



**JOINT CITY COUNCIL AND DESTINATION NEWPORT COMMITTEE WORK  
SESSION AGENDA**

**Monday, August 01, 2016 - 12:00 PM**  
**169 SW Coast Highway, Newport, Oregon 9765**

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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 at 541.574.0613.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

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**1. CALL TO ORDER**

**2. DISCUSSION / ACTION ITEM**

**2.A. Summary Report for the Work Session**

[City Manager Summary Report for Work Session Discussion Items.pdf](#)

**2.B. Annual Report by Municipal Court Judge Pridgeon**

[Newport Municipal Court Citation Data.pdf](#)

**2.C. Discussion on Proposed Contract with News-Times for Creative-Production and Digital Services**

[City Manager's Report and Recommendation -- Destination Newport Marketing Plan for 2016-17.pdf](#)

[Staff Report for the News-Times Personal Services Contract.docx](#)

[DNC Marketing Strategy v5.pdf](#)

[SOW V2.pdf](#)

[Bios.pdf](#)

**2.D. Discussion on Affordable Workforce Housing Issues**

[Attachment A - Community Development Department Report.pdf](#)

[CAI Workforce Housing 2-16-16.pdf](#)

[Workforce and Affordable Housing Initiatives 2-16-16.pdf](#)

[Report on the Lincoln Community Land Trust.doc](#)

[Report on the Lincoln Community Land Trust Attachments.pdf](#)

**3. ADJOURNMENT**

# CITY MANAGER SUMMARY REPORT ON WORK SESSION



Meeting Date: August 1, 2016

## Agenda Item:

### **Summary Report for the Joint City Council and Destination Newport Committee Work Session**

#### Background:

On Monday, August 1 at noon in Conference Room A, the City Council will hold a work session on three specific issues. The first will be to hear the annual report by Municipal Court Judge Pridgeon. The second item will be regarding the proposed contract with the News-Times for creative/production and digital services for marketing Newport in the 2016-17 fiscal year. The third item will be a discussion on affordable workforce housing, including discussion on the resolution of issues relating to the Lincoln Community Land Trust. Please note that the only item that is scheduled for possible action at the evening meeting is relating to the Destination Newport Committee agenda item. For your convenience we have included the attachments in both the work session agenda as well as the general meeting agenda.

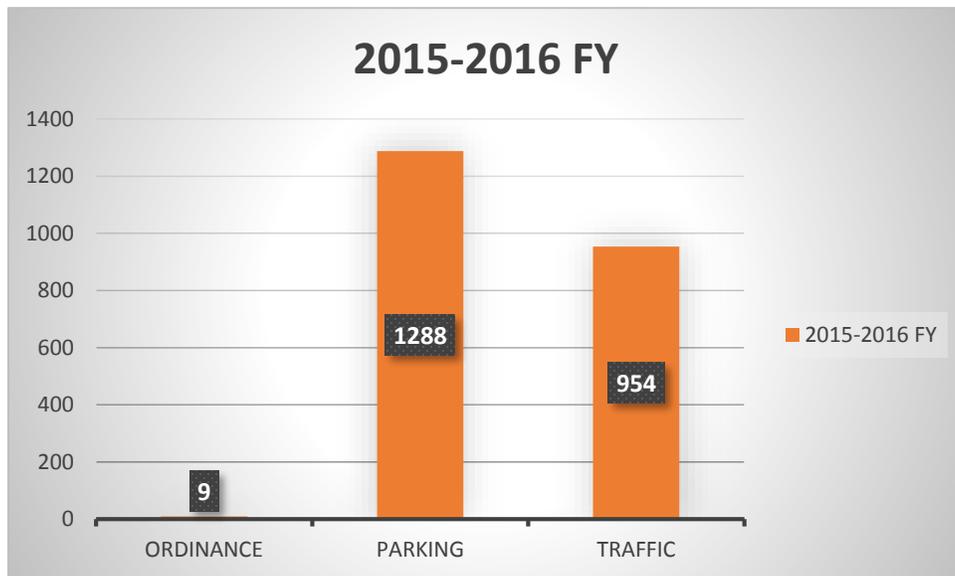
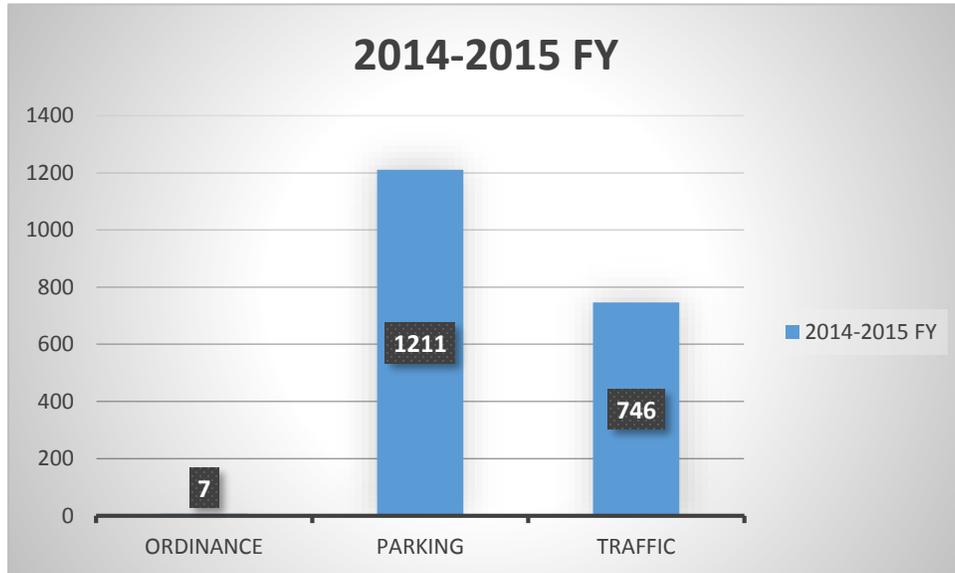
In regards to affordable workforce housing strategies, I have included the report that was provided to the City Council at the February 16 City Council meeting and an attachment from the March 7 City Council Meeting were the City Council considered approving certain strategies to fostering housing within the City of Newport. The Council opted not to take any action on those strategies at that time. I think it would be good to discuss this since the majority of the strategies seem to have the support from the Council. By having some direction from the Council on these matters, it would help in proceeding forward. In addition, we will discuss the City Council desire as to whether to proceed with the Lincoln Community Land Trust or not. I will be providing a separate report tomorrow outlining the various options that the Council could consider ranging from terminating the agreement to continuing through the term of the agreement. I will have some financial information available in the event the Council would elect to terminate the agreement and pay the amount at the point the Council discussed the possible termination of the agreement. This supplemental report will be emailed to the Council tomorrow. (Unfortunately, I ran out of time to get this done as part of the work session packet!)

Please note that we will provide lunch at this meeting.

Respectfully Submitted,

Spencer R. Nebel

# Newport Municipal Court Number of Citation



# CITY MANAGER'S REPORT AND RECOMMENDATION



Meeting Date: 8-1-16

## Agenda Item:

### **From Destination Newport Committee - Consideration of Approval of a Personal Service Agreement between the City of Newport and “News-Times” for the Fiscal Year 2016-17**

#### Background:

At the July 18, 2016 City Council meeting several questions were raised regarding the agreement between the City of Newport and the News-Times for Promotional and advertising activities that will be conducted by the News-Times for the city during the 2016-17 fiscal year.

Annually, the City of Newport has contracted with the News-Times for various services related to the City’s Destination Newport Committee activities. The agreement for the 2016-17 Fiscal Year has been proposed by the Destination Newport Committee for consideration by the City Council. This agreement is a departure from previous years, in that the Destination Newport Committee is recommending a new strategic effort for digital marketing of Newport. This includes optimization of key words, displaying network ads, regular and quarterly reports, tracking activity for these efforts, social media and marketing, utilizing on-line video commercials, the DNC Facebook accounts, and content marketing creating web-pages and micro-sites to support campaign promotion. Part of the art of this process is creating these documents utilizing key words that are optimized, and will place various promotional information in a strategic location when various searches are conducted. In addition, the News-Times will continue to provide the creative/productive function that has been part of previous contracts.

Finally, this contract includes the estimated printing fees for the DNC brochure. The total fee is \$123,000. In addition, it is also estimated that the various purchased media expenses that will be purchased by the News-Times from third parties will be \$45,800 for the city. This is a dollar per dollar reimbursement of the News-Times for these type of ads. Attached is the draft Destination Newport Committee Marketing Plan for 2016-17, a contract with the Newport News-Times doing business as “News Media Digital”, and biographies of the individuals that will be involved in various aspects of this contract for your review. The new emphasis on digital services by the Destination Newport Committee is expected to continue to increase the exposure of Newport to the visiting public.

The City Council elected to table this items until the August 1 meeting and scheduled a work session at noon on August 1 to discuss this possible contract with the News-Times. It was agreed that issues to be addressed at the work session would include 1.)

the contract issuance to the appropriate parties and 2.) the sole source provider with both of these items being addressed in the staff report. On the first issue, I agree that the appropriate party is the City of Newport not the Destination Newport Committee. Please note that I on behalf of the city, I execute all advertising contracts and agreements from the Destination Newport Committee. I apologize for not catching this discrepancy on the agreement.

The second issue that the Council wanted addressed in the staff report relates to the exemption from bidding for advertising contracts. Please note, that under the Public Contracting Rules class exemptions Section E.2 Advertising Contracts, provides: "that the contracting agency may purchase advertising without competitive process regardless of dollar value and including that intended for the purpose of giving public or legal notice." This exemption is primarily because of the difficulty and challenges of bidding specific marketing /advertising services which are either creative in nature or very specific from a knowledge and place standpoint.

In addition, Councilor Busby had asked several questions as well including whether this posed a conflict of interest. City Attorney Steve Rich has reviewed the various relationships of the News-Times to the Chamber to the city with the Ethics Commission. The Ethics Commission has indicated that there are no legal conflicts of interest presented relating to the city contracting with the News-Times for creative production and digital services.

Councilor Busby also inquired about oversight of this contract. The Destination Newport Committee works directly with the News-Times throughout the year to review various activities relating to the contract with the News-Times. I would suggest that the Destination Newport Committee provide quarterly reports to the City Council on the impact of the digital services being provided as part of this contract particularly since this would be the first year that this level of service will be provided to the city by the News-Times or by anyone else. This will create a basis for evaluating the value of this new level of service. Please note that with all Destination Newport business, it is my responsibility to review agreements recommended by the committee and execute those agreements on behalf of the City of Newport for advertising and other similar activities.

Finally, there was a question regarding the specific justification as to why this work would be done as a sole source provider. The city, through the Destination Newport Committee has had a strong relationship with the News-Times for purposes of marketing Newport. The decision to move from a private marketing firm to the News-Times was done about three years ago when it was determined that the creative work could be done for substantially less money than the city had apparently been paying. Furthermore, the News-Times is a local firm that has direct involvement with activity impacting the greater Newport area. The overall evaluation of this relationship is that the creative work has been done for a substantially smaller amount of money than what was previously being paid and the overall content was superior to what was previously being obtained. The Runyon Report has confirmed that the growth of tourism during the past few years in Newport has been at a greater rate than other areas in the central coast of Oregon. This can be from a variety of factors however the marketing of the area is

certainly one of those key factors.

As you are aware, the biggest change in this contract is the addition of \$65,000 to create additional content and do search engine marketing with Google. In this case, there will be an organized effort to optimize keywords of various stories so that when people google a particular activity the Destination Newport story or information will come up high on the google list. In this case, it is critical to increase the amount of local content on a more frequent basis than with a traditional ad campaign. As a result, the News-Times will be creating much more frequent updates of materials that will be used on various websites and optimized for various search engines. The News-Times will still be responsible for the traditional paper, billboard, news releases, and other type of work that they have traditionally prepared under their contract with the City of Newport for marketing activities. The amount the city paid for these creative services in 2015-16 was \$35,000. In addition to that work, the use of social media with digital ads, optimization of keywords, creation of web pages, and or micro sites to support campaign promotion, creating and providing a library of existing content that will be organized by subject for publications throughout the year, placing online video commercials to appear prior to online video, and Facebook marketing, are the new components of this contract. These new components are proposed to be done in addition to the standard work that has been done previously at a cost of \$65,000.

In addition, the contract provides a cost of \$23,000 to design, write, and print the 19.5 inch X 9 inch four panel brochure with distribution of 100,000 brochures to Portland, 40,000 brochures to SeaTac, and 10,000 brochures for the PDX welcome center/ Newport Chamber. This is consistent with previous years.

The use of search engine marketing with google is an area of expertise that reaches beyond my comfort level. In reviewing the recommendation from the Destination Newport Committee of this proposal I have relied on the expertise of the committee which includes Lance Beck who is the full-time Director of Marketing for the Aquarium and Ric Rabourn, Manager of the Hallmark Resort Hotel who are directly involved in digital marketing. In discussing this matter with Lance, he believes that the proposal submitted by the News-Times to conduct this new digital campaign is very favorable to the city. This is in part, because the News-Times generates much information that has a direct correlation to marketing in the greater Newport area. Furthermore, as a committee, the Destination Newport committee has done an excellent job in branding materials from Newport and creating content that is truly beneficial to the region. Lance indicated that it is not usual to have these types of services done on a lump sum basis versus some sort of hourly basis, and he believes that we will get more value out of this agreement than if we were being charged on some other basis for obtaining this work.

By adding digital services to a marketing contract that has been deemed successful by the Destination Newport Committee, and by me, with a local employer who has a vested interest in the success of tourism in Newport, there are many efficiencies that occur. It is my belief, and the committee belief, that this is also a good financial arrangement for the City of Newport.

I appreciate the questions from the City Council and I think it was certainly appropriate to table this issue if there was some level of discomfort on behalf of the Council before proceeding with a decision on this marketing effort. I would suggest that the Council, make some sort of decision on this matter at the August 1 Council meeting since this is directly impacting the campaign for the next twelve-month period. I would also further suggest the Council request a quarterly report on the digital campaign efforts from the Destination Newport Committee going forward in this first year to determine whether this is an appropriate investment to consider in future years as well. It is important, however that a majority of the Council is comfortable with this agreement if it is to go forward.

