

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

February 12, 2019

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 5:40 pm in Council Chambers, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Joe Benetti and Councilors Drew Farmer, Stephanie Kilmer, Phil Marler, Carmen Matthews, and Rob Miles. Councilor Lucinda DiNovo was absent. 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, Community Development Administrator Carolyn Johnson, Codes Enforcement Officer Nik Rapelje, and Police Chief Gary McCullough.

Review of the Following Council/URA Agenda for March 5, 2019

Discussion of a Transportation User Fee

Mayor Benetti opened to public comments. Nancy Anderson, Coos Bay asked what the street budget was, how much was spent on streets for current and previous years, and why it was put on the water bill. Mayor Joe Benetti stated the 2019 budget was not approved yet. City Manager Rodger Craddock stated \$4,000,000 was spent over the last four years on streets and previous years there was no money or very little available for street repairs. Board Member Stephanie Kilmer stated the Coos Bay-North Bend Water Board already performed billing and collections for the city, which allowed for more efficient billing at a lower cost. Ms. Anderson asked if there would be a cap on the fee. Mayor Benetti stated the current Council discussed an amount that would come close to the \$1,000,000 per year needed to maintain the roads and Council said they wouldn't raise the fee; however, in the future a new Council could raise the fee. The city maintains 178 lane miles which costs \$1,000,000 per mile to maintain. Mr. Craddock stated the city could provide an annual report of how and where the funds were used. Rick Shearer, Coos Bay stated he understood what the fee was for and was a good idea, but unfair to those paying the \$10 as commercial should pay more than the possible \$20 discussed by Council and was worried about rent going up for multi-family dwellings. Mayor Benetti closed the public comments.

Public Works and Community Development Director Jim Hossley stated over the past several months the Council held several work sessions and regular Council meetings in order to obtain public input on the Transportation User Fee (TUF), with focus on implementing a flat \$10 per month TUF. Council also explored a \$15 or \$20 TUF for commercial properties. A \$10/\$15 combination TUF would generate an additional \$40,200 per year. A \$10/\$20 TUF combination would result in an additional \$80,400 per year (\$402,000 in five years) over the \$10 only TUF. Staff provided a spreadsheet of potential projects that could be completed with a \$10/20 TUF over the next five years. City Manager Rodger Craddock stated he had not received any feedback from Bay Area Chamber of Commerce (BACC) or business community yet.

Council would need to adopt an ordinance for establishing the TUF and approve a resolution setting the fees. Three different resolutions for the proposed combination \$10/\$10, \$10/\$15, and \$10/\$20 were provided for Council consideration at future meeting. Council postponed decision until the March 19, 2019 Council meeting.

Approval of the 2019 URA Downtown District Request for Financing - Approval Would Require Adoption of Resolution 19-02

City Manager Rodger Craddock stated the Urban Renewal Agency (Agency) had been in negotiations to purchase the scrap yard on Front Street to be re-purposed as a public parking lot; as well as, negotiations of an agreement for the Old Central Dock development project to include traffic infrastructure and railroad safety improvements, and completion of several streetscape improvements including those at the north entrance to the city. Funding for these projects require soliciting a request for financing (RFF) to secure the best terms. Resolution 19-02 would authorize staff to complete the RFF process, negotiate the terms, and secure funding to complete the projects.

Approval for a Public Improvement Agreement with Rock Face LLC

City Manager Rodger Craddock stated earlier this year the Coos Bay Village project received their land use approvals to construct approximately seven acres of retail and commercial use on the property commonly referred to as Central Dock located north of the Coos History Museum and east of Highway 101. As part of an agreement between the developers and the city, the Urban Renewal Agency would fund up to \$1,600,000 for off-site public infrastructure. The required off-site infrastructure included a traffic signal and rail crossing at Hemlock Avenue, Front Street right-of-way improvements between Hemlock Avenue and Greenwood Avenue, Greenwood Avenue right-of-way improvements east of Front Street, and public storm and sewer improvements. City staff worked with the developers to create an agreement that defined this scope of work, the developer's responsibilities, and the city's (Agency's) responsibilities. The Coos Bay Village developer, Rock Face LLC, agreed to the terms and conditions of the agreement and was ready to execute the document upon approval from the Agency.

Approval for a Proposed Vacant Property Registration Regulations Ordinance

Community Development Administrator Carolyn Johnson stated the Homeless Task Force and staff have worked since 2018 to identify a process that would require foreclosed and vacant properties to be maintained. Patterned after the city of Medford prototype, but tailored to the city's needs and resources, the group developed draft regulations titled "Coos Bay Vacant Property Registration Regulations". If adopted these regulations would compel property maintenance and become a part of the Coos Bay Municipal Code (CBMC) Health and Safety Chapter 8, Section 8.55.

