



# AGENDA

## ASTORIA DEVELOPMENT COMMISSION

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October 19, 2015  
Immediately Follows City Council Meeting  
2<sup>nd</sup> Floor Council Chambers  
1095 Duane Street · Astoria OR 97103

1. CALL TO ORDER
2. ROLL CALL
3. REPORTS OF COMMISSIONERS
4. CHANGES TO AGENDA
5. CONSENT CALENDAR

The items on the Consent Calendar are considered routine and will be adopted by one motion unless a member of the Astoria Development Commission requests to have any item considered separately. Members of the community may have an item removed if they contact the City Manager by 5:00 p.m. the day of the meeting.

  - (a) ADC Minutes of 9/21/15
  - (b) Astor East Urban Renewal District – Grant for Columbia Memorial Knight Cancer Center (Community Development)
6. REGULAR AGENDA ITEMS

All agenda items are open for public comment following deliberation by the ADC. Rather than asking for public comment after each agenda item, the Chair asks that audience members raise their hands if they want to speak to the item and they will be recognized.

  - (a) Lease of City Property for Chowder Boat (Community Development)

<p>THIS MEETING IS ACCESSIBLE TO THE DISABLED. AN INTERPRETER FOR THE HEARING IMPAIRED MAY BE REQUESTED UNDER THE TERMS OF ORS 192.630 BY CONTACTING JULIE YUILL, CITY MANAGER'S OFFICE, 503-325-5824.</p>
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**CITY OF ASTORIA**  
Founded 1811 • Incorporated 1856

October 15, 2015

**M E M O R A N D U M**

TO: ASTORIA DEVELOPMENT COMMISSION (ADC)

FROM:  BRETT ESTES, CITY MANAGER

SUBJECT: ADC MEETING OF OCTOBER 19, 2015

**CONSENT ITEMS**

**Item 5(a): ADC Minutes**

The minutes of the ADC meeting of September 21, 2015 is enclosed for your review. Unless there are any corrections, it is recommended that the ADC approve these minutes.

**Item 5(b): Astor East Urban Renewal District – Grant for Columbia Memorial Knight Cancer Center (Community Development)**

At the May 4, 2015 Astoria Development Commission (ADC) meeting, the ADC approved a resolution committing a \$25,000 grant to the Columbia Memorial Hospital Knight Cancer Center and directed staff to prepare a Grant Agreement. Jeannette Launer, Astoria Development Commission legal counsel, subsequently prepared the attached document for consideration. The Agreement states the disbursement would be made in one lump sum once the enclosed shell of the building is complete. If the disbursement has not been made within two years, the ADC can terminate the Agreement. Once a disbursement is made, the Cancer Center project would need to be completed within 12 months. Lastly, Columbia Memorial would need to occupy the property for three years after issuance of a Certificate of Occupancy. Columbia Memorial Hospital has reviewed the draft Agreement and would concur with its provisions. It is recommended that the Astoria Development Commission approve the Grant Agreement providing \$25,000 to Columbia Memorial Hospital for construction of a new cancer center.

**REGULAR AGENDA ITEMS**

**Item 6(a): Lease of City Property for Chowder Boat (Community Development)**

This item is continued from the September 21, 2015 ADC meeting. In February 2015 Teresa Estrada applied to the City of Astoria for a lease on City owned

property located at the US Coast Guard parking lot adjacent to the Bowpicker food cart. For various reasons described in a City Council staff report dated April 30, 2015, the City declined the request on May 4, 2015. The ADC owns other property in Astoria including 250 21<sup>st</sup> Street located adjacent to the Riverwalk, Barbey Maritime Center, and City Lumber Company. The site was a former freight warehouse (Darigold Building) which the ADC demolished in 2011. Ms. Estrada submitted another lease request on July 1, 2015 for this property.

This request is located in the Astor East Urban Renewal District which is under the jurisdiction of the Astoria Development Commission. After receiving the request, staff from Engineering and Community Development worked with Ms. Estrada to understand the nature of the request and its implications for the property and neighborhood. Based on this information, and subsequent analysis completed by staff, there are a number of issues to consider before entering negotiations for a lease let alone a land use application which would immediately follow an executed lease.

It is recommended that the Astoria Development Commission decline the lease request, direct staff to consider an asset management policy that formalizes lease criteria to evaluate future requests and determine procedural steps needed to initiate a letter of intent for prospective tenants, and develop a disposition/investment strategy for the property consistent with ADC policy.

