



Columbia Gateway Urban Renewal Advisory Committee Minutes

Tuesday, August 30, 2011

5:30 PM

Special Meeting

Sunshine Mill Winery

901 E. Second Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Chair Zukin called the meeting to order at 5:30 PM.

ROLL CALL

Present members: Chris Zukin, Gary Grossman, Richard Elkins, Jennifer Botts, John Nelson, Robin Miles

Absent members: Bill Dick, Scott Hege, Greg Weast

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

APPROVAL OF AGENDA ITEMS

It was moved by Gary Grossman to approve the agenda as submitted, and John Nelson seconded. The motion carried unanimously, Dick, Hege, and Weast were absent.

ACTION ITEM

Request to use funds for stabilization of the Wasco Warehouse which is a part of the Sunshine Mill Winery. Applicant: Sunshine Mill Winery

City Manager Young presented the Staff Report. Young stated that the applicant's original development plan was to include the demolition of the warehouse. Young reported that the applicant developed a plan to stabilize the warehouse building to continue to utilize it long term, and, as proposed, the warehouse would be used to store product, materials, and other items. Young also stated that the Urban Renewal Agency pledged \$80,000 to the applicant for the demolition of the warehouse, but in light of rapid business growth and pressing storage needs, the applicant requested those funds be used to assist with the initial stabilization of the structure. Young stated that the immediate plan calls for the applicant to winterize the warehouse. Budgeted funds are available, Young said, in other uncommitted project funds or in unanticipated beginning fund Balance.

Mike Ford, Operations Manager for Copa Di Vino, presented an overview of the stabilization plans for the warehouse. Ford stated the north wall of the warehouse is deteriorating. Ford also explained the relationship between Copa Di Vino and Sunshine Mill. Copa Di Vino (CDV), Ford stated, is the anchor tenant for Sunshine Mill Winery (SMW) that occupies three-quarters of the first floor of SMW. Ford reported that due to a 250% increase in production and sales in the past year, and a predicted sales production increase of 400% by next year, the warehouse is needed for storage, loading docks and production.

Ashley Donkersloot, Executive Administrator for SMW, stated the winery corporation prefers to stay in the Gorge area. The applicant increased the economic development in the area by adding 21 full time job positions, Donkersloot reported. Occupation of the warehouse would allow the applicant to possibly add another bottling line which would add approximately 12 additional production line job positions, three managerial jobs, and two to five administrative staff positions. Donkersloot emphasized that the restoration projects would be completed by local contractors that would enhance the economic vitality of the Gorge as well.

Jennifer Botts asked the SMW representatives if the proposed utilization of the warehouse would adequately accommodate the needs of a 400% projected growth of the company. Ford answered that the warehouse would provide 15,000 square feet of usage, and currently the company only had 7,000 square feet in the existing SMW building. The warehouse, Ford said, would provide the next step for future growth.

Jennifer Botts asked if the winterization project would make an impact on parking needs. Ashley Donkersloot stated a parking lot could be created on the east side of the building as needed. Mike Ford said exiting would be available through the access road.

John Nelson asked the representatives what the winterizing stabilization of the warehouse project entailed, and what would be the time span. Nelson also asked what the plans were for the painting of the silos. Mike Ford replied that the initial weatherizing would include a new roof, restoration of the north wall, door installations, flooring installations, and installations of sprinkler and HVAC systems. Ashley Donkersloot added that once the sprinkler and HVAC systems were installed, the company could store finished pallets of products, hopefully by 2013. Nelson asked if the winterization project could be completed in three months. Marcos Chavez, sub-contractor, stated that the plan was to install the roof first, then extend an overhang, and lay tarps every 50 feet.

Mike Ford commented that SMW obtained an exterior lift to access portions of the mill, however, they had no time to go forward with the paint project because of the rapid growth of the business. Ford also stated SMW has concrete repair issues that need to be completed by winter, then possibly they would begin a power wash and clean up. Ford stated they would start with power washing and observe the results.

Natasha Martin, SMW Tasting Room Manager, explained that 80% of SMW's business comes from tourists who generate economic growth to the community as well as the winery's increase in job positions.

Chair Zukin asked the SMW representatives if they had an itemized breakdown of the entire cost projection for the stabilization of the warehouse which was listed in the report as \$350,000, and was there a contractor's quote for that amount. Ashley Donkersloot replied that the company had one that could be provided. Zukin also asked if the applicants had a cost breakdown for the initial phase to stabilize the roof and north wall. Donkersloot stated she believed the initial cost estimate for the first phase was \$150,000. Zukin asked if the applicant had the other half of the funds to complete the work if Urban Renewal re-directed the \$80,000 designated demolition funds. Donkersloot stated the company should be close to having the adequate financing because of CDV rent revenues. Zukin stated his concern would be that if the project started, and SMW did not have the funds to complete the winterization project, the re-designation of the demolition funds would be wasted. He also stated that, worst case scenario, if the project was not completed and the building needed to be demolished, then where would funds be obtained for the demolition. City Attorney Parker stated that the Agency had been trying to finalize a Contract of Sale with James Martin. Parker commented he recalled that the contract terms, as drafted, were that if James decided to proceed with demolition, the Agency would provide the demolition funds. In light of the applicant's current request, Parker said, the Agency may want to revisit that issue.

Chair Zukin reiterated that the Advisory Committee's duty was to be able to confirm that the other half of the initial phase expense would be covered by the applicant. One way of confirming would be to show company financials and a hard quote of the projected cost so there would be an assurance that the project would be completed, Zukin said. Discussion on the formulation of the committee's motion followed.

It was moved by Chair Zukin that the Urban Renewal Advisory Committee recommend to the Urban Renewal Agency that the \$80,000 originally designated for the demolition of the warehouse building be utilized for the stabilization of the warehouse building instead, contingent upon two conditions: 1) the applicant will provide to the Urban Renewal Agency a detailed, itemized list showing the cost of work to be done, including materials and labor; and 2) the applicant will provide the Urban Renewal Agency proof that they have funds to complete the project and basically make up the second half of the funds needed to complete the project. Gary Grossman seconded the motion. The motion carried unanimously, Dick, Hege, and Weast were absent.

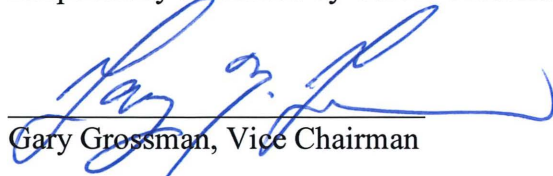
FUTURE MEETING

The next scheduled meeting is Tuesday, September 20, 2011.

ADJOURNMENT

The meeting was adjourned at 6:11 PM.

Respectfully submitted by Carole Trautman, Administrative Secretary.



Gary Grossman, Vice Chairman