**Recommendation:**

I recommend the City Council consider the following motion:

**I move approval of the Personal Services Agreement with the Newport News-Times for the digital marketing services, creative production services, and printing for the 2016-17 Fiscal Year with a request of the Destination Newport Committee to provide a quarterly report on the digital marketing campaign for the 2016-17 fiscal year.**

**Fiscal Effects:**

\$425,000 is appropriated for various marketing activities for the 2016-17 Fiscal Year in the budget.

**Alternatives:**

If the Council, choose not to proceed with a digital campaign during this year the Council could award the contract based on last year's efforts which included \$35,000 for creative services and \$23,000 for the brochures or as suggested by the City Council.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel", is written over a light blue circular stamp.

Spencer R. Nebel, City Manager



STAFF REPORT  
CITY COUNCIL AGENDA ITEM

**Prepared by:** Cindy Breves

**Title:** From Destination Newport Committee - Consideration of Approval of Personal Services Agreements between The City of Newport and the News-Times for the Fiscal Year 2016-17

**Recommended Motion:**

I move to approve the personal services agreement with the Newport News-Times for the digital marketing services in the amount of \$123,000 in the 2016-17 fiscal year.

**Background Information:**

Destination Newport Committee is recommending that the City Council approve a personal services contract with the News-Times for digital marketing and creative/production services for the 2016-17 fiscal year in the amount of \$123,000.

In the 2015-16 fiscal year the City of Newport contracted with the News-Times for creative and production services in the amount of \$35,000 and printing of the DNC brochures in the amount of \$23,000 totaling \$58,000. The contract for the 2016-17 fiscal year includes the following services which were included in the previous year's contract.

- Creative: Write, design, illustrate, or otherwise prepare Newport's advertisements, including commercials to be broadcast, or other appropriate forms of Newport's message.
- Production: Properly incorporate the message in mechanical or other form and forward it with proper instructions for the fulfillment of the order.
- Quality Control: Check and verify insertions, displays, broadcasts, or other means used, to such degree as is usually performed by advertising agencies.
- Printing of the DNC brochure.

For the 2016-17 fiscal year the DNC committee is focusing their marketing efforts on digital media, therefore additional services for this focus has been added to the contract for this year. Listed is the additional work added to the 2016-17 fiscal year contract:

- Search Engine Marketing with Google  
This assignment is to promote quarterly marketing campaigns in search, in an effort to drive traffic to website pages and landing pages specific to each campaign.

- **Social Media Marketing**  
This assignment is to promote quarterly marketing campaigns in the social space, in an effort to drive traffic to website pages and landing pages specific to each campaign.
- **Content Marketing**  
This assignment involves the creation of campaign specific Web pages and/or microsites to serve as a means for lead generation and/or informational source on campaign material.

**Fiscal Notes:**

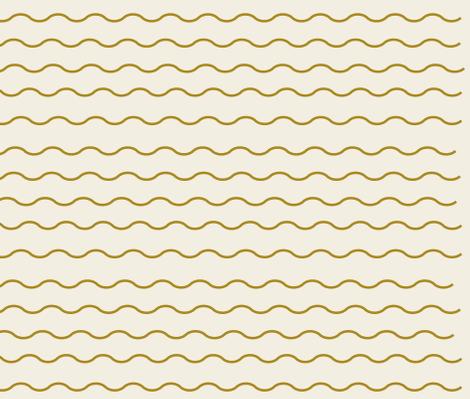
If approved, this funding would come from the \$425,000 in Transit Room Tax monies that have been set aside for marketing and advertising.

**Alternatives:**

The DNC has determined that no other entity is capable of and willing to provide the marketing and digital services the News-Times is at the cost they are offering; therefore, the News-Times is the sole source of the services provided under this agreement. In addition, changing in at this point in the ad campaign would result in additional cost for a new provider to get up to speed on the current campaign which includes the recent video production.



**DRAFT**



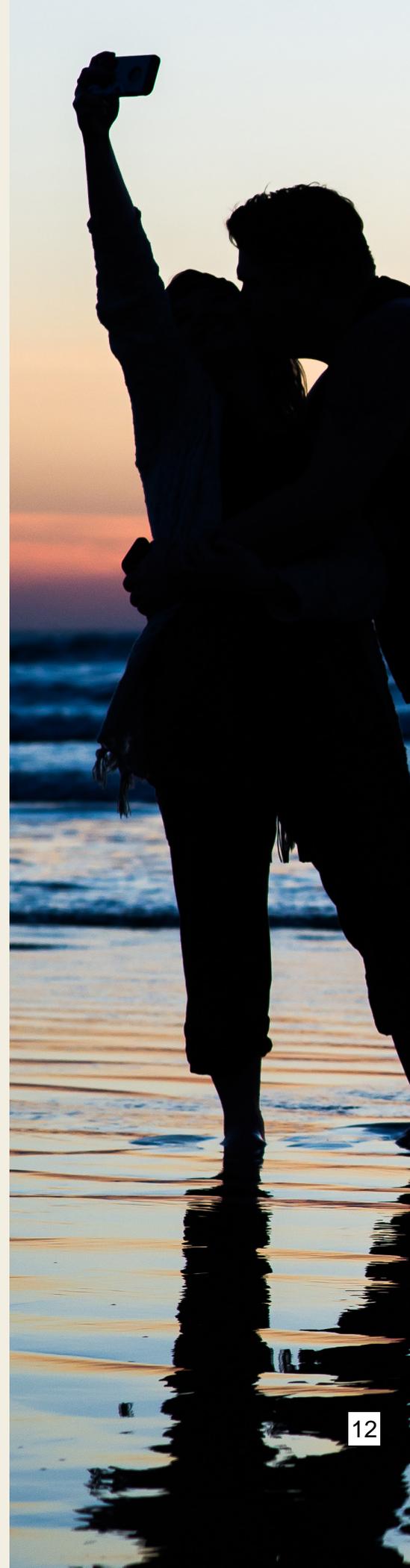
**Destination  
Marketing Plan**  
2016-2017

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## INTRODUCTION

Discover Newport is the city of Newport's designated marketing committee. The organization serves the interests of Newport's tourism economy by marketing the city of Newport as an all-season visitor destination.

With this mission at the forefront of our planning process, the 2016-17 marketing plan defines strategies to attract new visitors while building high levels of loyalty and advocacy—thus increasing the number of returning visitors.





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## Discover Newport Overview

### Discover Newport Vision

To promote the city by differentiating it from the competition and by marketing it as an all-season visitor destination.

### Organizational Structure

As the lead marketing and promotional committee for visitation to Newport, Destination Newport is funded by the 9.5% Tourist Development Tax on short-term accommodations, commonly known as the “room tax.”

Discover Newport employs no full-time or part-time staff. Instead the all volunteer committee members contract with local partners and the Greater Newport Chamber of Commerce to manage the marketing for Newport under the committee’s oversight. Discover Newport manages market research, planning, advertising, and public relations.

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## Discover Newport Committee

- Lorna Davis - Greater Newport Chamber of Commerce
- Lance Beck - Oregon Coast Aquarium
- John Clark - The Whaler Hotel
- Judy Kuhl - Agate Beach Best Western`
- Ric Rabourn - Hallmark Resort
- Steve Beck - Farmers Insurance
- Dean Sawyer - Newport City Council
- Spencer Nebel - Newport City Manager
- Dave Heater - Mariner Enterprises





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## Strengths

**Yaquina Bay Bridge** - Perhaps Newport's most iconic landmark is the gorgeous Yaquina Bay Bridge. Listed on National Register of Historic Places, it is more than just a way to cross the bay, the bridge is an ambassador for the city and a magnificent piece of art-deco architecture.

**Lighthouses** - Newport is lucky enough to have two picturesque lighthouses, Yaquina Head and Yaquina Bay, which were historically used to guide and warn ships at sea.

**Dungeness Crab** - With record numbers of commercial crabbing tonnage coming in, and some of the best opportunities for public crabbing on the entire Oregon coast, Newport is officially the "Dungeness Crab Capital of the World."

**Rogue Brewery** - All of Rogue's brews and spirits are produced in South Beach at the brewery and distillery at the foot of the Yaquina Bay Bridge. Attached to the brewery is Brewers on the Bay, a restaurant and bar that offers a panoramic view of Yaquina Bay and 40 taps.

**Oregon Coast Aquarium** - This world-class marine attraction overlooks scenic Yaquina Bay just south of the Yaquina Bay Bridge. The aquarium strives to be a center of excellence for ocean literacy and plays an active role in conservation, education and animal rehabilitation efforts.

**OMSI Coastal Discovery Center at Camp Gray** - A year-round residential camp focused on getting kids outside.



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**Hatfield Marine Science Center** - HMSC is a facility of Oregon State University, but its campus is home to scientists from a wide variety of institutions, including OSU, the U.S. Environmental Protection Agency, the National Oceanic and Atmospheric Administration, the Oregon Department of Fish and Wildlife, the U.S. Fish and Wildlife Service, and others.

**Performing Arts** - The Newport Performing Arts Center (PAC) is the premiere performance venue on the Oregon coast. It is home to a group of resident companies affectionately called the PACRATs. This Performing Arts Center Resident Artist Team consists of community music, theatre, and dance producers who keep the facility busy year-round.

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## Challenges

**Access** – Currently Newport does not have commercial air service, which creates a 2.5-hour drive from Portland International Airport. This commute is substantial for out-of-state visitors. In light of this, Destination Newport has focused the majority of their marketing efforts on in-state visitors from the Portland Metro Area.

**Lack of Tourism Infrastructure** – Because tourism numbers have significantly increased over the past three years, Newport seems to have nowhere to put all the cars. Visitor complaints about parking availability often focus on the Bayfront and Nye Beach.

**Seasonality** – Although Newport’s winters are mild by much of the country’s standards, they are still windy, cold, and wet. Therefore, the vast majority of visitors come between the months of April and October, leaving millions of dollars in vacant room nights from the months of November through March. Since Newport is not a major winter destination, Destination Newport will center its marketing to bolster our shoulder seasons through group and tour travel, culinary events, and meetings and conventions.





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## Opportunities

**Access** - Upon the completion of the Highway 20 project, Newport will have the safest and fastest highway access to the valley than any other town on the Oregon coast.

**Recreational Fishing** - With the premiere of “Deadliest Catch: Dungeon Cove” this September, Newport can expect a significant increase in exposure thus solidifying our claim as the “Dungeness Crab Capital of the World.”

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# RESEARCH

The Newport Chamber of Commerce purchases the Dean Runyan Travel Impacts in order to track Newport's travel spending and the earnings, employment and tax revenues generated by these expenditures. The report also tracks overnight visitor volume and average spending.





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## Total Visitor Spending

### Newport

Total direct travel spending in Newport was \$163.9 million in 2015. This represents an 8.3 percent increase over the preceding year in current dollars. Visitor spending, excluding transportation, increased by 10.4 percent for the year compared to a 9.1 percent increase the preceding year. Employment and earnings were also up substantially.

### Lincoln County

Total direct travel spending in Lincoln County was \$529.6 million in 2015. This represents an 4.4 percent increase over the preceding year in current dollars. Visitor spending, excluding transportation, increased by 7.1 percent for the year. Employment and earnings were also up marginally.

### Central Coast

Total direct travel spending on the Central Coast was \$717.2 million in 2015. This represents an 4.3 percent increase over the preceding year in current dollars. Visitor spending, excluding transportation, increased by 6.7 percent for the year. Employment and earnings were also up marginally.

*Newport: Travel Impacts, 1991-2015*

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# Travel Trends & Insights

## Millennial families intend to travel more than singles and couples

Research presented by MMGY Global's Vice President of Insights, Steve Cohen, during the TMS Family Travel Summit in May detailed that 64% of millennial families took a vacation in the last year. Millennial families also are more likely to visit a new destination.

## Beach destinations are what travelers are really excited about

While only 56.0 percent of Americans expect to visit a beach destination or resort this year, they report the highest levels of excitement about these trips compared to other destination types.

## Numbers are up

34.2 percent of travelers said that they will increase the number of leisure trips taken this year, up from 31.1 percent one year earlier. 34.4 percent also now plan to devote more money to travel. Demand for leisure travel is strong across regions, destination types and income brackets, but is most pronounced amongst younger, urban residents.

## The last minute weekend traveler

Forty percent of all domestic travel was booked within eight days of travel, and extended weekend trips account for 46% of all leisure vacation travel. Thirty percent of travelers took one overnight trip within 75 miles of home.

## Off the beaten path

A trend favoring Newport, travelers are increasingly seeking new destinations that offer unique local flavor.

## Grandparents Travel

Thirty-one percent of grandparents took at least one overnight trip with their grandchildren in the past 12 months.





# Our visitors

The Discover Newport target audiences are active vacation travelers.

The vacation traveler market consists primarily of families and couples, and accounts for the vast majority of leisure travel in the United States. The ideal vacation for this group includes rest and relaxation, spending time with one's spouse/partner or family, exploration and discovery (new places), adventure and socialization.

Ideal vacation destinations frequently include beaches, with the most important attributes being an easy travel experience, a sense of fun and adventure and local flavor. Vacation travelers say they would like more sightseeing, beaches/waterfront activities, entertainment, culinary activities, nature activities and arts/cultural activities when describing their ideal vacation trip.

## Target Markets

The consumer target market varies by season. Typically, the target markets include the following: Portland, Salem, Eugene, Corvallis, Albany, Bend, and Seattle.

## Visitor Profile

The consumer target audience varies by season. Typically, the target audience profile has a slight male skew, but females are key influencers when children are in the household.

