



IMPROVING OUR COMMUNITY

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**  
**CITY OF THE DALLES**

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**SPECIAL MEETING MINUTES**  
**COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD**

Meeting Conducted in a Room in Compliance with ADA Standards

**Tuesday, February 27, 2020**  
**5:30 p.m.**

**CALL TO ORDER**

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

**ROLL CALL**

Present: Staci Coburn, Bob Delaney, John Fredrick, Gary Grossman, Steve Kramer,  
Darcy Long-Curtiss, Tim McGlothlin and Linda Miller

Absent: Scott Baker

Staff Present: Urban Renewal Manager Steve Harris, City Attorney Gene Parker\*, Finance  
Director Angie Wilson, Public Works Director Dave Anderson, and Secretary  
Paula Webb

**PLEDGE OF ALLEGIANCE**

Chair Grossman led the Pledge of Allegiance.

Board Member Kramer arrived at 5:32 p.m.

**APPROVAL OF AGENDA**

It was moved by Fredrick and seconded by Coburn to approve the agenda as written. The motion passed 8/0; Coburn, Delaney, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Miller in favor, none opposed, Baker absent.

**ELECTION OF OFFICERS**

Chair Grossman opened nominations for Chair.

Board Member Fredrick nominated Gary Grossman; McGlothlin seconded the nomination. The nomination passed 8/0; Coburn, Delaney, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Miller in favor, none opposed, Baker absent.

Chair Grossman opened nominations for Vice Chair.

Board Member Kramer nominated Scott Baker; Fredrick seconded the nomination. The nomination passed 8/0; Coburn, Delaney, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Miller in favor, none opposed, Baker absent.

## **APPROVAL OF MINUTES**

It was moved by Delaney and seconded by Miller to approve the minutes of January 21, 2020, as written. The nomination passed 8/0; Coburn, Delaney, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Miller in favor, none opposed, Baker absent.

## **PUBLIC COMMENT**

None.

## **ACTION ITEMS**

### Authorization to Execute Second Addendum to the Development and Disposition Agreement for the Recreation Building, 213-219 E. Second Street

Director Harris presented the staff report.

\*City Attorney Parker arrived at 5:40 p.m.

Delaney asked if Mr. Carpenter had opportunity to review the DDA.

### Todd Carpenter, 216 E. Fifth Street, The Dalles

Carpenter replied he had reviewed the addendum and was already moving forward.

It was moved by Fredrick and seconded by Delaney to authorize the execution of the Second Addendum to the Disposition and Development Agreement between the Columbia Gateway Urban Renewal Agency and Mr. Todd Carpenter and Ms. Carla McQuade for property known as the Recreation Building located at 213-219 East Second Street. The nomination passed 8/0; Coburn, Delaney, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Miller in favor, none opposed, Baker absent.

### Agency Financial Workshop

Director Harris presented the staff report. Harris stated a portion of the "Urban Renewal Report, March 2016," was apparently missing [verbiage between page 41 and 42 of the agenda packet]. He noted the same gap existed in the source document.

In attendance:

- Elaine Howard, Elaine Howard Consulting, LLC
- Jill Amery, Wasco County Assessor and Tax Collector
- Angie Wilson, Finance Director
- Dave Anderson, Public Works Director

Elaine Howard, a consultant specializing in urban renewal, provided the following:

Under levy was provided in ORS 457 in 2009 to allow urban renewal agencies to decide annually whether or not they wanted to take the full amount of tax increment proceeds authorized to them. An under levy for an existing district is a voluntary procedure authorized by the urban renewal agency. The agency must consult with the taxing districts before implementing the under levy. Under levy is a complicated process that could negatively affect the taxing districts. An under levy can be done annually or permanently.

Discussion topics included:

- All entities must participate in an under levy.
- The permanent rate levy established for each district cannot be increased.

- The under levy does not affect the permanent rate levy.
- A rate cannot be changed. To make an adjustment, the assessor would override the value the calculation is made on. Due to the complexity, it is best to look at a percentage rather than the compression variance.
- If an under levy was established the school district and ESD would not receive the increase; the savings would return to the State fund.

Director Harris introduced Jill Amery, Assessor and Tax Collector.

Amery stated an under levy was possible, but would be a lengthy process.

Regarding the Enterprise Zone, Amery said the 15-year exemption for the large property on the port will end in 2022. Districts now have three years to watch and estimate budgeting for the year 2022/23.

The Assessor's office does not typically assess industrial enterprises valued over one million dollars. However, the entity has the option to request a local assessment. Industrial properties are assessed by the State.

There is no extension available for the Enterprise Zone exemption agreement. Construction of new facilities would require a new agreement.

