

IMPROVING OUR COMMUNITY



COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA

JOINT MEETING OF
Urban Renewal Agency and Urban Renewal Advisory Committee
City Hall Council Chambers
313 Court Street, The Dalles, Oregon

Meeting Conducted in a Handicap Accessible Room

Monday, April 4, 2016
5:30 p.m.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. DISCUSSION ITEMS
 - a. Review and Discussion of Urban Renewal Report
5. ADJOURNMENT

Prepared by:
Izetta Grossman
City Clerk

MINUTES

Joint Work Session of the Columbia Gateway Urban Renewal Agency
and Urban Renewal Advisory Committee
City Hall Council Chambers
Monday, April 4, 2016
5:30 p.m.

PRESIDING: Chair Steve Lawrence

AGENCY PRESENT: Dan Spatz, Tim McGlothlin, Linda Miller, Russ Brown,
Taner Elliott

ADVISORY COMMITTEE: John Nelson, Gary Grossman, Greg Weast, Phil Lewis,
Jennifer Dewey, John Willer, Steve Kramer

ABSENT: Atha Lincoln

STAFF PRESENT: City Manager Julie Krueger, City Clerk Izetta Grossman,
Project Coordinator Daniel Hunter

CALL TO ORDER

The meeting was called to order by Chair Lawrence at 5:30 p.m.

ROLL CALL

Roll call was conducted by City Clerk Izetta Grossman; Advisory Committee Member Lincoln absent.

APPROVAL OF AGENDA

It was moved by Spatz and seconded by Kramer to approve the agenda as presented. The motion carried unanimously.

REVIEW AND DISCUSSION OF STRUCTURE AND PROJECTS

Chair Lawrence suggested the work session use three main questions to guide the discussion.

1. Who should govern Urban Renewal?

2. Should the Urban Renewal Plan be amended to include infrastructure?
3. What projects should be on the list going forward?

Chair Lawrence said the forum for public input should be addressed and asked if anyone had other questions to guide the discussion.

Weast said the plan read like infrastructure was included.

Project Coordinator Hunter said infrastructure wasn't removed from the plan, it just wasn't stated as a project focus. He said the emphasis had been changed to blight and buildings.

Brown said Public Works doesn't have the funds to support projects, streets and utilities needed to be included in the plan.

Spatz said project related infrastructure made sense, but not general infrastructure maintenance.

City Manager Krueger said Urban Renewal Funds were never meant for maintenance of infrastructure, but could be used for infrastructure improvements when connected to an Urban Renewal project such as was done on the Second Street Streetscape project.

Nelson said the Third Place Design had included some infrastructure.

It was the consensus that there was no need to amend the plan, just to be aware of opportunities to include infrastructure in projects.

Governance

Brown said it felt like the Agency Board was at the end of the information pipeline, and too much information was lost in the process. He said it was helpful to hear the presentations and understand how conclusions were made.

Miller agreed that information was disjointed. She said as someone who sits in both meetings, sometimes Advisory talks to the presenter and the Board doesn't get that interaction.

Weast said when Urban Renewal started it was made up of Council and lay people. He said perhaps a select number of Council and others.

Spatz said the taxing districts should be represented.

Dewey said business people needed to be represented.

Spatz suggested 3 Council members; 3 Chamber board members; 2 Citizens; 2 County Commissioners; and 1 each from School District, Parks and Rec, Mid Columbia Fire and Rescue, and the Library.

It was the consensus that 8 or 9 members would be best.

Willer said it would not be legitimate to have a quorum of any entity.

Chair Lawrence said returning to one committee would not leave a higher board to go appeal to.

Grossman said the taxing districts should get the full information in order to give input. He said getting the information would encourage participation. He said one board with the right communication could work.

Grossman said if there were two groups, the same presentations needed to be made to both groups. He said the process should go back to staff making recommendations. He said there is value in the process beginning with staff.

Krueger said the process of adding a member of each group to the initial review was designed to assist in information getting to both groups. She said it didn't work as well as she had hoped.

Miller said Council acting as the Agency should be allowed to attend executive sessions.

Dewey cautioned against one person appointing the new Agency Board, it could leave the impression the board was stacked.

Hunter said most appointments to committees begin with recommendations from staff, and then the Council concurs with the Mayor's appointments.

