



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

Meeting Conducted in a Room in Compliance with ADA Standards

Tuesday, June 19, 2018

5:30 p.m.

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 – May 15, 2018
- VI. PUBLIC COMMENT
- VII. ACTION ITEM
 - A. Consideration to Extend the Exclusive Negotiating Agreement with GBHD, LLC
- VIII. EXECUTIVE SESSION
 - A. Recess to Executive Session in accordance with ORS 192.660(2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.
 - B. Reconvene to Open Session
 - C. Decision following Open Session
- IX. STAFF COMMENTS
 - Next Regular Meeting Date: July 17, 2018
- X. BOARD MEMBERS COMMENTS OR QUESTIONS
- XI. ADJOURNMENT

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IMPROVING OUR COMMUNITY

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CITY OF THE DALLES

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

Meeting Conducted in a Room in Compliance with ADA Standards

Tuesday, May 15, 2018

5:30 p.m.

City Hall Council Chambers

313 Court Street

The Dalles, Oregon

CALL TO ORDER

Chair Miller called the meeting to order at 5:30 p.m.

ROLL CALL

Present: Scott Baker, Staci Coburn, Taner Elliott (arrived at 5:33 p.m.), Linda Miller, John Fredrick, Kathleen Schwartz and Chuck Raleigh

Absent: Steve Kramer and Darcy Long-Curtiss

Staff Present: Urban Renewal Manager Steve Harris, City Attorney Gene Parker, and Finance Director Angie Wilson

In Attendance: One

PLEDGE OF ALLEGIANCE

Chair Miller led the Pledge of Allegiance.

APPROVAL OF AGENDA

Board Member Baker moved to approve the agenda; Board Member Schwartz seconded the motion. The motion passed unanimously.

APPROVAL OF MINUTES

Board Member Coburn moved to approve the minutes of April 17, 2018, as written. Board Member Fredrick seconded the motion; the motion passed unanimously.

PUBLIC COMMENT

Michael Leash, 2003 View Court, The Dalles

Leash, GBHD, LLC, stated he would be asking for a 120-day extension to the Exclusive Negotiating Agreement (ENA).

PUBLIC HEARING

Public Hearing to receive testimony regarding Proposed Fiscal Year 2018-19 Columbia Gateway Urban Renewal Agency Budget

Chair Miller opened the Public Hearing at 5:33 p.m.

Finance Director Wilson presented the staff report. Staff had no recommended changes to the proposed budget.

Chair Miller reconvened the Open Session at 5:35 p.m.

RESOLUTION

Resolution 18-003 – Adopting the 2018-19 Fiscal Year Budget for the Columbia Gateway Urban Renewal Agency, Making Appropriations, and Authorizing Expenditures

Board Member Fredrick moved to approve Resolution 18-003, adopting the 2018-19 fiscal year budget for the Columbia Gateway Urban Renewal Agency. Board Member Schwartz seconded the motion; the motion passed unanimously.

STAFF COMMENTS

Director Harris stated the Agency had entered into a listing contract with Brian Lauterbach, Windermere Realty, to sell the Recreation and Blue Buildings. If Lauterbach produces a buyer, he will reduce his commission 50 percent. Harris stated he had received a letter of interest for the Recreation Building. There was also interest in the J.C. Penney building.

Staff has entered discussions with Leland Consulting regarding the ENA with GBHD, LLC. A report is scheduled for the Jun 19, 2018, meeting.

City Attorney Parker updated the Board on the Tokola project. Parker said the pre-determination letter was submitted to the Bureau of Labor and Industry (BOLI). A supplemental letter with more information was sent May 15, 2018. BOLI has 60 days to issue an opinion, the decision is expected in August or September.

BOARD MEMBER COMMENTS

None.

ADJOURNMENT

Chair Miller adjourned the meeting at 5:41 p.m.

Respectfully Submitted
Paula Webb, Planning Secretary

Linda Miller, Chair



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CITY OF THE DALLES

AGENDA STAFF REPORT

AGENDA LOCATION: VII. A.

DATE: June 19, 2018

TO: Chair and Members of the Urban Renewal Agency Board

FROM: Steven Harris, AICP
Urban Renewal Manager

ISSUE: **Consideration to Extend Exclusive Negotiating Agreement with GBHD, LLC**

BACKGROUND

On February 20, 2018 the Board authorized the Chair to enter into an Exclusive Negotiating Agreement (ENA) with GBHD, LLC for the purposes of developing a hotel on property controlled by GBHD, LLC (generally located at Union and First Streets). The initial authorization period was for 120 days from the effective date (February 26, 2018) of the agreement. The 120-day period will expire on June 26, 2018.

Timmons Law PC, on behalf of Mr. Michael Leash and GBHD, LLC, has submitted a request to extend the ENA for a 120-day period (see attached).

DISCUSSION

Section 2 of the ENA states that the agreement may be extended for two 120-day renewal terms upon the approval of the Urban Renewal Agency Board; and that the agreement will automatically terminate upon execution and delivery of the DDA (Development and Disposition Agreement).

Since Board action on the ENA in February, the City Attorney and GBHD, LLC's legal counsel have been working on the terms of a confidentially agreement. As of this writing (June 12th), the agreement has yet to be finalized. In addition, the public documentation requested of GBHD, LLC by Leland Consulting Group (in their March 30th proposal) to perform the Phase 1 analysis was made available on June 8th. Staff had originally anticipated that Leland Consulting would report out their findings on the

Phase 1 analysis at the June 19th Board meeting. However due to the delay in receiving the materials, Leland's presentation will need to be rescheduled to the July 17th Board meeting.

BOARD ALTERNATIVES

The Agency Board has the discretion to extend the ENA up to a total of 240 days. The Board also has the discretion to determine how many days there may be in any one term of extension. In light of the status of the confidentially agreement and the delayed receipt of the requested documentation necessary for the Agency's consultants to undertake their Phase 1 analysis, staff suggests the Agency Board consider extending the ENA for a period of 30 days. Such an extension would allow time for GBHD, LLC and the City Attorney to complete their work on the confidentially agreement, while Leland Consulting completes their Phase 1 analysis. The matter of extending the ENA for an additional period would return to the Board at their July 17th meeting.

- 1. Staff recommendation: *Move to approve the extension for one 30-day period for the Exclusive Negotiating Agreement between the Columbia Gateway Urban Renewal Agency and GBHD, LLC.***
2. Approve the extension of the Exclusive Negotiating Agreement for the requested 120-day period.
3. Approve the extension of the Exclusive Negotiating Agreement for a different length of time, as appropriate.
4. Decline to approve the extension of the Exclusive Negotiating Agreement.

Attachments

- Request to extend ENA (dated June 6, 2018)
- Exclusive Negotiating Agreement – Agency/GBHD, LLC (dated February 26, 2018)



TIMMONS LAW PC

June 6, 2018

VIA Email: sharris@ci.the-dalles.or.us
and FIRST CLASS MAIL

Steve Harris, Planning Director
Urban Renewal Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

Re: GBHD, LLC - The Dalles: Exclusive Negotiating Agreement

Dear Steve:

On behalf of Michael Leash and GBHD, LLC, pursuant to paragraph 2 of the Exclusive Negotiating Agreement dated February 26, 2018 (the "Agreement"), please submit for approval this request to extend the Agreement for the first 120 renewal term. Please confirm that this request has been approved at your earliest convenience.

Thank you.

Sincerely,

TIMMONS LAW PC

Bradley V. Timmons
brad@timmonslaw.com

BVT:ckl

cc: Michael Leash – via email



EXCLUSIVE NEGOTIATING AGREEMENT

THIS EXCLUSIVE NEGOTIATING AGREEMENT (the “Agreement”) is made and entered into as of the last date of signature indicated below (the “Effective Date”) by and between the Columbia Gateway Urban Renewal Agency, a municipal corporation (“Agency), and GBHD, LLC, an Oregon limited liability company (“GBHD”).

