



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA
COLUMBIA GATEWAY
URBAN RENEWAL ADVISORY COMMITTEE

Conducted in a Handicap Accessible Meeting Room

Special Meeting

Tuesday, January 27, 2015

5:30 pm

City Hall Council Chambers

313 Court Street

The Dalles, Oregon

- I. CALL TO ORDER
- II. ROLL CALL
- III. PLEDGE OF ALLEGIANCE
- IV. APPROVAL OF AGENDA
- V. APPROVAL OF MINUTES – November 25, 2014
- VI. EXECUTIVE SESSION
 - A. Recess to Executive Session in Accordance With ORS 192.660 (2) to Conduct Deliberations With Persons Designated by the Governing Body to Negotiate Real Property Transactions
 - B. Reconvene to Open Session
- VII. ACTION ITEM – Recommendation to Urban Renewal Agency Board Concerning Adoption of Resolution for Minor Amendment #14 to Urban Renewal Plan adding Thompson Park Pool as an Approved Project
- VIII. ONGOING URBAN RENEWAL PROJECTS UPDATE
- IX. FUTURE MEETING – February 17, 2015
- X. ADJOURNMENT

**Columbia Gateway Urban Renewal Agency Advisory Committee
Special Meeting Minutes
Tuesday, November 25, 2014
5:30 PM**

City Hall Council Chambers
313 Court Street
The Dalles, OR 97058
Conducted in a handicap accessible room.

CALL TO ORDER

Chair Grossman called the meeting to order at 5:30 PM.

ROLL CALL

Roll call was conducted by Administrative Secretary Trautman, all members present.

Staff Present: City Manager Nolan Young, City Attorney Gene Parker, Administrative Secretary Carole Trautman

PLEDGE OF ALLEGIANCE

Chair Grossman led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Miller and seconded by Nelson to approve the agenda as submitted. The motion carried unanimously.

APPROVAL OF MINUTES

It was moved by Dewey and seconded by Miller to approve the November 18, 2014 minutes as submitted. Grossman, Botts, Dewey, Miles, Weast, Nelson, Lincoln and Miller voted in favor; Kramer abstained; the motion carried.

PUBLIC COMMENT

None

ACTION ITEM – Consideration of Amendments to the Disposition and Development Agreement with Rapoza for the Granada Block Redevelopment Project

City Manager Young highlighted the staff report and the staff recommendation on page 2 of the report.

Weast asked what the Agency's decision was the last time Rapoza requested an extension. Young stated an extension agreement was signed, and there was a deadline. He suggested the Committee consider if enough significant progress had been made by Rapoza to conclude that this project was the best opportunity for redevelopment of the Granada block.

Rapoza representative Michael Leash introduced Ryan Snyder of Martin Hospitality. Leash stated that Snyder was a potential investor, currently negotiating a second term sheet with Rapoza.

Miller commented that Mr. Leash had come before the Urban Renewal Advisory Committee (URAC) several times asking for extensions, and she asked for an explanation. Leash said Rapoza's current financial partnership structure was much better than what they had a year ago. They are within two weeks, if not days, of signing a 7 million dollar term sheet with American United. Leash said he was confident about the new potential financial companies; he could show a complete timeline. He could not guarantee anything yet, but he was confident these companies would be active. If the last marketing study had not come back as good as it did, he would have "thrown in the towel," Leash commented.

Botts commented that Leash had made significant progress and showed a high level of commitment to the project. She asked what the impact would be to the Agency if the request was granted. City Manager Young reported the actual loss to other UR activity would be close to \$75,000.

Miles commended Leash on what the project would do for the redevelopment of the block, and she was excited to see his diligence and the project's progress.

Dewey pointed out that it would take 6 months for the Agency to put together a Request for Proposal (RFP), should the project not progress. Leash was asking for a 9 month extension. She felt a three month window was not going to make or break anything.

Nelson said he had watched the project from the beginning, and Rapoza had come a long way. He saw the project as a vision and dream of reconnecting to the river, bringing commerce and visitors to The Dalles. He supported the extension of time and felt the Committee should not get in the way and make it more difficult for the project to succeed. Nelson asked Leash if he would be able to fulfill the financial terms in staff's recommendation, and whether or not he had other expenditures in this timeline besides the Agency's proposed obligations. Leash said there would be a total of \$75,000 in additional funds that would be due and payable by May or June of 2015 including the EB5 application fee, a marketing package to foreign investors, and escrow fees.

