

A special meeting of the Astoria Development Commission was held at the above place at the hour of 12:00 pm.

Commissioners Present: Price, Herzig, Warr, Nemlowill, Mayor LaMear

Commissioners Excused: None

Staff Present: City Manager Estes, Police Chief Johnston, Community Development Director Cronin, Parks and Recreation Director Cosby, Finance Director Brooks, Fire Chief Ames, Library Director Tucker, Public Works Director Cook, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

HERITAGE SQUARE – EPA GRANT CLEANUP FUNDING ALLOCATION:

City Engineer Harrington explained that the original plan was to remove a stockpile of material to make room for the equipment that would remove the hazardous material. There was also material underneath the elevated parking structure that needed to be removed. After removing the material on top, a crack was discovered in the parking structure. A structural engineer recommended shoring to brace the structure before the excavator went back on top. Unfortunately, the bracing needed to be installed directly over the hazardous material. Plans needed to be changed and the hazardous material is currently being removed. A dry vacuum is moving the material into containers that will be trucked to Arlington. The work appears to be going slower than anticipated, but the City is paying by the ton, not the hour. All of the material should be removed by next week. He has requested an updated schedule that will be forwarded to City Manager Estes. Once the hazardous material is removed, it will take about one day to install the shoring and then the rest of the material can be removed and taken to the quarry site. Once Anderson Environmental has removed the hazardous material, AMEC will do the final testing to confirm all of the material was removed. This will help define the terms of the No Further Action (NFA) letter.

City Manager Estes confirmed for Commissioner Herzig that in order to continue the work currently being done, the Commission needed to approve an additional funding allocation for the project. Then, City Council would need to approve a contract amendment with AMEC to spend the funds on the AMEC contract. City Engineer Harrington added that the agenda packet included a list of items that added up to the \$46,000 funding allocation.

City Manager Estes noted some of the additional items that triggered the change order and funding allocation included the location of the buried car parts. Staff had to coordinate with the State Historic Preservation Office (SHPO) and hoped to receive approval to move forward on Friday, February 5th. This delay has caused additional archeological work and delay fees.

City Engineer Harrington said he did not anticipate any archeological significance would be discovered because the car parts were all wrecked pieces, not whole automobiles. However, SHPO has requested that the work include a search for serial numbers and other details.

Commissioner Nemlowill noted that the archeological consulting fees were about \$25,000, but the Department of Environmental Quality (DEQ) fees were \$15,000. She asked if the DEQ fees were added because of the archeological work. City Engineer Harrington replied most of the DEQ fees were incurred when the consultant had to prepare an amended work plan, but some of the fees were for the archeological work. The amended work plan defined how procedures would be changed. DEQ must submit the work plan to the EPA, who requests edits from DEQ before approving the plan. The City only pays DEQ out of the grant funds for this work.

Commissioner Nemlowill believed the breakdown of expenses made it difficult to understand why the City was being asked to spend an additional \$47,000 on a site. She asked if Staff was concerned that a large portion of the expenses were due to the structural integrity of the parking deck. City Engineer Harrington explained that an excavator is very heavy and the movement of the excavator was the concern. A lot of the structural work is precautionary. The cracking appears to be in the upper surface on the edge of the parking area, not where cars park or drive. However, the City does not want the crack to get worse.

Mayor LaMear confirmed that the area underneath the parking lot would not be filled in.

City Manager Estes added that the eastern parking lot and the south portion of the former Safeway store are the only hollow portions of the site. Since the last ADC meeting, Staff has been able to obtain the additional information that was requested about the funding balance of the Astor East Urban Renewal District (AEURD). The Professional Services line item of the AEURD fund was budgeted with \$81,930 and current expenditures total more than \$21,000. Therefore, there are adequate funds to accommodate the additional \$46,909. Staff had initially anticipated \$60,000 in grant funds, but the City has been notified that the grant will be \$82,000 from Business Oregon's Brownfield Redevelopment Fund. Business Oregon considered the change order amount and the cost of the required monitoring well when deciding how much to grant the City. The City will be reimbursed in March, so Staff is requesting that the ADC approve the funding allocation for \$46,909 from the AEURD fund. Once grant funds are received in March, the full amount of the funding allocation would be reimbursed back into the AEURD fund. He reminded that the ADC approved out of pocket expenses in the amount of \$110,000 in December 2015. After the \$40,000 match, the City will have spent \$70,000 more out-of-pocket than initially anticipated as part of the grant request.

Commissioner Warr asked for the AEURD fund balance after all of the expenses. City Manager Estes said the balance of the fund would be approximately \$70,000, assuming Paul Caruana draws the entire amount of his loan. However, the fund includes a separate line item for the loan. Staff acknowledges that the fund balance is tight. However, the City also has a commitment from Columbia Memorial Hospital (CMH) for \$25,000 towards the cancer center, which is also on a separate line item. CMH must draw these funds after the building envelope is completed, which will be in late 2016 or early 2017 during the next budget cycle.

Commissioner Nemlowill asked how much in annual administrative fees were budgeted for the AEURD fund. City Manager Estes explained that the administrative fees were a payment from the fund to the City and \$54,000 had been budgeted. He confirmed the ending fund balance of \$70,000 would be after this expense had been spent. Astoria's allocation of tax revenue will be deposited into the AEURD for the next fiscal year, which will replenish the fund. Director Brooks added that Astoria only needs 13 percent of the tax revenue to meet its budget. She believed the City would have no problem meeting its revenue projections.

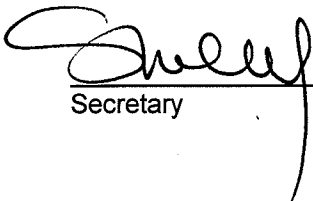
Commissioner Nemlowill understood the City would not have enough money in the AEURD fund to redevelop Heritage Square. City Manager Estes believed the ADC would have to prioritize expenditures. The Liberty Theater and Garden of Surging Waves loans still have a couple of years left. The Commission could plan to budget a certain amount for the redevelopment of Heritage Square. The AEURD fund will also begin receiving repayments on the Astor Hotel loan. He confirmed that the study of the library expansion would be paid out of the Capital Improvement Fund.

Commission Action: Motion by Commissioner Warr, seconded by Commissioner Nemlowill, that the Astoria Development Commission approve the Heritage Square EPA Grant Funding Allocation in the amount of \$46,909.23. Motion carried unanimously. Ayes: Commissioners Warr, Nemlowill, Herzig and Price, and Mayor LaMear. Nays: None.

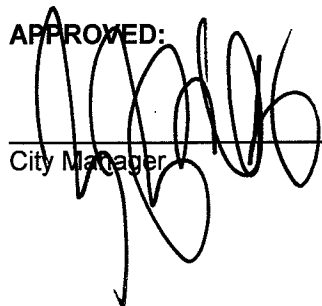
ADJOURNMENT:

There being no further business, the meeting was adjourned at 12:18 pm.

ATTEST:


Secretary

APPROVED:


City Manager