Age 25-40

Families

Household income of \$50,000 to \$150,000

Works full time, generally white collar profession

Owens residence worth \$100,000 to \$250,000

## Newport's Visitor Spending

Accommodations - 26%

Food Service - 26%

Food Stores - 14%

Local Tran. & Gas 1%

Arts, Ent. & Rec. -16%

Retail Sales - 16%

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# MARKETING STRATEGY

## Goals

- Increase the demand in Newport for hotel rooms, attraction visits, package tours, retail sales, restaurant receipts, local transportation and other events and activities that positively affect the economic impact of the local tourism industry.
- Gain regional and national media exposure for Newport's diverse attractions, natural environment, rich history and unique personality to further education and understanding of the Newport product.
- Support and contribute to the enrichment of Newport's multicultural, performing and visual arts, historic, recreation, business and entertainment communities.
- Through strong community outreach and with recognized expertise in the tourism industry, actively participate in and contribute to the overall strategic planning for the growth and sustainability of the visitor industry in Newport.





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## Strategies

**Advertising** - Destination Newport will use various mediums to promote Newport as a travel destination, reaching diverse geographic and demographic markets, with the goal of acquiring new and repeat visitors as well as increasing their length of stay and brand awareness.

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## Methods

**Print, Outdoor and Digital Ads** - Discover Newport will place print advertising and billboard advertising in a variety of locations and publications and will place online digital ads targeting diverse geographic and demographic markets showing what is unique about the Newport area with an emphasis on off-peak and shoulder seasons. Success for online digital ads will be measured through click through rates and impressions; print ads will be measured through unique URL and call center responses.

**Television Ads** - Discover Newport will leverage recent video content targeting identified geographic and demographic markets showing what is unique about the Newport area with an emphasis on off-peak and shoulder seasons.

**Website Marketing, Optimization, Development and Maintenance** - Destination Newport just launched a state-of-the-art responsive website redesign for [www.discovernewport.com](http://www.discovernewport.com) this year featuring itinerary builders to help visitors plan their vacation in advance and to excite them about the many unique possibilities a Newport vacation can afford them. We will continue to develop and maintain our site by focusing on:

**Weekly Updates** – [discovernewport.com](http://discovernewport.com) will be provided with immediate updates to events, attractions, and all other trip planning resources as needed by Discover Newport, as well as any social media sites we are using for promotion.





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**Search Engine Optimization** – Aggressively optimize and modify website source code meta tags to ensure best possible placement on major search engines.

**Search Engine Marketing** - Keywords will be purchased in Google to promote discovernewport.com as an online tourism resource for Newport.

Success will be measured for the websites by visitor and page views; SEM – key word directed visitors to the website; SEO – visitors, search visitors, non-traditional web visitors, organic placement on Google and other search engines. We expect to set a website visitation benchmark for this year.

**Photo/Video Library** – Destination Newport will utilize and maintain the photo and video library provided by the News-Times used for all media to promote what is unique about Newport and the surrounding area.

**Social Media** – Discover Newport will continue to create a social media marketing strategy with a unified voice and message for Facebook, Youtube, and Instagram.

Success will be measured by social media engagement, including followers, likes, shares and web visitation from social media.

# POSSIBLE BUDGET

<b>DNC ADVERTISING 2016-2017</b>	<b>COST</b>
OUTDOOR	\$60,000
TELEVISION	\$70,000
PRINT	\$70,000
DIGITAL	\$75,000
OTHER	\$30,000
SERVICES	\$120,000
TOTAL	\$425,000

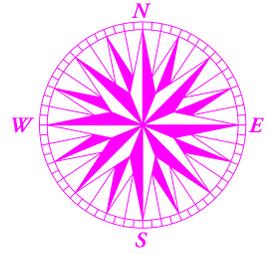
# RACI CHART

- R Responsible**      The person who actually puts things to action.
- A Accountable**      The person who has the ultimate accountability.
- C Consulted**      The person who is consulted with before the final decision is made.
- I Informed**      The person who is informed after the decision is made.

	<b>JAMIE</b>	<b>NNT</b>	<b>NMD</b>	<b>GOOGLE</b>	<b>DNC</b>	<b>CHAMBER</b>
Ad Words	A / R		R	R	C/I	I
Display Network	A / R	R	R		C/I	I
YouTube Pre-Roll	A / R	R	I		I	I
Facebook Ads	A / R	R	I/R		C/I	I
Facebook Boosts	I	I	I		I	A / R
Facebook Posts	A	R	I		I	R
Micro Sites	A		R		I	I
Social Feedback	I				I	A / R
Training	A / R				I	C
Tumblr Posts	A / R	R	I		I	A / R
Content Creation	A / R	R	I		I	A / R
Print Ads	A / R	R	C		I	I
Outdoor	A / R	A	R		I	I







# Contract

PREPARED FOR: THE CITY OF NEWPORT

JUNE 22, 2016  
PROJECT: DESTINATION NEWPORT  
REVISION: 1.1.0  
REVISION DATE: JULY 13, 2016

July 1, 2016 - June 30, 2017

Pursuant to the Project Proposal by and between the City of Newport, Discover Newport Committee (“DNC”) and the Newport News-Times, doing business as News Media Digital (“Vendor”), dated June 20, 2016. This Order is incorporated into and subject to the terms and conditions of the Agreement. The parties agree to the below Scope of Services and financial terms:

accepted and agreed to on this \_\_\_\_ day of \_\_\_\_\_, 2016.

City of Newport, Discover Newport Committee

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Newport News-Times

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# SERVICES

## **Overview**

DNC will use the services of Vendor from July 1st, 2016 to June 30th, 2017 to support the creation, negotiation, execution and optimization of the Discover Newport search engine and social media marketing. The Vendor may change the timeline of the program based on the performance of each campaign. The Vendor will assemble a team to support the program for the specific deliverables as follows:

## **Search Engine Marketing with Google**

This assignment is to promote quarterly marketing campaigns in search, in an effort to drive traffic to website pages and landing pages specific to each campaign. This service order includes:

1. Ad Words optimization of keywords: With the understanding of DNC's objectives for the SEM campaign, placement and ongoing management with agreeable terms:
  1. Monthly budget for bidding set at \$1,500
  2. Vendor to bill DNC direct for third-party placement expenses
  3. Deliverable(s): 5-7 keywords. 15-25 long-tail search terms/keywords
  4. Assumption(s): July 1st launch date
2. Display Network Ads: Vendor will create ads thematically tied to each campaign.
  1. Monthly budget for placement set at \$875
  2. Vendor to bill DNC direct for third-party placement expenses
  3. Deliverable(s): three (3) targeted ads every quarter
  4. Assumption(s): July 1st launch date
3. Optimization and Reporting: The Vendor will produce quarterly reports for the duration of the campaign, making optimizations to the elements of the Ad Words and Display Network Ads to maximize incoming website traffic as the primary key performance indicator. Other metrics include but are not limited to: impressions for all campaign elements, time spent on webpage or microsite, increase in page views.
  1. Deliverable(s): 2-3 rounds of optimization per campaign, one (1) campaign report delivered within fifteen (15) days from end of quarter.
  2. Assumption(s): campaign reports delivered quarterly, until July 15, 2017.

## **Social Media Marketing**

This assignment is to promote quarterly marketing campaigns in the social space, in an effort to drive traffic to website pages and landing pages specific to each campaign. This service order includes:

1. YouTube Pre-Roll: The Vendor will place online video commercials to appear prior to an online video, typically 10-15 seconds in length. Video commercials will be thematically tied to each campaign and based on existing DNC video content.
  1. Monthly budget or placement set at \$417
  2. Vendor to bill DNC direct for third-party placement expenses
  3. Assumption(s): July 1st launch date. Use of existing video content
2. Facebook Marketing: The Vendor will use the DNC Facebook account to raise awareness and drive traffic to the campaign webpages and microsites.
  1. Ad(s): Vendor will create ads from admin panel of DNC page to engage followers.
  2. Post(s): Vendor will copyright for ads
  3. Boosted Post(s): Vendor will advise DNC on which posts to boost. DNC will be responsible for directly boosting posts through Facebook
  4. Monthly budget set at \$250 (does not include boosted posts - \$750 a/mo)
  5. Deliverable(s): four (4) targeted ads each quarter
  6. Assumption(s): July 1st launch date

## **Content Marketing**

This assignment involves the creation of campaign specific Web pages and/or microsites to serve as a means for lead generation and/or informational source on campaign material. This service order includes:

1. Webpages and Microsites: The Vendor will create Web pages and/or microsites to support campaign promotion. Pages will create in-depth information about a particular campaign objective and live as a sub-domain of the main DNC website.
  1. Vendor will create one (1) microsite each quarter.
  2. Assumption(s): July 1st launch date
2. Content Creation: The Vendor will create keyword rich content to support discovernewport.com and social media posts.

1. Vendor will provide a library of existing content that will be organized by subject for publication throughout the year.
2. Vendor will create and provide new content twice a year in April and October with a publication schedule that supports the DNC's identified goals.

### **Creative/ Production**

This assignment involves developing a message designed to address the DNC's identified goals and delivering it in the proper mechanical format for fulfillment of the placement order. This service order includes:

1. Creative: Write, design, illustrate, or otherwise prepare Newport's advertisements, including commercials to be broadcast, or other appropriate forms of Newport's message.
  1. Ad(s): Vendor will create display ads purchased by DNC.
  2. PR: Vendor will submit stories and photography when necessary for advertorials and value added opportunities.
2. Production: Properly incorporate the message in mechanical or other form and forward it with proper instructions for the fulfillment of the order.
  1. Vendor will contact media directly to obtain proper mechanical information.
  2. Vendor will submit advertising directly to media in proper mechanical format.
3. Quality Control: Check and verify insertions, displays, broadcasts, or other means used, to such degree as is usually performed by advertising agencies.
  1. Vendor will proof all forms of Newport's message submitted by vendor
  2. Vendor will attend and represent Newport when available at networking events

## **PRINTING**

This assignment involves designing, copy writing, and the printing of the 19.5" x 9" 4-panel brochure on 99# Sonoma matte stock with reply card. Service includes the use of the News-Times photos and hours spent during the revision and proofing process.

Distribution includes the following:

100,000 brochures - Portland

40,000 brochures - SeaTac

10,000 brochures - PDX Welcome Center/ Newport Chamber

# BUDGET

Professional Fees:	\$100,000
Estimated Media Expenses:	\$45,800*
Estimated Printing Fees:	\$23,000
Total Project Fee:	\$123,000

Fee Billing. Vendor shall invoice DNC in accordance to the payment schedule set forth below. Fees are based on the Scope of Services above and not based on actual hours. As such, Vendor shall not be obligated to provide DNC with hourly billing detail.

Expense Billing. Vendor shall invoice DNC the actual out-of-pocket placement expense amount(s) at the end of the month on an as incurred basis. Actual expenses may vary from any estimated amounts provided in the Budget section.

Prepaid. Vendor will pre-bill Client a one-time amount of \$5,000 to cover estimated media expenses. Any unused prepaid amount will be refunded or utilized at the Client’s discretion.

Invoices. Vendor will render invoices to include professional services in one lump sum and expenses by category. Documentation for out-of-pocket expenses will be available upon request. Payment of the invoices will be due net thirty (30) days from receipt of an invoice. All such invoices shall be addresses to:

- Name:
- Title:
- Company Name:
- Address:

\* THIS FEE WILL BE PAID A REIMBURSEMENT TO THE NEWS-TIMES AND THE NEWPORT CHAMBER OF COMMERCE.

**BROCHURE BILLING SCHEDULE**

Estimated Invoice Date	Amount
Placement of order	\$23,000

**FIXED FEE BILLING SCHEDULE:**

Estimated Invoice Date	Amount
July 1, 2016	\$25,000
October 1, 2016	\$25,000
January 1, 2017	\$25,000
April 1, 2017	\$25,000

**MEDIA EXPENSE BILLING SCHEDULE:**

Estimated Invoice Date	Amount
October 1, 2016	\$11,450
January 1, 2017	\$11,450
April 1, 2017	\$11,450
July 1, 2017	\$11,450

# News Media Digital Core Team

## **Matt Koyak, Brand Strategist/ Social Media/ SEO**

Throughout Matt's career he has been recognized by both private clients and employers as an expert on thought leadership marketing, graphic design, web design, social media, SEO/SEM and interactive marketing trends and best practices. One of his driving philosophies is that successful marketing doesn't just take good ideas, it requires good execution. By using both traditional and new media marketing, Matt has had the opportunity to help organizations take their brand to the next level.

## **Jamie Rand, Creative Director/ Copy Writer**

Jamie is an experienced and enthusiastic marketing/ publishing leader with a track record of successfully developing and executing marketing plans. He has just under three years of destination marketing consultant experience for the City of Newport. He is a decisive, "hands-on" manager of a group of creative independent photographers, designers, and writers. He has developed complete creative marketing plans from conception to delivery, while building partnerships with media throughout the State of Oregon.

## **Nancy Steinberg, Writer**

Nancy Steinberg holds degrees in biology and marine science, and began her writing career as a science writer, editor, and communications consultant. In that capacity, she prepares clear, engaging content on scientific topics for clients including Oregon State University's Hatfield Marine Science Center, the Northwest National Marine Renewable Energy Center, the Journal of Heredity, and The Nature Conservancy. Products for these clients includes web content, press releases, scientific reports, and outreach materials. As a feature writer, she has been published in Oregon Coast Magazine, Oregon Coast Today, and the Newport News-Times on topics ranging from local hiking to classical music to community events.

## **JoHanna Wienert, Photography**

Jo has been a professional photographer for over ten years specializing in landscape and architectural /real estate photography. Jo's previous clients include: Mo's Restaurants (in Newport, Florence, Otter Rock, Lincoln City and Cannon Beach), Mariner Enterprises (Ripley's Believe it or Not and The Wax Works), Central Lincoln PUD, plus hundreds of

private clients who have either bought prior work or hired for special photo shoots. JoHanna has also been recognized for many awards, but possibly the most notable was the Las Vegas Photoshop World GURU AWARD for excellence in Photoshop Design (National Association of Photoshop Professionals).

### **Nathan Howard, Photography**

Nathan Howard is an award-winning photojournalist, documentarian and avid traveler based in the Pacific Northwest. His work can be regularly viewed in the Newport News-Times, and in News-Times Publishing magazines. He holds a degree in communication from Washington State University (Go Cougs!), and has a fascination with bad Sci-Fi movies.

