

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
REGULAR MEETING
OF
DECEMBER 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

CALL TO ORDER

The meeting was called to order by Chair Lawrence at 6:40 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 Miller to approve the agenda as presented. The motion carried unanimously.

AUDIENCE PARTICIPATION

None.

APPROVAL OF MINUTES

It was moved by Dick and seconded by Wood to approve the November 24, 2014 regular meeting minutes. The motion carried unanimously.

ACTION ITEMS

Approval of Amendments to DDA With Rapoza for Granada Block Redevelopment Project

City Manager Young reviewed the staff report, noting the recommendation of the Urban Renewal Advisory Committee, which was different from what staff had recommended to them, and noted the proposed time line in the form of Attachment A.

Michael Leash addressed the Agency, saying significant progress had been made in the past year. He said the term sheet with the EB5 company for \$7 million was nearly completed; he had met with an architect to assess the Granada Theater and get as-built drawings for the fire system, doors and windows.

Spatz questioned the change in the franchise application from March 31 to April 30, 2015. He said in the small group meetings, Rapoza had agreed with the March 31 deadline.

Mr. Leash said that during the small group meetings, he had not mentioned that Rapoza would also have to pay a \$75,000 application fee for the EB5 funding process. He said added to the \$75,000 franchise application fee, his out of pocket expenses were substantial. Leash said this came up at the Advisory Committee meeting and they allowed an additional month to make the franchise application.

Chair Lawrence said the franchise application continued to be delayed. He asked if Rapoza was uncomfortable making application for the hotel franchise. Jens Von Gierke said the priority was completing the capital structure, then they would apply for the franchise.

Chair Lawrence said he had been asked to present a letter from form Advisory Committee member Mike Zingg, which he read aloud. The letter was in opposition to another time extension for the project.

Following discussion, Spatz said he wanted the project to continue, but he didn't support the recommendation of the Advisory Committee because it didn't reflect the terms discussed between the staff group and Rapoza.

Leash said the recommendation did show their commitment to the project, with \$150,000 in their own money being spent in the next few months. He said he had personally maintained the buildings during this arrangement and intended to continue doing so.

Chair Lawrence expressed concern regarding continued extensions because it tied up the property and no one else could even discuss a proposal for the properties.

Dick said he believed in the project and suggested the Agency accept the recommendation of the Advisory Committee. He said he didn't think anyone was waiting with any other proposal.

Chair Lawrence confirmed that Rapoza was not working with Bob Naito and also not working with Mid Columbia Medical Center any longer. Leash said that was correct.

City Manager Young reviewed the staff recommendation that had been proposed to the Advisory Committee which had been for a nine month extension, a \$50,000 non-refundable deposit, \$10,000 due on signing the extension and \$40,000 due by December 31, and Rapoza to pay all utility and maintenance costs during the extension period. Young said this proposal included a time line in which tasks must be completed, including submittal of the franchise application by March 31, 2015. Young said staff had proposed that \$25,000 of the non-refundable deposit could be used toward the franchise application.

Chair Lawrence said some of the Advisory Committee members had opposed the extension, including the Chair and the Port representative. Lawrence said the Port was no longer supportive of the project.

Dick said the letter from the Port was more about supporting recommendations of the Advisory groups, than the specific project.

Wood said the biggest hindrance to business development was small government regulations. She said Rapoza showed tremendous passion and dedication to this project and said the Agency should let it run the course. She said a lot of progress had been made and it didn't hurt the Agency to wait.

Lawrence said the Agency did have a fiduciary responsibility and was concerned that other projects could be delayed because of this extension.

McGlothlin said he had not been aware of the group meetings that led to the staff recommendation and said he needed to have time to evaluate the information. He asked that the Advisory Committee members in attendance be allowed to speak to the subject.

Jennifer Botts, 712 East 21st Place, The Dalles, said she was the Vice Chair of the Advisory Committee. She said the Committee did believe Rapoza was committed to the project. She said when the Advisory Committee learned of the additional \$75,000 fee for the EB5 financing, they believed Mr. Leash was putting enough capital into the project. Botts said the Committee believed that Mr. Leash would know if it was time to abandon the project, but that he and the partners were still committed to it.

Robin Miles, Fire District representative to the Advisory Committee, said major progress had occurred over the past several months. She said no one else had expressed an interest in developing a project, but that the Advisory Committee had included a provision for staff to start working on a Request for Proposals so it would be ready to send out immediately if the current extension failed to meet it's time lines and goals.

It was moved by Dick and seconded by Wood to amend the DDA with Rapoza to allow a nine month extension with a new required time line as identified in Attachment A, if Rapoza puts down a \$10,000 non-refundable deposit; application for hotel franchise to be made by April 30, 2015 with the \$10,000 being applied toward the application for the franchise; and require that Agency staff proceed with creation of a request for proposal document for redevelopment of the Granada Block, to be issued if Rapoza defaults in the performance of any obligation imposed by the DDA.

Chair Lawrence said he no longer believed they were in a position to succeed and said he didn't support the motion to extend the DDA.

Spatz said he was not comfortable with the Advisory Committee recommendation.

The motion was voted on and failed: Dick and Wood voting in favor; McGlothlin, Miller, Spatz and Lawrence voting in opposition.

It was moved by Spatz and seconded by McGlothlin to allow a nine month extension with a new required time line as identified in Attachment A, if Rapoza puts down a \$50,000, non-refundable deposit; \$10,000 due when the extension is signed and \$40,000 due by December 31, 2014; application for hotel franchise to be made by April 30, 2015, with \$40,000 of the deposit being used to help pay for either the franchise application fee or the EB5 financing fee; and require that Agency staff proceed with creation of a request for proposal document for redevelopment of the Granada Block, to be issued if Rapoza defaults in the performance of any obligation imposed by the DDA. The motion carried; Lawrence and Miller voting no.

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ADJOURNMENT

Being no further business, the meeting adjourned at 7:43 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:



Stephen E. Lawrence, Chair

ATTEST:



Julie Krueger, MMC, City Clerk