

August 20, 2018  
5:30 P.M.  
Newport, Oregon

## URBAN RENEWAL AGENCY MEETING

### CALL TO ORDER AND ROLL CALL

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

Staff in attendance was Spencer Nebel, City Manager; Peggy Hawker, City Recorder/Special Projects Director; Steve Rich, City Attorney; and Derrick Tokos, Community Development Director.

### CONSENT CALENDAR

The consent calendar consisted of the following item:

- A. Approval of the minutes of the meeting of July 30, 2018.

MOTION was made by Allen, seconded by Engler, to approve the consent calendar with a minor change to the minutes as noted by Allen. The motion carried unanimously in a voice vote.

### EXECUTIVE DIRECTOR'S REPORT

**Common Sense - Lincoln County - Request.** Hawker introduced the agenda item. Nebel reported that this meeting is scheduled to address a request forwarded by Gerry Barrett, on behalf of Common Sense-Lincoln County, for the Urban Renewal Agency (URA) to formally notify the County Commissioners that the URA is withdrawing from consideration the allocation of any URA funds for the fairgrounds redevelopment project.

Nebel reported that over a number of years, Lincoln County has been working on the redevelopment of the fairgrounds. He stated that at that time, the city was considering the development of a Northside Urban Renewal District. He noted that consultations occurred with the various taxing entities that would be asked to forego a portion of their tax revenues over the life of the District for the benefit of economic development projects within the district. He added that during these discussions, Lincoln County specifically requested possible consideration of funding for the redevelopment of the fairgrounds, as a URA project. He stated that likewise, the city worked on a request on behalf of the Port of Newport to create an urban renewal district to assist with the public utilities for McLean Point. He noted that during the course of the deliberations and creation of these districts, the city enjoyed great cooperation from the other taxing entities, who supported the creation of the two urban renewal districts to accomplish identified tasks within district boundaries. He added that in the case of Lincoln County, \$12,000,000 in revenues that would have otherwise gone to Lincoln County would be captured to implement the

projects identified in the Northside Urban Renewal Plan. He noted that for the Northside Urban Renewal District, \$37,850,000 of projects are identified as part of that plan, including, \$3,000,000 for a multipurpose building (and infrastructure) at the Lincoln County fairgrounds.

Nebel reported that the Lincoln County Fair has been housed at the county fairgrounds for more than 75 years. He stated that the buildings at this location are old and deteriorated and the county has explored various options and identified specific funding sources to help support the redevelopment of the historic fairgrounds located in the city's Northside Urban Renewal District. He noted that the URA and the City of Newport included funding to assist in these efforts, as part of the Northside Urban Renewal District plan.

Nebel reported that as part of more recent discussions, there have been suggestions by citizens that the fairgrounds should no longer operate at this location, and that this property should be used to alleviate housing concerns, or other types of concerns. He stated that during the most recent discussions on fairground redevelopment, questions have been raised regarding various reverter clauses that have existed on various properties included in these facilities.

Nebel reported that it is his opinion that the city should honor the spirit of its commitment with Lincoln County to redevelop the fairgrounds, unless the county opts to pursue a different plan for this property. He stated that this property has existed as fairgrounds for over 70 years; is operated by the county; and he further believes it is important for the city to collaborate, to the extent possible, with other local governments to help meet their long-term needs, as it relates to facilities in the city. He added that the current fairgrounds are in very marginal shape, and he added that he does not believe that the community is served by seeing nothing happen with this property. He stated that from a staff standpoint, it is the intent to work toward realization of the plan, unless the URA changes that plan. He noted that, as of this point, the city has not received a specific request from Lincoln County outlining the specific use of Urban Renewal Agency funds to help facilitate the redevelopment of the county property. He stated that he thinks it would be appropriate for the URA to instruct staff to work with Lincoln County to develop a specific proposal for consideration by the URA for funding. He added that if the URA does not intend to provide any direct or indirect funding to facilitate the redevelopment of this property, then timely notice should be given to Lincoln County so they can make alternative plans.

Nebel reported that there has been a fair amount of discussion as to whether the URA funding would be used specifically for a multipurpose building, or would be used for various other soft costs around that facility. He recommended that the URA direct staff to meet with the county to refine a proposal for consideration by the URA.

