



REDMOND URBAN RENEWAL AGENCY
CITY OF REDMOND
Community Development Department

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DOWNTOWN URBAN RENEWAL ADVISORY COMMITTEE
MINUTES

November 13, 2018

Redmond City Hall, 411 SW 9th Street – Room 207, Redmond, Oregon

Advisory Members Present: Chair Donald Crouch, Vice-Chair Edwin Danielson, Neal Cross, Liz Goodrich, Kathryn Osborne, Cheriee Perrine, Gib Stephens (*absent*: ; **2 vacancies**)

Youth Ex Officio: Olivia Duff

City Staff: Chuck Arnold, *Economic Development/Urban Renewal Project Manager*; Troy Rayburn, *Program Specialist*; John Roberts, *Deputy City Manager*; Cameron Prow, *TYPE-Write II*

Visitors: Tory Allman, *City Council Liaison*; Chris Brumley and Ryan Churchill, *Initiative Brewing, LLC*; David Brandt, Geoff Wall, and Keith Wooden, *Housing Works*; Doug Alley, *Pinnacle Architecture*; Jan Barcus; Jonathon Keith; Robert W. Browne; Scott Jewell

Media: None

(Agenda items appear in discussion order. 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 meeting of the Downtown Urban Renewal Advisory Committee (DURAC) to order at 5 p.m., Monday, November 13, 2018, with a quorum present (7 of 7 members).

I. ACTION ITEMS

A. Initiative Brewing – Property Rehabilitation Loan

Mr. Arnold presented (staff report, PowerPoint) the applicant's (Initiative Brewing, LLC) request for a loan to fund exterior and interior building and site plan improvements on a C-2 site in the midtown area. His summary included the program background, site background, project proposal, funding request, and procedural review process. Mr. Rayburn reported the applicant was diligent and great to work with. Applicant plans to redevelop a commercial building and property on the corner of NW 5th Street/NW Elm Avenue (formerly Columbia River Bank). Redmond Urban Renewal Agency (URA) would participate in 15% of total development costs, estimated at \$742,500. Funding would come from the Property Rehabilitation Loan Program (\$100,000), Fire/Life Safety/Accessibility Grant (\$7,500), Small Projects Grant (\$5,000), and Applicant (\$630,000). Project completion is scheduled for early 2019. This project is expected to create approximately 6 new jobs in Year 1 and expand employment in subsequent years.

Staff recommended the URA approve the \$100,000 Property Rehabilitation Loan in support of the development of Initiative Brewing at 424 NW 5th Street. The project would address City Council Goal 9 by encouraging new business investment in a designated blighted area. The URA will consider this item at its November 20, 2018, meeting.

Initiative Brewing's presentation by President/Chief Financial Officer Ryan Churchill and President/Brewmaster Chris Brumley covered the firm's educational preparation and

experience, planned building improvements, marketing, and community ties. The pub is expected to open for business in February 2019.

Mr. Browne asked how the applicant raised funds for this project.

DURAC concerns included if brew products would be distributed beyond the restaurant, what the \$742,500 project cost covered, Initiative Brewing staff's education and experience, and focus on family dining. Chair Crouch said the applicant's presentation was one of the more impressive ones DURAC had received.

Motion 1 (7/0/0): Mr. Danielson moved to recommend the Urban Renewal Agency enter into a loan agreement with Initiative Brewing, LLC, for \$100,000 in support of the development of the commercial space at 424 NW 5th Street. Ms. Perrine seconded the motion which passed unanimously.

B. 5th Street and Greenwood Avenue – Developer Selection

Mr. Rayburn and Mr. Arnold summarized (staff report) the background of the 5th Street/Greenwood Avenue property, now owned by the URA. DURAC Housing Subcommittee members were Mr. Cross (subcommittee chair), Mr. Crouch, Mr. Danielson, and Ms. Osborne. Subcommittee members Cross, Danielson, and Osborne met with Planning and Building Division staff in October 2018 to review two proposals: one from Housing Works and one from the Wasserman Group. Housing Works proposed construction of a 2-story building with 48 apartment units. Monthly rental rates would be approximately \$826 for 2 bedrooms (44 units) and \$945 for 3 bedrooms (4 units). The proposal had a \$13.4 million budget utilizing approximately \$2.1 million investment from the URA. Kirby Nagelhout has the contract for demolition, construction, and site control. Staff recommended the URA enter an Exclusive Right to Negotiate Agreement with Housing Works for redevelopment of two neighboring properties at 736 NW 5th Street. The project would address City Council Goals 7 (Comprehensive Planning) and 9 (Urban Renewal). The URA will consider this item at its November 20, 2018, meeting.

