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## **AGENDA & Notice of Urban Renewal Agency Meeting**

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The City Council of the City of Newport will hold an Urban Renewal Agency meeting on Monday, March 3, 2014, at 5:30 P.M. The Urban Renewal Agency meeting will be held in Council Chambers at City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

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

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

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### **URBAN RENEWAL AGENCY MEETING AGENDA**

**Monday, March 3, 2014**

**5:30 P.M.**

- I. Call to Order and Roll Call**
- II. Public Comment**
- III. *This is an opportunity for members of the audience to bring to the Council's attention any item not listed on the Agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.***
- IV. Consent Calendar**  
*The consent calendar consists of items of a repeating or routine nature considered under a single action. Any Councilor may have an item on the consent agenda removed and considered separately on request.*
  - A. Approval of minutes from the Urban Renewal Agency Meeting of February 18, 2014 (Hawker)**
- V. Executive Director Report**  
*All matters requiring approval of the Urban Renewal Agency originating from the city manager and departments will be included in this section. This section will also include any status reports for the Urban Renewal Agency information.*
  - A. Second Request for Urban Renewal Funds by the Oregon Coast Aquatic Park**
- VI. Adjournment.**



URA.IV.A

February 18, 2014  
5:30 P.M.  
Newport, Oregon

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

Staff present was City Manager Nebel, City Recorder Hawker, Community Development Director Tokos, and Police Chief Miranda.

Allen reported that he will be presiding this evening since he is the Vice-Chair and Beemer is out of town. He added that Sawyer was excused from this meeting at the earlier work session.

### **CONSENT CALENDAR**

The consent calendar consisted of the following item:

- A. Approval of minutes from the Special Urban Renewal meeting and executive session of February 3, 2014.

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

### **EXECUTIVE DIRECTOR REPORT**

Tokos reported that Phase I of the South Beach Urban Renewal Plan is winding down and the Agency is gearing up to initiate Phase II borrowing in Fiscal Year 2014/2015. He added that work for Fiscal Year 2013/2014 has been directed toward capital projects funded with prior budgets, with remaining resources being allocated to the extension of SW Abalone Street and the construction of SW 30<sup>th</sup> Street, between SW Brant Street and SW Abalone Street, in partnership with OMSI.

Tokos reported that previously funded projects include the construction of SE Ash Street and tsunami evacuation route improvements to Safe Haven Hill. He noted that the tsunami evacuation route enhancements are match funds for a FEMA Hazard Mitigation Grant that the city secured. He added that FEMA is requiring supplemental geotechnical work and a benefit-cost analysis before it will release construction funds, and both documents have been completed and submitted to FEMA. He noted that this project was programmed to be completed in Fiscal Year 2013/2014 with construction to follow over the next 12 to 24 months. He added that there is sufficient funding left to cover the match on that project.

Tokos reviewed the current status of the budgeted projects, including: SE Ash Street; Safe Haven Hill; acquisition of right-of-way for SW Abalone and SW 30<sup>th</sup> Street. He responded to questions.

Busby asked whether estimates are in line with what Tokos planned for the last few years. Tokos noted that they are, and added that during the borrowing phase, staff will be looking at what is needed to complete the construction. Roumagoux asked whether the Ash Street project is complete, and Tokos noted that it is. Allen asked whether the bonding capacity increase over time was factored into Phases I, II, and III, and whether there had been any changes. Tokos reported that the last minor amendment assumed a lower growth rate of three percent based on a ten-year track record. He noted since all Phase I borrowing was not done, the URA is still in a position to comfortably borrow for Phase II.

### **ADJOURNMENT**

Having no further business, the meeting adjourned at 5:50 P.M.


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Margaret M. Hawker, City Recorder

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David Allen, Vice-Chair

# Memorandum

To: Newport Urban Renewal Agency  
From: Derrick Tokos, Community Development Director   
Date: February 27, 2014  
Re: Oregon Coast Aquatic Park Request for Funds

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Attached is a letter submitted by Jeff Bertuleit, on behalf of the Oregon Coast Aquatic Park, addressing feedback provided by the Agency at its January 21, 2014 meeting. For your benefit, I have enclosed a copy of the minutes from that meeting along with the January 17, 2014 staff memo outlining issues the Agency members should consider in evaluating this funding request.



To:

South Beach Urban Renewal Commission

From:

Oregon Coast Aquatic Park

Dear Commission,

Here are answers to some of the questions brought up the last time we meet.

The County Grant is contingent upon a match by the City. The County Grant is for \$2500.

The start of this undertaking was 2005 and a 501 c3 was issued to the Friends of the Newport Aquatic Park. The current pools future and state of repair needed to be assessed.

In 2006 the group attained the funds necessary to evaluate the current pool and the feasibility of building a new pool. There was no predetermined plan and through numerous public workshops and meetings, Sherwood and Assoc. developed the study and findings. The South Beach Urban Renewal Commission granted \$25000, the County \$5000, and Parks and Rec. \$5000 to fund this initial study.

In 2008 a \$6500 grant was awarded by the County through the Economic Grant Fund for partial funding of a Business Plan. The Siletz Tribe also granted \$1650 for a computer and projector for public presentations.

In 2009 A survey was commissioned by Intercept Research to research the target markets to determine the user preferences, entry fees, and popularity. A County grant of \$4475 was used for funding.

A Site plan, Building Elevations, and preliminary floor plans by Architects have been developed. Professional (Atty, CPA, Architect pro bono time) is \$52,395. Volunteer time amounts to \$300,660.

Other grants have been applied for such as Myer, Siletz, and Tourism Facilities grants but have not been successful so far but the efforts will be continued. We will be requesting funding from YBEF at their next meeting.

Newport tourism marketing grants of \$3750 over three years was used to promote the Newport Half Marathon. This is also a fund raising activity along with bringing over 100 contestants and family to stay overnight in Newport during the off season.

In 2013 the current County Grant was issued with stipulation that a Newport grant of a similar amount or more was required for issuance.

This grant is to help fund the Econorthwest review and assessment of the revised business plan. The committee that reviews the Tourism Facilities Grant felt they needed some review of the current Business Plan and the Board of the Oregon Coast Aquatic Park also felt a review and update is necessary and beneficial.

This is a final step in the process of bringing large projects to the point of attaining large grants, corporate and personal donations, and funding. The information and verification by Econorthwest will be invaluable in this endeavor.

Siting a large year around family tourist facility in South Beach will develop jobs, encourage overnight stays, and bring millions of dollars into the local economy. It will also help encourage business growth and highway improvements as outlined in the South Beach Urban Renewal and Economic Development Plans. This will grow the tax base and funding for the City.

Thank you for your consideration,

Oregon Coast Aquatic Park



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

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

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

### ACTION ITEMS

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

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

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

Beemer asked for comment.

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

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

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

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

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

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

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

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

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

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

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

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

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

### CONSENT CALENDAR

The consent calendar consisted of the following item:

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

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

### ADJOURNMENT

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

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Margaret M. Hawker, City Recorder

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Richard Beemer, Chair



# Memorandum

To: Newport Urban Renewal Agency  
From: Derrick Tokos, Community Development Director   
Date: January 17, 2014  
Re: Oregon Coast Aquatic Park Request for Urban Renewal Funds

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Attached is a letter from the Oregon Coast Aquatic Park Board of Directors requesting \$7,500 of Urban Renewal Funds to help finance a market and feasibility study for locating the facility in South Beach. They point out that the request falls within the guidelines of urban renewal purposes. While this is an accurate statement, the limitations on Urban Renewal Agency expenditures are not based upon general urban renewal powers but rather the types of projects contained in its urban renewal plan.