Nebel reported that Engler suggested that an emergency management component could be accommodated at the fairgrounds property, which might have the possibility of both city and county use. He stated that County Counsel, Wayne Belmont, has invited the city to discuss other potential components that could be built into this project that could possibly benefit from URA funds. He added that this is something that the URA may want to further discuss. He noted that Engler also suggested that the National Guard could somehow be part of this component on this property. He stated that he has had discussions with the National Guard about possibly relocating to the airport, and the response has been that they have no resources, at this time, to pursue a relocation, and

that their current facility is meeting their needs. He added that the URA could reinstate contact with the National Guard on a possible relocation, but whether this would fit in with any plans for Lincoln County is something that would need to be discussed with Lincoln County.

Gerry Barrett, representing Common Sense - Lincoln County, addressed the URA. He reported that this issue is about the most important ten acres of land in Newport. He stated that it is about direction looking for the immediate future. He noted that the URA and county get one chance to do this right, and cannot afford to make a mistake. He added that the city is facing increasing financial challenges that need to be addressed, including infrastructure, mental health, homelessness, traffic, and affordable workforce housing. He suggested that the city needs to examine the possible uses of these ten acres and what use of the property is best for the city, community, and this county. He noted that in looking at some of these issues, affordable housing is the most important. He stated that the city needs to consider the economic impact of whatever is done, and whether it has positive or negative economic impact. He added that every issue identified is one that, with thoughtfulness, can make a positive impact. He noted that the thought of taking a ten-acre tract of land in the heart of Newport, and turning it into hundreds of units to help the housing crisis would have a tremendous positive impact, and could solve many problems. He noted that the units could be rental units or sales, but they would be affordable. He stated that the county has proposed a convention center and redevelopment as a county fair. He noted that this would be a financial drain. He stated that the city does not have the option of throwing tax dollars away on something ill conceived that does not benefit the community in positive way. He added that a housing development could include some commercial space, parks, potentially a greenhouse. He noted that the possibilities are endless. He added that he had prepared comments that he was going to read, but would rather distribute them and let people read them at their convenience. He noted that this information includes data rebutting information from the county. He requested that the URA withdraw funding for this convention center project and redevelopment, and positively consider alternative uses.

Commissioner Hall spoke in support of allocating URA funds for the redevelopment of the Commons. She reinforced what Nebel just reported. She explained how URA funds are collected and the impacts on the taxing entities. She added that the county's General Fund would forego \$11 million over the life of the urban renewal district. She stated that it seems right to reinvest a portion of those monies. She noted that tourists clog our streets and consume resources. She reported that the PAC is a community facility which took more than five years to create, and is similar to the Commons project. She noted that the Commons project was launched in 2009, and that there is no other suitable, available site that has been identified. She requested that the city honor the hundreds of people who actively participated in the planning of the project, and the thousands of voters who voted for it, by allocating URA funds for the redevelopment of the Commons.

Allen reported that he is trying to get a sense of county's position on this issue. He stated that Belmont reported that if URA money was not allocated toward the Commons project, that the county could still move forward with the project. He asked whether that is still the county's position. He asked whether this is still the county's position. Hall reported that the short answer is yes.

Allen stated that it was previously and clearly stated by Belmont that no specific funding request would be required until next year. He asked whether the county is looking

for funding for infrastructure support or support for the facility itself. He stated that at the last meeting, Belmont talked about stereo systems, etc. He asked whether the county is seeking to expand the facility with URA funding.

Hall reported that a spirited discussion occurred during that meeting. She noted that after that meeting, additional discussions occurred. She stated that the county would like to have URA participation in whatever form the URA thinks appropriate. She noted that if there is funding to build a larger facility up front, it would eliminate the potential need for a future expansion. She echoed support for the City Manager's report.

Allen asked whether county money is available for infrastructure. He asked whether the county could build the necessary infrastructure. Hall noted that the county could build the infrastructure, but that the URA funding would make it a more functional, usable facility.

Goebel asked whether Hall was a commissioner when district was formed. Hall reported that she did not work on the development of the plan. She stated that there is no final, absolute commitment on the part of the URA, but that she definitely recalls a discussion that required county approval of the plan. Allen stated that there is no unincorporated property on the northside, so county approval is not required.

Goebel noted that when reading Ordinance No. 2083, it specifically states that URA will be involved in some capacity. Hall indicated that this was her understanding at the time.

Engler asked how the county sees other aspects of the fairgrounds in the future, including emergency uses or as a transit center. Hall reported that both those components are important, and that she hopes they can be developed soon. She stated that the Red Cross would not certify the current exhibit hall for mass gatherings. She noted that the new exhibit hall could serve as a mass gathering location, and that the location supports a transit hub.

