

(NDRC) NEWBERG DOWNTOWN REDEVELOPMENT COMMITTEE MINUTES
Newberg Public Safety Building - Newberg, Oregon
WEDNESDAY, OCTOBER 15, 2003 AT 7 P.M.

minutes are subject to approval at the February 19, 2004 meeting

I. CALL TO ORDER

Chair Bridges called the meeting to order.

II. NDRC COMMITTEE ROLL CALL

NDRC Committee Members Present:

John Bridges
Louis Larson

Dave Daniels
David Mehler

Kristen Horn

Absent:

Luana Berens
Sally Dallas
Joan Drabkin

Staff Present:

David Beam, Economic Development Coordinator/Planner
Peggy Hall, Recording Secretary

David Beam opened the meeting at 7:00 p.m.

III. PUBLIC COMMENT

None.

IV. CONTINUED DISCUSSION REGARDING DOWNTOWN IMPROVEMENT FUNDING

Mr. Beam reviewed information he received from Patti Webb, McMinnville Downtown Association Executive Director, including an email from Ms. Webb dated October 14, 2003.

Mr. Bridges asked that if the City did form an EID and a downtown manager was hired, could that person have office space in City facilities?

Mr. Beam said that may be a possibility. He said that the McMinnville Downtown Association (MDA) does not have rental cost for office space because they have a house that was donated to them. They also have business tenants in the house whose rent income helps pay for the upkeep of the facility.

Mr. Beam also reviewed a memo to the Committee (included in the staff report) regarding his survey of downtown businesses. The survey revealed that it appears that Newberg has a higher percentage of owner occupied businesses than McMinnville. Ms. Horn said that it is interesting. Mr. Beam said that Ms. Webb would be willing to assist Newberg in their endeavors.

Mr. Larson asked what was the average EID assessment to businesses in McMinnville. Discussion was held concerning the amount being based on a graduated system (three tiers originating from businesses located on Third Street outward).

Mr. Bridges said that according to his rough calculation, the per business assessment appears to be about \$418 per year for the McMinnville businesses in the downtown EID. Newberg has about 150 businesses.

Ms. Horn said that the EID membership of 111 is not the total number of businesses in McMinnville that are members to the MDA. Discussion was held concerning Newberg having a larger downtown area than McMinnville. Ms. Horn said that much of the MDA funding is used for promotions.

Mr. Mehler said he would like to know more about how the McMinnville Downtown Association functions.

Mr. Beam said that he would contact Ms. Webb to gather more details regarding the EID's step-down (tiered system), sizing and funding mechanism, etc.

Mr. Larson said that he was on last year's City budget committee. With City funds currently very tight, he doubted that the City would be able to provide much, if any, funds towards downtown improvements in the near future.

Ms. Horn said that in McMinnville, the City has been providing some funding for the EID, even though government properties are not assessed in an EID. Discussion was held concerning the possibility of other non-profits also contributing to an EID on a voluntary basis.

Mr. Beam stated that he didn't know what funds the City of McMinnville used to support the EID. He said that he would talk with Ms. Webb of MDA and invite her to attend the next NDRC meeting.

Mr. Beam provided a summary of the existing EID/BID's in Oregon.

Ms. Horn said that there are 42 businesses in the downtown association membership. Discussion was held concerning BIDs, exclusive of property owners.

Mr. Beam stated that he has not received clear answers to his research regarding what type physical improvements can be made with EID/BID funds. He referred to an email sent by Celia Mason of the Oregon Downtown Development Association (ODDA.) In the email, Ms. Mason emphasized the fact that these types of districts don't generate the levels of funding to implement capital improvement projects.

Mr. Beam also stated that he reviewed the Oregon Revised Statutes regarding Economic Improvement Districts and the definitions of "economic improvement." Mr. Beam reviewed capital construction/capital improvement projects in the ORS as well. He stated that if an EID or BID was formed, we would have to carefully write the language in a way that accomplish the goals that everyone could agree to.

Mr. Beam reviewed the current MDA budget.

Ms. Horn said that Ms. Webb is very good at her fund raising activities. She also stated that the funds the MDA receives from its membership is used strictly for promotions. The membership list includes businesses outside the downtown area as well as downtown businesses.

