



# SCAPPOOSE *Oregon*

**THURSDAY, DECEMBER 21, 2023  
ECONOMIC DEVELOPMENT COMMITTEE MEETING MINUTES  
REGULAR MEETING AT 12:00 PM  
33568 E COLUMBIA AVE; SCAPPOOSE, OR 97056 & MICROSOFT TEAMS (HYBRID)**

*Disclaimer: These minutes are intended to summarize the conversations that took place in this meeting rather than provide a full transcript. Anyone wishing to view the full conversation can find a recording of this meeting on YouTube at: <https://youtu.be/h57JlbMF5o0>*

**Attendees:** Chair Christine Turner, Vice Chair Karl Fenstermaker, Committee Member Brian Rosenthal, Committee Member Paul Fidrych, Committee Member David Sideras, Columbia County Commissioner Casey Garrett, Columbia Economic Team Executive Director Paul Vogel, Port of Columbia County Commissioner Nancy Ward, Associate Planner N.J. Johnson, Mayor Joe Backus, H Drumheller

**Committee Members Absent:** George Hafeman, Sean Findon

**1. CALL TO ORDER**

The meeting was called to order at 12:04 pm by Chair Christine Turner.

**1.1 Meeting Agenda**

Paul F. made a motion to approve the December 21, 2023 agenda. Brian seconded. The motion passed unanimously.

**1.2 Meeting Minutes**

David made a motion to approve the November 16, 2023 minutes. Brian seconded. The motion passed unanimously.

**1.3 Public comment**

*No public comment.*

**2. NEW BUSINESS**

**2.1 Update on 2024 Scappoose Summer Outdoor Palooza**

JJ: We're changing the name to Scappoose Summer Outdoor Festival. The event will be Saturday, June 8th from 10:00 am to 8:00 pm. Tesla, Next Adventure, Wildwood Golf Course, Bi-Mart, Fred Meyer, Barlow Bikes, and Trek are all either secured or potential sponsors of the event. We have tons of activities planned for youth and adults that promote outdoor activities, loving nature, and safety.

Chair Christine Turner: How can our committee assist you?

JJ: If you have any ideas for events, please bring them forward. We really need sponsors too so if you know of any companies that would be a good fit for the event, try to



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connect them and see if they're interested. They need to have some kind of a nature theme to participate.

Paul F: I'm curious, what's the reason we can't sell alcohol at this event?

JJ: I know it's a liability issue for the Library and their insurance. Additionally, going camping and drinking are not always a great match.

Brian: The last time we had a major summer event on the east side of the highway, the Wigwam had an enclosed area where attendees could have a drink at the event but it was their liability and insurance, which they're accustomed to as a bar.

JJ: Still though, the Library really prefers their events to be family friendly and I just don't think bringing a bar in is a good fit.

Brian: If you get me a 4' x 8' banner, I can put it up on my spot on the highway.

Paul F: Looking at this from an economic development perspective, we now have a summer festival, Earth Day, Whoville at the Watts House, and Movies in the Park. That is a consistent line of community events that we can market as something that makes our community stand out.

Brian: How are things looking with the event's budget?

JJ: The City gave us \$10,000 and the event cost is \$20,000. I'm confident we will make up the gap in sponsors.

H: What bands do you have ready to go?

JJ: So far, we have The Decades and Aaron Nigel Smith.

H: Are you looking for more bands? I'm the manager of the Big River Big Band so keep us in mind.

JJ: I'd love to have you guys.

H: Do you have a backup plan for if it rains? It's not unusual for it to rain in early June.

JJ: We have a Plan B.

## **2.2 Discuss Hotel Recruitment Incentives**

Chair Christine Turner: Paul Vogel and I presented some incentive ideas to Council on December 11, 2023. We don't want to take cash out of the City's pockets. Some ideas I came up with to start are tax abatements or deferrals, reduction or elimination of City permit fees, transient lodging tax (TLT) reduction, assist with landscaping or sidewalk improvements, reduction or delay transportation of systems development charges (SDC).