## ASTORIA DEVELOPMENT COMMISSION

City Council Chambers  
September 21, 2015

## ADC JOURNAL OF PROCEEDINGS

A regular meeting of the Astoria Development Commission was held at the above place at the hour of 6:00 pm.

Commissioners Present: Price, Herzig, Warr, Nemlowill, Mayor LaMear

Commissioners Excused: None

Staff Present: City Manager Estes, Assistant City Manager/Police Chief Johnston, Community Development Director Cronin, Parks and Recreation Director Cosby, Finance Director Brooks, Fire Chief Ames, Library Director Tucker, Public Works Director Cook, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

Mayor LaMear recessed the regular Development Commission meeting to convene the Executive Session.

### EXECUTIVE SESSION:

#### **Item 3(a): ORS 192.660(2)(e) – Real Property Transactions**

Mayor LaMear called for a recess at 7:00 pm to convene the City Council meeting.

The Development Commission reconvened at 8:09 pm, immediately following the City Council meeting.

**REPORTS OF COMMISSIONERS:** There were no reports.

**CHANGES TO THE AGENDA:** There were no changes.

### CONSENT CALENDAR:

The following items were presented on the Consent Calendar.

5(a) ADC Minutes of 8/3/2015

5(b) ADC Minutes of Special Meeting 8/14/2015

5(c) ADC Minutes 8/17/2015

5(d) **Authorize Contract for Heritage Square (Community Development)**

City Manager Estes noted that a revised memorandum on Item 5(d) was distributed to Commissioners prior to the meeting. Commissioner Herzig requested Item 5(d) be removed for further discussion.

**Commission Action:** Motion by Commissioner Nemlowill, seconded by Commissioner Herzig to approve Items 5(a), (b), and (c) of the Consent Calendar. Motion approved unanimously. Ayes: Commissioners Warr, Price, Nemlowill, Herzig, and Mayor LaMear. Nays: None.

#### **Item 5(d): Authorize Contract for Heritage Square (Community Development)**

City Manager Estes explained that City Council adopted a goal for the current fiscal year to investigate locating the Astoria Public Library as part of a mixed-use project on Heritage Square. At the August 17, 2015 Development Commission meeting, Staff was authorized to issue a request for qualifications (RFQ) to hire a consultant to investigate alternatives for Heritage Square and the existing library site. The City received five responses from design teams, which were reviewed by Staff. Staff recommends executing a contract with Walker Macy, a planning and landscape architecture firm, for a fixed price of \$16,000 plus expenses not to exceed 5 percent of the contract, which would provide for travel reimbursements to subcontractors. Staff believes a Mayor appointed stakeholder advisory committee would benefit the project. Staff recommends the Astoria Development Commission approve the contract with Walker Macy and authorize the Mayor to sign the contract and create a stakeholder advisory committee.

Commissioner Herzig was concerned that the City would be paying \$16,800 for an annotated memorandum and a PowerPoint presentation. He asked which part of the study Staff was not competent enough to complete on

their own. Director Cronin explained that he was a city planner, not an architect. Staff needs architects to help arrange puzzle pieces on Heritage Square. Architects have a much different skill set than anyone on Staff has and they provide more resources to help engage the citizens. Architects also bring more technical skills to the project in terms of urban design.

Commissioner Herzig asked what a high-level massing plan was. Director Cronin said the plan would include a bulk and massing diagram, which is boxes on top of boxes. Pretty pictures would be developed in the next phase of this project if City Council authorizes another phase.

Commissioner Herzig said according to the memorandum, the contractor would conduct a one-day session in Astoria. This would be the only time the contractor visits Astoria, other than when they make a presentation. The one-day session would be a workshop with selected stakeholders and community members. He believed the workshop should be open to the entire community. The project is for the whole city and he wanted to make sure Staff would not be picking and choosing who could attend. The second page of the proposal discusses three possibilities; keep the library in its current location, renovate the library building for an alternative use, or demolish and rebuild in the current library location. He did not recall any Councilor suggesting the library be demolished and rebuilt. If no one on City Council was willing to vote in favor of demolishing and rebuilding the library, he asked if the option could be removed from the list of things to consider in an effort to save money. He was shocked because he did not believe this was ever suggested.

