



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

## AGENDA

### **Columbia Gateway Urban Renewal Agency**

City Council Chamber

313 Court Street, The Dalles, Oregon

*Meeting Conducted in a Handicap Accessible Room*

Monday, November 26, 2012

Immediately Following the City Council Meeting

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF AGENDA
- IV. AUDIENCE PARTICIPATION
- V. APPROVAL OF MINUTES
  - A. Approval of July 23, 2012 Regular Meeting Minutes
  - B. Approval of August 13, 2012 Regular Meeting Minutes
- VI. PRESENTATIONS
  - A. Presentation of Fiscal Year 2011-12 Audit
- VII. PUBLIC HEARINGS
  - A. Public Hearing to Receive Testimony Regarding a Supplemental Budget for the Fiscal Year 2012-13
    1. Resolution No. 12-078 Adopting a Supplemental Budget for the Columbia Gateway Urban Renewal Agency for Fiscal Year 2012-13, Making Appropriations and Authorizing Expenditures From and Within the Capital Projects Fund



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

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CITY OF THE DALLES

VIII. ACTION ITEMS

- A. Approval of Granada Block Memorandum of Understanding Extension of Time for Execution of Disposition and Development Agreement

IX. ADJOURNMENT

**MINUTES**

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

REGULAR MEETING  
OF  
JULY 23, 2012

CITY COUNCIL CHAMBER  
313 COURT STREET  
THE DALLES, OREGON

**PRESIDING:** Chair Jim Wilcox

**AGENCY PRESENT:** Bill Dick, Carolyn Wood, Dan Spatz, Brian Ahier, Tim McGlothlin

**AGENCY ABSENT:** None

**STAFF PRESENT:** City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Community Development Director Dan Durow

**CALL TO ORDER**

The meeting was called to order by Chair Wilcox at 7:32 p.m.

**ROLL CALL**

Roll call was conducted by City Clerk Krueger; Dick absent.

**APPROVAL OF AGENDA**

It was moved by Spatz and seconded by Wood to approve the agenda as presented. The motion carried unanimously, Dick absent.

**AUDIENCE PARTICIPATION**

None.

### **APPROVAL OF MINUTES**

It was moved by Wood and seconded by McGlothlin to approve the minutes of the July 9, 2012 meeting. The motion carried unanimously, Dick absent.

### **EXECUTIVE SESSION**

Chair Wilcox recessed the meeting to Executive Session in accordance with ORS 192.660 (2) (e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions at 7:33 p.m.

**Agency Member Dick in attendance at 7:40 p.m.**

### **Reconvene to Open Session**

The meeting reconvened to open session at 7:54 p.m.

### **DECISIONS FOLLOWING EXECUTIVE SESSION**

It was moved by Ahier and seconded by Spatz to make the Granada Block Redevelopment Memorandum of Understanding a public document; refer it to the Urban Renewal Advisory Committee for comments and to meet on August 13, 2012 to consider approval of the Memorandum of Understanding. The motion carried unanimously.

### **Discussion With Granada Block Developers**

Developers present were introduced: Michael Leash, Jason Pasternak, and Jens von Gierke. They reported the proposed hotel would have between 135 and 150 guest rooms, be five stories, with four of the stories being for guest rooms, two food and beverage areas, meeting space, a swimming pool, fitness center, business center and a large outdoor terrace area. In response to a question, it was noted the main entrance of the hotel would be on First Street, with an additional entrance on Second Street.

Ahier said he wanted to be sure the Developers understood that the Agency felt it was vital to maintain the historic character of the Granada Theater. Mr. Leash said they agreed with that philosophy and believed it was the crown jewel of the block. He said it was a very important piece of the project.

MINUTES (Continued)  
Urban Renewal Agency  
July 23, 2012  
Page 3

Mr. von Gierke provided background as to their research into the feasibility of the project and said they were very pleased with activities and other projects being developed in the area. He said they had been considering several hotel brands and were working with investors. Von Gierke said it was an excellent location and there was great potential. He expressed confidence in the project. Mr. von Gierke said he anticipated groups using blocks of rooms between 40 and 50, but could accommodate groups up to 100 rooms. He said the rooms would likely be used by business people during the week and tourists on the weekends. Von Gierke said it would bring a lot of business to downtown retail and restaurants and would attract new retail to the area as well.

Ahier asked how the project would proceed. City Manager Young said the Development and Disposition Agreement would be completed in September and when that was completed, demolition of the Recreation building could commence.

