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MEMO

DATE: November 3, 2014
TO: Mayor and City Council
FROM: Spencer Nebel, City Manager
SUBJECT: Status Report for the time period of September 19 – October 25, 2014

HIGHLIGHTS OF ACTIVITIES:

Highlights of activities during the past 5 weeks ending October 25, 2014:

- Participated in a VAC Steering Committee meeting to continue efforts to provide a report to City Council on the sustainability of this facility. Good progress has been made but I will be recommending that the City Council allow for a delay in the report back to Council from December 2014 to first meeting in March 2015. I think it is important to have the report done prior to the consideration of the next budget year however there are some significant details that the group is currently working on that will not be done in a complete manor prior to December. The consensus of the group is that we would rather get it right then get it done in a hurry.
- Prepared various reports for the town hall meeting that was held on September 29, 2014.
- Along with Mayor Roumagoux, City Recorder Peggy Hawker, Councilors Allen, Beemer, and Sawyer, attend the League of Oregon Cities (LOC) conference in Eugene. Overall I felt the LOC did a great job in pulling together meaningful sessions to assist elected and appointed municipal officials throughout the State of Oregon. The sessions that I attended including the following:
 - Attended a session with David Rabiner to discuss leadership qualities and practices the City Manager's need in today's world. Mr. Rabiner indicated that the job climate has changed for City Managers from the 1980's to today. In the 1980's there were tons of over qualified candidates for almost any job as a result of an extended recession any large trained labor force. Today with the retirement of many the baby boomers there are very few experienced and

qualified people for jobs that open up. It is projected by 2015 the demand for labor will extend the available supply in many fields including municipal fields. In attracting staff the public sector has historically marketed “stability” for local government employment. As the market changes where there are more jobs than people to fill the jobs, stability will not have the same importance that it has historically had for municipal employment. David Rabiner argues that the replacement for stability in the municipal workforce will be influential leadership. Employees will work for an organization because they want to work for that organization. Influential leadership will be more important in the future since it will be important to have people wanting to listen to leadership even if they are not under direct control of that leader. This is changing the paradigm from employees having to do things, which tends to result in them only doing things specifically assigned to them and having resentment about that, to a new paradigm where employees want to do the job. They will do at least as much as you want them to do and they will be more satisfied with their work experience. The challenge of the manager is to create that want to environment. As always negativity in the workforce is the most destructive force. Mr. Rabiner indicated that it is important for today’s manager’s to be a bit of a “Pollyanna” to keep the mood upbeat and positive within the organization. A key question that all leadership employees should be asking are what they are working on to make them better at what they do. If people are centered on self-improvement the organization will continue to move forward in a very positive direction. Disqualifying characterizes to achieve this included an uncontrolled temper and honesty issues. Characteristics of a transformative leader include accessibility, courtesy, uplifting, approachable, and empowering.

- Attended a session by Bill Zipp regarding mastering your crucial conversations. Mr. Zipp indicates that in crucial conversations emotions can run high. There tends to be a flight or fight scenario in these high emotion discussions with the intelligence of the discussions suffering. He indicated that he uses an acronym called TALK when having these conversations. Trust (T) that the person that you are having the discussion with has the best intentions of having a meaningful conversation. Ask (A) open ended questions to solicit conversation out of them instead of question that would lead to yes or no answers. Expressions such as “help me understand” are good to solicit an individual’s perspective on a certain matter. Listen (L) does not mean that you agree but you are trying to walk in their shoes. It should be noted that you can hear faster than people can speak. This means more than just words. Your reaction as people are speaking are very informative to the listener as well. It should be noted that it is not necessary to listen forever! Keep (K) safe and sound in context of conversation. Safe focuses only on the quality of the relationship. For sound, the intent is on the quality of the information being shared. A constructive relationship is best met by developing a strong relationship with strong communications.

- Participated in the keynote address of Dave Frohnmayer, Former Attorney General and Former President of the University of Oregon. He provided a great perspective on communicating decision making in Oregon. President Emeritus Frohnmayer indicted that World War I was a prime example of a failure of leadership. At this time many of the countries involved in the war were ruled by monarchs who were actually relatives of each other. In the course of six weeks of the war, more than a million people had been killed. This could have been prevented by the twelve key world leaders working together to find a different alternative to the war. President Emeritus Frohnmayer talked about Oregon values and believes. This is part of a statewide study that has been up dated from time to time with the top beliefs including a sense of community, neighborliness, clean air and water, easy access to the outdoors, recreation abundance, a low trust of government, fair taxes, and a low awareness of government. He further went on to outlined five key ingredients in leadership which included 1. Curiosity; 2. Battle harden confidence; 3. Team smarts; 4. A simple mindset; 5. Fearlessness meaning that we are not afraid to explore beyond what we know today. To successfully lead it is important to understand that winning is not a goal in itself, homework matters, values matter, good communication are critical, and surround yourself with partners that have street credibility.
- Attended a session on rates and public education with Chris Marco, Rural Development Specialist for the Rural Community Assistance Corporation. Mr. Marco indicated that a rate structure needs to reflect the cost of personnel, materials and services, capital outlay, debt service, and reserves for the various utility funds. It is important to understand current and future obligations of the system as well as the long-term inflationary impacts. The rate structure needs to be clearly understand by the governing body and should be revisited on an annual basis as part of the budget process. It is important that while there is always an effort to compare one city's rates with another city's rates, the differences between the two communities can be very significant. Rates charged by one community are not necessarily relevant to another community. The best defense for a rate charges by a utility is having the proper data to back up that rate structure.
- Attended a session on creating a sense of place when designing downtown revitalizations. This was a panel discussion including the coordinator of the Oregon Main Street Program, Executive Director of the Neighborhood Economic Development Corporation, as well as the Senior Management Analyst from the City of Springfield. Redefining and redeveloping main street has been a key challenge many communities. The key to successfully reinventing a downtown is to focus on infrastructure, private business investment and marketing of that area. The Oregon Main Street program is there to provide support to local communities and business district trying to accomplish these tasks. In

Springfield, there downtown main street program coupled with an Urban Renewal District has led to a number of economic enhancements to Springfield's deteriorated downtown area. Determining what new type of anchors that could create vitality in a downtown area and focusing on the historic qualities of an urban core area are key to successful strategies in redeveloping these critical areas in a community. There are key factors that are found in vital downtown areas including a welcome feeling, people are comfortable in the area, it is efficient to stop and shop or take advantage of services in the downtown area, and not have concerns over security for being in that downtown area. Over factors that that are common in the final city center areas are open spaces, diversity, beauty, art/music, friendly, and economical prosperous. The design for downtown areas need to focus first on people, then climate, multipurpose uses, links to the past, and links to the future. Main Street Oregon has also been focusing on the preservation of downtown theaters. They are looking at historical theaters that are currently in use or could easily be put back into productive use. I do not know what the status of the downtown Newport Theater is (this maybe something we want to follow-up with).

- Attended a session on creating revenue streams for municipalities. Harvey Rogers a partner in Hawkins, Delafield and Wood, LLP, indicated that in Oregon, if there is no pain there is no gain on creating new revenues. He outlined the difference between the taxes, that are general revenue and can typically be used for anything and imposed by ordinance or order initiatives, and fees that are charged for services related to the service that is being provided and typically must be used to support that service. Property taxes are strictly limited in the State of Oregon, however there are local options taxes which have a five year maximum duration and is subject to compression (local option taxes would be the first to be compressed). In addition, Oregon communities can impose income taxes, sales taxes, and other taxes on other activities generally without a right of the people. The City of Eugene teamed up with various study groups to review options to increase revenues to preserve certain programs within the city. The three items that held the most promise were a restaurant tax of 3% to 5%, utilities consumption tax at 1.5%, and the potential of local option taxes for specific projects that would bridge a period of five years or less. Medford indicated, that as of this time the city has not proceeded with any of the recommendations from this task force. The LOC is fighting for certain reforms as part of its 2015 legislative agenda including giving the voters the right to remove local options from compression and resending property values at time of sale.
- The City of Newport received a Safety Award Certificated from City/County Insurance Services at the conference.
- I participated in a session on how cooperative purchasing works. This was put on by the National Purchasing Partners. The State of Oregon provides for these

cooperative arrangements whether it be with a direct purchasing group such as National Purchasing Partners or among local venues of government within the State of Oregon. It is important that local agencies and policies allow for a city to participate in these joint purchasing efforts.

- Attended a session on how to deal with homelessness in our communities. This session focus on the change of approaches with regards to dealing with homelessness over the years. In the 1980's the emphases was on building shelters for the homeless, today the focus is more on a continuum of care to try and break of homelessness the cycle. In Eugene, St. Vincent DePaul has two sites for homeless people. Eugene has established a goal eliminating homelessness for veterans. There are grant resources available for support services to veterans that would be available to Lincoln County. Both programs have partners in the faith community. It was noted that affordable housing is critical. In a study done by Lane County, a compensation of \$16 per hour is necessary to provide the most minimal housing within the county. Many jobs pay under that amount of money. There is a significant part of the population that cannot afford to continue living in their homes. Eugene is focusing on providing safe, affordable, and descent housing for the public. The city is making available city land for this purpose. They are looking at micro housing as an affordable way of providing housing options for its population. The Oregon Housing and Community Services Department provides a poverty report by county to determine the rate of homelessness in various counties in the State. 13% of the homeless population are veterans.

I certainly appreciated the opportunity to attend the LOC 89th Annual Conference in Eugene. I would certainly encourage other members of the Council to consider attending future conferences. It is a good opportunity to compare notes with other communities and to see what is happening in the rest of the State. Finally, this year was special year for Lincoln County with our own Mayor Ron Brean, Mayor of Yachats, servicing as this year's LOC president. He certainly did a nice job presiding over the conference!

- Derrick Tokos and I met with Bob Cowen and Wayne Belmont regarding the OSU housing study that the city and county are jointly funding. As you recall, Derrick was successful in getting a grant to cover the city share of this study. The study will have two primary purposes. The first will be as a tool to utilize in Salem with the state legislature to urge the state funding for the OSU Marine Studies Campus. It is important to convince the state legislature that the city/county are proactively addressing the housing issues that 500 graduate studies would bring to this area. The second part of the study will review, are the city's current provisions housing to determine what changes may need to be made in order to recognize a new population of undergraduate students living within the City of Newport. We reviewed the

proposals received and there was a consensus that Eco North would be in the best position to turn out this report in a timely fashion. This work is ongoing at this time.

- Met with Rob Murphy and Peggy Hawker to review plans for the town meeting and dedication of the city's north fire hall.
- Participated in an executive session with the City Council to consider the city's attorneys opinion regarding the withdraw of land from the Seal Rock Water District as well as discussing potential property acquisitions.
- HR Coordinator and I met with John Baker to catch up with the first Leadership Lincoln session that we missed.
- Met with Mayor Roumagoux to review the dedication and town meeting preparations.
- Along with the Council and various staff, I participated with the North Fire Hall dedication as well as the Agate Beach Town meeting. Both events went well. The fire hall had a decent turn out. The most significant action item coming out of the town hall meeting relates to geological issues in the area north of Yaquina Head. This is an area that could potentially benefit should the City Council establish a new Northside Urban Renewal District. From the geological presentation there is a direct benefit in reducing the amount of surface water and ground water in that area as it relates to the progression of the active slide area. Including this property within an Urban Renewal District would provide some resources to address stormwater issues through-out this area, which may reduce the rate of the slide. As with any issue of this nature, there are certainly limits to the amount of resources that can be put forth to try to stabilize geological issues. It is something that the city will need to have further discussions on at a staff level and Council level.
- Along with the Mayor, a number of members of Council ,and Department Heads we had the opportunity to extend to Elwin Hargis best wishes as he initiates his full time retirement from the city. It was interesting as a prospective homeowner looking at various building plans that have been signed off from Elwin since the 70's. Most modern day projects in Newport were inspected by Elwin. In addition, Chuck Crawford who has provided electrical inspection services for the city for years is retiring from our contractual inspection service company that we utilize in Newport. Chuck is a former member of the Philomath City Council. The city wishes Chuck well in his retirement.
- Mayor Roumagoux and I had the opportunity to tour the jail with the members of the County Commission and other Mayors and Managers from Lincoln County. This was my first tour of the jail. Mayor Roumagoux remarked on what significant improvements had been made since the last tour of the jail, particularly the with the kitchen and health center. Even with the improvements this is still not a place I would like to spend any "quality time".
- Rob Murphy, Barb James and I reviewed some of the proposed contract language changes with the Fire Contract. As you know the city is in negotiations with that unit.
- Participated in the Airport Staff meeting.
- Participated in a conference call with Councilors Beemer and Allen, City Recorder Peggy Hawker with Steve Rich for various issues regarding Mr. Rich's employment as City Attorney.
- Was interview by Cheryl Haro on KCUP radio my monthly interview

