

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

May 24, 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 and Stephanie Kilmer. Councilor Carmen Matthews attended remotely by teleconference. Councilors Drew Farmer, Rob Miles, and Sara Stephens were 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, Operations Administrator Greg Hamblet, Water Quality Administrator/Engineer II Stephen Stys, Fire Chief Mark Anderson, Police Chief Chris Chapanar, and Library Director Sami Pierson. City staff attending remotely by teleconference was Community Development Administrator Carolyn Johnson.

Parks Commissioner present was Colleen CoCo Sutton. Parks Commissioners attending remotely by teleconference were Sam Crowley and Patty Scott.

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:

City Council and Parks Commission Discussion Regarding the Parks Master Plan Update

Community Development Administrator Carolyn Johnson stated in 2021, staff prepared and submitted a \$70,000 Department of Land Conservation and Development (DLCD) grant application for an update of the 2013-2023 Parks Master Plan (Plan). Grant funding was not available for the update work. Had the application been successful, a consultant for public outreach and Plan preparation would have been funded. At the April 21, 2022 Parks Commission meeting, consensus was reached for a subcommittee of Commissioners including CoCo Sutton, Carmen Matthews, and Ariann Lyons to work with City staff on the Plan update with regular reports back to the Commission. The Commission discussed the update work scope noted on the first page of the provided April 21, 2022 supplemental report. Features of the important pieces of the Plan update were noted on the second page of the provided supplemental report and included a Council authorized DLCD grant

application support letter. Council and the Parks Commission discussed the scope of the Plan work.

Consensus to retain current land area and not add new land to the parks master plan and no interest with SDC for funding, but would look for new revenue sources such as adding a parks fee to building permits. Commissioners Matthews and Sutton were the liaisons for the Parks Master Plan review. The updated Parks Master Plan would come back before a joint Council and Parks Commission meeting in the future.

Public Hearing Regarding Submission of USDA Grant Application

Fire Chief Mark Anderson stated the Coos Bay Fire Department intended to apply for a U.S. Department of Agriculture (USDA) grant to procure and equip a vehicle for use in wildland firefighting and motor vehicle crash response. As part of the application process, the City must advertise for and hold a public hearing to allow the public to learn about the grant application and ask questions related to the application. Notice of the public hearing to be held at the May 24, 2022 work session was published in the World Newspaper on May 13, 2022. If awarded the grant, presentation at a future Council meeting would be made in order to accept the grant and appropriate the grant funds.

Coos Bay Fire Department would like to purchase a vehicle (2-ton, crew cab, 4x4, flat-bed) designed with the sole purpose of combating wildland fires and response to motor vehicle crashes. Having this vehicle outfitted with state-of-the-art rescue equipment would ensure that firefighters have appropriate and reliable tools readily available to provide potentially life-saving assistance to those at risk within the community. The equipment and tools would include a slip-in tank with foam attachments, Personal Protective Equipment, and tools to outfit the wildland fire/rescue vehicle, jaws of life and high-pressure air bags. The City secured State grant funds in the amount of \$24,550 and would be contributing \$94,379 of their own funding to the project. The City budgeted their portion in the City's General Operating Budget for 2021-22. There are no other sources of funds.

Mayor Benetti opened the public hearing, no public comments were made and the public hearing was closed.

Revision to Coos Bay Municipal Code Title 17

Community Development Administrator Carolyn Johnson stated two minor amendments to the Coos Bay Municipal Code (CBMC) Title 17 Development Code were suggested by staff to: 1) Create a definition of "development" to better facilitate an understanding of what is considered development requiring a land use permit and 2) Modify land use standards table 17.220.030 related to an allowance of multi-dwelling units on lots larger than 7,500 square feet. Consideration of adding definition of 'development' to CBMC 17.150 Definitions section. CBMC Title 17 Development Code was absent a definition of Development. A definition addition would greatly enhance the development community's understanding of City's land use permit requirements and planning staff administration of Title 17. The following definition had been drafted for Planning Commission review pending Council direction: "Development-Actions requiring a land use permit resulting in the placement or erection of any solid material or structure, alterations to land and new or remodeled structures, use of land area for exterior display or storage, construction of parking and loading areas, landscaping, installation of paved or graveled areas, change in the density or intensity of use of land including, subdivisions, partitions, replats and property line

adjustments, alterations of final flats and partitions, construction, reconstruction, demolition or alteration of the size of any structure, including any facility of any private, public, or municipal utility.”

Consideration of amending Table 17.220.030 Development and Lot Standards regulating low density residential development. In 2021 Council authorized multiple amendments to CBMC Title 17 to create new opportunities for multi-unit housing including an allowance for multi-unit housing in low density zones. The low-density zone land use district (LDR) standards table 17.220.030 Development and Lot Standards, included a limitation of a maximum lot size of 7,500 SF. The thought process behind the inclusion of this maximum lot size was to avoid the subdivision of large tracts of property into very large lots for single unit homes and conversely limit potential to maximize the number of new single unit home lots. Absent from the thought process in 2021 was consideration of larger existing lots that could be developed for multi-unit residential use for rental units. A maximum 7,500 SF lot size requirement would force a subdivision of these types of properties and complicate the potential for large numbers of rental units. To mitigate this issue, staff has developed a draft amendment that would retain the 7,500 SF maximum lot size for single unit dwellings and new subdivisions, but remove the lot size maximum for multi-unit dwellings. The amendment could look like this: “Maximum lot size for development of single unit detached dwellings - 7,500 SF and Maximum lot size for development of multi-unit dwellings - None.” With Council consensus, the Planning Commission could review these proposed amendments at their June 14, 2022 meeting and hold a public hearing to accept public comments on the proposed amendments, formalizing a recommendation to Council. Council could then hold a public hearing at the June 21, 2022 Council meeting

Council consensus for it to go back to the Planning Commission for discussion, review, and recommendations to come back before the Council.

Summer/Fall 2022 Capital Improvement Projects (Operations & Engineering)

Water Quality Administrator/Engineer II Stephen Stys stated The Operations and Engineering Divisions were planning 19 Capital Improvement Projects for the summer and fall of 2022. The purpose of the presentation was to inform Council of upcoming projects in which staff would present at future Council meetings for consideration of award of contracts. With coming into the drier months, staff was planning construction of eleven (11) water quality projects, seven (7) street rehabilitation projects, and one (1) parking lot project.

Wastewater Treatment Plant 2 Chemical Feed System for the construction of a permanent chemical feed system at plant 2. The design was complete and much of the construction was being performed in-house. Anticipated the project to be complete by the end of August 2022.

Wastewater Treatment Plant 1 Upgrades Final Design for major upgrades planned for plant 1. This would include a new secondary clarifier and chlorine contact basin, and upgrades to the electrical system, control systems and the chlorine distribution system. This design would be in progress for the remainder of the year and into 2023.

Wastewater Treatment Plant 1 Operations Building Remodel to complete remodel of the operations office area. Design had just begun, and the construction had not yet been scheduled.

Wastewater Treatment Plant 1 Headworks for replacement of the screening system at plant 1. This project was starting on May 23, 2022 and was expected to be complete by the end of June 2022. This was the first step in the treatment process and would reduce maintenance and improve process for the plant.

Collections and Maintenance and Office Remodel - This is complete remodel of the collections and maintenance office area. The project was nearly halfway done and was expected to be complete by the end of July 2022.

Pump Station 6 Upgrades for the complete reconstruction of pump station 6. The design is complete and the project was being advertised in June 2022.

Pump Station 9 Upgrades for the complete reconstruction of pump station 9. The design is complete and the project was being advertised in June 2022.

Pump Station 12 Upgrades for a partial electrical reconstruction of pump station 12. This design was currently ongoing.

Pump Station 13 Upgrades for a partial electrical reconstruction of pump station 13. This design was currently ongoing.

9th Avenue Road Repair (lagoon road) going to the lagoon has started to fail. This was a critical piece of our water quality infrastructure. The repair would maintain our ability to remove biosolids from the treatment process.

5th Street and Bennett Avenue Storm and Road Reconstruction for the complete reconstruction of the storm sewer and road at the intersection of 5th Street and Bennett Avenue.

