



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA

Columbia Gateway Urban Renewal Agency
City Hall Council Chambers
313 Court Street, The Dalles, Oregon

Meeting Conducted in a Handicap Accessible Room

Monday, September 14, 2009
Included as Part of City Council Meeting

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF AGENDA
- IV. APPROVAL OF MINUTES
 - A. Approval of Regular Meeting Minutes of June 8, 2009
- V. ACTION ITEMS
 - A. Approval for American Legion Request for Painting of Building in Historically Accurate Color Palette
 - B. Resolution No. 09-065 Supplementing the Master Resolution; Authorizing the Acceptance of Assistance from the City of The Dalles to Finance the Project and Refund the Series 2002 Bond; Authorizing the Execution of Assistance Agreement and Issuance of Urban Renewal Note in the Amount Not to Exceed \$11,500,000 Payable From and Secured by the Tax Increment Revenues of the Columbia Gateway/Downtown Area; Providing Flexibility on Sizing for Refunding Portion; Designating an Authorized Representative; and Related Matters
- VI. ADJOURNMENT

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
SPECIAL MEETING
OF
JUNE 8, 2009

CITY HALL COUNCIL CHAMBER
THE DALLES, OREGON

PRESIDING: Chair Nikki Lesich

AGENCY PRESENT: Bill Dick, Carolyn Wood, Jim Wilcox, Dan Spatz, Brian Ahier

AGENCY ABSENT: None

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

CALL TO ORDER

The meeting was called to order by Chair Lesich at 5:33 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 Wilcox to approve the agenda as presented. The motion carried unanimously.

APPROVAL OF MINUTES

January 26, 2009 Meeting Minutes

It was moved by Spatz and seconded by Wood to approve the January 26, 2009 meeting minutes as presented. The motion carried unanimously.

April 13, 2009 Special Meeting Minutes

It was moved by Wood and seconded by Wilcox to approve the April 13, 2009 special meeting minute as presented. The motion carried unanimously.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding the Proposed 2009-10 Fiscal Year Budget of the Columbia Gateway Urban Renewal Agency

Chair Lesich reviewed the procedures to be followed for the hearing. Finance Director Mast and Community Development Director Durow reviewed the staff report, saying this budget was based on the current Urban Renewal Plan. Durow said if an amendment to the Plan was approved, budget amendments would be required at that time.

Testimony

Lenore Clifford, 531 West Third Place, The Dalles, testified that it was unfair that urban renewal was taking revenue away from police and fire services. Clifford said the Fire District has lost \$152,000 this year and couldn't pay their employees what they should get paid. She asked how the Police Department had been impacted.

City Manager Young explained that taxing entities did not receive less revenue because of urban renewal. He said when new tax rates were implemented by the State in 1998, those rates were used to determine how much money would be provided to the Urban Renewal Agency. Young said taxing entities received more revenue, not less based on the current Urban Renewal Plan.

Clifford asked who decided on the projects that would receive urban renewal funding, such as the Brewery Grade/East Gateway project.

City Manager Young said the Agency had the final decision on funding of projects, based on the projects listed within the Plan.

Clifford asked that she be provided with a list of the Urban Renewal Advisory Committee members and said she believed the money should be spent on street and school repairs.

Hearing no further testimony, the public hearing was closed.

Resolution No. 09-063 Adopting the 2009-10 Fiscal Year Budget of the Columbia Gateway Urban Renewal Agency. Making Allocations and Certifying a Request for Maximum Tax Revenue to the County Assessor

It was moved by Wilcox and seconded by Spatz to adopt Resolution No. 09-063 adopting the 2009-10 fiscal year budget of the Columbia Gateway Urban Renewal Agency, making allocations and certifying a request for maximum tax revenue to the County Assessor. The motion carried unanimously.

ACTION ITEMS

Approval of Loan With Discover Development/Quenett for Tenant Improvements at Flour Mill

City Manager Young reviewed the staff report.

Wilcox asked how the 4.25% interest rate was arrived at. City Manager Young said it was based on the other urban renewal loan programs.

Spatz asked how many jobs were expected to be created through this investment. City Manager Young said it was expected there would be 60 jobs for the winery and 40 for the bottling company.

It was moved by Ahier and seconded by Wood to approve signature of the proposed loan agreement with Discover Development/Quenett Winery. The motion carried unanimously.

