



CITY OF OREGON CITY

URBAN RENEWAL COMMISSION

MINUTES

Virtual Meeting
Wednesday, March 17, 2021 at 6:00 PM

VIRTUAL MEETING OF THE URBAN RENEWAL COMMISSION

CALL TO ORDER

Chair Denyse McGriff called the meeting to order at 6:03 PM.

ROLL CALL

PRESENT: 6 - Commission Chair Denyse McGriff, Commission Vice Chair Shawn Cross, Commissioner Frank O'Donnell, Commissioner Doug Neeley, Commissioner Rachel Lyles Smith, Commissioner Rocky Smith, Jr.

STAFFERS: 5 - City Manager Tony Konkol, Economic Development Manager James Graham, Assistant City Recorder Jakob Wiley, City Recorder Kattie Riggs, and Finance Director Matt Zook

CITIZEN COMMENTS

There were no citizen comments.

DISCUSSION ITEMS

1. Commercial Lease Renewal with Clackamas Landscape Supply, Inc.

James Graham, Economic Development Manager, introduced the commercial lease and the background information. Clackamas Landscape Supply was seeking to renew its lease with the Urban Renewal Commission starting retroactively on January 1, 2021 and expiring on December 31, 2023. As part of the lease provisions, the Commission is required to provide the tenant with not less than a twelve-month prior written notice of termination. The Commission may allow an option to renew the proposed lease for two (2) successive terms of one (1) year each. There is also a new 2.5% base rent amount increase.

Commissioner O'Donnell had concerns about executing this lease, as there are many issues concerning the six-acre property, including potential uses to expand the Metro South Transfer Station as well as other potential projects. Commissioner O'Donnell supported a one-year lease option rather than a longer lease.

Commissioner Lyles Smith discussed the property as a possible extension to the Metro South Transfer Station and that she would prefer a shorter lease to give the City more options.

Commissioner Smith supports a shorter lease due to all that is going on in the immediate area, including a potential hotel and major retail site.

Commissioner Neeley commented on his concerns related to the adjacent Metro property and his desire to see the property used rather than remain vacant.

Mr. Graham reviewed the lease options with the Commissioners.

Commissioner Cross suggested a two-year lease with three one-year extensions.

Commissioner O'Donnell commented that the Commission should not focus exclusively on the property being used by Metro and that the property is valuable by virtue of the location. Commissioner O'Donnell supports a one-year lease with extensions.

Chair McGriff discussed the comments from the Metro South Advisory Committee and that they are conducting due diligence up to one year, to determine the impact of relocating the transfer station to the Clackamas industrial area. Under consideration is relocating the commercial activity from the current location to a new site and enhancing the existing property for homeowner recycling and environmental education.

Commissioner O'Donnell did not support tying up the property longer than a year and felt the property is highly valuable to the community.

Mr. Konkol read from the current Urban Renewal Plan as to possible property uses, for the benefit of the Commission. This included potential private sector investment and the timing involved.

Commissioner O'Donnell reminded the Commission that private sector investment tends to move faster than public sector, when considering various projects.

Commissioner Lyles Smith suggested a two-year lease as a compromise to allow for potential use by Metro in the future.

Motion made by Commissioner O'Donnell, seconded by Chair McGriff, to offer a 1-year lease backdated to January 1, 2021 and ending December 31, 2021, with 6-month extensions.

The City Commission continued discussion regarding sharing the property with both the current tenant and potential use by Metro.

Commissioner O'Donnell amended his motion to offer a 1-year lease backdated to January 1, 2021 with optional six-month extensions, and subject to an initial discussion with Metro and the current tenants to determine if some portion of the property could be used by Metro during the term of the lease.

The Commissioners and Mr. Konkol had further discussion on development of the property and the current lessee. Commissioner McGriff wanted to ask Metro if they would like to share the property with the current tenants. Commissioner O'Donnell wanted to pursue asking the current tenants and Metro if they would be willing to share the property with Metro for the expanded Metro South Transfer Station.

Commissioner O'Donnell withdrew his earlier motion.

Motion made by Commissioner O'Donnell, seconded by Chair McGriff, to continue the lease on a month-to-month basis until June 30, 2021. The motion failed by the following vote:

Yea: 3 - Commissioner O'Donnell, Commissioner McGriff, Commissioner Smith, Jr.

Nay: 2 - Commissioner Cross, Commissioner Lyles Smith

Abstaining: 1 - Commissioner Neeley

There was brief discussion.

Motion made by Commissioner Neeley, seconded by Commissioner Cross, to approve a 1-year lease starting at January 1, 2021 through December 31, 2021 with a possibility of a 1-year extension, and a 1-year notice to cancel the lease. The motion failed by the following vote:

Yea: 3 - Commissioner Cross, Commissioner Neeley, Commissioner Lyles Smith

Nay: 3 - Commissioner O'Donnell, Commissioner McGriff, Commissioner Smith, Jr.

There was brief discussion about the current status of the expired lease and whether it has reverted to a month-to-month lease. Mr. Konkol discussed the time required to develop the property in another way and the challenges with the location in the floodplain.

Motion made by Commissioner McGriff, seconded by Commissioner O'Donnell, to continue the lease on a month-to-month basis. The motion passed by the following vote:

Yea: 4 - Commissioner O'Donnell, Commissioner Cross, Commissioner McGriff, Commissioner Smith, Jr.

Nay: 2 - Commissioner Neeley, Commissioner Lyles Smith

There was brief discussion during the vote as to whether the motion included revisiting the issue at the next meeting. Mr. Konkol confirmed that he had clear direction to include further discussion at the next meeting in April 2021.

2. Alternatives Analysis – Study of Urban Renewal

There was consensus of the Commission to postpone this agenda item until the next meeting.

3. Urban Renewal Agency Financial Information

Matt Zook, Finance Director, presented a financial summary report. The report provided a financial summary for the Urban Renewal Agency (URA) for the previous two fiscal years and the current fiscal year through February 28, 2021. Under normal circumstances, the annual financial report for June 30, 2020 would be available for presentation to the Commission in early 2021. Due to federal funds (CARES Act) received by the City of Oregon City in fiscal year 2019-20, additional audit procedures were required. The Federal Office of Management and Budget released guidance pertaining to the CARES Act audit late in December 2020 and the audit is being performed in March 2021. The annual financial reports for the URA will be finalized in tandem with the City's financial reports in late March and presented to the Commission at the next available meeting.

The Commissioners had no questions.

4. Minutes of 01-26-2021 Urban Renewal Commission Meeting

Motion made by Commissioner Neeley, seconded by Commissioner Lyles Smith, to approve the adoption of the January 26, 2021 minutes. The motion passed by the following vote:

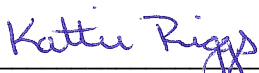
Yea: 6 - Commissioner Cross, Commissioner McGriff, Commissioner Neeley, Commissioner Lyles Smith, Commissioner Smith, Jr. and Commissioner O'Donnell.

COMMUNICATIONS

ADJOURNMENT

Chair Denyse McGriff adjourned the meeting at 6:53 PM.

Respectfully submitted,



Kattie Riggs, City Recorder