N. Wasson Street Rehabilitation located between Newmark and Schetter Avenues. It was approximately 480 feet in length and 35 feet in width and included a grind out and overlay.

Michigan Street Rehabilitation located between Empire Boulevard and Cammann Street. It was approximately 1,174 feet in length and 35 feet in width and included a grind out and overlay.

LaClair Street Rehabilitation located between Newmark Avenue and Ocean Boulevard. It was approximately 1,557 feet in length and 35 feet in width and included reconstruction and grind out.

N. 14th Street Rehabilitation located between Myrtle and Nutwood Avenues. It was approximately 430 feet in length and 35 feet in width and included a total reconstruction.

Anderson Avenue Street Rehabilitation located between Broadway and Bayshore Avenues. It was approximately 115 feet in length and 40 feet in width and included a grind out and overlay.

Central Avenue Rehabilitation located between N. 11th Street and Ocean Boulevard. It was approximately 950 feet in length and 12 feet in width and included a grind out and overlay.

Alder Street Rehabilitation located between Broadway and Bayshore Avenues. It was approximately 180 feet in length and 35 feet in width and included a total reconstruction.

Green Parking Lot located at southwest corner of the 3rd Street and Central Avenue intersection. The parking lot would also serve as an overflow for special events (e.g. Farmers Market, Fun Festival, Blackberry Arts Festival, etc.).

Approval of Upgrades to the 2014 Water Quality TV Van

Water Quality Administrator/Engineer II Stephen Stys stated staff proposed upgrades to the 2014 TV Van utilized by the Water Quality Division. The upgrades consisted of camera/video equipment and software. A major duty performed by the Water Quality Division's collection crew was investigating sanitary sewer and storm. This was accomplished with a video camera. In 2014 the city purchased a vehicle outfitted with video investigation capabilities. While the cameras and cables were only eight years old, the environment in which this equipment was utilized could be harsh and affected the useful life and, as with most technology, due to the age of the equipment, it was now unsupported by the manufacturer. The vehicle was still functional; however, staff recommended replacement of the video equipment. According to Section 6.0 of Resolution 22-02, Amending Public Contracting Rules, the Oregon Public Contracting Code does not apply to this type of upgrade equipment purchase; however, where practicable, competitive quotes shall be obtained. Staff reached out to three vendors and had each of them demonstrate their equipment and associated software. The three quotes obtained were as follows: Qcues for \$161,271.00, True North Equipment for \$159,355.16, and SWS Equipment for \$235,219.92. While it was hard to compare these three quotes, due to differing technology, components, and software options, staff's preferred vendor was Qcues. In looking at the quotes, it was not the lowest price, however, the Qcues software did not have a limit on the number of licenses that could be utilized on desktops and tablets; whereas, the True North Equipment was only for one license and any additional licenses would cost \$5,747.50 each. It was anticipated at least three additional licenses would be needed which would cause the quote from True North Equipment to exceed the Qcues quote. Purchasing this equipment would allow the collection crew to continue investigating and archiving the recording of the sewer system which helps identify deficiencies needing corrective action. The upgrades would be purchased through the Water Quality Fund 3, shared between the Vehicle line item from Plant 1 (351), Plant 2 (352), Collections/Sanitary (353), and Collections/Storm (355).

Funding Request from Coos History Museum

City Manager Rodger Craddock stated the Coos History Museum requested funding support of Phase II of the Museum's waterfront improvements. The \$250,000 request was submitted in writing and was provided. With the development of Coos Bay Village and their completion of a concrete waterfront walkway along with the draft Front Street Blueprint Plan which in part was aimed at improving connectivity between the City's Boardwalk and Coos Bay Village, there have been discussions with the management of the Coos History Museum regarding the creation of a concrete waterfront walkway on the east side of the museum property which would connect to the Coos Bay Village waterfront walkway. During the FYE2022 budget process a sum of \$250,000 was included to undertake the project. That amount was enough to complete the project, if the project does not fall under prevailing wage requirements. Given the walkway would be on private property, providing a grant to the Coos History Museum would allow the museum to contract directly with a contractor to undertake the project outside of prevailing wage requirements. The developers of Coos Bay Village have agreed to do the

project which was optimal. While the walkway was on private property, the walkway would be within an established public easement, similar to the easement on the Coos Bay Village property.

Coos History Museum Executive Director Marcia Hart stated as soon as funding was secured work could start, and the project could be completed by Fall 2022. Mayor Benetti asked about the lot just south of the museum's plaza and if the Museum would be willing to give the city the property so it could connect their walkway with Front St, which was listed in the Front Street Blueprint plan. Ms. Hart stated they are open to various discussions for possible projects and would speak to the Board at their next meeting.

Approval of Improvement Program Grant Request for 790 N Bayshore Drive

Community Development Administrator Carolyn Johnson stated The applicant, Rick Stevens, requested approval of a \$100,000 Improvement Program Grant for 790 North Bayshore Drive (Front Street frontage). Proposed was indoor and outdoor space for "Front Street Food Trucks" with exterior space for up to eight-foot trucks and outdoor seating. The spaces would provide a permanent place for the food trucks. The outside area would be improved with paving (including entrance apron, curb, and sidewalk), power installation, water pedestals for each food truck and addition of fencing/landscaping. A portion of the existing structure abutting Front Street would provide additional indoor seating, restrooms and a beverage station. A number of structural upgrades are required to accommodate the proposed use and create a new store-front. The structural improvements included replacing existing roll-up door with a glass roll-up door, replace the existing man-door, upgrading electrical, installing heat-pump system and other upgrades related to egress/ingress and compliance with current Fire/Life Safety issues regulated by Building Codes.

The applicant's submittal provided additional business operation details. The applicant has provided bids received for the following proposed improvements: Fencing/Gates \$36,735.22 / \$27,050.00 Roll-up Door \$23,990.00 / \$13,395.00 / \$9,495.00 Man-door \$8,890.00 / \$6,236.73 Electrical \$30,000.00 /\$17,050.00 Paving-Curb/gutter, Sidewalk, Apron \$12,550.80 / \$10,450.00 / \$6,395.00 Paving-Parking \$115,872.00 / \$67,515.00 HVAC \$5,426.80 / \$3,458.00. Based on the lowest bid for each element, the project cost would be a minimum of \$137,199.73. The applicant indicated they had been advised material cost will increase again by the middle of June 2022. The applicant would fully fund the remaining elements of the project, which included interior improvements to Building Code Standards, landscaping and permit cost. The applicant requested a \$100,000 grant, which was 73% of the eligible expenses (50% would be \$68,600). The Agency offers Improvement Program grants to property owners to complete building improvements for commercial revitalization and support housing as a secondary use. Program guidelines indicate grants for 50% of eligible project costs (up to \$25,000) would be considered; however, the Agency had discretion to increase the grant funding percentage. Grant requests were determined by the Agency on a case-by-case basis depending on need and proposed project's revitalization impact.

Rick Stevens stated total project costs were estimated at \$250,000.

Approval of Improvement Program Grant Request for 127 Ingersoll Avenue

Community Development Administrator Carolyn Johnson stated the applicant, Sharon Baldrige, requested a \$25,000 Improvement Program Grant for improvements at 127

Ingersoll Avenue to be used for driveway, access, and parking area paving, and fencing of the property with black ornamental steel fencing/gates in a classic style. Ms. Baldrige hoped the fencing would help deter theft from the site and provide visual enhancement to the property. Since moving to this location, the applicant has removed a dilapidated section of the structure and was in the process of making other exterior improvements (like siding replacement). The applicant provided two bids for the paving and two bids for the fencing/gates of \$36,122.06 and \$16,341.44 and paving \$53,032 and \$27,246; bids do not include required storm drain systems. Based on the lowest bid for each element, the cost the proposed project would be a minimum of \$43,587.44. The applicant indicated they had been advised material cost would increase any time after June 1, 2022. The applicant requested a \$25,000 grant, which was 57% of the eligible expenses. The Urban Renewal Agency (Agency) offers Improvement Program 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 Agency had discretion to increase the grant funding percentage. Grant requests were determined by the Agency on a case-by-case basis depending on need and proposed project's revitalization impact.

