



REDMOND URBAN RENEWAL AGENCY
CITY OF REDMOND
Community Development Department

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DOWNTOWN URBAN RENEWAL ADVISORY COMMITTEE
MINUTES

December 11, 2017

Redmond City Hall, 411 SW 9th Street – Room 210, Redmond, Oregon

Advisory Members Present: Chair Donald Crouch, Vice-Chair Edwin Danielson, Neal Cross, Paul Hansen, Tom Kemper, Kathryn Osborne, Gib Stephens, Jay Willett (*absent: Cheriee Perrine*)

Student Ex Officio Absent: *Kirsten Ruben*

City Staff: Chuck Arnold, *Economic Development/Urban Renewal Project Manager*; Troy Rayburn, *Program Specialist*; Jason Neff, *Budget Manager*; Jodi Burch, *Finance and Risk Manager*; Tim Moor, *Fire Chief, Redmond Fire and Rescue*; Keith Witcosky, *City Manager*; Cameron Prow, *TYPE-Write II*

Visitors: Ginny McPherson, *City Council Liaison*; Bill Schertzinger, *Schertzinger & Party Architect*; Jim Holm, *City Center Church*; Dave Swift, *Redmond Bicycle and Pedestrian Advisory Committee Chair*; Harrison and Thaddeus Swift

Media: Dave Morgan, *RedmondNewsToday.com*

(Agenda items appear in the order discussed. The 3 digits after a motion title show the number of committee members voting in favor/opposed/abstaining.)

CALL TO ORDER – INTRODUCTIONS

Chair Crouch called the regular session of the Downtown Urban Renewal Advisory Committee (DURAC) to order at 5:02 p.m. with a quorum of members (8 of 9) present. Mr. Kemper attended by telephone.

I. ACTION ITEMS

A. Hotel Loan and Development Agreement

Mr. Arnold referenced discussion at the November 2017 joint meeting with the Urban Renewal Agency (URA) and presented his staff report. He reviewed (PowerPoint) deal points, boutique concept, funding sources, design ideas, and timeline. Total cost of the project with AWI Deschutes, LLC, is \$5.7 million. AWI purchased the property for \$2,018,000, has planned \$2.8 million in renovations, and will keep about \$800,000 in reserve for operations. The URA's investment will be \$749,000. The property is guaranteed to remain a hotel for the 10-year term of the loan. Included in the deal is a 15-year market-rate lease of 26 parking stalls; the stalls can be moved to another location if the old city hall site (716 SW Evergreen Avenue) is redeveloped. The 43,500-square-foot, 3-story hotel building on the corner of SW 6th Street and Evergreen Avenue was built in 1928 and is listed on the National Register of Historic Places. The building last operated as a hotel in 2005. If the URA approves the Loan and Development Agreement (LDA) on December 12, the loans are set to close this week and construction will commence this month. The developer is expecting to open the rooftop bar and the lobby/lounge in summer 2018. A ribbon-cutting ceremony of the entire property is expected in March 2019.

Chair Crouch said the Hotel Subcommittee and DURAC worked for over two years to move this catalytic project forward. Mr. Kemper commended staff for a phenomenal job and said this project was a good deal for the City.

Motion 1 (8/0/0): Mr. Crouch moved to recommend the Urban Renewal Agency enter into a Loan Development Agreement with AWI Deschutes, LLC, for the revitalization of the Historic Redmond Hotel and to authorize the City Manager to execute the agreement. Mr. Willett seconded the motion which passed unanimously.

B. Fire, Life Safety, and Accessibility Grant Program

Mr. Rayburn referenced the November 2017 joint work session with the URA. He credited Mr. Arnold and Mr. Moor for their collaboration in bringing this proposal to DURAC and outlined the review process. This proposal and DURAC's recommendation will be considered by the URA on December 12. He summarized key points in the staff report supporting the proposal: City Council goals addressed (1–Sustain Operations, 3–Preserve and Enhance City Infrastructure, 9–Urban Renewal), report in brief, background, building safety improvements (Knox box, alarm systems, sprinkler systems, natural gas shutoff valve visibility), access issues (sidewalks, pedestrian paths, curb ramps, etc.), fiscal impact, alternative courses of action, and staff recommendation. He stated the proposed program could be added without negatively impacting capacity for existing programs.

Mr. Arnold introduced Ms. Burch who has been working on the ADA (Americans with Disabilities Act) Transition Plan to address accessibility issues with public buildings and facilities including sidewalks and access to private buildings.

Ms. Burch said the URA proposal dovetailed well with the ADA Transition Plan, since the City does not pay for improving sidewalks on existing properties.

Mr. Moor said he was a native of Redmond and was excited about the hotel project. He thanked DURAC for considering the Fire/Life Safety/Accessibility Grant Program proposal. The Fire Department does not receive any urban renewal district funding and, in fact, loses \$350,000-\$400,000 annually due to the urban renewal district. He stated his belief this program would gain traction in other fire districts across the state.

Motion 2 (8/0/0): Mr. Crouch moved to recommend the Urban Renewal Agency approve the addition of the Fire, Life Safety, and Accessibility Grant Program to the Property Assistance Program. Mr. Willett seconded the motion which passed unanimously.

