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MEMO

DATE: November 14, 2019

TO: Mayor and City Council

FROM: Spencer Nebel, City Manager

SUBJECT: Status Report for the Four-Week Period Ending Friday, November 8, 2019.

I hope everyone is enjoying the great fall weather! I had an opportunity to attend my annual ICMA Conference in Nashville and take a couple of additional vacation days to visit my cousins in Knoxville. It was a good opportunity to recharge and reflect on dealing with various issues facing the City of Newport.

Highlights of activities over the last four weeks include the following:

- Derrick Tokos, Lance Vanderbeck and I hosted a meeting of various property owners regarding access to the east side of the airport. Over the years, the City has provided access through the airport fence for private properties located east of the airport. During the past six months, we have had a number of discussions about trying to create an alternate road access to these properties without having to run through the fence at the airport for access. We brought together a group of property owners located on the east airport's side to see if there are alternatives that would eliminate the need to cross through the fence at the airport. Randy Hereford from Starker Forests, Will Emery, Bonnie Serkin, Bill and Joanne Barton, and Caleb Hall, along with his attorney, Adam Springer, participated in this discussion.

There are a variety of concerns from various property owners regarding access. Road development would be restricted access, not a public road. It was decided to walk this property to determine whether a route exists that could create this access without infringing upon various property rights in this location.

- Met with Councilor Parker and Sachiko Otsuka regarding various issues relating to the establishment of a sister city committee. Sachiko and Ryan have indicated a desire to take the lead in this effort. They also feel this is an opportunity to utilize this group to broaden other international relationships with the Newport community. We discussed the need for clear communication protocols with our sister city, and some of the ideas discussed, including a Skype meeting between

the two City Councils on an annual basis. Sachiko has offered to provide cultural information to the Council prior to a Skype meeting to help our Council members understand cultural and communication protocols from a Japanese perspective. I think the creation of a sister city committee will certainly help to provide a more structural relationship with Mombetsu moving forward.

- Met with John Lavrakas and Frank Geltner on the development of policy for the Yaquina Bay Economic Foundation.
- Met with Rob Murphy and Barb James to discuss personnel issues in the Fire Department. We had placed an employee on paid administrative leave while we investigated an off-duty conduct matter. This employee has been returned to work on the conclusion of our investigation.
- Held a conference call with Ross Williamson of Speer Hoyt regarding a follow-up meeting with DEQ on storm water discharge lines at the airport. The DEQ has reduced the fines. The meeting with DEQ was to review their final conclusions. We did make a pitch for further reduction, without success. Based on our conversation with Ross, it is less expensive to pay the fines than to contest this issue any further. The fines were reduced to \$9,796.
- Held a bi-monthly meeting with Derrick Tokos to discuss departmental issues. One of the big issues to deal with, is a replacement to fill Rachel Cotton's position. Rachel has been a good asset to the City of Newport, heavily involved with the Visioning effort and the Parks Master Plan effort, as well as, dealing with day-to-day planning and zoning issues. Rachel wants to pursue planning on a consulting basis in the future. We wish her well with these endeavors.
- Along with members of the Council and City staff, I participated in a Finance Work Group meeting on expenditures. We have been working to compile the information requested by the work group for presentation at the third meeting of the Finance Work Group. I appreciate the efforts of the departments in providing the information as requested. I am hopeful by the end of this process, we will have recommendations for the City and staff on how to best approach the structural deficit the community is facing moving ahead.
- Held a bi-monthly meeting with Laura Kimberly regarding Library matters.
- Mike Murzynsky, Steve Baugher and I met regarding the skate park funding. In the past year or so, we have received a number of private contributions specifically intended for skate park improvements. We will be making those funds available for the current phase of work at the skate park.
- Met with Councilor Hall regarding improving the use of technology for citizens to electronically seek services, complete forms and other similar things. Currently, we have a number of processes that are not user friendly. Councilor Hall has put together a memo outlining some of the specific issues that she thinks could be improved through the City's website and through other portals. We will be reviewing that to determine what steps we can take to eliminate some of these barriers.
- Participated in a Transportation Policy Advisory Committee meeting to kick off the public input process regarding the North Side Transportation Plan. There was a good turnout of folks from the Committee and some citizens, as well. This planning process will be very significant in guiding many aspects of the transportation planning in the future for the City, and between the City and ODOT.

- Met with Mike Murzynsky and Steve Baugher to put together various requests for departments to provide information for the Finance Work Group planning process. We needed to get these out before I left for the ICMA Conference. I appreciate the departments for working to provide this information.
- Held a bi-monthly meeting with Barb James to discuss various HR issues.
- Participated in a regional housing meeting of elected and appointed officials from throughout the county. A number of specific issues were discussed relating to the housing strategies that were put together as part of the county-wide study funded by the state completed through Lincoln County. A couple of key points from this meeting is that some of the low-hanging fruit would include revitalization of the substandard housing repair funds that are currently sitting with CSC. These are funds that have been paid back over time, when property that has received improvements has been sold. In addition, additional funding could be obtained to continue these programs going forward, once a mechanism is in place to support this program.

Following the economic crash in 2007, the rules for placing mortgages on properties changed. I believe this may have led to CSC not being able to administratively handle this program, without having the proper resources to deal with the new requirements that came out of the crash. It will be important for a collective effort to be made to identify an organization that can administer this program moving ahead. It makes sense to do this on a county-wide basis, versus each community having to try to struggle through these issues on their own.

Another item that was discussed was the possibility of having a county-wide housing czar. This is a position that could be either placed as part of a county position, or through the county's economic development group, or other county-wide organization. This position could work collectively assisting communities in various aspects of housing issues, be a primary contact for housing developers wanting to look at development in Lincoln County, proactively reach out to developers on possible development projects, and maintain an inventory of housing opportunities throughout the county. Finally, the COG indicated that one of their priorities for their three-county service area, is to work toward creating a detailed housing inventory for the region. The COG's efforts fit in with the more regionalized approach of handling housing issues in Lincoln County. The group is definitely interested in convening a couple of times a year to continue these collaborative discussions on a county-wide basis.

- Prepared agenda reports and materials for the October 21, 2019 City Council meeting. Thank you to Peggy Hawker for filling in for me for this meeting that occurred while I was attending the ICMA Conference. I am glad the meeting went well.....and relatively short!!

I was out of the office on Friday, October 18 through Wednesday, October 23 attending the 105th Annual International City County Management Association in Nashville, Tennessee. Lincoln County was well represented with Shannon Beaucaire, City Manager of Yachats; Ron Chandler, City Manager of Lincoln City, and me. The conference was held at the convention center in downtown Nashville. Downtown Nashville has seen quite a renaissance over the past couple decades

with the City being referred to as Nash Vegas. Seven days a week there are a hundred venues within a ten block area that have all types of live music going on from noon to 3 AM. Furthermore, there are all kinds of party vehicles, especially school buses with the roofs removed, that bring around groups of young folks singing and having a great time as the buses crawl along Broadway, and along other streets, within this entertainment district. Twenty years ago downtown Nashville was quite deteriorated and not a primary stop for visitors coming to this community, particularly after the Grand Ole Opry moved out to Opryland outside the city-center area. Today the core area of Nashville is very exciting and actually quite overwhelming at times! Highlights of the conference include the following:

- Attended a pre-conference ICMA University work shop on Six Ways to Engineer Employee Engagement put on by Patrick Ibarra, co-founder and partner of the Mejorando Group. Mr. Ibarra indicates that it is not management's responsibility to make employees happy, it is our role to actively engage employees in the meaningful operation of an organization. This begins with making sure employees understand a number of issues, including do I know what is expected of me? Do I get to do what I do best every day? Does someone at work encourage my development? Does the mission of my organization make me feel my role is important?

Today organizations need to be structured and create an environment in which a talented person would want to be part of that organization. The brand of an organization is its reputation. Is the organization a place where someone can grow or stop growing? While dysfunctional organizations attract those on the run, a functional organization attracts those who want to advance themselves. Today the most difficult recruitment for local government falls within law enforcement, police officials and water and waste water plant operators. These have been the positions hardest to fill for several years and that trend likely will not change in the near future.

From an operational standpoint, human resources should stop focusing on the outliers that take up 80% of our time and focus on the performers instead. This is a little easier said than done. Mr. Ibarra asked how we teach values to our children. Do we give them a manual, or do we teach them by example on how to perform? The same is true in building a stronger employee culture.

Mr. Ibarra indicates turnover is not necessarily a bad thing for an organization. Organizations where there is little turnover can be as bad as an organization which has turnover all the time. Organizations should promote a situation in which we encourage folks to advance, even if that means advancing outside the organization. On the other hand, it is problematic if talent is leaving the organization because of confusion over their role within that organization. It is important for organizations to train people who may want to leave. This is better than not training people that end up staying. Organizations can do an assessment that could include the following issues: How modern is your organization? How much are we

building capacity within our organization? How strong and healthy is the organizational culture? Are there employees present that will energize an organization? What is the ultimate potential for an organization? One thing that can be done on a staff level, on every level of an organization, is asking people what they want to learn this coming year. Folks need coaching and training and understanding what they need can be satisfying to the employee, if it can be provided.

On exit interviews it is important to obtain information as to what people enjoyed about their job and what they didn't, and what could be changed to make the work place a better location. Mr. Ibarra also recommends that "stay" interviews (regular contact with existing employees) be conducted. These may have more value than exit interviews. With the changing cultural needs for organizations, modernizing things such as vacation schedules, leave time, and other issues are important to be an attractive work place, particularly for experienced folks coming to your organization from another organization.

Vacation time doesn't have any direct cost on the employer, but antiquated vacation policies causes a loss of talent coming to an organization. Important issues for millennials is "why can't I bring my dog to work?" Telecommuting, as a part of the work experience, is expected by many of the new employees. Flexible benefits are also important. Mr. Ibarra suggests having staff meetings out in different locations within your community. This has several positive impacts, including, shaking up the environment of those meetings (where everyone sits in the same seats every meeting), and engages staff in a different way. A good staff discussion can focus on what is more important: commitment to the organization or compliance? (organizations need both, but it is a good conversation at a staff meeting).

It is important in the recruitment process that attitude is measured when bringing new people into the organization. Mr. Ibarra points out that attitude is a hard thing to change. He uses marriage as an example where spouses have the idea they may be able to change their spouses through marriage. This often times does not occur! He indicates that six key elements to engage employees, include the following: one, hire the right people; two, provide a strategic framework; three, effective performance process; four, credible leaders and managers; five, culture of personal responsibility; six, continued development. Mr. Ibarra indicated a profile of a successful employee includes attitude, behavior/conduct, knowledge, passion, performance, skillset, and values. Organizations need to look at how exciting their job announcements are. Traditionally, governmental organizations use a task-related notice. If organizations want more engagement, make sure that this process shows the qualities, creativeness, and desires that a community has through the application process. A number of communities have done fun videos at work with smart phones and posted those to give employees an idea of what to expect within that

organization. Videos that show a very human and fun work place can be attractive to employees that will have a greater likelihood of being successful in an organization. Also, in the hiring process, the timing of advertising and hiring needs to be tightened up. This is a problem when we have multiple recruitments going on at the same time. Mr. Ibarra recommends a goal of forty-five days from advertisement to offer. In order to do this, a specific plan needs to be in place with the dates and the processes in place. In interviewing employees, it is important to understand what they've done and how they've handled issues like conflict, not what they would do in a new position. New employees should be expected to develop themselves and the people around them. Mr. Ibarra's suggested the performance appraisals as part of a three-legged stool, which is based on the job description, performance evaluations, and daily conversation in order to address and develop employees. In organizations, if you have an employee-based work group assigned to work on specific issues, Mr. Ibarra highly recommends selecting those employees versus asking for volunteers. While this may seem a little undemocratic, often volunteers have a specific ax to grind when they volunteer for an assignment, which then discourages proactive employees from accomplishing the task the group was meant to address.

It is important to have employees do self-assessments. It is important to understand how an employee views their work performance before a supervisor can address issues to strengthen their performance.

A couple of points to take away from this session include: developing an employee survey to gain a better understanding of what the desires of our current employees are (utilize the questions outlined earlier in my report).

Secondly, during the course of this next year, I think it would be appropriate for the City to review its benefit policies, and other issues, that sometimes get in the way of hiring experienced individuals to work for the City. What ways can we make our benefits more flexible without increasing the overall cost to the City for those benefits?

Another good point is the need for me to develop a more modern evaluation tool for the employees that report directly to me, and review our evaluation tools for other employees, as well.

- Jake Wood, Co-founder and CEO of Team Rubicon, and author of "Take Command: Lessons in Leadership" was our first keynote speaker. Mr. Wood is the co-founder of a non-profit organization that recruits, trains, and deploys military veterans to disaster zones around the world. With over 100,000 volunteers, they get deployed to some of the worst catastrophes occurring in the world. Team Rubicon was the first outside rescue team to arrive on the Abaco Islands in the Bahamas after Hurricane Dorian destroyed almost all the structures on this island as a category 5 storm stalled over the northern Bahamas. Mr. Wood indicated that planning for

response is critical, but once you are responding, it is important to have a clear understanding of the mission, and take actions that will support that mission, which may be contrary to the plan. Having a clear understanding of the outcome of a rescue mission, such as conducted by Team Rubicon, is critical for the members of that team to be able to respond in a constructive, effective and efficient manner. These values trump planning protocols during an effective response.

