



REVISED
URBAN RENEWAL DISTRICT AGENCY BOARD
August 23, 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

AUGUST 23, 2022

SPECIAL MEETING AGENDA

**FOLLOWING P.M.
COUNCIL MEETING**

I. CALL TO ORDER / ESTABLISH A QUORUM

II. MINUTES

- A. Minutes of February 22, 2022, Joint Meeting with Downtown Urban Renewal Agency Board Meeting
- B. Minutes of June 14, 2022, Urban Renewal Agency Board Meeting

III. ACTION ITEMS

- A. The Blacksmith (308 SW Evergreen Avenue) - Property Rehabilitation Loan Program Request in the amount of \$100,000
- B. 470 NW Fir Avenue - Purchase Agreement: \$230,000

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 JOINT MEETING OF THE CITY OF REDMOND URBAN RENEWAL AGENCY BOARD AND THE DOWNTOWN URBAN RENEWAL ADVISORY COMMITTEE WAS HELD FEBRUARY 22, 2022, VIA GOTOMEETING.

BOARD MEMBERS PRESENT: Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Ed Fitch – Jay Patrick – Shannon Wedding – Cat Zwicker

COMMITTEE MEMBERS PRESENT: Tobias Colvin –Brandon Cook-Bostick – Gary Einhorn – Liz Goodrich –Kendra Huddleston – Monica Huey – Matt Ullman

COMMITTEE MEMBERS EXCUSED: Sara Hix – Kathryn Osborne

STAFF PRESENT: City Manager Keith Witcosky – City Attorney Keith Leitz – Airport Director Zachary Bass – Police Chief Devin Lewis – Public Works Director Bill Duerden – City Engineer Mike Caccavano – City Recorder Kelly Morse – Deputy City Manager John Roberts – IT Specialist Sheri Cleveland – Chief Financial Officer Jason Neff – Communications Director Heather Cassaro – Urban Renewal Program Manager Chuck Arnold – Urban Renewal Program Analyst Meghan Gassner

MEDIA PRESENT: None

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

MINUTES

A. Minutes of October 26, 2021, Agency Board Meeting

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

PRESENTATIONS

A. Downtown Urban Renewal Advisory Committee 2022-23 Work Plan Priorities

Urban Renewal Programs Analyst Meghan Gassner introduced Downtown Urban Renewal Advisory Committee (DURAC) Chair Tobias Colvin. Chair Colvin shared details of a visit by Representative Kurt Schrader, then presented the high priority projects for Fiscal Year 2022-2023 which include:

- Family Activities and Amenities
- Housing
- Site Control

DURAC Family Fun Subcommittee member Monica Huey identified potential attractions for family activities and amenities adding that the Downtown Urban Renewal Plan's (Plan) Redevelopment Opportunity Fund can aid in facilitating gap financing, acquisition, and partnerships with private owners and developers.

Regarding downtown housing development, DURAC Housing Subcommittee member Matt Ullman indicated DURAC will assess opportunities to attract diverse housing types such as cottage clusters, dorm-style, and mixed-use by adjusting the developer incentive program to diversify housing types. The Housing Development Opportunity Fund offers gap financing, public amenities, low interest loans, and the System Development Charges Buydown Program.

In terms of site control, DURAC aims to identify and acquire underutilized properties to stimulate redevelopment, build a portfolio of diverse properties, and offer the availability of multiple urban renewal funds.

Questions focused on potential master plans, issues with land-banking properties for private development, planning the considers the various uses for cohesiveness.

ACTION ITEMS

A. URA Resolution #2022-01 – A resolution approving the Twentieth Amendment to the Redmond Downtown Urban Renewal Plan.

Mr. Arnold requested approval of URA Resolution #2021-01 which removes the Plan End Date adopted via the Twelfth Amendment in 2011. The End Date provided Overlapping Taxing Districts with a date they could begin anticipating receiving tax dollar growth after the formation of the Downtown Urban Renewal District (DURD). Around the same time, a change to the state’s Revenue Sharing law occurred which achieved the same objective as the Plan End Date by allowing the Overlapping Taxing Districts to benefit each year versus when the district sunsets. Not removing the Plan End Date limits the indebtedness of the DURD.

Clark-Endicott moved, seconded by Patrick, to adopt URA Resolution #2022-01, amending the Redmond Downtown Urban Renewal Plan by removing the Plan End Date, motion passed. (Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes, Zwicker-yes)

OTHER BUSINESS

Mr. Arnold announced that Mid-Town Place will hold their grand opening on February 23, 2022, at 1:30 p.m. This was an Urban Renewal project that spanned multiple year and is a proud moment for all involved.

There being no further business the workshop was adjourned at 6:41 p.m.

Reviewed by Kelly Morse, City Recorder

APPROVED by the Board and SIGNED by the Chair this 23rd day of August 2022.

George Endicott, Chair

ATTEST:

Kelly Morse, City Recorder

SPECIAL CITY OF REDMOND URBAN RENEWAL DISTRICT AGENCY BOARD MEETING WAS HELD JUNE 14, 2022, IN COUNCIL CHAMBERS.

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

STAFF PRESENT: City Manager Keith Witcosky – City Attorney Keith Leitz – Planning Manager Kyle Roberts – City Engineer Jessica MacClanahan – Deputy City Manager John Roberts – IT Specialist Christian Armatas – Chief Financial Officer Jason Neff – Urban Renewal Program Analyst Meghan Gassner – Communications Director Heather Cassaro – City Recorder Kelly Morse – Police Lieutenant Jesse Petersen – Economic Development/Urban Renewal Program Manager Chuck Arnold

MEDIA PRESENT: None

Chair Endicott called the meeting to order at 6:55 p.m. A quorum was established.

MINUTES

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

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

ACTION ITEMS

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

Urban Renewal Program Manager Chuck Arnold requested consent to authorize Alpha Wave Investors Redmond Owner LLC (AWI) to replace and refinance the \$3.2 million construction loan with a new \$5.25 million loan and to amend the Urban Renewal Loan Agreement and other necessary documents to reflect the new lender. The request is being made because AWI's original loan with Pacific Premier Bank has reached the end of its term and there is an opportunity for them to refinance and invest additional funds into the property.

Downtown Urban Renewal Advisory Committee (DURAC) Chair and SCP Redmond General Manager Tobias Colvin stated for the record his attendance at this meeting is to speak on behalf of AWI as the hotel's manager, not as the DURAC Chair. He noted he was not privy to any conversations between DURAC and staff during the negotiations. Mr. Colvin described SCP's successes during the past few years highlighting tenants, employees, expansion, and community and charitable efforts:

Regarding any liability to the City or Urban Renewal Agency, Mr. Arnold explained the guarantees put in place on the original agreement were only applicable during the construction period through completion. By allowing AWI to refinance, it would allow for the inclusion of guarantees for a new eight-year term. This also aids the hotel through the operational period where it would reach a mature position while the investment continues to grow.

Fitch stated the Urban Renewal Agency has a fiduciary responsibility to protect the taxpayer's investment; however, the board is being asked to make an approval with very little information or analysis on AWI and the hotel's current financial status.

City Manager Witcosky explained that in retrospect, bringing the same detail to the current Council would have been more appropriate since a different Council approved the original loan in March 2019. Mr. Witcosky noted the PowerPoint from the term sheet approval is still available and staff could

present that to Council. While the risk has changed in regard to the amount of funding, the due diligence remained the same. Fitch clarified that he and the other newer Board members have not seen the original loan and need additional details rather than a one-page summary.

Mr. Arnold shared that an appraisal was done to calculate the new loan-to-value ratio to make sure it was safe. In the end, the project funding and risk on Urban Renewal is there by design which is what Urban Renewal is set up to do. Mr. Arnold noted this is different from how a bank considers a loan. Mr. Arnold presented a high-level overview of his PowerPoint from the March 12, 2019, Urban Renewal Agency meeting.

If approved an amendment to the loan development agreement would be created, along with a new trust deed, new guarantees, and other documents that would support the position of a \$2.7 million loan, forgivable over a 30-year term. The \$830,000 loan is payable over a 15-year period and is to aid with the construction. In the end, those monies contributed to taxable improvements, raise the value of the property and add value to the community, which is ultimately the goal of Urban Renewal. The current appraisal value is \$10.8 million with the investments that have occurred from AWI and the Urban Renewal Agency; AWI purchased the property for \$2 million.

Mr. Arnold emphasized that public funds are never paid out in advance noting that a private investment is required before reimbursement can occur. The overall operational impact to the community of room revenue, daily spending, and jobs and wages resulted in around \$3 million annually.

Fitch expressed concern that approval without financial details appears to be a “rubber stamp”. He opined this is not the appropriate approach for this request, but he will not hinder the refinancing.

Patrick commented the proposed refinance should have come to the board in advance of requesting action so ample financial consideration could have been given. He also added he will not hinder the refinancing.

Mr. Witcosky took responsibility for the lack of detail and assured the Board that it would not happen again.

Clark-Endicott moved, seconded by Evelyn, 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, motion passed. (Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes, Zwicker-yes)

OTHER BUSINESS

There being no further business, the meeting was adjourned at 7:23 p.m.

Prepared by ABC Transcription Services and reviewed by Kelly Morse, City Recorder

APPROVED by the Board and SIGNED by the Chair this 23rd day of August 2022.

George Endicott, Chair

ATTEST:

Kelly Morse, City Recorder



CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: August 23, 2022
TO: Redmond Urban Renewal Agency
Keith Witcosky, City Manager
THROUGH: John Roberts, Deputy City Manager
Chuck Arnold, Economic Development/Urban Renewal Program Manager
FROM: Meghan Gassner, Urban Renewal Program Analyst
SUBJECT: The Blacksmith (308 SW Evergreen Avenue) - Property Rehabilitation Loan Program Request in the amount of \$100,000

Addresses Council Goal:

- 9. Urban Renewal: Deploy resources to encourage investment and advance the goals of the City’s urban renewal areas.
 - A. Advance objectives of the Downtown Urban Renewal Plan to maintain the vitality of the downtown core; provide sufficient parking; make productive use of land; create opportunities for new development; relieve traffic problems and improve pedestrian safety; and provide new public amenities and open spaces.

Report in Brief:

This item requests the Urban Renewal Board (URA Board) authorize staff to enter into a \$100,000 Property Rehabilitation Loan Agreement in support of the development of The Blacksmith at 308 SW Evergreen Avenue (Project).

Background:

The Downtown Redmond Urban Renewal Plan includes \$4.9 million in the Property Assistance Program Fund (Fund) to assist in the renovation, preservation, and rehabilitation of existing commercial properties. Within that Fund, the Property Rehabilitation Loan Program (Loan) provides low interest loans to property owners to address deficiencies in commercial property. The intent of the Program is to address blight conditions related to poor visual appearance and building vacancies due to inadequate, degraded, or obsolete building systems.

The Fund supports several Comprehensive Plan goals related to business development, job creation, and the redevelopment of underutilized properties in the downtown core. Advancing these goals improves the appearance of the downtown to customers and potential businesses and contributes to the overall commercial vitality of the area.

The project location, 308 SW Evergreen Avenue, has operated as a blacksmith shop for decades and is in need of significant major building system upgrades. It’s location at the downtown entrance of SW 4th Street and SW Evergreen Avenue and proximity to other new development makes this Project a valuable applicant for the Property Rehabilitation Loan Program.

Blackthorn Holdings, LLC, (Property Owner) plans to make interior and exterior improvements to the building and adjacent property. The tax lot is zoned C2 and is surrounded by other Urban Renewal investments, including the Evergreen Downtown Gateway Project, Fourth Street Parking Lot, General Duffy’s, and Local Paws.

The Project proposes redeveloping the property into a taphouse and eatery, and is planned to have 5-6 food trucks on site, along with the Sisters Smokehouse as an anchor tenant. The smokehouse will provide its own deli, as well as retail sales and processing. Additionally, a coffee kiosk will be developed to bring in customers throughout the day. The building interior will allow for ample indoor dining space, and the exterior will include a large outdoor gathering area and firepits.

The Project concept also includes a two-story steel deck structure for additional outdoor dining space. The building will

maintain its rustic, blacksmith-shop feel, with high ceilings, exposed joists and beams, and will also incorporate the original wooden doors containing the historic cattle brands commissioned by local families since the 1940's. Garage doors will be installed throughout to allow for better indoor-outdoor connection and customer flow.

The Project is expected to create approximately thirty new jobs in the first year and this employment figure is expected to increase in subsequent years. All loan application requirements, including financial capacity, have been reviewed and approved by staff.

Discussion:

The total Project cost is estimated at \$700,000. Urban Renewal funding of \$129,000 will be matched with \$571,000 cash from the applicant, resulting in Urban Renewal participating in 18% of the total development costs.

Loan Terms:

\$100,000 Urban Renewal Loan
Wall Street Prime (currently at 4.75%)
10 year term

The Property Owner will also be applying for grants through the Fund. The Project is on two tax-lots, therefore the applicant is able to utilize qualifying grants for each parcel. The grant funding will be used to install a sprinkler system, landscaping, signage, sidewalks, and doors and windows. These smaller grants do not require Urban Renewal Board authorization.

Funding Sources:

Property Rehabilitation Loan	\$100,000
Property Assistance Program Grants	\$ 29,000
<u>Owner equity</u>	<u>\$571,000</u>
TOTAL	\$700,000

Project completion is expected by spring of 2023.

The Downtown Urban Renewal Advisory Committee (DURAC) considered this item at their August 08, 2022, meeting and recommended that the URA Board approve the loan request.

Fiscal Impact:

Funding is available for this project through the Property Assistance Program Fund. The Fund has \$3.6 million remaining. If funded, there are no anticipated short-term impacts (1 to 5 years) to other planned projects. Loan funding will be repaid to the Urban Renewal Agency to be reinvested in other projects.

Alternative Courses of Action:

1. Approve an urban renewal loan investment of up to \$100,000.
2. Request more information.
3. Do not approve entering into a loan agreement.

Recommendation / Suggested Motion:

"I move to authorize the City Manager enter into a loan agreement through the Property Rehabilitation Loan Program with Blackthorn Holdings LLC for \$100,000 in support of the redevelopment of the commercial space at 308 SW Evergreen Avenue."



THE BLACKSMITH PROPERTY REHABILITATION LOAN REQUEST

REDMOND URBAN RENEWAL AGENCY
AUGUST 23, 2022



OVERVIEW

01 **PROGRAM PURPOSE**

02 **SITE BACKGROUND**

03 **PROPOSED PROJECT**

04 **FUNDING REQUEST**



PROPERTY ASSISTANCE PROGRAM:

PROPERTY REHABILITATION LOAN



**Renovation
Rehabilitation
Preservation**

**Address blight conditions
Encourage development**

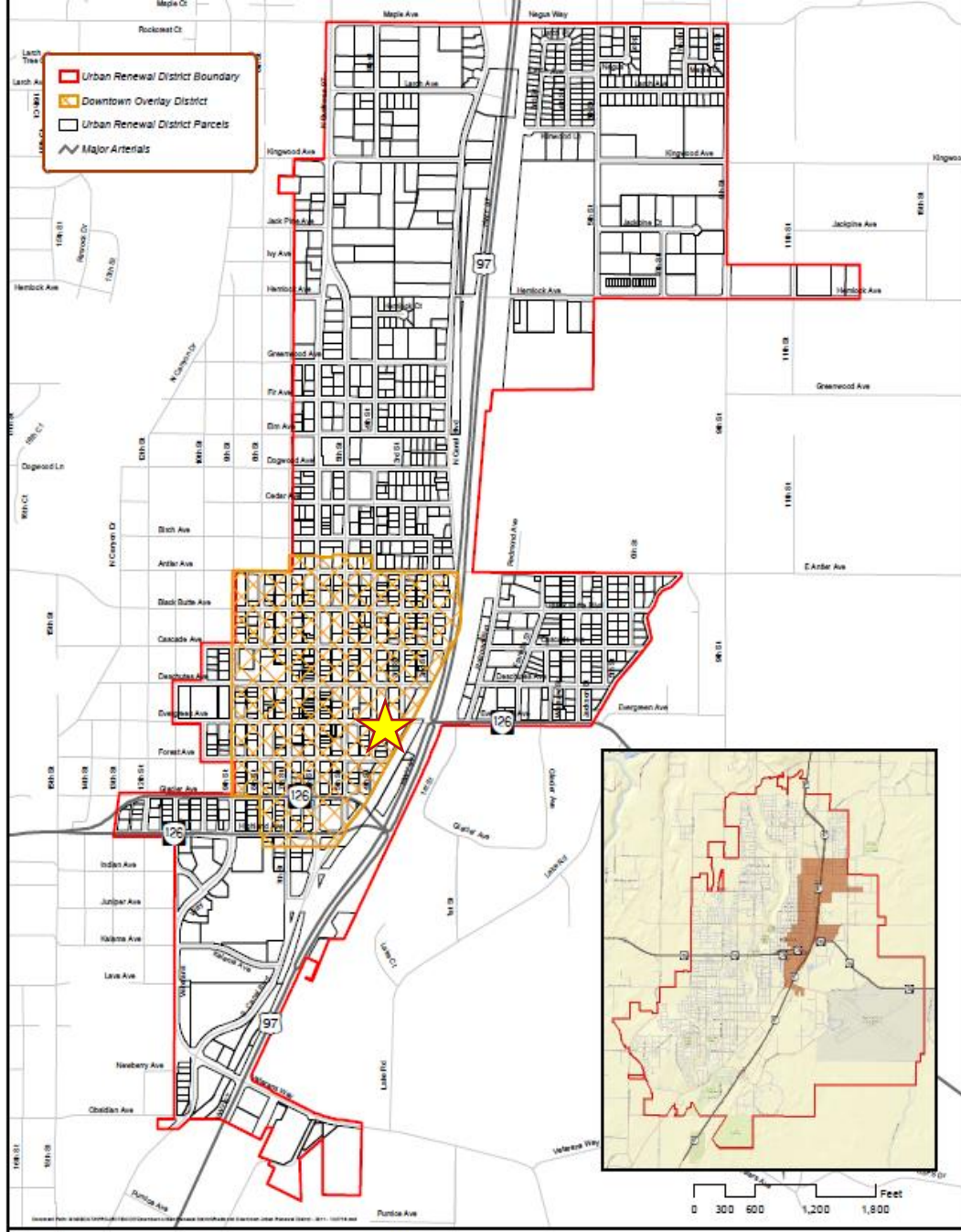
**\$4.9M in PAP Fund
Low interest loan to owner**



SITE BACKGROUND:

308 SW EVERGREEN

SLIDE / 4



Redmond Downtown Urban Renewal District Boundary



EXISTING USE





PROPOSED PROJECT

**PROJECTED COST:
\$700,000**

**LOAN REQUEST:
\$100,000**

TAPHOUSE & EATERY

SISTERS SMOKEHOUSE

5-6 FOOD TRUCKS

COFFEE KIOSK

ELEVATED DECK





CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: August 23, 2022
TO: Redmond Urban Renewal Agency
Keith Witcosky, City Manager
THROUGH: John Roberts, Deputy City Manager
Chuck Arnold, Economic Development/Urban Renewal Program Manager
FROM: Meghan Gassner, Urban Renewal Program Analyst
SUBJECT: 470 NW Fir Avenue - Purchase Agreement: \$230,000

Addresses Council Goal:

- 9. Urban Renewal: Deploy resources to encourage investment and advance the goals of the City’s urban renewal areas.
 - A. Advance objectives of the Downtown Urban Renewal Plan to maintain the vitality of the downtown core; provide sufficient parking; make productive use of land; create opportunities for new development; relieve traffic problems and improve pedestrian safety; and provide new public amenities and open spaces.

Report in Brief:

This item requests the Urban Renewal Board (URA Board) authorize staff to enter into a Purchase Agreement for the acquisition of a vacant lot located at 470 NW Fir Avenue (tax lot # 151309DA02100) (Property). The purchase price is \$230,000 plus closing costs.

Background:

Relationship to Plans

The Urban Renewal Plan (UR Plan) recognizes housing as key to downtown revitalization, as residents help support local businesses, bring in new investment, and create an 18-24 hour environment. The Housing Development Opportunity Fund provides incentives to develop new housing that supports the goals of the UR Plan. The Property meets the goal by “redeveloping vacant and underutilized property, supporting new and existing retailers, and creating a more vibrant and active downtown.”

