rather than eminent domain; and he asked when the power of eminent domain is appropriate in the context of an Urban Renewal Plan. Tokos said it would only be appropriate in the context of right-of-way acquisition for things like road right-of-way or sewer line right-of-way or something of that nature. Croteau said, so it's carefully defined when it can be by eminent domain.

Berman said on the section that relates to the Comprehensive Plan goals, the verbiage on the goal of energy conservation is extremely weak. Berman said where it says, "The Plan conforms to the Energy Conservation goal as it contains . . ." There really is no meat there whatsoever. He wouldn't even pursue saying it meets any kind of energy conservation goal because there just isn't anything there in his opinion. He said in the McLean Point Plan on page 22 there's apparently an error in that first sentence. Tokos said it will be corrected.

Patrick closed the hearing at 8:00 p.m. for Commission deliberation. Hardy said as far as the Urban Renewal Plan supporting the goals, she doesn't have a problem with that. She thought the main problem right now is reinforcing

open and clear communication with respect to the public; and she's not sure how to make that better. She felt that should be a condition for going forward. Berman thought in general both Plans are well intentioned and well thought out. The project categories on the Northside Plan are pretty good except he doesn't really like the specifics that are in there. He thinks it's too specific. The real meat of the thing is going to come later on when we sit down and really analyze in that very first planning phase what the real projects are that will pop out as the ones that are most required. He thinks it will become obvious. He hopes there's a real opportunity for honest public outreach and feedback and modifications based on that feedback so we end up getting projects that there's consensus this is really going to achieve the goals of Urban Renewal. Croteau said a lot of issues were raised this evening. He hopes many of these will be dealt with in the planning phase of the Urban Renewal. He said there has been more public input on this issue and in Newport in general than he's experienced in two other jurisdictions that he's familiar with. He said the question is if the Plan is congruent and consistent with the Comprehensive Plan; and when you look at that, you have to say yes, the Plan is consistent, gives us a general plan forward, and at this point this is all we can hope for. The future is going to hold a lot of detailed planning; and we continue to hope that the public will have as much input as they can. Franklin said he would repeat what every Councilor has said. He agreed we need to move forward with both of these plans. They both look good to him. And we need public input throughout and anything we can do to improve that; more open ears. Patrick also believed the conditions warrant the Plans, the projects conform, and they are financially feasible. He's also looking forward to the initial studies in the Plans. He's also looking forward to us doing a better job of prioritizing than we have in the past. He's lived through two Urban Renewal Plans. The South Beach one didn't do too badly. The first Newport Plan wasn't too bad, but a lot of things got thrown on the wayside; and he thinks the City Center kind of suffered for it. He would like to see this time actually do something for the City Center. He said it will be interesting to see how that turns out and what kind of feedback we get on that.

Mr. Heida noted that at the last City Council meeting he thought Chair Allen had recommended not so much an ad hoc advisory committee but rather a permanent committee; something that would work along side the Urban Renewal Agency simply because they were such closely related entities. Patrick said we've discussed that several times already. Originally they were just talking about having the Planning Commission do it; but the Commission's position was that we need more bodies than just us. He thinks they've come around to that. Patrick wondered when he gets the motion, if he could get something in there about increased public engagement and an expanded advisory committee as part of the recommendation. Croteau thought another point to be made is that the Urban Renewal Plan goes on for a long period of time; and so it's going to require oversight and maybe changing oversight depending on priorities for at least twenty years. It's really a living plan. We need to be aware of that. What we see today must change with time.

Mrs. Heida asked if South Beach is a living document. Patrick said it shuts down in 2020. Tokos said that's the last year it's open for any projects. Patrick said most of what is going on right now was decided two years ago. Whatever else we're going to do has to be decided right now to finish up in 2020. We have one more short planning phase, and then that's it. It's not as much of a living document as this one here. South Beach got extended too. It wasn't doing anything for the first ten years. Berman just wanted to say that he agrees 100% with the problem with that signal light. He can't believe that ODOT didn't take into consideration the impact on the businesses. We've had testimony at a prior hearing on exactly that subject. He thinks it's probably too late to change that decision about moving that signal.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman, that based on the analysis in the Plan and Report presented this evening, the City of Newport Planning Commission finds that the McLean Point Urban Renewal Plan is in conformance with the Newport Comprehensive Plan. The Planning Commission also urges the City Council to increase public input to the extent permissible in planning and to expand to the extent necessary advisory committees to assist in planning going forward. The motion carried unanimously in a voice vote.

MOTION was made by Commissioner Croteau, seconded by Commissioner Hardy, that based on the analysis in the Plan and Report presented this evening, the City of Newport Planning Commission finds that the Newport Northside Urban Renewal Plan is in conformance with the Newport Comprehensive Plan. The Planning Commission also urges the City Council to increase public input to the extent permissible in planning and to expand to the extent necessary advisory committees to assist in planning going forward. The motion carried unanimously in a voice vote.

G. New Business. There was no new business to discuss.

H. Unfinished Business.

1. Tokos noted that the Nye Beach Design Review changes went to hearing before the City Council where they took public testimony. He didn't have a chance to get the ordinance prepared. So, hopefully we will be taking that to them at their meeting on the 21st. They only had one person provide testimony; and that was in favor of those changes.

2. Tokos said on the 21st the City Council will have a proposal from the work group working on community visioning. That proposal will be about how Newport could do a broad community visioning process and what the components might be and how to package that up for an RFP moving forward if the Council's inclined to do that. He anticipates the Planning Commission would have a significant role in that should that be something the City Council elects to make a priority because it needs to be funded.

3. Tokos said that the retail sales of marijuana was a matter that had been forwarded from the City Council down to the Planning Commission to take a look at that. He wanted to let the Commission know that he's not planning to bring materials to the Commission until we see draft rules from OLCC because it doesn't really make sense to do so since they may delve into a number of the issues you might want to look at. He thought the Commissioners would want that information at least in draft form before starting deliberation on any supplemental rules the City may or may not want to do. He understands that OLCC expects to have that draft out either in October or November. The Commission can then pick up the conversation in late November or early December. The City Council elected not to preclude recreational sales at medical dispensaries. So, that will move forward effective October 1st.

4. Regarding LIDs, Tokos noted that the second TAC meeting of the four that are planned was held today. He said that much of the conversation was about best management practices. The consultant put together a memo with key stakeholders that they had engaged. The best practice memo was about different things we need to think about as we move forward with rebuilding our LID codes. He thought the TAC had a pretty good discussion today on a number of different issues. This will inform the consultant as he puts together a draft model code for the TAC to take a look at the next meeting in early December. Hardy hopes that it will be clearer whether the consultant's focusing on new development and subdivisions versus older existing neighborhoods, which is what is more likely to occur more frequently in Newport. Tokos said that's a good point because we were bouncing between the two topics. Hardy said it lacked continuity, preparation, and critical thinking. Franklin said it's almost like we need to have two separate discussions. She thought a little bit better definition structure, a little bit better thought process could occur. Tokos said we covered a range of topics; probably fifteen to twenty different topic areas. It will get folded into a model code that the group will have a chance to sink their teeth in. Maybe in early December through the development season folks will have a chance to read through the materials and really start to put this into a place where we can actually use it because our existing code doesn't work really well. This is primarily funded by TGM. We had a very modest match. They recognize that LIDs aren't an end-all be-all funding source, but they are a meaningful funding source. It has its appropriate place. Smaller jurisdictions are given very little guidance in terms of how to put together a program that they can administer successfully over a long period of time. They saw it as an opportunity for both addressing our need and a number of smaller communities.

I. Director Comments. Tokos had nothing further to add at this point.

J. Commissioner Comments. Croteau assumed the City Council is going to look favorably upon the Urban Renewal Plans. If so, he would like to urge them to assist the Commission in getting our citizens advisory committee more on board with us for the upcoming period of time. Tokos noted that that advisory committee has never been a formal structured committee; it was more of an ad hoc thing the Planning Commission did when it was looking at the zoning code rewrite some time ago and was just a carry-over. He appreciates the comment about emphasizing public involvement. It's tough to put in an Urban Renewal Plan that an advisory committee has to exist that's not a formal committee. He appreciates that motion just emphasizing public involvement. His sense, and one of the positives about both of these plans, is if there's a major amendment coming down the pipe, they may want to tailor those ad hoc committees appropriate to the type of issues on hand. Depending on the issue, they may want to have different players to make sure they are getting a full range of perspectives. He thinks that approach gives them the flexibility to do that. Croteau thought what we need is sort of a rolling group as things develop. His comment was looking just specifically at the Planning Commission because we are down to dust, and it shows. It would be nice to have more folks.

K. Adjournment. Having no further business to discuss, the meeting adjourned at 8:20 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant



Agenda Item:

Possible Adoption of Ordinance No. 2086, Establishing the McLean Point Urban Renewal District

Background:

On September 21, 2015, the City Council held a public hearing on the establishment of the McLean Point Urban Renewal District. Final comments were read into the record and the public hearing was closed. The City Council discussed the possible modifications to the report for the McLean Point Urban Renewal District. This included incorporating members of the public in an advisory capacity with the Port Commission to advise on various aspects of the McLean Point Urban Renewal District. It should be noted that this district will likely have very little activity until certain steps occur that will generate a tax increment to capture for this project. It was noted that it was not the desire to create a standing committee that may not have to meet; however, if there are issues of substance relating to advising the Urban Renewal Agency on any modifications to the plan then there should be citizens added to that advisory group.

The legal descriptions are included in the plan as well

The City of Newport established an Urban Renewal Agency in 1972. Since that time, the Urban Renewal Agency has had two separate districts; one north of Yaquina Bay and the second district in South Beach. These districts have played an influential part in creating the City of Newport that we currently have today with improvements such as: the Nye Beach Turnaround area, the PAC, the VAC, the Library, Parks & Recreation, City Hall, the walkway on the Bayfront; as well as helped facilitate the coming of NOAA to South Beach, the development of improved roads and bike paths throughout South Beach; and currently the reconstruction of a number of streets, in accordance with the refinement plans that were developed after much public input to define the elements of that plan in past years.

The creation of an Urban Renewal District does not increase individual property owner taxes within that district. Instead it creates a base value with those property taxes from the base value going to those taxing entities that currently receive those amounts. As the value within the district grows, that increment is captured and redirected to the Urban Renewal Agency for the completion of projects that are in accordance with the Urban Renewal Plan. With the McLean Point Urban Renewal District, the potential for incurring significant projects may be quicker than the North Side Urban Renewal District, since the entire taxable value will be captured in its entirety as property is placed on the tax rolls.

Originally we were hoping that we would meet a time schedule in which the County Tax Assessor would be able to initiate the capture year if we were able to have the ordinance approved at this time. Unfortunately, this will not occur, which allows the actual approval of the Districts to occur at a later point.

On Monday, September 21, 2015, the final public hearing was conducted to close out the public testimony on the plans. Please note that public testimony has to be incorporated in record that ultimately is approved by the Council as part of the plan.

Recommendation:

I recommend that the City Council consider the following motion:

I move the adoption of Ordinance No. 2086, establishing the McLean Point Urban Renewal District be read by title only and placed for final passage.

The Mayor will then ask for a voice vote on whether or not to read the ordinance by title only and placed for final passage.

If the motion is approved, the City Recorder will read the title of the ordinance.

A roll call vote on the final passage of the ordinance will then be requested by the Mayor, and taken by the City Recorder.

Fiscal Effects:

Adoption of the ordinance will put into place a tax increment financing district that will cap property values within the district, and redirect any new tax revenue for values in excess of the cap to the Urban Renewal District from the City and other taxing entities in order to fund the improvements that are eligible under this plan. This is described in detail within the attached report.

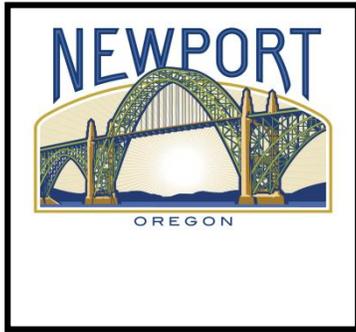
Alternatives:

None recommended.

Respectfully Submitted,

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

Spencer R. Nebel
City Manager



Agenda Item VIII.B.
Meeting Date October 5, 2015

CITY COUNCIL
AGENDA ITEM SUMMARY
City of Newport, Oregon

Issue/Agenda Title Consider Ordinance No. 2086 Establishing the McLean Point Urban Renewal Area

Prepared By: Derrick Tokos Dept Head Approval: DT City Mgr Approval: _____

ISSUE BEFORE THE CITY COUNCIL: Consideration of Ordinance No. 2086, which if adopted, will establish an urban renewal area within the City of Newport as outlined in the McLean Point Urban Renewal Plan and Report (“Plan”). The geographic boundary of the Plan includes McLean Point, the Port of Newport International Terminal, and other nearby water-dependent and industrial properties. It is 73.44 acres in size, has a duration of 20 years, and a maximum level of indebtedness of \$2.08 million over the life of the Plan.

At its September 14, 2015 meeting the Newport Planning Commission found that the Plan conforms to the Newport Comprehensive Plan.

STAFF RECOMMENDATION: Staff recommends that the City Council adopt the Ordinance.

PROPOSED MOTIONS: I move the adoption of Ordinance No. 2086, establishing the McLean Point Urban Renewal District be read by title only and placed for final passage.

KEY FACTS AND INFORMATION SUMMARY: A detailed summary of the key facts and information related to this agenda item was included with the September 21, 2015 City Council Agenda packet. Changes made to the McLean Point Urban Renewal Plan since the City Council closed the September 21, 2015 public hearing include:

- Language has been added to Objective 2, Goal 1, Public Involvement, indicating that the Port Commission may recruit members of the public in an ad-hoc capacity to assist it with its advisory responsibilities and when doing so is encouraged to include a representative of the property owners within the Area.

This changes were made in response to feedback from the City Council. No changes have been made to the Report Accompanying the McLean Point Urban Renewal Plan.

New Finding No. 12 and Finding No. 13 were added to Ordinance No. 2086. Finding No. 12 addresses the fact that the Ordinance is up for adoption on October 5, 2015. Finding No. 13 provides that technical corrections may be made to the legal description found in Appendix A to the McLean Point Urban Renewal Plan after adoption of the Ordinance without further Council action provided the changes are limited to ensuring that the description aligns with the graphic depiction of the boundary included as Figure 1 to the Plan.

A letter was received at the September 21, 2015 Council meeting indicating that Rondy’s Inc., one of the affected property owners, supports the creation of the McLean Point Urban Renewal District.

OTHER ALTERNATIVES CONSIDERED: Not proceeding with an urban renewal plan.

CITY COUNCIL GOALS: Moving forward with preparing a plan is consistent with the City Council's goals.

ATTACHMENT LIST:

- Ordinance No. 2086 with attached exhibits

FISCAL NOTES: If the plan is adopted, the first tax initial increment will be collected in FYE 2017. Financial analysis outlining the impact the Plan will have on affected taxing entities, including the City of Newport, is included in the Plan.

CITY OF NEWPORT
ORDINANCE NO. 2086

AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO, AND APPROVING, THE McLEAN POINT URBAN RENEWAL PLAN.

Summary of Findings:

1. Pursuant to Ordinance No. 1910, the Newport City Council (the "Council") declared that blighted areas exist in the City of Newport ("City") and elected to have the powers of an urban renewal agency exercised by the Council.
2. Pursuant to the Ordinance, the Council declared that the name of the urban renewal agency will be the Newport Urban Renewal Agency (the "Agency").
3. The Agency, as the City's duly authorized and acting urban renewal agency, is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457.
4. The Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of that certain Urban Renewal Plan attached hereto as Exhibit A (the "Plan"). The Plan authorizes certain urban renewal activities within the McLean Point Urban Renewal Area (the "Area").
5. The Agency has caused the preparation of a certain Urban Renewal Report dated September 21, 2015 attached hereto as Exhibit B (the "Report") to accompany the Plan as required under ORS 457.085(3).
6. The Agency forwarded the Plan and Report to the City's Planning Commission (the "Commission") for review and recommendation. The Commission considered the Plan and Report on September 14, 2015 and adopted a finding that the Plan conformed with the Newport Comprehensive Plan.
7. The Plan and the Report were forwarded on August 26, 2015 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with each taxing district by including taxing districts in the advisory committee and by sending a formal notice of the Plan; A letter in support of establishing the Plan was received from the Port of Newport on September 1, 2015.
8. On August 18, 2015 the City briefed the Port Commission of the Port of Newport on the details of the Plan, including proposed maximum indebtedness for the Plan.
9. On September 2, 2015, 2015 the City met with representatives of Lincoln County to review the Plan, including proposed maximum indebtedness for the Plan.

10. On August 31, 2015, the City caused notice of the hearing to be held before the Council on the Plan, including the required statements of ORS 457.120(3), to be mailed to utility customers; and
11. On September 21, 2015 the Council held a public hearing to review and consider the Plan, the Report, the recommendation of the Planning Commission, and the public testimony received on or before that date.
12. On October 5, 2015 the Council deliberated on this Ordinance and, after such deliberation, elected to adopt the Ordinance and approve the Plan and Report.
13. Technical corrections to the legal description of the Plan boundary included as Appendix A to the Plan may be made after the adoption of the Ordinance without further Council action provided the changes are limited to ensuring that the description aligns with the graphic depiction of the boundary included as Figure 1 of the Plan.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. Findings. The above-stated findings are hereby adopted.

Section 2. Short Title. This Ordinance No. 2086 (this “Ordinance”) may be referred to and cited as the “Urban Renewal Plan Ordinance.”

Section 3. Compliance with Requirements. The Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1)-(7). To this end, based on the information provided in the Report, the recommendation of the Commission, and public testimony before the Council, the Council hereby determines and finds as follows:

(a) The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1), and is eligible for inclusion within the Plan because of conditions described in Section II of the Report, including inadequate streets and other rights-of-way, inadequate utilities, and a prevalence of depreciated values resulting from underdevelopment and underutilization of property within the Area; and

(b) The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety, and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the Newport comprehensive plan; and

(c) The Plan conforms to the Newport comprehensive plan as a whole and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the minutes of the Planning Commission attached hereto as Exhibit C; and

(d) In connection with any residential displacement occurring as a result of the acquisition and disposition of land in the Plan, provision has been made for displaced persons in the Relocation Section of the Report as required under applicable state and federal law; and

(e) The acquisition of real property provided in the Plan is necessary for the development of infrastructure improvements, in the Area and for the development of public spaces; because the Agency does not own all the real property interests (e.g., rights-of-way, easements, fee ownership, etc.) that will be required to undertake and complete these projects as described in Chapter IV of the Plan and Section V of the Report; and

(f) Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to Section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in the following Report sections: (VI) Estimated Total Cost of Each Project and Sources of Moneys to Pay Such Costs; (VIII) Estimated Amount of Tax Increment Revenues Required and Anticipated Year in Which Indebtedness Will be Retired; and (IX) Financial Analysis of the Plan; and

(g) The City will assume and complete any activities prescribed it by the Plan; and

(h) The Council expressly accepts the written recommendation of the Port of Newport.

Section 4. Approval of Plan. The Plan is hereby approved based upon review and consideration by the Council of the Plan, the Report, the recommendations of the Commission, and the public testimony in the record.

Section 5. City Recorder. The City's City Recorder will forward to the Agency a copy of this Ordinance once the legal description is finalized. The Agency will thereafter cause a copy of the Plan to be recorded in the Lincoln County Official Records. The City Recorder, in accordance with ORS 457.115, will publish notice of the adoption of this Ordinance, including the provisions of ORS 457.135, in the Newport News-Times no later than four days following adoption of this Ordinance.

Section 6. Severability; Corrections. If any section, subsection, sentence, clause, and/or portion of this Ordinance is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Ordinance. This Ordinance may be corrected by order of the City Council to cure editorial and/or clerical errors.

Section 7. Effective Date. This ordinance shall take effect 30 days after passage.

Date adopted on initial vote and read by title only: October 5, 2015

Date adopted on final roll call vote: October 5, 2015

Signed by the Mayor on October 5, 2015.

Sandra Roumagoux, Mayor

ATTEST:

Spencer Nebel, City Manager

Approved as to form:

Steve Rich, City Attorney

Exhibit A

Ordinance No. 2086

McLean Point

Urban Renewal Plan

McLean Point Urban Renewal Plan

Adopted by the City of Newport

October 5, 2015

Ordinance No. 2086

Elaine Howard Consulting, LLC

ECONorthwest

Jeannette Launer

List of Participants

Mayor: Sandra Roumagoux
City Council: Ralph Busby, President
David Allen
Wendy Engler
Mark Saelens
Dean Sawyer
Laura Swanson
Planning Commission: Jim Patrick, Chair
Bob Berman
William Branigan
Rod Croteau
Gary East
Michael Franklin
Lee Hardy
City Manager: Spencer Nebel
City Recorder: Peggy Hawker
Community Development Director: Derrick Tokos
Executive Assistant: Wanda Haney

Urban Renewal Advisory Committee:

Ralph Busby, City Council Member
Rod Croteau, Planning Commission and Agate Beach resident
Caroline Bauman, Yaquina Bay Economic Foundation
Wayne Belmont, Lincoln County
Ken Brown, Port of Newport
Chris Chandler, Central Lincoln Public Utility District
Lorna Davis, Greater Newport Chamber of Commerce
Frank Geltner, City Center Newport Association
Don Huster, Newport Budget Committee
Tim Kaufman, Lincoln County School District
Don Mann, Lincoln County
Robert McAfee, Citizen at large
Bill Posner, Citizen at large
Birgitte Ryslinge, Oregon Coast Community College
Ralph Breitenstein, Pacific Communities Hospital Health District
Jon Conner (alternate), Pacific Communities Hospital Health District
Chuck Forinash (alternate,) Newport Budget Committee

Consultant Team: Elaine Howard Consulting LLC, Elaine Howard
ECONorthwest, Nick Popenuk, Ali Danko, Rob Wyman
Jeannette Launer, Legal Counsel

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I. DEFINITIONS

“Advisory Committee” means the committee composed of public officials and consultants to provide input on the McLean Point Urban Renewal Plan. Those members are identified on the acknowledgement page of the urban renewal plan.

“Agency” means the Newport Urban Renewal Agency. This Agency is responsible for administration of the urban renewal plan. In Newport, the Agency is the Newport City Council.

“Annual report” means annual report on impacts to taxing jurisdictions and former year and following year budgets as required in ORS 457.460.

“Area” means the properties and rights of way located with the McLean Point urban renewal boundary.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the urban renewal plan.

“City” means the city of Newport, Oregon.

“City Council” or “Council” means the City Council of the City of Newport.

“Comprehensive Plan” means the city of Newport comprehensive land use plan and its implementing ordinances, policies and standards.

“County” means Lincoln County.

“Fiscal year” means the year commencing on July 1 and closing on June 30.

“Frozen base” means the total assessed value including all real, personal, manufactured and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“Newport Transportation Systems Plan (TSP)” means the transportation system plan adopted by the Newport City Council.

“ORS” means the Oregon revised statutes and specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Newport Planning Commission.

“Revenue Sharing” means sharing tax increment proceeds as defined in ORS 457.470.

“Tax increment financing (TIF)” means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“Under-levy” means taking less than the available tax increment in any year as defined in ORS 457.455.

“Urban renewal agency” or “Agency” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for administration of the urban renewal plan.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3).

II. INTRODUCTION

The McLean Point Urban Renewal Plan (Plan) has been developed for the Newport City Council (City Council) with the cooperative input of an Urban Renewal Advisory Committee (Advisory Committee) and community input from two urban renewal public meetings.

The Advisory Committee met six times to review components of the Plan and Report accompanying the Plan (Report), specifically the goals and objectives, projects, amendment procedures, duration of the Plan, under-levy provisions, socio-economic data, funding, and financial tables in the Report. The Advisory Committee also reviewed the input from the public meetings. The Advisory Committee voted unanimously of those present to forward the Plan and Report to the Newport Urban Renewal Agency for their consideration. There were representatives of the community at the majority of the Advisory Committee meetings.

The first public meeting was held on July 27, 2015 at which approximately 47 citizens participated. Staff and the consultant provided background information on urban renewal, the proposed plan and on the process for adoption of an urban renewal plan. Comment forms were available for interested parties to complete. The comments received were compiled and placed on the city of Newport website. In addition, where appropriate, responses to the comments were drafted and also posted to the website and distributed at the second open house and to the Newport Urban Renewal Agency as part of the staff report on the process of preparing the urban renewal plan.

The second public meeting was an urban renewal open house on August 31, 2015 at which 75 people signed in and others attended, but chose not to sign in. Staff provided general urban renewal information, background information on why to consider urban renewal at this time, an overview of the potential projects, and answered questions. Attendees were provided opportunities to provide input at 5 different stations in the room, one of which was for the McLean Point Urban Renewal Area. Although comments were received in writing at every other station, there were no comments received on the McLean Point Urban Renewal Plan.

In addition, the consultant and city staff briefed the Newport Port Commission on both urban renewal plans on August 18, 2015. Staff briefed the Lincoln County Commission on September 2, 2015.

There was also opportunity for public input at the Advisory Committee meetings, the Newport Urban Renewal Agency (Agency) meeting, the Newport Planning

Commission (Planning Commission) meeting, the Newport Port Commission meeting, and the City Council meeting.

The Plan contains goals, objectives, and projects for the development of the McLean Point Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to overcome obstacles to the proper development of the Area.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in ORS 457. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The McLean Point Area has infrastructure needs as identified in the Report accompanying the McLean Point Urban Renewal Plan and specifically cited in the ordinance for adoption of the urban renewal plan.

Urban renewal allows for the use of tax increment financing (TIF), a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to repay borrowed funds. The funds borrowed are used to pay for urban renewal projects.

In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities; assistance for rehabilitation or redevelopment of property; acquisition and re-sale of property (site assembly) from willing sellers; and improvements to public spaces. The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Newport, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 73.44 total acres: 66.93 acres of land in parcels and 6.54 acres of public right-of-way.

The Plan will be administered by the Newport Urban Renewal Agency (Agency), which was established by the Newport City Council as the City's Urban Renewal Agency. Substantial changes to the plan must be approved by the city Council. Major changes to the Plan, if necessary, must be approved by the City Council, after recommendation from an advisory committee comprised of the Newport Port Commission and a representative of property owners in the Area, as appointed by the City Council, and an

ad-hoc advisory committee as outlined in the Amendments Section, Section IX of this Plan.

The Plan is accompanied by an Urban Renewal Report (Report) that contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

It is anticipated that the Plan will take 20 years to implement. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$2,080,000.

Future amendments will be listed numerically in this section of the Plan and then incorporated into the Plan document and noted by footnote as to amendment number and date adopted.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XII, and were developed with input from the Newport Urban Renewal Plan Advisory Committee. The goals and objectives will be pursued as economically as is feasible and at the discretion of the Agency. The goals and objectives are not ranked by priority.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal implementation process.

Objectives:

1. Provide opportunities for public input throughout the implementation process.
2. Establish the Port Commission as the ongoing Citizens' Advisory Committee to assist the Urban Renewal Agency in decisions regarding plan implementation as identified in the Amendments section of the Plan. The Port Commission may recruit members of the public in an ad-hoc capacity to assist it with its advisory responsibilities and when doing so is encouraged to include a representative of the property owners within the Area.
3. Utilize ad hoc advisory committees to review major changes to projects, programs or goals and objectives in the Plan as identified in the Amendments section of the Plan.

Goal 2: *PUBLIC PARTNERSHIPS: PORT*

Coordinate with the Port of Newport on shared economic development objectives.

Objectives:

1. Collaborate with the Port of Newport on the implementation of its Capital Improvement Plan.
2. Coordinate adequate infrastructure to facilitate development opportunities in the Area.
3. Coordinate provision of infrastructure to the International Terminal.

Goal 3: *ECONOMY*

Collaborate with the Port of Newport on the implementation of its Capital Improvement Plan. Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs. Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities.

Objectives:

1. Build utility infrastructure to accommodate growth in the Area.
2. Assist in the improvement of transportation infrastructure to support existing development and allow for future development.

Goal 4: *INFRASTRUCTURE*

Assure adequate planning for public facilities to meet the changing needs of the City of Newport urbanizable area. Provide a storm water drainage system, water system, wastewater collection and treatment system with sufficient capacity to meet the present and future needs of the Newport urbanizable area. Provide a safe and efficient multi-modal transportation system consistent with the Transportation System Plan.

Objectives:

1. Build utility infrastructure to accommodate growth in the Area.
2. Identify and make infrastructure investments on opportunity sites.
3. Assist in the improvement of transportation infrastructure to support existing development and allow for future development.

Goal 5: *FISCAL STEWARDSHIP*

Work with taxing jurisdictions to both inform them of the annual project and financial activities of the urban renewal area and to evaluate opportunities to share tax increment revenues.

Objectives:

1. Send a copy of the annual project and financial report to all taxing jurisdictions, informing them of the activities of the urban renewal area.
2. Notify taxing jurisdictions of revenue sharing responsibilities and the timing of those responsibilities.
3. Reimburse city for annual costs in administering the urban renewal area.

Figure 1 – McLean Point Urban Renewal Area Boundary



Newport McLean Point UR Option

-  McLean Point Proposed Boundary : 73.79 acres
-  Parcel Boundaries

0 500 ft

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IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The projects within the Area include:

Public infrastructure and transportation improvements

Debt Service and plan administration

V. URBAN RENEWAL PROJECTS

Urban renewal projects authorized by the Plan are described below. Public improvements authorized under the Plan include upgrading of infrastructure including transportation and utilities to encourage development.

A. Infrastructure Improvements

1. Upgrade/provide infrastructure as necessary to allow for the development or redevelopment of parcels within and adjacent to the urban renewal area. The specific projects include:

- Sewer pump station and mains

Install a sewer pump station, which will likely be situated at the northeast corner of the Area, adjacent to Bay Boulevard. This pump station would replace the smaller facility at the intersection of Running Springs and Bay Boulevard that is undersized and was constructed to serve the upslope residential development. A sewer main would be constructed from the new pump station west along Bay Boulevard to tie into the City's existing gravity main just west of the intersection of SE Vista Drive and Bay Boulevard. Planning level design requirements will be included in the sewer master plan that the City of Newport is preparing.

- Storm drainage improvements

A storm drainage system will be constructed to collect and manage the run-off. Drainage improvements will also be needed to manage run-off attributed to the reconfiguration or mitigation of on-site wetlands so that the site can reach its industrial development potential.

- Water line or other utility extensions and upgrades

Water service is available from Bay Boulevard; however, public mains will need to be extended into the site to support industrial uses. Mains will need to be extended in a manner that will allow a future, under bay crossing. The under bay crossing would be a separate project that is not part of the urban

renewal project scope, but is likely to be needed so that the city has a second redundant line for providing water to portions of the city south of the bay. Electrical, fiber, and natural gas extensions to new industrial buildings are also necessary.

- Street improvements

Street improvements may include turn lanes and other traffic management improvements at access points onto Bay Boulevard to ensure safe points of ingress and egress for industrial users. A public or private street might also be extended into the Area to serve development.

B. Debt Service and Plan Administration

This project will allow for the repayment of costs associated with the implementation of the McLean Point Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

The way the projects relate to the goals and objectives is shown in Table 1.

Table 1 – Projects and Relationship to Goals and Objectives

Projects	Goals and Objectives
Sewer pump station and mains	Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3
Storm drainage	Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3
Other utility extensions/upgrades	Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3
Street improvements	Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3
Administration	Goal 1, Obj. 1,2,3; Goal 5, Obj. 1,2,3

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use.

A. Property acquisition for public improvements

The Agency may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

B. Property acquisition – from willing sellers

The Plan authorizes Agency acquisition of any interest in property within the Area that the Agency finds is necessary to support private redevelopment, but only in those cases where the property owner wishes to convey such interest to the Agency. The Plan does not authorize the Agency to use the power of eminent domain to acquire property from a private party to transfer property to another private party for private redevelopment. Property acquisition from willing sellers may be required to support development of projects within the Area.

C. Land disposition

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement.

The Agency may dispose of property acquired under Subsection B of this Section VI by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal agency, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in such plan. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

VII. RELOCATION METHODS

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance.

VIII. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on loans, usually in the form of tax increment bonds. The proceeds of the bonds are used to finance the urban renewal projects authorized in the Plan. Bonds may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from the federal, state, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$2,080,000 (two million and eighty thousand dollars). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds. It does include initial bond financing fees and interest earned on tax increment proceeds, separate from interest on bond proceeds.

IX. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Agency, the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Newport, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:

1. Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

B. Major Amendments

Major amendments require adoption of a resolution by the Agency. Major amendments will be reviewed by an ad hoc advisory committee, appointed by the City Council. The ad hoc advisory committee will include a representative of the Port Commission, a property owner within the Urban Renewal Plan Area, a citizen(s) at-large from within the community, and representation by any other group or organization that the Council feels should be involved. The ad hoc advisory committee will provide an advisory recommendation to the Agency.

Major amendments are amendments that:

1. Increase in the duration of the timeframe for the urban renewal area. Any increase in the duration of the timeframe of the urban renewal area will also require consultation with affected taxing districts.
2. Deletion of land that totals more than 1% of the existing area of the urban renewal area.
3. Addition of any new project where the project cost is in excess of \$500,000 as indexed annually by the inflation rate used in the Report accompanying the adoption of the McLean Point Urban Renewal Plan or any subsequent

Report for a Substantial Amendment, whichever is most current. A new project is a project that is not already designated in the Plan or does not fall within one of the general categories of projects designated in the Plan.

C. *Minor Amendments*

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457 and are not Major Amendments as defined in this Plan. Minor Amendments require approval by the Agency by resolution.

D. *Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance*

Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance that affect the Urban Renewal Plan and/or the Urban Renewal Area shall be incorporated automatically within the Urban Renewal Plan without any separate action required by the Agency or the City Council.

Figure 2 – Comprehensive Plan Designations



Newport McLean Point UR - Comprehensive Plan Designations

-  Industrial
-  Shoreland

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X. DURATION OF THE PLAN

This Plan will not exceed 20 years from the date of adoption. The financial analysis projects a 16 year plan.

XI. FISCAL STEWARDSHIP

A. Annual Report

The Agency will prepare an annual report as required by ORS 457.460. In addition to the requirements stated therein, the Agency will send a copy of the annual project and financial report to all taxing jurisdictions.

B. Revenue Sharing

The Agency will notify the taxing jurisdictions of revenue sharing responsibilities of the Plan as defined in ORS 457.470 and as analyzed in the Report accompanying the Plan and any Substantial Amendment. The analysis will include the projected timing of revenue sharing.

C. Administration

The Agency is the body designated with implementation of the Plan. The Agency has no paid employees. Actual implementation of the Plan is done by City of Newport (City) employees. In order to ensure sufficient resources are available to efficiently administer the Plan, the cost of administration will be an eligible project of the Plan through reimbursement by the Agency of costs incurred by the City. The costs of administration allocated to the Plan will be evaluated and established in the annual budgeting process. After the annual budget is complete, an Order will be adopted by the Agency to memorialize the agreement between the Agency and the City as to the administrative costs to be incurred that year.

XII. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Newport's Comprehensive Plan, Newport Municipal Code (Section 17: Zoning Ordinance), and the Transportation System Plan. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that *has* been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2. The maximum densities and building requirements are contained in the Newport Zoning Ordinance. The proposed land uses conform to Figure 2.

This is not a comprehensive list of all parts of the Newport Comprehensive Plan that are supported by this Plan. This list includes the major Goals and Policies from the Comprehensive Plan that are supported, however, there may be other Goals and Policies that are not listed, but are still supported by this Plan.

A. City of Newport Comprehensive Plan

Goal: Economy

Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs.

Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period.

Policy 1. The City shall help facilitate growth of employment in the marine and ocean observing research and education cluster.

Policy 3. The City shall coordinate with the Port of Newport on shared economic development objectives.

Policy 4. The City shall encourage growth of businesses involved with fishing and value-added seafood.

Policy 6. The City shall encourage better use of underutilized and/or blighted commercial sites.

Action 6.1 Evaluate creation of urban renewal district north of Yaquina Bay

Policy 7. The city shall ensure an adequate supply of commercial and industrial support sites.

The Plan conforms to the Economy goal as it contains projects to upgrade the transportation and utility infrastructure, to support existing business and allow for development of new businesses to create jobs, utilizing underutilized and/or blighted sites. Those jobs could help facilitate the growth of the Marine and ocean observing research and education clusters, and encourage growth of businesses involved with fishing and value added seafood. The Plan conforms to the Economy goal as it coordinates with the Port of Newport on shared economic development objectives.

Goal: Infrastructure and Public Facilities

Make investments in infrastructure and public facilities to support the target industries.

Policy 8. Identify and make infrastructure investments on opportunity sites.

Action 8.2 Coordinate provision of infrastructure to the International Terminal.

Action 8.4 Develop infrastructure needed to support fishing and seafood processing.

The Plan conforms to the Infrastructure and Public Facilities goal as it contains projects that will upgrade the infrastructure in the area to allow for future development providing jobs in the area. This infrastructure includes infrastructure to the International Terminal and infrastructure needed to support fishing and seafood processing.

Goal: Yaquina Bay and Estuary

To recognize and balance the unique economic, social, and environmental values of the Yaquina Bay Estuary.

Policy 1. Balanced use of estuary. The City of Newport shall continue to ensure that the overall management of the Yaquina Bay estuary shall provide for the balance development, conservation, and natural preservation of the Yaquina Bay estuary as appropriate in various areas.

Policy 3. Use priorities. The general priorities (from highest to lowest) for management and use of Yaquina Bay estuary resources as implemented through the management unit designation and permissible use requirements listed below shall be:

a.) uses which maintain the integrity of the estuarine ecosystem;

- b.) *water dependent uses requiring estuarine location, as consistent with the overall Oregon Estuarine Classification;*
- c.) *water related uses which do not degrade or reduce the natural estuarine resources and values;*
- d.) *nondependent, nonrelated uses which do not alter, reduce, or degrade estuarine resources and values.*

Policy 5: Dredged Material Disposal Sites. Dredged material disposal sites identified in the Yaquina Bay and River Dredged Material Disposal Plan, which are located within the Newport urban growth boundary, shall be protected. Development that would preclude the future use of these sites for dredged material disposal shall not be allowed unless a demonstration can be made that adequate alternative disposal sites are available.

Policy 6. Protection of Mitigation Sites. The city shall work with Lincoln County, the Port of Newport, and state and federal agencies to assure that potential mitigation or restoration sites are protected from new uses of activities that would prevent their ultimate use for mitigation or restoration. No potential mitigation sites have been identified or designated within Newport urban growth boundary.

Policy 7. Bayfront Uses. The city shall encourage a mix of uses on the bayfront. Preferentially given to water dependent or water related uses for properties adjacent to the bay. Non-water dependent or related uses shall be encouraged to locate on upland properties.

Policy 8: Water Dependent Zoning Districts. Areas especially suited for water dependent development shall be protected for that development by the application of the W 1/"Water Dependent" zoning district. Temporary uses that involve minimal capital investment and no permanent structures shall be allowed, and uses in conjunction with and incidental to water dependent uses may be allowed.

Policy 10: Impact Assessment. Actions and estuary which-- by their size, duration, or location relative to important natural resources-- would potentially alter the estuarine ecosystem shall be preceded by a clear presentation of the impacts of the proposed alteration. Such activities include dredging, fill, in water structures, riprap, log storage, application of pesticides and herbicides, water intake or withdrawal and effluent discharge, slow lane disposal of dredge material, and other activities which could affect that estuaries physical processes or biological resources.

This urban renewal plan conforms to the Yaquina Bay and Estuary goal by facilitating the development of water dependent industrial uses in and around the Port of Newport's International Terminal consistent with the "development" designation given to the area in the Yaquina Bay Estuary Management Plan. As required by Statewide Planning Goal 16, and consistent with Policy 1 of this goal, the Yaquina Bay Estuary Management Plan classifies areas in the estuary and bay into natural, conservation, and development management units. Portions of the bay and estuary adjacent to this urban renewal plan fall within Estuarine Management Unit No. 5, which covers areas along the north shore of the bay from the Yaquina Bay Bridge to McLean Point. This estuarine management unit was given a "development" designation in the Estuary Management Plan because of the presence of port facilities and the water-dependent uses that exist along the waterfront. The management objective for this portion of the estuary is to promote port development and the development of other water dependent uses in keeping with the scenic, historic, and unique characteristics of the area. The urban renewal plan furthers this objective by providing funding to cover the cost of infrastructure needed to support water dependent industrial development at the recently reconstructed International Terminal and adjacent undeveloped land at McLean Point.

Relevant portions of the Estuary Management Plan, along with detailed explanations of the Estuarine Management Units and their associated management objectives have been incorporated into the City of Newport's Comprehensive Plan and Zoning Ordinance. Water dependent zoned land within the urban renewal plan area prioritize uses and prohibit development that does not need contact with or use of water for transportation, recreation, energy production or water supply consistent with Yaquina Bay and Estuary Policies 3, 7, and 8. The urban renewal plan does not include projects that would preclude the disposal of dredge material in upland areas, as provided in Policy 5, and lands subject to the plan have not been designated as mitigation or restoration sites as outlined in Policy 6. The Newport Zoning Ordinance requires impact assessments for in-water development, consistent with Policy 10, in the event that infrastructure that is to be funded with this plan extends into the estuary.

Heavy industrial zoned lands within the urban renewal plan are not adjacent to the estuary and are not subject to the Yaquina Bay and Estuary Goal. The City of Newport Comprehensive Plan contains policies that are relevant to natural and conservation estuarine management units. Those policies are not listed in this

plan because the management units are not present within the urban renewal area.

B. Newport Economic Opportunity Analysis

The Newport Economic Opportunity Analysis is incorporated under the Economy section of the comprehensive plan, identified above.

C. Port of Newport Capital Facilities Plan

The Port of Newport’s Strategic Business Plan establishes the vision of the future within the Port’s sphere of influence. It embodies what the Port wants to be at a chosen point in time. The determination of needed facility improvements, estimated project costs, and the scheduling over time of improvement implementation are the essential tasks of Capital Facilities Plan (CFP). The scheduling is based on a series of priorities according to need, desire, and importance, and to the Port’s ability to pay. Capital improvement planning provides the vital link between the Ports’ Strategic Plan and the actual construction of improvements. The CFP states when the improvements will be built and what they will cost.

Projects	
Pavement Reconstruction/Seal Coating	\$400,030
International Terminal Fire Water Line Loop	\$127,355

XIII. APPENDIX A: LEGAL DESCRIPTION

Beginning at the southeasterly corner of SE Harbor Crescent Drive and SE Bay Boulevard; thence southeasterly, easterly and northeasterly along the north line of SE Bay Boulevard to a point north of that property described in MF301-0262 and MF301-0266; thence south to the northeast corner of that property described in said MF301-0262 and MF301-0266 (11-11-09D tax lot 101); thence southerly along the east line of said property, to the northeast corner of that property described in M 6379 (11-11-09D tax lot 100); thence southerly, westerly, and northerly along the east, south and west lines of that property in said M 6379 to a point on the southeast corner of those properties described in MF245-2361, M2631 and M3328 (11-11-09D tax lot 102); thence westerly, northerly and easterly along the property lines of those properties described in said MF245-2361, M2631 and M3328 to a point on the south line of SE Bay Boulevard; thence northwesterly along the south line of SE Bay Boulevard to a point south of the southeast corner of the intersection with SE Harbor Crescent Drive; thence north, leaving said south line to a point on the southeast corner of said intersection, said point also being the point of beginning.

Exhibit B

Ordinance No. 2086
Report Accompanying
McLean Point
Urban Renewal Plan

REPORT ACCOMPANYING MCLEAN POINT URBAN RENEWAL PLAN

Adopted by the City of Newport

October 5, 2015

Ordinance No. 2086

McLean Point Urban Renewal Area

Elaine Howard Consulting, LLC

Elaine Howard

ECONorthwest

Nick Popunek

Rob Wyman

Ali Danko

Jeannette Launer, Legal Counsel

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I. INTRODUCTION

The Report on the McLean Point Urban Renewal Plan (Report) contains background information and project details that pertain to the McLean Point Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the McLean Point Urban Renewal Area (Area).

However, the Report provides only guidance on how the urban renewal plan might be implemented. As the urban renewal agency reviews revenues and potential projects each year, they have the authority to make adjustments to the assumptions in this Report. They may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes, as allowed in the amendments section of the Plan.

Figure 1 – McLean Point Urban Renewal Plan Area Boundary



Newport McLean Point UR Option

-  McLean Point Proposed Boundary : 73.79 acres
-  Parcel Boundaries

0 500 ft

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II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the McLean Point Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

1. Land Use

According to data obtained from the City of Newport and Lincoln County Assessor’s office, the Area, shown in Figure 1 above, contains 6 parcels and consists of 66.9 acres in parcels and 6.54 acres of public right-of-way, for a total size of 73.44 acres.

An analysis of property classification data from the City of Newport and Lincoln County Assessment and Taxation database was used to determine the land use designation of parcels in the Area. Within the Area, the largest use of land is Exempt: Potential Development Improved (96% of total acreage).

Table 1 – Existing Land Use of Area

Land Use	Parcels	Acreage	% of Total Acreage
Exempt Potential Development Improved	4	64.1	95.7%
Industrial Improved	2	2.8	4.3%
Total	6	66.9	100%

Source: Lincoln County Assessor Data

2. Zoning and Comprehensive Plan Designations

The zoning code establishes districts to control land use throughout the city and regulates development standards within these established use districts.

As illustrated in Table 2a, the large majority (62%) of the Area by acreage is zoned as I-3/“Heavy Industrial” and W-1/“Water Dependent”.

Table 2a – Existing Zoning Plan Designations of Area

Zoning	Parcels	Acreage	% of Total Acreage
Heavy Industrial/Water Dependent	1	41.3	61.7%
Water Dependent	2	13.2	19.7%
Heavy Industrial	2	12.4	18.5%
Total	6	66.9	100%

Source: Lincoln County Assessor Data

As illustrated in Table 2b, 62% of the acreage is both Industrial and Shoreland in the Comprehensive Plan. This is the largest parcel, and the comprehensive plan designations are split on this parcel. These can be seen in Figure 2.

Table 2b – Existing Comprehensive Plan Designations of Area

Comprehensive Plan	Parcels	Acreage	% of Total Acreage
Industrial and Shoreland	1	41.3	61.7%
Shoreland	2	13.2	19.7%
Industrial	3	12.4	18.6%
Total	6	66.9	100%

Source: Lincoln County Assessor Data

Figure 2 – Area Comprehensive Plan Designations



Newport McLean Point UR - Comprehensive Plan Designations

- Industrial
- Shoreland

0 500 ft

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B. Infrastructure

1. Streets

The streets within the Area do not have turn lanes and require other traffic management improvements at access points onto Bay Boulevard to ensure safe points of ingress and egress for industrial users. There are not sufficient internal streets to allow for development of the Area.

2. Water

Water service is available from Bay Boulevard. There are not sufficient extensions of the water service into the Area to allow for development of the Area.

3. Storm Water

The storm water system in the Area needs significant improvement. As this is a low lying area, McLean Point is on the receiving end of upslope drainage. A storm drainage system will be constructed to collect and manage the run-off. Drainage improvements will also be needed to manage run-off attributed to the reconfiguration or mitigation of on-site wetlands so that the site can reach its industrial development potential.

4. Sanitary Sewer

The Area requires installation of a pump station to facilitate development. The pump station would replace a smaller facility at the intersection of Running Springs and Bay Boulevard that is undersized and was constructed to serve upslope residential development. The Area also requires a sewer main from the new pump station west along Bay Boulevard to tie into the City's existing gravity main just west of the intersection of SE Vista Drive and Bay Boulevard.

5. Other Utilities

Electrical, fiber, and natural gas services are available, but will need to be extended into the area to support development.

C. Social Conditions

There are no residential properties in the Area.

D. Economic Conditions

1. Taxable Value of Property within the Area

The total taxable property in the Area is estimated at \$3,514,349. If an urban renewal plan is adopted, the Lincoln County Assessor will calculate the frozen base using tax accounts for all of the real, personal, manufactured, and utility properties in the Area. The total assessed value of the City of Newport is \$1,243,361,351.¹

2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L may be used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 2:1 or more. Seventy-nine percent of the properties are underdeveloped according to the I:L ratios. The majority of the properties are presently exempt from taxation. The area, as a whole, is underdeveloped and not contributing to the tax base in Newport.

Table 3 – I:L Ratio of Parcels in the Area

I:L Ratio	Parcels	Acreage	% of Total Acreage
No Improvements	1	8.79	13.13%
0.00 - 0.50	2	44.46	66.43%
0.51 - 1.00	2	2.85	4.26%
>5.0	1	10.83	16.18%
Total	6	66.93	100.00%

Source: Lincoln County Assessor Real Market Value data

¹ Data from Lincoln County Assessor's 2014-15 tax roll summary

E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section IX Impact of Tax Increment Financing of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal are utility and transportation projects. The use of urban renewal funding for these projects allows the City to match other funding sources to actually construct the improvements. It also allows the City to tap a different funding source besides the City of Newport's general funds or system development charge (SDC) funds to make these improvements.

It is anticipated that these improvements will catalyze development on the undeveloped and underdeveloped parcels. This development will require city services. However, since the property is within the city limits, the city has anticipated the need to provide infrastructure to the Area. As the development will be new construction or redevelopment, it will be up to current building code and will aid in any fire protection needs.

These impacts will be countered by, in the future, placing property back on the property tax rolls and providing future jobs to the Newport area and future increased tax base for all taxing jurisdictions.

III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the Area is to provide the ability to fund improvements necessary to cure blight within the Area.

IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. McLean Point is an underdeveloped, low lying peninsula that is ideally situated for industrial use that complements the nearby Port of Newport International terminal. The property lacks sewer and water service and includes a number of wetlands that would need to be mitigated and or managed in order for the area to be fully developed.

The projects are listed in no particular order.

A. Infrastructure Improvements

1. Upgrade/provide infrastructure as necessary to allow for the development or redevelopment of parcels within and adjacent to the urban renewal area. The specific projects include:

- Sewer pump station and mains
Install a sewer pump station, which will likely be situated at the northeast corner of the Area, adjacent to Bay Boulevard. This pump station would replace the smaller facility at the intersection of Running Springs and Bay Boulevard that is undersized and was constructed to serve the upslope residential development. A sewer main would be constructed from the new pump station west along Bay Boulevard to tie into the City's existing gravity main just west of the intersection of SE Vista Drive and Bay Boulevard. Planning level design requirements will be included in the sewer master plan that the City of Newport is preparing.

Existing conditions: The Area lacks sewer service and is therefore undevelopable.

- Storm drainage improvements
A storm drainage system will be constructed to collect and manage the run-off. Drainage improvements will also be needed to manage run-off attributed to the reconfiguration or mitigation of on-site wetlands so that the site can reach its industrial development potential.

Existing conditions: The Area is a low lying area, on the receiving end of upslope drainage with some wetlands onsite. The storm drainage system is inadequate in the Area.

- Water line or other utility extensions and upgrades
Water service is available from Bay Boulevard; however, public mains will need to be extended into the site to support industrial uses. Mains will need to be extended in a manner that will allow a future, under bay crossing. The under bay crossing would be a separate project that is not part of the urban renewal project scope, but is likely to be needed so that the city has a second redundant line for providing water to portions of the city south of the bay. Electrical, fiber and natural gas extensions to new industrial buildings are also necessary.

Existing conditions: The Area lacks adequate water service to support industrial uses. There are no electrical extensions to allow for hook up to new industrial buildings.

- Street improvements
Street improvements may include turn lanes and other traffic management improvements at access points onto Bay Boulevard to ensure safe points of ingress and egress for industrial users. A public or private street might also be extended into the Area to serve development.

Existing conditions: The Area lacks street improvements to support industrial uses within the Area and lacks adequate transportation infrastructure to tie into the existing transportation network outside of the Area.

B. Debt Service and Administration

This project will allow for the repayment of costs associated with financing costs associated with issuing long or short-term debt and other administrative costs in administering the Plan.

Existing Conditions: As there is currently no urban renewal program, these activities do not exist.

V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 4. The sources of funds in the urban renewal column are tax increment revenues. There will be other funding sources sought to leverage urban renewal funds. These sources include Port of Newport funds, city of Newport general funds, system development funds, state funding, or other sources of funding the City may identify, including private developer contributions.

The allocations are the best estimates of expenditures at the time of preparation of the urban renewal plan. The Agency will be able to review the allocations on an annual basis when they prepare the budget.

Table 4 – Projects to be Completed Using Urban Renewal Area Funds

Projects	Urban Renewal	Estimated total cost
Sewer pump station and mains	\$1,000,000	\$3,000,000
Storm drainage	\$500,000	\$1,000,000
Other utility extensions/upgrades	\$250,000	\$500,000
Street improvements	\$250,000	\$500,000
Total	\$2,000,000	\$5,000,000

Source: City of Newport/Newport Port

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The infrastructure projects will be scheduled as development requires the infrastructure. The projects will be ongoing and will be completed as directed by the Urban Renewal Agency (Agency). The assumptions on the finance plan are that the initial phase of development could proceed with limited public infrastructure. As that development comes on the tax rolls, there would be sufficient revenue to pay for the projects in the Plan. There is also potential that infrastructure projects to allow for development to proceed would be paid for by a source outside of urban renewal, potential the State of Oregon Infrastructure fund or the city of Newport, or other sources, with repayment coming from the urban renewal area in FY 2018/19. The Area is anticipated to go through FY 2030/31. The projections in the financial model are all based on assumptions provided by the developers and their assumptions include assumptions that the economy is strong and development occurs on schedule.

Projected project dates are in Table 5a. The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the urban renewal plan.

A phasing plan is shown in Table 5b.

Table 5a – Projects and Costs in Year of Expenditure Dollars

	Total	2016-17	2017-18	2018-19
PROJECT FUND				
<i>Resources</i>				
Beginning Balance		\$ -	\$ 3,099	\$ 47,028
Pay-as-you-go (Transfer from D/S Reserve Fund)	\$ 79,750	\$ 3,099	\$ 43,914	\$ 32,737
Bond/Loan Proceeds	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Interest Earnings	\$ 250	\$ -	\$ 15	\$ 235
Total Resources	\$ 2,080,000	\$ 3,099	\$ 47,028	\$ 2,080,000
<i>Expenditures (nominal \$)</i>				
Sewer pump station and mains	\$ 1,000,000			\$ 1,000,000
Storm drainage improvements	\$ 500,000			\$ 500,000
Other utility extensions/upgrades	\$ 250,000			\$ 250,000
Street improvements	\$ 250,000			\$ 250,000
URA Admin	\$ 80,000			\$ 80,000
Total Expenditures	\$ 2,080,000	\$ -	\$ -	\$ 2,080,000

Source: ECONorthwest

Table 5b – Phasing Plan

	Phase 0 FY2016-2018	Phase I FY2019-2030	Total
Revenues			
<i>Total TIF Revenue</i>	\$47,013	\$3,208,614	\$3,255,627
<i>Debt Service</i>	\$0	(\$3,209,700)	(\$3,209,700)
Pay as you go	\$47,013	\$32,737	\$79,750
Bond/Loan proceeds	\$0	\$2,000,000	\$2,000,000
Interest earnings	\$15	\$235	\$250
Total Revenue for MI	\$47,028	\$2,032,972	\$2,080,000
Expenditures			
Admin Costs	\$0	\$80,000	\$80,000
Project Costs	\$0	\$2,000,000	\$2,000,000
Total Expenditures	\$0	\$2,080,000	\$2,080,000
Project Detail			
Sewer pump station and mains	\$1,000,000		\$1,000,000
Storm drainage improvements	\$500,000		\$500,000
Other utility extensions/upgrades	\$250,000		\$250,000
Street improvements	\$250,000		\$250,000
Total	\$2,000,000		\$2,000,000
Ending Balance	\$47,028	\$0	\$0

Source: ECONorthwest

VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 6a shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. The Area reaches the point where revenue sharing is required to begin, as implemented by the State in ORS 457.470, and this is further described in the section of this report on Impacts to Taxing Jurisdictions.

It is anticipated that all debt will be retired by FY 2030/31 (any outstanding bonds will be defeased). The maximum indebtedness is \$2,080,000 (two million eight thousand dollars). Table 6b shows the projected debt service, total tax increment revenues and debt service coverage ratio.

The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$2,080,000 is \$3,255,627.

The interest rate for the bond is estimated at 5% with a 20 year term. The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If the economy is slower, it may take longer; if the economy is more robust than the projections, it may take a shorter time period. The Agency may decide to issue bonds on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and this scenario is financially feasible.

Table 6a – Tax Increment Revenues and Allocations to Debt Service

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
DEBT SERVICE FUND								
Resources								
Beginning Fund Balance	0	0	0	0	0	0	0	0
TIF for URA	3,099	43,914	199,351	226,814	297,577	260,000	260,000	260,000
Total Resources	3,099	43,914	199,351	226,814	297,577	260,000	260,000	260,000
Expenditures								
<i>Debt Service</i>								
New Loan 2019			-160,485	-160,485	-160,485	-160,485	-160,485	-160,485
Total Debt Service	0	0	-160,485	-160,485	-160,485	-160,485	-160,485	-160,485
Coverage Ratio	0.00	0.00	1.24	1.41	1.85	1.62	1.62	1.62
<i>Transfer to D/S Reserve Fund</i>	-3,099	-43,914	-38,866	-66,329	-137,092	-99,515	-99,515	-99,515
Total Expenditures	-3,099	-43,914	-199,351	-226,814	-297,577	-260,000	-260,000	-260,000

Source: ECONorthwest

Table 6 – Tax Increment Revenues and Allocations to Debt Service, continued

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
DEBT SERVICE FUND							
Resources							
Beginning Fund Balance	0	0	0	0	0	0	0
TIF for URA	260,000	260,000	260,000	260,000	260,000	260,000	144,872
Total Resources	260,000	260,000	260,000	260,000	260,000	260,000	144,872
Expenditures							
<i>Debt Service</i>							
New Loan 2019	-160,485	-160,485	-160,485	-160,485	-160,485	-160,485	-160,485
Total Debt Service	-160,485						
Coverage Ratio	1.62	1.62	1.62	1.62	1.62	1.62	0.90
<i>Transfer to D/S Reserve Fund</i>	-99,515	-99,515	-99,515	-99,515	-99,515	-99,515	15,613
Total Expenditures	-260,000	-260,000	-260,000	-260,000	-260,000	-260,000	-144,872

Source: ECONorthwest

Table 6b - Debt Service Schedule

FYE	Debt Service	Total TIF	Debt Service Coverage	TIF Remaining after D/S
2016	\$ -	\$0	0.00	\$0
2017	\$ -	\$3,099	0.00	\$3,099
2018	\$ -	\$43,914	0.00	\$43,914
2019	-\$ 160,485	\$199,351	1.24	\$38,866
2020	-\$ 160,485	\$226,814	1.41	\$66,329
2021	-\$ 160,485	\$297,577	1.85	\$137,092
2022	-\$ 160,485	\$260,000	1.62	\$99,515
2023	-\$ 160,485	\$260,000	1.62	\$99,515
2024	-\$ 160,485	\$260,000	1.62	\$99,515
2025	-\$ 160,485	\$260,000	1.62	\$99,515
2026	-\$ 160,485	\$260,000	1.62	\$99,515
2027	-\$ 160,485	\$260,000	1.62	\$99,515
2028	-\$ 160,485	\$260,000	1.62	\$99,515
2029	-\$ 160,485	\$260,000	1.62	\$99,515
2030	-\$ 160,485	\$260,000	1.62	\$99,515
2031	-\$ 160,485	\$144,872	0.90	-\$15,613

Source: ECONorthwest

Note the remaining amount for debt service in FYE 2031 will come from the debt service reserve fund.

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2030-31, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The assumptions include new development projects, as identified by the City of Newport and the Newport Port Commission, and minimum growth rates at 3%. There is substantial acreage in the Area that is undeveloped where the full future development value will add to the incremental assessed value of the Area.

Table 7 shows the assumptions on when the land within the Area will come on the property tax rolls.

Table 7 – Property to go on Property Tax rolls

2014-15 RMV Comes on tax roll (FYE)		
11-11-09-D0-00100-00	\$ 4,477,750	N/A
Phases 1-2	\$ 1,791,100	2018
Phases 3-4	\$ 1,343,325	2020
Phase 5	\$ 1,343,325	2023
11-11-09-D0-00101-00	\$ 1,008,080	2018
11-11-09-D0-00102-00	\$ 16,867,310	N/A
11-11-09-D0-00103-00	\$ 889,200	n/a

Source: City of Newport, Newport Port Commission and property owners

Table 8 is a projection of future development within the Area, as provided by the property owners. The projections are based on the economy being strong and supporting these levels of development. The cost per square foot is based on information from ECONorthwest.

Table 8 – Development Projections

New Construction						
		Type	SF	Cost / SF	Total Cost	FYE on tax roll
Rondy's	Phase 1	Light Industrial	48,000	\$85	\$4,080,000	2019
Rondy's	Phase 2	Light Industrial	48,000	\$85	\$4,080,000	2021
Rondy's	Phase 3a	Waterfront Commercial	37,500	\$120	\$4,500,000	2022
Rondy's	Phase 3b	Waterfront Commercial	15,000	\$120	\$1,800,000	2023
Rondy's	Phase 4	Warehouse	90,000	\$70	\$6,300,000	N/A
Rondy's	Phase 5	Waterfront Industrial	103,000	\$85	\$8,755,000	2029
Teevin		Log Yard	0	\$0	\$6,500,000	2019
Total			341,500		\$36,015,000	

Source: City of Newport, Newport Port Commission and property owners

Table 9 shows the projected assessed value of the property and development identified in Tables 7 and 8. Column 2 indicates the projected real market values and column 3 shows the change property ration that transfers real market values to assessed values, resulting in the projections of assessed values in column 4.

Table 9 – Projected Assessed Values

FYE	RMV	CPR	AV
2015	\$ -	0.8850	\$ -
2016	\$ -	0.8850	\$ -
2017	\$ -	0.8850	\$ -
2018	\$ 3,058,664	0.8850	\$ 2,706,918
2019	\$ 11,907,790	0.8850	\$ 10,538,394
2020	\$ 1,557,317	0.8850	\$ 1,378,226
2021	\$ 4,871,928	0.8850	\$ 4,311,656
2022	\$ 5,534,550	0.8850	\$ 4,898,077
2023	\$ 3,981,964	0.8850	\$ 3,524,038
2024	\$ -	0.8850	\$ -
2025	\$ -	0.8850	\$ -
2026	\$ -	0.8850	\$ -
2027	\$ -	0.8850	\$ -
2028	\$ -	0.8850	\$ -
2029	\$ 13,242,813	0.8850	\$ 11,719,890

Source: City of Newport, Newport Port Commission and property owners

Table 10 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 6.

Revenue Sharing is projected to commence early, in FY 2020/21, as the Area is projected to meet the second revenue sharing target at 12.5% of initial maximum indebtedness in that year. The initial revenue sharing threshold is “the latter of the 11th year of the initial approval of the plan or the first year after the year in which the maximum indebtedness equals or exceeds 10 percent of the initial maximum indebtedness of the plan”. The 10% is met before the 11th year, so it is not implemented, however the 12.5% is met before the 11 year, so it is implemented. Once the 12.5% target is met, that caps the tax increment to the Agency and all increment above that amount is distributed to the taxing jurisdictions. The taxing jurisdictions may, upon a vote of those districts representing 75% of the permanent rate levy prior to the year before the Plan is approved, decide to forego the revenue sharing in order to reduce the length of the Plan (ORS 457.470(7)).

The Area is projected to do an under-levy in the final year as all of the increment is not necessary to meet maximum indebtedness and pay off all debt.

Note that the impacts to taxing jurisdictions is based on the \$3,255,627 anticipated to be TIF revenue, the \$2,976,811 of revenue sharing is revenue generated by the urban renewal area, but returned to the taxing jurisdictions once revenue sharing commences. If not for the ability to fund the infrastructure, this revenue would not be generated, so this is an unexpected revenue source for the taxing jurisdictions.

Table 10a – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2015	\$ 3,514,349	\$ -	\$ -	14.4797	\$ -
2016	\$ 3,619,779	\$ -	\$ -	14.4797	\$ -
2017	\$ 3,728,372	\$ 3,514,349	\$ 214,023	14.4797	\$ 3,099
2018	\$ 6,547,141	\$ 3,514,349	\$ 3,032,792	14.4797	\$ 43,914
2019	\$ 17,281,949	\$ 3,514,349	\$ 13,767,600	14.4797	\$ 199,351
2020	\$ 19,178,634	\$ 3,514,349	\$ 15,664,285	14.4797	\$ 226,814
2021	\$ 24,065,649	\$ 3,514,349	\$ 20,551,300	14.4797	\$ 297,577
2022	\$ 29,685,696	\$ 3,514,349	\$ 26,171,347	14.4797	\$ 378,953
2023	\$ 34,100,304	\$ 3,514,349	\$ 30,585,955	14.4797	\$ 442,875
2024	\$ 35,123,314	\$ 3,514,349	\$ 31,608,965	14.4797	\$ 457,688
2025	\$ 36,177,013	\$ 3,514,349	\$ 32,662,664	14.4797	\$ 472,946
2026	\$ 37,262,323	\$ 3,514,349	\$ 33,747,974	14.4797	\$ 488,661
2027	\$ 38,380,193	\$ 3,514,349	\$ 34,865,844	14.4797	\$ 504,847
2028	\$ 39,531,599	\$ 3,514,349	\$ 36,017,250	14.4797	\$ 521,519
2029	\$ 52,437,438	\$ 3,514,349	\$ 48,923,089	14.4797	\$ 708,392
2030	\$ 54,010,561	\$ 3,514,349	\$ 50,496,212	14.4797	\$ 731,170
2031	\$ 55,630,878	\$ 3,514,349	\$ 52,116,529	14.4797	\$ 754,632
Total					\$ 6,232,438

Source: ECONorthwest

Table 10b – Projected Revenue Sharing

FYE	Total	TIF for URA	Shared
2017	\$3,099	\$3,099	\$0
2018	\$43,914	\$43,914	\$0
2019	\$199,351	\$199,351	\$0
2020	\$226,814	\$226,814	\$0
2021	\$297,577	\$297,577	\$0
2022	\$378,953	\$260,000	\$118,953
2023	\$442,875	\$260,000	\$182,875
2024	\$457,688	\$260,000	\$197,688
2025	\$472,946	\$260,000	\$212,946
2026	\$488,661	\$260,000	\$228,661
2027	\$504,847	\$260,000	\$244,847
2028	\$521,519	\$260,000	\$261,519
2029	\$708,392	\$260,000	\$448,392
2030	\$731,170	\$260,000	\$471,170
2031	\$754,632	\$144,872	\$609,760
Total		\$3,255,627	\$2,976,811

Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies and local option levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2030, and are shown in Tables 11a and 11b.

Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. The share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness, and this threshold is anticipated in FYE 2024. Revenue sharing is projected to commence in FY 2019/20.

Note that the impacts to taxing jurisdictions is based on the \$3,255,627 anticipated to be TIF revenue, the \$2,976,811 of revenue sharing is revenue generated by the urban renewal area, but returned to the taxing jurisdictions once revenue sharing commences. If not for the ability to fund the infrastructure, this revenue would not be generated, so this is an unexpected revenue source for the taxing jurisdictions.

The Newport School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the State level.

Tables 11a and 11b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables

in this Report, a 3% average annual growth rate in assessed value. Table 8a shows the general government levies and Table 8b shows the education levies.

Table 11a – Projected Impact on Taxing District Permanent Rate Levies General Government

General Government								
	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUNITIES HEALTH	SUBTOTAL
FYE								
2017	(\$604)	(\$24)	(\$10)	(\$21)	(\$13)	(\$1,197)	(\$78)	(\$1,945)
2018	(\$8,553)	(\$334)	(\$137)	(\$295)	(\$185)	(\$16,965)	(\$1,099)	(\$27,568)
2019	(\$38,827)	(\$1,514)	(\$621)	(\$1,341)	(\$838)	(\$77,013)	(\$4,991)	(\$125,146)
2020	(\$44,176)	(\$1,723)	(\$706)	(\$1,526)	(\$954)	(\$87,623)	(\$5,678)	(\$142,387)
2021	(\$57,959)	(\$2,261)	(\$927)	(\$2,002)	(\$1,252)	(\$114,960)	(\$7,450)	(\$186,809)
2022	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2023	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2024	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2025	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2026	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2027	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2028	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2029	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2030	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2031	(\$28,217)	(\$1,101)	(\$451)	(\$975)	(\$609)	(\$55,967)	(\$3,627)	(\$90,946)
Total	(\$634,096)	(\$24,732)	(\$10,142)	(\$21,901)	(\$13,697)	(\$1,257,712)	(\$81,504)	(\$2,043,781)

Source: ECONorthwest

Table 11b – Projected Impact on Taxing District Permanent Rate Levies Education

FYE	Education OR COAST			SUBTOTAL	TOTAL
	LINCOLN COUNTY SCHOOL	COM COLLEGE	ESD		
2017	(\$1,051)	(\$38)	(\$65)	(\$1,154)	(\$3,099)
2018	(\$14,889)	(\$533)	(\$925)	(\$16,346)	(\$43,914)
2019	(\$67,588)	(\$2,419)	(\$4,198)	(\$74,205)	(\$199,351)
2020	(\$76,899)	(\$2,752)	(\$4,776)	(\$84,427)	(\$226,814)
2021	(\$100,891)	(\$3,611)	(\$6,266)	(\$110,768)	(\$297,577)
2022	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2023	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2024	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2025	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2026	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2027	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2028	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2029	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2030	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2031	(\$49,117)	(\$1,758)	(\$3,051)	(\$53,926)	(\$144,872)
Total	(\$1,103,785)	(\$39,506)	(\$68,556)	(\$1,211,846)	(\$3,255,627)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section

Table 12 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2032.

Table 12 – Additional Revenues Obtained after Termination of Tax Increment Financing

Tax District Name	Tax Rate	Tax Revenue in FYE 2032 (year after)		
		From Frozen Base	From Excess Value	Total
General Government				
Lincoln County	\$2.8202	\$ 9,911	\$ 151,686	\$ 161,597
Lincoln County - Animal Service	\$0.1100	\$ 387	\$ 5,916	\$ 6,303
Lincoln County Extension	\$0.0451	\$ 158	\$ 2,426	\$ 2,584
Lincoln County Transportation	\$0.0974	\$ 342	\$ 5,239	\$ 5,581
City of Newport	\$5.5938	\$ 19,659	\$ 300,865	\$ 320,524
H-PAC Community Health	\$0.3625	\$ 1,274	\$ 19,497	\$ 20,771
Total General Government	\$9.0899	\$ 31,945	\$ 488,905	\$ 520,850
Education				
Lincoln County School	\$4.9092	\$ 17,253	\$ 264,044	\$ 281,297
Oregon Coast Community College	\$0.1757	\$ 617	\$ 9,450	\$ 10,067
ESD Linn-Benton	\$0.3049	\$ 1,072	\$ 16,399	\$ 17,471
Total Education	\$5.3898	\$ 18,942	\$ 289,893	\$ 308,835
Total	\$14.4797	\$ 50,887	\$ 778,798	\$ 829,685

Source: ECONorthwest

X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, personal, manufactured, and utility properties in the Area, is projected to be \$3,514,349. The total assessed value of the City of Newport is \$1,243,361,351. The excess value of the South Beach Urban Renewal Area is \$136,869,617. The total urban renewal assessed value is 1.99% of the total assessed value of the city, minus excess value, below the 25% maximum. Excess value is the growth of assessed value over the frozen base in an urban renewal area. The Urban Renewal Area has 73.79 acres, including right-of-way, and the City of Newport has 7,166.53 acres; therefore 17.34% of the City’s acreage is in an urban renewal area, below the 25% state limit.

Table 13 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
South Beach Urban Renewal Area	\$18,548,383	1,168.84
McLean Point Urban Renewal Area	\$3,514,349	73.79
Total in Urban Renewal	\$22,062,732	1,242.63
City of Newport	\$1,243,361,351	7,166.53
Excess AV in South Beach	\$136,869,617	
Percent of Newport Assessed Value in Urban Renewal	1.99%	
Percent of Newport Acreage in Urban Renewal		17.34%

Source: City of Newport, Lincoln County Assessor

XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

***Draft* MINUTES
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
Monday, September 14, 2015**

Commissioners Present: Jim Patrick, Rod Croteau, Lee Hardy, Bob Berman, and Mike Franklin.

Commissioners Absent: Gary East and Bill Branigan (*excused*).

City Staff Present: Community Development Director (CDD) Derrick Tokos and Executive Assistant Wanda Haney.

A. Roll Call: Chair Patrick called the meeting to order in the City Hall Council Chambers at 7:00 p.m. On roll call, Hardy, Berman, Croteau, Patrick, and Franklin were present; Branigan was absent but excused, and East was absent.

B. Approval of Minutes.

1. Approval of the Planning Commission regular session meeting minutes of August 10, 2015, and the work session minutes of August 24, 2015.

MOTION was made by Commissioner Berman seconded by Commissioner Hardy, to approve the Planning Commission meeting minutes as presented. The motion carried unanimously in a voice vote.

C. Citizen/Public Comment. No public comment.

D. Consent Calendar. Nothing on the Consent Calendar.

E. Action Items. No items requiring action to be taken.

F. Public Hearings. Patrick opened the public hearing portion of the meeting at 7:01 p.m. by reading the statement of rights and relevance. He asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits; with nothing being declared. Patrick called for objections to any member of the Planning Commission or the Commission as a whole hearing this matter; and none were heard.

1. Consideration of the proposed Newport Northside and the McLean Point Urban Renewal Plans. The Planning Commission will review the proposed Urban Renewal Plans, including the relationship to the City's Comprehensive Plan, and make a recommendation to the Newport City Council. The Commission will take public testimony and consider such testimony before providing a recommendation.

At 7:02 p.m. Patrick read the summary of the file from the agenda and called for the staff report. Tokos noted that the Planning Commission had an opportunity to discuss what they needed to do at tonight's meeting at their work session on August 24th. At that time, they had an opportunity to look at the Plans. There are two Urban Renewal Plans. The Newport Northside picks up portions of Highways 20 and 101 and the Agate Beach area. The McLean Point is primarily undeveloped industrial land around the Port's International Terminal. Tokos explained that this hearing and the City Council hearing on the 21st were noticed according to Statute. When considering the adoption of an Urban Renewal District, one form of notice is to include the notice in the utility billing. So, some 4400 notices were sent out citywide with the utility billing on August 31st. As with the open houses, we also sent out an additional 860 notices to those who own property within the proposed boundaries. We could have doubled up on some; but we wanted to make sure we were picking up everybody. There were press releases as well. Tokos noted that there were two open houses; July 27th and August 31st. An Urban Renewal Advisory Committee was formed to assist in the preparation of the Plans. Following the open houses, the Advisory Committee asked the consultant to make some changes; and the Commission had a copy of her memo outlining those. The Committee met seven times and participated in the open houses. Tokos said, as the Commission is aware, this planning work towards creating new Urban Renewal Districts was initiated in 2012 after a group of stakeholders in the community assisted in reworking the goals and assisted in

moving ahead with economic activities. The feasibility study was done in 2014. The Planning Commission had a key role in creating that. The taxing entities participated; and each one had a representative on the advisory committee. The City had meetings with each of the entities and held some public briefings with them; the Port on August 18th, and the Board of Commissioners on September 2nd. He said the reason they were engaged is that, if these districts are formed, it doesn't create a new tax; it takes a portion of the tax that otherwise would be paid to them and moving forward would redirect it for the type of projects that are listed in the Plan. The taxing entities including the City will receive less money. Tokos said as these are long-lasting plans, over a 25-year period for the Northside and 20 years for McLean Point, the nature of the projects is somewhat general at this point and will be further defined as we move forward. Much of them are infrastructure-related. In the core area, the projects are designed to help traffic circulation and assist business owners in redevelopment. In Agate Beach, the projects are providing needed funding to do infrastructure improvements; assisting developed areas lacking things like sidewalks and storm drainage, and to provide access to a couple of large vacant residential areas so they can develop and help increase our housing supply. The McLean Point Area is much smaller than the Northside. It contains targeted improvements allowing those properties to develop by extending sewer, water, utilities, and doing street and stormwater improvements. That allows those properties to develop in a manner that will complement the International Terminal, which has been renovated over the last couple of years. He said that to sync that up just makes sense.

Tokos said under Statute, the Planning Commission has a role to play; the key one being to review the Plans to confirm that the projects and objectives outlined are consistent with the Comprehensive Plan and will make a recommendation to the City Council who will hold a hearing on September 21st. He said the Commission is not limited to that issue, but that is the key issue. Those findings have to be made by the City Council; and they rely on the Planning Commission as their advisory body on these plans, which are part of the Comprehensive Plan. At the end of the day, the City Council will make findings that one, there are conditions that warrant the formation of these Urban Renewal Districts; by Statute that's considered blight, which means they are in need of redevelopment, and projects of this nature will help to revitalize them. Secondly, a finding is needed that the projects identified conform to the Comprehensive Plan; and third, that the Plans are financially viable. He said those are the key findings.

Tokos said throughout the public engagement process, we talked about the potential projects that will be studied further; the couplet as an alternative, the widening of 101. There was discussion about different streets in Agate Beach that may need to be surfaced; such as 55th. This plan does not call out specific projects of that nature; it puts a funding structure in place to do these projects and puts in place priority planning projects that will happen in the first years of the Plan. Agate Beach will likely be a nine to twelve month timeframe; and he anticipates that will be something like 2017-2018. Through that planning process is where we would engage the public and figure out exactly what kind of infrastructure improvements are needed, the costs at least at the planning level, and their relative priority. That process would involve public hearings before both the Planning Commission and the City Council. The other planning is for the commercial core area, and that is looking hard at Highways 20 and 101. That will also include ODOT since those are state facilities. ODOT has reserved funding to initiate that work in the 2016-2017 timeframe. The Plan calls for Urban Renewal funds to be brought to bear in about the same amount. That is where decisions will be made about what are the appropriate solutions along 101 and 20. The state is putting together a model and have been conducting traffic data; so there will be actual data as part of that process. That conversation will also involve the future of the bridge and an alternative to its existing location. He anticipates that process will be a two-and-a-half to three year timeframe.

Tokos noted that the Comprehensive Plan provisions, which is one of the priority pieces, is covered in detail in each of the Plans. It's centered on the Economic policies; redevelopment and revitalization on the highway corridors and improve traffic flow. Those are captured in the Comprehensive Plan. Also, Housing. There was much discussion about the lack of affordable housing. Those policies are captured in the Plans. There are opportunities to address affordable housing through the projects in the Plans. For McLean Point, we heard from those that want it to stay natural habitat where they can walk their dogs. There is an Estuary goal in the Comprehensive Plan. It calls for that area to be for development to support the Port's infrastructure. There are other areas in the Bay that are natural areas or conservation areas. From the Terminal to the bridge on the north side of the Bay is considered development area. This is the type of development envisioned at this location. Should there be in-water work, other agencies step in to assure that it doesn't have an adverse impact on habitat. That's another package of Comprehensive Plan policies that are addressed in the Plan.

Tokos encouraged the Planning Commission to take testimony and ask any questions of him or those who come forward and then deliberate about how to move this matter forward.

Testimony: Darrell Clark, 439 SE 130th Drive, South Beach. Clark noted that the last meeting he attended was on September 8th where it was presented at the City Council, and there was a conversation that it was really important that an advisory committee be set forth because of closed plans that a lot of people have come and complained about. So, you're having to make amendments to closed plans.

Tokos explained that the chair of our Urban Renewal Agency, David Allen, at the September 8th meeting expressed very clearly a desire and that he was encouraged to see language in the Plans that includes an advisory committee, the Planning Commission in some cases, serving in an advisory capacity but also an ad hoc work group or advisory committee would need to be involved on any major changes to ensure that there is full public vetting. At least in his mind, a desire to make that as robust as possible and add additional people. In the Planning Commission's case, a desire to see that the Planning Commission Advisory Committee has a role along with the Planning Commission proper so that the Plans have full public vetting and views from a variety of perspective and informing them before the Urban Renewal Agency has to make decisions on future changes to the Plans.

Clark said his concern is if South Beach is still an open venue, the idea of an advisory committee not being set forth as such to go out and reach the public to understand what was going on. The people he talked to and several businesses like in Aquarium Village and others don't have a clue of what's going on. He said there was not an extensive reach to these people; and it just happened. He wondered if South Beach is still an open venue. Are there still amendments for that Plan? He has some definite concerns.

Tokos said the Plan itself is still alive. The Plan has a number of projects that are either under construction now, and there's one more phase coming in 2017-2020, and then the Plan closes. An ad hoc committee or an advisory committee was formed to create the 10-year plan that we've been working through. There was also the Coho/Brant Neighborhood Plan that was a public outreach plan that went through a hearings process, and the Planning Commission and City Council were involved with. Transportation System Plan updates also had public hearings and matters that went before both the Planning Commission and the City Council and were noticed to property owners. He said at some point you go through a planning process, and decisions are made, and you're financially committed. So, there are some projects that aren't really open for revisiting at this point because they're actually under binding intergovernmental agreements. There are other projects that are earlier on that certainly could be revisited; and there will probably be some actual additional work done before the final phase is initiated in the 2017-2020 timeframe when we define what that should look like. The stuff that's under construction now and under design now has gone through a public hearings process and is kind of past the point of no return at this point.

Clark said those are some things he doesn't understand; and he thinks some things are reversible if they don't make sense. He asked to read a letter that he had written; and Patrick told him to proceed. He read the points he doesn't understand regarding South Beach: Traveling an extra 680 feet and passing 32nd because we're removing the 32nd Street stoplights. Now going to 35th means tourists are by the shops and hotels, and human nature says they're not going back. Secondly, by removing the 32nd signal, you've stated that the traffic flow on and off 101 is improved; and he doesn't understand that. You have eliminated the left turn off, plus you could design a right turn off using the old drive-in theater road behind Toby Murry's. Now you've wanted to get access off Highway 101, but you've eliminated two ways off 101. Third, by moving the 32nd Street signal, the state has lifted limits on the amount of traffic it will accept on 101; and where will this increased traffic flow. Yaquina Bay Bridge stands in the way; no matter what you do north or south for traffic flow, there will always be the bridge. Why are you not taking on the bridge first? Fourth, the statement is made that when the 32nd Street signals are gone, there's good visibility on the affected businesses before reaching 35th. He said there's no way you can see Pirate's Plunder, Fish Tails, or the Aquarium Village, or even the marine fish building there, especially at an increased downhill speed. When people reach 35th, they will continue on. Human nature; passed it, move on. They're not coming back. Fifth, it has been stated no left turn signal at 32nd will have a chilling effect on the Rogue and Hatfield; and in what way is that? How about the concern of the chilling effects to the two hotels, the candy shop, Pirates Plunder, Fish Tails, and the Aquarium Village when no left turn is allowed and no one knows they are there. Once by them; gone. It seems to him that the only one that benefits from this is the property owner who receives \$1.5 million for their property. He thanked the Commissioners for listening to his opinion.

Robert Heida, 109 SE Coos Street, Newport. Heida's biggest concern is the lack of oversight. We're talking \$42 million, and to him it looks like they basically figured out the maximum amount of money they could get away with. He's sure everyone tried to figure out what would do the most good. But now the City Council and the Urban Renewal Committee, which are the same thing, are going to make decisions on what projects go ahead because like they've been told, these are intentionally vague descriptions so we can better decide in the future what projects are actually going to happen. So, it comes down to one group of people making these decisions; and it just doesn't seem like that's enough.

John Rairgh, South Beach. He has attended several meetings recently regarding the fairgrounds. He's heard at those meetings that the fairgrounds is going to be put into the Urban Renewal boundary; and he sees from this meeting that it has been. He strongly encouraged the Commission to challenge that. Don't put the fairgrounds in. Let the fairgrounds stand on its own two feet. Make it work. Don't be giving it billions and billions of Newport tax money as part of the Urban Renewal District. Make the fair be self-sustaining. Do not support it as an entity that is struggling. Make it work.

Ellen Bristow, 128 SE Coos Street, Newport. She became involved in watching the Urban Renewal program from July 14th, which is the first she knew about it. She was curious about who owns the fairgrounds; and is it contingent on it being a fair. If there is not a fair there, who does that property divert to? Patrick said she would have to ask the County that because it's the County's fairgrounds, not the City's. Bristow said \$3 million of Urban Renewal is going into that piece of property, so she thought we'd be interested in knowing a little bit about its history. She said, aside from that, she took a look at the fairground diagram. She went to the fair the last time it was there; and she said it was very sad. The new plans eliminate the horse barns. It eliminates animals generally, except maybe under a tented area at the end of a long building, which looks like it's designed very well for the Seafood and Wine Festival. She said like the gentleman had just said, make it work like a fair; and if the fair can't handle it on its own, let's find out who the property goes to.

Jane Heida, 109 SE Coos Street, Newport. She said that she understood the Urban Renewal Project; and it's a good idea. She said that Newport is a struggling, stagnant town. She understands that is why they came up with the Urban Renewal idea. But the fact that it is an open venue, we the people have no say about the real oversight of it such as the gentleman's concern about South Beach. If we are looking to make this town grow, why are we just taking one stop sign and moving it over here? Why not put a second stop sign in down further, which creates growth in that area; not tying our hands. Again, the oversight with the new Urban Renewal project. We're giving you \$42 million to make this town better; but whose idea of making this town better? Putting a couplet in? She said to look at downtown; it's concrete and metal. She asked if they've gone to any other town and really looked at how their towns look. Our infrastructure; how long has it been since we've done good plumbing and wiring throughout this town? She asked if that isn't a real need. She understands that we invested in a new school and a new hospital. We want to put fluoridation in water, which she doesn't agree with. Her concern is, did Newport win the lottery? Where is all this money coming from? We have a hospital, a school, fluoridation. You want to put a swimming pool in an area where we already have traffic and parking issues as well as construction issues with the facility that's there. You want to put a swimming pool and event center right smack dab in the middle of that, tying this town's hands where if you have two events, you don't have the facilities for two events to happen. She asked where the open mindedness of this Planning Commission is on how to make this town better and actually make it grow for the benefit of all and not just one or two of the property owners. She thanked the Commissioners for listening.

For clarification, Berman asked, this list of projects we have, and some people have talked about specific pieces of that, when these individual projects are decided on through the planning process, will each or in groups have a full public hearing before both the Planning Commission and the Urban Renewal Agency before they are approved. Tokos said there will be full public hearings on the large items. The Agate Beach stuff is going to require public hearings to identify what those specific projects will be before the Planning Commission and the City Council before they're put in there. There will be full public hearings on anything that happens in the 20 and 101 corridors. He expects that the City Council is going to look for any changes to infrastructure to support fairground redevelopment would involve full public hearings before the Planning Commission and the City Council. There may be through the life of the Plan some smaller stuff that doesn't involve full public hearings because it would be considered minor amendments in the context of the Plan.

Patrick wanted to address some of the comments that had been raised. He said as far as borrowing the maximum amount of money, we actually didn't. The City Council actually came to the Planning Commission and told us that they wanted to max it at \$42 million. They could have borrowed a lot more than that; they could have set that a lot higher. As they told us, it had to do with their budgetary needs; there's only so much they are willing to give up to Urban Renewal. It's all the same pot of money. All you're basically doing is taking a piece of it and setting it aside and reserving it for these projects. Regarding the South Beach stuff, Patrick set in on a lot of those hearings on the Transportation Plan and whatnot. That stuff was decided a long time ago. We're not the only player in that. ODOT has a really big say. As far as the bridge is concerned, we've been hammering ODOT for years and finally got them to at least tell us if they're going to fix the bridge, where's it going to be because there are some options about putting it someplace else. We don't want to do all this work and find out they're going to build the bridge inland someplace. One of the things the Urban Renewal funds are going to go to is to nail down what the plan is for the bridge. He said ODOT is not going to touch anything on that bridge for the next 50 years. They said that bridge is good for 50 years; they don't plan on rebuilding it or doing anything for a long time, and they don't have the money either. Regarding the fairgrounds, Patrick said we don't necessarily have to get the County to agree to this; but we want them to be on our side as far as Urban Renewal and taking their tax money away. He said one of the reasons the fairgrounds got tossed into that was because that was the piece that got the County to be happy about it. If they're not going to get anything out of it, they're not really enthused about doing this.

From the audience, Bristow asked if he was saying that compliance with the County for going to Urban Renewal is how we got the addition of the fairgrounds. Patrick said, no. They don't have a say if we're under the \$50 million. We prefer them to be happy about it. It's easier to get things done if you get all of the players to agree on something. Bristow said this is part of what caught her attention about this Urban Renewal; the phrase "Derrick went around shopping the idea." She's quick to jump to cynicism; but she was taken with that phrase. She hasn't actually asked. She assumed there were persuasions. The County could come back and say they're not interested in this. She agrees that it's nice to have them go along. Patrick said the fairgrounds is something they requested. We went along because it makes sense for us.

From the audience, Clark asked if he understood that no matter the venue and the policies of the City Council and the Planning Commission, whatever ODOT decides that is what we have to do no matter how much that affects us. Patrick said we fight really hard to get things done through ODOT. It took seven years to get them off our case in South Beach. They were going to lock South Beach down to where we couldn't do anything; you couldn't develop anything in South Beach; and they have the tools to be able to do that. Tokos explained that we got relief from a standard that the state has for the maximum amount of congestion they will allow on a highway. The way we did that was because we recognized and they recognized that nothing was going to happen for that bridge for a long period of time. That is in fact a choke point. We ended up going through a long very public process of trying to figure out what all could be done to improve mobility on that highway short of replacing the bridge. They did a lot of detailed traffic analysis on terms of how the existing system was working. One of the projects that was identified as a priority was getting that signal relocated so that vehicles could get up to speed a little bit easier as they approach that incline on the bridge; particularly big vehicles such as large RVs and truck traffic. That's one of a number of different projects that we were able to work through in a very public forum over a number of years and work it into an Urban Renewal Plan. That last amendment to South Beach happened in 2008 for a ten-year extension in South Beach so we could have some funding to do some of this work and match it up with state resources. He said you can debate whether or not it's the best thing in the world, but one thing for certain it has done is it got us an alternate mobility standard that allows a whole bunch of different properties in South Beach to develop to their full potential; not the least of which is Hatfield, OMSI, and Wilder for example was under a trip cap where they couldn't develop fully. There were a number of things that we did get out of that deal. Is it ideal for every property; no. Any change that's made to a major transportation system is going to have its pros and cons. But it was fully vetted through a very public process.

Tokos said, with respect to the fairgrounds, the fairgrounds process the County was going through happened about the same time that we were undertaking the feasibility study. The County is looking at redeveloping the fairgrounds, and there is an event venue that they've been looking at. He doesn't know if they're fully done with their planning work. He's not sure where they're at on that right now at all. It was clear that for that to be a successful redevelopment project and that it has potential of reshaping that US 20 entrance to the community, that there would need to be infrastructure changes made such as widening Harney between 20 and he believes 3rd where it's very narrow there by the asphalt batch plant. Those are things that Urban Renewal is good at. There may be other things as well. There was an opportunity for a partnership. Anytime you're engaging with taxing entities that are going to be impacted, if

there's a partnership that makes sense, you want to talk about it. That's what was done; and that's why in large part this found its way into the Plan. It's a potential redevelopment gamechanger on US 20 just like a number of these other projects can be gamechangers in Agate Beach or along 101. He said what ultimately happens down the road, as Planning Commission members or if you're familiar with the South Beach Plan or the original Newport Plan, what we put in here today may look very different in fifteen years because some projects through community support and resources by developers or others will make sense; and we'll be able to move those forward, and other projects won't because they won't make sense or there won't be that consensus and it's just not going to happen. So, this Plan will be reshaped; much like the South Beach Plan, which is now on its eleventh amendment. Those will come through. There will be public hearings processes, and there will be ample public involvement as we go through. He said our Urban Renewal Agency made a very good point. That's why work was done on these Plans to make sure that any major changes will have separate advisory committees providing feedback to the Council.

Again from the audience, Clark said that it doesn't make sense for him. He can't get a grip on getting vehicles up to speed to get over the bridge and then get bogged down on the bridge. It makes no sense to him at all. He said, yes, some business are going to succeed, and some are going to die. He said Pirates Plunder is going to die. Fish Tails is going to die. The whole Aquarium Village is going to die. People will not even know they're there. This is good for the South Beach community? He said he can't support this at all. He said it doesn't make sense.

Patrick said in looking forward to the Plans, the City and the Planning Commission both have done a lot of outreach. None of this is set in stone. Most of the beginnings of all of these plans is to go get the people's involvement and find out what we really want to do. He said there was an events center in the South Beach Plan. There was an events center in the original Newport Plan. City center was in the original northside district and got almost nothing out of all that. The money mostly went into the Bay Front and into Nye Beach. Both of those are a success. The City Center is still dying on the vine. This is our attempt to make sure we actually get something done with the City Center this time and do what we need to do in Agate Beach.

Berman said he would like to encourage anybody that is interested in this and interested in a role in influencing things going forward. A lot of things are already set in stone and can't be changed; but these two Urban Renewal Districts are wide open within the categories of projects we are proposing. There are lots of opportunities to get involved. The Planning Commission has an Advisory Committee with two openings on it. We are constantly looking for people to help us work through these things and ask some of these types of tough questions so that we can make sure that we have a general consensus about what's the best thing to do for the community. Franklin said he came on this committee because he didn't agree with certain things. That got him up here. It's your opinion that gets you up here, and then you can have a voice. He said your opinion matters. Hardy agreed that definitely opinions matter, and what she's hearing is that there might be some better hindsight than foresight in terms of some of the earlier discussion and maybe it just didn't make a dent that these decisions were being made. She said it's easy to go through day-by-day things and really not pay attention. She doesn't know if there's a better way to generate an information source. She can't believe that there was that much ignorance of what was being decided and what issues were being considered. Patrick said actually there was because we have been making a real effort lately to try to engage people more so. After our experience with the geologic hazards code update where everything went great up until our hearing, that is when he really started making a push for getting more public involvement ahead of time to get that stuff hashed out. He said we have had a lot of comments; and we have the comments tonight. He went to the open house at the health education center, and there were lots of different comments there too. So, we're doing our diligence to get the input.

Mr. Heida from the audience said just looking at everything you've targeted, good luck trying to figure out how to spend that \$42 million. There's an awful lot on your plate there. Patrick said a lot of that is leveraged. A lot of those transportation things, if they're on 101 or 20, we will use ODOT money. On other things we'll go looking for grants to do them. It may be a joint effort between the City and the County. Tokos added, or public/private partnerships. He noted for example that OMSI on Abalone contributed about a half million dollars; the rest of that was Urban Renewal. Patrick said if we get a development or something that brings in some money, we can use it there too. \$42 million doesn't cover the project costs. Some of it also gets financed too.

Ellen Bristow came back up and said that when she first started exploring Urban Renewal it was completely foreign to her. She said she probably stumbled from place to place for a long time before she got even a glimmer of what was going on. One of the things she wanted to point out is as the tax entities have no say, they don't vote; although they could publish reports in the final decision either positive or negative. She has run into a lot of people who assume

that this is put up to a public vote. She said it's not so much ignorance as once you start digging, you find yourself running to a lot of meetings that you've never done before, and you're trying to put these things together. She does applaud that there's more and more outreach. It's wonderful to get access to City documents by computer. It can be improved. She said this is an ongoing opportunity. She hopes to make it to more planning meetings because this seems to be the place it's going to happen. Even on the City website, it can be a little confusing to know what's going on at any given moment. She assumes that the website could be improved. One of the surprising things to her when she was looking at taxes and bonds and Urban Renewal is that without any say we extract money for Urban Renewal in Newport from all other taxing entities. She said if she was outside of the urban area county resident, she might wonder just what the County was thinking. She guesses it lays a huge morale responsibility on Newport to not only acquire the money but to use it extremely well because you're using other people's money. She said she does have a lot of faith; but it's big.

Berman thought it was important to point out that in terms of the money, we are temporarily using the other taxing entities' money. The result of which, if done right, will be a much greater tax base; and in the long run they will end up with much more money. In the short-term, less. Bristow said she likes cooperation and collaboration. But in other cases sometimes the situation becomes so cooperative that one financial weakness in one particular entity has the tendency to bring the whole game down. She wondered if the other entities checked each other out to see if they are sound; or does it weaken everybody? Tokos said we've met with each of the taxing entities. They've had a chance to look at the financial information in detail. It impacts each taxing district differently. Newport for example gets hit the most because it has the largest percentage of its land area in an Urban Renewal Area as opposed to the County, which has a much larger geographic area to draw taxes from. The analysis each taxing district does is going to be a little bit different. He thought the taxing entities appreciate the fact that the Legislature changed the Urban Renewal laws back in 2009 such that now they can ask for an under-levy. We put a process together in here that in any given year they can ask that Urban Renewal take less than the increment it otherwise would be entitled to. Our Council wanted a formal process that says this is something that's allowed by state law, we don't want to see it done in a willy-nilly manner; and if someone looks back on the books in years they can't figure out how the under-levy requests were handled or what projects were given up to do the under-levy, etc. So, a formal process has been put in here so that a taxing entity can make that under-levy request, there will be a formal deliberation during the budgetary process, and then there will be decisions made; and if the under-levy is done, if they have to forego doing certain projects, they will identify what that will be. If we're doing borrowing as part of Urban Renewal, we know not to allow the lender to lock us into having to pull our full increment every year just to provide them an extra cushion. He thought it was a worthwhile conversation. He knows the different representatives from the taxing districts appreciated that.

In the audience, Mrs. Heida said for Urban Renewal to be a success it needs to generate at least 4.5% growth in this town. We have to make sure we get industries and businesses here and not just education.

Croteau had a couple of minor changes to point out. He was looking at page 23 of the Northside Plan with the map (he noted that there were two page 23s). He said there are three different shades of red but only two in the color scheme. He thought that needs to be brought into consistency. It's just an issue with color coding. On page 25, looking at "to conserve energy" about 2/3 of the way down the page where it says "(e.g. bicycles in mass transit)"; that should say "and". He asked on page 27 what is the "Peninsula Neighborhoods." Tokos said in the Comprehensive Plan that is a phrase given to basically the downtown or city center area. It's a hold-over from that. That's how it's framed in the Comprehensive Plan. Croteau said on page 18 there is discussion about property acquisition from willing sellers rather than eminent domain; and he asked when the power of eminent domain is appropriate in the context of an Urban Renewal Plan. Tokos said it would only be appropriate in the context of right-of-way acquisition for things like road right-of-way or sewer line right-of-way or something of that nature. Croteau said, so it's carefully defined when it can be by eminent domain.

Berman said on the section that relates to the Comprehensive Plan goals, the verbiage on the goal of energy conservation is extremely weak. Berman said where it says, "The Plan conforms to the Energy Conservation goal as it contains . . ." There really is no meat there whatsoever. He wouldn't even pursue saying it meets any kind of energy conservation goal because there just isn't anything there in his opinion. He said in the McLean Point Plan on page 22 there's apparently an error in that first sentence. Tokos said it will be corrected.

Patrick closed the hearing at 8:00 p.m. for Commission deliberation. Hardy said as far as the Urban Renewal Plan supporting the goals, she doesn't have a problem with that. She thought the main problem right now is reinforcing

open and clear communication with respect to the public; and she's not sure how to make that better. She felt that should be a condition for going forward. Berman thought in general both Plans are well intentioned and well thought out. The project categories on the Northside Plan are pretty good except he doesn't really like the specifics that are in there. He thinks it's too specific. The real meat of the thing is going to come later on when we sit down and really analyze in that very first planning phase what the real projects are that will pop out as the ones that are most required. He thinks it will become obvious. He hopes there's a real opportunity for honest public outreach and feedback and modifications based on that feedback so we end up getting projects that there's consensus this is really going to achieve the goals of Urban Renewal. Croteau said a lot of issues were raised this evening. He hopes many of these will be dealt with in the planning phase of the Urban Renewal. He said there has been more public input on this issue and in Newport in general than he's experienced in two other jurisdictions that he's familiar with. He said the question is if the Plan is congruent and consistent with the Comprehensive Plan; and when you look at that, you have to say yes, the Plan is consistent, gives us a general plan forward, and at this point this is all we can hope for. The future is going to hold a lot of detailed planning; and we continue to hope that the public will have as much input as they can. Franklin said he would repeat what every Councilor has said. He agreed we need to move forward with both of these plans. They both look good to him. And we need public input throughout and anything we can do to improve that; more open ears. Patrick also believed the conditions warrant the Plans, the projects conform, and they are financially feasible. He's also looking forward to the initial studies in the Plans. He's also looking forward to us doing a better job of prioritizing than we have in the past. He's lived through two Urban Renewal Plans. The South Beach one didn't do too badly. The first Newport Plan wasn't too bad, but a lot of things got thrown on the wayside; and he thinks the City Center kind of suffered for it. He would like to see this time actually do something for the City Center. He said it will be interesting to see how that turns out and what kind of feedback we get on that.

Mr. Heida noted that at the last City Council meeting he thought Chair Allen had recommended not so much an ad hoc advisory committee but rather a permanent committee; something that would work along side the Urban Renewal Agency simply because they were such closely related entities. Patrick said we've discussed that several times already. Originally they were just talking about having the Planning Commission do it; but the Commission's position was that we need more bodies than just us. He thinks they've come around to that. Patrick wondered when he gets the motion, if he could get something in there about increased public engagement and an expanded advisory committee as part of the recommendation. Croteau thought another point to be made is that the Urban Renewal Plan goes on for a long period of time; and so it's going to require oversight and maybe changing oversight depending on priorities for at least twenty years. It's really a living plan. We need to be aware of that. What we see today must change with time.

Mrs. Heida asked if South Beach is a living document. Patrick said it shuts down in 2020. Tokos said that's the last year it's open for any projects. Patrick said most of what is going on right now was decided two years ago. Whatever else we're going to do has to be decided right now to finish up in 2020. We have one more short planning phase, and then that's it. It's not as much of a living document as this one here. South Beach got extended too. It wasn't doing anything for the first ten years. Berman just wanted to say that he agrees 100% with the problem with that signal light. He can't believe that ODOT didn't take into consideration the impact on the businesses. We've had testimony at a prior hearing on exactly that subject. He thinks it's probably too late to change that decision about moving that signal.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman, that based on the analysis in the Plan and Report presented this evening, the City of Newport Planning Commission finds that the McLean Point Urban Renewal Plan is in conformance with the Newport Comprehensive Plan. The Planning Commission also urges the City Council to increase public input to the extent permissible in planning and to expand to the extent necessary advisory committees to assist in planning going forward. The motion carried unanimously in a voice vote.

MOTION was made by Commissioner Croteau, seconded by Commissioner Hardy, that based on the analysis in the Plan and Report presented this evening, the City of Newport Planning Commission finds that the Newport Northside Urban Renewal Plan is in conformance with the Newport Comprehensive Plan. The Planning Commission also urges the City Council to increase public input to the extent permissible in planning and to expand to the extent necessary advisory committees to assist in planning going forward. The motion carried unanimously in a voice vote.

G. New Business. There was no new business to discuss.

H. Unfinished Business.

1. Tokos noted that the Nye Beach Design Review changes went to hearing before the City Council where they took public testimony. He didn't have a chance to get the ordinance prepared. So, hopefully we will be taking that to them at their meeting on the 21st. They only had one person provide testimony; and that was in favor of those changes.

2. Tokos said on the 21st the City Council will have a proposal from the work group working on community visioning. That proposal will be about how Newport could do a broad community visioning process and what the components might be and how to package that up for an RFP moving forward if the Council's inclined to do that. He anticipates the Planning Commission would have a significant role in that should that be something the City Council elects to make a priority because it needs to be funded.

3. Tokos said that the retail sales of marijuana was a matter that had been forwarded from the City Council down to the Planning Commission to take a look at that. He wanted to let the Commission know that he's not planning to bring materials to the Commission until we see draft rules from OLCC because it doesn't really make sense to do so since they may delve into a number of the issues you might want to look at. He thought the Commissioners would want that information at least in draft form before starting deliberation on any supplemental rules the City may or may not want to do. He understands that OLCC expects to have that draft out either in October or November. The Commission can then pick up the conversation in late November or early December. The City Council elected not to preclude recreational sales at medical dispensaries. So, that will move forward effective October 1st.

4. Regarding LIDs, Tokos noted that the second TAC meeting of the four that are planned was held today. He said that much of the conversation was about best management practices. The consultant put together a memo with key stakeholders that they had engaged. The best practice memo was about different things we need to think about as we move forward with rebuilding our LID codes. He thought the TAC had a pretty good discussion today on a number of different issues. This will inform the consultant as he puts together a draft model code for the TAC to take a look at the next meeting in early December. Hardy hopes that it will be clearer whether the consultant's focusing on new development and subdivisions versus older existing neighborhoods, which is what is more likely to occur more frequently in Newport. Tokos said that's a good point because we were bouncing between the two topics. Hardy said it lacked continuity, preparation, and critical thinking. Franklin said it's almost like we need to have two separate discussions. She thought a little bit better definition structure, a little bit better thought process could occur. Tokos said we covered a range of topics; probably fifteen to twenty different topic areas. It will get folded into a model code that the group will have a chance to sink their teeth in. Maybe in early December through the development season folks will have a chance to read through the materials and really start to put this into a place where we can actually use it because our existing code doesn't work really well. This is primarily funded by TGM. We had a very modest match. They recognize that LIDs aren't an end-all be-all funding source, but they are a meaningful funding source. It has its appropriate place. Smaller jurisdictions are given very little guidance in terms of how to put together a program that they can administer successfully over a long period of time. They saw it as an opportunity for both addressing our need and a number of smaller communities.

I. Director Comments. Tokos had nothing further to add at this point.

J. Commissioner Comments. Croteau assumed the City Council is going to look favorably upon the Urban Renewal Plans. If so, he would like to urge them to assist the Commission in getting our citizens advisory committee more on board with us for the upcoming period of time. Tokos noted that that advisory committee has never been a formal structured committee; it was more of an ad hoc thing the Planning Commission did when it was looking at the zoning code rewrite some time ago and was just a carry-over. He appreciates the comment about emphasizing public involvement. It's tough to put in an Urban Renewal Plan that an advisory committee has to exist that's not a formal committee. He appreciates that motion just emphasizing public involvement. His sense, and one of the positives about both of these plans, is if there's a major amendment coming down the pipe, they may want to tailor those ad hoc committees appropriate to the type of issues on hand. Depending on the issue, they may want to have different players to make sure they are getting a full range of perspectives. He thinks that approach gives them the flexibility to do that. Croteau thought what we need is sort of a rolling group as things develop. His comment was looking just specifically at the Planning Commission because we are down to dust, and it shows. It would be nice to have more folks.

K. Adjournment. Having no further business to discuss, the meeting adjourned at 8:20 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

Agenda Item:

Consideration of Resolution No. 3727 Establishing a City of Newport Visioning Committee

Background:

At the September 21, 2015, meeting, the City Council accepted a report from the Community Vision Work Group regarding conducting a community vision. The report suggested that a community vision should be completed by January 2017. In order to proceed with this schedule, it is imperative that several steps be initiated. The first step is to create a Vision 2040 Steering Committee to help guide the city through the initial process of developing a Request for Proposals to engage visioning assistance. If the resolution is approved, it is my intent to invite the members of the work group to continue as potential members of the Vision 2040 Steering Committee. In addition, it would be good to consider expanding the membership of the committee to broaden the perspective of this overall effort.

The membership of the work group was as follows:

- 1) One (1) representative from the City Council with one (1) alternate
- 2) One (1) representative from the Planning Commission
- 3) One (1) representative from the Chamber of Commerce
- 4) One (1) representative from the Port of Newport
- 5) One (1) representative from the Community College
- 6) Two (2) citizen representatives

I would like the City Council to consider adding a few other representatives to this group:

- 7) One (1) representative from the Lincoln County School District
- 8) One (1) representative from Lincoln County
- 9) One (1) representative from the Latino community
- 10) One (1) representative from the commercial fishing community
- 11) One (1) representative from the marine science community
- 12) One (1) representative from the religious community
- 13) One (1) representative from the arts and cultural community
- 14) Adding one additional member of the Council

While this is a large group, I believe that having a representation group is essential to guide community Process. I would like to have the Mayor appoint and the Council confirm these appointments at the October 19, 2015, City Council meeting.

We are working on the R.F.P. and should begin requesting proposals in November. It is anticipated that the Vision 2040 Steering Committee will continue in this role through the selection of the consultant. At that time, the committee will be restructured as is necessary in consultation with the consultant, and the agreed upon approach to tackle the visioning effort.

Recommendation:

I recommend that the City Council consider the following motion:

I move approval of Resolution No. 3727, establishing a Vision 2040 Steering Committee to guide the development of a Request for Proposals, and selection of a professional consulting firm for the 2040 visioning process.

Fiscal Effects:

The Visioning Report recommends that the City Council appropriate up to \$50,000 to conduct this effort. Please note that the expenses would likely be divided over two fiscal years. Once the RFP process is completed and a consulting firm is hired, a recommendation to appropriate funding for the General Fund contingency will be made. There are sufficient funds to appropriate from this funding contingency.

Alternatives:

Modify the committee membership or as suggested by the City Council

Respectfully Submitted,

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

Spencer R. Nebel
City Manager

I

CITY OF NEWPORT
RESOLUTION NO. 3727
ESTABLISHING A VISION 2040 STEERING COMMITTEE

WHEREAS, on April 6, 2015, the City Council established a Community Visioning Work Group; and

WHEREAS, the Community Visioning Work Group was charged with providing a report to the City Council on whether to initiate a comprehensive community visioning process during the 2015/2016 fiscal year; and

WHEREAS, on September 21, 2015, the recommendation of the Community Visioning Work Group was presented to the City Council; and

WHEREAS, the recommendation of the Community Visioning Work Group was to proceed with a comprehensive community visioning process during the 2015/2016 calendar years; and

WHEREAS, on September 21, 2015, the City Council formally accepted the report from the Community Visioning Work Group, dated August 31, 2015, and directed the city administration to proceed with the report on implementing the recommendations for the development of a “Request for Proposals” and the creation of a steering committee for the October 5, 2015 City Council meeting; and

WHEREAS, the report recommended the creation of a committee to help guide the visioning process.

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. The City Council of the City of Newport hereby establishes the Vision 2040 Steering Committee with the following composition:

- A. The members of the Community Visioning Work Group which includes: one representative from the City Council and an alternate; one representative from the Planning Commission; one representative from the Chamber of Commerce ; one representative from the Port of Newport; one representative from the Oregon Coast Community College; and two citizen representatives.
- B. One representative from the Lincoln County School District.
- C. One representative from Lincoln County.
- D. One representative from the Latino community.
- E. One representative from the commercial fishing community.
- F. One representative from the marine science community.
- G. One representative from the religious community.

H. One representative from the arts and culture community.

I. One additional member of the City Council.

Section 2. The Vision 2040 Steering Committee shall be empanelled when the Vision 2040 consultant selection process is completed.

Section 3. This resolution shall be effective immediately upon passage.

Adopted by the City Council of the City of Newport on October 5, 2015.

Sandra N. Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder



Agenda#VIII.D:
MeetingDate: 10/5/15

Agenda Item:

Approval of Intergovernmental Agreement for Simulcast Radio System Maintenance for Public Safety Agencies

Background:

Since 2007, various public safety agencies within Lincoln County, including the City of Newport, have been involved in discussions on replacing an obsolete and antiquated public safety radio communication system. The system has been online since June of last year. Since that time certain improvements have been done to address some initial coverage problems that resulted within the City of Newport. The new system is doing a great job in meeting the radio communication needs for the agencies at this time. For the past year, various agencies utilizing this radio system has been needing to discuss the allocation of expenses to operate and maintain this system. Police Chief Mark Miranda and Fire Chief Rob Murphy have been part of those negotiations. The agreement has been reviewed both by City Attorney Steve Rich and myself, and is ready for review and consideration for approval by the City Council.

The costs of the system are divided among the various users of the system. From a law enforcement standpoint, the City Police are responsible for 12% of the operational cost as well as a \$4,825 dispatch connection fee. The county fire agencies are responsible for 40% of the cost, plus \$9,650 in connection fees. These costs have been allocated based on the agreement of the eight fire agencies with the City of Newport Fire Department responsible for \$14,155.07 or about 10% of the total cost of the countywide radio system.

A Budget Oversight Committee has been established that includes two members from law enforcement, a member of the Lincoln County Public Works Department and two members appointment by consensus of the fire agencies to review the proposed budget for the next fiscal year established by the Sheriff's office. The committee will establish cost share by March 1 of each succeeding fiscal year for this service. The term of the agreement is through June 30, 2018, unless terminated earlier.

Recommended Action:

I recommend the City Council consider the following motion:

I move approval of an intergovernmental agreement between the City of Newport and Lincoln County regarding the maintenance of the Simulcast Radio Communications System for the Police and Fire Department.

Fiscal Effects:

In addition to the allocation of costs for the radio system, the City of Newport is responsible for a dispatch connection of \$4,825, while Lincoln County fire agencies jointly share a dispatch connection in the amount of \$9,650 bringing the Fire Department's share to \$14,155.06.

Alternatives:

None recommended.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. R. Nebel". The signature is fluid and cursive, with the first name "Spencer" and last name "Nebel" clearly distinguishable.

Spencer R. Nebel
City Manager



Agenda Item # VIII.D.

Meeting Date 10/05/2015

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title Approval of IGA for Simulcast Radio System Maintenance

Prepared By: RM Dept Head Approval: RM/MJM City Mgr Approval: _____

Issue Before the Council: The issue before Council is the adoption of the Intergovernmental Agreement (IGA) between The City Of Newport and Lincoln County regarding the maintenance of the simulcast radio communications system.

Staff Recommendation: Staff recommends adoption of the agreement.

Proposed Motion: I move to approve the Intergovernmental Agreement with Lincoln County and direct the Mayor to execute it on the City's behalf.

Key Facts and Information Summary: Starting in 2007, Lincoln County, the City Of Newport, and the various fire agencies of Lincoln County began work on replacing the antiquated public safety radio communications system. Through various grants, the system is now a 5 tower simulcast system, which means that officers and deputies can talk to each other across the county. This system went online in June of last year. For about the last year, a group of stakeholders has met regularly to discuss issues and make decisions regarding the simulcast radio system. Early on in those discussions it was recognized there was a need for a fund to pay for ongoing maintenance costs. Previously the City has never been required to contribute to a maintenance fund. The IGA you are being asked to consider is the end result of those meetings. The IGA has been reviewed by our City Attorney, Steve Rich, along with Chiefs Miranda & Murphy, as well as the City Manager. This agreement is specifically for maintenance of the current system. It does not cover the cost of improvements or expansion of the system.

Other Alternatives Considered: The only other alternative is to not enter into an agreement. This would mean in future years that we would have to come up with funds to help pay for repairs to the system, or have the system fail. Staff does not recommend this approach.

City Council Goals: Public Safety.

Attachment List: Intergovernmental agreement; Distribution of Costs to fire agencies

Fiscal Notes: There is a financial impact of \$33,752.07 for FY 15/16. For the Police Department, the cost is \$19,597.00 (Budget Activity Code #101-1070-65700). For the Fire Department, the cost is \$14,155.07 (Budget Activity Code #101-1090-65700). This cost was funded in the FY 15/16 2015/2016 budget for both the Police and Fire Departments. There will be annual costs for the term of the agreement, which is 3 years (ending June 30, 2018). The City may opt out of the agreement at any time if we give 90 day written notice.

A Budget Oversight Committee, consisting of two members from law enforcement, one member of Lincoln County Public Works/Roads and two members appointed by consensus of the fire Agencies, shall review the estimated costs, including any contingencies, for the next fiscal year as established by the Sheriff's Office. The budget estimates shall be provided to the Committee no later than February 1 for the succeeding fiscal year. The Committee shall meet and review the estimates and make recommendations by no later than March 1 for the succeeding fiscal year.

Those estimates will be our assessment for the next fiscal year. This year's costs were based on a good faith estimate from the Sheriff's office in consultation with service vendors. Future assessments will be adjusted based on previous year's costs.

Agency	Base Fee	Dispatches Fee by %	Annual Cost Share	Alarms			3-Year Average	Percentage Alarms %		
				2012	2013	2014				
Yachats	1,000.00	3,562.30	4,562.30	493	463	561	506	7.00%	50,890.00	
COCFR	1,000.00	7,938.84	8,938.84	1100	1138	1150	1129	15.60%	50,890.00	
Seal Rock F.D.	1,000.00	1,903.29	2,903.29	264	263	287	271	3.74%	50,890.00	
Newport F.D.	1,000.00	13,155.07	14,155.07	1715	1856	2041	1871	25.85%	50,890.00	
Toledo FD	1,000.00	4,997.40	5,997.40	736	714	684	711	9.82%	50,890.00	
Siletz F.D.	1,000.00	1,689.55	2,689.55	192	206	323	240	3.32%	50,890.00	
Depoe Bay F.D.	1,000.00	4,427.43	5,427.43	654	600	636	630	8.70%	50,890.00	
NLFR	1,000.00	13,216.13	14,216.13	2011	1776	1850	1879	25.97%	50,890.00	
\$8,000.00 50,890.00 58,890.00										
Total Alarms							7238	100.00%	50,890.00	
Fire Service Fees	-8,000		58,890							
All Users Fees			106,200							

The eight fire service agencies are responsible of 40% system maintenance (\$58,890) under a IGA with Lincoln County.
 Fee calculation equals Base fee (\$1000) for each agency plus a fee base upon the percentage of total dispatches for the agency.
 The percentage is the average of the agencies last three years emergency dispatches.
 Each year the oldest year will be dropped and the most recent year added to the average.
 Base Fee + Percentile Fee=Total Fee
 Total Maintenance Fees: \$106,200 * (%40) = \$58,890-8000= 50,890.

**INTERGOVERNMENTAL AGREEMENT
FOR RADIO COMMUNICATIONS SYSTEM
(OPERATIONS, MAINTENANCE, ADDITIONS AND REPLACEMENT)**

This Agreement is entered into this _____ day of _____, 2015 by and between (enter agency name here) (“Agency”) and Lincoln County (put info here) (“County”).

- A. ORS 190.010 permits units of local government to enter into intergovernmental agreements for the performance of any or all functions and activities that a party to the agreement has authority to perform.
- B. The parties have constructed, through County’s own funds and grants and through a grant obtained by North Lincoln Fire and Rescue District #1 “NLFR” with funding assistance from County fire agencies (see Exhibit “A”), facilities in several locations throughout the county serving the communications requirements of various law enforcement, public safety including fire and ambulance services, and public works agencies throughout the County (together the facilities and equipment constitute the “communications system”). It is critical to the operation of the communications system that ongoing maintenance of the facilities be planned for and provided by the various user agencies that benefit from the services, and that costs of that maintenance be shared by those agencies.
- C. The parties to this agreement understand and agree that they will participate in a larger group-funded maintenance plan for the communications system implemented through agreements between County and individual agencies. Together, these individual agreements will cooperatively pay for continued upkeep of system components.
- D. For purposes of this agreement:
 - a. “Additions” means new or expanded capacities and/or equipment for the communications system that may provide services and benefit for all or a limited segment of the agencies served by the communications system.
 - b. “Agency” means [City Of Newport]. An “agency” refers to other parties to the same type of agreement.
 - c. “County” means Lincoln County, by and through the Lincoln County Sheriff’s Office except where otherwise noted. County also includes Lincoln County Public Works and Lincoln County Treasurer, where appropriate.
 - d. “Maintain” or “maintenance” means the routine or periodic repairs, minor replacements or additions (under \$5,000) and associated activities and expenditures needed to keep the system as built operational and in good working order but does not include replacement of whole communication system elements including but not limited to towers, repeaters, microwave transmitters/receivers, servers and similar major system elements.

- e. "Operate" or "operation" means the activities and actions to support the proper use and support of the communication system for its intended functions, which includes but is not limited to licenses, leases, and rents.
- f. "Replace" or "replacement" means purchase and installation of major (over \$5,000) system elements to take the place of existing communication system elements identified in Exhibit "A" as updated annually.

NOW, THEREFORE, in consideration of the mutual covenants contained herein the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The recitals set forth above are true and correct and are incorporated herein by this reference.
2. **DURATION.** [ORS 190.020(1)(e)]. The term of this Agreement shall commence after execution by all parties. The initial term shall run from the commencement of the Agreement through June 30, 2016. Thereafter, the term shall run from July 1 to June 30 for the ensuing fiscal year for three additional fiscal years (through June 30, 2018), unless there is an early termination in accordance with paragraph 8 below.
3. **FUNCTIONS OR ACTIVITIES.** [ORS 190.020(1)]. Except as noted below, County owns, leases or has the legal right to locate, access and operate all communications facilities in the Communications System generally consisting of five channel VHF, narrowband simulcast system located on six sites owned or leased by the County. The Simulcast System elements identified in Exhibit "A" owned by NLFR are operated and maintained by County. The equipment and components of the communications system will vary from year to year. The County, through the Sheriff's Office, will maintain an updated listing of the communications system elements which will be provided to the parties annually.

County maintenance and operation shall include, but is not limited to, site maintenance costs, e.g. periodic road grading, fencing or other site improvements; necessary repairs to County's microwave system as it serves the Communications System; payment of necessary rent and other fees associated with communications sites (Euchre Mountain, Highland Estates, Otter Crest, Table Mountain, and Cape Perpetua); FCC authorization and licenses for Communications System; provision of microwave connectivity to Willamette Valley Communications Center (WVCC) for those participating agencies utilizing the microwave backbone; and provision of non-microwave connectivity to WVCC for redundancy.

Each individual agency will be responsible for the purchase, maintenance and operation of agency equipment and services for that individual agency. This includes, but is not limited to, end user devices, mobile and portable radios compatible with the Communications System. The parties recognize that future additions or expansions to the Communications System may benefit all the agencies or just some agencies (e.g. a regional fire frequency system or a law enforcement digital channel system). Each of these additions shall be reviewed and analyzed to see if costs should be shared, allocated out to one or more agencies, or will stand alone and not be included in the Communications System. **The review shall be made by representatives from each agency (a person or alternate as appointed by that agency), through a meeting to consider the communications system addition or expansion, after notice from the Sheriff's office. The meeting will result in a recommendation to the Budget Oversight Committee.**

4. **PAYMENTS.** [ORS 190.020(1)(a)].
 - a. The shared funding arrangement is set forth in Exhibit "B", attached hereto and incorporated herein.
 - b. Agency agrees to pay the sum of \$33,752.07 for the period July 1, 2015 through June 30, 2016. This shall be paid in full no later than December 31, 2015.
 - c. Future payments during the term of this Agreement will be made in accordance with the Section 2 of Exhibit "B".

5. **REVENUE.** [ORS 190.020(1)(b)]. It is anticipated that payments from the agencies will constitute the revenue to operate, maintain and replace communications system equipment. Payments made in accordance with paragraph 4 above shall be used only for purposes set forth in this Agreement. Amounts paid shall be held in a trust account by County, through the County Treasurer's Office, in accordance with generally accepted accounting and local budget law requirements, ORS Chapter 294, for uses consistent with the intent of this Agreement. Within the trust account there will be established a capital reserve account to hold funds agreed upon by the agencies to this agreement for replacement or expansion of the communications system. Any expenditure that is an addition or expansion to the then-current communications system in Exhibit "A," as may be modified, will require the review and favorable recommendation of a majority of the Budget Oversight Committee Members identified in Exhibit "B" before funds may be expended for that purpose. An annual accounting of the revenues and expenditures from this trust account, and a description of the vendors and services applicable to the system, will be provided to members upon completion of the County's required annual municipal audit. In addition, the County will provide quarterly updates of trust account activities.

6. **PERSONNEL.** [ORS 190.020(1)(c)]. No employees will be transferred pursuant to this Agreement. County will continue to pay its employees and shall keep accurate records of the work performed pursuant to this Agreement. County will contract with necessary third party vendors as needed to maintain the system.
7. **REAL OR PERSONAL PROPERTY.** [ORS 190.020(1)(d)]. There shall be no transfer of title or possession to any real or personal property pursuant to this Agreement. Ownership, for purposes of insurance coverage obligations, shall be as shown in Exhibit "A".
8. **TERMINATION.** [ORS 190.020(1)(f)]. This Agreement may be terminated by the mutual consent of both parties; or by any party as to that party, at any time, upon ninety (90) days' notice in writing delivered by certified mail or by personal service. In the event of termination of the Agreement, Agency shall pay for services rendered to the date of termination. Any amounts held over by County in trust for future communications system maintenance or upgrades shall remain with County in trust for such purposes and not be returned to Agency. Otherwise, such termination shall be without prejudice to any obligations or liabilities of either party accrued prior to such termination.
9. **HOLD HARMLESS.** To the extent permitted by Article 11, Section 7, and Article 11, Section 10 of the Oregon Constitution and the Oregon Tort Claims Act, County and Agency shall hold harmless, defend and indemnify each other and the other agencies that are part of this agreement from any and all claims, demands, damages, losses, expenses or injuries, liability of damage, including injury resulting in death or damage to property, that anyone may have or assert by reason of any error, act or omission of that Party's employees, agents or officials, arising out of or in the performance of his/her duties under the terms of this Agreement, whether or not such claims, actions, costs, judgments or other damages are directly or proximately caused by acts of the Party's employees or the sole negligence of that Party's employees. Indemnification under this section shall also cover claims brought under state or federal employees' worker's compensation laws and unemployment compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this indemnification.
10. **INSURANCE.** County shall provide property and liability insurance for the component parts of the communications system owned by County and NLFR, respectively, as shown in Exhibit "A"; provided, however, that if any deductibles

apply to claims for loss or damage of equipment in Exhibit "A", the agencies shall be liable for that deductible in amounts equal to their pro-rata shares of the cost of maintenance identified in Exhibit "B". The insurance requirement may be met by purchase of insurance through a single policy if that option is available and acceptable to both County and NLFR. Proof of Insurance is available upon request.

11. **METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS, AND MAKING PAYMENTS.** All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills, and payments sent by mail should be addressed as follows:

Agency
City Of Newport
169 SW Coast Highway
Newport, OR 97365

Lincoln County
c/o Lincoln County Sheriff's Office
225 West Olive Street, Rm. 203
Newport, OR 97365

and when so addressed, shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices, bills, and payments shall be deemed given at the time of actual delivery. Changes may be made to the names and addresses of the person to whom notices, bills, and payments are to be given by providing notice pursuant to this paragraph.

12. **MERGER.** This writing is intended both as the final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless it is made in writing and signed by those parties agreeing to said modification.
13. **COUNTERPARTS.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated this _____ day of _____, 2015.

Signatures

Exhibit “A”

List of System Elements identifying ownership

System Elements	Costs	How Funded
Initial cost for simulcast system (system foundation including combiners, timing mechanisms, with one fire channel)-NLFR owned	\$360,689.30	NLFR and District cash match
Additional channels-2 Law and 1 Road (installed same time as initial system)-County owned	\$224,953.50	County general fund
Additional fire channel (installed same time as initial system)-NLFR owned	\$74,984.50	NLFR
Simulcast site addition at Jail (1 Law, 2 fire) channels-County Owned	\$160,536.47	County funded grant
Simulcast total:	\$821,163.77	See above
Microwave total (County owned):	\$1,214,435.00	\$752,800.00 County PSIC grant, 188,238 County cash match, \$273,397.00 County HSG
Cape Perpetua (County owned):	\$757,064.00	\$220,480 HSG funded, difference-State partnership
Euchre Mountain (State owned, County leases space and cost based on initial funding partnership):	\$854,279.00	\$203,153.00 County grant, partnership

**INTERGOVERNMENTAL AGREEMENT
EXHIBIT “B”**

For the period July 1, 2015 through June 30, 2016¹:

Lincoln County Radio User Fees				
	Percentage	15-16 Rate	Dispatch connection	Total
Lincoln County Sheriff's Office	27.00%	\$ 33,237.00	\$ 4,825.00	\$ 38,062.00
Newport P.D.	12.00%	\$ 14,772.00	\$ 4,825.00	\$ 19,597.00
Lincoln City P.D.*	0.00%	\$ -		\$ -
Toledo P.D.	1.00%	\$ 1,231.00		\$ 1,231.00
Lincoln County Fire Agencies	40.00%	\$49,240.00	\$ 9,650.00	\$58,890.00
Lincoln County Road Department	20.00%	\$ 24,620.00		\$ 24,620.00
Totals	100.00%	\$ 123,100.00		\$ 142,400.00
*no fee due to current agreement for tower space at the 17th St. tower site				

For the remaining years of this Agreement, the allocations shall be set as follows:

1. A Budget Oversight Committee, consisting of two members from law enforcement, one member of Lincoln County Public Works/Roads and two members appointed by consensus of the fire Agencies, shall review the estimated costs, including any contingencies, for the next fiscal year as established by the Sheriff's Office. The budget estimates shall be provided to the Committee no later than February 1 for the succeeding fiscal year. The Committee shall meet and review the estimates and make recommendations by no later than March 1 for the succeeding fiscal year.
2. The Committee may make recommendations to the Sheriff for the communications system, including system improvements or additions subject to available funding and local budget law. The Sheriff shall notify the agencies of the amounts owed for the succeeding fiscal year no later than April 15.

¹ For the fiscal year 2015-16, the Fire Agencies may change the allocations of costs between the fire agencies as long as the total for all the fire agencies remains the same. A written notice to the County Sheriff shall be provided, signed by each Fire Agency's authorized representative, that the changed allocations have been agreed to and the amount owed for each agency. The written notice must be provided to the Sheriff no later than September 30, 2015.

CITY MANAGER'S REPORT AND RECOMMENDATIONS



Agenda#VIII.E:
Meeting Date: 10/5/15

Agenda Item:

Status Report on the Great Oregon ShakeOut - City Activities.

Background:

Attached is a list of activities that will be coordinated as part of the Statewide ShakeOut drill that will be taking place on October 15, 2015. Internally, our primary emphasis will be employee preparedness and safety; externally we plan to use this month to create display tables showing examples of "Go Packs" for both the public and staff to view. We will be adding links on our website so that our citizens can obtain additional information and we will host at City Hall two information sessions about Cascadia events and general disaster preparedness on Tuesday, October 27 from 3 to 5:00 P.M. and 6 to 8:00 P.M.

Recommended Action:

No action recommended. **If of the City of Newport.**

Fiscal Effects:

Minimal amount for creating the "Go Packs".

Alternatives:

None recommended.

Respectfully submitted,

Spencer R. Nebel
City Manager



Agenda Item # VIII.E.

Meeting Date 10/05/2015

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title City Activities for the Great Oregon Shakeout

Prepared By: RM Dept Head Approval: RM City Mgr Approval: _____

Issue Before the Council:

THIS IS AN INFORMATIONAL REPORT ON CITY ACTIVITIES TAKING PLACE AS PART OF THE GREAT OREGON SHAKEOUT DRILL OCCURRING ON THURSDAY, OCTOBER 15TH.

Staff Recommendation:

ANY COUNCILORS AT CITY HALL ARE ENCOURAGED TO PRACTICE EVACUATION PROCEDURES.

Proposed Motion:

No motion necessary

Key Facts and Information Summary:

The Great Oregon Shakeout is a state wide earthquake drill. It is used to educate Oregonians on the importance of earthquake preparedness and knowing what to do in the event of a major earthquake. This is particularly important to visitors and residents living along the Oregon Coast. With the Cascadia Subduction Zone off our coast we all live with the very real threat of an earthquake and tsunami. Our actions in those minutes during and after an earthquake will make a major difference in what our outcome will be. The City will be participating in the Great Shakeout in several ways. Included in your Council packet is a list of activities the City is participating in. Among them are:

- City-wide participation in the ShakeOut drill at 10:15 on October 15th
- A Mayoral Proclamation recognizing ShakeOut month and announcing the City's participation in the statewide drill.
- New building evacuation maps are being created and will be posted in City Buildings
- The City is registered as an official participant at www.shakeout.org
- An earthquake preparedness training memo will be distributed to all City employees

City Council Agenda Item Summary
(Agenda Item)

- The City will host two information sessions open to the public about Cascadia events and general disaster preparedness. They will be Tuesday, October 27th at 3-5 pm and 6-8 pm in the City Council Chambers
- Publish a Press Release covering the City's efforts to increase earthquake preparedness including the retrofit of city facilities and participation in the Great Oregon Shakeout

Other Alternatives Considered:

None considered

City Council Goals:

There are no Council Goals associated with this event

Attachment List:

List of City Activities for the Great ShakeOut
Example of new Evacuation Procedure signs

Fiscal Notes:

There is no financial impact

Great Oregon ShakeOut Month October 2015

City Activities

- **City-wide participation in the ShakeOut drill at 10:15 on October 15th.**
- **Mayoral Proclamation recognizing ShakeOut month and announcing the City's participation in the statewide drill.**
- **Creating and Posting new building evacuation maps at City facilities.**
- **Register the City as an official participant at www.shakeout.org.**
- **Distribute an earthquake preparedness training memo to all City employees.**
- **Add a web banner and link to www.shakeout.org to the City's home page.**
- **Host two information sessions open to the public about Cascadia events and general disaster preparedness. (Tuesday, October 27th at 3-5 pm and 6-8 pm)**
- **Reach out to local volunteer response agencies to form a responder network to be activated during emergencies.**
- **Publish a Press Release covering the City's efforts to increase earthquake preparedness including the retrofit of city facilities and participation in the Great Oregon Shakeout.**
- **Have a display table showing an example of a 'Go Pack' at select City Buildings for the public and staff to view**

Shake Out



The Great Oregon ShakeOut Annual Statewide Earthquake Drill

A QUICK, ORDERLY EVACUATION! THEN MEET!

HOW TO PARTICIPATE

CITY OF NEWPORT

EMERGENCY ACTION PLAN

Emergency Evacuation Protocol for City Hall

In the event of an emergency, call 9-1-1. If an emergency requires an evacuation, the following procedures will be followed:

- *When exiting, assist co-workers, the disabled, the young, and the elderly out of the building
- *Do not use elevators
- *Lock your assigned door(s) on your way out, if required
- *Go to your designated meeting site (do not re-enter the building)
- *Remain at your designated meeting site to be accounted for
- *Wait for information or assignment
- *Wait to be released

Immediate response is vital for a quick, orderly evacuation!

Know the posted exit plans! Know all ways out of the building! Know where the fire extinguishers are!

An exit diagram for safe evacuation is posted at the main exits on each floor of the building.

If your primary exit is blocked by smoke or fire, use the next safest exit.

Always use the stairways to exit the building; do NOT use an elevator.

Always assist the disabled, the young, and the elderly during any evacuation.

On a daily basis, be aware of who in your Department is present.

The Accountability Officer will be your Department's most senior employee working at the time. Accountability information will be provided to the Incident Command staff, the City Manager's staff, or the Incident Commander, i.e., Police or Fire.

Employees are not to re-enter any facility that has been evacuated until told to do so by Police, Fire, or your Accountability Officer.

DESIGNATED MEETING SITE - 1st Choice:

2nd Choice (if 1st choice is no longer accessible):

City staff will remain at the designated meeting site unless released by your supervisor or Accountability Officer, given an assignment, or instructed otherwise.



At 10:15 a.m. on October 15, 2015, thousands of Oregonians will participate in The Great Oregon ShakeOut, the state's largest earthquake drill ever! All local governments and their agencies are encouraged to participate in the drill (or plan a more extensive exercise).

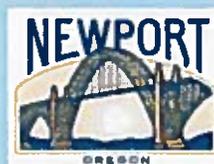
Major earthquakes may happen anywhere you live, work, or travel. The ShakeOut is our chance to practice how to protect ourselves, and for everyone to become prepared. The goal is to prevent a major earthquake from becoming a catastrophe for you, your organization, and your community.

Why is a drill important? To respond quickly you must practice often. You may only have seconds to protect yourself in an earthquake before strong shaking knocks you down, or something falls on you.

Millions of people worldwide have participated in Great ShakeOut Earthquake Drills since 2008. The Great Oregon ShakeOut is held on the third Thursday of October each year.

Everyone can participate! Individuals, families, businesses, schools, colleges, government agencies and organizations are all invited to register.

Register today at ShakeOut.org/oregon



CITY MANAGER'S REPORT AND RECOMMENDATIONS



Agenda#IX.B:
MeetingDate: 10/5/15

Agenda Item:

Notice of Intent to Award a Contract to Fire Mountain Farms, Inc., for Backwash Pond Sludge Removal at the Water Treatment Facility

Background:

One proposal was received for the removal of pond sludge from the water treatment facility backwash pond. This is part of the city's water treatment process where solids are allowed to settle and then are removed as sludge. Based on the removal of 150 tons of sludge, the contract amount will be \$98,527.50 for this work.

Recommended Action:

I recommend the City Council acting as the Local Contract Review Board consider the following motion:

I move the City of Newport issue a Notice of Intent to Award a Contract to Fire Mountain Farms, Inc. for Backwash Pond Sludge Removal in the amount of \$656.85 per dry ton with an estimated total contract amount of \$98,527.50 based on 150 tons, and contingent upon no protest, authorize award and direct the City Manager to execute the contract after seven days on behalf of the City of Newport.

Fiscal Effects:

\$140,000 has been budgeted in the Fiscal Year 2015-16 Water Fund to complete this work.

Alternatives:

None recommended.

Respectfully submitted,

Spencer R. Nebel
City Manager



Agenda Item # IX.B.
Meeting Date Oct. 5, 2015

CITY COUNCIL AGENDA ITEM SUMMARY
City Of Newport, Oregon

Issue/Agenda Title: Notice of intent to award contract to Fire Mountain Farms, Inc. for backwash pond sludge removal at Water Treatment Facility

Prepared By: TEG Dept Head Approval: TEG City Manager Approval: _____

Issue Before the Council:

Notice of intent to award contract to Fire Mountain Farms, Inc. for backwash pond sludge removal at Water Treatment Facility

Staff Recommendation:

Award the contract.

Proposed Motion:

I move that the City of Newport Public Works Department issue a Notice of Intent to Award a contract to Fire Mountain Farms, Inc. for backwash pond sludge removal in the amount of \$656.85 per dry ton with an estimated total contract amount of \$98,527.50 (120 tons) and contingent upon no protest, authorize award and direct the City Manager to execute the contract after 7 days on behalf of the City of Newport.

Key Facts and Information Summary:

As part of the City’s water treatment process, backwash water is directed to a clay lined pond where the solids are allowed to settle and the supernatant is pumped to the sanitary sewer via a 300 GPM lift station. The accumulated solids need to be removed and hauled to a City owned disposal site at the east end of NE 71st Street. In September, City staff solicited quotes from contractors to perform this work.

Removal quantities for the past several years were as follows:

- 2006, 179 dry tons/1.18 million gallons of sludge were removed using a floating dredge and trucks with semi-tankers.
- 2008, 131 dry tons/1.1 million gallons of sludge were removed using a floating dredge and trucks with semi-tankers.
- 2010, 127 dry tons/1.2 million gallons of sludge were removed using a floating dredge and trucks with semi-tankers.

Current solid percentage is 4-5%.

The scope of work is as follows:

1. Dredge/removal of backwash sludge by any acceptable proven means. The pond liner may not be disturbed during dredging or pumping operation.
2. Optional thickening or dewatering by any acceptable proven means.
3. Haul by trucks at proposer's option. Trucks must meet legal weight and length limits. Operating hours are restricted to 7:00 am to 9:00 pm.
4. Discharge will be into a City owned site pre-prepared by the City east of NE 71st Street
5. Clean up and restore water treatment plant site to original condition.
6. Do not block plant operations.

Only one proposal was received to do this work. The proposal received is from Fire Mountain Farms, Inc. in the amount of \$656.85 per dry ton with an estimated total contract amount of \$98,527.50 (120 tons). Fire Mountain Farms is the same contractor that has successfully completed the last 3 contracts for this same work.

Other Alternatives Considered:

None.

City Council Goals:

None.

Attachment List:

- RFP for the Removal of Sludge from Backwash Pond
- Proposal from Fire Mountain Farms, Inc.

Fiscal Notes:

\$140,000 has been budgeted in FY15-16 in the Water Fund (601-3310-74100) to complete this work. The total value of the work is expected to be \$98,527.50.

**Proposal
for
Removal of Sludge
from
Backwash Pond**

City of Newport Oregon

**Submitted by:
Fire Mountain Farms, Inc.
856 Burnt Ridge Road
Onalaska, WA 98570**

Proposed method of removal: We propose to use our electric agar head dredge. Dredge power will be supplied by 3304 Cat generator and is wireless remote controlled from the bank. From the dredge slurry will be pumped by lay-flat hose, (6 inch), to an 18,000 gallon frac tank. The frac tank is equipped with pump and load arm.

Trucks will be supplied by Northwest Liquid Transport these are well maintained trucks with experience drivers.

References: Attached will be a list of past projects and contacts that can provide references of our work.

Pricing: \$656.85 per dry ton.

Time frame: The equipment needed on this project is scheduled to complete a project in Idaho by the 15th of October. We could move from there to Newport and be complete by the end of October.

From:

Robert Thode, President

Fire Mountain Farms Inc.

856 Burnt Ridge Road

Onalaska, WA 98570

Phone #s

Office and Fax (360)360.266.0695

Cell (360)508-0904

Email RT@FireMtn.US

State of Washington Contractors Registration # FIREMTI990LJ

State of Oregon Contractors Registration # CCB147871

State of Idaho Contractors Registration # 007 856-B

Washington Employment Security # 801851 00 9

Washington State Labor & Industries #490,103-01 (workers comp)

Washington State UBI # 601 538 758

KBI Insurance Inc. (503) 692-1520 Policy #SW0003929-00, paid till 12/01/15

Employers Identification number 91-1639995

Experience of Fire Mountain Farms, Inc. in Biosolids (Sludge) Management:

Fire Mountain Farms, Inc. First became involved with the recycling of biosolids in 1984, at that time we were farming 140 acres. Today we are farming 825 acres. Today we have all of our land permitted for Class B biosolids and additional 2200 acres permitted in Lewis, Pacific, Cowlitz, and Pierce Counties with pending sites in Spokane, and Lincoln counties (Washington). We also have experience in permitting in Oregon.

19 years ago we purchased dredging equipment and began dredging lagoons. We are now licensed contractors in Washington, Oregon, Idaho, and Montana. Past projects are listed below. Past projects have been from 150,000 gallons to over 35,000,000 gallons and 11 dry tons to 6000 dry tons. We have a wide variety of application equipment to handle biosolids from 1% to 99% solids.

We have never failed to complete a project.

The following are projects completed in the past few years:

2015:

City of Ferndale, WA:

Andy Law (Wilson Eng.) (360)-733-6982 alaw@wilsonengineering.com

Mike- Treatment Plant Op. (360)-851-1508

90 dry tons dredged and applied at 3% solids to city permitted sites

City of Toledo

Sub-Contractors

Gray & Osborn Inc. (Engineer) (360) 292-7481

Rotschy Inc. (Contractor) (360) 334-3100

Two part project. Phase two dredge, transport and land apply – in progress

Estimate 570 dry tons

City of Deer Park, WA

Sub-Contractors

Jason cates (208)667-2456

Phase two, dredge, transport and land apply

Estimate 300 dry tons

Stimson Timber, Gaston OR

Jim Skuzeski—(503) 357-2131

Bill Fasth (541)-602-9110 bfasth@brwncald.com

800 dry tons of sludge removed and land applied to Stimson permitted sites.

\$395,000

Lincoln City, OR

Joe Whisler (541)-996-1285 joew@lincolncity.org

600,000 gallons biosolids dredged, transported, and applied at 3% solids to city sites

2014:

City of Ferndale, WA:

Andy Law (Wilson Eng.) (360)-733-6982 alaw@wilsonengineering.com

Mike- Treatment Plant Op. (360)-851-1508

100 dry tons dredged and applied at 3% solids to city permitted sites

\$91,631

City of Moro, OR

Sub-Contractors

Arron Lawler (Kennedy/Jenks Consultants) (503)423-4901

250 dry ton removed and applied to permitted site.

\$86,000

City of Toledo

Sub-Contractors

Gray & Osborn Inc. (Engineer) (360) 292-7481

Rotschy Inc. (Contractor) (360) 334-3100

Two part project. Phase one transfer to second lagoon (Complete)

\$42,000

Sunland Development

Mike Langley— (360)683-3905 swd1@olyphen.com

Lagoon clean out, 100 dry ton at 7% solids

\$258,001

Stimson Timber, Gaston OR

Jim Skuzeski—(503) 357-2131

Bill Fasth (541)-602-9110 bfasth@brwnncald.com

350 dry tons of sludge removed and land applied to Stimson permitted sites.

\$161,971

City of Deer Park, WA

Sub-Contractors

Jason cates (208)667-2456

Phase 1 transfer solids from lagoon 1&2 to lagoon 3

City of Dillon, MT

John Manion-(460)493-2568

Dredge and dewater with GeoTubes 500 dry tons

\$258,000

City of the Dalles, OR

Dave Anderson (541)-298-1242

500,000 gallons alum sludge dredged and transferred to drying beds

\$35,500

Lincoln City, OR

Joe Whisler (541)-996-1285 joew@lincolncity.org

1,815,500 gallons biosolids dredged, transported, and applied at 3% solids to city sites

\$170,113

City of Troutdale, OR

Amy Pepper

Bill Fasth (541)-602-9110

Biosolids removed from GeoTubes and land applied

\$61,377

2013:

Longview Lagoon

Sub-Contractors

Rich Gushman – (360) 425-0991

4520 dry tons of sludge land applied to Fire Mountain Farms, permitted sites

\$673,692

City of Ione, WA

Dan Remmick (Century West) (509) 833-3810

Dredge and dewater with GeoTubes

\$170,340

City of Troutdale, OR

Amy Pepper

Bill Fasth (541)-602-9110 bfasth@brwncald.com

309 dry tons removed from GeoTubes and land applied

\$254,672

Stimson Timber, Gaston OR

Jim Skuzeski—(503) 357-2131

Bill Fasth (541)-602-9110 bfasth@brwncald.com

780 dry tons of sludge removed and land applied to Stimson permitted sites

\$330,449

City of Ferndale, WA:

Andy Law (Wilson Eng.) (360)-733-6982 alaw@wilsonengineering.com

Mike- Treatment Plant Op. (360)-851-1508

100 dry tons dredged and applied at 3% solids to city permitted sites

\$112,776

Bruce Pac

Paul Miller (WWTP) (503) 798-3458

805 dry tons dredged and applied by liquid application on owners site
\$172,090

Lincoln City, OR

Joe Whisler (541)-996-1285

1,815,500 gallons biosolids dredged, transported, and applied at 3% solids to city sites
\$186,089

City of Vancouver, WA

Larry Burke (360)-696-8008 larry.burke@ci.vancouver.wa.us

Larry Price-lagoon manager- (360-759-3208

502 dry tons industrial sludge dredged and applied at 3% solids to city permitted sites
\$86,850

City of the Dalles, OR

Dave Anderson (541)-298-1242

500,000 gallons alum sludge dredged and transferred to drying beds
\$35,104

The City of Newport
Department of Public Works
Request for Proposal

Removal of Sludge from Backwash Pond

The City of Newport will accept sealed proposals for the removal and disposal of approximately 130 dry tons (1.2 MG liquid) of material from the water treatment plant backwash pond. Proposals will be accepted until Friday, September 18, 2015 at 5:00 PM Pacific Daylight Time.

Proposals will be accepted and additional information on this request for proposals can be obtained at the following:

Newport City Hall
c/o Steve Stewart, Water Treatment Plant Supervisor
169 SW Coast Highway
Newport, OR 97365
(541) 265-7421
s.stewart@newportoregon.gov

Project Description and History:

The City of Newport operates a Water Treatment Plant located at 2810 N. E. Big Creek Road, Newport, Oregon. Backwash water is directed to a clay lined pond where the solids are allowed to settle and the supernatant is pumped to the sanitary sewer via a 300 GPM lift station. The accumulated solids need to be removed and hauled to a City owned disposal site at the east end of NE 71st Street in, Newport, Oregon. The distance from the Water Treatment Plant to the disposal site is about 3.4 miles. The road is all paved except the last 300 feet, which is graded gravel. Two security gates can be left open during hauling hours.

The approximate size of the backwash pond shown in the attached drawing is approximately 25,000 SF, and up to 14 feet deep. Access to the pond is limited. The site also has a field approximately 125 feet square. This area has a slight slope toward the northwest (away from the backwash pond), and has a berm along the lower edges. There are several buried pipelines and valves under the field, so it is available only on a temporary basis. Any water containment in this area would also need a liner because the berm was not engineered and the field is perforated with burrows from moles and other rodents.

Removal quantities for the past several years were as follows:

- 2006, 179 dry tons/1.18 million gallons of sludge were removed using a floating dredge and trucks with semi-tankers.
- 2008, 131 dry tons/1.1 million gallons of sludge were removed using a floating dredge and trucks with semi-tankers.
- 2010, 127 dry tons/1.2 million gallons of sludge were removed using a floating dredge and trucks with semi-tankers.

Current solid percentage is 4-5%. Proposers are welcome to take samples prior to submitting an offer.

Scope of work:

1. Dredge/removal of backwash sludge by any acceptable proven means. The pond liner may not be disturbed during dredging or pumping operation.
2. Optional thickening or dewatering by any acceptable proven means.
3. Haul by trucks at proposer's option. Trucks must meet legal weight and length limits. Operating hours are restricted to 7:00 am to 9:00 pm.
4. Discharge will be into a City owned site pre-prepared by the City east of NE 71st Street
5. Clean up and restore water treatment plant site to original condition.
6. Do not block plant operations.

Proposers are required to attend a pre-proposal meeting and site visit at 10:00 AM on Thursday, September 11 at the water treatment plant. Please RSVP by calling the Public Works Department at 541-574-3366.

Payment/Measurement:

The price will be paid on a dry ton basis. The City of Newport will take samples of sludge from each load and conduct a temperature dependent volumetric calculation to determine the dry weight of each load. The contractor may split samples for verification. The following formula will be used:

$$\text{Dry tons} = (\text{Density of 1 gallon sample} - \text{Density of water at sample temperature}) \times (\text{Truck volume in gallons}) / (2000\text{lb/ton})$$

EXAMPLE: At 70 degrees F (close to 21 degrees C) the density is 8.329 lb/gal
Truck volume = 3,000 gallons
Weight of 1 gallon sample = 9 lb

$$(9\text{lb/gal} - 8.329\text{ lb/gal}) \times (3000\text{ gallons}) / (2000\text{lb/ton}) = \mathbf{1.62\ ton}$$

Contractor Selection Process:

Selection process will be made on:

- Proven method and equipment for sludge removal and transportation
- Contractor references from similar jobs
- Price per dry ton of removed material
- Ability to complete work within time-frame

The City reserves the right to reject any proposal it deems to not meet the intent of the Request for Proposal or not in the best interests of the City. Proposals will be evaluated by City Staff including but not limited to the Director of Public Works and the Water Treatment Plant Supervisor. After the proposals are reviewed, the accepted proposal will be presented to the City Council for authorization to begin work. Work will needed to be completed within 90 days from the execution of the contract.

Proposals should include the following:

- A detailed description on how the sludge is to be removed from the backwash pond and how it is transported, and how it is disposed. If the proposal includes thickening or dewatering, the proposed method, equipment must be described. No addition of chemicals can be allowed into the pond water.
- Three references from work of a similar nature including names, phone numbers and a description of the work.
- Price per dry ton of removed material
- Timeframe for completing the work

A copy of a sample Goods and Services Agreement is attached to this RFP. Contractor shall include all insurance, bonding, and permitting costs in their proposal. Contractor is responsible for acquiring all applicable permits.



City of Newport
Engineering Department
100 SW Coast Highway
Newport, OR 97365

Phone: 1.541.574.3066
Fax: 1.541.265.3301

WATER TREATMENT FACILITY CITY OF NEWPORT, OR

75 37.5 0 75 Feet



This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its completeness or use and users of this information are cautioned to verify all information with the City of Newport Engineering Department.

CITY OF NEWPORT
GOODS AND SERVICES CONTRACT

Removal of Sludge from Backwash Pond

BASED UPON the quotes submitted in response to the City of Newport’s Request for Proposals for the **Removal of Sludge from Backwash Pond**, as issued and administered by City of Newport (City), City and _____ (Contractor) hereby enter into a contract for services in accordance with the specifications and quote provided.

All terms of the following exhibits are hereby incorporated by reference into this Contract, and Contractor agrees to comply with each:

- (1) Exhibit A – Request for Quotes
- (2) Exhibit B – Contractor Quote
- (3) Exhibit C – Oregon Public Contracting Requirements for Goods and Service Contracts

1. **Term.** The term of this Contract shall extend from its execution to project completion, unless extended for additional periods of time upon written mutual agreement of both parties. Notwithstanding this Term, City reserves the right to terminate this Contract as outlined in this Agreement.

2. **Scope of Work.** Contractor shall provide all materials, labor, equipment, and all other services and facilities necessary for the services specified in the attached Exhibits A and B (Project). Work shall be completed within ____ days of the date given in the Notice to Proceed.

3. **Compensation.**

3.1 **Basis of Payment.** Contractor shall complete Project as defined above and in the attached exhibits for the prices in Exhibit B, with an estimated total fee of \$_____.

3.2 **Invoices.** Payments shall be based upon Contractor’s invoices submitted to City, detailing the previous month’s fees and costs.

a. City will review Contractor’s invoice and within ten (10) days of receipt notify Contractor in writing if there is a disagreement or dispute with the invoice or Project. If there are no such disputes, City shall pay the invoice amount in full within thirty (30) days of invoice date, subject to a five percent (5%) retainage to be paid only after full performance and acceptance by City.

b. If City fails to make any payment due Contractor for services and expenses within thirty (30) days of the date on Contractor's invoice therefore, late fees will be added to amounts due Contractor at the rate of 1.0 percent (1%) per month from original invoice date. Invoices in dispute are not subject to such late fees until such time as they are no longer in dispute.

4. Permits. City will be responsible for obtaining all permits, approvals and authorizations necessary for Contractor's performance.

5. Termination for Convenience.

This Contract may be terminated by mutual consent of the parties upon written notice. In addition, City may terminate all or part of this Contract upon determining that termination is in the best interest of City by giving seven (7) days' prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Upon termination under this paragraph, Contractor shall be entitled to payment in accordance with the terms of this Contract for Contract work completed and accepted before termination less previous amounts paid and any claim(s) City has against Contractor. Pursuant to this paragraph, Contractor shall submit an itemized invoice for all unreimbursed Contract work completed before termination and all Contract closeout costs actually incurred by Contractor. City shall not be liable for any costs invoiced later than thirty (30) days after termination unless Contractor can show good cause beyond its control for the delay.

6. Termination for Cause. City may terminate this Contract effective upon delivery of written notice to Contractor, or at such later date as may be established by City, under any of the following conditions:

6.1 If City funding is not obtained and continued at levels sufficient to allow for purchases of the indicated quantity of services. The Contract may be modified to accommodate a reduction in funds.

6.2 If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract.

6.3 If any license or certificate required by law or regulation to be held by Contractor to provide the services required by this Contract is for any reason denied, revoked, or not renewed.

7. Termination for Default. Either City or Contractor may terminate this Contract in the event of a breach of the Contract by the other. Prior to such termination, the party seeking termination shall give to the other party written notice of the breach and intent to terminate. If the party committing the breach has not entirely cured the breach within fifteen (15) days of the date of the notice, then the party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.

If Contractor fails to perform in the manner called for in this Contract or if Contractor fails to comply with any other provisions of the Contract, City may terminate this Contract for default. Termination shall be effected by serving a notice of termination on Contractor setting forth the manner in which Contractor is in default. Contractor shall be paid the Contract price only for equipment installed and services performed in accordance with the manner of performance as set forth in this Contract.

8. Remedies. In the event of breach of this Contract, the parties shall have the following remedies:

- 8.1 If terminated under paragraph 7 by City due to a breach by Contractor, City may complete the work either itself, by agreement with another contractor, or by a combination thereof. If the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this Contract, then Contractor shall pay to City the amount of the reasonable excess.

- 8.2 In addition to the above remedies for a breach by Contractor, City also shall be entitled to any other equitable and legal remedies that are available.

- 8.3 If City breaches this Contract, Contractor's remedy shall be limited to termination of the Contract and receipt of Contract payments to which Contractor is entitled.

- 8.4 City shall not be liable for any indirect, incidental, consequential, or special damages under the Contract or any damages arising solely from terminating the Contract in accordance with its terms.

- 8.5 Upon receiving a notice of termination, and except as otherwise directed in writing by City, Contractor shall immediately cease all activities related to the services and work under this Contract.

9. Standard of Care. Contractor warrants that the work to be performed pursuant to this Contract shall be done in a good and workmanlike manner and will conform to the highest standards prevalent in the industry or business most closely involved in providing the equipment and services City is purchasing.

10. Reports. The Contractor shall provide City with reports as detailed in Contractor's proposal, at a minimum of once per month, outlining the Project progress, issues of concern and budget status.
11. Change Orders. Contractor and City reserve the right to order changes to the equipment and services to be provided herein. Contractor and City shall determine a fair and equitable cost and, if required, additional time for such changes. All such changes shall be ordered and agreed to in writing by both parties.
12. Confidentiality. Contractor shall maintain the confidentiality, both external and internal, of any confidential information to which it is exposed by reason of this Contract. Contractor warrants that its employees assigned to this Contract shall maintain necessary confidentiality.
13. Security and Substance Check. Contractor agrees that each of its employees and subcontractor's employees involved in this Project may, at the option of City and in compliance with Contractor policy, be subject to a security background check and/or substance abuse testing.
14. Access to Records. For a period of not less than three years after City's final payment to Contractor, Contractor shall permit the City, the State of Oregon and the Federal Government (if State or Federal funding is involved) to have access to all books, documents, papers and records of Contractor which are pertinent to the Services provided hereunder for purposes of audit, examination, excerpts and transcripts. Contractor shall retain those records for at least three years, or until litigation is resolved if litigation is instituted.
15. Notice. Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; or nationally-recognized private express courier:

CITY:

CONTRACTOR:

City of Newport
169 SW Coast Highway
Newport, OR 97365
Phone: (541) 574-3366
Fax: (541) 265-3301

Phone: _____
Fax: _____

- 16. Warranty. Contractor’s warranty shall warrant all goods and services for 1 year from the completion date of the project. Contractor further warrants that all materials, equipment, and/or services provided under this Agreement shall be fit for the purpose(s) for which intended, for merchantability, that material and equipment shall be properly packaged, that proper instructions and warnings shall be supplied, and that the Project shall conform to the requirements and specifications herein. Acceptance of any service and inspection incidental thereto by City shall not alter or affect the obligations of Contractor or the rights of City.
- 17. Insurance. Contractor and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this Agreement. The insurance shall cover all activities of the Contractor arising directly or indirectly out of Contractor's work performed hereunder, including the operations of its subcontractors of any tier.

The policy or policies of insurance maintained by the Contractor and its subcontractor shall provide at least the following limits and coverages:

17.1. Commercial General Liability Insurance

Contractor shall obtain, at Contractor’s expense, and keep in effect during the term of this contract, Comprehensive General Liability Insurance covering Bodily Injury and Property Damage on an “occurrence” form (1996 ISO or equivalent). This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. The following insurance will be carried:

Coverage	Limit
General Aggregate	\$1,300,000
Products-Completed Operations Aggregate	\$1,300,000
Personal & Advertising Injury	\$1,300,000
Each Occurrence	\$1,300,000
Fire Damage (Any one fire)	\$50,000
Medical Expense (Any one person)	\$5,000

17.2. Commercial Automobile Insurance

Contractor shall also obtain, at Contractor's expense, and keep in effect during the term of the contract, Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$1,200,000.

17.3. Workers' Compensation Insurance

The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under this Contract that are either subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers or employers that are exempt under ORS 656.126. Out-of-state employers must provide Oregon workers' compensation coverage for their workers who work at a single location within Oregon for more than 30 days in a calendar year. Contractors who perform work without the assistance or labor of any employee need not obtain such coverage. This shall include Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident.

17.4. Additional Insured Provision

The Commercial General Liability Insurance and Commercial Automobile Insurance policies and other policies the City deems necessary shall include the City as an additional insured with respect to this Agreement.

17.5. Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage of Contractor's insurance without 30 days prior written notice to the City. Any failure to comply with this provision will not affect the insurance coverage provided to the City. The certificates of insurance provided to the City shall state that the insurer shall endeavor to provide 30 days prior notice of cancellation to the City

17.6. Certificates of Insurance

As evidence of the insurance coverage required by the Agreement, the Contractor shall furnish a Certificate of Insurance to the City. This Agreement shall not be effective until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within this Agreement. A renewal certificate will be sent to the City 10 days prior to coverage expiration.

17.8. Primary Coverage Clarification

The parties agree that Contractor's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section.

17.9. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in all general liability, professional liability, pollution and errors and omissions policies required by this Agreement.

The procuring of required insurance shall not be construed to limit Contractor's liability under this Agreement.

18. Indemnity. To the extent permitted by law, Contractor shall protect, defend, indemnify and hold the City harmless from and against all claims, demands, damages, costs, actions and causes of actions, liabilities, fines, penalties, judgments, expenses and attorney fees, resulting from the injury or death of any person or the damage to or destruction of property, or the infringement of any patent, copyright, trademark or trade secret, arising out of the work performed or goods provided under this Agreement or Contractor's violation of any law, ordinance or regulation, contract provision or term, or condition of regulatory authorization or permit, except for damages resulting from the sole negligence of City.
19. Force Majeure. This section applies in the event that either party is unable to perform the obligations of this Agreement because of a Force Majeure event as defined herein, to the extent that the Agreement obligation must be suspended. A Force Majeure event is an event that prohibits performance and is beyond the control of the party. Such events may include natural or man-made disasters, or an action or decree of a superior governmental body which prevents performance. Should either party suffer from a Force Majeure event and be unable to perform, such party shall give notice to the remaining party as soon as practical and shall do everything possible to resume performance. Upon receipt of such notice, the parties shall be excused from such performance as it is effected by the Force Majeure event for the period of such event. If such event effects the delivery date or warranty provisions of this Agreement, such date or warranty period shall automatically be extended for a period equal to the duration of such event.

20. Independent Contractor. It is the intention and understanding of the parties that Contractor is an independent contractor and that City shall be neither liable for nor obligated to pay sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax that may arise as an incident of employment. Contractor shall pay all income and other taxes as due. Industrial or other insurance that is purchased for the benefit of Contractor shall not be deemed to convert this contract to an employment contract. It is recognized that Contractor may or will be performing work during the term for other parties and that City is not the exclusive user of the services that Contractor provides.
21. Assignment. Contractor shall not assign or subcontract any of its obligations under this Agreement without City's prior written consent, which may be granted or withheld in City's sole discretion. Any subcontract made by Contractor shall incorporate by reference all the terms of this Agreement. City's consent to any assignment or subcontract shall not release Contractor from liability under this Agreement or from any obligation to be performed under this Contract, whether occurring before or after such consent, assignment, or subcontract.
22. Governing Law. This Agreement is to be governed by and under the laws of the State of Oregon.
23. Consent to Jurisdiction. The parties hereby consent to jurisdiction of the Lincoln County Circuit Court, Lincoln County, Oregon, over all legal matters pertaining to this Agreement, including, but not limited to, its enforcement, interpretation or rescission.
24. Public Contracting Requirements. Contractor shall comply with all federal, state and local laws and ordinances applicable to the work under this agreement, including, without limitation, applicable provisions of the Oregon Public Contracting Code including ORS 279B.020, 279B.220, 279B.230, and 279B.235, as more particularly set forth in Exhibit C, attached hereto and incorporated herein by this reference.
25. Arbitration. If any disputes, disagreements, or controversies arise between the parties pertaining to the interpretation, validity, or enforcement of this Agreement, the parties shall, upon the request of City, submit such dispute to binding arbitration under the Oregon Uniform Arbitration Act, ORS 36.600 et seq. Arbitration shall be requested by delivering to the other party a written request for arbitration. Within five (5) days of receipt of such request, the parties shall select a mutually agreeable arbitrator and designate mutually agreeable rules of arbitration. If the parties cannot agree upon an arbitrator within five (5) days, an arbitrator may be appointed by the presiding judge of the

Lincoln County Circuit Court, upon the request of either party submitted in accordance with ORS 36.645. If the parties have not designated mutually agreeable rules of arbitration at such time as the arbitrator is appointed, the arbitrator shall adopt rules for the arbitration. The arbitrator's decision shall be binding upon the parties.

- 26. Attorney Fees. If suit, action or arbitration is brought either directly or indirectly to rescind, reform, interpret or enforce the terms of this Agreement, the prevailing party shall recover and the losing party hereby agrees to pay reasonable attorney's fees incurred in such proceeding, in both the trial and appellate courts, as well as the costs and disbursements. Further, if it becomes necessary for City to incur the services of an attorney to enforce any provision of this Agreement without initiating litigation, Contractor agrees to pay City's attorney's fees so incurred. Such costs and fees shall bear interest at the maximum legal rate from the date incurred until the date paid by losing party.
- 27. Facsimile Signatures. The delivery of signatures to this Agreement by facsimile transmission shall be binding as original signatures.
- 28. Entire Agreement. This Agreement shall be the exclusive agreement between the parties for the Project. No modification of this Agreement shall be effective unless in writing and signed by an authorized representative of both parties, except as otherwise authorized herein.
- 29. Signatures. This Agreement is not effective unless and until it is approved, signed and dated by an authorized representative of each party.

CITY:

CONTRACTOR:

CITY OF NEWPORT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT C
Public Contracting Code
ORS 279C REQUIREMENTS

Requirements for Public Improvement Contracts Over \$50,000

1. Contractor shall pay promptly, as due, all persons supplying labor or materials for the prosecution of the work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor.
 - (a) ORS 279C.580(3)(a) requires the prime contractor to include a clause in each subcontract requiring contractor to pay the first-tier subcontractor for satisfactory performance under its subcontract within 10 days out of such amounts as are paid to the prime contractor by the public contracting agency; and
 - (b) ORS 279C.580(3)(b) requires the prime contractor to include a clause in each subcontract requiring contractor to pay an interest penalty to the first-tier subcontractor if payment is not made within 30 days after receipt of payment from the public contracting agency.
 - (c) ORS 279C.580(4) requires the prime contractor to include in every subcontract a requirement that the payment and interest penalty clauses required by ORS 279C.580(3)(a) and (b) be included in every contract between a subcontractor and a lower-tier subcontractor or supplier.
2. Contractor shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the contract, and shall be responsible that all sums due the State Unemployment Compensation Fund from Contractor or any Subcontractor in connection with the performance of the contract shall promptly be paid.
3. Contractor shall not permit any lien or claim to be filed or prosecuted against the City on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted.
4. A notice of claim on contractor's payment bond shall be submitted only in accordance with ORS 279C.600 and 279C.605.
5. Contractor and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
6. Contractor shall demonstrate to the City that an employee drug-testing program is in place within 10 days of receiving a Notice of Award.
7. Pursuant to ORS 279C.515, if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Contractor or a

Subcontractor by any person in connection with the contract as such claim becomes due, the City may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due Contractor by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the Contractor or his surety from his or its obligation with respect to any unpaid claim. If the City is unable to determine the validity of any claim for labor or material furnished, the City may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined and the claim, if valid, is paid.

8. Pursuant to ORS 279C.515, if the Contractor or a first-tier Subcontractor fails, neglects, or refuses to make payment to a person furnishing labor or materials in connection with the public contract for a public improvement within 30 days after receipt of payment from the City or contractor, the contractor or first-tier subcontractor shall owe the person the amount due plus interest charges commencing at the end of the 10 day period that payment is due under ORS 279C.580(4) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to Contractor or first-tier Subcontractor on the amount due shall equal three times the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve District that includes Oregon on the date that is 30 days after the date when payment was received from the public contracting agency or from the Contractor, but the rate of interest shall not exceed 30%. The amount of interest may not be waived.
9. As provided in ORS 279C.515, if the Contractor or a Subcontractor fails, neglects, or refuses to make payment to a person furnishing labor or materials in connection with the public contract, the person may file a complaint with the Construction Contractor's Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.
10. Pursuant to ORS 279C.530, Contractor shall promptly, as due, make payment to any person, co-partnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
11. Contractor shall employ no person for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency, or where public policy absolutely requires it, and in such cases, except in cases of contracts for personal services designated under ORS 279A.055, Contractor shall pay the employee at least time and one-half pay for all overtime in excess of eight (8) hours a day or forty (40) hours in any one week when the work is five (5) consecutive days, Monday through Friday; or for all overtime in excess of 10 hours a day or 40 hours in any one week when the work week is 4 consecutive days, Monday through Friday; and for all work performed on Saturday and on any legal holidays as specified in ORS 279C.540.
12. Pursuant to ORS 279C.540(2), the Contractor must give notice to employees who work on this contract in writing, either at the time of hire or before commencement of work

on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to work.

13. The provisions of ORS 279C.800 to ORS 279C.870 relating to the prevailing wage rates will be complied with.

(a) The hourly rate of wage to be paid by Contractor or any Subcontractor to workers in each trade or occupation required for the public works employed in the performance of this Contract shall not be less than the specified minimum rate of wage in accordance with ORS 279C.838 and ORS 279C.840.

(b) The latest prevailing wage rates for public works contracts in Oregon are contained in the following publications: The January 2012 Prevailing Wage Rates for Public Works Projects in Oregon, and the January 2012 PWR Apprenticeship Rates. Such publications can be reviewed electronically at:

http://www.boli.state.or.us/BOLI/WHD/PWR/pwr_state.shtml

and are hereby incorporated as part of the Contract Documents.

(c) Contractor and all Subcontractors shall keep the prevailing wage rates for this Project posted in a conspicuous and accessible place in or about the Project.

(d) The Owner shall pay a fee to the Commissioner of the Oregon Bureau of Labor and Industries as provided in ORS 279C.825. The fee shall be paid to the Commissioner under the administrative rule of the Commissioner.

(e) If Contractor or any Subcontractor also provides for or contributes to a health and welfare plan or a pension plan, or both, for its employees on the Project, it shall post notice describing such plans in a conspicuous and accessible place in or about the Project. The notice shall contain information on how and where to make claims and where to obtain future information.

14. Unless exempt under ORS 279C.836(4), (7), (8) or (9), before starting work on this contract, or any subcontract hereunder, contractor and all subcontractors must have on file with the Construction Contractors Board a public works bond with a corporate surety authorized to do business in the state of Oregon in the amount of \$30,000. The bond must provide that the contractor or subcontractor will pay claims ordered by the Bureau of Labor and Industries to workers performing labor upon public works projects. The bond must be a continuing obligation, and the surety's liability for the aggregate of claims that may be payable from the bond may not exceed the penal sum of the bond. The bond must remain in effect continuously until depleted by claims paid under ORS 279C.836(2), unless the surety sooner cancels the bond. The surety may cancel the bond by giving 30 days' written notice to the contractor or subcontractor, to the board and to the Bureau of Labor and Industries. When the bond is canceled, the surety is relieved of further liability for work performed on contracts entered into after the cancellation. The

cancellation does not limit the surety's liability for work performed on contracts entered into before the cancellation. Contractor further certifies that contractor will include in every subcontract or provision requiring a subcontractor to have a public works bond filed with the Construction Contractors Board before starting work on the project, unless exempt under ORS 279C.836(4), (7), (8), or (9).

- (a) Unless exempt under ORS 279C.836(4), (7), (8), or (9), before permitting a subcontractor to start work on this public works project, the contractor shall verify that the subcontractor has filed a public works bond as required under this section or has elected not to file a public works bond under ORS 279C.836(7).
- (b) Unless public contracting agency has been notified of any applicable exemptions under ORS 279C.836(4), (7), (8), or (9), the public works bond requirement above is in addition to any other bond contractors or subcontractors may be required to obtain under this contract.

15. As may be required by ORS 279C.845, Contractor or contractor's surety and every subcontractor or subcontractor's surety shall file certified payroll statements with the City in writing.

- (a) If a contractor is required to file certified statements under ORS 279C.845, the City shall retain 25% of any amount earned by the contractor on the public works project until the contractor has filed with the City statement as required by ORS 279C.845. The City shall pay the contractor the amount retained within 14 days after the contractor files the required certified statements, regardless of whether a subcontractor has failed to file certified statements required by statute. The City is not required to verify the truth of the contents of certified statements filed by the contractor under this section and ORS 279C.845.
- (b) The contractor shall retain 25% of any amount earned by a first-tier subcontractor on this public works contract until the subcontractor has filed with the City certified statements as required by ORS 279C.845. The contractor shall verify that the first-tier subcontractor has filed the certified statements before the contractor may pay the subcontractor any amount retained. The contractor shall pay the first-tier subcontractor the amount retained within 14 days after the subcontractor files the certified statements as required by ORS 279C.845. Neither the City nor the contractor is required to verify the truth of the contents of certified statements filed by a first-tier subcontractor.

16. All employers, including Contractor, that employ subject workers who work under this contract shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its subcontractors complies with these requirements.

17. All sums due the State Unemployment Compensation Fund from the Contractor or any Subcontractor in connection with the performance of the contract shall be promptly so paid.
18. The contract may be canceled at the election of City for any willful failure on the part of Contractor to faithfully perform the contract according to its terms.
19. Contractor certifies that it has not and will not discriminate against minorities, women or emerging small business enterprises in obtaining any required subcontractors, or against a business enterprise that is owned or controlled by, or that employs a disabled veteran as defined in ORS 408.225.
20. Contractor certifies its compliance with the Oregon tax laws, in accordance with ORS 305.385.
21. In the performance of this contract, the Contractor shall use, to the maximum extent economically feasible, recycled paper, materials, and supplies, and shall compost or mulch yard waste material at an approved site, if feasible and cost effective.
22. As may be applicable, Contractor certifies that all subcontractors performing construction work under this contract will be registered with the Construction Contractors Board or licensed by the state Landscaping Contractors Board in accordance with ORS 701.035 to ORS 701.055 before the subcontractors commence work under this contract.
23. Pursuant to City Public Contracting Rule 137-049-0880, the City may, at reasonable times and places, have access to and an opportunity to inspect, examine, copy, and audit the records relating to the Contract.
24. Pursuant to ORS 279C.510, if feasible and cost-effective and contract is for demolition, Contractor shall salvage or recycle construction and demolition debris.
25. Pursuant to ORS 279C.510, if feasible and cost-effective and contract is for lawn and landscape maintenance, Contractor shall compost or mulch yard waste material at an approved site.
26. In compliance with the provisions of ORS 279C.525, the following is a list of federal, state and local agencies, of which the City has knowledge, that have enacted ordinances or regulations dealing with the prevention of environmental pollution and the preservation of natural resources that may affect the performance of the contract:

FEDERAL AGENCIES:

- Agriculture, Department of
 - Forest Service
 - Soil Conservation Service
- Defense, Department of
 - Army Corps of Engineers

- Environmental Protection Agency
- Interior, Department of
 - Bureau of Sport Fisheries and Wildlife
 - Bureau of Outdoor Recreation
 - Bureau of Land Management
 - Bureau of Indian Affairs
 - Bureau of Reclamation
- Labor, Department of
 - Occupational Safety and Health Administration
- Transportation, Department of
 - Coast Guard
 - Federal Highway Administration

STATE AGENCIES:

- Agriculture, Department of
- Environmental Quality, Department of
- Fish and Wildlife, Department of
- Forestry, Department of
- Geology and Mineral Industries, Department of
- Human Resources, Department of
- Land Conservation and Development Commission
- Soil and Water Conservation Commission
- State Engineer
- State Land Board
- Water Resources Board

LOCAL AGENCIES:

- City Council
- County Court
- County Commissioners, Board of
- Port Districts
- Metropolitan Service Districts
- County Service Districts
- Sanitary Districts
- Water Districts
- Fire Protection Districts