Mr. Larson said that what we are talking about is a marketing program with EID/BID funds. We would have to have a second mechanism for generating money for physical improvements, such as an urban renewal district or an LID. If both EID and BID were in place at the same time, there could be a sliding scale for property owners who are also business owners, as noted by Mr. Beam. Mr. Larson said in order for either a BID and/or a EID to be successful, we would need to be a consensus of participation by the business property/business owners.

Ms. Horn said it will take significant amount of work to get to get either a BID and/or EID approved.

Mr. Bridges addressed the interconnection of EID/BIDs with the new business license. His thought on business licenses and the downtown association was as follows: the business license fees do: 1) pays a portion of Mr. Beam's salary; and 2) generates funds for the Chamber - business promotions. Maybe some the business license fees for the Chamber could be used for downtown promotions. By funding part of Mr. Beam's salary, we are already getting some of the tasks accomplished needed in a downtown

management program.

Mr. Beam said that he does business recruitment for the community. He often times works with Kris Horn when trying to finding space for businesses interested in locating in the downtown area. Mr. Beam said the City would collect the funds from the EID/BID participants. Discussion was held concerning having some of these funds be given to the downtown association or hire someone from the Chamber to implement the downtown management program.

Ms. Horn said that the portion estimated to go toward business promotions to the Chamber or economic development from the business license fees was about \$8,000 per year. The Chamber wanted \$9,000. Whatever the portion, some would be for the downtown promotions. She suggested that at that level of funding, the level of success for downtown promotion would be limited.

Mr. Mehler asked about how an EID/BID is approved.

Mr. Beam said provided a general overview of the approval process.

Mr. Bridges said that the approval process basically puts the burden on the people that do not want a district. The City of Forest Grove downtown business owners recently said "no" to an EID.

Ms. Horn said that a lot of time is spent convincing property owners in downtown McMinnville to not only support the district, but also convince those not excited about the idea not to oppose the formation of a district (33% remonstrance limit to a district formation.)

Mr. Bridges asked about how an EID properties are assessed. He stated that funding cannot exceed 1% of the real market value of the downtown property.

Mr. Beam said that funding can be raised in various ways, such as by the square footage of a building foot print. Discussion was held concerning how to calculate the real market value of Newberg's downtown and estimated funds available. Mr. Beam said that he did an estimate years ago and he believed that Newberg's downtown at that time was worth about \$46 million.

Tape 1 - Side 2: 7:45 p.m.

Mr. Mehler said he was concerned about all the fees business owners already have to pay: Chamber dues, business license, LIDs, BIDs, downtown associations. There is only so much money for businesses have to work with.

Mr. Bridges said he was getting the feeling that assessing property owners may be a better avenue than business owners. Discussion was held concerning 1/3 of the businesses downtown are owner occupied. He said that a business owner that owns their own property usually better off financially than a business owner that leases.

Mr. Mehler said that the any assessment to a property owner will be transferred to a lessee via increased rental fees.

Mr. Bridges said that an assessment on businesses would more likely garner resistance to the formation of a district.

Mr. Daniels said that all businesses make choices as to whom to support, e.g. the Chamber, the NDA, an EID. His recollection was that it was the downtown property owners who were the ones that were assessed when the last EID formed in Newberg during he mid-1980s.

Ms. Horn said that she believes the dynamics of the businesses downtown have changed. The EID in the 1980s was approved by the Council before the urban renewal district but was defeated by the voters.

Mr. Daniels said that they did receive quite a bit of resistance. It is important to work with the property owners ahead of time. He thought that the cost of the property owners assessments would not necessarily trickle down to the renter.

Mr. Bridges said that when potential participants of a district are well informed prior to forming a district, it has a much better chance of being approved.

Mr. Bridges recommended that the Committee place the idea of a BID on the back burner for the time being and continue to look at the EID and other mechanisms. Discussion continued concerning EIDs, formulas for charging assessments, geographical area, hiring full or part-time staff, and Chamber involvement/sharing personnel. He said it would be helpful to have Ms. Webb from the MDA come speak to the NDRD regarding how their EID worked. We need to weigh out the consequences, solicit business owners input and not make a decision until we receive more input. Discussion was held concerning the ORS statutes and definitions of financing, maintenance and repairs, supplies and equipment and furnishings.

