

MEETING MINUTES
ECONOMIC DEVELOPMENT ALLIANCE OF LINCOLN COUNTY
BOARD OF DIRECTORS MEETING
Thursday, March 7, 2019, Columbia Bank, Newport

Members Present: Abbott, Lewis, Bailey, Fitzsimmons, Holbrook, Roy, Smith, Kemp
Guests: Daryn Murphy of Commonwealth (developer), Rachel Cotton (City planner, Newport) and Sheila Stiley of Northwest Coastal Housing (nonprofit)
Staff: Bauman

No business was transacted and minutes consist of notes regarding focused learning session on Housing.

The three guests were asked beforehand to provide our Board with their barriers and challenges, and how our organization could play a role to ensure their success in moving the housing issue forward.

Presenter: Daryn Murphy.

Daryn explained how Commonwealth uses state and federal resources to put together their housing developments, as a for-profit entity. Because of this, **his first barrier was identified as limited or scarce resources**. There are IRS tax credits that go to each state, and the pool of money is for the state as a whole. Lincoln County might only have the ability to tap into this once every ten years, in his opinion.

The second challenge he faces is lack of appropriate land that is ready to develop. His business conceives a project and pitches it to the state. They specialize in non-urban areas. They try to do a scale of 40-50 units minimum. The north Newport project is about 110 units.

Two more challenges he brought up as less important were **construction costs and NIMBY** (not in my backyard) issues. The business community is key for the latter as they need the housing for workers.

In the workforce and moderate income rental housing market, the ROI is not typically there for the investor and that is why they target the subsidized market. They also need roads and utilities to be in first. Commonwealth has property managers and contractors all in-house so that also controls costs.

Kemp at this time gave a perspective from Waldport's experience. He saw the NIMBY issue in the appeal of a 34-unit development, so it is real. He agreed on the lack of zoned land for multi-family in his part of the county. Sites there are not big enough for that 40-50-unit economy of scale.

Kemp felt that with an inventory for the entire county we might reach that economy of scale and be able to interest developers. He added that we must also take into account the stress on existing infrastructure when we are going for more density. It has been estimated that we might need 1,000 units per year to keep up with demand in the county.

Presenter: Sheila Stiley.

Sheila began by echoing Daryn: without the tax credits it does not pencil out to build housing. Land is such a struggle that it takes scattered sites to make up one project. Even in urban areas, she is seeing partners getting together to do one great monumental housing project. Here, partners do meet monthly in an affordable housing round table.

Sheila agreed that a big gap in housing availability is in 80-125% of median income occupants.

Our Role: She feels there is some awareness about all this in Salem. Her voice is being heard, and she offered, and we accepted, for her to pass along information to us and to help digest it. Legislators are open to rural problems at this time. Sometimes the Regional Solutions Team is the advocate. Sometimes letters of support and testimony may be more effective.

Barriers: She mentioned a list of barriers that are detrimental to housing development overall.

Roads, hills, a transportation study (showing a lack of a left-turn lane, etc.), SDC's, geological and wetlands issues, and overall access to financial resources.

On a positive note, she mentioned that if the gap in financing is not too much, it can be bridged. Urban renewal zones can help with roads and infrastructure.

Sheila ended by observing as both a positive and a barrier, rents often have to be restricted as they are tied to funding, which is hard for a landlord.

Presenter: Rachel Cotton.

Rachel passed out handouts that she brought for the Board and went through them. The tools that Newport is now using are in one handout. SDC's are re-structured and excise tax of 1% is levied for a housing development on commercial projects. OSU and hospitals are excused so they expect this fund to grow slowly. The next handout was on the county grant for housing planning that is underway, with their timeline.

After she brought the board up to date on the county grant, the remaining time was spent in discussion with the board and panel. Sheila talked about funding openings she is seeing such as targeting veterans and workforce. It is a challenge to focus on specific groups. Local sources of funding may be available that we are not looking at. The results of the HSIP was used as an example. Finally, Linda Roy pointed out that when it comes to incentives, the word needs to get out to the real estate community so that these tools can be used or taken into consideration.