Krueger said the guidelines would be spelled out in a new ordinance if that was the decision.

She said the Taxing Districts most impacted were the ones on the Advisory Committee.

Grossman said having the districts most impacted was part of the process. He said the Fire Department needed to be aware of projects and had a unique perspective of needs for the overall good of the community.

Chair Lawrence said it was important to note that the governing body could decide to give part of the tax increment back to the taxing districts.

Grossman said the debt obligation had to be met before any funds could be returned to the taxing districts.

Chair Lawrence said there were three choices for the type of structure going forward. He said Council could act as the Agency Board, continue with two groups, or one mixed group.

Miller agreed with Brown that one board made sense. Willer said he agreed, with only one or two Councilors and under a total of 10 members, preferably an odd number.

City Manager Krueger suggested 3 Councilors (or 2 Councilors plus Mayor), 1 each from the County, Mid Columbia Fire and Rescue, Parks and Recreation, Port of The Dalles and 2 citizens, creating a nine member board.

Nelson asked what happened, the system used to work.

Grossman said with the changes in staff the information became fragmented. He said communication needed to be reset, with staff as the conduit for information.

Chair Lawrence said with the Planning Director retiring hiring an expert in Urban Renewal and Planning would be key.

Grossman said he would recommend more of a Community Development Department.

Kramer asked wasn't the Council ultimately responsible, and if the Agency dissolved the City had to pay the debt.

Chair Lawrence said the tax increment would continue until debt was paid in full. He said it was confusing if the Agency was responsible for their part of the 2009 City FFCO loan that was split with the Agency.

Elliott asked if it was necessary to change with structure of the Board if a new planning director would be hired.

Krueger said from an efficiency stand point one board would be best.

Dewey said one board would need taxing district representation and business people.

Grossman said there were districts that weren't interested in how the funds were spent.

Chief Palmer of Mid-Columbia Fire and Rescue said the advisory committee was formed as a result of a political fight. Chair Lawrence said that resulted in mediation.

Chair Lawrence asked if the group wanted to get taxing district and public input.

Grossman said the taxing districts covered the community.

Willer said a public hearing would happen with a new ordinance.

Krueger reviewed the Spatz's recommendation of 2 Council members, 3 citizens (businesses within the district), and 1 each from County, Mid-Columbia Fire and Rescue, Parks and Recreation, Port of The Dalles.

Krueger said the City would advertise for the citizen positions. Dewey said sending something the mail to the businesses in the District would be helpful.

Brown retired from the meeting at 6:44 p.m.

Elliott clarified that the citizen representation would be businesses within the district.

It was the consensus to have staff draft an ordinance creating one board.

Projects

It would be the consensus that projects should be a question for the new governing board.

Chair Lawrence said it could take staff a month to return to the Agency with an ordinance.

Spatz asked about the status of the Granada Block RFP's.

City Manager Krueger said staff was gathering additional information and will bring the Advisory recommendation to the Agency.

ADJOURNMENT

Having no further business the meeting was adjourned at 6:53 pm.

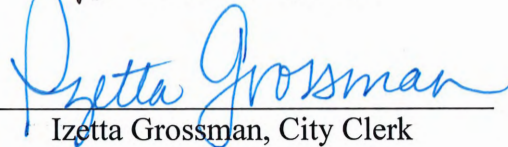
Respectfully submitted:
Izetta Grossman
City Clerk

SIGNED



Stephen Lawrence, Chair

ATTEST:



Izetta Grossman, City Clerk

URBAN RENEWAL REPORT

March, 2016

Urban Renewal Overview

The purpose of urban renewal is to improve specific areas that are poorly developed or underdeveloped. These areas could include old, deteriorated buildings and streets and utilities that are in poor condition.

Urban renewal allows for the use of tax increment financing, allows for special powers to buy and assemble sites for development or redevelopment and allows for special flexibility in working with private parties to complete development projects.

Improvements encourage private development and help raise property values above where they would have been without the improvements.

Benefits of an Urban Renewal District

Benefits include increased property values; induces private investment and development; creates jobs; creates a stronger, broader tax base; is locally controlled; and benefits other taxing bodies at the conclusion of the program.

