



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

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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, September 22, 2014  
Immediately Following the City Council Meeting

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF AGENDA
- IV. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for Agency Board consideration.

- V. APPROVAL OF MINUTES
  - A. Approval of September 8, 2014 Regular Meeting Minutes
- VI. ACTION ITEMS
  - A. Amendment to Loan Agreement With Discover Development LLC for Extension of Time for Loan Payment
  - B. Approval of Memorandum of Understanding With The Dalles Main Street Program
- VII. DISCUSSION ITEMS
  - A. Granada Block Redevelopment Update
- VIII. ADJOURNMENT

**MINUTES**

COLUMBIA GATEWAY URBAN RENEWAL AGENCY  
REGULAR MEETING  
OF  
SEPTEMBER 8, 2014

CITY COUNCIL CHAMBER  
313 COURT STREET  
THE DALLES, OREGON

**PRESIDING:** Chair Steve Lawrence

**AGENCY PRESENT:** Bill Dick, Carolyn Wood, Dan Spatz, Tim McGlothlin, Linda Miller

**AGENCY ABSENT:** None

**STAFF PRESENT:** City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Administrative Fellow Daniel Hunter

**CALL TO ORDER**

The meeting was called to order by Chair Lawrence at 7:29 p.m.

**ROLL CALL**

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

**APPROVAL OF AGENDA**

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

**AUDIENCE PARTICIPATION**

None.

### APPROVAL OF MINUTES

It was moved by Wood and seconded by McGlothlin to approve the minutes of July 28, 2014 regular Agency meeting. The motion carried unanimously.

### ACTION ITEMS

#### Approval of Amendment to the IOOF Urban Renewal Grant

The staff report was reviewed by City Manager Young.

It was moved by Dick and seconded by Wood to approve the IOOF grant with a revised work scope, as presented. The motion carried unanimously.

#### Approval of Proposal for Elks Club Building Redevelopment and Marketing Study Assistance

The staff report was reviewed by City Manager Young.

Chair Lawrence asked if the applicants had been invited to attend the meeting. City Manager Young said he didn't specifically invite them.

In response to a question, Young said this study would provide updated and specific information on the building and would be owned by Urban Renewal so the information could be used for other potential developers if the museum concept didn't work out. Chair Lawrence said he hoped the study would consider assumptions regarding future growth.

Spatz asked if this was a non-profit venture. Young said it would be both for and non-profit, as part of it would be educational. He said the Urban Renewal Plan did allow grants to for-profit groups.

Miller said the Advisory Committee had thought it best to offer to pay only 50% of the cost for the study and that they were comfortable with the proposal. She said the Benkos were experienced in the business.

It was moved by Miller and seconded by Dick to provide a grant to the Benkos for 50% funding of the proposed \$10,000 marketing study for the property rehabilitation line item; study to be available for the Agency to use as they desire. The motion carried unanimously.

MINUTES (Continued)  
Urban Renewal Agency Meeting  
September 8, 2014  
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**ADJOURNMENT**

Being no further business, the meeting adjourned at 7:40 p.m.

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Submitted by/  
Julie Krueger, MMC  
City Clerk

SIGNED:

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Stephen E. Lawrence, Chair

ATTEST:

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Julie Krueger, MMC, City Clerk



## CITY OF THE DALLES

313 COURT STREET  
THE DALLES, OREGON 97058

(541) 296-5481 ext. 1122  
FAX (541) 296-6906

# AGENDA STAFF REPORT

## Urban Renewal Agency

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
September 22, 2014		

**TO:** Urban Renewal Agency Members

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

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

**DATE:** September 11, 2014

**ISSUE:** Recommendation from Urban Renewal Agency Advisory Committee concerning proposed amendment to Loan Agreement between the Urban Renewal Agency and Discover Development, LLC.

**BACKGROUND:** Discover Development, LLC currently has a loan agreement with the Urban Renewal Agency in the amount of \$600,000 for improvements to the Sunshine Mill property. Discover Development is currently paying monthly interest payments at the rate of 4.25% per annum, and has a balloon loan payment for the principal balance which is due on October 12, 2014.

On May 13, 2014, a letter was sent to James Martin, the principal member of Discover Development, LLC requesting an opportunity for Agency staff members to review certain financial books and records for Discover Development. This request was prompted in part by a concern expressed by Mr. Martin as to whether Discover Development would have the capital resources to be able to make the balloon payment for the loan obligations which are due on October 12, 2014.