### **Emily Brown, Graphic Artist**

Emily holds her degree in graphic design. She began her career by collaborating with a local entrepreneur to create a sustainable seafood business called Fishpeople Seafood, where she designed the packaging and marketing materials. Emily is a dedicated and hard worker, ensuring speed and quality from concept to installation. She has over 6 years of experience working with several businesses to create attractive and effective publications.

### **Kara Wyatt, Web Designer**

Kara Kettleton received her Associate of Arts degree from Kishwaukee College graduating Magna Cum-Laude. She then received a Bachelor of Fine Arts, majoring in Visual Communications from Northern Illinois University. She is a professional with a sincere competence for connecting with a client and bringing their ideas to life beyond their expectations. She works with various media such as web design, web development, and graphic design.

### **Eric Worman, Senior Applications Developer**

Eric has worked for News Media Corporation for 23 years and currently holds the position of Senior Applications Developer. His primary role is to develop custom web based applications, a role he has held for the past 15 years. He is a Zend Certified Engineer, making him highly proficient in PHP, HTML, CSS, Javascript and SQL.

The Newport City Council recognizes that the limited supply of affordable and workforce housing in our community is a significant challenge that must be addressed through the pursuit of a variety of strategies consistent with the City's adopted housing policies, including:

1. Engaging Lincoln County and other taxing entities on the viability of establishing a multiple unit tax exemption program to incentivize construction of multi-family rental housing.

*A technical work group could be formed to develop a framework for a tax exemption program. The group should include legal, planning, developer, assessor, and affordable housing representatives. Options would then be presented to policy makers for discussion and possible action.*

2. Assessing city owned properties to identify if any are surplus to the public need and suitable for land banking (i.e. donation) or for sale.

*Background information on each city owned property has been compiled and presented to the Council in the past. It can be refreshed and brought forward for discussion in a work session to see if there is general consensus if any of the parcels are surplus to the public need and, if so, what other use they may be suitable for. Any steps to surplus property require formal Council action, and the scope of what that might look like may become clearer following the work session. If an opportunity exists to sell, as opposed to donate property for workforce or affordable housing, the City should evaluate if a sale for less than market value could be used to leverage affordable units.*

3. Looking into whether or not the City wants to convey to Lincoln County that it is willing to forgo tax revenue from the sale of foreclosed property if the property is to be used for affordable or workforce housing purposes.

*This might be best accomplished by letter and a draft can be brought forward for Council consideration at a future meeting. Such a letter could then be distributed to other affected municipalities to see if they would be willing to sign on.*

4. Investigating if changes are needed to the intergovernmental agreement the City has with Community Service Consortium (CSC) to improve citizen access to Community Development Block Grant (CDBG) funds the agency is managing on the City's behalf.

*As an initial step, the Council may want to invite Community Service Consortium to provide an update on their implementation of the intergovernmental agreement, what they believe has and hasn't been working, and any suggestions they may have for how the program can be strengthened.*

5. Exploring opportunities to incentivize the construction of affordable or workforce housing units with reductions in System Development Charges.

*Funds have been budgeted for this work, and a Request for Proposals will be put out this spring to secure a consultant to assist the City in updating its System Development Charge (SDC) methodology. Strategies for structuring SDC fees to facilitate construction of affordable and workforce housing will be examined. An advisory committee will need to be formed to assist with the project, and the resulting recommendations would be presented to the Planning Commission and Council.*

6. Evaluating the viability of adopting alternative street standards into the Newport Transportation System Plan and subdivision codes to reduce infrastructure costs for new development.

*This will require coordination with the Public Works and Fire Departments and it might be best to forward the Planning Commission to develop options for reduced street sections for consideration and possible adoption into the Newport Transportation System Plan.*

7. Evaluating opportunities to leverage Newport Northside Urban Renewal funds in redevelopment projects that will create new affordable and workforce housing units, recognizing that such funds will not be available for expenditure for several years.

*No specific action is needed at this time. Goals were included in the urban renewal plan to support use of funds to promote the construction of affordable and workforce housing units. The Urban Renewal Agency should be in a position to initiate an Agate Beach neighborhood plan, and Downtown revitalization plan beginning in 2017/2018 and these planning efforts present an opportunity to identify if urban renewal funding can be leveraged to help realize new affordable or workforce housing units.*

8. Participating in regional affordable and workforce housing forums with partner agencies and stakeholders.

*This includes dedicating staff and meeting space to better understand partner agencies/stakeholders housing related needs, expertise and resources in order to develop concepts for moving affordable and workforce housing projects forward. The Economic Development Alliance of Lincoln County is tentatively looking to hold such a forum in Newport on April 5, 2016.*

9. Reviewing any newly adopted statewide legislation intended to improve the availability affordable or workforce housing for potential application in Newport.

*It is likely that the 2016 short session will produce some changes, including authority for local governments to adopt inclusionary zoning in a limited capacity (e.g. the ability to mandate that a portion of the units in a new multi-family development be affordable), and authorization for local governments to adopted a modest construction excise tax. The legislation could be forwarded to the Planning Commission for its consideration and recommendation as to whether or not any of the new authorities should be implemented.*

10. Assisting Habitat for Humanity in implementing a land donation agreement for the construction of affordable housing at SE10<sup>th</sup> and S Pine Street.

*Staff time will need to be dedicated to assist Habitat in putting easements in place, adjusting property lines, and taking similar measures to position the properties for development.*



STAFF REPORT  
CITY COUNCIL AGENDA ITEM

**Title:** Presentation on Workforce and Affordable Housing Initiatives

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**Prepared by:** Derrick I. Tokos, AICP, Community Development Director

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**Recommended Motion:** None. This is a work session. Specific follow-up actions by the Council can be scheduled for consideration at the March 7<sup>th</sup> regular meeting.

**Background Information:** Under state law the City of Newport is responsible for inventorying its buildable lands for residential use and for developing plans to encourage the availability of housing at price points commensurate with the financial capabilities of Newport households. To that end, the City engaged its community partners in 2011 and 2014 to update its housing data and develop strategies for improving the inventory of affordable and workforce housing in Newport.

A number of the strategies and recommendations have been implemented including expanded allowances for accessory dwelling units, new regulations to provide flexibility for siting “park model” units in Manufactured Dwelling Parks, and the creation of a revolving loan fund and land bank program. Other implementation strategies are ongoing or have not yet to be implemented.

This presentation focuses on affordable and workforce housing strategies or “initiatives” that are in the process of being implemented or have yet to be initiated. Each topic area includes actions the Council can take to move the issue forward, along with a brief explanation of the benefit, how it relates to adopted City goals and policies, and a general timeframe within which the strategy can be implemented.

**Fiscal Notes:** None with respect to this agenda item.

**Alternatives:** The presentation sets out a range of potential alternatives that the City is pursuing or can pursue. Council members or attendees may identify other opportunities during the work session.

**Attachments:** PowerPoint presentation.

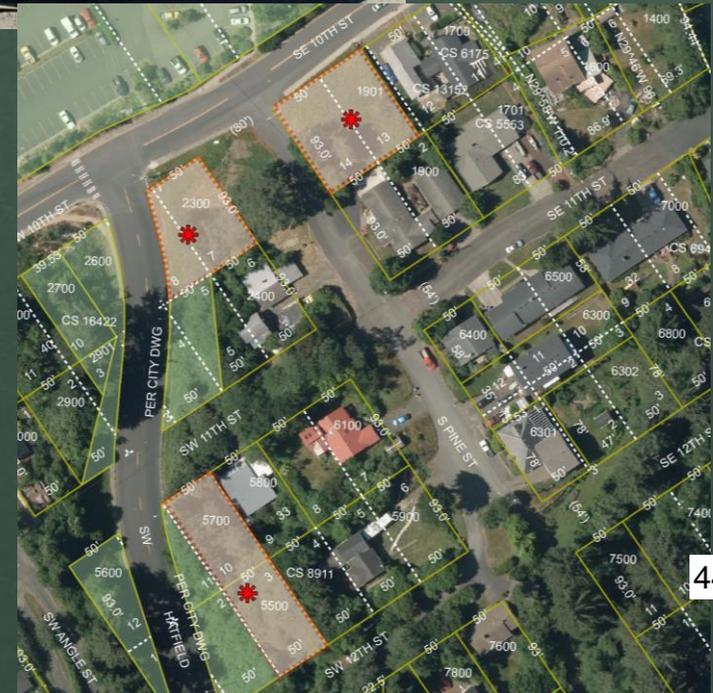
# Workforce and Affordable Housing Initiatives

Newport City Council  
Work Session  
5:15 pm, February 16, 2016

# Partnership with Habitat for Humanity

Waldport

- ◇ Action: Assist Habitat in implementing land donation agreement for the construction of affordable housing at SE10<sup>th</sup> and S Pine Street.
- ◇ Timeframe: 2-4 years.  
First units, a duplex targeted for construction in 2016.
- ◇ Benefit: Incrementally increases supply of owner occupied housing affordable to families making 40- 60% of median family income ( **i.e. not more than \$34,680 a year for a family of four**).
- ◇ Implements: Newport Housing Goal 1 and Goal 2, Policy 2, which calls for the City to cooperate with non-profits on the provision of needed housing, including the establishment of a land bank program.



# Partnership with Lincoln Community Land Trust (LCLT)

Lincoln City

- ◆ Action: Affirm partnership with LCLT by following through with the sustaining funding MOU with the Trust, Lincoln City, and Lincoln County.

- ◆ Timeframe: 1-3 years.

MOU expires after three year term unless renewed by all parties.

- ◆ Benefit: A multi-jurisdictional partnership with a non-profit that manages a portfolio of owner occupied homes with land leases to guarantee long term affordability. This allows the cities and county to avoid being directly involved in buyer education or managing property portfolios. Targets a wider income range than other housing entities to address workforce needs (up to **120% of MFI** or up to **\$69,360 a year** for a family of four).

- ◆ Implements: Newport Housing Goal 1 and Goal 2, Policy 2, which calls for the City to cooperate with non-profits and other governmental agencies on the provision of needed housing.



# Establish Multiple Unit Property Tax Exemption (MULTE) to Support Multi-Family Development

A MULTE Program can provide new multiple-unit projects with a ten-year property tax exemption on structural improvements to the property as long as program requirements are met.

- ◆ Action: Engage the county to develop a tax exemption program for Lincoln County.
- ◆ Timeframe: 1-2 years.
- ◆ Benefit: Creates an incentive for the construction of owner occupied and rental multi-family housing units, a form of residential housing that is in short supply in Newport. Tax exemption is typically offset with a guarantee that a portion of the units be affordable during the term of the exemption (e.g. 20% of units at 60% of MFI or **up to \$34,680 a year** for a family of four on an owner occupied unit **or \$795 month for a 2 bedroom unit**).
- ◆ Implements: Newport Housing Goal 1 and Goal 2, Policy 9, which calls for the City to work with the County to evaluate the use of this exemption.



# Review City Owned Property to Identify if others are Suitable for Land Banking

◇ Action: Assess city owned properties to identify if any are suitable for land banking (i.e. donation) for affordable housing.

◇ Timeframe: 6 months.

Properties inventories are thorough but would need to be updated.



◇ Benefits: Donation of property drives down the development costs so that residential units can be constructed at price points affordable to families between 60 and 120% of MFI. Suitable properties are those that are readily developable or can be sold with proceeds used as buyer initiated grants.

◇ Implements: Goal 2, Policy 2, which calls for the City to establish a land bank program. Implementation Measure 1.4 which calls for the City to explore creative funding mechanisms to facilitate construction of needed housing.

# Tax Foreclosed Properties

◆ Action: Convey to the County that the City is willing to forgo tax revenue from the sale of foreclosed property if they are to be used for affordable or workforce housing purposes. Coordinating a joint letter from all of the cities might be the most effective approach.

◆ Timeframe: 6 months.

◆ Benefits: Residential properties or vacant parcels suitable for residential development are sometimes available as a result of tax foreclosure. Donation of such properties to Habitat, LCLT, or other nonprofit partners creates opportunities to expand the community's inventory of affordable and workforce housing.

◆ Implements: Is consistent with Implementation Measure 1.4 which calls for the City to explore creative funding mechanisms to facilitate construction of needed housing.

