JOINT
PLANNING COMMISSION,
KEIZER URBAN RENEWAL BOARD AND
CITY COUNCIL
MINUTES
Wednesday, August 18, 1999
5:30 PM
Keizer City Hall - Council Chambers

1. CALL TO ORDER
Mayor Newton called the meeting to order at 5:35 p.m.

2. ROLL CALL
The following members were present:
City Council ~ Bob Newton- Mayor, Council President-Garry Whalen, Councilor Campbell, Councilor Christopher, Councilor Keller, Councilor Moir and Councilor McGee.
Planning Commission ~ Dan Nelson, Bruce Anderson, Jere Clancy and Manny Martinez
KURB ~ Tom Wood, Don Jensen, Rick Roemer and Bob Ohrn

Also in attendance were: Maria Meier-Keizer Planning and Cindy Perry-Recording Secretary

NOT IN ATTENDANCE
Bill Wolf, Richard Inman, June Abbott, Rick Curry, Stan Compton, Greg Frank and Jim Taylor

3. APPROVAL OF MINUTES - July 28, 1999
Approval of the minutes was deferred until the August 25, 1999 meeting.

4. APPEARANCE OF INTERESTED CITIZENS (this was done after the Prudential's presentation)
Bob Herberger, 2805 Chemawa Rd NE, Keizer-Owner of Herberger Nursery and Chairman of Chemawa Activity Center Area "A" Property Owners. Mr. Herberger stressed the idea that the property owners are not willing to sell is incorrect. He stated what they are not willing to do is give their land away and was adamant in his distrust of realtors. He strongly expressed his feelings that a subcommittee

consisting of five realtors and no property owners was very offensive to him. He felt the land was not developed due to the tight restrictions placed on the land. He felt that reviewing the market and making changes to the current plan would allow property owners to receive fair market value for their property.

Responding to Mr. Herberger, Ms. Amico publicly apologized and shared in their recommendations regarding the subcommittee they did discuss that the property owners would be welcome to attend the meetings.

Tina Sloan,5905 Radiant Drive, Keizer-Agreed with Councilor McGee's opinion regarding property owners being part of the subcommittee, she felt that Prudential was working for the buyers making them bias. Ms. Sloan asked if it would be possible to go to ODOT to ask if the Brooks Exit could be widened.

Mr. Teal responded by stating the whole point of the subcommittee meetings was to bring together everyone to make these type of suggestions and changes.

Audience members expressed concerns that they did not wish for the process to be completely started over.

Mayor Newton stressed that was not their wish, but they knew some changes would need to be made in zone changes and other things that would allow the process to move forward. He suggested that possibly representation from the seller's agents should be an option.

Ms. Sloan suggested that the analysis completed by Rod Stubbs be reviewed by group.

Merle Osmot, Radiant Drive, Keizer- Stated in 1990 she was offered $3.00 a square foot for her property and asks why it would only be worth that nine years later.

Mr. Stone noted that the information that they were providing was information received from individuals who had purchased land recently. He went on to state that he had noted that industrial land in Salem with primary infrastructure, utilities and road access was worth $2-3 per square foot. This had nothing to do with any specific property in the Chemawa Activity Center, it was only what industrial land was selling for on the market currently.

Jack Carter, 6085 Radiant Drive NE, Keizer-Expressed his dissatisfaction with how he felt they had been treated. He indicated that 90% of the property owners would be willing to sell if offered a fair price, but stated he would not sell for any less.

5. PRESENTATION

- **Prudential Real Estate ~ Chemawa Activity Center**

Mitch Teal with Prudential introduced other agents who would be part of the presentation, they included: Bo Rushing, Stu Stone, Tim Hensely, Karen Amico and Jack Lowery.

Mr. Teal explained that it would take cooperation from many players in order for the Chemawa Activity Center to become a reality. He discussed the major issue of a lack of an infrastructure for the area and indicated this would be a important part of pushing the center into existence. Mr. Teal reviewed Prudential's Mission Statement and the team members who they felt would be key players in organizing the start of the Chemawa Activity Center. Mr. Teal introduced Stu Stone .

Mr. Stone displayed illustrations of the property in discussion and explained ODOT's requirements for completion of the primary infrastructure, and the use of a jug handle (off ramp that allows cars to make a right hand turn off a road and allows entrance onto the road without having to make a turn across traffic). Mr. Stone indicated that ODOT was specific in requesting a jug handle interchange at Lockhaven and the entrance to Areas A and D of the property. He shared that the needs of the project would begin with participation and cooperation between the community and the neighborhood. The city/county and state working to fund and complete the needed infrastructure, as well as, the land ready to build on.

Mr. Stone explained a developers perspective pricing formula that included the acquisition price of the property plus demolition costs, environmental clean-up costs, service development costs (sewer, water, storm, roads, utilities, etc.). He shared the holding costs for the developer would be the risk and profit would be the main motivator for the project. Under the developers perspective pricing formula Mr. Stone shared that a developer will look at the role the property can be used for in developing their pricing formula, the competing market based on it's intended use (zoning plays a key role in the intended use)

Mr. Stone supplied and explained the value of land per square foot with services available for single family residential, medium density residential, industrial, commercial office and retail/hotel. He noted as the current plan is adopted Area C is mainly zoned residential.

Mr. Stone noted each of the areas in the Chemawa Activity Center and their sizes as listed in the current plan. They are as follows:
Area A= 123 acres that consists of three acres of office, nine acres hotel, eleven acres retail, 73 acres industrial and 27 acres of stadium.

Area B= 13 acres that consists of mainly office space.

Area C=37 acres that consists of five acres for office, twelve acres multi-family and 20 acres single family residential. Mr. Stone noted that Area C may pose the greatest challenge due to the large number of residential homes on small lots and he went into an explanation of this.

Area D=15 acres is under control of private lands

He noted some of the challenges that a developer would review when purchasing the land proposed. They included: Funding of the infrastructure, construction of the infrastructure, access to construct Area "A" and "D" (areas where the jug handles would be built), assembling the properties in Areas "A", "B" and "C", negotiate value exchange for tribal lands and an economically viable master plan design.

Mr. Stone talked about what he called the "three knobs" or the variables. They included: the actual acquisition cost of land, the asking price vs. condemnation, infrastructure funding and the percents of public vs. private funding and a master plan that would allow economic viability. He gave an example of a possible acquisition-taking place in Salem for industrial land. This could amount to 2000-3000 acres of land being placed on the market over the next three to five years and noted these properties have new streets with the primary infrastructure in place for approximately $1.50 per square foot. In using this example, Mr. Stone stressed that the primary infrastructure in the areas discussed for the Chemawa Activity Center could not be placed for $1.50 per square foot and urged the group to keep this in mind and analyze.

At the end of his presentation, Mr. Stone shared a feasibility summary noting the need to resolve acquisition cost at today's market value, resolving the access issue with the tribal lands, implement funding for the primary infrastructure whether it be private or public. Finally, modifying the master plan to allow a developer to pay for acquisition and development costs.

Mayor Newton thanked Mr. Stone for his presentation.

Mr. Teal introduced Karen Amico who discussed **Economic Benefits** for the City of Keizer which would be an increase in employment, creating new jobs in turn creating more housing, an increased tax revenue base. She explained the **Cultural Benefits** could include the recognition of early settlers to Oregon, rich Indian heritage in the area, incorporation of a public art, a museum and a Travel Information Center. **Tourism Benefits** may be and increased trade for Keizer merchants, hotel/motel tax potential, possible conference center, gateway to Oregon Gardens, gateway to the City of Keizer, recognition of agri-business and the Iris Festival promotions.

Using the current tax assessment records from the County Ms. Amico shared their projections of tax revenue benefits for each area of the Chemawa Activity Center. **In Area "A"** the current assess value equals $3.05 million with the current tax revenues of $36,500 and a potential assessed value of $100-$125 million. The potential *yearly* tax revenue as they estimated could be $1.5-$2.0 million.

Ms. Amico indicated that they were recommending the appointment of a Task Force that would report to the City Council. She proposed that the task force consist of two members from each the City Council, KURB, Planning and the Chamber of Commerce, the Mayor and a team from Prudential. They would also facilitate the task force and bring together parties that would have interest in the property. This would include: ODOT, Oregon Economic Development, The Confederated Tribes, Department of Land Conservation and Development and possibly some financial consultants. She noted that their goal would be to balance interests to develop the property together.

Mayor Newton thanked Ms. Amico for her presentation.

Responding to questions Ms. Amico noted that the tax revenue numbers she addressed were only a thumbprint and the City would receive the prorated share.

There was a discussion regarding ODOT's restrictions for the need of a jug handle. It was felt ODOT was trying to avoid some of the problems that had taken place in Woodburn. Responding to questions, Mr. Stone noted that jug handles are one of the least expensive cures for moving a large volume of traffic.

Interjecting, Mr. Teal noted if a condemnation action was to take place a condemnation court would review each property individually.

Mayor Newton was interested in how many acres would need to be added to the commercial zone in order for the project to show a profit. Mr. Stone stated he could not give an accurate number since this would depend on the cost of acquisition, and they did not have all the facts in place to make that determination.

Mr. Teal encouraged the task force to start fresh in order to make the project work. He felt there was great potential for this particular area.

Responding to questions Mr. Stone answered in his opinion they could fill up forty acres of retail over the next two years.

Mayor Newton asked the joint committee if they wished to form the suggested subcommittee.

Councilor McGee responded with his concern that no homeowners were listed as part of the subcommittee.

Mr. Stone replied to Councilor McGee's concerns noting that it would be difficult to have two homeowners representing all the homeowner's as it would not be representative. He felt all the homeowner's should come to the meetings and participate.

Responding to questions Mr. Stone indicated that the City's Engineer had estimated the cost for the infrastructure would be 11 million dollars.

Mr. Roemer asked for direction from the property owners. He felt a great deal of time was being spent on the issue and wanted to know whether if was something they would be collectively willing to move forward with.

Ms. Sloan indicated she felt there were many issues to resolve but felt as a group they were interested in ongoing discussions.

Mayor Newton asked the audience for a show of hands for those interested in pursuing the Chemawa Activity Center. (Many hands)

John Preston, President Keizer Area Chamber of Commerce-Indicated that the majority of the chamber is excited about the possibility of the interchange being developed. He felt there were some issues that need to be resolved and noted he did not feel River Road businesses would be impacted by the interchange development.

Carl Beach-Noted as a previous City Councilor he had attended many of the meetings in the past regarding the Chemawa Activity Center and would like to see the development accomplished. He indicated that he felt Prudential had the expertise to supply everyone with the information needed.

After further discussion it was the consensus of the joint group to move ahead and discuss at the next meeting a subcommittee.

ANNOUNCEMENTS AND AGENDA INPUT

- Joint Meeting of the Planning Commission/KURB/City Council
  Wednesday, August 25th at 5:30 p.m. in the Council Chambers

6. ADJOURN

Mayor Newton adjourned the meeting at 7:40 p.m.