

**(NDRC) NEWBERG DOWNTOWN REDEVELOPMENT COMMITTEE MEETING
MINUTES
Newberg Public Safety Building - Newberg, Oregon
WEDNESDAY, MARCH 17, 2004 AT 7 P.M.**

minutes are subject to approval at the April 21, 2004 meeting

Chair Bridges opened the meeting at 7:00 p.m.

I. ROLL CALL

**John Bridges
Kristin Horn**

**Dave Daniels
Dave Mehler**

Sally Dallas

**Absent: Joan Drabkin
Lon Wall**

II. Public Comment - None

III. Approval of Meeting Minutes - Approval of January 21, 2004 meeting minutes.

MOTION: Horn/Dallas to approve the minutes with the amendment of the word "business" owner as referenced by John Bridges referring to the location of his office in the downtown area.
(5 Yes/2 Absent [Wall/Drabkin]/1 Vacant [Larson]). Motion carried.

Mr. Bart Rierson was in attendance as the new NDRC member appointed by the Council.

IV. Downtown property ownership.

Mr. Bridges reviewed how an economic improvement district (EID) would provide a funding mechanism which would provide the resources to hire a downtown manager. The Committee had previously heard from the McMinnville Downtown Association manager and representatives. They noted that a full time manager could help attract businesses and do a variety of other important cheerleading functions. They also said that it was important to identify key property owners to serve on an EID formation board (a "blue ribbon committee") whose function would be to educate the rest of the property owners on the advantages of an EID.

Joan Drabkin appeared at the meeting at 7:10 p.m.

Mr. Beam provided a list of the Newberg downtown property owners and tax lot maps. One list is arranged by tax lot number and the other is alphabetical by the last name of the property owner. He said there was some small portions of the C-3 zone (east side) not represented on the lists.

Ms. Horn said that since the last meeting, she had developed concerns with the direction the Committee. She was concerned that some were looking at the EID as a mechanism for potential capital improvement funding. She did not feel that funding was sufficient for this type of use and questioned whether or not the funds could be used in this manner. As for setting up an EID for use of hiring a downtown manager, she cautioned that the committee should take it slow. Newberg has just gone through a substantial tax increase regarding schools. The committee could have a problem with passing an EID. She was an advocate of downtown management.

However, if the Committee wasn't careful, the EID effort could end up something like the urban renewal district (URD) experience, which was formed, but later retracted due to the vote of the people not wanting it. Discussion was held concerning proceeding with an EID.

Mr. Bridges said they were trying to enhance the design of the civic corridor plan and make it a real blueprint for the rest of the downtown. He also stated that the Committee is open to using many other funding resources for downtown improvements. Forming an EID is just one mechanism. He does not have any preconceived notion of what the time line should be for the EID effort. He feels that it is important that the Committee work with the downtown owners to make them the advocates of the EID effort. As for EID assessment methodologies, McMinnville has used the property per square foot basis. Discussion was held concerning helping to educate downtown EID promotional team. It could be a long process. He could envision Newberg's process to be longer than what it took McMinnville to do (12 months).

Mr. Rierson said he has a friend that worked for a fund raising group. The fund raised were used to cover the salary of the management. The URD had an overwhelming opposition. There may be better alternatives for funding a downtown manager

Discussion was held concerning people would rather pay money for improvements than pay for downtown management.

Mr. Bridges said it was a good idea to pursue to pursue other funding mechanisms. Mr. Beam's work for the downtown area so far has been good, but Mr. Beam can't commit the time needed to manage the downtown area. Discussion was held concerning considering other funding mechanisms for capital improvements.

Mr. Bridges said that the EID might raise approximately \$20-25,000 per year. Discussion was held concerning a \$.06 per square foot charge/fee.

Ms. Drabkin said that it costs her about \$1200 per year for fees for the McMinnville EID.

Mr. Beam said the minutes reflect that the average assessment in McMinnville was \$383.

Mr. Bridges said the property owner pays that amount and not the business owner.

Ms. Drabkin said there is only so much of a tax burden a business can take.

Mr. Bridges said that the renters think that the fee will be passed on by the landlord.

Ms. Drabkin said she was careful to maintained and sustained the rental rates so as not to that price the business owners out of the market. Discussion was held concerning how some property owners may or may not pass on the fees.

Ms. Horn suggested that the Committee put together a group of major property owners and if we do not get good support from them for the EID project, then we may possibly need to step back from the effort. She said she would work with the group to try to get a consensus from the property owners as to what would work for them.

Mr. Bridges said that it is fine to keep an open mind about using all the different funding mechanisms for different downtown improvement needs. It is fine to identify what our Plan B should be. However, other than going out with grant writing or hat in hand, the EID appears to be the best mechanism for funding at this time. In reality, if we sit down with business owners, there is some truism that will come out of the meetings. They may say all kinds of reasons not to do an

EID. On the other hand, they might see that an EID will potentially benefit them and it would be a good idea for them to take stock in it.

Ms. Dallas said to approach the land owners with the EID idea as a suggestion. Use a soft approach and get some input.

