



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

Meeting Conducted in a Room in Compliance with ADA Standards

Tuesday, February 16, 2021

5:30 p.m.

CALL TO ORDER

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

ROLL CALL

Present: Staci Coburn, Mike Cronin, Tracy Dugick, John Fredrick, Gary Grossman, Steve Kramer, Darcy Long-Curtiss, Tim McGlothlin and Dan Richardson

Absent:

Staff Present: Urban Renewal Manager Alice Cannon, City Attorney Jonathan Kara, Finance Director Angie Wilson, Associate Planner Joshua Chandler and Secretary Paula Webb

APPROVAL OF AGENDA

Chair Grossman added Election of Officers to the Agenda.

It was moved by Kramer and seconded by Coburn to approve the agenda as amended. The motion passed 9/0; Coburn, Cronin, Dugick, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Richardson in favor, none opposed.

ELECTION OF OFFICERS

Chair Grossman opened nominations for Chair.

Board Member Kramer suggested the Agency continue with the same set up. McGlothlin agreed.

Board Member Long-Curtiss noted the previous Vice Chair was no longer on the Board.

It was moved by Coburn and seconded by McGlothlin to elect Gary Grossman as Chair. The motion passed 9/0; Coburn, Cronin, Dugick, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Richardson in favor, none opposed.

Chair Grossman opened nominations for Vice Chair.

Board Member Long-Curtiss volunteered to serve as Vice Chair.

The nomination passed 9/0; Coburn, Cronin, Dugick, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Richardson in favor, none opposed.

Chair Grossman opened nominations for Secretary.

Chair Grossman nominated Steve Kramer for Secretary.

The nomination passed 9/0; Coburn, Cronin, Dugick, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Richardson in favor, none opposed.

APPROVAL OF MINUTES

It was moved by Kramer and seconded by McGlothlin to approve the minutes of December 15, 2020 as presented. The motion passed 9/0; Coburn, Cronin, Dugick, Fredrick, Grossman, Kramer, Long-Curtiss, Miller and McGlothlin in favor, none opposed.

PUBLIC COMMENT

Don Warren, 214 E. 5th Street, The Dalles, Board President of The Dalles Main Street

Warren said Main Street spent \$4,000 to register through a third-party consultant to the federal database of contracts and grants. Main Street registered knowing there should be money available for infrastructure grants for shovel ready projects. Warren asked the Board to make him aware of any potential projects.

Chair Grossman encouraged Mr. Warren stay in touch with Director Cannon concerning information on grants and other opportunities.

DISCUSSION ITEMS

Director Cannon stated there were two items for discussion: the Urban Renewal Annual Audit Report and the Annual Financial Report required by Oregon Revised Statutes (ORS). The Agency is required to publish the report in the newspaper for two consecutive weeks. The report will be mailed to all the taxing entities. This provides our taxing entities a report on the Agency's financial status as well as a forum for more dialog around that status.

Urban Renewal Annual Financial Reports for Fiscal Year 2019/2020

Finance Director Angie Wilson presented a clean audit for the Columbia Gateway Urban Renewal Agency, FY 2019/2020, performed by Merina and Company. This was the last year of the contract with Merina and Company. The City will be going out for an RFP to local entities and the Oregon Government Finance Officers Association (OGFOA).

Board Member Long-Curtiss thanked Director Wilson and her team. Long-Curtiss said it is hard to get a clean audit, and she appreciates Director Wilson and her staff.

Chair Grossman noted Dan Richardson had joined the Board as a representative of City Council. John Fredrick has also agreed to continue on the Board.

Director Cannon stated Angie Wilson and her staff are invaluable to the URA. She appreciates the tremendous resource provided by the Finance Department.

Urban Renewal Comprehensive Financial Analysis

Director Cannon said that early in her fall 2020 tenure she identified the need to complete a comprehensive financial analysis for the Agency. She said this has helped to understand where we stand financially as an Agency. Cannon believed this will inform and lead the Board in future decisions.

Director Cannon introduced Nick Popenuk of Tiberius Solutions. Popenuk has been a Public Financial Consultant for 15 years. Over a decade of that time was spent focusing on Oregon municipalities, particularly urban renewal projects.

Popenuk presented a financial update of the plan which looked at historical growth and revenues in the area, the current fund balance and expenditures in the budget. Included was a forecast for the remaining life of the Urban Renewal area to determine how much financial capital we have and when that capital will become available. Exhibit 1.

Over the years, the historical assessed value of the area has grown 3.4 to 3.5% per year. That growth slowed to about 2.75% in the past five years. It is common across Oregon to see average growth rates that hover around 3%. Oregon's constitution limits the growth assessed value for an individual property to 3% per year, unless there is new construction or other exceptions.

The forecast going forward took the 2.75% trend line over the last five years and forecast that forward. The previous consultant anticipated the area would have a more robust growth rate. Our forecast continues the slow and steady growth rate that has been experienced historically.

In order to calculate the tax increment finance (TIF) revenues, we first look at the total assessed value of the area was when it was formed. That is the frozen base value, \$25M. Every year the Agency compares the total value in the area to the frozen base value. The difference gives the increment value; in the current year that increment was \$93M. That value multiplied by the tax rate for all the permanent rate levies for overlapping districts gives the gross TIF revenues, the TIF to be raised in this area every year. In the current year, that's approximate \$1.6M. As the assessed value grows, the TIF value also grows. Over the expected life span of this urban renewal area, from now until 2029, that gross TIF revenue is expected to increase from \$1.6M to \$2.1M per year.

Every plan adopted post 1997 is required to have a maximum indebtedness (MI) amount stated in its' plan. Each plan adopted prior to that had to take legal action to adopt a MI. The Dalles' plan was substantially amended in 1999 to include a MI of \$14.2M. That amendment established the limit to how much debt the urban renewal area could take out that would be backed by a pledge of the TIF revenues. In 2009, the plan was again amended to increase MI to \$29.1M.

Currently, the total MI used is \$22.8M, roughly 79% of the MI total capacity. Approximately \$6.2M, or 21%, is left for potential borrowing capacity. The amount remaining in the bank, approximately \$3.5M, brings the Agency close to \$10M in capacity if the Agency continues to invest in projects.

The analysis of MI remaining, the amount of revenue currently in the bank, scheduled debt service payments for outstanding debt, and the forecast of future tax increment finance revenues, combined, create a new finance plan that also includes future cash flow. That finance plan shows that if money is spent on new projects as it comes in, the full amount of MI would be reached in 2026. At that point, TIF must be collected until 2029 in order to pay off outstanding debt and close down the district.

Over that time period, the urban renewal area would collect just over \$11M in TIF revenue. The MI would be reached in 2026. Of the new TIF collected, the Agency could fund \$9.9M for future projects. The difference between the two figures is the outstanding debt to be paid off for projects already funded.

In conclusion, Popenuk stated the historical growth has been slow and steady. The forecast assumes that URA assessed values will grow progress at 2.75% per year. The annual TIF value will increase from \$1.6M today, to \$2.1M per year by the end of the decade. The \$6.2M remaining MI combined with the \$3.5M remaining fund balance brings us to \$9.9M for future projects minus interest earnings and other line items. The MI will be reached in 2026. TIF will continue to be collected to repay debt through 2029.

Director Cannon invited questions.

Chair Grossman thanked Mr. Popenuk for a very informative presentation.

Mayor Mays asked for clarification of the conclusions. \$6.2M remaining for the MI, plus \$3.5M remaining fund balance, equals \$9.7M. The slide reflects \$9.9M capacity for future projects.

Popenuk replied there are other revenue streams that come into play. Interest earnings on the fund balance generate additional cash flow that makes up the difference.

Chair Grossman asked Director Cannon how she planned to follow up.

Director Cannon acknowledged the Board's commitment to completion of the First Street Project. She has hired a project manager to assist with oversight of the project. An update will be available in the next month or two.

Director Cannon said Agency owned properties should be considered for possible public or private development opportunities. She has received inquiries regarding housing in the downtown district.

Director Cannon would like to discuss the grant program to ensure consistency with the Board's goals moving forward. She asked if the Board would like to focus in a different area, from a policy perspective, to get the desired type of development or investment. She has also received grant inquiries. Cannon had not seen follow-up discussion on the grant program since it was put on hold in 2018. She would like to see how it would fit into a larger conversation about a strategic plan. She would like to return next month for a strategic plan and grant discussion.

Board Member Cronin and Chair Grossman agreed that was a good place to start. Chair Grossman suggested review of the project list as well. He thought a problem with the grant program was the lack of promotion, as well as maintenance of buildings for non-profit.

Board Member Kramer added to the strategic plan discussion the governance of this Agency. This has been on the table for a couple of years, he would like to include the topic moving forward.

