

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

February 26, 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 5:45 pm in City Hall Council Chambers 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Joe Benetti and Councilors Lucinda DiNovo, Drew Farmer, Stephanie Kilmer, 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, and Police Chief Gary McCullough.

Review of the Following Agenda Item

Enterprise Zone Agreement with Jordan Cove Energy Project L.P.

City Manager Rodger Craddock stated the project proposed featured a liquefied natural gas (LNG) export terminal on the North Spit of lower Coos Bay and a pipeline for the transportation of natural gas sourced from United States and Canada. Per the project owner Pembina Pipeline Corporation, the Jordan Cove Project would represent a capital investment of more than \$10 billion into the state and local economy, it would provide an influx of locally sourced jobs, and it would contribute to improvements in schools, infrastructure, public safety, and the modernization of the Port of Coos Bay.

In 2014, Jordan Cove applied for a long-term Enterprise Zone property tax exemption at the request of several citizens of Coos County with the intent of entering into a local agreement to pay a series of annual community service fee (CSF) or payments in support of the Community Enhancement Plan (CEP). A committee was formed representing members of the four Enterprise Zone Sponsors (cities of Coos Bay and North Bend, Coos County, and Port of Coos Bay) which became known as the Community Enhancement Plan Work Group (CEP Work Group); and over the last several years, the group put together and negotiated a potential agreement with Jordan Cove. In December of 2018, the CEP Work Group, believed it had completed its work, voted to recommend the Enterprise Zone Agreement and the IGA Plan for Distribution of the Community Service Fee to the Enterprise Zone sponsors for review and acceptance. To date, two of the Enterprise Zone sponsors, City of North Bend and the Port of Coos Bay have approved the proposed Enterprise Zone Agreement and IGA Plan for Distribution of the Community Service Fee.

Mr. Craddock stated the annual CSF payment during construction period would be \$12,000,000 for up to five years. Of the CSF payment, 50% would go to the South Coast Community Foundation (SCCF), with half going to Coos County, Douglas County, and North Curry County schools and the other half to an endowment for the interest to continue to provide service to the schools after the end of the exemption. The remaining 50% split of the CSF payment was split 25% between the affected overlapping taxing districts and 25% to the four Enterprise Zone (EZ) sponsors. The four EZ sponsors proposed a Waterfront Development Partnership (WDP) with an intergovernmental agreement between the cities of

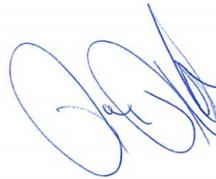
Coos Bay and North Bend, Coos County, and Port of Coos Bay and to vote on economic development activities which fall within the WDP boundaries. Coos County was not in support of the WDP, wanting the fees to be disbursed separately. Council discussion ensued and unanimously agreed 50% of the CSF payment had to go to the schools and the fees to EZ Sponsors should be split equally and allow the partners to work together or separately on projects as needed. Council remanded the Enterprise Zone Agreement and IGA Plan for Distribution of the CSF back to the CEP Work Group.

Executive Session

Deputy Finance Director Melissa Olson read the executive session meeting disclosure statement. An executive session was held pursuant to Oregon Revised Statute (ORS) 192.660 (2) (d) for the purpose of discussing labor negotiations, and (e) for the purpose of discussing real property negotiations. No decisions were made.

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