HOUSING – RESULTS OF 3/7/19 EDALC BOARD MEETING

BARRIERS AND CHALLENGES LISTING

1. Scarcity of resources
2. Lack of appropriate land ready to develop
3. Construction costs
4. NIMBY neighbors
5. Stress on existing infrastructure
6. Difficulty in building for the 80-125% income group
7. Roads, hills, geology, wetlands
8. Transportation issues
9. SDC's
10. Gaps in financing

OUR ROLE:

- Raise our understanding of the situation of private developers and nonprofits
- Use that knowledge to have voice in Salem, at Regional Solutions Team, etc.
- Rally business community to counteract NIMBY
- Get inventory of sites in entire county for economy of scale
- Letters of support and/or testimony as needed
- Encourage collaboration among agencies to get large projects
- Explore local sources of funding
- Incentives, get the word out to real estate community
- Use LCCED grants?

MEETING MINUTES
ECONOMIC DEVELOPMENT ALLIANCE OF LINCOLN COUNTY
BOARD OF DIRECTORS MEETING
Thursday, May 2, 2019, 3:37 pm - Visual Arts Center
Tourism Forum

Members Present: Abbott, Bailey, Dahl, Fitzsimmons, Lewis, Roy, Ryslinge and Smith

Guest: Roxi Cuellar, Port of Alsea

Panelists: Drew Roslund, General Manager, Overleaf Lodge; Jesse Dolin, Central Coast Destination Coordinator, Oregon Coast Visitors Association; Ryan McCarthy, General Manager, Salishan Spa and Golf Resort; and Ed Dreistadt, Director, Lincoln City Visitor and Convention Bureau

Staff: Bauman and Brewer

1. Abbott called the meeting to order at 3:37pm. The board, guest and panelists introduced themselves.
2. Bauman announced the next meeting is the Annual Meeting. She asked the board for feedback on the vision statement so it could be finalized before the Annual Meeting. She handed out a draft budget and a request for funding from the Siletz mayor. Abbott explained to the panelists that EDA tries to find avenues to help and wants to know what kinds of barriers they face.
3. Tourism Forum:

Jesse Dolin previously worked in Economic Development in Florence. He said knowing and connecting with people has a big benefit in both public and private areas. Bailey commented that the housing panel talked about funding and barriers, and it was good to hear that EDA is helping with connecting. Drew Roslund said the coast was doing a better job of connecting. His board wants to know what people want. If OCVA emails surveys, he asked for feedback. Everyone is impacted by tourism on the coast. The central coast has 40% of all respondents. North and south coasts' OCVA has access to a lot of money now to do promos and destination development, especially through off seasons. Dolin suggested that EDA might help with stake holder survey distribution to get a better response rate. OCVA's mission is to inspire travel and stewardship. They want to involve the Tribe in almost everything, work on projects that benefit residents and travelers, work on trails, and give people an opportunity to tailor their own itineraries. Bundling experiences can help people stay here longer. Working on collaborations and partnerships with chambers and other organizations will further destination development.

Ryan McCarthy is overwhelmed by the talent here and is still trying to understand who all the players are. One challenge is how taxes sometimes goes to unknown places. Planned development is unique to Salishan and new for the county. Zip lines and mountain biking were put on hold in order to learn how to work well with residents. Bauman explained how some room tax comes to EDA and that Salishan and Overleaf have been represented on EDA's board more often than not. McCarthy's hotel is very group driven. They had more group income this year than all of last. They did about 38% occupancy last year and 56% this year, with about 40% increase in overall revenue in one year. They will offer a free summer concert series. They want to partner with others to do signature events at Salishan. The shops are at 80% occupancy and others are moving in. A McMinnville mall is a model - unique, authentic, not big brands. Housing is a big challenge. They bought the Depoe Bay Inn for workforce housing and its going through renovation now. VRD's are a very sensitive issue - sometimes they get in the way of creating community.

Roslund pointed out that it's not just low-income housing where there's a need. Hair stylists, esthetics services, and massage staff can't find places to stay. Their employees make too much to qualify for low income workforce housing. It's mostly for low income retirees. To help, they're building a yurt on their property for employee housing. Roy said inventory had been low for two years. She talked about the workforce housing collective EDA brought together in 2018. Lewis said it was now settled that student housing would be at Wilder.

