

A regular meeting of the Astoria Development Commission was held at the above place at the hour of 7:50 pm.

Commissioners Present: Price, Jones, Brownson, Nemlowill, Mayor LaMear

Commissioners Excused: None

Staff Present: City Manager Estes, Parks and Recreation Maintenance Supervisor Dart-McLean, Finance Director Brooks, Library Director Pearson, Fire Chief Gascoigne, Police Chief Spalding, Public Works Director Harrington, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

REPORTS OF COMMISSIONERS:

No reports.

CHANGES TO AGENDA:

No changes.

REGULAR AGENDA ITEMS:

Item 5(a): Diana Kirk/Workers Tavern Application for Storefront Improvement Grant – 151 W. Marine Dr.

The Astoria Development Commission has been considering a storefront improvement program for the Astor West Urban Renewal Area since 2013. The purpose of the program is to revitalize designated commercial districts such as Uniontown, particularly in historic areas. The City Community Development Department developed a set of façade grant design guidelines in April 2016, and the program was discussed by the Astoria Development Commission on May 2, 2016. At the September 2016 meeting the ADC approved the guidelines.

The Workers Tavern is an historic building in a priority area, W. Marine Drive. It has recently changed ownership, and the new owners are committed to restoring the building appropriately and extensively. The owners are applying for a grant of \$12,371, which is 25 percent of the total project cost of \$49,486. The work, much of which has been accomplished, includes window replacement for both the upstairs and commercial storefront, dry rot repair on the façade, and door repair. A revitalization proposal was submitted on April 17, 2018. Because of the need to repair and restore the building during dry weather, the owners decided to proceed with the work and apply later. A letter from Diana Kirk is attached to the memo explaining the approach, along with the original proposal.

It is recommended that Astoria Development Commission approve the application for façade renovation for Workers Tavern.

Commissioner Nemlowill declared that her husband's business sold beer to The Workers Tavern. However, she had previously confirmed with the City Attorney this was not a direct conflict of interest. She was happy to see an application for the Facade Improvement Program in Uniontown.

City Manager explained that in addition to approving the funding, an easement document would also need to be recorded with the property to ensure that no modifications were made over a certain period of time. The bidding process was designed to ensure that the quotes for use of public funds would be reasonable. In this case, the Applicants wanted to use local contractors and Staff had no concerns with the single bid that was received for this project.

Commissioner Brownson said liked the work that had been done. City Council approved guidelines for this program, but this project stepped outside those guidelines.

City Manager Estes clarified that the guidelines were established by the Development Commission and the Commission could vary from those guidelines. In this case, it was difficult for Staff to get quotes from contractors and Staff believed modifications from the guidelines were justified. There was another application for the Façade Improvement Program, which was still pending. As Staff processed the first few applications, they would be able to see what worked and what did not work. The application for the tavern was the first one Staff received for the program and they wanted to make the project work. If Staff could get a few projects going, that might spur some interest from other property owners.

Commissioner Price wanted Staff to recommend revised guidelines that would make the funds easier for businesses to access. The guidelines might be too strict, but local contractors would be preferred.

Commissioner Jones agreed this was a worthy project.

Diana Kirk, Workers Tavern, said there were only two companies in Astoria that could do historic façade work. Therefore, in order to get three bids, she would have to go all the way to Portland. The price of a contractor from Portland would be high because they would have to put people in Astoria during the façade work. She called Rickenbach and learned they were booked for a year and a half. Anyone who applies for this program will have the same problem she did.

Commissioner Price asked why the building was raised two inches.

Ms. Kirk said in the late 1980s, there was a fire in the basement where the post and beams met at the front of the building. For 30 years, water had dripped in on the unpainted beams and washed them away. The front of the building was being held together by the windows, which were bowed.

Commission Action: Motion by Commissioner Nemlowill, seconded by Commissioner Brownson, that the Astoria Development Commission approve the application for façade renovation for The Workers Tavern. Motion passed unanimously. Ayes: Commissioners Price, Jones, Nemlowill, Brownson, and Mayor LaMear. Nays: None.

Item 5(b): Astor East Urban Renewal Project – Funding Status

As a part of the 2018-19 budget process, the Arts and Culture Subcommittee reviewed a request from the Liberty Theater for funds to facilitate remodeling of portions of the theater. Funds for that project were not recommended to the Budget Committee; however members of that subcommittee inquired to staff if there could be other possibilities to fund this project from sources such as Urban Renewal.

Chair LaMear has added this item to the agenda to receive a summary of the Astor East budget and to allow dialogue amongst ADC members to determine if a possible grant to the Liberty Theater should be considered, while weighing other possible future projects.

Director Brooks displayed the Astor East budget detail summary on the screen and provided an overview of the fund.

City Manager Estes explained that over the last few years, the Development Commission had made a concerted effort to refrain from taking on additional project to allow this fund to regenerate after paying of the loan for the Garden of Surging Waves project. The Astor East District contains many properties owned by non-profit or government entities that do not generate tax revenues, so regeneration of the fund has been slow. Minor expenses are being incurred by the Heritage Square cleanup efforts and the Tidal Rock Park project. The rest of the funding was to be spent on redeveloping Heritage Square and on any other projects the Development Commission believed was appropriate. Urban Renewal funds cannot be used for staffing programs or maintenance. The funds must be used for new improvements to buildings or structures that would provide increased tax revenue for the district. If the Commission decided to consider granting funds to the Liberty Theater, Staff would need to work with the Urban Renewal attorney to determine eligible projects.

