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SEAL ROCK WATER DISTRICT
Regular Board Meeting
Thursday, August 9, 2018 @ 4:00 pm
1037 NW Grebe Street, Seal Rock 97376

1. Call Regular Meeting to Order:

2. Announcements/Visitor Public Comments:

Public comment period provides the public with an opportunity to address the Commissioners regarding Items on the agenda. Please limit comments to (10) minutes.

3. Consent Calendar:

Managers' reports included under consent calendar are an executive summary provided to Commissioners as an update of system conditions, projects, and programs. Management welcomes your feedback and request for more detailed information regarding any item before or during the meeting:

- | | |
|---------------------------------------|--------------------|
| • Invoice List | July/August – 2018 |
| • Budget Committee Meeting Minutes | April 19, 2018 |
| • Board Meeting Minutes | May 10, 2018 |
| • Board Meeting Minutes | June 14, 2018 |
| • Board Meeting Minutes | July 12, 2018 |
| • Financial Report / Approve Invoices | July/August – 2018 |
| • General Manager's Monthly Report | July/August – 2018 |

4. Discussion and Information Items:

- Consider Primary Source Water Project Update.
Presented by: Adam Denlinger, General Manager
- Consider Phase-3 AMI Project Closeout.
Presented by: Adam Denlinger, General Manager

5. Decision Items:

- Consider City of Newport Right of Entry and License Agreement.
Presented by: Adam Denlinger, General Manager
- Consider bulk water purchase policy.
Presented by: Adam Denlinger, General Manager

6. Reports, Comments and Correspondence:

- Notice of Substantial Amendment to the South Beach Urban Renewal Plan
- Oregon OSHA Consultation Report.

7. Executive Session: according to ORS 192.660(2), Concerning:

- (e) To deliberate with persons designated by the governing body with regards to sale/purchase of real property.

8. Adjournment: Next Meeting: September 13, 2018 @ 4:00 p.m. Regular Board Meeting or establish date.

Monthly Statistics		Comments				
Total customers	2554	Includes new connection Less Abandoned / Forfeited meter plus 3 SRWD meters (shop X 2 & office) plus 1 Hydrant meter				
New connections	3					
Abandonments / Forfeitures / Meter Removed	0					
Financial Report		Checking/MM	LGIP/PFMMA	Fund Balances	Comments	
General	\$272,944.60	\$16,638.92	\$289,583.52			
Bond	\$393,798.94	\$0.00	\$393,798.94			
Capital Projects	\$175,844.19	\$255,037.23	\$430,881.42		\$2,691,821.79 G.O. Bond Proceeds;	
Revenue Bond	\$2,711.37	\$11,486.72	\$14,198.09			
Rural Development Reserve	\$0.00	\$46,792.21	\$46,792.21			
2000 Loan Reserve	\$0.00	\$0.00	\$0.00			
Dist. Office/Shop Reserve	\$2,822.38	\$135,833.28	\$138,655.66			
Depreciation Reserve	\$0.00	\$72,752.04	\$72,752.04			
Special Projects / ODOT Reserve	\$0.00	\$0.00	\$0.00			
SDC (formerly SIP)	\$0.00	\$332,895.71	\$332,895.71		\$845,359.50 sdc collections thru 7/31/18	
Water Source Improvement Rsv	\$0.00	\$771,403.05	\$771,403.05			
TOTALS	\$848,121.48	\$1,642,839.16	\$2,490,960.64			
General Fund Review		Current	FYTD	Budgeted Amount	Comments	
Revenue	\$186,155.24	186,155.24	\$2,371,900.00			
Expenses	\$72,081.28	72,081.28	\$2,371,900.00		Contingency \$100,050; Transfers \$547,950. Total expenses budgeted \$1,723,850.	
Net Gain or (Loss) from Operations	\$114,073.96	\$114,073.96				
Water Sales Revenue Comparison		Month	FYTD	Comments		
Projected Water Sales	\$156,400	\$156,400		Leak Adjustments & Billings Adjustments (YTD = July - June)		
Actual + In Lieu of Water Sales Less H2O CR	\$169,941	\$169,941		Less: Billing Adj YTD \$-17.56 ; Leak Adj YTD \$607.28		
Over or (Under)	\$13,540.58	\$13,540.58		TOTAL YTD ADJUSTMENTS \$589.72		
Gallonage Comparison		Current	Prior Year	Cost Comparison	Current	Prior Year
Gallons Purchased	11,937,000	11,976,000	Toledo Charges	\$40,585.80	\$40,119.60	
Gallons Sold (includes accountable loss)	10,104,772	8,513,410	SRWD Sales	\$165,530.28	\$156,495.47	
Variance %	15.35%	28.91%	Ratio: Sales/Cost	4.08	3.90	
Accountable Water Loss (gallons)	800,000		City of Toledo Interlie Usage		0	
Approval To Pay Bills	Payroll 7/6/18 \$19,406.30		Payroll 7/20/18 \$20,735.94			
Month of:	July	(after meetings)	August			
	GF A/P	\$2,947.56	GF A/P	\$47,321.89	up to 8/3/18	
	CPF A/P	\$0.00	CPF A/P	\$0.00		
	City of Toledo	\$0.00	City of Toledo	\$0.00		
	Bond Fund	\$0.00	Bond / Rev Bond Fund	\$0.00		
	Depreciation Rsv	\$0.00	Depreciation Rsv	\$0.00		
	AMI Project-Phase 3	\$0.00	AMI Project-Phase 3	\$0.00		
	Master Plan - Phase 3	\$0.00	Master Plan - Phase 3	\$0.00		
	Prelim. MP- Phase 4	\$0.00	Prelim. MP- Phase 4	\$2,261.63		
	SDC Study/Projects	\$0.00	SDC Study/Projects	\$0.00		
	Water Source Impr.	\$0.00	Water Source Impr.	\$0.00		
Monthly Accrual Statistics		Beg. Balance	Accrued	Used/Paid	Balance	
	6/30/2018				7/31/2018	
Office Overtime Hours (2-01)	0.00	0.00	0.00	0.00		
Field Overtime Hours (2-02)	0.00	0.00	0.00	0.00		
PTO (3-01)	1819.38	115.70	39.50	1895.58		
Comp Time (9-01 / 9-02)	120.99	32.26	58.00	95.25		

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
July 12, 2018**

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Call Regular Board Meeting: President John Garcia called the regular board meeting to order at 4:00 p.m., Thursday, July 12, 2018.

Present: President John Garcia; Commissioner Glen Morris, Treasurer; Commissioner Rob Mills. Staff: Adam Denlinger, General Manager; Joy King, Office Manager. See sign in sheet for public attendance.

Excused Absences: Commissioners Sandra Mies-Grantham and Karen Otta.

Announcements: Commissioner Rob Mills will not be able to attend the August 9, 2018 board meeting. The General Manager, Adam Denlinger reported to the Board that the planned project presentation to the City of Toledo City Council was not put in the agenda as planned. He will make the arrangement for the next Work session or the next Council Meeting.

Public Comments: None

Agenda Calendar: Items on the consent calendar are Invoice Lists for June/July 2018; April 19, 2018 Budget Committee Meeting Minutes; May 10, 2018 Board meeting minutes; June 14, 2018 Board meeting minutes; June/July Financial Report/Invoices to approve; USDA Project Monitoring Report #No. 33 and General Manager's Report. Commissioner Glen Morris motioned to approve the consent calendar, except the April 19 Budget Committee Meeting minutes and May 10, 2018 board meeting minutes and June 14, 2018 Board meeting minutes. This exception is noted as there's a lack of a quorum to approve each minutes of the meeting. Motion was seconded by Commissioner Rob Mills. Motion carried 3-0.

Discussion and Information Items:

Primary Source Water Project Update:

Water Pipeline Route: The survey to access the Makai subdivision with the supply water line from Beaver Creek to the Makai treatment site has been completed. This new route through Makai has been included in the wetland survey. The survey and wetland information has been included in the Biological Assessment (BA) for final submission to National Marine and Fisheries Service (NMFS) next week. After the BA is submitted NMFS has 30 days to respond if the BA is complete or if they need more information. Since NMFS personnel has been reviewing the draft BA as it was developed, this might shorten the review period.

AMI Project Update: The AMI project completion date is July 29. The read rate throughout the system is 89%. The contract obligates the contractor to achieve a read rate of 98% within a 3-days read period. The Lost Creek Tower is not performing as designed and not receiving signals from expected meters, so the contractor is coming back to resolve the problems. Also, two repeaters were installed, one at the East Bayshore pump station and one at the north end of the District, to improve the meter read rate to achieve the 98% saturation by the end of July. If that is not achieved the District has the option of implementing liquidated damages. The project has already shown overwhelming results in finding leaks. The Project Monitoring Report shows around \$100,000 left over grant money that could be used to replace Pressure Reducing Valves at Bayshore and Sandpiper. Replacing the two PRVs was already part of the AMI Project but was removed when the bid came in too high. But it was planned to complete the PRVs if there is left over grant money. By self-managing the AMI project, the District was able to save around \$100,000 but the cost in replacing the 2 PRVs is approximately \$120,000. USDA is willing to work with the District to complete the PRVs providing the District will contribute the difference in cost. Commissioner Glen Morris motioned to contribute up to \$50,000 towards the completion of the PRV project. Motion was seconded by Commissioner Rob Mills. Motion carried 3-0.

Decision Items: None

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Reports & Comments,
Correspondence:

The District received an Oregon Health Authority Notice of Temporary Rulemaking for OAR 333, Division 61 "Cyanotoxin monitoring and testing at public drinking water system." This rulemaking doesn't affect the District.

Adjournment:

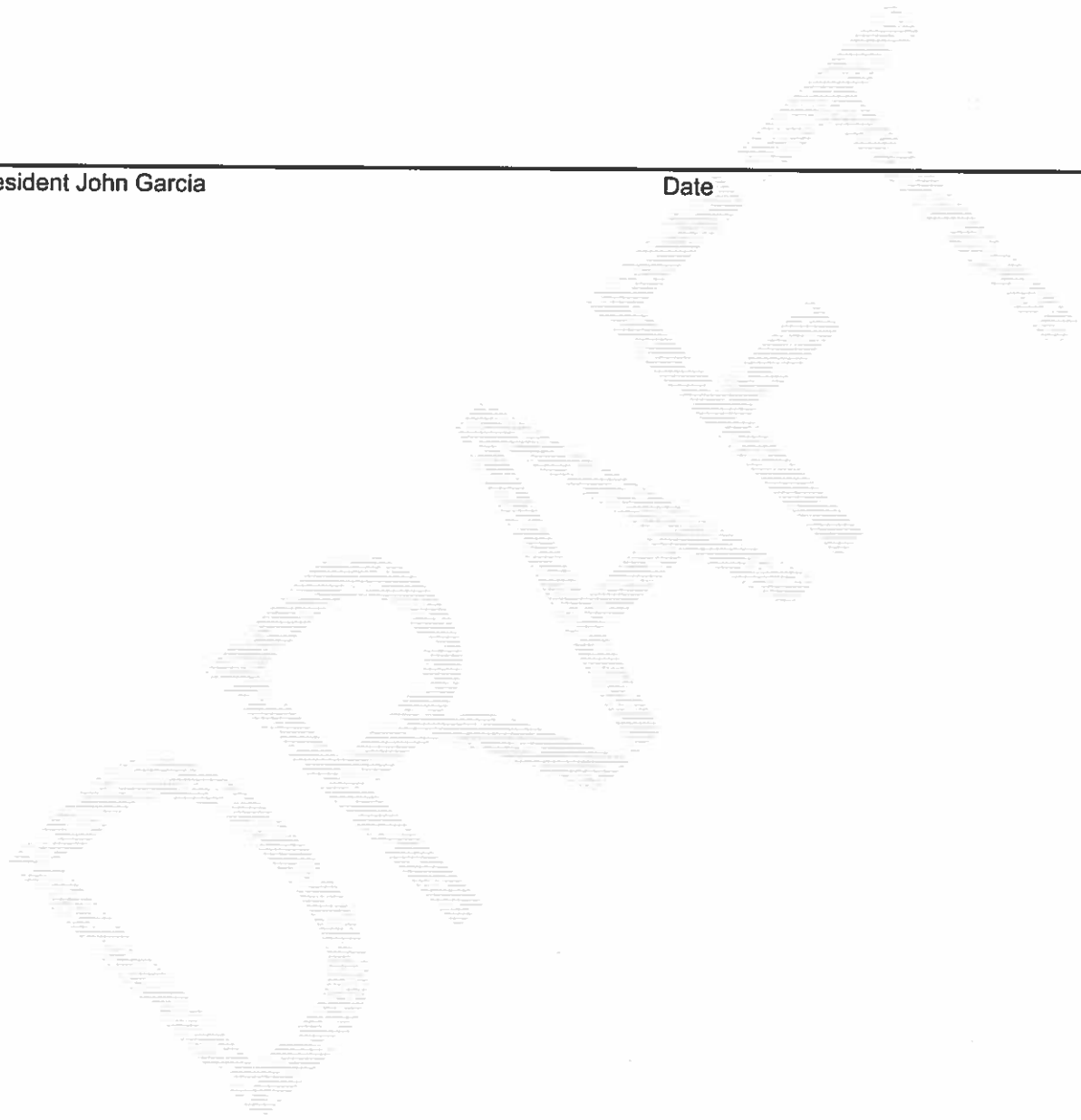
Commissioner Glen Morris motioned to adjourn the meeting. President Garcia adjourned the meeting at 5:00 p.m.