AVAILABLE PROPERTY LIST										Revised on 10/5/15	
The property listed below is available for private purchase until sold.										Amy Howard, Property Manager	
OFFER PENDING	Parcel #	MAP #	TAX LOT	NEAREST CITY / COMMUNITY	ADDRESS (If Available) / GENERAL DIRECTIONS & PERTINENT INFORMATION	ZONING	APPROX. SIZE	LAST AUCTION DATE OR PRIVATE SALE NOTICE	MINIMUM BID @ LAST AUCTION		
<b>THIS IS NOT NECESSARILY THE CURRENT PURCHASE PRICE - PLEASE READ THE GENERAL INFORMATION PAGE.</b>											
					<b>6538 N Salmon Berry Ln., Otis, OR 97368</b> - Parcel has been cleared & utilities at site. LC Planning Dept. has record of existing septic system.	R-1,RC	.55 acre	10/3/13	\$ 35,000		
1	06-10-25-CC		400	Otis							
					<b>6518 N Salmon Berry Ln., Otis, OR 97368</b> - Parcel has been cleared & utilities at site. LC Planning Dept. has no record of septic system.	R-1,RC	.59 acre	10/3/13	\$ 35,000		
2	06-10-25-CC		800	Otis							
	06-10-33-AD		1900	Otis	<b>418 N Best View Dr.</b> - Located on the corner of N Spring Dr. & N Best View Dr. Tax lots 1900 & 2000 are being sold together.	R-1,RC	.14 acre				
3	06-10-33-AD		2000	Otis				9/17/15	\$ 40,000		
					<b>417 N Fawn Dr., Otis, OR 97368</b> - Has Manufactured Structure Serial #3496 located on it. Clean-up will be a requirement of sale.	R-1,RC	.14 acre	10/3/13	\$ 25,000		
4	06-10-33-AD		6000	Otis	Parcel on the NW corner of NW 22nd St. & NW Mast Ave. (Although NW Mast is platted, it is not physically punched through.)	R-M	.22 acre	9/17/15	\$ 40,000		
5	07-11-10-AD		5500	Lincoln City							
6	07-11-11-CC		5800	Lincoln City	<b>2430 NE 14th St., Unit 57</b> (Lot 57 in gated Indian Shores Subdivision) - Triangle shaped parcel	R-7.5	.14 acre	9/17/15	\$ 10,000		
7	07-11-23-BB		6400	Lincoln City	Located between SE Quay & SE Reef Pl. Access is from SE Quay - 4 adjoining tax lots being sold together.	R-7.5	.27 acre	9/17/15	\$ 60,000		
	07-11-23-BB		6500	Lincoln City		R-7.5	.27 acre	9/30/10			
	07-11-23-BB		6600	Lincoln City		R-7.5	.18 acre	9/17/15			
	07-11-23-BB		6700	Lincoln City		R-7.5	.23 acre	9/17/15			
8	07-11-27-CD		9700	Lincoln City	4660 SW Coast Ave.	R-5	1.32 acre	9/30/10	\$ 99,000		
					River-front / Legal access is by river / Has registered boat dock.	T-C	.11 acre	10/23/08	\$ 30,000		
9	08-10-1B		500	City/Siletz							
10	09-11-29-CD		4600	Otter Rock	<b>OCEANVIEW LOT1</b> Located within the gated Sea Crest Subdivision, on Sea Crest Place cul-de-sac. *	R-1, PD	.09 acre	9/17/15	\$ 275,000		
11	09-11-29-CD		4800	Otter Rock	<b>OCEANVIEW LOT2</b> Located within the gated Sea Crest Subdivision, on Sea Crest Place cul-de-sac. *	R-1, PD	.11 acre	9/17/15	\$ 100,000		
12	10-10-08-DD		2001	Siletz	Between Hwy. 229 & 80 Camp 12 Loop	RR-5, DR	.34 acre	9/29/11	\$ 35,000		
13	10-11-20-CA		2200	Newport	Across the street & to the West of 127 NE Shore Pine Ct., Newport	R-4	.13 acre	9/18/14	\$ 30,020		
14	10-11-20-CA		2300	Newport	Across the street from 127 NE Shore Pine Ct., Newport	R-4	.13 acre	9/18/14	\$ 29,960		
15	11-09-10-BC		700	Eddyville	<b>20900 Hwy. 20</b>	R-1,RC	.15 acre	9/27/12	\$ 25,000		
16	11-10-08-BD		499	Toledo	<b>Directions:</b> NW of 1875 NE Arcadia Dr.	R-S	.44 acre	9/27/12	\$ 9,500		
17	11-10-08-BD		499	Toledo	There are 2 segments within 1 tax lot.	R-S	.05 acre				
18	11-10-08-CC		6000	Toledo	Near 236 NE 9th St./Appears to be land-locked.	R-G	.40 acre	9/30/10	\$ 11,000		
19	11-10-08-CC		5501	Toledo	Directly off of NE Hwy. 20 (Bus 20), & between 459 NE Andie Ln. & 624 NE Beech St.	R-G	.29 acre	10/23/08	\$ 15,000		
20	11-10-17-BB		9100	Toledo	Corner of E Hwy. 20 & NE Alder St.	C	.09 acre	9/30/10	\$ 16,000		
21	11-10-17-BD		200	Toledo	Corner lot - Across the street from 208 SE Fir St.	R-G	.23 acre	10/23/08	\$ 7,500		

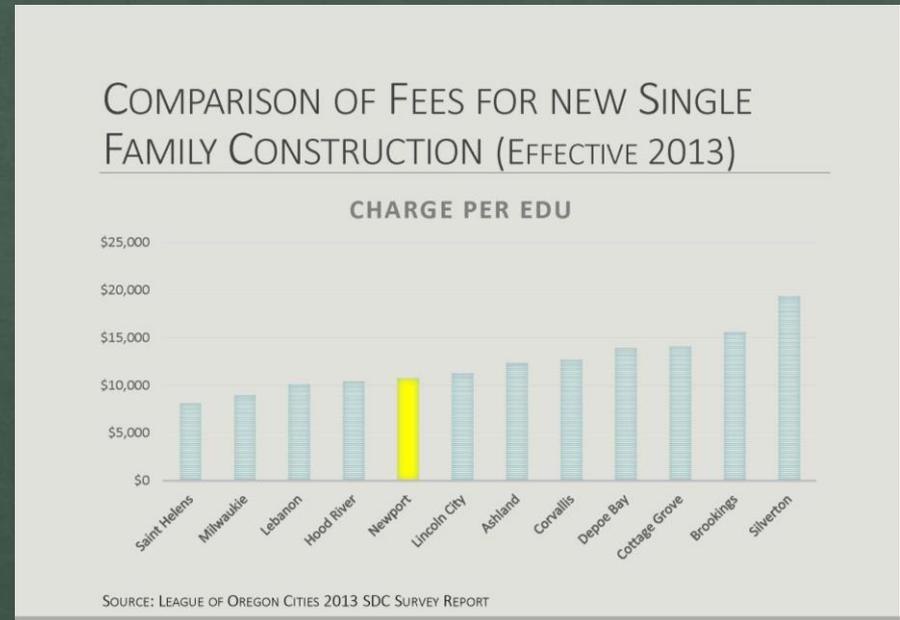
# Community Service Consortium (CSC) Housing Rehabilitation Programs

- ◆ Action: Work with CSC to establish a Newport based liaison to assist private parties in need of rehab work on their homes but cannot qualify for conventional loans. Liaison could be a non-profit such as Habitat or LCLT.
- ◆ Timeframe: 2-4 years.
- ◆ Benefit: CDBG Program designed to help low to moderate income home owners alleviate health and safety issues or correct structural deficiencies that they could not otherwise address through conventional financing. Helps preserve affordable housing stock. Over \$170,000 available to Newport residents as of 6/30/14. Loan amount capped at \$30,000. Income level cannot exceed 80% MFI or **\$47,040 a year for a family of four**.
- ◆ Implements: Housing Policy 9, which calls for the City to evaluate the use of CDBG funds to support low-income housing.



# System Development Charges (SDCs)

- ◇ Action: Explore opportunities to incentivize construction of affordable or workforce housing units with reductions in SDCs.
- ◇ Timeframe: 1-2 years.  
Funds budgeted for SDC methodology update. Work to commence once sewer master plan capital project list is complete (Feb/Mar 2016).



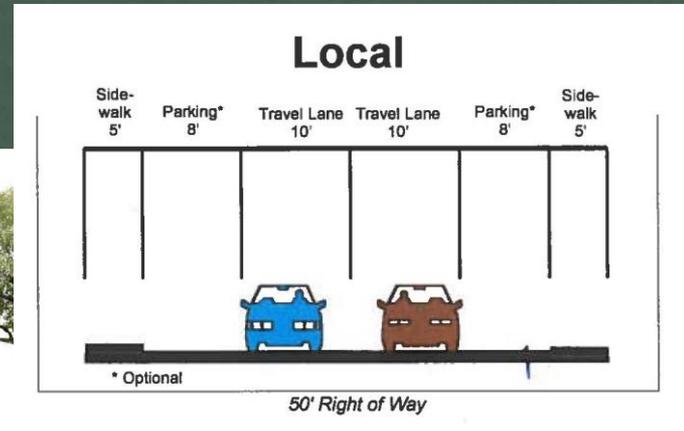
- ◇ Benefit: SDCs are a significant upfront development cost (roughly \$11,000 per unit). Programs often require long term affordability guarantee via recorded agreement (e.g. maintain affordability for 60 years at 60% MFI). Can be capped to limit impacts to SDC revenues.
- ◇ Implements: Policy 1, Implementation Measure 1.4.

# Narrow Street Standards

TSP Standard

Coho/Brant Alt.

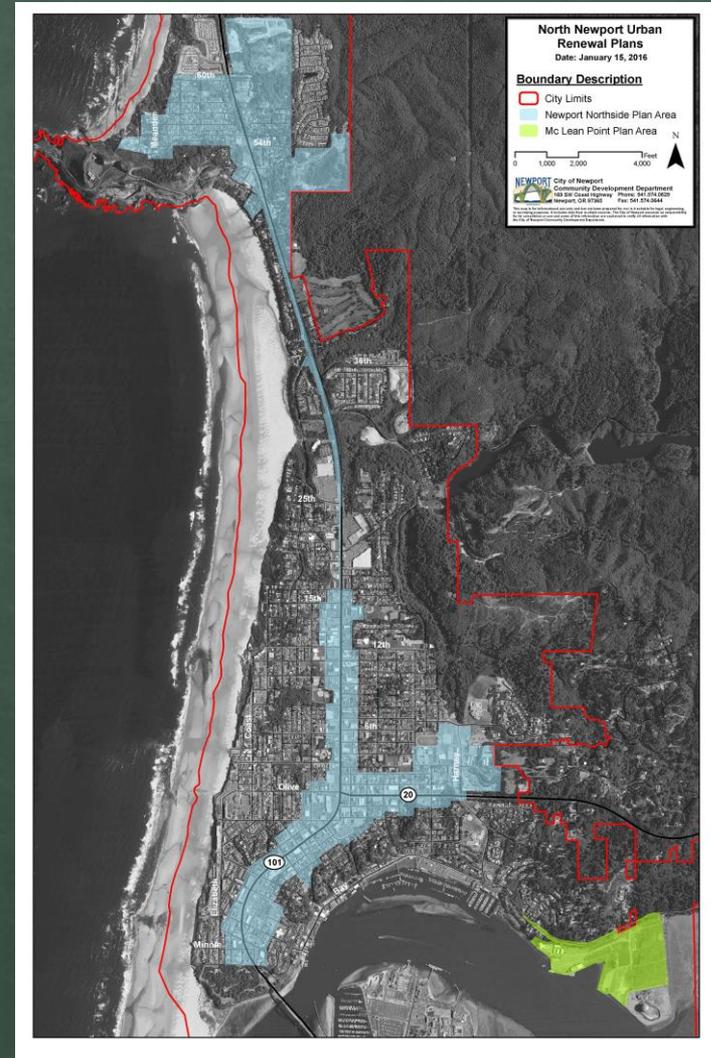
- ◇ Action: Develop alternative street standards to reduce infrastructure costs for new development.
- ◇ Timeframe: 2-4 years.



- ◇ Benefit: The cost of installing infrastructure is a substantial portion of a projects development costs. Alternative standards could serve as an incentive to increase the supply of housing generally, or as a means of leveraging a certain number of units at affordable or workforce housing price points. Applicable to owner occupied or rental properties.
- ◇ Implements: Policy 4, Implementation Measure 4.2.

# Leverage Urban Renewal Funding

- ◇ Action: Evaluate opportunities to invest Newport Northside Urban Renewal funds in redevelopment projects that will create new affordable and workforce housing units.
- ◇ Timeframe: 5-10 years.  
Could be prioritized as part of the Agate Beach and City Center refinement plans.
- ◇ Benefit: Direct investment in project or supporting infrastructure in exchange for a certain percentage of residential units being constructed at price points affordable to Newport workers. Would likely be accomplished with development agreements.
- ◇ Implements: Policy 1, Implementation Measure 1.4.



# Affordable/Workforce Housing Policy Considerations

- ◆ Incentive based approaches preferable to regulatory solutions
- ◆ Commission, Council and Staff roles with partner agencies and non-profits should be clarified
- ◆ Long term challenge requiring multiple strategies and effective partnerships
- ◆ Value in regularly assessing progress and extent to which City desires to be actively engaged in the provision of housing
- ◆ Opportunities to support partner agencies (e.g. \$60 million in recently appropriated state housing funding)
- ◆ Others?



Spencer Nebel  
City Manager  
CITY OF NEWPORT  
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Newport, OR 97365  
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## MEMO

DATE: July 29, 2016  
TO: Mayor and City Council Members  
FROM: Spencer Nebel, City Manager  
SUBJECT: Report on the Lincoln Community Land Trust

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We have scheduled time on the August 1 City Council work session to discuss the city's contract with the Lincoln Community Land Trust.

### Brief History

The Lincoln County Land Trust was created in 2008 to promote the development of work force housing for families earning the median family income for Lincoln County. The composition of the board for the Land Trust includes "lessee representatives", "general representatives", and "public representatives". There are two representatives in each category. Please note that the "public representatives" include a member of the Lincoln County Commission, a member of the council of any city in Lincoln County, a member of the board of any special government district in Lincoln County, a member of a board of a 501C3 designated organization or any of these member designees.

The City of Newport, the City of Lincoln City, Lincoln County, and the Lincoln Community Land Trust entered into a memorandum of understanding (MOU) in July 2014. This memorandum of understanding was amended March 25, 2015, to indicate that the funding from the various entities could be used to support professional staffing for the Land Trust and associated administrative support services. The public partners indicated a willingness to provide \$30,000 to LCLT beginning July 1, 2014 and continuing through June 30, 2017 for a total of \$90,000 per partner. Please note that to date the City of Newport has paid \$30,000 of this pledge. In return the funding would be used to provide a sustainable source of administrative funding in order to meet the goal of providing permanently affordable home ownership for individuals and working families within Lincoln County. Please note that the MOU is for a start-up period and that Land Trust is to work towards full budgetary self-sufficiency by the end of the funding allocation. The Land Trust indicated that annual reports would be provided to the public partners each year with a final report being provided no later than December 2016. The Land Trust tried to recruit an individual with the appropriate background to meet the Trust obligations regarding

affordable housing in Lincoln County, however this proved to be a challenge. The Trust ended up entering into an agreement with Proud Ground to provide these administrative services on a contractual basis. Proud Ground has a solid background in providing affordable housing in the Portland area. They bring to the table a significant amount of experience to help facilitate that type of activity in Lincoln County.