Tax Increment Financing

Urban renewal is financed by tax increment financing. A tax increment is the difference between the amount of property tax revenue generated at the frozen base and the amount of property tax revenue generated after the designation. Urban renewal taxes are generated by the increase in total assessed value in the district from the time the area is first established. The assessed value of an area when the plan is adopted is called the frozen base. Growth above the base is called the increment.

Bonds are issued and the proceeds are used to pay for the planned improvements within the district. Revenue from increased assessments over and above the frozen base are used to service debt.

Maximum Indebtedness and Revenues

The maximum amount of indebtedness that may be issued or incurred under this Plan (as amended) is \$29,125.583.

The current amount of indebtedness is \$20,962,497; leaving an estimated \$8.8 million in debt authority remaining to reach maximum indebtedness.

The Agency receives approximately \$1.2 to \$1.4 million in tax increment revenue annually. Of that, approximately \$800,000 goes to pay the bond debt service, leaving approximately \$500,000 per year to be used for projects and programs. That is added to the beginning fund balance and any loan principle and interest income.

We currently have an estimated \$2.6 million remaining in revenue from the 2009 Full Faith and Credit Bond issuance.

We expect to receive a \$150,000 payment from the Sunshine Mill in 2016 and the final \$350,000 in 2017. Additional revenues could be realized from the sale of the Granada Block properties, if the Agency decides to sell the properties.

Columbia Gateway Urban Renewal Plan History

The City's Plan was approved in 1990. There have been numerous amendments over the years, including changing projects, boundary changes, and changes to the structure of the Board. The Mission of the Agency is to eliminate blight and depreciating property values within the jurisdiction and to attract aesthetically pleasing, job producing private investments that will stabilize or increase property values and protect the area's historic places and values. The goals are listed below.

Goals and Objectives of the Plan

To accomplish its mission, the Agency will develop and implement an urban renewal program, the goals and objectives of which are:

- A. To make strategic investments of urban renewal funds and engage in various urban renewal activities which increase the value of properties within the Urban Renewal District.
- B. To make strategic investments of urban renewal funds so that unused and underused properties can be placed in productive condition and utilized in a manner consistent with the City's Comprehensive Plan and implementing ordinances;
- C. To participate by means of various urban renewal activities (e.g. land acquisition and disposition, rehabilitation loans, etc.) in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved in ways which will:
 - 1. Encourage the expansion and development of businesses that will produce jobs for the people of The Dalles and Wasco County; or

2. Increase property values so that the area will contribute its fair share to the costs of public services, provided by the city, county, schools, community college, port and park and recreation district; or

3. Insure a more attractive, functional and economically viable city; or

4. Conserve historically significant places and properties;

D. To be responsive to the needs and the concerns of all people of the City of The Dalles in the details of amending and implementing the Urban Renewal Plan using multiple forms of outreach including: town hall meetings, the internet, news releases, and signs on projects; and

E. To encourage the maximum amount of public involvement and citizen participation in the formation and implementation of the Urban Renewal Plan by explaining and discussing the details of the Urban Renewal process:

1. To the public at town hall type gatherings;

2. To special interest groups, public service organizations, public bodies and the general public by invitation to Agency meetings;

3. By issuing periodic news releases;

4. By cooperating with the print and electronic news media by being available to discuss the Urban Renewal Plan and process;

5. By use of the Internet;

F. To provide an adequate amount of properly located and designed off-street parking, including disabled parking, in the downtown area, including a plan and program to effectively pay for, manage and maintain such parking;

G. To create positive linkages among the two sectors of the Urban Renewal Area - i.e. the Downtown and the West Gateway Area;

H. To cooperate, coordinate and assist in funding with the program to improve access and connections from downtown to the Riverfront and to provide facilities, such as trails and a public dock, to enhance public use of the Riverfront;

I. To improve the visual appearance, capacity, and traffic flow of streets that carry the major share of vehicular and pedestrian traffic in areas where development would otherwise be inhibited;

J. To assist property owners in the rehabilitation of their buildings and property to the extent that it helps implement the intent of redevelopment goals, policies, and standards, especially where rehabilitation may spur additional redevelopment activity;

K. To install and maintain coordinated street furniture, night lighting and landscaping in areas of maximum pedestrian concentration; including alley rights-of-way in the Downtown area;

L. In conjunction with specific urban renewal development or redevelopment projects, supplement existing funding sources to construct, install or replace publicly owned utility systems such as water, storm drains, and sanitary sewers where existing facilities are inadequate, undersized or otherwise substandard; and

M. To leverage the Agency's financial resources to the maximum extent possible with other public and private investments and other public and private funding sources.

