

A regular meeting of the Astoria Common Council was held at the above place at the hour of 7:00 pm.

Councilors Present: Nemlowill, Herzig, Warr, Price, Mayor LaMear

Councilors Excused: None

Staff Present: City Manager Estes, Assistant City Manager/Police Chief Johnston, Parks and Recreation Director Cosby, Financial Analyst Snyder, Fire Chief Ames, Interim Planner Morgan, Library Director Tucker, Public Works Director Cook, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

REPORTS OF COUNCILORS:

Item 3(a): Councilor Nemlowill had no reports.

Item 3(b): Councilor Herzig reported the Lower Columbia Diversity Project (LCDP) hosted a presentation by Scott Tucker from Lewis and Clark National Park to talk about opening the National Parks Service to embrace the changing demographics in America. The National Parks System's 100th anniversary is 2016 and their goal will be to get every fourth grade student in the United States into a national park. Cydonie Fukami gave a presentation on the story of York, an African American slave who was part of the party of discovery. He was sorry more people from the city were not present because it was a very moving presentation. He toured the new development area in the Coast Guard neighborhood. About a third of the trees on the property had to be cleared. However, the Coast Guard spared every tree possible and is preserving a wetland. Clatsop County is desperate for affordable housing. Without the new development, the Coast Guard would not have any place to put families. The Sunset Empire Transit System held a meeting about their "Drive Less, Save More" campaign, an initiative to get people out of single occupancy vehicles. The campaign will focus on Astoria as a saturation area and will start gathering input about where locals shop, play, and attend church. He and other organizers of the Astoria Warming Center went to the Columbia County Warming Center in Saint Helens, which is housed in the Community Action Team building. By partnering with Community Action, the Columbia County Warming Center has access to grants. The center provides showers and laundry facilities for their guests. He hoped the Astoria Warming Center would be able to partner with Clatsop Community Action to gain access to grants. The warming center would be open Monday through Wednesday nights that week and Mayor LaMear and Councilor Price would be taking shifts.

Item 3(c): Councilor Price reported she was thankful to all of the organizers, volunteers, and businesses that hosted Fisher Poets Weekend and the Dark Arts. The events did a lot for Astoria. She reminded that the Library Renovation Committee would meet on Wednesday at 5:30 pm in the Flag Room of the Library. The Design Review Committee would meet on Thursday at 5:30 pm in Council Chambers at City Hall. A public meeting to discuss the possibility of a dog park at a portion of John Warren Field will be held on Tuesday, March 10th in Council Chambers at City Hall at 6:00 pm.

Item 3(d): Councilor Warr had no reports.

Item 3(e): Mayor LaMear reported she attended the Ron Wyden Town Hall meeting at Astoria High School. The students asked just as many questions as the adults, which was great. She was glad the students are interested in civics and current politics. She attended the public meeting on the proposed Enterprise Zone. Earlier that day, she went to the Bear Creek Dam Hydroelectric dedication. She showed one of the checks Astoria received from Energy Trust of Oregon. Astoria also received a check from Pacific Power. The project is wonderful because the dam will generate the electricity necessary to run the wastewater treatment plant and extra electricity that Astoria will sell to Pacific Power. There were 21 agencies involved in the project. Mike Morgan, Ken Cook, and Jeff Herrington deserve applause for their work on this marvelous project. She hoped this project was the first of many like it, as there is a possibility Astoria could develop another project that will convert water from Shively into electricity. This is one nice aspect of living in a city with hills.

CHANGES TO AGENDA: No changes.

PROCLAMATIONS:

Item 5(a): First Annual Astoria High School Graduate Day

Mayor LaMear read the proclamation declaring Monday, March 23, 2015 as the First Annual Astoria High School Graduate Day. She emphasized that this was so important to Astoria. The City must do something to improve the 68 percent high school graduation rate, which is not acceptable. This proclamation provides one way of facing the problem head-on and gets businesses involved in honoring the students that do graduate.

