



AGENDA

ASTORIA DEVELOPMENT COMMISSION

July 20, 2015

**Immediately Follows City Council Meeting
2nd 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 6/1/15
 - (b) ADC Minutes of 6/15/15
- 6. REGULAR AGENDA ITEMS**
 - (a) Lease Agreement with Astoria Downtown Historic District Association (ADHDA) for the 14th Annual Pacific Northwest Brew Cup Beer Festival (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>



CITY OF ASTORIA
Founded 1811 • Incorporated 1856

July 15, 2015

MEMORANDUM

TO: ASTORIA DEVELOPMENT COMMISSION (ADC)

FROM:  BRETT ESTES, CITY MANAGER

SUBJECT: ADC MEETING OF JULY 20, 2015

CONSENT ITEMS

Item 5(a): ADC Minutes

The minutes of the ADC meeting of June 1, 2015 are enclosed for your review. Unless there are any corrections, it is recommended that the ADC approve these minutes.

Item 5(b): ADC Minutes

The minutes of the ADC meeting of June 15, 2015 are enclosed for your review. Unless there are any corrections, it is recommended that the ADC approve these minutes.

REGULAR AGENDA ITEMS

Item 6(a): Lease Agreement with Astoria Downtown Historic District Association (ADHDA) for the 14th Annual Pacific Northwest Brew Cup Beer Festival (Community Development)

The Annual Pacific Northwest Brew Cup Beer Festival (Brew Cup) is proposed be held September 24, 25, 26 and 27, 2015. It is proposed that the festival be located on the Astoria Development Commission (ADC) owned land east of the train depot. ADHDA has been in contact with the Columbia River Maritime Museum and the Museum's approval for the event is conditioned upon ADHDA monitoring and controlling where Brew Cup patrons park in the Museum's lot. The ADHDA will provide liability insurance. Attached to the memorandum is a letter from ADHDA President, Dulcye Taylor, which requests use of the ADC owned property. Proceeds from this event would benefit ADHDA. Also attached to this memo is a draft lease agreement. It is recommended that the Development Commission approve the Lease Agreement with ADHDA for a total sum of \$1.00.

ASTORIA DEVELOPMENT COMMISSION

City Council Chambers
June 1, 2015

ADC JOURNAL OF PROCEEDINGS

A regular meeting of the Astoria Development Commission was held at the above place at the hour of 10:12 pm.

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

Commissioners Excused: None

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

REPORTS OF COMMISSIONERS: No reports.

CHANGES TO AGENDA: No changes.

CONSENT CALENDAR:

The following item was presented on the Consent Calendar:

5(a) ADC minutes of 5/4/2015

City Council Action: Motion by Commissioner Warr, seconded by Commissioner Herzig, to approve the Consent Calendar. Motion carried unanimously. Ayes: Commissioners Warr, Price, Nemlowill, and Herzig and Mayor LaMear. Nays: None.

REGULAR AGENDA ITEMS:

Item 6(a): Public Hearing and Resolution Adopting Astor East and Astor West Renewal District Budgets for Fiscal Year 2015-2016 (Finance)

Oregon Local Budget Law requires that the Astoria Development Commission hold a public hearing on the budget, as approved by the Budget Committee. Notice of this hearing, scheduled for June 1, 2015, was published in the Daily Astorian on Wednesday, May 20, 2015. The budget for the Astoria Development Commission is ready for the Commission to consider for adoption. The attached resolution will adopt resources and appropriations and authorize the collection of tax increment funding available to the Astor East and Astor West Urban Renewal Districts for FYE June 30, 2016. It is recommended that the Astoria Development Commission hold a public hearing on the FYE June 30, 2016 budget as approved by the Budget Committee. After the hearing, it is recommended that the Commission consider the resolution to adopt this budget.

City Manager Estes said Clatsop Economic Development Resources (CEDR) submitted a request that was received on April 29, 2015 to be considered by the Budget Committee. The request was for an increase in their contribution from \$7,500 to \$10,000. The request was presented to the Budget Committee after the Astor East and Astor West Urban Renewal Districts had been tentatively approved. Contributions for CEDR services were budgeted for \$3,880 from the City of Astoria General Fund and \$1,880 from the Astor East fund and \$1,880 from the Astor West fund. The request is to split the increase equally between the three funds. The memo dated May 27, 2015 included a revised budget amount for membership and dues. The Astor East fund includes a line item for improvements other than buildings for \$325,000, which could be used to implement the City Council goal to explore a library at Heritage Square.

