

IMPROVING OUR COMMUNITY



COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

Columbia Gateway Urban Renewal Agency Advisory Committee

Meeting Minutes

Tuesday, July 16, 2013

5:30 p.m.

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Vice Chair Grossman called the meeting to order at 5:31 p.m.

ROLL CALL

Members Present: Chris Zukin, Gary Grossman, Mike Zingg, Dick Elkins, Robin Miles, Steve Kramer

Members Absent: Greg Weast, Jennifer Botts, Linda Miller

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

Also Present: Economic Development Specialist Dan Durow, Rapoza representative Michael Leash and WAVE General Counsel Dag Wilkinson

PLEDGE OF ALLEGIANCE

Vice Chair Grossman led the group in the Pledge of Allegiance.

Note: Weast joined the meeting at 5:32 p.m.

APPROVAL OF AGENDA

It was moved by Zukin and seconded by Kramer to approve the agenda as submitted. The motion carried unanimously; Botts and Miller were absent.

APPROVAL OF MINUTES

A. May 21, 2013 – It was moved by Miles and seconded by Weast to approve the May 21, 2013 minutes as submitted. The motion carried unanimously; Botts and Miller were absent.

B. June 18, 2013 – It was moved by Kramer and seconded by Zingg to approve the June 18, 2013 minutes as submitted. The motion carried unanimously; Botts and Miller were absent.

PUBLIC COMMENT

None.

ACTION ITEM – Recommendation concerning Rapoza Development Group’s request for a 120-day extension on the Phase 1 Purchase Option of the Granada Block Redevelopment Project

City Manager Young reported that Section 2.2 of the Disposition and Development Agreement (DDA) outlined August 31, 2013 as the closing date, but allowed for a 120-day extension as long as the Agency agreed that closing could take place by December 30, 2013. Staff received a request from Rapoza Development Group (Rapoza) for the 120-day extension, Young stated.

Local Rapoza representative Michael Leash introduced Dag Wilkinson, general counsel for WAVE Hospitality Advisors. Leash presented a powerpoint presentation of the design renderings and progress reports for the project (copy attached). Some of the featured highlights of the presentation were:

- The hotel room count is 117, subject to change
- The grand entrance will be off of First Street, another entrance off of 2nd Street
- Basement Floor Level – minimal usage
- Ground Floor Level – Restaurant, lounge, exercise/workout facility, meeting spaces allowing for two simultaneous meetings, an outdoor pool
- Second Floor – rooms and rooftop terrace over the meeting space
- Third and Fourth Floors – rooms
- Developer acquired HVS Consulting and Valuation Services to prepare an independent study and financial projections
- Multiple investor contacts have been made

Weast asked if the hotel franchise had been established. Mr. Leash stated it was not yet established.

Mr. Wilkinson pointed out that the HVS study showed there was a great need for large-sized hotel meeting spaces in the area, and this project’s meeting spaces would bring people to The Dalles that typically would not come because of the current lack of meeting spaces. Mr. Leash reported the developers submitted an Enterprise Zone application.

Miles asked if the Granada project would coincide with the Washington Street Tunnel project. City Manager Young stated that the intent was to coordinate the projects to complement each other to potentially save costs. Mr. Leash noted that he and City Manager Young had multiple conversations with various contractors in an attempt to coordinate three projects: the Granada Block, Washington Tunnel and the City’s Parking Structure.

Zingg asked what the identifying factors were that would create a problem to close. Mr. Leash stated nothing was guaranteed at this point. The first set of capital, ten million dollars, needed to be put together, and Rapoza hoped to have all of the first set in place by the end of December. Leash said once that was done, the remainder should be relatively easy. Zingg asked staff what would happen if the ten million dollars was not raised by the deadline. City Manager Young stated there was no agreement to allow for another extension, so the developers needed to make the deadline. City Attorney Parker said if the deadline was not met, the Agency would not proceed with the sale of the property in accordance with

the DDA. Zingg said it would be very awkward if the developers did not produce the funds by the end of December. The community did not have a lot of other options. Zukin said that was the sentiment of the Advisory Committee when the Committee recommended approval of the last extension, and the current 120-day extension request and this request would be the last one.

Note: Miller joined the meeting at 5:52 p.m.

Miller asked how many of the items on the staff memorandum DDA checklist had been completed. City Manager Young reviewed each line item and summarized by saying most of the items had not been completed. Young stated some items were partially completed. The demolition of the Recreation Building was approved by the Historic Landmarks Commission, but permits had not been issued. A preliminary "cost per space" range was determined for the required parking in the Public Garage, but a final figure had not been reached. An environmental report had been completed; and archaeological costs were being completed but were not finalized. Miller commented that it appeared there were many items to be completed. City Manager Young reminded the Committee to evaluate whether or not enough work had been completed to have confidence that the tasks could be completed in an additional 120 days. At the approval of the DDA, the Agency knew it would be tight, Young stated. Grossman asked where in the 165-day time period these task items would progress. Mr. Wilkinson stated that getting the capital was important, because investors would be looking for a room count and a final design plan. Rapoza's goal was to get the equity lined up in the 165-day time period.

Zingg asked if a number of the task items would be completed by the end of closing. City Manager Young stated the permits probably would not be completed. Much depended upon Rapoza's efforts to bring together the development team of investors to start finalizing the redevelopment plan. Young thought the archaeological costs would be completed. The parking structure would come later in the process before there would be solid figures on that, Young stated.

Vice Chair Grossman asked how progress was going on obtaining investors. Mr. Wilkinson said the HVS study was very positive, and it indicated there was a need for the project in the area. More education would need to be done to present to investors for this area's market because it is not as well known as Los Angeles or other large city markets. Wilkinson said there was interest and curiosity, but it would take longer to get investors to the "check writing" stage. Mr. Wilkinson noted they were looking at different kinds of investors such as private investors, and that process would be accelerating in a couple of weeks. The developers were taking a multi-faceted approach and "widening the net." Miller clarified that Rapoza did not have one hard investor. Mr. Wilkinson said that was correct, but it was not a surprise. They were looking at many ways to partner with either one major investor or a group, the strategy was multi-faceted.

Weast noted that the Advisory Committee supported the project in the past. Weast felt the two choices were either to recommend the 120-day extension, or not recommend the extension and let the property sit. Zukin agreed with Weast and said he felt the developers had made progress and he saw no reason to stop the project now.

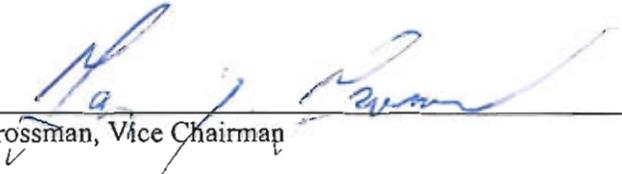
It was moved by Weast and seconded by Zukin to recommend to the Agency to approve the 120-day extension of the deadline for the option to purchase Phase 1 parcels of the Granada Block Redevelopment project, as outlined in the DDA, to December 30, 2013. The motion carried unanimously; Botts was absent.

ONGOING URBAN RENEWAL PROJECTS

City Manager Young reported that some of the Civic Grants work was moving forward. The Art Center ordered a new front door and other materials, and The Civic Auditorium obtained its initial structural report.

Vice Chair Grossman adjourned the meeting at 6:11 p.m.

Respectfully submitted by Administrative Secretary Carole Trautman.



Gary Grossman, Vice Chairmap