Next Board Meeting:

August 9, 2018 at 4:00 p.m. Regular Board Meeting.

President John Garcia

Date



Report Criteria:
Detail report.
Invoices with totals above \$0 included
Paid and unpaid invoices included.

ORIGINAL

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
01-5200						
STREAMLINE	97814	Streamline Monthly Member Fee	07/14/2018	200.00	.00	
Total 01-5200:				200.00	.00	
01-5271						
CENTURYLINK	072518	Toledo Pump Station SCADA	07/25/2018	74.94	.00	
Total 01-5271:				74.94	.00	
01-5290						
NORLAB, INC	80179	200 Toilet Dye Packets Blue per b	07/19/2018	273.00	.00	
Total 01-5290:				273.00	.00	
01-5291						
US POSTAL SERVICE - WALDP	72018	Bulk Mailing	07/20/2018	894.81	.00	
Total 01-5291:				894.81	.00	
01-5601						
IDEA PRINT WORKS, INC.	5348	Logo for Columbia button up shirt	07/18/2018	8.00	.00	
Total 01-5601:				8.00	.00	
01-5610						
CENTRAL LINCOLN P U D.	072018	Utility Services x 15	07/20/2018	1,496.81	.00	
Total 01-5610:				1,496.81	.00	
Grand Totals:				2,947.56	.00	

Dated: 7/31/2018

General Manager: A. Durkin

Dated: _____

Treasurer: _____

ORIGINAL

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
01-1310						
PAM BURRIGHT	071318	Refund Overpaid Final Bill	07/13/2018	34.02	.00	
Total 01-1310:				34.02	.00	
01-5290						
UMPQUA BANK CARDMEMBER	070218	BOLI 8 in 1 Poster	07/02/2018	15.00	.00	
UMPQUA BANK CARDMEMBER	070218	OfficeMax Office Chair for Brad	07/02/2018	299.99	.00	
Total 01-5290:				314.99	.00	
01-5291						
UMPQUA BANK CARDMEMBER	070218	USPS postage for Owen vac truck	07/02/2018	13.40	.00	
UMPQUA BANK CARDMEMBER	070218	USPS postage for Ferguson chec	07/02/2018	10.17	.00	
Total 01-5291:				23.57	.00	
01-5310						
UMPQUA BANK CARDMEMBER	070218	OMFOA King membership renewa	07/02/2018	110.00	.00	
UMPQUA BANK CARDMEMBER	070218	California Water Environment Ass	07/02/2018	280.00	.00	
Total 01-5310:				390.00	.00	
01-5610						
DAHL DISPOSAL SERVICE, INC	063018	Service (Office)	06/30/2018	60.95	.00	
DAHL DISPOSAL SERVICE, INC	063018	Service (Shop)	06/30/2018	60.95	.00	
Total 01-5610:				121.90	.00	
03-5710						
CH2M HILL ENGINEERS, INC	381151362	Beaver Creek Water Supply Proje	07/06/2018	26,863.10	.00	
Total 03-5710:				26,863.10	.00	
Grand Totals:				27,747.58	.00	

Dated: 7/13/2018

General Manager: A. Dumbri

Dated: _____

Treasurer: _____

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PO Box 190 · 1037 NW Grebe Street · Seal Rock, Oregon 97376
Phone: 541.563.3529 · FAX 541.563.4246 · Email: info@srwd.org

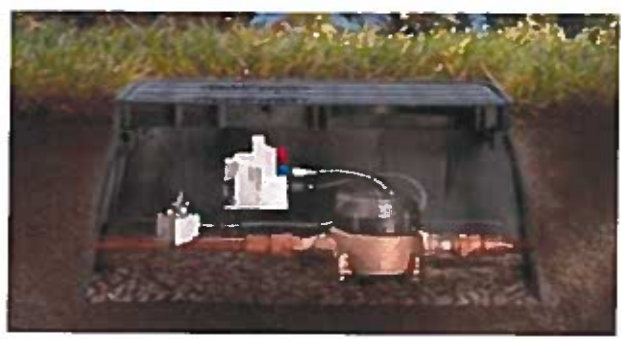
Seal Rock Water District

General Manager's Report:
Board Meeting August 9, 2018

This report is an executive summary provided with this Board agenda to Commissioners with recommended actions if any. Detailed information, staff reports, and supporting materials are provided within the full agenda packet.

• **PHASE-3 USDA-RD GRANT FUNDED AMI PROJECT:**

District staff are pleased to report that the contractor has reached final completion of the AMI project, and have begun the project close out process. Some punch-list items remain to be completed by the contractor and District staff are working hard to assist in the process. Conditions of the AMI project contact obligates the contractor to a Read Interval Success Rate of 98% in a one day reading window. There are currently 2,551 accounts on file, subtracting for those meters outside the District (South Bay Road Community) and a few others this condition has been successfully met by the contractor and verified by District staff.



While the system is still in its infancy, the District has already received an overwhelming positive response from customers who have received notification of high water use generated through the AMI program. The District has contacted several customers with an alert to the potential of a water leak in their system. With the old system, high usage was detected only through monthly meter readings and generally left the customer with a high volume of water usage to pay for before fixes were made. With 2,551 connections, detecting water leaks early with AMI is already having a positive impact on the District, our customers and, ultimately, the environment.

AMI installation is a \$1.5 million-dollar project, fully funded through a grant provided by the United States Department of Agriculture Rural Development (USDA-RD) through its Water and Waste Disposal Loan and Grant Program.

PHASE-4 SOURCE WATER PROJECT:

District staff and engineer are working continually with representatives from USDA-RD to certify the District's Biological Assessment (BA) for the Beaver Creek Source Water project. Environmental consultants provided a revised final Beaver Creek Biological Assessment to National Marine Fisheries Services (NMFS) on July 26, 2018. NMFS have notified the District that they are in receipt of the BA and will respond within 30-days with a notice that the BA is complete and acceptable.

District surveyor has surveyed the new route to access the proposed treatment plant site through the Makai Community. This option avoids impacts to the conservation easement, but obviously adds additional cost to

the overall project. Staff have been in contact with one property owner affected by this option to allow the District to access the property for the installation of the raw water line to access the Makai Community. Property owner is willing to allow the District to use the property as long as improvements do not prevent the property from being developed in the future.

District staff will continue to work with representatives from NMFS to provide additional information, in an effort to expedite the review process. Phase-4 improvements project continues to move forward with several critical path tasks currently in progress:

- Biologist Assessment was reviewed and final submittal to NMFS occurred on July 26, 2018
- Geotechnical investigation was completed in June and being used during final design.
- Easement and access agreements for construction and maintenance have been revised by the engineer for the development of legal description.
- District staff will continue coordinating with USDA-RD funding representatives to provide information and updates related to the source water project.
- District crews continue working with consultants to begin the Sampling and Analysis Plan (SAP) required as a condition of the District's water right permit for use of water on Beaver Creek.
- Engineer continues to provide water quality and treatability testing in preparation for developing specification for membrane procurement. District will test the source water cyanotoxins.
- Final Design was approved by the Board in June and District staff attended a kick off meeting with the Jacobs design team on July 24, 2018.
- Membrane Procurement RFP was advertised in the DJC on June 29, 2018, Proposal opening was scheduled for August 2, 2018.

• **OTHER NOTABLE ACTIVITIES FOR THE MONTHS OF JULY/AUGUST INCLUDE:**

-
- Attended weekly meetings with engineers and contractor to discuss AMI and source water improvements.
 - Facilitated District personnel staff/safety meeting.
 - Provided source water project presentation to the Pacific Shores Home Owners Association.
 - Coordinated installation of communication equipment at the Bayshore Pump Station.
 - Attended Mid-Coast Integrated Water Resources Coordinating Committee meetings.
 - Hosted regional municipal and water district working group meeting.
 - Coordinated with LC Work Crews to remove vegetation affecting the right-of-ways throughout the District.
 - Hosted meeting with OWRD and City of Newport to discuss potential funding opportunities.
 - At the request of the State Water Recourses Department, presented District challenges and opportunities at the Western States Water Council meeting in Newport on August 1, 2018.
 - District hosted an OSHA safety consultation on July 11, 2018.
 - District staff have been pulling information together in preparation for an Oregon Health Authority water system survey scheduled for August 29, 2018.

RIGHT OF ENTRY AND LICENSE AGREEMENT
Environmental Assessment (Phase 1 and Phase 2 Inclusive)

DATED: _____, 2018 (the "Effective Date")

BETWEEN: SEAL ROCK WATER DISTRICT ("Owner")

AND: CITY OF NEWPORT, OREGON ("City")

Recitals:

A. Owner's property ("Property") is located south of the Newport Airport within the approach and/or departure zones (Tax Lot# 12-11-00-00-03401). City desires to complete an environmental survey on Property that may include (without limitation) assessment of construction impacts, air and water quality impacts, cultural and archaeological inventory, fish habitat in connection with the Tree Management Project. City has selected a consultant in compliance to all requirements set forth in City of Newport Public Contracting Rules 2012 to perform related work.

B. City desires to obtain from Owner a license to enter the Property to conduct the Environmental Assessment (collectively, the "Work"), subject to and in accordance with the terms and conditions of this Right of Entry and License Agreement (this "Agreement").

C. City will be conducting the Work under contractual requirements of the Federal Aviation Administration related to rules on all projects funded with federal money as well as the City of Newport Purchasing Contracting Rules.

Agreements:

In consideration of the foregoing and the mutual covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. Right of Entry and License. Subject to the terms of this Agreement, City and the consultant chosen through the RFP review process (the "Consultant"), shall have reasonable and non-exclusive access to the Property for the purpose of conducting Work. All of the Work shall be undertaken and completed at City's sole cost and expense, in a good and workmanlike manner, without liens and fully in conformance with all applicable statutes, laws, ordinances, rules, regulations, and government requirements (together, "Laws").

2. Term. This Agreement shall commence on the Effective Date and shall continue thereafter until the Work is completed.

3. Advance Notice Required. City, it's Consultant, or Consultant's sub-consultant shall give Owner written notice (which may be given by electronic mail, as

provided below), at least two (2) business days prior to entry onto the Property by any person engaged in connection with the Work.

4. AS IS. City accepts the Property, AS IS, WHERE IS, with all faults, latent and patent, without any representation or warranty by Owner, expressed or implied, and City hereby assumes all risk and liability with respect to the Work and City's use of the Property. As an inducement for Owner to enter this Agreement, City expressly agrees that Owner shall have no liability whatsoever to City, the Contractor or any other person for any damage or injury related to the Work, or otherwise related to City's exercise of its rights under this Agreement

5. Maintenance of Property; the Work. City agrees that it shall maintain or cause to be maintained the Property in a safe condition during Work. Except as provided in Section 7.1 and 7.2 below, the Work shall be completed in accordance with acceptable standards and practices for an Environmental Assessment.

6. Permits and Approvals. Before City undertakes, or persons acting through or under City undertake, any activities on the Property, City, at its own risk and expense, shall first obtain (and thereafter maintain in effect during the term of this Agreement) all permits, approvals, consents of all authorities, agencies and persons required with respect to the Work or other activity, on the Property.

