

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

March 13, 2018

The minutes of the proceedings of a City Council and Urban Renewal work session of the City of Coos Bay, Coos County, Oregon, held at 5:30 pm in Fire Station No. 1 Conference Room - 450 Elrod Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Joe Benetti and Councilors Lucinda DiNovo, Drew Farmer, Jennifer Groth, Stephanie Kilmer, Stephanie Kramer, and Phil Marler. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Susanne Baker, Public Works and Community Development Director Jim Hossley, City Engineer Jennifer Wirsing, Library Director Samantha Pierson, and Police Chief Gary McCullough

Review of the Following Council/URA Agenda for March 20, 2018

Discussion on the Parks Master Plan

Public Works and Community Development Director Jim Hossley introduced Parks Commission Chair Christine Coles who stated the Parks Commission would like to create a site specific Asset Master Plan (AMP). The AMP would be based on the 2013 updated Parks Master Plan and would focus on the three major parks: Mingus Park, John Topits, and the boardwalk city dock to provide a project specific vision for the parks. Ms. Coles stated the AMP would be used to create an action plan for individual projects and would aid in applying for grants. The City Council and Ms. Coles discussed the difference between the AMP and the Parks Master Plan. City Manager Rodger Craddock asked the Parks Commission to bring back information on specific projects for the Agency to consider. There would be discussion at the March 27, 2018 work session.

Consideration of a Second Façade Improvement Grant for 737 N. Front Street

Public Works and Community Development Director Jim Hossley stated Heidi Sause requested a second façade improvement grant as a Phase II for property at 737 North Front Street to finish the north and west façades. The project would include removal of exterior materials; replacing windows and doors at the main entry; replacing siding with galvanized metal siding, flashing, trim and bevel wood siding; repairing stucco; repainting; replacing gutters; repairing exterior stairway/concrete; new security locks; and professional design assistance.

The Design Assistance Team (DAT) met on June 21, 2017 and July 13, 2017 to review both phases for 737 North Front Street. The façade improvement grant would provide a 50/50 grant with a maximum award of \$25,000 per fiscal year. The DAT discussed the project and recommended approval to the Planning Commission.

The facade improvement program required three bids be obtained by the applicant. Ms. Sause provided one bid for Phase II for \$62,000, which was consistent with the bids

received for Phase I. Attempts were made to obtain additional bids however, due to the contractors in the area already scheduled for work, it was not possible. Time was of the essence in order to purchase the same materials to match the existing color scheme and materials on the structure.

Status of the Facility Plan Amendment for Wastewater Treatment Plant 1

Public Works and Community Development Director Jim Hossley stated a contract was awarded in July of 2017 for the preparation of a facility plan amendment for Wastewater Treatment Plant 1 (Plant 1) by CH2M. The scope of work included analyzing the flows and loads for the next 20-year period, current condition assessment of Plant 1, analyzing the regulatory drivers, analyzing and developing treatment upgrade alternatives, and preparing a facility plan document in conformance with the Department of Environmental Quality (DEQ) requirements.

Craig Massie, CH2M's project manager, provided an update on the facility planning progress. Mr. Massie noted there were four alternatives researched in the liquids treatment process of which Alternate 2B with Chemically Enhanced Primary Treatment (CEPT) would likely be recommended. The Coos Bay WWTP1 Facility Plan Addendum handout provided the differences in costs between each version. Alternative B would take advantage of the existing tanks; new infrastructure would be limited to construction of a second, secondary clarifier. The recommended process would reuse infrastructure and maximized the assets in place with a minimal amount of capital investment. New unit processes would not be added which would be beneficial from an operational standpoint.

Mr. Massie recommend completion of phase 1 of the upgrade and to hold off on the additional phases due to unknown regulatory drivers. Planning would still continue for all phases.

Phase 2 costs could be:

Alt 1 UV - \$8.8 million

Alt 2 UV/Sodium Hypochlorite hybrid - \$4.4 million

Alt 3 upgrade existing facility- \$4.8 million

Mr. Massie reviewed the biosolids concentration issues with the goal to achieve more anaerobic treatment. Of the two alternative thickening processes with similar capital and life cycle costs, the alternative with the mechanical processing would likely be recommended, Alternative 2. This process would require additional equipment and would utilize some of the existing infrastructure.

Phase 1 online in 2023: Liquids treatment, thickening, digester improvements, SCADA

Phase 2: Disinfection improvements, effluent pumping, new outfall diffuser

Phase 3: Grit removal

Mr. Massie stated the next steps would be to meet with DEQ, develop the costs associated with each phase, finalize the facility plan amendment to submit to DEQ, and provide the Council a study on the impact to rates. Councilor DiNovo requested a written report of the details presented.

Appointment of a Public Advisory Committee for the Transportation Plan Update

Public Works and Community Development Director Jim Hossley stated the Oregon Department of Transportation (ODOT) offered to fund an update, separately, for both Coos Bay and North Bend's Transportation System Plan (TSP) using their consultant. The City's existing TSP was completed in 2004 and the update would plan for future transportation facilities and services to meet local, regional, and state allocations of resources for transportation projects. The update would be an amendment to the Comprehensive Plan and require adoption by the City Council.

The consultant's scope of work would include a prioritized list of projects, cost estimates, and financial plan to outline strategies to fund the improvements based on the following objectives:

- Provide for adequate planned transportation facilities to support planned uses over the next 20 years;
- Provide certainty and predictability for locating new public streets, roads, highway improvements, and other planned transportation improvements;
- Provide predictability for land development; and
- Help reduce the costs and maximize the efficiency of public spending on transportation facilities and services by coordinating land use and transportation decisions.

As part of the TSP update, the City was required to form a Public Advisory Committee (PAC) with an ODOT recommended membership limited to no more than eight per City. ODOT suggested the PAC include a member of the Council or Planning Commission and have broad representation of technical experts, community leaders, and volunteers. For consideration, the former Streets Task Force members may be interested and provide a good sample for the PAC. The PAC would meet three times over the life of the TSP update process, approximately 12 to 18 months, and they would likely meet alongside the North Bend PAC. Councilors Groth and Marler stated they were interested in serving on the committee as well as Sergio Gamino, Tom Burdett, Rick Skinner, John Whitty, and Dick Leshley. Mr. Hossley would ask the Planning Commission if someone was interested in also being a member.

Discussion of Use of Various Street Repair Funds and Council Priorities for the Funds

Public Works and Community Development Director Jim Hossley stated the City utilized several resources to maintain city streets. For the last several decades the resources had not met the demand to sufficiently eliminate the backlog of street maintenance and repair. The following use of resources was presented to Council for consideration and guidance based on the June 2015 Pavement Management Program selection guide.

Gasoline Tax

The gasoline tax was the largest resource for road maintenance. These funds were used by the City for right-of-way (ROW) related operations and maintenance. This included equipment, materials, and personnel. Revenue was expected at just over one million dollars in FYE 2019, which included a conservative estimate of \$125,000 in revenue from the recent

State Legislature transportation package.

Staff recommended the additional revenue be allocated to “Concrete, Asphalt, and Gravel” line of Fund 2 (State Gas Tax) to increase the line item to \$217,000 for FYE 2019. The recent transportation package revenue was expected to increase over time to \$500,000 by FYE 2026. Due to anticipated increased ROW related costs, future budgets should consider indexing the other Fund 2 line items.

Staff recommended the funds in the “Concrete, Asphalt, and Gravel” line of Fund 2 be devoted to gravel road maintenance, City wide pothole repair, paint striping, crack sealing, minor intersection improvements, sidewalk repairs and ADA ramps. Most of the funds in the “Concrete, Asphalt, and Gravel” line should be dedicated to residential and local streets, however use of these funds for maintenance of other portions of the street network would be necessary.

Surface Transportation Program Funds

Surface Transportation Program (STP) funds were from the Federal Government through the State of Oregon and were limited to street reconstruction, the purchase of equipment for reconstruction, and not pothole maintenance. The expected revenue for FYE 2019 was \$199,345 with annual revenue anticipated to be \$175,000 to \$200,000. Staff recommended this resource be utilized for resurface and reconstruction of collector and arterial streets not within Urban Renewal districts or part of the jurisdictional exchange streets. These projects required two or more years of accumulation to fund reconstruction project.

Franchise Fees

The electric utility, PacifiCorp, 2% franchise fee funds the streetlight power cost and results in a transfer to the Street Improvement Fund (Fund 16). Resources had accumulated for the last two years and could be approximately \$620,000 at the end of FYE 2018 with an additional \$400,000 by the end of FYE 2019. These resources would likely be needed for street repair as a result of the detour for the 6th Ave wastewater project. Staff recommended the resource be used to for repairs to neighborhood and local streets and to provide a grant match for street projects outside of the Urban Renewal districts. A percentage of annual revenue could be reserved to accumulate for a grant match.

Downtown Urban Renewal District Special Levy

The Special Levy option was exercised in FYE 2018 for street improvements in the Downtown Urban Renewal district and could generate \$265,000 in FYE 2019. This resource must be used for capital projects such as reconstruction of streets, curbs, and sidewalks and cannot be used for pothole maintenance. Staff suggested funds could be used for parking/safety improvements and street rehabilitation of Central Avenue between Broadway and 4th Street and 4th Street from Market to Golden Avenue, dependent upon cost estimates.

Urban Renewal Funds

Funds from this resource must be used for major capital projects only such as reconstruction of streets, curbs, and sidewalk within the Urban Renewal districts. The Agency was considering expenditure of these funds to make improvements to streets in the Empire district.

Jurisdictional Exchange Fund

The \$4.8 million in the Jurisdictional Exchange Fund (JE) could only be used to maintain the 23 lane miles of streets transferred to the City from ODOT in 2000. The streets were South Empire Blvd, Newmark Avenue, Ocean Blvd, Central Avenue, Anderson, Commercial, 6th Avenue and Coos River Highway. The City Charter further restricted the use of this resource whereby only the interest generated by the \$4.8 million (held in trust in its own interest bearing account) could be used for the repair and maintenance of the aforementioned streets. The interest had been used for maintenance and repayment of debt to Umpqua bank for the Newmark and Ocean Blvd project several years ago. During the recession the interest was insufficient to make the debt service payments and the City's General Fund made the debt service payments with the JE fund to repay the General Fund over time. With the increase in interest rates this last year there were sufficient funds to repay the City's General Fund the remaining debt in FYE 2019 and leave approximately \$155,000 by the end of FYE 2019 for maintenance. Staff recommended crack and slurry sealing be completed over the next several years on the JE streets.

Discussion commenced on possible projects, existing funding resources, potential additional funding resources, the positive impact of the Golden Avenue project, and partnering with the Coos Bay North Bend Water Board on street repairs. Councilor Kramer noted concern of the citizens on the impact of the rising wastewater rates and the pending impact of the school bond debt on property taxes, and stated she preferred the local gas tax during summer. Councilor DiNovo noted street improvements would need to be funded by the local residents. Councilor Groth suggested a discussion on a street utility tax at the budget meeting to obtain the viewpoint of the lay members. Councilor DiNovo and Kilmer volunteered to help with a town hall meeting to discuss a streets utility fee.

FYE 2019 Downtown URA Projects

City Manager Rodger Craddock stated the Urban Renewal Agency (URA) adopted a Downtown URA Plan and a Front Street Action Plan which identified future projects. The Agency discussed the projects underway and priorities moving forward. Mr. Craddock noted the pending property purchase of the Schneiderman property would benefit the new developments in the Front Street area. The building would be demolished and used for a needed parking lot. Discussion of constructing a kayak launch in the Front Street area and possible locations and grant funding commenced. Next budget year would be spent completing the planning and design phases and working with Dreamworks to produce concept drawings.

Mr. Craddock presented the next phase of the the north and south city entrance streetscape project and suggested improving the areas near O'Reilly's and the two areas north and west of the Super 8 motel.

Mr. Craddock suggested utilizing the facade improvement program to fund a facade project for the Salvation Army. The total project would be approximately \$135,000 of which the Urban Renewal Agency would provide \$110,000 on a reimbursement process. Mr. Craddock disclosed both he and Police Chief McCullough were on the board of the Salvation Army, which were volunteer and unpaid positions. Discussion commenced on the use of the facade improvement grant program as a small grant and as a larger project such as the Dolphin Theatre, etc. Possibly adding additional funding to the program to entice

more businesses to participate or to entice an entire city block to participate as a group. Mayor Benetti suggested asking the Salvation Army if they could provide more of a match leaving the Agency's grant at \$50,000 to \$75,000.

Mr. Craddock suggested rehabilitation of downtown sidewalks across from the Natural Grocers; Anderson and 2nd near Rife's, First Call Resolution, and the Coos Art Museum. Councilor Marler asked if Natural Grocers was required to pave their half of the street which may necessitate the other half being updated by the City. The sidewalk rehabilitation project was estimated at approximately \$80,000. Annually rehabilitating sections of the streetscape as funding allowed could include sidewalks, trees, and additional items such as benches. The sidewalk near Rife's was anticipated to be completed before the beginning of the Farmer's Market season.

Executive Session

Finance Director Susanne Baker read the executive session meeting disclosure statement and the Urban Renewal Agency met in an executive session pursuant to ORS 192.660 (2) (e) for the purpose of discussing real property negotiations. Chair Kramer Stated the Agency would reconvene for action after the Executive Session.

Other Business

The Hollering Place Restatement of Agreement for Disposition of Property For Development

The Urban Renewal Agency reconvened and Member Marler moved to authorize City Manager Rodger Craddock to sign the Hollering Place DDA with the indicated attachments. Board Member Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Groth, Kilmer, Kramer, Marler.

Adjourn

There being no further items for discussion, Mayor Benetti adjourned the work session. The next regular Council meeting was scheduled for March 20, 2018 in the Council Chambers at City Hall.



Joe Benetti, Mayor

Attest: 

Susanne Baker, City Recorder