

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

February 22, 2022

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 Council Chambers, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Joe Benetti and Councilors Lucinda DiNovo, Stephanie Kilmer, Rob Miles, and Sara Stephens. Councilor Carmen Matthews attended virtually by teleconference. Councilor Drew Farmer was absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Assistant City Manager Nichole Rutherford, Finance Director Melissa Olson, Public Works and Community Development Director Jim Hossley, Deputy Public Works and Community Development Director/City Engineer Jennifer Wirsing, WQ Administrator/Engineer II Stephan Stys, WQ Environmental Specialist Rishia Mitchell, and Police Chief Chris Chapanar. City staff attending remotely by teleconference was Library Director Sami Pierson.

Flag Salute

Mayor Benetti opened the meeting and led the council and assembly in the salute to the flag.

Public Comment

No public comments were made.

Public Comment Form

No public comment forms were received.

Review of the Upcoming City Council and URA Board Action Items:

Multi Unit Property Tax Exemption Program

City Manager Rodger Craddock stated Coos Bay, like many communities across the nation, had a shortage of homes. Researchers at Freddie Mac recently estimated the current shortage of homes across the nation was close to 3.8 million, up substantially from an estimated 2.5 million in 2018. While there were a number of new housing starts locally which included recent construction, homes currently under construction or housing projects in the planning / permitting process, most were single family homes. In an effort to incentivize the building of multi-family units (triplex or greater) several communities in Oregon have implemented a property tax exemption incentive called the Multi Unit Property Tax Exception (MUPTE) program which could provide up to a ten-year property tax exemption period on the assessed value of new residential construction for a multi-unit development of three (3) or more units. Property taxes continue to be due and paid on the assessed value of the land and any commercial portion of the structure. The intent of MUPTE is to lower operating costs in the early years of a housing development so that it becomes financially feasible

Regional Housing Coordinator Stephanie Hadley and City Manager Craddock provided an overview of the state allowed program (ORS 307.600-307.637), options, models,

implementation requirements, and next steps of a City Only Option or Ad Valorem Option. Council discussion ensued and consensus to move forward to research options to bring back to Council.

Fats, Oil & Grease (FOG) Pretreatment Device Stats and Draft Funding Policy Review

At the November 22, 2021 work session, city staff presented the findings from the public comment period regarding the FOG ordinance and initial FOG pretreatment survey results. There were a substantial number of businesses that did not have a FOG pretreatment device installed, Council expressed concern implementing an ordinance requiring these devices as it could cause a financial burden on establishments. In response to this concern, Council directed city staff to draft a policy to help fund the initial FOG pretreatment device installation. The presented draft policy would fund 100% of the cost to install a FOG pretreatment device, not to exceed \$7,500. The upfront cost would be covered by the owner, and reimbursed by the City over the following three years if the device was correctly maintained. It was expected this would cover the full cost of installation for the majority of establishments that did not have a FOG pretreatment device. It was currently estimated there were between 42 and 50 establishments without a FOG pretreatment device. If each establishment used the full amount proposed, the total cost to the City would be between \$315,000 and \$375,000. It was anticipated allocating this money for implementation of this policy would ultimately reduce FOG and thus reduce the efforts of regular sewer line cleaning performed by the Water Quality Division's Collection Crew. Funds to cover this assistance to food service establishment owners would come from the Water Quality Fund 3. Approximately \$105,000 to \$125,000 would be allocated to this policy each year for a total of three years for a total of \$315,000 to \$375,000. It was anticipated the policy would impact Fund 3 during fiscal years ending 2023, 2024, 2025.

WQ Environmental Specialist Rishia Mitchell presented the proposed Fats, Oil and Grease (FOG) pretreatment funding policy, the most recent statistics for the current use of FOG pretreatment devices, and the financial implications of implementing said policy. Of 127 surveys sent out, 25 were deemed no applicable to the FOG program, 27 had a FOG pretreatment device installed, 24 did not have a FOG device installed, and 51 were not returned. Based on the information it was assumed 47% did not have a pretreatment device with 24 more establishments to be added to the total for an estimated 48 FOG pretreatment devices needed to be installed. Council discussion to potentially have the business reimbursed over two years versus three years and add an upfront reimbursement request if a financial hardship for business.

Wastewater Treatment Plant 1 Upgrade - Design Scope and Budget

WQ Administrator/Engineer II Stephen Stys stated in July of 2021, Jacobs Engineering presented to Council the final proposed scope for the first phase of the Wastewater Treatment Plant 1 upgrades. This upgrade included a new secondary clarifier, new chlorine contact basin, upgraded chlorine distribution system, upgrades to the electrical and control systems and an upgraded 3 water system. The total estimated cost for these upgrades was presented by Jacobs Engineering to be \$17.2 million (2023 dollars). Council agreed this was the correct direction. With approval to proceed, City staff submitted the final draft of the Plant 1 Pre-design report to the Department of Environmental Quality (DEQ) for review, comment and approval. In December 2021, DEQ granted approval to proceed with the design. City staff requested Jacobs Engineering prepare a design scope and the level of effort required

to complete the design. The final design scope included the design of a new secondary clarifier, new chlorine contact basin, upgraded chlorine distribution system, upgrades to the electrical and control systems and an upgraded 3 water system, and the level of effort was \$1.12 million. The City obtained a DEQ State Revolving Fund (SRF) loan for this project, it would need to be increased by roughly \$700,000. The loan would cover both design and construction. At a future Council Meeting, staff would present an amendment to the loan to fund the final design efforts of \$1.12M. Construction would begin in 2023.

Council discussion ensued and requested a marketing campaign for the public to help understand the rate changes.

Budget Philosophy for Upcoming Urban Renewal Agency Budget Regarding Front Street Blueprint

City Manager Rodger Craddock stated in preparation to compile the fiscal year 2022-2023 proposed budget to present at the upcoming May 12, 2022 Urban Renewal Agency (URA) Budget Committee meeting, staff requested a discussion of the budget philosophy for the upcoming years, specifically related to the Front Street Blueprint and potential to fund some projects with URA funds. Instead of putting \$750,000 into the business improvement grant program, leave \$250,000 and direct \$500,000 to work on implementing the Front Street Blueprint initiatives. Mr. Craddock stated there were projects scheduled on Front Street; however, more funds could make a bigger impact for improving infrastructure. Council consensus to proceed for the URA Budget Committee review and requested review of the Empire Master Plan.

Council Comments

Councilor Miles stated on February 23, 2022 the Library Design Consultants were holding two public meetings in Council Chambers to preview the options of the final concept designs. Council discussed the positive impacts the new library would bring to the community and how to overcome some of the negative objections.

Adjourn

There being no further business to come before the council, Mayor Benetti adjourned the meeting. The next regular council meeting was scheduled for March 1, 2022. These minutes were approved as presented by City Council on March 15, 2022.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder