

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

Tuesday, May 31, 2005
5:30pm
City Hall Council Chambers
313 Court St.
The Dalles, OR

- I. Call to Order
- II. Roll Call
- III. Pledge of Allegiance
- IV. Approval of Agenda
- V. Approval of Minutes of: April 26, 2005
- VI. Public Comment
- VII. Action Items:
 - A. Purchase Option Proposal – Flour Mill Property
- VIII. Next Meeting Date: June 21, 2005 (Wasco Lodge Unused Grant Monies)
- IX. Adjourn



Columbia Gateway Urban Renewal Advisory Committee Minutes

Tuesday, April 26, 2005

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

CALL TO ORDER

Chair Dan Ericksen called the meeting to order at 5:45 p.m.

ROLL CALL

Administrative Secretary Denise Ball conducted roll call.

Present members: Dan Ericksen, Nikki Lesich, Chris Zukin, and Ken Farner

Absent members: Jack Evans, Dick Elkins, and Randy Carter

Staff present: Nolan Young, City Manager, Dan Durow, Community Development Director, and Denise Ball, Administrative Secretary

PLEDGE OF ALLEGIANCE

Ericksen lead the group in the Pledge of Allegiance.

APPROVAL OF AGENDA ITEMS

Lesich moved to approve the agenda and Zukin seconded. The motion carried unanimously.

APPROVAL OF MINUTES

Chair Ericksen asked if there were any corrections or additions needed for the minutes of March 29, 2005. There were none. Farner moved to approve the minutes as submitted and Lesich seconded the motion. The motion passed unanimously.

PUBLIC COMMENT

Laura Buel, The Dalles, told the Urban Renewal Advisory Board she had read about the demolition in the newspaper and that she was unhappy with Urban Renewal's decision to spend demolition money on the Hilco Fuel gas station building. Buel said the building was built in the 1930's and had significant features. She felt it could have been made into a very attractive gas

station. She reminded the Committee that this is "historic" The Dalles and buildings should be preserved not demolished.

Chair Ericksen thanked Buel. Ericksen informed Buel there were contamination issues with the ground under the building. DEQ was involved in what was recommended for the environmental clean up of the Hilco site and the restricted use of the gas station building. This property and building were considered blight.

ACTION/RECOMMENDATION

David Evans and Associates Presentation

- A. 1st Street Design – Jim Seely presented the Stakeholder Committee design selection. It is a combination of Design C and Design A. New in-fill structures are a possibility on 1st Street. There will be historic design requirements on all new buildings. A new pedestrian underpass and renovation of the Gitchell building are also incorporated into this design.
- B. Downtown parking plan- Scott Harmon presented the downtown-parking plan. He explained the fourteen areas selected by the Stakeholder Committee. Harmon described the number of parking spaces created and the cost per space. The plans range from converting parallel spaces to angled parking spaces on existing streets all the way to constructing parking structures. The converted angle parking would allow for vehicles no longer than 19 feet.

Lesich moved that the Urban Renewal Advisory Committee recommend that the Urban Renewal Agency approve the preferred 1st Street Design selection as recommended by the Citizen Stakeholder Committee. Zukin seconded the motion and it carried unanimously, Evans, Elkins, and Carter absent.

Farner moved that the Urban Renewal Advisory Committee recommend that the Urban Renewal Agency approve the proposed downtown parking plan with 14 locations for possible development as recommended by the Citizen Stakeholder Committee. Lesich seconded the motion and it carried unanimously, Evans, Elkins, and Carter absent.

The Committee complimented David Evans and Associates for a thorough and exciting job well done.

- C. Transportation System Plan – David Evans and Associates have subcontracted this plan. They have received a draft but have not had a chance to review it in depth. The plan is currently being brought up to existing standards.

Durow said this plan is not an Urban Renewal project. City Council will be the approving body.

DISCUSSION

- A. Flour Mill Property Update – Durow gave the Committee a brief update on the property. The Urban Renewal Agency voted to proceed with the purchase and a binding notification letter has been sent. No development proposal has been received at this time. Durow is continuing to work with a developer who hopes to save the remaining warehouse building. Durow added that the wood beams in the warehouse building are coated with DDT and a large portion of the bricks are crumbling from age; saving this building may be difficult and expensive.

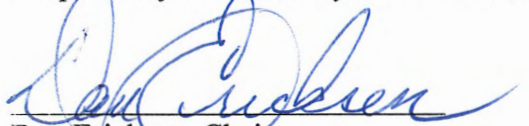
FUTURE MEETINGS

The next scheduled meeting is May 17, 2005.

ADJOURNMENT

The meeting was adjourned at 7:05 P.M.

Respectfully submitted by Denise Ball, Administrative Secretary.



Dan Ericksen, Chair



AGENDA STAFF REPORT

URBAN RENEWAL ADVISORY COMMITTEE

DATE: May 25, 2005

TO: Urban Renewal Advisory Committee

FROM: Dan Durow, Urban Renewal Manager

A handwritten signature in blue ink, appearing to be 'DD' or similar initials, written over the name Dan Durow.

THRU: Nolan Young, City Manager

ISSUE: Recommendation to the Urban Renewal Agency regarding the Purchase Option and Lease Agreement proposal from Quenett Winery a.k.a. TGE LLC, and Discovery Development LLC (James Martin, principal).

BACKGROUND: For the past several months staff has been working directly with James Martin (The Dalles) on a redevelopment proposal on the Flour Mill property. During this time, he has been working closely with potential businesses, investors, and an architectural firm in Seattle that is very experienced with this type of project; the name of that firm is Boxwood.

The architects have taken the four studies done through the Urban Renewal Agency; East Gateway/Transition Area conceptual design, Flour Mill property conceptual design, environmental level II analysis, and the structural engineering study, and have created a redevelopment concept that addresses what they believe will meet the Urban Renewal Agency's requirements for the project. However, in order to develop more completely their concept and to satisfy the financial requirements of the project, the investors, and the Urban Renewal Agency, an 18 month purchase option is being requested.

It is anticipated that it will take most, if not all, of that same time for staff to resolve the challenges facing the Agency on this project. These include resolving the remaining funding shortage for the street work and the transfer of railroad right-of-way that borders the front of the property along E. 2nd Street. Final engineering and bid documents also need to be completed on the E. 2nd Street streetscape work. Staff will be able to work

closely with James in resolving these issues because of his close proximity to City Hall; his office is just across the alley on E. 2nd Street.

James and the architects from Boxwood will be presenting their concepts in great detail at the meeting. They will have a PowerPoint presentation and additional business plan and financial plan information. Attached is a plain language purchase option proposal that will be further developed and put into more legal terms if approved by the Urban Renewal Advisory Committee and Agency Board. This purchase option proposal will be discussed in greater detail at the meeting as well. Staff recommends that the purchase option include additional provisions that do not allow them to occupy the property or conduct a business activity from the property during the option period, and that they create an additional 30 jobs that satisfy the State's requirements for job creation under the grant program for the street work. Additionally, some language needs to be added that they will dedicate property for right-of-way if needed for the street work to be completed.

Another issue identified by staff is that satisfactory progress must be demonstrated during the 18 month period or the Agency would have the right to terminate the purchase option. This would be in case a different developer would come along with a better and more immediate proposal; and, so the Agency could move on with marketing the project if nothing was being resolved by the Optionor and no other developer was waiting. However, given the investments in time and money by the Optionor, the termination would be used only under specific terms and understandings so as to protect the investments made by the Optionor.

BUDGET IMPLICATIONS: The financial impact should be positive for the Agency. The purchase option would require that the Optionor (Quenett Winery a.k.a. TGE LLC, and Discovery Development LLC) pay for the carrying costs for the 18 month period. These costs are for basic services, power, water, sewer, and garbage, and for some caretaker activities. These costs would otherwise be paid for by the Agency until the property is sold.

RECOMMENDATION: To recommend to the Urban Renewal Agency that a purchase option with a lease agreement be negotiated with Quenett Winery a.k.a. TGE LLC, and Discovery Development LLC, for an 18 month period; and that there be opportunities for the Agency to terminate the purchase option prior to the end of the 18 month period if it be in the interest of the Agency to do so and upon a determination that the Optionor is not making satisfactory progress.

ALTERNATIVES

1. To modify the plain language purchase option proposal and recommend approval as noted above.
2. To not recommend approval of the purchase option.
3. To go through a RFP process as done previously.

Quenett Winery aka TGE LLC
Discover Development LLC
102 E. 2nd St.
The Dalles, OR 97058

Monday, May 23, 2005

Columbia Gateway Urban Renewal Agency
City Hall
313 Court St.
The Dalles, OR 97058

Subject: Proposal for Wasco Warehouse & Milling Property.

The intent of this proposal is to establish reasonable security in the capital investments of the developer as the first stage in the purchase and development of the Wasco Warehouse & Milling Company Property. The purchase option will allow the developer and the city flexibility to progress towards solving street access and funding issues and other encumbrances that exist in the properties present condition.

The developer's intent is to construct a destination based Winery and entertainment plaza with multiple light industrial and commercial use facilities. This mixed-use development will be established as a function of economic and job development. The property will be designed to integrate in style with the city street development and will be designed to represent the historical nature of downtown The Dalles.

The purchase option will be established on an 18-month timeline. During these 18 months the city planning office will be involved and informed of progress made towards the construction stage. The purchase option will allow for the developer and the city to work in partnership in completing the city's needs for the street improvement short falls through grants and appropriations. Timely reports will be made to the city planner and the city planner will report directly to the agency board.

The purchase option will accompany a lease agreement with the developer. The lease agreement will give the developer access to the property to allow the developer to perform duties towards redevelopment of the property. Duties will include investor and tenant visitations, demolition and construction research, general maintenance and upkeep of all property. The developer will incur all costs related to utilities, maintenance, upkeep and insurance in the lease of the property in its entirety.

The purchase option for the property will be with Discover Development, LLC and with TGE, LLC aka Quenett Winery, LLC and the lease agreement will be made with Discover Development, LLC. During this 18-month lease and purchase option period the city with the developer will include in their goal directives:

- 1.) A legal easement to the south east corner of the property.
- 2.) A Vacation of the present railroad right of way.
- 3.) Funding of the street intersection re-development needed to access the property.
- 4.) Completion of tenant occupancy that will allow for such improvements to occur.
- 5.) Executable plans for phase construction development.
- 6.) Plans and funding for the demolition of Grain Silos and warehouse building.
- 7.) Plans and funding for the clean up environmental issues that the property has in its present condition.

The nature of this project requires that expediency be considered in the utmost importance. An agreement to approve this proposal will allow the developer and city to finalize the contracts for this lease and option allowing the first phase of redevelopment of the Mill property to begin.

Sincerely

James Martin
Quenett Cellars / Discover Development, LLC