McGlothlin thanked the developer group for their work and said he was very impressed with the project. He said he felt confident about the project proceeding.

Wood said she appreciated that the preliminary drawings were complimentary to the historic features of the downtown.

Dick said he was excited about the project and said their success would be a success for The Dalles.

McGlothlin asked if there were plans for updating the old bank building. Mr. Leash said that building had not been included in the drawings submitted, but there were plans to update the building. He said he did not yet know the timing for upgrades to that building at this time.

Jason Pasternak said it was anticipated that the hotel would have 30 to 40 full time employees, and approximately 20 jobs in the restaurant. He said additional part-time employees would be needed for special events.

It was noted that once design and permitting were complete, it was estimated to take 14 to 16 months for construction, estimating completion in the Fall of 2014.

City Manager Young said the public parking structure was still being worked on and was planned to be placed on the current parking lot between Washington and Federal Streets, just west of the Transportation Center building. He said the time line would match up with the construction of the hotel project.

Mr. von Gierke said the new dock and festival park were great assets and congratulated the City for completing those projects.

MINUTES (Continued)  
Urban Renewal Agency  
July 23, 2012  
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**ADJOURNMENT**

Being no further business, the meeting adjourned at 8:40 p.m.

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Submitted by/  
Julie Krueger, MMC  
City Clerk

SIGNED:

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James L. Wilcox, Chair

ATTEST:

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Julie Krueger, MMC, City Clerk

**MINUTES**

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

SPECIAL MEETING  
OF  
AUGUST 13, 2012

CITY COUNCIL CHAMBER  
313 COURT STREET  
THE DALLES, OREGON

**PRESIDING:** Chair Jim Wilcox

**AGENCY PRESENT:** Bill Dick, Carolyn Wood, Dan Spatz, Brian Ahier, Tim McGlothlin

**AGENCY ABSENT:** None

**STAFF PRESENT:** City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Community Development Director Dan Durow

**CALL TO ORDER**

The meeting was called to order by Chair Wilcox at 5:39 p.m.

**ROLL CALL**

Roll call was conducted by City Clerk Krueger; all members present.

**APPROVAL OF AGENDA**

It was moved by Spatz and seconded by Wood to approve the agenda as presented. The motion carried unanimously.

**ACTION ITEMS**

**Approval of Granada Block Redevelopment Memorandum of Understanding**

Community Development Director Durow reviewed the staff report. He noted the Urban Renewal Advisory Committee had recommended the Memorandum of Understanding (MOU) be approved as presented. Durow reviewed the MOU, including various phases for development, responsibilities of the Developer and the Urban Renewal Agency, and Disposition and Development Agreement (DDA). He said the Agreement was proposed to be completed by September 30, 2012, but that time could be extended if necessary.

Durow said there would be several more opportunities for public input because the Agency would have the opportunity to review the information, as well as a review by Historic Landmarks Commission and the Planning Commission.

Spatz asked if the vertical housing zone discussed for the Commodore Parking Lot would apply to all of the downtown area or was only applied to this proposed development. Durow said the vertical housing zone would be applied to most or all of the downtown area. He said the RARE Planner would be working on that issue in the Fall.

City Attorney Parker noted there had been a discrepancy in two sections regarding the closing date so language was changed to state the funds mentioned in Section 4.2.2.a would be available upon execution of the closing documents.

Ahier asked if there was a cost estimate for the archaeological work. Durow said the first phase of that work was to prepare an overview, mostly using past records, there would be a better idea of what the cost would be for the second stage of the work, which was to dig test pits. Durow said when the second portion was completed, there would be a better picture of how the site would be cleared for construction.

City Manager Young said the Urban Renewal Agency was responsible for Phases I and II of that work, but the Developer would be responsible to resolve issues through design of their project.

Ahier asked for clarification of the one percent systems development (SDC) credits. City Manager Young said the SDC credits applied to all new construction projects in the City and there was no cap on the credits.

Community Development Director Durow noted the drawings were considered very preliminary and were developed for illustrative purposes only. He said the basic idea was to have vehicular access from First Street and pedestrian access on Second Street.

Public Comment

John Nelson, 524 West Third Place, The Dalles, spoke as a member of the Main Street Program Design Committee. He said the committee had some concerns regarding the appearance of the new development and suggested including a professional architect who was not connected to the development to help with the design review to make sure it fit with the historic nature of the area.

Steve Lawrence, 222 West 12<sup>th</sup> Street, The Dalles, said he hoped the project would be a success. He expressed concern that most of the negotiations had been held in Executive Sessions, excluding public input. He said it wasn't right to exclude the public from the process. Mr. Lawrence said the Civic Auditorium had been promised half the revenue from the rental of the Granada Theater in 2010, but had not received any money from it.

Regarding the proposed Disposition and Development Agreement, Mr. Lawrence said he hoped it would include protection and guidelines to be followed by the Developer. He expressed concern that the Blue Building would be demolished and said he hoped the agreement included language defining the financial strengths of the developer and/or its partners. Lawrence said it was important for the public to know the financial strength of the developers.

Ahier agreed with the concern that Executive Sessions were over-used in general, but said no decisions could be made in an Executive Session. He said there were times when property negotiations needed to be worked through in Executive Session.

Eric Gleason, 704 Case Street, The Dalles, expressed concern regarding possible vacation of the alley between First and Second Streets. He said it may need to be widened to two lanes to allow for delivery trucks in and out of the area.

Mr. Gleason offered assistance with archaeological work, noting his belief that the area was a rich archaeological area. Gleason said he was concerned about historic preservation and said this area could be of national significance. He expressed concern that historic buildings may be demolished. Gleason said the Blue Building was constructed in 1865 and was very historically significant, having been one of only three buildings that survived the fire of 1878. He noted the Recreation Building had originally been the Grand Theater before the Granada was in existence and said it was unknown how much of that structure was remaining behind the current facade of the Recreation.

Gleason expressed concern regarding the lack of a public process and said if the DDA was completed in September it would offer even less opportunity for public input.

City Manager Young responded to a comment by Mr. Lawrence regarding rental monies being given to the Civic Auditorium, saying that money had been set aside in a special fund for future projects of the Civic Auditorium. He said staff would prepare a memorandum outlining the process.

Agency Deliberation

It was moved by Wood and seconded by Dick to approve the Memorandum of Understanding for the Granada Block Redevelopment Project and authorize the Chair to sign the Memorandum of Understanding on behalf of the Urban Renewal Agency.

Chair Wilcox said he hoped the project would be successful for the downtown and the entire community, but he didn't support many details of the proposal and would vote in opposition of the project.

The motion to approve the Memorandum of Understanding for the Granada Block Redevelopment Project and authorize the Chair to sign the Memorandum of Understanding on behalf of the Urban Renewal Agency was voted on and carried, Wilcox voting no.

**ADJOURNMENT**

Being no further business, the meeting adjourned at 6:41 p.m.

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Submitted by/  
Julie Krueger, MMC  
City Clerk

SIGNED:

\_\_\_\_\_  
James L. Wilcox, Chair

ATTEST:

\_\_\_\_\_  
Julie Krueger, MMC, City Clerk



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY  
CITY OF THE DALLES

**AGENDA STAFF REPORT**  
COLUMBIA GATEWAY URBAN RENEWAL AGENCY

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #

**TO:** Urban Renewal Board  
**FROM:** Kate Mast, Finance Director  
**THRU:** Nolan K. Young, City Manager *nyf*  
**DATE:** November 14, 2012

**ISSUE:** Presentation of FY 11/12 Audit by Merina & Company, LLC.

**BACKGROUND:**

This presentation is scheduled to take place immediately after the presentation of the City’s audit report during the Council meeting.

The Auditor’s management letters are attached to this report. There were no findings during the audit of the Urban Renewal Books.

**BUDGET IMPLICATIONS:** None.

**ALTERNATIVES:**

- A. **Staff Recommendation:** *Move to accept the FY11/12 Audit as presented.*

November 26, 2012

To the Board of Directors  
Columbia Gateway Urban Renewal Agency  
The Dalles, Oregon

**EXECUTIVE SUMMARY OF THOSE CHARGED WITH GOVERNANCE LETTERS**

The purpose of this executive summary is to assist you in fulfilling your responsibilities for oversight of the Agency's financial reporting. This letter summarizes the results and conclusions of certain matters required to be communicated to those charged with governance. The full communication to those charged with governance as required by U.S. Auditing Standards Section 380, formerly Statement of Auditing Standards 114, was delivered to you in the Board packet.

- We have completed our audit of the financial statements and related disclosures of the Columbia Gateway Urban Renewal Agency (Agency). We issued our report, which contain "clean opinions" on October 31, 2012.
- Agency:
  - Our opinion on the Agency's financial statements is limited to the basic financial statements, supplemental information, and audit comments.
  - The Agency's introductory section of the report has not been audited by us and, accordingly, we expressed no opinion on that data.

**Required Communications to Those Charged with Governance**

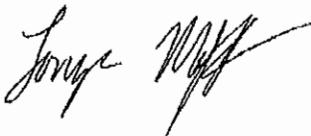
- There were no restrictions on our audit scope.
- There were no disagreements with management.
- There were no significant difficulties incurred during the course of the audit.
- There was three new significant accounting policies (GASB 61, 62, and 63) adopted or changed from policies previously adopted.
- Management judgments and accounting estimates were found to be appropriate in the circumstances. Estimates included depreciation.
- We did not find any transactions entered into by the City during the year that lack authoritative guidance.
- There was no material misstatements noted for proper presentation of the financial statements.

- In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. There were no such consultations with other accountants.

**Report Required by Oregon State Regulation**

- The Independent Auditors Report Required by Oregon State Regulation is located on page 20.
- We tested the following in connection with Oregon Minimum Standards:
  - Collateral
  - Indebtedness
  - Budgets
  - Insurance and Fidelity Bonds
  - Programs Funded from Outside Sources
  - Highway Funds
  - Investments
  - Public Contracts and Purchasing

We appreciate the opportunity to have been of service and look forward to working with you in the future. If you have any questions now or in the future please do not hesitate to contact us.



Tonya Moffitt, Partner  
Merina & Company, LLP

October 31, 2012

To the Board of Directors  
Columbia Gateway Urban Renewal Agency

We have audited the financial statements of the governmental activities and each major fund of Columbia Gateway Urban Renewal Agency, a component unit of the City of The Dalles, Oregon for the year ended June 30, 2012. Professional standards (for Certified Public Accountants) require that we provide you with the following information about our responsibilities under general accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 15, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Columbia Gateway Urban Renewal Agency are described in Note 1 to the financial statements. As described in Note III.H to the financial statements, the Columbia Gateway Urban Renewal Agency implemented three new accounting pronouncement, GASB 61, 62, and 63. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Agency's financial statements was:

Management's estimate of the accumulated depreciation is based on historical cost or estimated historical cost if purchased or constructed and donated capital assets are recorded at estimated fair market value at the date of donation.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Capital Assets in Note III.D to the financial statements summarizes the changes in capital assets for the year ended June 30, 2012.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were noted during the audit.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 31, 2012.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

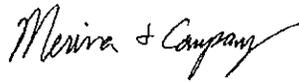
Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and management of Columbia Gateway Urban Renewal Agency and is not intended to be and should not be used by anyone other than these specified parties.

If you should have any questions or comments, we will be pleased to discuss this report with you at your convenience.

Very truly yours,

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP  
Certified Public Accountants and Consultants



CITY of THE DALLES  
313 COURT STREET  
THE DALLES, OREGON 97058

(541) 296-5481  
FAX (541) 296-6906

## AGENDA STAFF REPORT COLUMBIA GATEWAY URBAN RENEWAL AGENCY

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #

**TO:** Agency Board  
**FROM:** Kate Mast, Finance Director  
**THRU:** Nolan K. Young, City Manager *ny*  
**DATE:** November 13, 2012

**ISSUE:** Public Hearing on Supplemental Budget for Urban Renewal Capital Projects Fund and Resolution No. 12-078 Adopting a Supplemental Budget for the Columbia Gateway Urban Renewal Agency for Fiscal Year 2012/2013, Making Appropriations and Authorizing Expenditures from and within the Capital Projects Fund (200).

**BACKGROUND:** Oregon Budget Law recognizes that after the beginning of the fiscal year, changes in appropriations in the budget sometimes become necessary and so allows for those changes via supplemental budgets and budget amendments. Supplemental budgets are required when allocations are required for new resources that increase or decrease the total amount of the budget. Budget amendments are required when already allocated amounts are moved from one category to another within a fund.

The proposed changes to the Urban Renewal Capital Projects Fund (200) increase the amount of the total budget for that fund, and so require a Supplemental Budget. Since the increase is more than 10% of the original budget, it also requires a Public Hearing. The required notice for the Public Hearing will be published in the Chronicle on Sunday, November 18, 2012.

Negotiations with the developers that wish to purchase the Granada Block properties have resulted in the need for changes to the adopted budget. These proposed changes will provide additional Urban Renewal resources to be transferred to the City's Fund 018 for the construction of the related downtown parking structure.

**BUDGET IMPLICATIONS:** The results of the annual audit and analysis of the property tax revenues at the end of the FY11/12 fiscal year, after the current budget had been adopted, shows that the Capital Projects Fund will received \$21,121 in additional Beginning Fund Balance, \$103,000 in additional current property taxes, and \$5,000 in prior year property taxes than was previously estimated. The proceeds from a new loan that is expected to be obtained during the fiscal year will be \$830,000.

In addition, staff has determined that we will receive \$356,247 less than previously estimated from the Sale of Surplus Property, and proposes to offset \$300,000 of that by reducing the allocation for the purchase of land. The net result of the additional revenue and the reduction of both a revenue and expenditure line item is an increase to the total Capital Projects Fund of \$602,874.

**ALTERNATIVES:**

- A. **Staff Recommendation:** *Move to Adopt Resolution No. 12-078 Adopting a Supplemental Budget for Columbia Gateway Urban Renewal Agency for Fiscal Year 2012/2013, Making Appropriations and Authorizing Expenditures from and within the Capital Projects Fund (200).*
- B. Council could choose to not adopt this supplemental budget, which would result in delays to the development projects associated with these proposed changes to the budget.

Account Number	Account Description	FY12/13 Adopted Budget	Supplemental Budget 11/26/2012	Amended Budget
<b>URBAN RENEWAL AGENCY FUND 200</b>				
<b>REVENUES</b>				
200-0000-300.00-00	BEGINNING BALANCE	439,012	21,121	460,133
200-0000-311.10-00	PROPERTY TAX - CURRENT	388,895	103,000	491,895
200-0000-311.15-00	PROPERTY TAX - PRIOR YEAR	52,000	5,000	57,000
200-0000-311.19-00	UNSEGREGATED TAX INTEREST	40		40
200-0000-361.00-00	INTEREST REVENUES	-		-
200-0000-363.50-00	RENTAL INCOME	-		-
200-0000-369.00-00	OTHER MISC REVENUES	80,500		80,500
200-0000-373.20-00	LOAN INTEREST REPAYMENT	25,577		25,577
200-0000-392.00-00	SALE OF SURPLUS PROPERTY	1,140,233	(356,247)	783,986
200-0000-393.10-00	LOAN/BOND PROCEEDS	-	830,000	830,000
<b>TOTAL REVENUES</b>		<b>2,126,257</b>	<b># 602,874</b>	<b>2,729,131</b>
<b>EXPENDITURES</b>				
<b>Materials &amp; Services</b>				
200-6700-419.31-10	CONTRACTUAL SERVICES	5,500		5,500
200-6700-419.31-15	CONTRACT ADMIN SERVICES	101,891		101,891
200-6700-419.32-10	AUDITING SERVICES	4,217		4,217
200-6700-419.32-60	URBAN RENEWAL CONSULT	1,500		1,500
200-6700-419.34-10	ENGINEERING SERVICES	77,900		77,900
200-6700-419.39-10	PROPERTY REHABILITATION	343,275		343,275
200-6700-419.41-10	WATER / SEWER	-		-
200-6700-419.41-20	GARBAGE SERVICES	-		-
200-6700-419.41-30	NW NATURAL GAS	-		-
200-6700-419.41-40	ELECTRIC	-		-
200-6700-419.43-05	GRANADA BUILDING	-		-
200-6700-419.43-10	BUILDINGS & GROUNDS	-		-
200-6700-419.46-10	PROPERTY TAXES	2,100		2,100
200-6700-419.52-10	PROPERTY/LIABILITY INS	3,500		3,500
200-6700-419.53-20	POSTAGE	300		300
200-6700-419.53-30	TELEPHONE			
200-6700-419.53-40	LEGAL NOTICES	500		500
200-6700-419.53-60	PUBLIC EDUCATION	250		250
200-6700-419.58-10	TRAVEL, FOOD & LODGING	500		500
200-6700-419.58-50	TRAINING AND CONFERENCES	400		400
200-6700-419.58-70	MEMBERSHIPS/DUES/SUBSCRIP	1,600		1,600
200-6700-419.60-10	OFFICE SUPPLIES	200		200
200-6700-419.64-10	BOOKS/PERIODICALS	100		100
200-6700-419.69-80	ASSETS < \$5000	1,000		1,000
<b>Total Materials &amp; Services</b>		<b>544,733</b>		<b>544,733</b>
<b>Capital Outlay</b>				
200-6700-419.71-10	LAND	300,000	(300,000)	-
200-6700-419.75-10	CAPITAL PROJECTS BY CITY	1,199,908	902,874	2,102,782
200-6700-419.75-20	CAPITAL PROJECTS BY UR	81,616		81,616
<b>Total Capital Outlay</b>		<b>1,581,524</b>	<b>602,874</b>	<b>2,184,398</b>
<b>TOTAL EXPENDITURES</b>		<b>2,126,257</b>	<b># 602,874</b>	<b>2,729,131</b>
<b>REVENUES LESS EXPENDITURES</b>				

**RESOLUTION NO. 12-078**

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR THE  
COLUMBIA GATEWAY URBAN RENEWAL AGENCY FOR FISCAL YEAR  
2012/2013, MAKING APPROPRIATIONS AND AUTHORIZING  
EXPENDITURES FROM AND WITHIN THE CAPITAL PROJECTS FUND (200)**

**WHEREAS**, the Agency's Capital Projects Fund will realize \$21,121 in unanticipated additional Beginning Fund Balance; and

**WHEREAS**, the Agency expects to realize \$103,000 more in current Property Taxes and \$5,000 more in prior year Property Taxes over the amount previously anticipated; and

**WHEREAS**, the Agency anticipates obtaining a loan for \$830,000 in FY12/13 to help fund the new Downtown Parking Structure; and

**WHEREAS**, the Agency wishes to reduce the amount budgeted for Sale of Surplus Property due to a change in development plans; and

**WHEREAS**, a supplemental budget is required in order for the City to allocate and expend the funds identified above in FY12/13 and to formally reduce previously budgeted amounts; and

**WHEREAS**, a public hearing is required by Oregon Budget Law only for those funds which propose expenditure increases that exceed ten percent (10%) of the receiving funds; and

**WHEREAS**, the required public notice was published on Sunday, November 18, 2012, and the required public hearing was held before the City Council on Monday, November 26, 2012;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:**

Section 1. The Columbia Gateway Urban Renewal Agency Board of Directors hereby adopts the following Supplemental Budget for FY12/13, increasing revenues and making appropriations as shown on the following page.

<b>Summary of Supplemental Budget – Line Item Detail</b>				
<b>Fund</b>	<b>Resource</b>	<b>Amount</b>	<b>Requirement</b>	<b>Amount</b>
Urban Renewal Capital Projects Fund (200)	Additional Beginning Fund Balance	21,121	Capital Outlay	602,874
	Additional Property Taxes	108,000		
	New Loan Proceeds	830,000		
	Reduction in Anticipated Revenue from Sale of Surplus Property	-356,247		
	<b>Total New Resources</b>	<b>602,874</b>	<b>Total New Requirements</b>	<b>602,874</b>
	<b>New Total Capital Outlay Category</b>			<b>2,184,398</b>
	<b>New Total All Fund 200 Resources</b>	<b>2,729,131</b>	<b>New Total All Fund 200 Expenditures</b>	<b>2,729,131</b>

Section 2. This Resolution shall become effective upon adoption by the Columbia Gateway Urban Renewal Agency Board of Directors and shall remain in effect until receipt and acceptance of the FY12/13 audit report.

**PASSED AND ADOPTED THIS 26th DAY OF NOVEMBER 26, 2012**

Voting Yes: \_\_\_\_\_  
Voting No: \_\_\_\_\_  
Absent: \_\_\_\_\_  
Abstaining: \_\_\_\_\_

**AND APPROVED BY THE CHAIR OF THE BOARD THIS 26th DAY OF NOVEMBER, 2012**

SIGNED:

ATTEST:

\_\_\_\_\_  
James L. Wilcox, Chair

\_\_\_\_\_  
Julie Krueger, MMC, City Clerk

## AGENDA STAFF REPORT

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #

**TO:** Urban Renewal Agency Members

**FROM:** Gene E. Parker, City Attorney

**THRU:** Nolan K. Young, City Manager

**DATE:** November 15, 2012

*nyj*

**ISSUE:** Recommendation from Urban Renewal Agency Advisory Committee concerning proposed Second Addendum for Granada Block Memorandum of Understanding.

**BACKGROUND:** On August 28, 2012, the Urban Renewal Agency and Rapoza Development Group LLC entered into a Memorandum of Understanding (“MOU”) for the redevelopment of several properties which make up the “Granada Block”. The MOU initially provided that the Development and Disposition Agreement (“DDA”), a legally binding document which would set forth the obligations of both parties for the redevelopment project, would be completed by September 30, 2012. On or about September 24, 2012, the Agency and the Developer entered into a First Addendum which extended the time for completion of the DDA until November 15, 2012.

The Agency and Developer have made significant progress in negotiating the final provisions of the DDA. The parties have recently discovered that additional time is required to secure further information concerning the cost estimates associated with the proposed demolition of the

Recreation Building. In light of the additional work needed to secure this information, and with the holiday season approaching, the Developer and Agency staff members believe it would be appropriate to revise the provisions of the MOU to allow for an additional period of up to 120 days to secure the information related to the costs for demolition of the Recreation Building, with a provision that the DDA could be completed sooner than the 120 day period provided the Agency and Developer have agreed that sufficient information has been obtained to allow for the competitive solicitation process for the award of a demolition contract to be initiated.

Enclosed with this staff report is a proposed Second Addendum for the MOU. On November 20, 2012, the Urban Renewal Advisory Committee is scheduled to review the proposed Second Addendum. Agency staff has requested that the Committee adopt a Motion recommending that the Agency Board approve the proposed Second Addendum.

**ALTERNATIVES:**

- A. ***Staff Recommendation. The Agency Board move to approve the proposed Second Addendum for the Granada Block Redevelopment, and authorize the Second Addendum to be executed.***

## **SECOND ADDENDUM TO MEMORANDUM OF UNDERSTANDING BETWEEN THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY AND RAPOZA DEVELOPMENT GROUP, LLC**

**WHEREAS**, the Columbia Gateway Urban Renewal Agency, hereinafter referred to as “Agency”, and Rapoza Development Group, LLC, hereinafter referred to as “Developer” entered into a Memorandum of Understanding (“MOU”) dated August 28, 2012, confirming the mutual intent and agreement in principle for undertaking the proposed acquisition and development by Developer of certain property located on portions of a block in downtown The Dalles, Oregon, which project is commonly referred to as the Granada Block Redevelopment Project (“Project”); and

**WHEREAS**, on September \_\_\_\_, 2012, Agency and Developer entered into a First Addendum to the Memorandum of Understanding dated August 28, 2012, which extended the time for completion of the Development and Disposition Agreement (“DDA”) to November 15, 2012; and

**WHEREAS**, the parties have mutually agreed that additional time is necessary to obtain further information concerning the cost estimates associated with the proposed demolition of the Recreation Building, and that although Section 1.4 of the MOU provides that the MOU is not intended to be a binding agreement, the parties have agreed they desire to enter into a second addendum reflecting their intent that the MOU continue in effect until the DDA has been signed and executed by both parties;

**NOW, THEREFORE**, in consideration of the provisions set forth in this First Addendum, it is mutually agreed as follows:

1. The first sentence in Section 1.3.4(a) on page 3 shall be revised to read as follows: The DDA must be signed by March 15, 2013, or sooner is possible, provided Agency and Developer have mutually agreed that sufficient information has been obtained to allow for solicitation of competitive bids or proposals for demolition of the Recreation Building pursuant to Section 3.1.2(e)(3).
2. The first sentence in Section 4.1 on page 7 shall be revised to read as follows: Agency and Developer will negotiate, enter into, execute and deliver a DDA on a date as soon as feasible, but not later than March 15, 2013 (the “Agreement Date”) or sooner if possible, provided Agency and Developer have mutually agreed that sufficient information has been obtained to allow for solicitation of competitive bids or proposals for demolition of the Recreation Building pursuant to Section 3.1.2(e)(3).
3. In Section 5.1.1 on page 10, the date of November 15, 2012 shall be changed to March 15, 2013.

2. Except as modified by this Second Addendum, and the First Addendum dated September \_\_\_\_, 2012, the terms and provisions of the August 28, 2012 MOU shall remain in effect.

**AGREED AND ACCEPTED:**

**COLUMBIA GATEWAY URBAN  
RENEWAL AGENCY**

**RAPOZA DEVELOPMENT, LLC.**

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date