At a December 7, 2015 work session on affordable housing, members of the City Council expressed concerns regarding how the Lincoln Community Land Trust was operating and whether the City of Newport was receiving value from its investment of \$30,000 per year to support an administrative service for the Land Trust. City Council Member expressed concern for how the Trust had proceeded with a request for proposals for concepts to develop vacant city property in the Nye Beach area. The had not specifically requested or communicated to the City Council or the City Manager that it was pursuing the possible development of this city owned site. Furthermore, following this meeting upon request for certain documents, the Land Trust indicated that since they were a private non-profit organization they were not required to release this information. Finally, there were concerns that there was no method of regularly reporting the activities of the Land Trust to the City Council which was one of three governmental entities contributing \$30,000 a year for the administrative operation of the Trust.

As a result of expressing these concerns to the Land Trust, Board Chair Bill Hall forwarded a letter to the City Council apologizing on behalf of the LCLT Board of Directors for getting the cart before the horse on this property. In addition, the Land Trust understood the frustrations that a lack of communication on this matter brought to this specific situation and to the ongoing relationship between the City of Newport and the Land Trust. In order to address these valid concerns, the Land Trust now provides the City Council a monthly Trust board packets including the meeting agenda, minutes of the previous meeting, the Executive Director's Report and financial reports that are compiled from time to time.

A process was suggested that would, in the future provide the City Council with a preliminary notice that an organization is interested in developing a piece of city property. The Council would be able to determine whether they wish to pursue that process or not before there is any detailed effort on how the property would be developed. On each specific parcel, the City Council could also determine that additional study is needed on that property to determine whether that is that property's best or highest use. This also would create more transparency for the general public well in advance of any development decision making regarding these types of issues in the future.

On January 4, 2016 the City Council met to discuss the report compiled by the City Manager regarding the Lincoln Community Land Trust. There was various discussion regarding the issues relating to the relation between the city and the Lincoln Community Land Trust (LCLT) that are outline in the attached minutes from January 4, 2016. At the end of the meeting a motion was made to withhold all future payments to LCLT until all satisfactory data and planning information is provided to the City Council. Please note that no further payments have been made by the city to the LCLT in accordance with this motion.

In response to concerns expressed by the City Council, the Land Trust has taken several steps to address those concerns.

#### Land Trust Actions

1. The Land Trust is providing an annual report to the member communities as to the activities and expenses that occurred through the course of the year in accordance with the MOU.
2. The Land Trust will contact the City of Newport in advance regarding the consideration of the use of vacant city properties to facilitate the development of affordable housing within the City of Newport.
3. The Lincoln Community Land Trust provides the local elected officials who are partners with the Land Trust with copies of board packets, agendas, minutes, and the executive director's report, as well as period financial reports. This keeps the partners funding the Land Trust more aware of the activities of the Land Trust.
4. The Land Trust has offered as a liaison capacity for elected officials from partner cities to share information back and forth between the governmental entities and the Land Trust.

#### Options for Proceeding Forward

The Memorandum of Understanding that was entered into between the Lincoln Community Land Trust, The City of Newport, The City of Lincoln City, and Lincoln County was done pursuant to ORS Chapter 190 to establish base funding for administrative services to be provided by the Lincoln Community Land Trust. The city's appropriation was \$30,000 a year beginning July 1, 2014 with annual payments occurring in the fiscal year beginning July 2015 and the fiscal year beginning July 1, 2016 for a total commitment by the City of Newport of \$90,000 over a three-year period. The only payment that has been made was in the 2014-15 fiscal year. No other payments have been made in accordance with the actions taken by the City Council at the January 4, 2016 City Council meeting. City Attorney Steve Rich has indicated that the City Council can legally end the MOU at any time. There may be some obligations to address a portion of the expenses that occurred up until the January 4, 2016 action which the city notified the Land Trust that it was suspending payments and possible participation in the MOU. I think the City Council has several alternatives that it could explore in addressing the MOU:

1. Reaffirm its commitment to participate in the partnership through the third and final year of the MOU approved by the City Council in July 2014.
2. Terminate the MOU with no further payments to the LCLT.
3. Prorate the second payment for 2015-16 based on the January 4, 2016 suspension of payment date with the City Council terminating the agreement and forwarding \$15,000 to the LCLT.
4. Calculating the expenses incurred for the first six months of the fiscal year and paying an amount equivalent to 1/3 of that commitment and terminating the agreement.
5. Pay the \$30,000 2015-16 commitment and terminate the agreement.

It remains my recommendation to the City Council that the City of Newport continues the commitment it made in July 2014 to the City of Lincoln City and Lincoln County to provide start-up funds for the Lincoln Community Land Trust. While legally the City Council

certainly can consider terminating the agreement and based on earlier activities of the Land trust there was some basis for doing that, I do believe that the Land Trust has made efforts to address the valid concerns expressed by the City Council in modifying their approach going forward and I do believe that the City Council had legitimist concerns as to the actions taken by the trust without notice to the city. It is also my view that when a commitment is made to other governmental entities that commitment should be honored. If the city's investment results in a sustainable body to develop workforce housing in Lincoln County, I believe that this investment will be warranted. The Land Trust has had a number of significant challenges, some of which were created by the Land Trust itself, but it remains a tool in the toolbox to attempt to address a problem that we all acknowledge exist in Lincoln County. It would be my intent to place this item on the August 15 agenda for a final decision by the City Council. Please let me know if there is any specific information that you would like prior to making a final decision on this matter for the August 15 meeting.

Respectfully submitted,



Spencer R. Nebel  
City Manager

Attachments:

1. MOU dated July 2014
2. Amended MOU dated March 25, 2015
3. A Communication to the City Council from Bill Hall regarding the concerns over the issuing an RFP for the development of city property located in Nye Beach.
4. January 4, 2016 City Council Minutes
5. Financial Statements for the first six months of 2016 and the 2015 calendar year.
6. 2015 LCLT Annual Report

1

Memorandum of Understanding  
 By and Between  
 Lincoln Community Land Trust, a 501(c)(3) nonprofit  
 and  
 the City of Newport, the City of Lincoln City and  
 Lincoln County

This Memorandum of Understanding (MOU) is entered into by **The Lincoln Community Land Trust (LCLT)**, a 501(c)(3) nonprofit organization and the **City of Newport, the City of Lincoln City and Lincoln County (together the Public Partners)** pursuant to ORS Chapter 190. It is intended to establish base funding by the **Public Partners** for administrative services to be provided by **LCLT** in supporting **LCLT's** mission to provide permanently affordable homeownership for working individuals and families within Lincoln County .

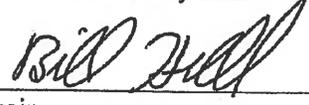
The **Public Partners**, subject to annual appropriations through their individual local budget processes, will each annually on July 1 provide **\$30,000** to **LCLT** beginning July 1, 2014 and continuing through June 30, 2017 (total of **\$90,000** per public partner and **\$270,000** by all the Public Partners for the three fiscal years). The funding will support a full time staff person for the **LCLT** and associated administrative support services. It is intended that the funding will cover all costs associated with the position and services and **LCLT** will be responsible for covering any shortfalls between actual costs and the funding provided. If **LCLT** should for any reason not be able to fulfill its obligations, any remaining funds will be returned to the **Public Partners**.

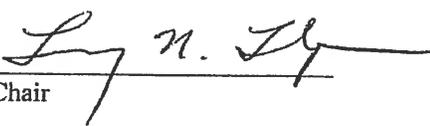
In addition to the funding support for **LCLT's** mission, the **Public Partners**, without a specific commitment of resources or properties, agree to give a high priority, within requirements under law, to providing surplus or foreclosed land held by them and/or revolving loan funds to the **LCLT** for housing development. Without committing to a specific number of homes in specific locations, **LCLT** commits to making a priority to distribute housing units throughout the county with as much equity as possible.

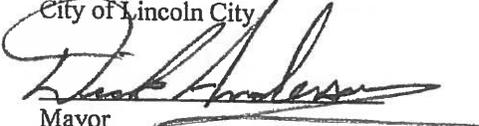
It is intended that the funding provided by this MOU is temporary in nature and that **LCLT** will work towards full budgetary self-sufficiency by the end of this funding allocation. Towards that end, **LCLT** shall provide annual reports by July 1 of each year and a final report to the **Public Partners**, no later than December 1, 2016, detailing its accomplishments to that date, funding for services after July 1, 2017 and how it intends to be fully funded for services thereafter.

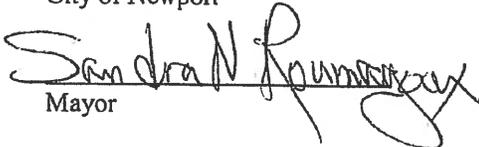
The parties understand that the law reserves certain decisions to the governing bodies of the respective parties, and nothing in this agreement shall divest those governing bodies of their authority.

So Understood and Agreed this 23<sup>rd</sup> day of July, 2014:

Lincoln Community Land Trust  
  
 Chair

Lincoln County  
  
 Chair

City of Lincoln City  
  
 Mayor

City of Newport  
  
 Mayor

(2)

Amendment March 25, 2015  
Memorandum of Understanding  
By and Between  
Lincoln Community Land Trust, a 501(c)(3) nonprofit  
and  
the City of Newport, the City of Lincoln City and Lincoln County

Note this Amendment to the Original MOU between the parties provides that each Public Partner will provide "up to" \$30,000 annually and that funding will be used for professional staffing and deletes references to a full time staff person and references attached e-mail.

This Memorandum of Understanding (MOU) is entered into by The Lincoln Community Land Trust (LCLT), a 501(c)(3) nonprofit organization and the City of Newport, the City of Lincoln City and Lincoln County (together the Public Partners) pursuant to ORS Chapter 190. It is intended to establish base funding by the Public Partners for administrative services to be provided by LCLT in supporting LCLT's mission to provide permanently affordable homeownership for working individuals and families within Lincoln County.

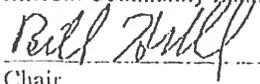
The Public Partners, subject to annual appropriations through their individual local budget processes, will each annually on July 1 provide up to \$30,000 to LCLT beginning July 1, 2014 and continuing through June 30, 2017 (total of \$90,000 per public partner and \$270,000 by all the Public Partners for the three fiscal years). (See the attached e-mail communication from Lincoln County Commissioner Bill Hall to Newport City Manager Spencer Nebel, dated March 3, 2015). The funding will support professional staffing for the LCLT and associated administrative support services. It is intended that the funding will cover all costs associated with the position and services and LCLT will be responsible for covering any shortfalls between actual costs and the funding provided. If LCLT should for any reason not be able to fulfill its obligations, any remaining funds will be returned to the Public Partners.

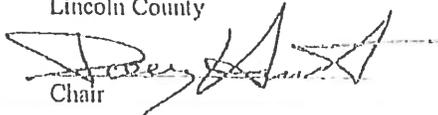
In addition to the funding support for LCLT's mission, the Public Partners, without a specific commitment of resources or properties, agree to give a high priority, within requirements under law, to providing surplus or foreclosed land held by them and/or revolving loan funds to the LCLT for housing development. Without committing to a specific number of homes in specific locations, LCLT commits to making a priority to distribute housing units throughout the county with as much equity as possible.

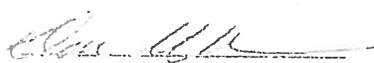
It is intended that the funding provided by this MOU is temporary in nature and that LCLT will work towards full budgetary self-sufficiency by the end of this funding allocation. Towards that end, LCLT shall provide annual reports by July 1 of each year and a final report to the Public Partners, no later than December 1, 2016, detailing its accomplishments to that date, funding for services after July 1, 2017 and how it intends to be fully funded for services thereafter.

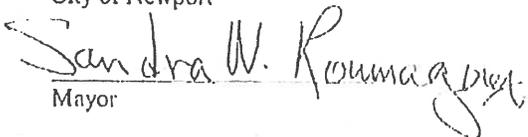
The parties understand that the law reserves certain decisions to the governing bodies of the respective parties, and nothing in this agreement shall divest those governing bodies of their authority.

So Understood and Agreed this 13 day of February, 2015:

Lincoln Community Land Trust  
  
Chair

Lincoln County  
  
Chair

City of Lincoln City  
  
Mayor

City of Newport  
  
Mayor

3<sup>60</sup>

December 28, 2015

Dear Mayor Roumagoux and Members of the Council:

Expanding on my comments made at the December 14 Council work session, I want to apologize on behalf of the LCLT board of directors for jumping the gun on this project. In our eagerness to fulfill our promise to you in July of 2014 to get things moving in actual production of housing, we truly put the cart before the horse. We wanted to bring you a clear concept for discussion and possible consideration, but I realize this put the council in a difficult spot once the rumor mill caught fire, and I'm truly sorry about that. I hope that we can move past this and move forward productively from here.

As was noted at the December 7 council work session, the city's own study shows a deficit of more than 800 housing units. With a challenge that great, no one solution can address the problem in its entirety. But the LCLT can be part of the solution, and fill a niche that no other housing program in the county can fill—home ownership opportunities for teachers, nurses, small business owners and others earning above 60 percent of area median income.

Per your request, the Lincoln Community Land Trust is submitting to you an accounting of all the city and county monies spent to date, as reflected in our most recent financial report. Diane Linn estimates that approximately 800 to 900 dollars in total staff time went into preparation of the RFP. Proud Ground does not break down individual line items by funder, but if you want to assume the cost was shared equally by the jurisdictions, you could say approximately 300 dollars in city funds went into preparation of the RFP. We are also supplying the information prepared by the Housing Development Center, in case it is useful to council and staff in evaluating the future use of these properties by any party.

One of the concerns that was expressed by the Council was the access to information regarding the Land Trust activities. In the interests of clearer ongoing communication, I am proposing to the LCLT board that we provide each of you with our monthly board packet, which includes the meeting agenda, minutes of the previous meeting, the executive director's report and the financial report.

Another concern expressed by the Council was relating to a process for going forward with discussions about the potential use of city property for workforce housing. City Manager Spencer Nebel and I met on December 15 and discussed a path forward. It is my understanding he will be presenting a recommendation to you for a process for the council to consider requests for donation of property to the trust. I hope you will be open to that proposal.