Mayor LaMear believed demolishing and rebuilding meant renovating because much of the building would need to be demolished.

Director Cronin explained that demolish and rebuild reflected that a developer looks only at the property, not the building. A developer would just build something new according to the building codes. However, renovating the building would allow for a current use. The proposal simply lays out all of the options.

Commissioner Herzig understood the proposal meant the library would be demolished and a new library would be built in the same space. Director Cronin confirmed that would be one option. However, from a developer's perspective, demolishing the building would create a clean slate on which to build anything that complies with current zoning and codes, like a new mixed-use building or apartment. City Manager Estes added if the City determines the library fit best at Heritage Square, the consultant team would consider what could happen at the existing library site to determine if there was a higher and better use for the property.

Commissioner Herzig said he wanted to make sure the proposal did not mean tearing down the library and building a new library on the same spot. He asked that the language be clarified. City Manager Estes said the existing language keeps all options on the table so they can be analyzed. The purpose of the study is to determine the preferred location for the library and if the library were moved to Heritage Square, what would be the best use of the existing building and space.

Commissioner Herzig said if the space turns out to be more valuable than the building, the building would be torn down. On the fourth page of the proposal, it says the scope of work would be limited to the city block between Duane and Exchange and 11<sup>th</sup> and 12<sup>th</sup> Streets. He wanted a little bit larger area to be included. However, more focus may be a good thing. Director Cronin confirmed the area extended to 10<sup>th</sup> Street. The proposal that stated 11<sup>th</sup> Street was a previous copy.

Commissioner Herzig said he had spoken to former County Manager Scott Summers about the possibility of building a parking structure south of the Boyington Building. Mr. Summers had indicated he spoke with Astoria's City Manager and Mayor about this project. He understood a parking structure was outside the scope of this study, but wanted City Council to discuss it. He asked if Staff believed this expenditure of \$16,800 for a memorandum and a PowerPoint was worthwhile. Director Cronin answered yes. City Manager Estes said the work of the consultant team is necessary to synthesize all of the information and produce the product. City Staff does not have the necessary skill sets to put the entire process together. One of the benefits is having a third party look at the project from a fresh perspective.

Commissioner Herzig agreed it would be good to have a fresh perspective. However, the group would only make one site visit before making a recommendation. He confirmed the consultants would prepare an Excel spreadsheet of high-level costs based on the recommendation. Instead of presenting three options, the consultants would explain why one option is preferred and how the City might go about moving forward. Director Cronin explained that Staff's goal is to present public and private sources of funds and the total cost to City

Council at their last meeting in November. This will give Council an understanding of the City's participation. As the process moves forward, numbers will be refined more and more, but the high-level numbers are a starting point.

Commissioner Herzig believed this report would be much more useful than the report created by Michelle Reeves several years ago. Ms. Reeves created a great report, but the City has not done much with it. There is more motivation on the Council to move forward with this project. He thanked Staff for answering his questions.

Commissioner Nemlowill said over the last 15 years, the City has spent a lot of money on consultants and multiple studies for Heritage Square. She hoped that this time, the plan would actually be implemented. Director Cronin noted he would move the project forward as fast as he could.

Commissioner Herzig added that receiving a report in November would be a quick turnaround time.

Commissioner Price said she was pleased that a local architect would be included. She wanted this to be an Astoria project, not a Portland project.

**Commission Action:** Motion by Commissioner Nemlowill, seconded by Commissioner Price to approve the contract with Walker|Macy and authorize the Chair to sign and create an associated advisory committee for the project. Motion approved unanimously. Ayes: Commissioners Warr, Price, Nemlowill, Herzig, and Mayor LaMear. Nays: None.

#### **REGULAR AGENDA ITEMS:**

##### **Item 6(a): Lease of City Property for Chowder Boat (Community Development)**

In February 2015 Teresa Estrada applied to the City of Astoria for a lease on City owned property located at the US Coast Guard parking lot adjacent to the Bowpicker food cart. For various reasons described in a City Council staff report dated April 30, 2015, the City declined the request on May 4, 2015. The ADC owns other property in Astoria including 250 21st Street located adjacent to the Riverwalk, Barbey Maritime Center, and City Lumber Company. The site was a former freight warehouse (Darigold Building) which the ADC demolished in 2011. Ms. Estrada submitted another lease request on July 1, 2015 for this property.

This request is located in the Astor East Urban Renewal District, which is under the jurisdiction of the Astoria Development Commission. After receiving the request, staff from Engineering and Community Development worked with Ms. Estrada to understand the nature of the request and its implications for the property and neighborhood. Based on this information, and subsequent analysis completed by staff, there are a number of issues to consider before entering negotiations for a lease let alone a land use application which would immediately follow an executed lease.

It is recommended that the Astoria Development Commission decline the lease request, direct staff to consider an asset management policy that formalizes lease criteria to evaluate future requests and determine procedural steps needed to initiate a letter of intent for prospective tenants, and develop a disposition/investment strategy for the property consistent with ADC policy.

Mayor LaMear said a request had been made to postpone this item to the October 19, 2015 Development Commission meeting.

#### **ADJOURNMENT:**

There being no further business, the meeting was adjourned at 8:23 pm.

#### **ATTEST:**

\_\_\_\_\_  
Secretary

#### **APPROVED:**

\_\_\_\_\_  
City Manager



**CITY OF ASTORIA**  
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**MEMORANDUM**

TO: ASTORIA DEVELOPMENT COMMISSION

FROM:  BRETT ESTES, CITY MANAGER

SUBJECT: ASTOR EAST URBAN RENEWAL DISTRICT – GRANT FOR COLUMBIA  
MEMORIAL HOSPITAL KNIGHT CANCER CENTER

**DISCUSSION/ANALYSIS**

At the May 4, 2015 Astoria Development Commission (ADC) meeting, the ADC approved a resolution committing a \$25,000 grant to the Columbia Memorial Hospital Knight Cancer Center and directed staff to prepare a Grant Agreement. Jeannette Launer, Astoria Development Commission legal counsel, subsequently prepared the attached document for consideration.

The Agreement states the disbursement would be made in one lump sum once the enclosed shell of the building is complete. If the disbursement has not been made within two years, the ADC can terminate the Agreement. Once a disbursement is made, the Cancer Center project would need to be completed within 12 months. Lastly, Columbia Memorial would need to occupy the property for three years after issuance of a Certificate of Occupancy. Columbia Memoria Hospital has reviewed the draft Agreement and would concur with its provisions.

**RECOMMENDATION**

It is recommended that the Astoria Development Commission approve the Grant Agreement providing \$25,000 to Columbia Memorial Hospital for construction of a new cancer center.



## GRANT AGREEMENT

**THIS GRANT AGREEMENT** ("Grant Agreement") is made this \_\_\_\_ day of \_\_\_\_\_ 2015 ("Effective Date") by and between **COLUMBIA LUTHERAN CHARITIES dba COLUMBIA MEMORIAL HOSPITAL**, a Oregon nonprofit charitable corporation ("Hospital") and **ASTORIA DEVELOPMENT COMMISSION**, the duly authorized and acting urban renewal agency of the City of Astoria, Oregon ("Agency"). Hospital and Agency may be referred to individually as a "party" or jointly as "parties."

### **RECITALS**

A. The Hospital is the owner of two parcels of land, one located at the southeastern corner of Exchange and 22<sup>nd</sup> Streets, west of the Pavilion Building; and the other located south of Exchange Street at the intersection of 18<sup>th</sup> Street.

B. Each parcel is located in the Astor-East Urban Renewal Area, established by adoption of the Astor-East Urban Renewal Plan, dated September 29, 1980, and recorded September 30, 1980, as amended ("Plan"). The Plan authorizes expenditures by the Agency to encourage redevelopment through new construction and provide such forms of financial assistance to property owners, as it may deem appropriate in order to achieve the objectives of this Plan.

C. The Hospital desires to improve one of the parcels by construction of a cancer treatment clinic (the "Project"). The parcel upon which the hospital chooses to build the Project shall be referred to herein as the "Property." The Hospital has requested support of the Agency to complete the Project.