An applied exemption is possible through an Abatement Program. The Craig Office Building, now MCMC, filed an application and became exempt. They are now off the tax roll. A fair amount of these projects are exempt.

Sunshine Mill is a fully taxable property. Their real property has more than tripled in real market value since their improvements.

Sunshine Mill left personal property out of the values. Machinery, equipment and personal property add substantial value to the roll. Their building and land value is just over 50%, the rest is in machinery, equipment and personal property. With the investment made, their real market value went from \$300,000 to over \$900,000.

Amery does not have statistics available for the Elks Lodge building. As improvements are completed, properties are valued in January of each year. Assessment of properties with difficult access, i.e. out of town property owners, are triggered by building. This property is currently under appeal.

Amery stated she enjoyed previous comparisons and agreed with the analysis. She would like to see the overall market increase compared to just the City and the Agency boundary. It may be beneficial to expand the comparison to include the County.

Amery said criteria for exemption is statute driven. The State sets standards which apply to the County level. The Assessor makes the determination.

Based on Board discussion, Director Harris asked if once the Agency invested in a property, the Agency had the authority to place restrictions on the use of a property. Although an allowed use, can the Agency place a restriction on Agency funds to delay, defer or prohibit the property owner from applying for an exemption? Amery replied that would be a legal question. City Attorney Parker thought there may be a State law that would prevent it. Further investigation is required.

Amery expressed her concern with large compression swings. Assessed value is on an area, yet compression happens per parcel. It would take a roll turn, calculating the entire tax roll and having comparisons made to determine what that would look like. Currently, market value is increasing and compression is decreasing; the impact now is unknown.

Amery also discussed reassessment. Termination of the Agency is not an event that would trigger a reassessment. In the past, there was a six year reappraisal cycle mandated by the State. That is no longer true. Many counties have not reappraised in twenty years due to loss of funding or staff. Amery is in year three of returning to that process, but outlying areas most out of compliance will be addressed first.

Amery stated while not reappraising every property every year, anything the Assessor's office became aware of, or was issued a building permit, that data is captured yearly on January 1.

Amery stated while not reappraising every property every year, data is captured yearly on January 1 for any property improvements the Assessor became aware of, or any property issued a building permit.

Amery said the Commodore II Building is back on the tax roll, however, they are talking about appealing the value. Harris stated the note is scheduled to be paid off December 31, 2026.

Harris said the Gayer Building loan matures in July 2026. Sunshine Mill was paid off. The Granada Theatre paid off early; yet they need to report out on their improvements for their EDA. That report is due in April. The Blue Building and Tony's Building are currently under ENAs. The only Agency-owned properties now are parking lots on First Street. Over the past couple of years the Agency has made substantial progress divesting our portfolio.

Director Harris referred to Board discussion of Agency termination. The annual report from 2018/19 showed a maximum indebtedness remaining was approximately \$7.5M. The 2008 bond will be paid off in 2028/29; low revenues prevented early retirement of the bond.

Director Harris asked Elaine Howard if she had experience terminating an urban renewal agency.

Ms. Howard clarified the inquiry, "Do you make a decision to shut down the urban renewal area prior to using your full maximum indebtedness?" She said to consider if there were projects necessary to the community that could not be funded any other way. If the Agency has projects important to the community, and you still have remaining maximum indebtedness but your plan duration is set to expire, there are provisions to extend your plan. If so, talk with your taxing districts to determine if the necessary projects are reason enough to continue urban renewal. In many communities, that answer is yes.

Harris said the project list in the Urban Renewal Plan is heavy on infrastructure. Perhaps that is where the Agency should focus future efforts, versus loans and grants for property rehabs. In the downtown area, many projects had initial engineering and design work done. For a variety of reasons, those projects did not go forward.

Some time ago the Agency took a different course, investing in properties with the intent of public/private partnerships that would benefit the community, the Agency, downtown, and taxing districts. Although those plans did not proceed as expected, the Agency has made great strides since 2016.

This year's approved work plan includes an in-depth, robust financial analysis of the Urban Renewal Plan and the Agency. If the Board thinks it worthwhile, Staff can return with a more thorough analysis of the Plan and Agency.

Board Member Delaney referred to Mary Hanlon's proposal regarding underground utilities. Director Anderson said the City is working with NWC PUD now, preparing to embark on a feasibility study for the downtown area.

Harris responded to Delaney's reference, stating the Hanlon proposal requested undergrounding utilities for one block. An RFP was created and distributed, but received no response. For the

contribution Hanlon was asking, the Agency today would be part of a larger study tomorrow. To be cost effective with Agency funds it was decided to delay.

Board Member Long-Curtiss sits on the QLife Agency Board. Some of their projects involve underground cable. Their Board looks to coordinate with the City and PUD to cut costs with multiple projects completed concurrently.

