

**MINUTES**  
**City of Newport**  
**Urban Renewal Advisory Committee Meeting**  
**City Hall Council Chambers**  
**Monday, June 29, 2015**

**Advisory Committee Members Present:** **Ralph Busby** (*City Councilor*), **Rod Croteau** (*Planning Commissioner & Agate Beach resident*), **Wayne Belmont** (*Lincoln County*), **Don Mann** (*Lincoln County*), **Birgitte Ryslinge** (*Oregon Coast Community College*), **Tim Kaufman** (*Lincoln County School District*), **Jon Conner** (*Alternate - Pacific Communities Hospital Health District*), **Ken Brown** (*Port of Newport*), **Chris Chandler** (*Central Lincoln Public Utilities District*), **Frank Geltner** (*City Center Newport Assn*), **Lorna Davis** (*Greater Newport Chamber of Commerce*), **Don Huster** (*Budget Committee*), **Bill Posner** (*citizen at large*), and **Robert McAfee** (*citizen at large*).

**Consultant:** Elaine Howard.

**City Staff Present:** City Manager/Urban Renewal Agency Executive Director Spencer Nebel, Community Development Director Derrick Tokos, and Executive Assistant Wanda Haney.

**Call to Order:** The meeting came to order at 10:00 a.m. Tokos welcomed everyone and thanked them for being willing to participate on the advisory committee.

**Introductions:** Going around the table introductions were made; and Tokos had asked everyone to throw out any specific issues they would like to see addressed as part of this process as well. Don Mann wanted to get an idea of how the new Urban Renewal District will benefit the Highway 20 corridor and advocate a little more for McLean Point. Ken Brown wanted to push for McLean Point. Huster said he anticipates there are probably challenges of more to do than there's money available so it should be interesting being part of the process to set priorities and to be part of the recommendation process. Jon Conner is interested in what some of the project impacts might be on the design and traffic impact on the new hospital campus. Tim Kaufman noted that the school district may be looking at relocating the high school and are looking at adding the east and west campuses into the boundary there. Also, the school district is about four years into their new bond, and he is curious what affect this may have if they are looking to pass another bond in ten or eleven years. Rod Croteau wondered if McLean Point would be the only industrial zoned property added to this boundary. Tokos said it may be; and Howard said she would know the answer to that by the second meeting. Ralph Busby hoped everyone realized that neither the boundary nor the projects are set in stone; this group is here to determine that. Birgitte Ryslinge noted that we already have the South Beach URD, and the college is one of the districts that is impacted. They also have a bond that will be expiring. She is just monitoring how all of those things would impact the college. She added that investing in the economic development of Newport is a positive thing for the college. Wayne Belmont said their interests are multiple. He represents the Fair Board as well as the Board of Commissioners, and they're interested in the projects that are included in the proposed land; but they're also interested in impacts on the taxing district. He is interested in revenue sharing and whether that's a possibility. They are very interested in the process where you can levy less than the full increment. His last concern would be compression. It's his understanding that Urban Renewal will not have any impact on bonds, but maybe some discussion about that to make sure the taxing districts understand that. Bill Posner's concern is that the neighborhoods that surround the Urban Renewal District keep their neighborhood feel. Lorna Davis said that the Chamber has a strong interest in this and where it will take our community in the future, and the economic development opportunities. They look at our city and see areas that are suffering from blight. They think that this is a great opportunity to perhaps address some of those issues that have plagued us throughout the years. Spencer thinks that the potential of proceeding with an Urban Renewal District on the north side for what it could do to some of the areas is really a very positive thing. Like the other taxing entities, this has an impact on the City as well because any taxes that are captured in the growth of this district aren't necessarily available for our regular operational costs. But the overall theory with the Urban Renewal District is that if the development is done properly, the tax base is going to grow at a greater rate than it would without doing anything to make some of these changes that will hopefully successfully improve the tax base of the district. He looks forward to hearing what everyone has to say in this process. He agreed, as Councilor Busby had said, this is going to be a good opportunity for us to review the boundaries, review the projects, and make a specific recommendation back to the Urban Renewal Agency and to the City Council on how to proceed with this issue. Tokos said he is staffing this process as we go from meeting to meeting and pull this together. He currently does kind of the day-to-day administration of the Urban Renewal program, which is largely in South Beach. He is also the committee's conduit for funneling information to the consultant.

Geltner asked how the City's visioning process is going to work with this. Are we going to hear from them? He said there seems like there's an overlap. Nebel said the visioning process by all likelihood is going to follow the specific discussion on the Urban Renewal District. Right now the City Council has established a visioning committee. That committee's first meeting is going to be tomorrow. They are really outlining what kind of process and what the timing of this process should be. That's not nearly as far along as the Urban Renewal District is. Tokos added that the Urban Renewal Plan is a framework that evolves through

the life of the district. When we put projects together, it's not likely that we'll have a whole lot of projects that are so specific that they're pinned down to a specific street, or corner, or intersection, or something of that nature. They'll probably be a little bit broader categories, which is intentional so that they can be further refined over the years as the district matures and increment develops, and we know a little more from things such as the visioning activities. Elaine explained that she's part of the consulting team with ECONorthwest that has been hired to help the City go through this process. She strictly does Urban Renewal consulting. She has worked with over thirty-five cities in Oregon on their Urban Renewal plans. She has a good background of how it works in different communities; what works well and what doesn't work. She has a very good handle on the legislation and issues behind that so she can let the City know if there are problems or issues in things that are suggested. She looks forward to working with this group to move through the process.

Howard had a PowerPoint presentation to share, and first she covered the agenda.

**Review of the Feasibility Study:** Howard explained that the Feasibility Study was completed in March 2014. It looked at three different options for Urban Renewal in Newport; they called it the small, medium, and large options. She noted that the Committee members had received a copy of that study and had hopefully had a chance to look at it. The City Council reviewed the Feasibility Study and decided to pursue looking at the large option, which is from the bridge and up to Agate Beach properties. It's a long strip down through the commercial corridor and comes over and takes in Highway 20 and the fairgrounds property. She described it as an ambitious district; it's big. That district would use up, especially if we do the Port district with this, the majority of the capacity that Newport has to do Urban Renewal. When the study was done in March 2014, the total assessed value of that district was approximately \$269 million. It's a big district with a big assessed value.