Ms. Drabkin said EID money is primarily used to fund a downtown managers. Maybe there is a combination method where both property owners, business owners and maybe others in the community pay for downtown management. The entire town should have a interest in the health of the downtown.

Mr Beam said the URD mechanism is sort of an "entire town" concept of funding the downtown area.

Mr. Bridges said the Committee can be responsive to the short-term and long-term needs of the downtown. The long-term URD mechanism did not work. The Committee has examined the used of a BID alternative, maybe in conjunction with an EID. Maybe the property owners would prefer a business owner/property owner shared burden of funding downtown improvements. As for capital projects, we could look at doing an LID. There are many options, but we need to get stakeholders into a dialogue. Nothing is decided yet. We need to decide on who to approach for the core downtown owner group and then we could work on a strategy on how to approach the rest of the stakeholders, what we give them and our recommendations.

Mr. Bridges felt that the consensus of the Committee was to talk to the property owners about proposing an EID. We could also offer other funding mechanism alternatives.

Ms. Horn asked if we could use EID funds for capital improvements?

Mr. Beam said that he researched this question a while back and didn't get a clear answer. If we wanted to go that route, he felt we would need to get a legal opinion from the City Attorney. Discussion was held concerning McMinnville wanting to do street lights and other improvements with their funds and work that had been done on one of their businesses in the past to help them create a better facade (Oregon Stationers.) and signage.

Mr. Bridges said that some of Ms. Webb's salary is funded by fund raising. She also raises funds for improvements, like flower baskets. If we formed an EID, the board could decided that the management person should do fund raising to do flower baskets, etc.

Mr. Beam said capital improvements are generally considered to be fairly large projects, not like flower baskets, etc.

Mr. Daniels asked if we could get more information from comparative cities other than McMinnville.

Ms. Horn said that she checked with other cities and nearly all are using EIDs or BID/EID combinations (which were not really that popular).

Mr. Daniels said that doing your homework and meeting the stakeholders ahead of time is important. The previous Newberg downtown association had an EID, but it was not successful. We need to select a cross section of business/property owners. We should focus on people that would possibly be a hard sell and then bring them on board. For some, you just need to convince them NOT to work against your efforts.

Mr. Bridges asked about identifying who would be the core group to approach. Discussion was held concerning old and new property owners. Some of the long time owners may be more difficult to work with.

Tape 1 - Side 2 -

Discussion was held concerning the various properties and business owners.

Ms. Horn suggested the Johnsons, Melvin Sprecher, and other people who own a significant piece of downtown.

Mr. Bridges noted the following property owners as being possible committee contacts: Cain, Oviets, Nilles, Sprecher and non-individuals such as Francis enterprise, Eagle Newspaper, and including the Johnsons, Minthorns, George Fox University.

Ms. Horn suggested that we focus on the ones already discussed and then add some of the ones Mr. Rierson suggested: create a cross section of different owners in order to get a better sense of whether the thing will go. The question came up as to the influence on the process by those not assessed: residential properties, non-profits, government, etc. Do they get a vote on the formation of the EID.

Mr. Beam said he will check on this.

It was suggested to invite property owners Ray Mundo and Lourdes Sosa. Some thought we should invite the business owners, not just the property owners. Others thought not to include them, since they don't have a right to vote on the EID. A suggestion was made to develop a strategy of contacting the property owners, who then would then go out and talk with their renters, etc. Discussion was held concerning having Allyn Brown being on the Committee.

Mr. Daniels left the meeting at Dave Daniels left the meeting at 8:00 p.m.

How would property owners of undeveloped properties be assessed? The Committee discussed the number of committee members for the cross-section.

Mr. Ed Hixon (audience member) commented that business owners should be included in the process as well as property owners. He felt that business owners have at least as much interest as the property owners in improving downtown.

Mr. Bridges said that certainly that BIDs will certainly be included as a potential funding mechanism. A downtown manager would work with all the businesses. A good example is that of the McMinville EID. The EID helps pay for the downtown manager, but the manager then sells memberships to the downtown area, raises promotions funding, etc. When the Committee compared EIDs and BIDs, some thought that businesses would be more sensitive to the impact of an assessment than a land owner. The BID has the same voting concept; if 1/3 of the businesses do not want to do it, the BID will fail. The Committee had thought that the business owners were more likely to vote an assessment mechanism down than the property owners.

Mr. Hixon, the owner of the downtown business called Six-One-Four, said that it would be better to have business owners participate in the process. You may find more support from the business owners rather than from the property owners.

Mr. Bridges said the EID would be administered by the City. However, the program's policies and direction would most likely be set by a volunteer board consisting of property owners and

business owners, like McMinnville's. That board would certainly champion the desire and needs of the downtown businesses. Discussion was held concerning the businesses and the community interaction. Discussion was held concerning using both business owners and property owners as part of the initial group to spearhead the EID effort.

Mr. Hixon felt that business owners would be more enthusiastic about an EID than property owners. Discussion was held concerning level of owner/occupied businesses in downtown Newberg.

