

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

April 26, 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 Drew Farmer, Stephanie Kilmer, Rob Miles, and Sara Stephens. Councilor Carmen Matthews attended remotely by teleconference. Councilor Lucinda DiNovo 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, 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:

Presentation by Oregon International Port of Coos Bay Regarding Terminal One Property

Margaret Barber and John Burns of the Oregon International Port of Coos Bay (Port) provided an update on the Port's purchase of the old Georgia Pacific mill site in Bunker Hill, now referred to as Terminal One, and potential uses of the property.

Discussion Regarding Improvement Grant Request for Exterior Improvements at 260/264 South Broadway

Public Works and Community Development Director Jim Hossley stated on August 3, 2021, the Urban Renewal Agency Board (Board) approved Urban Renewal Improvement grants (grants) for 260 and 264 South Broadway for east and west elevation redesign. The 2021 grant for 260 South Broadway was \$80,127.81 (75% of the construction cost of \$106,837.08) and up to \$7,500 for professional design services. The 2021 grant award for 264 South Broadway, was \$43,138.05 (75% of the project construction cost of \$57,517.39), and up to \$7,500.00 professional design services. The proposed revised design would be slightly more expensive by \$11,023; however, no additional funding was requested. The Design Assistance Team reviewed the proposed revisions and recommends approval. As

shared with the Board in 2021 for these projects, the URA Improvement Grant program specifies maximum project funding of 50% of eligible project costs up to \$25,000. However, the Board has discretion to increase the grant funding percentage and grants in excess of \$25,000. The Board considers grant requests on a case-by-case basis and concludes the grant total based on project need and potential for a project's positive impact. The property owners sought revisions to the approved design plans that included:

260 South Broadway: West elevation - change the Restaurant "O" / My Yarn Shop façade from fiber cement siding installation to a stucco finish system. East elevation - change the overhead glass garage door to four (4) single hung fiberglass windows. Remove the existing awning and replace with a new polycarbonate awning and LED lighting.

264 South Broadway: East elevation - remove the existing awning and replace with a new polycarbonate awning and LED lighting.

The estimated completion date was November 2022. It was brought back to the Agency due to the number of changes being made from the original application. The building was owned by Mayor Benetti; however, there was a sales agreement with the renters prior to any improvements and the request was made by the future property owners.

Discussion Regarding Improvement Grant Request for Exterior Improvements at 333 South 4th Street

Public Works and Community Development Director Jim Hossley stated Joe Slack of H.G.E. Architects (applicant) requested approval of a \$100,000 Urban Renewal Improvement Grant (Grant) for 333 South 4th St building improvements. Located in the Downtown Urban Renewal area, proposed for the vacant structure are improvements to the failing infrastructure system and development of the second floor into functional space for tenants. Work would include improvements to the entrance, upgrade of the stairs to meet safety/code requirements, renovation/restoration of the unserviceable elevator (since 1992), ADA access, plumbing improvements, lighting upgrades, paint, finishes and major HVAC upgrades. The space would be utilized by tenants not the applicant.

The Urban Renewal Agency (URA) offers Improvement grants to property owners to complete building improvements for commercial revitalization and support housing as a secondary use. Grants for 50% of eligible project costs (Up to \$25,000) would be considered. However, the Board has discretion to increase the grant funding percentage. Grant requests are determined by the Agency on a case-by-case basis depending on need and proposed project's positive impact. The applicant noted construction costs continue to escalate and securing materials and equipment, namely HVAC equipment, lighting, and elevator equipment as soon as possible would help avoid escalation costs and this application was in companion to improvements to the adjacent (481/487 Bennett St) warehouse building, lighting upgrades, paint, finishes, major HVAC upgrades. Constructed in 1958 but unoccupied for decades, completion of the improvements would allow the structure to be fully occupied. The applicant provided two bids of \$568,323 and \$482,823.00 (50% of the lowest bid is \$241,411.50). The \$100,000 grant request for eligible expenses would equate to approximately 21% of the lowest bid. The Design Assistance Team (DAT) reviewed the project and recommended approval of the requested grant. Staff would present the grant request for formal action at the May 3, 2022 Agency meeting, at which time staff would request Board consideration to approve the grant request for the project from the Downtown Improvement Program (#57- 940-520-2415) for FY 2021-2022, as proposed for

50% of eligible expenses up to \$100,000.00 at 333 South 4th Street, subject to approval of required structural permit.

The original funding for the Downtown Improvement Program (#57-940-520-2415) for FY 2021-2022 was \$750,000.00, of which \$383,708.02 remained. There were four outstanding approved projects totaling \$158,26.86 and one proposed project totaling \$17,154.00; therefore, \$208,288.16 of grant funds were unencumbered and available. Approval of this \$100,000 grant request would result in \$108,288.16 of unencumbered funds for the balance of FY 2021-2022. Council discussed the available funds in the Improvement Program if the larger amount was approved.

Discussion Regarding Improvement Grant Request for Exterior Improvements at 481/487 Bennett Street

Public Works and Community Development Director Jim Hossley stated Joe Slack of H.G.E. Architects (applicant) requested a \$17,154 Urban Renewal Improvement Grant (Grant) for improvements to 481/487 Bennett Street. Located in the Downtown Urban Renewal area, the proposed improvements included replacing the siding on the south wall, replacing a damaged roof beam on the south wall and replacing overhead sectional doors at entrances. The owners of the building would be covering the cost of replacing the roof.

URA Improvement Grants provided for urban renewal district building improvements. Designed to revitalize commercial areas and support housing as a secondary use, grants for improvements may be considered for 50% of eligible project costs up to \$25,000; however, the Board has the discretion to authorize additional funds. The applicant provided a single bid for the eligible elements of the project totaling \$34,308.00 (50% of the project cost is \$17,154.00). One bid for the work was provided. While the Grant program required more than one bid, the Board has the discretion to waive the requirement. Additionally, 481/487 Bennett Street is adjacent to 333 South 4th Street, the subject of a separate Grant application. The Design Assistance Team (DAT) reviewed the project and recommends the grant approval. Staff would present the grant request for formal action at the May 3, 2022 Agency meeting, at which time staff would request Board consideration to approve the grant request for the project from the Downtown Improvement Program (#57- 940-520-2415) for FY 2021/2022, as proposed for 50% of eligible expenses up to \$17,154.00 at 481/487 Bennett Avenue, subject to approval of required structural permit.

The original funding for the Downtown Improvement Program (#57-940-520-2415) for FY 2021-2022 was \$750,000.00, of which \$383,708.02 remained. There are four outstanding approved projects totaling \$158,26.86. There was \$225,442.16 of unencumbered funds available. Approval of this \$17,154.00 grant, would leave \$208,288.16 of unencumbered funds.

Consideration to Allow Use Urban Renewal Improvement Grant to Fund Pavement Projects

City Manager Rodger Craddock stated the URA offers the Improvement Grant to assist in urban renewal district building improvements. Designed to revitalize these commercial areas and support housing as a secondary use, eligible properties may be considered for grant funding. Traditionally grants or loan funding was 50% of eligible project costs, but the Agency has sole discretion to increase the grant funding percentage. Grant requests are determined by the Agency on a case-by-case basis depending on need and proposed project's positive

impact. Listed qualifying improvements include: façade improvements (siding, doors, windows, awnings, lighting, gutters/downspouts, masonry/brick/stucco repair or replacement; painting, etc.) The list of qualifying improvements also includes: sidewalks (as part of an overall project); Improvements related to flood damage prevention, building fire/life/safety improvements routinely necessary for cost effective and successful rehabilitation of older buildings including but not limited to HVAC, sprinkler systems, elevators, electrical, plumbing improvements, accessibility work and public infrastructure work related to the building improvement (sewer and water lines are examples); and permanent native and perennial landscaping, irrigation and hardscape integral to project design visible to the public such as trees, landscape walls, in-ground lighting and walkways up to 5% of a total project cost. Up to an additional 2.5% may be authorized for project landscaping if the additional funding was used for "green" landscaping features, such as but not limited to bioswales, rain gardens; and other improvements as determined by the Agency meeting the Program intent. Community Development had recently received requests for Urban Renewal Improvement Grant funds to be used for paving projects (access, maneuvering, off-street parking). Most of the proposed projects were along Broadway, Bayshore Drive and Front Street (Highway 101 North & South bound) and one on Lockhart Avenue. Since we have not used grant funds for paving in the past, staff requested input from the Urban Renewal Agency before proceeding. If it is determined that paving projects are eligible for funding, unless otherwise determined, projects could be approved for 50% of eligible project costs, up to \$25,000.00. Council discussion ensued, consensus to accept the applications and take them as a case-by-case basis.

Status on Tesla Electric Vehicle Charging Station Investigation

Deputy Public works and Community Development Director/City Engineer Jennifer Wirsing stated last year, Council inquired on the possibility of hosting a Tesla Electric Vehicle Charging Station in the City of Coos Bay. After several attempts, staff was successful in reaching out to Tesla and received positive feedback that Tesla was interested in our inquiry. They asked the city to propose potential sites for their considerations. There were five sites presented that consisted of both public and private properties. The five sites were: Teakwood Development, Coos History Museum, Commercial Avenue Public Parking Lot, Visitor Information Center, and Curtis Avenue Public Parking Lot (between 4th and S. 2nd Street). Tesla's model, as they presented it, was they partner with both public and private entities. They ask for a maximum 15-year commitment where the entity gives them a zero-cost lease that encompasses enough square footage for a minimum of eight charging stations/parking stalls and an additional four hundred square feet for their electrical infrastructure. The 15-year lease was actually three consecutive 5-year terms. Only Tesla had the option to renew or not. However, Tesla commits to covering one hundred percent of the permitting, design and engineering, initial construction, and ongoing operations and maintenance costs for the term of the lease. A sample agreement was presented and provided to the City Attorney for his review.

Tesla only installs supercharger stations (Level 3/DC fast chargers) which typically take thirty minutes to fully charge a Tesla vehicle. In working with Tesla regarding the five sites, they were originally most interested in the proposed Teakwood Development. Staff initially reached out to the developer and he agreed to be added to the list of potential properties; however, he stated he would only be interested if Tesla paid for the lease. Tesla responded that would not be an option. The next site investigated was the Coos History Museum. While Tesla liked this site, they felt this site was too small. The third site investigated was the parking lot immediately north of the Visitor Information Center. They liked this site, but also

understood that Council may not want to devote this site to an EV charging station as it would take up the majority of the footprint. The last two sites were the public parking lots. Of the two, Tesla preferred the parking lot along Curtis Avenue. Staff asked Tesla about their plans to serve electric vehicles outside of the Tesla brand. Tesla responded they are beta testing this technology in Europe but do not have an estimated time for when, if at all, it will be coming to the United States. Another consideration was this parking lot was a future project connected with our Sponsorship Option (SO) dollars (green parking lot). However, staff feels they could coordinate both projects successfully should Council wish to move forward with working with Tesla.

Staff asked Tesla for any statistics on the Bandon Tesla Charging Station. While Tesla does not release specific owner information, they did state the station received approximately 400 visits a month. Of those visits, 30% of the users start their trip in the local area (defined as a 50 mile radius), 21% are from the Grants Pass Supercharger, 14% from the Springfield supercharger and the remainder of trips start somewhere other than a supercharger but outside the local area. Should Council want to move forward, Tesla has identified the next steps: 1) Council to approve the proposed location or provide other locations for consideration, 2) Once a location had been approved by Council, staff would work with Tesla to complete an application process to receive a formal approval from Tesla, 3) In a parallel path, Tesla would work with Pacific Power to understand the improvements, if any, to upgrade the electrical to service the EV charging stations, and 4) If approved by Tesla, enter into a zero cost lease agreement. Understanding there may be questions from Council staff could not answer, the Tesla representative offered to come to a future Council Meeting/Work Session to answer any questions and provide more detailed information should Council wish to investigate this further.

Council discussion ensued; concern for the amount of space needed, but general interest in further discussions and requested discussion with the Coos Bay Downtown Association. City Manager Rodger Craddock stated previous estimates for the value of a downtown parking space was \$25,000 per space.

Discussion Regarding Amending Coos Bay Municipal Code Related to Vehicle for Hire Businesses

Police Chief Chris Chapanar stated the City of Coos Bay currently had a taxi cab ordinance regulating how taxi cab companies and drivers of taxi cabs operate within the City of Coos Bay. In an effort to keep up with modern times, the consideration of a new ordinance was proposed. This proposed ordinance took into consideration taxi cab businesses, as well as, some of the newer businesses such as Uber and defines them under the title "Vehicle for Hire." The ordinance provided definitions to many of the names and titles used through the vehicle for hire industry. It placed requirements on both the owner of the company, as well as, requirements for the drivers of said vehicles. There were insurance requirements to protect the owner, drivers, as well as, the general public. The proposed ordinance required a background check be done on all drivers to ensure the safety of the public at large. It required a business license to operate within the City of Coos Bay and it regulated the number of vehicles one can "store" in a residential neighborhood. Staff presented the proposed ordinance at the March 22, 2022 work session. During that meeting, representatives from the taxi cab industry provided public comment regarding concerns with the proposed ordinance, in areas specifically focused on vehicles for hire under Uber or Lyft. Additionally, staff received additional feedback and recommendations for local taxi cab

companies, some of which were incorporated into the proposed ordinance and some required further discussion. Chief Chapanar highlighted the updates made to the proposed ordinance. Jeremy Oliver of Yellow Cab requested a license be placed in the vehicle for everyone to know which vehicles had been inspected and to have the drug test results be provided to the city. Councilor Farmer stated he did not believe the results could be released directly to the city due to HIPPA laws.