Following the issuance of the May 13, 2014 letter, the City Attorney, City Manager, and the Mayor met with Mr. Martin and other representatives of Discover Development. During these meetings, Mr. Martin and the other representatives of Discover Development indicated they would be approaching the Urban Renewal Agency with a request that the Agency consider granting an extension of time for Discover Development to repay the loan obligations, and to

make the property payment purchase which is scheduled for May 15, 2015. Mr. Martin and the representatives of Discover Development were advised that before the Agency staff members could be prepared to present any proposal to the Agency for an extension of time to make the balloon loan payment and the land sale purchase payment, the Agency would need to have the opportunity to review detailed financial information related to Discover Development LLC.

To facilitate the review of the detailed financial information for Discover Development, Agency staff and Mr. Martin agreed to conduct what is commonly referred to as “an agreed upon procedures” process. Under this process, Sidney Rowe, an accountant from the firm of Rowe & Deming, who provides accounting services for Discover Development, LLC, will perform a series of “agreed-upon procedures”, which have been specified by the Agency. The procedures are designed to develop information and analysis related to the Agency’s loan and land sale agreements with Discover Development, answer questions related to the ownership and capitalization for Discover Development and certain related entities, and provide documentation of the projected financial condition as related to the possible extension of the Agency’s loan agreement and land sale agreement for the Sunshine Mill property.

The engagement letter for Mr. Rowe’s services includes a projected date of September 22, 2014 for provision of the information under the agreed upon procedures process. With the balloon loan payment due on October 12, 2014, any discussion concerning a possible request to consider an extension of the loan payment obligation, would have to occur before the Advisory Committee before its scheduled meeting on September 16th, and before the Agency Board during its regularly scheduled meeting on September 22, 2014. The Advisory Committee cannot be in a position to make any recommendation to the Agency Board concerning any request for an extension of the loan payment obligation, and the Agency Board would also not be in a position to make any decision concerning a possible request for an extension of the loan payment obligation, without Agency staff having received the detailed financial information to be provided under the agreed upon procedures process, and preparing a report for the Advisory Committee including an analysis of the financial information provided and a discussion of potential alternatives for the Advisory Committee, which report would also be provided to the Agency Board along with any recommendation made by the Advisory Committee.

In order to allow Agency staff to have sufficient time to review the detailed financial information to be received under the agreed upon procedures process, at the September 16th meeting of the Advisory Committee, staff submitted a recommendation that the Advisory Committee recommend to the Agency Board that the Agency and Discover Development enter into an amendment to the Loan Agreement, which will extend the due date of the balloon loan payment from October 12, 2014 to December 12, 2014. Staff will send a supplemental report to the Agency Board advising them of any action taken by the Advisory Committee following its meeting on September 16th.

The engagement letter provides that the fees for Mr. Rowe’s services will range from \$5,000 to \$7,000. The Agency will pay for these services from the contractual services line item in the Agency’s budget.

**BUDGET IMPLICATIONS:** The engagement letter provides that the fees for Mr. Rowe’s services will range from \$5,000 to \$7,000. The Agency will pay for these services from the contractual services line item in the Agency’s budget.

**ALTERNATIVES:**

- A. ***Staff Recommendation. Move to direct staff to approve an amendment to the October 12, 2009 Loan Agreement with Discover Development LLC, to extend the due date for the balloon loan payment from October 12, 2014 to December 12, 2014.***
  
- B. The Agency Board provide other direction to staff as to how to proceed with collection of the balloon loan payment due October 12, 2014.

**AGENDA STAFF REPORT**  
**URBAN RENEWAL AGENCY**

<b>MEETING DATE</b>	<b>AGENDA LOCATION</b>	<b>AGENDA REPORT #</b>
September 22, 2014	Action Items VI B	

**TO:** Urban Renewal Agency

**FROM:** Nolan K. Young, City Manager *NKY*

**DATE:** September 29, 2008

**ISSUE:** Memorandum of Understanding (MOU) with The Dalles Main Street Program for the Purpose of Providing Services in Conjunction with the Agency's Property Rehabilitation Grant and Loan Fund Programs

**BACKGROUND:** Attached is the Agenda Staff Report to the Urban Renewal Advisory Committee for their meeting on September 16, 2014. We will forward their recommendation to you after the meeting.

# AGENDA STAFF REPORT

## URBAN RENEWAL ADVISORY COMMITTEE

Meeting Date: September 16, 2014

**DATE:** September 8, 2014

**TO:** Urban Renewal Advisory Committee

**FROM:** Nolan Young, Urban Renewal Manager

**ISSUE:** Memorandum of Understanding (MOU) with The Dalles Main Street Program for the Purpose of Providing Services in Conjunction with the Agency's Property Rehabilitation Grant and Loan Fund Programs

**Background:** Over the course of the last several months the Urban Renewal Agency has made major revisions to its Property Rehabilitation Program. The most recent change was to include for profit businesses in the exterior rehabilitation grant program.

With these additional tools available to help property owners improve the appearance of their businesses the Agency Board, with the recommendation of the Advisory Committee, included two items in the fiscal year 2014-15 budget.

- An additional \$200,000 for the property rehabilitation program, and
- \$10,000 to contract with The Dalles Main Street Program for the purpose of providing services in conjunction with the Agency's Property Rehabilitation Grant and Loan Fund Program.

Main Street's Executive Director Matthew Klebes has already been working on promoting this program and assisting businesses with their applications for funding. The attached memorandum of understanding would formalize the agreement.

**BUDGET IMPACT:** Once this agreement is fully executed, the Urban Renewal Agency would provide the sum of \$10,000 to The Dalles Main Street in one lump sum for services to be provided to the Agency during fiscal year 2014-15.

**ALTERNATIVES:**

1. Recommend that the Urban Renewal Agency Board approve the MOU with The Dalles Main Street program for the purpose of providing services in conjunction with the Agency's Property Rehabilitation Grant and Loan Program as presented and authorize signing.
2. Postpone this item to allow for additional work.
3. Decline to recommend signature of this MOU.

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereinafter referred to as "MOU"), is entered into this \_\_\_\_ day of \_\_\_\_\_, 2014, by and between the Columbia Gateway Urban Renewal Agency, an Oregon municipal corporation, hereinafter referred to as "Agency", and The Dalles Main Street Program, an Oregon domestic nonprofit corporation, hereinafter referred to as "Main Street", for the purpose of providing services in conjunction with the Agency's Property Rehabilitation Grant and Loan Fund Program

WHEREAS, the Agency's Plan includes establishment of a property rehabilitation grant and loan fund program, under which the Agency may provide grants and low interest loans for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated, and/or conserved; and

WHEREAS, the Agency's Plan also provides that grants shall be made to public, non-profit, for profit, and civic organizations, when uses of the property serve a public purpose; and

WHEREAS, the Agency included additional funds in the 2014-2015 budget for the property rehabilitation grant and loan program, with the objective of encouraging local businesses and property owners to take advantage of the program to develop or redevelop their property; and

WHEREAS, the Agency and Main Street desire to maintain and enhance a healthy, vibrant downtown commercial district which functions as the economic, social and cultural center of the community; and

WHEREAS, Main Street has the resources to provide assistance to applicants seeking to apply for assistance under the Agency's property rehabilitation grant and loan program;

NOW, THEREFORE, in consideration of the provisions set forth herein, it is mutually agreed as follows:

1. Main Street Duties. Main Street agrees to provide the appropriate resources to assist local businesses and property owners interested in applying for financial assistance pursuant to the Agency's property rehabilitation grant and loan program. Such assistance shall include, but not be limited to, assisting the applicant with the process of submitting an application for funding, including working with Agency staff members during the process of seeking potential sources of financing for the application, including identification of potential sources of grant or loan funding, and representing the applicant in meetings before the Agency Urban Renewal Advisory Committee and the Agency Board.

2. Agency Responsibilities. Agency has agreed to pay Main Street \$10,000 in one lump sum payment upon execution of this MOU for the services to be provided for the Agency during the 2014-2015 fiscal year.
3. Indemnification. To the maximum extent permitted by law, the parties shall hold and save each other, their officers, agents and employees, harmless and shall defend and indemnify each other from claims, damages, losses, and expenses, including attorney fees, which arise out of the action or inaction of the parties, their agents, officials or employees in the performance of this MOU.
4. Term of Agreement and Termination. Agency and Main Street acknowledge that it is their mutual intent that this MOU be renewed upon an annual basis, subject to the Agency budgeting funds in the following fiscal year and subject to the Agency and Main Street mutually agreeing that Main Street shall continue to provide the services as described in paragraph 1 of this MOU. In the event that either the Agency or Main Street desires to terminate this MOU, either party can terminate this MOU upon providing thirty (30) days written notice to the other party. In the event the Agency determines as part of its annual budget process that it will not allocate funds to pay for the services of Main Street for any succeeding fiscal year, this MOU shall be automatically terminated as of June 30<sup>th</sup> of the prior fiscal year during which Main Street provided services for the Agency.

COLUMBIA GATEWAY  
URBAN RENEWAL AGENCY

THE DALLES MAIN STREET  
PROGRAM

\_\_\_\_\_  
Nolan K. Young, Urban Renewal  
Manager

\_\_\_\_\_  
Matthew Klebes, Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date