



# City of Oregon City

625 Center Street  
Oregon City, OR 97045  
503-657-0891

## Meeting Agenda Urban Renewal Commission

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Wednesday, May 4, 2016

6:40 PM

Commission Chambers

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REVISED

### **6:20 PM EXECUTIVE SESSION OF THE URBAN RENEWAL COMMISSION**

*Executive Session will be held in the Clackamas River Conference Room upstairs at City Hall.*

*Pursuant to ORS 192.660(2)(h): To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.*

### **6:40 PM - REGULAR SESSION OF THE URBAN RENEWAL COMMISSION**

1. **Call to Order and Roll Call**
2. **Citizen Comments**
3. **Adoption of the Agenda**
4. **General Business**
  - 4a. [16-251](#) Tenant Request for Natural Gas Line Installation at the Train Station  
**Sponsors:** Eric Underwood  
**Attachments:** [Staff Report](#)  
[Letter - URA Request for Approval - Gas Line Request](#)
  - 4b. [16-252](#) Retail First Program Proposal by Downtown Oregon City Association  
**Sponsors:** Eric Underwood  
**Attachments:** [Staff Report](#)
  - 4c. [16-275](#) Minutes of the March 16, 2016 Regular Meeting  
**Sponsors:** City Recorder Kattie Riggs  
**Attachments:** [Minutes of 03/16/2016](#)
5. **Future Agenda Items**
6. **City Manager's Report**
7. **Adjournment**

*Public Comments: The following guidelines are given for citizens presenting information or raising issues relevant to the City but not listed on the agenda.*

- *Complete a Comment Card prior to the meeting and submit it to the staff member.*
- *When the Chair calls your name, proceed to the speaker table and state your name and city of residence into the microphone.*
- *Each speaker is given 3 minutes to speak. To assist in tracking your speaking time, refer to the timer at the dais.*
- *As a general practice, Oregon City Officers do not engage in discussion with those making comments.*

*Agenda Posted at City Hall, Pioneer Community Center, Library, and City Web site([oregon-city.legistar.com](http://oregon-city.legistar.com)).*

*Video Streaming & Broadcasts: The meeting is streamed live on Oregon City's Web site at [www.orcity.org](http://www.orcity.org) and is available on demand following the meeting.*

*ADA: City Hall is wheelchair accessible with entry ramps and handicapped parking located on the east side of the building. Hearing devices may be requested from the City staff member prior to the meeting. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.*



# City of Oregon City

625 Center Street  
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## Staff Report

File Number: 16-251

**Agenda Date:** 5/4/2016

**Status:** Agenda Ready

**To:** Urban Renewal Commission

**Agenda #:** 4a.

**From:** Eric Underwood

**File Type:** Report

**SUBJECT:**

Tenant Request for Natural Gas Line Installation at the Train Station

**RECOMMENDED ACTION (Motion):**

Staff recommends that the Urban Renewal Commission Approve the Request for Natural Gas Line Installation at the Train Station Located at 1757 Washington Street.

**BACKGROUND:**

In February, 2016, First City Central assumed the lease of the Urban Renewal Agency-owned train station located at 1757 Washington Street in order to conduct business. Since that time, First City Central (FCC) has been preparing the space for business operations. As part of that preparation, FCC has determined that natural gas is necessary for their operations. However, a natural gas line to the train station facility does not exist currently but a natural gas main line is located within the right-of-way on Washington Street in front of the building.

FCC is proposing to install a natural gas line from the existing main line on Washington Street to the train station facility. As per the terms of Section 6 of the Lease Agreement, this project is considered additional improvements or alterations to the building and shall be approved solely at the Landlord's discretion. Additionally, the Lease Agreement states that all costs associated with the improvements/alterations (i.e.natural gas line installation) shall be the responsibility of the Tenant.

Staff requests that the URC consider the proposal from FCC and provide direction.



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**Agenda #:** 4a.

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Staff requests that the URC consider the proposal from FCC and provide direction.



April 22, 2016

Oregon City Urban Renewal Agency

625 Center Street  
Oregon City, OR 97045

Re: Gas line installation approval  
First City Central Marketplace & Bistro  
1757 Washington Street, Oregon City, OR 97045

Dear Commissioners,

I am writing to request approval from the Oregon City Urban Renewal Agency to install a new gas line at the Oregon City train station.

In order for NW Natural Gas to install the proposed gas line, it will need approval from the owner of the facility. This line will extend from Washington Street to a gas meter somewhere at the NE corner of the train station platform.

Once the meter is in place, our contractor, Ben's Heating & Air Conditioning, will install a gas line from the meter, through the concrete pad, and into the train station building.

