

1 Depoe Bay Urban Renewal Agency
2 Regular Meeting
3 Monday, June 29, 2015 6:00 PM
4 Depoe Bay City Hall
5

6 PRESENT: Chair R. Johnson, J. Fisher-Brown, Mayor A.J. Mattila, R. Gambino (dep. 6:46 PM),
7 J. Grant, S. Olsen, S. Sparks, K. Wyatt
8

9 ABSENT: B. Spores
10

11 STAFF: City Superintendent B. Weidner, City Planner L. Lewis, Recording Secretary
12 E. LuMaye, City Attorney D. Gordon (dep. 6:54 PM)
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14 I. CALL MEETING TO ORDER AND ESTABLISH A QUORUM

15 Chair Johnson called the Urban Renewal Agency meeting to order and established a quorum at 6:00
16 PM.
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18 II. APPROVE MINUTES – June 8, 2015 Regular Meeting

19 Chair Johnson called for comments on the minutes. Grant said he didn't have the minutes; Fisher-
20 Brown and Wyatt said they were not in attendance. Chair Johnson asked for a motion.
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22 Motion 1: Sparks moved to accept the minutes from the last meeting. Gambino seconded the
23 motion.
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25 Chair Johnson said it was moved and seconded, and called for discussion. Grant said he had not had
26 a chance to review the minutes, and asked for a chance to quickly look them over. After a
27 momentary delay, Grant asked if everybody else had read the minutes. Several Members responded
28 they had. Olsen commented he believed the minutes had been distributed with the Council
29 minutes. Grant said he could vote Nay on them. Chair Johnson called for the question.
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31 Vote: Motion 1 passed.

32 Ayes: Gambino, Grant, Johnson, Mattila, Olsen, Sparks

33 Abstain: Fisher-Brown, Wyatt
34

35 III. REVIEW URBAN RENEWAL PLAN PROJECTS AND PAST PRIORITIES

36 Sparks said the Agency has done a tremendous amount of work done since 2008 – volunteers, Staff,
37 former Council, former Mayor – a lot of investment of time. He's taken time to do some research,
38 and said the more he looks into it the more complicated it becomes. Not to take away from the good
39 work that's been put into it, he said there are business issues that have lots of legs, and implications
40 that are global in the context of moving the community forward. He also thought about legal
41 implications, and asked himself what he needs in the way of education so he can be a responsible
42 City Councilor and be able to digest and look at all this so that we're doing the right thing on behalf
43 of the community. That's why he asked to have the City Attorney come to this meeting. He also
44 thinks it's important to be reminded from time to time about fiduciary responsibility and the legal
45 implications of conducting business. The specific question for the City Attorney is to review what
46 he feels the fiduciary and legal implications are of the Urban Renewal process. City Attorney
47 Gordon said he'd spoken with Sparks, Chair Johnson, and Mayor Mattila prior to this meeting to

1 find out what the issue was that would be discussed, and came away from those conversations with
2 these questions: 1) As Members of the Urban Renewal District Board, what responsibilities do they
3 have? 2) Is there a duty to get regular training and is that required under the law? 3) Liability. He
4 said 1) Councilors took oaths when they were elected that require them to follow the U.S.
5 Constitution, the Oregon Constitution, the Oregon Revised Statutes (ORS), and the laws and
6 Ordinances of the City of Depoe Bay; this includes Urban Renewal District Ordinances. That
7 creates a duty on the Councilors' part to obey those rules, and if you don't do that, you're not
8 performing your sworn duty as a public official. He said if you characterize that as a fiduciary
9 responsibility, that's certainly a good way to characterize it; there's no harm in saying that's what it
10 is. He said one of the requirements in ORS is that you have to comply with the Ethics requirements
11 of those State laws, which means there can't be any self-dealing, you can't feather the nest of
12 someone you know, or misuse public funds; and to that extent there is a fiduciary responsibility to
13 make sure you comply with those laws. 2) He does not believe there is any legal requirement for
14 Members of the Urban Renewal District Board to engage in educational opportunities, but there's
15 nothing wrong with bringing in an educational consultant. He said he's represented Urban Renewal
16 Agencies for almost 35 years, and sometimes they bring in trainers and sometimes they don't. He
17 said a lot of public entities learn on the job from other people who have already been there, and gain
18 experience. He didn't think there's anything wrong with getting training, but he doesn't think
19 there's a legal requirement, so he doesn't think the Agency would be breaching a duty if they don't
20 get training. If the Agency feels it's valuable, then it's a legitimate public expense if the Agency
21 cares to incur it. Grant asked Gordon if there's a process the Agency is required to go through when
22 making appropriations for certain projects. Gordon said Murray sent him a copy of the Urban
23 Renewal Ordinance, the adopted Plan, and the draft plan upon which the Ordinance was based; after
24 reviewing the documents he again spoke with Murray and they discussed how priorities have been
25 set, which is through the Budgeting process and perfectly acceptable. Grant asked if there are any
26 public notices required as we appropriate and/or spend funds after appropriation, for public input on
27 the way the Urban Renewal money is being spent. Gordon said no, there were notices for the
28 Budget meetings published in the newspaper, then there were notices for the Budget hearing
29 published in the newspaper, and the full proposed Budget was available for review at City
30 Hall. Chair Johnson said the Urban Renewal Agency is separate from the City Council, and their
31 Budget is separate from the City's Budget; Urban Renewal holds its own public meetings and
32 public hearings, and manages and spends the money themselves. He stressed the Urban Renewal
33 Agency is an independent organization, separate from the City. Wyatt questioned the composition
34 of the URA as relates to the City Council; Gordon said this kind of setup is not unusual. Sparks said
35 he feels comfortable making decisions on issues brought to the Council from Commissions such as
36 Parks and Planning, which he views as experts, but he feels differently about the URA, especially
37 since four of the Councilors are new. He has no sense of comfort about the plan that was done in
38 2008. He sees what other communities are doing, and the criteria for public input and potential
39 public/private partnerships. For him, this is very, very complicated. Grant asked about the
40 methodology that was used to set up the Urban Renewal area borders. Chair Johnson said there
41 were two criteria used to decide the area: 1) Where might we want to do Urban Renewal? and 2)
42 Where might improvements be made so we would get more tax money to fund Urban Renewal? He
43 used the Stonebridge development area as an example because at the time it was mostly vacant lots,
44 and property tax assessment would increase as the land was developed; that area is now the biggest
45 source of income the URA receives. Grant disclosed that he owns property downtown, and
46 commented on the unusual boundary line in the downtown core area; specifically, on the north side
47 of the bridge the boundary includes the Spouting Horn property, then goes up Bay Street and