N. To install underground utilities in areas of urban renewal projects including alley rights-of-way in the downtown area.

The Plan is consistent with the City's Comprehensive Plan, economic development policy, LUDO, and is coordinated with the Historic Landmark Commission policies.

Projects Included in the Plan

The Urban Renewal Plan currently identifies nineteen projects. They are numbered, and the current status is provided below. Five of the nineteen projects have been completed; another five are in process, or ongoing. Of the nine remaining projects, several are associated with other projects, such as #1, #2, #17, and #6; Also #9, #10, #12 and #18.

1. DOWNTOWN STREETSCAPE IMPROVEMENTS: This project includes 1st, 2nd, 3rd, 4th Streets and connecting side streets in the Central Business Commercial Zone (Garrison to Roundabout). Second Street is done.
2. DOWNTOWN / RIVERFRONT ACCESS: Project includes trailhead parking lot, access tunnels under the railroad, 1st Street and I-84 to Riverfront Trail; a commercial marine terminal dock; a twelve foot wide trail and landscaping; and a plaza on Washington Street.
3. GRAIN ELEVATOR DEMOLITION: Complete.
4. COMMODORE BUILDING REDEVELOPMENT: Complete.

5. PENNEY'S BLOCK REDEVELOPMENT: Redevelopment of Downtown core including potential demolition of current Penney's building and construction of a new store.
6. DOWNTOWN PARKING STRUCTURE AND SURFACE LOTS: Several surface lots have been completed. The preliminary design has been completed for a Parking Structure.
7. CIVIC AUDITORIUM REMODEL AND RECONSTRUCTION: This project is ongoing and the preliminary architectural design work is completed. Funds have been budgeted for both the design work and the redevelopment. There was a Grant of \$57,200 for design work, of which \$34,776 has been expended. There is also \$300,000 budgeted in Capital Projects by Urban Renewal for the redevelopment costs.
8. MILL CREEK BRIDGE RECONSTRUCTION: Complete.
9. MILL CREEK GREENWAY PROPERTY DEVELOPMENT: Preliminary design work is complete. Tenneson Engineering provided a design estimate of \$94,500 in December 2015. No action was taken. The land is currently owned by the City with interest to transfer deed to NWC Parks and Recreation. They currently do not have the revenue to maintain the land or trail once completed.
10. GATEWAY PROJECT: (West Gateway) Completed streetscape on West 2nd Street from Lincoln to Cherry Heights Road. Preliminary Design work completed.
11. REDEVELOPMENT OF ARMORY PROPERTY: Partially completed. Public Works facility has been relocated.
12. THOMPSON PARK SIDEWALK: A small project that includes construction of a natural rock retaining wall, sidewalk, and curb. This will extend from the exit at the east end of the park on 2nd Street to Cherry Heights Road.
13. PROPERTY REHABILITATION GRANT AND LOAN PROGRAM: Ongoing.
14. REDEVELOPMENT OF WASCO WAREHOUSE AND MILLING COMPANY: Completed, loans by UR being repaid.
15. EAST GATEWAY/BREWERY GRADE STREET RECONSTRUCTION: Completed.

16. 3rd PLACE STREET IMPROVEMENTS: Completed.

17. REDEVELOPMENT OF PROPERTIES LOCATED WITHIN THE BLOCK BORDERED BY WASHINGTON AND COURT STREETS, AND 1ST AND 2ND STREETS: The redevelopment of the Granada Block is ongoing. Presently looking at options for consideration.

