



AGENDA & Notice of Special Urban Renewal Meeting

The City Council of the City of Newport will hold a Special Urban Renewal meeting on Monday, February 3, 2014, at 12:00 P.M. The Special Urban Renewal meeting will be held in Conference Room A at City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

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

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

SPECIAL URBAN RENEWAL AGENCY MEETING AGENDA

Monday, February 3, 2014

12:00 P.M.

(Immediately Following the City Council Work Session)

Conference Room A

- I. **Call to Order and Roll Call**
- II. **Public Comment**
- III. *This is an opportunity for members of the audience to bring to the Council's attention any item not listed on the Agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.*
- IV. **Consent Calendar**
The consent calendar consists of items of a repeating or routine nature considered under a single action. Any Councilor may have an item on the consent agenda removed and considered separately on request.
 - A. Approval of minutes from the Urban Renewal Agency Meeting of January 21, 2013 (Hawker)
- V. **Executive Director Report**
 - A. Executive Session Pursuant to ORS 192.660(2)(e) to Discuss Possible Real Property Transaction
- VI. **Adjournment.**

January 21, 2014
5:30 P.M.
Newport, Oregon

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

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

ACTION ITEMS

Request for Urban Renewal Agency Funds by the Oregon Coast Aquatic Park. Nebel asked Tokos for the staff report. Tokos reported that the issue before the Agency is a request from the Oregon Coast Aquatic Park for \$7,500 to help finance a market and feasibility study for locating an aquatic park in South Beach.

Tokos reported that while the request falls within the guidelines of urban renewal purposes, the limitations on Urban Renewal Agency expenditures are not based upon general urban renewal powers, but rather the types of projects contained in its urban renewal plan. He noted that the South Beach Urban Renewal Plan is currently transitioning between Phase 1 and Phase 2 work. He added that the project lists for both plan phases are included in the packet. He stated that the Agency would need to conclude that the request fits within the scope of one of the listed projects, or it would need to direct staff to prepare an amendment to the plan to add the project to Phase 2. He noted that while it is plausible that the Agency could find that a market and feasibility study qualifies as an initial component of strategic site acquisition for economic development purposes, which is one of the listed projects, such an interpretation would suggest that the Agency would be open to even larger contributions down the road should the study determine that it is feasible to locate an Aquatic Park on a site in South Beach. He added that the Agency should consider this when evaluating whether this request for grant funding should be authorized.

Tokos reported that there are currently no funds budgeted for this purpose. He added that if the Agency wants to provide funding for this study, it would need to pull the money out of another funded project, and the most likely project would be right-of-way acquisition, as the \$110,000 set aside for this purpose may not be fully obligated this fiscal year. He noted that this could be accomplished with a transfer resolution. He stated that an additional tax increment will be available next fiscal year, and while that increment is intended to support Phase 2 borrowing, the small dollar amount of this request is something that likely can be paid for directly as opposed to using borrowed funds.

Beemer asked for comment.

Jeff Bertuleit, Board Member of the Oregon Coast Aquatic Park, asked Tokos whether there are funds for professional studies in the URA plan. Tokos noted that there are no funds budgeted for studies; there are funds for survey work; but nothing specifically for feasibility studies. Bertuleit stated that he believes that the request falls into the purposes of urban renewal, and has been funded by the URA in past years. He added that this study would provide the ability to take information from other tourist related businesses and use

it to find funding sources. He stated that funders like to see the support of cities, counties, etc. Bertuleit stated that EcoNW is the firm that conducted the 20/20 Study which indicated that tourism is one of top three economic drivers in the area. He noted that the aquatic park would have a great benefit on tourism; and the building is a signature building that would put Newport on the map. He added that this is a funding opportunity that would pay off in many ways.

Beemer asked for Agency comments. Allen asked Bertuleit when the Aquatic Park received money from the County Commissioners. Bertuleit noted that he would be submitting a bill to the County asking for the match for the city funds. Allen asked whether the match for the county funds has to be from the city. Bertuleit indicated that he is unsure whether the city has to provide the match.

Allen noted that the August 1 letter from EcoNW omits the 25 meter lap pool, and asked whether this is due to the recently approved municipal swimming pool bond measure. Bertuleit indicated that is the reason the lap pool was omitted. Allen asked whether the omission of the lap pool changes the scope and cost of the work that EcoNW would perform. Bertuleit noted that the cost would remain the same.

Allen noted that prior to this City Council, there was a different name for the aquatic center group. He asked whether this group obtained funding from the city for a business plan. Bertuleit confirmed that the group received \$30,000 from the URA for a feasibility study. Allen noted that the aquatic center group has already received funding for a plan that needs to be updated. Bertuleit noted that the purpose of the initial money was to identify the ability to buy the land; the feasibility of building an aquatic park; and to obtain public input. Allen asked whether the current request is for a follow-up to the previous study. He also asked whether the group had received other monies from the city. It was noted that the aquatic center group had received \$3,750 for tourism marketing grants for its half marathon. Allen asked Bertuleit whether there is money, other than the \$33,750, that has been given to the group from the city. Bertuleit noted that he would like to separate the tourism marketing funds as they were for a half-marathon. Allen asked how much other jurisdictions have committed to the aquatic center group. Bertuleit confirmed that there is \$2,500 committed by the county.

Sawyer asked Bertuleit what other groups have been approached for funding, and Bertuleit responded that none have been approached for funding. Sawyer asked whether the group has approached other businesses in that area. Bertuleit noted that the aquatic group receives a lot of in-kind support, but that no particular business has donated anything other than prize money, all of which totals possibly a few thousand dollars. Bertuleit noted that the project is supported by the Chamber of Commerce, lodging establishments, and the school district.

Roumagoux asked whether the proposed property is across 40th Street. Bertuleit noted that the property is on the other side of 40th Street and that there is a potential site behind Toby Murry Motors. He added that the project requires approximately five acres. Sawyer asked whether the property on 40th Street is in the city. Roumagoux asked Bertuleit if he knew who owned the proposed property, and Bertuleit responded that he owns it. Sawyer noted that he shares Allen's concerns about monies already provided, and that it does not seem like other agencies have been approached for funding. He noted that the South Beach Urban Renewal Plan has been in place for a long time, and that he finds it troublesome to take money from the original plan to do something else.

Bertuleit noted that the issue is to develop properties along Highway 101 which will help pay back the URA fund.

Busby asked Bertuleit whether he would be amenable to a reduced amount of funding. Bertuleit responded that the group would take whatever it can get.

Roumagoux read from Tokos' memo to the Agency, "While it is plausible that the Agency could find that a market and feasibility study qualifies as an initial component of strategic site acquisition for economic development purposes, which is one of the listed projects, such an interpretation would suggest that the Agency would be open to even larger contributions down the road should the study determine that it is feasible to locate an aquatic park on a site in South Beach. Agency should consider this when evaluating whether or not this request for grant funding should be authorized." She noted that she is against the request as it would tie the hands of future URA's.

Beemer stated that he does not see much "bang for the buck" from the previous monies spent, and he is not encouraged regarding this request.

Busby asked whether the outcome of the study would be beneficial to the city. Tokos noted that it would be difficult to prejudge the outcome, but that a substantial investment was made in updating the economic development component of the Comprehensive Plan.

Allen noted that the city has contributed money to the group in the past. He asked Bertuleit whether the county is asking for a \$2,500 match from another group, and Bertuleit affirmed the match request. Allen noted that he is not ready to move forward on this issue. Beemer, Roumagoux, and Sawyer agreed with Allen. Busby stated that he would like to contribute \$2,500 to match the county funds. Allen noted that he might consider contributing the \$2,500 for the county match, but only if the group approached other potential funders before coming back to the city. It was the consensus of the Agency to decline funding at this time.

CONSENT CALENDAR

The consent calendar consisted of the following item:

1. Approval of minutes from the Urban Renewal Agency meeting of December 16, 2013.

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

ADJOURNMENT

Having no further business, the meeting adjourned at 6:00 P.M.

Margaret M. Hawker, City Recorder

Richard Beemer, Chair