Executive Director David Brandt said Housing Works, the regional public housing authority, had built over 900 units. He outlined Housing Works' experience in building and managing residential units in Deschutes (including Redmond), Crook, and Jefferson Counties and in working with Pinnacle Architecture. Target demographics for this project will be people earning \$22,000-\$50,000 per year who are paying over 50% of their income for rent. Project financing would come from the Redmond Housing and Community Development Committee (\$450,000), Housing Works (\$200,000), a DURAC nonforgivable loan paid at project end (approximately \$2 million), and Oregon Housing and Community Services Department (\$2.7 million). He stated Housing Works has never had a project go into default.

Project architect Doug Alley discussed the economic impact, community vibrancy, and tenant livability of Midtown Place. Included in the Housing Works' proposal to build 48 units of workforce housing were the site layout, floor plan, and illustrative exterior. The two-story units would be built along 5th Street.

Mr. Cross said the subcommittee supported Housing Works' proposal for its density and unit count, exterior design characteristics per the Mid-Town Plan, unit rental rates, parking plan, and targeted demographic market. The presentation was well prepared with a thoughtful design. The project addressed the need to "put feet on the street" in a good way and would link the medical district with downtown. The subcommittee unanimously selected Housing Works due to the agency's direct workforce housing experience in Central Oregon, the team's proven ability to execute projects, and the agency's track record in maintaining its properties.

Mr. Rayburn reported the Housing Subcommittee sought clarification regarding the design to ensure long-term quality. Design elements included: (a) this proposal's relationship to Redmond's Mid-Town Plan; (b) rental agreement with tenants to prevent balconies, decks, porches, and patios from being used as additional storage space; (c) sound transfer between units via floors and neighboring walls; (d) installation of energy-efficient appliances and other energy conservation measures; (e) on-site property management; (f) option for covered parking; (g) architectural design appropriate for high-desert weather conditions (snow accumulation and melt); and (h) use of drought-resistant landscaping to provide green space.

Mr. Crouch reminded members one of DURAC's original mission to create a catalytic project in the mid-town area. He commended the subcommittee for asking the right questions. DURAC's vision for this project was spot-on. Housing Works' proposal matches that vision.

Mr. Danielson requested more details about Housing Works' building management plan. Mr. Brandt said the building would have an on-site manager. Housing Works meets frequently with its management company, which is a wholly owned subsidiary. He assured DURAC that Housing Works lived and died by the quality of its projects.

Ms. Osborne said the subcommittee spent a lot of time reviewing the proposals and looking at what Redmond needed. She felt comfortable with the close relationship of this project to the City of Redmond Mid-Town Plan. The Housing Works' proposal showed the level of homework done and a familiarity with the Redmond community's housing needs.

Motion 2 (7/0/0): Ms. Osborne moved to recommend the Urban Renewal Agency enter into an Exclusive Right to Negotiate Agreement with Housing Works for the redevelopment of 736 NW 5th Street and authorize the City Manager to execute the agreement. Ms. Perrine seconded the motion which passed unanimously.

II. APPROVAL OF MINUTES

A. September 10, 2018

Motion 3 (7/0/0): Mr. Cross moved to approve the minutes from September 10, 2018, as presented. Mr. Stephens seconded the motion which passed unanimously.

III. DISCUSSION ITEMS

A. Centennial Park Construction Update

Mr. Rayburn reported the Phase 1 contractor (Kirby Nagelhout) would be building Phase 2. Chain-link fencing has been installed completely around the construction site. Engineers inspected hazardous waste and on-site chemicals in the old Printing Post building and demolition will begin soon. Aboveground utilities in the alleyway will be moved underground. DURAC staff are coordinating with the City Parks Department which is managing project construction. A ribbon-cutting ceremony will be held in late spring 2019 when Phase 2 is expected to open.

Chair Crouch requested information about the tree that was removed. Mr. Rayburn said he was not involved in the ongoing legal discussions. The City Attorney and Risk Management staff are working to resolve this issue as soon as possible. Based on the City Arborist's opinion, the cedar tree with a split trunk is a safety hazard and will be removed.

B. Urban Renewal New Business Updates

Mr. Arnold presented the Redmond Urban Renewal Update newsletter for October 2018.

New Businesses

- *Tin Penny Style House* – 522 SW 6th Street (formerly The Blvd. Fashion).

- *The Makeup Shop* – 632 SW 6th Street.
- *Hideaway Tavern* – 507 SW 8th Street (formerly The DAWG House).
- *Porter Brewing, Gomper's Distillery, Dry Fields Ciderhouse, Crossfit Magnify, and Huntwood Custom Cabinets* – 611 NE Jackpine Avenue.

Property Transactions

- Corner of SW 6th Street/Deschutes Avenue: Historic First National Bank building.
- 445 SW 6th Street – formerly The Relief Pitcher Sports Bar.

Grants and Loans

- Kruse Properties – 232 SW 5th Street: Façade improvement.
- Forest Commons – 704 SW Forest Avenue: Free architectural design assistance.
- Highland Offices – 728 SW Highland Avenue: Small projects grant (commercial/retail space on 1st floor, 2 market-rate apartments on 2nd floor)
- Elemar Oregon – 416 SW Deschutes Avenue: Façade improvement.

Redevelopment Projects

- 716 SW Evergreen Avenue: Conceptual design for 60+ unit apartment building (market rate housing) on north parcel (former city hall) oriented to Centennial Park. The URA expects to have an Exclusive Right to Negotiate Agreement with the development team by early 2019 with construction starting in 2020.
- 5th/Greenwood property: The URA is reviewing two multi-family housing proposals.
- SW Evergreen Avenue/SW 9th Street: The URA awarded a park construction contract to Kirby Nagelhout Construction. Demolition will start in fall 2018.

Committee concerns included the status of *Becerra's on 6th Bistro* and how much involvement staff should have in projects where URA funds are invested.

Mr. Rayburn said URA staff were doing monthly check-ins and taking progress photos. *Becerra's* originally expected to be open for the Christmas holidays. Due to increased labor and material costs and contractor commitments to other projects, project completion is expected to be delayed about three months.

C. Parking Task Force Update

Mr. Rayburn said the Parking Task Force (PTF) convened on October 4, 2018. PTF members attending were Chair Osborne, former DURAC member Paul Hansen; Brad Dacus, *Soup 2 Nuts*; and Dave Standerwick, *Polar Bear Gas & Car Wash*.

PTF Chair Osborne said the first meeting generated lively discussion. Topics covered included meeting protocols – when, where, how often to meet (every two months), parking concerns, and the need for more business owners on the task force. Those present agreed the group's goal should be actionable items.

Mr. Rayburn said the task force was working to prioritize short-term, mid-term, and long-term strategies recommended by Rick Williams Consulting. He stated Mr. Hansen felt strongly the City should secure a vacant lot for future parking development. Though no agreements have been reached, task force members discussed the need for clearly marked parking spots or posted time limits. One short-term solution could be partnering with Redmond Chamber of Commerce to improve outreach to the business community. Employees need to understand why they should not park on the street in front of the places they work. A chamber representative is a member of the task force.

DURAC concerns covered the parking study conclusion that Redmond doesn't have a parking problem and the cost of administering a parking program. Ms. Goodrich volunteered to serve as the DURAC representative on the Parking Task Force. Chair Crouch assured her the task force was not be a standing committee.

D. DURAC Member Terms

Mr. Arnold reviewed the list of current DURAC members. In addition to the two vacant positions, the terms of Chair Crouch and Ms. Osborne will expire on December 31, 2018. The mayor has received an application from a Redmond business owner and Ms. Barcus is considering submitting an application to join DURAC. He encouraged DURAC members to help recruit new members.

CITIZEN COMMENTS

None.

STAFF COMMENTS

Mr. Arnold discussed the logistics of when City Councilors would be available to convene the Urban Renewal Agency meeting tonight. The Odem Theater Pub has re-opened.

Mr. Rayburn thanked DURAC members for their willingness to serve on subcommittees.

DURAC COMMENTS

Ms. Duff, new Youth Ex Officio member, said she was a sophomore at Redmond High School and happy to be part of DURAC. She apologized for arriving late but confused the starting time with another meeting.

Chair Crouch welcomed Ms. Goodrich and Ms. Duff and said he was looking forward to their feedback. He thanked DURAC members for staying late for the joint meeting with the URA on the largest project DURAC has undertaken to date.

Mr. Danielson said Redmond Park and Recreation District (RAPRD) Board of Directors met this morning. The board decided to put a levy on the May 2019 ballot to fund expansion of programs and facilities to meet community demand. He summarized RAPRD board concerns about the proposed expansion. He said he would provide future updates about RAPRD plans.

Upcoming meetings:

- **November 13:** joint DURAC/URA meeting – focus will be on the New Redmond Hotel.
- **December 10:** regular DURAC meeting – review Grace & Hammer's property rehabilitation loan.
- **January 14:** regular DURAC meeting – review housing loan application for market-rate five-plex.

Next DURAC meeting: Monday, December 10, 2018, 5 p.m.

ADJOURN

With no further business, Chair Crouch adjourned the meeting at 6:44 p.m.

APPROVED by the Redmond Downtown Urban Renewal Advisory Committee and SIGNED by me this
____ 10 ____ day of ____ December ____, 2018.

ATTEST:

/s/ Donald Crouch
Donald Crouch
Chair

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