Kim Raichl, 37629 Labiske Lane, Astoria, Chairperson, Astoria High School Safe Senior Graduation Committee, explained that the party, held the night of graduation, is a safe and drug-free party for students graduating from Astoria High School and Tongue Point to enjoy a night of games, prizes, music, and dancing. These safe parties have proven over the years to reduce the chances of death by drunk driving and drug overdose. She first met with parents of high school seniors in January to discuss possible locations for the party, ideas for entertainment and prizes, and expenses. About \$12,000 was spent on this party last year. She was asked to consider fundraising ideas without much information from previous years. Shortly after the meeting, she read an article in the *Daily Astorian*, which stated the Oregon high school graduation rate was 68.7 percent, 49th in the nation. Astoria's graduation rate was 68.1 percent, the lowest in the county, and possibly, one of the lowest in the nation. She believes that as a community, Astoria can help the high schools do better, which led to the creation of a community-supported day dedicated to students who persevered and worked hard to receive their diploma.

- She asked the community to consider a fundraising idea to help sustain fundraising efforts for years to come and to encourage the youth to get their high school diploma. She hoped the Mayor and City Council would declare Monday, March 23, 2015 as the First Annual Astoria High School Graduate Day, a day for all Astoria businesses to band together and donate a tax deductible 5 percent of all profits to the Safe Graduation Celebration. The participating businesses will receive a small poster to place in their windows. She showed an example of the poster, which would notify customers that the business supports graduating seniors. The businesses would also have their name listed in the *Daily Astorian*, on Facebook, and on the radio in a public announcement. This event will help businesses kick-start their selling season and will show younger classes how important it is to earn a diploma and how the community will support and reward their efforts. Students will have one more incentive to stay in school. She did not believe the low graduation rate was a reflection on the teachers, support staff, and administrators who are dedicated, caring, and hardworking. With community support and one of the largest scholarship programs, Astoria High School can have the highest graduation rate in the nation. This annual event will help next year's seniors and parents fundraise for the 2016 graduation celebration and could serve as a model for other Oregon talents who struggle with low graduation rates. The event is already being supported by the *Daily Astorian*, KAST Radio and their affiliates, and the Astoria Warrenton Chamber of Commerce. She read a letter from Skip Hauke, Executive Director of the Chamber, to City Council, expressing the Chamber's support for the annual graduate day. She noted the staff report should be corrected to reflect that Miranda Dietrich was Vice-President of the Astoria High Scholar Society.

Miranda Dietrich, 90882 Lewis and Clark Road, Astoria, said the senior's goal was to have a safe place to celebrate all of their hard work and effort. The graduation party would provide a safe alternative to going to a party with alcohol or drugs. In the United States, there is always a case where teens get killed on graduation night from alcohol-related accidents. Students will always be tempted to find alternatives to safe graduation parties. However, the community's support could encourage more students to attend the Safe Senior Celebration. She hoped students would have enough fun at the party to realize drugs and alcohol are not needed in the future.

Spencer Nelson, 250 Alameda, Astoria, Senior Class President, said graduation parties should be a time to encourage students and recognize their high school accomplishments. Astoria has one of the lowest graduation rates in the nation. He believed this fundraiser would show students they are supported by their families and the community. Astoria has great scholarship foundations that will support students through college, but students need support to finish high school. The Class of 2015 would like to do some landscaping at the new sports complex as their going away present. He asked for donations to the graduation party as well as for the landscaping project.

Mayor LaMear presented the proclamation to Ms. Raichl, Ms. Dietrich, and Mr. Nelson.

Dulcye Taylor said she would add the Graduate Day event to the agenda for the next Astoria Downtown Historic District Association (ADHDA) meeting on Friday, March 6th at Baked Alaska at 8:30 am and invited the students to speak.

CONSENT CALENDAR:

The following items were presented on the Consent Calendar:

- 6(a) City Council Minutes of 2/2/15**
- 6(b) City Council Work Session Minutes of 2/2/15
- 6(c) Boards and Commission Minutes
 - (1) Historic Landmarks Commission Meeting of 1/20/15
 - (2) Parks Board Meeting of 1/28/15
- 6(d) Intergovernmental Agreement with Oregon Department of Land Conservation and Development for Riverfront Vision Plan Implementation (Community Development)

Councilor Herzig requested Item 6(a) be removed for further discussion.