7. Insurance; Indemnity. Prior to entering the Property for any purpose, and at all times thereafter until this Agreement is terminated, City shall maintain and shall cause the Contractor to maintain their respective commercial general liability insurance policies, insuring against claims for personal injury, death and property damage arising out of the acts or omissions of City, the Contractor and person(s) acting through or under City or the Contractor in an amount of not less than \$2,000,000 combined single limit. City shall also cause the Contractor to maintain workers' compensation insurance as required by Laws and automobile liability insurance in an amount of at least \$1,000,000. Such policy(ies) of insurance shall: (i) be issued for periods of not less than one (1) year; (ii) be issued by an insurance company or companies qualified to do business in the State of Oregon reasonably acceptable to Owner; (iii) be written on an "occurrence" not a "claims made" basis; (iv) require at least thirty (30) days' prior written notice given to Owner before lapse, reduction in coverage or other termination, and (v) expressly be primary as to all other insurance available to Owner as to such risks. Before any entry onto the Property, and thereafter throughout the term of this Agreement, at least ten (10) days before any expiration of the expiring policies, City and the Contractor, as applicable, shall provide Owner with evidence of coverage that is acceptable to Owner. During the term of this Agreement, to the fullest extent not prohibited by applicable law, City shall indemnify, reimburse, defend, and hold harmless Owner and Owner's officers, employees, agents, directors, members, affiliates, partners, and their respective successors and assigns for, from and against all claims, liabilities, losses, liens, damages, costs and expenses (including reasonable attorneys' fees) arising out of damage or injury to persons or property caused by negligent acts or intentional misconduct of City or any contractor, agent, or employee of City, or its successors and assigns. City shall require the Contractor to provide this same indemnity for the benefit of Owner.

8. Notices. All notices, requests and other communication under this Agreement shall be in writing and shall be sent by United States mail, registered or certified, return receipt requested, recognized overnight courier prepaid, electronic mail or facsimile in accordance with the following instructions:

To Owner: Adam Denlinger
Seal Rock Water District
1037 NW Grebe St
Seal Rock, OR 97376
Email: adenlinger@srwd.org

To City: Melissa Román
City of Newport Public Works
169 SW Coast Highway
Facsimile: (541) 265-3301
Email: m.roman@newportoregon.gov

or such other person or address which Owner or City shall designate upon notice as herein provided. All such notices, requests, and other communications shall be deemed to have been sufficiently given for all purposes hereof on the date such notice was deposited in the manner hereinabove required, emailed or faxed, as the case may be.

9. Miscellaneous Provisions. This Agreement constitutes the entire agreement between the parties with respect to the Property and supersedes any other agreements related to the subject matter of this Agreement. No failure of Owner to enforce any term of this Agreement shall be deemed a waiver of such term in any other instance. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement shall continue to be valid and enforceable to the fullest extent. In the event any suit or other action is undertaken to enforce or interpret any term of this Agreement, the losing party shall pay the reasonable attorneys' fees incurred by the prevailing party in such suit or other action and any appeal or review thereof.

10. Counterparts. This Agreement may be signed in counterparts, which counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

OWNER:

SEAL ROCK WATER DISTRICT, OREGON

CITY:

CITY OF NEWPORT, OREGON

By: _____

Name: Spencer Nebel

Title: City Manager

**AGREEMENT TO SUPPLY POTABLE WATER
OUTSIDE THE DISTRICT
FOR DOMESTIC CONSUMPTION ONLY**

Dated: _____

Between:

Seal Rock Water District
1037 NW Grebe Street
Seal Rock, OR 97376

And: (Purchaser)

Purchaser Name _____

Physical Address _____

Mailing Address _____

Phone Number _____

Seal Rock Water District agrees to supply Purchaser with potable water for the purpose of domestic consumption, in order to alleviate hardship caused by failed water supply or drought.

While the District endeavors at all times to maintain water quality to State and Federal standards, no guarantees or assurances can be given for the quality of the water once it has been taken from the District's distribution system. If you are unsure of the condition of your container it is advisable that you *boil the water* before consuming it.

Water may be obtained at a set rate of the current outside domestic district rate, plus a monthly base fee of the current outside domestic district base fee and a 20% administrative fee. Water use is calculated through a meter provided by Seal Rock Water District, which is located 1037 NW Grebe Street.

Purchaser agrees to save, defend and hold harmless the Seal Rock Water District from any loss, damage, liability, claim, demand, cost or judgment including but not limited to expenses, attorney fees and costs from the use of water as a result of this agreement.

The District may terminate this agreement at any time for any reason, including the need to place water restrictions on District users in the event of water shortage in the sources of supply. Unless otherwise terminated, this agreement shall end within 30-days of the date this agreement is signed.

Seal Rock Water District
General Manager

Purchaser

CITY OF NEWPORT

169 SW COAST HWY
NEWPORT, OREGON 97365

COAST GUARD CITY, USA

JUL 17 2018



phone: 541.574.0629

fax: 541.574.0644

<http://newportoregon.gov>

mombetsu, japan, sister city

July 13, 2018

Adam Denlinger, General Manager
Seal Rock Water District
P.O. Box 190
1037 NW Grebe Street
Seal Rock, Oregon 97376

Re: Substantial Amendment to the South Beach Urban Renewal Plan

Dear Mr. Denlinger,

With Resolution No. 3800, the Newport Urban Renewal Agency initiated Substantial Amendment No. 13 to the South Beach Urban Renewal Plan that will, among other things, extend the deadline for initiating projects from 2020 to 2025 to provide an opportunity for the remaining planned projects to be implemented. Projected tax increment revenues, debt service, and other expenditures are such that this extension can occur without changing the 2027 deadline for retiring debt so that the Plan can be closed and increment released to the affected taxing entities. Substantial Amendment No. 13 also addresses the following:

- Documents the current level of funding for the US 101 SE 32nd Street – SE 35th Street Improvement project.
- Reflects the final reconciliation of the Safe Haven, SW Abalone, SW 30th, SW Brant, SW 27th and SE Ferry Slip Road projects, all of which are now complete.
- Shows additional funding for line undergrounding along SE Ferry Slip Road/US 101.
- Provides funding for a refinement plan to map out future use of the Agency owned property at the NE corner of the future 35th/101 intersection.
- Updates tax increment revenue and debt projections.

The legal requirements for the adoption of a substantial amendment to an urban renewal plan stipulate that the proposed amendment be sent to representatives of overlapping taxing districts. Because this particular plan includes unincorporated lands, the Lincoln County Board of Commissioners must consent to the changes. Approval from other overlapping taxing districts is not required; however, the City is obligated to respond to any written recommendations from the districts. This letter is the official transmission of Substantial Amendment No. 13 to the South Beach Urban Renewal Plan. The Newport Planning Commission and City Council will hold public hearings on the proposed amendment, as follows:

- Planning Commission – August 13, 2018, 7:00 pm, Council Chambers, Newport City Hall (169 SW Coast Hwy)
- City Council – September 4, 2018, 6:00 pm, Council Chambers, Newport City Hall (169 SW Coast Hwy)

Draft copies of Resolution No. 3800 and Substantial Amendment No. 13 to the South Beach Urban Renewal Plan are enclosed with this letter. If you would like to provide written comments, they will be considered by the Planning Commission and responded to by the Newport City Council. **Please provide any written comments by 5:00 pm, Wednesday, August 8, 2018.** For more information, please contact Derrick Tokos, d.tokos@newportoregon.gov or 541.574.0626.

Sincerely,



Derrick Tokos
Community Development Director

Attachments

- A: City of Newport Resolution No. 3800
- B: Draft Major Amendment 13 to the South Beach Urban Renewal Plan

RESOLUTION NO. 3800

**A RESOLUTION INITIATING
SUBSTANTIAL AMENDMENT 13 TO THE
SOUTH BEACH URBAN RENEWAL PLAN IN NEWPORT**

WHEREAS, City of Newport established an Urban Renewal Agency pursuant to ORS Chapter 457 with Resolution No. 1647, effective June 5, 1972; and

WHEREAS, the Urban Renewal Agency has been responsible for the preparation and implementation of the "South Beach Urban Renewal Plan," established with Ordinance No. 1341, adopted September 12, 1983; and

WHEREAS, the South Beach Urban Renewal Plan has been amended twelve times since it was initially adopted, with the last substantial amendment occurring on February 2, 2009 with Ordinance No. 1972; and

WHEREAS, with that 2009 substantial amendment, the effective period for initiating projects within the South Beach Urban Renewal Plan was extended from 2010 to 2020 and three phases of "conceptual projects" were identified to address blighted conditions within the plan area. The amendment further established 2027 as the date by which debt incurred to construct the projects would be retired; and

WHEREAS, while significant progress has been made in implementing identified projects, it has become evident that the 10-year timeframe for completing the three project phases is inadequate considering the time required to undertake additional planning and community engagement in order to refine the conceptual projects into tangible plans; identify funding partnerships and secure financing; acquire needed rights-of-way; obtain federal, state and local permits; negotiate contracts; complete design and bid documents; and construct projects; and

WHEREAS, extending the deadline for initiating projects from 2020 to 2025 will provide the Urban Renewal Agency an opportunity to initiate its remaining Phase 2 and Phase 3 projects; and

WHEREAS, projected tax increment revenues, debt service, and other expenditures are such that the extension can occur without changing the 2027 deadline for retiring debt so that the Plan can be closed and increment released to the affected taxing entities; and

WHEREAS, other minor revisions to the South Beach Urban Renewal Plan are included with this substantial amendment relating to project descriptions, project funding, and updated tax increment revenue and debt projections; and

WHEREAS, Urban Renewal Agency desires to move forward with preparing Substantial Amendment No. 13 to the South Beach Urban Renewal Plan as provided in ORS Chapter 457 and to provide general direction for how the amendment is to be prepared.

THE NEWPORT URBAN RENEWAL AGENCY RESOLVES AS FOLLOWS:

Section 1. Substantial Amendment No. 13 to the South Beach Urban Renewal Plan is hereby initiated pursuant to authority granted the Urban Renewal Agency under Chapter 457 of the Oregon Revised Statutes.

Section 2. A draft copy of Substantial Amendment No. 13 to the South Beach Urban Renewal Plan shall be forwarded to the Planning Commission for recommendation and to the governing

body of each taxing district affected by the proposed amendment before it is presented for approval to the Urban Renewal Agency and Newport City Council.

Section 3. Urban Renewal Agency authorizes its Executive Director, or designee, to consult and confer with the affected taxing districts, with any written recommendations from the governing bodies of those taxing districts being presented and accepted, rejected, or modified by the Newport City Council prior to approval of the amendment.

Section 4. Adoption of Substantial Amendment No. 13 to the South Beach Urban Renewal Plan may only occur by non-emergency ordinance with concurrence from the Lincoln County Board of Commissioners for unincorporated lands within the plan area.

Section 5. Notice of a Newport City Council hearing on the proposed amendment shall be provided as outlined in ORS 457.120.

Section 6. This resolution shall be effective immediately upon passage.


Adopted by the Newport Urban Renewal Agency on May 7, 2018.

Signed on May 8, 2018.



Dean Sawyer, Chair

ATTEST:



Margaret M. Hawker, City Recorder

**CITY OF NEWPORT
SUBSTANTIAL AMENDMENT THIRTEEN TO THE SOUTH BEACH
URBAN RENEWAL PLAN AND REPORT**

Exhibit A, City of Newport Resolution No. _____

DRAFT

2018

Prepared by:
the City of Newport
Community Development Department
169 SW Coast Highway
Newport, Oregon 97365

SUBSTANTIAL AMENDMENT XIII URBAN RENEWAL PLAN & REPORT

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New projects were identified based on more recent planning and engineering plans. A new revenue forecast, revenue bond strategy and phased implementation program was prepared.

Amendment VI (Minor) Newport Urban Renewal Agency May 3, 2010

Revised the phasing and financing of the projects in Substantial Amendment 5 to improve ingress and egress to the new NOAA Pacific Marine Operations Center and adjacent existing attractions. The amendment also included revisions to the tax increment revenue forecast, as well as a new schedule of existing debt service obligation resulting from refinancing said debt.

Amendment VII (Minor) Newport Urban Renewal Agency Nov. 1, 2010

Amendment VII identified the acquisition of a natural coastal gully and foredune area adjacent to South Beach State Park as a specific Neighborhood Park/Open Space Site acquisition project. The property is roughly 2.5 acre in size and includes portions of Blocks 7, 8, 10, 11 and 15 of the Waggoner's Addition to South Beach subdivision.

Amendment VIII (Minor) Newport Urban Renewal Agency Oct. 17, 2011

Shifted \$200,000 in funding for tsunami evacuation route improvements from Phase 2 to Phase 1 and identifies Safe Haven Hill as a specific project. To avoid impacting revenue estimates for each Phase, \$200,000 of funds programmed for right-of-way acquisition was shifted from Phase 1 to Phase 2.

Amendment IX (Minor) Newport Urban Renewal Agency Sept. 17, 2012

Incorporated Coho/Brant Infrastructure Refinement Plan Tier 1 and Tier 2 priority projects into Phases 2 and 3. Updated descriptions and cost estimates for intersection improvements at US 101 and 32nd Street, US 101 and 35th Street, US 101 and 40th Street, and US 101 and 50th Street, along with shared use path/sidewalk improvements to Ferry Slip Road to align with adopted amendments to the Newport Transportation System Plan. Shifted a portion of planned sidewalk work for SW Abalone from Phase 3 to Phase 2.

