

**MINUTES**

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

REGULAR MEETING  
OF  
MARCH 11, 2013

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, Dan Durow

**CALL TO ORDER**

The meeting was called to order by Chair Lawrence at 8:17 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.

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### **AUDIENCE PARTICIPATION**

None.

### **APPROVAL OF MINUTES**

It was moved by Wood and seconded by Spatz to approve the November 26, 2012 regular Agency meeting minutes, as presented. The motion carried unanimously.

### **ACTION ITEMS**

#### **Approval of Land Sale Contract for Sunshine Mill Property**

City Attorney Parker reviewed the staff report. A power point presentation that had been shown at the Urban Renewal Advisory Committee meeting was reviewed for the Agency Board. James Martin read a letter, thanking the Agency for their past support. He reported there were currently 64 full-time employees and millions of dollars had been leveraged for infrastructure projects because of the activity at the Mill. He said the plan for the Sunshine Mill would continue to be completed in phases. He discussed plans to use the silos as a hotel, noting he planned on a development with 42 guest rooms, using seven floors for the hotel portion of the operation. Martin said he was working with various agencies to ensure compliance with fire and building code requirements.

In response to a question, Martin said a date had not been set to begin cleaning of the exterior of the building. He said he did not plan to paint because it was expected the silos would be covered in a foam material during the hotel development, in approximately five years. Martin said he was experimenting with some other cleaning techniques for the interim.

It was moved by Dick and seconded by McGlothlin to accept the recommendation of the Urban Renewal Advisory Committee and authorize the execution of the land sale contract between the Urban Renewal Agency and Discover Development LLC for the purchase of the Sunshine Mill property. The motion carried unanimously.

#### **Approval of the Third Addendum to the Granada Block Redevelopment Memorandum of Understanding With Rapoza Development Group**

City Manager Young reviewed the staff report.

Michael Leash, representing Rapoza, handed out a time line of key dates (attached as Exhibit "A") to emphasize the many challenges the developer had experienced and to explain the need

for an extension of time to now work through the issues raised through the archaeology study. He said this would be the last extension needed, and requested the Agency extend the deadline to July 31. Leash said they had been working hard with the City to bring a corporate hotel to The Dalles. He said the Developer was prepared to offer \$10,000 on March 15 and an additional \$10,000 at a future date, if the Agency determined it was necessary to require a performance payment.

Chair Lawrence said it had been noted this would be the third extension, but that he believed there had also been an agreement from 2011 that had expired. He expressed concern regarding the number of times the agreement needed to be extended and yet the funding for the project didn't appear to be secured. He said the most recent extension was to review demolition costs due to possible lead paint and asbestos concerns. Lawrence said he was surprised no one would have known about those issues since the project started in 2010.

Mr. Leash said approximately \$10 million remained to be finalized, but it was able to be financed. He said, regarding demolition review, that the Recreation had not been the original site of the proposed hotel in 2010. He said many changes in proposed location and other challenges had caused adaptations in the plan. Leash asked the Agency to provide an extension to July 31 or August 31 to allow the developer time to ensure all challenges could be met.

Agency member Wood said she understood it was a very complicated issue and said many of the delays were caused by the Agency and not the developer. She said the size of the project and amount of investment warranted taking as much time as was needed before signing the agreement to find answers on issues such as the archaeology study.

Agency member Dick said he believed the proposal would be a wonderful addition to the downtown, but questioned whether it would be a reality. He questioned whether additional extensions should be granted.

Dan Durow spoke about the archaeology study, saying the firm was highly respected and they knew how to work through the process to clear a site. Durow said the developer had planned for underground parking, but with the findings of the study, that would likely have to be reconsidered. He said the developer needed time to consider various options and time was needed to perform the legal and administrative work to clear the site. Durow noted the work would need to be done if the site was ever to be developed.

Dick noted other urban renewal projects had been postponed to make this proposal a priority. He said it was difficult to prioritize projects with so many uncertainties.

Dan Durow said urban renewal projects were opportunity driven, noting the dock and festival park becoming higher priorities when other funding had been secured to get them done. He noted the downtown Third Street business owners had asked for a delay in the streetscape project and after that the Granada Block redevelopment project opportunity arose.

Mr. Leash noted that Rapoza had spent over \$200,000 already to move the project forward and they were confident it would be completed.

Chair Lawrence asked if a professional appraisal had been completed for the entire project. City Manager Young said the Development and Disposition Agreement required the developer to perform many items. He said this was just one step in the process. Lawrence questioned the feasibility of the project, noting the parking structure was to be partly paid with the revenue generated by room tax collected. He asked what the occupancy projections were for the new hotel. City Manager Young said 50% occupancy was the figure used and noted it was a conservative figure. Mr. Lease said the developer projected occupancy to be in the 60-65% range.

It was moved by Spatz and seconded by Wood to authorize the signing of the addendum of the original memorandum of understanding with Rapoza Development LLC, extending the Development and Disposition Agreement deadline 45 days and calling for Rapoza to pay the past due property taxes on the Recreation property with 50% of that amount going toward the purchase price in the future. The motion carried; Miller and Lawrence voting no.

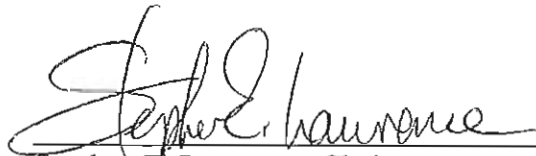
**ADJOURNMENT**

Being no further business, the meeting adjourned at 9:44 p.m.

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Submitted by/  
Julie Krueger, MMC  
City Clerk

SIGNED:

  
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Stephen E. Lawrence, Chair

ATTEST:

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

## Timeline of Key Dates

Mar. 2, 2011 - Court St. to Washington St. Site (Site #1) "State Registered Archaeological Site"

- City Staff and everyone became aware that Eric Gleason had the site registered as an Archaeological significant site
  - Start of concern for the site

April 18, 2011 – Court St. to Washington St. - Site #1 Plans

- Release of the rough set of plans

July 15, 2011 - Court St. to Washington St. - Site #1 Plans

- Release of first set of plans

### **Aug. 2011 - Court St. to Washington St. – Site #1 Abandoned**

- Dan Durow suggested moving the hotel building site over one block
- It was determined that the Site had too many challenges with Archaeology and the incorporation of the Chinese Building
  - Move to avoid delays and the incremental cost of Archaeological issues
  - This would eliminate the need for archaeological work

Aug 15<sup>th</sup> – Dec. 2011 – City Staff and Rapoza work on Development Plans for New Site (**Site #2**)

Jan. 6, 2012 – Washington St. to Federal St. Site – by Transportation Building (Site #2)

- First Set of designs available

Jan. 13, 2012 – Washington St. to Federal St. Site – by Transportation Building (Site #2)

- Second set of Plans were released

Feb-June 2012 - City Staff and Rapoza work on (Site #2)

**\*\*\* Aug 2011 - June 2012, 11- months on Site #2**

June 12, 2012 – Urban Renewal Board and Advisor – Recommended change (Site #3)

- Officially it was determined that Site #3 was the preferred Site

July 20, 2012 - First St. to Second St. - Site #3 Plans

- First round of designs of new site

Oct. 18, 2012 – First St. to Second St. - Site #3 Plans

- Plan change in garage to remove access from 1<sup>st</sup> Street and change the layout of the first floor.

Nov. 21, 2012 – Received first Demolition Estimate

- Demolition Company estimate - entire project almost \$500K

**\*\*\* 2/14/13 marks 8-months on New Site (Site #3)**

Feb. 15, 2013 – **Archaeological Study was available**

We received our first review of the Study and the cost of the Data Recovery

Feb. 15, 2013 - **Parking Spots under Hotel**

- We started the process of understanding the incremental cost and risk of significant incremental cost of the parking on hotel site.

Feb 18<sup>th</sup> – Feb. 25<sup>th</sup> – **Review Archaeological Study and Cost**

- We determined that the Archaeological unknowns warranted the request for an extension of the MOU.

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**Feb. 22 – Started exploring the removal of all parking spots**

- Directed the architects to sketch-out the removal of the parking spots under the hotel.

**Feb. 27 – Started resign of lower levels of Hotel Plans**

- Redesign of 1<sup>st</sup> and 2<sup>nd</sup> Floors to accommodate the changes with the removal of the parking garage level

**Mar. 7 – We became aware that someone had written the State (SHPO) and requested that this site be given additional examination to the method in which the Archeological work is done.**

- It is our understanding that he has also requested that other Archeological Professionals to voice their concerns as well.

**Mar. 7 – Meeting with City Staff (Dan, Gene and Garrett)**

- Review of the significant nature of the Archeological work to be done
  - Determined a Proposed Timeline

**[Recreation Parking Lot Archaeology]**

1. March 22: CSHQA (Engineering Firm) - To complete the preliminary foundation design.
2. April 1: AINW ( archeological firm) - To complete preliminary foundation design review and develop an archaeological dig/study design.
3. April 15: AINW - To submit a new permit to SHPO (State Historic Preservation Office) to complete the archaeological dig/study.
4. May 15: SHPO - To issue new permit to complete the archaeological dig/study. [This assumes there are no procedural delays]
5. May 31: AINW - Starts archaeological dig/study.
6. June 30: AINW - Finishes archaeological dig/study. [This assumes nothing more significant is found and the site is cleared archaeologically.] The Written report to be provided at a later date.
7. July 31: Reserved time for any additional archaeological work to clear the site and for any engineering re-design of the foundation due to archaeological findings.

**[Recreation Building Archaeology]**

1. March 31: AINW - To complete preliminary foundation design review and develop an archaeological dig/study design.
2. April 10: AINW - To begin archaeological dig/study under the Recreation Building.
3. April 30: AINW - To complete archaeological dig/study. The written report to be provided at a later date. [This assumes that there is no further archaeological work necessary to clear the site. However, if other archaeological deposits are found under the basement of the Recreation Building, this overall proposed timeline could be significantly altered.]