1 excludes the rest of the downtown area Hwy 101 frontage, while including properties he owns
2 behind (east of) Hwy 101. He said there are almost blighted properties that are struggling downtown
3 that are outside of the Urban Renewal boundary, so he wonders why the boundaries are where they
4 are. Chair Johnson said certain properties were specifically added because of discussions over
5 parking. Gordon provided a basic explanation of how urban renewal works. There was discussion
6 about revisiting where the boundaries are. Grant asked Gordon how long urban renewal plans
7 last; Gordon replied 20 years, and the plan can be amended along the way. The plan can also be re-
8 instituted after the 20 years have passed if blight still exists. Mayor Mattila said there is a list of
9 projects that aren't being tended to. Chair Johnson said the plan can be amended at any time, the
10 people on the Board can be changed, and the list of projects should be reviewed every year; he's
11 very glad the plan and priorities are being reviewed now. He said the plan includes the ability to
12 give loans or grants for building renovations. Gordon added for private and public entities. Chair
13 Johnson said there are misconceptions on the previous approach that has been taken. There were
14 differences of opinion on what should be done, but there were three sound objectives in the plan: 1)
15 Implement part of the Downtown Refinement Plan, especially south of the bridge, 2) Improve
16 public safety, including sirens and crosswalks, and 3) Do nothing and let the money build up to take
17 on bigger projects in the future. He said there was a realistic discussion of building rehabilitation at
18 that time, but the feeling then was that there was not a need; Whale Inn was still open at that point
19 in time. There was no focus on the harbor; the big money went to south of the bridge, the tsunami
20 sirens, and the Coast Avenue water line. The Agency had looked at all the things Urban Renewal
21 can do, and decisions were made by majority vote. Sparks asked if paving the parking lot met the
22 criteria for an Urban Renewal project; Chair Johnson replied there was a difference of opinion
23 between Agency members on that issue, which was carried by a majority vote. Sparks pointed out
24 Gambino had been waiting to speak. Gambino said his question had turned into a comment, and
25 said if this Board sees fit to change its fiduciary responsibility and/or its projects, even down to its
26 established boundaries, then he would suggest the Board also change the bylaws and show this
27 Agency will not operate by Robert's Rules of Order, because just as the City Council does, this
28 Agency does not operate by Robert's Rules of Order. He said on a particular subject, he raised his
29 hand when one particular Councilor had spoken three different times on the same subject, and he
30 (Gambino) was not recognized, but the other Councilor was. Gambino left the meeting at 6:46 PM,
31 followed by discussion about his departure. Gordon said he has the right to excuse himself if he
32 feels he can't continue; should a departure jeopardize a quorum, it should be explained to the public
33 official. Mayor Mattila spoke in defense of Gambino, saying he's brought this up before in
34 meetings, but because he's a quiet type of person that could be a reason why he doesn't get
35 noticed. Fisher-Brown said we all have things we'd rather be doing, and if she felt her time was
36 being wasted or disrespected, she'd do the same thing. Robert's Rules of Order is what the Council
37 has agreed upon to keep order in meetings and it needs to be enforced. Grant apologized to the
38 Chair, saying he had his hand up, the Chair recognized Olsen, and then Gambino put his hand up
39 when Grant had his hand up for several minutes already, and when the Chair recognized Gambino,
40 Grant felt like he was out of order, but it's the Chair's discretion. He also apologized to the absent
41 Gambino, if he felt usurped, but Grant was feeling left out at that point. Gordon asked to be
42 excused, and departed at 6:54 PM.