Amendment X (Minor) Newport Urban Renewal Agency Sept. 4, 2013

Moved \$850,000 for the extension of SW Abalone Street from SW 29th to SW Anchor Way from Phase 3 to Phase 2 to fund access improvements for OMSI's new Coastal Discovery Center. Shifted \$390,000 from Phase 1 to Phase 2 as match to State funding for 35th Street – 101 to Ferry Slip Road commercial street and signal project, and added \$125,000 to Phase 2 for right-of-way acquisition. Eliminated funding for multi-use path along west side of SW Abalone between the Bridge and 29th Street because project has been funded with other resources. Moved \$1,000,000 programmed for the extension of sewer service to the airport from Phase 2 to Phase 3. Reduced the projected annual revenue growth rate from 7.1% to 3.0% for Phases 2 and 3 and updated corresponding revenue projections.

Amendment XI (Minor) Newport Urban Renewal Agency Nov. 17, 2014

Adjusted the budgets of Phase 2 projects to provide funding for the Agency to purchase a 2.33-acre parcel at the NE corner of US 101 and 35th Street (Portion of Lot 2, Block J, Harborton Subdivision). Phase 2 funding for strategic site acquisition for reuse; site preparation for reuse; and acquisition for economic development, community facilities, and affordable housing were consolidated under the heading of "strategic site acquisition for reuse" and the budget was increased from \$500,000 to \$1,540,000 for the purpose of purchasing the above referenced property. To offset this increase, \$100,000 in funding for a welland mitigation bank, \$150,000 earmarked as match for street paving LIDs in the Coho/Brant neighborhood, and \$110,000 in funding for the SW 26th Street Lift Station was eliminated. Funding for right-of-way acquisition was reduced from \$375,000 to \$265,000 and funds for park, open space, and trail acquisition were reduced from \$200,000 to \$50,000. In sum, the reductions listed, in conjunction with \$420,000 in unexpended funds from Phase 1, off-set the increase in funding for site acquisition.

Amendment XII (Minor) Newport Urban Renewal Agency Apr. 18, 2016

Reallocated \$405,000 in excess funds from the completed SW Abalone, SW Brant, SW 30th and SW 27th street projects, with \$25,000 going to the retrofit of the Safe Haven Hill tsunami assembly area and \$380,000 to the 35th and US 101 – Ferry Slip Road project.

II. URBAN RENEWAL REPORT SUBSTANTIAL AMENDMENT XIII

This substantial amendment to the South Beach Urban Renewal Plan moves the deadline for awarding projects from December 31, 2020 to December 31, 2025. Extending the date after which no bonded indebtedness can be issued with respect to the Plan, or any project undertaken under the Plan, is defined in the Third Amendment to the South Beach Urban Renewal Plan as a substantial amendment. The thresholds for what constitutes a "substantial" or "minor" amendment from that Third Amendment are incorporated into this document. The Plan identifies 2027 as the year by which all debt is to be retired, allowing the district to be closed. This substantial amendment will not change that date.

Timelines for the project phases have been adjusted from three to six years to better reflect the length of time it either has, or will take to engage community stakeholders on refinements to "conceptual projects" contained in the Plan, secure needed funding, design, bid and construct projects. This change to the phasing also aligns with the new deadline for completing projects.

In addition to the above, this amendment addresses the following:

- Documents the current level of funding for the US 101 SE 32nd Street – SE 35th Street Improvement project.
- Reflects the final reconciliation of the Safe Haven, SW Abalone, SW 30th, SW Brant, SW 27th and SE Ferry Slip Road projects all of which are now complete.
- Shows additional funding for line undergrounding along SE Ferry Slip Road and US 101.
- Provides funding for a refinement plan to map out future use of the Agency owned property at the NE corner of the future SE 35th and US 101 intersection.
- Clarifies Phase 3 project objectives and updates estimates.
- Updates tax increment revenue and debt projections.

III. RELATIONSHIP BETWEEN THE PROJECTS TO BE UNDERTAKEN WITH THE AMENDMENT AND THE EXISTING CONDITIONS IN THE AREA

The physical and economic conditions described in the original Environmental Assessment and the Supplemental Report have improved within the past twenty-five (25) years. However, many areas remain deficient relative to vehicular and pedestrian circulation, utility services, storm water management, and public recreation and open space.

The amendments address these deficiencies by providing additional time for the Agency to complete identified Phase 2 and Phase 3 projects without changing the 2027 date by which all debt is to be retired so that the Plan can be closed and the tax increment released to the affected taxing entities.

Key infrastructure in Phase 3, including the redundant under bay water line, 40th and US 101 signal and intersection improvements, and the sewer extension south to the Airport and nearby unincorporated residential areas, are critical to the future development of South Beach. These projects are complex, necessitating public outreach, project refinement, funding agreements, design and construction considerations that preclude them from moving forward without the extension proposed with this substantial amendment. Some, such as the SE 40th and US 101 signal, are not yet timely but are likely to be so by 2025. Currently budgeted Phase 2 projects will reshape the public space along US 101 between the bridge and SE 40th Street. That work will not be completed for a couple of years. When it is finished, it is likely to inform how the Agency might best proceed with public amenities and park projects identified in Phase 3. This can only occur, however, if additional time is provided to initiate urban renewal projects.

IV. PROJECT COSTS AND TIMING

A. PROJECT PHASES

The projects proposed to implement the South Beach Urban Renewal Plan were organized into three phases consistent with Substantial Amendment 5. Minor Amendments 6, 7, 8, 9, 10, 11, and 12 refined the listed projects and made adjustments to the timing of the work. Substantial Amendment XIII expands the phasing from three to six year increments, and makes further refinements and adjustments, as follows:

1. Phase 1 – 2009/15

Phase 1 projects have been implemented. Final cost figures are provided for the Safe Haven Hill Tsunami Evacuation Route project, which was the last Phase 1 project to be completed.

2. Phase 2 – 2014/20

Shows the final cost of completed projects and current budgeted amounts for funded, ongoing projects. Additional funds for the 35th and 101 and related project components is being provided by the Oregon Department of Transportation and is programmed in the current Statewide Transportation Improvement Plan. Additional funding for the Ferry Slip Road and US 101 Line Undergrounding project has been budgeted out of the City of Newport line undergrounding fund. The refinement plan for the US 101 Commercial – Industrial Corridor, and demolition reserve are budgeted projects that are being added to the list. Use of TSP project right-of-way funds has been clarified to apply to the SE 50th and SE 62nd Street rights-of-way the Agency is seeking to purchase under an MOU with the property owner and a potential easement to address storm drainage issues in the vicinity of SE 40th Street.

3. Phase 3 – 2019/25

Cost estimates for Phase 3 projects include inflationary adjustments. Projects listed as "not funded" were addressed in a prior phase, are not needed based upon analysis contained in recent City capital facility plans, or require more time for implementation than this extension to 2025 will allow. The scope of some projects have been altered by recent facility plan updates, including the under-bay water line crossing, sewer extension to the airport, and US 101 storm drain crossing. The cost estimates for those projects, included in this amendment, draw from those updated plans.

B. PROJECTS AND COST ESTIMATES

1. Phase 1 – 2009/15

PUBLIC RIGHTS OF WAY	Cost Estimate	UR Portion
<u>Streets</u>		
Ash Street Design and Construct	\$425,000	\$355,000
Coho/Brant Area Plan and Design	\$70,000	\$60,000
Coho/Brant Area Construct	—	Not funded (Shifted to Phase 2)
Marine Science Drive (Including widening, multi-use path, roundabout and lighting)	\$2,304,000	\$1,138,000
Realign Rouge Access and 25th	\$448,000	\$448,000
Pacific Way Improvements	\$251,000	\$251,000
<u>Sidewalks</u>		
Marine Science Drive (Abalone to Ferry Slip)	\$67,500	\$67,500
<u>Acquisition</u>		
TSP Project Right-of-Way		
Realign, Expand and Extend SW Abalone Street right-of-way	\$315,000	\$286,000
UTILITIES		
Water Line US 101 40th to 50th	\$320,000	\$320,000
Sanitary Sewer US 101 40th to 50th	\$600,000	\$477,000
PUBLIC AMENITIES		
Neighborhood Park/Open Space Acquisition, 2.5 acre coastal gully and foredune site adjacent to South Beach State Park	\$225,000	\$225,000
SPECIAL PROJECT IDEAS		
Welland Planning/Mitigation Bank	---	Not funded
Trails – Easement Acquisition	---	Not funded
South Jetty Trail	\$317,000	\$317,000
Tsunami Evacuation Route Improvements to Safe Haven Hill	\$1,594,000	\$272,500
Total:		\$3,802,000
	Existing "cash on hand" when Phasing Plan Started:	-\$2,177,128
	Proceeds from the Phase 2 borrow:	-\$2,100,000
	Excess increment transferred to Phase 2:	\$475,128

2. Phase 2 – 2014/20

PUBLIC RIGHTS OF WAY	Cost Estimate	UR Portion
<u>Streets</u>		
35th Street – 101 to Ferry Slip Road: Commercial Street Prototype, relocate 32nd St Signal to SE 35th, Construct 35th Street from Abalone to Ferry Slip Rd. with multi-use path (Coho/Brant Projects #10 and #11)	\$5,057,114	\$2,495,097
	\$0	\$0
SW Abalone St – SW 20th to Anchor Way (Coho/Brant Project #8 (Moved from Phase 2))	\$2,929,021	\$2,037,699
SW 27th – SW Brant to SW Abalone (Coho/Brant Project #2A)		
SW 20th – SW Brant to SW Abalone (Coho/Brant Project #5)		
SW Brant – SW 27th to SW 30th (Coho/Brant Project #7)		
SW Abalone & SW 35th St. Stormwater Improvements (Coho/Brant Project #18)		
SW 26th St. and SW Brant St. Stormwater Improvements (Coho/Brant Project #17)		
SE Ferry Slip Rd – 32nd to Ach with shared use path from Ach to Marine Science Drive	\$1,354,873	\$1,354,873
Anchor Way 35th to 40th	---	Not funded
<u>Acquisition/Development</u>		
TSP Projects - right of way:		
Re-align SE 50th Street right-of-way and acquire SE 62nd Street right-of-way, obtain storm drainage easement in the vicinity of SE 40th and US 101	\$200,000	\$200,000
Match for LIDs formed to implement Tier 2 and Tier 3 Coho/Brant improvements		Not funded (shifted to Phase 3)
<u>UTILITIES</u>		
<u>Sewer</u>		
SW 26th Street Sanitary Lift Station Upgrade (Coho/Brant Project #16)	---	Not funded
<u>Utility Lines</u>		
Ferry Slip Road and US 101 Line Undergrounding	\$1,600,000	\$1,000,000
<u>PUBLIC AMENITIES</u>		
Neighborhood Park Development		Not funded
Neighborhood Park/Open Space/Trail Acquisition: Funding for contribution toward SE Chestnut Street trail project	\$200,000	\$50,000
<u>ACQUISITION/DEVELOPMENT/SITE PREP FOR REUSE</u>		
Strategic Site Acquisition for Re-Use		
Purchase of parcel at NE Corner of US 101 and 35th Street Portion of Lot 3, Block J, Harborlan	\$1,540,000	\$1,540,000
Site Prep for Reuse: Demolition Reserve for Parcel at NE Corner of US 101 and SE 35th Street	\$250,000	\$141,000
Refinement Plan for the South Beach US 101 Commercial – Industrial Corridor	\$75,000	\$75,000
Strategic Site Acquisition for Economic Development, Community Facilities, and Affordable Housing		Not funded
<u>SPECIAL PROJECT IDEAS</u>		
Welland Mitigation Bank		Not funded
Total:		\$8,893,669
Unexpended Phase 1 funds shifted to Phase 2 with Minor Amendment XI:		-\$475,128
Proceeds from lease of Agency property:		-\$141,000
Proceeds from the Phase 2 borrow:		-\$5,400,000
Pay as you go increment:		-\$2,877,541

Note: Projects shown in double strikeout have been completed. Urban renewal funds for projects depicted in bold are budgeted capital projects.