- Our next keynote address was given by Leonard Brody, award-winning entrepreneur, venture capitalist, best-selling author, two-time Emmy nominated and media visionary. Mr. Brody has been recognized as one of the top 30 management thinkers in the world and has been called a “controversial leader of the new world order”.

Mr. Brody indicated that with all the technology and 24-hour media, news media cycles, social media, and other methods of communication, humans are still the focus of society. Mr. Brody indicates that history often gets distorted with current-day situations. For example, there are many that feel that society is much worse off today than it has been in the past. Mr. Brody points out just in the last century, poverty has gone from nine out of ten individuals to one out of ten individuals. Life span is two and-a-half times longer, people today are three or four inches taller and heavier than they were one hundred years ago, 50% of the world’s population lives in a democracy versus one hundred years ago, and while terrorism receives a lot of publicity, less people are dying from violent means than any other time in human history. There are a number of key ages that have shaped society, including, the Industrial Age in 1750, from 1900-1920 telephones, homeownership, and vehicles came on the scene that dramatically changed lives across the world. In 1996, the internet created another rewrite of society. In one decade, 1910-1920 photos of New York City show a complete shift from horse and buggy, to vehicles being the predominant transportation method from the 1910 photo. New things continue to happen in decade chunks. During this next decade, things such as autonomous vehicles will be a big deal in re-shaping society.

Society is outgrowing civic institutions such as churches, government and social organizations. This is, in part, by having the ability to be their own news sources, instead of being limited to an institutional information source, as the case in recent decades.

Just a couple decades ago, people met face-to-face or talked on the telephone, today our virtual identity makes up over two-thirds of our contact with others. This creates different behavioral identities in the way that people respond to each other on issues. Ironically, we tend to be more trusting and believing of information we hear from these types of sources, than in the past. Mr. Brody indicated that two-thirds of marriages originate online and with the match-making services, these relationships are having a higher level of success. In 1950, only 4% of folks lived alone, where today over 40% live alone.

With virtual reality technology, Mr. Brody's predicting that 30% live entertainment will be conducted by dead performers in the next decade, with their images singing and interacting with the crowd utilizing artificial intelligence. Homeownership will be much more difficult in future years. Mr. Brody indicates that homeownership is a relatively recent phenomena in society. He believes we will be returning to a situation where homeownership is not valued in the same way that it has been valued during this past century.

With artificial intelligence, we are about a decade away from having very deep-thinking computers. Municipalities having open, accessible and technically savvy structures will be in a strong position. Customer success teams will be critical to develop a brand in which people feel their needs are being met. Municipalities will need to rebuild how information is solicited from our citizens.

On the housing front, ownership will decline, traditional renting may decline. Mr. Brody predicts that a form of leasing will be an option that could make housing more affordable in the same format that we currently lease automobiles.

He encouraged local governments to recognize the fact that the budgets of most leading-edge companies include an average of 10% of costs focusing on the development of new products to meet future needs. He encourages municipalities to invest funding in a likewise manner to modernize the way that those communities interact with their citizens for all aspects of local government.

Lessons to be taken from this session are that we really need to be focusing more comprehensively on the way that our citizens and customers can interact with technology or city processes.

- I attended a session on alternative approaches to achieving customer service, budget objectives, and community satisfaction from Tom Klein of SAFEbuilt. This session focused on building interactive software to improve customer service, and maximize efficiency regarding planning and building official services. This session focused on communities that have either completely contracted out of these services, or provide individual services for specific projects that are beyond a community's capability of handling. (I actually thought this session was going to cover other areas so I was a little disappointed what I learned from this session!)
- Attended a session on optimizing economic and financial outcomes for Parks and Recreation assets. This session was provided by Jason Clement, CEO and Founder of New Sports Facilities Management. Mr. Clement indicated that it is important to quantify the impact of recreation on the community from a tourism, economic development, and community development standpoint. Today's sports tourism can be an effective economic driver for many communities. It is important from a management standpoint to make sure that Parks staff understand the priorities of the

organization, as it relates to having an impact on the local economy. It is important for community recreational services to look at who the competition is, and what the community is saying about our services, as well as, the other services that are competing within the area. It is important to understand how to optimize revenues and to market the services, particularly as it relates to improvement of lifestyles. These can include marketing small events such as drop-in birthday parties and events, to developing major events that draw folks from outside the area. Any additional services that can be added that can generate revenue to a Parks and Recreation system. For example, zip lines, paddle boarding, and other activities can add revenue to a Recreation system, as well as, create more opportunities for everyone to enjoy the natural resources of a particular area. It is important to review the Master Plan, take a look at a financial plan to move portions of the Master Plan forward, and establish timelines to achieve strategies. It is also important that once items are successfully executed, that there is communication to top management and elected officials of these successes.

Points from this session, is that these are key issues in which to work with our new Parks and Recreation Director, when hired. Focus on reviewing existing programs, marketing these programs, and adding programs that can be self-sustaining or generate additional income to the Parks and Recreation Department.

- I attended a session on How to Collaborate with your Chief to Conduct a Police Department Review. This was put on by Jackie Gomez-Whiteley and Tom Weiczorek from the Center for Public Safety Management. Gomez-Whiteley indicated that often times policy makers hear of response time as being an important measure for police activities. In reality, response time is primarily relevant for major crimes in action. Most police calls do not require an immediate response.

Another issue that is often shared is, what the FBI recommended level of law enforcement staffing is for a community. In reality, the FBI does not put out standards related to staffing requirements. In reality, you cannot compare cities based on population. A standard of officers per thousand people is a myth. There is no magic formula that fits this statement. Ms. Gomez-Whiteley recommends that work load is a much better measure. Understanding what the average number of officers are on the street at any given time is important. This is different than officers on a shift. Furthermore, staff on a shift may not necessarily correspond when calls come in. To the extent possible, staffing should represent the needs based on call volume and types of calls received in a 24-hour period. Ms. Gomez-Whiteley indicates that sending everyone to every call is not an effective tool. It is important to utilize resources in a way that provides adequate protection for the officers, but doesn't overwhelm every situation occurs. To the extent possible, it is important to represent that there are seasonal shifts in traffic that may not require the same level of staffing as another season. Mr. Weiczorek indicated that a standard to use is that 60% of the time a

patrol officer is working, it should be on patrol. The remaining time deals with follow-up issues that has to occur in the office. Organizations can look at the work flow of calls. It is also important to make sure that time is being accurately recorded. Often times, case clearances are not recorded in a consistent way from agency to agency.

It is important to have clear and concise policies regarding the use of cameras. Mr. Weiczorek indicates that twelve-hour shifts have generally done a disservice to many departments. This is a factor making it difficult to diversify a police department. In England, split shifts are being instituted to accommodate single parents, and others, so that they can be home when their children are home. Staggering of shifts is an effective way to match the staffing with the call trends. A properly run dispatch may have the best records for evaluating these types of issues.

Points to take from this session are, that there are organizations such as ICMA, through the Center for Public Safety Management, that do evaluations of staffing requirements for both police and fire department organizations. This is not an inexpensive process, but is a tool that could be utilized in the future, as we evaluate service levels for the City of Newport.

- Heard the keynote address from Bonnie St. John, a paralympian ski medalist, road scholar, former White House official, and best-selling author. Despite having her right leg amputated at age 5, Bonnie became the first African American to win medals in the winter paralympic competition, taking home a silver and two bronze medals in downhill events in the 1984 paralympics in Innsbruck, Austria. Her inspirational address to our group is that falling down is normal, resilience is getting back up quickly. St. John indicated that folks with physical disabilities can be easily recognized, but the damage to folks who deal with emotional disabilities are not nearly as visible. Regardless, these emotional disabilities still define who that person is, and the challenges that they face. St. John indicated that local government managers deal, in many ways, with the same types of issues that a person with a disability deals with. There are a lot of desires with lots of needs, but we don't necessarily have the tools to make all those desires and needs a reality. St. John is an advocate for taking breaks through the week, rather than pushing through the week and resting on weekends. These breaks allow you to refresh your attitude. If you end up in a "fight or flight" scenario on the job, taking a break can be a critical way to deal with those types of challenges. Breaks renew your spirit, refocus your brain, and give you an opportunity to renew your overall purpose.

Slowing our response to the negative, and speeding up our responses to the positive is a key survival technique. Having an optimistic spirit will serve anyone better than having a pessimistic view on life. City Managers face difficult situations in dealing with staff difficulties, wishes of elected officials, citizen emails, text messages, and other items where people are not happy with the organization. Having the capability to maintain an even and positive

outlook in these situations is an important survival technique that will allow a manager to excel. From a survival technique, St. John recommends that each individual have clear standards to how they want to be contacted without interrupting quality time to process ideas and solutions to problems. The technique she uses is that you can email me anytime, but if you need an immediate response, please text me. Another technique that she uses is when an office door is shut, utilize Post-it notes on the door, this way the thought processes are not interrupted by someone coming in with an issue, but that issue can be collectively dealt with at a point when you are taking a break from that project. It will help reduce the interruptions and the loss of efficiency that occurs from those interruptions. In today's quick pace society, many of us suffer from not having sufficient time to focus on problem-solving. It is important to create strategies that allow for that focus time to occur.

Sometimes there are key phrases that can trigger the "fight or flight" response in people. These can include unrealistic deadlines or demands, lack of appreciation, unfair treatment, condensation and disrespect. One common complaint among managers is that an elected official taking an unverified complaint as a true and complete summary of the situation without ever hearing the back story. Slowing this process down is important to get all sides of the story before conclusions are made. Human beings have a physiological response that is not necessarily productive in these types of situations. Resiliency is the power to bounce back quickly, stronger and better when fight or flight instincts come in to play. Finally, each individual is ultimately responsible for their own attitude, and managing the way they deal with these situations. These responses can make a difference between success and failure in managers.

- Attended a session on engaging the community in visioning. In TEAMPuntaGorda is a non-profit organization that works to carry out the various strategies to help realize aspects of that community's vision. The visioning process started after 2004, when Hurricane Charlie destroyed a significant part of the community. TEAMPuntaGorda has 500 volunteers, with everyone within the non-profit organization serving without compensation. They work closely with the city to provide support and raise funds to implement programs within that community. Programs that have been instituted jointly between this organization and the city include free loaner bikes. The organization provides the bikes, with the city being the owner and covering the liability for the bikes. The city actively engages in various community development issues, and in conjunction with the visioning process, they do a number of fundraisers including a major biking event that raises funds for these efforts. When the city was renewing their Master Plan in 2019, the group focused on education and engagement from community members. This helped with NIMBYism (not in my backyard) to address important community endeavors.

Steve Downs, Deputy City Manager of Orem, Utah, (population 100,000) said his community focuses on going out to where the people are such as

parks, libraries, and events in order to engage folks. They have found that offering a dinner is cheaper and more effective than doing a general mailing to the population.

Peggy Jensen, Deputy County Manager, San Mateo, California, discussed a county-wide effort among the county's twenty cities to deal with a lack of housing within the county, which included interviews with all city managers and elected officials from these communities. A common understanding was found as to how a county-wide effort might assist cities with the housing challenge. Everyone is affected by high housing costs, but there is not one single solution. One discovery was that there are more things happening to address housing than people realize in these communities. One challenge that communities have, is providing locations for subsidized housing. By collaborating on a regional basis, it was determined that there is broad support to provide this type of housing, which has helped address some of the NIMBY issues of locating subsidized housing within communities. This effort focuses on engaging "missing middle" with issues. There are either those that are strongly supportive or strongly against. Often, these groups will skew the discussion of what is truly important for the community as a whole.

As part of this process, they brought people together with different opinions to share among themselves the questions and concerns regarding housing to better understand solutions for moving forward. They focused on bringing stakeholders to the table that traditionally have not been part of these discussions. They conducted intercept interviews on the street, held sessions for Spanish speakers, as well, and for these types of efforts, the county has had city council members and staff personally invite folks to personally participate in these meetings. This is more effective than a general mailing. This collaborative effort brought people together to discuss issues facing the community. There were eight people assigned to each table that met with a trained facilitator assisting the discussion at each table. The Mayor and Council were there to listen, not to lead the meeting. These discussions showed that folks from both sides of the issues have common themes. Understanding these common themes helped develop strategies that bridge some of the traditional challenges that occur in public policy.

- Participated in a session on the innovation in Fire and Rescue Services. ICMA is currently developing a white paper on the 21st Century Fire & Rescue Services. The top challenges facing Fire Departments across the country are an increase in demands, increase in costs, and lack of resources. Going forward, it is going to be critical to have a greater use of data to shape the services of the future. This will ensure that technology, certification, and training are top notch. It will also help the cities and the unions to have a clear understanding that we are in these challenging situations together. We need to collectively work on ways to meet these challenges in a collaborative way.

There have been a lot of changes over recent years in our communities with technology, and local government will continue to evolve.

