

CITY OF SILVERTON  
**URBAN RENEWAL AGENCY MINUTES**

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Silverton Community Center – Council Chambers – 421 South Water St.

Date: January 7, 2019 at 6:00 p.m.

**I. OPENING CEREMONIES – Call to Order, Pledge of Allegiance & Roll Call**

Chairman Palmer called the meeting to order at 6:03 p.m.

<b>Present</b>	<b>Absent</b>	
X		Chairman Kyle Palmer
X		Jason Freilinger
X		Laurie Carter
X		Jim Sears
X		Dana Smith
X		Matt Plummer
X		Crystal Neideigh

**Staff Present:**

Agency Director Christy Wurster; Community Development Director, Jason Gottgetreu; Finance Director, Kathleen Zaragoza; Assistant to the City Manager/HR Coordinator, Elizabeth Gray; and Assistant to the City Manager/City Clerk, Angela Speier

**II. PUBLIC COMMENT**

There were no public comments.

**III. APPROVAL OF MINUTES**

Member Freilinger moved to approve the minutes from the meeting held on November 5, 2018. Member Sears seconded the motion. There was no discussion and the motion passed unanimously.

**IV. DISCUSSION**

**4.1 119 N Water Street Façade Improvement Grant Request. Howard Hinsdale**

Community Development Director Jason Gottgetreu explained that this is a façade improvement request to replace the awning at 119 N. Water Street. The building was constructed in 1895 with an addition built in 1905. It is a Primary Significant Building within the Silverton Commercial Historic District and was known as the Hicks and Ames building. The current awning is failing; this request is to install a new awning that will have a metal frame with a curved underside and a circle accent feature with a bronze polygala panel. The request is for \$6,998.55 which requires a private match at the 1:1 ratio. He explained what is included in the \$13,994.10 project cost. The agency members discussed and application and voiced their support of the project.

Applicant: Howard Hinsdale, owner 119 N. Water Street. Mr. Hinsdale explained the project and the difficulties of getting contractors to submit a bid on the installation of the awning. The project will also require scaffolding to allow pedestrian access to the sidewalk and impacted businesses.

Member Carter made a motion to approve the façade improvement grant request at 119 N. Water Street for \$6,998.55. Member Smith seconded the motion. There was no discussion and the motion passed unanimously.

#### **4.2 208 Lewis Street Building Improvement Grant Request. Silver Falls Brewery**

Director Gottgetreu explained that this is a building improvement request to expand Silver Falls Brewery. The brewery was established in 2015. The grant request is to demolish and reconstruct the northern portion of the building located at 208 Lewis Street. The building is within the Downtown Commercial Zoning District and is not within the Historic District. Previously, the southern portion of the building was improved with help from the URA of \$70,000 for both building and façade improvements.

The current proposal is to demolish the northern 130 feet of the building and construct a new building in its place. The existing building to be removed is 4,096 square feet in area with a current use as retail sales and service. The new building area will be 6,406 square feet and will contain a brewery facility, a full commercial kitchen, an ADA bathroom, an additional 537 square foot seating area overlooking the brewery, and a second story deck with a built in fireplace. Director Gottgetreu reviewed the architectural renderings of the new building. The construction estimate in the proposal is \$1.35 million for the new building and an additional \$390,935 in new building equipment. There were three bids received for the new building in the amounts ranging from approximately \$1.1 million to \$1.6 million. The new building equipment includes equipment associated with the brewery such as the tanks, heaters, and a refrigeration unit. It also includes kitchen equipment and walk-in cooler.

Director Gottgetreu explained the matching requirements and reviewed different funding scenarios regarding the project, including funding only the building construction vs. including the kitchen and brewery equipment. Member Smith requested that the URA have a future discussion regarding the funding ratios. Director Gottgetreu agreed and would like to ensure that the program guidelines still make sense moving forward. He explained that the demolition and reconstruction of the building will increase the assessed value for the property, thus increasing the amount of property taxes received.

The Urban Renewal Advisory Committee (URAC) reviewed the application and recommended that the URA approve a grant and loan mix of up to \$250,000 in Building Improvement Funds with the grant and loan mix amount to be determined by the URA. Member Carter voiced her concern about the lack of public green space and street trees in the design. She doesn't see the design improving the livability of the area. Director Gottgetreu explained that the Development Code requires new buildings to be built to the sidewalk in the Downtown Commercial District. The project is currently in the design review period. Member Carter would like to see street trees become a priority. Discussion ensued about the need to develop to the current code and the improvement that this project would have to the area.