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44 IV. Review Potential Projects for Action

45 ● Current Projects

46 Chair Johnson said current projects didn't need to be reviewed.

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1 • Increased Parking

2 Chair Johnson referred to his handout (copy attached to original of these minutes), and
3 recommended a thorough review of the previous parking study be done. The areas specifically
4 named were west of Conway, along Combs, the east side of Hwy 101 south of the bridge, and
5 between Shell and Hwy 101 at Schoolhouse. Sparks looked to Lewis to help the Agency through
6 this process in terms of criteria and to help them understand how these projects fit into the
7 strategy. Olsen commented that Agency members should review what has happened before. Wyatt
8 commented on the length of the Projects to Review list; Chair Johnson responded that he felt there
9 were only two things on that list, one of which was to increase parking. Grant was having second
10 thoughts and he felt it was important to run up a red flag because generations have passed and
11 ownerships have changed throughout the city. There's a lot of legacy ownership left downtown (he
12 did not include himself in this group), and when the original parking was determined, some of his
13 properties were grandfathered in. He said every available parking place in town was occupied this
14 weekend. He saw that as a good thing except for the people that wanted to stop. He said a guiding
15 principle should be to do no harm. He noted that the Flying Dutchman property (owner Cutler) has
16 a park-like atmosphere and is for sale. He suggested that property could provide parking for a whole
17 different type of clientele, by providing limited RV parking. He also identified a lot on the corner of
18 Collins & Conway that is for sale. There was additional discussion about parking. Chair Johnson
19 asked Agency members if we should be doing homework to try to understand how would we do
20 parking in the areas discussed, and who's going to do it? He suggested Agency members look into
21 parking west of Conway and come back with the question of how would we go about having Urban
22 Renewal pick up one of those properties. Mayor Mattila said the Cutler property is for sale, and he
23 thought it would be a great opportunity for the property owner to put in an RV park that would
24 benefit the City and themselves. Olsen suggested having Lewis get assessed values of some of these
25 properties to get a fundamental benchmark of the kind of monies we're looking at. He suggested
26 including the Whale Inn property with this research. Sparks said the conversation was starting to
27 make some sense to him; that we go in and pick one of these and start to do our investigation.

28
29 Chair Johnson recommended:

- 30 1) that Lewis look at the first four items listed under parking, and find out the assessed value,
31 what the things are we would have to do, what are the limits and hurdles we might run into.
- 32 2) that Grant look into parking behind his shops west of Conway, including the little piece
33 owned by Woodmark up above; and come back with some ideas of whether or not it makes
34 sense to do it, and what all would be involved.
- 35 3) that Mayor Mattila talk with Mr. Cutler about any options we might have with him and what
36 we might be able to do with a public/private approach. Mayor Mattila said he could do that.

37
38 There was brief discussion about the need to make a public announcement for subcommittee
39 meetings, and Chair Johnson said Agency Members should do these things on their own and then
40 come back and report what they find out.

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42 Grant said the Agency should focus on properties that are for sale, and he would be happy to bring
43 back a report. Olsen said the idea to provide funds for downtown to improve its look is a great idea,
44 and he wanted to see on a future agenda, what it would actually take to re-district to allow the
45 Agency to put all those businesses in the Urban Renewal District. Wyatt said before we decide what
46 to do with funding, we should have somebody come in with a plan. Olsen said he thought we should
47 have our heads straight before we call somebody in to tell us how to do this. He would like to see

1 the group more collected toward a single purpose. Chair Johnson said we have a plan that was put
2 together by Mr. Kupper, a well-known Urban Renewal consultant who has since passed away. The
3 plan tells us what Urban Renewal is and how it should work. He didn't think a new consultant
4 coming in is going to give us anything; however if some Members would be more comfortable
5 brining in a consultant, he wouldn't be against it but he's pessimistic they would learn anything that
6 isn't already in the plan. Chair Johnson re-stated the recommendations he made above. Grant said
7 he could have a potential conflict of interest in discussing some of these properties because he owns
8 some of them; Chair Johnson said we're not at the stage where a conflict of interest would
9 apply. Olsen asked Lewis to assign the properties he reviews onto a map, and wanted Lewis to
10 include looking at the parking lot on the corner of Collins and Conway. Chair Johnson commented
11 that both Sea Hag and Joan-E have put up signs for their parking lots. Grant said he took a loan out
12 on his properties and the agency would not loan on encumbered property; the lease Gracie had on
13 the parking lot for \$1 per year was an encumbrance, and the lease was broken so the property could
14 be sold.

