

Coos County Urban Renewal Agency
Board Meeting & Budget Hearing

Thursday, June 20, 2019, 7:30am

125 Central Ave, Coos Bay, OR 97420
2nd Floor Conference Room

**COOS COUNTY URBAN RENEWAL AGENCY
NORTH BAY DISTRICT**

P.O. Box 1215 • Coos Bay, Oregon 97420 • 541-267-7678

M E M O R A N D U M

TO: Coos County Urban Renewal Agency Board
and all Interested Parties

FROM: John Burns, Agency Administrator

DATE: June 13, 2019

SUBJECT: CCURA Meeting Notice

NOTICE OF REGULAR CCURA MEETING & BUDGET HEARING

A public meeting of the Coos County Urban Renewal Agency Board – North Bay District, Coos County, State of Oregon, will be held in the Port of Coos Bay Second Floor Conference Room, located at 125 Central Avenue, Suite 210, Coos Bay, Oregon, 97420. The meeting will take place on **Thursday, June 20, at 7:30 a.m.**

The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2019 as approved by the Coos County Urban Renewal Agency's Budget Committee. A copy of the budget may be inspected or obtained at the Oregon International Port of Coos Bay office at 125 W Central Avenue, Suite 300, Coos Bay, OR, between the hours of 8:00 a.m. and 5:00 p.m.

JB:km

**COOS COUNTY URBAN RENEWAL AGENCY
REGULAR BOARD MEETING & BUDGET HEARING**

7:30 A.M. Thursday, June 20, 2019

Port of Coos Bay Conference Room, 125 Central Avenue, Suite 210, Coos Bay, Oregon 97420

TENTATIVE AGENDA

1. **CALL MEETING TO ORDER**

2. **INTRODUCTION OF GUESTS**

3. **CONSENT ITEMS**
 - A. Approval of March 21, 2019 Board Meeting Minutes
 - B. Approval of May 9, 2019 Budget Committee Meeting Minutes

4. **OPEN BUDGET HEARING – FY 2019/20 BUDGET**

5. **BUDGET HEARING – FY 2019/20 BUDGET**
 - A. Public Hearing
 - B. Budget Document
 - C. 2019Res01 Adoption of Budget for Fiscal Year 2019/20

6. **CLOSE BUDGET HEARING – FY 2019/20 BUDGET**

7. **OPEN BOARD MEETING**

8. **ACTION ITEMS**

9. **PUBLIC COMMENT**

10. **SCHEDULE NEXT MEETING DATE**

11. **OTHER/ADJOURN**

Consent Items

**COOS COUNTY URBAN RENEWAL AGENCY
REGULAR BOARD MEETING**

7:30 A.M. Thursday, March 21, 2019

Port of Coos Bay Conference Room, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

DRAFT MINUTES

ATTENDANCE

Agency Board Members:

Chairman Todd Goergen, At Large; Eric Farm, Port Commissioner; Howard Graham, City of North Bend; Mike Erbele, City of North Bend; and John Sweet, Coos County.

Guests:

Shaun Gibbs, South Coast Development Council; Maeora Mosieur, Budget Committee; John Burns, Port Staff; Megan Richardson, Port Staff; Mike Dunning, Port Staff; Lanelle Comstock, Port Staff; and Krystal Moffett, Port Staff.

1. CALL MEETING TO ORDER

Chair Todd Goergen called the meeting to order at 7:35 a.m.

