Minutes
River Road Redevelopment Board
Work Session
Keizer City Hall - Library
Wednesday, August 6, 1997

1. CALL TO ORDER

The meeting was called to order by Chair Compton at 12:10 p.m.

2. ROLL CALL

The following members were present: John Preston, Greg Frank, June Abbott, Manny Martinez, Rick Curry, and Stan Compton. Mark Grenz arrived at 12:20 p.m.

Also present were: Community Development Director John Morgan, and Recording Secretary Nona Oxe'.

3. APPROVAL OF MINUTES

<u>It was moved by Mr. Frank that the minutes of June 25, 1997 be approved. The motion was seconded by Ms. Abbott and carried. Mr. Compton, Mr. Curry and Mr. Preston abstained from voting inasmuch as they were not present at that meeting.</u>

4. APPEARANCE OF INTERESTED CITIZENS

No one came forward to present any issues to the Board.

5. PROJECT UPDATES

River & Chemawa

Mr. Morgan reported that the Walgreens development on the NE corner of River and Chemawa is well underway. Staff is working with them with regard to the corner landscaping improvements. Although staff has not had opportunity to work further with representatives from Shari's and Schoolhouse Square, they are aware the City is still interested in pursuing improvements at those two corners, and their interest remains.

With regard to the SW corner owned by UNOCAL, as directed by R3B, staff brought in local developers, property managers and realtors to work with staff privately to do an assessment of the entire area along River Road from Chemawa to Churchdale. They are gathering property values and improvement values to get some sense of the economic and market potential of the

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entire area. Their assessment will give Mr. Morgan a foundation to work from. Mr. Morgan also contacted OLCD regarding a grant to bring in a consultant to do a design for the area. Mr. Morgan will hold off on making formal application until more definite direction is known. He acknowledged that there has been no discussion yet with property owners. He hoped to have something more substantive for the September R3B meeting.

Mr. Morgan responded to questions from Ms. Abbott about the layout of the Walgreens development. As a related issue, he commented on his dismay to learn of Walgreens' plan for parking lot lights. He explained to their representative that their proposed lights would detract from the decorative lighting around the center. She is working to delay putting in their lights until the project is done.

As a side note, Mr. Morgan directed attention to the City Hall parking lot where two of the decorative light poles are being "stored" in place. If a replacement is needed for one of the poles on River Road or Chemawa, a pole can be uprooted and relocated immediately.

Chemawa Activity Center

Mr. Morgan reported that he just found out that the developer has backed off from the big real estate deal at the Chemawa interchange. He was unable to hold all the property owners together enough to put together the infrastructure package for streets and sewer and water. Mr. Morgan concluded that to get development moving, the City would likely have to step in to arrange financing of the infrastructure, as was proposed before a developer became involved. He expected to meet later this month with Mr. Stubbs, the realtor, to discuss putting together a package. Mr. Morgan was unsure of the impact of cuts to the State's Economic Development Department budget on the Redevelopment Agency's financing capabilities through OEDD.

Mr. Martinez questioned whether the City had some kind of agreement with the Siletz and Grand Ronde Indian Tribes for development of their property and participation at the interchange. Mr. Morgan answered that there was no written agreement, however, Tribal representatives, in front of the City Council, promised to develop the property commercially, with no gaming facility, and to cooperate on the street improvements.

(Mr. Grenz arrived and took a seat at the table.)

Mr. Morgan explained the need for mutual cooperation between the Tribes and the City in order to see an interchange built. Mr. Martinez foresaw a situation for delays by the Tribes with no written agreement in place.

Lockhaven & River

Mr. Morgan talked with Greg Rand, the landscaper who will be doing improvements for the Creekside Shopping Center at the SE corner. Mr. Rand anticipated that work on the SE corner would not begin until Fall. Since he will be bidding on the City's corner, and may have a lower bid by combining the two jobs, work on the City's corner is also being delayed.

Iris Lane

Mr. Morgan reported that in the last month, considerable progress has been made in Iris Lane negotiations. There have been issues to work through with both property owners. Mr. Morgan distributed copies of the cost estimates that were handed out at the April R3B meeting. He noted that projected numbers remain the same. The property owners are now ready to do the deal.

Mr. Morgan indicated that he would like to get from R3B a motion to endorse the project, recommend it to Council, and approve a budget for it. Although absolute contribution amounts were not yet known, Mr. Morgan hoped to be able to strike a memorandum of understanding with the Tokyo-based ABC principals when they are in town on August 18. He noted that agreement with Neil Plumley, the Bi-Mart property owner, is also near closure.

Mr. Morgan had worked up a fact sheet entitled *Keizer Village/Bi-Mart Center Rejuvenation Project.* He distributed copies of the fact sheet which outlined the proposed improvements for Cherry Avenue, Iris Lane, and River Road; a breakdown of Agency and property owner responsibilities, and the projected costs to the Urban Renewal Agency (excluding Cherry Avenue.) Mr. Morgan went over the outline, and pointed out the area and proposed improvements on a design drawing of the entire site. He noted that both property owners approved the project and are willing to go along with the design. And, both are ready to do the right-of-way donation. Mr. Morgan talked about proposed River Road frontage improvements.

Mr. Morgan explained the proposed deal with ABC Properties. It called for them to donate the land for the right-of-way (an approximate $400,000 value), the Agency to build Iris Lane and put in the signal, and the cost of frontage improvements to be split 50/50 through the property improvement grant program.

Mr. Morgan called attention to a memo from Consultant Charles Kupper summarizing a July 28 meeting with the Bi-Mart property owner. At issue with the property owner in coming to an agreement is the frontage on River Road. They want more parking, and also a more desirable access driveway from River Road onto their property. The driveway, as currently proposed, interferes with the proposed bus pullout, and could present a vision issue. The property owner would like the city to explore assisting him in acquiring property immediately adjacent to the Bi-Mart property which fronts River Road, is in poor condition, and is occupied by a palm reading business. In addition to the parking and improved driveway benefits for Bi-Mart, acquisition of the property would allow room to expand the bus pullout to allow for two buses to be pulled in at the same time. Noting the benefits to the City, and to the Transit District, Bi-Mart was looking to both entities for assistance in acquiring the property.

Mr. Morgan noted that the original request from Bi-Mart that the City buy the property for them, was rejected. The property is listed for about $150,000. Referring to Mr. Kupper's summary of the July 28 meeting, Mr. Morgan perceived that there was oral acceptance that the City would explore assisting Bi-Mart in acquiring the property. It was agreed that the City would arrange a meeting with the Transit District to discuss the benefits to the District of helping in the property acquisition, and getting their financial participation. Although no financial commitment was guaranteed, assistance in the range of 25% of the purchase price was discussed.

Mr. Morgan noted that staff met yesterday with Transit District staff. They were less than optimistic that the District Board would step in with cash for acquisition, but were optimistic that the commitment to do a significant shelter remained. Mr. Morgan perceived that there might be opportunity to swap some money around--possibly the District do the landscaping, and the City use dollars proposed for landscaping to do acquisition. Although Mr. Morgan did not see land acquisition assistance as a deal breaker with Bi-Mart, he saw benefit to the City and the Transit District in seeing that the property purchase occurs. He suspected that the dollar amounts would be somewhere between $10,000 and $30,000 for the City, and a like amount for the Transit District. Mr. Morgan confirmed for Mr. Grenz that there is $75,000 in the budget for transit facility land acquisition.

A discussion followed regarding the benefits of the additional land to Bi-Mart, the City, and the Transit District. Mr. Grenz suspected that trucks would have a difficult time making deliveries to Bi-Mart without the proposed driveway access. There was agreement that an extended bus pullout would be beneficial. Also, the Board liked the idea of having the less-than-desirable structure removed from the property proposed for acquisition by Bi-Mart. Mr. Morgan responded to questions about the proposed budget. He acknowledged that more than sufficient funds are available to assist in land acquisition that will allow the additional right-of-way for an extended bus pullout

Mr. Curry suggested that Mr. Morgan "come to the table" with a willingness to put $10,000 toward the project, and then maybe go higher if necessary.