Ed Dreistadt commented that Olivia Beach in the winter is almost a ghost town. He's new to government and is the marketing department in Lincoln City. He has put out "romanced" promos for housing and received a lot of good response. He said if you dress up vacant land and put a bow around it, people will respond. They were stunned by the quality of responses. Roslund said they are moderating system development charges in Bend which is helping. Smith added that Portland has become so cut-throat that vacant land at the coast has become more attractive.

Dolin talked about some special interest areas like the stunning Waldport golf course, maps for birders, and public art. McCarthy commented that this is heaven to anyone from southern California or Arizona. Travel Oregon has some great videos that highlights this as a place to come year-round. He's looking forward to that developing more and to be more sustainable. Dreistadt said it needs to be developed collaboratively as a partnership. McCarthy mentioned digital or traditional marketing in Phoenix as an example: target an outside market in the summer while keeping in mind the low hanging fruit of Oregon visitors.

Dreistadt said data shows that fall visitors are older. In spring and summer Lincoln City is home base and people are free flowing out of the area along the coast. Dolin called it the "air-conditioned city". Travel Oregon calls tourists people who travel 50 miles or more. The pattern peaks in spring break, then August. If you can bring people in from farther than Portland, they'll stay for a week. Then you can pitch all the elements such as the Aquarium and Cheese Factory.

Bauman reported that air service to Portland is being pursued again. McCarthy said it is a big deal - air lift unlocks a whole bunch of possibilities for high end groups. He's currently working on helicopters from Portland for high end people and is very supportive of air travel. Bauman will quote him. Dahl commented that transportation is hard at the coast and asked if anyone approached UBER or LIFT to start a collaborative effort to help drive it. Discussion ensued about possibilities, pros and cons. Currently busses run during very limited times. OCCC has transportation issues and Ryslinge thought student hours could be worked around. Dolin praised the recent Florence to Yachats connector busses.

Abbott thought EDA might help to organize something. Fog is an issue at the airport and people have to get from the airport to where they're going. Dahl thought the Salem and Eugene airports could be part of an advantageous hub for all the coast.

The meeting was adjourned at 5:08 pm.

DRAFT MEETING MINUTES
ECONOMIC DEVELOPMENT ALLIANCE OF LINCOLN COUNTY
BOARD OF DIRECTORS MEETING
Thursday, November 7, 2019, 3:33 pm - Columbia Bank
Transportation Forum

Members Present: Bailey, Kemp, Ogden, Cuellar, Holbrook, Lewis and Roy
Panelists: Cynda Bruce, Lincoln County Transit; Lance Vanderbeck, Newport Municipal Airport;
Phil Warnock, Area Commission on Transportation
Staff: Bauman and Brewer

1. Bailey called the meeting to order at 3:33pm. The board and panelists introduced themselves. Bailey gave a brief description of previous forums said that EDA cares about the whole county and tries to facilitate breaking down barriers to success. He asked "What can we do to connect all parts of the county?" and "What are the limitations of transportation in the county?"

2. Tourism Forum:

Bruce was born in Newport and is passionate about making life easier for others. She said EDALC is a good place to come for county-wide issues. Bruce talked about the new Statewide Transportation Improvements Fund from the legislature, that some projects are fairly easy to implement. A five-member committee decides what projects they work on and some projects are mandated. The south county area is the most underserved and was a priority. A south county bus loop allows for a more timely way to get to work, up the Alsea, to local clinics, and makes other routes more time efficient. The second priority is for the more isolated area of Rose Lodge, Otis and Logsdon. They are looking at smaller rotating busses where people would call in, but there are a lot of hurdles. A percentage of funding was required to go to grade 9-12 school kids for their transportation needs. They started a successful county-wide program that allows students to show a student card and ride for free.

Lincoln City bus service has expanded to seven days a week plus holiday service. East county will begin Sunday service and expand to Siletz on the west side. Toledo will also get Sunday service. A small amount of funding goes to marketing and advertising. In the case of overruns, they will go into the next biennium. A new cycle will start in 2021. They are discussing a grant for Amtrak and HUT for two daily round trips. The plan is to increase to eight times a day and include stops at a regional medical center - there were a lot of gaps, this will be a big improvement and provide jobs. Integration is a big challenge. Ogden commented that one of her employees uses the Corvallis-Newport busses and said it was great because she gets a lot done. Roy said that Depoe Bay is kind of a no man's land with limited transportation times. Bruce replied that the rotating bus would likely serve Depoe Bay in the future. They need to address it at their next process. They've also talked about expanding Dial & Ride too. Roy added that older and low-income people make up a huge unseen population. Warnock noted that the county receives formula funds for aging in place, health care costs, etc. There are opportunities to leverage more of those funds but it is tricky.