City Council Action: Motion made by Councilor Warr, seconded by Councilor Herzig, to approve Items 6(b) through (d) of the Consent Calendar. Motion carried unanimously. Ayes: Councilors Price, Warr, Herzig, Nemlowill, and Mayor LaMear; Nays: None.

Item 6(a): City Council Minutes of 2/2/15

Councilor Herzig noted County Manager Scott Somers' name was misspelled in the minutes.

City Council Action: Motion made by Councilor Herzig, seconded by Councilor Nemlowill, to approve Item 6(a) of the Consent Calendar, as amended. Motion carried unanimously. Ayes: Councilors Price, Warr, Herzig, Nemlowill, and Mayor LaMear; Nays: None.

REGULAR AGENDA ITEMS

Item 7(a): Consideration of Adoption of Resolution for Creation of Enterprise Zone within City Limits of Astoria (Community Development)

The Oregon Enterprise Zone Act, ORS 285C.045-250, authorizes the designation of Enterprise Zones and provides that property tax abatements and job creation are desirable to stimulate economic development in economically depressed areas. The Enterprise Zone ("E-Zone") program allows for industrial and other qualifying firms making substantial capital investments an exemption of 100 percent of real property taxes attributable to the new investment(s) for up to a five-year period. Recently, the City of Astoria, Clatsop County, the City of Warrenton, and the Port of Astoria have been discussing a mutual application for designation of an Enterprise Zone within their respective jurisdictions in order to encourage new business investment, job creation, higher incomes for local residents, and greater diversity of economic activity.

The proposed Enterprise Zone has a total area of approximately 2,910.96 acres or 4.55 square miles (encompassing all proposed jurisdictional areas), and meets other statutory limitations on size and configuration. The area within the City of Astoria proposed for inclusion is 1,004.36 acres or 1.57 square miles and is shown in the attached map. A copy of a PowerPoint presentation explaining Enterprise Zones and a draft resolution supporting the application is also attached to this memorandum.

At their first Council / Board meetings of March, each of the four jurisdictions will be considering resolutions supporting the creation of an Enterprise Zone. The City of Astoria will be considering a resolution that would only support the creation of an Enterprise Zone within its City limits. Should the Astoria City Council not adopt the draft Resolution, creation of the Enterprise Zone within the jurisdictions of unincorporated Clatsop County and City of Warrenton could continue, should those entities pass their own resolutions. It should be noted there are portions of the proposed Enterprise Zone located within the City of Astoria that encumber Port of Astoria lands (in addition to properties not in the Port). In order for Port properties located in the City of Astoria to be included within the proposed Enterprise Zone, the City of Astoria would need to adopt a supporting resolution.

As noted earlier, an Enterprise Zone allows for industrial and other qualifying firms making substantial investments an exemption on property taxes attributable to those investments. One of the other qualifying types of developments could be hotels, motels, and destination resorts. Within the draft resolution, these types of developments are proposed to be included.

The draft resolution also includes a provision that Clatsop Economic Development Resources (CEDR) be appointed as the Enterprise Zone manager. CEDR represents all of Clatsop County and the City of Astoria is a member. If approved by the Council, an application will be submitted to Business Oregon as outlined in the resolution. Should the Astoria City Council wish to establish an Enterprise Zone within the Astoria city limits, it is recommended that Council adopt the attached resolution.

City Manager Estes said the proposed resolution could not be approved at this meeting because the State requires a seven-day waiting period from the jurisdictional meeting, which was held on Tuesday, February 24th. Therefore, the resolution is being presented for discussion only. Should City Council decide to move forward with consideration of the resolution, it could be approved at the next Council meeting. He understood that the City of Warrenton and Clatsop County intend to allow hotels, motels, and destination resorts in their portions of the zone. However, Astoria could remove these developments from the draft resolution. The addition of local requirements within the zone would only apply to urban areas, which does not include the portion of the zone within Astoria city limits. However, Astoria could apply local restrictions to a business that requested a four or five-year property tax abatement. He understood that Clatsop County and the City of Warrenton were not proposing any additional requirements for the four or five-year tax abatement.

