

MINUTES

**COLUMBIA GATEWAY URBAN RENEWAL
BUDGET COMMITTEE MEETING**

April 13, 2021
5:30 p.m.

VIA ZOOM

PRESIDING: Gary Grossman, Chair

BOARD PRESENT: Joe Barcott, Staci Coburn, Mike Cronin, Tracy Dugick, Forust Ercole, Deborah Ferrer, Sandra Haechrel, Steve Kramer, Darcy Long-Curtiss, Tim McGlothlin, Dean Myerson (arrived at 5:34 p.m.), Doug Nelson, Dan Richardson and Ben Wring

BOARD ABSENT: John Fredrick and Leon Surber

STAFF PRESENT: Urban Renewal Manager and Budget Officer Alice Cannon, Finance Director Angie Wilson, and CDD Secretary Paula Webb

CALL TO ORDER

The meeting was called to order by Chair Grossman at 5:30 p.m.

ELECTION OF OFFICERS

Chair Grossman opened nominations for Budget Committee Chair.

Committee Member Barcott nominated Darcy Long-Curtiss for Chair. The nomination passed 13/0; Barcott, Coburn, Cronin, Dugick, Ercole, Ferrer, Grossman, Haechrel, Kramer, McGlothlin, Nelson, Richardson and Wring in favor, none opposed, Long-Curtiss abstained, Fredrick, Myerson and Surber absent.

Chair Long-Curtiss opened nominations for Budget Committee Secretary.

Committee Member Kramer nominated Tracy Dugick for Secretary; Committee Member McGlothlin seconded the nomination. The nomination passed 15/0; Barcott, Coburn, Cronin, Dugick, Ercole, Ferrer, Grossman, Haechrel, Kramer, Long-Curtiss, McGlothlin, Meyerson, Nelson, Richardson and Wring in favor, none opposed, Fredrick and Surber absent.

BUDGET OFFICER'S MESSAGE, FISCAL YEAR 2021-22

UR Manager and Budget Officer Cannon presented the Budget Officer's message, Exhibit 1.

Discussion topics included:

- The possibility of paying off the debt service early, in 2025 rather than 2029, was discussed at the last Budget Committee meeting [May 12, 2020]. Chair Long-Curtiss stated the topic was not addressed as an agenda item. The Committee made no decision to move forward; the item is not in the budget. URAB Chair Grossman clarified there was no current plan to pay off the debt earlier. The current plan is to review project lists prior to making a debt reduction decision.
- UR Manager Cannon stated the Federal Street Plaza project was last discussed by then UR Manager Harris and City Council in July, 2020. At that time, Council concerns included proper sequencing of three priorities: First Street Streetscape, Tony's Building and Federal Street Plaza, in that order. From a practical standpoint and staff capacity standpoint, the projects in the Budget Officer's message are projects that can reasonably be accomplished this year. The Federal Street Plaza would be sequenced after the First Street Streetscape and Tony's Building projects due to the need for a construction staging area and redirection of traffic.
- Currently there is no timeline to begin demolition of the Tony's Building. Staff is investigating possible grant funding to assist with demolition. Environmental concerns include asbestos abatement and storage tank removal. UR Manager Cannon is determining the proper sequence to complete the project expeditiously while also saving money.
- An explanation was requested for the differences between what is approved and what is proposed for "Property Tax – Current" which has dropped approximately \$130,000 and "Contract Admin Services" which has increased approximately \$35,000.

Finance Director Wilson replied the property tax is taken from Wasco County. The City uses the assessment from the County's SAL Report (Summary of Assessments and Levies) for proposed tax revenue. The proposed amount, \$721,000, is the remainder after Debt Service is funded.

UR Manager Cannon stated the amount of time budgeted was insufficient. Staff is spending more time than was previously budgeted. Cannon said the increase was realistic; she closely evaluated the amount based on trends over the past months.

Cannon further clarified the "Urban Renewal Consult" line item. Additions include a real estate development project consultant for the Tony's Building redevelopment and a capital project management consultant for assistance with the First Street Streetscape. Wilson added "Contract Admin Services" are an estimate; the amount is based on actual hours worked by Staff.

- Committee Member Kramer requested Public Comment be addressed prior to Budget Deliberations.
- Chair Long-Curtiss noted new committee members are appointed by the Mayor and approved by City Council.
- Committee Member Kramer noted in the Budget Officer's Message, page 1, Wasco County was missing from the list of governing boards. UR Manager Cannon apologized for the oversight.