Director Cannon asked if Board Member Kramer meant the governing board when speaking of the governance of this Agency. Kramer replied he meant the complete make-up of urban renewal, with the history of it having an advisory board with the City Council as the decision maker. He felt strongly that should be revisited. There are three Council members on the Board, three out of five makes a quorum. Kramer did not feel our districts should be held accountable for these funds. He said there is a bigger discussion that should be had.

Director Cannon said she did not have all the history. She asked for an organic discussion where the Board would bring ideas for consideration.

Board Member Kramer said he was happy to meet with Chair Grossman and Director Cannon.

Board Member Long-Curtiss said urban renewal agencies were strictly defined in the ORS, a good place to look for options.

STAFF COMMENTS

Director Cannon noted meetings are live streamed and open to the public. She reminded the group that conversation at the beginning of the meeting will be broadcast and remain a part of the permanent record.

Future agenda items will include:

- Governance of the Agency
- Strategic Planning, budget consideration is approaching
- Grant Program
- First Street Project update
- Status checks on projects

Director Cannon stated she was happy to receive other ideas for future meetings.
The next meeting will be held March 16, 2021.

BOARD MEMBERS COMMENTS OR QUESTIONS

Board Member Richardson thanked Director Cannon for the financial reports and said they were very helpful. He asked what parameters Director Cannon was working with for the First Street Project. Cannon replied she would bring a status report. A short presentation by the consultant team was provided at an earlier meeting. Plans are 75% complete. She would like to discuss where we are going and how soon we can get there. Our plan is to be finished with this project by summer of 2023. More work is required to prepare the plans for bid. Steps with ODOT must be completed for review and additional work with the railroad on project boundaries is required. Cannon plans to return with a detailed status report.

EXECUTIVE SESSION

Pursuant to Item VIII. A. of the Urban Renewal Agency Board Agenda dated February 18, 2021, which cites ORS 192.660(2)(e), the Board adjourned to Executive Session at 6:12 p.m.

Chair Grossman stated Mayor Mays had been invited to sit in on Executive Session. There was no opposition.

Chair Grossman reconvened the Open Session at 6:41 p.m.


It was moved by Kramer and seconded by Fredrick to direct staff to provide a cost analysis of demolition to go out for an RFP. The motion passed 9/0; Coburn, Cronin, Dugick, Fredrick, Grossman, Kramer, Long-Curtiss, McGlothlin and Richardson in favor, none opposed.

Board Member Kramer corrected his motion to read, "... to direct staff to provide a cost analysis of demolition of the Tony's Building, 401 E. Second Street, to go out for an RFP."

ADJOURNMENT

Chair Grossman adjourned the meeting at 6:44 p.m.