Kevin Leahy, 3560 Irving Avenue, Astoria, Director of CEDR, shared success stories about small businesses in enterprise zones throughout Oregon. He noted that enterprise zones were one item in a toolkit for attracting growing businesses. Business Oregon worked with these small businesses to create jobs, move into larger spaces, and increase sales.

Councilor Nemlowill declared she would have a potential conflict of interest because the area proposed for the enterprise zone encompassed Fort George Brewery property, with which she was affiliated. She thanked Mr. Leahy for his time, noting the City had a great relationship with CEDR. She asked if CEDR would have time to manage the enterprise zone. Mr. Leahy replied definitely. CEDR would have to add some structure and funding. However, he believed this could be resolved through their partnership with the County and Business Oregon. He would provide administrative leadership and CEDR would request assistance with the clerical duties. This type of growth from the development of an enterprise zone is a good problem to have.

Councilor Nemlowill said she was glad that such a great community partner with a great reputation was willing and able to manage the zone. She asked how the zone would affect local land use. City Manager Estes confirmed the zone would not have any effect on or preempt zoning ordinances or land use laws within Astoria. City Council, through the Planning Commission, enacts zoning ordinances in the city. The enterprise zone would simply be a tool for assisting the types of development that City Council wants in the community. No land use review by CEDR or the State would be conducted.

Councilor Nemlowill asked what types of businesses would be included in industrial development. Mr. Leahy said local zoning ordinances define the uses allowed in an industrial zone. CEDR is committed to growing the economy with the right industries. Each of CEDR's partners has an opportunity to weigh in, but ultimately each jurisdiction decides what type of development to allow. Astoria will make its own decisions about the type of development that is allowed. Over the last three and a half years, he has worked with City Manager Estes and City Council as CEDR Director. CEDR has always operated with transparency. The CEDR board meetings are always open to the public. He committed to work with City Council to resolve issues. He confirmed that businesses other than heavy industry could benefit from the enterprise zone. Craft brewing and distilling are significant examples of fast growing industries in the local economy. CEDR is also part of the historic preservation at Clatsop Community College, which is an important part of Astoria's heritage. The historic preservation industry could benefit from the enterprise zone, giving Astoria some great market share while honoring its heritage. He showed a map from Business Oregon's website that compares rural and urban areas. The local community needs family-wage jobs and this zone could be used as a tool to recruit, retain, and grow local businesses.

Councilor Nemlowill said this will be an investment for the community. She asked if Mr. Leahy believed the enterprise zone would work. She questioned whether a deferment of property taxes was enough to kick-start the

businesses Astoria wants. Mr. Leahy said the zone provides opportunities to local businesses. The community wants to be competitive with the surrounding communities, and adding this zone to the community's toolkit gives the local area an advantage.

Councilor Price confirmed this proposed enterprise zone would not be one designated as the type of rural enterprise zones that allows for a 15-year tax abatement. She asked for clarification on local requirements and incentives, which would be in addition to the State requirements and incentives. Some jurisdictions require a minimum investment, job quality conditions, application fees, and community service fees. Incentives in other enterprise zones include fast-tracking land use review and waiving fees. City Manager Estes explained that none of the jurisdictions, including Astoria, have proposed local requirements or incentives in their resolutions for this enterprise zone. The urban areas are able to implement local requirements and incentives for years one through three. However, this enterprise zone would be classified as a five-year maximum rural enterprise zone, which would only allow local requirements and incentives for years four and five. City Council could discuss adding local requirements and incentives, but the other jurisdictions are not considering any of their own. He added that Astoria is the first jurisdiction to begin discussing the zone. If City Council wanted to move forward with the enterprise zone, he wanted feedback about hotels and local requirements and incentives for years four and five.