RECITALS

- A. GBHD owns the property described as 200 Union St. GBHD owns the property described as Assessor’s Map No. 01N-13E-03-BA-01500-00 . Agency owns the surface parking lot described as Assessor’s Map No. 01N-13E-03-BA- 01200-00. The properties listed herein are referred to as the “Property”.
- B. GBHD has submitted a proposal to the Urban Renewal Agency Board for the redevelopment of the Property.
- C. This Agreement confirms the basis upon which the Agency and GBHD (the “Parties”) are prepared to negotiate the terms of a Disposition and Development Agreement (“DDA”) and related documents for the redevelopment of the Property and the Agency’s surface parking lot (the “Project”), which must be approved by the Urban Renewal Agency Board.
- D. The terms of this Agreement are as follows:

TERMS

- 1. Good Faith Exclusive Negotiations. Agency and GBHD agree and covenant to negotiate the terms of the DDA and any intervening Memorandum of Understanding (as defined below) in good faith. Agency acknowledges that GHBD has expended substantial time and expense, and will continue to expend time and expense, in preparing a more detailed proposal, conducting its due diligence, and refining its development proposal. During the term hereof, Agency agrees that GBHD shall have the exclusive right to conduct due diligence and to negotiate with Agency for the rights to develop the Property, and that the Agency will not accept, solicit, pursue or entertain any other offers or other indications of interest with respect to the Property for any development, sale or other transaction.
- 2. Duration. The term of this Agreement shall be 120 days from the Effective Date. This Agreement may be extended for two 120 day renewal terms upon the approval of the Urban Renewal Board. This Agreement shall automatically terminate upon execution and delivery of the DDA, which shall thereafter, control the rights of the Parties with respect to the Property. The Parties may terminate

this Agreement by mutual agreement if latent conditions are discovered on the Property or events occur that would, presently or with the passage of time, prevent the entry into a DDA. Notwithstanding the above, either the Agency or GBHD, may at their sole option, terminate this Agreement by notice in writing if any other party makes a material misrepresentation in the course hereof, otherwise fails to act in good faith, or if any party becomes insolvent, or in the terminating party's reasonable estimation, is otherwise unable to perform as outlined in the Base Development Criteria.

3. Memorandum of Understanding. Tentative agreements on the terms of the DDA may be memorialized in a written Memorandum of Understanding ("MOU"), or series of memoranda, during the Terms of this Agreement. Any such MOUs will provide the continuing framework for final preparation of the DDA.
4. Projected Financial Contributions. GBHD has requested public financial participation for the Project in an amount estimated at \$1.0 Million. This public participation is described in Exhibit A which includes the projected structure of the public financial contribution, and is subject to negotiation and will be outlined in the agreed upon MOUs and the final DDA.
5. Co-application/Cooperation. Agency and GBHD shall be co-applicants on any land use permit application sought in connection with this Agreement or subsequent Memoranda issued during the term hereof. GBHD shall bear responsibility for all land use application and permit fees, unless otherwise agreed to by the Agency as stipulated in an MOU. Agency and GBHD shall each promptly provide to the other all information reasonably related to the Property and the Project which may be obtained without material expense, upon written request. Agency and GBHD shall cooperate in connection with any applications, permits, approvals or entitlements sought by GBHD from any governmental authorities with respect to the Project, including easements, provided the Agency shall not be required to incur any material cost or liability connection with such applications, permits or approvals.
6. Due Diligence. GBHD may conduct due diligence and inspections of the Property, including such physical, legal, and engineering inspections, tests and investigations as it may deem necessary or desirable, including soils and environmental studies. Such studies and investigations may include, without limitation, zoning, land use, environmental, title, design review, covenants, conditions and restrictions, financing, leasing markets, project feasibility and related matters. The scope and cost of the due diligence and inspections shall be the sole discretion and responsibility of GBHD.
7. Access. Agency shall provide GBHD full access to property owned by the Agency for the purpose of conducting Due Diligence. GBHD shall repair or restore any damage caused by the entry of GBHD or its agents upon or under the Property.