Respectfully Submitted
Paula Webb, Community Development Secretary



Gary Grossman, Chair

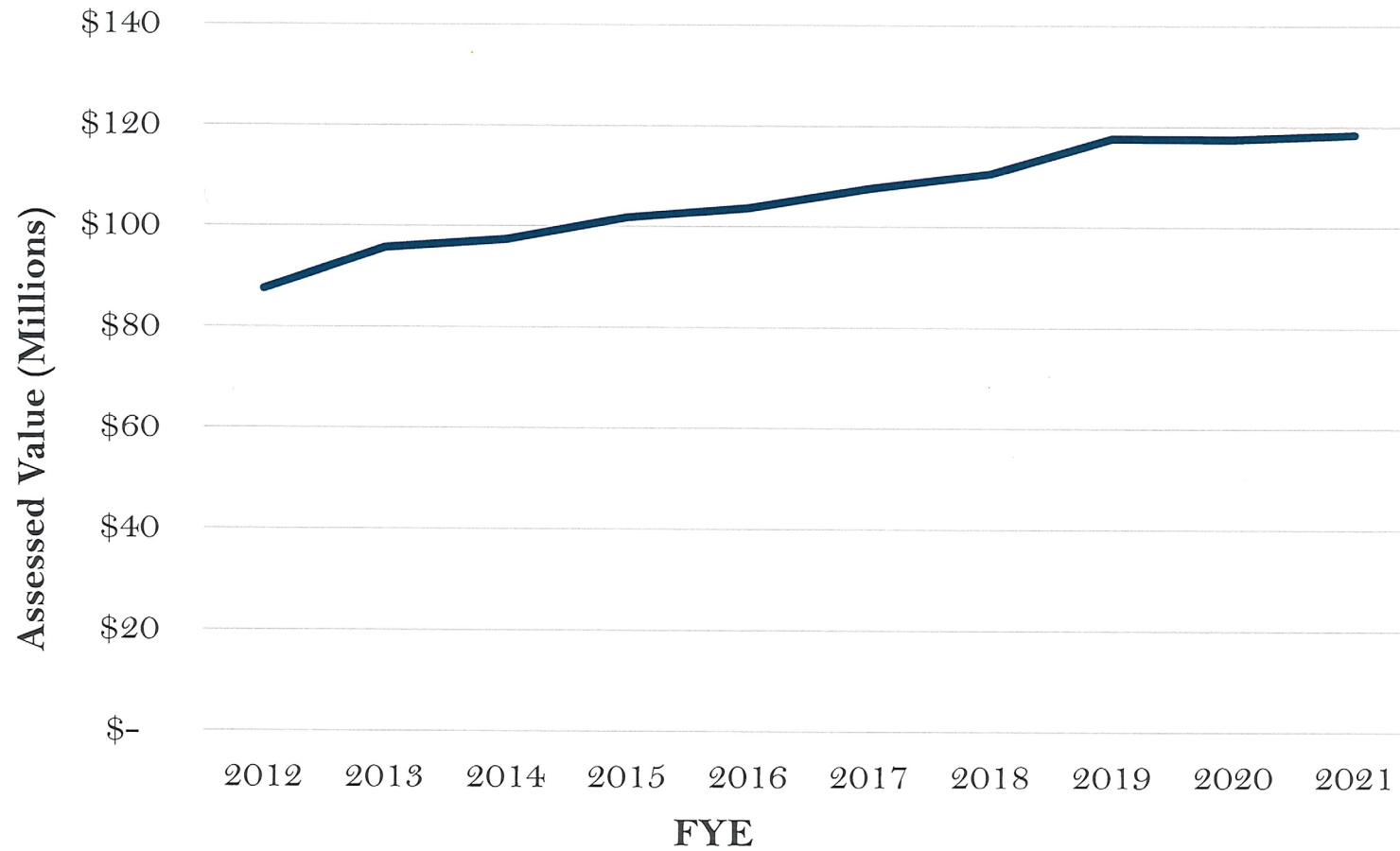
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City of The Dalles Urban Renewal Financial Update

