



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

Columbia Gateway Urban Renewal Advisory Committee Minutes

**Tuesday, May 31, 2005
Special Meeting**

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 5:35 p.m.

ROLL CALL

Administrative Secretary Denise Ball conducted roll call.

Present members: Dan Ericksen, Nikki Lesich, Chris Zukin, and Jack Evans

Absent members: Ken Farner, 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

Zukin moved to approve the agenda and Lesich seconded. The motion carried unanimously, Farner, Elkins, and Carter absent.

APPROVAL OF MINUTES

Chair Ericksen asked if there were any corrections or additions needed for the minutes of April 26, 2005. There were none. Zukin moved to approve the minutes as submitted and Evans seconded the motion. The motion passed unanimously, Farner, Elkins, and Carter absent.

PUBLIC COMMENT

None.

Urban Renewal Advisory Committee
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ACTION/RECOMMENDATION

Chair Ericksen asked Director Durow to present the Staff Report.

Durow first thanked the Committee members present for making the extra effort to attend this special meeting of the Advisory Committee. Time is of the essence in approving the proposal for the flour mill property.

Durow explained the plain language proposal and the history of the request for proposals on this property. Durow asked the Committee if they had any questions.

There were no questions of Staff so Durow turned the presentation over to developer James Martin, Quenett Winery, The Dalles.

Mr. Martin first thanked everyone attending the meeting for his or her support. Martin explained that his company, Quenett Winery, would be the anchor tenant for the proposed development. He explained that the property has a lot of issues. However, he believes this is a project that can be successful if given the time. Martin talked about the Oregon and Washington wine industries. Martin said his goal is to create a landmark winery at the eastern gateway to downtown The Dalles. Artisans and food producers will also be located at the site. The tourist center is a possible tenant also.

Mr. Martin next introduced his architect from Seattle, Joe Johnson, who has been working on the design for the site. Mr. Johnson gave a Power Point presentation of the proposed development. First, the grain silos will be demolished. Second, the remaining warehouse building will be demolished, leaving the shared wall and arches from the two original warehouses. Third, access and parking lots are laid out. Fourth, remodel of the existing mill building. Fifth, placement of three smaller new buildings for mixed use. Truck unloading will take place at the Taylor Street end of the property. The barrel room would be underground allowing parking on top of it.

Martin finished the presentation by telling the Committee and audience why he is choosing to salvage the mill building rather than demolish it. Martin feels keeping the building, or as much as possible, keeps the development in touch with the history of The Dalles. Martin sees this property as the gateway to The Dalles for the next 100 years. Martin is requesting an 18-month purchase option to put the project together as a phased development. Martin asked the Committee if they had any questions.

Lesich asked if Martin had a time-line for the development. Lesich asked if the Committee would be updated monthly or quarterly. Durow said they are still trying to come up with a way to measure progress. A report would be made either quarterly or every six months to the Agency from which performance could be judged. Durow went on to say that Martin was the first, and only, developer to present a proposal, which is a "first come, first served" basis. Giving him 18 months, at faith, to put his package together, is acceptable at Staff level. Should another developer appear, with a bag of cash and willing to pay for the street improvement, Staff might

approach Martin to judge his ability to proceed with the purchase option. Durow pointed out that 18 months is not a long time for a developer to wait.

Evans asked what ODOT needs for the funding to come through on the road improvements.

Durow said the development has to create 30 new qualifying jobs. Retail jobs do not qualify. Martin and the City are also looking for funding for the road improvements from other sources.

Public Comment –

Tim Schectel, owner of Erin Glenn Winery, The Dalles, spoke in favor of the proposal. Schectel said there is a tremendous potential for the grape and wine industry in this area.

Craig Lupold, owner of the Maryhill Winery, spoke in favor of the proposal. Visiting wineries is becoming popular in this area. He went to add that having the sales and the channels to market already developed put Mr. Martin well ahead of the curve.

Deliberation –

Chair Ericksen said MCEDD has been spending a lot of time trying to get the local wineries together and work on marketing them. Ericksen said he thinks this is a great concept and use for the property.

Zukin agreed that it is a great concept and use for the property. His concern is the termination clause in the contract and coming up with some performance measure.

Durow said the City is looking at going on faith for 18 months much like Cereal Foods did with the City.

Ericksen said that sounds like the cleanest way to put the deal together and gives the developer assurance that they have the 18 months to work with. The site has sat there for too long and 18 months is not a lot of time to allow a developer to move forward.

Zukin asked if the new entity would be responsible for the costs associated with the site: sewer, water, garbage, electricity, maintenance, insurance, and any other costs.

Durow said there would be no property taxes during this purchase option period as long as the optionee makes no particular use of the property. The purchase option document will specify that there will be no use of the property.

Lesich asked if the other developers who had shown an interest in the property were local or outside the area. Durow said they were outside the area.

Lesich moved to recommend that the Urban Renewal Agency approve the purchase option and the lease agreement with Quenett Winery, aka TGE, LLC and Discovery Development, LLC for an 18 month period and there will be opportunities for the Agency to terminate that 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 optionee is not making satisfactory progress.

Zukin said he understood that the second portion of the motion was not going to be a requirement.

The motion died for lack of a second.

Zukin moved to recommend that the Urban Renewal Agency negotiate a purchase option and lease agreement with Quenett Winery, aka TGE, LLC and Discovery Development, LLC for an 18-month period and that the optionee will pay the expenses of the property as part of the lease option agreement. Evans seconded the motion and it carried unanimously, Carter, Elkins, and Farner absent.

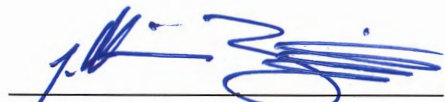
FUTURE MEETINGS

The next scheduled meeting is June 21, 2005. Chair Ericksen said he would not be available for that meeting.

ADJOURNMENT

The meeting was adjourned at 6:40 P.M.

Respectfully submitted by Denise Ball, Administrative Secretary.



Dan Ericksen, Chair
Chris Zukin, acting chair