Mr. Snyder gave an explanation of his personal and professional background. His roots go back to The Dalles. He has worked with Martin Hospitality for 20 years and has been previously involved in several good sized projects. Regarding the timeline, he understood the frustrations—projects take a long time. Although he had not previously worked with financing at this level, he understood EB5 money was extremely problematic. Leash clarified that Rapoza was working

with a great company, the application was in, and the person working with the foreign companies was very positive.

Barb Pashek, 1332 West 10th Street, The Dalles, Oregon, stated that she had been working on selling some property to the local housing authority for two years, and the property still has not sold because the purchaser cannot obtain private funding. She said if the Granada Block developers were close to getting funding, they were ahead of most other people.

Chair Grossman stated Leash had previously submitted a signed term sheet that had a December 26, 2014 deadline. He asked Leash for an explanation on that term sheet. Leash advised those funds would be liened against the property and would not be available until the acquisition was completed. Leash said, at this point, he was funding everything, so he had skin in the game.

Weast asked if there would be any consequences linked to the extension if Rapoza defaulted in performance of the obligations imposed by the amended DDA. City Manager Young reported that City Attorney Parker was developing language indicating that if no franchise fee was submitted on March 31, 2014, the Agency would have \$50,000, Rapoza would have no claim to the property, and staff would formulate an RFP. The estimated cost for the RFP would be approximately \$5,000. Grossman pointed out that it costs the community every time the agreement is extended, because it would take several years for the Agency to take the property back, market it, and get it developed. He said the Committee members needed to keep in mind that if anticipated Agency funds did not come in as agreed upon, the Agency might be in a position to borrow money to fund other UR projects. Weast commented that the RFP could be prepared, but not published, which would not affect Rapoza's efforts.

After further discussion, it was moved by Weast to recommend approval of an amendment to the Disposition and Development Agreement (DDA) between the Columbia Gateway Urban Renewal Agency and Rapoza Development as recommended by Agency staff on page 2 of the November 19, 2014 staff report. The Advisory Committee recommends, as an additional condition of the recommended amendment, that Agency staff proceed with the creation of a Request for Proposal (RFP) for the development of the Granada Block property with the understanding the RFP would not be issued unless there was a default in performance of any obligation imposed by the DDA upon Rapoza Development. Dewey seconded.

Nelson stated he was concerned about obligating Rapoza to pay a substantial amount of money up front. He suggested a recommendation of a nine-month extension to the DDA, with the required timelines as identified in Attachment A to the staff report. Rapoza to pay a non-refundable \$10,000 deposit by December 31, 2014. The application for the hotel franchise could be made within four months from the date of the signed DDA amendment. Nelson said this would extend the payment deadlines to April 30, 2015.

After further discussion, Dewey retracted her second to Weast's motion. Chair Grossman called for a second to Weast's motion. There was no second, the motion died for lack of a second.

It was moved by Nelson and seconded by Botts to recommend an amendment to the existing DDA between Columbia Gateway Urban Renewal Agency and Rapoza Development allowing a nine-month extension with the following terms of agreement: Rapoza to pay a non-refundable \$10,000 deposit by December 31, 2014 and pay all carrying costs (utilities, maintenance) on the property for the extension period. The extension would include the required timelines as identified in Attachment A to the Agency staff report. By April 30, 2015, Rapoza to pay an additional \$65,000 for a hotel franchise fee. Change the timeline date on Attachment A, Item 1, from March 31, 2015 to April 30, 2015.

Chair Grossman called for the vote. Nelson, Botts, Miles, Dewey, Lincoln and Kramer voted in favor; Miller, Weast, and Grossman voted against; the motion carried.

It was moved by Weast and seconded by Kramer to recommend an additional condition to the DDA amendment for staff to proceed with the creation of an Agency RFP for the Granada Block property with the understanding the RFP would not be issued unless there was a default in performance of any obligation imposed by the DDA upon Rapoza Development. The motion carried unanimously.

ONGOING URBAN RENEWAL PROJECTS UPDATE

City Manager Young reported that the Agency approved the URAC's recommendation for the loan and purchase option extension for Sunshine Mill with Discover Development.