3. Phase 3 – 2019/2025

	Escalated Cost Estimate (2020)	UR Portion
PUBLIC RIGHTS OF WAY		
<u>Streets</u>		
40 th and US 101 Signal and Intersection Improvements (Moved from Phase 2)	\$3,500,000	\$1,750,000
50 th and US 101 Intersection Improvements		
<u>Sidewalks</u>		
Abalone Street Multi-Use Path Extension (Coho/Brant Project #12B)		Not funded (Shifted to Phase 2)
SE 35 th Street from Ferry Slip Road to Estuary Turn	\$605,000	\$605,000
<u>Acquisition/Development</u>		
Match for LIDs formed to implement Tier 2 and Tier 3 Coho/Brant improvements (Moved from Phase 2)	\$250,000	\$250,000
	\$1,100,000	\$200,000
UTILITIES		
<u>Water</u>		
12-inch Bay Under-crossing Pipeline	\$3,530,000	\$2,800,000
<u>Sewer</u>		
Extend Gravity Sewer to Airport/Surfland	\$6,300,000	\$3,000,000
Henderson Creek Piping		Not funded
Henderson Creek Lift Station		Not funded
<u>Storm</u>		
170-feet of 36-inch storm drain crossing US 101 in the vicinity of Southshore	\$150,000	\$75,000
<u>Utility Lines</u>		
Bury existing/new underground utility lines	\$200,000	\$200,000
PUBLIC AMENITIES		
Neighborhood Park (Under Bridge Space – Coho Brant Plan)	\$694,000	\$300,000
Gateway to South Beach	\$100,000	\$100,000
Street Tree and Open Space Planting	\$100,000	\$100,000
Street Furniture	\$50,000	\$50,000
COMMUNITY IMPROVEMENT PROGRAMS		
Fund Storefront Façade Loan/Grant Program		Not funded
SPECIAL PROJECT IDEAS		
Trail Acquisition/Development	\$100,000	\$100,000
Coastal Gully Open Space Improvements (Coho/Brant Project #19)	\$735,000	\$250,000
Jetty Trail Improvement (SW Coho Street, SW 29 th Street, Jetty Way (Coho/Brant Project #12)	\$640,000	\$300,000
Tsunami Evacuation Route Improvements	\$200,000	\$200,000
Welland Mitigation Bank		Not funded
Total:		\$10,280,000
	Proceeds from lease of Agency property:	-\$100,000
	Proceeds from the Phase 3 borrow:	-\$7,400,000
	Pay as you go increment:	-\$2,780,000

C. ESTIMATED COMPLETION DATE

Projects are expected to be awarded no later than December 31, 2025 and completed in a timely manner. The projects are divided in to three, six year phases. The agency may adjust the design and construction of specific projects depending on the needs of the community and the urban renewal district as a whole.

- Phase 1 2009-2015
- Phase 2 2014-2020
- Phase 3 2019-2025

The three phases will enable the agency to plan and implement the financial plan in Section V. Some portion of the Phase 3 projects will be implemented with "pay as you go" increment, and it is anticipated that all debt will be retired by FYE 2027.



V. FINANCIAL ANALYSIS OF THE AMENDMENT

A. ANTICIPATED TAX INCREMENT FUNDS

As stated in Oregon Revised Statutes Chapter 457 (ORS 457), tax increment funds are anticipated from growth in assessed value within the Area over the course of the Plan. Growth in assessed value is projected to occur through appreciation in property values (“appreciation percentage”), limited to no more than three percent annually, and through changes in property that add value that are “excepted” from the three percent limit. Such “exception value” results from factors such as subdivision or rezoning of land and from construction of improvements.

Table V-1 shows actual and projected growth in tax increment funds (i.e. expected tax increment revenue). Figures through the end of FYE 2017 show the full 100% increment as determined by the Lincoln County Assessor. Projections for FYE 2018 through 2027 utilize a conservative 2.2% annual growth rate to account for residential and commercial development that is likely to occur in the South Beach Urban Renewal District.

**Table V-1
Urban Renewal Area Tax Increment Revenue Estimates**

Year	SB-URD Annual Revenue	SB-URD Cumulative Revenue
2009-10	\$1,858,912	\$1,858,912
2010-11	\$1,936,846	\$3,795,758
2011-12	\$1,911,051	\$5,706,809
2012-13	\$1,860,545	\$7,567,354
2013-14	\$1,871,391	\$9,441,745
2014-15	\$1,890,921	\$11,332,666
2015-16	\$2,061,104	\$13,393,770
2016-17	\$2,277,272	\$15,671,042
2017-18	\$2,327,372	\$17,998,414
2018-19	\$2,378,574	\$20,376,988
2019-20	\$2,430,903	\$22,807,891
2020-21	\$2,484,383	\$25,292,274
2021-22	\$2,539,039	\$27,831,313
2022-23	\$2,594,898	\$30,426,211
2023-24	\$2,651,986	\$33,078,196
2024-25	\$2,710,329	\$35,788,526
2025-26	\$2,769,957	\$38,558,482
2026-27	\$2,830,896	\$41,389,378

SOURCE: City of Newport

Unlike many urban renewal districts in Oregon, the SB-URD geographically spans six distinct property tax codes rather than one. For instance, the vast majority of assessed value in the District is within City of Newport jurisdiction (85%), but that portion only represents two of the six tax codes and combinations of local public service providers. Therefore, there are six different Measure 50 SB-URD tax code rates and six different projected assessed values. The tax increment projections

are based on the combined value of the property tax codes and applicable tax rates for each affected taxing jurisdiction.

B. ESTIMATED AMOUNT OF MONEY REQUIRED UNDER ORS 457

The total expected tax increment revenue that is not committed to previous incurred debt, through 2027, is \$15,669,089. This revenue will be used to repay indebtedness incurred to finance Phase 3 projects in this Plan Amendment. Table V-2 below shows the expected increment revenue and debt service schedule.

DRAFT

**Table V-2:
Projected Revenues, Debt Service and Other Expenditures**

	(A) URA Incremental Revenue 2.2%	(B) Total Existing Debt Service	(C) Reserve Requirement	(D) 2015 Issue Debt Service (Phase 2)	(E) 2019 Issue Debt Service (Phase 3)	(F) Debt Reserve	(G) Pledged Coverage	(H) Total Debt Service	Remaining Uncommitted Revenue (Annual)	(I) Remaining Uncommitted Revenue (Aggregate)
2017	\$2,277,272	\$1,270,243	\$317,963	\$246,807			1.90	\$1,517,050	\$760,222	\$254,960
2018	\$2,327,372	\$1,243,638		\$273,309		\$529,481	2.29	\$1,516,947	\$810,425	\$1,065,385
2019	\$2,378,574	\$1,097,800		\$418,762	\$300,000	-	1.81	\$1,816,562	\$562,012	\$1,627,397
2020	\$2,430,903	\$763,550		\$753,321	\$375,000	-	1.75	\$1,891,871	\$539,032	\$2,166,429
2021	\$2,484,383	\$545,075		\$972,140	\$425,000	-	1.72	\$1,942,215	\$542,168	\$2,708,597
2022	\$2,539,039	\$609,675		\$744,966	\$500,000	-	1.87	\$1,854,641	\$684,398	\$3,392,995
2023	\$2,594,898	\$569,250		\$784,522	\$625,000	-	1.75	\$1,978,772	\$616,126	\$4,009,121
2024	\$2,651,986			\$1,016,820	\$700,000	-	2.18	\$1,716,820	\$935,166	\$4,944,286
2025	\$2,710,329			\$1,016,641	\$850,000	-	1.98	\$1,866,641	\$843,688	\$5,787,975
2026	\$2,769,957				\$2,351,491	-	1.50	\$2,351,491	\$418,466	\$6,206,440
2027	\$2,830,896				\$2,903,224			\$2,903,224		
Term of Loan (Years)				10	9					
Total Amount Borrowed				\$5,370,656	\$7,360,087					

Individual columns of financial projections in Table V-2 are labeled and described as follows:

- (A) Annual tax increment estimated to be collected by South Beach URA. For FYE 2017 the figure represents the 100% increment reported by the Lincoln County Assessor. Actual collections for any given year will fall short of that figure due to delinquencies. Tax increments for FYE 2018 to FYE 2027 are increased at a conservative rate of 2.2% per year.
- (B) Includes the 2007 Series, 2008 Series, and 2010B Series bonds. The 2010B bond was dedicated to projects listed in Phase 1 of this Plan.
- (C) Applies only to the 2007 Series, 2008 Series, and 2010B Series bonds.
- (D) Annual debt service to fund projects identified in Phase II of this Plan, with initial payment in FYE 2016.
- (E) Annual debt service to fund projects identified in Phase III of this Plan, with initial payment in FYE 2019.
- (F) Reserve created with FYE 2018 amended budget to ensure that the Urban Renewal Agency has sufficient funds to satisfy its pledged coverage requirement, which stipulates that 125% of the debt service amount be available on an annual basis to ensure there are sufficient funds for debt service.
- (G) Projected pledged coverage ratio for each fiscal year assuming remaining uncommitted revenue is retained.
- (H) Total debt service obligation for the South Beach URA.
- (I) Annual tax increment remaining after debt service obligations and reserve are met.
- (J) Aggregate amount of uncommitted revenue after debt service and reserve are met. A portion of this revenue may be used as "pay as you go" funds for projects provided the 125% pledged coverage ratio is met. The \$254,960 figure is the beginning fund balance for FYE 2018 and reflects that a portion of the uncommitted FYE 2017 increment was used to fund the debt reserve shown in column (F).

Based on projections in Table V-2, revenues are expected to be sufficient to retire incurred debt by FYE 2027. Column (I) of Table V-2 shows that there is significant uncommitted tax increment revenue to address currently unforeseen issues or to potentially retire the debt earlier than FYE 2017. This chart does not include the \$2.54 million dollar commercial property the Agency acquired in Phase 2, and sale of that property would provide additional funds to retire debt.

C. ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table V-2 shows the anticipated schedule debt payment for existing debt and the Plan Amendment. All debts are scheduled to be retired by FYE 2027.

D. PROJECTED REVENUES AND EXPENDITURES

Table V-2 shows the annual anticipated revenues and expenditures for the Plan Amendment. The revenues result from tax increment revenue that is not already committed to financing existing debt. The total debt service for existing debt is \$21,356,234. Expenditures are based on potential debt schedules to finance the projects described in Phase 3 of Section IV of this Plan Amendment. The total project costs and the Plan's share of those costs are also shown in Section V. For conservative revenue estimates, in addition to incremental tax revenues the District is assumed to realize 2.2% annual return on uncommitted revenues carried forward to the subsequent fiscal year.

E. STATEMENT OF FISCAL IMPACT ON OTHER JURISDICTIONS UNDER ORS 457.420-457.440

The use of tax increment financing creates a fiscal impact on the taxing districts (e.g. the City, the County, the Community College) that levy taxes within the Area. This impact consists of those districts foregoing the taxes that would have been levied on the increase in assessed value within the Area while tax increment financing is in effect.

In order to project these impacts, it is necessary to estimate the growth in assessed value that would have occurred without the Plan. The Plan's projects are anticipated to create assessed value growth that would not occur but for the Plan. Therefore the taxes that are foregone are those resulting from projected development without the public improvements developed under the Plan. It should be noted that revenue estimates in Tables V-1 and V-2 are lower than projections in Table V-3 due to realized property tax collection loss at approximately 6%.

Table V-3 shows the revenues foregone by the affected taxing districts, through 2027. The revenues foregone by the taxing districts equal their permanent tax rates times the projected incremental assessed value, plus the tax rates associated with general obligation bonds approved by voters before October 2001 times the bonding district's incremental assessed value. Note that the property tax revenues foregone by the Lincoln County School District do not result in revenue losses to the School District because of the system of state funding of K-12 education. The impacts are shown to illustrate what they would be if the school funding system is materially changed and property tax revenues become directly relevant. With Minor Amendment X, Table V-3 was amended to reflect a more

conservative 3.0% annual increase in increment revenue. The table has not been updated with this plan amendment, considering that this substantial amendment is not changing the closure date of the district.

The tax increment revenues terminate after 2027, and the additional revenues that are available to these taxing districts are projected to repay the districts for revenues foregone during the Plan.