The South Beach Urban Renewal Plan is currently transitioning between Phase 1 and Phase 2 work. Attached are the project lists for both plan phases. Agency would need to conclude that the request fits within the scope of one of the listed projects or it would need to direct staff to prepare an amendment to the plan to add the project to Phase 2. While it is plausible that the Agency could find that a market and feasibility study qualifies as an initial component of strategic site acquisition for economic development purposes, which is one of the listed projects, such an interpretation would suggest that the Agency would be open to even larger contributions down the road should the study determine that it is feasible to locate an Aquatic Park on a site in South Beach. Agency should consider this when evaluating whether or not this request for grant funding should be authorized.

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

### Attachments

Phase 1 and Phase 2 Project Lists, South Beach Urban Renewal Plan

## 2. Phase 2 – 2013/16

<b>PUBLIC RIGHTS OF WAY</b>	<b>Cost Estimate</b>	<b>UR Portion</b>
<b>Streets</b>		
35 <sup>th</sup> St. – 101 to Ferry Slip Road Commercial Street Prototype, relocate 32 <sup>nd</sup> Street Signal, widen Ferry Slip (Coho/Brant Projects #10 and #11) (Includes Phase 1 and Phase 2 funds)	2,167,000	1,390,000
Anchor Way 35 <sup>th</sup> to 40 <sup>th</sup>	0	0
<b>Sidewalks</b>		
Ferry Slip Rd - 29 <sup>th</sup> to Marine Science Dr. (Shared use path and Sidewalk, SB Peninsula Refinement Plan)	104,000	104,000
SW Abalone – Marine Science Dr. to Abalone extension (Coho/Brant Project #13A)	325,000	0
<b>Acquisition/Development</b>		
TSP Projects - right of way	450,000	375,000
Existing Street/ROW improvements including: paving, storm water, pedestrian/bicycle paths and landscaping:		
SW Abalone St – SW 29 <sup>th</sup> to Anchor Way (Coho/Brant Project #8 (Moved from Phase 3))	1,773,000	850,000
SW 27 <sup>th</sup> – SW Brant to SW Abalone (Coho/Brant Project #2A)	145,000	145,000
SW 30 <sup>th</sup> – SW Brant to SW Abalone (Coho/Brant Project #5)	311,000	150,000
SW Brant – SW 27 <sup>th</sup> to SW 30 <sup>th</sup> (Coho Brant Project #7)	707,000	707,000
SE Ferry Slip Rd – 32 <sup>nd</sup> to Ash	144,000	144,000
Match for LIDs formed to implement Tier 2 and Tier 3 Coho/Brant improvements	150,000	150,000
SW Abalone & SW 35 <sup>th</sup> St. Stormwater Improvements (Coho/Brant Project #18)	84,000	42,000
SW 26 <sup>th</sup> St. and SW Brant St. Stormwater Improvements (Coho/Brant Project #17)	84,000	84,000
<b>UTILITIES</b>		
<b>Sewer</b>		
SW 26 <sup>th</sup> Street Sanitary Lift Station Upgrade (Coho/Brant Project #16)	110,000	110,000
<b>Utility Lines</b>		
Bury existing/new lines underground	300,000	300,000
<b>PUBLIC AMENITIES</b>		
Neighborhood Park Development	350,000	0
Neighborhood Park/Open Space/Trail Acquisition or Development	200,000	200,000
<b>ACQUISITION/DEVELOPMENT</b>		
Strategic Site Acquisition for Re-Use	250,000	100,000
Site Prep for Re-Use	100,000	100,000
Strategic Site Acquisition for Economic Development, Community Facilities and Affordable Housing	500,000	300,000
<b>SPECIAL PROJECT IDEAS</b>		
Wetland Mitigation Bank	100,000	100,000
<b>Total:</b>	<b>\$8,354,000</b>	<b>\$5,351,000</b>
<b>Revenue Estimate (3.0% growth)</b>		<b>\$5,370,000</b>