- Held a weekly meeting with Temporary Fire Chief Rob Murphy.
- Participated in a planning session for the airport grand reopening with Melissa Román, Lance Vanderbeck, and Thomas Knott.
- Took off a few hours on Wednesday, October 2 to play tourist with my mother-in-law and sister-in-law. During our tour, I received notification from Lance Vanderbeck of the Coast Guard announcing closure of the air station at the Newport Municipal Airport effective November 30, 2014. While the community (at least the city) had received an initial closure notice early in 2014, the Commandant reversed his decision on closing the facility. I don't think anyone was expecting to get a letter via email with a new closure date for this facility. After consulting with Mayor Roumagoux, I contacted via telephone our two US Senators and Congressman to share this information with their staff members responsible for Coast Guard issues in each of those offices. In all cases they had not been aware that this letter was going to be issued and in a couple cases requested copies of the letter we received. I indicated that this announcement was a total surprise to the city and that there had not been any dialog since the earlier communication from the Coast Guard over the future of the station. I also indicated that the Coast Guard had just completed investing significant federal dollars in renovating the Coast Guard fuel system at the Newport Municipal Airport. The fact that this work was ongoing apparently falsely lead us to believe that the decision to close the station had been deferred for a much more significant period of time. I also forwarded emails to the congressional delegation indicating that the closure was not acceptable to the city. I was appreciative of the urgency that each of the federal offices placed on this matter. Also I have been impressed with the reaction of the county, port and particularly the very poignant message of the Fisherman's Wives and the community at large regarding the true importance of this facility for this community. The announced closure of the air station reshuffled my priorities during the past couple of weeks but I certainly feel it is very important for the city to play a collaborative role on working towards a reversal of the decision.
- Met with Richard Dutton for our weekly IT meeting.
- Met with Wendy Engler, Jody George, and Cathy Cleary regarding their ongoing concerns over the discussions relating the Nye Beach Overlay. On the committee there are two primary schools of thought regarding mass and structure of facilities. I encouraged Wendy and the group to focus on actual sizes for buildings, which I understand, the consultant retained by Derrick Tokos will assist them with. There were also concerns as to how you measure a building for maximum height, since a building on a slope would have the upper part at a less height then the building on the lower end of the slope. I really do believe that the discussion on the mass would be greatly facilitated by the consultant that will develop some standards for the committees review. It will be easier to understand the mass issues once we have specific numbers to deal with on this project. Ultimately, the task force was structured with three individuals favoring small scale developments with three other individuals favoring larger scale developments in this area. This group will be providing input to the Planning Commission who will ultimately be providing a recommendation to the City Council on this issue.
- Participated in Fire negotiations with Rob Murphy and Barb James.

- Prepared Agenda report for the October 6, 2014 City Council meeting.
- Held a regular routine department head meeting.
- Met with Mayor Roumagoux to review the October 6, 2014, City Council agenda.
- Met with the City Center group to discuss alternatives following the City Council's decision to not go forward with a major message sign art deco structure on the corner of Herbert and US 101. The results from this meeting were reviewed by the City Council at the October 21, 2014 City Council meeting.
- Participated in the routine airport staff meeting.
- Met with Mike Murzynsky, Bob Gazewood, and Olaf Sweetman regarding the supplemental budget for carrying over capital budget projects. This is the last set of the conversions that we are trying to accomplish by budgeting capital projects on an individual basis, version a lump sum for the appropriate funds. As you will recall the department heads were asked to project their budgets based on all capital projects being completed in the last fiscal year. This gave us a point of beginning for fund balance to base the 2014-15 budget on. For this budget year we are preparing supplemental budgets to the City Council, by project, to establish project funds for those construction projects that were carried over from the 2013-14 fiscal year. We are hoping to have this supplemental budget ready for the City Council in November.
- Mike Murzynsky, Linda Brown and I met regarding the consolidation of financial accounts line items and the creation of a regular financial report that would be shared as an agenda item on a regular basis with the City Council. We are proposing that quarterly financial reports be placed on the City Council agenda for the Council's review. At that point, we would try to coordinate any supplemental budget amendments in conjunction with that financial report. We have put together a format for this report in order to move forward with this type of regular reporting to the City Council. We are hopeful that we will be able to provide these quarterly reports to the City Council 30 days after the close of the quarter. This should be a good mechanism in order to keep the Council up to speed with how the revenues and expenditures are in alignment with the adopted budget. In addition, we are going to take a look at a major consolidation of line items around the first of the year in preparation of the 2015-16 budget. This is an item that we talked to the Budget Committee and the Council about this past spring. The city has an excess number of individual expenditure account line items that, I believe, cloud the analysis of the city's overall financial condition. This certainly added a substantial amount of time for departments to prepare a budget, for me to review, and to present this to the Budget Committee. Once we have prepared a draft account reduction plan, we will provide a report to the City Council to make sure that we are on the same page as the Council. These are important changes to make in providing good financial information on a regular basis to the City Council.
- Met with Melissa Román to review various support roles that she has been planning for the airport. As the airport project is coming to an end and discussion are moving forward regarding the operational plan for the airport, it will be important to have a good transitional process. Melissa has been very involved with the FAA on the current projects as well as projects going forward. Likewise Tim Gross is anxious to get Melissa back to

handle other projects for the city. We need to work out a transitional plan to address all of these needs.