Sawyer reported that e-mails in support of the project had been received from Traci O'Hearn; Janet Johnson; Wallace Kaufman; Shannon Notestad; Susan Woodruff; Heather Tower; Bill Rendell; Faith Daugherty; Grace Daugherty; Bethany Daugherty; Bodie Rendell; and Todd Williver. Messages in opposition to the project were received from Terry Obteshka and Penelope Kaczmarek.

Linda Neigebauer stated that she has concerns about affordable housing. She noted that rental housing is available, but the market is tight. She suggested an educational program for renters/buyers. She stated that the Commons facility would join other family friendly facilities in Newport. She noted that the purpose is to provide opportunities. She reported that Lincoln County has secured funding for operating the facility. She added that this would benefit current and future needs, noting that the youth are our future. She stated that she supports the project.

Lyle Mattson, a member of the Lincoln County Sheriff's Posse, and local business owner, reported that he has been involved with the fairgrounds for many years. He noted that at one time the Posse managed and operated the fairgrounds. He added that he is aware of what happens at the facility. He noted that in 2008, a survey of fair facilities through the state was conducted, and the average usage for county fairgrounds was 155 non-fair events at these facilities annually. He reported that 24 counties responded that three events weekly occurred at all the facilities. He stated that the current fairgrounds have not recognized this success because the facilities are not there for success. He

added that a fairgrounds needs to be located somewhere in the county, and he would like to see it in Newport.

Terry Obteshka, Newport resident and small business owner, reported that he protests the spending of three million tax dollars on this project. He stated that this is the wrong location; the facility is too big, and too expensive. He added that "Commons" is a euphemism for a convention center, and the supporters are espousing the same false predictions as before. He noted that the transient room tax is not a reliable revenue source as it goes up and down during recessions. He stated that people outside the community would not select the Commons to hold events. He added that revenues from the Lincoln County fair would not generate sufficient funding to pay for the operation of the Commons. He reported that the equestrian facility makes no sense, as the local business economy is comprised of fishing, logging, and tourism. He urged the URA to withdraw funding support for this project, and to use that funding for the direct benefit of Newport taxpayers.

Bill Rendell, a resident of Toledo, reported that he supports this project. He stated that when the county seat was moved from Toledo to Newport, Newport has made millions of dollars from fairgrounds events. He stated that this is not about land, but about tax law, and the enjoyment of all these funds for all these years. He noted that the project needs to be build and URA money needs to be used to support the project.

Mona Linstromberg reported that she has attended several meetings. She stated that she has many reservations about the proposal and process, and she encouraged due diligence in moving forward.

Cheryl Connell, Newport resident, urged the URA to withdraw all financial support for the convention center/commons project. She reported that the county has publicly stated that the \$3 million is not necessary to move forward with the convention center/commons plan. She encouraged the URA to save the money and use it to enhance livability of all Newport residents. She recommended sidewalks, green spaces, bike paths, and accessible ways to exercise and maintain a healthy lifestyle. She urged the URA to take the necessary steps to withdraw support from this project for use in creating a healthier and more prosperous Newport.

Carla Perry, Newport resident, reported that one of the comments was that the downsized plan would be an attractive facility. She questioned whether a metal building with concrete floor, no carpet, and no room dividers could be considered an attractive facility. She stated that this project is not a good use of those 10-acres of land in the heart of Newport. She noted that money is iffy, and there is insufficient staffing identified to run facility. She added that the Fair and 4-H could move to other more attractive areas in the county. She reported that this project is not an economic driver, which is a requirement for URA funds. She stated that the project does not make sense on any level, and urged the URA to withdraw any considered funds from this project.

Engler reported that the plans are incomplete for 4-H, youth, and outdoor activities. She stated that she talked to Todd Willier, and many considerations have yet to be addressed, including the size of the arena. She noted that you could not just decide to turn a building into an emergency center, adding that this has to be a part of the overall plan, as with a transit center. She suggested economic development and housing in the East Olive district, noting that rezoning could occur. She added that this development could drive this project. She suggested honoring the community by not rushing into an incomplete plan with vague details. She noted that this is unwise and does not adequately address community concerns.

MOTION was made by Engler to respond to the request from Common Sense-Lincoln County and indicate that the Urban Renewal Agency will work with Lincoln County to determine possible uses of Urban Renewal funds for redevelopment of the County fairgrounds, and direct staff to work with Lincoln County to develop a specific proposal for future review by the Urban Renewal Agency on the possible use of these funds. The motion died for lack of a second.