Chris Zukin, 5525 Cherry Heights Road, The Dalles

Zukin works for Meadow Outdoor Advertising and was a member of the Agency from 2000 to 2006. He stated the Agency plays a vital part in The Dalles and has done a great job so far. The Agency saves buildings from becoming derelict. One example is the Commodore Building; it was basically a pigeon coop. Private developers would not touch it. Without the URA, it would still be a coop today. Another example is the Sunshine Mill; it could not have been developed without public money. Zukin urged the Agency to continue.

Todd Carpenter, 206 E. Fifth Street, The Dalles

Carpenter agreed with Zukin. He said, for a huge thing that can't be documented, look at Sunshine Mill. They have up to 15 employees in the bottle room daily. At the Bank Building [Last Stop Saloon], we had \$250,000 in payroll just this year. The money coming in doesn't really affect the Agency, but affects the community. The Agency is driving that. The huge impact here isn't documented by your return on investment, but is a benefit to the community as a whole.

Chair Grossman said the history provided was invaluable. The thing that I can see in looking at our project list is we're not adding anything. You look at that one project list, of deep thinking in this community, about what we need and what we could do. As an economic development engine, part of the job of this Agency is to try to help identify projects along with the City Council, County and other partners, to move forward. "I'm looking forward to more time to look at how to move things already on our list forward, and what can be added that's new and will be impactful for The Dalles."

Don Warren, 214 E. Fifth Street, The Dalles

Warren said he does not see a replacement in the community that would do the same good works the Agency has provided; he would like to see the Agency continue. Warren would like to partner with them and others to improve the community.

Mayor Rich Mays, 367 Summit Ridge, The Dalles

Mayor Mays said he looked with much interest at the report Director Harris alluded to, from the Administrative Fellow in 2013. Up to 2013, when you look at the growth of assessed values and real market values, district wise, individual property wise, the land ratios, public versus private investment, we should all agree Urban Renewal was an unqualified success. To the extent anyone is talking about disbanding, restructuring, or an under levy, I would think that an update to that study would be in order.

City Attorney Parker said there have been a lot of successes; the Granada is functioning well, the Recreation is improving, and the Blue building. That block is coming along, and he thinks is a success. It's good to refocus. The lights on Second Street are a benefit, and he hopes Third Street will be that way at some point.

Chair Grossman said we enjoy the successes, but learn from the negative lessons.

Harris asked if there is interest from the Board for a more in depth financial analysis of the Agency and the Urban Renewal Plan. Look at the document to see what could be updated, review the project list and, with the Board's input, develop new projects.

Grossman asked if that was of interest to the Agency. McGlothlin replied it sounded like a reasonable plan.

Long-Curtiss replied it was needed only if there is doubt the Agency had been a success or there is a need to prove success. Otherwise the funds, not inconsiderable, could be invested in the community. She encouraged the Chair to discuss with the Executive Director the needs of the agencies that participate, and their possible need for tax dollars currently redirected to Urban Renewal.

Delaney stated he would like to zero in on the mechanism for identifying and prioritizing the projects, and focus on more significant projects. He did not see a need to spend additional time on an analysis.

Miller and Fredrick agreed with Delaney. Fredrick said if the Agency was to continue, it should focus on infrastructure and get out of the real estate business.

Director Harris asked if there was support to pursue the under levy option.

McGlothlin replied he was not interested. Grossman replied the under levy would not help district needs. Coburn agreed.

Harris verified although a more robust financial review was approved and adopted in the budget, the Board wished to put that effort on hold.

Board consensus agreed.

Harris referred to the project list in the Plan, most of which are infrastructure projects. He asked if there was support to revisit the list, and perhaps add to it.

Board consensus agreed.

Chair Grossman said to put termination of the agency on the back burner until the projects were identified.

### **STAFF COMMENTS**

The next meeting is scheduled for March 17, 2020.

Staff is working with prospective buyers of the Tony's Building. The goal is to present a draft DDA at the next Agency meeting.

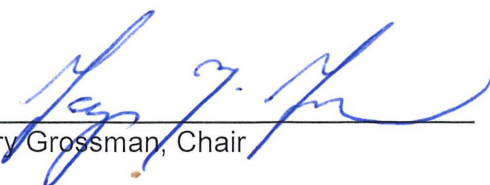
### **BOARD MEMBERS COMMENTS OR QUESTIONS**

Board Member Coburn expressed her gratitude to City Attorney Parker for his assistance to the Agency. Chair Grossman shared his thanks.

### **ADJOURNMENT**

Chair Grossman adjourned the meeting at 6:40 p.m.

Respectfully Submitted  
Paula Webb, Community Development Secretary

  
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Gary Grossman, Chair