2. INTRODUCTION OF GUEST

3. CONSENT ITEMS

A. Approval of October 19, 2018 Regular Board Meeting Minutes and November 8, 2018 Special Board Meeting Minutes.

Upon a motion by John Sweet (Second by Mike Erbele), the Agency Board Members voted to approve the October 19, 2018 Regular Board Meeting Minutes. **Motion Passed.**

Upon a motion by John Sweet (Second by Mike Erbele), the Agency Board Members voted to approve the November 8, 2018 Special Board Meeting Minutes. **Motion Passed.**

4. DISCUSSION ITEMS

A. Transpacific Parkway Project Update – Presented by Mike Dunning

At the previous meeting, a motion was approved to conduct engineering and 30% design for permitting for the not to exceed cost of \$25,000. The Port solicited for quotes and received two. The project solicitation was released as a three phase project. Phase 1 included survey and proposal of alternatives with development of estimates for each. Phase 2 was to develop 30% design and engineering for the selected alternative and provide cost estimates for permitting activity. Phase 3

was to develop construction and bid documents to obtain the required permits, and to provide engineering support. The total bids received were for \$73,000 and \$68,000.

Chair Todd Goergen stated the cost is much more than the Board anticipated. John Burns stated with the three phase process, Port staff may be able to take some of Phase 3 in-house and reduce the scope of work and cost. Mike Dunning confirmed Port staff could take on the permitting work.

Mr. Goergen asked whether the high engineering cost was due to the length of the culvert and the extent of the trenching. Mr. Dunning stated he met with John Rowe of Coos County; the surveys they have done are for the southern portion of Transpacific Parkway, and not the section that starts at Southport to the first big turn. This is the area where the majority of flooding takes place. The area discussed where pits are potentially stopping the drainage does flood under the worst of conditions but is not the biggest issue. This RFQ was let to evaluate alternatives, not just focus on areas that are thought to be the concern. This is why the engineering costs are so high.

John Sweet asked to examine a picture of the area. Mr. Dunning showed Mr. Sweet the two main areas of blockage and the areas surveyed by the County. Mr. Dunning stated that he and Mr. Rowe looked at the idea of putting a culvert in the area of a sand pit thought to be the problem but stated that it likely wouldn't alleviate the problem. There is a slight elevation that would help with drainage but engineering is needed. Mr. Sweet stated it should be simple to unblock these areas and see what happens. Mr. Dunning stated that a culvert would likely still be needed to drain this area, but there have been no surveys of the area so it is unknown. Mr. Goergen stated the only thing holding this project up is the need for a permit. Mr. Dunning stated the engineering and design documents are needed before the Army Corps will issue the permit.

Mr. Goergen stated this has become a much bigger project than anticipated. Mr. Sweet stated this should be a simple fix, just wait for the culvert until it is needed. Mr. Dunning stated when the water is high at 8-10 inches on the roadway, there was no water in the area where it is thought to be a blockage. If the elevation was such that it would naturally drain, then there would be water in that area. Mr. Dunning stated it would be a wasted effort if that did not alleviate the problem. Howard Graham asked what it would cost to unblock the two areas that Mr. Sweet is referring to. Mr. Dunning stated there is not an estimate, and engineering and design is needed for the Army Corps to look at permitting.

Mr. Burns suggested going back to narrow the scope. Phase 1 could be approached from one side by the survey the County had done previously. If that doesn't solve the problem, then move forward with Phase 2 looking at the opposite side of the road. Mr. Sweet asked what it would cost to hire a surveyor to just survey the whole road area, stating that elevation information would then be available. Mr. Burns stated work is being done at the Southport facility to build a new slip and dock, it may be possible to somehow incorporate the projects. Phase 1 could be the surveyor, and then Phase 2 could be to work with Southport and come up with a solution to benefit all.

Mr. Dunning stated the Army Corps will not allow drainage of existing wetlands, so the system needs to be developed to incorporate drainage to satisfy that requirement. Once the wetlands reach overflow, the drainage would kick in. Mr. Goergen stated that will be determined by the survey, delineating the wetlands and vegetation. Mr. Sweet stated the blockages in the area are disrupting

natural drainage, and the work would restore that. Mr. Sweet suggested working with Southport while also obtaining a survey and more information. Mr. Goergen stated the engineering estimate should be reduced if the survey was already done, so the area could be more specifically identified; this is taking a more cautious approach.