FUTURE MEETING – December 16, 2014

ADJOURNMENT

Chair Grossman adjourned the meeting at 6:28 PM.

Respectfully submitted by Administrative Secretary Carole Trautman.

Gary Grossman, Chairman



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COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA STAFF REPORT

URBAN RENEWAL ADVISORY COMMITTEE

Meeting Date: January 27, 2015

DATE: January 14, 2015
TO: Urban Renewal Advisory Committee
FROM: Gene Parker, City Attorney
THRU: Nolan Young, Urban Renewal Manager 
ISSUE: Recommendation to Urban Renewal Agency Board Concerning Adoption of Resolution for Minor Amendment #14 to Urban Renewal Plan Adding Thompson Park Pool as an Approved Project

BACKGROUND: On June 17, 2004, the Urban Renewal Advisory Committee adopted a motion recommending approval of funding in the amount of \$220,000 for the Northern Wasco County Parks and Recreation District Pool Project alternate features to include a slide, a climbing wall, shade and other enhanced landscaping, pending the receipt of Urban Renewal Funds, and to adopt the Thompson Park Pool Project as part of the Columbia Gateway Urban Renewal Agency Plan through a minor amendment. On July 28, 2014, the Urban Renewal Agency Board voted to accept the Advisory Committee's recommendation by adopting a motion to approve the request in the amount of \$220,000 for the Thompson Park Pool Project alternate features to include a slide, climbing wall, shade and other enhanced landscaping if current project funding is not sufficient to pay for the cost of these projects, pending the adoption of the Thompson Park Pool Project into the Columbia Gateway Urban Renewal Agency Plan by a minor amendment.

Section 1201(E) of the Agency's Urban Renewal Plan provides that a minor amendment to the Plan includes "Changes to the scope, cost or location or projects or addition of projects that do not modify the goals and objectives of the basic procedural, planning or engineering principles of this Plan". Section 1201(E) further provides that a minor change to the Plan shall be made by adoption of a resolution of the Agency Board.

Enclosed with this Agenda Staff Report is a copy of proposed Resolution No. 15-001 approving Minor Amendment No. 14 to include the Thompson Park Pool Project as an approved project for the Columbia Gateway Urban Renewal Plan. The proposed resolution sets forth the reasons why

the proposed project is consistent with the applicable criteria in the Urban Renewal Plan, including the goals and objectives set forth in Section 401 of the Plan, and the general criteria which Urban Renewal projects and activities must satisfy, and the applicable specific criteria which the proposed Pool Project satisfies.

BUDGET IMPLICATIONS: The current (Fiscal Year 2014-15) Urban Renewal Budget includes \$258,360 for opportunity driven projects. The sum of \$220,000 leaves \$38,360 for additional projects. There is a potential cash flow issue in that \$911,286 of the budgeted Urban Renewal revenues are from loan repayments and purchase proceeds from the Sunshine Mill Project. Agency staff is confident that through the timing of other projects, or the use of short term loans, the Urban Renewal Agency can fund the Pool Project by the Spring of 2015 even if there is a delay in the receipt of other budgeted Urban Renewal revenue sources.

RECOMMENDATION: The Advisory Committee adopt a motion recommending that the Urban Renewal Agency Board approve proposed Resolution No. 15-001, approving Minor Amendment No. 14 to the Columbia Gateway Urban Renewal Plan, adding the Thompson Park Project as an Urban Renewal Project.

RESOLUTION NO. 15-001

**A RESOLUTION APPROVING MINOR AMENDMENT
NUMBER FOURTEEN (14) TO THE COLUMBIA
GATEWAY DOWNTOWN PLAN, ADDING THE
THOMPSON PARK POOL PROJECT, AS AN URBAN
RENEWAL PROJECT**

WHEREAS, Section 1201(E) of the Columbia Gateway Urban Renewal Agency Plan (hereinafter referred to as “Urban Renewal Plan”) provides for minor changes to be adopted to the Urban Renewal Plan which involve the addition of projects that do not modify the goals and objectives or the basic procedural, planning, or engineering principles of the Plan; and

WHEREAS, Section 1201(E) of the Urban Renewal Plan further provides that minor changes to the Agency’s Plan shall be made by a duly adopted, approved resolution of the Agency in which the details of the minor change shall be described; and

WHEREAS, on January 27, 2015, the Urban Renewal Advisory Committee reviewed proposed Resolution No. 15-001, and voted to recommend the Urban Renewal Agency Board approve the proposed minor amendment to the Urban Renewal Plan by adoption of the proposed Resolution; and

WHEREAS, the Urban Renewal Agency Board conducted a meeting on February 9, 2015, to consider the proposed Minor Amendment Number Fourteen (14) to the Urban Renewal Plan;

**NOW, THEREFORE, THE COLUMBIA GATEWAY URBAN RENEWAL
AGENCY RESOLVES AS FOLLOWS:**

Section 1. Minor Amendment Authorized. Pursuant to Section 1201(E) of the Agency’s Urban Renewal Plan, the Agency authorizes a minor amendment to the Plan to be prepared in accordance with Section 1201 of the Urban Renewal Plan. The change shall consist of adding as an approved Project the Thompson Park Pool Project (“Project”). The Project may include funding for the construction of alternate Project features including a slide, a climbing wall, shade, and other enhanced landscaping features. The change to the Urban Renewal Plan shall be assigned an appropriate exhibit number and be placed in the appendix of the Urban Renewal Plan. The Agency finds and concludes that the proposed addition of the Project qualifies as a minor change under Section 1201 of the Plan, as the Project is consistent with the goals and objectives of the Urban Renewal Plan, and does not modify the basic procedural, planning or engineering principles of the Urban Renewal Plan, for the following reasons:

- A. The proposed redevelopment Project is consistent with the following goals and objectives set forth in Section 401 of the Urban Renewal Plan:

1. It will allow the Agency to participate by means of providing funding in specific opportunities for business, civic, and tourist-related properties to be developed, redeveloped, improved, rehabilitated, and conserved in ways which will:
 - a. Insure a more attractive, functional, and economically viable city.
- B. The addition of the Project satisfies the four following general criteria set forth in Section 601 of the Urban Renewal Plan:
 1. The proposed Project addresses the following blighted conditions as described in the Urban Renewal Plan:
 - a. The current pool located upon the Thompson Park property is in a condition such that the pool could not continue to be used for the purpose of a public swimming pool, and the current pool is scheduled to be demolished and replaced with a new pool, which was approved as the result of a bond measure passed by the voters of the Northern Wasco County Parks & Recreation District. Replacement of the existing pool will remove a blighted condition created by the existing pool which has fallen into a state of significant disrepair.
 2. The proposed Project will allow for construction of a new pool which will provide recreational opportunities for the local public. The alternate features for the Project, which will be visible from the I-84 freeway, are designed in part to attract tourists to the City. The proposed Project is consistent with Economic Development Goal 5 of Goal #9 of the City's Comprehensive Plan concerning economic development, which is to implement the objectives and activities of the Columbia Gateway/Downtown Urban Renewal Plan, enhancing opportunities for the improvement and redevelopment of business, civic, cultural, and residential uses in the area; and consistent with Policy 10 of Goal #9 which is to encourage tourism-related services as an element in the diversification of the community's economy.
 3. Concerning the criteria regarding consistency with the development policies of the Historic Landmarks Commission, this criteria is not applicable to the Project.
 4. The alternate features for the Project which are proposed for funding will generate economic and tourist activity within the community, which will in the aggregate, increase property values and tax collections to a level which will produce a reasonable return of the Urban Renewal contribution.

- C. The proposed Project satisfies the following specific criteria set forth in Section 601 of the Urban Renewal Plan:
1. The Project will increase the value of the properties within the identified block.
 2. The Project will enhance opportunities for the provision of tourist-related services, as well as providing recreational opportunities for the local public.
 3. The Project will enhance development of the adjacent West Gateway area, and facilitate development of a positive linkage between the West Gateway area and the Downtown.

Section 2. Effective Date. This Resolution shall be effective as of February 9, 2015.

PASSED AND ADOPTED THIS 9TH DAY OF FEBRUARY, 2015.

Voting Yes, Agency Member: _____
 Voting No, Agency Member: _____
 Absent, Agency Member: _____
 Abstaining, Agency Member: _____

AND APPROVED BY THE CHAIR THIS 9TH DAY OF FEBRUARY, 2015.

 Stephen E. Lawrence, Chair

ATTEST:

 Julie Krueger, MMC, City Clerk