Keizer Urban Renewal Board Minutes
Wednesday, July 22, 2009 @ 5:30 p.m.
Keizer City Hall

1. **CALL TO ORDER**
   Chair Rich Duncan called the meeting to order at 5:30 p.m.

2. **ROLL CALL**

   Present:
   Rich Duncan, Chair
   Greg McLeod, Vice Chair
   Robert Hendricks
   Erick Peterson
   James Hauge (5:34)
   A.J. Nash
   Doug Schneider, Planning Commission Representative (5:40)
   Brandon Smith, Council Liaison

   Absent:
   Doug Tookey
   Bob Stai, KPIC Representative

   Staff Present:
   Nate Brown, Community Development Director
   Susan Gahlsdorf, Finance Director
   Debbie Lockhart, Deputy City Recorder

3. **APPROVAL OF MINUTES** ~ Greg McLeod moved to approve the June 2009 Minutes. Robert Hendricks seconded. The motion passed as follows: Duncan, McLeod, Hendricks and Peterson in favor, Nash abstaining, Schneider and Hauge absent at time of vote and Tookey and Stai absent.

4. **APPEARANCE OF INTERESTED CITIZENS** ~ *Sherrie Gottfried, Keizer*, representing the Renaissance Inn, spoke in opposition of funding a full catering kitchen at the civic center stating that the City could not recoup the cost of the kitchen because banquet bookings are down. She also pointed out that the catering employees would not be from Keizer and therefore the facility would provide no benefit to the city. She concluded by recommending that the City take more time to explore the consequences of this action.

   Jessica Carpenter, Keizer, also from the Renaissance Inn, questioned if the City had considered and included the cost for china, linens, utensils, etc. and echoed Ms. Gottfried's statements opposing this action.

   Christine Dieker, Keizer, representing the Keizer Chamber of Commerce, requested that this action be delayed to allow the Chamber time to solicit feedback and suggested that a business plan be developed to determine the sustainability of the kitchen and the cost of marketing. She recommended that a task force of experts be formed to explore this action and provide a recommendation.

5. OLD/NEW BUSINESS

Long-Term Funding of RRR Program **~** Lengthy discussion then took place among Board members regarding the facility and the role of the Board.

Community Development Director Nate Brown explained that should this action be approved it would amend the expenditures of the Urban Renewal District 6th Amendment Plan associated with the Civic Center; specifically how these additional expenditures will affect funding future River Road Renaissance projects.

Finance Director Susan Gahlsdorf explained that Council has approved the expenditure of $80,000 for the design plan but the budget authority has not been approved; that is scheduled for August 3. If the Urban Renewal Agency approves the expenditure of $80,000 and then the decision is made to make the improvements, it will be necessary to further amend the budget. Ms. Gahlsdorf explained that the $80,000 redesign cost and $150,000 in River Road Renaissance projects not completed last fiscal year require a supplemental budget. Because these adjustments are more than 10 percent of the expenditures in the Urban Renewal Project fund, a public hearing is required. The hearing is scheduled for August 3. The fiscal impact is not just $80,000 in design costs and $670,000 for construction; it impacts the money available for the River Road Renaissance projects. If construction takes place sooner rather than later there will be an interest expense incurred because the planned pay down of debt will be less than originally budgeted. Detailed review of Attachment 3 then took place, which showed a projection of urban renewal project fund expenditures at the end of the District's life in fiscal year 2012 with the kitchen redesign and associated interest costs, compared to the District's 6th Amendment plan. Ms. Gahlsdorf noted that the proposed kitchen redesign would bring the Civic Center project costs $4,500,000 over that originally planned for in the 6th Amendment. Approximately $1 million comes from funds not spent on property acquisition and the remaining funds come from the River Road Renaissance project line item. She noted that administrative costs are expected to be approximately $250,000 over the Plan. Her salary is included in this and more has been allocated than originally planned to manage such things as debt incurred to fund the civic center and the cost of bond counsel. These activities were not anticipated when the 6th Amendment plan was approved. She projects that the Urban Renewal District will sunset by fiscal year 2011-2012 as anticipated in the 6th Amendment, however, a significant increase in interest expense, which is not anticipated, could change that.

Nate Brown added that the City has not spent more than $250,000-$300,000 on the River Road Renaissance because there is not sufficient staff to develop the program. He noted that the commitment has been made to River Road businesses and the City will continue this program through the proceeds of the sale of property or perhaps through long-term leases instead of selling property.

A.J. Nash recommended that there be no change in the budget but that the City explore hiring staff to be devoted exclusively to urban renewal projects, specifically

River Road Renaissance projects, for the remainder of the life of the Urban Renewal District. Erick Peterson urged the Board to recommend that the City live in the building for a while to determine if this improvement is truly needed prior to making any decision.

Rich Duncan moved to recommend that the City act financially responsible and put this money back to pay down the debt on the building and defer potential capital improvements until a business plan has been developed and reviewed by the Board. Erick Peterson seconded.

A.J. Nash offered a friendly amendment that the business plan be done by an independent third party. Mr. Duncan and Mr. Peterson accepted the amendment.

Amended motion passed unanimously as follows: Duncan, McLeod, Hendricks, Peterson, Nash, Schneider and Hauge in favor and Tookey and Stai absent.

Board noted that the business plan should include cost recovery, fee structure and target audience.

Town & Country Improvements Update: Postponed to next meeting.

Copeland Property Street Frontage Improvement Update: Postponed to next meeting.

Sonic Update: Mr. Brown reported that work is underway on the water feature. It will not be as fragile as it looks because it is anchored with rebar and the urns will be filled with concrete.

River Road Renaissance Update: Mr. Nash reported that the committee had settled on the next six locations for artwork on River Road.

6. ADJOURN ~ Meeting adjourned at 7:03 p.m.

Next meeting: August 26, 2009
Civic Center

Approved: 8-26-09