Councilor Nemlowill was in favor of the enterprise zone. Economic development through partnerships is being considered as a City Council goal and CEDR provides great expertise on economic development. She did not see any disadvantages to the enterprise zone because Mr. Leahy said the zone would give Astoria a competitive advantage and City Manager Estes has confirmed local zoning and land use rules would not be preempted.

Councilor Herzig said he had no problem partnering with Clatsop County or the City of Warrenton. However, he had concerns about partnering with the Port of Astoria because the City and the Port had very contentious meetings last year as they tried to create zoning for the Riverwalk. The Port has threatened the City with lawsuits and tried to overturn the will of the people of Astoria. He feared partnering with the Port on an enterprise zone would force the City to make concessions on zoning. Most of the current Planning Commission members have stated on record they are pro-development, so he did not believe City Council could count on the Planning Commission to defend the interests of the citizens of Astoria.

Councilor Price said the more she learns about enterprise zones, the more supportive she becomes. However, she was concerned because the details of the partnership are still unknown. One of the partners did threaten to sue the City multiple times over the last few months. She wanted more information about the details of the partnership.

Councilor Warr was supportive of the enterprise zone, but respectfully disagreed with Councilors Herzig and Price about partnering with the Port of Astoria. The Port's business is economic development. The City potentially limited the Port's development with the Riverfront Vision Plan. Had he represented the Port instead of the City, he may have been inclined to sue the City as well. The Port exists to build and grow and they have a valid point.

Jim Knight, Port of Astoria Director, said the threat of lawsuits with its partners in economic development would certainly seem like a difficult way for the Port to collaborate in the development of Astoria. He has been director for less than four months and he was disappointed to hear that the Port's comments in the past have harmed the community or its relationship with the City. However, this is a perfect example of when an enterprise zone can be extremely helpful to a community. There are mixed reviews about the success of existing enterprise zones. However, it is important for an economic engine, like the Port, to have as many tools in its toolbox in order to attract businesses. The Port of Astoria competes with about 12 other ports in the Pacific Northwest and it is a cutthroat business. Each port wants its community to grow and prosper. He was involved with an enterprise zone at the Port of Olympia before he came to Astoria. The real value of an enterprise zone is that it causes the economic development engines in the community to evaluate the mutual goals of all the jurisdictions within the zone. The purpose of a port is not to end up in onerous relationships with its community partners, but to be an economic engine for the prosperity of all. An enterprise zone provides a vehicle for the planners of the community to evaluate mutual plans so that as each entity works together on new projects, there is confidence that no partner is stepping on another's toes. The benefit of one entity should never be at the expense of another. The Port desperately needs the support of the City for an enterprise zone. An enterprise zone is probably not the one tool that will recruit a company. However, the zone, combined with the community's quality of life, education, infrastructure, and the air and water quality, will cause a business to come to the community. An enterprise zone could have allowed the Riverwalk Inn to be deconstructed and a new one built in its place.

None of the hotel operators that wanted to come to Astoria were willing to pay the reconstruction costs, which was about \$1 million. The Port could not afford the reconstruction either. It could have been helpful if the communities were working together to promote economic development for the benefit of all. It is a new day in Astoria and the days of contentiousness between the Port and the City are in the past. Now that he is Director, he would do everything possible to maintain a positive relationship. He reiterated how an enterprise zone would require all entities involved to work together on opportunities. The possibility of redeveloping Tongue Point into a viable shipping port could require investments of \$200 to \$300 million. The community needs every opportunity in order to attract the type of development necessary for such redevelopment. He believed an enterprise zone had no downfalls. The biggest benefit would be the coordinated efforts of the community's economic engines. He understood that development of the waterfront would be discussed during open communications with the community. He urged City Council to participate in the enterprise zone.

Councilor Nemlowill said she was on the Planning Commission during the contentious discussions. She was glad to hear Mr. Knight's comments and thanked him for the positivity.

Mayor LaMear and City Council confirmed they were not opposed to allowing hotels in the enterprise zone.