Status on Council Goal Related to the Development of an Ordinance for Sewer Lateral Inspections Prior to the Transfer of Property

Deputy Public works and Community Development Director/City Engineer Jennifer Wirsing stated one of the Council goals for 2021-2023 was as follows: Evaluate an ordinance for the Council's consideration which, if adopted, would require sewer lateral inspections and the completion of necessary repairs prior to the transfer of property within City limits. City staff performed extensive research and could only locate one example (City of Tillamook) where a policy/ordinance such as this has been implemented in Oregon. Staff also found an example in Santa Cruz, California. Both examples were very comprehensive and a good framework should the Council want to pursue the creation of this ordinance. Additionally, staff coordinated with the City Attorney regarding the legality of enacting an ordinance of this type. Based on his research he did not find any state statutory authority allowing or prohibiting a municipality from requiring an inspection, and repair, of a lateral before the sale of private property. Based on this, he believed the City had the inherent power/authority to establish such a requirement/ordinance should Council choose to do so.

As with most things, there were positives and negatives associated with enacting an ordinance of this type. Prior to moving forward, staff wanted to discuss these. The positives of this type of ordinance would be to protect the system against inflow and infiltration (I&I) and protect public health and safety. Infiltration occurs when groundwater seeps into sewer pipes through cracks, leaky pipe joints and/or deteriorated manholes. Inflow was stormwater entering the sewer system through rain leaders, basement sump pumps or foundation drains illegally connected to the sewer. Reducing I&I reduces maintenance on the collection system and wastewater treatment costs. Furthermore, an ordinance of this type would reduce the potential for unplanned repairs for new property owners. And finally, adopting this type of ordinance would help improve and maintain privately-owned business and residential sewer laterals which connect to the city's system.

The negatives of this type of ordinance would be the potential for added costs for property owners, delays to posting a property for sale due to contractor and plumber's availability or lack thereof, it will be difficult to regulate and staff would have to seek cooperation from realtors and title companies, and it will be difficult to regulate the for sale by owners and owner carried mortgages. Staff was able to talk to the public works director at the City of Tillamook regarding their sewer lateral inspection ordinance. It was discovered the city rescinded the ordinance for the time being. The reasons for this ranged from conflicts with the Uniform Plumbing Code, opposition from property owners (mostly "flippers"), and opposition from the realtors. The Public Works Director did mention they were working on removing the conflicts with the Uniform Plumbing Code and it was the intention to enact this ordinance at a later date. In conclusion, since an ordinance like this does not appear to be common in Oregon, there was little information/lessons learned to go by. At the same time, the City has a vested interest in the health and safety of the public as a whole, and making sure that the sewer laterals were in good shape at the time of the sale of property would seem to be a legitimate method to accomplish this goal. Prior to moving forward, staff

wanted to present the information learned to date and confirm this was still a desired goal by Council.

Council discussion ensued; concern it would cause more undue hardship on the housing issue as there were not many other examples available to consider potential issues. The city would revisit again once Tillamook moved forward with their ordinance.

Library Bond Committee Report

Susan from the Library Bond Committee gave an update on their work to educate the public about the bond with 611 phone calls to voters and 2,362 visits to voters' homes having been completed. They have identified 161 yes votes, 49 no votes, and 83 maybes. They have had four radio ads airing on K-DOCK and anticipated contacting voters through the end of the month with a schedule provided. Council suggested volunteers attend the Family Fun Festival scheduled for April 30, 2022.

Council Comments

Councilor Matthews asked about the opening on the Water Board and stated interest to fill the position on the Board. City Manager Rodger Craddock stated Melissa Cribbins resigned as one of the two City of Coos Bay's representatives on the Water Board. Council consensus to appoint Councilor Matthews and the position would not be advertised. Mayor Benetti asked to have the food truck ordinance reviewed and bring back to Council for potential to allow businesses to have food trucks in their parking lots.

Adjourn

There being no further business to come before the council, Mayor Benetti adjourned the meeting. The next regular council meeting was scheduled for May 3, 2022. These minutes were approved as presented by City Council on May 3, 2022.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder