

Newberg Downtown Revitalization Committee
MINUTES
Wednesday, April 21, 2004
7:00 p.m.
Newberg Public Safety Building (401 E. Third Street)

I. CALL TO ORDER

Chair John Bridges called the meeting to order at 7:00 p.m.

II. ROLL CALL

Present:	John Bridges	Dave Daniels	Sally Dallas
	Joan Drabkin	Kristin Horn	Edward Hixon
	Dave Mehler	Lon Wall	Bart Rierson

Absent: None

III. WELCOME TO EDWARD HIXON, NEW NDRC MEMBER

Mr. Hixon introduced himself. He owns the business known as Six-One-Four. His background is computer software. More than 30 years in the software business. He and his wife moved up here late September 2003. He has a vested interest in the downtown area which demands foot traffic. Newberg needs changes to attract people downtown.

IV. PUBLIC COMMENTS

None.

V. MEETING MINUTES

1. Approval of February 18, 2004 and March 17, 2004 minutes.

MOTION: Rierson/Dallas approve the February 18, 2004 and March 17, 2004 minutes. (Unanimous).
Motion carried.

VI. DOWNTOWN FUNDING MECHANISMS - Formation Strategies

Chair Bridges said the discussion would not have any pre-conceived structure. The purposed of the brainstorming session was to bring out strategy ideas on how to go about establishing an EID/BID. Joan Drabkin volunteered to write down the ideas on a flip chart.

Mr. Beam provided an handout, which included excerpts from a document describing a timeline and steps to establishing an EID/BID. He also provided a handout on the potential venues of the Civic Corridor Streetscape Plan Promotional Campaign.

Discussion was held concerning how many of the committee members would prefer an EID, a BID or a some type of hybrid combination thereof.

Chair Bridges refreshed the Committee's memory, describing the Economic Improvement District (EID) and Business Improvement District (BID). Both systems are used primarily used to fund downtown management. EID - collects assessments from the property owners. BID - collects funds from the businesses themselves. Chair Bridges recalled that less than 25% of the downtown C-3 zone are owner occupied. Over 75% are non-owner occupied. The funds are used for promotion and management rather than for capital improvements.

Discussion was held concerning the hiring of a downtown marketing manager who creates, organizes, implements and puts on different activities, such as art markets, Saturday markets, garden markets. This person recruits businesses and works with the current businesses to reduce turnovers. The manager would do whatever their supervising Committee or the Board directed them to do.

Mr. Rierson asked about the salary, full time/part time status?

Mr. Bridges said the NDRC would not be forming an EID/BID or combination. Instead the Committee would try to encourage other downtown businesses/property owners to that. What the NDRC could do is develop a list of ideas and recommendations for businesses to consider.

Discussion was held concerning the possible creation of a separate subcommittee of the existing NDRC. No decision was made on this issue. The NDRC and the NDA would have to take ownership in the process.

Ms. Horn noted that if all the property and business owners were together to discuss and EID/BID at one time, there would likely be a negative response the idea. Ms. Horn said she is not interested in fully pursuing this funding mechanism until there are first some exploratory findings done. If an EID/BID effort is shot down now, then that opportunity is for a long period of time.

Mr. Rierson said that if we do something like this, the downtown manager should be hired as a part time position to give the effort a trial run.

Mr. Bridges said an EID/BID would be administered by the City Council. Most likely, a separate board of directors for the EID/BID would oversee the use of those funds. If more than a third of the affected parties do not want an EID/BID, then it will not be formed. The NDRC should help form some type of stakeholder committee to move the process along.

Dave Mehler felt that the the problem with EID is that the business man would still pay for the program through higher rents. If a combined EID/BID is sought after, more resistance will be met. If you go with a BID, how would it be sold? What would be the advantage? Some businesses would have an interest, but and some businesses would not feel they would benefit. He does not know which funding mechanism would be best. What is the percentage of the out of town property owners? There are some that are out of town that may not have any interest in the idea. A this time, He would say that an EID would be a better start.

Kristin Horn felt that a combined EID/BID might work well, if there was a good way to deal fairly with the double charges of businesses for owner-occupied businesses. The McMinnville downtown director said that the promotions fund is a different fund from the EID funds. The BID portion could be for the promotions portion and other specific purposes. The EID/BID combination could be a good start to fund a downtown manager. Ms. Horn said she was not in favor of using either of these funds for capital improvements.

Mr. Wall said that McMinnville has an EID but does not have a BID. The way it is done in McMinnville is pretty good and he likes the system. If we have both an EID and a BID, most people will realized they are getting charged twice. His bottom line is that if an EID idea is presented to the property owners and the support is not there, then that would be the end of it. The property owners are the ones that have the most gain. Having said that, if there was a situation where the downtown property owners said no to this concept,

it would seem that the committee would have to step back and look at what they are doing and for who and why? The property owners are the ones who would benefit the greatest from any downtown improvement program. If there is such a negative feedback from the property owners, then we need to do something else. He said he was most interested in the EID.

Mr. Daniels said he is in favor of the EID, as the property owners will likely benefit the most.

Ms. Dallas said she is more inclined to support an EID, with a downtown merchant association being tied into it. It is a sales job to convince the property and business owners of these funding mechanisms.

Mr. Hixon said he is not clear on the benefits of either an EID or BID, so he doesn't favor either one at this time. He said that he has a very dire need to improve the downtown area. He is concerned about the 1/3 remonstrance threshold. He does not have the history of the downtown area, so he does not have a feel for how well such a proposal would fare. His concern is how the downtown merchants would be involved. He is concerned about the absentee property owners because his impression is that they do not have the feel the need to do any improvements on the property. The process has to be local business/property owner driven. Mr. Hixon said it could be risky.

Mr. Rierson said he liked the combination of the EID/BID idea. He said the property owners would benefit from the business owner's involvement. If there was less impact on each entity and potential for gain for everyone, it could work. If there was a downtown merchant association component to the idea, he would recommend the EID/BID combination.

Mr. Bridges said the McMinnville model is has an EID where property owners must participate. The downtown association manager formed a voluntary merchant's association so the businesses could join in helping downtown improve. Discussion was held concerning it being mandatory and not just voluntary.

Ms. Drabkin felt that a combination of EID/BID would be best. Rentals are generally fixed for a long period of time. The businesses have a lot to gain as well as the property owners from a vital downtown area. It is important to pull as many people interested in the downtown to help ensure the success of the effort, not just the property owners.

Ms. Horn said she liked the McMinnville model.

Ms. Drabkin said that once we have a group buy into an idea, we can get a better result.

Mr. Bridges felt it would be a mistake to do a mix model (EID/BID):

1. Runs the risk of spreading ourselves too thin trying to convince such a large group of people.
2. This combined funds would produce a relatively small income. We first need someone like a downtown manager, who will create a momentum of success and excitement for an improving downtown. Improving downtown does not have a short term fix. Businesses have a short-term view, whereas land owners have a long-term view.
3. Kris Horn's point is accurate in that if our effort fails, it will use up this option for a while. If we have a joint EID/BID and we go through the process and fail, we have essentially used up two options. The EID improvements would hopefully motivate the business owners to participate in downtown improvement efforts.

Mr. Bridges said that if we are do try an effort to start an EID and/or BID, how are we going to go about it? There is an initial phase of collecting a small group of EID supporters. Eventually, as we roll this out, we are going to need to contact the business and property owners in some fashion. It should always include both business and property owners and a discussion about ways to support them. We already have a downtown

association which could easily morph into that arena. Discussion was held concerning taking the next steps. We should talk about strategy about forming one type of district or the other. The strategy would not be that much different for either one.

Discussion was held concerning the arguments of not losing both the EID/BID options in one effort. The NDA would still survive.

Tape 1 - Side 2:

Mr. Hixon said that if we pursue an EID, we should encourage the business owners to participate. The business owners may have short term “needs”, but they also have long term goals. There are a lot of business owners that have long-term interests. He agrees that it is risky, but he would vote with the EID with an affiliated merchant association being formed as well.

Mr. Bridges said the McMinnville downtown manager is partially paid with EID funds.

Mr. Rierson said that after listening to Mr. Bridges, it seems that it may be best to start out with just an EID.

Ms. Horn said we cannot fund a downtown manager with just an EID. They need to have the BID or merchant association to help in funding.

Mr. Wall compared the similarities between a URD and an EID.

Ms. Horn noted that the funding mechanism of the URD is not available at this time.

Discussion was held concerning getting the property owners to buy into it. What are the ideas to draw the property owners into the concept?

Mr. Bridges said that the promotional group will be approaching the property owners and helping to educate them about the chosen funding mechanism. It is important to use people who have been in the downtown area for some time. Discussion was held concerning having a social for property owners for a couple of meetings of the downtown association.

Ms. Drabkin suggested having a meeting for both property owners and business owners to solicit their ideas and try to get some type of consensus.

Mr. Bridges said the McMinnville effort started with small group, property owners meetings with their core promotion group to discuss the funding concept. If we put all the property owners together in one big meeting, we run the risk of the property owners blowing it off and not wanting to support the program. It would be hard to direct the meeting. We need to explore the level of support there is for this idea. There are a number of property owners (140+ commercial business properties). What about a small representative group of downtown owners talking individually with other downtown owners to get a feel of what works for them and what does not. Discussion was held concerning modeling the Newberg project after the McMinnville effort.

Mr. Bridges said we need a group of about 10 property owners who are the most persuasive. People will see them as supporting something, even though it will take money coming out of their pockets initially. The NDRC can make the proposal and hopefully have the core group be the one that meets with other property owners (we would need their buy-in). It is the property owners that will determine whether an EID will go or not. We need to be able to convince them. He would approach them on an individual basis.

Ms. Drabkin said as a property owner, she would prefer to meet with other property owners as a group.

Ms. Dallas said she would like to meet with a small group.

Mr. Hixon felt it would not be a good idea to have a big meeting. He would prefer to see to see a presentation to group numbering maybe about 20 persons in size. We have to have multiple interests in the room to exchange ideas. Discussion was held concerning it could be very intimidating.

Ms. Drabkin said she is not sure how such a meeting would go, but she recommends holding the smaller group meetings.

Mr. Mehler said that he would be concerned about having a “hot-head” involved in the meetings. Discussion was held concerning ensuring that process is not manipulative.

Mr. Wall said there is a difference of the goal and how we present the goal. We have a vested interest to do our best to see that the funding mechanism effort for downtown improvement succeeds. To do this, we need a core group of business people who are in favor of the EID. This core group would then promote the idea among other downtown stakeholders.

Ms. Drabkin said she disagreed. She said we first need to know how a random group of downtown stakeholders feel about the idea.

Mr. Wall said McMinnville folks first developed a core group of EID supporters before they more public with the idea. Ultimately, once the seed is planted to set up the organization, we would need to have a big group, but to start it, the Committee needs to go for a select group.

Ms. Drabkin said she would look at the property owners and select people from both sides, a broad political spectrum. We need to build support for the idea without stacking the deck. She said to do otherwise would be unethical.

Discussion was held concerning possibly doing a canvassing the downtown stakeholders first and get a better feel on how they feel about the idea.

Ms. Horn said she believed that is what McMinnville did. They did a canvas of the property owners, who was for and against the proposed EDI. They asked then about the downtown vacancy rate of 17% and what should be done about it.

Discussion was held concerning what type of information would be used for such a canvassing. The group also discussed the need for a downtown manager to do promotions. Is this just a need for businesses?

Mr. Bridges said we should want to get the businesses to be involved in the process as well as the property owners. What is the mechanism for canvassing? What do we need for the downtown area?

Mr. Beam corrected a previous statement regarding owner-occupied businesses downtown. He stated that over a third of the properties downtown are owner-occupied according to his quick survey downtown.

The discussion of how to canvass downtown continued. The methodology could include developing a check list and physically going out and talking with people to discuss what things may be involved to do some type of funding mechanism for downtown: some way to rate it. Some sort of a survey/questionnaire to measure and compile. Is there some funding available to do a mailing. Should be do person to person or by telephone. We would need volunteers for putting in time to talk with businesses. What we are looking for is a core group of advocates to help do some of the work for us.

Mr. Wall said he can't see any benefit of using people against the idea of an EID/BID to help educate the downtown stakeholders about the funding mechanism available for downtown. We can go for a broader consensus for an idea once we get a core of support.

Discussion was held concerning the committee first taking a select number of property/business owners to contact other property owners to provide information and to try to motivate them. Discussion was held concerning involving the Chamber in the process.

Mr. Daniels said the issue could be brought up at a Chamber Forum.

Mr. Rierson felt that a Chamber Forum would be a good way to get the idea in front of a big group in one place at one time - seemed like a good first step.

Mr. Bridges asked what if the survey results do not show what the committee hoped would happen?

Ms. Drabkin said that we need to find out if there is support out there for the idea among the greater downtown stakeholders. She has some skepticism whether or not the idea would be supported.

Mr. Bridges said he was concerned about starting out with surveying the greater downtown population stakeholders. We need to first start with the development of a group of supporters who can persuade others. In talking with other downtown stakeholders, here is a question that could be asked: Do the individual property owners want a viable downtown area? If they do, here are some things we can do to approach them.

Ms. Drabkin said she has doubts if she really wanted to be taxed more. Would folks rather take that tax money and put into their property? She does not feel there is a good chance of the EID/BID idea succeeding.

Mr. Wall said the NDRC exists for a reason. If the committee does believe in establishing a particular funding mechanism for downtown improvements, this committee does have a right to set up circumstances to make the proposal succeed. They have a plan and the committee needs to have a good selling job. They need to advocate in favor of it. However, it is ultimately under the control of the property owners on whether or not the idea is developed. He said we need to get a core group of property owners who are open minded and could possibly approve the idea. Then they could help with the persuasion of the others.

Discussion was held concerning how to develop a positive cross-section of downtown stakeholders that would help in a successful campaign. The core group would contact the other property owners on a one-to-one basis. The core group participants have to give a history on how the idea developed, promote the options and explain the goal that they want them to pass on to the other property owners.

Mr. Bridges said we need to identify the core group members. He said he would be willing to talk with them.

Ms. Horn said that if the Committee can't sell Ms. Drabkin on the idea (a major property owner), then we may have a problem.

Mr. Bridges said some people may not support the idea, but we can attempt to convince them not to object to the idea (not to remonstrate.) Discussion was held concerning issues.

Ms. Drabkin said the rents in downtown McMinnville are very high. However, they are still managing to keep them rented. There are reasons that the property owners would not want to be taxed. It would be hard for the property owners to pass on the cost increase on to the tenants with the rents so high. Discussion was held concerning the increased value of properties in Newberg and McMinnville.

Tape 2- Side 1:

Ms. Drabkin said that there is a lot of problems with the McMinnville downtown area. Rents in downtown Newberg are relatively low because of the high traffic volumes. The future bypass should help this issue. As you have traffic going down, the rents have to be low. If the business people are doing better, they can pay the higher rent.

Mr. Wall said his business is located at a less costly location than downtown McMinnville. He doubts that bypass in McMinnville has anything to do with the rents. Discussion was held concerning increased rental payments due to the EID tax.

Mr. Bridges said the EID tax to the property owners in downtown McMinnville probably has little to do with the high rents there.

The Committee began identifying potential downtown Newberg people who might work with the core promotional group:

1. Allyn Brown
2. Scott Haugen (owner of former Bank of America building)

Ms. Horn said we need to garner positive people for the core group.

Discussion was held concerning Mel Sprecher as maybe not being a good advocate. Oviatt family - they own five properties? We should not talk to the Johnsons nor the Paynes.

3. Oviatts
4. Dan Corrigan

Dave Mehler, owner of Coffee Cottage, said he does not have the time. He is for the change, but is not sure about the options.

4. Nilles
5. Randy Hopp
6. Dennis Lewis
7. Jane Carlson (owns former Krohn's building)

Discussion was held concerning the David and Sherry Herr (bicycle shop)

8. Ray Sosa
9. Norbert and Mary Smith - 114 E. Second (around IGA store)
10. Dave ~~Fowler~~ ^{Bauer} owns the property at Nap's.
11. Neil Cohen (may not support the idea, but he is community oriented).
12. Rocky Wade - First Federal
13. Leonard Johnson

Chris Skaggs owns 111 S. Center (residence), but not a business in the downtown corridor.

