

**City of Madras
Madras Redevelopment Commission
Official Meeting Minutes
January 18, 2011**

I. Call to Order

The Madras Redevelopment Commission (MRC) regular meeting was called to order by Chair Councilor Tom Brown at 6:06 p.m. on Tuesday, January 18, 2011 in the Madras City Council Chambers.

Members in Attendance:

Chair Councilor Tom Brown; Vice Chair-Mayor Melanie Widmer; Commissioners: Doeshia Jacobs, Doug Lofting, Councilor Kevin O'Meara, Blanca Reynoso, Patty Woll and Helmer Wallan.

Members Absent:

Commissioner Carolyn Fording

Staff Members in Attendance were:

City Administrator Mike Morgan; Community Development Department: Director Nick Snead and Specialist Tammy McHaney; Public Works Department: Director Gus Burril; Finance Department: Director Bruce Foltz

Chairman Brown, Vice Chair Widmer, Commissioners: Jacobs, Lofting, O'Meara, Reynoso, Woll and Wallan, CDD Director Snead, Spec McHaney, PW Director Burril and Finance Director Foltz were in attendance for the Executive Session. There were no visitors or news media in attendance.

II. Executive Session

ORS 192.660 (2) (e) WHICH ALLOWS THE COMMISSION TO MEET IN EXECUTIVE SESSION TO CONDUCT DELIBERATIONS WITH PERSONS DESIGNATED BY THE GOVERNING BODY TO NEGOTIATE REAL PROPERTY TRANSACTIONS.

The Executive Session was called to order at 5:32 p.m.

The Executive Session adjourned at 6:06 p.m.

No formal action was taken during the Executive Session.

Section VII was discussed prior to Section III; however the minutes have been prepared to coincide with the meeting agenda.

III. Consent Agenda

- a. Adoption of Agenda
- b. Vouchers from January 2011
- c. Approval of Minutes from November 16, 2010 and December 14, 2010

A MOTION TO APPROVE THE CONSENT AGENDA WAS MADE BY COMMISSIONER WALLAN AND SECONDED BY COMMISSIONER JACOBS. THE MOTION PASSED UNANIMOUSLY.

IV. Visitor Comments

There were no visitors present.

IV. MRC Real Estate Properties

a. Listing Discussion – Dan Steelhammer

Chair Tom Brown asked for thoughts regarding the sale concept for the MRC's two vacant properties.

Commissioner Reynoso said she thought they should try this concept.

Commissioner Lofting agreed and said he was very involved with economic development and said the number one issue was jobs. He thought this concept would create some interest, it would be healthy for the district, healthy for Madras and he thought it would take something like this to move the property.

Commissioner O'Meara said it was a big step and wanted more information and answers and did not want to make a decision at that meeting.

Commissioner Woll said she was aware of some communities, especially in the South, who got creative with property incentives and consequently, they had lowered their unemployment rates and gained surplus budgets. She did caution them regarding the public's perception.

Commissioner Jacobs thought it was a good and unique idea. She thought the MRC had done very well regarding real estate said she had not forgotten the MRCs' mission and that was to improve Madras.

Commissioner Wallan noted this concept was something he would have dreamed of when he was in business, but noted he did have questions.

Administrator Morgan noted that staff had not expected them to make a decision at that meeting but did sense positive thoughts from everyone who spoke. He noted Vice Chair Mayor Widmer had not commented.

Vice Chair Mayor Widmer questioned Mr. Steelhammer if this concept could affect the values of other properties?

Mr. Steelhammer said yes and no. He said they were all scrambling to find “comparable sales” for appraisal purposes and this could create issues in that regard.

Vice Chair Mayor Widmer asked if an Appraiser would consider “that”.

Mr. Steelhammer replied and said probably not, because “that” would be economic development and they would “cross it out”. He said it would be a special circumstance not available to the general market place. He really didn’t think it would affect that process very much because he couldn’t conceive them giving that consideration.

Commissioner O’Meara asked where they would get comparables, if that was the only sale.

Mr. Steelhammer noted that they really have no comparables right now.

Vice Chair Mayor Widmer said that in general, she was really in favor of the concept. She noted they have limited options in their tool kit and this was one and she liked it.

Administrator Morgan suggested staff create a concept paper with some parameters and present it to them at the next meeting. At that meeting they could add to it or subtract from it. He said they should certainly inform Director Snead if they had any suggestions in between. He asked if that was a reasonable timeline.