18. THOMPSON POOL PROJECT: Completed.

19. REDEVELOPMENT OF ELKS LODGE: In process.

Recommendations

- A. The Urban Renewal Agency should review the memorandum provided by the City Attorney and determine whether to restructure the Agency and Advisory Committee into one Board. If the Agency chooses to proceed with this option, the City Attorney would draft the language and an amendment to the Plan. The benefit to this option is to have only one body making decisions. The memo is attached to this report.
- B. Continue to fund the property rehabilitation and facade improvement grant programs as funds are available annually.
- C. Amend Project #2. STIP funds for this project are no longer available. There have been preliminary discussions to change this project to include a plaza area at Federal Street instead of Washington Street, which has always included First Street streetscape treatment. The change is estimated to cost \$200,000 in additional design costs. The estimated cost of the project is between \$4.7 and \$5.2 million. The project is proposed to be financed with \$2.6 million in urban renewal funds (remainder of 2009 bond revenue), \$1.17 million in a federal appropriation, and \$1.4 million from the sale of the Granada Block properties.
- D. Amend Project #6. The parking structure proposal was reduced in scope in 2012, to a two story building with 152 spaces. The current estimate for the project is \$3.5 to \$4 million. The proposed funding is \$2.6 million in urban renewal funds and \$1.4 million from sale of Granada Block properties. It is recommended this project be reduced in scope, possibly a smaller parking structure in a different downtown location, or consider purchasing surface parking in the downtown area that could be expanded in the future with a structure on it. Downtown parking issues could also be addressed by providing a public transportation route through the downtown from key stops in the residential neighborhoods. In addition, a downtown transportation route could help to move tourists through the area.

- E. Address Project #17. After the recent RFP process, staff will be recommending the proposals be rejected and the properties sold individually with development agreements and development deadlines (similar to the process used for the Elks Club building).
- F. Make a decision regarding whether to increase debt up to the maximum to allow for additional projects to be completed. This would likely cause the expiration of the district to be extended beyond 2026.
- G. Make a decision to discontinue funding projects, pay off the debt early and retire the district.
- H. Make a decision on any combination of additional debt and/or extension of the expiration of the district.

MEMORANDUM

TO: Mayor and City Council
Julie Krueger, City Manager

FROM: Gene Parker, City Attorney GP

DATE: February 19, 2016

RE: Options for exercise of Urban Renewal Agency powers

The law governing the manner in which an urban renewal agency can exercise its powers is set forth in ORS 457.045. That statute provides as follows:

Election of method of exercise of urban renewal agency's powers. The governing body of a municipality shall, in the ordinance adopted under ORS 457.035, elect to have the powers of an urban renewal agency under this chapter exercised in one of the following ways:

- (1) By a housing authority of the municipality established pursuant to the Housing Authorities Law in which case the name of the body corporate and politic shall be the "housing authority and urban renewal agency" of the municipality.
- (2) By appointing a board or commission composed of not less than three members.
- (3) By the governing body itself, provided, however, that any act of the governing body acting as the urban renewal agency shall be, and shall be considered, the act of the urban renewal agency only and not of the governing body.

On April 23, 1990, pursuant to the provisions of ORS 457.035, the City Council established the Urban Renewal Agency for the City, and chose the second option under ORS 457.045 to provide that the powers of the agency would be exercised by an 11 person board, consisting of the Mayor, five Councilors, and five members from the public appointed by the Mayor. On July 22, 1996, the Council adopted General Ordinance No. 96-1201 which reduced the number of members for the agency governing body from 11 to 7. The seven members of the governing body included the Mayor and three Councilors, and three members from the general public appointed by the Mayor.

On December 14, 1998, following a mediation agreement which was entered into between the City, The Dalles Trade Center Association, Wasco County, and the Committee to Dissolve Urban Renewal, the City Council adopted General Ordinance No.

98-1228. This ordinance provided that the powers of the Agency would be exercised by the Mayor and five City Councilors. This ordinance also created the Urban Renewal Advisory Committee. The Advisory Committee consists of nine members. Three of the members are from the general public, appointed by the Mayor. The other six members represent Wasco County, the City of The Dalles, the Northern Wasco County Parks and Recreation District, the Port of The Dalles, the Mid-Columbia Fire and Rescue District, and the City of The Dalles Planning Commission. The ordinance provides that each of these six governmental agencies shall appoint a representative to serve on the Advisory Committee.

The City Council has the authority to transfer the ability to exercise the powers of the urban renewal agency from the Mayor and City Council to a separate board or commission. The Council appears to have significant discretion in determining the size and membership of a new separate board or commission that could exercise the powers of an urban renewal agency. The only restriction upon the Council's authority in establishing a new separate board or commission for the Urban Renewal Agency is that the board or commission would have to consist of at least three members. The determination as to the structure of a separate board or commission, including whether board or commission should include the Mayor or any City Councilor, or members of the public, or representatives of other local governmental bodies, would ultimately be made by the City Council.