Approval of Improvement Program Grant Request for 225 West Lockhart Avenue

Community Development Administrator Carolyn Johnson stated Luis Ledesma, property and business owner of Pro Diesel Auto Repair at 225 West Lockhart Ave, requested a \$30,000 Improvement Program Grant for a paving project including the site's access, maneuvering, and off-street parking area. Since relocating the business to 225 West Lockhart in 2021, Mr. Ledesma's substantial interior and exterior building improvements have been completed with a value of over \$80,000. In October of 2021, the Agency awarded Mr. Ledesma a \$20,000 Improvement Grant to help fund the façade improvements on the north elevation of Pro Diesel Auto Repair. The project was successfully completed in April 2022 and grant funds were issued. The grant guidelines specify owners of commercial buildings or business owners are eligible for one grant in any fiscal year period (July 1 through June 30). The Agency has the ability to award a second grant in the same fiscal year, just as the Agency can award an amount in excess of 50% of the improvement costs or with only one bid. Mr. Ledesma provided one bid for the project, but is expecting a second bid prior to the URA hearing scheduled for June 7, 2022. The submitted bid was for \$59,003.00 for all three of the proposed paving areas. There are expected material cost increases any time after June 1, 2022. Based on the provided bid, the applicant requested a \$30,000 grant, which was just over 50% of the eligible expenses. The Agency offers Improvement Program grants to property owners to complete building improvements for commercial revitalization and support housing as a secondary use. Program guidelines indicate grants for 50% of eligible project costs (up to \$25,000) would be considered; however, the Agency had discretion to increase the grant funding percentage. Grant requests were determined by the Agency on a case-by-case basis depending on need and proposed project's revitalization impact.

Establishment of a Multi-Unit Property Tax Exemption (MUPTE) Program

City Manager Rodger Craddock stated the City of Coos Bay had been working to find solutions to the ongoing housing crisis. In 2020, with the support of the City Council and Planning Commission, the City completed a Housing Needs Assessment (HNA) which revealed Coos Bay needs at least 604 new housing dwellings over the next twenty years to keep up with the estimated pace of population growth. Since the completion of the HNA in 2020, there have been a reported reduction in rentals in Coos Bay in part due to the

increased state rental related regulations and the COVID-19 eviction moratoriums. A number of former rental units have been sold or turned into short term rentals, resulting in decreased supply and increased demand. The city was recently notified by DLCDC that we were now considered a "severely rent burdened city" meaning at least twenty-five percent of the renters in the city spends more than fifty percent of their household income on gross rent for housing. One of the Council's goals was to increase housing supply.

The Council and Urban Renewal Agency has undertaken a number of projects to include, but not limited to: (1) amending the City's Development Code to reduce barriers to building new housing; (2) provided gap financing to a developer who developed upper floor housing in an underutilized downtown building; (3) provided a Improvement Program Grant to a downtown building owner which was used in part to remodel and put back into service several dormant apartments; (4) provided a land incentive to another developer who built a 9 plex set of apartments; (5) entered into an agreement with the County and a non-profit to clean up a contaminated former school site which will be developed into multi-unit affordable working family housing complex; and (6) provided two residential lots to Habitat for Humanity for a redeveloped housing project. A number of other Oregon cities have enacted a multi-unit property tax exemption (MUPTE) program in an effort to stimulate higher density housing projects in their cities. Staff believed such a program was needed to increase rental housing units in Coos Bay.

A MUPTE Program was a state-enabled housing incentive program which allowed cities of all sizes across Oregon to exempt property taxes on residential improvements of approved multi-unit properties for up to ten years. Although the State of Oregon enables this program through the Oregon Revised Statutes (ORS), each city has the opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria, and program cap. Additionally, the city is allowed to select projects on a case-by-case basis. The intent of a MUPTE Program is to lower operating costs in the early years of a housing development so that it becomes more financially feasible. Provided were MUPTE ordinances from Salem, Eugene, Newport, Cottage Grove and Florence for Council review.

Council discussion ensued and consensus to contact the Port of Coos Bay to discuss the program jointly.

Adjourn

There being no further business to come before the council, Mayor Benetti adjourned the meeting. The next regular council meeting was scheduled for June 7, 2022. These minutes were approved as presented by City Council on June 7, 2022.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder