

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