City Manager Estes asked Council if they wanted to allow businesses to request the 3-year tax abatement be extended for years four and five. If an extension of the tax abatement were allowed, local restrictions and incentives could be implemented. Local restrictions and incentives would not have to be decided on up front.

Councilor Warr said businesses were not beating down Astoria's door. It might be a good idea to wait until Astoria was comfortable with the enterprise zone before deciding on restrictions for years four and five.

City Manager Estes explained that a business would have to apply for the extended tax abatement during the initial application process. All jurisdictions in the enterprise zone would have to approve the application.

Mayor LaMear confirmed the resolution, which would only establish the enterprise zone, could be adopted on March 16, 2015. The resolution would state hotels and motels would be allowed in the zone and would not specify any extension of tax benefits for years four and five.

City Manager Estes added that all of the other jurisdictions will be going through the same resolution adoption process as Astoria over the next few weeks. The resolutions will need to have some similarities.

Councilor Price understood the enterprise zone would have one set of rules that applies to all of the jurisdictions. City Manager Estes said that was correct for years one through three. However, for years four and five, different standards could apply to each jurisdiction. Councilor Price believed a community service fee should be implemented because all of the other enterprise zones require a community service fee of between 5 and 25 percent of the abated taxes for years four and five, payable annually to the jurisdiction. She did not know what the money was used for, but assumed it was deposited into the General Fund.

Councilor Warr said the two Councilors who have started businesses understand how difficult it can be. Any advantage a business owner can get to help the business succeed is welcomed. He reiterated that Astoria did not have businesses beating down its door. Therefore, a community service fee was not appropriate. Astoria should simply be hopeful that a business takes advantage of the enterprise zone.

Councilor Herzig said the State only allows a limited number of enterprise zones and there are currently only four openings. The community may not have the opportunity to apply for an enterprise zone for several more years. He believed it would be appropriate to take public comments about this enterprise zone, possibly at the next City Council meeting.

Mayor LaMear said she would consider taking public comments at the next meeting.

NEW BUSINESS & MISCELLANEOUS, PUBLIC COMMENTS

Mayor LaMear said at the last City Council meeting, Astoria High School students asked for funding during their presentation about their upcoming trip to Waldorf, Germany as exchange students. She asked City Council to authorize City Manager Estes to contribute funds equal to airfare for one student. City Manager Estes said in the past, the City has contributed between \$1,400 and \$2,000.

Councilors Warr and Nemlowill supported the contribution.

Councilor Herzig said he wanted a commitment from the exchange students to participate in the CHIP-In program. Community service would not need to be a restriction, but he wanted the idea mentioned to the students. Mayor LaMear said staff could discuss this with Jim Pierce. City Manager Estes added the exchange students have participated in multiple fundraising efforts. The City's contribution would offset the total costs.

Ted Thomas, 398 Atlantic, Astoria, wanted to know if the enterprise zone administrator would be less firm in its oversight of the City than the Urban Renewal Districts, which the City still has the authority to create, amend, and administer. He understood that enterprise zones can and often are extended past three and five years through renewals. Upon reading ORS 285(c), he understood that most small businesses would not be able to afford the fees. He questioned whether an enterprise zone would actually benefit any small business. No business should be excluded from qualifying for the zone if the mere retention of business is sufficient and exclusive criteria allows for the justification of a tax-incremented financed enterprise zone. Promoters assert that enterprise zones create jobs, encourage the retention of businesses, and benefit the local economy. However, several evidence-based studies indicate that tax-incremented financed enterprise zones do not measurably contribute to any of those goals. Promoters should support their claims with evidence and he questioned what evidence existed to support statements made in favor of enterprise zones. He wanted to see specific studies with data. Enterprise zones have been subject to numerous lawsuits and have demonstrated a profound lack of transparency. Other states have radically scrutinized and are reforming the abuse of enterprise zone practices. Enterprise zones have fallen out of fashion in many other states. The maps presented at the public meeting on February 24th were not final because they included areas that did not meet Oregon statutes and guidelines for economically distressed areas. Until the maps are finalized, resolutions are premature. No one has been able to tell him who drew the maps. Any growth subsequent to providing large tax breaks for big businesses will increase the demands on City, County, and State services without a commensurate increase in ad valorem revenue. This will lead to degraded services or an increase in everyone else's taxes, including small businesses. A study done in Illinois showed there was a 4 percent increase in property taxes due to enterprise zone laws. The real driver of a robust economy is a level and low tax environment for all businesses, instead of a select few. A committee to identify areas for which geography may act as an economic hindrance is one thing. However, tailoring the map to the interests of private businesses and presenting an incomplete map to the public without giving the public any timely means to review it is not in accordance with the intent or language of ORS 285 (c).