- Participated in a day long Leadership Lincoln session on Wednesday, October 8. This will be a good program with good dialogue among the various participants. It will be a good introduction to some of the components of the community that I have not yet interacted with.
- Held routine meetings with Police Chief Mark Miranda and Acting Fire Chief Rob Murphy.
- Participated in an airport grand opening meeting with Melissa Román, Lance Vanderbeck and Thomas Knott.
- Participated in the City Employee Committee meeting to share some of the upcoming goals that I have as discussed during my evaluation process with the City Council for the city. Councilor Swanson was representing the City Council in this meeting.
- Met with Richard Dutton to discuss IT matters.
- Met with Steve Beck regarding concerns over water billing policies from the Finance Department. Mr. Beck is concerned about the fines of the payments particularly if an inadvertent late payment is made. Also, if he pays the amount listed as due on the late notice we require that he also pay the current bill if it is following the 15th of the month. This is not indicated on the notice form. He was also concerned that the letter fee is excessive as a late fee. I indicated to Mr. Beck that we are going to be reviewing our various water and sewer policies in the next couple of months. In order to review both the equity and fairness of the policies as well as the effectiveness of the policies in collecting the money required to operate the city's water and sewer systems. I am hopeful to again engage in a discussion of these policies with staff this fall with a report going to City Council in early 2015.
- Met with Melissa Román and Lance Vanderbeck over lunch to wrap-up the discussion on the airport construction project and to look forward to the celebration ceremony for the airport reconstruction. This project went exceptionally well, I believe Melissa did a great job in keeping the various stakeholders informed on a weekly basis as to what to expect from a construction standpoint. From a City Hall standpoint with the exception of the asphalt plant that was set-up by the contractor, we had zero complaints regarding construction activities at the airport in the City Manager's office. It appears that once the numbers are finalized, the project will have been completed under budget and within the time frame allocated for this work. I also want to thank Lance for operating the airport on a shorthanded, basis with limited staffing, with the upheaval of construction impacting the operation over the course of the summer. Overall it was a project that was well done and will serve the airport for the next several decades in the future.
- Met with Kevin Greenwood and Terry Thompson to discuss a collaborative effort between the city, county, and port to work on the reversal of the decision to close the Coast Guard Newport Air Station. The first big issue was coordinating some sort of response to how a community meeting could be held to give the public an opportunity to share their concerns regarding this announcement. As a result, we indicated that the city, county and port could jointly sponsor this meeting. Congressman Schrader indicated that he would be available for a meeting to discuss the next steps on the following Wednesday along

with other congressional staff members, the Coast Guard, and others. The fisherman's Wives had been working to raise awareness of this issue in a very effective way. There was general agreement that we would jointly host this meeting.

- Tim Gross, Barb James, Jim Salisbury, and I met to discuss various issues regarding distribution of safety gear in the public works department. In this budget year we consolidated the safety purchases in one safety account. That has created a few concerns within the public works operations. We will be sitting down with the various public works supervisors to discuss this issues to determine how to best proceed with the purchase and distribution of safety gear.
- Rob Murphy, Barb James, and I met to review the language changes requested by the Fire unit to develop a response for our upcoming negotiations.
- Peggy Hawker, Lance Vanderbeck participated in a conference call with FedEx on the lease renewal for the facility that FedEx rents at the airport. While there are no major sticking points with our negotiations with FedEx, this has taken a long time since we have different City Attorney involved with reviewing the lease over time and we wanted to make sure the lease reflects the operations and side agreements that have been entered into with FedEx over the years.
- Barb James and I met to discuss various HR issues.
- Met with Derrick Tokos and Tim Gross on the City Center Sign issue. This information was included in a report to the City Council at the October 21, 2014, meeting.
- Met with Jay Baughman the new City Manager from Toledo. I gave Jay a tour of City Hall as well as the City of Newport. Toledo is Jay's first City Manager job. He was preciously working as assistant to the City Manager in Surprise Arizona and worked in the governor's office as a budget analysis prior to that. My impression from the few hours I spent with him is he is a quick learner and should do a good job for the City of Toledo.
- Chief Miranda, Community Resource Office Kittel and I met with Christy Monson of Speer Hoyt to discuss the Azar property issues. Based on some recent court rulings the Municipal Court Judge has been much more particular as to the information required before issuing warrants for entering the premises to address code violations. We are working with Speer Hoyt in order to review this situation and to provide assistance on how we should proceed with remedying the property issues at this location. Speer Hoyt indicated that we should have a building expert review the structures and provide an opinion as to whether demolish is the most appropriate way to address this situation. I also asked Speer Hoyt to indicate if they are any potential alternative actions that we should be considering in order to resolve this issue. One of the benefits in having in house counsel will be having the freedom to involve the City Attorney early on in these types of issues and to have continuity in seeing our way through these issues.
- Met with Christy Monson and Rob Murphy to review our revisions to the Volunteer Compensation policy for the Fire Department. It is Christy Monson's opinion that we will be in compliance with IRS and other regulations with a few tweaks of our policy including calculating a top threshold for remuneration of services from our fire fighters based on the compensation paid to our full-time fire fighters. The system that we are looking at implementing will be very similar to how our volunteers have been compensated in the

past. As you may recall, at one point it appeared that the city may not be able to compensate volunteers at all. The policy will continue to renumerate our volunteers for certain calls and services that they provide the department.

- Participated in the monthly meeting held by the Lincoln County City Managers.
- Participated in regular meeting with the Airport Committee.
- Melissa Román, Lance Vanderbeck, Thomas Knott, and I met at the airport to go over final details for the airport grand reopening.
- Along with Councilors Allen and Swanson, participated in Audit Committee meeting. Overall the audit appears to be moving forward in a timely bases. It is anticipated that the audit will be filed prior to December 31, 2014. This will be the first timely audit in a number of years if we are able to make the December 31 date. Thanks to the efforts of Mike, Linda and the entire Finance Department the audit will be completed in a timely basis this year. In addition, the Finance Department will develop the year-end financial statement for review by the audits. In the past, the financial statement has actually been developed by the auditors for the city. This is a critical step in order to move our Finance Department forward in providing timely and accurate finance data on the city's operations.
- Councilors Allen and Swanson and I participated in the Veterans Lunch that was held at the 60+ Activity Center. It was a nice event.
- Mayor Roumagoux and I were invited to participate in the Air Station Stakeholders meeting on Wednesday, October 15 that consisted of representatives from the County, Port, Fishermen's Wives, with State Representative Gomberg, State Senator Roblan, Congressman Schrader and representatives from Senators Wyden and Merkley staff and others. The primary purpose of the meeting was to work through the agenda for Monday's public meeting which I had drafted with assistance from Wayne Belmont and Kevin Greenwood. The Coast Guard ended up using this meeting to briefly explain the closure of the station and inform the group that they would not be participating in Monday night's meeting. This certainly made the meeting much more exciting! An angry Congressman Schrader said who ordered the Coast Guard not to participate in this meeting and the response was it came from the highest levels. In the meantime the Fishermen's Wives had walked out of the meeting on the announcement that the Coast Guard will not be participating in the meeting.
- Met with both Mark Miranda and Rob Murphy in our weekly meetings.
- Held our last planning meeting at the airport for the dedication ceremonies.
- Participated Fire negotiation with Rob Murphy and Barb James representing the city.
- Worked on agenda for the October 21, 2104, City Council meeting.
- Met with Wayne Belmont and Kevin Greenwood to revise our agenda for Monday's meeting with the notification that the Coast Guard did accept the invitation from the legislative delegation to participate in Monday's meeting. This included a conference call with Representative Schrader's Office and the Seattle District of the Coast Guard to work through the agenda modifications. There was a significant push by both Congressman Schrader's office and the Coast Guard to make significant modifications to the originally agenda. We had to remind both the Coast Guard and Congressman Schrader's that this meeting was being held by the County, City and Port and that this agenda was a product

