



REDMOND URBAN RENEWAL AGENCY
CITY OF REDMOND
Community Development Department

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DOWNTOWN URBAN RENEWAL ADVISORY COMMITTEE
MINUTES

March 11, 2019

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

Advisory Members Present: Chair Donald Crouch, Jen Barcus, Neal Cross, Edwin Danielson, Meghan Gassner, Liz Goodrich, Alayna Weimer (*absent: Vice-Chair Kathryn Osborne, Cheriee Perrine*)

Youth Ex Officio Absent: *Olivia Duff*

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

Visitors: Jim Roe, *King James Construction*; Keith Wooden, *Housing Works*; Rick Stilson, *Trailhead Consulting*

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 5:03 p.m., Monday, March 11, 2019, with a quorum present (6 of 9 members). Ms. Weimer arrived at 5:22 p.m. after Action Item I.A., increasing the quorum to 7 of 9 members.

I. ACTION ITEMS

A. 5th and Greenwood Purchase Agreement

Mr. Rayburn provided an overview (staff report including the purchase agreement and 7 exhibits, PowerPoint) covering background, project location and description, fiscal impact, and how the Housing Works' proposal complied with Urban Renewal Goal 9 and the Mid-Town Plan. He read aloud Goals 2, 3, and 5 from the Redmond Downtown Urban Renewal Plan Update (Page 10, Chapter 10 – Housing) and reviewed the Schedule of Performance (staff report Exhibit B). Housing Works plans to construct a 2-story building with 48 apartment units (44 two-bedroom and 4 three-bedroom). Total project cost is estimated at \$13.4 million. The Urban Renewal Agency will contribute about \$2.1 million toward the project and selling a 1.97-acre parcel at 736 NW 5th Street for \$650,000 to Housing Works. Community Development Block Grant (CDBG) funds will provide \$450,000 toward the purchase price. The property sale will return about \$650,000 to the Urban Renewal Fund. Mr. Rayburn said the schedule of recording the first agreement would coincide with Jim Long's work as it related to the Community Development Block Grant.

Mr. Wooden said Housing Works was excited to partner with the City on this transaction. He summarized the process Housing Works was following to meet City requirements.

Mr. Rayburn stated Housing Works had complied with all submittals required by the Exclusive Right to Negotiate it entered into with the City. Mr. Arnold added the Community

Development Block Grant funds had to be expended by mid-May 2019. If this project does not move forward, the land sale will not move forward.

DURAC concerns included if Grocery Outlet knew they would be losing access to their unofficial parking area. Mr. Arnold responded to DURAC concerns about Grocery Outlet's parking situation.

Motion 1 (6/0/0): Ms. Goodrich moved to recommend the Urban Renewal Agency enter into a Purchase Agreement with Housing Works for the sale of the property at 736 NW 5th Street and authorize the City Manager to execute the agreement. Ms. Gassner seconded the motion which passed unanimously.

B. Historic Hotel Term Sheet

Mr. Arnold introduced Rick Stilson, owner's representative for the developer (Alpha Wave Investors Redmond Hotel Owner, LLC), who is on the site daily.

Ms. Barcus declared a potential conflict of interest. In her profession as a banker, she had a brief discussion with the people involved in the project, but nothing came to fruition. Mr. Arnold informed Chair Crouch he didn't see this as a conflict of interest but as a point of information that didn't apply to the decision-making process.

Mr. Arnold reviewed (staff report, PowerPoint) the draft Term Sheet, the basis for a new Loan and Development Agreement. He outlined the background, Redmond Urban Renewal Agency (RURA) policy direction and actions, project evolution, increased protection for RURA investment, hotel project costs and timeline, project benefits (economic impact of renovated hotel including new jobs), financing and operational structure, hotel opportunity zone, project timeline, and fiscal impact. RURA investment will be about 30%. Total project cost is \$11,830,000.