One of the key issues was focusing on the need to re-identify Fire Departments. Typically less than 5% of calls for these agencies are fire responses. The Fire Department concept goes back to Ben Franklin, and the equipment design is based on concepts from 100 years ago. Re-identifying the purpose of these departments is a major cultural and historic shift.

In order to meet the needs in the future, it is important to promote an organizational environment that is adaptable, not change-adverse, innovative, and seeks continuous improvement. There is a need to promote high expectations, education, and credentialing of departments, and a need to work on alignment of the department and city with the rest of local governments. There is a robust amount of data that should be used to determine how to best meet the community needs in determining the needs of fire departments going forward.

A number of issues continue to be problematic for firefighters, including risk factors from sleep disruptions, toxic exposure to chemicals, stressful issues impacting mental health, and other issues faced by these personnel. Other factors impacting calls across the country are the opioid epidemic, which is not only significantly increasing the number of calls, but also the nature of calls.

Looking to the future, fire and rescue should be more closely aligned with related services such as social services and health services. Traditionally, fire departments have operated in their own silo. However, with the community needs and important role played by these departments, their efforts need to be integrated with other similar functions within the community. Fire departments cannot continue doing business the way that they have done it over the past century. Volunteer firefighters protect 72% of the geography of this country. A big national issue is getting qualified volunteers to continue fulfilling these roles. The existing system of firefighting is not sustainable, and in the future these functions could become the hub of reforms for many related services.

- Attended a session from featured speaker, Christine Cox. Christine Cox is the Executive Director of the Utah Governor's Office, Management and Budget, and author of a book entitled, "Stop Decorating the Fish". At age eleven, Cox began to lose her vision due to a rare genetic eye disorder, and has lived her adult life without sight. She has served in her current capacity as Utah's Budget Director since 2012. Cox indicates that local governments face challenges with demand growing faster than revenue. As a result, state and local governments need to know what they can focus on, and what they should not be focusing on, in order to provide the services required for their communities. Cox explained that most problems are not worth solving. Understanding this fact and focusing on those core issues is critical to begin addressing the excess of demand over the revenues available to pay for those services. She indicates that one of the first things that governments can do is stop by stopping. As an example, any time someone runs out of space in their garage, do they build a new garage or do they clean the

garage. Often the solution is to build a new garage versus ending other programs or services that are not cost effective or meeting critical community needs. She identified the seductive seven solutions that will not give you the results to address long-term balance between services and revenues. These are:

1. More money.
2. More training and communication.
3. More data.
4. More reorganization.
5. More technology.
6. More strategic planning.
7. More accountability and assigning blame.

Another popular illusion is that an organization is already as good as it can be. There are opportunities to continue optimizing our resources.

Cox suggests that local governments open up the hood and check out the processes to see what can be done differently within the organization. There is always hidden capacity within organizations. The opportunity is not what we know, but what we do not know. The mistake is doing more of what we know. One example she cited was an effort to reduce water usage in a region of Utah. An extensive “reduce the flow campaign” was initiated. This was not effective in reducing water usage. Increasing water rates was effective to reduce consumption, though not politically popular. Organizations look toward reorganization to address problems, and often that just moves the problem around. Technology can be used for various specific purposes. It is not the end all in every situation. We need to know what problem we are trying to solve with technology.

Often, state and local governments get focused on so many issues that they cannot successfully accomplish anything. She encourages governments to take a look at projects, and focus on getting one project done at a time. It is also difficult when pet projects of elected officials come to the forefront. It is always difficult to say no to these types of projects. It is important to work with the elected officials to gain an understanding of how critical time management is to successfully accomplishing tasks. By loading a lot of initiatives into the hopper, the end result is not usually as good. Finally, local governments need to understand what customers want. How do we get the job done, and deliver this process that is well received and embraced by the employees delivering these services?

➤ Attended a session on Cyber Security. Cyber security problems are growing with local government entities. Personal e-mail can open the door to ransomware, and other types of cyber-attacks. A few common security misconceptions, include the following:

1. IT is responsible for risk management.
2. Cyber security is something that can be fixed.
3. Management, left to its own devices, will give cyber risks the attention it deserves.

4. Local governments deal with public information, therefore, there is no need to protect this information.

It is important to involve the board in training and information since they are users of the system, as well as employees. There were probably 150 people attending this session, and 40% raised their hands when asked had their organizations been subject to a cyber-attack. Ninety-five percent of cyber breaches could have been addressed by updating software and training. They stated that one in every 131 e-mails are malicious. Currently there is a black market for personal and e-mail passwords, Netflix passwords, and driver's licenses. Credit card details and medical records also have a monetary value. The black market for this information can generate anywhere from \$2 to \$1,000 for a piece of information. Two major cities were subject to ransomware attacks, including Atlanta, Georgia, and Baltimore, Maryland. In Atlanta, the overall costs for that city was \$9.5 million to address the ransomware issues. In Brookhaven, New York, the city site was infected with ISIS propaganda. The state of Colorado faced ransomware infection. It is important for communities to conduct security training for staff members. Cities are faced with social engineering, which can result in payments being made to a vendor inadvertently. As you may recall, we had an issue with a payroll check being sent to an unauthorized account based on social engineering that mimicked an employee's request to change the location for a direct deposit of a payroll check. Overall, security is everyone's responsibility within the organization.

I always appreciate having the opportunity to participate in the annual ICMA conference. It is a great opportunity to attend various sessions, but also get together and share stories with my colleagues from across the country. The conference allows some time to think about bigger issues, other than the day-to-day things that I work on as City Manager for the City of Newport.

- Met with Melanie to work through several conflicts with the budget schedule. We have made a few changes that affected administration, but all the dates for the Council and Budget Committee remain the same.
- Mayor Sawyer and I attended a battery storage workshop for utilities at the CLPUD offices on Tuesday, October 29. While a number of the presentations were very technical and geared toward electrical engineers, there was some information shared for a lay person's understanding. Dan Borneo, Sandia National Laboratories, talked about the various types of energy storage, ranging from conventional-type batteries, compressed air, heat, stored hydro, and fuel cells. Of all these, pumped hydro is best, but very difficult to site due to environmental regulations, and concerned folks not wanting this type of facility in their backyard. Currently, batteries are being used as a way to store cheaper energy to use during times of high demand when electrical charges are higher. One issue that the electrical utilities will need to deal with, if this type of technology is put into more common use, will be how to address and recoup lost energy sales. Dan Borneo is with Sandia National Laboratories and was involved in the development of a new one megawatt hour lithium ion battery energy storage system to increase the efficiency of a hydro plant. The new system is being used to increase generator efficiency and reduce diesel runtime and fuel usage from the

existing diesel generator, to handle peak times for electrical demand there. Borneo indicated that the most effective uses of stored battery energy are tied to hydro systems. He has also worked on a system in Puerto Rico that connects five cities located in the mountainous region of Puerto Rico that combines the new battery storage with other sources of generation to allow those five cities to operate off the electrical grid. While they are still connected to the electrical grid, that system should sustain those communities in the event that the electrical grid goes down. One of the challenging factors with any of these regional projects, is gaining the overall collaboration to allow the project to go forward.

Borneo indicated while there are a lot of options for different types of materials for battery storage, lithium, ion batteries count for 78% of the storage. At this point, he does not see a change with other types of battery technologies on the horizon for providing economical battery energy. All the efforts to create a battery storage has been an opportunity to learn from mistakes. Borneo explained that energy storage will increase exponentially through 2024. He indicated that Tesla is currently using a nickel cobalt aluminum (NCA) battery cells for its vehicles. There are other elements that are being experimented with, to reduce the cost of storage. There are a number of factors with these elements, including cycle life, energy density, and stability, that impact the use of these materials. Most of the other elements are technically possible, but not commercially viable. There are a number of key components with any battery storage system, including the batteries, the computer that manages the batteries, a power conversion system, energy management, and fire protection relating to these storage units.

Charlie Vartanian, Pacific Northwest National Laboratory, indicated that thermal storage is being further developed. Vartanian also indicated that Pacific Northwest National Laboratories is working with the Wave Energy Project in Newport to explore ways of tying in battery resilience to this system.

Wade Carrey from CLPUD gave an overview of the Central Lincoln Solar Program that they initiated, and sold out of panels, in a very short period of time. With this program, people could purchase panels to generate electrical energy from solar power with the panels all being centrally located on a facility in Florence. It was thought that this program was ideal for individuals who could not place solar panels on their own homes, but wanted to utilize solar energy. Central Lincoln had a grant that helped make this project possible. This lowered the cost substantially for individuals to buy these panels, and enjoy a payback for lower electrical costs over a seven or eight-year period. The stated life span of the panels was 25 years. PUD quickly sold out of these panels shortly after they were offered. I have included a link to this program for your information.

In addition to the panels, PUD installed a small battery system for the maintenance building that houses these panels in Florence. The batteries will support lights, garage door openers, and other functions in the event of a power outage. In addition, the diesel generators in these buildings are tied to the batteries so that when the generators are operating under test mode, it can operate at full power, with that energy recharging the new batteries in this facility. Carrey indicated that hospitals are looking at the creation of micro grids with battery backups. One of

the challenges that eliminates some financial incentives for battery installation, is the rate schedule for the PUD. PUD does not charge a higher rate during peak periods of time. This eliminates one of the financial reasons for battery power to be installed in facilities within their service area.

The PUD would be willing to partner with other entities to consider utilizing solar and/or battery backups for resilient buildings in the community. Because of the short notice of this meeting, I was not able to participate in the presentation from Eugene Water and Electric Board, and from the Oregon Department of Energy on the Oregon Resilience Guide Book. I believe that Mayor Sawyer did participate in these later sessions. The Oregon Department of Energy indicated that they would send out links to the PowerPoint presentations that were provided for this meeting. I will forward these onto the Council when we receive them.

<https://clpud.org/energy-efficiency/central-lincoln-solar/>

- Met with Lance Vanderbeck to review draft Airport rules that he wants to present to the Airport Advisory Committee. These were modified from Klamath Falls rules. This will help guide issues where conflicts exist at the airport, as well as, other general airport operational issues.
- Tim Gross and I met with Jon Lynch at 306 E. Olive Street regarding drainage issues around their office building. The real estate office building is located on a level lower than Coos Street, and US Highway 20. Their parking lot has a private drainage system that collects storm water, both from Coos Street, as well as from their own property, and funnels it out to US Highway 20. This system is filled with sand, and is no longer functional. Mr. Lynch was proposing that the City partner with him on a drainage solution that would address the Coos drainage, as well as his own drainage on the site. In reviewing it, we indicated that the costs for doing a public drainage system through this area will be very substantial, and that he may be better off addressing the private drainage system on his site. Tim provided some resources for him to see if they can get the small 4" line opened (the City does not have equipment for small lines), and a couple of alternatives about relaying his line that would be substantially cheaper than partnering with the City.
- Prepared agenda items for the November 4 work session and City Council meeting.
- Tim Gross and I met regarding the Nye Beach Turnaround project, and street resurfacing project, including 7th Street, located to the west of US Highway 101. Tim is going to prepare a report on what we are planning to do on these projects, and I will share with the Council once completed. An update on these items was requested by Councilor Parker. Overall, Tim expects to be able to do the Nye Beach Turnaround during the off-season, as this would be a very difficult project to do during the summer months, and is looking at a package of street resurfacing to be done in the spring of this year, including 7th Street.
- Held a bi-weekly meeting with Judy Mayhew to discuss Parks & Recreation activities.
- Participated in a conference call in preparation for our Host Committee meeting in Portland on Wednesday, November 6.
- Met with Mike Murzynsky and Steve Baugher to adjust several dates in our Budget Calendar.

- Met with Justin Scharbrough, Bill Sexton, and Shannon Monroe to discuss Public Works reorganization. Overall, they are very supportive of working with Tim as part of the Public Works efforts. They do understand the need for additional support to address some long standing issues with Public Works that have not been able to be resolved with our current structure.
- City Hall was the site for many visitors on Halloween evening. Each of our offices participated in providing candy to many kids in great costumes through the course of the evening. This is always a fun event, and it gives kids the opportunity to experience City Hall. Also congratulations to the Community Development office for winning the decorating contest for this year. It was a very close race with fine jobs being done by the Police Department, Finance, Public Works/Engineering, and Gloria's effort for the City Manager's office. I've attached some photos of Halloween.





- Participated in a routine department head meeting.
- Participated in a work session that included interviews for the Sister City Committee members, discussion on issues relating to development of housing in the City, and a review of opportunities to advocate at the federal level for funding for the replacement of Big Creek Dam.
- Participated in the regular Council meeting on November 4.
- Met with Lance Vanderbeck to review the revised draft rules and regulations for the airport.
- Met with Barb James on various personnel issues.
- Provided a presentation to the Philanthropic Educational Organization (PEO) about the role of the City Manager and the Council/Manager form of government. It was a good group of folks and lots of good questions were asked following the presentation.
- Attended a dinner on Tuesday night with the ICMA Conference Director in advance of the Host Committee meeting held on Wednesday, November 6 for planning the 2021 ICMA Conference in Portland. ICMA runs the conference, however, as a Host Committee, we add the local flavor for having the conference in Portland, including suggested venues, tours, receptions and other similar aspects. Furthermore, we have a goal to raise \$300,000. We are over halfway there with two years to go before the conference is held.

About 30 OCCMA members participated in the Host Committee meeting in Portland. The efforts are divided up into a series of subcommittees, and each subcommittee is chaired by a member of OCCMA. Everyone has done a good job in initiating their efforts as it relates to hosting this conference. Nashville had over 3,000 managers attend the conference, with a total of over 5,000 attendees.

- I attended the Board retreat at Silver Falls State Park for OCCMA. At this meeting we develop our strategic plan for the 2020 year. We had good meetings and good input as to the development of a work plan for this coming year.

Upcoming Events:

- The third meeting of the Finance Work Group will be held in City Hall from 4-6 PM on November 21.
- I have a doctor's appointment (ophthalmologist) in Springfield the afternoon of November 15.

- I will attending the re-opening ceremony of the skate park at noon on November 22 at the Newport Skate Park.
- City Hall will be closed Thursday and Friday, November 28 and 29 in observation of the Thanksgiving Holiday.
- The only scheduled Council meeting in December will be December 2. There are no other meetings scheduled.
- The Employee Appreciation Dinner will take place Friday, December 13, at the Best Western. Please RSVP Melanie if you are able to attend.
- I will be taking vacation from December 18 through December 27 to head to Michigan for the holidays. Peggy Hawker will be Acting City Manager.
- City Hall will be closed beginning at noon on December 24 and 25 for the Christmas Holiday.
- City Hall will be closed January 1, 2020 for the New Year's Holiday.
- The first Council meeting of the New Year will be on Monday, January 6, 2020.

Attachments:

- ✚ Attached are two PowerPoint presentations from a conference that Derrick was a participant. It provided good overview information of things that are occurring here in the City of Newport for your review.
- ✚ Attached is elected official's training put on by the State of Oregon's Department of Public Safety Standards and Training (DPSST). There is a link to this training for your review in the attached memo from Jason.
- ✚ Attached are notes from Don Andre, from the Friday, October 11 meeting about potential application for funding to acquire land within the water shed to the Community Forest Program for your review.

Respectfully submitted:



Spencer R. Nebel
City Manager

cc: Department Heads

Marine Studies Initiative Building



Oregon State University
Hatfield

Oregon Infrastructure Summit

October 21, 2019

Oregon State University + YGH Architecture + KPFF Structural Engineering



Hatfield Marine Science Center



M I S S I O N

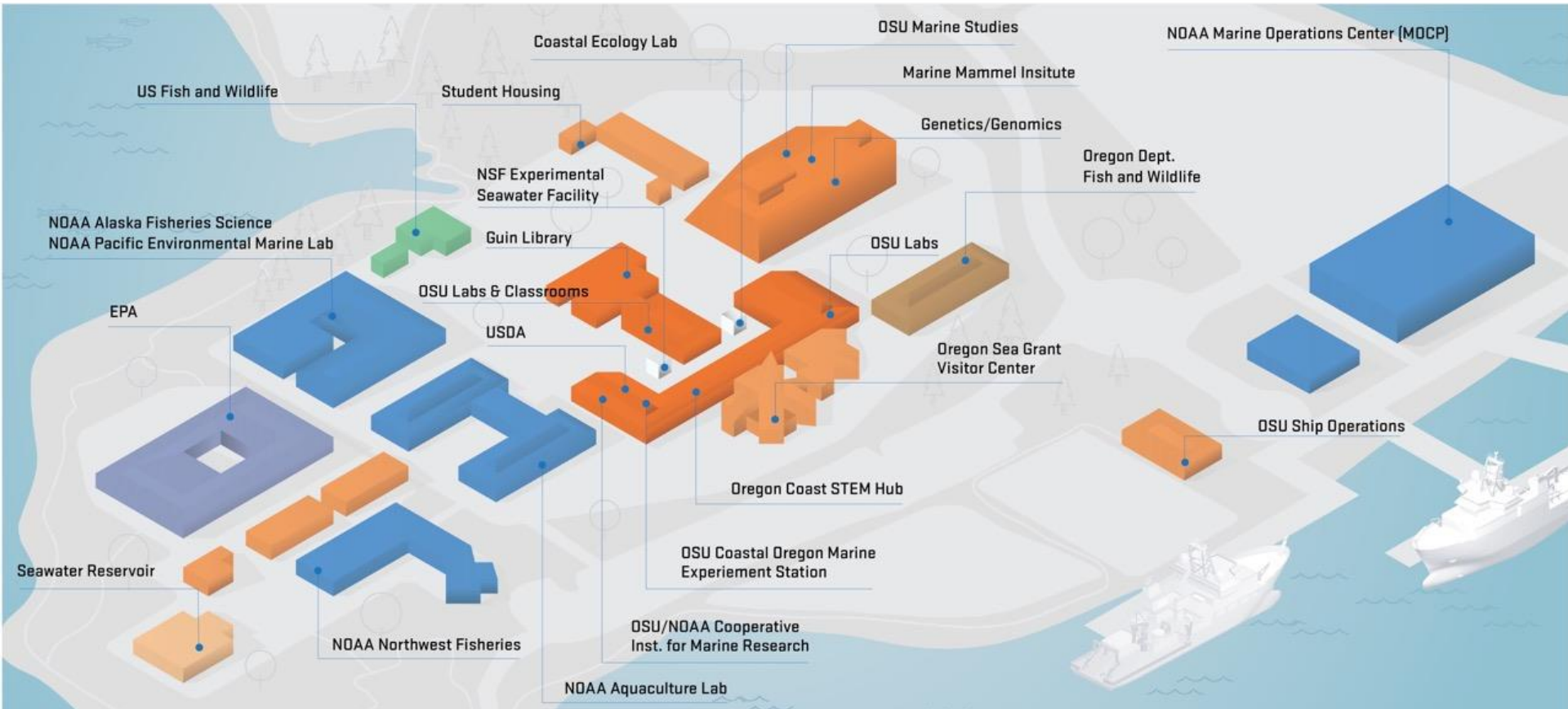
Collaborative Research Partnerships

As OSU's campus for *research, education,* and *outreach* in marine and coastal sciences, and through its partnerships, HMSC improves scientific understanding of marine systems, coastal processes and resources, and applies this knowledge to social, economic, and environmental issues.



Oregon State University
Hatfield

Partners @ Hatfield



Marine Studies Initiative (MSI) Project Background

- Provide cutting edge research and teaching facilities for HMSC
- Leverage OSU's strengths in marine science, engineering and other academic disciplines, coastal community engagement and take advantage of teaching and research facilities at HMSC
- Provide access to real world scholars, agency scientists and engagement with coastal community issues
- Support 500 full time equivalent marine studies students in Newport by 2025
- Provide teaching spaces, research offices, administrative offices and a 250 seat auditorium for OSU and community use

Marine Studies Initiative (MSI) Project Goals

1. OSU Marine Studies Initiative

Enhance education and research at HMSC

2. 75 Year Building

Durable in a marine environment

3. Design For a Significant Cascadia Seismic Event

9.0 earthquake and an associated tsunami

4. Vertical Evacuation

Provide safe area for mobility challenged persons

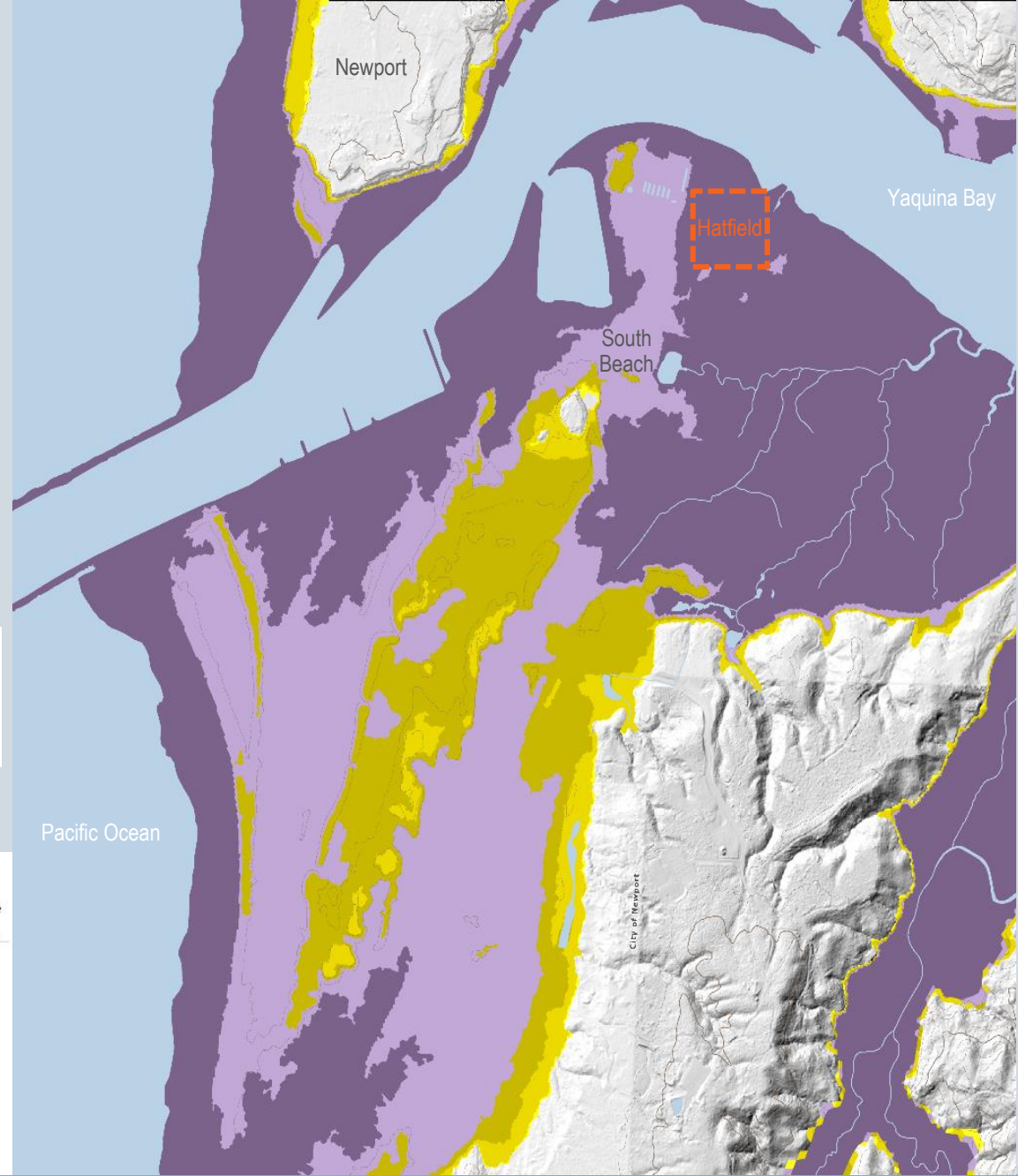
5. Resiliency

Building is repairable after a seismic event to the same percentage level as a building on main campus

Tsunami Zone



DOGAMI Tsunami Map



Legend

Earthquake Size	Average Slip Range (ft)	Maximum Slip Range (ft)	Time to Accumulate Slip (yrs)	Earthquake Magnitude
XXL	59 to 72	118 to 144	1,200	~9.1
XL	56 to 72	115 to 144	1,050 to 1,200	~9.1
L	36 to 49	72 to 98	650 to 800	~9.0
M	23 to 30	46 to 62	425 to 525	~8.9
S	13 to 16	30 to 36	300	~8.7

Tsunami Zone Community



Horizontal Evacuation



Safe Heaven Hill

- Capacity: 2,300 people
- Disaster supply shed



Tsunami Interpretive Trail

- 15 minutes walk



Disaster Supply Shed



Sidewalk & Wayfinding Signage



Paved Road



Emergency Power

- Battery Backup
- Safety Lighting
- Solar Bollards



Enhanced Signage

- Directional
- Interpretive



Off-Site Infrastructure

An aerial photograph of a waterfront facility. In the foreground, there's a large paved area with a circular driveway and several parking lots. A large building with a dark roof is visible. To the right, a marina is filled with numerous boats docked at piers. In the background, a large multi-arched bridge spans across a body of water. The overall scene is a mix of developed infrastructure and natural waterfront.