of a lot of negotiation between stakeholders relating to the closure of the station. We were successful in minimizing the modifications to the agenda for Monday night's meeting. One of the things that Congressman Schrader's office had requested is that Congressman Schrader run the entire meeting. We were able to work through a compromise with Bob Jacobson opening the meeting providing initial introductions and then turning it over to Congressman Schrader for public comments. This seemed to work well. We knew that the time the Congressman and Rear Admiral had at the meeting was limited and we knew that we wanted to give everyone an opportunity to provide testimony. By have Bob opening and closing the meeting we were able to have him take over the moderator duties once Congressman Schrader had to leave. Overall I think the agenda worked out well. Over the weekend I had also provided a moderator's agenda with various instructions to both Bob and Congressman Schrader. This, of course, had to be retooled after the Coast Guard developed to participate. It was a fast and furious week with lots of little side negotiations going on in order to pull this meeting off in a way that would be acceptable to the participants.

- Met with Heidi Rogers regarding concerns about the pump bike track being built at Coast Park next to four condo units that they recently renovated and rent out. I had indicated to Heidi that I had thought that she had discussion with the organizers regarding the track at some point in the past. She indicated that she had a very casual conversation from a third party person and that no one from the organizing group or the city had talked to them prior to proposing the track be built on that property. One of the lessons learned from this process is that when we are proposing major changes in uses to our park property the issues show be thoroughly vetted through the Parks Committee (which this was) then forwarded to the City Council early on for a conceptual approval to proceed with the discussions. In this particular case, while it was mention that this was something in the works, the City Council never had an opportunity to formally hear a report at a Council meeting about this proposed changed to park property and act on a request until well after the project was quite far along. Even internally, there was limited information regarding this project. I talked to Parks and Recreation Director Jim Protiva and have indicated that whenever we are looking at a major changes in the use of a park area or proposing a new park, these items should be provided to the City Council so that the Council can weigh in as to whether or not they support spending effort on this type of initiative. It is also appropriate to have formal participation by the adjacent property owners with any major changes to park properties. As I have indicated one of my goals for this next year to the Council during my evaluation process is to review the role that our advisory committees play with staff and the processes in which that information is conveyed to the City Council and the rest of the city organization. I believe that we can make good structural improvements in the way we handle these sorts of issues in the future.
- Derrick Tokos and I met with OCCC president Ryslinge on the possibility of establishing a North Urban Renewal District. In addition, we spoke about the student housing study that the city and county are commissioning as part of the OSU Marine Studies Campus for Newport.

- Participated in the rededication ceremony of the airport. This was certainly a nice event to kick-off the operation of the airport following the runway reconstruction and other work that has been done between the city and FAA to keep this infrastructure viable for the next generation. I appreciate Melissa Román, Lance Vanderbeck, and Thomas Knott efforts at planning a successful event.
- Held a routine department head meeting.
- Wayne Belmont, Kevin Greenwood and I met at OCCC to work through the details to set-up of the joint meeting. Met with Congressman Schrader's staff as well as the advance team for the Rear Admiral to work through various details for Monday night's meeting.
- Derrick Tokos and I met with District Health Board to discuss the possibility of establishing a North Urban Renewal District. There was a fair amount of discussion on the creating a one way loop through the City Center area. The hospital had some concerns about this configuration. Overall, it has been good to meet with each of the taxing jurisdictions in preparation for future discussion with the City Council on Urban Renewal District.
- Along with the Mayor and members of the City Council, attended the Joint County, City and Port meeting regarding the Coast Guard's announcement of the closure of the air facility in Newport. I was very pleased with the way the meeting came off. It was a very clear and unambiguous message from a variety of interests emphasizing the need to continue air facility.
- On Tuesday, following the meeting Wayne Belmont, Kevin Greenwood and I met to discuss the next steps with the air station issue. As we discussed at Tuesday's City Council meeting, Monday night's meeting was just a beginning not an end. It will be important for various entities to continue making the case that this facility should not be closed with the Commandant of the Coast Guard and our federal officials. As part of this effort, we agreed to establish a depository for all documents, news articles, resolutions and letters with the Port of Newport. There is a link to that site on the city's homepage to access this information. As we receive any related documents or items related to the air station we are forwarding them to the port and they are being placed on the port's website.
- Met with the Mayor to review the agenda for the October 21, 2014, City Council meeting.
- Along with members of the City Council participated in the October 21, 2014, City Council meeting.
- I took a sick day on Wednesday, October 22, 2014, to try to catch-up on some rest, hoping that would improve my condition. I did finally go to the clinic where they placed me on an antibiotic and an inhaler to try to cure the bronchitis that I have been dealing with for the past three plus weeks.
- Worked from home on Thursday and Friday in order to catch-up on some work and rest.
- Met with Bill Schille who was the individual that had placed an illegal sign with inappropriate language in his front yard across from the Recreation Center. He was ticked and did end up taking the sign down prior to his court appearance. Once he took his sign down I did offer to meet with him regarding his various issues and grievances he has with his neighboring properties and with the city. His biggest issue with the city is in his opinion is that the city will not take action to enforce our ordinances against his neighbors,

however we take quick action anytime he is in violation of one of our codes. I indicated that I would take a closer look at the issues that he is concerned about.

- Along with the Fisherman's Wives, the port, county, Representative Gomberg, Mayor Roumagoux and I participated in a meeting with Senator Merkley to discuss the closure of the air station. Senator Merkley indicated that the delegation is working together to figure out a way to reverse this decision. With the elimination of "pork barrel" funding, Congress has not had the same tools that they have historically had in dealing with these types of situations. Senator Merkley was frustrated with the process and pledge to work on this issue to try and get a reversal before the November 30, 2014, closure.
- Participated in an Oregon Coast Aquarium Board meeting (as an ex officio member) on Saturday, October 25. The Aquarium was pleased that it will no longer be in default with the payment of the delinquent bonds from a few years ago coming up this next month. This has been a burden on the Aquarium for a number of years. Overall they have had a stronger financial year this year, however visitation to the Aquarium was less than last year. They credit this downturn to exceptionally nice weather over the summer (bad weather will bring people into the Aquarium whereas nice weather tends to have people utilize the beach and other outdoor venues, the fact that they did not change out a display for the third year in a row which helps with marketing efforts and the increase in fees during this past year. The Aquarium will be doing new display for the 2015 year that will focus on shipwrecks around the world including the Great Lakes! They have had a very successful capital campaign this year. They indicated a little concerned that they have not been part of any discussions with OMSI with how the Aquarium may fit in to their program. It was indicated by one of the Aquarium board members who is also a member of the OMSI board that OMSI has been focusing primarily on finishing up their capital campaign before they start shifting to more program type issues on the camp to be started in Newport.
- Attended the Emergency Readiness Fair on Saturday, October 25. While I was there Council members Allen and Saelens were also participating councilor Swanson was there earlier. Overall despite windy weather with driving rains, they had great attendance. Virginia Demaris did a great presentation on the impact that a major cascade event would have on the entire Oregon Coast and valley. Overall it was a very nice event with good information.

UPCOMING EVENTS:

- Election Day is Tuesday, November 4th. We currently have five candidates for City Council, and two for Mayor. I wish all the candidates good luck on Tuesday!
- City Hall will be closed on Tuesday November 11, 2014 in observation of Veterans Day.
- League of Oregon Cities Training on Financial Analysis and Planning will be held on Monday, November 17 at Newport City Hall, Council Chambers.
- League of Oregon Cities Training on Council, Manager, and Staff Relations will be held on Tuesday, November 18 at Newport City Hall, Council Chambers.
- City Hall will be closed on Thursday, November 27 and Friday, November 28 in observation of Thanksgiving.

- City Council Meeting for December 15 has been canceled.
- Employee Appreciation Dinner will be held at the Aquarium on Friday, December 19 at 6 P.M.
- City Hall will be closed on at noon on Wednesday, December 24 and all day Thursday, December 25 in observation of Christmas.

ATTACHMENTS:

- A letter from Ted D Wit leader of the 2014 delegation to Mombetsu thanking the city of its role in assisting with this sister city relationship.
- A memorandum dated September 11, 2014, show a realignment of Regional Solutions Team to include Lincoln County I with Corvallis and Eugene. This is a move that Mayor Roumagoux has been advocating and appears to have been accomplished.
- An email from Ted Smith indicating success with a significant funding source for Library improvements. Congratulations and Thanks Ted!

I am working hard on trying to provide these report on a more timely basis (these is certainly more timely then the last couple of report so progress is being made). I do hope to produce this report every two weeks to keep the Council and department heads informed as to may activities.

Respectfully submitted,



Spencer R. Nebel, City Manager
Newport, Oregon



Ted DeWitt, Ambassador
Newport-Mombetsu Sister City Exchange Program
13994 NW Kona St., Seal Rock, OR 97376 USA

Ms. Sandra Roumagoux, Mayor
City of Newport
169 SW Coast Hwy.
Newport, OR 97365

18 August 2014

Dear Mayor Roumagoux,

On behalf of the twelve delegates from Newport, I wish to thank you and the staff of the City of Newport for helping to provide us with an amazing and enlightening experience during our visit to Mombetsu, Japan, in July. We greatly appreciate the support that your staff and many people in Newport gave us, and the hard work that people in Mombetsu devoted to providing us with a kaleidoscopic array of activities, foods, and opportunities to meet people and make new friends. We realize and appreciate how much time and expense everyone put into our visit. We are also very grateful for the City of Newport providing us with items to use as gifts, which were hugely helpful because of the great number of gift-giving opportunities.

I was tremendously impressed with the depth of commitment and friendship that people of Mombetsu feel toward the people of Newport and to our Sister City Exchange Program. That was manifested in many ways, including a cheering crowd meeting us at the airport, competition among families to serve as our hosts, diverse and delicious feasts provided by civic groups and sponsors, several articles about our visit in the local newspaper, and the considerable expenditure of funds to provide us with transportation, guides, interpreters, entrance to cultural and entertainment establishments, meals, and gifts. Many people came up to me to share their fond memories of visits to Newport and the good friends they have here, and several passed gifts to us to give to those friends. We have a strong Sister in Mombetsu, who cares for us deeply, and I hope the people and City of Newport continue to support and celebrate this special relationship.

We made many new friends during this trip, and gained an appreciation and enjoyment of Japanese culture. I expect that many of our delegates will travel again to Mombetsu, to visit our friends and to learn and experience more about that country and culture. Meanwhile, the Mombetsu'ans are planning to send one or two delegations to Newport in 2016 to commemorate the 50th anniversary of our Sister City program. Our delegation is excited about this visit and would like to be involved as hosts and with helping entertain and enlighten those visitors. I personally will commit to participating as a host and helping as an organizer for that visit. I was profoundly moved by the generosity, hospitality and friendship of the people I met, and very much want to reciprocate to them and others from Mombetsu. Thank you again for helping us have this experience and for your support of the Newport-Mombetsu Sister City Exchange Program.

Sincerely,

Ted DeWitt, Ph.D., Leader
2014 Newport Delegation
Newport-Mombetsu Sister City Exchange Program



Oregon

John A. Kitzhaber, M.D., Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: (503) 373-0050

Fax: (503) 378-5518

www.oregon.gov/LCD



September 11, 2014

TO: Land Conservation and Development Commission

FROM: Ed Moore, AICP; South Willamette Valley Regional Representative

SUBJECT: **Agenda Item 5, September 25-26, 2014, LCDC Meeting**

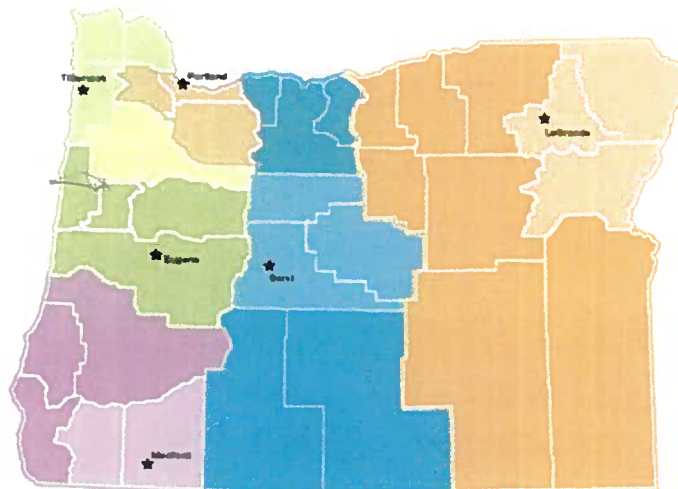
REGIONAL SOLUTIONS TEAM

I. SOUTH WILLAMETTE VALLEY REGIONAL SOLUTIONS TEAM

The South Willamette Valley Regional Solutions Team (RST) consists of the following members:

- Jackie Mikalonis, Coordinator, Governor's Office
- Mary Camarata, Department of Environmental Quality
- Karen Chase, Oregon Housing and Community Services
- Ed Moore, Department of Land Conservation and Development South Willamette Valley Regional Representative.
- Jae Pudewell, Oregon Department of Transportation Region 2, and
- Sean Stevens, Business Oregon Eastern Region Business Development Officer

The South Willamette Valley team represents Benton, Lane, Linn and Lincoln counties (shown in dark green on the map below). The team's headquarters is located in Eugene.



II. REGIONAL SOLUTIONS BACKGROUND INFORMATION

A regional solutions team is comprised of representatives from the five state agencies listed above. The focus of centers is on completing specific, tangible projects that will bring new jobs to communities or retain existing ones.

Each region has a five member executive committee appointed by the Governor (HB 4015). For the South Willamette Valley they are:

- Lee Beyer, State Senator – Convener
- Nick Fowler, Chief Executive Officer, Perpetua Power Source Technologies, Inc. and Northwest Medical Isotopes, LLC. – private industry
- Kitty Piercy, Eugene Mayor – League of Oregon Cities
- William Tucker, Linn County Commissioner – Association of Oregon Counties
- Casey Woodward, President, Casey Woodard Consulting, LLC; Board Member of Woodard Family Foundation – Philanthropy

The executive committee is currently in the process of establishing a larger advisory committee as provided for in HB 4015.

Regional Solutions Centers (RSCs) are places for state agencies to collaborate with each other and local governments, and with other public, private, and civic interests to solve problems and seize opportunities. RSCs are staffed by regional solutions teams. Other state agencies are added to the teams as needed for regional priorities. The teams are led by a regional coordinator who represents the Governor as a catalyst for action in each region. State agency directors meet regularly with the Governor to review and evaluate the RSCs' work based on the number of projects completed.

RSCs complete projects addressing the priorities identified by the advisory committee. Team members collaborate with each other, local officials, citizens, and with other organizations to effectively complete projects. RSCs are also part of the Oregon Solutions Network, which links them with Oregon Consensus, the state's dispute resolution program, and Oregon Solutions, the state's collaborative implementation program.

III. PROJECTS

A. RAIN - Regional Accelerator Innovation Network

The South Valley Region established economic development priorities that included taking advantage of the unique opportunity provided by having two major research universities at each end of the region and many entrepreneurs. Regional Solutions developed a strategy to address the innovation economy for the region and fill a gap in the entrepreneurial world.

Regional Accelerator and Innovation Network (RAIN) is a partnership of government, higher education, private business, and entrepreneurs to advance the formation and growth of tech-

based start-ups in the area. The economic premise of RAIN is to turn innovation into jobs and wealth in the region.

In the fall of 2012, the Regional Solutions Advisory Committee identified the need to address the ongoing shift from a resource-based economy to a knowledge-based economy in our region. The committee developed a vision for a new economic region from Corvallis to Eugene leveraging nearly \$400 million of combined research activity at the University of Oregon (UO) and Oregon State University (OSU) together with local government, entrepreneurs, investors, and local companies. The RST has coordinated the efforts of the RAIN partnership, led by Corvallis Mayor Julie Manning and Eugene Mayor Kitty Piercy together with Vice Presidents of Research, Dr. Kimberly Espy at UO and Dr. Rick Spinrad at OSU, to engage communities, business leaders, and the legislature. In less than a year the partners committed staff capacity and resources that led to a \$3.7 million state investment. The RAIN Core Team has met monthly to develop a communications strategy, business concept, vision, work plan, governance structure, and budget. The partnership opened the facility in Corvallis in November and is on track to open the Eugene facility in the winter of 2014. A Governing Board has been seated and an executive director, Jim Coonan, began work in January 2014.

The South Valley RSC and the Legislature supported RAIN because regions with few large employers need a strong entrepreneurial ecosystem to help build innovation based, traded sector companies in the area, grow them, and keep them here.

RAIN objectives/strategies are:

- Strengthen the regional entrepreneurial ecosystem to produce more successful start-ups
- Focus on scalable, traded sector technology companies
- Stickiness: develop strategies that keep successful companies in the region

RAIN meets these objectives by

1. Launching accelerators in Eugene and Corvallis that provide:

- Structure
- Mentoring
- Networking

Corvallis launched the first group of startup businesses through its accelerator in July 2013 and Eugene launched in July 2014.

2. Developing the Innovation Network – regional resources linked and navigable – accelerators linked and developing strategies to reach out to regional and state-wide assets and opportunities

3. Developing an ombudsman role to help start-ups untangle problems and connect with resources
4. Developing early-stage, resident capital for the region

RAIN was approved by the Legislature this year. To move the initiative forward, Governor John Kitzhaber appointed mayors Julie Manning of Corvallis and Kitty Piercy of Eugene as co-conveners of this dynamic new effort to leverage the resources of local governments, higher education, entrepreneurs, and the communities of the South Willamette Valley in a concerted effort to bolster the regional economy.