City Manager Estes said the Agenda packet included an additional analysis of the map. The map presented at this meeting was the final map, which did meet the State's criteria. The map was prepared by City staff by looking at industrial zoning districts within the city and included the downtown zoning district where more artisan industries have developed. Staff's recommended map was presented to City Council in February for review and discussion. The final map has been included in this meeting's Agenda packet.

Mr. Thomas did not believe City Manager Estes understood his question. He asked what criteria staff used and if staff communicated with business interests. City Manager Estes reiterated that industrial zoning districts and the downtown area were used to develop the maps. He confirmed that staff did not contact individual businesses to create the map. The revisions made to the map added areas with median incomes above a certain threshold. These amendments were discussed at the February 24 meeting and the map being considered tonight reflects those amendments to meet State statutes. Alejandro Bancke has been working with the City to review census map data so that Astoria's map meets State statutes, which led to the inclusion of the area around Astoria Ford.

George McCartin, 490 Franklin Avenue, Astoria, agreed with Mr. Thomas about the drawbacks of enterprise zones. He asked staff to display the map and asked if jurisdictions would combine where enterprise zones overlapped. City Manager Estes explained that in order for an enterprise zone to be included within the City of Astoria and Port of Astoria lands, the City would have to approve the resolution. Mr. McCartin understood, but asked specifically about three areas designated on the map. He understood that part of those areas were under the control of the Port. City Manager Estes said this was correct. Portions of each of the three areas are either owned or leased by the Port. Mr. McCartin said the Port and the City would really have to work together to make the enterprise zone work. He hoped the new Port Director could be trusted, but still believed the City should be careful because of the past. He understood that qualified businesses could not be denied the benefits of an enterprise zone. City Manager Estes explained that the enterprise zone manager would do due diligence to measure a business's impact per the conditions of the approved plan. The zone would have continual oversight once it is established.

Councilor Herzig understood once the enterprise zone director approves an application to start a business in the zone, the jurisdictions cannot oppose the decision. Even if Astoria could uphold its zoning laws, approved businesses would be still be allowed. City Manager Estes explained that certain businesses could be prohibited through zoning ordinances.

Councilor Price understood the enterprise zone director only gives approval to participate in the zone, not business development. If a business meets the City's criteria, it could also apply to receive the tax abatement. City Manager Estes confirmed this was correct.

Mr. McCartin explained that personal information about Councilors published on the City's website suggests where Councilors may have conflicts of interest. He requested this same information be published about all other City board and commission members. This information would also help the public understand the backgrounds and interests of board and commission members. The Planning Commission and Historic Landmarks Commission deal with citizens asking for exceptions, so it is important to better understand the commission members. He knew City Council was interested in improving transparency.