D. The Agency finds that the Project fulfils the following goals of the Plan and is therefore eligible for financial assistance by the Agency:

Section 400.D.2.e. *"Act as a catalyst in bringing together developers and redevelopers with public and private owners of lands which are under used, or vacant, to achieve new uses and economically sound enterprises which are consistent with the City's Comprehensive Plan, which provide a service to the community, and which establish a diversification of needed, year-round employment opportunities."*

Section 400.D.2.d. *"Create opportunities for new development within the renewal area."*

Section 400.D.2.o. *"Implement goals and objectives of Astoria's Comprehensive Plan."*  
Comprehensive Plan Section CP.200.1, Economic Development Goals, *"Work toward the improvement and diversification of the area's economy and to increase local employment opportunities. . ."*

Comprehensive Plan Section CP.200.1, Economic Development Goals, *"Encourage the broadening of the economy, particularly in areas which help balance the seasonal nature of existing industries."*



E. The Agency has agreed in principle to grant \$25,000.00 to be used by Hospital in construction of the Project, on the terms and conditions of this Grant Agreement.

F. This transaction does not constitute an application by the Hospital or a commitment by Agency for any other activities or financing in relation to the Project.

Therefore, in consideration of the premises and the mutual and dependent covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## **1. THE GRANT**

### **1.1 Amount and Disbursement.**

Agency agrees to make Twenty-five Thousand and No/100 Dollars (\$25,000.00) available to Hospital (the "Grant"). The Grant proceeds shall be disbursed in one lump sum to Hospital or its order upon Hospital providing proof satisfactory to the Agency that it has completed *the enclosed shell of the Project building* ("Disbursement") If Agency has not made the Disbursement to the Hospital within one year after the Effective Date, Agency may, at its sole option, terminate this Grant Agreement, in which event Agency shall have no further obligations under this Grant Agreement.

### **1.2 Term.**

(a) General. This Grant Agreement shall be effective on the Effective Date and, unless terminated pursuant to Section 1.1., shall continue for a period of four (4) years after the City issues a Certificate of Occupancy for the Property.

(b) Construction Term. Hospital shall complete the Project within 12 months of the execution of this Grant Agreement. Failure to complete the Project within 12 months shall be a breach of this Grant Agreement, unless an extension is requested by the Hospital and agreed to in writing by Agency.

**1.3 Purpose of, and Use of Proceeds of, the Grant.** The purpose of the Grant is to provide the Hospital with funding for improvements to the Property which constitute a part of the Project. The Hospital may not use the proceeds of the Grant for installation of equipment that is unique to the Hospital's use of the Property. Hospital represents that it shall use the proceeds of the Grant solely for this purpose. The quality, scope, and timeliness of Project completion are all material inducements to Agency in making this Grant.

**1.4 Quality Work.** Hospital shall utilize its contractors and any professional consultants in a manner which results in the highest quality work.

**1.5 Post-Completion Grant Requirement; Remedy.**

- (a) If the Hospital completes the Project, the Hospital shall occupy the Property for a period of three (3) years after the issuance of a Certificate of Occupancy from the City of Astoria.
- (b) If the Hospital discontinues its occupancy of the Property during the three-year period, the Hospital shall reimburse the Agency the Grant.

**2. CONDITIONS OF AGENCY'S OBLIGATIONS**

**2.1 Conditions Precedent to Disbursements.** At the time of the Disbursement:

- (a) Each of Hospital's representations and warranties contained in Section 3 shall be true and correct in all material respects as if made on and as of the date of the Disbursement; and
- (b) No default shall have occurred and be continuing under this Grant Agreement (including without limitation a failure to perform any covenant set forth in Section 3), and no event shall have occurred that, with the giving of notice or passage of time or both, would constitute a default.

**3. HOSPITAL'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

Hospital represents, warrants, and covenants to Agency as follows as of the date hereof, on the Disbursement Date, and during the term of this Grant Agreement as follows:

**3.1 No Violations or Default.** Hospital is not in default under or in violation of any indenture or agreement to which it is a party or by which it is bound, or any order, regulation, ruling, or requirement of a court or other public body or authority. No creditor has given Hospital notice or threatened to give it any notice of default under any material agreement.

**3.2 Litigation.** No action, suit, investigation, or proceeding is pending against Hospital or with respect to the Project before any court or administrative agency, (a) the outcome of which, by itself or taken together with other such litigation, might have a material adverse effect on the business, assets, operations, or financial condition of Hospital, or (b) which purports to affect the legality, enforceability, or validity of the Grant.

**3.3 Licenses; Maintenance of Business.** Hospital will remain a validly existing non-profit charitable organization under the laws of Oregon and will keep in force all licenses and permits necessary to the proper conduct of its ownership and operation of the Project.