- Invested \$3.2 million in street and utility upgrades in 2011
- Coincided with NOAA marine operations facility but scaled to meet Hatfield's needs
- Funded by City, IOF Grant, and Partners

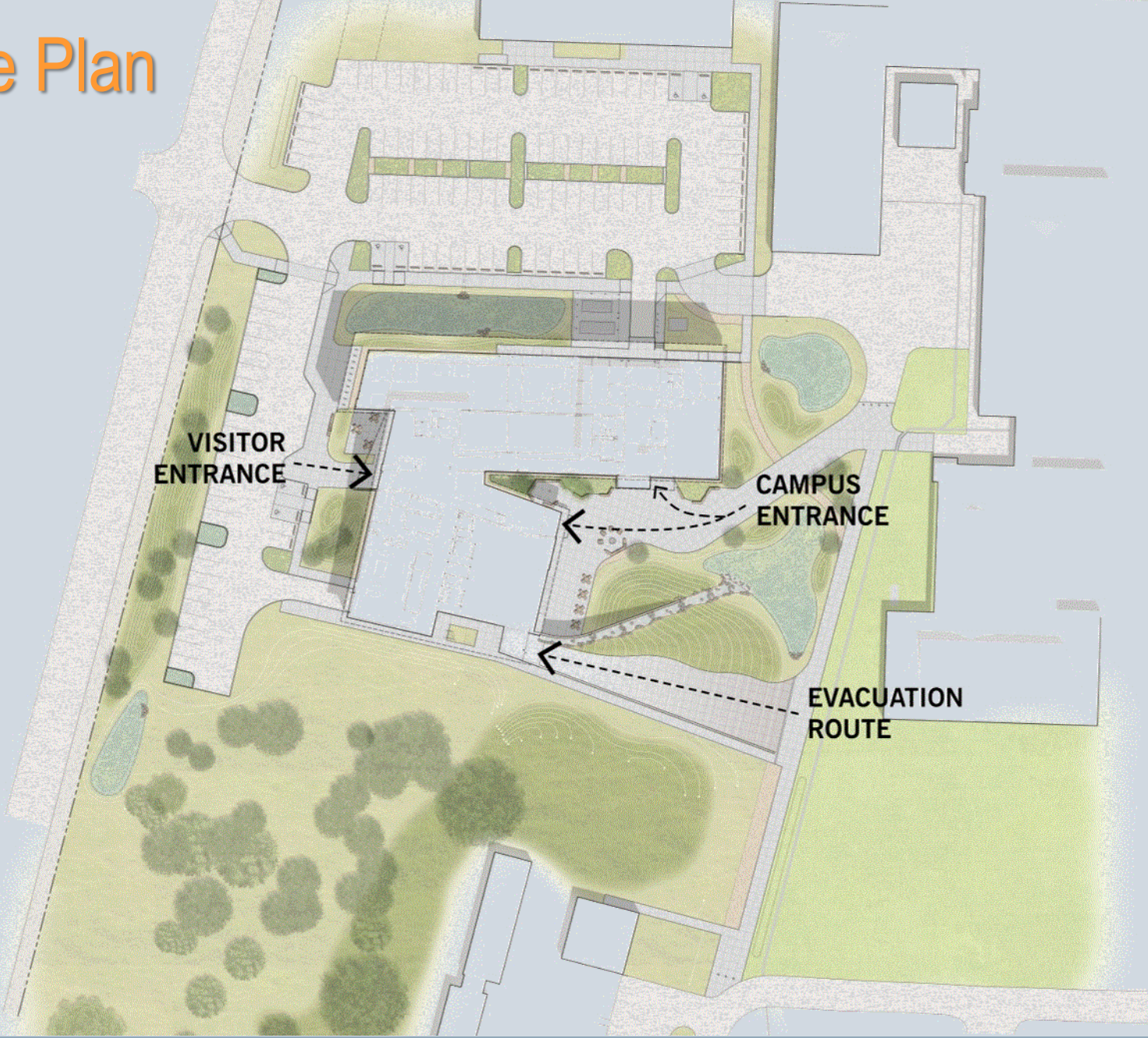
Regulatory Changes

- Allowed structures designed for vertical evacuation from a tsunami to exceed typical building height limits
- Must be of sufficient height and be designed to withstand and earthquake and wave forces attributed to an “XXL” tsunami event
- Evacuation assembly area to provide at least 10 square feet of space per occupant
- Must accommodate occupant load of assembly spaces plus half of the occupant load for the rest of the building

Marine Studies Initiative Building

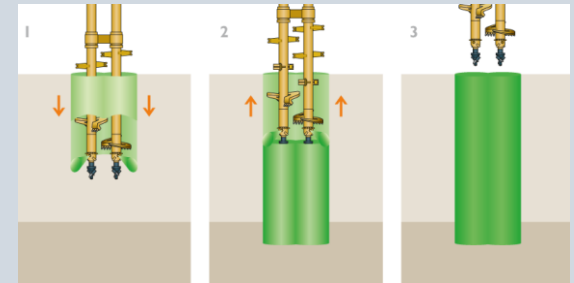
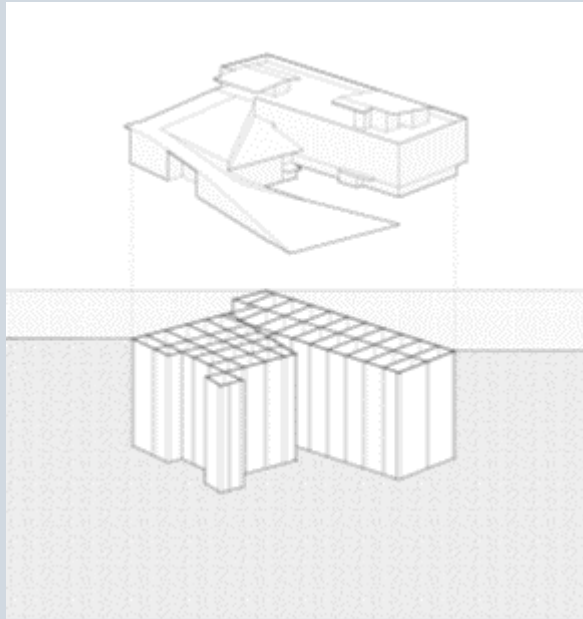


Site Plan



Deep Soil Mixing

- Foundation Support
- Scour Mitigation

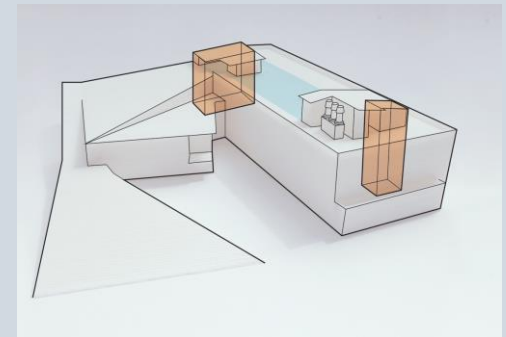
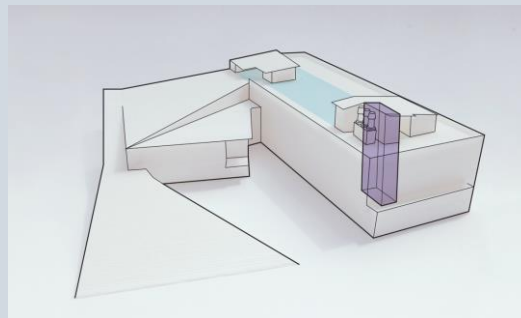
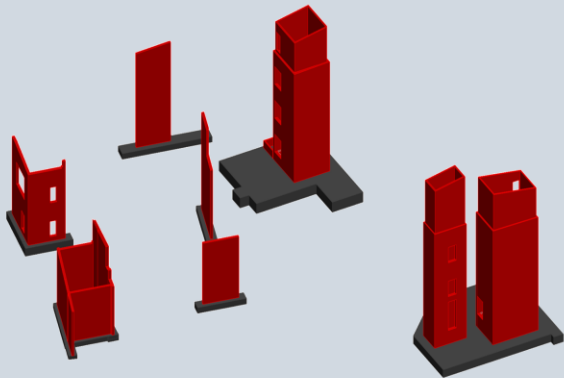


Building Anchors



Building Structural Systems

Concrete Shear Wall
Cores and Matt
Foundations to Resist
Seismic and Tsunami
Demands

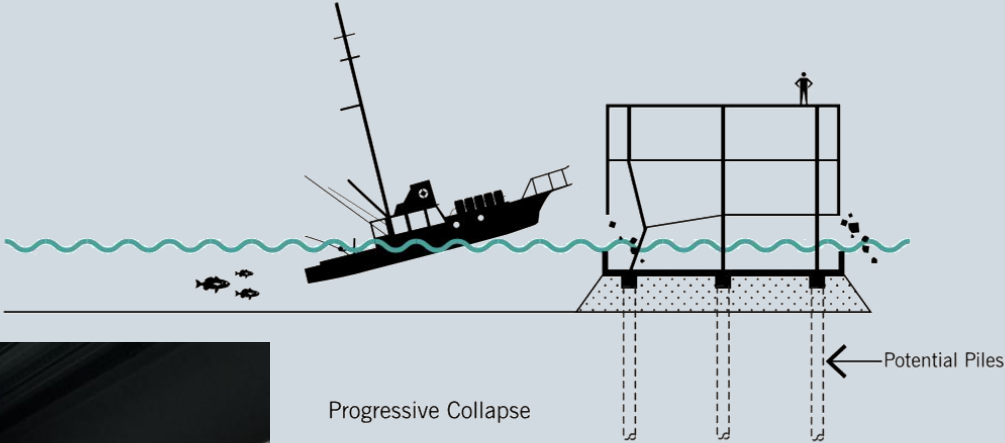


Wall Construction



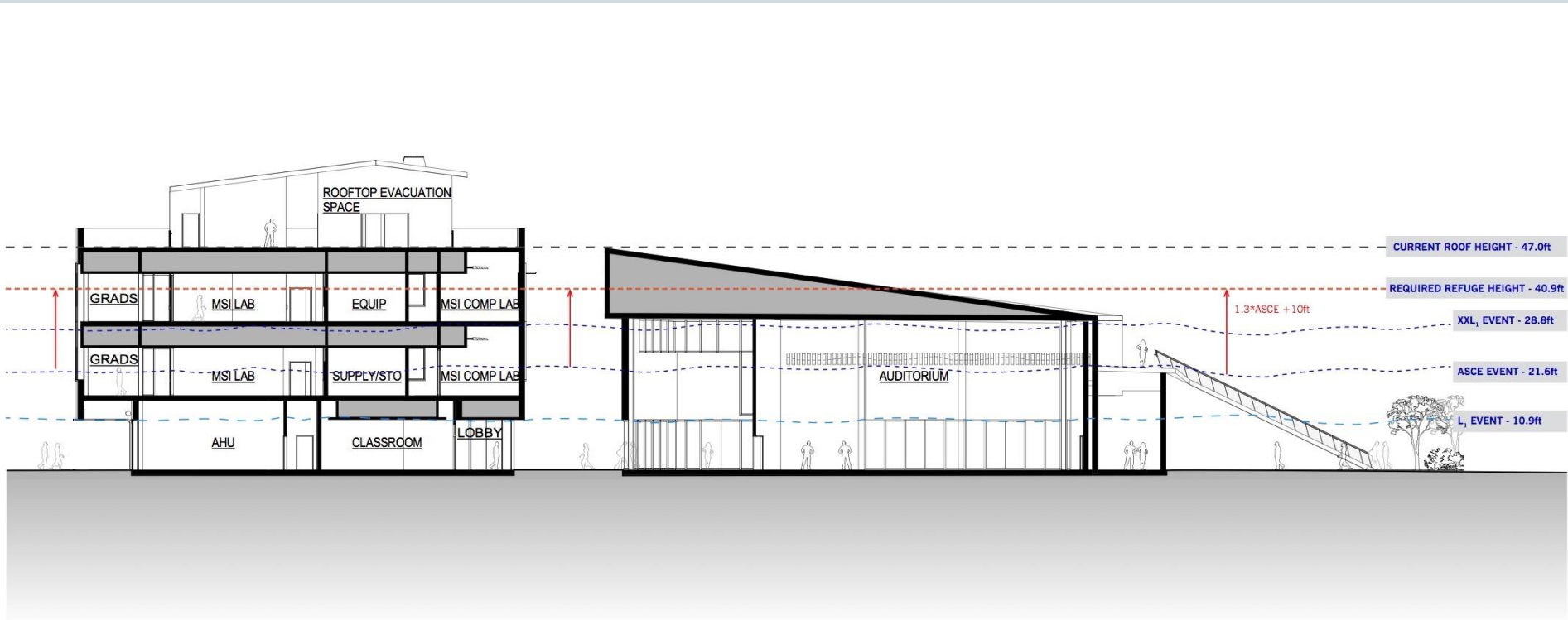
Building Crumple Zone

Progressive Collapse Model

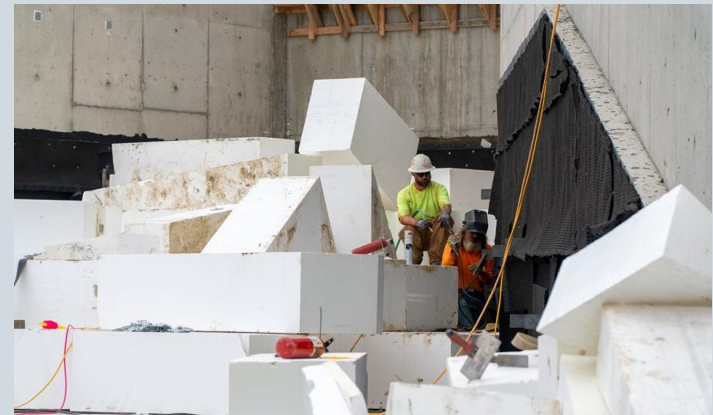
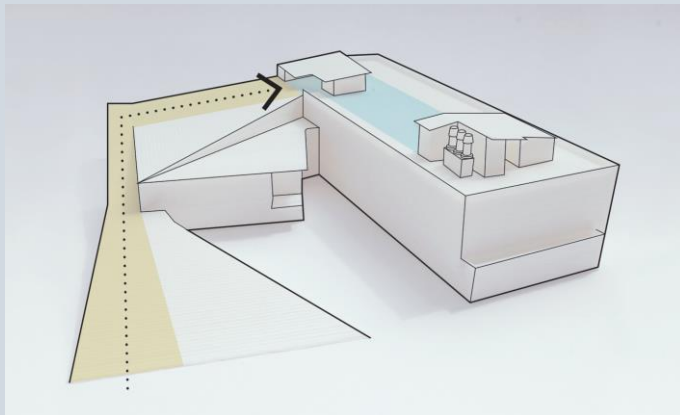


Provides Structural Redundancy to Account for Large Debris Impact

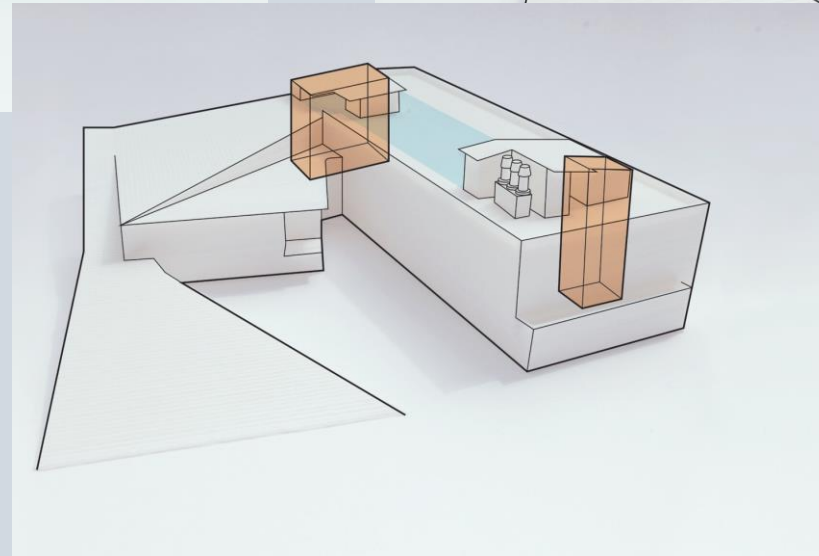
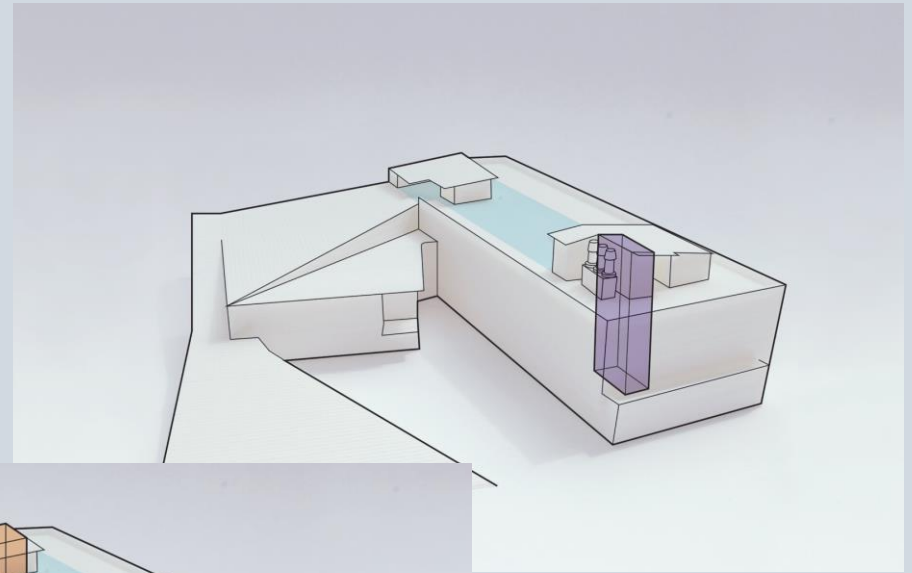
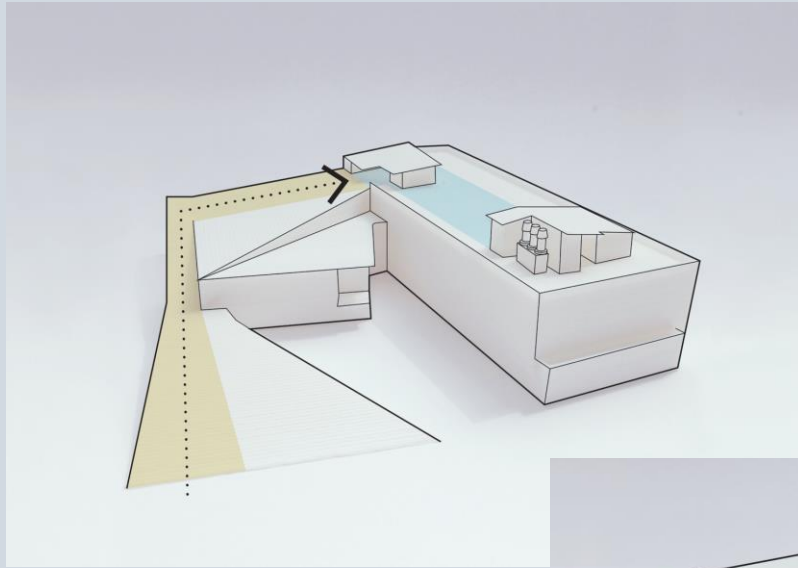
Vertical Evacuation - Water Line



Vertical Evacuation – Ramp



Vertical Evacuation – 3 Roof Access Points



Vertical Evacuation – Cache

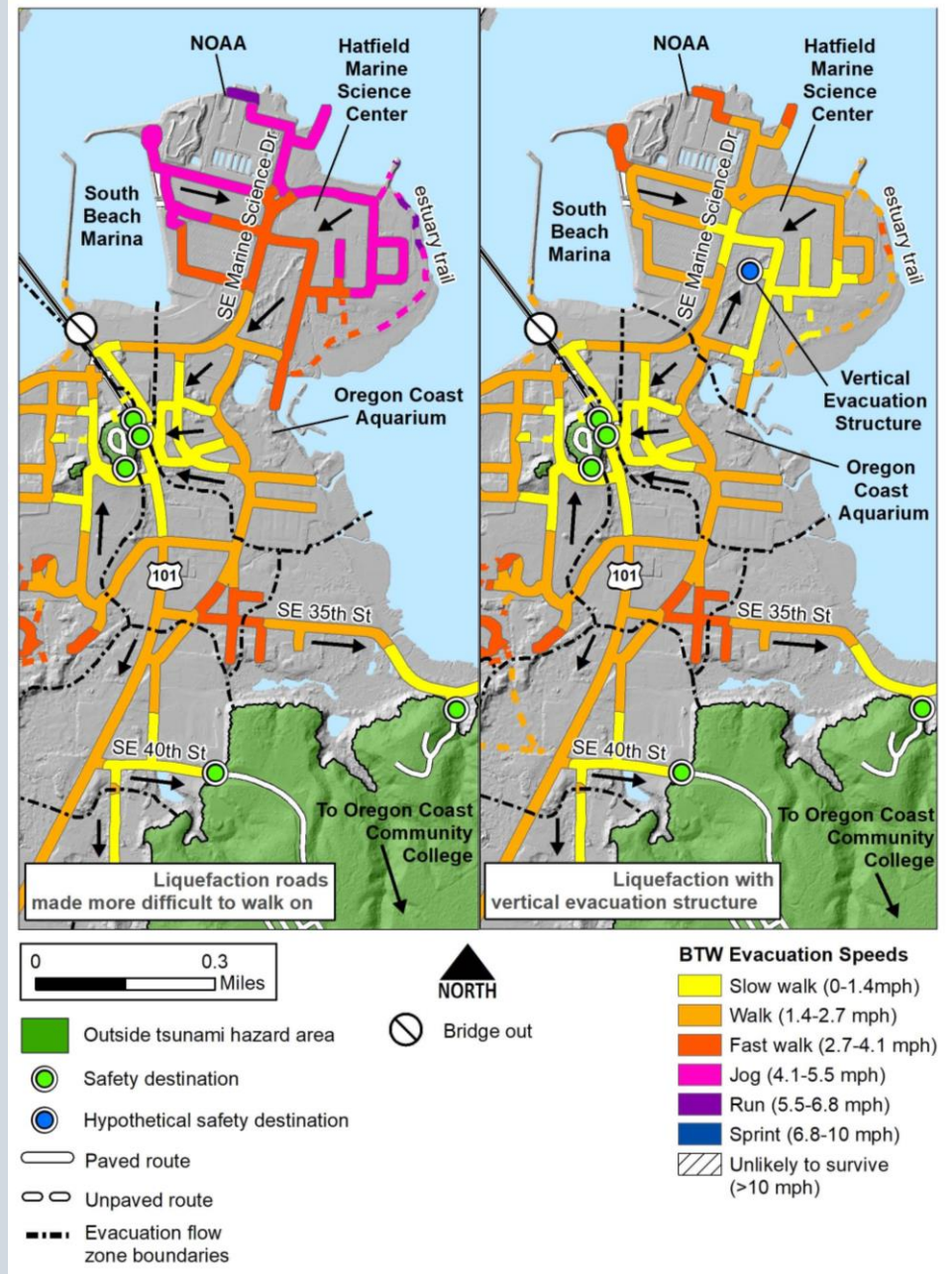
Cache Supplies and rooftop assembly: 920 people for 2 days

Emergency Procedures
Communication
First Aid
Water
Food
Sanitation
Shelter
Lighting
Personal Warmth
Animal Care



Significantly Enhances Evacuation Options

Vertical evacuation structure may be the only viable option for those at HMSC, NOAA or the South Beach Marina due to liquefaction as a result of a catastrophic tsunami



Source: DOGAMI Open File Report 0-19-05

Anticipated Completion - Early 2020



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Oregon State University
Hatfield



Local Funding and Incentives for Housing

Newport's Experience

2019 OAPA CONFERENCE
OCTOBER 24, 2019



CHALLENGES

Overall Housing Need

Land Costs / Supply

Terrain

Inadequate Infrastructure

Scale / Profitability

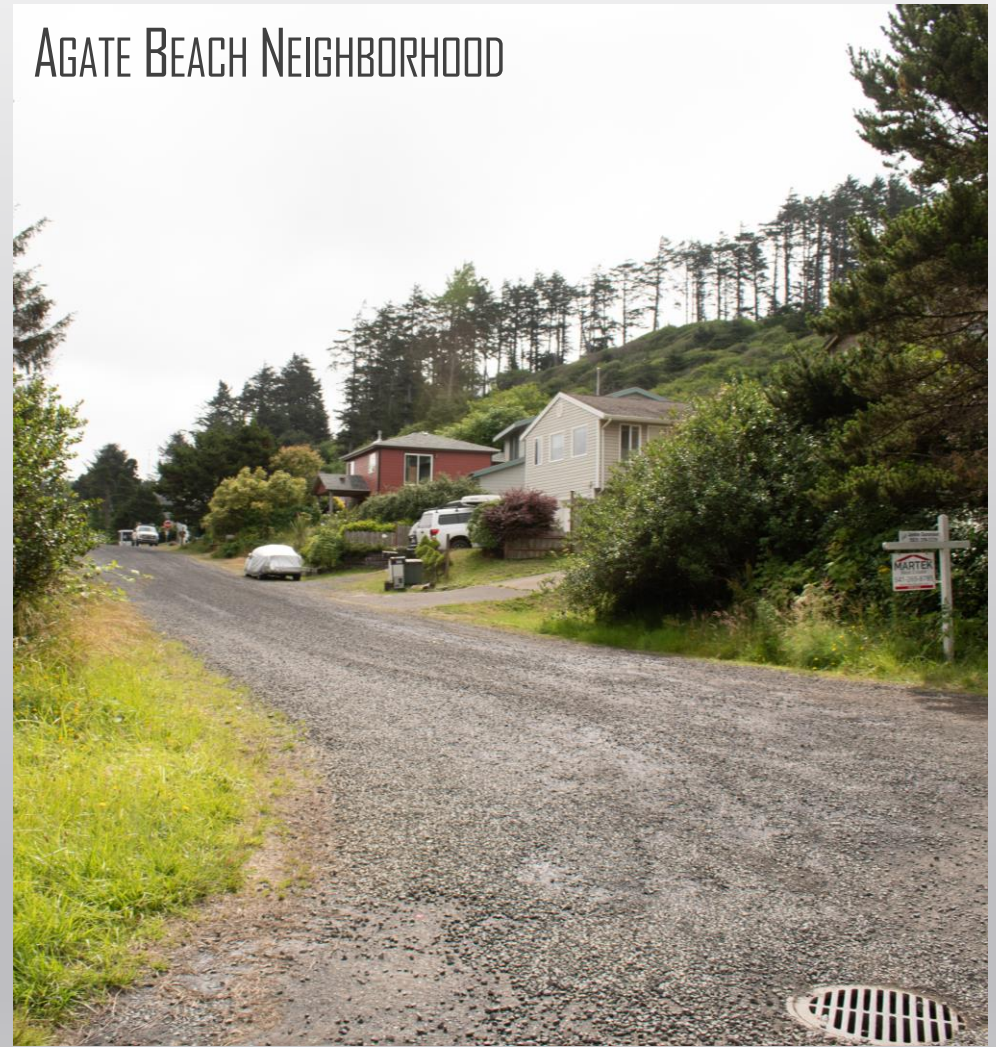
Rural Location

Labor Shortage

Seasonal Housing

Impact Fees / Exactions

AGATE BEACH NEIGHBORHOOD





COST CONSIDERATIONS FOR DEVELOPERS

Land Costs – Purchase Price, Closing and Recording Fees

Finance Charges – Loan Fees, Taxes, Title Insurance, Interest

Permits/Impact Fees – Building Permits, Excise Taxes, SDCs

Soft Costs – Architectural, Engineering, Geotechnical, Legal, Appraisal, Environmental, Surveying, Developer Fees

Construction Costs – Demolition, Abatement, Earthwork, On-Site Utilities, Building, Contractor Expenses (i.e. overhead, equipment mobilization, insurance, profit), Pavement, Landscaping, Performance Bond, Off-Site Work

* CATEGORIES WITH PUBLIC EXPENSES IN RED.



FUNDING AND INCENTIVES

Property Tax Incentives

Down Payment Assistance

System Development Charges

Urban Renewal

Construction Excise Tax

Rehabilitation and
Weatherization

Leveraging Public Lands

MULTIPLE UNIT PROPERTY TAX EXEMPTION (ORS 307.600 – 307.637)

- Applies to multi-family rental housing that would not pencil out without property tax relief
- 10 year tax exemption on structural improvements in exchange for reserving a % of units as affordable
- Allows payment in-lieu of meeting affordability targets. Funds to be used for affordable housing
- Must provide at least 3 additional units (if new) or 2 (if a remodel)
- Requires third party review of financial pro-forma with approval by policy-makers. Approved projects subject to regulatory agreement and must annually certify compliance





SURFVIEW VILLAGE (110 UNITS OF MULTI-FAMILY HOUSING)

TOTAL PROJECT COSTS (2019 DOLLARS)

LAND ACQUISITION	\$1,852,500	8%
FINANCING	\$1,455,000	6%
PERMITS/FEES	\$360,000	1%
SOFT COSTS	\$3,125,000	13%
CONSTRUCTION COSTS	\$16,837,000	70%
OPERATING RESERVE	\$445,000	2%
TOTAL	\$24,074,500	100%

PUBLIC PORTION OF PROJECT COSTS

PERMITS		
	LAND USE	\$5,000
	BUILDING	\$75,000
	IMPACT FEES (SDCs)	\$280,000
SOFT COSTS		
	NE 60 TH / US 101	\$55,000
CONSTRUCTION COSTS		
	NE 60 TH / US 101	\$585,000
	CENTRAL LINCOLN PUD	\$225,000
TOTAL (5% OF PROJECT BUDGET)		\$1,225,000

* ROUGHLY \$190,000 PER UNIT OF SUBSIDY.
 UNITS AVAILABLE TO HOUSEHOLDS AT OR BELOW 60%
 MEDIAN AREA INCOME



NON-PROFIT LOW-INCOME HOUSING TAX EXEMPTION (ORS 307.540 – 307.548)

- Property tax exemption on land and improvements for developers of low-income rental housing (up to 60% MFI year one, 80% MFI all subsequent years)
- Applies to existing low-income housing projects and vacant land held for the purpose of developing low income housing for a period of 3 years or less
- Eligible organizations are charitable non-profit corporations certified by the IRS as 501(c)(3) or (4) organizations
- Administrative approval process
- Tax exemption subject to annual review to confirm continued eligibility



SYSTEM DEVELOPMENT CHARGES (SDCs)

Strictly regulated under ORS Chapter 223. Must be based upon a methodology that includes:

- Capital improvement plan
- Growth projections
- Evidence that system capacity must be improved to meet service needs of future users
- Projected costs of improvements that increase system capacity
- Portion of those costs attributed to future demand



NEWPORT'S HISTORY WITH SYSTEM DEVELOPMENT CHARGES

1981 to 2008: Fixture based assessment for water and sewer impacts, off-street parking demand based assessment for streets, dwelling unit based assessment for parks. No SDCs collected for storm drainage

2008 to 2017: Equivalent Dwelling Unit based assessment for water, sewer, parks and streets. Storm drainage assessment based upon new impervious surface being added to a parcel or lot

2017 to Present: Established a square footage assessment for single family detached and attached development, replacing a "one size fits all" formula. List of SDC eligible capital projects reduced. This, on balance, has led to lower per project assessments (creating room for an Affordable Housing CET)

110 SE 40th Street (1,784 sq. ft.)



SDC Fee:
\$5,154.22
Credit:
- \$714.60
(prior meter)

School CET:
\$1,577.47

Affordable
Housing CET:
\$1,765.56

Balance Paid:
\$7,782.65

2014 Fee Equivalency: \$9,754.52

841 NW Brook Street (324 sq. ft.)



SDC Fee:
\$1,341.36
Credit:
-\$0

School CET:
\$346.68

Affordable
Housing CET:
\$427.29

Balance Paid:
\$2,115.33

2014 Fee Equivalency: \$11,390.52

While the 2017 SDC Methodology reduced fees for small dwellings enough that they are not an impediment to development, the small home category is an area where the City may want to apply its affordable housing development incentives

SAMPLE IMPACT FEE ASSESSMENT FOR COMMERCIAL DEVELOPMENT (2018)

Marine Studies Initiative Bldg (73,671 sq. ft.)



SDC Fee:
\$185,072.66
Credit:
- \$7,045.70
(Prior Meters)

School CET:
\$0 *(Exempt Use)*

Affordable
Housing CET:
\$0 *(Exempt Use)*

Balance Paid:
\$178,026.96

Les Schwab Tire Center (13,154 sq. ft.)



SDC Fee:
\$93,630.83
Credit:
- \$33,190.77
(Prior Auto Sale Use)

School CET:
\$6,971.62

Affordable
Housing CET:
\$10,193.07

Balance Paid:
\$77,604.75

Samaritan Pacific Hospital (86,000 sq. ft.)



SDC Fee:
\$162,954.53
Credit:
- \$31,026.25
(Prior Uses)

School CET:
\$0 *(Exempt Use)*

Affordable
Housing CET:
\$0 *(Exempt Use)*

Balance Paid:
\$131,928.28

Newport Brewery (3,200 sq. ft.)



SDC Fee:
\$40,293.44
Credit:
- \$9,884.23
(Prior Warehouse)

School CET:
\$906.30

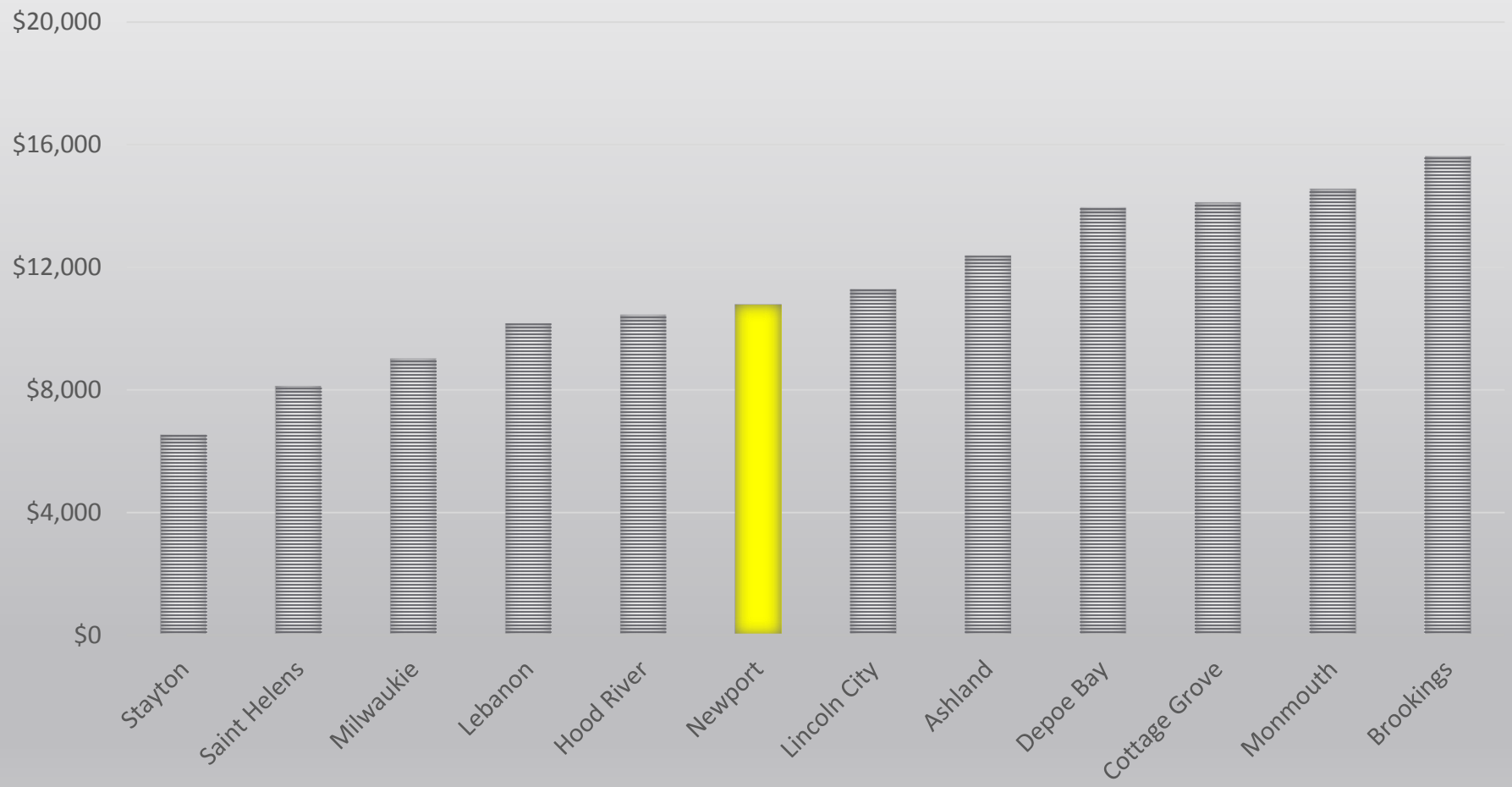
Affordable
Housing CET:
\$2,754.45

Balance Paid:
\$34,069.96



COMPARISON OF FEES FOR NEW SINGLE FAMILY CONSTRUCTION (2013)

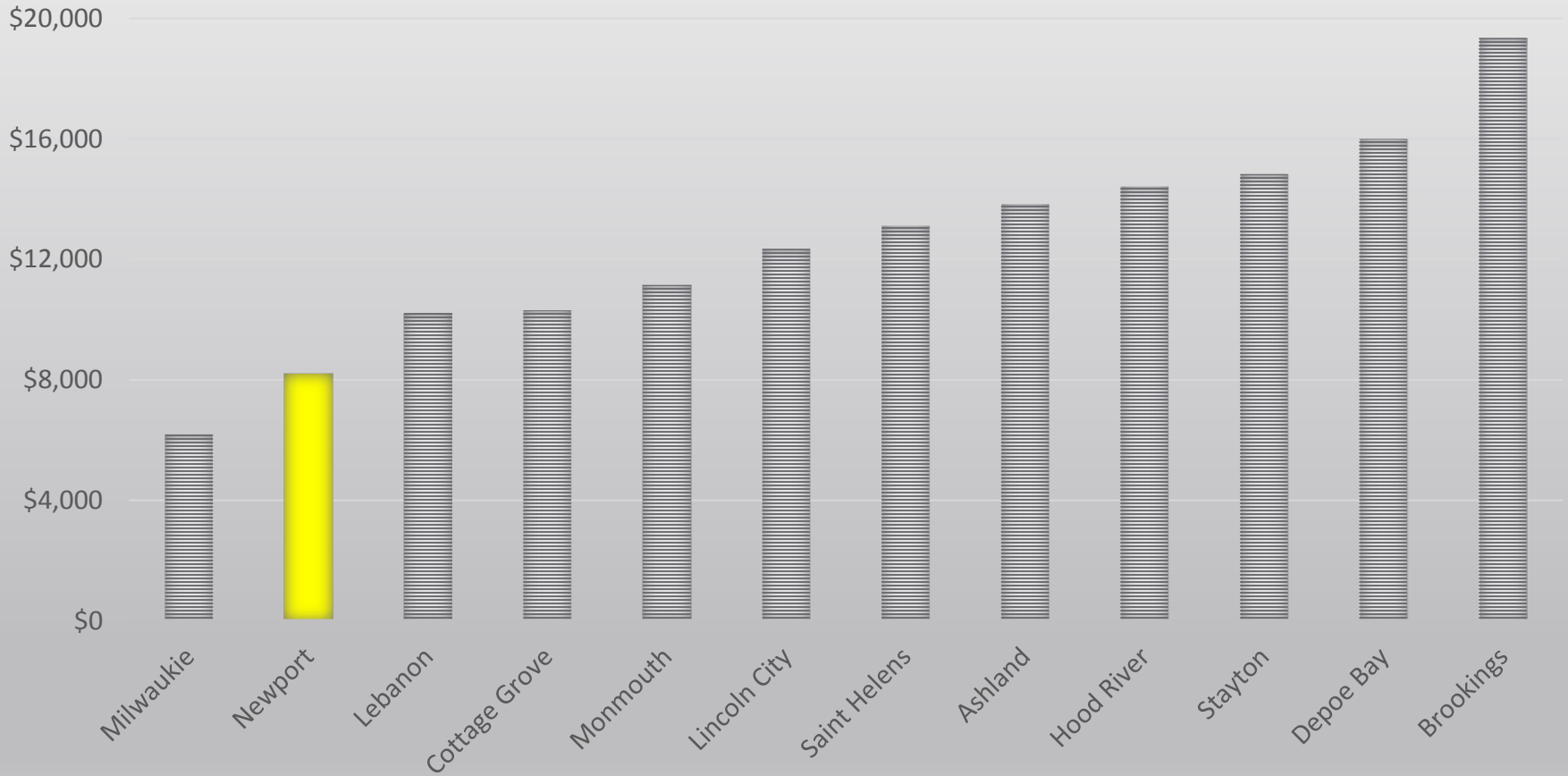
CHARGE FOR 2,000 SF DWELLING





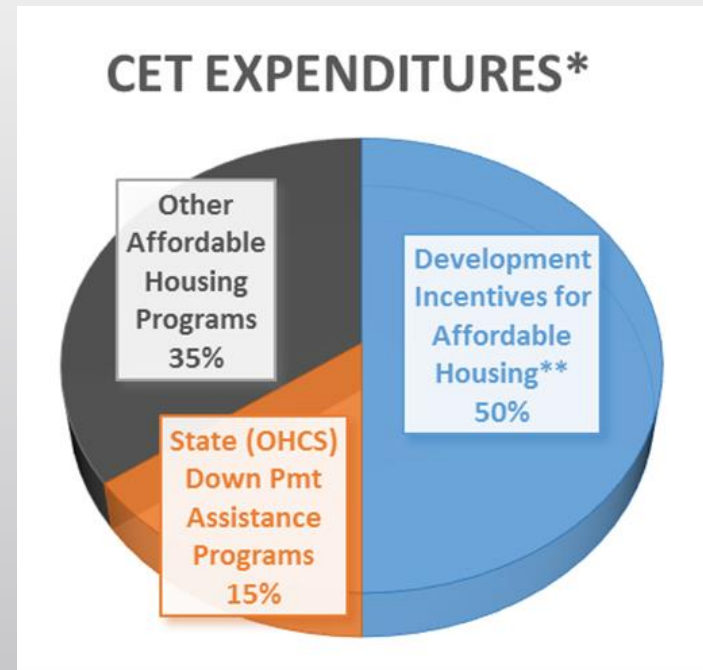
COMPARISON OF FEES FOR NEW SINGLE FAMILY CONSTRUCTION (2019)

CHARGE FOR 2,000 SF DWELLING



AFFORDABLE HOUSING CONSTRUCTION EXCISE TAX

- Assessed at a rate of 1% of the construction value associated with a new structure or addition to an existing structure
- Applies to both residential and non-residential uses
- Limited number of public, private, and non-profit uses exempted under state law
- State law limits how funds can be used
- About \$110,000 has been collected over the first 1 ½ years of the program
- An advisory committee is being formed to determine how to distribute the collected funds





HOME OWNERSHIP DOWN PAYMENT ASSISTANCE

- Provides direct financial assistance to bridge affordability gap
- Targets households at 80 – 120% MFI
- Administered by Proud Ground, a non-profit land trust, via multi-jurisdictional agreement
- Trust retains ownership of land subject to long-term renewable lease to ensure permanent affordability
- Building a base of qualified buyers requires extensive outreach
- \$770,000 in subsidy for 8 grants (3 in the City of Newport)



2019 Newport Example:

3 Bed, 2 Bath, 1,200 sq. ft. SFD

Sales Price: \$240,000

-\$82,000 subsidy

\$158,000

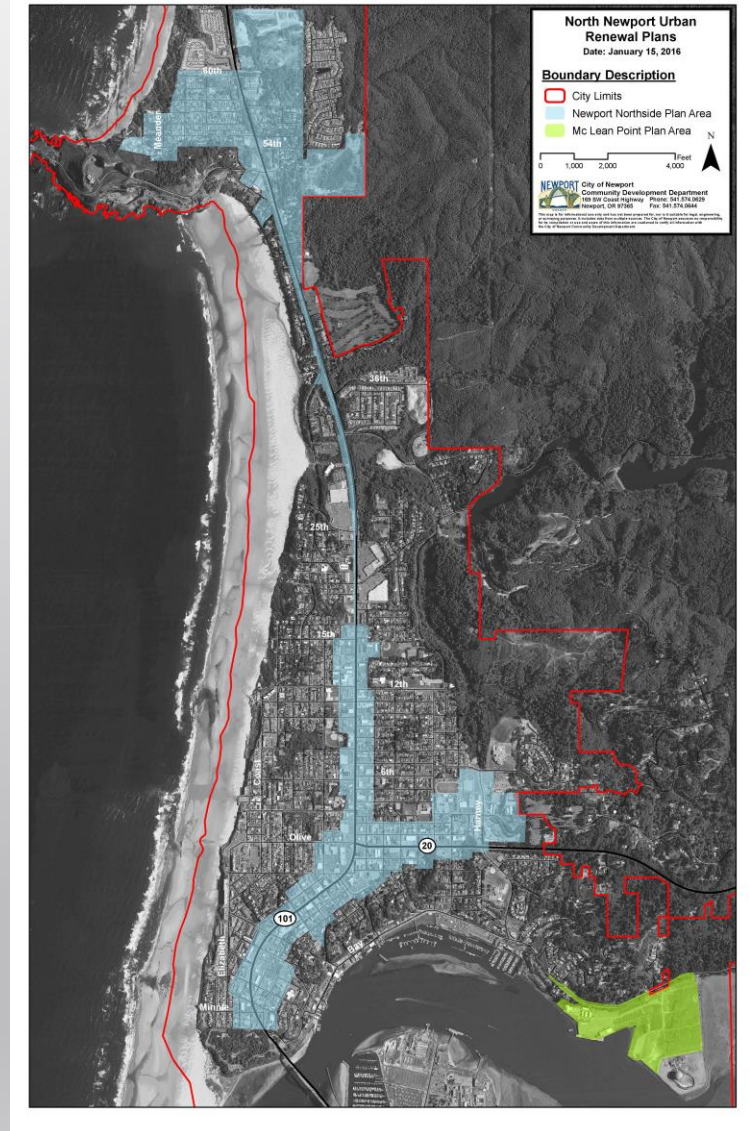
LEVERAGING PUBLIC LANDS

- City and Habitat for Humanity executed a land donation agreement for the construction of up to 5 owner-occupied units on city owned property
- Targeted to individuals or families making between 40% and 80% MFI
- Property to be transferred at occupancy
- Deed restriction to require properties remain affordable upon resale for a period of 20-years from the date the units are constructed



URBAN RENEWAL (TAX INCREMENT FINANCING)

- Excellent at generating funding for infrastructure investments
- Is limited to blighted areas
- Requires thoughtful engagement with affected taxing entities since their "future increment" is at stake, in addition to the City's
- Investments should be a catalyst for new development that results in a direct or indirect economic benefit to the area
- Newport has three urban renewal areas with roughly \$30 million planned for infrastructure investments over the next 15-20 years



REHABILITATION AND WEATHERIZATION

- Cities and Lincoln County have leveraged Community Development Block Grant (CDBG) funds to finance a housing rehabilitation loan program for low-income households
- Participants have been eligible for zero-interest, deferred payment loans payable upon sale of the residence
- There is about \$2.75 million in the loan portfolio with roughly \$600,000 available for new loans to qualified households
- Program is currently inactive while the local government partners look for a non-profit to assist with program administration





OBSERVATIONS

- Incentive-based approaches preferable to regulatory solutions
- Lack of affordable housing is a long term challenge requiring multiple strategies and effective partnerships
- Be clear about roles and expectations in interagency agreements
- Recognize limitations of housing related non-profits and look for opportunities to assist them in developing organizational capacity
- Success is incremental... play the long game
- Regularly assess progress and recalibrate if desired outcomes are not being achieved



QUESTIONS?



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Spencer Nebel

From: Jason Malloy
Sent: Wednesday, October 30, 2019 7:57 AM
To: Spencer Nebel; Peggy Hawker
Subject: DPSST Overview

DPSST hosts four events per year for elected officials and community partners. This is a good course and would be beneficial for any of our Councilors. The flyer for the event is attached. Thanks

https://drive.google.com/file/d/1UvFGymRg9-QrkvLL4ISOgPF4cJCO_J2/view

DPSST Elected Officials and Community Partners Academy Overview

DPSST has a national reputation for professional standards developed in a shared stewardship environment and innovative training programs. DPSST serves more than 40,000 public and private safety professionals around the state. The purpose of this program is to increase awareness of the work done by DPSST by providing an opportunity to understand state certification and training standards and by offering a tour of the 235-acre Oregon Public Safety Academy.

Topics Covered

- The role of the employer (local government agency)
- The role of the Board on Public Safety Standards and Training (BPSST)
- The role of the Department of Public Safety Standards and Training (DPSST)
- Professional Standards - What are they, who do they apply to, how are they developed, how are they enforced?
- Training - What types of training does DPSST offer, how are classes developed, who pays for the training?
- An in-depth walking tour of the Oregon Public Safety Academy with visits to hands-on/scenario-based training venues
- How elected officials and community partners can engage in the process

Time Commitment

- 5 hours (includes lunch)
- This program will be offered four times a year free of charge to participants

Applicant requirements

- Contact your local police chief or sheriff and ask them to sign you up for the program

Jason Malloy
Chief of Police
City of Newport
169 SW Coast Highway

Friday October 11th, 2019

City of Newport –

“Should we apply for a Community Forest Program grant in January 2020 for forestland acquisition within the Big Creek watershed?”

Attendees: Tim Gross (director of public works), Wayne Belmont (county attorney), Derek Tokos (city planner), Dietmar Goebel (city council), Spenser Niebel (city manager), Lizzie Marsters, Joe Moll, Brian Kittler, Don Andre

- The Lincoln County Land Legacy program offers to cover the costs of diligence for donated easements and could provide partnership opportunities for a community forest effort (<https://www.co.lincoln.or.us/llac/page/lincoln-land-legacy-program>)
- Deadline for the USFS community forest grant is January 7th - a matching grant for acquisition up to \$600,000 per applicant – (<https://www.fs.fed.us/managing-land/private-land/community-forest>)
- Challenge - think in terms of “tree time” and 100 years
 - Benefits - Secure decision making authority gives an opportunity to involve people who have been concerned about management practices in the forest
 - Why? 80-year old stand produces three times as much water as a young stand along with reduced risk of impacts to water quality.
 - Sustainable Northwest is working on following this up with a Big Creek watershed specific analysis using a watershed model developed by the US EPA. By the end of 2019 we hope to have preliminary result of some watershed modelling for the Big Creek watershed using this tool and Sustainable Northwest would like to share these results with this group.
- Local issues
 - Financing the reservoir and dam replacement project
 - At play locally is the conversation with the PUD about the power line
 - Potential opportunity of selling an easement for the right-of-way?
 - (Threshold question about authorizing through city property)
 - Opportunities to work with forest operators, property line adjustments, swaps between mature stands and more sensitive areas? Conservation easements that adjust management regime and/or acquisitions by the city or other entity.
- Question of balancing financing?
 - What percentage of the watershed is owned? 350 of apx 1920 acre
 - Water reclamation and development act (WRDA) - pushed through FEMA (High hazard dam issue)
 - Defazio's office - need to make a connection
 - City's resources are going to be strained with the \$80M dam going in
- We can find the overall cost of source water protection and develop a strategy over time
 - Who the owners are? Potential motivations for them to partner?
 - What is the highest priority land? Considerations: erosion sensitivity within the watershed, connectivity to existing city owned lands, connectivity of transportation network (roads and trails—planned and existing),

preferences/opportunities/costs of buying forest units of different ages and timber value, and other factors.

- What are the other eligible sources of match?
- *What other bonding / financing already on the books for the city?*
- *What access policy right now?*

Follow up activities

- ✓ Copy of deed restrictions - attached to this kind of acquisition – specific to using the federal funding of the Forest Service grant.
- ✓ Ballpark of cost to acquire total watershed
- ✓ Can a memo of understanding with watershed landowners pertaining to the exploration of a strategy for watershed conservation be obtained by the city? This would be necessary to present a competitive proposal for the Forest Service grant.
- ✓ Process for prioritizing parcels within the watershed for protection via acquisition and/or easement? Sustainable Northwest and Ecotrust can help with this.
- ✓ Timeline of the process?
- ✓ GIS layer of forest stands
- ✓ Field trip to Astoria to see management and speak with forester