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16 ● Renovations

17 Chair Johnson suggested he talk to Pery & Larry about what would be the application process for
18 somebody who wanted to do something – what would be in the application and what might be
19 considered – 0% loans, 50/50 loans or grants; so if someone wanted to apply to have their building
20 renovated, what kinds of things we might allow. He asked for ideas; Lewis said there are some good
21 examples of what Urban Renewal Agencies have done. Fisher-Brown asked what would be used for
22 security on a loan; Olsen said that's something we'd have to explore as it's a deep topic that will
23 require thorough discussion. Wyatt questioned whether the Agency would want control over style,
24 to look like a fishing village. Chair Johnson said several years ago there was a lot of discussion
25 about coming up with a fishing village theme for the city. They talked about what kinds of things to
26 do and how to implement it. He agreed that an application process should include a question of
27 what they want to do. He suggested Lewis, Murray, and maybe Olsen work together on rules that
28 we would put together and find out how an application process would work; Olsen agreed. Chair
29 Johnson asked them to come back a few weeks from now with the information. He asked each
30 Member to come to the next meeting with their list of which buildings they think should be
31 renovated or rehabilitated. Several Members acknowledged they would do this. Wyatt said property
32 owners should take some responsibility and come forward and say "I need some help, this is what I
33 need, here's my business plan". There was additional discussion.

34
35 Chair Johnson restated:

- 36 1) Lewis, Murray, and Olsen will put together a package of how applications can come in and what
37 kind of things we can and can't do.
38 2) Each Agency Member will come back to the next meeting with a list of the buildings and/or sites
39 they think should get on the list of renovators.

40
41 He asked if that was OK with everybody; several Members said yes.

42
43 ● Remainder South of Bridge Project

44 Chair Johnson asked Lewis if this is the right time to talk to ODOT about doing projects south of
45 the bridge; Lewis said yes, with a possibility of applying for the next STIP (Statewide
46 Transportation Improvement Plan), the current project is for 2015-2018 and this year's applications
47 would be for 2018-2021. Chair Johnson recommended the Agency apply for a grant, and asked

1 Lewis to look into it; Lewis said he would, and added the project was essentially for continuous
2 bike lanes and sidewalks on both sides of the street from the bridge to Schoolhouse Street, and
3 parking improvements. Grant asked if this would result in the loss of a lane of traffic; Lewis replied
4 maybe yes, maybe no, at this point no. Grant indicated if we were to lose a traffic lane he would
5 want to receive public input. Chair Johnson said he was recommending Lewis come back with
6 when the application has to be in, and what would be in the application. Lewis said a question worth
7 asking ODOT is whether it's worth our time and effort to pursue that grant, because originally the
8 funds were supposed to fund the entire project, but the funds that we got can't do that, so it could be
9 the time where ODOT could acknowledge we were only able to do half the project with the
10 funding, or they could say they just gave us funding for that. He said he has already had preliminary
11 conversations with ODOT about that. Chair Johnson asked Lewis to come back to the next meeting
12 with information on this issue. Lewis guaranteed he would not be able to get a definitive answer.
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14 ● Other

15 Chair Johnson asked if anyone had suggestions on other things the Agency should be looking
16 into. Fisher-Brown said public restrooms. Weidner said we are the only municipality in the state of
17 Oregon that rents restrooms from the public. Grant said the City owns enough property at the harbor
18 to build restrooms there, and before John Woodmark built the downtown restrooms, Gracie's Sea
19 Hag was inundated with traffic of people needing to relieve themselves coming into the restaurant
20 and it raised their costs. Weidner said the City maintained the restrooms at what is now the Whale
21 Interpretive Center for many, many years. Mayor Mattila said even if we build some we're still
22 going to have to maintain what we have. Fisher-Brown said more restrooms are necessary because
23 the store she works in gets a lot of people asking where the nearest restroom is, and they are
24 surprised when they learn there's only one restroom available downtown. Chair Johnson reminded
25 Members that if we pursue that at all, it has to be within the Urban Renewal boundary. There was
26 additional discussion about having public restrooms in parking lots, a railing for pedestrian safety
27 on the bridge, harbor eyesores, and potential loss of public access to the dilapidated wharf due to it
28 being used for commercial purposes.
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30 The next meeting was scheduled for July 27, 2015 at 6:00 PM.

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32 V. ADJOURN

33 There being no further business, the meeting was adjourned at 8:01 PM.

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Richard Johnson, Chair

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43 Emma LuMaye, Recording Secretary