Applicants: Eric Druliner, 1103 Western Avenue and Andrew Fox, 310 Mill Street. Mr. Druliner explained that there is a need to expand the current production facility to a ten barrel system with room to expand in the future. He explained that he and Mr. Fox are both invested in the community and provide a family friendly environment. By adding the second story it will provide a bigger space for community gatherings. He explained that breweries are becoming a destination for people, which will help bring people to Silverton. Member Sears asked about the financial component of the project, he said that they requested \$300,000, the URAC recommended \$250,000, but under the program guidelines the funding amount should be closer to \$200,000, because the specialty equipment doesn't qualify. Member Sears asked the applicants if the project would still be viable if that was the case. Mr. Druliner said that yes, the project would still move forward and at the time of the application they were not sure what type of equipment would qualify.

Director Gottgetreu reviewed the list of eligible equipment under the Building Improvement Program and discussion ensued regarding the equipment in the application and if it qualifies for funding. Member Sears indicated that he likes the project and it is one of the few projects that the agency has addressed that will create tax revenue for the URA and other taxing districts once the URA is dissolved. The project will help to develop the downtown area, create a tourist attraction to bring people to Silverton, removes blight in the area with a more appealing building, and will help revitalize the street. He said that he would support funding the project at the 5:1 ratio and to not include the brewery equipment.

Member Plummer voiced his support for the grant request and indicated that the tax increase provided by staff shows that the money will be coming back to the city. Member Carter said that she doesn't feel that replacing the current building with an even bigger building is an improvement and urged requiring street trees. She feels that the code needs to be amended.

Member Freilinger made a motion to provide a grant of \$200,000 with a \$100,000 loan if the applicants choose to accept it for this project. Member Plummer seconded the motion. Member Sears asked about how those numbers were reached and suggested following the 5:1 ratio with the total eligible expenses being \$1,242,217, which would allow for a grant of \$207,036. He feels that this funding amount follows the program guidelines. Member Freilinger explained why he made his motion with the loan component. Member Freilinger amended his motion to remove the loan component and award the project with a grant in the amount of \$200,000. Member Plummer was agreeable to amend the motion. Member Sears asked the agency to consider the 5:1 ratio. Member Freilinger amended his motion to award a grant of \$207,036 in building improvement funds. Member Plummer seconded the motion. There was no further discussion and the motion passed 5-2, with Members Carter and Neideigh voting no.

#### **4.3 Urban Renewal District Expansion**

Director Gottgetreu reviewed the proposed expansion for the Urban Renewal District. A goal of the URA for this fiscal year is to complete a district expansion. He reviewed the process for amending the plan and the notice requirements. The proposed expansion area consists of 25 properties totaling 19.77 acres. The expansion area is generally bounded by the north right-of-way (ROW) line of Jefferson Street, the east ROW line of N. 2<sup>nd</sup> Street, the northern boundary of the existing Urban Renewal District to the south, and the eastern rail ROW line to the west. An additional property on the southwest corner of Jefferson Street and Mill Street intersection is also proposed to be added. He reviewed the existing conditions of the proposed area and the impact of tax increment financing to the taxing districts. The purpose of the expansion is to allow the properties within the proposed area to apply for grants and loans through the existing URA grant and loan programs. Testimony was received from the property owner of 503 N. 2<sup>nd</sup> Street requesting inclusion. The expansion was reviewed by the Planning Commission and the URAC. The Planning Commission recommended the approval of the original area (as proposed above). The URAC recommended the original area plus a 2.89 acre property zoned General Commercial located on the northeast corner of the intersection of North 1<sup>st</sup> Street and Jefferson Street. The expansion will be presented to City Council later tonight. Director Gottgetreu explained that taxes will not be increased due to the expansion.

#### **4.4 Acknowledge receipt of Urban Renewal Agency Audit under City Council Agenda Item No. 5.3**

Chairman Palmer acknowledged that the URA audit will be received under the City Council Agenda Item 5.3 later this evening.

### **V. ADJOURNMENT**

Member Freilinger made a motion to adjourn the meeting. Member Carter seconded the motion and Chairman Palmer adjourned the meeting at 7:11 p.m.

Respectfully submitted by:

/s/Angela Speier, Assistant to the City Manager/City Clerk