DURAC concerns included which taxes would be deferred, who will inspect construction progress, RURA's financial obligation, developer's track record, retention of current retail tenants, customer traffic flow to/from rooftop bar during construction, financial impact of retaining the building's historic integrity, better communication with the public about what is being preserved for historic value, opportunity to participate in May Historic Preservation Month activities, displaying photos and information about original elements in the model rooms, and the expected completion timeline.

Mr. Stilson discussed AWI's background in hotel development (18-20 years), strong environmental focus, and concern about keeping local dollars in the community. The new rooftop restaurant/bar is expected to open in summer 2019, the ground floor soon after, and the rooms by the end of 2019.

Chair Crouch said he and Mr. Danielson have been working on this project for the last five years. He stated this project will set a quality standard for downtown for decades and is exactly what urban renewal is all about. He invited DURAC members to attend the RURA meeting on March 12, 2019.

Motion 2 (7/0/0): Mr. Cross moved to authorize the City Manager to execute the Term Sheet authorizing \$3.53 million of loan funding to AWI Redmond Owner, LLC, for the revitalization of the Historic Redmond Hotel and proceed with the development of a new loan and development agreement. Ms. Goodrich seconded the motion which passed unanimously.

II. APPROVAL OF MINUTES

A. January 14, 2019

Ms. Prow requested changes to the January 14, 2019, draft minutes: (1) replacing “(5 of 7 members)” with “(9 of 9 members)” in Line 2 under CALL TO ORDER – INTRODUCTIONS and (2) correcting the spelling of the Vice-Chair’s last name from “Osbourne” to “Osborne” two times in Motion 2, Line 3, and in Line 1 under DURAC COMMENTS.

Motion 3 (7/0/0): Ms. Weimer moved to approve the minutes from January 14, 2019, as amended. Ms. Gassner seconded the motion which passed unanimously.

III. DISCUSSION ITEMS

None.

CITIZEN COMMENTS

None.

STAFF COMMENTS

Mr. Arnold provided an update to the following project:

- Former City Hall Site: DURAC advised RURA to move forward with investigating the Parking Task Force’s recommendation to demolish the old city hall building and create a parking lot in its place. RURA will provide direction to staff at its March 12 meeting.

Mr. Rayburn discussed one way the urban renewal program interacts with the community. Outreach to not-for-profit organizations in Central Oregon resulted in donation of outdated furnishings and office supplies stored in the old city hall to the Opportunity Foundation, which was founded in Redmond.

DURAC members asked why the old city hall was being demolished. Mr. Arnold replied the 2010 improvements did not reflect the original 1940 building façade.

Mr. Rayburn provided additional updates:

- Parking Task Force: The March meeting was canceled due to the severe winter weather and has not been rescheduled. The Task Force prioritized recommendations from the 2017-2018 parking consultant. Number 1 was to move forward with parking on the former city hall site. Under discussion is striping 5th and 6th Streets downtown between Antler and Forest Avenues.
- Centennial Park Expansion: Construction is on a two-week hiatus due to the volume of snow and ice on the site.
- Property Assistance Program: Currently, there are about 17 open or active projects. From February 2018 through February 2019, RURA approved approximately \$360,528 in grant and loan requests. The grants alone leveraged \$1,610,631 investment into the local economy.

Mr. Arnold commended City Public Works for clearing snow and ice from downtown streets and sidewalks about a week ago.

DURAC COMMENTS

Chair Crouch requested ideas about a memorial to Brad Smith, the DURAC chair before him. Mr. Smith owned Paulina Springs Books in downtown Redmond and passed away last year after a long and brave struggle with cancer.

ADJOURN

Next DURAC meeting: Monday, April 8, 2019, 5 p.m.

With no further business, Chair Crouch adjourned the meeting at 6:28 p.m.

APPROVED by the Redmond Downtown Urban Renewal Advisory Committee and SIGNED by me this
__13th__ day of __May____, 2019.

ATTEST:

_____/s/ Donald Crouch_____
Donald Crouch
Chair

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