The Midtown Plan identifies the Property as one of six “Development Opportunity Areas” with high potential for redevelopment, improving property valuation, and catalyzing further redevelopment of the surrounding area.

The Downtown Urban Renewal Advisory Committee (DURAC) identified in their 2022-23 Work Plan “property site control” as a high priority task, along with development of new housing units in the downtown core. The Property was also identified in the DURAC Housing Action Plan as a development opportunity site with significant potential to increase in valuation and to have a catalyzing effect on surrounding properties.

Property Information & Diligence

The Property is 0.34 acres or 14,810 square feet of vacant land in the Midtown Area on 5th Street (locator map attached). Surrounding adjacent land uses included an apartment complex and office building (also owned by the seller).

Required title work and site research will be conducted and completed more thoroughly during diligence before closing.

Discussion:

The Seller has accepted the Redmond Urban Renewal Agency contingent offer of \$230,000 plus closing costs-estimated to be approximately \$5,000.

Should the Urban Renewal Board approve the acquisition of the property, Staff would prepare a Request for Proposals

(RFP) for a development project. Potential uses could include multi-family housing, affordable or workforce housing, child care, a combination of uses, or other projects identified in the UR Plan. The RFP would be developed with input from the DURAC Housing Subcommittee and the Housing and Community Development Committee. Any development project award resulting from the RFP process will be presented to the URA Board for consideration.

Timing:

- Fall 2022: complete property acquisition
- Winter 2023: issue RFP; award and enter into redevelopment agreement
- Spring-Fall 2023: design and construction

The DURAC Finance and Acquisition Subcommittee members have been briefed on the potential acquisition of this property and support the terms of the Purchase Agreement. At their meeting on August 8, 2022, DURAC recommended the URA Board approve the acquisition.

Fiscal Impact:

Funding is available from the Housing Opportunity Fund for this acquisition. If funded, there are no anticipated short-term impacts (1 to 5 years) to other planned projects. The UR Plan Housing Opportunity Fund has \$8.3 million remaining.

Alternative Courses of Action:

1. Approve the \$230,000 purchase of tax lot # 151309DA02100, vacant property located at 470 NW Fir Avenue, for a development project.
2. Request more information.
3. Do not approve of the purchase.

Recommendation / Suggested Motion:

"I move to approve the purchase of tax lot # 151309DA02100, located at 470 NW Fir Avenue and authorize the City Manager to sign the necessary purchase documents."

Deschutes County Property Information - Dial

Overview Map



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, Deschutes County GIS

Map and Taxlot: 151309DA02100





PROPERTY ACQUISITION - 470 NW FIR AVE.