Discussion was held concerning EID's not being used. Some committee members questioned whether or not the City of Joseph has any paid staff running their program. Mr. Larson believed that all the businesses in Joseph got together without having to hire someone. Ms. Horn said that she has met a manager or director from the City of Joseph. Mr. Larson said that folks in Joseph had a consensus of a project and all business owners contributed for the common good. Ms. Horn said that she thought Joseph had some other funding mechanism like a urban renewal district or something similar. Mr. Larson said that with a large group, the actions don't take quite so much work, but if we have a smaller unit we would lack that additional "edge".

Mr. Beam said that one of Patti Webb's main tasks is to develop working relationships with downtown business and property owners.

Mr. Bridges asked about whether or not the MDA had an annual report, a job description for Ms. Webb's job, and/of a one-year plan or a five-year plan for their organization.

Mr. Beam said he would e-mail these question to Ms. Webb so she can answer them when she visited the Committee.

Mr. Larson asked to have her quantify the values of her downtown program.

Mr. Bridges stated that one way to do that would be to calculate the property value increase with in the EID as compared to another commercial in McMinnville over the last 15-year period. Discussion was held concerning a contributing factor of the Chamber/downtown association involvement. What is the turn-over rate for the businesses downtown?

Mr. Beam said he would work with Ms. Webb to try to calculate some comparisons.

V. CIVIC CORRIDOR DESIGN

Mr. Beam said he had recently talked with Ryan Blume. He is making progress on the plans and will complete the drawings and report soon. Discussion was held concerning providing information regarding the Civic Corridor to the public. Mr. Beam said that he would recommend presenting the work to the City and then request Council to adopt the concept of the design. Once approved, can it be used for marketing the area. It should be shown to civic groups. Mr. Beam said that he planned to present the design to the public, such as through the City Club and the Chehalem Park and Recreation District (CPRD).

VI. PROPOSED ART/CRAFT FAIR AT FRANCIS SQUARE

Mr. Beam presented the Art/Craft Fair concept. He said the proponents of the were Christie and Andrew Harper, local professional artists. The concept would be presented to the City Council at their next meeting. The idea is to hold the Fair on weekends and during special events, when the weather is good. They have already discussed the proposal with the Newberg Downtown Association. The proponents would like to have the Fair at Francis Square, a city property which would need City Council approval to use. Currently, the rules for using the Square prohibit this type of use. The Harpers are going to present the idea to the Council and staff was going to recommend that the idea be by the Downtown Redevelopment Committee in conjunction with the NDA. The Committee may also want to recommend other alternative sites other than Francis square. More detailed information will be presented at the next

NDRC meeting.

Mr. Bridges asked for copies of the rules for Francis Square in their next packet. He noted that the Harpers want to start the Fair by next spring.

Ms. Horn said that the downtown association was not involved in making the original rules for the square.

Mr. Beam said that staff would also recommend to Council that working with the Fair proponents be a cooperative effort with the downtown association. Mr. Beam said he would recommend that anyone interested should come back to the next meeting for Ms. Webb's presentation and participate in the discussion.

VII. FORMER CHEVROLET PROPERTY CLEANUP

Mr. Beam reviewed the update on the clean-up project. Staff will be hosting a mobile workshop about 92 people from the National Brownfields Conference regarding this project.

VIII. DOWNTOWN GATEWAY PROJECT

Mr. Beam discussed the progress on the downtown gateway project (the triangular between Hancock, Center, and First Street). Public works personnel have made efforts in the landscaping the area. Mr. Dwayne Brittell has created a design/marketing piece to help develop support for the gateway project. Kiwanis and Rotary have been solicited to help with the funding of the welcome sign. Mr. Beam said he continues to work with ODOT concerning the sale/transfer of the property to the City.

Ms. Horn asked about who was in charge of the celebration flag (large one) at the intersection in front of the gateway property. Mr. Beam said that he would find out. Discussion was held concerning it being a very distinguishing landmark.

IX. OTHER BUSINESS

None

X. NEXT MEETING - November 19, 2003

XI. ADJOURNMENT

The meeting was adjourned at approximately 8:30 p.m.

Passed by the NDRC Committee of the City of Newberg this 18th day of February, 2004.

AYES: 5 NO: 0 ABSTAIN: 0 ABSENT: 3 Drabkin
Carson
Daniel's

ATTEST:

Peggy R. Hall
NDRC Recording Secretary Signature

Peggy R. Hall 2-18-04
Print Name Date