Allen reported that when Ordinance No. 2083 was adopted in October of 2015, the city and URA were anticipating that the facility was going to be much larger with more ability to drive economic development. Tokos noted that this is accurate. Allen stated that now the county is downsizing based on incomplete projections regarding revenue and what could be built and operated. He added that downsizing is what has been happening at the county level, rather than what the URA has said about participating or not. He asked whether the downsized facility, because it does not contain the level of economic development, is it questionable whether the city/URA would have wanted this as a project. Tokos noted that he could not say how the URA would have responded relative to the two projects. He noted that the project was viewed, at that time, as more of an economic driver than the current project. He added that the county would likely be compelled to address some of those issues. He stated that an improved fairground is likely to generate more traffic than current facility. Allen asked whether discussions continue with the county, that it could count on URA funding, and particularly whether it would benefit the fairgrounds and surrounding properties. Tokos noted that including surrounding properties would be a more justified use of funds. He added that the development of other properties is strong and could improve Newport and the county overall.

Allen noted that based on revenue projections, any project on the list would not be available for funding until the end of next year. Tokos stated that would be any project of consequence. He added that the first anticipated borrow would be at the end of 2019.

Allen stated that he appreciates hearing the positions, and noted that there is no right or wrong, but a matter of perspective. He added that, at this point, he is not willing to vote no on funding for any county project. He stated that he is still concerned about the viability of this project. He suggested allowing discussions between the city and county to continue, noting that at the end of the year, Belmont will approach the URA with a specific funding request. He stated that the URA members, at that time, would be in a better position to make a decision on the request.

Allen noted that if the URA directs staff to continue consultations with the county, these discussions need to move forward in a transparent manner. He stated that he is more willing to support infrastructure that would benefit the surrounding area, and less willing to support on-site infrastructure. He reiterated continued discussions, but limited to off-site infrastructure assistance.

Roumagoux repeated that potential funding would be for off-site and on-site infrastructure, but not for a building. Allen suggested using the motion proposed by Nebel in his report, and adding, "any specific proposal for further review for the possible use of URA funds would be considered for: 1. Potential multi-purpose building - yes or no; 2. On-site supporting infrastructure - yes or no; and 3. Off-site supporting infrastructure - yes or no."

Roumagoux suggested voting first on the motion in the staff report, and if it fails, voting on Allen's suggestion. Allen noted that Nebel's motion would keep the potential funding open-ended.

Engler asked whether the fairgrounds means the entire property or just that property that is fair related. Allen noted that his additional language would make the discussion more specific.

MOTION was made by Goebel, seconded by Roumagoux, to respond to the request from Common Sense-Lincoln County and indicate that the Urban Renewal Agency will work with Lincoln County to determine possible uses of Urban Renewal funds for redevelopment of the county fairgrounds, and direct staff to work with Lincoln County to develop a specific proposal for future review by the Urban Renewal Agency on the possible use of these funds.

Allen asked whether, if the motion passes, the Agency still wants to make clear that the funding, if any, would be used to support infrastructure rather than buildings, as infrastructure could enhance other properties in the area. Engler stated that the Agency deserves to see the big picture with this plan, and without a better plan, intends to vote no.

Voting aye, in a voice vote, on the motion, were Goebel, Sawyer, and Roumagoux. Engler and Allen voted no. The motion carried.

Goebel noted that staff is getting the sense that the Agency prefers to see money going into infrastructure and to continue negotiations with the county. He added that the county needs to keep in mind that the consensus is that the money, if any, be spent on off-site infrastructure.

Allen stated that he did not want to give the county the idea that the Agency has an open checkbook to pay for a multi-purpose building. Nebel noted that he would focus on these issues and bring a report back to Council/Agency later this year. Allen requested a review of the Plan to ensure that it does not indicate anything other than supporting infrastructure. He added that the goal is to stay true to the plan.

Engler requested an evaluation of transit and emergency uses be included in the plans for the project.

Allen noted that Engler made important points about the transit center and emergency uses. He pointed out that the current plan does not address these facilities. He inquired as to whether an amendment process would be required to include these facilities. Tokos noted that it depends on how prominent those particular improvements are in the overall project. Engler stated that she would like to include the National Guard in the planning process to determine whether the project could incorporate them moving to the fairgrounds.

Sawyer thanked the audience, and noted that there will be more public engagement opportunities before a final decision is made. This is not the end of the process.

## ADJOURNMENT

Having no further business, the meeting adjourned at 6:50 P.M.

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Margaret M. Hawker, City Recorder

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Dean Sawyer, Chair