Commissioner O’Meara asked if this should be presented for public comment.

Administrator Morgan noted that this would be listed on their agenda and that would allow public comment.

Commissioner Wallan liked the suggestion because he would like a better look at the affects and the requirements needed. He noted he was very interested in getting something built on that lot, but it was going to be hard to sell.

Administrator Morgan confirmed they would like something brought back at the next meeting and then requested the Commissioner in the meantime to provide concerns or ideas to incorporate.

COMMISSIONER WALLAN MOVED THIS BE TABLED TILL THE NEXT MEETING AND MORE INFORMATION BE BROUGHT BY THE STAFF. A SECOND WAS MADE BY COMMISSIONER LOFTING AND THE MOTION CARRIED UNANIMOUSLY.

Commissioner Woll asked that if they did go with this concept, could a timeline be attached.

Administrator Morgan noted he would add that to the “what if” list.

V. Reappointment of Expiring Membership

Director Snead noted that the appointments of Chair Councilor Brown, Commissioners: Jacobs, Fording and Woll were expiring. He said staff had contacted each member over a month ago and

requested letters of interest. The only Member that had not provided a letter of interest was Commissioner Fording who indicated she would not be seeking reappointment.

He requested a recommendation to Council from the Commission reappointing the interested Members.

COMMISSIONER O'MEARA SO MOVED AND COMMISSIONER WALLAN SECONDED. THE MOTION PASSED UNANIMOUSLY.

Commissioner Woll confirmed that MRC appointments were made by the Council.

Administrator Morgan replied yes and that Director Snead would provide a staff report to the Council.

VI. Election of Officers

a. Chair and Vice Chair

Director Snead noted that their bylaws required elections every year in January.

COMMISSIONER O'MEARA NOMINATED COMMISSIONER DOUG LOFTING AS CHAIR.

Commissioner Lofting noted the nomination was so kind, but his plate was very full and therefore he could not accept the nomination. He thought the position would be better served by someone who had been on the Commission longer than himself and recommended they go back to the previous Officers. He thanked Commissioner O'Meara for the nomination.

COMMISSIONER WALLEN NOMINATED TOM BROWN AND MELANIE WIDMER, THE CURRENT TWO OFFICERS AND SUGGESTED THAT A UNANIMOUS BALLET BE CASTED.

A SECONDED WAS MADE BY COMMISSIONER LOFTING. THE NOMINATION PASSED UNANIMOUSLY.

Chair Brown thanked them for their confidence.

VII. TE Grant Funding Request- Formal Request-Gus Burril and Nick Snead

Director Snead noted that he and Director Burril was issuing a formal funding request to them and noted that transportation/street improvements fell under their Urban Revitalization Action Plan. He told the Commission that some of the pictures had been taken by a previous intern, Chess Patricolo and illustrated where we were and where we're going and the MRC's important role.

He said that he believed one of the most vital pieces of an Urban Renewal District was transportation infrastructure and that if people could not get around safely and efficiently it would have a negative affect upon the economy and vitality of the downtown.

He pointed out that the Revitalization Action Plan was designed to remove the barriers to redevelopment and inspire development downtown with incentives. He referred to the Harriman Building and the Mid Oregon Credit Union property and pointed out how leveraging different resources could make revitalization occur. He said tangible incentives were street improvements and SDC's and if the MRC could help buy down the cost of developing or redeveloping properties in the downtown that would be a strategic action.

He said for that reason, staff was presenting this request. He had been working with Director Burril to help him develop ways to improve a portion of Highway 97 in the downtown. He noted that Director Burril had secured some good financing for leveraging public dollars and would be formally asking for \$40,000 in this fiscal year.

He referred to the staff report that was provided and said it clearly identified the budget funding and the revenue to fund this project this year.

Director Burril provided some background on the transportation enhancement program through a power point presentation. He said these were Federal dollars, but ran through the State and applications were accepted every two years. He said historically that pot of money had been twelve to fifteen million dollars and spread across primarily cities and counties.

He explained that according to PSU in 2008 there were 241 incorporated cities in Oregon and Madras was the 64th largest in size. He said Madras was in ODOT's Region IV which included the Columbia River on the Washington side, all the way down to California and included Sisters, Prineville, Bend and Klamath Falls.

In 2008, Madras was the only Region IV project that had been recommended for funding; there were only thirteen projects selected and Madras would receive \$939,000. The funds were available for construction from 2010 to 2012. This was a once in a decade award, but it did require a match of \$161,000. He explained the funding was a 1 to 9 leverage, so if we spent \$1 they gave us \$9 for the project. He agreed with Director Snead because this project would remove the burden and encourage development.

He used Ding Ho Restaurant as an example and explained the owners had wanted to expand their footprint. The improvement was over \$5,000 which required sidewalks to be constructed. Their building was surrounded by three road frontages: Highway 97 on two sides and H Street to the South which totaled four hundred feet of sidewalk and that doubled their project cost.

This Highway 97 project would bring in outside State and Federal dollars to put in the improvements. Then if a commercial business wanted to expand, those required improvements were already completed and the cost was not there for the business. He referred to the North Y and noted that every year the landscaping there was looking better and better and this would be the goal on the south end which would benefit everyone.

He noted that now, when large semi trucks parked on the side of the road this created a clear vision hazard because drivers pulling out onto the highway could not see the oncoming traffic. They were not sure where driveways were or where to park. Also this put pedestrians at risk. He pointed out that without sidewalks there was no encouragement for people to walk up to the business frontage. He did say that some frontage parking would be prohibited but that would give back clear vision. He thought the benefits outweighed the negatives.

He provided a visual of the storm drainage issues from a typical spring rain which showed some properties getting flooded. He noted that over time, this cost business' money. He said the storm drain swell system proposed would keep the water in the roadway for most normal rains; however it would not be designed to take care of a fifty year flood. Most of the improvements would be from the bike lane over to the property line. Curbs would be placed in the proper spot where there was none; bike lanes would be properly symbolized; landscaping and sidewalks installed. He noted this would also define property's limits.

He said there were twelve to fourteen parcels involved and noted some had already been developed such as Kentucky Fried Chicken and Papa Murphy's. The improvements would be continuous on both sides of the highway. It amounted to about a half of mile of new curb, sidewalk, storm drainage grassy swells, street walk way, lighting, landscaping and bike lane symbols to discourage parking. He provided a visual that which showed the benefit for pedestrians as they would be further away from traffic.

Director Burril explained they had selected a consultant and that design should start in February 2011. He noted that ODOT would administer the contract between the City and Federal Highway Administration and would get Highway approval on each step of the project.

The design process would require input from business owners and that construction should be completed in the spring of 2012. He said they need a match of \$161,500 for the \$939,000 award from ODOT and the Federal Government.

He explained that in 2008 the City had planned on funding this project through transportation SDC's; however considering last years reduction in development, the transportation operations budget had to cover the annual SDC improvement debt and that was why they requested assistance from the MRC. He noted that there were some projects occurring in Madras, but they were not real sure what was right behind them and the debt still has to be accounted for.

He said this was a sincere and honest request and noted they would work with the business owners to make sure minimal interruptions occurred while construction was taking place.

He noted the matching funds from the City would be required in intervals and they were hoping the MRC would formally allocate \$40,000 out of this year's budget and \$40,000 from the upcoming budget.

Commissioner Woll asked if the power lines would be underground.

Director Burril's said the existing lines would not be buried, but all new improvements would.

Commissioner Woll asked if the old lines would ever be placed underground. She was concerned they would have to rip up the new improvements.

Director Burril explained that existing lines were not eligible under this award and was not part of this funding request. This was such a large area, it would add 25% to the project and granted it was the right thing to do if the City had the funds, but without the funds they had to prioritize. He did note that in the future when those existing lines were put underground, it would only be the grassy swell that would need to be repaired which could be done without too much trouble.

Commissioner Lofting asked what the chances were of him needing the full \$40,000 from the fiscal year budget in 2011/2012.

Director Burril said that they looked at it from a two year window and the transportation SDC improvement debt obligation was budgeted at \$350,000 which would cover all the current projects (Mt. View Hosp, COCC, Canyons East, theater) but no more than that. He said they were still working on the other \$80,000 and if it was not immediately available, they would have to be very diligent in their existing expenditures. So, they definitely needed the MRC \$80,000.

Administrator Morgan jokingly told them in other words if they had \$160,000 instead of \$80,000 that would help even more.

Commissioner Lofting asked Administrator Morgan to explain the MRC's budget status.

Administrator Morgan explained that the funds used for streets were taken from the transportation operation fund which was half of all franchise fees and gas taxes. He noted gas taxes can only be used on streets/road and was used for snow removal, patching, painting and the occasional paving. He pointed out that Gus had a list of unmet repaving needs and the existing streets could eat up many times his current budget. So, what he tried to do was satisfy each need to an extent it was palatable.

He noted that all street repairs/maintenance, light replacements and street trees were paid out of the Transportation Operations fund and noted that Director Burril had provided a realistic appraisal and noted that even if they had another million dollars to pave streets, that would not be enough. He said it was a balancing act.

He said he recognized that that next years budget was not yet approved and assuming the \$40,000 would be available next fiscal year, these funds were a critical component in leveraging a 1.1 million dollar project.

He reminded them they had spent \$925,000 on the North Y project and if this federal funding had been available, the MRC would have only had to contribute about \$75,000.

COMMISSIONER WALLAN MOVED TO OK DEDICATING \$40,000 IN OUR NEXT YEAR'S BUDGET, IF IT'S NEEDED AND IF THE CITY PROMISES TO TRIM THESE UGLY TREES.

Administrator Morgan replied and said Director Burril would do that. He asked if that motion included the \$40,000 for this year's budget.

Commissioner Wallan noted that was already done last year.

Administrator Morgan asked Director Snead to clarify.

Director Snead noted it was budgeted but they had not formally allocated.

Administrator Morgan explained to the Commission that staff had to formally request and if he would add that to his motion, it would be complete.

COMMISSIONER WALLAN REVISED HIS MOTION TO ADD THE \$40,000 FROM THIS YEARS BUDGET.

Director Snead asked Specialist McHaney if she recorded that addition.

Specialist McHaney acknowledged the addition.

THE MOTION WAS SECONDED BY COMMISSIONER REYNOSO.

Chair Councilor Brown reiterated the motion and said it was moved and seconded to ok the \$40,000 for this year and the \$40,000 for next year.

Administrator Morgan clarified if it's available.

Commissioner Jacobs if it's needed.

Chair Councilor Brown clarified, if the money was available, because we knew it would be needed.

A VOTED WAS TAKEN AND THE MOTION PASSED UNANIMOUSLY.

Commissioner Wallan told Chair Councilor Brown that he did not include the tree trimming and noted the City of Madras had the ugliest trees because no one trims them and they just grow wild and obstruct the signs and business. They need shaped and for the record, he voted for it.

Commissioner Jacobs said and we all approved it.

Chair Councilor Brown said it was duly noted.

VIII. Additional Discussion

Commissioner Woll asked Director Burril if improvements would be built on both sides of the highway.

Director Burril replied it would be east and west sides of the corridor.

Commissioner Lofting noted he had heard that the State was planning on installing improvements on at least one side of the highway heading south all the way down to Miller Ford and asked if that was true.

Director Burril replied and said the State Office had received a request from the Managers office to find funding to assist in Phase II of this project. He explained that Phase II consisted of improvements from Fairgrounds Road all the way south just past Bi Mart. He noted this funding had not been secured nor did it have a definite timeline.

He said the Manager had been traveling through Madras and witnessed a Mother trying to push a baby carriage along the highway. He thought that was an injustice, so that part of the project had been heightened.

Commissioner Lofting asked Director Burril if he thought this would happen.

Director Burril replied yes, but less likely in a two year period and more likely in four.

Administrator Morgan explained that regional ODOT had been complaining non stop to the State for several years about this section in Madras. He noted that ODOT had spent millions on sidewalks improvements at the Biggs Junction so people wouldn't have to walk on the Highway. In Madras those same types of improvements were needed because Highway 97 and Highway 26 merged here with 15,000 cars a day coming thru Madras. So, he noted the goal was to have that kind of improvement completely through Madras along the highway so our people can walk on a sidewalk when they walk through town and not almost in the travel lane.

He said we were not guaranteed when it would happen, maybe in two years, but it could be four.

Commissioner Woll asked if ODOT was aware of the multiple deaths that had occurred as a result of pedestrian interacting with traffic.

Administrator Morgan noted those were important points and staff had raised those issues with ODOT.

Commissioner Jacobs requested periodic progress reports from Director Burril. She noted her first reaction to this funding request had not been positive, but after listening to staff she totally agreed.

Director Burril thanked her.

Commissioner Lofting again requested Director Burril to try and trim next years request to less than \$40,000 and that was his realistic hope. He noted he agreed with the project but would like the second year funding to be lower.

IX. Adjourn

The meeting adjourned at 6:53 p.m.

Chair Councilor Tom Brown



Tammy McHaney, Com Development Specialist