**3.5 Compliance with Laws and Use Restrictions.** Hospital will materially comply with, or cause the Project to comply with, all laws, ordinances, statutes, rules, regulations, orders, injunctions, or decrees of any government agency or instrumentality applicable to



Hospital, the Project, or the operation thereof, including all applicable health and safety, environmental, and zoning laws.

**3.6 Indemnity.** Hospital shall indemnify and hold Agency, its commissioners, employees and agents harmless from and against any and all liabilities, claims, losses, damages, or expenses (including attorney fees and title costs and expenses) which any of them may suffer or incur in connection with (a) the inaccuracy of any of the representations and warranties made herein, and (b) any transaction contemplated by this Grant Agreement. Specifically, the parties agree that nothing contained in this Grant Agreement or any acts of the parties hereby shall be deemed or construed by the parties, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or any association between any of the parties. Hospital is solely responsible for the performance, payment and liability under any contracts it may undertake in performance of the Project. Hospital shall therefore indemnify and hold Agency, its commissioners, employees and agents harmless from and against any and all liabilities, claims, losses, damages, or expenses (including attorney fees and title costs and expenses) which any of them may suffer or incur in connection with claims pursuant to said contracts.

**3.7 Liens.** Hospital shall not create, assume, or suffer to exist any lien or charge of any kind, direct or indirect, upon the Project, except liens that have been bonded against pursuant to Oregon law.

#### **4. EVENTS OF DEFAULT**

Any of the following shall be an event of default ("Default") under this Grant Agreement.

**4.1 Failure to Comply with Grant Obligations.** Hospital fails to perform and obligation or abide by any covenant in this Grant Agreement and such failure, to the extent curable, is not cured within thirty (30) days after written notice from Agency specifying the default or, if such breach cannot with due diligence be cured within such period, if Hospital shall fail within such thirty (30) day period to commence cure of the failure and thereafter diligently prosecute to completion such cure (which cure in any event shall occur within sixty (60) days after the default notice).

**4.2 Failure to Pay General Debts When Due.** Hospital (i) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of all or a substantial part of its property, (ii) admits in writing its inability to pay, or generally is not paying, its debts as they become due, (iii) makes a general assignment for the benefit of creditors, (iv) commences a voluntary action under the United States Bankruptcy Code (as now or hereafter in effect), (v) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, (vi) fails to controvert in a timely or appropriate manner, or acquiesces or consents in writing to, any petition filed against it, in an involuntary action under the United States Bankruptcy Code, or (vii) takes any action for the purpose of effecting any of the foregoing.

4.3 **Action by Creditors.** Without Hospital consent, (i) a proceeding or case is commenced against Hospital in any court of competent jurisdiction, seeking the liquidation, reorganization, dissolution, windup, or composition or readjustment of the debts of Hospital, (ii) a receiver, trustee, custodian, liquidator, or the like is appointed for Hospital or for all or a substantial part of its assets, or (iii) relief is granted to Hospital under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, and such proceeding or case continues undismissed, or an order, judgment, or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect for any period of 60 days, or an order for relief against Hospital is entered in an involuntary case under the United States Bankruptcy Code.

## 5. RIGHTS AND REMEDIES ON DEFAULT

5.1 **Remedies.** In addition to the remedy described in Section 1.5 for a failure to occupy the Property for the three-year term as described therein, upon the occurrence of a default and at any time thereafter, Agency may protect and enforce its rights by appropriate judicial proceedings, including, in appropriate cases, an award of specific performance or other equitable remedy in aid of the exercise of any power granted in or pursuant to this Grant Agreement.

5.2 **Rights and Remedies Cumulative.** All rights and remedies are cumulative and in addition to any other remedy Agency may have by agreement, at law, or in equity. Partial exercise of any right or remedy shall not limit or restrict Agency's subsequent exercise of such right or remedy nor shall it restrict Agency's contemporaneous or subsequent exercise of any other right or remedy.

5.3 **No Waiver.** No failure or delay of Agency in exercising any right hereunder shall operate as a waiver of that right or any other right. No notice or demand on Hospital shall entitle Hospital to any other notice or demand in other similar circumstances.

5.4 **Provide Accounting.** In the event of a Default, Hospital shall also provide an accounting to Agency of all expenditures of funds disbursed under this Grant Agreement, and shall return any unused funds which shall be applied first to any payments due to vendors, contractors, or consultants in relation to the Project.