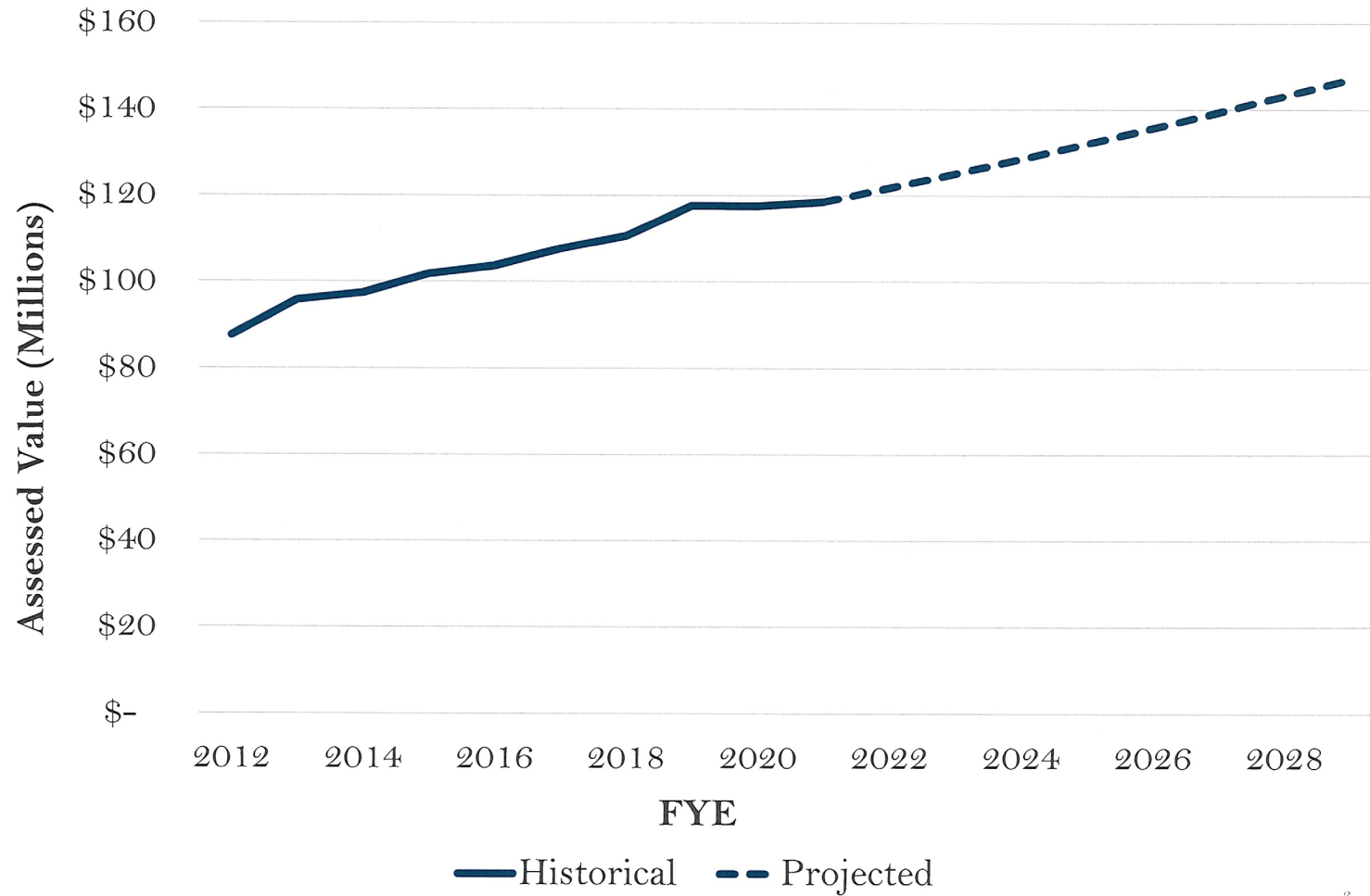
Nick Popenuk
February 16, 2021



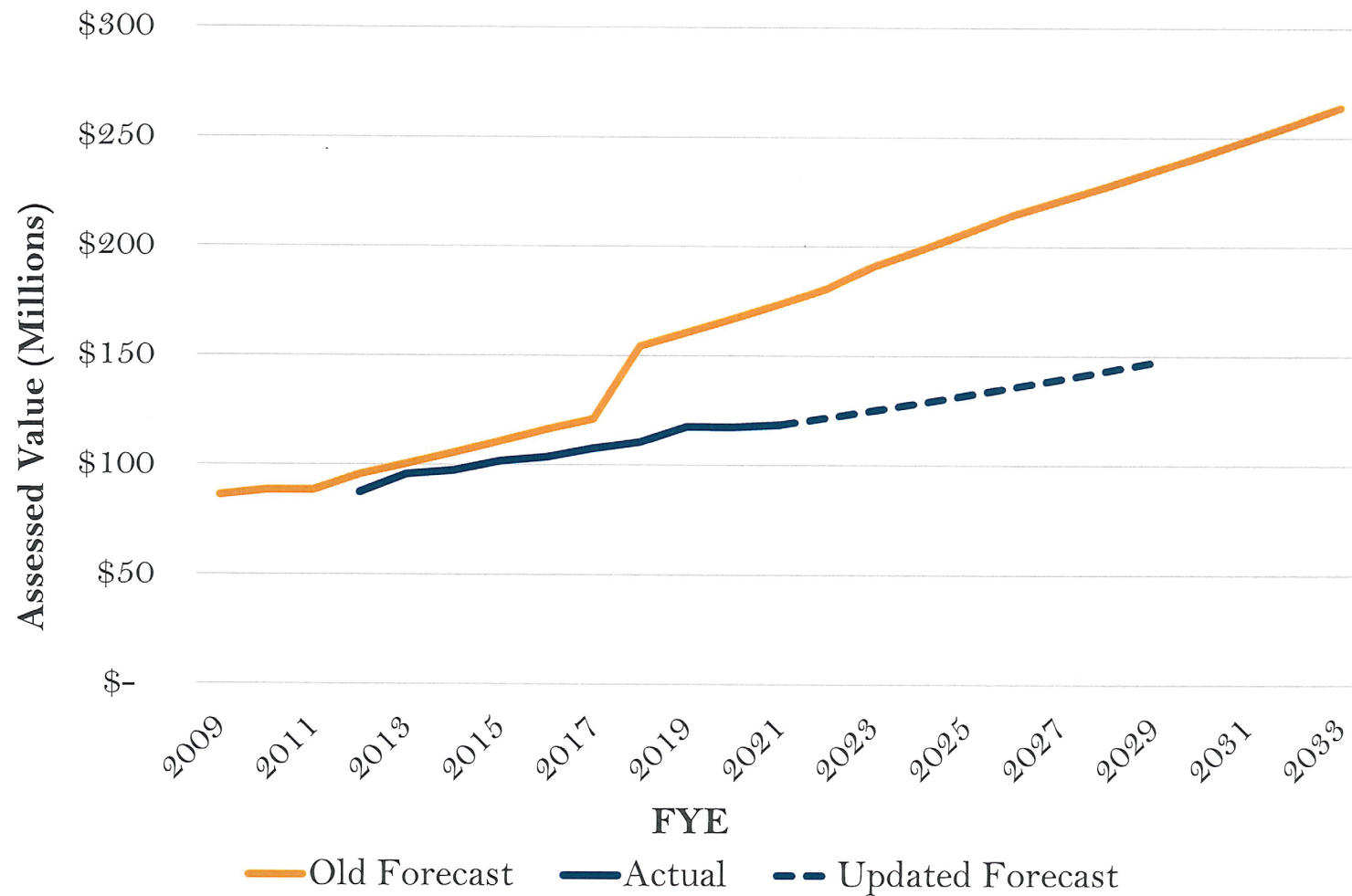
Historical Assessed Value



Projected Assessed Value



Comparison to Previous (2009) Forecast



TIF Forecast

FYE	Assessed Value			Tax Rate	Gross TIF
	Total	Frozen Base	Increment		
2021	\$118,429,828	\$25,076,797	\$93,353,031	\$17.4068	\$1,624,978
2022	\$121,686,648	\$25,076,797	\$96,609,851	\$17.4068	\$1,681,668
2023	\$125,033,031	\$25,076,797	\$99,956,234	\$17.4068	\$1,739,918
2024	\$128,471,439	\$25,076,797	\$103,394,642	\$17.4068	\$1,799,770
2025	\$132,004,403	\$25,076,797	\$106,927,606	\$17.4068	\$1,861,267
2026	\$135,634,524	\$25,076,797	\$110,557,727	\$17.4068	\$1,924,456
2027	\$139,364,473	\$25,076,797	\$114,287,676	\$17.4068	\$1,989,383
2028	\$143,196,995	\$25,076,797	\$118,120,198	\$17.4068	\$2,056,095
2029	\$147,134,912	\$25,076,797	\$122,058,115	\$17.4068	\$2,124,641

Maximum Indebtedness

- 1990 – Plan Adopted without MI
- 1999 – Plan Substantially Amended to Include MI of \$ 14,227,353
- 2009 – Plan Substantially Amended to increase MI to \$ 29,125,583
- Further increases to MI subject to statutory limits

Maximum Indebtedness (MI) Capacity

- Total MI Allowed: **\$29,125,583**
- Total MI Used: **\$22,871,827**
- MI Remaining: **\$6,253,756**