Mayor LaMear opened the public hearing at 10:14 pm and called for anyone wanting to speak on the budget to come forward. Hearing none, she closed the public hearing at 10:14 pm.

Commissioner Nemlowill said Council's interest in economic development was discussed at the goal setting sessions. Council wanted to promote economic development but was unsure how to do so. CEDR seems like a great partner for achieving this goal and she believed the proposed increase would be a good investment. However, she wanted to know why urban renewal funds should be used for the increase. City Manager Estes

explained that CEDR participates in development and redevelopment projects within the urban renewal areas. There are many industrial and commercial properties in the Astor West district and CEDR coordinates with State agencies to bring additional resources to make projects possible. The hospital and Fort George Brewery in the Astor East district have also required CEDR's assistance with projects. Both urban renewal districts and the City would benefit from equally sharing the dues to CEDR.

Commissioner Nemlowill asked if the money would support the Small Business Development Center (SBDC). City Manager Estes believed the SBDC received revenue from the State. He was unsure if a portion of the dues went to the SBDC. CEDR works with new business owners to develop business plans.

Commissioner Nemlowill believed small business support was very important. She confirmed the City did not have a contract with CEDR. City Manager Estes said Staff would look into contracts with many entities.

Commissioner Herzig supported CEDR, but did not support the additional \$3,500 per year because Astoria does not have factual data from CEDR. The City receives narratives about how successful CEDR is and how much they help businesses. However, he wanted more accountability with respect to staff salaries and hours spent on projects.

Commission Action: Motion by Commissioner Herzig that the Astoria Development Commission adopt the resolution to adopt the Astor East and Astor West Urban Renewal Districts budgets for fiscal year 2015-2016, without the proposed amendment request by CEDR. The motion died for lack of a second.

Commission Action: Motion by Commissioner Warr, seconded by Commissioner Nemlowill, that the Astoria Development Commission adopt the resolution to adopt the Astoria Development Commission budget for fiscal year 2015-2016 and approve the revised contribution amounts to Clatsop Economic Development Resources (CEDR) as noted in the memo and direct that Staff obtain a written contract between the City and CEDR prior to dispersal of any funds. Motion carried unanimously. Ayes: Commissioners Warr, Herzig, Nemlowill, and Price, and Mayor LaMear. Nays: None.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:20 pm.

ATTEST:

APPROVED:

Secretary

City Manager

A regular meeting of the Astoria Development Commission was held at the above place at the hour of 8:41 pm.

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

Commissioners Excused: None

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

REPORTS OF COMMISSIONERS: No reports.

CHANGES TO AGENDA: No changes.

CONSENT CALENDAR: None.

REGULAR AGENDA ITEMS:

Item 6(a): Astor East Urban Renewal District – Loan for Astor Hotel Exterior Improvements

Paul Caruana and Brian Faherty purchased the Astor Hotel located at the southeast corner of Commercial and 14th Streets in downtown Astoria in 2009. Subsequently, Mr. Caruana, Mr. Faherty and staff discussed their planned building rehabilitation and the costs associated with the scope of such a project. The owners felt that in order for this building to contribute to the ongoing renaissance of eastern downtown, ground floor windows and building entrances would need to be restored and the building repainted. Because of its visibility and size, these improvements would significantly improve the east end of downtown. At their October 5, 2009 and November 16, 2009 meetings, the Astoria Development Commission (ADC) approved redevelopment assistance for the Hotel. These funds came from the Astor East Urban Renewal District (AEURD). As the ADC staff are not financiers, the ADC partnered with Craft3 to conduct the financial analysis on the proposed loan and Craft3 manages the approved loan on behalf of the ADC.

Assistance came primarily in the form of a low interest loan with a smaller amount as a grant. The loan was for exterior building improvements in the amount of \$346,000. The grant, in the amount of \$45,000, was for parking lot and pedestrian improvements. Since issuance of the loan, all but \$60,000 of the possible loan proceeds have been drawn. Work completed included opening up / rebuilding boarded up store fronts and repainting the lower levels of the building. The remainder of the loan proceeds are to be used for painting the upper floors of the Hotel. That work has not been completed as there are issues such as masonry cracks, window rot, deteriorated doors, and deteriorated railings that need to be addressed prior to paint application. These items were not originally in the scope of work for the loan.