## 6. MISCELLANEOUS

6.1 **Counterparts.** This Grant Agreement may be executed in any number of counterparts, and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall constitute a full and original instrument, but all of which shall together constitute one and the same instrument.

6.2 **Survival.** All agreements, representations, and warranties shall survive the execution and delivery of this Grant Agreement, any investigation at any time made by Agency or on its behalf, and the making of the Grant.



6.3 **Notice.** Any notice required or permitted under this Grant Agreement shall be in writing and shall be deemed effective (1) when actually delivered in person, (2) one business day after deposit with a commercial courier service for "next day" delivery, (3) two business days after having been deposited in the United States mail as certified or registered mail, or (4) when transmitted by facsimile (answer back or receipt confirmed), addressed to the parties as follows:

If to Hospital: Columbia Memorial Hospital  
2111 Exchange Street  
Astoria, OR 97103  
Attn: Erik Thorsen, Chief Executive Officer  
E-mail:

If to Agency: Urban Renewal Agency of the City of Astoria  
1095 Duane Street  
Astoria, OR 97105  
Attn: Brett Estes, City Manager  
E-mail: bestes@astoria.or.us

6.4 **Successors and Assigns.** This Grant Agreement shall be binding upon and shall inure to the benefit of the parties and their respective permitted successors and assigns.

6.4 **Governing Law.** This Grant Agreement shall be governed by and construed under Oregon law.

6.5 **Assignment.** Hospital may not assign this Grant Agreement without the prior written consent of Agency.

6.6 **Modification; Headings.** This Grant Agreement may not be modified or amended except by an instrument in writing signed by the Hospital and the Agency. This Grant Agreement reflects and sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersede all prior agreements and understandings relating to such subject matter. The headings in this Grant Agreement are for the purpose of reference only and shall not limit or otherwise affect any of the terms hereof.

6.7 **Validity; Severability.** If any provision of this Grant Agreement is held to be invalid, such event shall not affect, in any respect whatsoever, the validity of the remainder of this Grant Agreement, and the remainder shall be construed without the invalid provision so as to carry out the intent of the parties to the extent possible without the invalid provision.

6.8 **Exhibits.** Any exhibits attached to this Grant Agreement and referred to herein are incorporated in this Grant Agreement as if they were fully set forth in the text hereof.

6.9 **Time of Essence.** Time is of the essence of this Grant Agreement.

6.10 **Nondiscrimination.** It is the policy of the City of Astoria that no person shall be denied the benefits of or be subject to unlawful discrimination in any City program, service, or activity on the grounds of age, disability, race, religion, color, national origin, sex, sexual orientation, gender identity/expression. Contractor, its employees, agents and subcontractors shall comply with this policy.

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed by their duly authorized representatives as of the date first above written.

AGENCY:

HOSPITAL:

THE ASTORIA DEVELOPMENT  
COMMISISON

COLUMBIA MEMORIAL HOSPITAL

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Chair

Title: \_\_\_\_\_

AGENCY:

THE ASTORIA DEVELOPMENT  
COMMISISON

By: \_\_\_\_\_

Title: Manager






## CITY OF ASTORIA

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### COMMUNITY DEVELOPMENT

## MEMORANDUM

DATE: October 9, 2015  
TO: ASTORIA DEVELOPMENT COMMISSION  
FROM:  BRETT ESTES, CITY MANAGER  
SUBJECT: ESTRADA LEASE REQUEST – 250 21<sup>st</sup> Street

### **BACKGROUND**

In February 2015 Teresa Estrada applied to the City of Astoria for a lease on City owned property located at the US Coast Guard parking lot adjacent to the Bowpicker food cart. For various reasons described in a City Council staff report dated April 30, 2015, the City declined the request on May 4, 2015.

The ADC owns other property in Astoria including 250 21<sup>st</sup> Street located adjacent to the Riverwalk, Barbey Maritime Center, and City Lumber Company. The ADC acquired the property in the 1990s as part of a larger purchase of the railroad property for the Riverwalk. The site was a former freight warehouse (Darigold Building) which the ADC demolished in 2011. Ms. Estrada submitted another lease request on July 1, 2015 for this property. Ms. Estrada requested the agenda item be delayed until October 19 to prepare a response to staff's recommendation. Staff has not requested nor received additional information from Ms. Estrada.

### **DISCUSSION/ANALYSIS**

This request is located in the Astor East Urban Renewal District which is under the jurisdiction of the Astoria Development Commission. After receiving the request, staff from Engineering and Community Development worked with Ms. Estrada to understand the nature of the request and its implications for the property and neighborhood. Based on this information, and subsequent analysis completed by staff, there are a number of

issues to consider before entering negotiations for a lease let alone a land use application which would immediately follow an executed lease.

Staff suggests the ADC consider the following criteria when deliberating a decision:

1. What is the cost – benefit analysis in terms of improvements needed and the expected lease payments that would offset the cost of needed improvements?
2. What is the existing policy that governs the property?
3. What are the other users on the property?
4. What is the economic development potential of the property and how does the proposal align with its highest and best use?

The intended use is for a single food cart. However, from a business model perspective, the ADC would need to invest in infrastructure for a full food pod in order to make this business and the property to succeed. Although a lease rate has not been discussed for the subject property, and is premature to set one, it is unrealistic to expect more than fair market value. For example, most food pods in Portland charge between \$500-\$1,000 per space per month plus utilities with higher rates being charged for high traffic locations in select neighborhoods with annual revenue of \$6,000-\$12,000 per space. For comparison, the City lease rate for the Bowpicker is \$500. With annual gross revenue of \$6,000, this would be less than the cost to upgrade the site to accommodate multiple food carts assuming that the economies of scale would be needed to realize a projected return on investment. Site construction costs for a full food pod including utilities, parking, restrooms, and common areas would easily exceed \$75,000. Although commercial rents in Astoria are strong, it is nowhere near the rate needed to support the higher end. From a business case perspective, the intended use does not pencil for the ADC given the front end costs.

The Riverfront Vision Plan (2009) identified this area as the “Civic Greenway.” The subject property was specifically singled out as a potential open space (Riverfront Park Concept Map, p. 65) that would complement the Riverwalk, help maintain view corridors, and provide passive recreation opportunities for employees of local businesses, Mill Pond neighbors, and visitors. In addition, the Parks Advisory Board recently advised the Parks Director that no commercial uses be allowed to operate in city parks. The proposed use is not consistent with the concept plan or supported by the Parks Board.

Finally, to city staff’s knowledge, there are no other existing users or proposals before the ADC for the subject property. However, the economic development potential - as a permanent redevelopment with an owner occupied user or multiple tenants allowed by

right in the Development Code - is much greater than a food pod based on assessed value, property taxes and fees, and appreciated value to the adjacent properties. Future proposals for the property would be complicated by having an existing tenant even if the lease was on a month to month arrangement.

### **RECOMMENDATION**

It is recommended that the Astoria Development Commission decline the lease request, direct staff to consider an asset management policy that formalizes lease criteria to evaluate future requests and determine procedural steps needed to initiate a letter of intent for prospective tenants, and develop a disposition/investment strategy for the property consistent with ADC policy.

By:     K A Cronin      
Kevin A Cronin, AICP, CD Director









## PROPERTY USE/ACQUISITION FORM

Name: TERESA ESTRADA

Mailing Address: 147 WASHINGTON STREET ASTORIA, OR 97103

Telephone: Business 503.298.3618 Home 503.468.6307

Location of applicant's property (if applicable):

Address: N/A

Map Number/Tax Lot: N/A

Lot, Block, Subdivision: N/A

Location of City property:

Address: 250 21<sup>ST</sup> STREET NE ASTORIA, OR 97103

Map Number/Tax Lot: 80908 DA00203

Lot, Block, Subdivision: \_\_\_\_\_

Reason for request:

LEASE OF 12' x 33' AREA (396 SQ. FT.) FOR PLACEMENT OF 28' GILL NET  
BOAT (TRAILERED) CONVERTED TO A MOBILE FOOD UNIT FOR THE RETAIL  
SALE OF CLAM CHOWDER.

\*Describe Improvement (Include dimensions and materials to be used):

N/A

\*Include sketch of area showing property lines and intended use.

7.1.15  
DATE

Teresa Estrada  
SIGNATURE OF APPLICANT / OWNER



## PROPERTY USE/ACQUISITION FORM

Name: TERESA ESTRADA

Mailing Address: 147 WASHINGTON STREET ASTORIA, OR 97103