Mr. Dunning stated surveying during the winter would be difficult, due to the amount of water; it would be best to wait for the dry season. Mr. Sweet asked if the road had flooded this winter, stating he hadn't heard of any.

Upon a motion by John Sweet (second by Howard Graham), the CCURA Board authorized the hiring of a surveyor to survey the elevations of the areas appearing to be natural drainage along the Transpacific Parkway, to the west side of the road in the vicinity of the Southport facility and continuing to the south end of the road. **Motion Passed.**

B. FY 2019/20 Budget Planning Calendar – Presented by Megan Richardson

Megan Richardson presented the Board with information for the fiscal year budget planning calendar. The first budget committee meeting is tentatively scheduled for the week of April 22, 2019. Port staff will send a doodle poll to find the best date for everyone. The second budget committee meeting, if needed, will be scheduled the following week.

C. Term Expirations and Vacancies – Presented by John Burns

Mr. Burns stated there is a vacancy on the board, in one of the at-large seats. If any Board member knows someone who would be a good fit, please bring back those nominations. Mr. Burns also noted current members are all up for renewal; Mr. Sweet brought that to the County for approval in January. One change has been made to the Port's representation; Brianna Hanson has elected to step away from the Board, and James Martin has been nominated to take that seat. Mr. Burns stated there is also a vacancy on the budget committee. All existing members will be contacted to determine their continued interest, if the numbers come up short, Port staff will solicit for new members to join the committee.

D. NW Natural Gas Pipeline Extension – Presented by John Burns

Mr. Burns stated the Port was approached by South Coast Development Council with a prospective business looking for sites in the state of Oregon. Their business relies on natural gas; in discussion with NW Natural they will not cover the entire bill of running new infrastructure to the potential site. Mr. Burns asked Shaun Gibbs to give the Board more information to see if this project would be a good fit for Urban Renewal.

Mr. Gibbs stated SCDC is a point of contact for Business Oregon to field requests for information from potential businesses looking to expand or relocate within the state. This project is a metals manufacturer who relies on natural gas. This is a preliminary discussion and SCDC submitted one site located on the North Spit, within the Coos County Urban Renewal Area. Natural gas is about 3.5 road miles from the property. Discussion with NW Natural projected the cost to build pipeline to the site at about \$2.25 million. This project would create about 100 jobs in the first 5 years,

potentially doubling in the next 5 years. They would be a large utility user for both Pacific Power and NW Natural. SCDC approached the Port to gauge interest in providing a letter of support from the CCURA to potentially provide funds for the development of the needed infrastructure, contingent upon there being an end user at the site.

Mr. Gibbs stated one site was identified. Most property on the North Spit is zoned Water Dependent Industrial; this property is zoned Industrial and is outside of the Coos Bay Estuary Management Plan (CBEMP). It is on the north side of Transpacific Parkway and is about 90 acres of dune landscape. It will fit the need but have some development costs associated. Mr. Goergen stated the land is owned by his family and he will be taking a step back from any discussion or vote to avoid a conflict of interest.

Mr. Sweet asked whether NW Natural would participate in the development. Mr. Gibbs stated they likely would, with a substantial user lined up; discussions are still preliminary. Mr. Sweet stated this project sounds like something the Urban Renewal Board should explore. Mr. Burns stated this project would be a good fit and the potential of bringing 200 jobs into the community is significant. The only downside would be building a piece of infrastructure that serves just one user. It does warrant further exploration to show the willingness of the community to help attract new businesses.

Mr. Gibbs stated the RFI asked for 40-60 acres or a 60-80,000 sq.ft. facility. There are facilities on the North Spit that could accommodate but they are not available to this project. Bare ground is the only option in our region that is close to natural gas. Mr. Sweet stated a green light should be given to explore this further, with NW Natural and a potential user at the site. Mr. Gibbs stated the timeline for the project is unknown, and the RFI response was submitted last Friday. Mr. Burns asked what is needed at this time to move forward. Mr. Gibbs stated a letter of support would be helpful, stating the CCURA intends to use funds to support potential development. Mr. Burns stated this will send a good message that Coos Bay is open for new business.

Upon a motion by John Sweet (second by Howard Graham), the CCURA Board authorized Port staff to draft a letter of support to SCDC and a potential customer stating the Board's willingness to participate in discussions of using Urban Renewal funds to support the extension of the NW Natural pipeline on the North Spit. Todd Goergen abstained from voting. **Motion Passed.**

5. PORT PROJECT UPDATE

A. Channel Modification Permit Application

Mr. Burns shared an informative handout on the Channel Modification Project, with an update on progress. The Port continues to move this project forward. If construction were to begin in 2021, it would be completed in 2024. Mr. Dunning stated the Port is currently getting ready to submit the final engineering and design report in April; this will be the last report submitted to the US Army Corps of Engineers. There was a meeting on Tuesday with state and federal agencies that will have decisions regarding permits and approvals; the meeting went well. Mr. Dunning shared this project has been selected by the White House for a streamlined permitting processing, along

with one deepening project on the East Coast. It will result in one record of decision from all federal agencies and is a two-year target. Mr. Dunning stated as soon as the final report is submitted, the permitting phase will begin. On the back of the handout, the focus is environmental. The area in red shows where all the water quality modeling was done, including tidal prism change and hydrodynamic modeling. On the bottom left shows the zone of effect; when digging the channel deeper material will slough in, and this shows the maximum zone of effect of deepening. Mr. Dunning stated as part of developing ocean disposal site 103, EPA designated, beneficial uses of the materials must be looked at. The site will accommodate sand, approximately 6 million cubic yards over three years. The agencies want to see as much of the sand as possible stay in the system; they just finished a 3-4 year sediment tracer study of site F, not far from site 103, and about 90% of the materials goes up the beach and rebuilds it. Mr. Dunning stated the handout is available on our website.

Mr. Burns spoke of the perception that the Channel Modification Project is happening based on Jordan Cove and stated that is not the case. This project was initiated well before Jordan Cove was a factor. It was in 2006 when Senator Verger proffered a bill to provide state funding for the project. To date, the state has provided \$5 million that has been used for preliminary engineering and design work. In the last biennium, \$15 million was released for bonding which will likely happen next year. In this biennium, the ask is for the funds to be bonded and released in the upcoming cycle. Total state funding will be \$60 million. It is critical for the future economic benefit of this area that the channel is deeper. If not, this area will not have as much success being able to attract companies that want to economically move their goods. Ships are much larger today, and to compete in the global market this area needs to be able to attract those ships. Jordan Cove is a partner in the development of this project, and the Port will continue to look for other partners. This is a project for the benefit of Coos Bay, not just one company. Mr. Sweet asked if chip ships are also getting larger. Mr. Burns confirmed; this project will benefit existing customers as well. Mr. Burns spoke of the Port's desire to build a multi-use terminal on the North Spit that could accommodate numerous types of products, so this area is not reliant on one product. That was the demise in the 1980's when the timber industry market fell out and the area fell on hard times. Mr. Sweet asked about the possible development at Southport and stated this project would tremendously help two local companies.

Mr. Burns spoke of the ancillary jobs that accompany ships calling on port. The ability of these companies to rely on the rail will also help potential growth. Howard Graham asked how that ties into the viability in the long run for companies like Oregon Chip Terminal or Ocean Terminals. Mr. Burns spoke of the restrictors on the railroad bridge and the McCollough Bridge, they won't be able to bring in larger ships than today.

Mr. Sweet asked if information was available on the possible effect on the eel grass. Mr. Dunning stated that based on calculations, eel grass will not be a factor. There will be clams effected, but there is no precedent for mitigating deep water habitat. There have been 10 previous deepening's in this harbor, and the clams have come back each time. Mr. Sweet stated that is good information to share. Mr. Burns stated the Port will put this information out through social media outlets and engage with people about the project and what impact it will have on the estuary and businesses.