City staff has recently been meeting with Paul Caruana regarding the possibility of additional AEURD funds to assist with expenses associated with the repair work needed before painting. Mr. Caruana is in the process of purchasing the Astor Hotel outright and would be the sole owner of the building. Painting the upper floors of the Astor Hotel would positively contribute to the continued renaissance of east downtown; however, applying paint to deteriorated building elements would not address long term maintenance concerns. Attached to this memorandum is a letter provided by Mr. Caruana, which outlines a work plan he would complete upon purchase of the Hotel. Also included are notes from a presentation made by Mr. Caruana at a recent Lower Columbia Preservation Society meeting.

The total cost for the work plan is \$281,000. There is \$60,000 remaining on the existing loan for the Astor Hotel. Mr. Caruana has requested an additional \$150,000 of loan monies to complete the project. As stated in the letter, the balance, which would be covered by him to complete the project, is \$71,000, with future plans to replace the roof and install a new elevator.

Staff coordinated with Craft3 to develop draft terms for an additional loan for ADC consideration. Also attached to this memorandum are the terms and conditions for the proposed Astor Hotel loan amendment and refinance of the existing loan. As identified on the term sheet, the total loan amount would be approximately \$456,013. This includes the refinance portion of the existing loan plus an additional \$150,000 and fees. The loan would have a seven year maturity date. Interest rate for the refinanced portion of the loan would be variable, reset quarterly, with a floor of 1.50%. This would remain unchanged from the current loan agreement. The interest rate for the additional \$150,000 would also be variable with a 3.25% floor. Also included in the loan terms are conditions, which would be applied to the loan:

- Owner to keep Hotel Astor as affordable housing during life of the loan;
- Loan would not be transferrable to another party;
- All draws on the refinanced and new funds shall be made by July 1, 2016.

Should the ADC accept the terms of the loan, Craft3 staff would conduct a final credit analysis to be submitted for review by the City Manager prior to signature by the Chair and City Manager.

The Astor East Urban Renewal Plan includes Development and Redevelopment Assistance as approved urban renewal projects. Section 650.P.2 of the Plan states:

"P. Development and Redevelopment Assistance.

In order to carry out the objectives of this Plan, the Astoria Development Commission may participate, through loans, grants, or both, in assisting development of new public and private buildings in the project area, and in maintaining and improving exterior and interior conditions of existing buildings in the renewal area. The Astoria Development Commission may make this assistance available, as it deems necessary to achieve the objectives of this Plan.

2. Preservation, Rehabilitation, and Conservation.

The purpose of this activity is to conserve and rehabilitate existing public or private buildings for uses that further Plan goals. Rehabilitation and conservation may be achieved by owner and/or tenant activity, with or without financial assistance by the Astoria Development Commission. To encourage rehabilitation and conservation, the Agency is authorized to establish loan and grant programs and provide below market interest rate and market rate loans and provide such other forms of financial assistance as it may deem appropriate to the owners of buildings, or those intending to acquire buildings, which are in need of rehabilitation and for which rehabilitation and reuse is economically feasible.

If the Development Commission intends to assist a public owner in the rehabilitation or conservation of a public building, it will first adopt a minor amendment to this Section of the Plan, identifying the public building and the Development Commission's specific assistance, and adding an explanation of how the public building serves and benefits the Urban Renewal Area."

The Astor-East Urban Renewal Plan contains the following objectives that are relevant to this request:

"D. Objectives of the Urban Renewal Plan:

2. The primary objectives of the plan are to improve the physical conditions, functional relationships, and visual quality of the area and to eliminate blight in order to create a climate more conducive for private development, redevelopment, and rehabilitation of property. More specifically, the objectives of this Astor-East Urban Renewal Plan are to:
 - d. Rehabilitate and conserve properties compatible with this Plan;
 - 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 diversion of needed, year-round employment opportunities;

h. Improve the appearance and economic vitality of Astoria's downtown core;"

It is recommended that the Astoria Development Commission accept the terms and conditions of a refinance loan and \$150,000 of additional funds to provide a loan in the amount of approximately \$456,013 to Paul Caruana for exterior improvements at the Astor Hotel and authorize the Chair and City Manager sign the loan documents.