Shel Cantor, 1189 Jerome, Astoria, said without an enterprise zone, Astoria could still offer tax and other incentives to businesses on a case-by-case basis. The incentive could be for any amount, any period of time, or any criteria and conditions Astoria chooses. The incentives could remain flexible, wielding them to Astoria's needs. This is a tool Astoria already has. ORS 285.140 states the enterprise zone sponsor and County assessor shall authorize businesses that have met the established criteria of the zone by approving their application. If the sponsor or assessor fails or refuses to authorize the business, the business may appeal to the Oregon Tax Court. The enterprise zone would not allow Astoria do things it cannot already do. However, the zone would obligate Astoria to grant tax incentives in amounts, with stipulated conditions, for durations, and in accordance with blanket criteria, which would all be predetermined, constrained by the State's rules, and subject to the whim of the court. Therefore, an enterprise zone is not a tool, but a straight jacket. Studies that have examined enterprise zones are inconsistent and have failed to conclusively demonstrate that enterprise zones yield benefits. He cited a presentation given to the Oregon Economic Development Association Executive Board in 2010, which indicated there were no significant differences in employment between Oregon's enterprise zones and non-enterprise areas. Astoria can implement opportunities that allocate resources to incentivize business expansion that is expected to produce a net benefit for the community without an enterprise zone. Why would Astoria choose to strap itself into an enterprise zone straight jacket?

Sherry Holdiman, 289 SE Anchor, Warrenton, explained she was a former inmate of the Clatsop County Correctional Facility and the Oregon Women's Penitentiary. She was concerned about the many barriers ex-offenders experience upon being released. She discussed her family history, criminal background, and her experiences trying to improve her lifestyle since completing her sentence, working hard to overcome all of the barriers in her path. Her successes include regaining driving privileges, obtaining employment, and most importantly becoming the first Holdiman to achieve a higher education diploma. She earned two diplomas from Clatsop Community College and has recently been admitted to Eastern Oregon University to pursue a Bachelor's of Science in the School of Business with a degree in Business Administration and Management. The penitentiary has a job preparation program that allows Goodwill to employ inmates immediately upon release; however, the local community lacks that type of connection and seems to fear felons. She is aggressively seeking employment in a higher position, but has encountered barriers. She had previously given Councilors Herzig and Price a packet of information. There are more than 30 local businesses that will give an ex-offender a job. She would like to triple the number of local businesses willing to employ ex-offenders. Goodwill Industries offers a packet of networking tips to help people find employment. Her employment goals are much higher than a non-living wage job, of which the community has a surplus. Most of her work history has been at minimum wage jobs. She highlighted some of her recent successes and presented a copy of a story she wrote about Toastmasters that was published. People with a criminal history experience barriers to transportation, housing, and money. Once time has been served and fines have been paid, the application process to remove charges from a criminal record requires a payment for each charge.

Councilor Price noted she was the wife of District Attorney Josh Marquis and congratulated Ms. Holdiman for all of her hard work. Many people go in and out of the correctional system and never end up where Ms. Holdiman is today. She was not sure what the City Council could do to address the barriers experienced by ex-offenders. She encouraged Ms. Holdiman to forward her concerns in writing so that City Council could consider them at a later date.

Councilor Herzig believed Ms. Holdiman showed remarkable courage and tenacity at pursuing her goals and going public about the obstacles she has faced. There is a growing national awareness of the barriers placed in front of former offenders as they try to rejoin the workforce. Some of the barriers are insurmountable and there are a number of ways they can be addressed by the community. Many people have done their time and have changed their lives. These people need a second chance and the community should not make it impossible for them to move forward.

Steve Fulton, 3598 Grand Avenue, Astoria, said he was a member of the Oregon Business Commission and the Port of Astoria Commission. He believed the enterprise zone would provide some certainty to businesses coming to the community. He also believed Jim Knight was going to be a wonderful manager and was proud to have him speak on behalf of the Port. The enterprise zone would give Port staff a tool to use when speaking with prospective businesses. While the zone offers tax abatements for a few years, businesses invest for 20 years. The biggest benefit will be more available jobs and people with jobs will spend money in the community. Astoria does not have many available jobs, but bringing tools like an enterprise zone may help. The tax abatements only last a few years, after which the businesses will be paying full taxes just like everyone else in the community.

City Council recessed to convene the Executive Session and Astoria Development Commission meeting at 8:51 pm.

EXECUTIVE SESSION

Item 9(a): ORS 192.660(2) (e) – Real Property Transactions

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:40 pm.

APPROVED:

City Manager