Vanderbeck distributed two handouts: City of Newport's Newport Municipal Airport report and the 2014 Oregon Aviation Plan Economic Impact Statement. Airports are heavily regulated by the FAA. The Newport airport sees a lot of corporate jets and military planes. Some famous people like casino performers fly in. They developed a car system through a contract with Hertz and connection to Enterprise. The airport doesn't make money on airplanes, but land leasing

does. They are thinking of making a business park alongside the 25-acre fence line. Another 2.6 acres inside the fence could also be developed. The airport layout plan is on the city's website. The County is looking at the site for the animal shelter. There is no more space to rent out and no car parking space. They are up to the brim and will have to start developing, but fire issues have to be solved first.

Airlines have failed here for various reasons. Vanderbeck thinks they should start small and build on successes. There are challenges to overcome and get the community to invest in and use long term. Getting people to PDX and back in one day is a good goal. Baggage arrangements with other airlines and ticket rates need to be figured out. They could look at graduated rates for booking two weeks out, and consider demographics. Newport to PDX is a 45-minute flight but there needs to be a way for people to get to town when they land here. Lewis has staff that want to start Uber here. Ogden commented that as traffic gets worse in Portland, more people want to fly. People could be converted. The Newport Airport reached out to partner with Corvallis. There is interest but they need to see more. Boutique Air is still interested. Grants are state and federal.

Warnock suggested weekend getaway packages could be a brilliant way to partner with local businesses. Discretionary funds could help with seamless transportation coordination getting from one system to another. They are looking at ticketing options across entities in Lane, Benton and Lincoln Counties. The Lane County Council of Governments recently had a conversation about G-P's Juno project. Impacts are real with regional system truck traffic because roadways are not built for large truck traffic. They questioned if switching to rail could address G-P's supply needs.

Warnock asked what the market was for marine fisheries delicacies and flowers. The Area Commission on Transportation did an analysis of housing costs at a medium level. It's similar across the region: \$150-\$200 a month, which is a lot. COG provides planning services and technical expertise. They are actively involved in wetlands and clean water in the valley. He just learned that the Department of State Lands owns their own bank. Cuellar tried to access funds. They were not available to her but were to the aquarium. Perhaps the boundary could be expanded. Bauman asked for a one-page explanation. Cuellar added that mitigation is a huge issue that hit them hard by having to do two; including removing an earthen dam at large cost.

The board discussed phone ticketing for transportation. ODOT is compelling Portland and all areas to work together. If we could get our region together then it could connect to urban areas. The big goal is to get a ton more riders. Warnock reported that the Brownfields project has a lot of money left to nominate sites for phase one and two.

Bauman reported on Yaquina Cab and Uber. Every city jurisdiction would have to approve Uber.

Bailey thanked Bauman and Brewer for all their work on the gala. Board members applauded.

The meeting was adjourned at 5:00 pm.

DRAFT MEETING MINUTES
ECONOMIC DEVELOPMENT ALLIANCE OF LINCOLN COUNTY
BOARD OF DIRECTORS MEETING
Thursday, September 5, 2019, 3:30 pm - Yaquina Bay Yacht Club
Maritime Forum

Members Present: Bailey, Smith, Abbott, Cowen, Cuellar, Holbrook, Hunt, and Roy
Panelists: Bob Eder, Commercial fisherman; Elizabeth Ringold, Corporate Counsel, Pacific Seafood; Dr. Gil Sylvia, retired, Hatfield Marine Science Center, Port of Newport Commissioner; Majalise Tolan, manager of workforce development project; Dr. Hans Radtke, fisheries economist
Staff: Bauman and Brewer

1. Bailey called the meeting to order at 3:30pm. The board and panelists introduced themselves.
2. Bailey asked panelists what their roadblocks were:

Eder is a 40-year career, first-generation fisherman. Most of the changes he saw were positive re: bio sustainability and management practices. Public resources are incredibly regulated but regs are crucial. Permits are very expensive but are a privilege, not a right. All the boats at the east end of the bay are small family businesses. Crews get a percentage of the catch. The work is full of problem solving, creative ideas and teamwork.