DRAFT

**Table V-3:
Projected Property Tax Revenues Foregone**

Fiscal Year	City of Newport		Lincoln County School		Lincoln County		Newport REPD		Pacific Community Hospital		Lincoln Only Library		Oregon Coast Community College		Lincoln Only Transportation		Lincoln Only Extension		Linn-Benton-ESD		Port of Newport		Water - Seal Rock		Total Tax Revenue
	Permanent Rate	GO Bond	Permanent Rate	GO Bond	Permanent Rate	GO Bond	Permanent Rate	GO Bond	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate	Permanent Rate		
2009-10	\$557,970	\$43,318	\$548,701	\$88,241	\$315,173	\$4,278	\$10,574	\$40,466	\$3,051	\$19,609	\$10,574	\$4,991	\$34,069	\$6,774	\$2,139	\$1,782,653									
2010-11	\$579,776	\$45,096	\$570,165	\$91,670	\$327,498	\$0	\$11,459	\$42,139	\$3,142	\$20,330	\$11,274	\$5,175	\$35,465	\$7,023	\$2,218	\$1,848,165									
2011-12	\$567,454	\$44,137	\$558,048	\$89,722	\$320,538	\$0	\$11,215	\$41,243	\$3,075	\$19,898	\$11,024	\$5,065	\$34,731	\$6,874	\$2,171	\$1,808,906									
2012-13	\$640,651	\$0	\$105,735	\$629,491	\$0	\$361,655	\$0	\$13,819	\$46,531	\$3,584	\$22,509	\$12,884	\$5,864	\$39,154	\$7,755	\$2,459	\$1,891,500								
2013-14	\$659,871	\$0	\$108,907	\$640,376	\$0	\$372,504	\$0	\$14,027	\$47,927	\$3,702	\$23,184	\$12,858	\$6,040	\$40,329	\$7,988	\$2,533	\$1,948,245								
2014-15	\$679,667	\$0	\$112,174	\$667,827	\$0	\$383,680	\$0	\$14,448	\$49,265	\$3,813	\$23,880	\$13,244	\$6,221	\$41,539	\$8,227	\$2,609	\$2,006,692								
2015-16	\$700,057	\$0	\$115,539	\$687,862	\$0	\$395,190	\$0	\$14,882	\$50,846	\$3,927	\$24,596	\$13,641	\$6,407	\$42,765	\$8,474	\$2,687	\$2,066,893								
2016-17	\$721,058	\$0	\$119,006	\$708,498	\$0	\$407,046	\$0	\$15,328	\$52,371	\$4,045	\$25,334	\$14,051	\$6,600	\$44,068	\$8,728	\$2,768	\$2,128,900								
2017-18	\$742,680	\$0	\$122,576	\$729,753	\$0	\$419,257	\$0	\$15,788	\$53,942	\$4,166	\$26,094	\$14,472	\$6,798	\$45,380	\$8,990	\$2,851	\$2,192,767								
2018-19	\$764,971	\$0	\$126,253	\$751,845	\$0	\$431,835	\$0	\$16,262	\$55,560	\$4,291	\$26,877	\$14,906	\$7,002	\$46,752	\$9,260	\$2,936	\$2,258,550								
2019-20	\$834,446	\$0	\$119,093	\$470,612	\$0	\$484,730	\$0	\$18,843	\$60,484	\$5,118	\$29,311	\$16,284	\$7,444	\$50,946	\$10,236	\$3,489	\$2,326,307								
2020-21	\$859,480	\$0	\$843,665	\$0	\$404,730	\$0	\$19,408	\$62,298	\$5,271	\$30,191	\$16,773	\$7,668	\$52,475	\$10,543	\$3,594	\$2,396,096									
2021-22	\$885,264	\$0	\$868,975	\$0	\$498,272	\$0	\$19,991	\$64,167	\$5,430	\$31,097	\$17,276	\$7,998	\$54,049	\$10,659	\$3,702	\$2,467,979									
2022-23	\$911,822	\$0	\$885,045	\$0	\$514,250	\$0	\$20,590	\$66,092	\$5,592	\$32,029	\$17,794	\$8,134	\$55,670	\$11,185	\$3,813	\$2,542,018									
2023-24	\$939,177	\$0	\$921,806	\$0	\$529,678	\$0	\$21,208	\$68,075	\$5,760	\$32,990	\$18,328	\$8,378	\$57,340	\$11,520	\$3,927	\$2,618,279									
2024-25	\$967,352	\$0	\$949,553	\$0	\$545,986	\$0	\$21,844	\$70,118	\$5,933	\$33,980	\$18,878	\$8,630	\$59,061	\$11,866	\$4,045	\$2,696,827									
2025-26	\$996,372	\$0	\$978,039	\$0	\$561,935	\$0	\$22,500	\$72,221	\$6,111	\$34,999	\$19,444	\$8,889	\$60,832	\$12,222	\$4,167	\$2,777,732									
2026-27	\$1,026,264	\$0	\$1,007,381	\$0	\$578,793	\$0	\$23,175	\$74,388	\$6,294	\$36,049	\$20,027	\$9,155	\$62,657	\$12,589	\$4,292	\$2,861,064									

F. IMPACTS ON TAXPAYERS

This amendment to the phasing and financing of projects in Substantial Amendment 5, and subsequent amendments will not change the SB-URD's impact on taxpayers. General obligation bonds approved by voters before October 2001 are subject to the division of tax. There are five such general obligation bonds in the SB-URD. They are all scheduled to retire by 2019, prior to the previously scheduled sunset of the SB-URD. These bonds will continue to be subject to the division of tax, regardless of any extension to the SB-URD plan.

Any general obligation bonds approved after October 2001 are not subject to the division of tax.

VI. FUTURE AMENDMENTS TO THE PLAN

A. THIRD AMENDMENT TO THE SOUTH BEACH URBAN RENEWAL PLAN, ADOPTED SEPTEMBER 11, 1991 (CITY RESOLUTION NO. 91-4)

Amendment 3 to the South Beach Urban Renewal Plan sets out criteria for future amendments to the Plan. It replaced the provisions contained in Section VIII of the original South Beach Urban Renewal Plan, adopted September 12, 1983 (City Ordinance No. 1341, County Resolution No. 83-26-9)

All amendments or changes to the Plan are to be made in writing and approved by the Agency, the City Council, or both. The amendments or changes may be substantial amendments or minor amendments as hereinafter defined. Substantial amendments to the Plan shall be approved by the City Council by non-emergency ordinance pursuant to ORS 457.095 and 457.220 after public notice and hearing. Minor amendments to the Plan shall be approved by the Agency and by the City Council by resolution, except as hereinafter provided.

The terms "substantial amendment" is the equivalent of "major amendment," as used with respect to certain previous amendments. The following amendments or changes to the Plan shall be considered substantial amendments:

1. Adding land to the Urban Renewal area (except such minor additions of land as may be authorized by statute as not constituting a substantial amendment).
2. Extending the date after which no bonded indebtedness shall be issued with respect to the Plan or any project undertaken or to be undertaken under the Plan.
3. Increasing the maximum amount of bonded indebtedness, excluding bonded indebtedness used to refinance or refund existing bonded indebtedness, issued or to be issued under the Plan, to the extent that the Plan may specify a limitation upon the maximum amount of such bonded indebtedness.
4. Adding a new project, activity or program which:
 - a. Serves or performs a substantially different function from any project, activity or program specified in this Plan; and
 - b. Is estimated to cost (excluding administrative costs) in excess of \$500,000.00 adjusted annually from July 1, 1991 at a rate equal to the construction cost index applicable to the Urban Renewal Area.

5. Making other changes in the Plan which alter the major assumptions, purposes and objectives underlying the Plan.

All amendments or changes to the Plan which are not substantial amendments, as specified above, shall be considered minor amendments. The implementation of the plan by specification of work and projects to carry out a project conceptually approved within the Plan shall constitute a minor amendment, if any amendment be required at all for such purpose. Minor amendments shall also include, but not be limited to, identification of property for acquisition pursuant to projects, and activities or programs specified in this Plan for public use or for private redevelopment.

From time to time, during the implementation of this Plan, the City Council may officially approve amendments or modifications to the City's Comprehensive Plan and implementing ordinances. Furthermore, the City Council may from time to time amend or approve new codes, regulations or ordinances which affect the implementation of this Plan. When such amendments, modifications or approvals have been officially enacted by the City Council, such amendments, modifications or approvals, to the extent they may affect the provisions of this Plan, shall be deemed minor amendments to the Plan and shall, by reference, become a part of this Plan, without the necessity for action on the part of the Agency.

NOAA MARINE OPERATIONS CENTER TAX REVENUE IMPACTS

(PREPARED WITH AMENDMENT SIX TO THE SOUTH BEACH URBAN RENEWAL PLAN)

DRAFT

NOAA MARINE OPERATIONS CENTER TAX REVENUE IMPACTS

The National Oceanic and Atmospheric Administration (NOAA) recently reconfirmed its decision to award the Port of Newport, Oregon its long-term lease decision for its Pacific Marine Operations Center (MOC). In response to this decision, the potential property tax revenue implications of this decision to Newport's South Beach Urban Renewal Area were evaluated.

METHODOLOGY & LIMITATIONS

This analysis quantifies the tax revenue impacts for specific jurisdictions resulting from economic activity generated by NOAA's decision to relocate its Pacific MOC to Newport. At this time, little information is available regarding anticipated spending by the facility for on-going operations, repairs, etc. As such, we relied on secondary sources where possible, using our best estimate of historical operations activity in the Seattle area, the former home of the Pacific MOC.

Finally, in light of present uncertainty, where specific measures were not available, we established defensibly conservative estimates designed to err on a lower level estimate.

FINDINGS

ESTIMATING PRIVATE MOC SPENDING LOCALLY

It was assumed that NOAA's Pacific MOC will spend roughly \$80 million annually on various operations, repair/maintenance activity, and various federal contracts related to these activities annually. This assumption was based on a July 2009 editorial in the *Seattle Times* co-authored by representatives from the Port of Seattle, Seattle City Council, the University of Washington, and a major NOAA MOC contractor in Seattle.¹ The editorial declared annual direct and indirect economic activity related to NOAA's MOC at roughly \$180 million annually. This figure was evaluated in light of other available information about other NOAA investments in the Seattle area to arrive at a more conservative estimate of \$80 million in direct activity, specifically in Newport.

TABLE 1: BASELINE CONTRACT SPENDING

BASELINE MOC SPENDING ASSUMPTIONS	
Total Estimated Direct Spending 1/:	\$80,000,000
Private Share 2/:	33%
Spending to Private Firms:	\$26,400,000
Newport's Capture of Private Spending 2/:	50%
Spending to Private Firms in Newport:	\$13,200,000

1/ Based on editorial in the *Seattle Times*, July 2009. Contributors included Jean Godden, Seattle City Council, Bill Bryant, Port of Seattle Commissioner, Steve Welch, CEO of Pacific Shipyards, and Mark Emmert, President of the University of Washington.

2/ Conservative assumptions made by Johnson Reid, LLC

¹ "NOAA Should Keep its Marine Operations on Lake Union." *The Seattle Times* July 30, 2009. Editorial Contributors included Jean Godden, Seattle City Council; Bill Bryant, Port of Seattle Commissioner, Steve Welch, CEO of Pacific Shipyards; and Mark Emmert, President of the University of Washington.

To estimate the *private development* impacts of this spending, we assumed that one-third of spending activity took the form of private contracts. This assumption is considered conservative based on our professional opinion.

Finally, we assumed that the Newport economy could capture half of the private contract spending of the Pacific MOC. This assumes that the remaining half of the activity would leak to other communities such as Portland, Astoria, or remain in Seattle. This process results in an approximation of \$13.2 million in annual contract spending estimated to be captured in the Newport economy.

TRANSLATING CONTRACT SPENDING INTO JOBS

Estimates of direct and secondary (indirect/induced) job impacts were developed by utilizing impact multipliers from IMPLAN² (IMpacts for PLANing) economic impact analysis model. Developed by the Forest Service to assist in land and resource management planning, IMPLAN is an economic impact model designed for analyzing the effects of industry activity upon all other industries in an economic area.

Utilizing this methodology, we estimate a total of 100 private, permanent jobs resulting from NOAA spending in Newport, at least 63 of which would be direct employment due to federal contract awards for the local private sector.

² Minnesota IMPLAN Group (MIG), Inc., Stillwater, Minnesota

TABLE 2: JOB IMPACTS OF CONTRACT SPENDING

Contract Spending, Jobs, and Multipliers		
Direct Private Contract Spending 1/:	\$13,200,000	Multiplier
Direct Jobs 2/:	63.4	4.8 jobs/\$1 million
Indirect & Induced 2/:	37.0	2.8 jobs/\$1 million
Contract Jobs:	100.3	
Jobs By Industry Type		
<u>Direct:</u>		Jobs
NOAA Contractors (Ship repair, research, etc.)		63.4
<u>Indirect/Induced 2/:</u>		
Food services and drinking places:		4.0
Real estate establishments:		2.6
Wholesale trade businesses:		2.6
Employment services:		1.3
Accounting, tax preparation, bookkeeping, and payroll services		1.3
Offices of physicians, dentists, and other health practitioners:		1.3
Private hospitals:		1.3
Civic, social, professional, and similar organizations:		1.3
Retail Stores - Food and beverage:		1.3
Other Retail/Commercial Services:		19.8

1/ From Table 1

2/ Jobs Multipliers generated by IMPLAN.

CALCULATING THE SHARE OF JOBS CAPTURED BY SOUTH BEACH

The industries identified in Table 2 into general land use types are based on the typical space utilization of each industry. This translates into roughly 66 industrial jobs, 25 commercial jobs, and 9 office jobs. Secondly, we apply a 20% capture factor for the South Beach district which translates into an estimate of approximately 20 jobs supported in the district.