C. Exclusive Right to Negotiate

Mr. Arnold summarized key points in his staff report: City Council goal addressed (9–Urban Renewal), background, fiscal impact (none), and alternative courses of action. The URA acquired the old city hall property in 2016 from the City of Redmond for \$1.2 million with the purpose of repositioning the property for development. In June 2017, DURAC issued a Request for Proposals for redevelopment projects including a market-rate mixed-use housing development. One proposal was received from a team led by Mr. Schertzinger. Mr. Arnold asked DURAC to consider a recommendation to the URA to enter into an Exclusive Right to Negotiate Agreement (ERN) with Schertzinger and Party Architect, LLC, for redevelopment of 716 SW Evergreen Avenue. The ERN would memorialize terms of the extension requested by the developer. During the extension, the developer will provide a market study to determine the target demographic and economic viability of his proposed project and investor commitment letters of intent from equity sources outlining financial commitments. He referenced discussion at the November 21, 2017, joint work session with the URA which

resulted in extending the ERN from 90 days to 120 days. During the extension period, the URA could continue to talk with other developers but could not accept proposals for similar-sized mixed-use residential projects for this property.

DURAC concerns included if changes to the last version were included in this proposal, whether Steve Bryant had reviewed the draft, and if DURAC was locked into Mr. Schertzinger's proposal.

Motion 3 (7/0/1): Mr. Crouch moved to recommend approval to the Urban Renewal Agency to enter into an Exclusive Right to Negotiate with the developer for the redevelopment of 716 SW Evergreen Avenue also known as the Old City Hall Site. Mr. Cross seconded the motion which passed with Mr. Crouch, Mr. Danielson, Mr. Cross, Mr. Kemper, Ms. Osborne, Mr. Stephens, and Mr. Willett voting in favor, none opposed, and Mr. Hansen abstaining.

II. APPROVAL OF MINUTES

A. October 9, 2017

Motion 4 (8/0/0): Mr. Hansen moved to approve the minutes from October 9, 2017, as presented. Mr. Stephens seconded the motion which passed unanimously.

III. DISCUSSION ITEMS

A. Budget and Quarter 1 Financial Presentation

Mr. Neff presented (PowerPoint) a financial overview of the Downtown Urban Renewal District for the first quarter of fiscal year 2017-2018.

DURAC members clarified their understanding of the key statistics presented. Additional concerns included what PCC Schlosser did to change its property tax assessment and if the URA could purchase more bonds if needed. Chair Crouch thanked Mr. Neff for sharing this information with DURAC. Mr. Neff said he would send DURAC more information about the PCC Schlosser issue.

B. Business and Property Changes Memo

Mr. Arnold reviewed (staff report) new businesses (Level State Taphouse, Mi Cantina Grill, Redmond Event Center/name to be determined, Oregon Floor Trends, Redmond Speech and Language, Redmond Transit Hub), property transactions (141 NW 6th Street, 728 NW 6th Street, 404 SW 6th Street, 258 SW 5th Street), and property improvements (Becerra's Bistro – signage; David Schalock – apartment expansion, laundromat; Printing Post – adding storefronts for multiple tenants, redesigning façade).

C. Bicycle and Pedestrian Advisory Committee Update

BPAC Chair Swift discussed infrastructure projects to improve walking and bicycling safety:

- Canal Boulevard from Obsidian Avenue to Yew Avenue Roundabout (including Homestead Trail construction from Highland Avenue to Salmon Avenue)
- Converting part of Deschutes Avenue to a “quiet street”
- Bike parking facility downtown – on hold until the demand increases
- Redmond Streets Alive – community event (similar to Bend's “Open Streets”) to showcase the Deschutes Avenue “quiet street” held in conjunction with the Redmond Street Fair

Mr. Arnold reminded DURAC members they approved funding for street painting and signage for the “quiet street” segment within the urban renewal district about a year ago. The funds were

allocated from the Alternative Mobility Improvements Fund in the URA budget. Mr. Swift's update was part of staff efforts to assure committees work together to keep their activities relevant.

DURAC concerns included how Deschutes Avenue will connect to the Homestead trail and progress in completing this trail. Mr. Arnold and Mr. Swift discussed some of the challenges involved in designing a safe route.

CITIZEN COMMENTS

Pastor Holm thanked Mr. Witcosky and Mr. Arnold for informing him of what was happening with the old city hall as his church is across 7th Street in that block.

STAFF COMMENTS

Mr. Arnold reported making a presentation on urban renewal and DURAC activities to the Housing and Community Development Committee (HCDC) in November 2017. He said the HCDC was very interested in the work DURAC was doing. HCDC members proposed their chair and vice-chair work with DURAC's chair and vice-chair to brainstorm ideas about housing issues.

DURAC members generally agreed with the value of collaborating with the HCDC to make sure housing activities of both committees are in concert.

DURAC COMMENTS

Chair Crouch said 2017 was the most productive year during his five years on DURAC. He thanked members for their hard work said 2018 was looking bright. He wished everyone Merry Christmas.

Vice-Chair Danielson requested an update on property acquisition at the north end of town.

IV. EXECUTIVE SESSION – REAL ESTATE

Chair Crouch read aloud the following statement: Oregon Law permits public bodies to meet in executive session to discuss specific matters which are not open to the public. Final actions or decisions on these matters will be made during regular session. Under the provisions of the Oregon Public Meetings Law, the proceedings of this executive session are for background information only for media attending and not for publication or broadcast.

Chair Crouch closed the regular session and opened the executive session at 6 p.m.

Chair Crouch closed the executive session and re-opened the regular session at 7:02 p.m.

V. MOTIONS AS A RESULT OF EXECUTIVE SESSION

None.

ADJOURN

Next meeting: Monday, January 8, 2018, 5 p.m.

With no further business, Chair Crouch adjourned the meeting at 7:03 p.m.

APPROVED by the Redmond Downtown Urban Renewal Advisory Committee and SIGNED by me this
8th day of January, 2018.

ATTEST:

 /s/ Donald Crouch
Donald Crouch
Chair

 /s/ Chuck Arnold
Chuck Arnold
Economic Development/Urban Renewal Project Manager