REDMOND URBAN RENEWAL AGENCY
AUGUST 23, 2022



TONIGHT'S TOPICS

01 **UR PLAN AND FUND GOALS**

02 **ACQUISITION PROCESS**

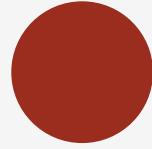
03 **POTENTIAL DEVELOPMENT**

04 **PROPOSED TIMELINE**



ACQUISITION GOALS

SLIDE / 3



HOUSING OPPORTUNITY SITE



DEVELOP UNDERUTILIZED PROPERTY



SUPPORT DOWNTOWN/MIDTOWN



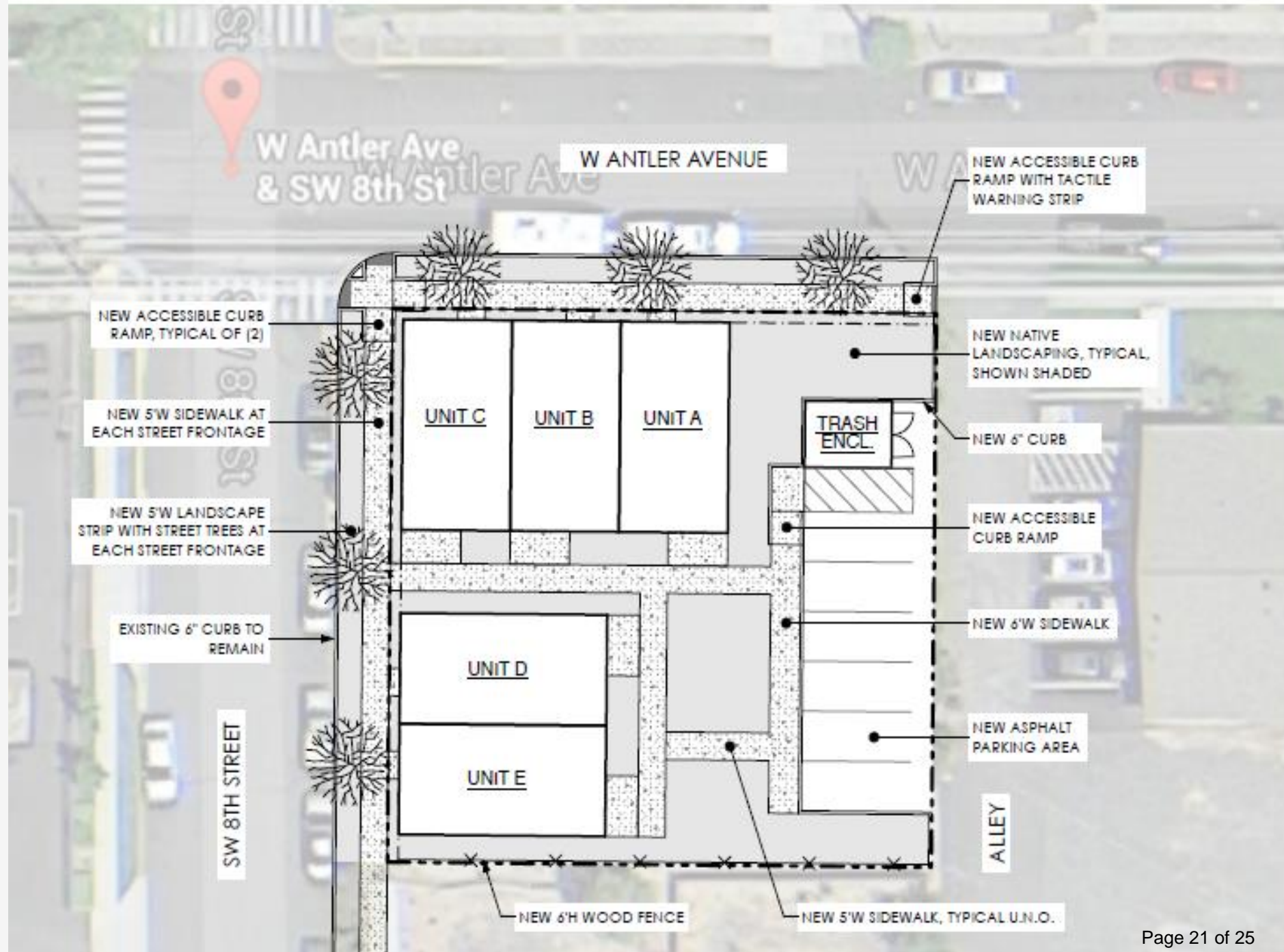
IMPROVE PROPERTY VALUE





EXAMPLE OF POTENTIAL MULTI-UNIT HOUSING SITE PLAN

SLIDE / 4





SUMMARY OF INVESTMENT

SLIDE / 5

ACQUISITION
\$230K

INCENTIVES

**LAND WRITE
DOWN**

GRANTS/LOANS



ACQUISITION PROCESS

SUBCOMMITTEE
RECOMMENDATION

DURAC REVIEW &
RECOMMENDATION

UR AGENCY
DECISION

REQUEST FOR
PROPOSAL &
DEVELOPMENT



PROPOSED TIMELINE

AUGUST 23



RURA CONSIDERS ACQUISITION

SEP-OCT 2022

COMPLETE DILIGENCE, CLOSE ON DEAL

NOV-DEC 2022

RFP ISSUED FOR DEVELOPMENT PROPOSALS

SPRING 2023

DESIGN AND CONSTRUCTION



QUESTIONS?