Ms. Drabkin said it would be helpful to see what the businesses have to say and how they feel about.

Mr. Bridges said perhaps the Committee could examine the strategy and process of how to form the core promotional/educational group at the next NDRC meeting.

Ms. Horn said that when we took the BID idea off the table a while back, it was under the assumption that some businesses would not be in favor of it.

Mr. Hixon felt that there may be a challenge to build business support for the idea and some businesses may not be able to contribute a lot. It must be ensured that any funding mechanism for downtown improvements will not place a heavy burden upon them.

Mr. Beam said referred back to a previous staff report that stated that about 1/3 of the downtown businesses are owner occupied. Discussion was held concerning how Committee members should come to the next meeting with process and strategic ideas to form a EID and/or BID.

Mr. Bridges said that he and David Beam could develop a draft proposal on the strategy/process for forming an EID and/or BID.

Kris Horn said that she would check to see what other cities in Oregon are doing EID/BID combinations. Discussion was held concerning what cities have done the combinations. Ms. Horn said that she thought Tillamook was thinking about going that direction.

Ms. Drabkin suggested that an outline be prepared rather than a proposal.

Mr. Bridges said that in preparing for similar efforts, ideas area brought to the discussion and peoples reactions to the ideas are discussed.

Mr. Rierson said he suggested that there be an outline and proposal (draft) that makes sense may save some time.

Mr. Bridges suggested that we just bring a flip chart to the next meeting and we can figure out downtown strategies. This effort will likely take up most of the next meeting time. Therefore, he told Mr Beam that the NDRC would be reviewing the draft Civic Corridor presentation at the May meeting, instead of the April meeting.

Tape 2- Side 1:

VI. Downtown Newberg Property Values

Mr. Beam presented his comparative analysis of the property assessment changes over the last fifteen years in Newberg and McMinnville. He noted that there was a higher rate of increase in Newberg.

Mr. Bridges felt that it is cheaper to purchase property in McMinnville.

Ms. Drabkin said historically, Newberg used to be cheaper. Discussion was held concerning metro area influencing property values in Newberg area.

Ms. Horn said that the McMinnville downtown revitalization effort was galvanized by the by their high vacancy rate of around 17%. Newberg's current vacancy rate is not that high.

Mr. Beam said that from the lists, he calculated the total downtown property values in Newberg: approximately \$22.5 million in assessed value and market value was around \$35 million. These figures reflect the downtown values minus the small area of the C-3 zone that was missing from the list that he had mentioned previously in the meeting.

VII. Civic Corridor.

Mr. Beam said that he was beginning to develop ideas for the Civic Corridor presentation. He made the following suggestions:

1. We may need to ask the survey participants for their preferences in style, exteriors, colors and materials. Discussion was held in factoring in costs regarding longevity of the benches and trash cans. Mr Beam also discussed how bike racks should be small in size and more numerous. They should be spread out in the downtown area to be more user friendly.
2. He had also talked to Vicki Duggan from the Oregon Downtown Association (ODDA.) She suggested that the options should be presented as conceptual groups. This will help avoid choosing downtown amenities that are mis-matched.

Mr. Bridges said the survey should include the pros and cons of each option.

Mr. Beam said that next month he would try to provide some examples of street furniture for the Committee's review such as benches, trash cans, bike racks, an trees. He would also try to provide examples of curb extensions but he does not know what is available. He requested that if any Committee member knew of any good examples to please forward the information to him. Preferably sending digital photos to him.

Mr. Rierson addressed street lighting and things that are easy and not expensive to do such as the little white lights for the street trees. He acknowledged that getting power to the lights can be a challenge.

Mr. Beam provided a copy of a League of Oregon Cities' article received from Councilor Bob Andrews concerning how "LaGrande Improves Its Living Room. The article noted how the process involved 3 programs: setting up an historical district property, urban renewal district and creating a vertical housing tax relief program. Mr. Beam noted that: (1) the downtown may qualify as an historical district and could be formed, if the support existed; (1) a URD was recently formed and disbanded; and, (1) the city could participate in the State's downtown vertical housing incentive program, but added that the program was currently undergoing some significant changes.

Mr. Beam said the Downtown Association met this morning. It was suggested that perhaps the NDRC could set up a booth at the Harvest Festival in September to get the word out about the Civic Corridor project.

Ms. Horn said she would likely waive the booth fees for the Civic Corridor display. The group felt that this was a good idea and that they should discuss the idea further at a meeting around June.

Mr. Beam said he would provide copies of past NDRC meeting minutes and materials on EIDs and BIDs to Mr. Hixon and Mr. Rierson.

Mr. Beam said the next meeting was scheduled for April 21, 2004.

IX. ADJOURN

Chair Bridges adjourned the meeting at 8:30 p.m.

PASSED by the NDRC Committee of the City of Newberg this 21st day of April, 2004.

AYES:

NO:

ABSTAIN:
(List Names)

ABSENT: Drabkin

ATTEST:



NDRC Recording Secretary Signature

PEGGY R HALL

Print Name

4-21-04

Date