TABLE 3: SOUTH BEACH CAPTURE OF JOB IMPACTS BY LAND USE TYPE

Space Type	Total Newport Jobs Impacts 1/	South Beach Jobs Impacts 2/
Industrial	66.0	13.2
Commercial	25.1	5.0
Office	9.2	1.8
TOTAL:	100.3	20.1

1/ From Table 2

2/ Assumes a conservative 20% capture rate for South Beach, Johnson Reid, LLC

CONVERSION OF JOBS TO DEVELOPED SPACE

We then multiplied the number of estimated jobs captured in the South Beach District by a typical square footage per job by land use type. These assumptions are based on the U.S. Department of Energy's Commercial Building Energy Consumption Survey. This process yields an estimate of roughly 25,200 private, developed square feet supported by NOAA contract spending in South Beach.

TABLE 4: PRIVATE EMPLOYMENT IMPACT DEVELOPMENT IN THE SOUTH BEACH

Space Type	South Beach Jobs Impacts 1/	Est. Sq. Ft. per Job 2/	Est. Development Impacts (Sq. Ft.)
Industrial	13.2	1,510	19,932
Commercial	5.0	883	4,429
Office	1.8	468	865
TOTAL:	20.1	N/A	25,226

1/ From Table 3
 2/ Calculated as a weighted average across industries based on Newport's existing distribution. Derived from The U.S. Department of Energy's Commercial Building Energy Consumption Survey (2003)

CONVERSION OF NEW DEVELOPMENT TO MARKET VALUE & TAXABLE ASSESSED VALUE

In Table 5, the supportable space was translated into land by standard Floor Area Ratios (FAR) by land use type, yielding an estimate of 2.0 improved acres. Secondly, we apply per acre development costs by land use type to each land/space estimate to calculate replacement cost of improvements. This analysis conservatively assumes market value is equal to replacement cost.

TABLE 5: ESTIMATED MARKET VALUE GENERATED BY NOAA'S CONTRACT SPENDING LOCALLY

Space Type	NOAA Impact	Assumed F.A.R 2/	Improved Acres	Per Acre Improvement Cost 3/	Est. Market Replacement Value	2009-10 CPR 4/	Taxable Assessed
Industrial	19,932	0.30	1.53	\$1,511,500	\$2,305,419	1	\$2,305,419
Commercial	4,429	0.25	0.41	\$1,971,000	\$801,636	0.58	\$464,949
Office	865	0.35	0.06	\$2,361,500	\$133,961	0.58	\$77,698
TOTAL:	25,226	N/A	2.0	N/A	\$3,241,016	N/A	2,848,065

1/ From Table 4
 2/ Assumes a typical, low-rise development profile with 4 parking spaces per 1,000 square feet of space.
 3/ RS Means Construction Cost Estimator
 4/ Changed Property Ratio: The adjustment made from new improvement market value to taxable assessed value under Measure 50
 SOURCE: Lincoln County Assessor's Office and Johnson Reid, LLC

We then applied the Lincoln County 2009-10 Changed Property Ratio (CPR) by land use type, which revealed an estimated increase in taxable assessed value of \$2.85 million. Therefore, \$13.2 million in locally captured economic activity resulting from NOAA Pacific MOC decision is expected to translate into an increase of \$2.85 million in new, taxable assessed value in the South Beach Urban Renewal District.

CONTRIBUTION TO SOUTH BEACH URBAN RENEWAL DISTRICT GROWTH

The estimated \$2.85 million in new, taxable assessed value as a result of NOAA facility-induced economic growth will directly contribute to the South Beach Urban Renewal District total, taxable assessed value and by extension, annual incremental tax revenue. The increase in assessed property value is equivalent to 2.9% of existing District value in 2009.

For purposes of conservative District revenue forecasting, we assumed the new, taxable assessed value would be constructed and enter the tax rolls in equal increments over a four year period. Therefore, in fiscal years 2011-12 through 2014-15, the District is assumed to grow by \$712,000 annually due solely to NOAA facility impact growth. Detailed projections of District property tax revenue growth are found in Table V-1 of the plan amendment report.

CITY OF NEWPORT
169 SW COAST HWY
NEWPORT, OREGON 97365



phone: 541.574.0629
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<http://newportoregon.gov>

COAST GUARD CITY, USA
REC
JUL 30 2018

mombetsu, japan, sister city

**NOTICE OF PUBLIC HEARINGS
REGARDING PROPOSED
SUBSTANTIAL AMENDMENT NO. 13
TO THE SOUTH BEACH URBAN RENEWAL PLAN**

BY:

The Newport Planning Commission and City Council will conduct public hearings to consider Substantial Amendment No. 13 to the South Beach Urban Renewal Plan that will, among other things, extend the deadline for initiating projects from 2020 to 2025 to provide an opportunity for the remaining planned projects to be implemented. A map showing the boundary of the urban renewal plan is attached. The South Beach Urban Renewal Plan is scheduled to sunset at the end of 2027 and that deadline is not being changed. Both public hearings will be held in the Newport City Hall Council Chambers at 169 SW Coast Highway. The date and time for each hearing, along with a brief description of the actions that can be taken, is listed below.

1. Planning Commission

At 7:00 p.m. on August 13, 2018 the Newport Planning Commission will review the proposed substantial amendment, including the relationship to the City Comprehensive Plan, and make a recommendation to the Newport City Council. The public will be afforded an opportunity to provide testimony, and the Commission will consider the testimony before providing a recommendation.

2. City Council

At 6:00 p.m. on September 4, 2018 the Newport City Council will hold a public hearing to consider an ordinance for the adoption of Substantial Amendment No. 13 to the Urban Renewal Plan. The City Council will take public testimony and, at the close of the hearing, may elect to adopt the plan.

The proposed maximum amount of indebtedness that can be issued or incurred under the South Beach Urban Renewal Plan is \$38,750,000. This amount was established in 1998, and will not be changed by the proposed substantial amendment. The ordinance, if approved, is subject to referendum. The adoption of the plan may impact property tax rates for general obligation bonds issued prior to 2001; however, there are none of record in Lincoln County from that time period.






Copies of the ordinance, Substantial Amendment No. 13 to the South Beach Urban Renewal Plan, and accompanying reports can be obtained by contacting Derrick Tokos, Community Development Director, City of Newport, 169 Coast Highway, d.tokos@newportoregon.gov 541.574.0626.

A copy of Substantial Amendment No. 13 is available on the City of Newport website at: <http://newportoregon.gov> under the heading "Latest News". Comments may be submitted via the web under the heading "Public Meeting Comments," by mail, or in person. The draft ordinance will be available and posted to the website at least 7 days prior to the Council hearing.

Note: State law requires notice of the City Council hearing be provided city wide. Including the notice with utility bills satisfies this requirement. Notice is also being sent to landowners in the unincorporated portions of the plan area that may or may not receive city utility service, meaning that in some cases an individual or entity will receive two copies of the notice.

South Beach Urban Renewal District Boundary Map

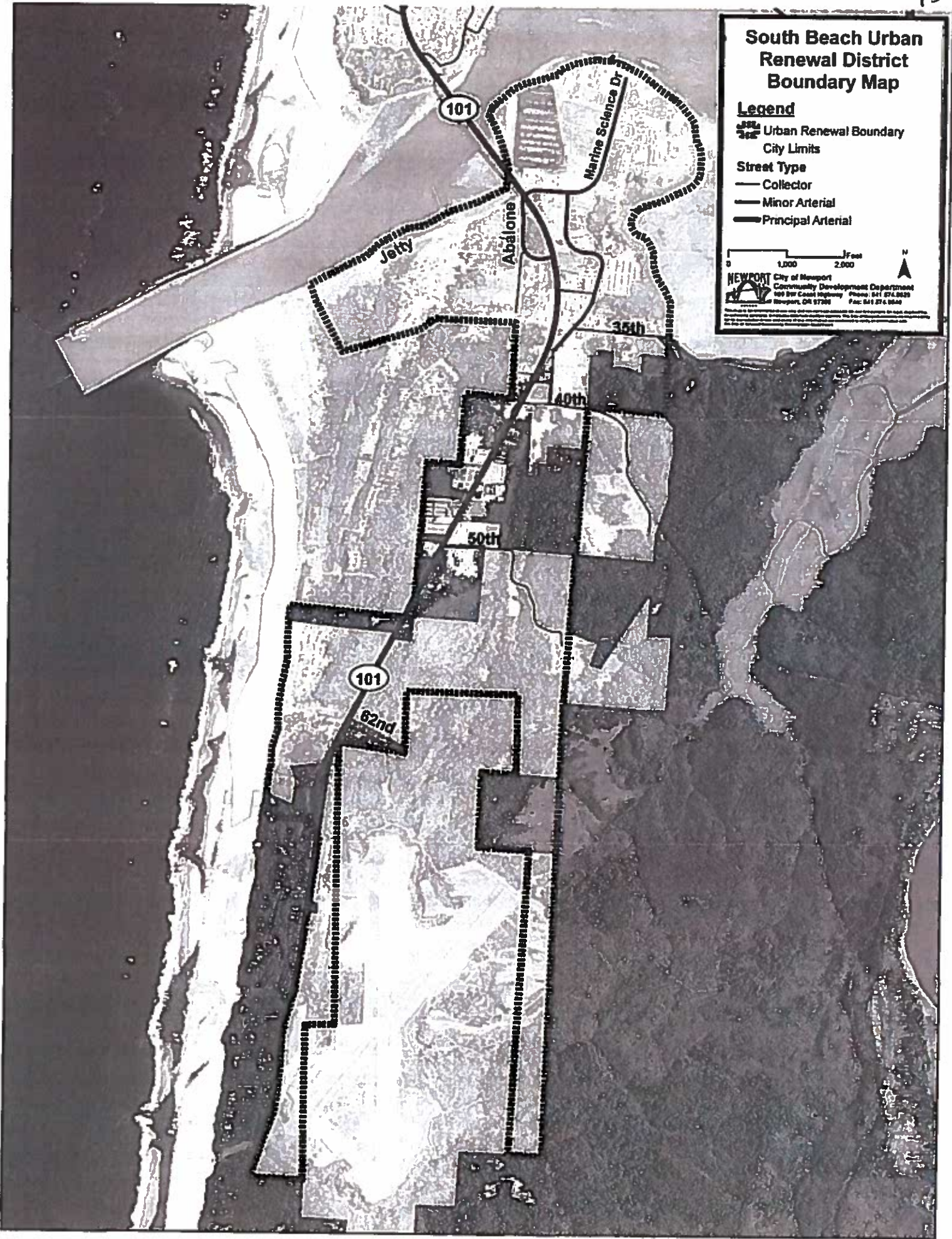
Legend

-  Urban Renewal Boundary
-  City Limits
- Street Type**
-  Collector
-  Minor Arterial
-  Principal Arterial

0 1,000 2,000 Feet

NEWPORT City of Newport
 Community Development Department
 100 SW Coast Highway Phone: 541.274.9630
 Newport, OR 97365 Fax: 541.274.0640

This map is for informational purposes only and does not constitute a contract. It is not intended to be used for legal purposes. The City of Newport is not responsible for any errors or omissions on this map. The City of Newport is not responsible for any damages or losses resulting from the use of this map. The City of Newport is not responsible for any claims or liabilities resulting from the use of this map.





Oregon

Kate Brown, Governor

Department of Consumer and Business Services
Oregon Occupational Safety & Health Division (OR-OSHA)
osha.oregon.gov

July 16, 2018

Adam Denlinger, General Manager
Seal Rock Water District
1037 NW Grebe St
Seal Rock, OR 97376

RE: Consultation Report 18-00906 & 18-01707

Dear Adam:

Thank you for the opportunity to visit your workplace to conduct a comprehensive health consultation on July 11, 2018. I enjoyed meeting with you, Dave and Brad. The input by all was very helpful. This visit entailed your office, shop, two pump stations and a reservoir/pump station.

GENERAL SUMMARY: The overall impression was the facilities were well kept and housekeeping was very good. A well kept facility is a key indicator of the safety and health culture associated with it. We did not witness any work activities, but we did discuss a variety of situations. This report will try to capture our conversation over the time I spent there.

You indicated the staff do not enter confined spaces. You have the ability to gain the information you need remotely, or the entry is contracted out.. Even though your intentions are not to enter these spaces, you will need to inventory all your permit required confined spaces. This list will come in handy when the contractors are referencing any one of your spaces. You will then need to decide if the sub-contractors entering these spaces will use Seal Rock Water District's confined space entry system or will the District sign off on the Contractor's permit system. Either way is fine.