Mr. Dunning stated that blasting has been added back on the table. There is equipment out there that can potentially cut the rock with a cutter head but that would leave the project with only one potential bidder. The blasting of today is much more confined, called stemming, where they set charges off at certain times to reduce the pressure wave and all you see is bubbles. The pressure wave is reduced 60-90% and is less damaging than constant grinding of the rock. The 103 site is being developed off shore and will potentially create fish and crab habitat.

B. Coos Bay Swing Span Bridge

Mr. Burns stated the swing span bridge repairs are nearly complete, and the boxcars that have been stranded in downtown are scheduled to be moved out within the next three weeks. It is anticipated that the bridge will be open to rail traffic about April 15th then close for a few days to ensure everything lines up and then the bridge will be reopened to rail traffic with final adjustments. By the end of this week, the contractors should be able to remove the scaffolding in the center portion. It has been a long time coming, but with 100-year old infrastructure repairs are more delicate. It has been a challenge, making sure that things are done according to public contracting rules, ensuring the right contractors were in place, and making sure things were done right the first time. The shoring structures will be disassembled but maintained to aid in work related to the federal BUILD grant. That work includes all three swing span bridges, nine steel bridges, the Vaughn Viaduct, and the Coalbank Slough Bridge. The Port is working with MARAD to finalize the grant agreement, then the bidding process will begin. The engineering work for the Vaughn Viaduct is already done and ready to go, so that will likely be first. It is a large section of raised track across the gorge near Vaughn. The existing structure will be maintained in operation and the new one will be built next to it, so as not to interrupt rail traffic. Every rail car that runs on the Coos Bay Rail Line crosses the Vaughn Viaduct, whether they originate north or south.

6. OTHER

Director of Finance Megan Richardson shared updated financials with the Agency Board. The balance sheet shows bank balances at the end of February in the state pool at \$1.2 million and Umpqua Bank at \$12,000; there haven't been any transfers from the pool to Umpqua in several months. Retained earnings were just under \$5,000 and that is part of the cash carry forward at the beginning of the year. Mr. Sweet asked about current debt. Ms. Richardson stated that debt is not shown on the balance sheet because Urban Renewal operates on a cash basis. With the budget to actual, it was estimated last year to have a carryover of \$1.12 million, actual was \$1.14 million. About \$19,000 in interest was earned on the pool account. Rates have been much higher than anticipated. For property taxes, the actual of \$70,000 was less than the budget of \$83,000. Debt service is right on budget; materials and project costs are much lower than estimated since projects have not yet started. Less was spent on audit this year; because of the lower spending a full audit was not required, only a review. Insurance is also lower than anticipated. Total materials and services for July through February was \$9,991 compared to a budget of \$316,000. Net income is \$1,223,078.

7. ACTION ITEMS

There were no action items.

8. PUBLIC COMMENT

There was no public comment.

9. SCHEDULE NEXT MEETING DATE

Next meeting date will be determined by doodle poll.

10. OTHER/ADJOURN

Chair Todd Goergen adjourned the meeting at 8:39 a.m.

**COOS COUNTY URBAN RENEWAL AGENCY
BUDGET COMMITTEE MEETING**

7:30 A.M. Thursday, May 9, 2019

Port of Coos Bay Conference Room, 125 Central Avenue, Suite 210, Coos Bay, Oregon 97420

DRAFT MINUTES

ATTENDANCE

Agency Board Members:

Chair Todd Goergen, At Large; Eric Farm, Port of Coos Bay; James Martin, Port of Coos Bay; John Sweet, Coos County; Howard Graham, City of North Bend; Mike Erbele, City of North Bend; and Joe Benetti, City of Coos Bay.

Budget Committee Members:

Pam Plummer; Bob Main; Ed Ellingsen; Jayson Wartnik; and Maeora Mosieur.

