



URBAN RENEWAL DISTRICT AGENCY BOARD

June 14, 2022

Council Chambers • 411 SW 9th Street

BOARD MEMBERS

George Endicott
Chair

Jay Patrick
Board President

Krisanna
Clark-Endicott
Member

Clifford Evelyn
Member

Ed Fitch
Member

Shannon Wedding
Member

Cat Zwicker
Member

JUNE 14, 2022

SPECIAL MEETING AGENDA

**FOLLOWING P.M.
COUNCIL MEETING**

I. CALL TO ORDER / ESTABLISH A QUORUM

II. MINUTES

A. Minutes of June 7, 2022, Urban Renewal Agency Board Meeting

III. ACTION ITEMS

A. SCP Redmond Hotel – Consent to allow Alpha Wave Investors to Refinance their Senior Loan through Axos Bank.

IV. OTHER BUSINESS

V. ADJOURN

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.

The City of Redmond encourages all citizens to participate in its programs and activities. This meeting location is accessible to people with disabilities. Requests for accommodation may include sign language interpreter service, assistive listening devices, materials in an alternate format or any other accommodation. If any accommodations are needed, please contact the ADA Coordinator at 541-504-3036 or access@redmondoregon.gov. Requests should be made as soon as possible, but at least 3 business days prior to the scheduled meeting.

The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities

SPECIAL CITY OF REDMOND URBAN RENEWAL DISTRICT AGENCY BOARD MEETING WAS HELD JUNE 7, 2022, IN THE CITY COUNCIL CHAMBERS.

BOARD MEMBERS PRESENT: George Endicott – Clifford Evelyn – Ed Fitch – Jay Patrick – Shannon Wedding (attended virtually) – Cat Zwicker

BOARD MEMBERS EXCUSED: Krisanna Clark-Endicott

STAFF PRESENT: City Manager Keith Witcosky – City Attorney Keith Leitz – Deputy City Manager John Roberts – Police Captain Aaron Wells – City Engineer Mike Caccavano – City Engineer Jessica MacClanahan – City Recorder Kelly Morse – Communications Director Heather Cassaro – Chief Financial Officer Jason Neff – Urban Renewal Programs Manager Chuck Arnold – Interim Planning Manager Kyle Roberts

MEDIA PRESENT: None

Chair Endicott called the meeting to order at 6:00 p.m. and established a quorum.

MINUTES

A. Minutes of May 17, 2022, Urban Renewal Agency Board Meeting

Evelyn moved, seconded by Zwicker, to approve the minutes, motion passed. (Clark-Endicott-absent, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes, Zwicker-yes)

PUBLIC HEARINGS

A. Fiscal Year 2022/23 Budget Hearing and Adoption of the Urban Renewal Agency Annual Budget

Chair Endicott opened the public hearing.

Chief Financial Officer Jason Neff requested approval of URA Resolution #2022-03 which formally adopts the Agency’s budget for Fiscal Year 2022/23. In addition, URA Resolution #2022-03 allows for the collection of Division of Tax Revenue which is approximately 75 percent for the Downtown Urban Renewal District and 100 percent for the South 97 Urban Renewal District.

There being no further testimony, Chair Endicott closed the public hearing.

Zwicker moved, seconded by Fitch, to adopt URA Resolution #2022-03, motion passed. (Clark-Endicott-absent, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes, Zwicker-yes)

OTHER BUSINESS

There being no further business, the meeting was adjourned at 6:05 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the Board and SIGNED by the Chair this 14th day of June 2022.

George Endicott, Chair

ATTEST:

Kelly Morse, City Recorder



CITY OF REDMOND

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STAFF REPORT

DATE: June 14, 2022
TO: Redmond Urban Renewal Agency
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Chuck Arnold, Economic Development/Urban Renewal Program Manager
SUBJECT: SCP Redmond Hotel – Consent to allow Alpha Wave Investors to Refinance their Senior Loan through Axos Bank.

Addresses Council Goal:

Urban Renewal: Invest resources to encourage new business investment in designated blighted areas that will grow the job base and strengthen and diversify the tax base of the area.

- Downtown Urban Renewal Plan: Create a readily identifiable city center that is vibrant with a mixture of offices, specialty shops, entertainment, family amenities, housing and other commercial uses.

Report in Brief:

This item requests the Urban Renewal Board (URA Board) authorize Alpha Wave Investors Redmond Owner, LLC (AWI) to replace and refinance their \$3.2M loan with a new \$5.25M loan in senior debt on the SCP Redmond Hotel (Hotel) and direct staff to amend the Urban Renewal Loan Agreement (UR Agreement) and other necessary documents to reflect the new lender.

Background:

In 2017, AWI, a California-based hotel investment group, purchased the privately-owned property at the corner of 6th Street and SW Evergreen Avenue for approximately \$2M (Historic Redmond Hotel).

On May 28, 2019, the URA Board authorized an UR Agreement investing up to \$3.53M for renovations to the Hotel. The funding is subordinate to the AWI's senior construction loan of \$3.2M from Pacific Premier Bank. The \$3.2M has reached the end of its term with Pacific Premier Bank.

AWI would like to close on a permanent senior loan to refinance the Hotel with Axos Bank as their new lender. The loan, which has a lower interest rate, helps the Hotel create an operational reserve, and enables new capital investments in the Hotel to build upon what has been a very successful property for AWI.

Section 3.1.5. of the UR Agreement stipulates AWI may refinance the senior loan up to 75% of the loan-to-value of the Hotel with consent from the URA Board. The new \$5.25M private loan will also be utilized to repay the senior construction loan and provide short-term financing obtained to mitigate operational expenses caused by the impact of the COVID-19 pandemic.

The refinance does not require nor does AWI request any additional Urban Renewal resources. This is singularly a request for consent for their private loan arrangement.

Discussion:

This request has been reviewed and recommended by legal counsel and the Downtown Urban Renewal

Advisory Committee Finance Subcommittee.

The review concluded the new senior loan does not increase the risk to the public funding memorialized in the UR Agreement. Staff recommends several new joint guarantees from AWI and its principals to provide additional protection of the UR funding. Those guarantees would remain in place until June 30, 2030.

If consent is granted, staff will amend the UR Agreement and other necessary documents to reflect the new senior lender Axos Bank.

Fiscal Impact:

No additional funding will be awarded to the Hotel. The terms of the UR Agreement will not change.

Alternative Courses of Action:

1. Recommend approval of amending the Loan Agreement to AWI Redmond Owner, LLC to provide consent to enter into a new senior loan agreement with Axos Bank.
2. Do not approve the consent.
3. Request additional information.

Recommendation / Suggested Motion:

"I move to authorize the City Manager to amend the Loan Agreement and other necessary documents with AWI Redmond Owner, LLC and to provide consent to allow AWI to enter into a new senior loan agreement with Axos Bank."