



Harrisburg Redevelopment Agency Minutes February 12, 2019

The Harrisburg Redevelopment Agency met on this date at the Harrisburg Senior Center, located at 354 Smith St., at the hour of 7:15pm. Presiding was Board President Robert Duncan. Also present were as follows:

- Kimberly Downey
- Robert Boese
- Adam Keaton
- Randy Klemm
- Charlotte Thomas
- City Administrator Brian Latta
- City Recorder/Asst. City Administrator Michele Eldridge
- Public Works Director Chuck Scholz
- Finance Officer Tim Gaines

Absent this evening were Board member Mike Caughey, and Youth Advisor Spencer Tucker.

The matter of Approving the Minutes for January 8, 2019

- Thomas **motioned to approve the Minutes for January 8, 2019, and was seconded** by Klemm. The **Board then voted unanimously to approve the minutes for January 8, 2019.**

The matter of Considering Applying for State Grants on Behalf of a Third Party

STAFF REPORT: Latta walked the Council through what would be involved if the City applied for a state grant on behalf of a third party. He explained how the Pacific NW Marathon had forgotten to advertise the Willamette Valley Visitors Association (WVVA) in their advertising as was required. To their credit, they had already gotten most of the advertising up before the grant was applied. To remedy it, they are including that credit in a lot of their materials this year. His concern is that if you are only the fiduciary for a grant, then it's hard to control what is taking place with a 3rd party. It's important to understand the structure of the grant, to make sure that all requirements are met, and things don't look bad for the City. In this case, it isn't as much of a risk, because it's a reimbursement grant. We are able to check to make sure all the conditions have been met, and then we have an option to not pay. In a worst case scenario, we would be able to return the funds to the grant funder. The Freeman's are asking the HRA Board to consider allowing them to apply for a \$200,000 Revitalization Grant through Oregon Main Street (OMS). He wanted to find out if the City Council is comfortable with the City applying for grants, if the City is not an applicant. The other issue is that we could get denied in the future if we apply for a grant for our own project, because our agencies name was on a previous grant award. We will also want to make sure that a grant makes sense, and that the agency wants to support the project.

- Downey felt that in this case, it was safer. If the funds aren't disbursed until everything is completed, then we can make sure it's in compliance. This building needs to be established, because it's historic. If you search Harrisburg on numerous websites, you'll

see that it's this building that comes up. It's a pretty important building to us, so she would like to allow this. She's thrilled beyond belief that they want to do this because it's important to everyone in the community.

- Latta would make sure in our legal agreement that we are not going to reimburse or pay anything until the project is complete. If a company doesn't meet their obligations, then we can give the money back.
- Klemm brought up the fact that once we apply for the grant, we are responsible for completing documents. That takes time, effort and money from the staff working on it. How do we address that with an applicant? How do we get compensated for it?
- Latta suggested that perhaps in the agreement; we could ask for 1% of the amount, or something like that which would refund our work as administrators of the grant.

The Board was in favor of that, because as Downey noted, if people want access to documents, they have to pay for staff time in providing them. Klemm added that we really do want to work with them. Thomas said that the HRA does have its own projects, and her worry is that we kick ourselves on getting funded in the future. Knowing that we've entered the Main Street Program, she thought we should ask that question. Latta did say that he can't speak to everything, but he had forgotten earlier to say what a fantastic job Eldridge did last week with that program presentation. Keaton agreed, as did Boese, and said that the pizza was good too! Latta added that we can't speak to potential projects. We have none lined out today. It is a building on our main street, it is in the HRA, and it fits the bill, because it's also in the Main Street boundaries. Eldridge had hoped to have a project that we could apply for next year, but yes, the program is just getting started, and we haven't yet identified any projects or work plans for later this year or next. Latta said that the application closes at the end of the month, on the 28th. He already gave the Freeman's the information, and said that if approved, they will write the grant application, and he will supplement it. Boese asked if other agencies were doing something like this, where they write grants for third parties. Latta didn't know, but he'd be surprised if they didn't. ***Consensus is that the Council would be supportive of applying for grants for a 3rd party, but on a case by case basis.*** Thomas added that's if we do minimal work in writing the grant, and we get a percentage for administration. Downey wanted to keep it in the HRA Boundaries', and Eldridge added that it also has to be in the Main Street Program boundaries. Latta will let the applicants know that Council will consider an administrative fee. Mayor Duncan said that if they received 1%, that the City would be getting \$2,000 on a \$200,000 grant. Latta told him correct, but he also needs to remember that we will need to pay the attorney to create the agreements. Mayor Duncan suggested that perhaps we state it's a not to exceed amount. Latta said that was a good thing to consider.

The matter of Considering a Second Property Improvement Grant Request by Donnell & Patrick Freeman for the Property at 190 Smith St.

Staff Report: Latta repeated the information in the agenda bill, saying that the Freeman's would be here, but had a baby not too long ago. They are asking the HRA for the \$50,000 grant. Knowing that they were hoping to apply for the Oregon Main Street (OMS) Grant, he had asked them to provide more information. Therefore, they sent along a letter and spreadsheet. (Please see Addendums No. 1 and No. 2). As you can see, the total cost of the project is \$460,000. They hope to pay for that with a \$200,000 grant, for which they would use the \$50,000 grant from us to apply to the grant match requirements. The first grant is complete, but they have not yet finalized their building permit. Their matching requirement if they received \$200,000 would actually come to \$60,000, so would cost them more than what our grant would provide.

To inform the board of where the total funds of \$500,000 are, to date, we have 3 loans out for a total of \$237,500 with a 40% forgiveness factor for each loan. In addition, two

\$50,000 grants have been awarded; the current available balance is \$162,500. If you award this grant to them, you will be reducing the available funds to \$112,000. There are other projects that are pending; one of which is for JB Woodworks. The money will be eaten up quickly. When the loans are paid back in the future, we will certainly have more available then, but it could be ten years down the road. Staff recommendation is that we allow the grant.

- Keaton wanted to mention that the fact that if we leverage initial funding from the Main Street grant, then he thinks it's a dead ringer for this one. He thinks going forward, that we will need to prioritize the ones that get the grants, because getting the best bang for our buck is a good idea too.
- Latta noted that he had the same reservations, when it was the same request from the same people; but it's also an important property. We could tie our grant request into a requirement that they must have a successful grant request themselves. He didn't think that with a \$460,000 price tag that the loss of \$50,000 would prevent them from fixing the building, but it would certainly help them.
- Keaton agreed; we gave them funds in the first round, and now it's a second round. The whole point of the program is to fix the entire area, not just this building. He likes spreading it around, and potentially making it contingent, or partially contingent on them getting the grant from OMS. We could also structure the response, so if they get a successful grant from OMS, that we would allow the \$50,000 grant request, or if it's not successful, they only get \$25,000.
- Thomas said that maybe we could also say they get \$50,000 if the grant is successful and nothing if it's not. Or if we decide that the building should get fixed, could we change it to \$25,000?
- Latta reminded them that the board can say whatever you want. Just because a requestor meets the criteria, doesn't mean that you have to give a grant to them. You can use it in a good fashion, or reserve some to use for properties in the boundaries of the HRA. He did want to add a reminder that with the loans we've given, we're only going to get 60% of them paid back to us in the future, due to the 40% forgiveness factor. That applies to the amounts approved and given to both the doctor's office, and the two given to the dental office.

The City Council continued a discussion about how they wanted to handle the use of the remaining funds in this program. Keaton liked the idea of them getting the \$50,000 contingent on them getting the full grant, but Thomas agreed with him, and suggested that if they don't receive the OMS grant, then their request to us becomes a loan instead of a grant.

- After further discussion, Klemm **motioned to approve a \$50,000 grant that shall only be used as matching funds for the OMS Revitalization Grant. If the request is unsuccessful, the applicant may ask the agency for a loan. He was seconded by Thomas, and the HRA Board voted unanimously to award a \$50,000 grant to the applicant, which shall only be used as matching funds for the OMS grant request. If unsuccessful, the applicant may apply for a loan from the HRA board through the programs it has available.**

Others: None

With no further business to discuss, the meeting adjourned at 7:50pm.

Chairperson

City Recorder

Patrick & Donnell Freeman
310 S. Williams Street
Denver, CO 80209
2/7/19

Mr. Latta
City Planner
120 Smith Street
Harrisburg, OR 97446

Dear Mr. Latta:

First, we wanted to thank you for your grant approval in 2018 to repair the badly damaged roof. The project was extremely timely and likely saved the building.

We have once again submitted a proposal and presentation as consideration for the 2019 City of Harrisburg **Property Improvement Grant**. We wanted to provide some additional details surrounding our request and funding plan.

The requested project(s) to the city and state includes the repair and restoration (*to NHRP standards*) of the building facade including brickwork, retail storefront windows and doors. These projects and our funding request to the City of Harrisburg are predicated on funding to be partially supplemented with approval of the Main Street Grant. We are requesting a \$200,000 grant from the state based on our \$460,528 project cost. The City of Harrisburg funding will significantly assist to fulfill the 30% matching requirements needed for the state grant. Furthermore, financial support from the City of Harrisburg shows a strong commitment to the community, importance of creating a vibrant main street district and a pledge to preserve important historical landmarks. Overall, support from the city offers significant leverage to the pending approval of state funding through the Main Street grant.

We are executing these projects by following a methodical construction timeline to ensure we maintain the structural integrity and longevity of this historically important Harrisburg landmark. Once the building is structurally sound, the prime retail space(s) will be available and marketed for future retail (coffee shop, etc.) use.

Thank you again for your consideration and look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick & Donnell Freeman", written over a horizontal line.

Patrick & Donnell Freeman

Freeman Phase 2						TOTAL
190 Smith st Harrisburg Oregon						
GENERAL CONDITIONS.....						\$ 5,745.00
Out house.				\$ 880.00		
General labor.				\$ 1,600.00		
Site fencing.				\$ -		
Construction signs.				\$ -		
Dumpster.				\$ 1,600.00		
Permits.				\$ -		
Small tool rental.				\$ 1,285.00		
Clean up at the end of the job.				\$ 380.00		
				\$ 5,745.00		
DEMOLITION.....						\$ 28,500.00
Demolition of second story plaster ceiling.				\$ 2,400.00		
Demolition of second story interior walls.				\$ 2,400.00		
Demolition of first story plaster ceiling.				\$ 2,400.00		
Demolition of first story interior walls.				\$ 800.00		
Wall plaster demolition. (WAG this number is very fluid)				\$ 20,500.00		
				\$ 28,500.00		

FRAMING						\$ 13,800.00
Ground floor storage areas				\$ 2,600.00		
Misc. Framing including bathroom				\$ 4,400.00		
Store front walls at future tenant space.				\$ 6,800.00		
				\$ 13,800.00		
ELECTRICAL.....						\$ 56,782.00
New utility services and panels to the building. from Chris Dame @ Excel Electric.				\$ 22,987.00		
Rough-in, electrical components, wiring, dedicated circuits, lighting, etc. from Chris Dame @ Excel Electric.				\$ 33,795.00		
				\$ 56,782.00		
PLUMBING.....						\$ 18,356.00
Base Plumbing bid including rough-in and 75 gallon water commercial water heater				\$ 18,356.00		
				\$ 18,356.00		

HVAC.....						\$ 36,100.00
Heating and Air Conditioning Systems				\$ 18,500.00		
Electrical and demo				\$ 4,100.00		
Ducting and Venting				\$ 12,000.00		
Engineering				\$ 1,500.00		
				\$ 36,100.00		
Windows/Doors.....						\$ 144,114.48
Windows and Exterior Doors				\$ 121,714.48		
Windows and Exterior Doors Installation				\$ 16,000.00		
Moisture barrier, ice and water membrane, fasteners, etc.				\$ 2,500.00		
Access door				\$ 3,900.00		
				\$ 144,114.48		
Masonry.....						\$ 97,062.00
Wash and remove Carbon staining						
Repointing, brick replacement, equipment, labor				\$ 97,062.00		
				\$ 97,062.00		
SUB-TOTAL.....						\$ 400,459.48
OVERHEAD AND PROFIT (15%).....						\$ 60,068.92
TOTAL.....						\$ 460,528.40

[illegible]