City Manager Estes noted some people have questioned what is considered affordable and what types of affordable housing are currently provided at the Astor Hotel. The building has a total of 66 units and 59 of those units are subsidized. Individuals must make no more than \$22,000 per year in order to be eligible for one of the subsidized units. The owners of the hotel have an agreement with the Northwest Oregon Housing Authority that allows them to receive a subsidy from the Federal Housing and Urban Development Department. He explained that Section 8 provides vouchers to eligible people for affordable housing. Some residents of the hotel could use Section 8, but it is a different type of designation than the hotel owners are currently using. Mr. Caruana has indicated that he would like some flexibility in the condition of approval that requires some units remain affordable housing. Mr. Caruana has proposed that at least 50 percent of the units remain affordable housing.

Mayor LaMear said she enjoyed reading the history of the Astor Hotel and appreciated Mr. Caruana's plans. She asked if all of the occupants paid the same amount.

Paul Caruana, 1431 Commercial St., Astoria, explained that the hotel has six studio units and 60 one-bedroom units. The rent is the same for all units, but the amount of the subsidies are dependent upon each renter's financial needs. He nets the same amount from each unit. However, on the subsidized units, some of the rent comes from the government. The subsidy could be as much as 90 percent for one tenant or as little as 10 percent for another tenant. He did not know very much about Section 8 housing. The Astor Hotel is one of a few properties in the country that offers subsidies, which are attached to the number of units in the building. With Section 8, an individual carries a voucher. With subsidies, the government designates the number of subsidized units and bases the subsidy on the current market rate for each unit.

Mayor LaMear understood the trend is toward a mixture of subsidized and non-subsidized units. She wanted to know where the subsidized tenants would go if their units become unsubsidized.

Mr. Caruana said he does not have a plan to reduce the number of subsidized units to 50 percent. He simply wants the flexibility so he can respond to future changes in the rental market. This would allow him to fill units with any tenant, should the Network for Oregon Affordable Housing (NOAH) be unable to fill the designated units. He has a contract with the government for the units, but if they are not filled, he does not receive the subsidy. Keeping the units full is key to the viability of the entire project. He is happy with affordable and subsidized housing, but wants to keep the units full and have good tenants who appreciate what he is doing to the property.

Commissioner Nemlowill understood that there are not enough available residences in Astoria for people who work in Astoria but do not qualify for subsidized housing. She noted that Mr. Caruana created market rate housing at The Norblad and asked what experience he had for gauging this type of demand for market rate housing.

Mr. Caruana said The Norblad always has a waiting list. Tenants rent a room with a sink in it and share the restroom and shower facilities. As the economy improves in Astoria, he is getting better quality tenants. There are more jobs, more people are working, and more people are looking for housing. The Norblad has had a waiting list for about the last year and it is always 10 to 20 people long.

Commissioner Nemlowill confirmed Mr. Caruana did not currently have an agreement with the City to retain affordable or subsidized housing. This condition of approval would be a new agreement attached to the loan.

Mr. Caruana stated that his short term plans were just to take care of the building, which will take some time. He indicated the number of subsidized units was not that important.

Commissioner Herzig said he would not support any agreement that reduced the number of subsidized or affordable housing units. He understood Mr. Caruana's concerns, but also believed NOAH should say that if the units cannot be filled within three months, a property owner may rent the units to other tenants.

Mr. Caruana explained that subsidized housing is often referred to as affordable housing. He clarified that affordable housing is for people with incomes in the range of \$30,000 per year. Subsidized housing is for people with incomes of no more than \$20,000 or \$22,000 per year.

Commissioner Herzig noted that the Staff Report uses the term affordable housing. He wanted the 59 units to remain dedicated to whatever type of housing they are called. He knows people who would be homeless if they lost their unit at the Astor Hotel. He has heard that people feel there is increasing pressure on the tenants in the subsidized units to move out. He did not want to put those tenants under more pressure by allowing Mr. Caruana the flexibility to reduce the number of subsidized units to 50 percent.

Commissioner Nemlowill wanted Mr. Caruana's business to remain viable. Urban Renewal funds can put a patch on a business that is not healthy. However, this does not benefit anyone in the long run. She believed the City is addressing the need for subsidized housing, but did not believe Mr. Caruana should have to bear the burden of this need, especially if it means his business would not be sustainable. She believed there was a need to increase market rate housing in Astoria. More market rate housing would provide housing to those who do not qualify for subsidized housing and have money to spend at Downtown businesses. She has heard from Downtown business owners that transferring subsidized housing to market rate housing would be good. She believed it was important for Mr. Caruana to have the flexibility to change the number of subsidized units in his building.

Mayor LaMear asked if Commissioner Nemlowill was equating market rate housing with workforce housing. Commissioner Nemlowill answered no, and explained that subsidized housing was housing in which the Federal government paid Mr. Caruana for some of the rent. People who make under \$20,000 a year qualify for subsidized housing. People who make more than \$20,000 a year cannot live in a subsidized unit even though they may own a business Downtown or work full-time.

Commissioner Herzig asked how much money would be left in the AEURD if this loan is granted. City Manager Estes said in the next fiscal year, the loan would come out of the line item for Improvements Other Than Buildings, which will have \$325,000. The loan would reduce this line item by \$150,000 and the loan would be repaid over seven years.

Commissioner Price asked how long Mr. Caruana's agreement with NOAH would last. Mr. Caruana said he signs the contract annually. Each contract begins July 1st.

Commissioner Price asked what the impact would be if Mr. Caruana did not sign the contract with NOAH. Mr. Caruana said the bank would be nervous and the subsidized tenants would have one year to find other housing.

Commissioner Price said she was in favor of the request and thanked Mr. Caruana for the work he has done in Downtown. She was also in favor of granting Mr. Caruana the flexibility to reduce the subsidized units to 50 percent.

Commissioner Warr said he was also in favor of the request.

Mr. Caruana said he was very passionate about the building and wanted to own it forever. The building is not quite done yet and he wanted to see it through to completion. Since the last time he received funding, he has had issues with the building. Also, a tenant started a fire that caused over \$500,000 in damage. Insurance only covered 70 percent of the damage. Now, the exterior needs to be addressed. Professionals from Portland have gone over the entire building to identify all of the masonry leaks, cracks, and holes. The costs are much more than originally anticipated for paint. He was excited to see the building restored the rest of the way. The information packet about the Astor Hotel was a chronological history of the building based on historical documents he found online. Since it was built, the building has always failed to be what it was intended to be. The renovation in the 1980s was nice, but it was never really completed. He was excited that the renovation is almost complete. The building will look the way it did in the 1920s. The building has great opportunities and could

be converted to various types of housing or a hotel. His passion was to save the property. If subsidized housing is best for a while, that is fine. His tenants are in favor of him owning the building and this is not a move to improve the building just so he can move on to bigger and better things by pushing the tenants out. This is about saving the building. The building was once supposed to be a beacon of hope, but it became a symbol of failure. Therefore, he is excited to turn the building around and make it what it should be.

Commissioner Nemlowill said the history of the building is interesting. In 1983, Mayor Chopping said the chances of renovation were nil. What Mr. Caruana is doing for Astoria is very important. She now understood why he had not tapped into the Urban Renewal Funds he had been given to paint the building. The masonry work and work on the rotting windows needs to be completed in order for the building to be effectively sealed and painted. Mr. Caruana has earned this opportunity through his commitment to preserving buildings in Astoria. She hoped Mr. Caruana continued to own the building.

Commission Action: Motion by Commissioner Price, seconded by Commissioner Nemlowill, that the Astoria Development Commission accept the terms and conditions of a refinance loan and \$150,000 of additional funds to provide a loan in the amount of approximately \$456,013 to Paul Caruana for exterior improvements at the Astor Hotel, and that the covenant be revised to reflect that the owner is to keep Hotel Astor as at least 50 percent affordable housing during the life of the loan, and authorize the Chair and City Manager sign the loan documents.

City Manager Estes noted that he would work with Mr. Caruana on the specific language for the condition that would allow flexibility in the number of subsidized units. The condition would require an agreement with Northwest Oregon Housing Authority or an alternate agency to make at least 50 percent of the units available as affordable housing.