Paul F: I've done some research on this too. It almost always starts with reducing the TLT



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burden in the first couple years of the hotel being open. We currently have a TLT of 9% and we currently bring in less than \$1,000 per year in revenue.

David: One city put some teeth in it and had to renew it every year to make sure it was going well, serving the community's needs, and the developer kept their promises.

NJ: What kinds of things were these cities getting back from the hotel?

David: It was more so that they would help the hotels that weren't doing as well more. So if they had a lower occupancy rate, their TLT burden would be reduced.

Brian: I'm on board with TLT reductions. I'd like to require that if we let them keep it for a number of years, 30% of the revenue has to go to marketing their hotel. I don't just want a hotel; I want a successful hotel. Oftentimes, when businesses aren't doing well, the first thing they cut is marketing, which hurts them even more.

NJ: Wela Negelspach informed me that hotels are allowed to keep 5% of the TLT revenue for the administrative burden of collecting and processing the tax. So if ours is 9% and they get to keep 5%, we're talking about a lower incentive. Additionally, the City has to spend 70% of collected TLT revenues on tourism.

Paul F: So we'd have to increase the tax rate to actually use this as an incentive?

Brian: Yes, and doing that also hurts occupancy rates.

Paul F: I agree. I'm just saying this doesn't seem viable.

David: Another possible incentive would be expedited plan review. Then there's also tax abatements where the property owner would be taxed at the value of the vacant lot. Then once the building is built, they would only be taxed on the appreciation of the property and building, not the actual value of the building.

Brian: I also want to talk about reducing, delaying, or eliminating transportation SDCs. A hotel would obviously have major impacts on our water and sewer systems but it wouldn't necessarily have the transportation impact that you might think. Yes, there will be more local traffic around the individual site but less people who need to stay in a hotel will be driving to St. Helens or Portland. We aren't in a bad situation with our road system so it's not like we desperately need the funds. Hotel financing is really important on the front end so the more we can do to assist on the front end, the better.

David: If we're going to waive SDCs, we can attach some strings such as minimum number of employees. I agree that forgiving SDCs on the front end will reduce money borrowed and interest accrued. Instead of forgiving it entirely, you could also delay it until permanent financing is obtained or final occupancy is granted.

Brian: That's a good point, which also makes me think that we could delay all SDCs until 120 days after the project is completed. That way, they could secure permanent financing, like you said.



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David: We could purchase the property and have full control of who we sell it to.

NJ: The City doesn't have the money to purchase that kind of property without it being in our budget.

Brian: Paul V, can you talk about the wage requirements of the enterprise zone?

Paul V: There is a requirement to meet or exceed annual covered wages in the county. That said, I'm doubtful that all of the hospitality services in enterprise zones around the state do this so there may be an exception to this rule.

Brian: I'd like for any incentive we're going to give out to be to at least a 2.5-star hotel. No business is going to put someone in a 2-star hotel.

David: We need to avoid a situation where two hotels are applying for permits or incentives at the same time.

Brian: I only want to provide incentives to the first hotel that meets our incentive standards rather than having it be an ongoing problem.

Paul V: I'd leave your TLT alone. Hotels are often more interested in asking the cities that benefit from the TLT to co-market the area since it benefits both the city and hotel.

Brian: Another option then would be to waive the TLT but require that the hotel spends a certain percentage on marketing themselves to ensure the hotel succeeds. It would be less focused on the area in general though.

Paul F: NJ, when we discuss this next, it would be helpful to have a staff perspective on how each of these ideas would be to implement.

NJ: I can do that.

Chair Christine Turner: Can we eliminate permit fees?

NJ: We can but it's basically no incentive to a \$15 million project.

Brian: What are transportation SDCs for a 70-room hotel?