Discussion was held concerning starting with the list and see where it goes. It give the committee a starting point. In talking with these people, we should give some written materials, a history, what the issues/options are, and a set of talking points. We need a standard script.

1. Definition of EID
2. Explain what we envision their role being in the process.

3. Reason for being in favor for this - what is the end goal in doing this.
4. Comparison to other places like McMinnville (history).
5. Would they be willing to support it? Or at least NOT oppose it? (Keep on the list?)
6. Would you be willing to participate in the process and talk with others?
7. Funding mechanisms - failure of URD (part of history why this is being discussed now - different mechanism of vitalizing the downtown.)
8. History of improvements and benefit of having the process.

Someone should put together a history and someone put a talking point and then we come back with a discussion with input. Lon Wall said Kristin Horn was to do the downtown manager position description and he would prepare a draft script. Mr. Beam said that if Mr. Wall prepared the talking points prior to the next meeting, he would email it to the other NDRC members for review and comment

VII. CIVIC CORRIDOR - public presentation update

Mr. Beam reviewed the information has had gatherer to date for the public presentation (benches, bike racks and trash receptacles) and still has other ideas for the presentation.

Mr. Bridges said he would like to have the committee members send in pictures of the streetscapes they have seen and liked for ideas.

Mr. Beam presented a draft list of the venues to do the presentations. As we get closer, we can modify it. Mr. Beam said he hoped to have more information to share with the committee regarding the presentation materials at the next meeting.

VIII. OTHER BUSINESS

None.

IX. NEXT MEETING - May 19, 2004

X. ADJOURN

Mr. Bridges adjourned the meeting at 9:00 p.m.

PASSED by the NDRC Committee of the City of Newberg this 19th day of May, 2004.

AYES:

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NO:

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ABSTAIN:

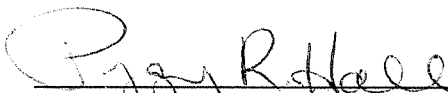
[List Name(s)]:

ABSENT: 2

[List Name(s)]:

(Horn) Mehler

ATTEST:


 NDRC Recording Secretary Signature

Peggy Hall
 Print Name

5-19-04
 Date

Exhibit A. - Copy of meeting flipchart material

CHARTS AS DRAWN AT MEETING.....

<u>EID -</u>	<u>BID</u>	<u>E/B</u>	<u>Abtain</u>	<u>Neither</u>
6		3	1	0

Organize EID:

1. How to mobilize property owners:
 - a. Person to person contact - know individuals
 - b. Meeting of small groups of property owners with a persuader
 - c. Select 10 influential property owners and make a proposal for the EID
 - d. Meet individually to create core group to go out to other property owners
 - e. Canvas the property owners before selecting core group. If positive response then create core group
 - f. Canvas questions
 - Need for downtown manager?
 - Need for Promotions?
 - g. mechanics for canvass
 1. People to people contact Revitalization Committee to property owner
 2. Survey
 3. Contact Chamber
 4. Chamber forum
 - h. Core Group - pro EID - to contact other owners
 - i. Identify Core Group

CORE GROUP****

1. Allyn Brown
2. Scott Haugen
3. Oviotts
4. Dan Corrigan
5. Nilles - Rich and Jean
6. Randy Hopp
7. Dennis Lewis
8. Jane Carlson
9. Ray Sosa
10. David ~~Bower~~ *Bauer*
11. Neil Cohen
12. Rocky Wade
13. Leonard Johnson

Approach Core Group:

1. Written Materials:
 - a. History - funding mechanisms - how different it is from URD
 - b. Set of talking points - benefit of manager
 - c. Consistent discussion
 - d. Property owner Role
 - e. End Goal
 - F. Definition of EID
 - g. End of Discussion:
 - a. Talk to other property owners; or
 - b. Support EID or not at least not oppose

Lon Wall to put together written approach to property owners.