

ASTORIA DEVELOPMENT COMMISSION

City Council Chambers
October 7, 2013

ADC JOURNAL OF PROCEEDINGS

A regular meeting of the Astoria Development Commission was held at the above place at the hour of 9:17 p.m.

Councilors Present: Herzig, Warr, Mellin, LaMear, Mayor Van Dusen

Staff Present: City Manager Benoit. 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): Resolution Astor-East Urban Renewal Plan Amendment (11th Amendment)
Acquisition of Astoria Armory (1636 Exchange) and Adjacent Parking Lot (1600 Block Duane) (Community Development)**

The Astoria Armory and the adjacent parking lot used by the US Coast Guard (north of the Armory), owned by the Columbia River Maritime Museum, are presently for sale. The properties are located within the Astor-East Urban Renewal District. The referenced property is located at 1636 Exchange Street and the adjacent parking lot at the 1600 Block Duane Street. If the Astoria Development Commission (ADC) wishes to proceed with acquisition, the Astor-East Urban Renewal Plan would need to be amended. The acquisition of this property could prove beneficial in the future as development or redevelopment in this area occurs. The purchase of real estate requires that the ADC amend the Astor-East Urban Renewal Plan to add acquisition of the specified sites to the Plan. Staff coordinated with the Urban Renewal Attorney Jeannette Launer to prepare the required amendment and she has reviewed and approved as to form.

The Astoria Armory property will be re-sold for eventual reuse and/or redevelopment. The parking lot will be retained and may be improved by the ADC as allowed and budgeted under Section 650.E of the Astor-East Urban Renewal Plan. Negotiations on the sale of the property and associated considerations will be presented to the appropriate commission at future ADC and City Council meetings. This Eleventh Plan Amendment gives the ADC the authority to acquire the real property located at 1636 Exchange Street and the adjacent parking lot at the 1600 Block Duane Street. This change to the Plan is considered a minor amendment and may be approved by adoption of a Resolution. A draft Resolution is attached. Also attached is the required Report on the Astor-East Urban Renewal Plan. This Report addresses the necessary requirements for adoption of the amendment. It is recommended that the ADC approve the Eleventh Plan Amendment and adopt the attached resolution thereby granting authority to acquire real property located at 1636 Exchange Street and the adjacent parking lot at the 1600 Block Duane Street.

Robert Erickson, 439 Grand, Astoria, said he was concerned because there was a lot about the plan he did not understand. At the last ADC meeting, he was told that the bank would purchase the properties, the City would purchase the parking lot from the bank, and the bank would sell the building. There was no mention of Urban renewal funds being used to make these purchases. He understood that this amendment would allow the City to purchase the property. He also understood that the City would act as a bank for the property and enter the real estate business, which he opposed. This raised a lot of questions about default.

- He was concerned that City Council was gaining too much authority. He did not believe City Council should also serve as the Development Commission and approving everything the Council does. The City has a number of separate commissions, but not here. A lot of thought should go into this amendment as a lot of money is being spent. Urban renewal funds are tax money. He asked who would be participating in this transaction, as he assumed the City would be loaning money to them.

City Manager Benoit clarified that the City is not planning to loan any money for the Urban Renewal District.

Mr. Erickson asked how the City plans to complete the transaction. He also wanted to know what would happen if other City commissions voted against selling the building as he is concerned that the City will be stuck with a building it does not want to keep. He recalled the Friends of the Astoria Armory and other parties were interested in the building, but believed the public should be made aware that the building is for sale. He is concerned about more property being removed from the tax roll.

Mayor Van Dusen called for a short recess at 9:23 pm so he could find out how much information the Commission is allowed to divulge, as these matters are usually discussed in an Executive Session. The ADC meeting reconvened at 9:24 p.m.

Mayor Van Dusen explained that land purchase negotiations must be discussed at Executive Sessions. The City has spoken with a lending group that wants to purchase the property. The lending group will sell the building to the Friends of the Astoria Armory. Other institutions are also interested in purchasing the building. The lending group will represent the City, but the City will not be in the loaning business.

Mr. Erickson did not understand why urban renewal funds are necessary. Mayor Van Dusen stated the City will make the purchase and immediately sell the Armory Building to a bank, who will then own it. This prevents the City from getting into the banking business. City Manager Benoit explained the City would acquire the property for \$250,000, and immediately and simultaneously, sell the property to a lending group for \$250,000. The City would not be financing the property.

Mr. Erickson asked why the lending group would not simply purchase the property directly from the seller.

Mayor Van Dusen replied that the City never wanted the Armory Building, but must purchase it to get the parking lot. The City does not want the bank to own the parking lot and this agreement ensures that the City gets the parking lot.

Mr. Erickson did not understand the City's reasoning and wanted to see the Armory put to good use, perhaps making jobs available.

Mayor Van Dusen stated he was prohibited from disclosing the names of potential buyers, but assured there are potential buyers.

City Manager Benoit explained that this amendment would give the ADC the authority to acquire the Armory and parking lot for \$250,000. Under the current Plan, the property would be immediately sold and the funds would be replenished immediately. He offered to meet with Mr. Erickson to discuss the issue further.

Mayor Van Dusen stated that that City Council should absolutely serve as the ADC. He recalled a time when the ADC consisted of a different group of people. The ADC has a lot of authority and a lot of money is involved. This group did not report to the voters on condemnation of a private property. Voters have no control over who serves on the Planning Commission, for example.

Mr. Erickson stated the City Council can override decisions made by the Planning Commission and any other City board or commission.

Mayor Van Dusen explained that the voters can recall or replace City Councilors, who also serve on the Astoria Development Commission. The ADC should report to the voters.

Mr. Erickson suggested a review board be created to allow others to get involved.

Mayor Van Dusen agreed with allowing more people to get involved; however, if the ADC consisted of appointed members, they may not report to anyone other than the person who appointed them. The ADC makes decisions about the use of tax money.

Mr. Erickson clarified he did not believe the ADC should have the final say and should answer to City Council. The Development Commission should be given information to present to City Council prior to publicizing issues.

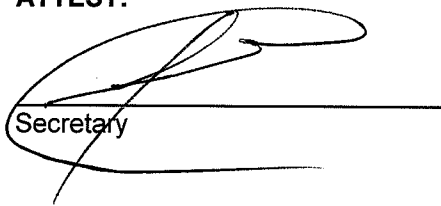
Mayor Van Dusen stated that he and the Commission was glad that Mr. Erickson attended to ask questions.

Commission Action: Motion by Commissioner Warr, seconded by Commissioner Mellin, to approve the resolution that authorizes the following: increase debt payments from \$80,000 to \$135,400 for current debt payments; increase Capital Outlay by \$50,000 to \$250,000 for the Heritage Square improvements; transfer \$156,350 to fund #146 the Parks and Recreation Fund in support of the continued development of the Heritage Square project. Motion carried unanimously. Ayes: Commissioners Warr, LaMear, Herzig and Mellin, and Mayor Van Dusen. Nays: None.

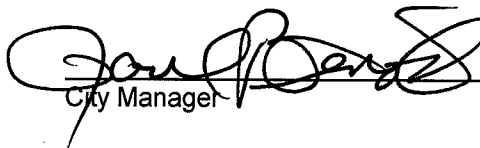
ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:32 p.m.

ATTEST:


Secretary

APPROVED:


City Manager