Although we never formally brought a proposal to the council regarding the property adjacent to Davis Park, concern in the community that the Trust might do so has generated enough controversy that I would like to convey to the Council that the Trust will cease its efforts to evaluate the property and will not make a request of the City to develop the site for work force housing. I think everyone will be best served if we set this issue aside.

The other members of the board and I look forward to working with you in the year ahead.

Sincerely,

Bill Hall, LCLT Board Chair

1-4-16 (62) (+)  
City Council Meeting

November, and the only time issue that could come into play is if the City Council wanted to have a greater analysis or preliminary design prior to taking the matter to the voters. He added that everything, to date, has focused on a May election, and to not confuse people, it may be a good idea to continue on the current course. Allen noted that the draft materials contain some inconsistent language, including "city water system" versus "city water supply." He recommended consistency in the terminology throughout the documents. Allen stated that he believes there should be a reference to "resumption of fluoridation" in the ballot title. He agreed to the reference to the USPHS, and noted that if there is a comparable state agency that is consistent, he would prefer to use the reference to the state agency. He recommended defining the chemicals and costs based on best estimates so that the voters understand that these items are not set in stone. Allen also recommended including the operational costs in the explanatory statement. He asked about the American Water Works Association and whether it has a different standard for the fluoridation of water. He suggested that this reference could be removed from the documents. Allen noted that the documents should indicate that the full text of the ordinance can be obtained from City Hall or the city's website.

Engler asked whether Nebel knows the cost and time it would take to obtain additional information. Gross noted that it could be several months to complete a study.

Roumagoux stated that she agrees with the term "resumption of fluoridation." She also agreed with the reference to USPHS rather than the CDC or OHA, but that if there was a more appropriate state agency, it should be referenced.

Nebel noted that there is common ground, including: identification of the proper agency to determine the appropriate amounts of fluoride; inclusion of estimated costs that were previously obtained; and the removal of references to tooth decay. The Council was polled regarding whether to include a reference to the "resumption of fluoridation," and it was agreed to leave the reference in a 4-3 split.

Nebel recommended, and Council agreed, to hold a work session on the revised documents on Tuesday, January 19, at noon.

**Report on the Lincoln Community Land Trust.** Hawker introduced the agenda item. Nebel reported that on December 7, 2015, Council held a work session for the purpose of discussing affordable housing in the city. He stated that in addition to talking to about identifying various strategies promoting the development of affordable housing in the city and Lincoln County, there was discussion regarding the city's relationship with the Lincoln Community Land Trust (LCLT). He noted that there was specific information requested from the Land Trust, and that he indicated that he would compile a report for Council consideration for the January 4, 2016 Council meeting. He added that following the work session, additional information was requested by Allen, from County Commissioner Bill Hall, regarding the various transactions related to the development of an RFP for an affordable housing development on city-owned land next to Don Davis Park. He stated that this specific issue generated a number of concerns from property owners in the Nye Beach area which were heard by Council at the work session. He added that concerns regarding a lack of transparency by the Land Trust were expressed by members of the Council and general public.

Nebel reported that the LCLT was created in 2008 to promote the development of work force housing for families earning the median family income for Lincoln County. He stated that the composition of the board of the LCLT includes "lessee representatives,"

“general representatives,” and “public representatives.” He added that there are two representatives in each category, and noted that the “public representatives” include a member of the Lincoln County Commission, a member of the Councils of any city in Lincoln County, a member of the board of any special government district in Lincoln County, a member of a board of a 501(c)(3) designated organization or any of these members designees.

Nebel reported that the City of Newport, the City of Lincoln City, Lincoln County, and the LCLT entered into a memorandum of understanding (MOU) in July 2014. He stated that this MOU was amended March 25, 2015 to indicate that the funding from the various entities could be used to support professional staffing for the LCLT and associated administrative support services. He noted that the public partners indicated a willingness to provide up to \$30,000 to LCLT beginning July 1, 2014 and continuing through June 30, 2017 for a total of \$90,000 per partner. He added that to date the City of Newport has paid \$30,000 of this pledge. He stated that in return, the funding would be used to provide a sustainable source of administrative funding to meet the goal of providing permanently affordable home ownership for individuals and working families in Lincoln County. He noted that the MOU is temporary in nature and that the LCLT is to work toward full budgetary self-sufficiency by the end of the funding allocation. He added that the LCLT indicated that annual reports would be provided to the public partners by July 1 of each year with a final report being provided no later than December 2016. He noted that the LCLT tried to recruit an individual with the appropriate background to meet the LCLT obligations regarding affordable housing in Lincoln County, however this proved to be a challenge, and the LCLT ended up entering into an agreement with Proud Ground to provide these administrative services. He added that Proud Ground has a solid background in providing affordable housing in the Portland area, and they bring to the table a significant amount of experience to help facilitate that type of activity in Lincoln County.

Nebel reported that as part of the MOU, the public partners, without a specific commitment of resources or properties, agreed to give a high priority, within the requirements of the law, to provide surplus or foreclosed land held by those units or use revolving funds for facilitating workforce housing in Lincoln County. He stated that Tokos provided to Proud Ground a listing of vacant city-owned land for evaluation purposes in developing workforce housing. He added that Proud Ground evaluated seven sites for possible development. He noted that Bill Hall forwarded a copy of this analysis of the city-owned properties for Council review. He stated that the LCLT initiated an RFP for the development of residential housing on vacant city-owned property adjacent to Don Davis Park in the Nye Beach area. He noted that this effort was done without any notification to the Mayor and City Council or City Manager by the LCLT, with members of the Council hearing of this activity from third parties. He added that this created consternation for city officials who are one of the public partners with the LCLT. He noted that when members of Council sought to understand what was going on with this property, information was not immediately forthcoming.

Nebel reported that as a result of the handling of this matter by the LCLT, Hall has forwarded a letter to Council apologizing on behalf of the LCLT Board of Directors for getting the “cart before the horse” on this property. He stated that the LCLT understands the frustrations that this lack of communication brought to this specific situation and to the ongoing relationship between the city and the LCLT. He noted that in order to

address these valid concerns, the LCLT is proposing that going forward members of Council will be provided with monthly LCLT board packets, including the meeting agenda, minutes of the previous meeting, the Executive Director's Report, and financial reports that are compiled from time to time. He added that the LCLT has indicated that based on the concerns expressed by neighboring property owners and Council members, they no longer intend to look at, or evaluate, the city-owned property located next to Don Davis Park for a workforce housing project.

Nebel reported that he has some specific thoughts on how the issue of vacant land should be dealt with by the LCLT and other organizations involved with providing affordable housing in the city. He stated that modeling a process on how the city proceeded with the Habit for Humanity on that land issue, that he would suggest the following for Council on how to proceed with this type of issue in the future:

1. An organization would be requested to make a general request for possible consideration of use of city property for affordable housing, with the Council indicating whether they are open to discussing that specific parcel for that purpose. This would be done before there are any specific proposals for the use of the site. If the Council is not willing to discuss a proposal for that property, the issue is ended.
2. If the Council is willing to consider a proposal for the development of city property, the organization would be referred to the Planning Commission where a more specific proposal on how the property would be used to meet affordable housing needs would be reviewed and evaluated with the Planning Commission providing a recommendation to Council. If the Planning Commission does not recommend favorable consideration, that recommendation would be forwarded to Council. If the Planning Commission supports the use of that property for that specific purpose, then that recommendation would also be forwarded to Council.
3. If the City Council accepts a favorable recommendation, then the organization would be invited to submit a full proposal to the City Council on the use of city property for affordable housing with the Council then making a decision as to whether to go forward with that proposal after reviewing the detailed proposal for the use of the property.

Nebel reported that this process would provide Council with a preliminary notice that an organization is interested in developing a piece of city property. He stated that Council would be able to determine whether it wishes to pursue that process before there is any detailed effort on how the property would be developed. He added that on each specific parcel, Council could also determine that additional study is needed to determine the property's best or highest use. He noted that this also would create more transparency for the general public well in advance of any development decision.

Nebel reported that Tokos has served as a member of the Board of Directors for the LCLT since 2011, and had been appointed for his expertise in dealing with affordable housing issues in Newport. He added that the LCLT wanted additional representation from the Newport area on the board. He stated that there has been some question as to whether Tokos was an official city representative or was serving due to his professional expertise in working on housing and land use issues. He added that the LCLT has not been very specific regarding the three categories of positions on the board. He noted that there were also some questions as to whether involvement of a city official, on a non-profit board such as the LCLT, constitutes any sort of conflict of interest. He stated

that in response to an inquiry of the Oregon Government Ethics Commission, under ORS Chapter 244, the legislative assembly has recognized that serving on many state and local boards and commissions by state and local officials who have potentially conflicting public responsibilities by virtue of the position as public officials, and also as members of boards and commissions, declare that the holding of such offices does not constitute incompatible offices unless expressly stated in the enabling legislation. He added that the service to the LCLT is uncompensated, noting that a conflict does not exist if the public official is not using, or attempting to use, their official position or office to obtain financial benefits for themselves, relatives, or businesses they are associated with. He noted that the law specifically states that a "business" is not any income producing not-for-profit corporation that is tax exempt under 501(c) of the Internal Revenue Code with which a public official or relative of the public official is associated only as a member or board director or in non-remunerated capacity. He stated that in reviewing this information, there is not a conflict of interest with a city official serving on a non-remunerated non-profit board of directors.

Nebel reported that it should also be noted that the city is now a financial partner in the LCLT, and it would be reasonable to have an elected official serve on the board from each of the financially participating jurisdictions. He stated that Tokos would have no problem stepping down if a member of the City Council was interested in serving on this board. He added that this could strengthen the relationship between the LCLT and its partners.

Nebel reported that in reviewing the options the City Council has in going forward, he believes that the LCLT provides a unique tool to develop affordable housing to address work force housing in Lincoln County to the benefit of the County, Lincoln City, the City of Newport, and surrounding areas. He added that he believes that workforce housing will be a factor that limits economic opportunities for the Newport area, and with the expertise that Proud Ground brings to the LCLT, the trust can be a significant asset in creating a sustainable process for expanding work force housing in Lincoln County. He noted that the approach of Proud Ground is to address home ownership in that part of the population that falls between 60% and a 120% of median family income, and that these truly are the people that work for local government, schools, and other professional jobs in Lincoln County.

Nebel reported that based on the opinion that the LCLT is an important tool for addressing work force housing in the community, he has drafted a number of potential recommendations that Council could consider in redefining its relationship as a partner with the LCLT. These include:

1. The LCLT should be providing timely and detailed annual reports to the member communities regarding the activities and expenses that occurred through the course of the year in accordance with the MOU.
2. Council could request staff to develop a specific protocol as to the consideration of the use of vacant city properties to facilitate the development of affordable housing in the city as mentioned earlier.
3. The offer by the LCLT to provide the local elected officials, who are partners with the LCLT, with copies of board packets, agendas, minutes, and the executive director's report, as well as periodic financial reports would keep the partners fully aware of the activities of the LCLT.

4. The local government partners of the LCLT should be represented on the board, either as a direct appointment or in a liaison capacity, to share information between the partners and the LCLT.

Nebel reported that Rich has indicated that the MOU between the City of Newport, City of Lincoln City, Lincoln County, and the LCLT is nonbinding as it relates to the funding commitment outlined in the original report. He stated that Council would be free to step aside as a formal partner with the LCLT, but that he has two concerns. He noted that he believes a constructive relationship can begin making a difference in dealing with the work force housing needs of Newport and Lincoln County, and that the LCLT brings a valuable tool to the table in addressing these types of housing issues. He stated that he also believes that it is very important for the city to be an active partner with other local governments that are willing to do the same. He added that stepping out of this partnership, before the three year commitment is completed, may send a message as to Newport's reliability as a collaborative player with other local governments.

Nebel reported that following discussion by Council, he recommends that Council provide direction with a request for reporting, or a recommendation for further action regarding this matter. He noted that he has directed the Finance Department not to process the second payment to the LCLT until these matters are rectified.

Allen stated that he had to make a public records request to obtain minutes and information regarding the RFP that Hall had indicated was not public information. He noted that the information was not forthcoming, and that he had to make specific public records requests to obtain it.

Bill Hall appeared before Council. He stated that Diane Lynn, from Proud Ground, was planning to attend but that road conditions prohibited her attendance. He noted that Allison Robertson and Dick Anderson, from the City of Lincoln City, were in attendance and prepared to respond to questions and provide input.

Sawyer stated that Nebel had done a wonderful job in organizing this report. He stated that he would like to prioritize properties so that it would be easy to see the Don Davis Park property is off the table. He added that it is the city's fault in not making this clear. He noted that he would like to add, if possible, other players such as developers, OSU, federal partners, local businesses, and others to work on addressing this problem. He stated that the city cannot drop the ball on this issue.

Saelens stated that he was glad that Sawyer started the discussion with the inventory of property. He asked what properties might be essential to the visioning process. He added that he agreed that the Planning Commission is the place to start the process, but that he hoped to integrate the properties into the long-term visioning process. He suggested the formation of a group to discuss workforce housing.

Swanson stated that she appreciates Hall's letter, and endorsed the idea of an elected official being part of the LCLT either as a liaison or regular member.

Busby stated that he is not a big proponent of the city being in the housing business. He added that the LCLT has not shown the city that it can produce housing results. He noted that it has proven to be poorly managed and with questionable motivations. He stated that it is a challenge to explain why the city is giving the LCLT \$30,000 annually when the voters read the e-mails and the RFP. He added that at the end of the discussion, he would like to make a motion to get out of the MOU with the LCLT. He noted that the LCLT has produced no results in more than seven years; cannot manage money provided by municipalities; and that the issuance of the RFP is at least ethically

questionable. He stated that he does not know what the motivations were, but decided that an organization operating in that manner is not one the city should pay to undertake this type of project. He added that he thinks there are other ways to obtain affordable housing, and referenced Ms. Boxer's letter outlining alternatives. He added that the city should not be providing that much benefit to few individuals. He stated that past performance is the greatest indicator of future performance.