8. Indemnity and Insurance. GBHD hereby agrees to indemnify, defend and hold the Agency, including its appointed and elected officials, officers, employees and agents, harmless from and against any and all claims for injury to persons or damage to property caused by or resulting from the acts or neglect of GBHD or its representatives or consultants on or about the Property. During the term of this Agreement, GBHD shall maintain insurance with respect to its activities on or about the Property, naming the Agency as an additional insured, in amounts as follows: (i) commercial general liability insurance with a combined single limit of not less than \$1,000,000 per occurrence and with at least \$2,000,000 aggregate; (ii) automobile liability insurance with combined single limit of not less than \$500,000 per occurrence; (iii) employers liability insurance with a limit of not less than \$1,000,000; and (iv) in addition to the primary limits specified in (i) and (ii) above, excess liability insurance with a limit of not less than \$1,000,000 for each occurrence and in the aggregate. The indemnity required under this Section 9 shall survive termination of this Agreement.
9. No Assignment. Neither party shall assign or transfer its interest in this Agreement or the Property until termination of this Agreement or execution and delivery of the DDA.
10. Confidentiality. Agency and GBHD agree that all information submitted by GBHD during the term hereof is submitted on the condition that the Agency shall keep said information confidential. Agency agrees not to disclose said confidential information provided by GBHD, including but not limited to financial statements regarding GBHD or the Project, and pro forma information. This nondisclosure agreement shall survive termination of this Agreement, but shall not apply to the extent any such information is publicly available, has been disclosed by other parties or is required to be disclosed by the Wasco County District Attorney under Oregon public record laws. Agency further agrees that it shall not disclose the terms of this Agreement, the MOUs or the DDA, prior to the termination or expiration of this Agreement, or the execution of the DDA, whichever occurs first, unless disclosure is required by the Wasco County District Attorney under Oregon public records law.
11. Governing Law. This Agreement shall be governed by the laws of the State of Oregon.
12. Time is of the Essence. Time is of the essence of this Agreement.
13. Amendments. This Agreement may be amended only by written agreement of the Parties hereto.
14. Notices. All notices under this Agreement must be in writing and either (i) personally delivered, (ii) delivered by express mail, Federal Express or

comparable courier service, or (iii) delivered by certified mail, postage prepaid, return receipt requested, as follows:

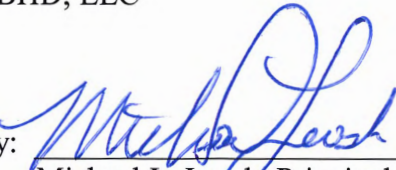
To the Agency: Steven Harris, Urban Renewal Project Manager
313 Court Street
The Dalles, OR 97058

To GBHD: GBHD, LLC
306 Court Street
The Dalles, OR 97058

All notices shall be deemed effective upon receipt. Any party may from time to time change its address for purposes of this Section by notice in writing to the other party.

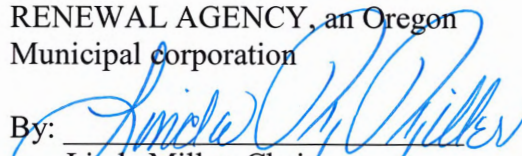
15. Binding Effect. During the Term hereof and any extensions thereto, the Parties shall negotiate in good faith to complete and execute the definitive DDA upon terms and conditions consistent with this Agreement and the MOUs. No sale agreement or other right, obligation or estate in land shall be created except by delivery of the definitive DDA and all other related and necessary instruments, duly authorized by the Columbia Gateway Urban Renewal Board, and all necessary GBHD corporate action and executed by authorized representatives of the Parties. If the DDA is not executed and delivered prior to the expiration of the Term and any extensions thereto, or if GBHD elects, in its sole discretion, by notice in writing to the Agency not to pursue development of the Project, this Agreement shall terminate and be of no further force or effect, except Sections 8 and 10, which shall survive termination. If during the course of negotiations it becomes clear that the Parties will not reach an agreement, GBHD shall not unreasonably withhold consent to early termination of this Agreement.

GBHD, LLC

By: 
Michael L. Leash, Principal

Date: 2/26/18

COLUMBIA GATEWAY URBAN
RENEWAL AGENCY, an Oregon
Municipal corporation

By: 
Linda Miller, Chair

Date: 02/26/18

EXCLUSIVE NEGOTIATING AGREEMENT – GBHD, LLC

“Exhibit A”

GBHD, LLC - Proposed breakout and review of funds structure

- \$103,000 Parking Lot (1st and Court Street)
 - \$172,000 SDC's/Permits/Fees Credit (not to exceed \$172K)
 - \$100,000 Demolition Grant
 - \$625,000 (Other Development Costs (not to exceed))
- Total Equals \$1.0M