NJ: I don't know. I can get back to you on that.

Paul V: I recommend getting the recruitment of a hotel property into the City Council's goals and have it be assigned to EDC. I also recommend using a term like "facilitation tools" instead of "incentives". If someone is coming to Scappoose ready to purchase land and develop, they don't need incentives. This may seem nuanced but syntax matters. For your facilitation tools, you may want to think about expediting their process since the time of these folks and projects is very valuable. They want consistency and predictability.

Chair Christine Turner: I like it.



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David: I really agree with expedited permitting.

Brian: I move to recommend that City Council adopts facilitating a hotel as part of their Council Goals.

David: I second.

*The motion passed unanimously.*

Chair Christine Turner: I'm looking for a motion to make the hotel an EDC project.

Vice Chair Karl Fenstermaker: What does that mean?

Chair Christine Turner: It allows us to officially work on this.

NJ: If Council adopts this as a goal, it would get assigned to EDC so there's no need to make it an EDC goal too.

Chair Christine Turner: But I've already done it so I want it to be official.

David: I move to make the eventual adoption of a hotel in the city of Scappoose to be a goal of this Committee.

Brian: I second.

NJ: We don't duplicate goals in the City because then it creates confusion of work plans and who's responsible for the vision of the goal. Goals are not just aspirational targets; they're strategic plans to achieve a specific goal.

Chair Christine Turner: But I've already been working on it so we're making it official. Council won't start these goals until July so we don't want to stall this.

NJ: You wouldn't be prevented from working on this. We're talking about strategies right now.

Chair Christine Turner: Why can't we have this as a goal?

NJ: Because we don't duplicate goals.

Paul V: Just request that Council adopt a goal to place a hotel in the city and have them make EDC the point people of that goal.

Chair Christine Turner: I'm okay with that.

H: Is there a specific hotel brand in mind?

Chair Christine Turner: I have shown properties to Choice Hotels, Wyndham, Holiday Inn, and Best Western. At this point, two developers under Holiday Inn are interested. That includes Avid, Candlewood, Holiday Inn, and Holiday Inn Express.

H: Will the City provide the developer with a feasibility study?



Chair Christine Turner: The market study has been completed and is available.

H: I think a developer would really appreciate having a document that outlines the process and timeline.

Brian: A lot of that depends on the developer. We can certainly do our part as the City to facilitate the process efficiently but the construction is 100% on the developer.

David: Most developers have a building layout that they have done before and like and then they look for sites that allow that. They're well versed in figuring this stuff out.

NJ: What you're talking about, H, is exactly what we give developers when they have their pre-application conference. All the relevant approval agencies get to provide comment and the Planning Department provides a blueprint for getting through land use. The other thing I'll say is that approval expedition is just as much on the developer as the permitting agency because it often happens that we issue completeness comments and they take four months to submit a second round of plans.

David: How can we make this information available before the pre-application meeting?

NJ: If you reach out to the Planning Department, we'll walk an interested developer through our process and criteria. We take several calls like this every week. It is on my list to improve the information available on our website for things like this.

### **2.3 Discuss Downtown Enhancement Strategies**

Vice Chair Karl Fenstermaker: I don't think we're going to have time to put this together in meetings. I'm thinking we first build a framework for the document and then delegate sections to each of us.

Brian: Would this document replace the Downtown Overlay?

Vice Chair Karl Fenstermaker: No, this is a strategic document that would advise Council and the City on what to do with the Downtown Overlay.

Brian: So big picture?

Vice Chair Karl Fenstermaker: Yes. Is everybody good with that?

*There was general agreement on the path forward.*

### **3. ANNOUNCEMENTS AND NEXT MEETINGS**

- Next meetings
  - January 18, 2024 at 12:00 pm
  - February 15, 2024 at 12:00 pm
  - March 21, 2024 at 12:00 pm

### **4. Meeting adjourned at 1:26 pm.**