Climate change is the #1 challenge. It creates unknowns and some knowns (algae blooms, warmer water and acidification). Whales and fish are moving up from the south because of climate. Whales get caught in fishing gear. There's a lack of competition in processing. They could use more infrastructure for ice and cold storage. They haven't done too well on public perception re: what needs to be known and understood. Eder said it was great that the public has access to docks and the Oregon Sea Grant has been very valuable. They are coming into an area of marine planning - looking at mineral extraction, possible compromised genetics, a lighter carbon footprint.

Ringold had previously worked in government. After joining Pacific Seafood she saw how highly regulated Oregon is compared to most places. They work with 318 independent businesses and have a fairly big footprint in Newport. The company is in the process of being more clear about who they are, including their name. They are also renting other property on the port. Only so much processing happens here - they can't find locals as workers. The work is cold, wet, a struggle. Housing is a big issue. They bus workers in from Corvallis and other areas. They spend a large amount of money on motels to house workers and are interested in entering into housing partnerships. Infrastructure - dredging, and maintaining roads is very important throughout Oregon and the U.S. Port dock 5 is falling apart. They are reaching out to the federal government and others.

Dr. Sylvia still works on university projects and was newly elected to the Port Commission. He was on the Vision 2040 for the city and the Economic Development Commission. He talked about commercial fishers being well managed and that there was not a lot more to extract from the ocean. He discussed ways to generate more value through innovative, creative entrepreneurship in fishing, seafood, marketing. He said Economic Development comes from creative ideas about housing. He suggested creating more value for all the small businesses by bringing people together to solve problems, gather more scientific information, partner with OSU and OCCC. Limited permits and quotas force long term thinking for 10, 20, 30 years out. Support

is needed to retain and attract new permit holders. Looking at aqua culture, seafood protein is the #1 source of protein in the world. Where will investments go? How to manage space for efficient systems? Lots of possibilities here in this unique place.

Bud Shoemake asked Tolan to come and talk about the sustainable welding project they're working on. The port matched the \$250K federal grant. Welding teachers are hard to come by because welders make a lot more money than teachers. The program is for high schoolers and adult learners. The Port of Toledo building will be a big welding center and students will be bussed to training sites in shared spaces. The Siletz Tribe is working on a virtual welder and committed \$500K. Every week Waldport kids learn how to do all aspects of ports activities - looking toward living wage jobs. Generally, teachers only stay in the area 5 years then drop out. Transportation is a big issue; a lot of money goes for busses. Regulations have been prohibitive to solving housing problems.

Dr. Radtke's first job in fisheries was with West Coast Fisheries Foundation. The fisheries industry makes up about 17% of the economy of the area. That's for direct income, parts and repairs. He asked why NOAA and the Marine Science Center moved here? Ship preparedness. Sometimes strengths can't be explained, they just happen. Opportunities for marine science allows growth in this area. Wages jumped up for ship repair and NOAA. Repair is a real opportunity here. One of the biggest problems is consolidation. Climate change puts so much pressure on habitat now. For economic development purposes, salmon hatcheries don't make sense. There's overgrazing of the Pacific (Russia, Japan). Spend \$6 to get \$1 back - that will be the biggest challenge. Small boats will be a thing of the past. A good look at what the potential is here is needed. The fishing industry does a fairly decent job working together.

QUESTIONS:

Is there one entity you all connect through? Eder responded there was a need for additional permits as the economic driver. Housing is a barrier in all industries. (EDA worked with large employers coming together for creating workforce housing.) Discussion ensued re: kinds of permits - for a fixed year, quota trading system, security a hot issue, catching fish with different methods, and transferable permits.

How do we promote economic growth without damaging what you already have? Dr. Sylvia responded that economic forces can do both a lot of good and a lot of bad - you have to identify values first. Eder said the amount of harvest isn't going to change; consolidation is the issue. Ringold answered that housing is a huge issue and that if EDA can bring us together, we can solve problems. Money could tie back to the port.

Bailey thanked the panelists. He said EDA is trying to coordinate all these issues to see what the organization can do to help. Hunt announced that the legislature passed the Maritime Sector Workforce Development bill.

The meeting was adjourned at 5:00 pm.