WRITTEN PROGRAMS: Over the years you have taken advantage of Oregon OSHA Consultative Services. Because of this you felt comfortable with your Oregon OSHA required programs, so you elected not to review them this visit. If you change your mind at any time feel free to contact us, and we can find the time to review them.

I have included Noise Levels for Common Equipment, since we did not have the opportunity to test all your equipment. Vector Trucks, included in table 2 can range from 70 to 98 decibels or dBA. The next table lists common sound levels of common equipment you may encounter..

**Table 2
Noise Sources
KY Sanitation District #1
HETA 2005-0035-2938**

Noise Source	Location of Measurement*	dBA	dB(C)
Vacuum Truck	In cab driver's side window closed	70	101
Vacuum Truck	In cab driver's side window open	84	109
Vacuum Truck	In cab passenger's side window open	84	108
Vacuum Truck	Operator unreeling hose, standing by control panel	93	101
Vacuum Truck	Assistant unreeling hose approx 30 feet from the truck	75	88
Vacuum Truck	Unreeling hose standing by driver's side door	93	107

Noise Levels for Common Equipment

The following table can be used to determine if employees should participate in the University of Florida's Hearing Conservation Program (HCP). If an employee's use of equipment exceeds the allowable time more than two times per month, that employee needs to be included in the HCP. If an employee uses a piece of equipment that exceeds 85 decibels (dBA), regardless of duration, hearing protectors need to be used. The Noise Reduction Rating (NRR) needed for each piece of equipment is given. For equipment not listed, please contact EHS at 392-1591 for an evaluation.

Noise Source	Sound Level	NRR Needed	Time Allowed
Airboat	108 dBA	30	2 minutes
Band Saw	104 dBA	26	6 minutes
Blender	91 dBA	13	2 hours
Blower	99 dBA	21	19 minutes
Concrete Saw	112 dBA	34	1 minute
Chain Saw	110 dBA	32	1 1/2 minutes
Combine operator	95 dBA	17	48 minutes
Compressed Air	92 dBA	14	1 hr. 35 minutes
Edger	86 dBA	8	6 hrs. 20 minutes
Fire Alarms	95 dBA	17	48 minutes
Front End Loader	95 dBA	17	48 minutes
Hedge Trimmer	103 dBA	25	7 1/2 minutes
Juice Extractor	86 dBA	8	6 hrs. 20 minutes
Miter Saw	109 dBA	31	2 minutes
Plant Tissue Grinder	90 dBA	12	2 hrs. 30 minutes
Pneumatic Staking	103 dBA	25	7 1/2 minutes
Pressure Washer	100 dBA	22	15 minutes
Radial Arm Saw	103 dBA	25	7 1/2 minutes
Riding Lawn Mower	90 dBA	12	2 hrs. 30 minutes
Sprayer, 1,000 gal.	101 dBA	23	12 minutes
Tablesaw	93 dBA	15	1 hr. 16 minutes
Tractor	92 dBA	14	1 hr. 35 minutes
Vacuum	87 dBA	7	5 hours
Weedeater	96 dBA	18	38 minutes
Wet/Dry Vac	94 dBA	16	1 hour

I came with a sound level meter so we could get a more accurate idea of what the noise generated actually was, but my instrument malfunctioned, which I apologize for. However there are a number of phone Apps. Available that work great as a sound level meter. Their accuracy is not 100 percent, but the tolerances are close enough to give you a good idea if further measures need to be taken.

- [NIOSH Sound Level Meter Application \(app\) for iOS devices](#)
- [NIOSH Sound Level Meter App](#)
- [NIOSH Releases Sound Level Meter App for Smartphone](#)

For your information, the Occupational Noise Exposure rules, 1910.95, requires when an employee is exposed to noise equal to or greater than an 8-hour TWA of 85 decibels (dBA), the employer must do the following:

1. Notify the employee of the noise results.
2. Provide audiometric testing within 180 days of job assignment.
3. Train employees on noise.
4. Make hearing protectors available.

If the employee's noise exposure exceeds an 8-hour TWA of 90 dBA, the employer must do the following:

1. Implement feasible engineering and/or administrative controls.
2. Notify the employee of the noise results.
3. Provide audiometric testing within 180 days of job assignment.
4. Train employees on noise.
5. Ensure that hearing protectors are worn by the employee until the 8-hour TWA is reduced to less than 90 dBA.

I encourage you to download one of the sound level meter Apps, and conduct a noise survey of your equipment. If there are any working scenarios that may approach the 85 decibel range, either contact Oregon OSHA, Saif for a more thorough evaluation.

Asbestos Cement Water Pipes: Adam, you indicated you have to repair cement asbestos pipe from time to time. You and your staff are well aware of the asbestos associated with the AC pipe, in fact you use breakers to snap cut the pipe. So for your information, I have included the following:

All employees working with Asbestos Cement Water Pipes or AC Pipe must be trained at least in accordance with Class III asbestos type work. Please refer to The Letter of Agreement for a list of the training that will be provided to all employees performing this work.

You will also need to have a designated Competent Person who is responsible for your AC Pipe program. Your program will need to identify the following:

- Who the Competent Person is
- Training responsibilities
- Work procedures to be used
- Safety equipment
- Respiratory protection when employees request them
- All other necessary personal protective equipment (PPE)
- Procedures to establish a regulated area or "controlled zone" when AC Pipe is removed,
- Procedures for disposal and decontamination

The Competent Person is defined as one who is capable of identifying existing asbestos hazards in the workplace and selecting the appropriate control strategy for asbestos exposure, who has the authority to take prompt corrective measures to eliminate them.

Below are additional links that will assist you when it comes time to work with your AC Pipe.

<https://www.osha.gov/laws-regs/standardinterpretations/2007-05-29>

<http://www.oregon.gov/deq/FilterDoes/ASBPIPE.pdf>

<http://www.oregon.gov/deq/FilterDoes/asb-cementpipe.pdf>

<http://osha.oregon.gov/collaborations/Pages/10a/Asbestos-pipe.aspx>

Preventing Heat Related Illness : Even though you reside on the Oregon Coast, there may be opportunities where specific locations worked or personal protective equipment worn, may increase the employee's heat load to where it needs to be managed. The goal is to prevent heat-related illnesses and deaths in Oregon by raising awareness among workers and employers about the health risks associated with working in hot environments. The primary focus is to educate and inform employers with indoor hot processes and employers of outdoor workers in the construction, agriculture, and forestry industries.

Heat-related illnesses generally occur when body heat generated by physical work is aggravated by environmental heat and humidity. Indoor worksites where heat-related illnesses may occur include industries with hot-process such as electrical utilities (particularly boiler rooms), food canneries, chemical plants, just to name a few. Outdoor operations typically affected by hot weather include most crop-production in agriculture, landscape construction and maintenance, wild land firefighting, forest activities, most construction, and demolition.

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Another consideration is when the use of personal protective equipment (PPE) is required. The use of non-porous (non-breathable) full-body suits for instance, can cause heat-related illnesses among the workers using during relatively mild work activities without any additional sources of heat.

During all inspection activities, especially from June 15 through Oct. 1 of each year, compliance safety and health officers (CSHOs) will include a review of the employers' plans to address heat exposure and prevent heat-related illnesses at outdoor worksites and at indoor facilities where potential heat-related hazards may exist. [This Heat Illness Prevention Program](#) is a key part in addressing the heat related issues Oregon employers have to face. Also there are other helpful [Heat Related Resources](#) available to you as well. I encourage you to create a heat prevention program soon.

Pesticide Application: The question arose regarding the use of pesticides (Roundup ®), primarily herbicides for controlling weeds around the pump houses. It is important to note, herbicides are the only chemicals handled to control unwanted plants. It is my understanding that any other applications, such as insecticides (other than household products), are contracted out to professional exterminators.

It appears the staff will apply the herbicide by backpack sprayer. Since the property you are maintaining is only the water district's, a pesticide applicator's license is not required. However, the individuals loading, mixing and applying the pesticides must follow the product's label cautionary statements, such as the type and kind of personal protective equipment that needs to be worn; the need for an eyewash station nearby; and proper storage of the product itself.

I encourage you to review the label's cautionary statements, from those statements, develop a safe work practice, then train the applicators accordingly, and every now and then check up on the applicators to ensure they are following the safe work practice

Eyewash: Your eyewash facility was being flushed on a monthly basis, it is recommended to schedule the eyewash unit for [a weekly 3-minute flushing](#) of the water line to ensure clean water and to ensure the eyewash is operable. An amoeba (Acanthamoeba) which is normally present in tap water will proliferate in stagnant water of un-serviced eyewash stations. The amoeba is capable of causing severe eye infections and clinical treatment with most antibiotics may not be effective. Infections may result in loss of the affected eye. Please refer to the [Eyewash Fact Sheet](#) and the [eyewash technical note](#) for more information on this topic.

510 NW Terrace Driftwood Reservoir/Pump Station: During the visit at this location, I noted the portable three step structure at the doorway of the pump house. It did not appear this step structure was secured to anything, and since there were a total of four steps (including the step out of the structure) a hand rail is required. My recommendation is to secure this structure to the building's stem wall, and attach [a hand rail](#), (right side descending).

We also discussed the exposed section of the rotating shaft of the various pump motors at this and other locations. A simple substantial cover over the openings such as hardware cloth would allow air circulation, visual requirements and block access to the rotating shaft. Check these and all your pump motors and make sure the shaft openings are guarded.

6161 NW PCH, York Pump Station: We discussed the Liquid Petroleum Gas (LPG) or Propane tank near the pump station. The concern I have is the tank is vulnerable if there was a vehicle(s) to leave the highway and crash into it. We tossed around a number of ideas, but I think Dave had the best option, Ask ODOT if a standard guard rail could be installed to deflect any vehicles that may try to contact the propane tank. I encourage you to pursue that idea.

Attached you will find the "Hazard Identification and Correction" work sheets which list the hazards observed during the consultation. The observations and recommendations made in this report are designated as SERIOUS (S) or OTHER THAN SERIOUS (OTS) based upon probable severity if an injury or illness were to occur. SERIOUS hazards are those situations or conditions which could result in serious illness, physical harm or death. OTHER THAN SERIOUS hazards are those situations or conditions which could result in employee injury or illness of a less serious nature. These designations are intended to help you prioritize corrective action. You should develop an action plan to ensure prompt correction of these identified hazards. Your company is exempt from a routine scheduled Oregon OSHA inspection at this location for 60 days from the date of this report. As mentioned during the consult, this does not exempt your company from enforcement action in the event of an accident investigation, a complaint, referral, or the observance of an imminent danger.

During the consultative visit, I attempted to identify all hazards. However, there may be some hazards that were not seen or identified. It remains the responsibility of the employer to ensure the safety and health of employees and to identify and correct all hazardous conditions and/or situations. This report cannot result in enforcement activity, nor can Oregon OSHA Enforcement use this report as a basis for citation. Information provided is not a formal endorsement of any vendor or product.

Oregon OSHA values your feedback. Please take a few moments to assist us in improving consultative services. In the next few days, you will receive an email with a link to our online survey. If multiple consultations (safety, ergo, health) were completed within the same time frame, you will receive multiple emailed links. Each survey is specific to the services provided; please provide feedback that is pertinent to that particular consultation.

Thank you for requesting our assistance to improve safety and health in your workplace. If there are any questions regarding occupational safety and health issues, please feel free to contact me.

Sincerely,

Corbet (Cory) Stengel
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HAZARD IDENTIFICATION AND CORRECTION

Oregon Occupational Safety and Health Division Consultation Services

Firm Name: Seal Rock Water District Report Number: 18-00906 & 01707 Date: 07/11/2018

No	Item	Location	S	ors	Recommended Action	Assigned To	Due Date
1	The eyewash unit was not being flushed on a weekly basis. Rule: OAR 437-002-0161(5)(a)	Shop		X	Institute a weekly flush protocol a weekly 3-minute flushing of the water line is recommended to ensure clean water and to ensure the eyewash is operable.		
2	The District's confined spaces were not inventoried. Rule: OAR 437-002-0146(5)(b)	District Wide		X	Since you do not intend for your staff to enter your confined spaces, at a minimum, inventory your confined spaces and label them. If your staff must enter them, you will then need to address these spaces as confined spaces.		
3	The steps leading down to the pump station were not secured and there was no railing available. Rule: 29 CFR 1910.23(e)(2)	510 NW Terrace Pump Station	X		Secure the stairs to the stem wall and install a handrail (right side descending). See the body of the report for more discussion on this topic.		
4	The guards were missing on the exposed section of the pump motor's rotating shafts. Rule: 29 CFR 1910.212(a)(3)(ii)	Pump Houses	X		Check all your pump motors to ensure the openings to the rotating shafts are protected. Please refer to the report for additional information.		

Employer Signature: _____ Date: _____ Page 1