Since March of this year the following progress has been made on this initiative:

- RAIN was created as a 501(c) 3 non-profit entity in May
- First installment of funds from the state were received in May
- The Eugene RAIN Accelerator kicked off its first cohort of start-up businesses in July and the Corvallis RAIN Accelerator (OSU Advantage Accelerator) started its second cohort with nine new startup businesses also in July
- Biennium metrics established including: companies graduating from accelerators, jobs created and dollars invested in companies
- Public relations firm hired to implement RAIN communication strategy
- Working Groups created to address RAIN strategies including: Innovation Network, Access to Capital, and Marketing

B. RSIA - Goshen Regionally Significant Industrial Area

The shortage of large, development-ready industrial sites for businesses looking to expand or locate has encouraged cities and counties to identify suitable locations for such development and Lane County has zeroed in on Goshen as a prime location.

Currently there is a significant underutilized industrial land within Goshen. The Goshen property sits at the confluence of Interstate 5, US Highway 99, and OR Highway 58. In September 2012, the Governor's Economic Recovery Review Council approved Lane County's application to have Goshen designated a Regionally Significant Industrial Area. Attachment B is a locational map of the Goshen RSIA.

On June 4, 2013, Lane County adopted an exception to Goal 14 into its comprehensive plan and rezoned just over 300 acres in the Goshen Unincorporated Community to allow urban intensity of industrial use. Lane LandWatch appealed the county's decision to the Oregon Land Use Board of Appeals (LUBA). In its review of the decision, LUBA identified three assignments of error in the county's decision and remanded it back to the county for correction.

The county is currently in the process of addressing the LUBA remand. To address one of the assignments of error (sewer feasibility), the county applied for a technical assistance grant with the department and the Oregon Business Development Department (OBDD). The department

awarded the county a \$30,000 grant to help pay for a sewer feasibility study that will address the LUBA remand. OBDD Infrastructure Finance Authority also contributed \$20,000 toward the project.

C. Regional Industrial Wetlands/Wetland Mitigation Project

Many state departments including the departments of Environmental Quality, State Lands, Business Development, and Land Conservation and Development worked closely with Oregon Cascades West Council of Governments, six cities in Linn and Benton counties, the US Army Corps of Engineers, and the National Marine Fisheries Service to address economic development barriers related to wetlands on industrially zoned land.

Time and uncertainty of wetlands permitting were identified as major impediments to siting industry in the Linn-Benton region. The project team did a comprehensive evaluation of the sites and strove to protect high value wetlands. The findings were summarized in the permit proposal and will result in a more streamlined and time certain process. In addition, it will serve as the basis for future US Army Corps of Engineers/Department of State Lands applications for fill/removal permits on the project sites.

D. South Santiam Community Forest Corridor Project

The South Santiam Community Forest Corridor is an abundant natural resource environment stretching approximately 12 miles between the city of Sweet Home on the west and the Willamette National Forest on the east. Dominant features of the corridor include the untamed South Santiam River, actively managed private forest lands, culturally significant Native American cultural sites, and a variety of private and public recreation sites managed by multiple agencies.

In August 2012, as an outgrowth of the Sweet Home All-Lands Collaborative (SHALC), eight Sweet Home area organizations and agencies submitted a request to Governor Kitzhaber to designate the South Santiam Community Forest Corridor as an Oregon Solutions Project. Those entities were the Linn County Parks and Recreation Department, the Linn County Board of Commissioners, Cascade Timber Consultants, the South Santiam Watershed Council, the Sweet Home Economic Development Group, the City of Sweet Home, the Sweet Home Ranger District of the Willamette National Forest, and the Portland District of the U.S. Army Corps of Engineers. On October 8, 2012, the Governor formally designated the project and he named Thomas Maness, OSU Dean of Forestry, and Cynthia Solie, Executive Director of the Cascades West Council of Governments, as co-conveners of the project team. Since that time, more than 50 individuals representing approximately 30 stakeholder groups have been working in a collaborative effort to create beneficial economic, social, and environmental outcomes for this corridor along the South Santiam River.

The Project Team's work has been guided by the following goals:

- Increase the physical connection between Sweet Home and the Willamette National Forest via the South Santiam River corridor.
- Help improve quality of life for local residents. A high quality of life and successful, livable communities serve to attract new businesses and residents to the area.
- Provide for public access to local natural resources and the South Santiam River.
- Contribute to job creation in the Sweet Home area through ecological forestry management of the natural resources, development of more diverse forest products and markets, forest restoration and management activities, and promotion of recreation and tourism.
- Promote improved natural resource health through management and restoration actions within the watershed and implementation of conservation education programs.
- Contribute to improved health of local residents by providing a safe, desirable, and convenient system of recreation opportunities including development of, or partnership with, a sustainable collaboration that is focused on systemic efforts to address health issues in the community.
- Promote knowledge of and connections to historic local places, including the Santiam Wagon Road.
- Promote further economic development and tourism activities through an integrated system of recreation opportunities, consistent with local values.
- Protect and enhance important cultural resources in the corridor, particularly Cascadia Cave.
- Establish a research forest of both public and private lands outside the corridor in partnership with Oregon State University College of Forestry to serve as a demonstration area for the public to learn about active management of forests as an integrated component of broad scale, healthy, working landscapes capable of producing key biological and social attributes while also supporting local economies.
- Provide opportunities for volunteers and organizations with available in-kind resources to contribute to achievement of project goals.
- Provide broad-based education and job training opportunities utilizing the community forest corridor as a resource-rich laboratory for enriching experiences while working in and with the natural environment.

After considerable work on the part of the project team, a Declaration of Cooperation was signed by the participants on March 10, 2014. The parties to the agreement are now focused on implementing the recommendations of the study.

E. Other projects

Other projects that the RST is working on include:

- Ports of Newport and Toledo Dredging
- City of Westfir Water Intake relocation
- Oakridge/Westfir Community Investment Initiative
- Glenwood Revitalization/Manufactured Housing
- Rapid Rail
- EmX Rapid Transit
- Transit – Human Services Pilot Project

IV. ATTACHMENT

Goshen RSIA Map

Spencer Nebel

From: Ted Smith
Sent: Friday, October 24, 2014 8:25 AM
To: Spencer Nebel; Alice MacGougan; Autumn Belloni; Carol Ruggeri (rotarycarol@gmail.com); Evonne Mochon Collura (emochoncollura@yahoo.com); Frances Clause; Gretchen Havner; Patti Littlehales; Richard Kilbride; Sharon Beardsley; Sue Fowler
Subject: Good news

I got a call from the Myer Memorial Trust last night. My grant application got accepted and they are awarding \$124,330. With the Ford Grant, we have a total of \$174,330. With these two grants, we should be able to accomplish all our phase one goals including the technology improvements this year.