Guests:

John Burns, Port Staff; Lanelle Comstock, Port Staff; Megan Richardson, Port Staff; and Krystal Moffett, Port Staff.

1. CALL MEETING TO ORDER

Chair Todd Goergen called the meeting to order at 7:31 a.m.

2. INTRODUCTION OF GUESTS

3. SELECTION OF BUDGET CHAIR

Upon a motion by Eric Farm (Second by Bob Main), the Budget Committee Members voted to appoint Todd Goergen as Budget Committee Chair. **Motion Passed.**

4. REVIEW FY 2019/2020 BUDGET DOCUMENT

Chair Todd Goergen reviewed the budget document. The budget has been consolidated into one general fund for simplicity. Line item two shows available cash on hand at \$1.2 million. Previously levied taxes estimated to be received are \$10,000. Interest earned from capital is \$12,000. Tax increment revenues are expected at \$82,000. The next page shows expenditures; these items are aligned with historic spending. There is a placeholder for professional services and project support of \$100,000. Expenditure for materials and services is \$128,500; debt service on line 22 of \$6,696 brings the total expenditures to \$135,196. This leaves an unappropriated fund balance of \$1,168,804.

John Sweet asked what projects are anticipated. John Burns stated the amount of \$100,000 was used a placeholder due to unknowns of the Transpacific Parkway drainage project. Mr. Goergen stated the Agency's outstanding debt balance is \$35,000, amortized to be paid by 2026. The interest paid will decline annually; this year's interest is \$1,695.22. Mr. Burns stated there are plenty of projects to be done, such as infrastructure developments for prospective industrial businesses looking to relocate here.

5. PUBLIC COMMENT

Chair Todd Goergen opened the meeting to public comment at 7:37 a.m. There was no public present to provide comment.

6. CONFIRM NEXT BUDGET MEETING DATE OR APPROVE BUDGET

Upon a motion by Maera Mosieur (Second by John Sweet), the Budget Committee Members voted to recommend approval of the Coos County Urban Renewal Agency Budget for the fiscal year July 1, 2019 to June 30, 2020 to the full agency. **Motion Passed.**

7. OTHER/ADJOURN

Chair Todd Goergen adjourned the meeting at 7:39 a.m.

Budget Hearing

**COOS COUNTY URBAN RENEWAL AGENCY
NORTH BAY DISTRICT
RESOLUTION 2019Res01**

BE IT RESOLVED that the Board of Commissioners of the Coos County Urban Renewal Agency (North Bay District) hereby adopts the budget approved by the budget committee for fiscal year 2019/2020 in the sum of \$1,304,000 now on file at the Agency Office.

BE IT FURTHER RESOLVED that the amounts for the fiscal year beginning July 1, 2019 and for the purposes shown below are appropriated as follows:

<u>GENERAL FUND</u>		
Materials & Services	\$ 128,500.00	
Debt Service	\$ 6,696.00	
Total Transfers to Other Funds	\$ -	
Operating Contingency	<u>\$ -</u>	
Total General Fund		<u>\$ 135,196.00</u>
 <u>UNAPPROPRIATED ENDING FUND BALANCE</u>		
General Fund	\$ 1,168,804.00	
Special Revenue Fund	\$ -	
Special Reserve Fund	\$ -	
Capital Fund	<u>\$ -</u>	
Total Unappropriated Ending Fund Balance		<u>\$ 1,168,804.00</u>
 <u>TOTAL BUDGET</u>		 <u>\$ 1,304,000.00</u>

BE IT FURTHER RESOLVED that the Agency Board of the Coos County Urban Renewal Agency hereby resolves to certifies to the County Assessor for the North Bay District a request for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX of the Oregon Constitution.

The foregoing resolution was approved and duly adopted this **20th** day of June 2019 by the Agency Board of the Coos County Urban Renewal Agency, North Bay District.

Todd Goergen, Chairman
Coos County Urban Renewal Agency

Eric Farm, Vice Chair
Coos County Urban Renewal Agency