Mr. Morgan suggested that the Board, by motion, give him direction in how to proceed. If so desired, an appropriate motion would be to approve the project as laid out, approve the partnership concept with costs not-to-exceed $442,000, and to direct him to proceed with finalizing the agreements with the property owners, based on those directions. And, finally, to recommend all of that to the Renewal Agency for approval. He noted that the Renewal Agency will meet on September 2. Mr. Morgan anticipated that unless there were objections, as suggested, he would begin negotiations with Bi-Mart at $10,000, giving him room to work, with $30,000 as a cap. If desired, a motion could also be made to that effect.

In discussion, Mr. Morgan acknowledged that Bi-Mart might proceed to acquire the palm-reader property without Transit District or City participation. He also acknowledged that without participation, their purchase of the property would not necessarily mean that the City would get the right-of-way to build the extended transit facility.

Mr. Grenz moved to approve the project basically as laid out in the handout "Keizer Village/Bi-Mart Center Rejuvenation Project," to approve the partnership concept laid out in that document with a cost estimated not-to-exceed $442,000, to direct Mr. Morgan to use that direction in finalizing the agreements with the property owners, and to make a recommend to the Urban Renewal Agency for approval. The motion was seconded by Mr. Curry.

The motion carried unanimously by those members present.

Mr. Grenz moved to authorize Mr. Morgan to continue to negotiate with Bi-Mart for acquisition of properties necessary to complete the transit pullouts as recommended for the plan, and to authorize him to start with a contribution of $10,000, not-to-exceed $30,000, to achieve that end. The motion was seconded by Mr. Preston.

Mr. Morgan clarified for Mr. Martinez the budget source for the possible $30,000 expenditure. He also emphasized that he would negotiate as low as possible, starting at $10,000, and not exceed $30,000. He confirmed for Mr. Curry that part of the understanding is that the house goes. Bi-Mart would acquire property and donate land for the bus pullout. This will allow them to move the driveway to the far north end of the site. Mr. Morgan emphasized that this is all subject to Council approval.

Mr. Frank suggested coming up with some way to encourage people, other than those in delivery trucks, to use the controlled intersection rather than the proposed north end driveway. Mr. Morgan indicated that he would have the traffic engineer review the plan and make recommendations, and as part of the negotiations, Bi-Mart would be held to the traffic engineer's recommendations.

The motion carried unanimously by those members present.

6. DISCUSSION

6.1 Banners

Mr. Morgan presented the report for Mr. Goesch who was out of town. He distributed copies of Mr. Goesch's *Banner Demonstration Project Proposal*. In light of the $55,000 - $60,000 estimate for a banner program for the entire length of River Road, banners only at the River and Chemawa Road intersection were proposed. Proposed options were banners on 40 or 20 poles, and banners rotations of five, three or one banner annually . Cost estimates were provided for each of the scenarios. The recommendation was for the twenty pole double banner program with three banner rotation for an estimated cost of $8,900. And that moneys be set aside to duplicate the program at Iris Lane when it is completed.

Mr. Morgan noted that Mr. Goesch had also included a list of issues to be resolved. Unresolved issues dealt with responsibility for installation of brackets, banner change-over, banner storage, a banner renewal program, project evaluation, and project expansion at a later date.

Mr. Morgan circulated a merchant's folder on banners. He reviewed all the options presented in the written report. He noted that the estimates were based on using a stock banner of one color on a background. He acknowledged that the report included no cost estimates for banner management or banner replacement. He again confirmed that funds are available in the budget to purchase banners.

A discussion followed regarding the unresolved issues dealing with maintenance, and management of a banner program. Mr. Morgan confirmed that the City has no property for storage. He recalled the parameters set at the beginning of discussions of a banner program, that the Renewal Agency do the capital investment, and the Chamber do operations and maintenance. Mr. Morgan acknowledged that banner replacement could be another capital investment, and thus funded by the Renewal Agency. He commented on the possibility of replacing banners with funds from a future hotel-motel room tax.

The Board discussed the proposed pilot program. Mr. Compton again mentioned the potential for banner donations in the future. Mr. Morgan noted that Mr. Goesch got a lead on someone interested in fabricating and donating the banner bars.

> Mr. Grenz moved to go with Mr. Goesch's recommendation subject to getting a commitment from the Chamber that if the Renewal Agency buys the banners, the Chamber will take care of maintenance and storage. The motion was seconded by Mr. Frank.

For clarification, Mr. Goesch's recommendation was read aloud: "Recommended: Twenty pole double banner program with three banner rotation for an estimated cost of $8,900. And, set aside moneys to duplicate this program at Iris Lane when it is completed."

Mr. Curry pointed out that the cost estimates were based on banners with one ink color and no custom graphics. He indicated reluctance to support the motion without a clear picture of what was being proposed.

Mr. Preston indicated that he could not support the motion. He too felt that it was unclear what was being proposed. Additionally, as a business person at the south end of the City, he objected to the north end again being the focus for improvements. He also felt that a pilot program at both ends of the City would not serve the purpose of generating a citizen response to do all of River Road. For him to support the project, it would have to be done throughout the whole city.

Mr. Martinez felt that a River Road banner program was not a priority worthy of spending $60,000.

Ms. Abbott did not support the idea of a pilot program. She suspected that in two years, the initially-purchased banners would be worn to the point that they would have to be replaced if the project were expanded. She saw it as a waste of $8,000. She also did not wish to approve any banner without first seeing what it is made of and what it looks like.

Mr. Compton did not wish to see R3B become so involved with details that it lost sight of the bigger picture.

Mr. Curry suggested the possibility of doing a test on the single pole in front of City Hall.

Mr. Grenz stated that with the approval of the second, he would withdraw his motion and send the matter back to Mr. Goesch for further information.

Mr. Frank declined to withdraw his second. He indicated that he was hearing two fundamental challenges: the project had to be for the entire River Road area; and, if there was no value in the project, it shouldn't be done. He felt that unless those two issues were first addressed, it made no sense to talk about the other issues. He stated that with defeat of the motion, the Board could move on. Mr. Frank called for the question.

> <u>The motion failed with Mr. Grenz and Mr. Frank voting aye, and Mr. Preston, Ms. Abbott, Mr. Martinez, Mr. Curry, and Mr. Compton voting no.</u>

Mr. Morgan will talk with Mr. Goesch later this week about the Board's concerns.

7. ANNOUNCEMENTS AND AGENDA INPUT

7.1 Regular Meeting - September 24, 1997

Mr. Compton asked if the City Council approved R3B's name change. Mr. Morgan answered that the proposed name change and R3B-identified goals will go to the Renewal Agency at their September 2 meeting.

Mr. Frank expressed frustration that the construction fence around the Fortune Cookie restaurant site remained after many months of no activity.

Mr. Frank moved to direct Mr. Morgan to do whatever is necessary to abate the nuisance at the Fortune Cookie restaurant site including, if necessary, turning the matter over to an attorney and allocating legal fees. Mr. Preston seconded the motion.

Mr. Morgan explained that a letter was sent telling the property owner that the building permit had expired, the fence had to come down, the sidewalk reopened, and that they had to clean up the whole place. They took no action. Mr. Morgan pointed out that staff has had limited resources, but these types of violations will be soon be handled by the new code enforcement person.

The motion carried unanimously by those members present.

Mr. Morgan reported on the status of repairs to the Salem/Keizer entryway traffic circle. He noted that Salem pursued the $6,000 repair costs from the person who hit the structure, but that individual had no insurance and no financial resources to cover the costs. Mr. Morgan noted that an anonymous benefactor has agreed to totally relandscape and rebuild the entryway once the brickwork is put back in, and to maintain it forever. Based on that, the Keizer City Council has agreed to contribute half the cost to repair. One other condition is a redesign to add protective measures to prevent vehicles from hitting the structure in the future. The Council has indicated willingness to use renewal money as long as those conditions are also agreed to by Salem.

8. ADJOURN

The meeting was adjourned by Chair Compton at 1:20 p.m.