Total Maximum Indebtedness Allowed

Finance Plan Summary

Continue activities until MI is reached (estimated FYE 2026) and collect TIF until debt is scheduled to be repaid (FYE 2029)

- Future TIF Needed: **\$11,050,000**
- MI Reached: **FYE 2026**
- Total Future Capacity for Projects/Admin:
 - Nominal Dollars: **\$9,880,000**
 - Today's Dollars: **\$9,280,000**

Cumulative Tax Impacts (FYE 2022 –2029)

Taxing District	Total Impact
General Government	
Wasco County	\$2,699,355
Port of The Dalles	\$127,404
Northern Wasco County Park & Rec	\$431,600
Mid Columbia Fire & Rescue	\$1,333,332
City of The Dalles	\$1,914,236
Wasco County Soil Conservation District	\$158,700
4-H & Extension Service District	\$158,700
Wasco County Library District	\$431,663
<i>Subtotal</i>	\$7,254,989
Education	
Columbia Gorge Community College	\$171,586
Columbia Gorge ESD	\$296,959
North Wasco County SD 21*	\$3,326,282
<i>Subtotal</i>	\$3,794,828
Total	\$11,049,817

Conclusions

- Historical Growth: Slow and steady
- Assumes 2.75% AV growth per year
- TIF grows from \$1.6M to \$2.1M per year
- \$6.2M remaining MI + \$3.5M fund balance
- \$9.9M capacity for future projects
- MI reached in FYE 2026
- Repay debt through FYE 2029

Questions?

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