

MINUTES OF THE PROCEEDINGS OF THE CITY OF COOS BAY URBAN RENEWAL AGENCY

November 3, 2020

The minutes of the proceedings of a regular meeting of the Urban Renewal Agency of the City of Coos Bay, Coos County, Oregon, held at 7:09 pm in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Chair Stephanie Kilmer and Board Members Joe Benetti, Lucinda DiNovo, Drew Farmer, Phil Marler, Carmen Matthews, and Rob Miles. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Nichole Rutherford, Deputy Finance Director Melissa Olson, Public Works and Community Development Director Jim Hossley, Fire Chief Mark Anderson, and Police Chief Gary McCullough. City staff attending remotely via teleconference was Library Director Sami Pierson.

Public Comments

No public comments were given and no public comment forms were received.

Consent Calendar

Chair Kilmer reviewed the consent calendar which consisted of:

2a: Approval of October 20, 2020 Minutes

Board Member Farmer moved to approve the consent calendar as presented. Board Member Matthews seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Approve Miscellaneous Roadway Design Services Contract

Public Works and Community Development Director Jim Hossley stated when the City advertised the 4th Street rehabilitation project, bids came in under engineering estimates by approximately \$700,000. At the October 6, 2020 Agency meeting, the Agency authorized staff to proceed with additional projects using the remaining funds. The improvements included pedestrian, storm drainage, and roadway upgrades along Alder Avenue from the limits of southbound 101 to northbound 101, Birch Avenue from northbound 101 to Front Street, Cedar Avenue from northbound 101 to Front Street, and Date Street from northbound 101 to Front Street. Staff approached Civil West Engineering under our existing Miscellaneous Engineering Services contract to provide design and project management services in support of the Agency making these additional roadway improvements. It was estimated the rehabilitation project of the four streets would cost around \$550,000 including design and construction management from Civil West Engineering.

Board Member Farmer moved to authorize the City Manager to enter into a contract to provide design and project management services for the additional roadway projects within the Downtown Urban Renewal District for an amount not to exceed \$90,000. Board Member Matthews seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Approval to Proceed with Refunding of Downtown District 2019A Bonds and Issuance of Downtown District 2020 Refunding Bonds - Approval Would Require Adoption of Resolution 20-06

Finance Director Nichole Rutherford stated staff had been working with the Agency's Financial Advisor, Jim Strickland from Wedbush Securities and Bond Counsel Carol McCoog from Hawkins, Delafield & Wood to investigate the possibility of refinancing the Downtown District's 2019A Series Bonds (2019A Bonds). The issuance of these \$3,300,000 bonds occurred on April 16, 2019, with a ten year maturity at 2.86% interest. This bond issuance was intended for providing funds for capital projects in the Downtown District, including: purchase and re-development of the Front Street scrap yard property into a public parking lot, traffic and railroad crossing infrastructure at the Old Central Dock property (Coos Bay Village development location), and streetscape improvements, as well as costs of bond issuance.

Due to the current financial environment, interest rates had significantly decreased since issuance of the 2019A bonds. This trend in decreased interest rates was witness through subsequent financing the Agency transacted: Empire 2019A Series Bond \$2,855,000 at 2.46% closed in August 2019 for capital street improvements and Downtown 2020A Series Bond \$3,400,000 at 2.28% closed in March 2020. With the last Downtown 2020A Series issuance, the Agency only received two responses to our request for financing. Urban Renewal structure and debt is often not understood and sometimes resulted in limited bank interest for financing debt. The City recently went through a similar process of refunding 2009 GO Bonds with the issuance of 2020 GO Bonds to take advantage of lower interest rates, resulting in an interest rate of 1.21% for this new issuance with US Bank. From this refunding process and the minimal response the Agency received for the Downtown 2020A Series, our financial advisor asked US Bank if they might have interest in the refunding and reissuance of the 2019A bonds. US Bank provided the Agency with a favorable term sheet, 1.51%, which resulted in staff requesting approval to move forward with this refunding. Current market research indicated this refunding could save taxpayers an estimated \$100,000 over the remaining life of the bonds.

Board Member Miles moved to adopt Resolution 20-06 to authorize the City Manager, Finance Director, or their designee, to act on behalf of the Agency to negotiate and enter into a financing agreement for refunding of Downtown 2019A Series Bonds. Board Member Marler seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Adjourn

There being no further business to come before the Agency, Chair Kilmer adjourned the meeting. These minutes were approved as presented by the Urban Renewal Agency on November 17, 2020.



Stephanie Kilmer, Chair

Attest: 

Lucinda DiNovo, Secretary