Mr. Caruana asked if the language could state that the minimum would be 50 percent. He did not want to give the public the impression that the building would be 50 percent affordable units because there is no plan to change the number of affordable units at this time. He did not want to make his tenants nervous by giving them the wrong impression.

Motion carried 4 to 1. Ayes: Commissioners Warr, Nemlowill, and Price, and Mayor LaMear. Nays: Commissioner Herzig.

Mayor LaMear said she had never heard of spalling. Mr. Caruana explained that water gets behind the paint and on to the metal. As the metal rusts, it expands and pushes against neighboring objects like concrete. Spalling is when chunks of concrete are pushed off of the building by the expanding metal.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:10 pm.

ATTEST:

Secretary

APPROVED:

City Manager



CITY OF ASTORIA

Founded 1811 • Incorporated 1856

July 13, 2015

MEMORANDUM

TO: ASTORIA DEVELOPMENT COMMISSION

FROM:  BRETT ESTES, CITY MANAGER

SUBJECT: LEASE AGREEMENT WITH ASTORIA DOWNTOWN HISTORIC DISTRICT ASSOCIATION (ADHDA) FOR THE 14TH ANNUAL PACIFIC NORTHWEST BREW CUP BEER FESTIVAL

DISCUSSION/ANALYSIS

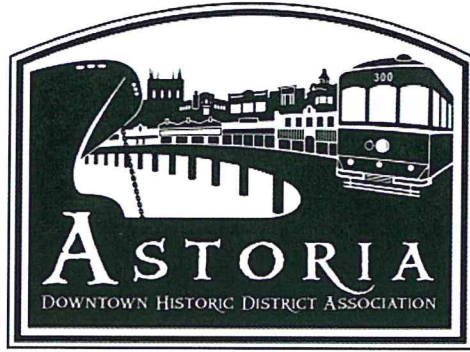
The Annual Pacific Northwest Brew Cup Beer Festival (Brew Cup) is proposed be held September 24, 2015 - September 27, 2015. This event includes activities such as a vending of craft beer, food booths, and live music. For the past four years, the Brew Cup has been held on the Astoria Development Commission (ADC) owned land east of the train depot. It is proposed that the festival be located in this location once again. ADHDA has been in contact with the Columbia River Maritime Museum and the Museum's approval for the event is conditioned upon ADHDA monitoring and controlling where Brew Cup patrons park in the Museum's lot. Attached to this memorandum is a letter from ADHDA President, Dulcye Taylor, which requests use of the ADC owned property. Proceeds from this event would benefit ADHDA.

The time frame for the lease would be for four days, beginning Thursday September 24, 2015 and ending Sunday, September 27, 2015. All day Thursday and the first half of Friday are primarily to set up the tents and vendor spaces. The event would be open Friday, Saturday, and Sunday afternoon. Electricity will be coordinated through Pacific Power and provided by an existing service charged to the event coordinators.

In the past, ADC leased the site for \$1.00 and that amount is once again proposed for this use. The Brew Cup activities provide an opportunity to bring an event to our community that continues to grow in popularity every year. ADHDA will provide liability insurance. Also attached to this memo is a draft lease agreement which City Attorney Blair Henningsgaard has reviewed and approved as to form.

RECOMMENDATION

It is recommended that the Development Commission approve the Lease Agreement with ADHDA for the Pacific Northwest Brew Cup Beer Festival from Thursday September 24, 2015 and ending Sunday, September 27, 2015 for a total sum of \$1.00.



Astoria Downtown Historic District Association (ADHDA) P.O. Box 261 Astoria, OR 97013 503.791.7940

June 15, 2015

Astoria Development Commission
The City of Astoria
1095 Duane Street
Astoria, OR 97103

RE: Pacific NW Brew Cup 2015

Dear Astoria Development Commission:

The Astoria Downtown Historic District Association (ADHDA) is the organizer of the Pacific Northwest Brew Cup, the premier beer festival on Oregon's North Coast. The festival is scheduled to be held the last weekend in September, the 24th, 25th, 26th and 27th. We would like to get permission from the Astoria Development Commission to use the public park space directly to the east of the Historic Train Station as we have the last five years. This space has proved to be perfect for the event. There is plenty of room, easy access to the trolley and fabulous views of the river. The city did an excellent job of removing the derelict structures and eliminating safety hazards from previous years and now that the Barbey Center is open we are looking forward to utilizing this space.

The ADHDA has been in contact with the Columbia River Maritime Museum and has their blessing for the event on the condition we control parking in their lot until after 4pm. This permission also includes the space east of the Barbey Center. The ADHDA will obtain all of the necessary OLCC permits and insurance to run the event. The ADHDA will provide security for event and clean up the area afterwards.

The main event is scheduled to run from noon until 10pm on Friday, noon until 10pm on Saturday and from Noon until 5pm on Sunday. Last year we introduced a Brewer's Reception which will occur on Thursday evening at the Barbey Center, hours to be determined. Last call on all evenings will be given at 9:30pm after which no alcohol will be served.

The PNW Brew Cup has become an excellent festival and destination for locals and visitors, with the combination of great weather (hopefully), lots of people (about 3000,) wonderful music and of course, beers, ciders and potentially wine . We typically have 4-5 local food vendors as well as a "kids" play tent which keeps everyone entertained and happy.

We ask that the Development Commission support this festival by allowing use of the city property from Thursday, September 24th through Sunday, September 27th.

Thank you very much for your consideration. Please feel free to contact me with any questions.

Sincerely,

Dulcye Taylor
President, Astoria Downtown Historic District Association
Dulcye@astoriadowntown.com

**LEASE AGREEMENT
FOR PUBLIC PROPERTY LOCATED AT 250- 21ST STREET
PERMISSION TO USE PUBLIC SPACE AND PERMITS**

PARTIES: This Agreement is entered into between the **ASTORIA DEVELOPMENT COMMISSION**, hereinafter referred to as ADC,

And **ASTORIA DOWNTOWN HISTORIC DISTRICT ASSOCIATION (ADHDA)**, for purposes of holding the Annual Pacific Northwest Brew Cup Beer Festival, hereinafter referred to as ADHDA.

PROPERTY TO BE LEASED: 250 – 21st Street, consisting of Tax Map T8N, R9W, Section 8DA, Tax Lot 203, hereinafter referred to as Property.

WHEREAS:

- A. ADHDA desires to lease space from the ADC to provide a central location for event activities including, but not limited to, the placement of tents, preparation of food and beverage, and other activities associated with the Annual Pacific Northwest Brew Cup Beer Festival for use and enjoyment by patrons of downtown businesses and all citizens of Astoria, and
- B. Assisting ADHDA in securing a central community gathering place will provide economic and community development benefits to the public, and will also enhance the ability of ADC to attract consumers and tourists, and
- C. The use of the Property owned by the ADC can be enhanced through a lease to ADHDA.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, and for other good and valuable consideration, it is agreed between the Parties as follows:

- 1. **LEASE PERIOD AND LEASE PAYMENT:** The lease from the ADC to ADHDA shall run from September 24, 2015 through September 27, 2015 at a lease amount of \$1.00 for the entire length of the lease.
- 2. **ADC'S REPRESENTATIVE:** For purposes hereof, the ADC'S authorized representative will be Brett Estes, City Manager, City of Astoria, 1095 Duane Street, Astoria, Oregon, 97103, (503) 325-5824, bestes@astoria.or.us.
- 3. **ADHDA'S REPRESENTATIVE:** For purposes hereof, ADHDA'S authorized representatives will be Dulcye Taylor, P.O. Box 261, Astoria, Oregon, 97103, (206) 321-7598, dulcye@astoriadowntown.com.

4. **SCHEDULED USE:** ADC grants ADHDA the exclusive use of Property for the purpose of providing an activity area from noon to 10:00 p.m. Friday and Saturday, September 25 and 26, 2015, from noon to 5:00 p.m. on Sunday, September 27, 2015, and for set-up on Thursday, September 24, 2015 (changes must be negotiated between the Parties).
5. **PERMITS:** This Agreement constitutes a permit for sound amplification from noon to 10:00 p.m. on Friday and Saturday, September 25 and 26, 2015, and from 12:00 noon to 5:00p.m. on Sunday, September 27, 2015.
6. **OLCC LICENSE:** ADHDA will need to abide by all conditions of your temporary liquor license.
7. **PROHIBITED USES:** No religious symbols or presentations will be used or presented by ADHDA or any participant on the Property during the term of the lease.
8. **CONDITION OF PROPERTY:** ADHDA shall be responsible for all trash removal related to their use of the Property during the lease times and period, and any costs associated with cleaning the Property at the conclusion of any daily use. ADHDA agrees to make an effort to provide recycling opportunities for glass, plastic and metal beverage containers. ADHDA further agrees to keep the Property in as good or better condition than it was at the commencement of this lease.
9. **DAMAGES AND CLEAN-UP COSTS:** If there is damage to the Property or clean-up costs related to the use under this Lease, ADHDA shall pay these damages or costs. Failure to pay said amounts will result in subsequent collection actions, and also will be grounds for termination under Section 12.
10. **SPECIFIC ISSUES:**
 - A. No liquid or other wastes are to be dumped down storm drains.
 - B. Electrical hookup and water hose use must be coordinated with Pacific Power, or alternatively, with the Columbia River Maritime Museum.
 - C. ADHDA is allowed to place temporary signs that must be removed at the conclusion of the lease agreement.
 - 1) All signage is limited to announcing ADHDA'S Pacific Northwest Brew Cup Beer Festival location and/or hours of operation and activities, and for parking control.
 - 2) All signage must comply with City sign codes and the Manual of Uniform Traffic Control Devices.

- 3) ADHDA shall insure that public sidewalks are not encumbered and the free passage of pedestrians on sidewalks is not impeded.
 - E. ADHDA will provide sufficient portable toilets, trash receptacles and trash collection services to accommodate need, recycling containers and cleanup for each event.
 - F. The ADHDA will comply with Astoria Code 5.025(11) governing amplified sound.
11. **INSURANCE:** ADHDA shall maintain casualty insurance in an amount of \$100,000 for damages to the Property and liability insurance in the amount of \$1,000,000 for injuries. ADHDA shall provide ADC a Certificate of Insurance naming the City of Astoria and the ADC as additionally insureds.
 12. **TERMINATION:** Notwithstanding that this Agreement contemplates a 5-day period, this lease may be terminated by the ADC at any time should the ADHDA fail to comply with any of the provisions of this agreement. Termination shall be made either in writing by hand delivery or by email to ADHDA'S authorized representative not less than 12 hours prior to the date and hour of termination. Termination will not result in a refund by the ADC to ADHDA for any monies paid.
 13. **NON-ASSIGNABILITY:** This Agreement is personal to ADHDA and the ADC relies on ADHDA to comply with and to receive the benefits of this Agreement.
 14. **COMPLIANCE WITH APPLICABLE LAWS:** ADHDA shall comply with all applicable City, State and Federal laws and regulations, including, but not limited to, license requirements.
 15. **LICENSES:** Any vendor using the Property during the lease agreement shall have on file with City a valid Occupational Tax License.
 16. **SUPERVISION OF PARTICIPANTS:** ADHDA agrees to exercise exclusive control and supervision over its members, ADHDA sponsored activities and organizations, and persons or businesses that sell products on the Property at the time specified for ADHDA occupancy of the premises. ADHDA will publish rules and expectations for these participants.
 17. **HOLD HARMLESS:** ADHDA and its successors and assigns shall completely protect and save, defend and hold harmless the ADC, and its officers, agents and employees, from any liability or obligation of any kind or nature whatsoever arising from injury or injuries, including death, to any person or persons, or damage to any property, real or personal, suffered or alleged to have been suffered all or in part by any person or property arising out of or in connection with the use or occupancy of the Property by ADHDA.

18. **ATTORNEY FEES:** If suit or action is brought by either Party to enforce any right created by this Agreement, the prevailing Party shall be entitled to recover in any trial court, and appellate courts, including costs and disbursements and reasonable attorney fees.

IN WITNESS WHEREOF, the Parties have, on this _____ day of _____, 2015 set their hands by and through their duly authorized agents.

ASTORIA DEVELOPMENT COMMISSION

ADHDA

By: _____
Russ Warr, ADC President

By: _____

By: _____
Brett Estes, City Manager

By: _____

APPROVED AS TO FORM:



City Attorney

Digitally signed by
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