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# **AGENDA**

## **ASTORIA DEVELOPMENT COMMISSION**

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**Monday, August 3, 2015**  
**Immediately Follows City Council Meeting**  
**2<sup>nd</sup> Floor Council Chambers**  
**1095 Duane Street · Astoria OR 97103**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. REPORTS OF COMMISSIONERS**
- 4. CHANGES TO AGENDA**
- 5. CONSENT CALENDAR**  
The items on the Consent Calendar are considered routine and will be adopted by one motion unless a member of the Astoria Development Commission requests to have any item considered separately. Members of the Community may have an item removed if they contact the City Manager by 5:00 p.m. the day of the meeting.  
(a) ADC Minutes of 6/15/15
- 6. REGULAR AGENDA ITEMS**  
(a) Astor West Urban Renewal District – Loan Extension for the Red Building (Community Development)

**THIS MEETING IS ACCESSIBLE TO THE DISABLED. AN INTERPRETER FOR THE HEARING IMPAIRED MAY BE REQUESTED UNDER THE TERMS OF ORS 192.630 BY CONTACTING JULIE YUILL, CITY MANAGER'S OFFICE, 503-325-5824.**



July 15, 2015

MEMORANDUM

TO: ASTORIA DEVELOPMENT COMMISSION (ADC)

FROM:  BRETT ESTES, CITY MANAGER

SUBJECT: ADC MEETING OF AUGUST 3, 2015

**CONSENT ITEMS**

**Item 5(a): ADC Minutes**

The minutes of the ADC meeting of June 15, 2015 are enclosed for your review. Unless there are any corrections, it is recommended that the ADC approve these minutes.

**REGULAR AGENDA ITEMS**

**Item 6(a): Astor West Urban Renewal District – Loan Extension for the Red Building (Community Development)**

In 2004, Union Fish Properties, LLC (“Union Fish”) purchased the Union Fisherman’s Packing Company building located west of the Maritime Memorial. The new owners set out to redevelop and restore the property (now know as the Red Building) into a mixed use building with retail and restaurant uses on the first floor and meeting space on the second. The partners associated with Union Fish felt that the historic building was an integral part of the City’s fishing and canning heritage and felt it should be preserved, but with new uses.

After completion of the restoration in 2007, a restaurant, retail shop and coffee shop opened on the first floor of the building and the meeting facility (referred to as the “Loft”) opened for business. The coffee shop and retail shop subsequently closed. Union Fish incurred construction cost overages which jeopardized the future of the building. Owners of the property, Mark Cary and Sean Helligso approached the Astoria Development Commission (ADC) to determine if there was any interest in the Astor-West District participating financially in the facility.

Representatives from Craft3 assisted in developing a finance plan which was ultimately approved by the Commission. In order to structure this financing

plan, Union Fish's lender, Bank of the Pacific, was engaged as a partner in the plan. There were both grant and loan components to the ADC approval.

A grant in the amount of up to \$325,000 was approved to write down the applicable rate of project financing from their loan with Bank of the Pacific as follows:

- To 0% for one year
- To 1% for one additional year
- To 2% for three years

The grant component is now complete as the assistance ended in July 2015.

ADC also loaned \$350,000 to Union Fish to reimburse construction expenses which had been incurred, as well as for construction expenses for a remodel of the western ground floor of the building. A total of \$190,000 was loaned for the already incurred expenses. The remaining \$160,000 was loaned for first floor improvements to create viable tenancies.

As collateral for the loan, ADC was placed in third position on the Red Building. The loan had an initial interest rate of 0% for the first full year and then 1% for the remaining four years. No monthly payments were required for the first year with repayment in full required on the fifth anniversary of the promissory note. The term of the loan ended in July 2015 therefore the balance of the loan, in the amount of approximately \$308,016, has come due.

In July 2015, the owners of Union Fish, LLC approached ADC staff and requested an extension to the loan. Union Fish stated that they wished to have some additional time to repay the loan as they had the building on the market. ADC staff once again coordinated with Craft3 staff on this request. Craft3 suggested that if the Commission were to approve an extension, an appropriate date would be February 12, 2016 as that is when Bank of the Pacific loans would also come due. Staff worked with Urban Renewal Attorney Jeanette Launer to create a loan extension document for the Commission's consideration. A Change in Terms Agreement is attached. Other than the change in maturity date, all other terms of the loan would remain unchanged.

It is recommended that the Astoria Development Commission approve the loan extension and authorize the Chair to sign the Change in Terms Agreement.