Engler stated that there are several points that need clarification. She noted that one is whether the relationship with the LCLT should continue considering the lack of transparency. She questioned whether the model for selling homes without land is a good fit for Newport, adding that it might be more economical and efficient to focus on building rental properties. She suggested looking at the big picture and understanding the overall housing needs; developing a plan to address those needs; and forming a group to develop plans and policies moving forward. She reported that a housing discussion will be held in Waldport on January 25, and suggested the city be involved or organize another expert panel. She added that the VRD ordinance has had an impact on rentals.

Allen reported that he submitted two separate public records requests for emails/communications, regarding the RFP that was discussed at the work session, and contained in Hall's county e-mail account. He noted that he received the information and forwarded it to the City Council and City Manager. He added that he made an additional public records request a few weeks later. He stated that he forwarded this information to the City Council and it sheds light on what has occurred especially with the Don Davis land and Proud Ground. He noted that, from his perspective, he understands why they went in that direction from reading the board meeting minutes. He added that what concerns him more, is not the direction, but that when asked about what direction LCLT was taking and the reasons for it, LCLT was less than forthcoming about providing information. He noted that he does not know what other information has not been provided, adding that if there is a partnership; there needs to be transparency. Allen stated that when Hall told Busby that this was private information because it is a matter of real estate transactions, he wished that Hall had read the public records law as this hurts his credibility. Allen added that he hopes that trust and credibility can be regained. He stated that being transparent is a number one priority. He noted that 95% of the LCLT funding comes from public entities even though LCLT claims to be a private nonprofit entity. He stated that this makes LCLT more of a public entity than a private nonprofit, and as such, transparency is important.

Roumagoux agreed with Nebel's comments noting that it is important to be an active partner. She stated that stepping out of the partnership will send a message about Newport's reliability. She recognized attendees from the City of Lincoln City and Lincoln County. She added that she did not see the RFP as nefarious since RFPs are great tools in providing budgets and plans for potential uses other than a million dollar parking lot. She suggested determining what could be done for housing for middle class people, or perhaps developing the Don Davis property into a park for summer theater.

Busby stated that regardless of this incident, there needs to be broader participation in the discussion by other parties. He suggested that Council entertain a motion to form such an organization. He noted that in the meantime, it is in the city's best interest to at least put the MOU with the LCLT on hold. He added that there is no point in continuing

to pay a fee to LCLT to see if they produce something. He recommended looking at the bigger picture and determining how to move forward.

Nebel stated that this item was not set up for action tonight other than to discuss the issue; share concerns; and outline a path forward. He added that the specific issue with the LCLT is to decide whether it is in the city's interest to continue the relationship. He noted that it would be helpful to develop a detailed report to determine whether to go forward. He stated that only one payment has been made to the LCLT under the MOU, and suggested holding additional payments until a future discussion is held on the direction the city should go related to this topic. Engler suggested a standing committee to explore all housing issues, noting that there are many solutions that may not be vested in Habitat for Humanity, LCLT, or city regulations. Nebel noted that he is concerned about supporting a committee so that it would have a meaningful role. He noted that it might mean that funding would need to be appropriated to have a consultant assist with the process. He recommended a detailed report for Council consideration, noting that staff would need time to prepare the report.

Allen noted that the LCLT board minutes from March 23, 2015 include a discussion regarding the \$3,500 annual membership fee the city paid prior to the MOU payments of \$30,000. He stated that the city is a member of the LCLT and is entitled to all this information, under LCLT by-laws, but that he had to obtain it through public records requests. He added that this gets back to the transparency issue, and begs the following questions: what kind of organization is LCLT; and what kind of decisions is it making for its members. He noted that it is an organizational issue if LCLT is not complying with its by-laws, and recommended that LCLT look at this internally. He added that, as a member of the LCLT, the city is entitled to have an elected City Council member on the LCLT board. He stated that things have to change to make this a good relationship.

MOTION was made by Busby, seconded by Engler, to withhold all future payments to LCLT until satisfactory data and planning information is provided to the City Council. The motion carried in a voice vote with Roumagoux and Swanson voting no.

Engler asked whether LCLT provides apartments or rentals. Hall reported that the focus is on home ownership, but did not see a reason why the LCLT could not consider rentals or apartments. He noted that some projects have been mixed use projects that include retail space, and potentially rentals could be part of the mix. Engler asked Hall what other properties have been considered by the LCLT, and Hall noted that the LCLT has primarily looked at city properties. He reviewed other potential private property donations. Engler suggested looking at foreclosures. Engler asked whether the LCLT buys properties, and Hall responded that it could if it penciled out.

**Right-of-Way for the Extension of NE 71<sup>st</sup> Street.** Hawker introduced the agenda item. Nebel reported that the city has been working with Newport Memory Care, LLC to facilitate the construction of 48-bed long-term memory care wing adjacent to the existing Ocean View Senior Living Facility. He stated that this process started in 2014 with the extension of the city's urban growth boundary. He added that once this extension was approved by the county and the state, the property was formally annexed into the city in April 2015. He noted that the property that will be dedicated as city right-of-way is currently owned by the city, and once the city formally dedicates this as right-of-way, the public street will be extended as part of the memory care project. He stated that the end of the new right-of-way will terminate at city-owned property.

Lincoln Community Land Trust Financial Report  
January 31, 2016

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Statement of Activity January 1 -December 31, 2016	Year to Date Actual	Year to Date Budget	Annual Budget
<b>Income</b>			
Municipal grants		-	90,000
Memberships - cities		42	500
Memberships - individuals		13	150
Lease fees-LCLT	\$ 100	100	1,200
<b>Total Income</b>	<b>\$ 100</b>	<b>154</b>	<b>91,850</b>
<b>Operating Expenses</b>			
<b>Personnel</b>			
Contract for services: Proud Ground	\$ 4,167	4,167	50,000
Contract for outreach services: Willamette Valley Housing Services		1,000	12,000
Other: consulting for professional services		667	8,000
<b>Total</b>	<b>\$ 4,167</b>	<b>5,833</b>	<b>70,000</b>
<b>General Operating Expenses</b>			
Office Space			
Utilities			
Phone			
Travel	\$ 494	433	5,200
Postage			
Printing			
Supplies			
<b>Total</b>	<b>\$ 494</b>	<b>433</b>	<b>5,200</b>
<b>Education and Partnership</b>			
Technical assistance fee for systems		-	3,500
Education and Partnerships (includes brochures)		21	250
Miscellaneous (includes PO Box)		21	250
Membership Dues (includes domain name registration)		83	1,000
<b>Total</b>	<b>\$ 0</b>	<b>125</b>	<b>5,000</b>
<b>Project Development</b>	<b>\$ 0</b>	<b>967</b>	<b>11,600</b>
<b>Total Operating Expenses</b>	<b>\$ 4,661</b>	<b>7,650</b>	<b>91,800</b>
<b>Net LCLT Activity</b>	<b>(\$ 4,561)</b>	<b>(7,496)</b>	<b>50</b>

**Balance Sheet January 31, 2016**

ASSETS	Unrestricted	Permanently Restricted	Total
Cash-Umpqua Chknq	57,882		57,882
Receivables			-
<b>Total Assets</b>	<b>57,882</b>	<b>129,130</b>	<b>187,012</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts Payable to Proud Ground	4,660		4,660
Accounts Payable other			
Prepaid lease fees			
Maintenance Reserve	3,500		3,500
<b>Total Liabilities</b>	<b>8,160</b>		<b>8,160</b>
<b>Net Assets:</b>			
Beginning Fund Balance	54,282	129,130	183,412
YTD gain/(loss)	(4,561)		(4,561)
<b>Total Net Assets</b>	<b>49,721</b>	<b>129,130</b>	<b>178,851</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>57,882</b>	<b>129,130</b>	<b>187,012</b>

Note on the Permanently Restricted asset: this is the subsidy in the land trust homes, based on land value when LCLT acquired the lot.

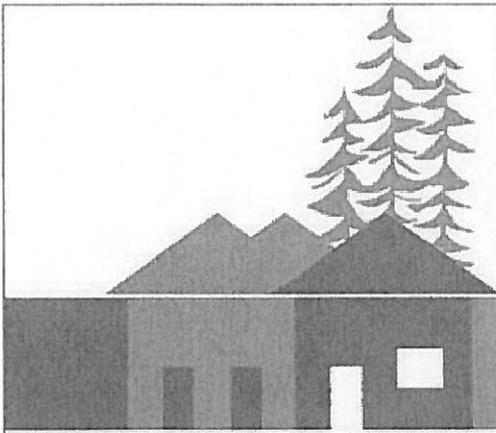
Lincoln Community Land Trust Financial Report  
January 1 -December 31, 2015

Statement of Activity January 1 -December 31, 2015	Year to Date Actual	Year to Date Budget	Annual Budget
<b>Income</b>			
Municipal grants	\$ 90,000	90,000	90,000
Memberships - cities	\$ 500	4,373	4,373
Memberships - individuals	\$ 100	150	150
Lease fees-LCLT	\$ 1,200	1,200	1,200
<b>Total Income</b>	<b>\$ 91,800</b>	<b>95,723</b>	<b>95,723</b>
<b>Operating Expenses</b>			
<b>Personnel</b>			
Contract for Services	\$ 44,997	41,429	45,000
Other: consulting for professional services	\$ 3,402	10,000	10,000
<b>Total</b>	<b>\$ 48,399</b>	<b>51,429</b>	<b>55,000</b>
<b>General Operating Expenses</b>			
Office Space			
Utilities			
Phone			
Travel	\$ 3,803	5,200	5,200
Postage			
Printing			
Supplies			
<b>Total</b>	<b>\$ 3,803</b>	<b>5,200</b>	<b>5,200</b>
<b>Education and Partnership</b>			
Technical assistance fee for systems	\$ 3,000	3,000	3,500
Education and Partnerships (includes brochures)	\$ 163	250	250
Miscellaneous (includes PO Box)	\$ 203	250	250
Membership Dues (includes domain name registration)	\$ 537	1,000	1,000
<b>Total</b>	<b>\$ 3,902</b>	<b>4,500</b>	<b>5,000</b>
<b>Project Development</b>	<b>\$ 0</b>	<b>30,000</b>	<b>30,000</b>
<b>Total Operating Expenses</b>	<b>\$ 56,104</b>	<b>95,200</b>	<b>95,200</b>
<b>Net LCLT Activity</b>	<b>\$ 35,696</b>	<b>523</b>	<b>523</b>

**Balance Sheet December 31, 2015**

ASSETS	Unrestricted	Permanently Restricted	Total
Cash-Umpqua Chkng	61,566		61,566
Receivables			-
<b>Total Assets</b>	<b>61,566</b>	<b>129,130</b>	<b>190,696</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts Payable to Proud Ground	3,884		3,884
Accounts Payable other			
Prepaid lease fees			
Maintenance Reserve	3,400		3,400
<b>Total Liabilities</b>	<b>7,284</b>		<b>7,284</b>
<b>Net Assets:</b>			
Beginning Fund Balance (from CSC)	18,587	129,130	147,717
YTD gain/ (loss)	35,696		35,696
<b>Total Net Assets</b>	<b>54,282</b>	<b>129,130</b>	<b>183,412</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>61,566</b>	<b>129,130</b>	<b>190,696</b>

Note on the Permanently Restricted asset: this is the subsidy in the land trust homes, based on land value when LCLT acquired the lot.



# Lincoln Community Land Trust

### Staff

Contracted through Proud Ground  
Diane Linn, Executive Director

### 2015 Board Members

- Bill Hall, President  
Public Representative Seat, Newport
- Curt Abbott, Vice President  
Homeowner Rep. Seat, Waldport
- Ron Tierney, Treasurer  
General Membership Rep. Seat, Lincoln City
- Derrick Tokos, Secretary  
General Membership Rep. Seat, Newport
- Max Glenn  
Public Rep. Seat, Yachats
- Lola Jones  
Public Rep. Seat, Newport
- Alison Robertson  
General Rep. Seat, Lincoln City
- Vacant  
Homeowner Rep. Seat

**Lincoln Community Land Trust**  
**PO Box 2006**  
**Newport, OR 97365**  
**503-493-0293 ext. 17**  
**www.LincolnCLT.org**

# LCLT Annual Report 2015

## Highlight of Activities

### 1. Review and evaluate the financial status and systems of LCLT

Completed the transfer of the non-profit administrative and financial structure from Community Services Consortium (CSC) to Proud Ground (PG), the contractor for LCLT's professional staffing. This relationship between LCLT and PG, which is about to enter its second year, provides significant resources and experience to bolster ongoing and future LCLT initiatives. Upgraded systems and operations and achieved systemized management of financial reports, lease payments, information exchange and extensive board of directors management.

### 2. Explore potential funding opportunities in Lincoln County for subsidy

Explored CDBG funding, state opportunities, use of buyer initiated grants approaches, and concluded that cross subsidy and use of donated or foreclosed land has the best potential for achieving the goal of providing permanently affordable homeownership opportunities in Lincoln County. Completed report for the Lincoln County Community and Economic Development Fund Grant received in 2012 for subsidy to bring down the cost of a LCLT home. Advocacy efforts ramped up aggressively to open to avenues for funding and development opportunities in the future.

### 3. Determine feasibility of the approaches to creating land trust homes

LCLT worked to pursue the development of permanently affordable homeownership units by performing an assessment of publically owned land (per the public partnership agreement) in Newport and Lincoln City. Several land options were identified that are well suited for the development of homes for working families and individuals in Lincoln County. LCLT and the city have worked out a process to move forward with possible development in Newport and LCLT submitted a letter of interest in response to a RFQ in Lincoln City to pursue further involvement in 2016.

#### **4. Explore possible approaches and assess the process for building partnerships**

Partnerships with potential developers were actively pursued. Discussions with the Habitat for Humanity of Lincoln County occurred and communication with the Willamette Valley Housing Center to provide outreach and pre-purchase support includes multiple conversations and a concept paper.

#### **5. Manage operational and informational changes and tasks**

Board meeting support and communication was managed through the year. All non-profit organizational requirements were met. Local, state and federal engagement on behalf of LCLT on a range of implications for homeownership funding and policy was achieved.



Working to make homeownership affordable for generations.

**LincolnCLT.org**