Director Brooks confirmed for Commissioner Price that the fund currently had about \$880,000 and that annual revenues were about \$390,000. Only minor expenses were budgeted for this fiscal year, but total expenditures would depend on what type of work was done at Heritage Square and whether the Commission identified new projects. Two hundred and fifty thousand dollars had been budgeted for supplies, materials, and professional

services. Construction costs or financial incentives would be paid for out of the capital outlay funds. If no new projects were identified, only some of the \$250,000 would be spent this fiscal year.

Chair LaMear explained that she added this item to the agenda because the Liberty Theater requested \$45,000 of the \$50,000 that the City budgeted for arts and culture grants. In order to fund as many organizations as possible, she wanted to find another way for the City to support the Liberty Theatre. If the stage was expanded, the theater could host larger ballet companies and symphonies, which would increase the economic development of the theater. She did not want to take funding from the Heritage Square project, but no work was planned for that project this fiscal year. So, she wanted the Commission to consider a grant to the Liberty Theater.

Commissioner Jones said it seemed as if funds for urban renewal projects were approved in an ad hoc manner. He supported the Liberty Theater's proposal but believed the projects should be approved in a manner similar to the arts and cultural projects. The City should publish the availability of funds and eligibility requirements and take applications.

City Manager Estes explained that the Astor West Urban Renewal District has a specific Facade Improvement Program. The Astor East and Astor West Districts both have several large projects identified as eligible to receive funding. As the projects become priorities to the Commission, the Commission will determine whether to move forward on them. The Astor East district does not have enough facades to roll out a program and has never had the funds available for such a program. Therefore, the Commission considers specific projects for that district. He listed projects funded with Urban Renewal funds and explained that they all provided an impact to the district. Staff has never advertised the availability of Urban Renewal funds.

Commissioner Nemlowill noted that the City was trying to save up money in this fund to renovate Heritage Square. Therefore, she recommended the Commission consider a low or zero interest loan for the Liberty Theater.

Commissioner Brownson understood non-profits were not eligible for funding.

City Manager Estes clarified that non-profits were eligible. He explained that the district was funded through property tax, but non-profits only pay property taxes on the portion of their building that is associated with their mission. The Liberty Theater leases portions of their building to commercial businesses. Investments are made in urban renewal districts so that when the districts sunset, the value of all of the buildings in those districts and nearby would be greater than if the districts had not been created.

Jennifer Crockett 1243 Grand Avenue, Astoria, said the purpose of the project is to widen the theater's programming to make the Liberty Theater a viable tourist destination. When the theater was originally renovated it was a project intended to save the building. Renovation stopped at the stage. There is no rigging, very limited lighting, and only the original curtain from 1925. The curtain is ripping down and it can no longer be closed and opened. This project will make it possible for the theater to host touring organizations like Broadway productions, ballets, and operas. The theater can only do live music right now. Theater and dance performances on their stage are only about 25 percent of the show. They cannot accommodate scenery or complicated lighting. Tourists from bigger cities expect to see a level of theater that the Liberty cannot provide. Most historic theaters like the Liberty in cities like Astoria have about a 50/50 split between locals and tourists who attend their performances. The Liberty gets about 65 percent locals and 35 percent tourists. According to the Clatsop County Prosperity Five study done two years ago, tourists spend about \$115 downtown in addition to their theater tickets. In 2017, the Liberty Theater contributed about \$850,000 to downtown. If they could get 5,000 more tourists each year, that would generate another \$500,000.

Commissioner Nemlowill asked if a loan would be beneficial to the theater.

Ms. Crockett said initially, the theater was seeking a grant, but they would be open to other options if a grant did not come through.

City Manager Estes asked if the Commission wanted Staff to begin vetting a process for a Liberty Theater project. Staff would need to know whether the Commission wanted to move forward with a grant or a loan and then eligible projects would need to be determined.

Commissioner Jones confirmed that the theater's request for \$45,000 was to fund a study by a consultant that would help the theater develop a master plan for the project.

City Manager Estes said some consultant fees could go into urban renewal projects. If the Commission wanted Staff to identify eligible projects for the theater, Staff would present those to the Commission so the Commission could decide if those projects should be approved and funded.

Commissioners Jones and Price said they wanted to Staff to begin working on the theater project. Commissioner Price believed there would be enough funds available and she liked the idea of a zero-interest loan.

City Manager Estes confirmed that Commissioners supported a split between a grant and a loan.

Commissioner Brownson said the theater would continue to look for other funding to make their project happen. This would provide a way for the theater to reach its potential.

Commissioner Nemlowill believed the project was worth looking into. The City has invested urban renewal funds in the theater in the past, and the district boundaries were moved so that theater could be included in the district. This project would continue to enhance the investments the City had already made and could potentially bring in more revenue to help maintain the theater. The district is intended to cure urban blight. The theater cannot keep up the building or the façade if it is not making money. A loan grant package could be more than \$45,000. The City has had success getting urban renewal loans repaid and the goal is to save funds for the old Safeway site. And if the City is going to invest in the Liberty Theater, it needs to be a sizeable investment that will ensure the project gets done.

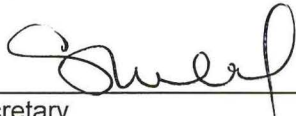
City Manager Estes said that in the past the City worked with Craft3 to develop financing packages for the Commission to review. Craft3 is able to do all of the background work and make recommendations. He would work with Ms. Crockett to find out what would work for the theater and gather more information before presenting a package to the Commission.

NEW BUSINESS, MISCELLANEOUS, PUBLIC COMMENTS:

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:19 pm.

ATTEST:



Secretary

APPROVED:



City Manager