Recommendation to City Council to Approve Proposed Amendment to Columbia Gateway Urban Renewal Plan

The staff report was reviewed by Community Development Director Dan Durow and Consultant Jeff Tashman. Tashman highlighted the background of the Urban Renewal Plan and noted that when all the other taxing entities were approached regarding the proposed amendment, there were no unresolvable problems with proceeding. Tashman reviewed the summary of changes to the Plan, including increasing the maximum indebtedness to \$29,125,583; removal of date for termination of tax increment financing; updating project descriptions; updating property acquisition procedures; and updating amendment procedures to reflect removal of termination date and elimination of property acquisition for private redevelopment. (Summary attached as Exhibit "A").

Tashman said the current Plan had spent approximately \$9 to \$10 million of the \$14 million allowed, but there was not enough time left in the Plan to completely spend the amount approved due to the time it would take for repayment.

Wilcox said he had some concern about not including a termination date for the Plan. He said if staff believed it would terminate in 2026, that date should be included.

Tashman said the spending limits were set by the Plan. He said the decision on how and when to make the expenditures was accomplished through the annual budget process. He said the Agency could decide to issue less debt if they chose to.

Dick asked what the positive effect would be for the other taxing districts. Tashman said it would be easier for them to raise money for levies. He said the benefits of urban renewal were to have a more vital community and increased property values. Tashman said additional revenues created by increased property values would equal or exceed any taxes forgone during the life of the Plan.

City Manager Young added that the entire community benefitted from urban renewal projects, saying it encouraged other improvements outside the Urban Renewal District boundary and that development outside the District was benefitting the taxing districts immediately.

Community Development Director Durow said the first 10 years of the current Plan had not seen development or projects, being delayed until the year 2000. He highlighted some of the projects completed since 2000 as the Second Street Streetscape Project, renovation of the Commodore Building, Union Street Undercrossing Project, and engineering for the East Gateway Project. He said there had been many other smaller projects such as historic preservation of the Sixth Street Bridge, Civic Auditorium, and numerous property rehabilitation loans and grants.

Agency Member Dick said some of those projects, such as the Union Street Undercrossing and East Gateway were even more successful because a small amount of urban renewal funding was able to leverage millions of dollars in Federal and State funding to complete the projects.

Chair Lesich noted other projects including the rehabilitation of the ARCO lot in the west part of downtown, the old fuel station where Taco Del Mar now is located, and assistance to preserve St. Peter's Landmark.

Agency Member Wood clarified that urban renewal dollars could be used for projects, but was not allowed to be used for infrastructure maintenance such as street repairs. Community Development Director Durow said that was correct.

Agency Member Ahier asked what projects could still be completed under the current plan, if the amendment was not approved. City Manager Young said funding had already been earmarked for the East Gateway and dock projects, so other projects including the Washington Street Crossing Project and others would not be able to be completed.

Agency Member Wood said she didn't have a problem with not including an expiration date in the proposed amendment. She said future Boards would be making the decisions on project funding and how long the Plan should exist.

Agency Member Spatz agreed with Wood, saying the annual budget cycles would determine the future of the Plan and allowed future Boards the time to complete the projects included in the Plan.

City Manager Young asked Tashman to explain the percentage increase in assessed value to revenue projections. Tashman said a 4% figure was used based on historic data, with a 2.5% increase used to reflect a slower economy for a portion of the Plan duration. He said the data used in determining the increase went back to 1997-98 fiscal year.

City Manager Young said the projections had been very conservative to ensure the debt could be repaid by the year 2026. He said it was reasonable to project the debt could be paid off by 2026 or earlier based on the projections. He said it was an investment worth taking because the risk was very low.

Ahier said he would be more comfortable voting for the amendment if the expiration date of 2026 was included. He said if staff was confident the debt would be repaid by then, they should be willing to include that as an expiration date.

Wilcox said he would prefer to include a termination date in the Amendment, saying it would be more comfortable for all the taxing agencies to know it had an expiration date.

Dick said another way to determine when the Plan would expire would be to say when the projects were completed, the Plan would be discontinued.

Chair Lesich said many of the projects funded had been opportunity driven and project priorities were changing based on other funding sources available to complete them.

Tashman said the reason to not include the expiration date was to allow the Agency to have the ability to borrow the maximum indebtedness and have the time needed to repay the debt. He said it was a policy decision for the Agency to make.