The purpose of this gas line will be to power the bistro's cook unit and water heater. In the future, the gas could also be used to power outdoor heating units on the eastside mezzanines

Once I receive approval from the Urban Renewal Agency, NWNG will be contacted to conduct a ground survey, provide cost estimates, and schedule the install. If you have questions, please call (503) 479-0080, or email [blane@fccycles.net](mailto:blane@fccycles.net). Thank you.

Blane Meier, Owner  
First City Central Marketplace & Bistro



# City of Oregon City

625 Center Street  
Oregon City, OR 97045  
503-657-0891

## Staff Report

File Number: 16-252

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**Agenda Date:** 5/4/2016

**Status:** Agenda Ready

**To:** Urban Renewal Commission

**Agenda #:** 4b.

**From:** Eric Underwood

**File Type:** Report

**SUBJECT:**

Retail First Program Proposal by Downtown Oregon City Association

**RECOMMENDED ACTION (Motion):**

Staff recommends that the Urban Renewal Commission consider the Retail First program proposal by DOCA and direct staff to move forward with concept refinement.

**BACKGROUND:**

The Downtown Oregon City Association (DOCA) has requested to present the Retail First concept to the URC and to propose changes to existing Urban Renewal incentive funding as part of the concept's implementation.

**BUDGET IMPACT:**

Amount: To be determined

FY(s): 15/17

Funding Source: Urban Renewal



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## Staff Report

File Number: 16-252

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**Agenda Date:** 5/4/2016

**Status:** Agenda Ready

**To:** Urban Renewal Commission

**Agenda #:** 4b.

**From:** Eric Underwood

**File Type:** Report

**SUBJECT:**

Retail First Program Proposal by Downtown Oregon City Association

**RECOMMENDED ACTION (Motion):**

Staff recommends that the Urban Renewal Commission consider the Retail First program proposal by DOCA and direct staff to move forward with concept refinement.

**BACKGROUND:**

The Downtown Oregon City Association (DOCA) has requested to present the Retail First concept to the URC and to propose changes to existing Urban Renewal incentive funding as part of the concept's implementation.

**BUDGET IMPACT:**

Amount: To be determined

FY(s): 15/17

Funding Source: Urban Renewal



# City of Oregon City

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## Staff Report

File Number: 16-275

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**Agenda Date:** 5/4/2016

**Status:** Agenda Ready

**To:** Urban Renewal Commission

**Agenda #:** 4c.

**From:** City Recorder Kattie Riggs

**File Type:** Minutes

Minutes of the March 16, 2016 Regular Meeting





# City of Oregon City

625 Center Street  
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## Meeting Minutes - Draft

### Urban Renewal Commission

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Wednesday, March 16, 2016

6:15 PM

Commission Chambers

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#### 1. Call to Order and Roll Call

*Vice Chair Shaw called the meeting to order at 6:18 PM.*

**Present:** 6 - Carol Pauli, Rocky Smith, Brian Shaw, Dan Holladay, Stephen VanHaverbeke and Renate Mengelberg

**Absent:** 1 - Derrick Beneville

**Staffers:** 4 - Tony Konkol, Eric Underwood, Kattie Riggs and Wyatt Parno

#### 2. Citizen Comments

*There were no citizen comments.*

#### 3. Adoption of the Agenda

*The agenda was adopted as presented.*

#### 4. General Business

##### 4a. Adaptive Reuse/Rehabilitation Program Grant for 216 14th Street

*Eric Underwood, Economic Development Manager, said this was an Adaptive Reuse/Rehabilitation Program Grant application for 216 14th Street. This was the first phase of the project and this investment would act as a catalyst for future rehabilitation. The request was for \$50,000 and he explained the scope of the interior work to be done. The review committee recommended the project be awarded the full amount.*

**A motion was made by Commissioner Holladay, seconded by Commissioner VanHaverbeke, to approve the Adaptive Reuse/Rehabilitation Program Grant for 216 14th Street. The motion carried by the following vote:**

**Aye:** 6 - Carol Pauli, Rocky Smith Jr., Brian Shaw, Dan Holladay, Stephen VanHaverbeke and Renate Mengelberg

##### 4b. Storefront Grant for 216 14th Street

*Mr. Underwood said this was a Storefront Grant application for 216 14th Street. With this grant the applicant intended to rehabilitate the exterior of the building and he listed the work to be done. The amount requested was \$40,000. The result of the review was a recommendation to award the full amount.*

*David Gackle, applicant, explained the design of the structure would remain as it was*

*except the removal of a porch. He planned to finish this house, and request more funding for the other two houses. He explained the future plans for the other two houses and parking lot.*

*Commissioner Smith appreciated the effort to not demolish the houses. There were not many houses left downtown and he appreciated the applicant saving them.*

*Nicky Gackle discussed how a driveway on the side of the first house could become a pass through and make a connection onto 14th. The house would be used as office space.*

**A motion was made by Commissioner Holladay, seconded by Commissioner Mengelberg, to approve the Storefront Grant for 216 14th Street. The motion carried by the following vote:**

**Aye:** 6 - Carol Pauli, Rocky Smith Jr., Brian Shaw, Dan Holladay, Stephen VanHaverbeke and Renate Mengelberg

**4c.** Minutes of the February 3, 2016 Regular Meeting

**A motion was made by Commissioner Holladay, seconded by Commissioner Smith, to approve the minutes of the February 3, 2016 Regular Meeting. The motion carried by the following vote:**

**Aye:** 6 - Carol Pauli, Rocky Smith Jr., Brian Shaw, Dan Holladay, Stephen VanHaverbeke and Renate Mengelberg

**5. Future Agenda Items**

*Commissioner Mengelberg requested an update on the City owned property in downtown. Mr. Underwood said the City had already negotiated and signed the purchase and sale agreement. It was currently in a due diligence period. A Phase 2 environmental study had been completed on 10th and Main and it came back clean.*

**6. City Manager's Report**

*There was no City Manager's report.*

**7. Adjournment**

*Vice Chair Shaw adjourned the meeting at 6:31 PM.*

*Respectfully submitted,*

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*Kattie Riggs, City Recorder*



**May 4, 2016**

Urban Renewal Commission  
City of Oregon City

RE: Retail First Program

Dear Urban Renewal Commission:

The Downtown Oregon City Association (DOCA) is seeking support for a comprehensive recruitment and retention program called Retail First. Retail First combines financial incentives with technical assistance and business recruitment, supporting both property owners and would-be retail tenants. We are proposing that the Urban Renewal Commission provide financial incentives for retail-ready spaces utilizing the existing Adaptive Reuse grant framework.

Retail First is an important part of downtown's strategic plan and will be run in tandem with efforts to improve parking capacity and management and to attract housing development. The program is designed to pair tenants with retail-ready spaces that are appropriately sized and in appropriate locations. Each component of the program can stand-alone. Together they create a comprehensive campaign and magnify the message to the Portland area community that Oregon City is ripe for opportunity.

Over the past decade Downtown Oregon City has experienced a dramatic transformation from a run-down mill town to a quaint small town. Yet, our retail cluster is not established and lacks the quality expected of a burgeoning tourist area. Success depends on addressing several key structural problems that are barriers to attracting world-class retail experiences.

Known Structural Issues:

1. Sales density does not justify rents.
2. Critical mass of destination quality retail has not yet been achieved.
3. Limited availability of smaller "starter" rents or spaces in desirable locations.
4. Established operators are not yet being attracted.
5. Loss of potential tenants due to lack of move-in ready spaces.
6. Last new non-food retailer opened over a year ago amid several closings.

## **2016 Board**

### **President**

Roger Nickerson

### **Vice President**

Carol Pauli

### **Treasurer**

Brandi Shrides

### **Secretary**

Jessica Smith

### **Board Members**

Kelly Dilbeck

Brad Forkner

Amber Holveck

Yvette Kirwin

Don Scott

Brian Slack

Zach Stokes

### **Executive Director**

Jonathan Stone

A number of the most recent Adaptive Reuse grant awards have paved the way for new food and beverage tenants. We would like to see the program criteria updated to not penalize projects that do not have change of use or that do not result in the creation of new space. Retail-ready spaces support a diversity of tenants and higher quality space recruits a new class of business.

Combined with technical assistance and a recruitment campaign, Urban Renewal's partnership with the Downtown Oregon City Association will result in proactive cultivation of quality publicly supported projects. These have the greatest possible chance of being tenanted by continually more established operators.

### **Return on Investment**

Cultivating a sustained tax increment in downtown relies on tenancing profitable businesses that can pay appreciably higher rents. Rent rates are driven by competition. A vibrant retail economy with a waiting list of retailers will keep rents supported and ultimately drive property values. Urban Renewal has an opportunity to accelerate the retail investment curve thus driving tax increment at a faster sustained rate.

Grants with a nominal award of \$10,000 are sufficient to support new flooring, painting, electrical, and signage infrastructure. Substantial match is expected through storefront improvements, common area walls and facilities, and other building upgrades. The ultimate ROI is not the match invested but the retail economy cultivated.

If you would like to partner with DOCA on this initiative, the next step is to identify potential changes to existing grant criteria and to identify the types of resources necessary to have a meaningful impact. DOCA is able to support city staff through this process.

Sincerely,



Jonathan Stone  
*Executive Director*

*jon@downtownoregoncity.org*  
503-802-1639



ENTERED INTO THE RECORD  
DATE RECEIVED: 5-4-16  
SUBMITTED BY: Jonathan Stone  
SUBJECT: Item 4b.  
URC

May 4, 2016

Urban Renewal Commission  
City of Oregon City

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