The draft regulations identified procedures and requirements for vacant properties to be adequately secured and maintained. Among other requirements, upon borrower default, the financial institution with property title would inspect the property to determine vacancy. Registration of the property (at no charge) would be required and filed with Chief of Police or designee. On-going maintenance and monthly inspection by lender/owner (or designee) would also be required. The registration would be valid for one year and a new registration required annually if the property remained vacant (Sections 8.55.030 and 8.55.040).

The draft regulations also included maintenance and safety requirements specific to a property's building and grounds (8.55.050). Each property would be required to have posted a large sign visible with a direct 24 hour a day contact name for persons to report problems or concerns (8.55.060). The Chief of Police would have the authority to require extra measures of maintenance and safety measures (8.55.070), and a property owner would have the right to appeal the measures (8.55.090). Failure to comply with the regulations would result in prosecution under the city's Public Nuisance Chapter 8.10 penalties, including fines up to \$5,000 (8.55.080). While the draft regulations were developed to address abandoned residential properties, the regulations would also apply to non-residential properties.

Codes Enforcement Officer Nik Rapelje stated currently city staff cannot confirm ownership, confirm if people living at property legally, or get authority to enter a vacated property; the ordinance would give the city contact information as the county website may not have received the most current owner information especially in instances of property in foreclosure or if owner was deceased. The ordinance would require mortgage lenders to give contact information as well. City Manager Rodger Craddock stated the Homeless Workgroup has worked on a home receivership ordinance; when a property would be considered substandard or in dangerous condition and owner has not followed city direction to correct, the owner would have sixty (60) days to comply or city can appeal to court to assign a receiver, the receiver would take control of the property and abate issues to bring up to code and bill owner for costs and administrative fees, if fees not paid then receiver could place lien on the property.

System Development Charges Investigation

City Manager Rodger Craddock stated the City implemented a moratorium on System Development Charges (SDC) in 2008. However, in order to allow development and not be penalized by Oregon Department of Environmental Quality (DEQ) for allowing connections to system at or over capacity, the City has developed a "Payment in Lieu" program. The Payment in Lieu program is based on the old SDC structure from the August 2006 report, "Wastewater Collection and Storm Drainage System Development Charge Study." For the past several years, if a development proposed to tie into a system that has capacity issues, a Payment in Lieu of \$6,647 per equivalent dwelling unit (EDU) was assessed. The fees assessed were then marked to be utilized only for improvements within that system. The fee amount is the same as was in the original 2006 report and had not been increased due to the moratorium in effect. If moratorium was not in place the current value would be \$10,122 per EDU. The League of Oregon Cities performed a survey in 2016 of 135 Oregon cities, 76% have at least one SDC, and average residential SDC was \$7,028.

City staff have met with a developer proposing to install 400 manufactured homes ranging from 1,200 to 1,800 square feet on the 70-acre property located east of Lindy Lane. The developer would install the infrastructure and rent out the sites for people to purchase and install manufactured homes on. The property is tributary to Wastewater Treatment Plant 1 (WWTP1), the wastewater system downstream of the property to WWTP1 had been analyzed in two separate reports that each documented the system had capacity issues.

The proposed fee for 400 homes could cost approximately \$2,600,000 based on the assessed fee of \$6,647 per EDU, and possibly \$4,000,000 if fee raised to current value of \$10,122 per EDU. The developer indicated the fee would prevent the project from moving

forward. Mr. Craddock stated the city wants and needs new development and the additional tax benefits from 400 new homes would be very beneficial. However, the development must consider the impacts, if any, and mitigate for them so the rest of the city's wastewater utility users do not subsidize one development. Several options would be explored and negotiated that would be mutually beneficial to both the developer and the city. Council discussed and agreed to authorize staff to commence with negotiations for offsite sewer improvements that would be mutually acceptable and not cause an adverse impact to the wastewater system.

Council Comments

Councilor Farmer stated while attending City Days at the Capital was told Verizon was looking at coastal towns for a pilot program installing 5G networks and thought the Coos Bay, North Bend area was a good place for a pilot program. Council stated they would be interested in a presentation by Verizon.

Adjourn

There being no further items for discussion, Mayor Benetti adjourned the work session. The next regular Council meeting was scheduled for March 5, 2019 in the Council Chambers at City Hall.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder