



**AGENDA and Notice of
Joint Executive Session of the Newport City Council and Urban Renewal Agency**

The City of Newport City Council will meet hold a Special Meeting and Executive Session on Monday, August 18, 2014, at 5:30 P.M. The meeting will be held in City Council Chambers A of the Newport City Hall, located at 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 work session and/or meeting.

**JOINT NEWPORT CITY COUNCIL AND URBAN RENEWAL AGENCY
EXECUTIVE SESSION AGENDA
Monday, August 18, 2014 - 5:30 P.M.
City Council Chambers**

- I. **Call to Order and Roll Call**
- II. **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.
- III. **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.
- IV. Approval of Minutes from the Urban Renewal Agency Meeting of July 7, 2014(Hawker)
- V. Executive Session Pursuant to 192.660(2)(e) to Real Property Transactions
- IV. Adjournment

July 7, 2014
5:30 P.M.
Newport, Oregon

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

Staff present was City Manager Nebel, City Recorder Hawker, Interim Finance Director Gazewood, Finance Director Murzynsky, and Community Development Director Tokos.

CONSENT CALENDAR

The consent calendar consisted of the following item:

A. Approval of minutes of June 16, 2014, and the special meeting and executive session of June 23, 2014.

MOTION was made by Allen, seconded by Roumagoux, to approve the consent calendar with the changes to the minutes as noted by Allen. The motion carried unanimously in a voice vote.

EXECUTIVE DIRECTOR REPORT

Authorization to Enter into a Purchase Agreement for the Acquisition of a Portion of Lot 2, Block 1, Harborton Subdivision in South Beach. Nebel reported that the Agency has considered the purchase of a 2.34 acre property that is located at the proposed intersection of SE 35th Street and US 101 in South Beach. He added that in this case, the Agency would be required to purchase right-of-way in order to accommodate 35th Street at this location. He stated that as part of discussions with the property owner, it was indicated that the owner wanted to sell the entire parcel including the former restaurant/auto dealership building, coffee kiosk, a warehouse/storage building, and a church building. He noted that the Urban Renewal Agency commissioned an appraisal of the property which indicated that the current market value of the land and buildings is \$1,525,000.

Nebel reported that the Urban Renewal Agency has indicated that it is important to conduct a public outreach process as part of the need to amend the South Beach Urban Renewal Plan for the acquisition of the property utilizing URA funds. He added that the purchase agreement, as structured, provides sufficient time to conduct an outreach effort. He stated that the sellers indicated they desire to utilize a 1031 exchange and have requested flexibility as to timing in order to adjust the closing dates so that the sale lines up with the purchase of a similar investment property. He noted that the owners have also asked that the South Beach Church be allowed to remain on the property until the street improvements have been installed. He added that the sellers are willing to refund the

\$50,000 earnest money if the public outreach process determines that it is not in the Agency's best interest to proceed with the sale.

Nebel reported that he believes that this is a good investment of Agency funds since it will provide maximum flexibility to establish various right-of-way alignments for 35th Street, and will allow the city to play a role in guiding the future development of this property. He added that when property not utilized for public purposes is sold, these funds will provide a source of revenue for other improvements within the District if the sale occurs during the life of the South Beach Urban Renewal Plan. He stated that the funding will come from the \$5.4 million bond that the Agency is planning to borrow during this fiscal year to finance various Phase 2 projects.

Allen noted that based on a Council suggestion the timeline for public outreach was extended to November 1, and may be able to be extended if a few more weeks if needed.

Beemer read a letter from Janet Webster regarding the acquisition of this property. She expressed opposition to this approach noting that it seems inappropriate for the city to purchase property when the private sector should be doing this. She further added that she cannot support this acquisition at this time when funds are already stretched.

Allen noted that it is the intent for the city to have control over the initial improvement of the property with the goal of selling the remainder back to private developers. Tokos confirmed that purchasing properties to spur economic development is well within the responsibilities of an urban renewal agency. He also confirmed that the goal is to sell the remaining property to a private developer after the infrastructure improvements are made.

Beemer reported that he was contacted by a long-time resident who recalls a gas station on this property. He suggested checking on this. He also noted that he had heard from a realtor that flood insurance may be required for the property. Nebel reported that under the purchase agreement, the city has 60 days to perform due diligence. Tokos reported that he knows of no regulatory requirement to insure for tsunamis, and that he does not believe that this property is in a flood plain.

Nebel recommended approval of the purchase and sale agreement.

MOTION was made by Allen, seconded by Roumagoux, to authorize the Executive Director to enter into a purchase and sale agreement with the owner of the subject property that substantially conforms to the draft document reviewed by the Urban Renewal Agency and that the Director is authorized to act on behalf of the Agency to implement the agreement, including initiating a public outreach process to amend the South Beach Urban Renewal Plan as it relates to this acquisition. The motion carried unanimously in a voice vote.

ADJOURNMENT

Having no further business, the meeting adjourned at 5:46 P.M.

Margaret M. Hawker, City Recorder

Richard Beemer, Chair



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

MEMO

DATE: August 14, 2014
TO: City Council
FROM: Spencer Nebel, City Manager
SUBJECT: August 18, 2014 City Council Meeting

The next meeting of the City Council will be held on Monday, August 18, 2014 at 6:00 P.M. This will be preceded by a 5:30 P.M. Joint Urban Renewal Agency and City Council Executive Session. The joint meeting will be held in the City Council Chambers. Following approval of minutes, I will be requesting that an executive session be convened to discuss real property transactions. The executive session will be held in the City Manager's Conference room. Once the executive session is completed, the Council will reconvene in the City Council Chambers and adjourn the joint meeting.

Council President Laura Swanson will be chairing the Regular Council meeting at 6:00 P.M. Mayor Roumagoux has been excused for this meeting. Also, Councilor Saelens has asked to be excused from the meeting on August 18, 2014.

You will notice a number of changes with the look of the agenda and supporting materials. We are utilizing an agenda packet program on a trial basis for the compilation of this packet. An agenda system will greatly streamline this process and potentially will allow for a user-friendly paperless agenda packet to be produced. The most significant change in format is that my report is now shown as individual cover reports to the City Council agenda item summary reports submitted by the departments instead of one single report for the entire meeting.

In reviewing the agenda packet, don't get hung up with any stylistic issues. If we were to go ahead with an agenda management system, we would have the opportunity to tailor any numbering systems, the look of the reports, and agenda itself. (We are not able to do that with the program we are working with as part of this demonstration.) This effort will enable the city to better determine which features are most beneficial to improve our processes. In Sault Ste. Marie, we utilized an agenda management system that significantly reduced the efforts needed to compile the agenda packet for Council meetings. Furthermore, it provides a clean packet for Council members, staff, the media, and the public to utilize online. Thank you for your patience with this pilot project!

Respectfully Submitted,
Spencer R. Nebel
City Manager