**Review Resolution 3707:** The City Council passed a resolution saying what they are interested in doing. She said that doesn't mean all of that is in concrete; it means those are their ideas. If for some reason this committee comes up with totally different input, there's reason to go back to talk to the City Council. These are the parameters that they felt comfortable with and what this committee will move forward with and provide input on. First, their main intent was to stimulate economic activity in Newport and to try to use matching funds and not look at Urban Renewal as the main source of revenue; and to make sure that whatever is done is consistent with City plans. They wanted to add into the Urban Renewal area the cost of administering. It's very typical in Urban Renewal that the City does use a portion of those Urban Renewal funds to actually administer the Urban Renewal program. By statute there are only two levels of amendments that require healthy input from the community; if you increase the Urban Renewal area over 1% of the existing area or if you increase the maximum indebtedness. The City Council made another recommendation that they would like amendments to perhaps include stakeholder interests at all levels; potentially doing some kind of advisory committee to get more input to the Urban Renewal Agency. Making sure they get healthy amount of citizen input throughout an Urban Renewal Plan in the future. The Council wanted to examine the opportunity for under-levy. Howard explained that Urban Renewal Agencies didn't used to be able to do that, but in 2009 the statutes were changed based on input they received from taxing districts. That input was that they would like the Urban Renewal Agencies to be able to say "this is the amount of money we're supposed to get, but we don't need that amount of money this year; and we're not going to take that full amount of money. We're only going to take "x" percent of that." Whatever is left gets divided equally among the taxing jurisdictions based on their tax rate. It's an ability to say, "We don't have to take the full amount; we can under-levy." Howard said we can write that into the plan. Even if it's not written into the plan, it's a statutory authority. During an annual budget process, and Urban Renewal Agency can make that decision on an annual basis as long as all the other financial needs are met. She said we will talk that through. Some communities want to be more specific and set certain standards for when they would decide to under-levy. If that comes up here, that's something we can write into the plan. She noted that the City Council also said that the maximum indebtedness should not exceed \$42 million over the life of the plan. She said maximum indebtedness is the controlling feature of Urban Renewal plans. It is the thing that says, "When you have done this, this plan is done." It used to be that Urban Renewal plans were limited by timeframe; in 20 or 25 years, your Urban Renewal area is done. When our whole taxing situation changed with Measure 5, Urban Renewal became funded differently. They had to go back through Urban Renewal statutes and change what those limiting factors were; and that's when it was required that all Urban Renewal Areas have a maximum expenditure. That expenditure includes the program that you do, the projects you do, and the administration that you pay for over the life of an Urban Renewal area. It doesn't include interest on your money; so if you do a long-term bond and you have to pay interest on that bond, that's not included as part of the maximum indebtedness. When an Urban Renewal area is established that maximum indebtedness is established based on looking at how long you want the area to last and what projects you want to accomplish. You are balancing those two features in establishing what your maximum indebtedness is.

**Timing:** Howard said timing is important in establishing an Urban Renewal area. There are two main features why. One of the goals of this Urban Renewal area was to be able to actually have tax increment next year (FY 16/17). That means payments would start coming from the Assessor's office to the Urban Renewal Agency in fiscal year 16/17. To be able to do that this Urban Renewal plan has to be adopted and recorded with the County and accepted by the Assessor before December 31<sup>st</sup> of this year. That's the main timing that we're looking at accomplishing. If we do that, the Assessor has it on the tax rolls before January 1<sup>st</sup>, which means in that next fiscal year they're able to get tax increment. If it's after that, then they don't get tax increment until the following fiscal year (FY 17/18).

Mann asked, going back to the resolution on matching funds or attracting and identifying those, is there a restriction within the Urban Renewal program that restricts where the matching funds come from? Howard said not at all. It can be grant monies, federal monies, state monies; any kind of monies. Any access to funding. Belmont said on timing, from experience he has noted that in recent annexations and changes to district boundaries that the key element to make that work is having a proper legal description. They have had more problems over the last couple of years submitting what they think is a proper legal description and having it rejected by the Department of Revenue. He said we could actually do some things where they will pre-review. Once you make that choice, they can work on the legal and get it reviewed and done prior to any final decisions. Howard said that's really helpful. She noted that that's only happened in the last year or so where we've had the Department of Revenue reviewing all of these; and they have standards well above what we have ever had to do before. She said that's a very good comment, and it's necessary.

Howard said the other timeframe is something that we will discuss as we go along today because it's a decision point for us. When you establish an Urban Renewal Area the Assessor establishes what is called a frozen base of the assessed value in the Urban Renewal Area. If you establish your Urban Renewal Area before October 15<sup>th</sup> of this year that frozen base will be based upon the fiscal year 2014/15 tax rolls. If your area doesn't get adopted until after October 15<sup>th</sup>, it's based on the fiscal year 15/16 tax rolls. The reason that's important is, as assessed values go up that is how you get your increment in Urban Renewal. So to get the most amount of increment that first year, you would like to get your area established before October 15<sup>th</sup>.

She said the next schedules are going to look at that a little bit, and then we will come back to those slides again at the end. To get it established by then will be a very aggressive schedule. It will be difficult to do that, not impossible; but very aggressive. Busby asked if when she says area, she's talking about only the physical boundary. Howard said that's correct. She said that as we go through the other slides, we'll talk about the process and what decisions have to be made. She'll show the potential schedules first. We'll not worry about that too much now, and we'll go through the whole PowerPoint. Then at the end we'll look at those two slides again, and we'll make a decision. We'll either say let's go with the very aggressive schedule and see what we can do, or no that's not going to work so let's just make sure we get it adopted before the end of the year. Looking at the potential schedule that is the aggressive schedule, Howard noted that it has the Urban Renewal Plan actually being adopted on September 21<sup>st</sup>. So, for this schedule, she picked that point first and worked backwards. She said that may even be aggressive. The Assessor usually certifies the new frozen base the third week of October. So to be able to make this work, we would have to work with the Assessor's office to say please don't certify your base until after October 21<sup>st</sup> because that's when our Urban Renewal area will become effective. She said that assessors don't have to do it on a certain date, but she thinks it's by October 25<sup>th</sup> that they actually start sending out their tax bills. So you're crunching their time a little bit by asking them to do that. She has had assessors do that in the past; so it's not impossible. Our Assessor is out on vacation right now, so she couldn't ask him that question before today; but he will be back after the 4<sup>th</sup> of July. So, if we decide this is the way to go, we would have to get that agreement from the Assessor's office that they would be willing to make sure their base isn't certified until after that. If you work backward, to do an Urban Renewal Plan, you have to have an Urban Renewal Agency meeting, you have to have a Planning Commission meeting, you have to have a City Council meeting. The City Council ordinance doesn't come into effect until 30 days after they actually adopt it. So if the meeting was on September 21<sup>st</sup>, it doesn't become effective until October 21<sup>st</sup>. That's why we need that little bit of room. Otherwise the City Council will have to act on it September 8<sup>th</sup>; which pushes this whole process back another two weeks.

Tokos said something to keep in mind and when we come back to this conversation is we have two different plan concepts that we're talking about. The schedules at the end of the day may make more sense going different ways with the respective plans. For purposes of the larger district, he doesn't know that the aggressive schedule is all that important. It may be more so for the Port as we work through this. The other aspect is that we sort of set up the schedules so that the first few meetings are more or less the same in terms of the schedule. So, as we work through it, if it looks like an aggressive schedule makes sense for one or both of the plans, then that's the path. If it looks like it doesn't, then it's not the path. Howard said what she and Tokos talked about is if the committee is comfortable pursuing the aggressive schedule and seeing if we get there and understanding that if we don't, we want to make sure we get it adopted before the end of the year. She said there's a series of six meetings, and we'll go through those more when we come back to this. She noted that the less aggressive schedule would have the adoption by City Council on November 2<sup>nd</sup>, which means it would go into effect December 2<sup>nd</sup>. There what we would really want to make sure is that legal description is approved by the Department of Revenue so that they don't come back sometime in December saying we have to make all of these changes and you're not going to make your January 1<sup>st</sup> deadline. We would want to make sure to make that coordination.

**Urban Renewal Background:** Howard explained that Urban Renewal is used throughout Oregon, and really aggressively on the coast. It's a tool that provides a financing mechanism to help a city do projects within a specified area. Urban Renewal is funding capacity. The way it works is it uses increased property tax revenues within the Urban Renewal area. The amount of spending within that Urban Renewal area is limited by the maximum indebtedness that's established when you adopt your Urban Renewal Plan. Cities with populations under 50 thousand may only have 25% of their total acreage and 25% of their total assessed value in Urban Renewal. She said that happened because the city of Lincoln City a number of years ago had 98% of their city in Urban Renewal. The Legislature said that really wasn't the intention, so they made revisions to the Urban Renewal

statutes. If you're over 50 thousand, it's 15%; if you're under, it's 25%. She said that will be important in Newport because what we're talking about doing is going to hit us right up to those limits. Once you have an existing Urban Renewal Plan, you are limited to the kinds of changes you may make to it. So, if you have a plan that is 400 acres, you may never increase that by more than 20% of that original 400 acres. It doesn't matter if you take some acreage out. That's a total limit of the amount of acreage you may put in. You also may not increase that maximum indebtedness number by more than 20% unless you get 75% of the taxing jurisdictions to say yes that's okay to do. That's not impossible; it takes working with the taxing jurisdictions and making sure they like what you're going to do.

**Potential Urban Renewal in Newport:** Howard noted that we have one existing Urban Renewal area; the South Beach Urban Renewal Area. It has \$13.7 million of assessed value frozen base; so that's what it was when the area was established. It has 1,169 acres. Our remaining capacity is only \$262 million for assessed value; and the 2014 assessed value for the large option was \$269 million. The 2015 numbers are available, and we're getting them right now. So, we are going to have to cut that down some to fall under our 25%. She said if we did the Port, right now those properties have no assessed value; they would be zero under that assessed value category, and they wouldn't hurt us in terms of looking at our 25% capacity. On our acreage, if we did the large option at 619 acres and did the Port at 49 acres, we would have 45 remaining acres. We're right up to our limits on that also. There's talk that if we did the Port, making sure we did right-of-way so if we had to do access improvements to the Port we had enough right-of-way to do that. There's also some other questions about utilities and tying into wastewater facility plants. We'll have to be careful when we look at these options to make sure we stay beneath those 25% limits.

Belmont asked if that total included the recent annexation of the City reservoir property. Tokos said no it shouldn't because we haven't annexed that yet. We're waiting for the legalization to be finished and then we can follow through. Howard said yes, that's a good point; when that's annexed that will give us a little more capacity on acreage.

Explaining how financing in Urban Renewal works, Howard said in areas designated as an Urban Renewal Area, the Tax Assessor will look at all the properties in it and determine what their assessed value is at that time and freeze the base. That means all the taxes off that assessed value continues going to the different taxing jurisdictions. Then increases over that frozen base go to the Urban Renewal area. Showing a graph in her PowerPoint, she noted that you can see it starts off really small in the beginning because usually that increase is limited to 3% assessed value that is allowed for taxes to go up. So unless there's some new development that puts some substantial amount of value on the property tax rolls, it goes up slowly. It takes some time before you have enough money to do big projects within an Urban Renewal Area. When you have an Urban Renewal Area of this size with this amount of assessed value, 3% off of \$250 million is a sizable amount of money. It starts building up fairly quickly. For the Port option, because its assessed value is zero right now, if this was established as an Urban Renewal Area, and the Port terminates their leases and that property goes on the tax rolls, the entire amount of that value gets captured by the Urban Renewal Area. So you get much higher than a 3% increase; you get the bump of the entire value within the area. She said it's a great way to jumpstart an Urban Renewal Area.

Tokos explained that on the Port option there are two properties; one of which is actually owned by the Port. That one they have under lease option with Teevin Brothers. So, the concept there would be if a district were formed and Teevin took occupancy and would actually be leasing that property, that's how that would go on the tax rolls. The other property, the Port leases from the Hall family so it would be a termination of that lease that would put that property back on the tax rolls. That's the dynamic there.

Howard said that we talked about when revenue sharing begins by statute. The statute says whenever your tax increment equals 10% of the total maximum indebtedness. So if you have a total maximum indebtedness of \$42 million; whenever the tax increment equals \$4.2 million, then you start revenue sharing. When does revenue sharing typically start on a new Urban Renewal Plan? You can see on this chart that it's going up until on year 26 it goes down just a little; that's usually when it begins. She hasn't modeled that for this district. It could happen earlier because the district is bigger, and we'll know as we work forward and have that information to be able to discuss that information when we get to the financial meeting. It typically doesn't happen early. It can happen earlier if you put that in your plan; if you make that a component of your plan. What happens is if you start using some of that money earlier, it just makes your plan go longer. As long as the taxing jurisdictions agree to that, that works. There's an offset; does the plan close earlier, or do you give money to the taxing jurisdictions as you go, and does the plan go longer. Tokos said we may want to look at revenue sharing in the context of the South Beach District because that's getting older, and it would close well before this district would. That's another twist to it. Howard said that's a really good point. Nebel asked if revenue sharing is different than under-levying. Howard said you do that through an under-levy. Revenue sharing by statute is a required thing that happens when you hit the 10% of total maximum indebtedness. The under-levy is something you get to choose to do on an annual basis. They accomplish the same thing; but one's required by statute, and the other is voluntary.

Howard explained that her next graph shows what typically happens in Urban Renewal areas. The green line represents the tax increment that comes in; the blue represents the thirst in the community for doing projects and the desire to get going. You can see at the beginning there's this desire to do projects but there's not money. The question is how do you do that; what happens

there? One way is to tell everybody in the community to calm down and wait a few years, and we'll just put this money away. At year four or five, we'll start having enough money to do projects. Another way is for the City to say we have extra funds. We will make a loan to the Urban Renewal Agency, and they will have to repay it when this money comes in. When the economy was much better, it used to be that you could go out for bond and they would issue you a bond based on the hope that you would get growth; but nobody is going to do that anymore. That just doesn't happen anymore. They only will bond when you have about \$100 thousand of income coming in; and they'll only bond a portion of that. They'll only do it based on a very conservative amount of projected growth. That's because the last few years we've had less than 2% growth in Urban Renewal areas. So, going out and bonding that money in anticipation of future growth doesn't happen. Another way sometimes that scenario works is if you have a large developer coming in. She mentioned Lebanon where the hospital came in and said they would up-front some of the infrastructure cost if Urban Renewal will help repay them once the increment comes on the rolls. If you can get a private developer or company to come in and say let's work with you, we'll sign a development agreement, we'll pay for a portion of this cost up front to be able to make this happen. Those are ways to bridge that gap. The most basic thing to understanding is that the way Urban Renewal works is on the backs of the taxing jurisdictions. It works because they aren't getting those taxes that they otherwise would get. It's really important to work with them, to talk about the projects, to make sure they're on board, to make sure you're using your money wisely, and that you're using your money to cause economic development that's going to hopefully increase the prosperity of the whole area to benefit everybody. That's the way Urban Renewal works.

The next slide discussed blight. Howard said to develop an Urban Renewal Area, you have to say an area is blighted. Nobody likes to say that; but that's the word that's in statute and that we have to put in the adopting ordinance. She said definitely when you drive our Urban Renewal area you can see that there's blight. Blight is usually poor conditions of streets, lack of infrastructure, underutilization of property (property that isn't developed or is developed poorly), or poor conditions of buildings. She said we definitely have all of those conditions within this Urban Renewal area. She said for the Port area, infrastructure is the problem and lack of development. Mann asked if on utilities, that includes all utilities. Howard said it doesn't have to be all of the utilities; it may be any of them. Statutorily to comply with blight, you only need one instance of blight; you don't have to have all of the conditions of blight. She said in looking at this area, we can establish all of those conditions of blight because they're all in existence in different parts of the area.

She said lots of time when the tax bills come out, people will see Urban Renewal on their tax bills. If you have Urban Renewal in your city, everybody in the city gets that listed on their tax bill; it's not just the properties in the Urban Renewal Area. It's on your property tax bill because a number of years ago Shilo Inns sued the Portland Development Commission. They thought Urban Renewal had to be calculated differently; everybody in the city had to be part of that share. What it means is once you have your frozen base established, the next year the values go up; and the assessor will then calculate what that assessed value is of all of those properties in the Urban Renewal Area. Say it's \$200 thousand; then the assessor will take that \$200 thousand and spread it out over every tax bill in the City of Newport. The way they do that is by reducing the amount of money that goes to the taxing districts and putting a new line item on for Urban Renewal. This is the first step. So if you have a property that's valued at \$100 thousand, and the next year it goes up to \$103 thousand. The assessor looks at that and says from this increase in value I need to raise \$43.44. You'll see that in the last column there. He will total that up for every property within the Urban Renewal area and say I have to raise this amount of money. Then they will add the increases, they will distribute it to all of the property tax bills in Newport; and what will happen is there will be a new line on there. Newport's bills already say Urban Renewal. Sometimes when there's more than one district, the assessor will group those together; sometimes they'll say for each individual Urban Renewal Area. So if we do a new Urban Renewal Area, Newport's tax bills may say South Beach and whatever this one's named and have a line item for that. Bonds and local option levies for our existing Urban Renewal Area are calculated in as part of the money that goes into Urban Renewal. For our new Urban Renewal Area, they will no longer be because there's been new legislation passed that keeps those out of the Urban Renewal calculations. Bonds will not be impacted by our new Urban Renewal Area. Local option levies also will not be impacted by new Urban Renewal areas. It's only the permanent rate levy that gets impacted.

Geltner said when Howard was saying that all taxpayers are affected even though they're not in the area, during the process are we asking the public to comment on this specific path that we've created? Howard noted that they are only affected in that it's on their property tax bill. When you look at the two rows, the total property tax bill is the same amount of money. They're not paying anything more; it's just being distributed differently. They're impacted in that the taxes are divided out differently, but the total amount they're paying is not different. At the City Council meeting to finally adopt an Urban Renewal Plan, all of the citizens of Newport will get a notice saying there will be this meeting; if you want to comment, please come and do so. And we have two open houses scheduled. Frank said his question has to do with the blue area (the boundary), that's the affected territory? Howard said it is where you will be able to do projects on the program. Geltner asked if the public wants to propose something that's nearby, is there a road for that in this process. Howard said that's happened before. She said a property owner might come in and say I'd like to use your loan program, I think I can use that; and everyone will look and says that makes sense, and we'll move the boundary to this point and put them in. She said sometimes it will also happen that someone comes in and will say I don't want to be in your area. They don't care if it doesn't affect their property taxes. It's usually people who don't understand Urban Renewal that thinks something's going to happen to them, and it's really not. What she's found is that if they come in

and are really adamantly opposed to it; take them out. Don't mess with it because, unless it's a property where you specifically want to do something in the future on that property, you don't need them opposing you. So, go ahead and take them out. Huster asked if the redistribution of the taxing occurs to everybody in the city; and Howard confirmed that. She reiterated that if you live in Newport, currently there will be a line item on your tax bill that says Urban Renewal; and it will be the South Beach Urban Renewal. She said a lot of people may not have ever looked at that.

Howard said hopefully what happens after Urban Renewal is that the values have gone up more than they would have if you didn't have Urban Renewal; and all the different taxing entities get more money than they would have. She noted that the school district is affected differently than the other taxing jurisdictions. They are funded through the State School Fund, which is made up of property tax revenues, lottery revenues, and also income tax revenues; and they're apportioned money on a per-pupil basis. The impact on them is not a direct impact, where on the County it's a direct impact; the money that would have gone to them doesn't go to them. What happens with the school district is the money that would have gone to the school district doesn't go to the State School Fund. The State School Fund totals are established by the State Legislature, and they will establish this amount per pupil. The way schools will get more money is you get more residents in the City of Newport who have more kids who go to school, and then the schools will get more money. She said generally schools are pretty supportive of Urban Renewal because they're not impacted directly, and they know if their city works better, is economically better, has more jobs; they're going to get more kids in their schools, and that's how they're going to get more funding.

Howard noted that in the statute there's a precise way that a plan has to be adopted. The Urban Renewal Agency has to implement the first proceeding for implementing the plan. It has to go to the Planning Commission for a hearing. The Planning Commission has to say it conforms to the City's Comprehensive Plan. You also have to say how it conforms to your Economic Development Plan. Either the Planning Commission or the City Council can make that determination. Then it has to go to the City Council after notice to all of your citizens. The notice can be through utility bills, through voter registration, or through just residence. The city can decide how they want to do that. It's a pretty long process. Newport has added this Advisory Committee. They've added a healthy amount of meetings for you just to make sure there's a lot of good input, and two public open houses. She thinks the Council has gone above what a lot of other cities do on making sure that the process has a lot of input. She thinks that's a really good thing to do; and usually your most successful plans come out of a healthier public participation process.

Howard said there are portions of an Urban Renewal plan that are not static; and those are goals and objectives, and projects, and finances. A lot of it is just boilerplate that gives you authority; but these are the things that are individualized for every community. We'll have specific meetings going over these. She said the goals and objectives might be to "create conditions that are attractive to the growth of existing businesses and attract new businesses to Newport to create jobs," and to "help create and enhance a distinct identity for the area." Howard presented a slide listing the conceptual projects that were in the Feasibility Study. She said that doesn't mean those are the exact projects. This group will help provide input on what those specific projects might be. When we get to that project meeting, we have a list that we will go through, and the group will say "yes that sounds good, or no that doesn't; and I think you put too much money in this, or not enough in that."

Howard had some slides showing pictures of types of projects that are usually done. Projects are usually infrastructure-kind of projects, streetscape projects, wayfinding, or signage. The slide displayed examples of projects in different cities (Pendleton, Astoria, and Lake Oswego) that she briefly described. She said that kind of sprucing up the area is a very typical Urban Renewal project. She said that once you get enough money, strategic site projects are the kinds of projects that Urban Renewal areas love to do because they are actually able to implement and cause development to occur. She described the strategic site project in Bandon for the Face Rock Creamery. The city did the infrastructure improvements, they did the restrooms, and they did utilities to the site. The creamery maintains the restrooms. It's a nice kind of project to do together. The next slide showed a strategic site project done in Lake Oswego at First and A Streets. They developed a multi-use site (Lake View Village). It has offices up above, retail below, parking in back, and a park along the lake. They do their farmers' market there and all kinds of different events. The next slide showed an infrastructure project done in Florence where the Urban Renewal Agency paid for bringing water and sewer to the area shown on the map so it could be redeveloped. The next slide was an example of storefront loans/redevelopment done in Coos Bay. They had a vacant historical bank building where the city went in and did the façade restoration because they thought the building was important enough to the area.

**Questions:** Mann had a question on compression and how the new Urban Renewal District would help reduce compression for the educational districts. Chandler said for all districts. Howard explained that in Lincoln County and in Newport right now, as was discussed in the Feasibility Study, there's not horrible compression for anybody but the school district. The school district is experiencing more compression. For everybody else compression is fairly minor. Howard said she has an article on her website that she will have Tokos send out to everyone that's really good and explains exactly how compression happens. She explained that compression happens when the real market value of a property and the assessed value of a property end up getting too close together. You are not taxed on the real market value; you are taxed on the assessed value. There are \$10 per thousand tax rate for general government and a \$5 per thousand tax rate maximum for schools; so it's a \$15 tax rate. A lot of times if the school passes a local option levy or a bond, their rate goes up above that \$5 per thousand. If there's enough room between your assessed values and your real market values, and you're above your \$5, you are still okay on compression. But in the last five

years where our assessed values and market values have come together, when this \$5 rate is over \$5 you go into what's called compression and they only get the amount that equals the \$5; and it's \$5 per thousand of real market value. It is very confusing; but what happens in Urban Renewal is when an Urban Renewal Area is adopted these values go from being in the school category with compression. This will help a little bit with compression because a portion of Urban Renewal Area will no longer be divided into schools and general government; it will go into that general government category. It doesn't exacerbate the problem; it improves the compression issue. Howard said she will send the article to help everyone understand it better. She said it's probably the most complex issue in Oregon taxation.

Croteau said he wanted to review what the Planning Commission came up with when they dealt with this issue. The general consensus was that the big plan was the most favorable because they felt it was the most bang for the buck. The Commission also thought the biggest plan had the best potential for buy-in because it included residential, commercial, and potentially industrial as well. There's potential benefit if you spread it amongst the players. It hedged our bets in terms of where financing would come from. There could be growth in residential, in commercial, or in industrial. The Commission felt that it improved the input and gave us the most for the money. It hedged our bets in terms of where growth would come across the different sectors of the economy. Howard said if you have an Urban Renewal Area that's just concentrated on one land use type and that land use type doesn't grow, then you have a stagnant Urban Renewal Area. She said if you have different land use types, you do protect yourself a little bit.

Geltner said that he recently attended a public meeting that the farmers' market had. He got the sense that they wanted to be in this district. He asked if he's correct to assume if they were a project, you could buy the land with this money, you could build a pavilion with this money, and the ownership would be with the City. Howard said it could be or not. She noted that in Lake Oswego they did precisely that for their farmers' market. It's in that project she showed earlier. There's a nice park there, and the farmers' market leases that from the City at a very favorable rate because for one, it brings in 7,000 visitors every week to their city. The city put the pavilion in. They have bands come in, and they do a lot of other things there too besides the farmers' market; they have concerts and movies at night. That was done through Urban Renewal funds.

Mann said it sounds like there's going to be opportunity at other meetings for the public to have input. One question he has is what's the downside to Urban Renewal for economic development projects? And have there been any issues raised so far about talking about a new Urban Renewal district? Howard said the downside to Urban Renewal is only on the other taxing jurisdictions really. Tokos said it's a big conversation for our City Council because the City will be taking the biggest hit of all of the taxing entities. The biggest potential downside is you give up a little near-term. Mann said, but there's no downside for the taxpayer really. Tokos said not really, unless you're looking at it in a very broad context; do they philosophically support the projects. Are these publicly-acceptable projects? Nebel said we have received a number of comments from folks. He and Tokos met with all the taxing entities. Of course all of the taxing entities' discussion is the same evaluation the City does; understanding what kind of potential future reduction and increase in revenues will come forward as part of this district versus what can be expected otherwise. He thinks most taxpayers don't really totally understand this issue. The biggest question he always hears is "is it going to increase my taxes?" When you answer no, it's redistributing taxes; they don't seem as concerned about that. He said one of the things that we do have to be aware of is the larger the district and the greater percentage of district that's tied up is revenue that is going to be diverted from the City, the County, and the other taxing entities. We have to be comfortable that that's going to be a manageable cost that we can incur for the benefit that will result from it. Busby said one of the things to consider is that some of the money that we spend on the City will now have to go to Urban Renewal; so we lose our option on some of those other things. We only have so much money; in fact we already don't have enough money. We lose the ability to do some of those things; but some of the things we do in Urban Renewal, we were going to do anyway like fix a sewer or build a sidewalk. We can now do it under Urban Renewal instead of just under our City budget. Howard said, especially if you're doing infrastructure projects like that; what it allows you to do, if the city is going to pay for it over here, the city is usually about 25% of the total. So they're able to leverage their 25 cents to a dollar. They can do it much more quickly if they have Urban Renewal, which will then hopefully provide that economic development that comes from doing infrastructure development to happen more quickly so growth would happen to the city faster. Looking at the Port map, Howard noted if infrastructure isn't brought to this area, it's not going to develop. If you waited for the city to do it when they can afford it on their own, it's going to take longer. If you put it in Urban Renewal and are able to use the taxes, with the growth off that area it will happen more quickly; which will bring you jobs more quickly, and allow that area to develop more quickly. In a centralized area like this, it's pretty easy to see the cause and effect benefit of Urban Renewal for that area. It will allow an area that otherwise is doing nothing to develop. Busby said we get like 3 to 1 on money; we just have to give up some of those things at the start.

Mann said it sounds to him that looking at the larger option and a more aggressive schedule makes sense so you don't miss opportunities for possibilities for immediate growth that could happen and could also help entities make some decisions; like the County working on the fairgrounds projects and look at capturing matching fund opportunities. He thinks it just makes sense to get on that aggressive schedule and look at that larger option. Nebel said the other thing too that he thinks came out of the Planning Commission discussion is the duration of the district will likely be shorter with the larger district as well; and a shorter period has benefits to all the taxing entities. Croteau said, in terms of public input, once you're beyond the tax issue that this is not going to increase your taxes, it just means jockeying things around; everyone has something. Everyone recognizes that

downtown needs help, their street needs paved, traffic flow needs to be improved, or it's time to do something with the fairgrounds. Once you get beyond that, the actual selling to the public becomes an issue of balance; not so much that this is not a good idea but rather where do we look, where's that balance? Howard said usually another point where there's a lot of discussion is when you do an Urban Renewal Plan you identify a lot of projects, but you also identified a potential timing of those projects. The jockeying becomes is the fairgrounds the most important thing or is the couplet. What she tries to tell people is let's make a decision now at this point in time, but every year when you do your annual budget as an Urban Renewal Agency, you make decisions based on what's happening in your city at that time. So, say there's a developer who comes in and says he would really like to do this property at the corner of 101 and 6<sup>th</sup> Street and has a great idea. We haven't talked about it before, but he says he has this gap financing and he needs the city's help. At that point, the Urban Renewal Agency can say let's look at re-organizing our priorities because we think this project happens better for us at this point in time. We'll identify projects and timing, but that doesn't mean they have to be done in that order. It means they're in the books, they're part of what you can do; but it's not set in stone. Croteau said it's important going in not to be too detailed. Rather, give yourself flexibility finance-wise and time-wise to change as things go along; not to say A, B, C, and D. Howard said that's what we do; put "transportation improvements." Then that just means at that point the Agency decides which of those transportation improvements are the most important. You've already identified certain ones that are within your plan; but you don't get tied to saying Agate Beach your streets are going to get done before this gets done because every year things change and what you think is going to happen the next year doesn't always happen that way. She said it gives you the flexibility and the ability to move things around.

Chandler said there's a great deal of education and some commitment that she thinks needs to be made because there was an Urban Renewal district for the downtown. The bulk of that money was spent on remodeling and turning this building into City Hall and on the Rec Center. The downtown now is even more blighted than it was fifteen years ago. There's no parking off-street that could have been purchased with Urban Renewal money. She thinks that people who have lived here a long time really need to feel some comfort that these funds are going to be used in a way that isn't on buildings that need to be subsidized and actually do what it's supposed to do, which is relieve urban blight. Howard said that's a good point. Nebel said he thinks that's an important point because the last Urban Renewal for this area really did focus on public infrastructure and public buildings; including the PAC, the Library, the Rec Building, and City Hall. He said those were good projects, but he's not sure how they impacted the economic condition of the City of Newport. He thinks that certainly the approach that's been discussed this time is to try to do things that will increase the economic activity in this community and the viability of this community. He agrees that needs to be something that we need to talk about. Howard thought right now the only public facility that's on the list is the fairgrounds. She said you might consider the Port; but it's an economic development opportunity. Tokos said a public safety building was an option in one of them. Geltner wondered if a site has been identified for that. Tokos said it was mentioned in the Feasibility Study. He said a specific site has not been decided. Geltner said that has come up in the context of the fairgrounds; kind of double usage.

Geltner had a question about the intersection between public and private. He said there are a lot of existing streets that are still gravel in this area. That gets into residential neighborhoods. Now he understands the burden of that falls on the owners of the properties. He asked if that's a permissible project under this. Howard confirmed it was. Geltner said the other thing is city center. Again, there's public and private. He asked how that has been realized in other jurisdictions. Howard asked if the question is in our downtown commercial area, what could be done. Geltner said specifically where you have private property interests and public interests and merging those and spending public money. Howard said there are a number of things that happen in areas like that. First are the storefront loans or redevelopment loans. Many cities will do those where the private property owner has to put in "x" amount of money, and the Urban Renewal area will put in "x" amount of money; and they are able to redo the facades of buildings. She said the city of Sandy didn't have any private property owners who were interested in putting any money into their buildings; so they decided to do a different, much more aggressive approach that has been extremely successful. There the city has gone in and gained an easement on the storefront of a building, and they paid the entire cost of improving the building. They did that because they couldn't get anybody to use the money, buildings were in really bad repair and needed something done, and they thought that was the most effective way to do it. It has been a very successful program for them. Another way is like the Lake Oswego option or the Bandon option where a developer comes to the city and says he wants to develop "x" but it doesn't cash flow for him. He says for your city it will bring in jobs, it will bring in commercial growth, it will improve a building, and create a new tax base. He asks if the city will participate. It's a private entity coming in that will put in "x" amount of money, and the city will help to contribute. It's a really effective partnership that is done in lots of Urban Renewal areas around the state. Huster asked if that kicks in prevailing wage requirements; and Howard confirmed that it does. Howard said that typically when you do a large project like that you hire an attorney who helps figure out how to keep that prevailing wage to a portion. On the Lake Oswego project, all of the city's money went to the parking garage. They just paid prevailing wage on the parking garage, not on all of the building around it. You're careful and you work with someone to help you constrain it as much as possible because it gets really expensive to do that.

Brown asked if you can use Urban Renewal to pay SDCs for a development coming in. Howard said she's never had anybody do that; it's usually for capital expenditures. Tokos said that Gresham did it in their downtown core area. They used it for a catalyst for redevelopment in their downtown; basically it was an incentive for redevelopment down there. So they paid the system development charges and reduced the development costs. That would be akin to doing something on US 20 and 101

where a group of property owners were looking to redevelop but they couldn't cover the gap of the cost of demolishing and doing the improvements. Urban Renewal could step in and take care of that. It's taking a piece of development cost off their plate. Chandler said an example of that is the project Bandon did for the creamery. They did recruitment with the money. Howard said that's the best way to do it because you separate it out, and it's very clear. The developer is responsible for their own building. She works with a lot of cities that call her up and say nobody will take their money on their storefront loan programs. Winston is one of them. She said that's because they're asking for a 50/50 match, and there's no business there that has that amount of money to put anything into facades. She says to them, if nobody's using your money, what do you think you need to do? It's hard because they don't think their community would like them giving money to private entities, but sometimes that's the only way to make it work. You have to be flexible. Chandler thought that Lincoln City had done it as low-interest loans. Howard said Astoria will do a partial grant and a partial loan; they'll do a grant up to "x" amount of money, and then over that it becomes a loan. Geltner said that one thing that occurs to him is ODOT because 20 and 101 is ODOT. He asked Howard if she had any experience working with them. Howard said she did. She noted that a lot of time Urban Renewals used ODOT match where ODOT says this money's available but you have to be able to come up with a match in order to do your projects. Geltner meant more in interfering. Howard agreed it's very difficult working with ODOT. Tokos thought the best thing to do is to engage them. When we move into the projects conversation he will do his best to make sure ODOT has a representative here. Because a lot of these projects will be along Highway 20 and 101, we want them to be engaged. We also have a lot of things in our Transportation System Plan where they have already been engaged. If it finds its way into one of our master plans, they have been engaged through that process and shouldn't be balking down the road. Howard mentioned the town of Sisters. She noted that was an ODOT project, some Urban Renewal was partnered with that; but mostly the storeowners at the time that their sidewalks were being ripped up anyway said why don't we go ahead and improve our facades. So Urban Renewal came in and helped storeowners improve facades along the area at the same time. Tokos said the work we will be doing in South Beach that's actually out for bid right now is part of a joint effort with ODOT. We will be doing at least the initial part of the work, and ODOT will follow up in 2017. That's \$3.5 million, and about \$2 million is coming from the state.

Mann had a follow-up question on the bond measures or option levies. Once the Urban Renewal District is formed, if a district decides they want to do a bond measure option levy, how much effect would that have on it. Howard said nothing. Not on a new one; but on the existing one it does have an impact, which would be the South Beach District. Croteau said on the matching, it doesn't have to be 50/50. It could be any portion you wanted. He said 10% is better than 0%. It's something to show.

Nebel said the other thing to remember too is that there are two primary steps at this point. The first step is a task that this group has here, which is laying out the general parameters and a specific recommendation on boundaries and those things for the City Council. We can give ideas on specific projects, but we don't have to at this point of the game define the projects to such a great extent; it's generally making the funding available for those types of issues. He doesn't want people getting hung up saying we have a lot of detail to work out here because that will actually be worked out in a subsequent process if the district is established. Howard said that's a good point. All you would put in your Urban Renewal Plan is that you would have the availability to do re-development loans. Then if the district gets adopted, you sit down and say now we need to establish a loan program, what do we want it to look like, what are the parameters? You just establish the broad authority to do "transportation improvements," "redevelopment loans," and whatever else.

Ryslinge asked if there's a downside coming up to the acreage max. Howard said the only downside is if some opportunity comes up in the city and we wish we had Urban Renewal to do that because this is the perfect opportunity. A developer comes in and says they really like this piece of land and would like to do "x" on it. So, she thinks it's prudent for us to look at our city and see if there's an opportunity here that we're missing; but she thought we've included so much that there probably isn't. Croteau asked if it isn't right that the South Beach project is ending. That was Ryslinge's other question; when does that end, and when does that free up? She said it would be good to have that analysis from the city's perspective. Tokos said the Feasibility Study does factor in the shutdown of the South Beach District. It does show how that plays into this because that increment that's been tied up in that for quite some time flows back to the different taxing districts. Ryslinge said she was thinking of it for acreage as well. Howard said it ends in 26/27, so it's another ten years. But, as Tokos had mentioned, she said there might be an opportunity to look and see if an under-levy makes sense in that area, which would provide some relief. However, that doesn't provide relief for the acreage. Howard said it's a little cumbersome but Wilsonville has done this; instead of an under-levy they go in and remove property. Because they've removed property, it goes back on the property tax roll and it allows more capacity to do more acreage. The City could potentially look at the South Beach District and say we need "x" amount of money to pay off our bonds and do the rest of the projects, this district will produce "x" amount of money; and you really could get rid of some acreage. Maybe that's an option.

Nebel said the Port project has been a newcomer to the discussions. In theory if the leases are terminated on that Port project; that Port component might be a shorter term. He wondered if it's a separate district. He didn't know if we've had discussions as to whether it should be a separate district or part of the other one. Tokos said that generally our thought is that it needs to be a separate district because the ramp-up and shutdown would be different than the area in blue. That's the biggest piece of it. Nebel said that's a little variable in the timing issue too because if that's done as a separate district, then the life of that district would likely be substantially shorter than the rest of the district. Howard said she really likes it as a separate district because it

then doesn't have to compete with the other area for projects. One of the things that happens when you have a big area is you have lots of potential projects and how do you prioritize them. If you do this as a separate one, the money will be invested right in its own project and doesn't have to compete with anyone else. Brown asked if it would have to be on the same time schedule as this one here. Howard said it could go a little faster. One of the things you always try to do is save the city money on notices. You have to do a city-wide notice of your City Council hearing. Sometimes you can do that if you have a city-wide newspaper. That saves money; you just put the notice in the city-wide newspaper. So you could potentially speed that one up and do it more quickly if we could agree on all of the components of it. She said really what we need to achieve now is talk about our schedule and the two separate areas and if we want to do the other one a little more quickly, she can accommodate that in our meeting schedule. Busby said he asked Tokos what he thought was that same question at one or two City Council meetings back about whether to have two separate districts or one. He thought at that time Tokos had said probably only one because administratively it's more work to do two. Tokos said the more we got into it, the more it makes sense for it to be separate. Busby's question was then does the Council have to go back and authorize anything for the second district; or are we okay as is. Tokos thought it's okay because the Council initiated the effort. It's being handled by the same Advisory Committee and will be a recommendation coming out of that committee. Nebel said in theory the Advisory Committee could recommend we have three districts. So he thought those are all valid potential outcomes of this process.

Geltner said he assumed this meeting was being taped; and Tokos confirmed that it was. Geltner said the reason he asked is because this schedule seems to be in the time of year when people go on vacations and so forth; and whether either we can listen in or whether we have a way of hearing it before the next meeting. Tokos said we can certainly arrange for dial-in as well if that's an option folks need. Nebel said the meetings are recorded, and the recordings will be on the website so you can listen shortly after the meeting is completed.

**Schedule:** Howard went back to the schedule as laid out. She noted that when she and Tokos talked about the schedule, this is what they came up with. Today is just the kick-off meeting to talk about our issues and to develop the schedule. The next meeting will be to look at the boundary; and you may all say you don't think there's going to be that many issues on the boundary so we can pull something else into that meeting; or you may say there's going to be a lot of issues on the boundary and we'll need a whole meeting to discuss that. The third meeting would be to talk about socio economic data; just to talk about the areas a little bit and to establish what our goals and objectives are. She said that goals and objectives and projects all go hand-in-hand. We want to think about them together because for every project that you do you need a goal or an objective to talk about that project. We were talking about doing an open house on August 10<sup>th</sup>. That's where we typically get the most input from people in talking about what kinds of projects and what kinds of things they want done. The fifth meeting is financials, and that's when Howard comes in and says these are all the projects you talked about, and this is what it looks like over time. The City set a \$42 million sidebar over here, so this is what we can really do. Lots of times what happens in that meeting is people will tell her to move a project forward or move one backward. That's the kind of thing we deal with on the financials.

Busby asked if it wouldn't be better to have a discussion on the projects before the boundary. Howard said we could; she's open. She said we could pull projects up and talk about it with the boundary. The consensus was that made sense. Geltner wondered if anyone were to ask him as a member of this group how that line around the blue got formed or if he's just curiously looking will Tokos be able to tell him that it's based on width or its reach was based on certain thinking that the City had. Tokos said zoning is part of it, it's picking up commercial to either side and extends back a little bit. It's picking up residential in Agate Beach, it pulls in the fairgrounds on the US 20 side, which is public zoned; and we made sure to pick up the hospital on the south side. Howard wondered if we talk about projects earlier, does it make sense to move up the open house to get that input on projects too. Mann wondered if it's possible to combine two and three. Howard said yes, and move the open house up into July? She said she hates going out to the public where everything is decided and they don't really feel they have a chance to give input. So instead of getting input, you're telling them; and she's not comfortable with that. It was suggested to put the projects in with boundary. Howard said we can talk about boundary and projects at the next meeting. On the July 27<sup>th</sup> meeting do the goals and objectives discussion and the open house. Nebel thought for discussion we should probably have a quick review of the map first, then talk about projects, and then take a look at the map at the end of that discussion to see if it makes sense. Howard said generally what she asks people to do is go out and drive it and look at it specifically and say what needs to happen here. Are there properties that aren't included that you look at and say this is really blighted and we should bring it in if we can? She said to take the map and go out and look at the area and see if you have any reservations about anything. She said to remember that right now our job is to cut it a little bit. She'll know more soon about how much assessed value we have to cut out. Nebel said, so it's the assessed valuation part and not the acreage part. Howard said right now it's \$7 million over; and she doesn't have the new tax information, so it will be a little more than that probably.

Howard said the question is should we move the open house to July 27<sup>th</sup> or clear up to July 14<sup>th</sup>, which would be pretty quick. Tokos said he wouldn't put it that fast. He thought the group is going to need some time to go through the boundary question. Maybe we go through that on the 14<sup>th</sup>, and then Howard is able to put a little more detail behind it for the 27<sup>th</sup> and for the open house. Howard said that makes sense to her if everybody felt good about it.

Belmont asked Tokos if the members could get a zoning map to the same scale as this boundary map. Brown agreed, something that overlays the zoning on it. They thought that would answer a lot of their questions. Tokos said he can do that. Howard thought up in those residential areas, if you drive those streets you'll know exactly why that area is put in. Just as a heads up, Tokos said for discussion on the 14<sup>th</sup> we will be making some changes to the Port boundary largely picking up right-of-way. Brown wondered if it would be advantageous to incorporate more out toward the Trident plant. Tokos said that's a possibility as well. He said the issue is in South Beach when that district was put in place we had some investments that were made in our new sewer treatment facility and extension of sewer lines underneath the Bay where all of those improvements were not within the boundaries of the district, and the district contributed proportionately. That was signed off by bond council at the time and was acceptable practice. We were just having conversations with bond council, and they don't want to do that anymore, which means they want to make sure any investment is wholly contained within the boundary of the district. This is the right-of-way. Howard said you can cherry-stem to it. Tokos said we may be running a cherry-stem down Bay Boulevard to a pump station so we can pick up the full scope of sewer we would need to do. Nebel asked if it would affect acreage. Tokos said it would, but we have enough of a cushion on that that he thinks we'll be alright; especially if it's a cherry-stem.

Howard asked if people are comfortable with us trying to do the aggressive schedule; and after we do a couple of meetings, if we see that's not going to work we will back off. Nebel thought that after the first public session we'll have a pretty good idea of what burdens we have ahead. Howard said we will also have a conversation with the Assessor and see if we can get them to wait to certify the new base until after October 21<sup>st</sup> because this schedule is incumbent upon that happening. Nebel said they would know thirty days in advance that it's been approved. Howard said we would keep in contact with them, so if we moved our schedule we would let them know right away.

Belmont said some information that would be useful at least for him going back to his people would be if we could get a page for South Beach and what the actual impact is. He said it looks like it's going to go off in 26/27. Just a graph. He sees a total, but he doesn't see it by district.

Mann noticed that all of the meetings are on Mondays except for July 14<sup>th</sup>. He wondered if there's a reason. Howard said she was already committed on that Monday. Tokos asked if we want to proceed with the 14<sup>th</sup> and the 27<sup>th</sup> as firm, and then the other dates as tentative at this point and see how that goes. Howard said if everyone would write them in on their calendars to hold them. We'll send this schedule out to you. We'll also send you the article on compression. And we'll send an analysis of South Beach so that you can look at that before the next meeting. The meetings will be at 10:00 a.m. Howard said we will be ready next time to talk about boundary and projects. She was asked if it's possible to get a copy of this pdf; and Tokos said we'll send that out. Ryslinge asked, for example she can't be here on the 14<sup>th</sup>, so access to information of the meeting is available. Tokos said we'll have it on the City's website. Nebel said and we'll give instructions as to where to find that.

Geltner wondered if anyone had any ideas or have heard anything that is considered being put into the hopper besides the fairgrounds. Howard said there's a list in the Feasibility Study. Geltner said he saw that, but wondered if anything's surfaced since that feasibility study. Tokos said not specifically; other than the Port infrastructure. He said there was some discussion about doing some waterline work in partnership with the hospital around their campus area. Nebel said in our meetings with the schools, they talked about potentially adding some property for the school campus. Tokos said potentially adding the school campus in the boundary. Nebel said and some of the infrastructure that would be necessary to support that was another thing that came up in that discussion.

Geltner said in terms of the farmers' market do we just sort of present them at the next meeting and they get on our list. Nebel asked how Howard is proposing to coordinate the brainstorming process on projects. Howard said typically she'll take the list out of the Feasibility Study, and we'll talk through that list so everybody understands. Usually that's led by Tokos or somebody who knows specifically those projects and what you're going to do. Then we'll talk about what are other ideas, what are other things that need to happen; especially after you go drive the district, you might have other ideas. She said to her, the farmers' market is an interesting idea. It doesn't itself create increment; but it creates spin-off economic activity within your area. You have to think about how you program it to make sure it's used more than one day a week in the summer; so that it's used year round. And you want to locate it central to where your other businesses are so they get that spin-off activity off of it, and it actually creates that economic development that you're looking for. Farmers' markets can bring in a lot of traffic to the city. They're an economic engine.

Tokos thought we would spend a fair amount of time as we go through the projects talking about why they've been drafted as general as they have been at least conceptually so you can at least get a sense of what all could fall in these different categories. Howard said for example there's this "strategic site acquisitions." Do we know exactly where, no; but can you drive up and down 101 and look at different sites and say it would be great if something happened here or there. So, it gives you the flexibility to do it. At some point something may happen, and you'll have those funds available. Tokos said to be clear we have to go back through an amendment process at that time. That's why he says it's a living document. It's expected that an Urban Renewal Plan is going to be amended many, many times as you go from the general to the more specific over time as you have a better handle on what kind of increment you're really pulling in, what kind of funding resources do you really have to apply to projects,

and as you get a better understanding of which projects are really going to be a go because all of the public/private partners are catalyzing under that project at that point in time. Howard said that's why she has no problem with that occurring before your visioning because this will establish the funding mechanism, and it takes a while before you actually get money and you have plenty of time to do all the fine details about what you're actually going to spend the money on. Until you get this established the money doesn't start coming in.

Geltner asked if all these meetings are from 10:00 to 12:00; and that was confirmed. The open houses we'll do in the evenings. Geltner asked if that's scheduled for the 27<sup>th</sup>, we should plan to have that evening available? Tokos said the members don't have to attend the open house, but you are welcomed to. Howard said from her experience, it's really nice to have the committee attend. Hopefully you get good attendance, and people can actually talk to people who are involved. It provides a much better interaction with the community if more people can come.

Mann gave compliments to the team on the Feasibility Study; it was very thorough. Howard said she had to give all of that to ECONorthwest; and she will pass that on to them. They're her financial partners and work with her on all the Urban Renewal Plans and do a good job.

**Adjournment.** Having no further business to discuss, the meeting adjourned at 11:52 a.m.

Respectfully submitted,

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Wanda Haney  
Executive Assistant