

**CITY OF SILVERTON
URBAN RENEWAL ADVISORY COMMITTEE MEETING MINUTES**

6:30 P.M.

February 19, 2019

The City of Silverton Urban Renewal Advisory Committee met at the Silverton Community Center on February 19, 2019 at 6:30 p.m. with Chairman Freilinger presiding.

I. CALL TO ORDER

Chairman Jason Freilinger called the meeting to order at 6:30 p.m.

<u>Present</u>	<u>Absent</u>	
<u>X</u>	<u> </u>	Steve Kay
<u>X</u>	<u> </u>	Stacy Palmer
<u>X</u>	<u> </u>	Sheldon Lesire
<u>X</u>	<u> </u>	Jason Freilinger
<u>X</u>	<u> </u>	Terry Caster
<u> </u>	<u> X </u>	Aaron Huddart
<u>X</u>	<u> </u>	Greg Gossack
<u>X</u>	<u> </u>	Milla Eubank
<u>X</u>	<u> </u>	Bill Miles

Staff present:

Community Development Director, Jason Gottgetreu and Planning and Permit Assistant, Kate Schlee

II. APPROVAL OF MINUTES

Member Gossack moved to approve the minutes from the meetings held on December 18, 2018 and January 10, 2019. Member Palmer seconded the motion. There was no discussion and the motion passed unanimously.

III. BUSINESS FROM THE FLOOR

There were no comments.

IV. DISCUSSION/ACTION

4.1 105 N Water Street Façade and Building Improvement Grant Request. Ben Johnston

Community Development Director Jason Gottgetreu presented the staff report to the committee using a PowerPoint presentation.

Ben Johnston, owner of 105 North Water Street, has submitted a façade improvement and building improvement grant request for 105 North Water Street, the location of the former O'Brien's Café.

The building at 105 North Water Street was constructed in 1961. It is the only non-compatible, non-contributing building within the Silverton Commercial Historic District. The proposed

improvements are to construct a new façade. The building improvements are to complete structural upgrades to the settling foundation, to reinforce the main floor and roof structure, install a new HVAC unit and a new creek side deck and railing. The new façade will increase the height of the façade to 21' 4" with brick façade elements, brick accent features and cast stone medallion accents above a new flat awing. A new cornice will be added. A new door and windows will be installed with a ceramic tile accent along the foundation.

The application went through the design review process for the building's design. One of the conditions of the design review was for the deck to be connected to the adjacent deck. This is part of the creek side walk that was envisioned in the Downtown Master Plan and code change of 2008. That element is currently on appeal by the applicant and will be reviewed by the Planning Commission at the March meeting.

The Façade program allows up to a \$40,000 request with a 1:1 match. Three bids were received with the low bid for the façade elements amounting \$102,803, making the project eligible for the \$40,000 request. For grants requests up to \$40,000, which are limited to buildings within the Downtown Commercial District, the applicant must demonstrate how the proposed improvements will restore the façade to its original design and/or meet the Downtown Commercial District Design Standards. The project meets the Downtown Commercial District Design Standards as approved by Design Review 18-03.

The building grant request is for \$200,000 which requires a \$500,000 match. Three bids were received with the low bid for the building improvements amounting to \$756,422.

Director Gottgetreu explained reason for the applicant's appeal after being asked by a committee member.

Member Caster stated that he knows the applicant, does not have ownership stake in the property and feels that he can make an unbiased decision.

Applicant Testimony:

Ben Johnston, Owner of 105 N. Water, Silverton, OR
Blake Bural, Project Architect, 363 State Street, Salem, OR

Mr. Johnston first addressed an earlier question regarding ADA bathrooms by stating that there will be one ADA bathroom on the main floor and the main bathrooms will be repaired, but remain downstairs.

Mr. Johnston had Mr. Bural address the topic of joining the decks between this property and the adjacent property. The currently proposed deck is approximately twice the depth of the current deck in order to help tie into the visual look of the property to the south. Connecting the two decks together would not only require easements, but a structural engineer will have to analyze the integrity of the adjacent deck's capacity and come up with a way to connect the two decks so that in a seismic event they would not impact forces to each other. Also, the adjacent deck is not currently set up to be connected so there is a possibility that it would have to be taken apart, engineered and rebuilt, which would add expenses related to the deck. The expense in the application would go up.

Chairman Freilinger addressed a question from Mr. Johnston about the future of the decks and creek side walking path by stating that the concept was established in 2008 and that the city came up with the plan and then they leave it up to the developer to implement the idea.

Member Kay asked if it is possible to have the owner dedicate space, but then use public funds to connect the decks.

Chairman Freilinger asked for comments from the committee.

Member Caster excused himself at 7:12 p.m., returned at 7:14 p.m.

Member Palmer stated that as much as she would like to see the river walk, she has a hard time holding a grant up for something that is in potential litigation and has so many variables associate with it that haven't been answered. She likes the idea of the river walk coming out of public funds, as opposed to doing it out of grant funds.

Chairman Freilinger stated that the creek walk and how it relates to this grant are not issues that can be resolved today because the Urban Renewal Agency needs to decide the future of the creek walk. He also thinks it is a great idea to encourage the applicant to come back and request money for the river walk out of public funds.

Members Gossack and Caster stated they are not sure if they want the creek walk to happen. Member Caster feels that having the deck access on the back would increase the chances of break-ins from the rear of the building.

Member Kay suggested that the committee recommend approval of the proposal to the agency with the contingency that a public access easement is provided and then the agency can make the decision to fund, or not the connection of the decks.

Member Kay made a motion to approve both grants as proposed with the contingency that a public access easement is provided. Member Gossack seconded the motion.

Director Gottgetreu asked for clarification as to whether or not the contingency is to require the public access easement and then work on the physical connection later. Member Kay explained that in his motion there is no contingency for the applicant to make the deck connection. Funding for the connection would come from public money through the agency, if they decide to do that in the future.

Member Caster asked if the easement is withheld until the other businesses provide easements. Chairman Freilinger clarified that providing the easement would be the contingency to the grant and getting any other easements would be part of a long term plan.

Member Kay clarified that if the motion is approved tonight, it is a recommendation and the Urban Renewal Agency will make the final decision.

The motion passed 7:1 with Member Caster voting against the proposal at 7:23 p.m.

Amendments to conditions:

Addition of a contingency that a public access easement is provided.

4.2 405 N Water Street Façade and Building Improvement Grant Request. Tom O'Connor

Community Development Director Jason Gottgetreu presented the staff report to the committee using a PowerPoint presentation.

Tom O'Connor, property owner of 405 North Water Street has requested a façade improvement grant to restore a historic bay window at 405 North Water Street, current location of Bazaar Americana, a local retail business.

The proposed façade improvement is to install a bay window on the front of the building. It appears this was the location of a previous window element when looking at the foundation.

The Façade program allows up to a \$20,000 request with a 1:1 match. Three bids were received for the improvements in the amounts of \$21,833 from Pacific NW Construction, \$24,453 from Cline Construction, and \$25,891 from ECS. The Cline bid for the façade portion was 12% higher than Pacific NW and the ECS bid was 19% higher than the Pacific NW bid. The project would be eligible for up to a \$10,916.50 grant with a \$10,916.50 match.

The bay window will add some articulation to the front of the building and will create a better display area for the retail business. The project will have a positive impact of the aesthetic of the building by adding another design feature to the façade.

The proposed building improvements are to renovate the interior of the structure by adding a new ADA bathroom and adding a commercial kitchen. The kitchen equipment would not be considered an eligible expense.

Three bids were received for the ADA bathroom addition with a low bid of \$26,500 making the bathroom portion eligible for a \$13,250 grant with a \$13,250 match.

Three bids were received for the kitchen improvements. The eligible portion of the kitchen project based on the low bid is \$37,901, which would be eligible for an \$18,950.50 award with an \$18,950.50 match. The applicant submitted a letter from Citizens Bank indicating they would be the funding source for the match.

The submittal also includes the demolition and rebuilding of the back patio. This is an external improvement that does not appear to be an eligible expense in either the building improvement or façade improvement program. Therefore, the total eligible building improvement expenses are \$32,200.50.

Director Gottgetreu pointed out that there were bids received from three different contractors and for every single element there was the same difference in the bids. For the Cline bid every line item was 12% higher than the Pacific NW bid and for the ECS bid every line item was 19% higher than the Pacific NW bid, which is a coincidence that one would not expect in a competitive bidding environment.

The City doesn't require the property owner to hire the low bid contractor to do the work. The City does however base the grant award on the lowest bid, which is a 50:50 matching grant. For instance if three bids were received for \$10,000, \$12,000 and 13,000, the City would consider awarding up \$5,000, but the property owner could hire the contractor with the \$13,000 bid and pay the remaining \$8,000 himself. The competitive bids requirement is to collect data to gauge what a reasonable award would be for a project.

Applicant Testimony

Tom and Darlene O'Connor

Mr. O'Connor informed the committee that when he and his wife purchased the building there was a commercial kitchen that they quickly found out had outdated equipment and the cost to bring it up to code was too much for them at the time.

Mrs. O'Connor advised the committee that Bazaar Americana is a handmade, upscale retail shop. The main reason to expand is to have a place where they can bring in 30 local vendors, or anyone else who would like to use the space, to hold classes or special events. She also mentioned that uses for the commercial kitchen might include cooking or canning classes, light take-out and/or coffee, but that they did not have the intention to be a full restaurant.

Member Palmer stated that there is a need in town for commercial kitchens, however she thinks the demand is for kitchens that are in a more industrial location that would allow access to suppliers with larger trucks.

Director Gottgetreu and Members Gossack and Palmer answered the applicant's request for clarification on why certain items were excluded from the grant categories.

Director Gottgetreu and Chairman Freilinger explained to the applicant's that the requirement for ADA bathrooms is part of the National Building Code that the state of Oregon has adopted and has nothing to do with the grant process.

Member Gossack made a motion to approve the application for the \$10,000 request by the applicant for the façade improvement. Member Caster seconded the motion. The motion passed unanimously.

Member Palmer made a motion to approve the building improvement grant request for \$32,250. Member Eubank seconded the motion.

Chairman Freilinger stated that he feels hesitation, but thinks that it is because it is a different business style that he is used to and that is probably the cause for his hesitation. His other concern is that it is in an old house, but thinks that in a community like Silverton, it is businesses like this that make it happen.

The motion passed 7:1 with Member Gossack opposing the motion.

Amendments to conditions:

None.

V. REPORTS AND COMMUNICATIONS

Director Gottgetreu informed the committee that there will be a joint work session with the city council on Thursday April 25, 2019. The topic will be the grant program and ideas can be brought to the meeting or submitted in advance to Director Gottgetreu.

Chairman Freilinger informed the committee that the city manager will be distributing draft of the city council's goals next week and they will be distributed to the members.

VI. ADJOURNMENT

The committee adjourned the meeting by consensus at 8:17 p.m.

Respectfully submitted by:

/s/ Kate Schlee, Planning and Permit Assistant