- Committee Member Richardson referred to goal five, refreshing Urban Renewal marketing, and goal four, consider redevelopment opportunities. He encouraged Staff to talk with downtown business owners who have started or explored renovation of second stories regarding remedies for existing disincentives to development.
- Richardson noted there are plans for the Federal Street Plaza, and asked that the Plaza be addressed after Tony's and before First Street. Chair Long-Curtiss replied the First Street Plaza has a timeline and federal monies that must be returned [if the project is not completed]. City Council and Urban Renewal discussed the need for a decision on the Tony's Building prior to the Federal Street Plaza, in the event the decision impacts the Plaza.

BUDGET PRESENTATION / DELIBERATIONS

Chair Long-Curtiss presented the budget.

UR Manager Cannon explained "Contractual Services" include GIS mapping services from Wasco County, legal services through Campbell Phillips, an ArcGIS subscription to access GIS information and funds set aside for meeting space rental fees (if necessary).

Cannon reiterated "Contract Admin Services" are an estimate; actual hours are recorded on Staff timesheets.

"Auditing Services" are an annual requirement specific to Urban Renewal. Finance Director Wilson added this amount is an estimate; the Request for Proposal (RFP) was not yet received.

Committee Member Coburn said "Legal Services," in "Contract Admin Services" last year, has now moved into "Contractual Services." "Legal Services" was approximately \$31,000 last year; we are now adding another \$40,000. There is quite a bit of money in "Contractual Services" that was not there before. Cannon replied an increase in Staff time was anticipated as well as increased legal services. Coburn noted the \$84,000 budgeted last year, minus attorney services of \$31,000, left approximately \$50,000. The comparison of \$50,000 to \$120,000 is a much larger jump than \$84,000 to \$120,000.

UR Manager Cannon noted "Urban Renewal Consult" includes:

- Contracting for preparation of the UR Annual Report
- A project manager with real estate expertise to assist with the demolition and redevelopment of the Tony's site
- A Legal Consultant in the event an attorney with urban renewal expertise is required
- A Capital Project Management Consultant for assistance with the First Street Streetscape Project

"Engineering Services" will cover coordination work with Public Works. Cannon anticipated those funds would be spent as we finish, prepare bid documents, and move into construction. Public Works will likely help with inspection services.

"Property Rehab" includes the interest on loans for the Honald Building and the Gayer Building. An additional \$60,000 is set aside for new projects.

UR Manager Cannon noted incentive programs include:

- Property Rehabilitation Grant and Loan Program
- Historic Design and Restoration Program which works with the Historic Landmarks Commission on façade grants
- Architectural and Engineering Services grant which would provide initial costs for architectural work
- Redevelopment of Unused and Underused Property Program
- Redevelopment and Restoration Loan Interest Subsidy Program
- Civic Improvements Grant Program, and
- Blighted Property Demolition Loan Program

Chair Long-Curtiss noted the UR Board paused incentive programs due to budgeting concerns.

UR Manager Cannon noted the “Buildings and Grounds” included repairs on the Tony’s Building to halt further damage. Portable heaters were used to prevent freezing; the heaters were inefficient and quite costly. That expense will end when demolition occurs.

“Property Taxes” were budgeted for the Commodore II parking lot and properties on First Street.

“Property/Liability Insurance” was budgeted for the Tony’s Building and Blue Building. The Agency no longer covers insurance on the Recreation Building.

“Travel, Food and Lodging” and “Memberships/Dues/Subscriptions” go hand-in hand, providing opportunities to remain involved with statewide activities. The Association of Oregon Redevelopment Agencies (AORA) provides statewide lobbying for legislative changes and opportunity to share ideas and keep up with best practices, particularly for incentives. The Agency is also a member of the Oregon Economic Development Association (OEDA).

UR Manager Cannon stated “Capital Projects by City” will cover the cost of the Tony’s Building demolition. The quote received was between \$200,000 and \$250,000. This estimate does not include environmental costs for asbestos abatement, storage tank removal or litigation for leakage.

Cannon stated the Agency has funds set aside for the First Street Project which is pretty well funded now. Based on cost estimate discussions with ODOT and the design consultant, it was determined additional funding may be required. The \$50,000 transfer to Fund 018 is our projection of increased costs.

“Capital Projects by UR, Opportunity Driven Projects” is the remaining fund balance available for opportunities that may arise during the year. Should the Board identify an opportunity for the Federal Street Plaza or redevelopment of the Tony’s site after demolition, these funds provide an opportunity to move forward.

Committee Member Kramer asked if all the agreements were in place with the appropriate entities for First Street, or if the funds were for right-of-way acquisitions. He then asked if we still have work to do there. Cannon replied more work is required. There will be an agreement coming forth for ODOT to fulfill right-of-way services for this project. The projected amount is

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\$200,000. This item will go before the Urban Renewal Agency Board at the next meeting, April 20, 2021. The Board will review and give a recommendation to City Council.

Chair Long-Curtiss invited public comment. There was none.

APPROVAL OF BUDGET

It was moved by Nelson and seconded by Barcott to approve the budget as presented. The motion passed 13/1; Barcott, Coburn, Cronin, Dugick, Ercole, Ferrer, Grossman, Haechrel, Long-Curtiss, McGlothlin, Nelson, Richardson and Wring in favor, Kramer opposed, Fredrick and Surber absent.

ADJOURNMENT

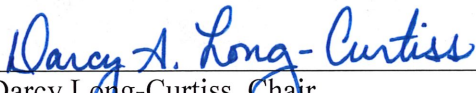
Being no further business, Chair Long-Curtiss adjourned the meeting at 6:45 p.m.

Submitted by/

Paula Webb, Secretary

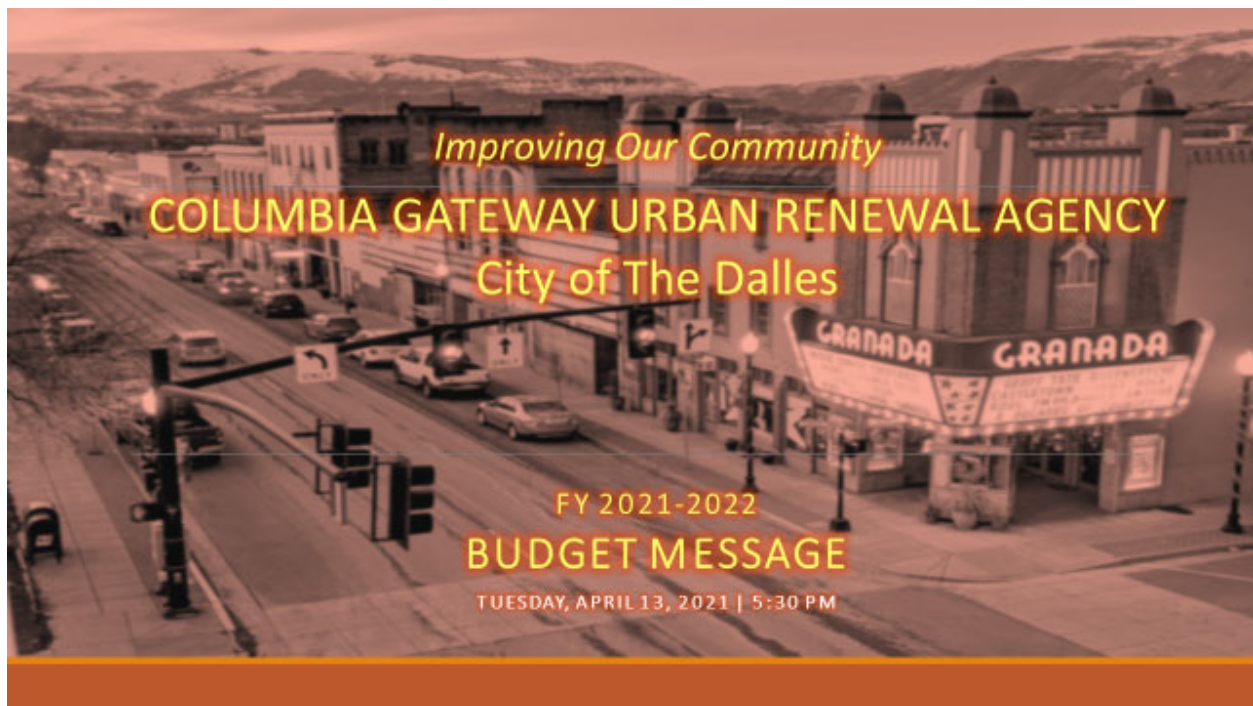
Community Development Department

SIGNED:


Darcy Long-Curtiss, Chair

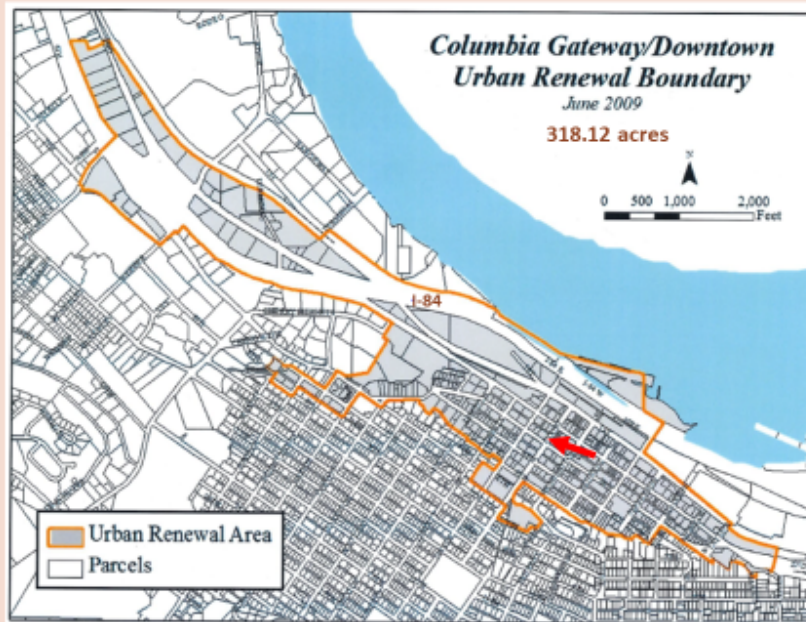
ATTEST:


Paula Webb, Secretary
Community Development Department



Mission Statement

"The Mission of the urban renewal agency is to eliminate blight and depreciating property values within the Agency's jurisdiction and in the process, attract aesthetically pleasing, jobs producing private investments that will stabilize or increase property values and protect the Area's historic places and values."



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History of Columbia Gateway URA

1990:

Original Urban Renewal Plan Adopted

1999:

Plan Substantially Amended to Include Maximum Indebtedness of \$14.23M

2009:

Plan Substantially Amended to increase MI to \$29.13M

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Financial Update Completed in January 2021

- Total MI Allowed: **\$29.12M**
 - Total MI Used: **\$22.87M**
 - MI Remaining: **\$6.25M**
 - Current Cash Balance: **\$3.78M**
- = Approximately **\$10M remaining for projects**



TOTAL MAXIMUM INDEBTEDNESS ALLOWED

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Capital Projects Fund

- This fund is the URA program's operating fund
- Capital Projects funds all projects, staffing and consulting needs.

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Capital Projects Fund: URA Program Goals for FY 2020-2021

- Continue the program and fund administrative/technical services
- Complete engineering, right-of-way acquisition and bid documents for the **First Street Riverfront Connection Project**.



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Capital Projects Fund: URA Program Goals for FY 2020-2021 -- Continued

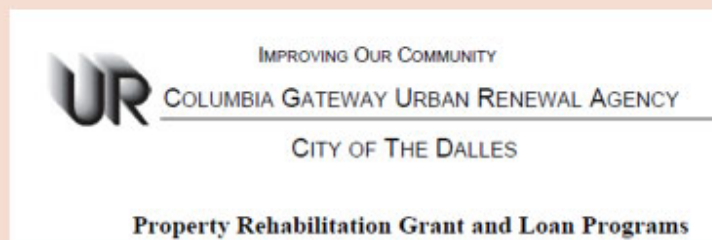
- Initiate demolition of Agency-owned building at the NE corner of Second and Federal Street to make way for development-ready site in downtown.
- Consider public/private redevelopment opportunities to create new housing and commercial space in downtown.



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Capital Projects Fund: URA Program Goals for FY 2020-2021 -- Continued

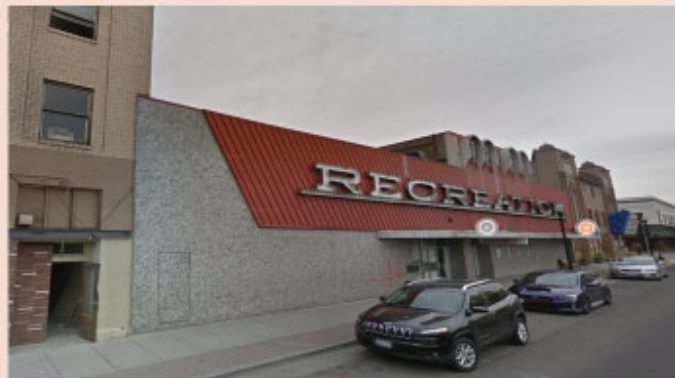
- Refresh current URA grant and loan programs.
- Create updated marketing and website content for all programs
- Develop new programs to incent the development of new housing units in downtown.



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Capital Projects Fund: URA Program Goals for FY 2020-2021 -- Continued

- Monitor and track progress on the Recreation Building Project.



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Capital Projects Fund: URA Program Goals for FY 2020-2021 -- Continued

- Collect payments and track progress on outstanding URA loans:
 - **Honald Building** (SE corner of Second/Federal)
 - **Gayer Building** (SE corner of Second/Washington)
 - **Commodore II Building** (NE corner of Third/Court)
 - **Blue Building** (SW corner of First/Washington)

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Capital Projects Fund: URA Program Goals for FY 2020-2021 -- Continued

- Complete URA Strategic Planning to guide future investments, projects and activities of the Agency through its projected completion in the late 2020s.

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Debt Service Fund

- This fund collects all property tax revenues of the Agency.
- All debt is paid first and then remaining funds are transferred to the Capital Projects fund.

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